



FINANCIAL STATEMENTS

Year Ended December 31, 2014

With Report of

Certified Public Accountants

WASHINGTON COUNTY

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WASHINGTON COUNTY

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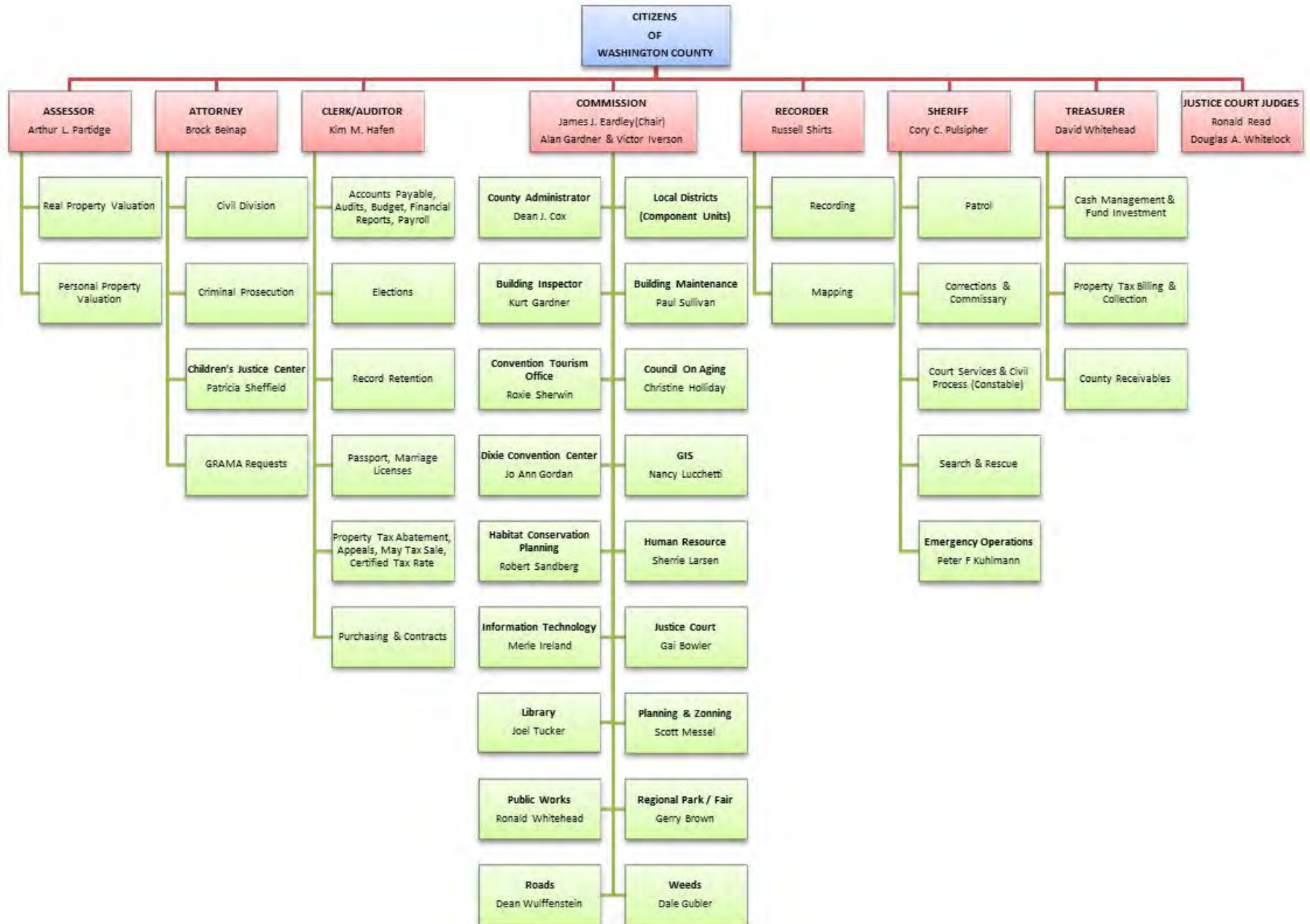
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INTRODUCTORY SECTION

WASHINGTON COUNTY ORGANIZATIONAL CHART

For the Year Ended December 31, 2014



WASHINGTON COUNTY
List of Elected and Appointed Officials
December 31, 2014

ELECTED OFFICIALS

James J. Eardley	Commission Chair
Alan Gardner	Commissioner
Victor Iverson	Commissioner
Arthur L. Partidge	Assessor
Brock Belnap	Attorney
Kim M. Hafen	Clerk/Auditor
Russell Shirts	Recorder
Cory C. Pulsipher	Sheriff
David Whitehead	Treasurer
Ronald Read	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
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
Dean Wulffenstein	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, 2014, 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 \$9,345,757 as of December 31, 2014 and total revenues of \$9,456,734 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, 2014, 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.

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, schedule of expenditures of state awards, 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, the combining component unit statements, and the schedule of expenditures of state awards 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 2, 2015, 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
St. George, Utah
June 2, 2015

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WASHINGTON COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

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, 2014. 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 147,000. 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 the past several years we have seen increase in building permits.
- Sales Tax revenues increased during 2014 from \$6.17 million to \$6.59 million or 6.8%.
- Transient Room Taxes increased during 2014 from \$4.3 million to \$5.1 million or 18.1%.
- Restaurant Taxes increased during 2014 from \$2.2 million to \$2.4 million or 9.1%.
- As of the end of 2014, the County's unemployment rate was 3.8% as compared to the State rate of 3.6% and the National rate of 5.4%.
- During 2014 the County's General Fund balance increased from \$7.1 million to \$7.4 million.
- Total County assets, excluding component units, exceed total liabilities (net position) by \$71.8 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 \$66.2 million.
- The total cost of all County programs, excluding component units, was \$58.9 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, Class "B" Roads fund, Assessing and Collecting fund, Library fund, Travel Board fund, and the Capital Projects fund all of which are considered to be major funds. Data from the other seven Governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and individual budget-to-actual reports.

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

Proprietary Funds

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 \$71.8 million at the close of the most recent fiscal year. This is a 12.2% 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	
	2014	2013	2014	2013
Current and other assets	\$ 61,038,105	\$ 56,602,100	\$ 36,195,880	\$ 33,108,727
Capital assets	54,150,553	55,895,804	38,396,000	37,186,661
Total assets	<u>115,188,658</u>	<u>112,497,904</u>	<u>74,591,880</u>	<u>70,295,388</u>
Deferred outflows of resources	1,044,060	1,242,398	-	-
Long-term liabilities	37,503,249	41,725,327	9,312,114	8,483,002
Other liabilities	6,884,158	8,027,271	1,153,269	1,175,720
Total liabilities	<u>44,387,407</u>	<u>49,752,598</u>	<u>10,465,383</u>	<u>9,658,722</u>
Deferred inflows of resources	-	-	504,867	86,686
Net position:				
Net investment in capital assets	18,792,938	14,747,321	34,888,979	33,849,023
Restricted	22,453,986	26,698,378	3,715,730	3,265,725
Unrestricted	<u>30,598,387</u>	<u>22,542,005</u>	<u>25,016,921</u>	<u>23,435,232</u>
Total net position	<u>\$ 71,845,311</u>	<u>\$ 63,987,704</u>	<u>\$ 63,621,630</u>	<u>\$ 60,549,980</u>

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

WASHINGTON COUNTY, UTAH
Change in Net Position

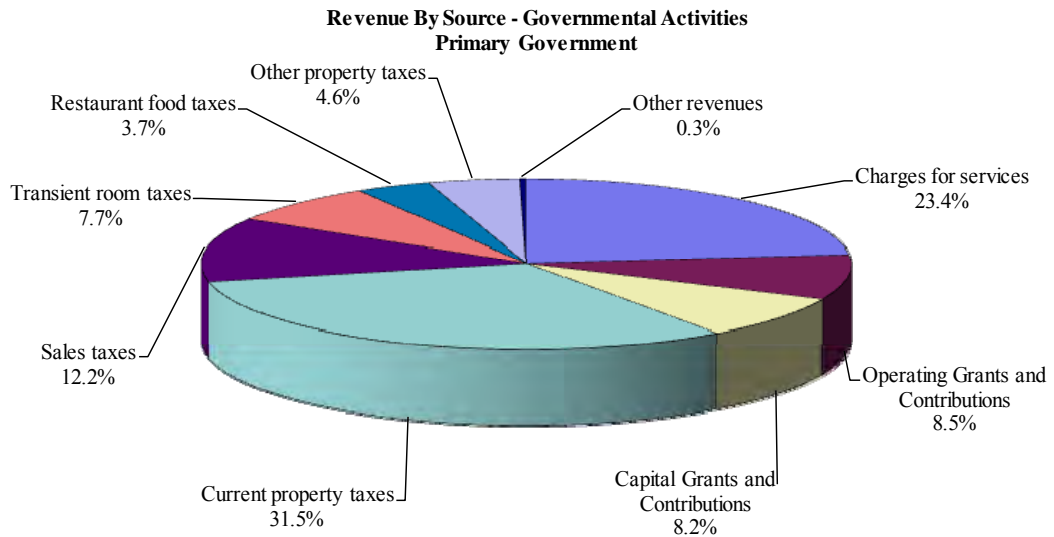
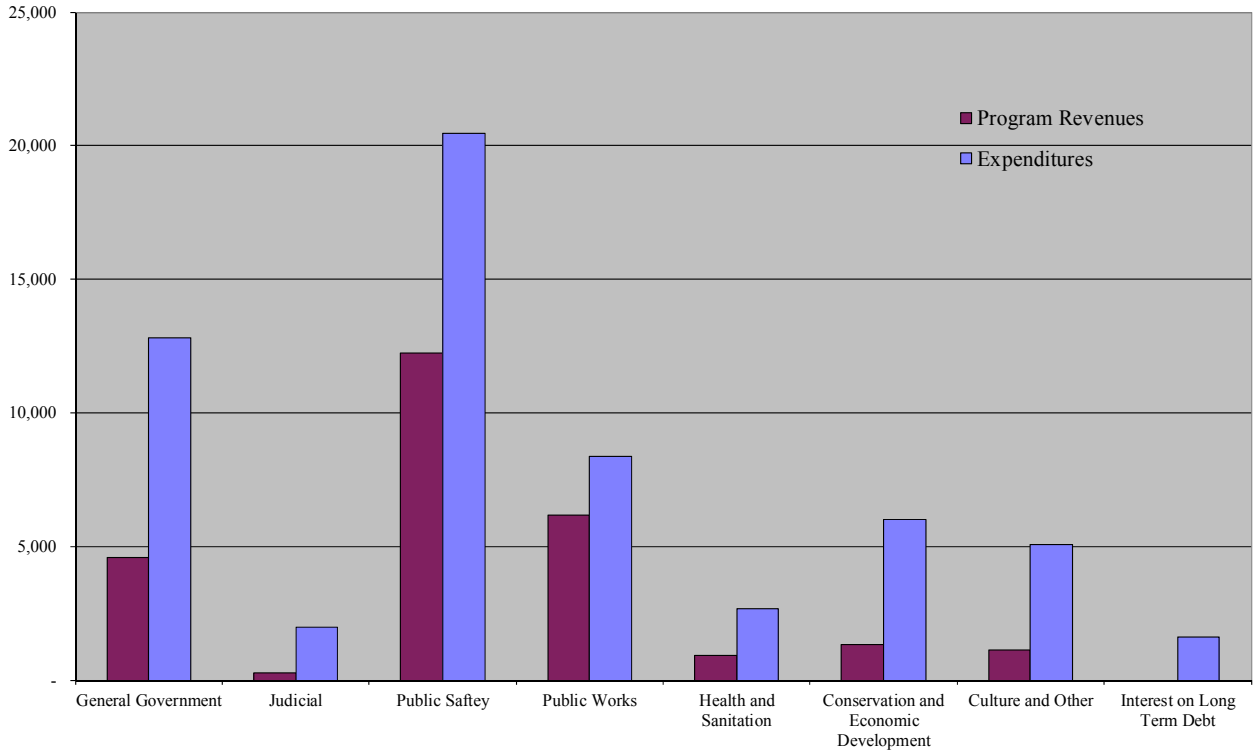
	Governmental Activities		Component Unit Activities	
	2014	2013	2014	2013
Revenues:				
Program revenues:				
Charges for services	\$ 15,500,076	\$ 15,296,862	\$ 15,323,966	\$ 13,842,765
Operating grants and contributions	5,617,442	5,252,880	7,657,464	7,577,540
Capital grants and contributions	5,402,362	3,207,956	841,190	1,720,579
General revenues:				
Taxes	39,511,389	37,730,684	956,844	961,801
Other	188,020	186,447	421,754	263,723
Total revenues	<u>66,219,289</u>	<u>61,674,829</u>	<u>25,201,218</u>	<u>24,366,408</u>
Expenses:				
General government	12,790,789	11,669,108	-	-
Judicial	1,971,140	1,822,443	-	-
Public safety	20,458,498	19,781,010	2,035,741	2,715,203
Public works	8,375,234	5,585,610	12,497,934	11,808,641
Health and sanitation	2,683,620	2,649,561	7,955,175	7,628,181
Conservation and economic development	5,999,648	5,538,395	44,897	34,389
Culture and other	5,064,690	4,621,723	-	-
Interest on long term debt	1,602,630	1,876,599	-	-
Total expenses	<u>58,946,249</u>	<u>53,544,449</u>	<u>22,533,747</u>	<u>22,186,414</u>
Increase in net position	7,273,040	8,130,380	2,667,471	2,179,994
Net position, beginning	63,987,704	56,155,529	60,549,980	58,125,546
Restatement adjustment	-	(284,313)	-	-
Prior period adjustment	584,567	(13,892)	404,179	244,440
Net position, ending	<u>\$ 71,845,311</u>	<u>\$ 63,987,704</u>	<u>\$ 63,621,630</u>	<u>\$ 60,549,980</u>

The cost of all Governmental activities this year was \$58.9 million. As shown on the Statement above, \$15.5 million of this cost was paid for by those who directly benefited from the programs; \$11.0 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 \$26.5 million. General taxes, investment earnings, and other general revenues totaled \$39.6 million.

Total resources available during the year to finance operations were \$130.2 million consisting of net position at December 31, 2013 of \$63.9 million, program revenues of \$26.5 million and general revenues of \$39.6 million. Total Governmental Activities during the year were \$58.9 million; thus net position increased by \$7.8 to \$71.8 million. Most of the governmental activities remained consistent from 2013 to 2014.

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 68 to 71.

For the year ended December 31, 2014, the governmental funds reflect a combined fund balance of \$54,334,860, are reported on page 16 to 17. Of this, \$22,436,661 is not available for expenditure or is restricted and legally segregated for a specific future use. An additional \$8.1 million has been committed to capital projects. The remaining \$23,798,199 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 \$25,075,833 and expenditures, before other financing sources and uses, totaled \$21,986,457. The net increase in fund balance before transfers was \$3,089,376. Transfers from the general fund of \$2,773,337 were made to the Debt Service fund, Children's Justice Center fund, Council on Aging fund and the Capital Projects fund for 2014. (See Page 18)

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 2014. (See Page 18)

The Class "B" Road Fund is used to account for revenue sources that are legally restricted to expenditures for road maintenance and capital improvements. Class "B" Road fund revenues and expenditures both increased slightly from the prior year. Revenues and expenditures totaled \$2,015,488 and \$2,321,780 in 2014, respectively. (See Page 18)

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 \$6,935,472 while expenditures totaled \$5,635,262 in 2014. (See Page 19)

The Library is used to account for revenue sources that are legally restricted to expenditure for library's and capital improvements. Library fund revenues increased slightly from the previous year due to growth built in with property tax. Expenditures also increased slightly. Revenues totaled \$3,588,128 while expenditures totaled \$3,468,630 in 2014. (See Page 19)

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 \$5,523,128 and \$3,434,139 in 2014, respectively. (See Page 19)

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 2014. The fund reported \$488,810 in revenue, and \$185,612 in expenditures before transfers. (See Page 19)

The non-major funds of the County consist of the following special revenue funds: Municipal Service, Flood Damage, Children's Justice Center, Habitat Conservation, Council on Aging, Recreation, and Grants. The non-major funds are combined into one column on the governmental fund statements. (See Pages 68 to 78 for nonmajor combining and individual fund statements)

General Fund Budgetary Highlights

The final appropriations for the General Fund at year-end were \$926,125 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 \$969,684. 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 2014, net capital assets of the government activities totaled \$54.1 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 \$41.3 million in governmental type debt. The debt is a liability of the government and amounts to approximately \$280.96 per capita. During the current fiscal year, the County's total debt had a net decrease of \$5,753,712. (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 2015 close to the 2014 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, 2014

	Primary Government	
	Governmental	Component
	Activities	Units
Assets		
Cash and investments	\$ 42,089,983	\$ 24,199,837
Receivables (net of allowance for uncollectibles)	9,819,950	2,517,102
Inventory	-	19,596
Prepaid assets	569,779	180,944
Restricted cash and investments	5,212,396	9,172,058
Noncurrent receivables	-	106,343
Note receivable	3,345,997	-
Capital assets not being depreciated	4,549,422	12,391,512
Capital assets being depreciated, net of accumulated depreciation	<u>49,601,131</u>	<u>26,004,488</u>
Total assets	<u>115,188,658</u>	<u>74,591,880</u>
Deferred Outflows of Resources		
Deferred charge on refunding	<u>1,044,060</u>	<u>-</u>
Liabilities		
Accounts payable and other current liabilities	2,545,975	894,921
Unearned revenue	217,135	-
Accrued interest payable	322,682	31,708
Noncurrent liabilities:		
Due within one year	3,798,366	226,640
Due in more than one year	<u>37,503,249</u>	<u>9,312,114</u>
Total liabilities	<u>44,387,407</u>	<u>10,465,383</u>
Deferred Inflows of Resources		
Billings for future period revenues	-	172,976
Property taxes levied for future year	<u>-</u>	<u>331,891</u>
Total deferred inflows of resources	<u>-</u>	<u>504,867</u>
Net Position		
Net investment in capital assets	18,792,938	34,888,979
Restricted for:		
Class "B" roads	1,363,743	-
Debt Service	73,104	-
Public works	1,589,711	-
Health and sanitation	397,987	-
Conservation	5,429,728	-
Economic development	13,426,233	-
Other purposes	173,480	3,715,730
Unrestricted	<u>30,598,387</u>	<u>25,016,921</u>
Total net position	<u>\$ 71,845,311</u>	<u>\$ 63,621,630</u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Statement of Activities
For the Year Ended December 31, 2014

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	\$ 12,790,789	\$ 3,593,756	\$ 499,523	\$ 469,516	\$ (8,227,994)	\$ (8,227,994)	\$ -
Judicial	1,971,140	250,135	-	-	(1,721,005)	(1,721,005)	-
Public safety	20,458,498	8,599,780	3,082,296	540,618	(8,235,804)	(8,235,804)	-
Public works	8,375,234	318,273	1,568,891	4,262,456	(2,225,614)	(2,225,614)	-
Health and sanitation	2,683,620	677,215	225,240	-	(1,781,165)	(1,781,165)	-
Conservation & economic development	5,999,648	934,170	241,488	129,432	(4,694,558)	(4,694,558)	-
Culture and other	5,064,690	1,126,747	4	340	(3,937,599)	(3,937,599)	-
Interest on long-term debt	1,602,630	-	-	-	(1,602,630)	(1,602,630)	-
Total governmental activities	<u>58,946,249</u>	<u>15,500,076</u>	<u>5,617,442</u>	<u>5,402,362</u>	<u>(32,426,369)</u>	<u>(32,426,369)</u>	<u>-</u>
Total primary government	<u>\$ 58,946,249</u>	<u>\$ 15,500,076</u>	<u>\$ 5,617,442</u>	<u>\$ 5,402,362</u>	<u>(32,426,369)</u>	<u>(32,426,369)</u>	<u>-</u>
Component units:							
Public safety	\$ 2,035,741	\$ 890,907	\$ 164,161	\$ 40,314	-	-	(940,359)
Public works	12,497,934	12,858,905	271,866	800,876	-	-	1,433,713
Health and sanitation	7,955,175	1,559,695	7,184,312	-	-	-	788,832
Conservation & economic development	44,897	14,459	37,125	-	-	-	6,687
Total component units	<u>\$ 22,533,747</u>	<u>\$ 15,323,966</u>	<u>\$ 7,657,464</u>	<u>\$ 841,190</u>	<u>-</u>	<u>-</u>	<u>1,288,873</u>
General revenues:							
Current property taxes					20,858,832	20,858,832	842,400
Sales taxes					8,055,684	8,055,684	-
Transient room taxes					5,116,489	5,116,489	-
Restaurant food taxes					2,464,395	2,464,395	-
Other property taxes					3,015,989	3,015,989	114,444
Unrestricted investment earnings					188,020	188,020	110,985
Gain on the sale of assets					-	-	40,110
Other revenues					-	-	270,659
Total general revenues and transfers					<u>39,699,409</u>	<u>39,699,409</u>	<u>1,378,598</u>
Change in net position					<u>7,273,040</u>	<u>7,273,040</u>	<u>2,667,471</u>
Net position - beginning					63,987,704	63,987,704	60,549,980
Prior period adjustment					584,567	584,567	404,179
Net position - ending					<u>\$ 71,845,311</u>	<u>\$ 71,845,311</u>	<u>\$ 63,621,630</u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Balance Sheet
Governmental Funds
December 31, 2014

	General Fund	Debt Service	Special Revenue Class "B" Roads
Assets			
Cash and investments	\$ 4,521,010	\$ -	\$ 1,594,957
Property taxes receivable	3,275,468	619,823	-
Assessments receivable	-	73,104	-
Due from other governments	257,130	-	214,402
Other receivables	80,296	-	-
Prepaid assets	5,779	-	-
Restricted cash and investments	-	5,187,396	-
Total assets	<u>\$ 8,139,683</u>	<u>\$ 5,880,323</u>	<u>1,809,359</u>
Liabilities			
Accounts payable	262,074	179,172	434,133
Accrued liabilities	271,160	-	11,483
Unearned revenue	180,608	-	-
Total liabilities	<u>713,842</u>	<u>179,172</u>	<u>445,616</u>
Deferred Inflows of Resources			
Unavailable revenue - special assessments	-	73,104	-
Total deferred inflows of resources	<u>-</u>	<u>73,104</u>	<u>-</u>
Fund balances			
Nonspendable: Prepaid assets	5,779	-	-
Restricted for:			
Class "B" roads	-	-	1,363,743
Public works	-	-	-
Health and sanitation	-	-	-
Conservation	-	-	-
Economic development	-	-	-
Other purposes	-	-	-
Committed to capital projects	-	-	-
Assigned to debt service	-	5,628,047	-
Assigned to special revenue funds	-	-	-
Assigned to capital projects	-	-	-
Unassigned	7,420,062	-	-
Total fund balances	<u>7,425,841</u>	<u>5,628,047</u>	<u>1,363,743</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,139,683</u>	<u>\$ 5,880,323</u>	<u>\$ 1,809,359</u>

The accompanying notes are an integral part of the financial statements

Assessing and Collecting	Special Revenue		Capital Projects	Other Governmental Funds	Total Governmental Funds
	Library	Travel Board			
\$ 3,371,850	\$ 1,239,085	\$ 8,347,128	\$ 8,606,110	\$ 13,840,220	\$ 41,520,360
1,431,424	686,488	-	-	164,197	6,177,400
-	-	-	-	-	73,104
-	-	549,825	-	2,392,676	3,414,033
-	-	-	-	-	80,296
-	50,000	-	-	-	55,779
-	25,000	-	-	-	5,212,396
<u>4,803,274</u>	<u>\$ 2,000,573</u>	<u>\$ 8,896,953</u>	<u>\$ 8,606,110</u>	<u>\$ 16,397,093</u>	<u>\$ 56,533,368</u>
172,384	203,940	137,575	1,190	111,887	1,502,355
39,838	38,117	10,105	-	35,211	405,914
-	36,527	-	-	-	217,135
<u>212,222</u>	<u>278,584</u>	<u>147,680</u>	<u>1,190</u>	<u>147,098</u>	<u>2,125,404</u>
-	-	-	-	-	73,104
-	-	-	-	-	73,104
-	50,000	-	-	-	55,779
-	-	-	-	-	1,363,743
-	-	-	-	1,589,711	1,589,711
-	-	-	-	397,987	397,987
-	-	-	-	5,429,728	5,429,728
-	-	8,749,273	-	4,676,960	13,426,233
-	25,000	-	-	148,480	173,480
-	-	-	8,100,000	-	8,100,000
-	-	-	-	-	5,628,047
4,591,052	1,646,989	-	-	4,007,129	10,245,170
-	-	-	504,920	-	504,920
-	-	-	-	-	7,420,062
<u>4,591,052</u>	<u>1,721,989</u>	<u>8,749,273</u>	<u>8,604,920</u>	<u>16,249,995</u>	<u>54,334,860</u>
<u>\$ 4,803,274</u>	<u>\$ 2,000,573</u>	<u>\$ 8,896,953</u>	<u>\$ 8,606,110</u>	<u>\$ 16,397,093</u>	<u>\$ 56,533,368</u>

WASHINGTON COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014

	General Fund	Debt Service	Special Revenue Class "B" Roads
Revenues			
Taxes	\$ 17,108,629	\$ 3,106,236	\$ 400,000
Licenses and permits	24,871	-	-
Intergovernmental	4,116,268	46,517	1,568,892
Charges for services	1,717,533	-	23,115
Fines and forfeitures	1,056,570	-	-
Interest	51,221	2,065	7,703
Sub-lease revenue	-	-	-
Other revenue	1,000,741	450,966	15,778
Total revenues	<u>25,075,833</u>	<u>3,605,784</u>	<u>2,015,488</u>
Expenditures			
Current:			
General government	4,278,259	296,386	-
Judicial	1,779,546	-	-
Public Safety	13,591,531	-	-
Public Works	470,666	-	2,321,780
Health and Sanitation	1,329,959	-	-
Conservation & Economic Development	185,253	-	-
Culture and other	305,243	-	-
Matching Funds & contributions	46,000	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	4,338,000	-
Interest	-	1,186,396	-
Total expenditures	<u>21,986,457</u>	<u>5,820,782</u>	<u>2,321,780</u>
Excess revenues over (under) expenditures	<u>3,089,376</u>	<u>(2,214,998)</u>	<u>(306,292)</u>
Other financing sources (uses)			
Transfers in	-	1,065,146	-
Transfers out	<u>(2,773,337)</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>(2,773,337)</u>	<u>1,065,146</u>	<u>-</u>
Net change in fund balances	316,039	(1,149,852)	(306,292)
Fund balances - beginning of year	<u>7,109,802</u>	<u>6,777,899</u>	<u>1,670,035</u>
Fund balances - end of year	<u>\$ 7,425,841</u>	<u>\$ 5,628,047</u>	<u>\$ 1,363,743</u>

The accompanying notes are an integral part of the financial statements

Assessing and Collecting	Special Revenue		Capital Projects	Other Governmental Funds	Total Governmental Funds
	Library	Travel Board			
\$ 6,901,026	\$ 3,369,799	\$ 5,116,489	\$ -	\$ 3,814,674	\$ 39,816,853
-	-	-	-	106,225	131,096
-	36,756	-	-	9,982,076	15,750,509
34,226	-	-	-	774,703	2,549,577
-	92,363	-	-	-	1,148,933
-	2,530	32,833	26,795	64,873	188,020
-	-	-	-	700,548	700,548
220	86,680	373,806	462,015	141,052	2,531,258
<u>6,935,472</u>	<u>3,588,128</u>	<u>5,523,128</u>	<u>488,810</u>	<u>15,584,151</u>	<u>62,816,794</u>
5,635,262	-	-	-	225,450	10,435,357
-	-	-	-	-	1,779,546
-	-	-	-	3,685,656	17,277,187
-	-	-	-	5,656,483	8,448,929
-	-	-	-	1,228,300	2,558,259
-	-	2,894,055	-	2,461,392	5,540,700
-	3,468,630	-	-	249,889	4,023,762
-	-	-	-	-	46,000
-	-	-	185,612	-	185,612
-	-	410,645	-	1,175,355	5,924,000
-	-	129,439	-	278,381	1,594,216
<u>5,635,262</u>	<u>3,468,630</u>	<u>3,434,139</u>	<u>185,612</u>	<u>14,960,906</u>	<u>57,813,568</u>
<u>1,300,210</u>	<u>119,498</u>	<u>2,088,989</u>	<u>303,198</u>	<u>623,245</u>	<u>5,003,226</u>
-	-	200,000	1,800,000	1,243,200	4,308,346
(635,009)	-	(700,000)	-	(200,000)	(4,308,346)
<u>(635,009)</u>	<u>-</u>	<u>(500,000)</u>	<u>1,800,000</u>	<u>1,043,200</u>	<u>-</u>
665,201	119,498	1,588,989	2,103,198	1,666,445	5,003,226
3,925,851	1,602,491	7,160,284	6,501,722	14,583,550	49,331,634
<u>\$ 4,591,052</u>	<u>\$ 1,721,989</u>	<u>\$ 8,749,273</u>	<u>\$ 8,604,920</u>	<u>\$ 16,249,995</u>	<u>\$ 54,334,860</u>

WASHINGTON COUNTY
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
December 31, 2014

Total governmental fund balances		\$ 54,334,860
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.		3,345,997
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$ 120,763,475	
Accumulated depreciation	<u>(66,612,922)</u>	
		54,150,553
Revenues considered unearned and not reported in the funds		73,104
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	(25,260,000)	
Less: Deferred charge on refunding (to be amortized)	1,044,060	
Net unamortized premiums	(804,881)	
Capital leases payable	(13,682,791)	
Compensated absences	(1,553,943)	
Accrued interest payable	<u>(322,682)</u>	
		(40,580,237)
Assets and liabilities of the internal service fund included in governmental activities.		<u>521,034</u>
Total net position of governmental activities		<u>\$ 71,845,311</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, 2014

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

Net changes in fund balances - total governmental funds		\$ 5,003,226
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between depreciation expense and capital outlay in the current period.</p>		
Capital outlay	\$ 1,310,667	
Depreciation expense	<u>(2,995,572)</u>	(1,684,905)
<p>The statement of activities only reports the gain or loss on the sale of capital assets. In the governmental funds, only the proceeds from the sale are reported. Thus the change in net position differs from the change in fund balance by the net book value of the capital assets sold.</p>		
		(60,346)
<p>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.</p>		
		(674,754)
<p>Sub-lease revenues reported in the funds that provide current financial resources are reported as a reduction of notes receivable in the statement of net position.</p>		
		(602,680)
<p>The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of 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.</p>		
Principal repayments:		
Bonds payable	4,311,000	
Capital leases	1,595,708	
Amortization of bond premiums	100,611	
Amortization of deferred charge on refunding	<u>(198,338)</u>	5,808,981
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Compensated absences	(253,607)	
Accrued interest	<u>60,088</u>	(193,519)
<p>Internal service funds are used by management to charge costs of certain activities to individual funds. This amount represents the net revenue (expense) of the internal service fund reported as governmental activities</p>		
		<u>(322,963)</u>
Change in net position of governmental activities		<u><u>\$ 7,273,040</u></u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Statement of Net Position
Proprietary Funds
December 31, 2014

	<u>Internal Service Fund</u>
Assets:	
Cash	\$ 569,623
Accounts receivable	75,117
Prepaid expenses	<u>514,000</u>
Total Assets	<u><u>1,158,740</u></u>
 Liabilities:	
Accounts payable	<u>637,706</u>
Total Liabilities	<u><u>637,706</u></u>
 Net Position:	
Unrestricted	<u>521,034</u>
Total Net Position	<u><u>\$ 521,034</u></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, 2014

	Internal Service Fund
Operating Revenues	
Charges for services	
County contributions	\$ 3,859,168
Employee contributions	916,444
Total operating revenues	4,775,612
Operating Expenses	
Claims expense	4,646,097
Premium expense	452,478
Total operating expenses	5,098,575
Operating income (loss)	(322,963)
Net position, beginning of the year	843,997
Net position, end of the year	\$ 521,034

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, 2014

	Internal Service Fund
Cash Flows From Operating Activities:	
Cash received from customers, service fees	\$ 4,700,495
Cash paid to suppliers	(5,329,156)
Cash flows from operating activities	(628,661)
Net Change in Cash and Cash Equivalents	(628,661)
Cash and cash equivalents including restricted cash, beginning of year	1,198,284
Cash and cash equivalents including restricted cash, end of year	\$ 569,623
Reconciliation of operating income (loss) to cash flows from operating activities:	
Net operating income (loss)	\$ (322,963)
Adjustments to reconcile net income (loss) to cash flows from operating activities:	
Depreciation	
Changes in operating assets and liabilities	
(Increase)/Decrease in receivables	(75,117)
(Increase)/Decrease in prepaid expenses	(72,000)
Increase/(Decrease) in accounts payable	(158,581)
Net cash flows from operating activities	\$ (628,661)

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Combined Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2014

	<u>Agency Funds</u>
Assets	
Cash and investments	\$ 38,166,024
Total Assets	<u>\$ 38,166,024</u>
Liabilities	
Deposits held in trust	\$ 7,512,081
Due to taxing districts	25,842,826
Due to Washington County General Fund	2,073,382
Due to Assessing & Collecting Fund	1,431,424
Due to other funds	<u>1,306,311</u>
Total Liabilities	<u>\$ 38,166,024</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, 2014

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 July 7, 2015.

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 5, 2015.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2014

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 22, 2015.

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 June 9, 2015.

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 June 9, 2015.

Southwestern Special Service District (Non-major General Fund) - The District provides fire protection to the communities of Winchester Hills and Diamond Valley funded through user fees and other revenues. The District issued separate audited financial statements dated August 5, 2015.

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. The District issued separate audited financial statements dated February 23, 2015.

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.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2014

NOTE 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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.

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 2014, the County provided \$450,306 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 2014 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, 2014

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, 2014

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 **Class "B" Roads fund** is used to account for intergovernmental revenue used for the maintenance and construction of roads.

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 **Library fund** is used to account for property taxes and other revenues used to provide and maintain the County libraries.

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 Municipal Services, Flood Damage, Children's Justice Center, Habitat Conservation, 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, 2014

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, 2014

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, 2014

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, 2014

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, 2014

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, 2014

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.

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.

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.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2014

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, 2014, 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, 2014

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, 2014, \$3,399,807 of the County's bank balance of \$4,149,807 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, 2014, \$11,911,949 of the Washington County Solid Waste Special Service District bank balance of \$12,661,949, \$1,542,927 of the Southwest Utah Public Health Department bank balance of \$1,850,658 and none of Ash Creek Special Service District bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

Investments

The 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, 2014

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, 2014 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	\$ 79,825,842	N/A	64.45

(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, 2014

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
Southwest Utah Public Health Department	\$ 1,025,279	Unrated
Ash Creek Special Service District	\$ 8,769,259	Unrated
Wash. County Solid Waste Special Svc. Dist. No. 1	\$ 7,153,748	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, 2014. These monies were distributed to the various County funds in January 2015 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 2014, the County's combined tax rate for assessing and collecting was .000548. 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, 2015.

Notes receivable that are shown on the Statement of Net Position include \$3,345,997 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, 2014

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, 2014 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>	Nonmajor: <u>Recreation Fund</u>	
Transfers in reported in:					
Debt Service Fund	\$ 430,137	\$ -	\$ 635,009	\$ -	\$ 1,065,146
Travel Board Fund	-	-	-	200,000	200,000
Capital Projects Fund	1,800,000	-	-	-	1,800,000
Nonmajor Special Revenue Funds:					
Children's Justice Center Fund	25,500	-	-	-	25,500
Council on Aging Fund	517,700	-	-	-	517,700
Recreation Fund	-	700,000	-	-	700,000
Total Transfers	<u>\$2,773,337</u>	<u>\$ 700,000</u>	<u>\$ 635,009</u>	<u>\$ 200,000</u>	<u>\$4,308,346</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, 2014. These monies were distributed in January of 2015 and thereafter.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2014

NOTE 8. Capital Assets

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

Governmental Activities:	Balance 12/31/2013	Additions	Deletions	Transfers	Balance 12/31/2014
Capital assets, not being depreciated:					
Land	\$ 4,348,092	\$ 156,330	\$ -	\$ 45,000	\$ 4,549,422
Total capital assets, not being depreciated:	<u>4,348,092</u>	<u>156,330</u>	<u>-</u>	<u>45,000</u>	<u>4,549,422</u>
Capital assets, being depreciated:					
Buildings and improvements	51,868,124	12,754	(184,991)	(45,000)	51,650,887
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	5,156,183	328,970	(308,476)	-	5,176,677
Equipment	8,068,580	613,881	(348,949)	-	8,333,512
Furniture and fixtures	713,034	-	-	-	713,034
Bridges, Towers, Trails	4,729,540	-	-	-	4,729,540
Streets and sidewalks	26,473,463	198,732	-	-	26,672,195
Total capital assets, being depreciated:	<u>115,947,132</u>	<u>1,154,337</u>	<u>(842,416)</u>	<u>(45,000)</u>	<u>116,214,053</u>
Less accumulated depreciation for:					
Buildings and improvements	(15,658,072)	(1,579,414)	126,318	-	(17,111,168)
Convention Center	(5,413,500)	(317,118)	-	-	(5,730,618)
Regional Park	(1,923,528)	(118,812)	-	-	(2,042,340)
Museum	(994,449)	(58,458)	-	-	(1,052,907)
Autos and trucks	(4,327,038)	(319,825)	308,476	-	(4,338,387)
Equipment	(6,324,437)	(392,691)	347,276	-	(6,369,852)
Furniture and fixtures	(556,136)	(44,731)	-	-	(600,867)
Bridges, Towers, Trails	(2,873,477)	(146,274)	-	-	(3,019,751)
Streets and sidewalks	(26,328,783)	(18,249)	-	-	(26,347,032)
Total accumulated depreciation	<u>(64,399,420)</u>	<u>(2,995,572)</u>	<u>782,070</u>	<u>-</u>	<u>(66,612,922)</u>
Total capital assets, being depreciated, net	<u>51,547,712</u>	<u>(1,841,235)</u>	<u>(60,346)</u>	<u>(45,000)</u>	<u>49,601,131</u>
Governmental activities capital assets, net	<u>\$ 55,895,804</u>	<u>\$(1,684,905)</u>	<u>\$ (60,346)</u>	<u>\$ -</u>	<u>\$ 54,150,553</u>

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

Governmental Activities:	
General government	\$ 843,355
Public safety	764,346
Public works	363,208
Health and sanitation	156,957
Conservation and economic development	252,434
Other	613,688
Judicial	1,584
Total depreciation expense - governmental activities	<u>\$ 2,995,572</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2014

NOTE 9. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2014.

Governmental activities:	Balance			Balance	Current
General Obligation:	12/31/2013	Additions	Retirements	12/31/2014	Portion
Refunding G.O. bonds					
Series 2010 Refunding G.O. bonds	\$ 8,850,000	\$ -	\$ (505,000)	\$ 8,345,000	\$ 515,000
Series 2012 Refunding G.O. bonds	3,030,000	-	(750,000)	2,280,000	755,000
Series 2004B G.O. bonds	1,590,000	-	(375,000)	1,215,000	390,000
Series 2007 G.O. bonds	3,930,000	-	(230,000)	3,700,000	240,000
Net unamortized premiums	905,492	-	(100,611)	804,881	-
Capital leases (Convention)	14,019,500	-	(1,294,708)	12,724,792	1,018,366
Capital leases (Museum)	342,000	-	(44,000)	298,000	46,000
Capital leases (Land)	916,999	-	(257,000)	659,999	266,000
Accrued Compensated Absences	1,300,336	253,607	-	1,553,943	261,000
Total General Obligation	34,884,327	253,607	(3,556,319)	31,581,615	3,491,366
Revenue Obligation:					
Sales tax revenue bonds, series 2006	7,260,000	-	(195,000)	7,065,000	200,000
MBA lease revenue bonds, series 2010	2,758,000	-	(103,000)	2,655,000	107,000
MBA refunding lease bonds, series 2010	622,000	-	(622,000)	-	-
Total Revenue Obligation	10,640,000	-	(920,000)	9,720,000	307,000
Special Assessment Debt with Government Commitment:					
SID No. 2004-1 - Dixie Springs	1,531,000	-	(1,531,000)	-	-
Total Special Assessment	1,531,000	-	(1,531,000)	-	-
Total Governmental activity long-term liabilities	\$ 47,055,327	\$ 253,607	\$ (6,007,319)	\$ 41,301,615	\$ 3,798,366

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2014

NOTE 9. Long-Term Debt (Continued)

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

Period Ending December 31	Principal	Interest	Total
2015	\$ 2,207,000	\$ 1,032,010	\$ 3,239,010
2016	2,277,000	971,810	3,248,810
2017	2,337,000	903,150	3,240,150
2018	1,642,000	820,280	2,462,280
2019	1,723,000	743,028	2,466,028
2020-2024	8,337,000	2,504,664	10,841,664
2025-2029	3,317,000	1,138,287	4,455,287
2030-2034	2,470,000	519,410	2,989,410
2035-2036	950,000	63,826	1,013,826
	<u>\$ 25,260,000</u>	<u>\$ 8,696,465</u>	<u>\$ 33,956,465</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, 2014

NOTE 9. Long-Term Debt (Continued)

Bonds payable at December 31, 2014, 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 \$439,950 to \$442,155 including interest ranging from 4% to 4.75%, maturing October 1, 2017. \$ 1,215,000

G. O. Bonds Series 2007 for the purpose of paying for civic improvements including remodeling, constructing and expanding libraries, payable in amounts ranging from \$240,000 to \$385,000 including interest ranging from 4% to 4.25%, maturing April 1, 2026. 3,700,000

Refunding G. O. Bonds Series 2010 for the purpose of partially refunding Library Bonds Series 2002 and Series 2004B, payable in amounts ranging from \$515,000 to \$1,225,000 plus interest ranging from 2% to 5%, maturing October 1, 2024. 8,345,000

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. 2,280,000

Revenue Obligation:

Sales Tax Revenue Bonds, Series 2006, for the purpose of paying costs of building acquisitions and improvements, payable in amounts ranging from \$200,000 to \$485,000 plus interest ranging from 4% to 4.5%, maturing September 1, 2036. 7,065,000

MBA Lease Revenue Bonds, Series 2010, for the purpose of paying the cost of building acquisitions and improvements, payable in amounts ranging from \$107,000 to \$217,000 plus interest at 4.5%, maturing September 15, 2031. 2,655,000

Total Bonds Payable \$ 25,260,000

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2014

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
2015	\$ 381,526	\$ 1,032,546	\$ 1,414,072
2016	402,628	1,347,928	1,750,556
2017	407,958	1,365,773	1,773,731
2018	419,274	1,403,657	1,822,931
2019	425,024	1,422,907	1,847,931
2020-2022	1,439,206	4,818,213	6,257,419
Total remaining minimum lease payments	3,475,616	11,391,024	14,866,640
Less amount representing interest	493,659	1,648,189	2,141,848
Present value of net remaining minimum lease payments	<u>\$ 2,981,957</u>	<u>\$ 9,742,835</u>	<u>\$ 12,724,792</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2014

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
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	21,170	34,540	55,710
2020	21,238	34,652	55,890
Total remaining minimum lease payments	127,471	207,979	335,450
Less amount representing interest	14,231	23,219	37,450
Present value of net remaining minimum lease payments	<u>\$ 113,240</u>	<u>\$ 184,760</u>	<u>\$ 298,000</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2014

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
2015	\$ 113,708	\$ 185,523	\$ 299,231
2016	112,038	182,800	294,838
2017	47,497	77,495	124,992
2018	-	-	-
2019	-	-	-
2020	-	-	-
Total remaining minimum lease payments	273,243	445,818	719,061
Less amount representing interest	22,443	36,618	59,061
Present value of net remaining minimum lease payments	<u>\$ 250,800</u>	<u>\$ 409,200</u>	<u>\$ 660,000</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2014

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 17.29% to 18.47% 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 20.83% to 22.77% of their annual salary and 32.14% to 34.04% 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, 2014

NOTE 10. Defined Benefit Pension Plan (Continued)

The required contributions and amounts received for the 2014 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:	2014	\$ 0.00	\$ 0.00	\$ 80,249	\$ 954,897
Local Governmental Division	2013	0.00	0.00	25,588	300,443
	2012	0.00	0.00	13,683	168,414
Noncontributory System	2014	N/A	N/A	\$ 1,712,322	\$ 9,455,509
Local Governmental Division	2013	N/A	N/A	1,592,762	9,655,515
	2012	N/A	N/A	1,458,411	9,935,973
Public Safety System:	2014	\$ 0.00	\$ 1,638	\$ 43,558	\$ 387,902
Other Division A Contributory	2013	0.00	5,943	32,533	255,461
	2012	0.00	5,986	18,393	139,349
Public Safety System:	2014	N/A	N/A	\$ 1,936,645	\$ 5,918,337
Other Division A	2013	N/A	N/A	1,856,160	6,068,174
Noncontributory	2012	N/A	N/A	1,742,117	6,234,409
Defined Contribution System:	2014	\$ 77,415	\$ 0.00	N/A	N/A
457 Plan	2013	76,400	0.00	N/A	N/A
	2012	74,967	0.00	N/A	N/A
	2014	\$ 406,611	\$ 71,056	N/A	N/A
401(k) Plan	2013	416,699	46,679	N/A	N/A
	2012	396,339	35,654	N/A	N/A
	2014	\$ 44,385	\$ 0.00	N/A	N/A
IRA Plans	2013	39,410	0.00	N/A	N/A
	2012	35,955	0.00	N/A	N/A

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

The Southwest Utah District Health Department, Ash Creek Special Service District, and Washington County Solid Waste District No. 1, discretely presented component units of the County, are all members of the Utah Retirement Systems. Participation, eligibility and contribution rates and requirements are the same as the County's.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2014

NOTE 10. Defined Benefit Pension Plan (Continued)

Required contributions and amounts received for the 2014 fiscal year and the two previous years (continued):

Ash Creek Special Service 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 - Noncontributory	2014	N/A	N/A	\$ 122,576	
	2012	N/A	N/A	110,427	
	2011	N/A	N/A	95,597	
401(k) Contributions	2014	\$ 28,234	\$ 10,510	N/A	N/A
	2012	27,250	10,111	N/A	N/A
	2011	20,800	9,846	N/A	N/A
457 Plan	2014	\$ 26,345	\$ 23,257	N/A	N/A
	2012	25,681	22,497	N/A	N/A
	2011	22,019	19,092	N/A	N/A

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

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	2014	N/A	N/A	\$ 32,147	
	2013	N/A	N/A	18,579	
	2012	N/A	N/A	13,679	
Local Governmental - Noncontributory	2014	N/A	N/A	\$ 379,326	
	2013	N/A	N/A	354,877	
	2012	N/A	N/A	324,127	
401(k) Contributions	2014	\$ 72,082	\$ 67,095	N/A	N/A
	2013	68,114	73,216	N/A	N/A
	2012	54,635	76,667	N/A	N/A
457 Plan	2014	\$ 23,861	\$ 0.00	N/A	N/A
	2013	25,747	0.00	N/A	N/A
	2012	25,898	0.00	N/A	N/A

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

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2014

NOTE 10. Defined Benefit Pension Plan (Continued)

Solid Waste District

<u>System</u>	<u>Year</u>	<u>Employee paid Contributions</u>	<u>Employer paid for employee Contributions</u>	<u>Employer Contributions</u>	<u>Salary subject to retirement Contributions</u>
Local Governmental - Contributory	2014	0	0	\$ 2,982	\$ 35,448
	2012	0	0	3,624	42,455
	2011	0	0	1,736	20,290
Local Governmental - Noncontributory	2014	N/A	N/A	\$ 95,811	\$ 523,294
	2012	N/A	N/A	85,237	498,603
	2011	N/A	N/A	82,931	552,882
457 Contributions	2014	\$ 4,335	0	N/A	
	2012	4,420	0	N/A	
	2011	5,159	0	N/A	
401(k) Contributions	2014	\$ 3,570	\$ 598	N/A	
	2012	3,452	675	N/A	
	2011	3,041	323	N/A	

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

NOTE 11. Risk Management

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

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.

Unpaid claims beginning of year	<u>#VALUE!</u>
Incurred claims	\$ -
Claim payments	<u>#VALUE!</u>
Unpaid claims, end of year	<u>#VALUE!</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2014

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.

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.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2014

NOTE 15. Conduit Debt Obligations

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

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

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

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, 2014, the principal amount outstanding on the bonds was \$229,000, \$497,000, and \$568,000, respectively.

NOTE 16. Prior Period Adjustment

The Note Receivable from St. George City (see note 5 for more information) was not properly stated at December 31, 2013. As a result, a prior period adjustment is recorded on the government-wide financial statements to increase the note receivable and net position by \$584,567.

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 **Class “B” Roads fund** is used to account for intergovernmental revenue used for the maintenance and construction of roads.
- 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 **Library fund** is used to account for property taxes and other revenues used to provide and maintain the County libraries.
- 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, 2014

REVENUES:	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
Taxes:				
Current Property Taxes	\$ 7,710,083	\$ 7,903,053	\$ 8,165,191	\$ 262,138
Fee in lieu Taxes	950,000	950,000	677,902	(272,098)
Prior Years Delinquent Taxes	655,000	655,000	664,228	9,228
County Sales & Use Taxes	5,900,000	5,900,000	6,593,425	693,425
RDA Taxes	-	217,932	215,222	(2,710)
Penalties & Interest	700,000	700,000	792,661	92,661
Total Taxes	<u>15,915,083</u>	<u>16,325,985</u>	<u>17,108,629</u>	<u>782,644</u>
Licenses, Permits:				
Marriage Licenses	<u>25,000</u>	<u>25,000</u>	<u>24,871</u>	<u>(129)</u>
Intergovernmental:				
Prison Reimbursement	3,303,000	3,403,000	3,542,886	139,886
Bailiff/Security Reimbursement	<u>523,964</u>	<u>523,964</u>	<u>573,382</u>	<u>49,418</u>
Total Intergovernmental	<u>3,826,964</u>	<u>3,926,964</u>	<u>4,116,268</u>	<u>189,304</u>
Charges for Services:				
Clerk's Fees	75,000	75,000	94,636	19,636
Data Processing Fees	45,000	45,000	75,628	30,628
Jail Commissary, Phone and Medical	465,000	465,000	450,775	(14,225)
Recorder's Fees	800,000	800,000	647,853	(152,147)
State Medical Reimbursements	25,000	25,000	39,357	14,357
Prisoner Industry and Other	<u>391,000</u>	<u>391,000</u>	<u>409,284</u>	<u>18,284</u>
Total Charges for Services	<u>1,801,000</u>	<u>1,801,000</u>	<u>1,717,533</u>	<u>(83,467)</u>
Fines and Forfeitures:				
Court and Precinct Fines	<u>1,059,000</u>	<u>1,059,000</u>	<u>1,056,570</u>	<u>(2,430)</u>
Total Fines and Forfeitures	<u>1,059,000</u>	<u>1,059,000</u>	<u>1,056,570</u>	<u>(2,430)</u>
Other Revenues:				
Interest Revenue	-	-	51,221	51,221
Rent-Property	889,200	889,200	895,162	5,962
Sale of Property, Material & Supplies	-	-	11,446	11,446
Vending Revenue	-	-	168	168
Xerox Revenue	24,000	24,000	29,198	5,198
Other	<u>55,000</u>	<u>55,000</u>	<u>64,767</u>	<u>9,767</u>
Total Other Revenues	<u>968,200</u>	<u>968,200</u>	<u>1,051,962</u>	<u>83,762</u>
TOTAL REVENUES	<u>\$23,595,247</u>	<u>\$ 24,106,149</u>	<u>\$ 25,075,833</u>	<u>\$ 969,684</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, 2014

EXPENDITURES:	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
GENERAL GOVERNMENT				
Commission:				
Salaries	\$ 381,705	\$ 381,705	\$ 334,053	\$ 47,652
Employee Benefits	195,000	195,000	196,619	(1,619)
Services, Supplies and Other	84,000	84,000	53,102	30,898
Capital Outlay	5,100	5,100	3,108	1,992
	<u>665,805</u>	<u>665,805</u>	<u>586,882</u>	<u>78,923</u>
Human Resource:				
Salaries	156,330	156,330	154,096	2,234
Employee Benefits	84,200	84,200	79,447	4,753
Services, Supplies and Other	47,400	47,400	37,743	9,657
Capital Outlay	2,500	2,500	-	2,500
	<u>290,430</u>	<u>290,430</u>	<u>271,286</u>	<u>19,144</u>
Info Tech Services:				
Salaries	19,775	19,775	43,925	(24,150)
Employee Benefits	18,241	18,241	27,966	(9,725)
Services, Supplies and Other	122,463	122,463	60,503	61,960
Capital Outlay	52,600	52,600	63,292	(10,692)
	<u>213,079</u>	<u>213,079</u>	<u>195,686</u>	<u>17,393</u>
Clerk/Auditor:				
Salaries	347,467	347,467	346,676	791
Employee Benefits	166,657	166,657	169,118	(2,461)
Services, Supplies and Other	43,760	43,760	40,991	2,769
Capital Outlay	2,000	2,000	889	1,111
	<u>559,884</u>	<u>559,884</u>	<u>557,674</u>	<u>2,210</u>
Recorder:				
Salaries	28,285	28,285	37,532	(9,247)
Employee Benefits	26,765	26,765	35,415	(8,650)
Services, Supplies and Other	45,500	45,500	22,174	23,326
Capital Outlay	7,000	7,000	7,268	(268)
	<u>107,550</u>	<u>107,550</u>	<u>102,389</u>	<u>5,161</u>
Attorney:				
Salaries	1,387,482	1,387,482	1,384,194	3,288
Employee Benefits	684,200	684,200	659,407	24,793
Services, Supplies and Other	153,960	153,960	113,196	40,764
Capital Outlay	30,000	30,000	27,581	2,419
	<u>2,255,642</u>	<u>2,255,642</u>	<u>2,184,378</u>	<u>71,264</u>
Non-Departmental:				
Services, Supplies and Other	60,000	60,000	38,000	22,000
Insurance - Buildings and Vehicles	200,518	200,518	196,525	3,993
	<u>260,518</u>	<u>260,518</u>	<u>234,525</u>	<u>25,993</u>
Elections:				
Services, Supplies and Other	103,750	143,750	145,439	(1,689)
Capital Outlay	6,250	6,250	-	6,250
	<u>110,000</u>	<u>150,000</u>	<u>145,439</u>	<u>4,561</u>
Total General Government	<u>4,462,908</u>	<u>4,502,908</u>	<u>4,278,259</u>	<u>219,488</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, 2014

EXPENDITURES (Continued):	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
JUDICIAL				
Justice of the Peace:				
Salaries	637,100	637,100	629,116	7,984
Employee Benefits	298,200	298,200	283,157	15,043
Services and Supplies	70,800	70,800	83,061	(12,261)
Capital Outlay	15,000	15,000	10,471	4,529
	<u>1,021,100</u>	<u>1,021,100</u>	<u>1,005,805</u>	<u>15,295</u>
Public Defender:				
Services, Supplies and Other	746,283	771,283	773,741	(2,458)
	<u>1,767,383</u>	<u>1,792,383</u>	<u>1,779,546</u>	<u>12,837</u>
PUBLIC SAFETY				
Public Safety/County Jail:				
Salaries	8,137,700	8,137,700	7,958,143	179,557
Employee Benefits	4,480,300	4,480,300	4,475,391	4,909
Services, Supplies and Other	994,059	1,044,664	886,252	158,412
Capital Outlay	279,696	289,091	271,745	17,346
	<u>13,891,755</u>	<u>13,951,755</u>	<u>13,591,531</u>	<u>360,224</u>
PUBLIC WORKS				
Maintenance:				
Motor Pool	44,000	44,000	36,041	7,959
County Buildings Maintenance	487,850	487,850	434,625	53,225
	<u>531,850</u>	<u>531,850</u>	<u>470,666</u>	<u>61,184</u>
PUBLIC HEALTH				
Health Services:				
Services, Supplies and Other	1,277,231	1,277,231	1,329,959	(52,728)
	<u>1,277,231</u>	<u>1,277,231</u>	<u>1,329,959</u>	<u>(52,728)</u>
CONSERVATION & DEVELOPMENT				
Agricultural Extension Service:				
Services, Supplies and Other	169,750	169,750	159,729	10,021
Capital Outlay	800	800	524	276
	<u>170,550</u>	<u>170,550</u>	<u>160,253</u>	<u>10,297</u>
Contribution to Economic Development Fund:				
Services, Supplies and Other	25,000	25,000	25,000	-
	<u>195,550</u>	<u>195,550</u>	<u>185,253</u>	<u>10,297</u>
Total Conservation & Development				(continued)

WASHINGTON COUNTY
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2014

EXPENDITURES (Continued):	Budgeted Amounts		<u>Actual Amounts</u>	Variance Favorable (Unfavorable)
	Original	Final		
MISCELLANEOUS				
Services, Supplies and Other	230,164	616,066	305,243	310,823
MATCHING FUNDS & CONTRIBUTIONS				
Contributions	50,000	50,000	46,000	4,000
TOTAL EXPENDITURES	22,406,841	22,917,743	21,986,457	926,125
Excess of Revenues Over Expenditures	1,188,406	1,188,406	3,089,376	1,895,809
Other Financing Sources (Uses):				
Transfer to Debt Service Fund	(645,206)	(645,206)	(430,137)	215,069
Transfer to Special Revenue Funds	(543,200)	(543,200)	(543,200)	-
Transfer to Capital Projects Fund	-	(1,000,000)	(1,800,000)	(800,000)
Total Other Financing Sources (Uses):	(1,188,406)	(2,188,406)	(2,773,337)	(584,931)
Net Change in Fund Balance	-	(1,000,000)	316,039	1,310,878
Fund Balance, Beginning of Year	7,109,802	7,109,802	7,109,802	-
Fund Balance, End of Year	\$ 7,109,802	\$ 6,109,802	\$ 7,425,841	\$ 1,310,878

WASHINGTON COUNTY
Class "B" Roads Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Taxes:				
Fee in lieu Taxes	\$ 300,000	\$ 400,000	\$ 400,000	\$ -
Intergovernmental Revenues:				
Class "B" Roads	1,325,000	1,325,000	1,301,633	(23,367)
Forest Reserve	-	68,500	70,028	1,528
FHWA Reimbursement	-	198,000	197,231	(769)
Total Intergovernmental Revenues	<u>1,325,000</u>	<u>1,591,500</u>	<u>1,568,892</u>	<u>(22,608)</u>
Charges for Services:				
Fuel Revenue - Other Departments	16,000	16,000	23,115	7,115
Other Revenues:				
Interest Revenue	-	-	7,703	7,703
Other	-	-	15,778	15,778
Total Other Revenues	<u>-</u>	<u>-</u>	<u>23,481</u>	<u>23,481</u>
Total Revenues	<u>1,641,000</u>	<u>2,007,500</u>	<u>2,015,488</u>	<u>7,988</u>
EXPENDITURES:				
Public Works:				
Salaries	523,500	523,500	502,067	21,433
Employee Benefits	265,900	265,900	261,487	4,413
Services, Supplies and Other	685,800	1,052,300	527,572	524,728
Capital Outlay	481,300	481,300	1,030,654	(549,354)
Total Public Works	<u>1,956,500</u>	<u>2,323,000</u>	<u>2,321,780</u>	<u>1,220</u>
Excess of Revenues				
Over (Under) Expenditures	(315,500)	(315,500)	(306,292)	6,768
Fund Balance, Beginning of Year	<u>1,670,035</u>	<u>1,670,035</u>	<u>1,670,035</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,354,535</u></u>	<u><u>\$ 1,354,535</u></u>	<u><u>\$ 1,363,743</u></u>	<u><u>\$ 6,768</u></u>

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, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Assessing & Collecting Tax	\$ 6,024,037	\$ 6,067,744	\$ 6,866,485	\$ 798,741
Penalties & Interest	30,000	20,000	34,541	14,541
Total Taxes	<u>6,054,037</u>	<u>6,087,744</u>	<u>6,901,026</u>	<u>813,282</u>
Recorder's Fees	10,000	30,000	34,226	4,226
Other	-	-	220	220
Total Revenues	<u>6,064,037</u>	<u>6,117,744</u>	<u>6,935,472</u>	<u>817,728</u>
EXPENDITURES:				
Commission	117,495	117,495	105,773	11,722
Human Resources	32,270	32,270	30,099	2,171
Info Tech Services	840,236	840,236	788,059	52,177
GIS	142,934	142,934	114,350	28,584
Clerk Auditor	301,476	301,476	300,034	1,442
Treasurer:				
Salaries	237,400	237,400	234,149	3,251
Employee Benefits	92,700	92,700	97,500	(4,800)
Services, Supplies and Other	64,550	64,550	52,743	11,807
Capital Outlay	7,000	7,000	3,654	3,346
Total Treasurer	<u>401,650</u>	<u>401,650</u>	<u>388,046</u>	<u>13,604</u>
Recorder:				
Salaries	609,450	609,450	580,196	29,254
Attorney	118,718	118,718	114,967	3,751
Assessor:				
Salaries	1,580,100	1,580,100	1,563,813	16,287
Employee Benefits	713,600	713,600	725,974	(12,374)
Services, Supplies and Other	470,100	470,100	416,101	53,999
Capital Outlay	105,000	105,000	84,489	20,511
Total Assessor	<u>2,868,800</u>	<u>2,868,800</u>	<u>2,790,377</u>	<u>78,423</u>
Administration Building	179,950	179,950	162,208	17,742
Miscellaneous Contingent	451,058	504,765	261,153	243,612
Total Expenditures	<u>6,064,037</u>	<u>6,117,744</u>	<u>5,635,262</u>	<u>482,482</u>
Excess of Revenues Over (Under) Expenditures	-	-	1,300,210	1,300,210
Other Financing Sources (Uses):				
Transfers:				
To Debt Service Fund	-	(635,010)	(635,009)	1
Net Change in Fund Balance	-	(635,010)	665,201	1,300,211
Fund Balance, Beginning of Year	<u>3,925,851</u>	<u>3,925,851</u>	<u>3,925,851</u>	-
Fund Balance, End of Year	<u>\$ 3,925,851</u>	<u>\$ 3,290,841</u>	<u>\$ 4,591,052</u>	<u>\$ 1,300,211</u>

WASHINGTON COUNTY
Library Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Tax Revenues:				
Current Property Taxes	\$ 2,662,143	\$ 2,729,039	\$ 2,819,751	\$ 90,712
Fee Assessed Taxes	175,000	175,000	234,088	59,088
Prior Years Delinquent Taxes	228,070	205,000	229,153	24,153
RDA taxes	-	75,253	74,228	(1,025)
Penalties & Interest	14,000	14,000	12,579	(1,421)
Total Taxes	<u>3,079,213</u>	<u>3,198,292</u>	<u>3,369,799</u>	<u>171,507</u>
Intergovernmental Revenue	32,430	32,430	36,756	4,326
Fines and Forfeitures	95,000	95,000	92,363	(2,637)
Other Revenues:				
Interest Earnings	-	-	2,530	2,530
Xerox Revenue	37,000	37,000	37,921	921
Miscellaneous	18,500	18,500	27,926	9,426
Contributions	22,000	22,000	20,833	(1,167)
Total Other	<u>77,500</u>	<u>77,500</u>	<u>89,210</u>	<u>11,710</u>
Total Revenues	<u>3,284,143</u>	<u>3,403,222</u>	<u>3,588,128</u>	<u>184,906</u>
EXPENDITURES:				
Culture and other expenditures:				
St. George Library	650,300	650,300	681,040	(30,740)
Hurricane Library	363,525	363,525	359,244	4,281
Santa Clara Library	309,525	309,525	307,253	2,272
Springdale Library	136,340	136,340	95,853	40,487
Enterprise Library	96,925	96,925	106,146	(9,221)
New Harmony Library	53,375	53,375	47,468	5,907
Washington City Library	317,500	317,500	309,886	7,614
Other Branches & Misc. Grants	1,540,616	1,584,442	1,487,512	96,930
Other	-	75,253	74,228	1,025
Total Expenditures	<u>3,468,106</u>	<u>3,587,185</u>	<u>3,468,630</u>	<u>118,555</u>
Net Change in Fund Balance	(183,963)	(183,963)	119,498	303,461
Fund Balance, Beginning of Year	<u>1,602,491</u>	<u>1,602,491</u>	<u>1,602,491</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,418,528</u>	<u>\$ 1,418,528</u>	<u>\$ 1,721,989</u>	<u>\$ 303,461</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, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Tax Revenues:				
Transient Room Taxes	\$ 3,750,000	\$ 3,750,000	\$ 5,116,489	\$ 1,366,489
Other Revenues:				
Interest Earnings	-	-	32,833	32,833
Other	396,250	396,250	373,806	(22,444)
Total Revenues	<u>4,146,250</u>	<u>4,146,250</u>	<u>5,523,128</u>	<u>1,376,878</u>
EXPENDITURES:				
Conservation & Economic Development:				
Convention Center Operations	159,916	159,916	145,713	14,203
Travel Board:				
Salaries	318,600	318,600	332,942	(14,342)
Employee Benefits	139,100	139,100	174,634	(35,534)
Services, Supplies and Other	2,473,550	2,473,550	2,226,596	246,954
Capital Outlay	15,000	15,000	14,170	830
Debt Service				
Principal	410,645	410,645	410,645	-
Interest	129,439	129,439	129,439	-
Total Expenditures	<u>3,646,250</u>	<u>3,646,250</u>	<u>3,434,139</u>	<u>212,111</u>
Excess of Revenues Over (Under) Expenditures	<u>500,000</u>	<u>500,000</u>	<u>2,088,989</u>	<u>1,588,989</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	-	-	1,588,989	1,588,989
Fund Balance, Beginning of Year	<u>7,160,284</u>	<u>7,160,284</u>	<u>7,160,284</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 7,160,284</u>	<u>\$ 7,160,284</u>	<u>\$ 8,749,273</u>	<u>\$ 1,588,989</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.

- **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.
- The **Habitat Conservation Plan fund** is used to account for revenue sources that are legally restricted to expenditure for habitat conservation and capital improvements.
- **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, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Tax Revenues	\$ 2,709,103	\$ 2,782,859	\$ 3,106,236	\$ 323,377
Other Revenues:				
Intergovernmental Revenues	258,930	1,392,683	46,517	(1,346,166)
Assessment Revenues	600,000	600,000	450,966	(149,034)
Interest Income	-	-	2,065	2,065
Other Income	146,300	146,300	-	(146,300)
Total Revenues	<u>3,714,333</u>	<u>4,921,842</u>	<u>3,605,784</u>	<u>(1,316,058)</u>
EXPENDITURES:				
Bank and Other Fees	18,000	88,756	296,386	(207,630)
Debt Service:				
Principal, Public Safety Bond	874,000	874,000	764,000	110,000
Principal, Lease Revenue Bonds	116,000	751,009	622,000	129,009
Principal, Library Bonds	1,110,000	1,110,000	1,110,000	-
Principal, Special Assessment Bonds	1,544,000	2,677,753	1,544,000	1,133,753
Principal, MBA Lease Revenue Bonds	103,000	106,000	103,000	3,000
Principal, Sales Tax Revenue Bonds	195,000	195,000	195,000	-
Interest, Public Safety Bond	134,910	134,910	33,107	101,803
Interest, Lease Revenue Bonds	19,550	19,550	12,997	6,553
Interest, Library Bond	620,874	620,874	620,714	160
Interest, Special Assessment Bonds	123,448	123,448	123,123	325
Interest, MBA Lease Revenue Bonds	83,799	83,799	83,799	-
Interest, Sales Tax Revenue Bond	312,656	312,656	312,656	-
Total Expenditures	<u>5,255,237</u>	<u>7,097,755</u>	<u>5,820,782</u>	<u>1,276,973</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,540,904)</u>	<u>(2,175,913)</u>	<u>(2,214,998)</u>	<u>(39,085)</u>
Other Financing Sources (Uses):				
Operating Transfers:				
From General Fund	645,206	645,206	430,137	(215,069)
From Other Funds	-	635,009	635,009	-
Total Other Financing Sources (Uses):	<u>645,206</u>	<u>1,280,215</u>	<u>1,065,146</u>	<u>(215,069)</u>
Net Change in Fund Balance	(895,698)	(895,698)	(1,149,852)	(254,154)
Fund Balance, Beginning of Year	<u>6,777,899</u>	<u>6,777,899</u>	<u>6,777,899</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 5,882,201</u>	<u>\$ 5,882,201</u>	<u>\$ 5,628,047</u>	<u>\$ (254,154)</u>

WASHINGTON COUNTY
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Other Revenues:				
Interest Earnings	-	-	26,795	26,795
Miscellaneous Revenue	-	465,000	462,015	(2,985)
Total Revenues	-	465,000	488,810	23,810
EXPENDITURES:				
Capital Outlay:				
Equipment	-	159,000	-	159,000
Other	-	1,306,000	185,612	1,120,388
Total Expenditures	-	1,465,000	185,612	1,279,388
Excess of Revenues Over (Under) Expenditures	-	(1,000,000)	303,198	1,303,198
Other Financing Sources (Uses):				
Transfer from General Fund	-	1,000,000	1,800,000	800,000
Total Other Financing Sources (Uses)	-	1,000,000	1,800,000	800,000
Net Change in Fund Balance	-	-	2,103,198	2,103,198
Fund Balance, Beginning of Year	6,501,722	6,501,722	6,501,722	-
Fund Balance, End of Year	<u>\$ 6,501,722</u>	<u>\$ 6,501,722</u>	<u>\$ 8,604,920</u>	<u>\$ 2,103,198</u>

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WASHINGTON COUNTY
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

	Special Revenue Funds			
	Municipal Services	Flood Damage	Children's Justice Center	Habitat Conservation
ASSETS				
Cash and investments	\$ 3,585,743	\$ 57,108	\$ 3,456	\$ 5,264,629
Property taxes receivable	164,197	-	-	-
Due from other governments	4,361	1,533,253	53,802	174,894
Total assets	<u>3,754,301</u>	<u>1,590,361</u>	<u>57,258</u>	<u>5,439,523</u>
LIABILITIES				
Accounts payable	34,798	650	1,991	5,698
Accrued liabilities	15,967	-	1,615	4,097
Total liabilities	<u>50,765</u>	<u>650</u>	<u>3,606</u>	<u>9,795</u>
FUND BALANCES				
Restricted for:				
Public works	-	1,589,711	-	-
Health and sanitation	-	-	-	-
Conservation	-	-	-	5,429,728
Economic development	-	-	-	-
Other purposes	-	-	53,652	-
Assigned	3,703,536	-	-	-
Total fund balances	<u>3,703,536</u>	<u>1,589,711</u>	<u>53,652</u>	<u>5,429,728</u>
Total liabilities & fund balance	<u>\$ 3,754,301</u>	<u>\$ 1,590,361</u>	<u>\$ 57,258</u>	<u>\$ 5,439,523</u>

<u>Council on Aging</u>	<u>Recreation Fund</u>	<u>Grants Fund</u>	<u>Total Nonmajor Gvtl. Funds</u>
\$ 297,109	\$ 4,199,399	\$ 432,776	\$ 13,840,220
-	-	-	164,197
<u>124,274</u>	<u>488,052</u>	<u>14,040</u>	<u>2,392,676</u>
<u>421,383</u>	<u>4,687,451</u>	<u>446,816</u>	<u>16,397,093</u>
15,323	5,032	48,395	111,887
<u>8,073</u>	<u>5,459</u>	<u>-</u>	<u>35,211</u>
<u>23,396</u>	<u>10,491</u>	<u>48,395</u>	<u>147,098</u>
-	-	-	1,589,711
397,987	-	-	397,987
-	-	-	5,429,728
-	4,676,960	-	4,676,960
-	-	94,828	148,480
-	-	<u>303,593</u>	<u>4,007,129</u>
<u>397,987</u>	<u>4,676,960</u>	<u>398,421</u>	<u>16,249,995</u>
<u>\$ 421,383</u>	<u>\$ 4,687,451</u>	<u>\$ 446,816</u>	<u>\$ 16,397,093</u>

WASHINGTON COUNTY
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Special Revenue Funds			
	Municipal Services	Flood Damage	Children's Justice Center	Habitat Conservation
REVENUES:				
Taxes	\$ 925,131	\$ -	\$ -	\$ -
Licenses, permits and fees	106,225	-	-	-
Intergovernmental	2,776,795	4,486,245	178,001	775,228
Charges for services	348,999	-	-	-
Interest	16,772	7,112	-	25,017
Sub-lease revenue	-	-	-	-
Miscellaneous	139,375	-	-	1,331
Total	<u>4,313,297</u>	<u>4,493,357</u>	<u>178,001</u>	<u>801,576</u>
EXPENDITURES:				
General Government	225,450	-	-	-
Public Safety	2,589,846	-	182,889	-
Public Works	953,958	4,702,525	-	-
Health and Sanitation	-	-	-	-
Conservation and Economic Development	-	-	-	615,336
Culture and Other	249,889	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total	<u>4,019,143</u>	<u>4,702,525</u>	<u>182,889</u>	<u>615,336</u>
Excess of revenues over (under) expenditures	<u>294,154</u>	<u>(209,168)</u>	<u>(4,888)</u>	<u>186,240</u>
Other financing sources (uses):				
Transfers in	-	-	25,500	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>25,500</u>	<u>-</u>
Net change in fund balances	294,154	(209,168)	20,612	186,240
Fund Balances - Beginning	<u>3,409,382</u>	<u>1,798,879</u>	<u>33,040</u>	<u>5,243,488</u>
Fund Balances - Ending	<u>\$ 3,703,536</u>	<u>\$ 1,589,711</u>	<u>\$ 53,652</u>	<u>\$ 5,429,728</u>

Council on Aging	Recreation Fund	Grants Fund	Total Non-major Gvtl. Funds
\$ -	\$ 2,889,543	\$ -	\$ 3,814,674
-	-	-	106,225
831,775	-	934,032	9,982,076
-	425,704	-	774,703
-	15,972	-	64,873
-	700,548	-	700,548
-	346	-	141,052
831,775	4,032,113	934,032	15,584,151
-	-	-	225,450
-	-	912,921	3,685,656
-	-	-	5,656,483
1,228,300	-	-	1,228,300
-	1,843,513	2,543	2,461,392
-	-	-	249,889
-	1,175,355	-	1,175,355
-	278,381	-	278,381
1,228,300	3,297,249	915,464	14,960,906
(396,525)	734,864	18,568	623,245
517,700	700,000	-	1,243,200
-	(200,000)	-	(200,000)
517,700	500,000	-	1,043,200
121,175	1,234,864	18,568	1,666,445
276,812	3,442,096	379,853	14,583,550
\$ 397,987	\$ 4,676,960	\$ 398,421	\$ 16,249,995

WASHINGTON COUNTY
Municipal Services Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Sales Tax Revenue	\$ 860,000	\$ 860,000	\$ 925,131	\$ 65,131
Business Licenses and Building Permits	85,000	85,000	106,225	21,225
Intergovernmental Revenue:				
Federal Payments in Lieu of Taxes	2,410,000	2,514,000	2,513,284	(716)
State Mineral Lease	85,000	85,000	91,427	6,427
Sheriff Protection	150,000	150,000	117,192	(32,808)
Federal Public Safety Grant & GIS	40,000	40,000	54,892	14,892
Total Intergovernmental	<u>2,685,000</u>	<u>2,789,000</u>	<u>2,776,795</u>	<u>(12,205)</u>
Charges for Services	347,200	347,200	348,999	1,799
Other Revenue:				
Interest Earnings	-	-	16,772	16,772
Sale of Land & Equipment	20,000	20,000	22,702	2,702
Liquor Allocation	90,000	90,000	94,533	4,533
Miscellaneous	6,500	6,500	22,140	15,640
Total Other	<u>116,500</u>	<u>116,500</u>	<u>156,147</u>	<u>39,647</u>
Total Revenues	<u>4,093,700</u>	<u>4,197,700</u>	<u>4,313,297</u>	<u>115,597</u>
EXPENDITURES:				
General Government:				
Planning & Zonning	140,540	140,540	111,100	29,440
GIS	142,934	142,934	114,350	28,584
Total General Government	<u>283,474</u>	<u>283,474</u>	<u>225,450</u>	<u>58,024</u>
Public Safety:				
Sheriff and Dispatch	2,150,000	2,150,000	2,150,000	-
Fire Control	150,000	190,000	177,849	12,151
Building Inspector	313,533	313,533	261,997	51,536
Total Public Safety	<u>2,613,533</u>	<u>2,653,533</u>	<u>2,589,846</u>	<u>63,687</u>
Public Works				
Maintenance shop	292,700	342,700	354,808	(12,108)
Weed control	148,500	162,500	156,532	5,968
Public works - other	607,785	607,785	442,618	165,167
Total Public Works	<u>1,048,985</u>	<u>1,112,985</u>	<u>953,958</u>	<u>159,027</u>
Miscellaneous Contingent	<u>247,696</u>	<u>247,696</u>	<u>249,889</u>	<u>(2,193)</u>
Total Expenditures	<u>4,193,688</u>	<u>4,297,688</u>	<u>4,019,143</u>	<u>278,545</u>
Excess of Revenues				
Over (Under) Expenditures	(99,988)	(99,988)	294,154	394,142
Fund Balance, Beginning of Year	<u>3,409,382</u>	<u>3,409,382</u>	<u>3,409,382</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 3,309,394</u>	<u>\$ 3,309,394</u>	<u>\$ 3,703,536</u>	<u>\$ 394,142</u>

WASHINGTON COUNTY
Flood Damage Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal Revenue	\$ 4,500,000	\$ 5,500,000	\$ 4,486,245	\$ (1,013,755)
Total Intergovernmental	4,500,000	5,500,000	4,486,245	(1,013,755)
Interest Revenue	-	-	7,112	7,112
Total Revenues	4,500,000	5,500,000	4,493,357	(1,006,643)
EXPENDITURES:				
Other Expenditures - Flood:				
Payments to Other Governments	-	-	69,650	(69,650)
Services, Supplies and Other	4,500,000	5,500,000	4,632,875	867,125
Total Expenditures	4,500,000	5,500,000	4,702,525	797,475
Excess of Revenues Over (Under) Expenditures	-	-	(209,168)	(209,168)
Fund Balance, Beginning of Year	1,798,879	1,798,879	1,798,879	-
Fund Balance, End of Year	\$ 1,798,879	\$ 1,798,879	\$ 1,589,711	\$ (209,168)

WASHINGTON COUNTY
Children's Justice Center Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental Revenue	\$ 211,200	\$ 211,200	\$ 178,001	\$ (33,199)
Total Revenues	<u>211,200</u>	<u>211,200</u>	<u>178,001</u>	<u>(33,199)</u>
EXPENDITURES:				
Public Safety				
AG's Children Justice Center	206,300	206,300	166,207	40,093
VOCA	<u>30,400</u>	<u>30,400</u>	<u>16,682</u>	<u>13,718</u>
Total Expenditures	<u>236,700</u>	<u>236,700</u>	<u>182,889</u>	<u>53,811</u>
Excess of Revenues Over (Under) Expenditures	(25,500)	(25,500)	(4,888)	20,612
Other Financing Sources (Uses):				
Transfers:				
From General Fund	<u>25,500</u>	<u>25,500</u>	<u>25,500</u>	<u>-</u>
Net Change in Fund Balance	-	-	20,612	20,612
Fund Balance, Beginning of Year	<u>33,040</u>	<u>33,040</u>	<u>33,040</u>	-
Fund Balance, End of Year	<u><u>\$ 33,040</u></u>	<u><u>\$ 33,040</u></u>	<u><u>\$ 53,652</u></u>	<u><u>\$ 20,612</u></u>

WASHINGTON COUNTY
Habitat Conservation Plan Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental - HCP Fees				
HCP Fees	\$ 500,000	\$ 500,000	\$ 774,888	\$ 274,888
Grants	1,400,000	1,400,000	340	(1,399,660)
Total intergovernmental	<u>1,900,000</u>	<u>1,900,000</u>	<u>775,228</u>	<u>(1,124,772)</u>
Other Revenues:				
Interest Earnings	-	-	25,017	25,017
Other	1,500	1,500	1,331	(169)
Total Revenues	<u>1,901,500</u>	<u>1,901,500</u>	<u>801,576</u>	<u>(1,099,924)</u>
EXPENDITURES:				
Other Expenditures - HCP:				
Salaries	258,500	258,500	229,310	29,190
Employee Benefits	96,200	96,200	88,543	7,657
Services, Supplies and Other	626,704	626,704	279,911	346,793
Capital Outlay	1,834,000	1,834,000	17,572	1,816,428
Total Expenditures	<u>2,815,404</u>	<u>2,815,404</u>	<u>615,336</u>	<u>2,200,068</u>
Excess of Revenues				
Over (Under) Expenditures	(913,904)	(913,904)	186,240	1,100,144
Fund Balance, Beginning of Year	<u>5,243,488</u>	<u>5,243,488</u>	<u>5,243,488</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 4,329,584</u>	<u>\$ 4,329,584</u>	<u>\$ 5,429,728</u>	<u>\$ 1,100,144</u>

WASHINGTON COUNTY
Council on Aging Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Intergovernmental Revenue:				
Council on Aging Contract	\$ 170,600	\$ 170,600	\$ 201,989	\$ 31,389
Nutrition Contract - St. George	363,800	363,800	374,694	10,894
Nutrition Contract - Hurricane	155,000	155,000	139,673	(15,327)
Nutrition Contract - Enterprise	51,000	51,000	52,495	1,495
Miscellaneous - C.O.A.	46,700	46,700	53,506	6,806
Miscellaneous - Transportation	12,000	12,000	9,418	(2,582)
Total Revenues	<u>799,100</u>	<u>799,100</u>	<u>831,775</u>	<u>32,675</u>
EXPENDITURES:				
Health & Sanitation:				
Council on Aging - General	160,450	160,450	147,524	12,926
Council on Aging - St. George Center	900,550	900,550	846,884	53,666
Council on Aging - Hurricane Center	188,400	188,400	172,437	15,963
Council on Aging - Enterprise Center	71,400	71,400	61,455	9,945
Total Expenditures	<u>1,320,800</u>	<u>1,320,800</u>	<u>1,228,300</u>	<u>92,500</u>
Excess of Revenues Over (Under) Expenditures	(521,700)	(521,700)	(396,525)	125,175
Other Financing Sources (Uses):				
Transfers:				
From General Fund	<u>517,700</u>	<u>517,700</u>	<u>517,700</u>	<u>-</u>
Net Change in Fund Balance	(4,000)	(4,000)	121,175	125,175
Fund Balance, Beginning of Year	<u>276,812</u>	<u>276,812</u>	<u>276,812</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 272,812</u></u>	<u><u>\$ 272,812</u></u>	<u><u>\$ 397,987</u></u>	<u><u>\$ 125,175</u></u>

WASHINGTON COUNTY
Recreation Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Tax Revenues:				
Restaurant Food Tax	\$ 2,000,000	\$ 2,065,000	\$ 2,464,395	\$ 399,395
Leasing Sales Tax	345,000	345,000	425,148	80,148
Total Taxes	<u>2,345,000</u>	<u>2,410,000</u>	<u>2,889,543</u>	<u>479,543</u>
Charges for Services:				
County Fair	127,500	127,500	112,761	(14,739)
Regional Park	232,500	232,500	312,943	80,443
Total Charges for Services	<u>360,000</u>	<u>360,000</u>	<u>425,704</u>	<u>65,704</u>
Other Revenues:				
Interest Earnings	-	-	15,972	15,972
Vision Dixie and Other Revenue	3,000	3,000	346	(2,654)
Sub-lease Revenue	-	-	700,548	700,548
Total Revenues	<u>2,708,000</u>	<u>2,773,000</u>	<u>4,032,113</u>	<u>1,259,113</u>
EXPENDITURES:				
Conservation & Economic Development:				
Regional Park Facility	1,232,749	1,282,749	631,513	651,236
County Fair	236,150	251,150	245,946	5,204
Convention Center Operations	350,900	350,900	213,054	137,846
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	635,201	635,201	1,175,355	(540,154)
Interest	-	-	278,381	(278,381)
Total Expenditures	<u>3,208,000</u>	<u>3,273,000</u>	<u>3,297,249</u>	<u>(24,249)</u>
Excess of Revenues				
Over (Under) Expenditures	(500,000)	(500,000)	734,864	1,234,864
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	-	-	1,234,864	1,234,864
Fund Balance, Beginning of Year	<u>3,442,096</u>	<u>3,442,096</u>	<u>3,442,096</u>	-
Fund Balance, End of Year	<u>\$ 3,442,096</u>	<u>\$ 3,442,096</u>	<u>\$ 4,676,960</u>	<u>\$ 1,234,864</u>

WASHINGTON COUNTY
Miscellaneous Grants Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Intergovernmental Revenues:				
CDBG Grants	\$ -	\$ -	\$ 543	\$ 543
LLEBG/SCAAP	-	21,400	20,353	(1,047)
Drug Court	192,000	192,000	191,324	(676)
WMD and Emergency OPS Grants	856,923	858,123	594,999	(263,124)
DEA Eradication	-	75,000	75,000	-
Other Grants	20,000	54,500	51,813	(2,687)
Total Revenues	<u>1,068,923</u>	<u>1,201,023</u>	<u>934,032</u>	<u>(266,991)</u>
EXPENDITURES:				
Public Safety:				
LLEBG/SCAAP	-	21,000	10,533	10,467
WMD - Emergency Operations	876,923	881,123	610,502	270,621
DEA Eradication	-	75,000	75,000	-
Drug Court	192,000	192,000	189,937	2,063
Other	-	29,500	26,949	2,551
Total Public Safety	<u>1,068,923</u>	<u>1,198,623</u>	<u>912,921</u>	<u>285,702</u>
Conservation & Economic Development:				
CDBG	-	400	543	(143)
Predator Control	-	2,000	2,000	-
Total Conservation & Economic Devel.	<u>-</u>	<u>2,400</u>	<u>2,543</u>	<u>(143)</u>
Total Expenditures	<u>1,068,923</u>	<u>1,201,023</u>	<u>915,464</u>	<u>285,559</u>
Excess of Revenues Over (Under) Expenditures				
	-	-	18,568	18,568
Fund Balance, Beginning of Year	<u>379,853</u>	<u>379,853</u>	<u>379,853</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 379,853</u>	<u>\$ 379,853</u>	<u>\$ 398,421</u>	<u>\$ 18,568</u>

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

Fiduciary Funds Trust and Agency

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

- **Tax Collection Trust fund** is an agency fund which accounts for all collections and disbursements of taxes for the county.
- **Deposit Trust fund** is an agency fund which accounts for miscellaneous court funds, surcharges, 4-H, Treasurer and other custodial accounts.
- **Health Department fund** is used as an agency fund for the Health Department.
- **Economic Development Council fund** is used as an agency fund for the Economic Development Council.
- **Washington County 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, 2014

	Balance 12/31/2013	Additions	Deductions	Balance 12/31/2014
TAX COLLECTION TRUST FUND:				
Assets:				
Cash & Investments	\$ 33,680,596	\$ 148,802,028	\$ 150,039,730	\$ 32,442,894
Total Assets	<u>\$ 33,680,596</u>	<u>\$ 148,802,028</u>	<u>\$ 150,039,730</u>	<u>\$ 32,442,894</u>
Liabilities:				
Deposits Held in Trust	\$ 2,463,255	\$ 3,774,364	\$ 4,448,668	\$ 1,788,951
Due to Taxing Districts	26,133,194	121,448,862	121,739,230	25,842,826
Due to Washington Co. General Fund	2,167,727	9,964,476	10,058,821	2,073,382
Due to Assessing & Collecting Fund	1,510,670	7,010,550	7,089,796	1,431,424
Due to Other Funds	1,405,750	6,603,776	6,703,215	1,306,311
Reserve for Refund	-	-	-	-
Total Liabilities	<u>\$ 33,680,596</u>	<u>\$ 148,802,028</u>	<u>\$ 150,039,730</u>	<u>\$ 32,442,894</u>
DEPOSIT FUND:				
Assets:				
Cash & Investments	\$ 932,049	\$ 6,743,547	\$ 6,510,925	\$ 1,164,671
Total Assets	<u>\$ 932,049</u>	<u>\$ 6,743,547</u>	<u>\$ 6,510,925</u>	<u>\$ 1,164,671</u>
Liabilities:				
Deposits Held in Trust	<u>\$ 932,049</u>	<u>\$ 6,743,547</u>	<u>\$ 6,510,925</u>	<u>\$ 1,164,671</u>
HEALTH DEPARTMENT:				
Assets:				
Cash & Investments	\$ 1,881,183	\$ -	\$ 1,881,183	\$ -
Total Assets	<u>\$ 1,881,183</u>	<u>\$ -</u>	<u>\$ 1,881,183</u>	<u>\$ -</u>
Liabilities:				
Deposits Held in Trust	<u>\$ 1,881,183</u>	<u>\$ -</u>	<u>\$ 1,881,183</u>	<u>\$ -</u>
ECONOMIC DEVELOPMENT COUNCIL:				
Assets:				
Cash & Investments	\$ 385,599	\$ 295,546	\$ 256,363	\$ 424,782
Total Assets	<u>\$ 385,599</u>	<u>\$ 295,546</u>	<u>\$ 256,363</u>	<u>\$ 424,782</u>
Liabilities:				
Deposits Held in Trust	<u>\$ 385,599</u>	<u>\$ 295,546</u>	<u>\$ 256,363</u>	<u>\$ 424,782</u>

(Continued)

WASHINGTON COUNTY
All Trust and Agency Funds
Combining Statement of Changes in Assets and Liabilities (Continued)
For the Year Ended December 31, 2014

	Balance 12/31/2013	Additions	Deductions	Balance 12/31/2014
WASHINGTON COUNTY				
INTERLOCAL AGENCY:				
Assets:				
Cash & Investments	\$ 2,815,239	\$ 7,485,481	\$ 7,430,500	\$ 2,870,220
Total Assets	<u>\$ 2,815,239</u>	<u>\$ 7,485,481</u>	<u>\$ 7,430,500</u>	<u>\$ 2,870,220</u>
Liabilities:				
Deposits Held in Trust	<u>\$ 2,815,239</u>	<u>\$ 7,485,481</u>	<u>\$ 7,430,500</u>	<u>\$ 2,870,220</u>
WASHINGTON COUNTY				
FLOOD CONTROL:				
Assets:				
Cash & Investments	\$ 734,034	\$ 779,191	\$ 249,768	\$ 1,263,457
Total Assets	<u>\$ 734,034</u>	<u>\$ 779,191</u>	<u>\$ 249,768</u>	<u>\$ 1,263,457</u>
Liabilities:				
Deposits Held in Trust	<u>\$ 734,034</u>	<u>\$ 779,191</u>	<u>\$ 249,768</u>	<u>\$ 1,263,457</u>
TOTAL - ALL TRUST				
AND AGENCY FUNDS:				
Assets:				
Cash & Investments	\$ 40,428,700	\$ 164,105,793	\$ 166,368,469	\$ 38,166,024
Total Assets	<u>\$ 40,428,700</u>	<u>\$ 164,105,793</u>	<u>\$ 166,368,469</u>	<u>\$ 38,166,024</u>
Liabilities:				
Deposits Held in Trust	\$ 9,211,359	\$ 19,078,129	\$ 20,777,407	\$ 7,512,081
Due to Taxing Districts	26,133,194	121,448,862	121,739,230	25,842,826
Due to Washington Co. General Fund	2,167,727	9,964,476	10,058,821	2,073,382
Due to Assessing & Collecting Fund	1,510,670	7,010,550	7,089,796	1,431,424
Due to Other Funds	<u>1,405,750</u>	<u>6,603,776</u>	<u>6,703,215</u>	<u>1,306,311</u>
Total Liabilities	<u>\$ 40,428,700</u>	<u>\$ 164,105,793</u>	<u>\$ 166,368,469</u>	<u>\$ 38,166,024</u>

WASHINGTON COUNTY
Combining Statement of Net Position
Component Units
December 31, 2014

	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	\$ 2,509,372	\$ 6,077,176	\$ 13,339,292	\$ 2,273,997	\$ 24,199,837
Due from other governments	252,497	-	-	602,922	855,419
Due from other sources	-	448,761	825,121	387,801	1,661,683
Inventory	-	12,784	-	6,812	19,596
Prepaid assets	164,165	3,970	538	12,271	180,944
Total current assets	<u>2,926,034</u>	<u>6,542,691</u>	<u>14,164,951</u>	<u>3,283,803</u>	<u>26,917,479</u>
Noncurrent assets:					
Restricted cash and investments	-	2,765,231	5,848,925	557,902	9,172,058
Due from other sources - noncurrent	-	106,343	-	-	106,343
Capital assets not being depreciated	926,803	9,925,289	57,000	1,482,420	12,391,512
Capital assets being depreciated, net of accumulated depreciation	4,221,710	10,127,190	3,901,635	7,753,953	26,004,488
Total noncurrent assets	<u>5,148,513</u>	<u>22,924,053</u>	<u>9,807,560</u>	<u>9,794,275</u>	<u>47,674,401</u>
Total assets	<u>\$ 8,074,547</u>	<u>\$ 29,466,744</u>	<u>\$ 23,972,511</u>	<u>\$ 13,078,078</u>	<u>\$ 74,591,880</u>
Liabilities					
Current liabilities:					
Accounts payable	\$ 14,888	\$ 26,741	\$ 667,303	\$ 72,385	\$ 781,317
Accrued liabilities	55,819	16,984	24,008	16,793	113,604
Compensated absences	102,196	68,613	87,825	-	258,634
Accrued interest payable	-	-	-	31,708	31,708
Total current liabilities	<u>172,903</u>	<u>112,338</u>	<u>779,136</u>	<u>120,886</u>	<u>1,185,263</u>
Noncurrent liabilities:					
Due within one year	-	-	-	226,640	226,640
Due in more than one year	-	46,477	5,636,268	3,370,735	9,053,480
Total noncurrent liabilities	<u>-</u>	<u>46,477</u>	<u>5,636,268</u>	<u>3,597,375</u>	<u>9,280,120</u>
Total liabilities	<u>172,903</u>	<u>158,815</u>	<u>6,415,404</u>	<u>3,718,261</u>	<u>10,465,383</u>
Deferred Inflows of Resources					
Billings for future period revenues	-	-	-	172,976	172,976
Property taxes levied for future year	-	-	-	331,891	331,891
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>504,867</u>	<u>504,867</u>
Net Position:					
Net investment in capital assets	5,148,513	20,024,315	3,958,635	5,757,516	34,888,979
Restricted	-	2,894,483	212,657	608,590	3,715,730
Unrestricted	2,753,131	6,389,131	13,385,815	2,488,844	25,016,921
Total net position	<u>\$ 7,901,644</u>	<u>\$ 29,307,929</u>	<u>\$ 17,557,107</u>	<u>\$ 8,854,950</u>	<u>\$ 63,621,630</u>

WASHINGTON COUNTY
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2014

	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	\$ -	\$ -	\$ -	\$ 2,035,741	\$ 2,035,741
Public works					
Sewer services	-	2,134,965	-	-	2,134,965
Solid waste services	-	-	9,559,580	-	9,559,580
Water services	-	-	-	495,093	495,093
Transportation services	-	-	-	308,296	308,296
Health and sanitation					
Health services	7,955,175	-	-	-	7,955,175
Conservation & economic development	-	-	-	44,897	44,897
Total expenses	<u>7,955,175</u>	<u>2,134,965</u>	<u>9,559,580</u>	<u>2,884,027</u>	<u>22,533,747</u>
Program revenues:					
Charges for services	1,559,695	2,505,938	9,830,466	1,427,867	15,323,966
Operating grants and contributions	7,184,312	-	-	473,152	7,657,464
Capital grants and contributions	-	789,181	-	52,009	841,190
Net (expense) revenue	<u>788,832</u>	<u>1,160,154</u>	<u>270,886</u>	<u>(930,999)</u>	<u>1,288,873</u>
General revenues:					
Property taxes	-	-	-	842,400	842,400
Sales taxes	-	-	-	-	-
Other taxes	-	-	-	114,444	114,444
Unrestricted investment earnings	2,534	41,525	54,781	12,145	110,985
Miscellaneous	59,051	116,062	-	95,546	270,659
Gain on sale of assets	-	40,110	-	-	40,110
Total general revenues and transfers	<u>61,585</u>	<u>197,697</u>	<u>54,781</u>	<u>1,064,535</u>	<u>1,378,598</u>
Change in net position	850,417	1,357,851	325,667	133,536	2,667,471
Total net position - beginning	7,051,227	27,950,078	17,231,440	8,317,235	60,549,980
Prior period adjustment	-	-	-	404,179	404,179
Total net position - ending	<u>\$ 7,901,644</u>	<u>\$ 29,307,929</u>	<u>\$ 17,557,107</u>	<u>\$ 8,854,950</u>	<u>\$ 63,621,630</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, 2014

	Treasurer's Balance 12/31/2013	Tax Collection Receipts	Current Year's Taxes & Interest Apportioned	Prior Year's Taxes & Interest Apportioned	Disburse- ments	Treasurer's Balance 12/31/2014
Tax Collection Amounts:						
Current Taxes	\$ -	\$ 134,462,601	\$ (134,462,601)	\$ -	\$ -	\$ -
Prior Year's Redemptions	-	9,249,260	-	(9,249,260)	-	-
Penalties & Interest	-	1,315,803	-	(1,315,803)	-	-
Other Collections	2,463,255	3,774,364	-	-	4,448,668	1,788,951
Total	\$ 2,463,255	\$ 148,802,028	\$ (134,462,601)	\$ (10,565,063)	\$ 4,448,668	\$ 1,788,951
Tax Units:						
Library Operating Fund	\$ 727,064		\$ 3,105,398	\$ 335,470	\$ 3,481,444	\$ 686,488
School District	18,691,598		83,425,207	5,971,218	89,411,260	18,676,763
Water Conservancy District	2,209,535		9,378,128	701,512	10,206,795	2,082,380
Assessing & Collecting	1,510,670		6,327,140	683,410	7,089,796	1,431,424
General Fund	2,167,727		8,992,985	971,491	10,058,821	2,073,382
County G.O. Bond	678,686		2,854,875	308,033	3,221,771	619,823
Special Service Districts:						
Rockville/Springdale	17,783		51,741	3,547	56,055	17,016
Southwest Mosquito SSD	137,024		531,232	33,575	583,532	118,299
Southwestern SSD	15,075		80,047	3,543	86,203	12,462
Smithsonian SSD	-		-	-	-	-
Leeds Area SSD	36,802		122,393	6,163	133,800	31,558
New Harmony SSD	20,322		84,756	23,349	108,474	19,953
Northwestern SSD	-		-	-	-	-
Dixie Deer SSD	-		-	-	-	-
Hurricane Valley Fire District	106,252		403,031	45,522	447,923	106,882
Coral Canyon SID	136,262		696,226	18,835	732,540	118,783
North Central Fire SSD	-		10,632	8	5,339	5,301
Cities & Towns:						
Apple Valley	22,038		68,302	26,612	100,903	16,049
Enterprise	39,690		147,786	6,434	153,159	40,751
Hildale	19,299		160,006	140,775	300,335	19,745
Hurricane	585,809		2,431,636	278,711	2,771,240	524,916
Ivins	279,074		1,318,960	56,264	1,375,038	279,260
LaVerkin	69,240		379,961	52,375	409,166	92,410
Leeds	17,370		60,159	2,827	66,078	14,278
New Harmony	4,806		21,700	2,000	22,001	6,505
Rockville	12,184		67,825	2,181	62,043	20,147
St. George	3,048,422		10,516,438	712,258	11,270,264	3,006,854
Santa Clara	119,161		716,013	16,769	730,756	121,187
Springdale	22,346		62,633	4,515	68,277	21,217
Toquerville	30,030		105,406	11,038	117,406	29,068
Virgin	16,240		55,004	8,191	65,188	14,247
Washington	476,833		2,286,981	138,437	2,455,455	446,796
Total Due Units	\$ 31,217,342		\$ 134,462,601	\$ 10,565,063	\$ 145,591,062	\$ 30,653,944
Total	\$ 33,680,597	\$ 148,802,028			\$ 150,039,730	\$ 32,442,895

WASHINGTON COUNTY

**Statement of Taxes Charged and Collected
December 31, 2014**

TAXABLE VALUE OF PROPERTY

	Year-End Value (After BOE)	Centrally - Assessed Value	Year End Personal Property Value	Total Adjusted Value
Library Operations	\$ 10,721,520,635	\$ 428,639,946	\$ 399,477,097	\$ 11,549,637,678
School District	10,721,520,635	428,639,946	399,477,097	11,549,637,678
Water Conservancy District	10,721,520,635	428,639,946	399,477,097	11,549,637,678
Assessing & Collecting:				
Local	10,721,520,635	428,639,946	399,477,097	11,549,637,678
State	10,721,520,635	428,639,946	399,477,097	11,549,637,678
General Fund	10,721,520,635	428,639,946	399,477,097	11,549,637,678
County G.O. Bond	10,721,520,635	428,639,946	399,477,097	11,549,637,678
Rockville/Springdale Fire	202,380,110	2,222,092	6,143,925	210,746,127
Southwest Mosquito SSD	10,721,520,635	428,639,946	399,477,097	11,549,637,678
Southwestern SSD	112,123,795	3,146,794	566,702	115,837,291
Leeds Area SSD	83,917,800	2,242,637	710,748	86,871,185
New Harmony Fire	112,260,490	3,616,467	95,870	115,972,827
Coral Canyon	234,431,445	825,997	1,779,632	237,037,074
Enterprise	54,728,240	1,166,481	994,594	56,889,315
Hildale	33,277,415	952,850	6,301,581	40,531,846
Hurricane	912,481,425	20,117,537	65,845,169	998,444,131
Ivins	690,179,125	6,333,727	3,754,894	700,267,746
LaVerkin	143,853,490	4,153,053	4,919,877	152,926,420
Leeds	63,802,420	1,258,950	689,681	65,751,051
New Harmony	13,289,750	889,440	60,485	14,239,675
St. George	5,998,816,505	128,653,781	262,311,764	6,389,782,050
Santa Clara	351,430,130	3,277,323	1,873,534	356,580,987
Springdale	170,038,510	1,191,687	5,971,125	177,201,322
Toquerville	76,763,010	5,171,811	766,631	82,701,452
Virgin	41,610,445	1,235,498	646,352	43,492,295
Washington	1,460,913,045	12,556,425	26,384,547	1,499,854,017
Rockville	32,341,600	1,030,405	172,800	33,544,805
Apple Valley	36,857,785	2,771,988	212,717	39,842,490
Northwestern SSD	-	-	-	-
Dixie Deer SSD	-	-	-	-
Hurricane Valley SSD	353,956,995	17,210,990	6,650,931	377,818,916
North Central Fire SSD	16,584,650	1,096,383	1,658,593	19,339,626

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
0.000269	0.000289	\$2,999,393	\$115,449	\$3,114,842
0.007221	0.007544	80,515,310	3,013,655	83,528,965
0.000816	0.000878	9,098,531	350,741	9,449,272
0.000535	0.000433	5,965,336	172,974	6,138,310
0.000013	0.000158	144,952	63,117	208,069
0.000779	0.000837	8,685,975	334,360	9,020,335
0.000247	0.000274	2,754,090	109,457	2,863,547
0.000251	0.000272	51,355	1,671	53,026
0.000046	0.000049	512,907	19,574	532,481
0.000644	0.000710	74,234	402	74,636
0.001389	0.001495	119,677	1,063	120,740
0.000776	0.000783	89,921	75	89,996
0.003000	0.003000	705,772	5,339	711,111
0.002538	0.002610	141,861	2,596	144,457
0.008340	0.008502	285,480	53,576	339,056
0.002432	0.002690	2,268,081	177,124	2,445,205
0.001862	0.001981	1,296,907	7,438	1,304,345
0.002532	0.002750	374,753	13,530	388,283
0.000904	0.000983	58,815	678	59,493
0.001554	0.001541	22,034	93	22,127
0.001662	0.001784	10,183,856	467,964	10,651,820
0.001918	0.002096	680,329	3,927	684,256
0.000359	0.000393	61,472	2,347	63,819
0.001272	0.001323	104,221	1,014	105,235
0.001304	0.001445	55,871	934	56,805
0.001505	0.001621	2,217,572	42,769	2,260,341
0.002141	0.001435	71,449	248	71,697
0.001923	0.002209	76,208	470	76,678
0.000000	0.000000	-	-	-
0.000000	0.000000	-	-	-
0.001093	0.001112	405,687	7,396	413,083
0.000617	0.000000	10,909	-	10,909
		<u>\$130,032,958</u>	<u>\$4,969,981</u>	<u>\$135,002,939</u>

(Continued)

WASHINGTON COUNTY

Statement of Taxes Charged and Collected (Continued)
December 31, 2014

	TREASURER'S RELIEF				CURRENT YEAR ACTUAL	
	Unpaid Taxes	Abatements	Other	Total Relief	Taxes Collected	Collection Rate
Library Operations	\$ 158,494	\$ 49,675	\$ 16,201	\$ 224,370	\$2,890,472	92.80%
School District	4,256,893	1,333,454	282,848	5,873,195	77,655,770	92.97%
Water Conservancy District	481,249	150,685	91,177	723,111	8,726,161	92.35%
Assessing & Collecting:						
Local	315,221	98,795	32,221	446,237	5,692,073	92.73%
State	7,660	2,401	783	10,844	197,225	94.79%
General Fund	458,986	143,853	46,917	649,756	8,370,579	92.80%
County G.O. Bond	145,532	45,612	14,876	206,020	2,657,527	92.81%
Rockville/Springdale Fire	2,400	413	82	2,895	50,131	94.54%
Southwest Mosquito SSD	27,125	8,495	2,383	38,003	494,478	92.86%
Southwestern SSD	2,570	1,852	30	4,452	70,184	94.04%
Leeds Area SSD	4,496	3,758	297	8,551	112,189	92.92%
New Harmony Fire	10,489	2,110	52	12,651	77,345	85.94%
Coral Canyon	49,678	7,976	(12,741)	44,913	666,198	93.68%
Enterprise	9,247	3,867	881	13,995	130,462	90.31%
Hildale	223,160	478	3,189	226,827	112,229	33.10%
Hurricane	138,065	44,797	10,248	193,110	2,252,095	92.10%
Ivins	33,479	26,439	2,815	62,733	1,241,612	95.19%
LaVerkin	25,337	14,961	3,231	43,529	344,754	88.79%
Leeds	2,262	1,726	194	4,182	55,311	92.97%
New Harmony	1,606	778	42	2,426	19,701	89.04%
St. George	522,253	156,432	149,990	828,675	9,823,145	92.22%
Santa Clara	19,977	14,817	3,360	38,154	646,102	94.42%
Springdale	2,574	305	132	3,011	60,808	95.28%
Toquerville	6,400	2,985	75	9,460	95,775	91.01%
Virgin	3,118	2,269	96	5,483	51,322	90.35%
Washington	112,071	34,148	7,228	153,447	2,106,894	93.21%
Rockville	5,128	1,698	(102)	6,724	64,973	90.62%
Apple Valley	14,785	1,054	332	16,171	60,507	78.91%
Northwestern SSD	-	-	-	-	-	
Dixie Deer SSD	-	-	-	-	-	
Hurricane Valley SSD	27,820	11,039	1,245	40,104	372,979	90.29%
North Central Fire SSD	1,041	249	82	1,372	9,537	87.42%
Totals	\$ 7,069,116	\$ 2,167,121	\$658,164	\$9,894,401	\$125,108,538	

OTHER COLLECTIONS

Fee in Lieu	Miscellaneous Collections	Delinquent Tax Collected	Interest & Penalty Collected	Tax Increment paid to RDAs	Net Revenue for Distribution
\$ 214,926	\$ 34,887	\$ 212,310	\$ 123,160	\$ 52,650	\$ 3,423,105
5,769,437	918,329	5,626,973	344,245	1,599,315	88,715,439
651,967	105,575	660,714	40,798	229,592	9,955,623
427,455	69,385	422,252	244,946	104,712	6,751,398
10,387	1,686	10,260	5,952	2,544	222,967
622,406	101,029	614,831	356,660	152,468	9,913,040
197,348	32,034	194,946	113,087	48,344	3,146,598
1,610	230	3,448	99	-	55,518
36,754	5,870	31,775	1,800	10,504	560,174
9,863	696	3,337	206	-	84,287
10,204	1,043	5,900	263	-	129,598
7,411	1,698	21,765	1,584	-	109,803
30,028	2,683	17,915	920	-	717,744
17,324	1,605	6,095	339	-	155,825
47,777	4,618	137,869	2,906	-	305,399
179,541	23,098	261,492	17,219	-	2,733,444
77,348	15,610	53,563	2,701	-	1,390,834
35,207	3,101	49,157	3,218	-	435,436
4,848	447	2,728	99	-	63,433
1,999	173	1,895	105	-	23,874
693,293	118,622	672,869	39,389	459,727	10,887,591
69,911	6,991	15,427	1,342	-	739,773
1,825	236	4,391	124	-	67,383
9,631	2,054	10,415	623	-	118,498
3,682	1,860	7,738	453	-	65,055
180,087	30,645	130,078	8,359	-	2,456,063
2,852	449	2,110	71	-	70,455
7,795	4,286	24,727	1,885	-	99,200
-	-	-	-	-	-
-	-	-	-	-	-
30,052	4,837	42,280	3,242	-	453,389
1,095	-	-	8	-	10,640
\$ 9,354,063	\$1,493,777	\$9,249,260	\$1,315,803	\$2,659,856	\$143,861,586

WASHINGTON COUNTY

**Schedule of Expenditures of Transient Room Taxes and
Tourism, Recreation, Culture and Convention Facilities Taxes
December 31, 2014**

Transient Room Taxes (TRT):

Establishing and promoting:		
Recreation	\$	960,314
Tourism		1,334,117
Film production		80,456
Conventions		405,456
Totals		<u>2,780,343</u>
Acquiring, leasing, construction, furnishing, or operating:		
Convention meeting rooms		350,000
Exhibit halls		350,000
Visitor information centers		-
Museums		-
Related facilities		700,000
Totals		<u>1,400,000</u>
Acquiring or leasing land required for or related to:		
Convention meeting rooms		-
Exhibit halls		-
Visitor information centers		-
Museums		-
Related facilities		-
Totals		<u>-</u>
Mitigation costs		<u>-</u>
Payment of principal, interest, premiums, and reserves on bonds		<u>-</u>
Total expenditures of transient room taxes		<u><u>\$ 4,180,343</u></u>

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

Financing tourism promotion		<u>-</u>
Development, operation, and maintenance of:		
Tourist facilities	\$	-
Recreation facilities		1,837,446
Cultural facilities		-
Convention facilities		626,946
Pledges as security for evidences of indebtedness		-
Total		<u>2,464,392</u>
Total expenditures of tourism, recreation, culture, and convention facilities taxes		<u><u>\$ 2,464,392</u></u>

Reserves and Pledges:

	1/1/2014	Additions 2014	12/31/2014
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 Other Matters
Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Honorable County Commission
Washington County
St. George, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County, as of and for the year ended December 31, 2014, 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 2, 2015. 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.



HintonBurdick, PLLC
St. George, Utah
June 2, 2015

Independent Auditor's Report In Accordance With the *State Compliance Audit Guide* On:

- **Compliance with General State Compliance Requirements**
- **Compliance for Each Major State Program**
- **Internal Control over Compliance**
- **Schedule of Expenditures of State Awards**

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

Report On Compliance with General State Compliance Requirements and for Each Major State Program

We have audited Washington County's compliance with the applicable general state and major state program compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on Washington County or each of its major state programs for the year ended December 31, 2014.

General state compliance requirements were tested for the year ended December 31, 2014 in the following areas:

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

Washington County received state funding from the following programs classified as major programs for the year ended December 31, 2014:

B&C Road Funds

Management's Responsibility

Management is responsible for compliance with the general state requirements referred to above and the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on Washington County's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on Washington County or its major state 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 on compliance with general state compliance requirements and for each major state program. However, our audit does not provide a legal determination of Washington County's compliance.

Opinion on General State Compliance Requirements and Each Major State Program

In our opinion, Washington County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Washington County or on each of its major state programs for the year ended December 31, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in the accompanying schedule of findings and recommendations as items 2013-001, 2014-001, and 2014-002. Our opinion on compliance is not modified with respect to these matters.

Washington County's response to the noncompliance findings identified in our audit is described in the accompanying responses to 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.

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 of compliance, we considered Washington County's internal control over compliance with the compliance requirements that could have a direct and material effect on Washington County or on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and for each major state program and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Washington County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state or major state program

compliance requirement on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state or major state program compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state or major state program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Report on Schedule of Expenditures of State Awards as Required by the *State Compliance Audit Guide*

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Washington County's basic financial statements. We issued our report thereon dated June 2, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the *State Compliance Audit Guide* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state awards is fairly stated in all material respects in relation to the financial statements as a whole.



HintonBurdick, PLLC
St. George, Utah
June 2, 2015

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WASHINGTON COUNTY
Schedule of Expenditures of State Awards
For the Year Ended December 31, 2014

Grant Name	Award/contract # (if applicable)	Year of Last Audit	Expenditures
Department of Transportation			
B&C Road Allotment		2014	1,301,631
State Tax Commission			
Liquor Allocation			94,533
Administrative Office of the Courts			
5th District Court Bailiff Contract	110452	2013	146,064
5th District Court Security Contract	110452	2013	111,142
Department of Administrative Service (DFCM)			
Rent - Adult Probation & Parole	71238		176,704
Rent - Highway Patrol	71237		55,712
Rent - DMV License	71253		130,320
Rent - DMV Plate	71253		130,320
Rent - Courthouse Plaza	No Number		182,709
Rent - Attorney General Office	No Number		56,840
Rent - Dept of Family Service	112431		113,146
Department of Natural Resources			
State PILT - Mineral Lease			91,427
Attorney General			
Children Justice Center			145,427
Utah Office of Tourism			
Cooperative Funding Match			191,250
Department of Heritage and Arts			
CLEF Grant			1,725
Department of Agriculture			
Predator Control Grant	11562		2,000
LEPC Grant	HLS 2012 LEPC		3,200
TOTAL GRANT, CONTRACT, AND LOAN FUND EXPENDITURES			3,376,713

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**Findings and Recommendations
For the Year Ended December 31, 2014**

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, 2014, 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:

2014-001. Open and Public Meetings Act

In accordance with Utah Code Title 52 Chapter 4 Section 203, public meeting minutes should be posted to the Utah Public Notice Website within three days of the meeting minutes being approved. Due to staff turnover, the new employee was unaware of this requirement and did not post the minutes to the Utah Public Notice Website for several months.

Recommendation

We recommend the minutes be posted to the Utah Public Notice Website within three days of the meeting minutes being approved to be in compliance with state law. We also recommend that procedures be established to ensure compliance when there is staff turnover.

2014-002. Conflicts of Interest

Utah Code Title 67 Chapter 16 requires the County to have a policy and procedure to disclose conflicts of interest and to effectively communicate it to public officers and employees of the County. The County has represented that they currently follow Utah Code, but have not formally adopted a policy and procedure to disclose conflicts of interest.

Recommendation

We recommend the County create a conflict of interest policy and procedure or formally adopt the Utah Code as their policy to be in compliance with state law.

2013-001. 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. In 2014, the Recreation Fund had expenditures in excess of the final budget.

Recommendation

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

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".

HintonBurdick, PLLC

June 2, 2015



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 16, 2015

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 2014 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:

2014-01 Open and Public Meetings Act

Due to staff turnover, the county was not posting approved public meeting minutes to the Utah Public Notice Website within three days of their approval.

This has been corrected and all 2015 approved minutes have been posted and are now being posted within the 3 day window.

2014-02 Conflict of Interest

The county follows Utah Code, but we have not formally adopted a policy and procedure to disclose conflicts of interest.

With this audit point, our Human Resources department is working on a Conflict of Interest policy and we will have that in place within 90 days. I have attached a page out of our current policy manual that addresses conflicts of interest and also two pages from our Sheriff's office manual that addresses conflicts of interest. Our new policy will certainly follow the Utah Code.

2013-001 Exceeding Budget Appropriations

In 2014, the Recreation Fund had expenditures in excess of the final budget.

Historically, the county has not budgeted for either the revenue or expense associated with the City of St. George's portion of the bond payment for the Dixie Center (which is jointly owned by the county and the city). In past years, this fund (Fund 26) has been under budget enough that even with showing the expense for the city's bond payments the fund has still been under the expense budget. The entries for both the revenue and expense have been made post-closing during our audit process. For 2014, when the expense was included we ended up over budget. Our current 2015 budget does not include this revenue and expense. We will open the budget and add both the revenue and expense to the Fund 26 budget for 2015 and make those entries part of our budget process going forward.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Kim".

Kim M. Hafen
Washington County Clerk/Auditor

cc: Washington County Commission
HintonBurdick, PLLC

C. *Employee Discipline*

Employees who violate County policy are subject to discipline. Depending upon the circumstances, the County may specify corrective action steps, may suspend, demote, or terminate or may use any other appropriate disciplinary measure with employees who violate County policy. Grounds for discipline may include, but are not limited to:

1. Any act inimical to public service
2. Inefficiency, incompetence, failure to maintain skills, inadequate performance, or neglect of duty.
3. Discourtesy to the public, inability to work in harmony with coworkers or supervisors, failure to follow a supervisor's direction, or insubordination.
4. Dishonesty or misappropriation or misuse of or damage to public property or funds.
5. Tardiness or unapproved absences.

This list is not exhaustive and is set forth as a guideline. This list should not be construed to limit the County from taking disciplinary action, including termination, in appropriate circumstances, regardless of whether the County has specifically identified a written policy. Employees may also be disciplined for violations of County policy found in other sections of this manual, violations of state or federal law, or violations of relevant policies, rules or laws promulgated elsewhere.

Before implementing disciplinary action that may lead to termination, the employee's supervisor or department head should review the circumstances with the Human Resource Director. Every termination must be approved in advance by the Human Resource Director.

The County's Dispute Resolution Process (Section X) is available to Career Service employees. They may appeal the following: suspensions, transfers, demotions, dismissals and claims of unlawful discrimination.

D. *Outside Employment or Activities*

County employees may not engage in any outside employment or activity that impairs the performance of their duties, is detrimental to County service, or creates a potential or actual conflict of interest with their county employment.

Employees may not regularly engage in outside employment during normal work hours established by their department head.

E. *Absence Without Leave*

No employee may be absent from duty without permission of the Department Head. All employees should notify their Department Head prior to an absence. However, in emergency situations where prior notification is not possible, the employee should notify their supervisor as soon as possible.

AB 05_103 **GENERAL**

A. Policy:

1. The WCSO shall provide written standards of conduct to regulate employee behavior and actions.
2. When employees violate standards of conduct they should expect to be confronted and receive counseling, formal corrective action, or discipline. For corrective action and discipline guidelines, refer to policy: AB 10 Corrective Action and Discipline.

B. Rationale:

Rules and regulations are necessary to govern employee conduct, to provide fair notice of required and prohibited conduct, and to serve as a basis for disciplinary action.

AB 05_104 **ABUSE OF POSITION**

A. Policy:

Employees shall not use their positions to illegally, improperly, or unethically gain special privilege;

B. Rationale:

Abuse of position to gain special privilege, even if not a violation of law, may undermine public confidence and trust.

*** AB 05_105** **CONFLICT OF INTEREST**

A. Policy:

1. Employees shall not engage in employment, conduct, or activity which results in a conflict of interest prohibited by law or WCSO policy. Prohibited conflicts of interest include, but are not limited to:
 - a. Unauthorized disclosure of confidential information;
 - b. Improper acceptance of gifts or gratuities;
 - c. Unauthorized secondary employment (reference policy: AB 03 Secondary Employment);

- d. Unlawful business interests; and
 - e. Coercion or encouragement of others to violate provisions of this policy.
2. Employees who are unsure of whether proposed actions or conduct would amount to a conflict of interest are required to request official approval before engaging in questionable actions.
- B. Rationale:
- 1. Employees are officials of government and as such must avoid even the appearance of conflicts of interest to safeguard public confidence. Engaging in conduct which involves a conflict of interest may undermine public confidence and trust.
 - 2. When conflicts of interests occur between an employee's private rights as a citizen and the privileged rights attributed to the employee's position with the WCSO, management shall attempt to bring about a reasonable balance.
 - 3. Employees may not always be able to determine whether actions create a conflict of interest.

AB 05_106 DISCRIMINATION AND HARASSMENT

- A. Policy:
- 1. Current Washington County policies and procedures shall be followed.
 - 2. Employees shall not engage in discrimination or harassment (including behaviors that could reasonably be construed or perceived by another as hostile, offensive, or intimidating) based on race, color, national origin, religion, qualified disability, gender, genetic information, or age as protected by law.
- B. Rationale:
- 1. Discrimination by employees must be prohibited to:
 - a. Ensure fundamental fairness and equal protection under the law;
 - b. Avoid loss of public confidence; and
 - c. Comply with federal, state, and local laws and regulations.