



FINANCIAL STATEMENTS

Year Ended December 31, 2013

With Report of

Certified Public Accountants

WASHINGTON COUNTY

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WASHINGTON COUNTY

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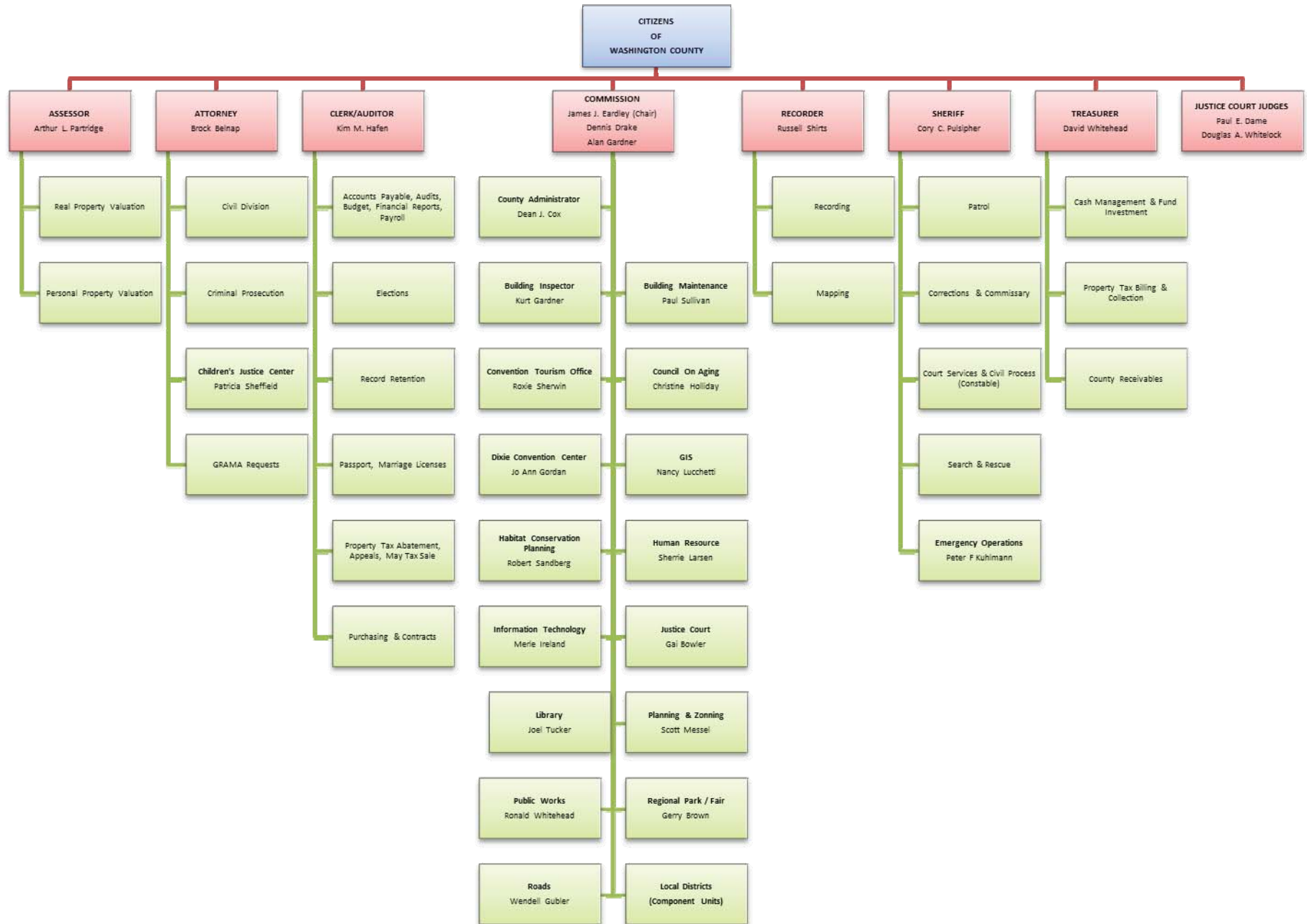
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INTRODUCTORY SECTION

WASHINGTON COUNTY ORGANIZATIONAL CHART

For the Year Ended December 31, 2013



WASHINGTON COUNTY
List of Elected and Appointed Officials
December 31, 2013

ELECTED OFFICIALS

James J. Eardley Commission 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
Roxie Sherwin..... Convention & Tourism Office
Christine Holliday Council On Aging
Jo Ann Gordon..... Dixie Convention Center
Peter F. Kuhlmann Emergency Operations
Nancy H. Lucchetti Geographic Information System
Robert Sandberg Habitat Conservation Planning
Sherrie Larsen Human Resources
Merle Ireland..... Information Technology
Gai Bowler Justice Court
Joel Tucker..... Library
Scott Messel..... Planning & Zoning
Ronald G. Whitehead..... Public Works
Gerry T. Brown..... Regional Park/Fair
Wendall Gubler Roads
Dale Gubler..... Weeds

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

FINANCIAL SECTION

Independent Auditors' Report

The Honorable County Commissioners
Washington County
St. George, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County, Utah (the County) as of and for the year ended December 31, 2013, 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 did not audit the financial statements of the following component units, Southwest Utah Public Health Department and Rockville/Springdale Fire Protection District, which statements reflect total assets of \$8,432,077 as of December 31, 2013 and total revenues of \$9,177,411 for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the previously noted component units in the component unit columns, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County, Utah, as of December 31, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 16 to the financial statements, in 2013, the County adopted new accounting guidance, GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to this matter.

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 as listed in the table of contents 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, debt service and capital projects fund budgetary comparison statements, combining and individual nonmajor fund budgetary comparison schedules, combining component unit statements, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The debt service and capital projects fund budgetary comparison statements, the combining and individual nonmajor fund budgetary comparison schedules, and the combining component unit statements 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 debt service and capital projects fund budgetary comparison statements, the combining and individual nonmajor fund budgetary comparison schedules, and the combining component unit statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and other schedules: tax collection agency fund cash receipts and disbursements, statement of taxes charged and collected, and schedule of expenditures of transient room taxes have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2014, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



HintonBurdick, PLLC
June 27, 2014

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WASHINGTON COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

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, 2013. 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 145,000. 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 yearlong 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 inspections, 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 was slowed due to the recession, but this past year we have seen increase in building permits.
- Sales Tax revenues increased during 2013 from \$5.7 million to \$6.17 million or 7.8%.
- Transient Room Taxes increased during 2013 from \$3.9 million to \$4.3 million or 11%.
- Restaurant Taxes increased during 2013 from \$2.0 million to \$2.2 million or 8%.
- As of the end of 2013, the County's unemployment rate was 4.6% as compared to the State rate of 4.0% and the National rate of 6.7%.
- During 2013 the County's General Fund balance increased from \$6.6 million to \$7.1 million.
- Total County assets, excluding component units, exceed total liabilities (net position) by \$63.9 million at the close of the fiscal year. Total net position increased by \$7.8 million.
- Total revenues from all sources, excluding component units, were \$61.6 million.
- The total cost of all County programs, excluding component units, was \$53.5 million.

USING THIS ANNUAL REPORT

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

Reporting the County as a Whole

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

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

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.

Washington County, Utah Statement of Net Position

	Governmental Activities		Component Unit Activities	
	2013	2012	2013	2012
Current and other assets	\$ 56,602,100	\$ 52,709,069	\$ 33,108,727	\$ 33,767,620
Capital assets	55,895,804	57,873,649	37,186,661	36,805,324
Total assets	<u>112,497,904</u>	<u>110,582,718</u>	<u>70,295,388</u>	<u>70,572,944</u>
Deferred outflows of resources	1,242,398	-	-	-
Long-term liabilities	41,725,327	46,905,114	8,483,002	11,170,100
Other liabilities	8,027,271	7,522,075	1,175,720	1,277,298
Total liabilities	<u>49,752,598</u>	<u>54,427,189</u>	<u>9,658,722</u>	<u>12,447,398</u>
Deferred inflows of resources	-	-	86,686	-
Net position:				
Net investment in				
capital assets	14,747,321	11,538,739	33,849,023	31,412,853
Restricted	26,698,378	25,219,724	3,265,725	3,017,889
Unrestricted	22,542,005	19,397,066	23,435,232	23,694,804
Total net position	<u>\$ 63,987,704</u>	<u>\$ 56,155,529</u>	<u>\$ 60,549,980</u>	<u>\$ 58,125,546</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 on the following page.

**Washington County, Utah
Changes in Net Position**

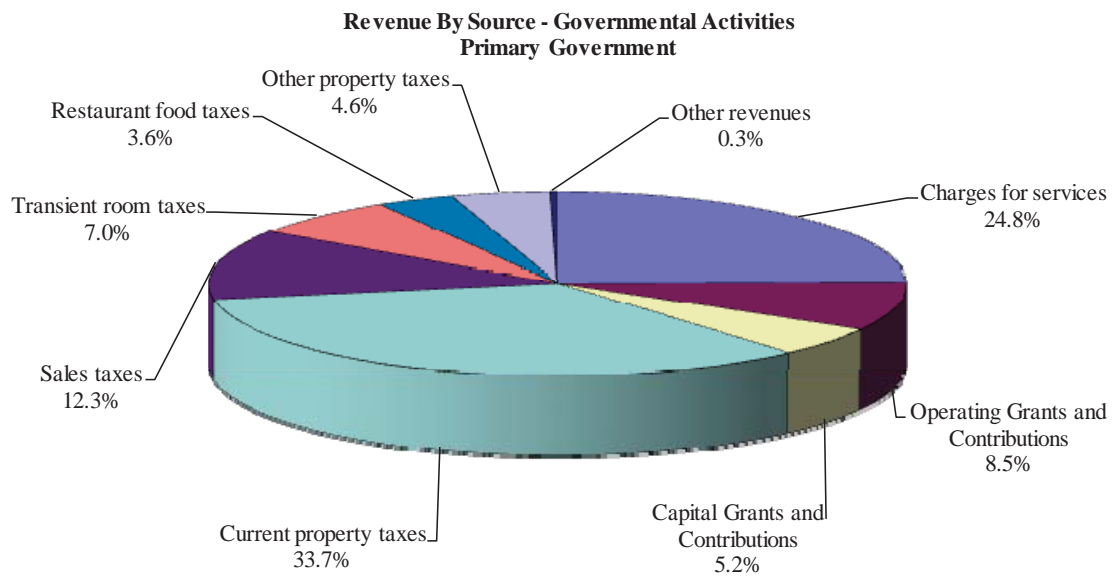
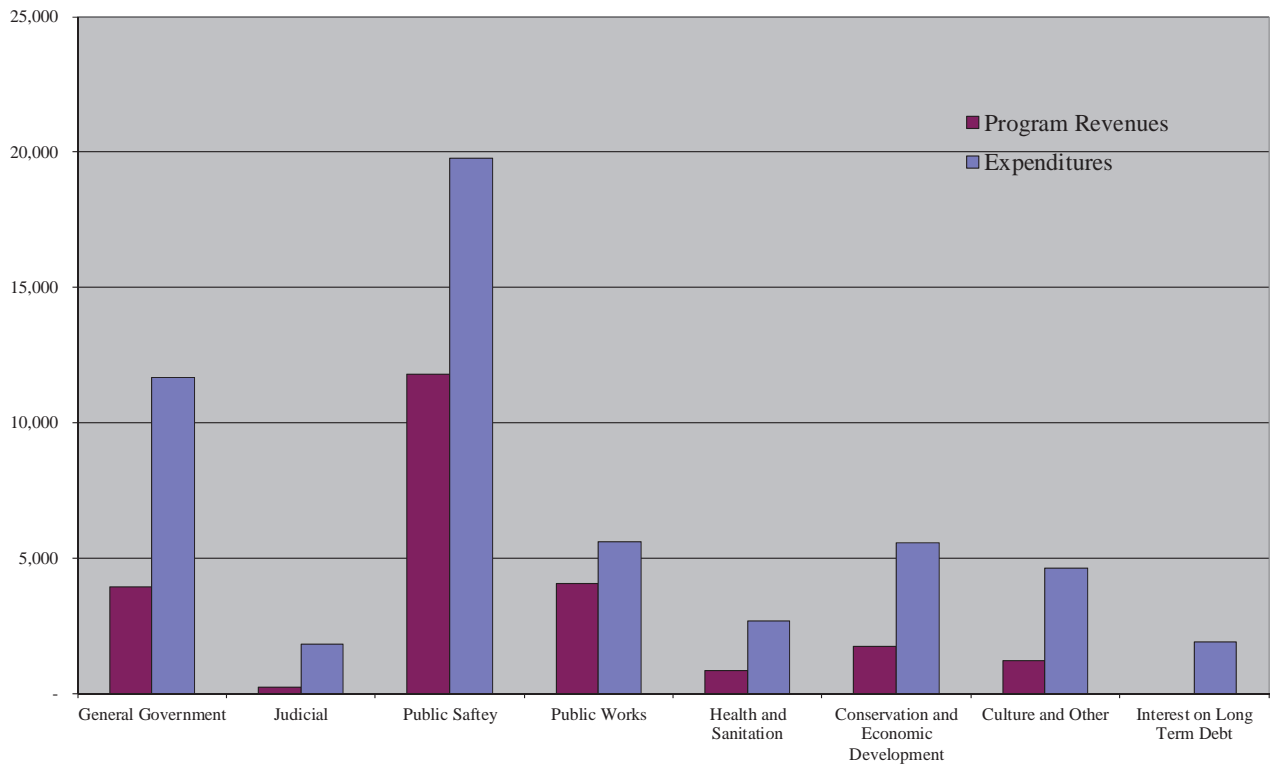
	Governmental Activities		Component Unit Activities	
	2013	2012	2013	2012
Revenues:				
Program revenues:				
Charges for services	\$ 15,296,862	\$ 14,704,453	\$ 13,842,765	\$ 13,294,745
Operating grants and contributions	5,252,880	5,221,023	7,577,540	7,311,414
Capital grants and contributions	3,207,956	2,246,341	1,720,579	1,915,632
General revenues:				
Taxes	37,730,684	36,207,762	961,801	990,684
Other	186,447	(2,265,727)	263,723	304,134
Total revenues	<u>61,674,829</u>	<u>56,113,852</u>	<u>24,366,408</u>	<u>23,816,609</u>
Expenses:				
General government	11,669,108	11,560,550	-	-
Judicial	1,822,443	1,773,147	-	-
Public safety	19,781,010	19,293,681	2,715,203	2,578,236
Public works	5,585,610	4,108,638	11,808,641	10,639,654
Health and sanitation	2,649,561	2,648,805	7,628,181	7,886,038
Conservation and economic development	5,538,395	5,181,373	34,389	30,191
Culture and other	4,621,723	4,525,969	-	-
Interest on long term debt	1,876,599	2,339,027	-	-
Total expenses	<u>53,544,449</u>	<u>51,431,190</u>	<u>22,186,414</u>	<u>21,134,119</u>
Increase in net position	8,130,380	4,682,662	2,179,994	2,682,490
Net position, beginning	56,155,529	51,472,867	58,125,546	55,245,896
Restatement adjustment	(284,313)	-	-	-
Prior period adjustment	(13,892)	-	244,440	197,160
Net position, ending	<u>\$ 63,987,704</u>	<u>\$ 56,155,529</u>	<u>\$ 60,549,980</u>	<u>\$ 58,125,546</u>

The cost of all Governmental activities this year was \$53.5 million. As shown on the Statement above, \$15.2 million of this cost was paid for by those who directly benefited from the programs; \$8.4 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 \$23.7 million. General taxes, investment earnings, and other general revenues totaled \$37.9 million.

Total resources available during the year to finance operations were \$117.4 million consisting of net position at December 31, 2012 of \$55.8 million, program revenues of \$23.7 million and general revenues of \$37.9 million. Total Governmental Activities during the year were \$53.5 million; thus net position increased by \$8.1 to \$63.9 million. Most of the governmental activities remained consistent from 2012 to 2013.

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)**



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 16 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 66 to 69.

For the year ended December 31, 2013, the governmental funds reflect a combined fund balance of \$49,331,634, are reported on page 16 to 17. Of this, \$22,087,116 is not available for expenditure or is restricted and legally segregated for a specific future use. An additional \$6.3 million has been committed to capital projects. The remaining \$20,944,518 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 \$25,448,415 and expenditures, before other financing sources and uses, totaled \$20,729,500. The net increase in fund balance before transfers was \$4,718,915. Transfers from the general fund of \$4,195,931 were made to the Debt Service fund, Children's Justice Center fund, Council on Aging fund and the Capital Projects fund for 2013.

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 \$6,475,643 while expenditures totaled \$5,349,293 in 2013. (See Page 60)

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 \$871,633 while expenditures totaled \$553,887 in 2013. (See Page 61)

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 \$4,755,273 and \$3,218,094 in 2013, respectively. (See Page 62)

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 2013. (See Page 64)

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 2013. The fund reported \$20,969 in revenue, before transfers, and \$66,564 in capital outlay. (See Page 65)

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 66 to 77 for nonmajor combining and individual fund statements)

General Fund Budgetary Highlights

The final appropriations for the General Fund at year-end were \$1,227,997 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 \$1,290,132. 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. (See Pages 56 to 59)

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 2013, net capital assets of the government activities totaled \$55.8 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 \$47.0 million in governmental type debt. The debt is a liability of the government and amounts to approximately \$324.52 per capita. During the current fiscal year, the County's total debt had a net decrease of \$6,166,415. (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 2014 close to the 2013 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. www.washco.utah.gov

BASIC FINANCIAL STATEMENTS

WASHINGTON COUNTY
Statement of Net Position
December 31, 2013

	Primary Government	
	Governmental Activities	Component Units
Assets		
Cash and investments	\$ 37,589,840	\$ 22,800,611
Receivables (net of allowance for uncollectibles)	9,019,009	1,814,981
Inventory	-	25,014
Prepaid assets	504,447	98,236
Restricted cash and investments	6,124,694	8,243,486
Noncurrent receivables	-	126,399
Note receivable	3,364,110	-
Capital assets not being depreciated	4,348,092	11,464,270
Capital assets being depreciated, net of accumulated depreciation	51,547,712	25,722,391
Total assets	112,497,904	70,295,388
Deferred Outflows of Resources		
Deferred charge on refunding	1,242,398	-
Liabilities		
Accounts payable and other current liabilities	2,128,054	931,949
Unearned revenue	186,447	-
Accrued interest payable	382,770	31,438
Noncurrent liabilities:		
Due within one year	5,330,000	212,333
Due in more than one year	41,725,327	8,483,002
Total liabilities	49,752,598	9,658,722
Deferred Inflows of Resources		
Billings for future period revenues	-	86,686
Net Position		
Net investment in capital assets	14,747,321	33,849,023
Restricted for:		
Capital projects	-	-
Class "B" roads	1,670,035	-
Debt Service	3,019,616	-
Other purposes	22,008,727	3,265,725
Unrestricted	22,542,005	23,435,232
Total net position	\$ 63,987,704	\$ 60,549,980

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Statement of Activities
For the Year Ended December 31, 2013

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	
Primary government:							
Governmental activities:							
General government	\$ 11,669,108	\$ 3,529,962	\$ 386,177	\$ 5,000	\$ (7,747,969)	\$ (7,747,969)	\$ -
Judicial	1,822,443	225,730	-	-	(1,596,713)	(1,596,713)	-
Public safety	19,781,010	8,581,419	3,059,543	158,369	(7,981,679)	(7,981,679)	-
Public works	5,585,610	293,724	1,365,391	2,398,016	(1,528,479)	(1,528,479)	-
Health and sanitation	2,649,561	611,545	203,992	-	(1,834,024)	(1,834,024)	-
Conservation & economic development	5,538,395	895,577	236,605	618,488	(3,787,725)	(3,787,725)	-
Culture and other	4,621,723	1,158,905	1,172	28,083	(3,433,563)	(3,433,563)	-
Interest on long-term debt	1,876,599	-	-	-	(1,876,599)	(1,876,599)	-
Total governmental activities	<u>53,544,449</u>	<u>15,296,862</u>	<u>5,252,880</u>	<u>3,207,956</u>	<u>(29,786,751)</u>	<u>(29,786,751)</u>	<u>-</u>
Total primary government	<u>\$ 53,544,449</u>	<u>\$ 15,296,862</u>	<u>\$ 5,252,880</u>	<u>\$ 3,207,956</u>	<u>(29,786,751)</u>	<u>(29,786,751)</u>	<u>-</u>
Component units:							
Public safety	\$ 2,715,203	\$ 332,192	\$ 41,086	\$ 1,040,216	-	-	(1,301,709)
Public works	11,808,641	12,040,678	299,146	680,363	-	-	1,211,546
Health and sanitation	7,628,181	1,455,721	7,237,308	-	-	-	1,064,848
Conservation & economic development	34,389	14,174	-	-	-	-	(20,215)
Total component units	<u>\$ 22,186,414</u>	<u>\$ 13,842,765</u>	<u>\$ 7,577,540</u>	<u>\$ 1,720,579</u>	<u>-</u>	<u>-</u>	<u>954,470</u>
General revenues:							
Current property taxes					20,801,448	20,801,448	847,417
Sales taxes					7,566,781	7,566,781	-
Transient room taxes					4,332,872	4,332,872	-
Restaurant food taxes					2,212,864	2,212,864	-
Other property taxes					2,816,719	2,816,719	114,384
Unrestricted investment earnings					186,447	186,447	121,726
Gain on the sale of assets					-	-	48,806
Other revenues					-	-	93,191
Total general revenues and transfers					<u>37,917,131</u>	<u>37,917,131</u>	<u>1,225,524</u>
Change in net position					8,130,380	8,130,380	2,179,994
Net position - beginning					56,155,529	56,155,529	58,125,546
Restatement adjustment					(284,313)	(284,313)	-
Prior period adjustment					(13,892)	(13,892)	244,440
Net position - ending					<u>\$ 63,987,704</u>	<u>\$ 63,987,704</u>	<u>\$ 60,549,980</u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Balance Sheet
Governmental Funds
December 31, 2013

	General Fund	Debt Service	Special Revenue Assessing and Collecting
Assets			
Cash and investments	\$ 4,298,032	\$ -	\$ 2,493,999
Property taxes receivable	3,265,323	678,686	1,510,670
Assessments receivable	-	747,858	-
Due from other governments	288,886	-	193
Due from other funds	17,573	-	-
Prepaid assets	5,779	-	-
Restricted cash and investments	-	6,099,694	-
Total assets	<u>\$ 7,875,593</u>	<u>\$ 7,526,238</u>	<u>4,004,862</u>
Liabilities			
Accounts payable	349,773	481	47,165
Accrued liabilities	232,071	-	31,846
Due to other funds	-	-	-
Unearned revenue	183,947	-	-
Total liabilities	<u>765,791</u>	<u>481</u>	<u>79,011</u>
Deferred Inflows of Resources			
Unavailable revenue - special assessments	-	747,858	-
Total deferred inflows of resources	<u>-</u>	<u>747,858</u>	<u>-</u>
Fund balances			
Nonspendable: Prepaid assets	5,779	-	-
Restricted for:			
Class "B" roads	-	-	-
Debt service fund	-	2,271,758	-
Other purposes	-	-	-
Committed to capital projects	-	-	-
Assigned to debt service	-	4,506,141	-
Assigned to special revenue funds	-	-	3,925,851
Assigned to capital projects	-	-	-
Unassigned	7,104,023	-	-
Total fund balances	<u>7,109,802</u>	<u>6,777,899</u>	<u>3,925,851</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,875,593</u>	<u>\$ 7,526,238</u>	<u>\$ 4,004,862</u>

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			
\$ 5,028,979	\$ 6,777,711	\$ 6,501,722	\$ 11,291,113	\$ 36,391,556
-	-	-	883,357	6,338,036
-	-	-	-	747,858
224,079	563,091	-	856,866	1,933,115
-	-	-	-	17,573
-	-	-	56,668	62,447
-	-	-	25,000	6,124,694
<u>\$ 5,253,058</u>	<u>\$ 7,340,802</u>	<u>\$ 6,501,722</u>	<u>\$ 13,113,004</u>	<u>\$ 51,615,279</u>
5,505	175,097	-	417,124	995,145
4,065	5,421	-	63,219	336,622
-	-	-	17,573	17,573
-	-	-	2,500	186,447
<u>9,570</u>	<u>180,518</u>	<u>-</u>	<u>500,416</u>	<u>1,535,787</u>
-	-	-	-	747,858
-	-	-	-	747,858
-	-	-	56,668	62,447
-	-	-	1,670,035	1,670,035
-	-	-	-	2,271,758
5,243,488	7,160,284	-	5,679,104	18,082,876
-	-	6,300,000	-	6,300,000
-	-	-	-	4,506,141
-	-	-	5,206,781	9,132,632
-	-	201,722	-	201,722
-	-	-	-	7,104,023
<u>5,243,488</u>	<u>7,160,284</u>	<u>6,501,722</u>	<u>12,612,588</u>	<u>49,331,634</u>
<u>\$ 5,253,058</u>	<u>\$ 7,340,802</u>	<u>\$ 6,501,722</u>	<u>\$ 13,113,004</u>	<u>\$ 51,615,279</u>

WASHINGTON COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2013

	General Fund	Debt Service	Special Revenue	
			Assessing and Collecting	Habitat Conservation
Revenues				
Taxes	\$ 17,178,174	\$ 2,917,145	\$ 6,452,890	\$ -
Licenses and permits	25,640	-	-	-
Intergovernmental	4,223,388	3,008,112	-	843,916
Charges for services	1,923,768	-	22,753	-
Fines and forfeitures	1,040,951	-	-	-
Interest	54,011	3,660	-	26,210
Sub-lease revenue	-	-	-	-
Other revenue	1,002,483	991,744	-	1,507
Total revenues	<u>25,448,415</u>	<u>6,920,661</u>	<u>6,475,643</u>	<u>871,633</u>
Expenditures				
Current:				-
General government	3,979,598	38,675	5,349,283	-
Judicial	1,678,372	-	-	-
Public Safety	13,050,518	-	-	-
Public Works	475,565	-	-	-
Health and Sanitation	1,240,108	-	-	-
Conservation & Economic Development	177,080	-	-	553,887
Culture and other	102,259	-	-	-
Matching Funds & contributions	26,000	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	7,219,000	-	-
Interest	-	1,477,439	-	-
Total expenditures	<u>20,729,500</u>	<u>8,735,114</u>	<u>5,349,283</u>	<u>553,887</u>
Excess revenues over (under) expenditures	<u>4,718,915</u>	<u>(1,814,453)</u>	<u>1,126,360</u>	<u>317,746</u>
Other financing sources (uses)				
Transfers in	-	1,185,231	-	-
Transfers out	<u>(4,195,931)</u>	<u>-</u>	<u>(19,550)</u>	<u>-</u>
Total other financing sources and uses	<u>(4,195,931)</u>	<u>1,185,231</u>	<u>(19,550)</u>	<u>-</u>
Net change in fund balances	522,984	(629,222)	1,106,810	317,746
Fund balances - beginning of year	<u>6,586,818</u>	<u>7,407,121</u>	<u>2,819,041</u>	<u>4,925,742</u>
Fund balances - end of year	<u>\$ 7,109,802</u>	<u>\$ 6,777,899</u>	<u>\$ 3,925,851</u>	<u>\$ 5,243,488</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>
\$ 4,332,872	\$ -	\$ 7,054,988	\$ 37,936,069
-	-	92,585	118,225
-	-	8,149,146	16,224,562
-	-	726,244	2,672,765
-	-	94,280	1,135,231
31,460	20,969	50,137	186,447
-	-	706,065	706,065
390,941	-	186,298	2,572,973
<u>4,755,273</u>	<u>20,969</u>	<u>17,059,743</u>	<u>61,552,337</u>
-	-	223,495	9,591,051
-	-	-	1,678,372
-	-	3,591,711	16,642,229
-	-	5,082,549	5,558,114
-	-	1,214,118	2,454,226
2,673,683	-	1,784,545	5,189,195
-	-	3,563,135	3,665,394
-	-	-	26,000
-	66,564	-	66,564
396,874	-	1,131,126	8,747,000
147,537	-	330,068	1,955,044
<u>3,218,094</u>	<u>66,564</u>	<u>16,920,747</u>	<u>55,573,189</u>
<u>1,537,179</u>	<u>(45,595)</u>	<u>138,996</u>	<u>5,979,148</u>
200,000	2,519,550	1,210,700	5,115,481
<u>(700,000)</u>	<u>-</u>	<u>(200,000)</u>	<u>(5,115,481)</u>
<u>(500,000)</u>	<u>2,519,550</u>	<u>1,010,700</u>	<u>-</u>
1,037,179	2,473,955	1,149,696	5,979,148
6,123,105	4,027,767	11,462,892	43,352,486
<u>\$ 7,160,284</u>	<u>\$ 6,501,722</u>	<u>\$ 12,612,588</u>	<u>\$ 49,331,634</u>

WASHINGTON COUNTY
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
December 31, 2013

Total governmental fund balances		\$ 49,331,634
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.		3,364,110
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$ 120,295,224	
Accumulated depreciation	<u>(64,399,420)</u>	
		55,895,804
Revenues considered unearned and not reported in the funds		747,858
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	(28,040,000)	
Less: Deferred charge on refunding (to be amortized)	1,242,398	
Net unamortized premiums	(905,492)	
Capital leases payable	(15,278,499)	
Special assessment debt payable	(1,531,000)	
Compensated absences	(1,300,336)	
Accrued interest payable	<u>(382,770)</u>	
		(46,195,699)
Assets and liabilities of the internal service fund included in governmental activities.		<u>843,997</u>
Total net position of governmental activities		<u>\$ 63,987,704</u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To The Statement of Activities
For the Year Ended December 31, 2013

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

Net changes in fund balances - total governmental funds \$ 5,979,148

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 difference between depreciation expense and capital outlay in the current period.

Capital outlay	\$ 1,046,229	
Depreciation expense	<u>(2,939,845)</u>	(1,893,616)

The statement of activities only reports the gain or loss on the sale of capital assets. In the governmental funds, only the proceeds from the sale are reported. Thus the change in net position differs from the change in fund balance by the net book value of the capital assets sold.

(84,229)

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.

(1,026,265)

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.

(580,640)

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	4,175,000	
Capital leases	1,528,000	
Capital lease payments contributed by Washington County/ St. George Interlocal Agency	460,000	
Amortization of bond premiums	100,610	
Amortization of deferred charge on refunding	<u>(198,338)</u>	6,065,272

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	147,805	
Accrued interest	<u>47,789</u>	195,594

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

(524,884)

Change in net position of governmental activities \$ 8,130,380

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Statement of Net Position
Proprietary Funds
December 31, 2013

	<u>Internal Service Fund</u>
Assets:	
Cash	\$ 1,198,284
Prepaid expenses	442,000
Total Assets	<u>1,640,284</u>
 Liabilities:	
Accounts payable	<u>796,287</u>
Total Liabilities	<u>796,287</u>
 Net Position:	
Unrestricted	<u>843,997</u>
Total Net Position	<u>\$ 843,997</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, 2013

	<u>Internal Service Fund</u>
Operating Revenues	
Charges for services	
County contributions	\$ 3,561,676
Employee contributions	<u>780,817</u>
Total operating revenues	<u>4,342,493</u>
Operating Expenses	
Claims expense	4,500,253
Premium expense	<u>367,124</u>
Total operating expenses	<u>4,867,377</u>
Operating income (loss)	(524,884)
Net position, beginning of the year	<u>1,368,881</u>
Net position, end of the year	<u><u>\$ 843,997</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, 2013

	Internal Service Fund
Cash Flows From Operating Activities:	
Cash received from customers, service fees	\$ 4,344,569
Cash paid to suppliers	(4,856,943)
Cash flows from operating activities	(512,374)
Net Change in Cash and Cash Equivalents	(512,374)
Cash and cash equivalents including restricted cash, beginning of year	1,710,658
Cash and cash equivalents including restricted cash, end of year	\$ 1,198,284
Reconciliation of operating income (loss) to cash flows from operating activities:	
Net operating income (loss)	\$ (524,884)
Adjustments to reconcile net income (loss) to cash flows from operating activities:	
Changes in operating assets and liabilities	
(Increase)/Decrease in receivables	2,076
(Increase)/Decrease in prepaid expenses	(60,000)
Increase/(Decrease) in accounts payable	70,434
Net cash flows from operating activities	\$ (512,374)

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Combined Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2013

	<u>Agency Funds</u>
Assets	
Cash and investments	\$ 40,428,700
Total Assets	<u>\$ 40,428,700</u>
Liabilities	
Deposits held in trust	\$ 9,211,359
Due to taxing districts	26,133,194
Due to Washington County General Fund	2,167,727
Due to Assessing & Collecting Fund	1,510,670
Due to other funds	<u>1,405,750</u>
Total Liabilities	<u>\$ 40,428,700</u>
Net Position	
Held in trust for individuals, organizations, and other governments	<u><u>\$ -</u></u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2013

NOTE 1. Summary of Significant Accounting Policies

Description of government-wide financial statements

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

Reporting Entity

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

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

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

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

Southwest Utah Public Health Department (Major Special Revenue Fund) - The Department provides health related services to the citizens and government units in Washington, Iron, Kane, Beaver, and Garfield counties. The department is funded by state and federal financial assistance, county contributions and charges for services. The District issued separate audited financial statements dated May 30, 2014.

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 17, 2014.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

Washington County Solid Waste Special Service District No. 1 (Major Enterprise Fund) - The District provides solid waste disposal service to the residents of the various municipalities within the County and to the unincorporated areas of the County. The District is funded entirely by charges for services. The County appoints one of twenty board members and provides no financial support to the District. The District issued separate audited financial statements dated May 23, 2014.

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, 2014.

The Hurricane Valley Fire Special Service District (Non-major General Fund) - The District provides fire protection to the communities of LaVerkin, 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 August 7, 2013 for the 2012 audit. The 2013 audit was not yet available.

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

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

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

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 Leads, 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.

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

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

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.

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

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

Washington County Water Conservancy District.

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

Southwest Behavioral Health Center - the Center provides mental health and drug and alcohol services to the five counties of southwestern Utah. One of the County's commissioners serves on the center's authority board. The Center is funded through state and federal government grants and contracts, fees for services and contributions from the five counties served. In 2013, the County provided \$381,743 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 2013 the County contributed \$25,000 to the Association. The County does not retain an ongoing financial interest or responsibility in the Association.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

Washington County/St. George Interlocal Agency (WCIA) - The Agency constructs, operates and maintains convention and regional park facilities for the County and St. George City (the City), 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.

Basis of presentation – government-wide financial statements

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

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

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

Basis of presentation – fund financial statements

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

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

The County reports the following major governmental funds:

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

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

The **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, Flood Damage, Children's Justice Center, Library, Council on Aging, Recreation, 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, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

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

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

Measurement focus and basis of accounting

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

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

The governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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.

Inventories and prepaid items

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

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

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

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

Deferred outflows/inflows of resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: special assessments. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

Net position flow assumption

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

Fund balance flow assumptions

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

Fund balance policies

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

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

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

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

Revenues and expenditures/expenses

Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property taxes

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

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

Compensated absences

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

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

Proprietary funds operating and nonoperating revenues and expenses

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

Use of estimates

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

New pronouncements

In April 2012, the GASB issued statement No. 65, *Items Previously Reported as Assets and Liabilities*. Beginning with fiscal year 2013, the County implemented the provisions of this statement, which establishes accounting standards and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities, and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Implementation of these new Statements resulted in a restatement of beginning net position in the County's government-wide financial statements (see Note 16).

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

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

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The details of these differences are reported in the reconciliation on page 20.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2013

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These differences are the result of converting from the current resources measurement focus and modified accrual basis for governmental fund statements to the economic resources measurement focus and full accrual basis used for government-wide statements. The details of these differences are reported in the reconciliation on page 21.

NOTE 3. Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

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

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

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

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

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

Expenditures over Appropriations

Expenditures may not legally exceed budgeted appropriations at the department level. The Statement of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual reports as listed in the table of contents present all of the departments which incurred an excess of expenditures/expenses over appropriations for the year ended December 31, 2013, 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, 2013

NOTE 4. Deposits and Investments

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

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

Deposits

Custodial Credit Risk

For deposits this is the risk that in the event of a bank failure, the government's deposit may not be returned to it. The County does not have a formal policy for custodial credit risk. As of December 31, 2013, \$4,503,511 of the County's bank balance of \$5,253,511 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, 2013, \$10,502,293 of the Washington County Solid Waste Special Service District bank balance of \$11,252,293 and none of Ash Creek Special Service District bank balance 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, 2013

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, 2013 the County had the following investments, ratings, and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating (1)</u>	<u>Weighted Average Maturity (2)</u>
Local Government Pooled Investment Fund	\$ 76,657,527	N/A	63.45

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

N/A indicates not applicable.

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

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, 2013

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.

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

	Carrying Amount	Quality Rating
Ash Creek Special Service District	\$ 8,238,667	Unrated
Wash. County Solid Waste Special Svc. Dist. No. 1	\$ 7,118,681	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, 2013. These monies were distributed to the various County funds in January 2014 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 2013, the County's combined tax rate for assessing and collecting was .000591. 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, 2014.

Notes receivable that are shown on the Statement of Net Position include \$3,364,110 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, 2013

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, 2013 are shown in the following table:

	Transfers out reported in:				<u>Total</u>
	<u>General Fund</u>	<u>Travel Board</u>	<u>Assessing and Collecting</u>	<u>Recreation Fund</u>	
Transfers in reported in:					
Debt Service Fund	\$ 1,185,231	\$ -	\$ -	\$ -	\$ 1,185,231
Travel Board Fund	-	-	-	200,000	200,000
Capital Projects Fund	2,500,000	-	19,550	-	2,519,550
Nonmajor Special Revenue Funds:					
Children's Justic Center Fund	20,000	-	-	-	20,000
Council on Aging Fund	490,700	-	-	-	490,700
Recreation Fund	-	700,000	-	-	700,000
Total Transfers	<u>\$ 4,195,931</u>	<u>\$ 700,000</u>	<u>\$ 19,550</u>	<u>\$ 200,000</u>	<u>\$ 5,115,481</u>

Interfund receivables and payables were recorded to eliminate short-term deficit pooled cash balances in the various funds. Interfund receivables and payables at December 31, 2013 are shown in the following table:

	<u>Due from Other Funds reported in:</u>	
	<u>General Fund</u>	<u>Total</u>
Due to Other Funds reported in:		
Nonmajor Special Revenue Funds:		
Children's Justice Center Fund	<u>\$ 17,573</u>	<u>\$ 17,573</u>
Total Interfund Balances	<u>\$ 17,573</u>	<u>\$ 17,573</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, 2013. These monies were distributed in January of 2014 and thereafter.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2013

NOTE 8. Capital Assets

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

Governmental Activities:	Balance 12/31/2012	Additions	Deletions	Balance 12/31/2013
Capital assets, not being depreciated:				
Land	\$ 4,325,684	\$ 44,816	\$ (22,408)	\$ 4,348,092
Total capital assets, not being depreciated:	<u>4,325,684</u>	<u>44,816</u>	<u>(22,408)</u>	<u>4,348,092</u>
Capital assets, being depreciated:				
Buildings and improvements	51,894,930	-	(26,806)	51,868,124
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	5,083,164	448,183	(375,164)	5,156,183
Equipment	7,603,749	553,230	(88,399)	8,068,580
Furniture and fixtures	713,034	-	-	713,034
Bridges, Towers, Trails	4,729,540	-	-	4,729,540
Streets and sidewalks	26,473,463	-	-	26,473,463
Total capital assets, being depreciated:	<u>115,436,088</u>	<u>1,001,413</u>	<u>(490,369)</u>	<u>115,947,132</u>
Less accumulated depreciation for:				
Buildings and improvements	(14,092,649)	(1,574,135)	8,712	(15,658,072)
Convention Center	(5,090,929)	(322,571)	-	(5,413,500)
Regional Park	(1,804,716)	(118,812)	-	(1,923,528)
Museum	(935,991)	(58,458)	-	(994,449)
Autos and trucks	(4,423,941)	(277,172)	374,075	(4,327,038)
Equipment	(5,988,117)	(382,081)	45,761	(6,324,437)
Furniture and fixtures	(508,517)	(47,619)	-	(556,136)
Bridges, Towers, Trails	(2,726,104)	(147,373)	-	(2,873,477)
Streets and sidewalks	(26,317,159)	(11,624)	-	(26,328,783)
Total accumulated depreciation	<u>(61,888,123)</u>	<u>(2,939,845)</u>	<u>428,548</u>	<u>(64,399,420)</u>
Total capital assets, being depreciated, net	<u>53,547,965</u>	<u>(1,938,432)</u>	<u>(61,821)</u>	<u>51,547,712</u>
Governmental activities capital assets, net	<u>\$ 57,873,649</u>	<u>\$(1,893,616)</u>	<u>\$ (84,229)</u>	<u>\$ 55,895,804</u>

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

Governmental Activities:	
General government	\$ 840,407
Public safety	737,170
Public works	317,183
Health and sanitation	157,676
Conservation and economic development	253,924
Other	631,901
Judicial	1,584
Total depreciation expense - governmental activities	<u>\$ 2,939,845</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2013

NOTE 9. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2013.

Governmental activities:					Balance	Current
General Obligation:	Balance	Adjustment*	Additions	Retirements	Balance	Portion
	12/31/2012				12/31/2013	
Refunding G.O. bonds						
Series 2004 Refunding G.O. bonds	\$ 3,515,000	(2,860,000)	\$ -	\$ (655,000)	\$ -	\$ -
Series 2010 Refunding G.O. bonds	8,875,000	-	-	(25,000)	8,850,000	505,000
Series 2012 Refunding G.O. bonds	-	3,105,000	-	(75,000)	3,030,000	750,000
Series 2004B G.O. bonds	1,950,000	-	-	(360,000)	1,590,000	375,000
Series 2002 G.O. bonds	470,000	-	-	(470,000)	-	-
Series 2007 G.O. bonds	4,150,000	-	-	(220,000)	3,930,000	230,000
Net unamortized premiums	1,006,102	-	-	(100,610)	905,492	-
Capital leases (Convention)	15,259,500	-	-	(1,240,000)	14,019,500	1,285,000
Capital leases (Museum)	385,000	-	-	(43,000)	342,000	44,000
Capital leases (Land)	1,621,999	-	-	(705,000)	916,999	245,000
Accrued Compensated Absences	1,448,141	-	-	(147,805)	1,300,336	261,000
Total General Obligation	38,680,742	245,000	-	(4,041,415)	34,884,327	3,695,000
Revenue Obligation:						
Sales tax revenue bonds, series 2006	7,445,000	-	-	(185,000)	7,260,000	195,000
MBA lease revenue bonds, series 2006	739,000	-	-	(739,000)	-	-
MBA lease revenue bonds, series 2010	2,856,000	-	-	(98,000)	2,758,000	103,000
MBA refunding lease bonds, series 2010	737,000	-	-	(115,000)	622,000	116,000
Total Revenue Obligation	11,777,000	-	-	(1,137,000)	10,640,000	414,000
Special Assessment Debt with Government Commitment:						
SID No. 2002-1 - Diamond Valley	28,000	-	-	(28,000)	-	-
SID No. 2004-1 - Dixie Springs	2,736,000	-	-	(1,205,000)	1,531,000	1,221,000
Total Special Assessment	2,764,000	-	-	(1,233,000)	1,531,000	1,221,000
Total Governmental activity long-term liabilities	\$ 53,221,742	\$ 245,000	\$ -	\$ (6,411,415)	\$ 47,055,327	\$ 5,330,000

* See footnote 17 for further explanation.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2013

NOTE 9. Long-Term Debt (Continued)

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

Period Ending December 31	Principal	Interest	Total
2014	\$ 3,495,000	\$ 1,178,528	\$ 4,673,528
2015	2,638,000	1,048,295	3,686,295
2016	2,399,000	984,145	3,383,145
2017	2,465,000	1,090,950	3,555,950
2018	1,777,000	822,980	2,599,980
2019-2023	8,691,000	2,896,597	11,587,597
2024-2028	4,127,000	1,312,990	5,439,990
2029-2033	2,584,000	633,776	3,217,776
2034-2038	1,395,000	125,852	1,520,852
	<u>\$ 29,571,000</u>	<u>\$ 10,094,113</u>	<u>\$ 39,665,113</u>

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 a deferred outflow of resources 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.

The County issued \$3,105,000 of general obligation refunding bonds in 2012 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 2004 Public Safety G.O. Bonds. As a result, \$2,860,000 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 \$231,108. This amount is a deferred outflow of resources and amortized over the remaining life of the new debt, which is the same life as the refunded debt. This advance refunding undertaken increases total debt service payments over the next 5 years by \$31,914 and resulted in an economic loss of \$32,627.

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

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2013

NOTE 9. Long-Term Debt (Continued)

Bonds payable at December 31, 2013, consist of the following:

General Obligation:

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.	\$ 1,590,000
G. O. Bonds Series 2007 for the purpose of paying for civic improvements including remodeling, constructing and expanding libraries, payable in amounts ranging from \$90,000 to \$385,000 including interest ranging from 4% to 4.25%, maturing April 1, 2026.	3,930,000
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.	8,850,000
Refunding G. O. Bonds Series 2012 for the purpose of refunding Public Safety Bonds, Series 2004, payable in amounts ranging from \$774,180 to \$776,305 including interest ranging from 0.5% to 1.2%, maturing December 1, 2017.	3,030,000

Special Assessment:

Dixie Springs SID No. 2004-1 Special Assessment Bonds, Series 2005, payable in annual installments ranging from \$1,404,268 to \$1,405,185 including interest at 7.25%, maturing June 1, 2015.	1,531,000
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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.	7,260,000
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.	2,758,000
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>622,000</u>

Total Bonds Payable	<u><u>\$ 29,571,000</u></u>
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WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2013

NOTE 9. Long-Term Debt (Continued)

Capital Leases (Agency):

Convention Center and Regional Park:

The Washington County/St. George City Interlocal Agency (the Agency) and Washington County entered into a direct financing lease agreement, dated November 1, 1997, for the lease of the convention facilities constructed by the Agency. The lease term commenced on the date of delivery of the Series 1998A Bonds and ended December 31, 1998 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:

Fiscal Period Ending December 31	St. George City Share	County Share	Total
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	419,274	1,403,657	1,822,931
2019-2022	1,862,062	6,233,862	8,095,924
Total remaining minimum lease payments	4,062,918	12,503,773	16,566,691
Less amount representing interest	589,368	1,957,823	2,547,191
Present value of net remaining minimum lease payments	<u>\$ 3,473,550</u>	<u>\$ 10,545,950</u>	<u>\$ 14,019,500</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2013

NOTE 9. Long-Term Debt (Continued)

Museum:

The Agency and Washington County entered into a direct financing lease agreement, dated May 15, 2000, for the lease of the natural museum facilities constructed by the Agency. The museum (approximately 20,000 square feet) was built as an addition to the Dixie Center. The lease term commenced on the date of delivery of the Series 2000 Bonds and ended December 31, 2000; however, the lease term has been continued, and may be continued, solely at the option of the County, beyond the first “renewal term” and for 19 consecutive additional renewal terms thereafter each of one year in duration (except that the final renewal term shall commence January 1, 2020 and end on December 31, 2020). The County pays base rentals which correspond with the debt service on the Agency’s \$2,968,000 Series 2000A&B and \$800,000 Series 2000C Lease Revenue Bonds. However, during 2004, the Agency received a prepayment on the lease from the Rosenbruch Foundation which was used to pay off the Series 2000A&B Bonds in full. Thus, the County’s remaining lease payments will correspond to the remaining balance of the Series 2000C Bond.

Washington County has entered into a sub-lease agreement with St. George City, whereby the City has leased a 38% undivided interest in the Agency’s natural museum facilities. The Agency will receive from the City sublease payments totaling \$2,516,582 over the 20 year period with annual payments ranging from \$55,140 to \$56,970. However, due to the Series 2000A&B Bond payoff mentioned above, the payments remaining on the City sub-lease will be limited to the portion applicable to the Series 2000C Bond.

The Agency’s right and interest in the facilities will be transferred to the County and St. George City upon payment by the County and the City of the then applicable purchase option price, or all the base rentals, or upon the discharge of the lien on the remaining Indenture. The lease is considered a capital lease based on GASB’s *Codification*, Section L20.119-122 and FASB’s Statement 13. The following is an annual schedule of future minimum lease payments and St. George City’s sublease payments:

Fiscal Period Ending December 31	St. George City Share	County Share	Total
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	21,075	34,385	55,460
2019-2020	42,408	69,192	111,600
Total remaining minimum lease payments	148,740	242,680	391,420
Less amount representing interest	18,780	30,640	49,420
Present value of net remaining minimum lease payments	<u>\$ 129,960</u>	<u>\$ 212,040</u>	<u>\$ 342,000</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2013

NOTE 9. Long-Term Debt (Continued)

Convention Center Land:

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

The County has entered into a sub-lease agreement with St. George City, whereby the City has leased a 38% undivided interest in the Agency's convention center land and facilities. The Agency will receive from the City sublease payments over the 20 year period with annual payments of approximately \$117,500.

The Agency's right and interest in the facilities will be transferred to the County and St. George City upon payment by the County and the City of the then applicable purchase option price, or all the base rentals, or upon the discharge of the lien on the Indenture. The lease is considered a capital lease based on GASB's *Codification*, Section L20.119-122 and FASB's Statement 13. The following is an annual schedule of future minimum lease payments and St. George City's sublease payments:

Fiscal Period Ending December 31	St. George City Share	County Share	Total
2014	\$ 115,205	\$ 187,966	\$ 303,171
2015	113,708	185,523	299,231
2016	112,038	182,800	294,838
2017	47,497	77,495	124,992
2018	-	-	-
2019	-	-	-
Total remaining minimum lease payments	388,448	633,784	1,022,232
Less amount representing interest	39,988	65,244	105,232
Present value of net remaining minimum lease payments	<u>\$ 348,460</u>	<u>\$ 568,540</u>	<u>\$ 917,000</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2013

NOTE 9. Long-Term Debt (Continued)

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

NOTE 10. 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 20.93% of their annual salary and 30.45% to 32.14% 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.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2013

NOTE 10. Defined Benefit Pension Plan (Continued)

The required contributions and amounts received for the 2013 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:	2013	\$ 0.00	\$ 0.00	\$ 25,588	\$ 300,443
Local Governmental Division	2012	0.00	0.00	13,683	168,414
	2011	0.00	0.00	803	10,382
Noncontributory System	2013	N/A	N/A	\$ 1,592,762	\$ 9,655,515
Local Governmental Division	2012	N/A	N/A	1,458,411	9,935,973
	2011	N/A	N/A	1,320,284	9,878,207
Public Safety System:	2013	\$ 0.00	\$ 5,943	\$ 32,533	\$ 139,349
Other Division A Contributory	2012	0.00	5,986	18,393	139,349
	2011	0.00	12,722	15,826	103,515
Public Safety System:	2013	N/A	N/A	\$ 1,856,160	\$ 6,068,174
Other Division A	2012	N/A	N/A	1,742,117	6,234,409
Noncontributory	2011	N/A	N/A	1,586,031	6,172,976
Defined Contribution System:	2013	\$ 76,400	\$ 0.00	N/A	N/A
457 Plan	2012	74,967	0.00	N/A	N/A
	2011	50,728	0.00	N/A	N/A
	2013	\$ 416,699	\$ 46,679	N/A	N/A
401(k) Plan	2012	396,339	35,654	N/A	N/A
	2011	380,271	30,717	N/A	N/A
	2013	\$ 39,410	\$ 0.00	N/A	N/A
IRA Plans	2012	35,955	0.00	N/A	N/A
	2011	35,390	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.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2013

NOTE 10. Defined Benefit Pension Plan (Continued)

Required contributions and amounts received for the 2013 fiscal year and the two previous years (continued):

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	2013	N/A	N/A	\$ 18,579	
	2012	N/A	N/A	13,679	
	2011	N/A	N/A	2,514	
Local Governmental - Noncontributory	2013	N/A	N/A	\$ 354,877	
	2012	N/A	N/A	324,127	
	2011	N/A	N/A	317,482	
401(k) Contributions	2013	\$ 68,114	\$ 73,216	N/A	N/A
	2012	54,935	76,667	N/A	N/A
	2011	85,766	85,987	N/A	N/A
457 Plan	2013	\$ 25,747	\$ 0.00	N/A	N/A
	2012	25,898	0.00	N/A	N/A
	2011	26,019	0.00	N/A	N/A

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

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	2013	0	0	\$ 3,624	\$ 42,455
	2012	0	0	1,736	20,290
	2011	0	0	0	0
Local Governmental - Noncontributory	2013	N/A	N/A	\$ 85,237	\$ 498,603
	2012	N/A	N/A	82,931	552,882
	2011	N/A	N/A	80,150	590,444
457 Contributions	2013	\$ 4,420	0	N/A	
	2012	5,159	0	N/A	
	2011	6,682	0	N/A	
401(k) Contributions	2013	\$ 3,452	\$ 675	N/A	
	2012	3,041	323	N/A	
	2011	2,182	2,538	N/A	

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

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2013

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.

The County, effective January 1, 2013 is partially self-insured up to \$125,000 per insured for health and prescription drug coverage, with an additional aggregating deductible of \$200,000. The excess loss insurance is provided by Westport Insurance Corporation and administered by Alternative Risk Solutions LLC. The County also has aggregate excess loss insurance for medical, prescription drugs and dental claims based on a factor of \$1,011.83 per employee per month.

	<u>12/31/2013</u>
Unpaid claims beginning of year	\$ -
Incurred claims	4,660,169
Claim payments	<u>(4,660,169)</u>
Unpaid claims, end of year	<u><u>\$ -</u></u>

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, 2013

NOTE 13. Contingencies

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

NOTE 14. Component Unit Disclosures

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

NOTE 15. Conduit Debt Obligations

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

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

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

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

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, 2013, the principal amount outstanding on the bonds was \$96,000, \$229,000, \$497,000, and \$568,000.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2013

NOTE 16. Restatements and Reclassifications

As mentioned in Note 1 to the financial statements, the County implemented GASB statement No. 65, *Items Previously Reported as Assets and Liabilities*. The provisions of this statement require that bond issuance costs be expensed in the year they are incurred. Previously bond issuance costs had been treated as an asset and amortized over the life of the related debt. In order to implement GASB statement No. 65, bond issuance costs previously reported as assets had to be removed from the financial statements. This resulted in a restatement of beginning equity in the County's Governmental Activities in the amount of \$284,313. Assets of the Governmental Activities were reduced by the same amount.

NOTE 17. Prior Period Adjustment

In 2012, a series 2012 general obligation refunding bond was issued and partially refunded a series 2004 general obligation bond. The 2012 financial statements did not properly reflect this refunding. As a result, on the government-wide financial statements, the beginning long-term obligations had to be increased by \$245,000, deferred charge on refunding increased by \$231,108, and net position, in the form of a prior period adjustment, decreased by \$13,892.

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, 2013

REVENUES:	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
Taxes:				
Current Property Taxes	\$ 7,555,319	\$ 7,710,083	\$ 8,083,906	\$ 373,823
Fee in lieu Taxes	1,065,000	1,065,000	1,225,455	160,455
Prior Years Delinquent Taxes	615,000	680,000	754,820	74,820
County Sales & Use Taxes	5,300,000	6,100,000	6,178,772	78,772
Penalties & Interest	600,000	750,000	935,221	185,221
Total Taxes	<u>\$15,135,319</u>	<u>\$16,305,083</u>	<u>17,178,174</u>	<u>873,091</u>
Licenses, Permits:				
Marriage Licenses	<u>23,000</u>	<u>23,000</u>	<u>25,640</u>	<u>2,640</u>
Intergovernmental:				
Prison Reimbursement	3,402,500	3,402,500	3,603,375	200,875
Bailiff/Security Reimbursement	330,000	532,000	620,013	88,013
Total Intergovernmental	<u>3,732,500</u>	<u>3,934,500</u>	<u>4,223,388</u>	<u>288,888</u>
Charges for Services:				
Clerk's Fees	55,000	70,000	73,356	3,356
Data Processing Fees	45,000	45,000	120,958	75,958
Jail Commissary, Phone and Medical	490,000	510,000	504,067	(5,933)
Recorder's Fees	700,000	760,000	790,067	30,067
State Medical Reimbursements	17,000	62,000	63,977	1,977
Prisoner Industry and Other	390,000	417,000	371,343	(45,657)
Total Charges for Services	<u>\$1,697,000</u>	<u>\$1,864,000</u>	<u>1,923,768</u>	<u>59,768</u>
Fines and Forfeitures:				
Court and Precinct Fines	<u>1,126,500</u>	<u>1,036,500</u>	<u>1,040,951</u>	<u>4,451</u>
Total Fines and Forfeitures	<u>1,126,500</u>	<u>1,036,500</u>	<u>1,040,951</u>	<u>4,451</u>
Other Revenues:				
Interest Revenue	-	-	54,011	54,011
Rent-Property	889,200	889,200	891,614	2,414
Sale of Property, Material & Supplies	4,000	20,000	19,545	(455)
Vending Revenue	-	-	98	98
Xerox Revenue	22,500	28,000	28,670	670
Other	58,000	58,000	62,556	4,556
Total Other Revenues	<u>973,700</u>	<u>995,200</u>	<u>1,056,494</u>	<u>61,294</u>
TOTAL REVENUES	<u>\$22,688,019</u>	<u>\$ 24,158,283</u>	<u>\$ 25,448,415</u>	<u>\$ 1,290,132</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, 2013

EXPENDITURES:	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
GENERAL GOVERNMENT				
Commission:				
Salaries	\$ 338,890	\$ 338,890	\$ 351,031	\$ (12,141)
Employee Benefits	185,200	185,200	184,290	910
Services, Supplies and Other	84,100	84,100	55,851	28,249
Capital Outlay	5,000	5,000	1,785	3,215
	<u>613,190</u>	<u>613,190</u>	<u>592,957</u>	<u>20,233</u>
Human Resource:				
Salaries	153,350	153,350	138,828	14,522
Employee Benefits	81,100	81,100	69,611	11,489
Services, Supplies and Other	44,300	44,300	36,987	7,313
Capital Outlay	2,500	2,500	1,119	1,381
	<u>281,250</u>	<u>281,250</u>	<u>246,545</u>	<u>34,705</u>
Info Tech Services:				
Salaries	12,156	12,156	25,392	(13,236)
Employee Benefits	13,800	13,800	17,624	(3,824)
Services, Supplies and Other	127,944	182,944	54,279	128,665
Capital Outlay	40,700	40,700	98,448	(57,748)
	<u>194,600</u>	<u>249,600</u>	<u>195,743</u>	<u>53,857</u>
Clerk/Auditor:				
Salaries	326,613	336,613	338,782	(2,169)
Employee Benefits	161,021	161,021	156,461	4,560
Services, Supplies and Other	42,000	42,000	38,828	3,172
Capital Outlay	2,000	2,000	1,982	18
	<u>531,634</u>	<u>541,634</u>	<u>536,053</u>	<u>5,581</u>
Recorder:				
Salaries	28,971	33,971	46,409	(12,438)
Employee Benefits	18,445	18,445	19,146	(701)
Services, Supplies and Other	45,500	45,500	30,233	15,267
Capital Outlay	7,000	7,000	4,273	2,727
	<u>99,916</u>	<u>104,916</u>	<u>100,061</u>	<u>4,855</u>
Attorney:				
Salaries	1,262,421	1,262,421	1,269,499	(7,078)
Employee Benefits	614,000	614,000	604,023	9,977
Services, Supplies and Other	155,470	155,470	111,318	44,152
Capital Outlay	4,500	4,500	2,293	2,207
	<u>2,036,391</u>	<u>2,036,391</u>	<u>1,987,133</u>	<u>49,258</u>
Non-Departmental:				
Services, Supplies and Other	60,000	60,000	54,500	5,500
Insurance - Buildings and Vehicles	197,624	197,624	197,623	1
	<u>257,624</u>	<u>257,624</u>	<u>252,123</u>	<u>5,501</u>
Elections:				
Services, Supplies and Other	47,250	47,250	68,983	(21,733)
Capital Outlay	5,000	23,000	-	23,000
	<u>52,250</u>	<u>70,250</u>	<u>68,983</u>	<u>1,267</u>
Total General Government	<u>4,066,855</u>	<u>4,154,855</u>	<u>3,979,598</u>	<u>170,402</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, 2013

EXPENDITURES (Continued):	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
JUDICIAL				
Justice of the Peace:				
Salaries	597,800	597,800	606,327	(8,527)
Employee Benefits	281,700	281,700	278,396	3,304
Services and Supplies	71,500	71,500	78,404	(6,904)
Capital Outlay	14,000	14,000	12,089	1,911
	965,000	965,000	975,216	(10,216)
Public Defender:				
Services, Supplies and Other	730,505	730,505	703,156	27,349
	1,695,505	1,695,505	1,678,372	17,133
PUBLIC SAFETY				
Public Safety/County Jail:				
Salaries	7,611,200	7,685,200	7,730,523	(45,323)
Employee Benefits	4,262,400	4,262,400	4,204,629	57,771
Services, Supplies and Other	960,915	1,045,320	903,931	141,389
Capital Outlay	274,637	277,232	211,435	65,797
	13,109,152	13,270,152	13,050,518	219,634
PUBLIC WORKS				
Maintenance:				
Motor Pool	49,000	49,000	39,208	9,792
County Buildings Maintenance	467,225	467,225	436,357	30,868
	516,225	516,225	475,565	40,660
	516,225	516,225	475,565	40,660
PUBLIC HEALTH				
Health Services:				
Services, Supplies and Other	1,214,252	1,249,252	1,240,108	9,144
	1,214,252	1,249,252	1,240,108	9,144
CONSERVATION & DEVELOPMENT				
Agricultural Extension Service:				
Services, Supplies and Other	169,750	169,750	150,500	19,250
Capital Outlay	800	800	1,580	(780)
	170,550	170,550	152,080	18,470
Contribution to Economic Development Fund:				
Services, Supplies and Other	25,000	25,000	25,000	-
	195,550	195,550	177,080	18,470
				(continued)

WASHINGTON COUNTY
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2013

EXPENDITURES (Continued):	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
MISCELLANEOUS				
Services, Supplies and Other	664,549	850,813	102,259	748,554
MATCHING FUNDS & CONTRIBUTIONS				
Contributions	30,000	30,000	26,000	4,000
TOTAL EXPENDITURES	21,492,088	21,962,352	20,729,500	1,227,997
Excess of Revenues Over Expenditures	1,195,931	2,195,931	4,718,915	2,518,129
Other Financing Sources (Uses):				
Transfer to Debt Service Fund	(685,231)	(685,231)	(1,185,231)	(500,000)
Transfer to Special Revenue Funds	(510,700)	(510,700)	(510,700)	-
Transfer to Capital Projects Fund	-	(1,000,000)	(2,500,000)	(1,500,000)
Total Other Financing Sources (Uses):	(1,195,931)	(2,195,931)	(4,195,931)	(2,000,000)
Net Change in Fund Balance	-	-	522,984	518,129
Fund Balance, Beginning of Year	6,586,818	6,586,818	6,586,818	-
Fund Balance, End of Year	\$ 6,586,818	\$ 6,586,818	\$ 7,109,802	\$ 518,129

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, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Assessing & Collecting Tax	\$ 5,682,392	\$ 5,960,037	\$ 6,415,572	\$ 455,535
Penalties & Interest	15,000	30,000	37,318	7,318
Total Taxes	<u>5,697,392</u>	<u>5,990,037</u>	<u>6,452,890</u>	<u>462,853</u>
Recorder's Fees	-	21,000	22,753	1,753
Total Revenues	<u>5,697,392</u>	<u>6,011,037</u>	<u>6,475,643</u>	<u>464,606</u>
EXPENDITURES:				
Commission	108,210	108,210	104,640	3,570
Human Resources	31,250	31,250	27,394	3,856
Info Tech Services	784,800	784,800	788,232	(3,432)
GIS	43,363	43,363	43,996	(633)
Clerk Auditor	286,265	286,265	288,644	(2,379)
Treasurer:				
Salaries	200,600	220,600	214,715	5,885
Employee Benefits	87,200	87,200	86,682	518
Services, Supplies and Other	62,300	62,300	55,179	7,121
Capital Outlay	6,500	6,500	5,339	1,161
Total Treasurer	<u>356,600</u>	<u>376,600</u>	<u>361,915</u>	<u>14,685</u>
Recorder:				
Salaries	566,185	566,185	567,011	(826)
Attorney	107,179	107,179	104,586	2,593
Assessor:				
Salaries	1,449,200	1,449,200	1,487,658	(38,458)
Employee Benefits	669,600	669,600	658,579	11,021
Services, Supplies and Other	474,800	474,800	393,216	81,584
Capital Outlay	100,300	100,300	82,773	17,527
Total Assessor	<u>2,693,900</u>	<u>2,693,900</u>	<u>2,622,226</u>	<u>71,674</u>
Administration Building	173,075	173,075	161,369	11,706
Miscellaneous Contingent	527,015	820,660	279,270	541,390
Total Expenditures	<u>5,677,842</u>	<u>5,991,487</u>	<u>5,349,283</u>	<u>642,204</u>
Excess of Revenues Over (Under) Expenditures	19,550	19,550	1,126,360	1,106,810
Other Financing Sources (Uses):				
Transfers:				
To Capital Projects Fund	(19,550)	(19,550)	(19,550)	-
Net Change in Fund Balance	-	-	1,106,810	1,106,810
Fund Balance, Beginning of Year	<u>2,819,041</u>	<u>2,819,041</u>	<u>2,819,041</u>	-
Fund Balance, End of Year	<u>\$ 2,819,041</u>	<u>\$ 2,819,041</u>	<u>\$ 3,925,851</u>	<u>\$ 1,106,810</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, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Intergovernmental - HCP Fees				
HCP Fees	\$ 350,000	\$ 350,000	\$ 814,838	\$ 464,838
Grants	-	-	29,078	29,078
Total intergovernmental	<u>350,000</u>	<u>350,000</u>	<u>843,916</u>	<u>493,916</u>
Other Revenues:				
Interest Earnings	-	-	26,210	26,210
Other	1,500	1,500	1,507	7
Total Revenues	<u>351,500</u>	<u>351,500</u>	<u>871,633</u>	<u>520,133</u>
EXPENDITURES:				
Other Expenditures - HCP:				
Salaries	241,000	241,000	228,560	12,440
Employee Benefits	96,000	96,000	89,331	6,669
Services, Supplies and Other	886,000	886,000	234,886	651,114
Capital Outlay	69,000	69,000	1,110	67,890
Total Expenditures	<u>1,292,000</u>	<u>1,292,000</u>	<u>553,887</u>	<u>738,113</u>
Net Change in Fund Balance	(940,500)	(940,500)	317,746	1,258,246
Fund Balance, Beginning of Year	<u>4,925,742</u>	<u>4,925,742</u>	<u>4,925,742</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 3,985,242</u>	<u>\$ 3,985,242</u>	<u>\$ 5,243,488</u>	<u>\$ 1,258,246</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, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Tax Revenues:				
Transient Room Taxes	\$ 3,500,000	\$ 4,300,000	\$ 4,332,872	\$ 32,872
Other Revenues:				
Interest Earnings	-	-	31,460	31,460
Other	497,750	497,750	390,941	(106,809)
Total Revenues	<u>3,997,750</u>	<u>4,797,750</u>	<u>4,755,273</u>	<u>(42,477)</u>
EXPENDITURES:				
Conservation & Economic Development:				
Convention Center Operations	155,589	155,589	155,589	-
Travel Board:				
Salaries	301,200	301,200	296,627	4,573
Employee Benefits	130,900	130,900	130,535	365
Services, Supplies and Other	2,340,650	3,140,650	2,072,430	1,068,220
Capital Outlay	25,000	25,000	18,502	6,498
Debt Service				
Principal	396,874	396,874	396,874	-
Interest	147,537	147,537	147,537	-
Total Expenditures	<u>3,497,750</u>	<u>4,297,750</u>	<u>3,218,094</u>	<u>1,079,656</u>
Excess of Revenues Over (Under) Expenditures	<u>500,000</u>	<u>500,000</u>	<u>1,537,179</u>	<u>1,037,179</u>
Other Financing Sources (Uses):				
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>
Net Change in Fund Balance	-	-	1,037,179	1,037,179
Fund Balance, Beginning of Year	<u>6,123,105</u>	<u>6,123,105</u>	<u>6,123,105</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 6,123,105</u>	<u>\$ 6,123,105</u>	<u>\$ 7,160,284</u>	<u>\$ 1,037,179</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, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Tax Revenues	\$ 2,728,312	\$ 2,749,891	\$ 2,917,145	\$ 167,254
Other Revenues:				
Intergovernmental Revenues	296,605	3,118,605	3,008,112	(110,493)
Assessment Revenues	1,437,968	1,437,968	991,744	(446,224)
Interest Income	-	-	3,660	3,660
Total Revenues	<u>4,462,885</u>	<u>7,306,464</u>	<u>6,920,661</u>	<u>(385,803)</u>
EXPENDITURES:				
Bank and Other Fees	21,250	45,910	38,675	7,235
Debt Service:				
Principal, Public Safety Bond	775,000	3,775,000	3,761,000	14,000
Principal, Lease Revenue Bonds	115,000	115,000	115,000	-
Principal, Library Bonds	1,075,000	1,075,000	1,075,000	-
Principal, Special Assessment Bonds	1,246,000	1,246,000	1,246,000	-
Principal, MBA Lease Revenue Bonds	120,000	828,000	837,000	(9,000)
Principal, Sales Tax Revenue Bonds	185,000	185,000	185,000	-
Interest, Public Safety Bond	292,955	292,955	166,303	126,652
Interest, Lease Revenue Bonds	22,150	22,150	22,149	1
Interest, Library Bond	660,974	660,974	659,981	993
Interest, Special Assessment Bonds	212,168	212,168	212,168	-
Interest, MBA Lease Revenue Bonds	102,563	105,563	97,099	8,464
Interest, Sales Tax Revenue Bond	320,056	320,056	319,739	317
Total Expenditures	<u>5,148,116</u>	<u>8,883,776</u>	<u>8,735,114</u>	<u>148,662</u>
Excess of Revenues				
Over (Under) Expenditures	<u>(685,231)</u>	<u>(1,577,312)</u>	<u>(1,814,453)</u>	<u>(237,141)</u>
Other Financing Sources (Uses):				
Operating Transfers:				
From General Fund	685,231	685,231	1,185,231	500,000
Total Other Financing Sources (Uses):	<u>685,231</u>	<u>685,231</u>	<u>1,185,231</u>	<u>500,000</u>
Net Change in Fund Balance	-	(892,081)	(629,222)	262,859
Fund Balance, Beginning of Year	<u>7,407,121</u>	<u>7,407,121</u>	<u>7,407,121</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 7,407,121</u>	<u>\$ 6,515,040</u>	<u>\$ 6,777,899</u>	<u>\$ 262,859</u>

WASHINGTON COUNTY
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Other Revenues:				
Interest Earnings	-	-	20,969	20,969
Total Revenues	-	-	20,969	20,969
EXPENDITURES:				
Capital Outlay:				
Buildings	-	-	-	-
Equipment	19,550	69,550	66,564	2,986
Other	-	1,000,000	-	1,000,000
Total Expenditures	19,550	1,069,550	66,564	1,002,986
Excess of Revenues Over (Under) Expenditures	(19,550)	(1,069,550)	(45,595)	1,023,955
Other Financing Sources (Uses):				
Transfer from General Fund	-	1,000,000	2,500,000	1,500,000
Transfer from Assessing and Collecting Fund	19,550	19,550	19,550	-
Bond Issue Costs	-	-	-	-
Debt Proceeds	-	-	-	-
Total Other Financing Sources (Uses)	19,550	1,019,550	2,519,550	1,500,000
Net Change in Fund Balance	-	(50,000)	2,473,955	2,523,955
Fund Balance, Beginning of Year	4,027,767	4,027,767	4,027,767	-
Fund Balance, End of Year	\$ 4,027,767	\$ 3,977,767	\$ 6,501,722	\$ 2,523,955

WASHINGTON COUNTY
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013

	Special Revenue Funds				
	Class "B" Roads	Municipal Services	Flood Damage	Children's Justice Center	Library
ASSETS					
Cash and investments	\$ 1,476,086	\$ 3,351,031	\$ 1,877,437	\$ -	\$ 945,371
Property taxes receivable	-	156,293	-	-	727,064
Assessments receivable	-	-	-	-	-
Due from other governments	257,022	3,612	-	53,338	-
Due from other funds	-	-	-	-	-
Prepaid assets	-	-	-	-	56,668
Restricted cash	-	-	-	-	25,000
Total assets	<u>1,733,108</u>	<u>3,510,936</u>	<u>1,877,437</u>	<u>53,338</u>	<u>1,754,103</u>
LIABILITIES					
Accounts payable	53,587	88,475	78,558	1,031	120,315
Accrued liabilities	9,486	13,079	-	1,694	28,797
Due to other funds	-	-	-	17,573	-
Unearned revenue	-	-	-	-	2,500
Total liabilities	<u>63,073</u>	<u>101,554</u>	<u>78,558</u>	<u>20,298</u>	<u>151,612</u>
FUND BALANCES					
Nonspendable: Prepaid assets	-	-	-	-	56,668
Restricted for:					
Class "B" roads	1,670,035	-	-	-	-
Other purposes	-	-	1,798,879	33,040	25,000
Assigned	-	3,409,382	-	-	1,520,823
Total fund balances	<u>1,670,035</u>	<u>3,409,382</u>	<u>1,798,879</u>	<u>33,040</u>	<u>1,602,491</u>
Total liabilities & fund balance	<u>\$ 1,733,108</u>	<u>\$ 3,510,936</u>	<u>\$ 1,877,437</u>	<u>\$ 53,338</u>	<u>\$ 1,754,103</u>

			Total
<u>Council</u> <u>on Aging</u>	<u>Recreation</u> <u>Fund</u>	<u>Grants</u> <u>Fund</u>	<u>Nonmajor</u> <u>Gvtl. Funds</u>
\$ 209,264	\$ 3,047,998	\$ 383,926	\$ 11,291,113
-	-	-	883,357
-	-	-	-
107,710	403,757	31,427	856,866
-	-	-	-
-	-	-	56,668
-	-	-	25,000
<u>316,974</u>	<u>3,451,755</u>	<u>415,353</u>	<u>13,113,004</u>
34,403	5,255	35,500	417,124
5,759	4,404	-	63,219
-	-	-	17,573
-	-	-	2,500
<u>40,162</u>	<u>9,659</u>	<u>35,500</u>	<u>500,416</u>
-	-	-	56,668
-	-	-	1,670,035
276,812	3,442,096	103,277	5,679,104
-	-	276,576	5,206,781
<u>276,812</u>	<u>3,442,096</u>	<u>379,853</u>	<u>12,612,588</u>
<u>\$ 316,974</u>	<u>\$ 3,451,755</u>	<u>\$ 415,353</u>	<u>\$ 13,113,004</u>

WASHINGTON COUNTY
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	Special Revenue Funds				
	Class "B" Roads	Municipal Services	Flood Damage	Children's Justice Center	Library
REVENUES:					
Taxes	\$ 300,899	\$ 884,085	\$ -	\$ -	\$ 3,275,205
Licenses, permits and fees	-	92,585	-	-	-
Intergovernmental	1,365,391	2,722,134	2,413,427	199,900	110,555
Charges for services	20,751	337,904	-	-	-
Fines and forfeitures	-	-	-	-	94,280
Interest	8,004	18,954	9,859	-	693
Sub-lease revenue	-	-	-	-	-
Miscellaneous	20	106,917	-	-	76,376
Total	1,695,065	4,162,579	2,423,286	199,900	3,557,109
EXPENDITURES:					
General Government	-	223,495	-	-	-
Public Safety	-	2,775,049	-	222,144	-
Public Works	1,877,493	943,509	2,261,547	-	-
Health and Sanitation	-	-	-	-	-
Conservation and Economic Development	-	-	-	-	-
Culture and Other	-	216,750	-	-	3,346,385
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total	1,877,493	4,158,803	2,261,547	222,144	3,346,385
Excess of revenues over (under) expenditures	(182,428)	3,776	161,739	(22,244)	210,724
Other financing sources (uses):					
Transfers in	-	-	-	20,000	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	20,000	-
Net change in fund balances	(182,428)	3,776	161,739	(2,244)	210,724
Fund Balances - Beginning	1,852,463	3,405,606	1,637,140	35,284	1,391,767
Fund Balances - Ending	\$ 1,670,035	\$ 3,409,382	\$ 1,798,879	\$ 33,040	\$ 1,602,491

Council on Aging	Recreation Fund	Grants Fund	Total Non-major Gvtl. Funds
\$ -	\$ 2,594,799	\$ -	\$ 7,054,988
-	-	-	92,585
753,440	-	584,299	8,149,146
-	367,589	-	726,244
-	-	-	94,280
-	12,627	-	50,137
-	706,065	-	706,065
-	2,985	-	186,298
753,440	3,684,065	584,299	17,059,743
-	-	-	223,495
-	-	594,518	3,591,711
-	-	-	5,082,549
1,214,118	-	-	1,214,118
-	1,782,545	2,000	1,784,545
-	-	-	3,563,135
-	1,131,126	-	1,131,126
-	330,068	-	330,068
1,214,118	3,243,739	596,518	16,920,747
(460,678)	440,326	(12,219)	138,996
490,700	700,000	-	1,210,700
-	(200,000)	-	(200,000)
490,700	500,000	-	1,010,700
30,022	940,326	(12,219)	1,149,696
246,790	2,501,770	392,072	11,462,892
\$ 276,812	\$ 3,442,096	\$ 379,853	\$ 12,612,588

WASHINGTON COUNTY
Class "B" Roads Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Taxes:				
Fee in lieu Taxes	\$ 305,000	\$ 305,000	\$ 300,899	\$ (4,101)
Intergovernmental Revenues:				
Class "B" Roads	1,300,000	1,300,000	1,365,391	65,391
Total Intergovernmental Revenues	1,300,000	1,300,000	1,365,391	65,391
Charges for Services:				
Fuel Revenue - Other Departments	16,000	16,000	20,751	4,751
Other Revenues:				
Interest Revenue	-	-	8,004	8,004
Other	-	-	20	20
Total Other Revenues	-	-	8,024	8,024
Total Revenues	1,621,000	1,621,000	1,695,065	74,065
EXPENDITURES:				
Public Works:				
Salaries	497,500	497,500	510,444	(12,944)
Employee Benefits	257,200	257,200	256,703	497
Services, Supplies and Other	598,300	746,300	547,421	198,879
Capital Outlay	481,300	353,300	562,925	(209,625)
Total Public Works	1,834,300	1,854,300	1,877,493	(23,193)
Excess of Revenues Over (Under) Expenditures	(213,300)	(233,300)	(182,428)	97,258
Fund Balance, Beginning of Year	1,852,463	1,852,463	1,852,463	-
Fund Balance, End of Year	\$ 1,639,163	\$ 1,619,163	\$ 1,670,035	\$ 97,258

WASHINGTON COUNTY
Municipal Services Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Sales Tax Revenue	\$ 800,000	\$ 880,000	\$ 884,085	\$ 4,085
Business Licenses and Building Permits	82,000	87,000	92,585	5,585
Intergovernmental Revenue:				
Federal Payments in Lieu of Taxes	2,450,000	2,417,000	2,417,058	58
State Mineral Lease	80,000	80,000	85,391	5,391
Sheriff Protection	140,000	126,000	127,908	1,908
Federal Public Safety Grant & GIS	40,000	78,000	91,777	13,777
Total Intergovernmental	<u>2,710,000</u>	<u>2,701,000</u>	<u>2,722,134</u>	<u>21,134</u>
Charges for Services	244,100	313,500	337,904	24,404
Other Revenue:				
Interest Earnings	-	-	18,954	18,954
Sale of Land & Equipment	71,275	71,275	-	(71,275)
Liquor Allocation	100,000	100,000	95,508	(4,492)
Miscellaneous	2,000	2,000	11,409	9,409
Total Other	<u>173,275</u>	<u>173,275</u>	<u>125,871</u>	<u>(47,404)</u>
Total Revenues	<u>4,009,375</u>	<u>4,154,775</u>	<u>4,162,579</u>	<u>7,804</u>
EXPENDITURES:				
General Government:				
Planning & Zoning	123,940	123,940	91,506	32,434
GIS	130,087	130,087	131,989	(1,902)
Total General Government	<u>254,027</u>	<u>254,027</u>	<u>223,495</u>	<u>30,532</u>
Public Safety:				
Sheriff and Dispatch	2,150,000	2,150,000	2,150,000	-
Fire Control	143,678	339,678	325,557	14,121
Building Inspector	298,150	308,150	299,492	8,658
Total Public Safety	<u>2,591,828</u>	<u>2,797,828</u>	<u>2,775,049</u>	<u>22,779</u>
Public Works				
Maintenance shop	197,100	322,100	344,323	(22,223)
Weed control	139,500	144,500	139,890	4,610
Public works - other	588,396	588,396	459,296	129,100
Total Public Safety	<u>924,996</u>	<u>1,054,996</u>	<u>943,509</u>	<u>111,487</u>
Miscellaneous Contingent	<u>238,524</u>	<u>218,524</u>	<u>216,750</u>	<u>1,774</u>
Total Expenditures	<u>4,009,375</u>	<u>4,325,375</u>	<u>4,158,803</u>	<u>166,572</u>
Excess of Revenues				
Over (Under) Expenditures	-	(170,600)	3,776	174,376
Fund Balance, Beginning of Year	<u>3,405,606</u>	<u>3,405,606</u>	<u>3,405,606</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 3,405,606</u>	<u>\$ 3,235,006</u>	<u>\$ 3,409,382</u>	<u>\$ 174,376</u>

WASHINGTON COUNTY
Flood Damage Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal Revenue	\$ 1,500,000	\$ 2,650,000	\$ 2,413,427	\$ (236,573)
Total Intergovernmental	1,500,000	2,650,000	2,413,427	(236,573)
Interest Revenue	-	-	9,859	9,859
Total Revenues	1,500,000	2,650,000	2,423,286	(226,714)
EXPENDITURES:				
Other Expenditures - Flood:				
Payments to Other Governments	-	940,000	1,915,927	(975,927)
Services, Supplies and Other	1,500,000	1,710,000	345,620	1,364,380
Total Expenditures	1,500,000	2,650,000	2,261,547	388,453
Excess of Revenues Over (Under) Expenditures	-	-	161,739	161,739
Fund Balance, Beginning of Year	1,637,140	1,637,140	1,637,140	-
Fund Balance, End of Year	\$ 1,637,140	\$ 1,637,140	\$ 1,798,879	\$ 161,739

WASHINGTON COUNTY
Children's Justice Center Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental Revenue	\$ 192,000	\$ 195,500	\$ 199,900	\$ 4,400
Total Revenues	<u>192,000</u>	<u>195,500</u>	<u>199,900</u>	<u>4,400</u>
EXPENDITURES:				
Public Safety				
AG's Children Justice Center	183,500	204,000	175,287	28,713
VOCA	28,500	30,500	29,272	1,228
NCA	<u>-</u>	<u>16,000</u>	<u>17,585</u>	<u>(1,585)</u>
Total Expenditures	<u>212,000</u>	<u>250,500</u>	<u>222,144</u>	<u>28,356</u>
Other Financing Sources (Uses):				
Transfers:				
From General Fund	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net Change in Fund Balance	-	(35,000)	(2,244)	32,756
Fund Balance, Beginning of Year	<u>35,284</u>	<u>35,284</u>	<u>35,284</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 35,284</u></u>	<u><u>\$ 284</u></u>	<u><u>\$ 33,040</u></u>	<u><u>\$ 32,756</u></u>

WASHINGTON COUNTY
Library Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Tax Revenues:				
Current Property Taxes	\$ 2,604,101	\$ 2,662,143	\$ 2,791,329	\$ 129,186
Fee Assessed Taxes	175,000	175,000	208,031	33,031
Prior Years Delinquent Taxes	221,000	221,000	260,420	39,420
Penalties & Interest	12,200	12,200	15,425	3,225
Total Taxes	<u>3,012,301</u>	<u>3,070,343</u>	<u>3,275,205</u>	<u>204,862</u>
Intergovernmental Revenue	58,900	110,900	110,555	(345)
Fines and Forfeitures	90,000	90,000	94,280	4,280
Other Revenues:				
Interest Earnings	-	-	693	693
Xerox Revenue	35,500	35,500	35,918	418
Miscellaneous	18,200	18,200	16,959	(1,241)
Contributions	22,000	22,000	23,499	1,499
Total Other	<u>75,700</u>	<u>75,700</u>	<u>77,069</u>	<u>1,369</u>
Total Revenues	<u>3,236,901</u>	<u>3,346,943</u>	<u>3,557,109</u>	<u>210,166</u>
EXPENDITURES:				
Culture and other expenditures:				
St. George Library	652,215	652,215	650,251	1,964
Hurricane Library	348,535	348,535	339,159	9,376
Santa Clara Library	296,675	296,675	302,712	(6,037)
Springdale Library	132,365	132,365	122,441	9,924
Enterprise Library	92,725	92,725	98,346	(5,621)
New Harmony Library	50,475	50,475	47,451	3,024
Washington City Library	304,175	304,175	293,465	10,710
Other Branches & Misc. Grants	1,359,736	1,469,778	1,492,560	(22,782)
Total Expenditures	<u>3,236,901</u>	<u>3,346,943</u>	<u>3,346,385</u>	<u>558</u>
Net Change in Fund Balance	-	-	210,724	210,724
Fund Balance, Beginning of Year	<u>1,391,767</u>	<u>1,391,767</u>	<u>1,391,767</u>	-
Fund Balance, End of Year	<u>\$ 1,391,767</u>	<u>\$ 1,391,767</u>	<u>\$ 1,602,491</u>	<u>\$ 210,724</u>

WASHINGTON COUNTY
Council on Aging Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Intergovernmental Revenue:				
Council on Aging Contract	\$ 174,776	\$ 174,776	\$ 183,718	\$ 8,942
Nutrition Contract - St. George	378,433	378,433	321,507	(56,926)
Nutrition Contract - Hurricane	165,000	165,000	133,947	(31,053)
Nutrition Contract - Enterprise	63,000	63,000	53,530	(9,470)
Miscellaneous - C.O.A.	47,200	47,200	52,208	5,008
Miscellaneous - Transportation	12,000	12,000	8,530	(3,470)
Charges for services	-	-	-	-
Total Revenues	<u>840,409</u>	<u>840,409</u>	<u>753,440</u>	<u>(86,969)</u>
EXPENDITURES:				
Health & Sanitation:				
Council on Aging - General	153,100	153,100	145,584	7,516
Council on Aging - St. George Center	931,412	931,412	823,934	107,478
Council on Aging - Hurricane Center	177,592	177,592	176,933	659
Council on Aging - Enterprise Center	69,005	69,005	67,667	1,338
Total Expenditures	<u>1,331,109</u>	<u>1,331,109</u>	<u>1,214,118</u>	<u>116,991</u>
Excess of Revenues Over (Under) Expenditures	(490,700)	(490,700)	(460,678)	30,022
Other Financing Sources (Uses):				
Transfers:				
From General Fund	490,700	490,700	490,700	-
Net Change in Fund Balance	-	-	30,022	30,022
Fund Balance, Beginning of Year	<u>246,790</u>	<u>246,790</u>	<u>246,790</u>	-
Fund Balance, End of Year	<u>\$ 246,790</u>	<u>\$ 246,790</u>	<u>\$ 276,812</u>	<u>\$ 30,022</u>

WASHINGTON COUNTY
Recreation Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Tax Revenues:				
Restaurant Food Tax	\$ 1,750,000	\$ 2,200,000	\$ 2,212,864	\$ 12,864
Leasing Sales Tax	290,000	360,000	381,935	21,935
Total Taxes	<u>2,040,000</u>	<u>2,560,000</u>	<u>2,594,799</u>	<u>34,799</u>
Charges for Services:				
County Fair	111,400	111,400	107,364	(4,036)
Regional Park	246,800	246,800	260,225	13,425
Total Charges for Services	<u>358,200</u>	<u>358,200</u>	<u>367,589</u>	<u>9,389</u>
Other Revenues:				
Interest Earnings	-	-	12,627	12,627
Vision Dixie and Other Revenue	1,000	1,000	2,985	1,985
Sub-lease Revenue	-	-	706,065	706,065
Total Revenues	<u>2,399,200</u>	<u>2,919,200</u>	<u>3,684,065</u>	<u>764,865</u>
EXPENDITURES:				
Conservation & Economic Development:				
Regional Park Facility	848,026	1,356,026	563,890	792,136
County Fair	230,400	242,400	240,558	1,842
Convention Center Operations	437,835	437,835	225,097	212,738
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	629,939	629,939	1,131,126	(501,187)
Interest	-	-	330,068	(330,068)
Total Expenditures	<u>2,899,200</u>	<u>3,419,200</u>	<u>3,243,739</u>	<u>175,461</u>
Excess of Revenues				
Over (Under) Expenditures	(500,000)	(500,000)	440,326	940,326
Other Financing Sources (Uses):				
Transfers:				
From Travel Board Special Revenue Fund	700,000	700,000	700,000	-
To Travel Board Special Revenue Fund	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Net Change in Fund Balance	-	-	940,326	940,326
Fund Balance, Beginning of Year	<u>2,501,770</u>	<u>2,501,770</u>	<u>2,501,770</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,501,770</u>	<u>\$ 2,501,770</u>	<u>\$ 3,442,096</u>	<u>\$ 940,326</u>

WASHINGTON COUNTY
Miscellaneous Grants Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Intergovernmental Revenues:				
LLEBG/SCAAP	\$ -	\$ -	\$ 27,523	\$ 27,523
Drug Court	192,000	192,000	192,022	22
WMD and Emergency OPS Grants	769,947	789,447	251,978	(537,469)
DEA Eradication	-	90,000	90,000	-
Other Grants	31,000	36,000	22,776	(13,224)
Total Revenues	<u>992,947</u>	<u>1,107,447</u>	<u>584,299</u>	<u>(523,148)</u>
EXPENDITURES:				
Public Safety:				
LLEBG/SCAAP	-	19,500	19,277	223
WMD - Emergency Operations	799,947	799,947	257,021	542,926
DEA Eradication	-	106,500	128,316	(21,816)
Drug Court	192,000	192,000	177,268	14,732
Other	-	14,000	12,636	1,364
Total Public Safety	<u>991,947</u>	<u>1,131,947</u>	<u>594,518</u>	<u>537,429</u>
Conservation & Economic Development:				
Predator Control	1,000	2,000	2,000	-
Total Conservation & Economic Devel.	<u>1,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total Expenditures	<u>992,947</u>	<u>1,133,947</u>	<u>596,518</u>	<u>537,429</u>
Excess of Revenues				
Over (Under) Expenditures	-	(26,500)	(12,219)	14,281
Fund Balance, Beginning of Year	<u>392,072</u>	<u>392,072</u>	<u>392,072</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 392,072</u>	<u>\$ 365,572</u>	<u>\$ 379,853</u>	<u>\$ 14,281</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 Flood Control Agency fund** is used as an agency fund for the Washington County Flood Control District.

WASHINGTON COUNTY
All Trust and Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended December 31, 2013

	Balance 12/31/2012	Additions	Deductions	Balance 12/31/2013
TAX COLLECTION TRUST FUND:				
Assets:				
Cash & Investments	\$ 17,572,456	\$ 143,813,721	\$ 127,705,581	\$ 33,680,596
Due from Other Governments	-	-	-	-
Property Taxes Receivable	-	-	-	-
Total Assets	<u>\$ 17,572,456</u>	<u>\$ 143,813,721</u>	<u>\$ 127,705,581</u>	<u>\$ 33,680,596</u>
Liabilities:				
Deposits Held in Trust	\$ 1,833,385	\$ 3,239,503	\$ 2,609,633	\$ 2,463,255
Due to Taxing Districts	12,998,065	117,286,579	104,151,450	26,133,194
Due to Washington Co. General Fund	1,291,108	10,157,508	9,280,889	2,167,727
Due to Assessing & Collecting Fund	735,750	6,792,422	6,017,502	1,510,670
Due to Other Funds	714,148	6,337,709	5,646,107	1,405,750
Reserve for Refund	-	-	-	-
Total Liabilities	<u>\$ 17,572,456</u>	<u>\$ 143,813,721</u>	<u>\$ 127,705,581</u>	<u>\$ 33,680,596</u>
DEPOSIT FUND:				
Assets:				
Cash & Investments	\$ 843,935	\$ 6,122,787	\$ 6,034,673	\$ 932,049
Other Receivables	-	-	-	-
Total Assets	<u>\$ 843,935</u>	<u>\$ 6,122,787</u>	<u>\$ 6,034,673</u>	<u>\$ 932,049</u>
Liabilities:				
Deposits Held in Trust	<u>\$ 843,935</u>	<u>\$ 6,122,787</u>	<u>\$ 6,034,673</u>	<u>\$ 932,049</u>
HEALTH DEPARTMENT:				
Assets:				
Cash & Investments	\$ 3,654,403	\$ 6,439,394	\$ 8,212,614	\$ 1,881,183
Other Receivables	-	-	-	-
Total Assets	<u>\$ 3,654,403</u>	<u>\$ 6,439,394</u>	<u>\$ 8,212,614</u>	<u>\$ 1,881,183</u>
Liabilities:				
Deposits Held in Trust	<u>\$ 3,654,403</u>	<u>\$ 6,439,394</u>	<u>\$ 8,212,614</u>	<u>\$ 1,881,183</u>
ECONOMIC DEVELOPMENT COUNCIL:				
Assets:				
Cash & Investments	\$ 372,007	\$ 357,602	\$ 344,010	\$ 385,599
Other Receivables	-	-	-	-
Total Assets	<u>\$ 372,007</u>	<u>\$ 357,602</u>	<u>\$ 344,010</u>	<u>\$ 385,599</u>
Liabilities:				
Deposits Held in Trust	<u>\$ 372,007</u>	<u>\$ 357,602</u>	<u>\$ 344,010</u>	<u>\$ 385,599</u>

(Continued)

WASHINGTON COUNTY
All Trust and Agency Funds
Combining Statement of Changes in Assets and Liabilities (Continued)
For the Year Ended December 31, 2013

	Balance 12/31/2012	Additions	Deductions	Balance 12/31/2013
SOUTHWESTERN MOSQUITO ABATEMENT:				
Assets:				
Cash & Investments	\$ 464,667	\$ 45,697	\$ 510,364	\$ -
Total Assets	<u>\$ 464,667</u>	<u>\$ 45,697</u>	<u>\$ 510,364</u>	<u>\$ -</u>
Liabilities:				
Deposits Held in Trust	<u>\$ 464,667</u>	<u>\$ 45,697</u>	<u>\$ 510,364</u>	<u>\$ -</u>
WASHINGTON COUNTY INTERLOCAL AGENCY:				
Assets:				
Cash & Investments	\$ 3,000,865	\$ 11,183,018	\$ 11,368,644	\$ 2,815,239
Total Assets	<u>\$ 3,000,865</u>	<u>\$ 11,183,018</u>	<u>\$ 11,368,644</u>	<u>\$ 2,815,239</u>
Liabilities:				
Deposits Held in Trust	<u>\$ 3,000,865</u>	<u>\$ 11,183,018</u>	<u>\$ 11,368,644</u>	<u>\$ 2,815,239</u>
WASHINGTON COUNTY FLOOD CONTROL:				
Assets:				
Cash & Investments	\$ -	\$ 852,770	\$ 118,736	\$ 734,034
Total Assets	<u>\$ -</u>	<u>\$ 852,770</u>	<u>\$ 118,736</u>	<u>\$ 734,034</u>
Liabilities:				
Deposits Held in Trust	<u>\$ -</u>	<u>\$ 852,770</u>	<u>\$ 118,736</u>	<u>\$ 734,034</u>
TOTAL - ALL TRUST AND AGENCY FUNDS:				
Assets:				
Cash & Investments	\$ 25,908,333	\$ 168,814,989	\$ 154,294,622	\$ 40,428,700
Due from Other Governments	-	-	-	-
Property Taxes Receivable	-	-	-	-
Due from Other Funds	-	-	-	-
Other Receivables	-	-	-	-
Total Assets	<u>\$ 25,908,333</u>	<u>\$ 168,814,989</u>	<u>\$ 154,294,622</u>	<u>\$ 40,428,700</u>
Liabilities:				
Deposits Held in Trust	\$ 10,169,262	\$ 28,240,771	\$ 29,198,674	\$ 9,211,359
Due to Taxing Districts	12,998,065	117,286,579	104,151,450	26,133,194
Due to Washington Co. General Fund	1,291,108	10,157,508	9,280,889	2,167,727
Due to Assessing & Collecting Fund	735,750	6,792,422	6,017,502	1,510,670
Due to Other Funds	714,148	6,337,709	5,646,107	1,405,750
Reserve for Refund	-	-	-	-
Total Liabilities	<u>\$ 25,908,333</u>	<u>\$ 168,814,989</u>	<u>\$ 154,294,622</u>	<u>\$ 40,428,700</u>

WASHINGTON COUNTY
Combining Statement of Net Position
Component Units
December 31, 2013

	Southwest Utah Public Health Dept.	Ash Creek SSD	Washington County Solid Waste SSD	Nonmajor Component Units	Total Component Units
Assets					
Current assets:					
Cash and investments	\$ 1,648,121	\$ 6,335,536	\$ 12,532,634	\$ 2,284,320	\$ 22,800,611
Due from other governments	223,999	-	-	234,836	458,835
Due from other sources	-	429,165	740,008	186,973	1,356,146
Inventory	-	18,202	-	6,812	25,014
Prepaid assets	86,169	-	538	11,529	98,236
Total current assets	<u>1,958,289</u>	<u>6,782,903</u>	<u>13,273,180</u>	<u>2,724,470</u>	<u>24,738,842</u>
Noncurrent assets:					
Restricted cash and investments	-	2,021,276	5,768,171	454,039	8,243,486
Due from other sources - noncurrent	-	126,399	-	-	126,399
Capital assets not being depreciated	940,433	9,338,687	57,000	1,128,150	11,464,270
Capital assets being depreciated, net of accumulated depreciation	4,358,985	9,848,355	3,963,264	7,551,787	25,722,391
Total noncurrent assets	<u>5,299,418</u>	<u>21,334,717</u>	<u>9,788,435</u>	<u>9,133,976</u>	<u>45,556,546</u>
Total assets	<u>\$ 7,257,707</u>	<u>\$ 28,117,620</u>	<u>\$ 23,061,615</u>	<u>\$ 11,858,446</u>	<u>\$ 70,295,388</u>
Liabilities					
Current liabilities:					
Accounts payable	\$ 26,711	\$ 38,565	\$ 635,731	\$ 98,451	\$ 799,458
Accrued liabilities	80,520	19,721	17,089	15,161	132,491
Compensated absences	99,249	70,169	60,827	-	230,245
Accrued interest payable	-	-	-	31,438	31,438
Total current liabilities	<u>206,480</u>	<u>128,455</u>	<u>713,647</u>	<u>145,050</u>	<u>1,193,632</u>
Noncurrent liabilities:					
Due within one year	-	-	-	212,333	212,333
Due in more than one year	-	39,087	5,116,528	3,097,142	8,252,757
Total noncurrent liabilities	<u>-</u>	<u>39,087</u>	<u>5,116,528</u>	<u>3,309,475</u>	<u>8,465,090</u>
Total liabilities	<u>206,480</u>	<u>167,542</u>	<u>5,830,175</u>	<u>3,454,525</u>	<u>9,658,722</u>
Deferred Inflows of Resources					
Billings for future period revenues	-	-	-	86,686	86,686
Net Position:					
Net investment in capital assets	5,299,418	19,158,878	4,020,264	5,370,463	33,849,023
Restricted	-	2,169,178	651,643	444,904	3,265,725
Unrestricted	<u>1,751,809</u>	<u>6,622,022</u>	<u>12,559,533</u>	<u>2,501,868</u>	<u>23,435,232</u>
Total net position	<u>\$ 7,051,227</u>	<u>\$ 27,950,078</u>	<u>\$ 17,231,440</u>	<u>\$ 8,317,235</u>	<u>\$ 60,549,980</u>

WASHINGTON COUNTY
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2013

	Southwest Utah Public Health Dept.	Ash Creek SSD	Washington County Solid Waste SSD	Nonmajor Component Units	Total Component Units
Expenses:					
Public safety:					
Fire and emergency services	\$ -	\$ -	\$ -	\$ 2,715,203	\$ 2,715,203
Public works					
Sewer services	-	2,142,301	-	-	2,142,301
Solid waste services	-	-	8,575,788	-	8,575,788
Water services	-	-	-	483,986	483,986
Transportation services	-	-	-	606,566	606,566
Health and sanitation					
Health services	7,628,181	-	-	-	7,628,181
Conservation & economic development					
	-	-	-	34,389	34,389
Total expenses	<u>7,628,181</u>	<u>2,142,301</u>	<u>8,575,788</u>	<u>3,840,144</u>	<u>22,186,414</u>
Program revenues:					
Charges for services	1,455,721	2,496,587	9,044,048	846,409	13,842,765
Operating grants and contributions	7,237,308	-	-	340,232	7,577,540
Capital grants and contributions	-	680,363	-	1,040,216	1,720,579
Net (expense) revenue	<u>1,064,848</u>	<u>1,034,649</u>	<u>468,260</u>	<u>(1,613,287)</u>	<u>954,470</u>
General revenues:					
Property taxes	-	-	-	847,417	847,417
Sales taxes	-	-	-	-	-
Other taxes	-	-	-	114,384	114,384
Unrestricted investment earnings	2,227	43,683	62,473	13,343	121,726
Miscellaneous	46,403	-	-	46,788	93,191
Gain on sale of assets	-	32,779	-	16,027	48,806
Total general revenues and transfers	<u>48,630</u>	<u>76,462</u>	<u>62,473</u>	<u>1,037,959</u>	<u>1,225,524</u>
Change in net position	1,113,478	1,111,111	530,733	(575,328)	2,179,994
Total net position - beginning	5,937,749	26,838,967	16,700,707	8,648,123	58,125,546
Prior period adjustment	-	-	-	244,440	244,440
Total net position - ending	<u>\$ 7,051,227</u>	<u>\$ 27,950,078</u>	<u>\$ 17,231,440</u>	<u>\$ 8,317,235</u>	<u>\$ 60,549,980</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, 2013

	Treasurer's Balance 12/31/2012	Tax Collection Receipts	Taxes & Interest Apportioned	Taxes & Interest Apportioned	Disburse- ments	Treasurer's Balance 12/31/2013
Tax Collection Amounts:						
Current Taxes	\$ -	\$ 128,088,680	\$ (128,088,680)	\$ -	\$ -	\$ -
Prior Year's Redemptions	-	10,894,099	-	(10,894,099)	-	-
Penalties & Interest	-	1,591,439	16,496	(1,607,935)	-	-
Other Collections	1,833,385	3,239,503	-	-	2,609,633	2,463,255
Total	\$ 1,833,385	\$ 143,813,721	\$ (128,072,184)	\$ (12,502,034)	\$ 2,609,633	\$ 2,463,255
Tax Units:						
Library Operating Fund	\$ 358,874		\$ 2,993,054	\$ 255,707	\$ 2,880,571	\$ 727,064
School District	9,595,872		78,517,254	6,994,884	76,416,412	18,691,598
Water Conservancy District	1,019,954		9,088,194	819,764	8,718,377	2,209,535
Assessing & Collecting	735,750		6,260,942	531,480	6,017,502	1,510,670
General Fund	1,148,823		8,668,147	1,631,646	9,280,889	2,167,727
County G.O. Bond	355,274		2,835,542	253,406	2,765,536	678,686
Special Service Districts:						
Rockville/Springdale	6,941		50,300	4,183	43,641	17,783
Southwest Mosquito SSD	45,697		510,444	33,090	452,207	137,024
Southwestern SSD	5,284		78,457	2,097	70,763	15,075
Smithsonian SSD	-		-	-	-	-
Leeds Area SSD	15,416		122,193	15,710	116,517	36,802
New Harmony SSD	9,612		83,800	2,419	75,509	20,322
Northwestern SSD	-		-	-	-	-
Dixie Deer SSD	-		-	-	-	-
Hurricane Valley Fire District	86,008		387,231	50,680	417,667	106,252
Coral Canyon SID	72,666		626,378	15,817	578,599	136,262
Cities & Towns:						
Apple Valley	9,642		76,138	26,917	90,659	22,038
Enterprise	15,717		144,716	9,909	130,652	39,690
Hildale	15,294		136,303	446,297	578,595	19,299
Hurricane	370,234		2,412,656	338,241	2,535,322	585,809
Ivins	111,346		1,279,236	56,517	1,168,025	279,074
LaVerkin	50,503		377,983	40,016	399,262	69,240
Leeds	8,158		60,231	8,138	59,157	17,370
New Harmony	2,026		20,406	1,249	18,875	4,806
Rockville	4,467		46,569	690	39,542	12,184
St. George	1,399,467		10,150,875	750,374	9,252,294	3,048,422
Santa Clara	71,628		717,864	40,553	710,884	119,161
Springdale	8,912		59,924	5,798	52,288	22,346
Toquerville	17,667		103,566	9,145	100,348	30,030
Virgin	7,732		57,894	9,132	58,518	16,240
Washington	190,107		2,205,884	148,178	2,067,336	476,833
Total Due Units	\$ 15,739,071		\$ 128,072,181	\$ 12,502,037	\$ 125,095,947	\$ 31,217,342
Total	\$ 17,572,456	\$ 143,813,721			\$ 127,705,580	\$ 33,680,597

WASHINGTON COUNTY

Statement of Taxes Charged and Collected December 31, 2013

TAXABLE VALUE OF PROPERTY

	Year-End Value (After BOE)	Centrally - Assessed Value	RDA Value	Adjusted Real & Centrally Assessed Value	Year End Personal Property Value	Total Adjusted Value
Library Operations	\$ 9,808,243,870	\$ 432,058,132	\$ (186,855,115)	\$ 10,053,446,887	\$ 389,077,552	\$ 10,442,524,439
School District	9,808,243,870	432,058,132	(186,855,115)	10,053,446,887	389,077,552	10,442,524,439
Water Conservancy District	9,808,243,870	432,058,132	(186,855,115)	10,053,446,887	389,077,552	10,442,524,439
Assessing & Collecting:						
Local	9,808,243,870	432,058,132	-	10,240,302,002	389,077,552	10,629,379,554
State	9,808,243,870	432,058,132	-	10,240,302,002	389,077,552	10,629,379,554
General Fund	9,808,243,870	432,058,132	(186,855,115)	10,053,446,887	389,077,552	10,442,524,439
County G.O. Bond	9,808,243,870	432,058,132	(186,855,115)	10,053,446,887	389,077,552	10,442,524,439
Rockville/Springdale Fire	184,058,890	2,303,603	-	186,362,493	5,590,623	191,953,116
Southwest Mosquito SSD	9,808,243,870	432,058,132	(186,855,115)	10,053,446,887	389,077,552	10,442,524,439
Southwestern SSD	101,075,245	2,511,824	-	103,587,069	320,485	103,907,554
Leeds Area SSD	78,986,335	2,127,428	-	81,113,763	693,310	81,807,073
New Harmony Fire	109,085,840	2,952,085	-	112,037,925	126,331	112,164,256
Coral Canyon	205,525,230	695,084	-	206,220,314	1,938,454	208,158,768
Enterprise	51,401,360	1,207,754	-	52,609,114	840,427	53,449,541
Hildale	30,379,170	839,294	-	31,218,464	6,299,590	37,518,054
Hurricane	833,809,050	19,239,499	-	853,048,549	61,694,525	914,743,074
Ivins	631,653,310	6,235,028	-	637,888,338	3,907,652	641,795,990
LaVerkin	131,151,805	4,288,557	-	135,440,362	5,433,953	140,874,315
Leeds	59,258,105	1,275,499	-	60,533,604	677,076	61,210,680
New Harmony	13,116,290	597,463	-	13,713,753	35,165	13,748,918
St. George	5,491,109,305	131,115,013	(193,819,506)	5,428,404,812	257,528,515	5,685,933,327
Santa Clara	321,903,065	3,420,432	-	325,323,497	2,020,536	327,344,033
Springdale	151,882,000	1,198,490	-	153,080,490	5,146,465	158,226,955
Toquerville	74,289,725	5,101,549	-	79,391,274	615,659	80,006,933
Virgin	39,598,710	1,241,230	-	40,839,940	699,480	41,539,420
Washington	1,300,237,410	11,980,523	-	1,312,217,933	27,417,818	1,339,635,751
Rockville	32,176,890	1,105,113	-	33,282,003	444,158	33,726,161
Apple Valley	35,742,795	2,193,401	-	37,936,196	171,392	38,107,588
Northwestern SSD	-	-	-	-	-	-
Dixie Deer SSD	-	-	-	-	-	-
Hurricane Valley SSD	334,320,785	17,452,772	-	351,773,557	6,824,125	358,597,682
North Central Fire SSD	-	-	-	-	-	-

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
0.000289	0.000304	\$2,905,446	\$118,280	\$3,023,726
0.007544	0.008201	75,843,203	3,190,825	79,034,028
0.000878	0.000924	8,826,926	359,508	9,186,434
0.000433	0.000458	4,434,051	178,198	4,612,249
0.000158	0.000168	1,617,968	65,365	1,683,333
0.000837	0.000882	8,414,741	343,164	8,757,905
0.000274	0.000298	2,754,644	115,945	2,870,589
0.000272	0.000270	50,691	1,509	52,200
0.000049	0.000039	492,619	15,174	507,793
0.000710	0.000739	73,547	237	73,784
0.001495	0.001518	121,265	1,052	122,317
0.000783	0.000816	87,726	103	87,829
0.003000	0.003000	618,661	5,815	624,476
0.002610	0.002633	137,310	2,213	139,523
0.008502	0.007577	265,419	47,732	313,151
0.002690	0.002723	2,294,701	167,994	2,462,695
0.001981	0.002125	1,263,657	8,304	1,271,961
0.002750	0.002805	372,461	15,242	387,703
0.000983	0.001002	59,505	678	60,183
0.001541	0.001548	21,133	54	21,187
0.001784	0.001889	9,684,274	486,471	10,170,745
0.002096	0.002349	681,878	4,746	686,624
0.000393	0.000390	60,161	2,007	62,168
0.001323	0.001390	105,035	856	105,891
0.001445	0.001599	59,014	1,118	60,132
0.001621	0.001711	2,127,105	46,912	2,174,017
0.001435	0.001445	47,760	642	48,402
0.002209	0.002287	83,801	392	84,193
0.000000	0.000000	-	-	-
0.000000	0.000000	-	-	-
0.001112	0.001103	391,172	7,527	398,699
0.000000	0.000000	-	-	-
		<u>\$123,895,874</u>	<u>\$5,188,063</u>	<u>\$129,083,937</u>

(Continued)

WASHINGTON COUNTY

Statement of Taxes Charged and Collected (Continued)
December 31, 2013

	TREASURER'S RELIEF				CURRENT YEAR ACTUAL	
	Unpaid Taxes	Abatements	Other	Total Relief	Taxes Collected	Collection Rate
Library Operations	\$ 158,706	\$ 48,712	\$ 24,979	\$ 232,397	\$2,791,329	92.31%
School District	4,142,830	1,271,583	368,096	5,782,509	73,251,519	92.68%
Water Conservancy District	482,156	147,992	80,945	711,093	8,475,341	92.26%
Assessing & Collecting:						
Local	237,782	72,985	18,825	329,592	4,282,657	92.85%
State	86,765	26,632	4,155	117,552	1,565,781	93.02%
General Fund	454,887	141,081	78,025	673,993	8,083,912	92.30%
County G.O. Bond	150,469	46,184	29,649	226,302	2,644,287	92.12%
Rockville/Springdale Fire	3,314	434	(273)	3,475	48,725	93.34%
Southwest Mosquito SSD	26,907	8,259	(3,615)	31,551	476,242	93.79%
Southwestern SSD	3,084	1,779	509	5,372	68,412	92.72%
Leeds Area SSD	5,919	4,056	30	10,005	112,312	91.82%
New Harmony Fire	8,525	2,145	244	10,914	76,915	87.57%
Coral Canyon	17,955	5,910	223	24,088	600,388	96.14%
Enterprise	7,649	3,246	171	11,066	128,457	92.07%
Hildale	223,556	487	(4,360)	219,683	93,468	29.85%
Hurricane	176,849	46,410	(1,440)	221,819	2,240,876	90.99%
Ivins	38,355	24,341	2,043	64,739	1,207,222	94.91%
LaVerkin	29,541	15,097	(566)	44,072	343,631	88.63%
Leeds	2,953	1,757	(91)	4,619	55,564	92.33%
New Harmony	1,705	767	31	2,503	18,684	88.19%
St. George	493,876	154,512	23,656	672,044	9,498,701	93.39%
Santa Clara	20,123	11,966	3,291	35,380	651,244	94.85%
Springdale	4,082	373	(443)	4,012	58,156	93.55%
Toquerville	7,700	3,244	154	11,098	94,793	89.52%
Virgin	3,783	2,327	63	6,173	53,959	89.73%
Washington	94,624	33,319	5,357	133,300	2,040,717	93.87%
Rockville	2,581	926	181	3,688	44,714	92.38%
Apple Valley	15,219	1,059	431	16,709	67,484	80.15%
Northwestern SSD	-	-	-	-	-	-
Dixie Deer SSD	-	-	-	-	-	-
Hurricane Valley SSD	27,389	10,824	905	39,118	359,581	90.19%
North Central Fire SSD	-	-	-	-	-	-
Totals	\$ 6,929,284	\$ 2,088,407	\$631,175	\$9,648,866	\$119,435,071	

OTHER COLLECTIONS

Fee in Lieu	Miscellaneous Collections	Delinquent Tax Collected	Interest & Penalty Collected
\$ 202,111	\$ 26,444	\$ 239,896	\$ 15,425
5,275,852	705,802	6,556,951	427,816
614,024	81,501	767,795	50,798
302,816	39,813	362,337	23,350
110,496	14,638	136,058	8,927
585,352	76,688	695,308	935,221
191,620	25,622	237,695	15,346
1,582	112	3,865	311
34,268	3,901	30,993	2,031
10,054	3,589	1,694	394
9,897	360	14,752	942
6,896	5,444	1,636	772
26,073	1,119	14,690	1,044
16,277	397	9,286	605
42,848	866	430,338	15,946
172,090	11,904	315,110	22,821
72,181	9,508	52,514	3,836
34,399	900	37,780	2,189
4,675	179	7,678	452
1,725	35	1,181	65
653,486	85,296	703,992	45,070
66,710	8,664	37,691	2,772
1,776	123	5,391	399
8,786	240	8,667	465
3,942	421	8,629	496
165,449	15,384	138,571	9,325
1,861	142	519	165
8,663	2,942	25,356	1,552
-	-	-	-
-	-	-	-
27,700	1,011	47,726	2,904
-	-	-	-
<u>\$ 8,653,609</u>	<u>\$1,123,045</u>	<u>\$10,894,099</u>	<u>\$1,591,439</u>

WASHINGTON COUNTY

**Schedule of Expenditures of Transient Room Taxes and
Tourism, Recreation, Culture and Convention Facilities Taxes
December 31, 2013**

Transient Room Taxes (TRT):

Establishing and promoting:		
Recreation	\$	830,551
Tourism		1,275,780
Film production		44,315
Conventions		367,448
Totals		2,518,094
Acquiring, leasing, construction, furnishing, or operating:		
Convention meeting rooms		350,000
Exhibit halls		350,000
Visitor information centers		-
Museums		
Related facilities		700,000
Totals		1,400,000
Acquiring or leasing land required for or related to:		
Convention meeting rooms		-
Exhibit halls		-
Visitor information centers		-
Museums		-
Related facilities		-
Totals		-
Mitigation costs		-
Payment of principal, interest, premiums, and reserves on bonds		-
Total expenditures of transient room taxes	\$	3,918,094

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

Financing tourism promotion		-
Development, operation, and maintenance of:		
Tourist facilities	\$	-
Recreation facilities		1,709,948
Cultural facilities		-
Convention facilities		629,939
Pledges as security for evidences of indebtedness		-
Total		2,339,887
Total expenditures of tourism, recreation, culture, and convention facilities taxes		\$ 2,339,887

Reserves and Pledges:

	1/1/2013	Additions 2013	12/31/2013
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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**Independent Auditors' Report on Internal Control over
Financial Reporting and on Compliance and ther Matters
Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Honorable County Commission
Washington County
St. George, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Washington County's basic financial statements, and have issued our report thereon dated June 27, 2014. Our report includes a reference to other auditors who audited the financial statements of Southwest Utah Public Health Department and Rockville/Springdale Fire Protection District, as described in our report on Washington County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Washington County's internal control over financial reporting (internal control) 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's internal control. Accordingly, we do not express an opinion on the effectiveness of Washington County's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Washington County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

A handwritten signature in cursive script that reads "Hinton Burdick, PLLC".

HintonBurdick, PLLC
St. George, Utah
June 27, 2014

**Independent Auditor's Report On Compliance
and on Internal Controls Over Compliance
in Accordance with the *State of Utah Legal Compliance Audit Guide***

Honorable County Commission
Washington County
St. George, Utah

REPORT ON COMPLIANCE

We have audited Washington County's compliance with the general and major state program compliance requirements described in the *State of Utah Legal Compliance Audit Guide* for the year ended December 31, 2014.

The general compliance requirements applicable to Washington County are identified as follows:

Cash Management
Budgetary Compliance
Fund Balance
Justice Courts
Statement of Taxes Charged, Collected & Disbursed
Assessing & Collecting Property Taxes
Transient Room Tax and Tourism, Recreation, Culture, Convention, and Airport Facilities Tax
Utah Retirement Systems Compliance
Government Records Access Management Act
Conflicts of Interest
Nepotism
Utah Public Finance Website
Open and Public Meetings Act

Washington County received the following major assistance programs from the State of Utah:

B&C Road Funds
Bailiff and Security Services Contract

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of Washington County's management.

Auditor's Responsibility

Our responsibility is to express an opinion on Washington County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State of Utah Legal Compliance Audit Guide*. Those standards and the *State of Utah Legal Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on Washington County and its major programs occurred. An audit includes examining, on a test basis, evidence about Washington County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Washington County's compliance with those requirements.

Opinion

In our opinion, Washington County complied, in all material respects, with the general compliance requirements identified above and the compliance requirements that are applicable to each of its major state programs for the year ended December 31, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State of Utah Legal Compliance Audit Guide* and which are described in the accompanying schedule of findings and recommendations as items 13-01 and 13-02.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of Washington County is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered Washington County's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Washington County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis.

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

Washington County's Response to Findings

Washington County's response to the findings identified in our audit are described in the accompanying response to the findings and recommendations. Washington County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of 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.

A handwritten signature in black ink that reads "Hinton Burdick, PLLC". The signature is written in a cursive, flowing style.

HintonBurdick, PLLC
St. George, Utah
June 27, 2014

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**Findings and Recommendations
For the Year Ended December 31, 2013**

Honorable County Commission
Washington County
St. George, Utah

Professional standards require that we communicate, in writing, deficiencies in internal control over financial reporting that are considered significant deficiencies or material weaknesses that are identified during the audit of the financial statements. In planning and performing our audit of the financial statements of Washington County for the fiscal year ended December 31, 2013, we noted the following circumstances that, if improved, would strengthen the County's accounting system and control over its assets and State Compliance. These items are discussed below for your consideration.

Material Weaknesses:

None Noted.

Compliance Findings:

13-01. Exceeding Budget Appropriations

Utah Code Title 17 Chapter 36 Section 17 requires Counties to restrict expenditures to the authorized fund budget. The "Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual" identifies the funds which have over-expended budget amounts.

Recommendations

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

13-02. Employer "Pick-Up"

We noted that the County does not have a formal action authorizing employer "pick-up" of the Utah Retirement System contributions.

Recommendations

We realize the County does include the contributions in the budget, which is formally approved, but they should have a formal action specifically for the URS contributions. This formal action can be an open-ended resolution stating that the pickup will be made going forward.

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

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

Sincerely,

A handwritten signature in cursive script that reads "Hinton Burdick, PLLC". The signature is written in black ink and is positioned above the typed name.

HintonBurdick, PLLC
June 27, 2014



WASHINGTON COUNTY CLERK/AUDITOR

197 East Tabernacle St George, Utah 84770

Telephone: (435) 634-5712 Fax: (435) 634-5763

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

Kim M. Hafen

County Clerk/Auditor

June 27, 2014

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 2013 Audit by our independent auditors, HintonBurdick, PLLC, and in compliance with reporting requirements of the Utah State law, the following comments are made.

Compliance Findings:

13-01 Exceeding Budget Appropriations

We, as a county recognize the importance of keeping expenditures within budgeted amounts. We open the budget in December to address unexpected expenditures that have come up during the year. As a matter of principle, we try to not increase expense budgets just to keep from going over budget. We try to identify accounts in particular that need adjustments. It seems that no matter how hard we work at this, there always seems to be a few line items that we misjudge. We will continue to work on this audit issue and strive to be in compliance for 2014 and beyond

13-02 Employer "Pick-Up"

Although the county includes in its budget the contributions required by the Utah Retirement System – we have not in the past approved the "pick-up" of these contributions by formal commission action other than the budget approval. We will take that formal action going forward. I have reserved time in the August 5th, 2014 County Commission meeting to have the current URS contribution rates formally picked up as part of our 2014 operating budget.

Respectfully Submitted,

Kim M. Hafen

Washington County Clerk/Auditor

cc: Washington County Commission
HintonBurdick, PLLC