



FINANCIAL STATEMENTS

Year Ended December 31, 2015

With Report of

Certified Public Accountants

WASHINGTON COUNTY

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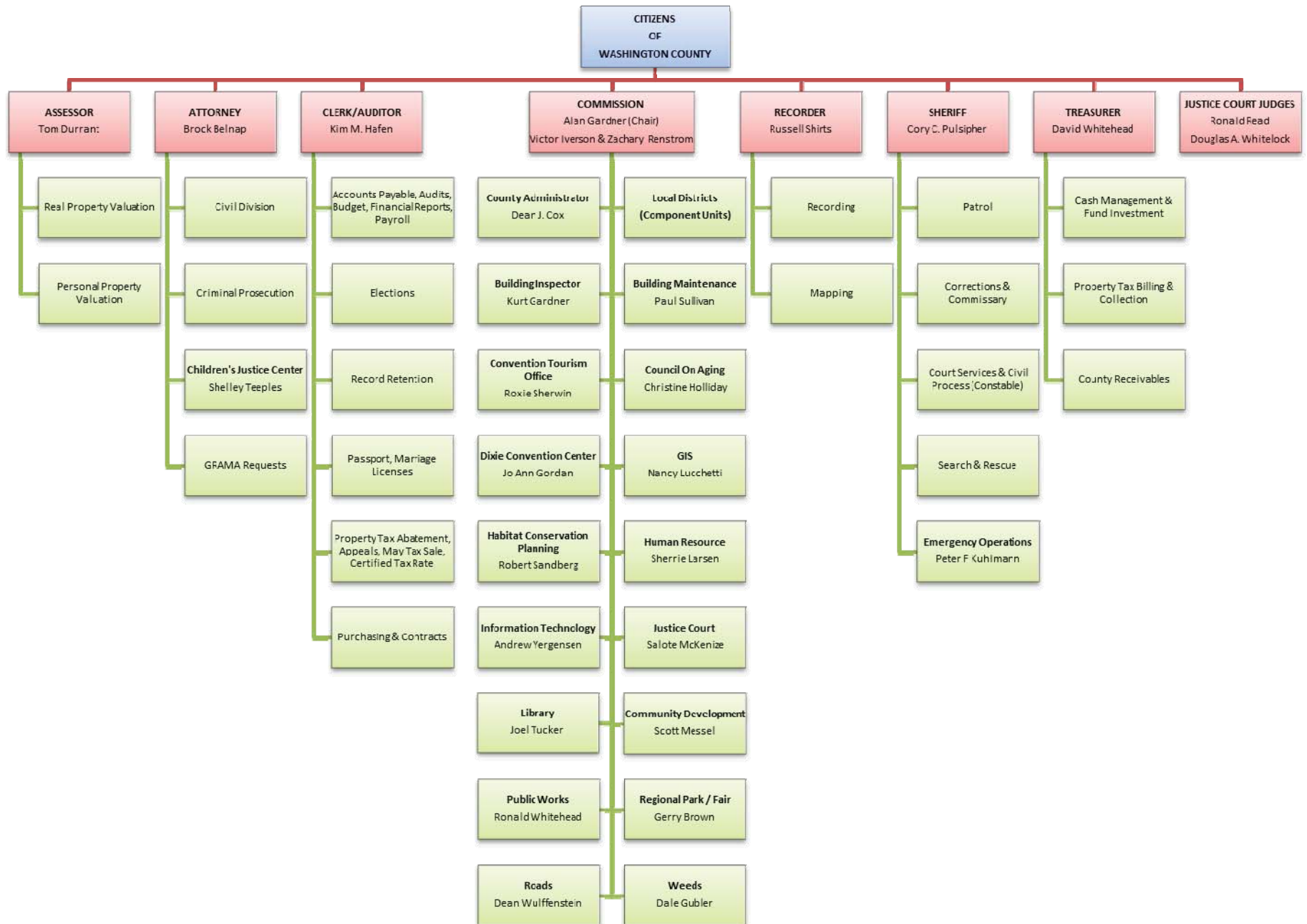
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INTRODUCTORY SECTION

WASHINGTON COUNTY ORGANIZATIONAL CHART

For the Year Ended December 31, 2015



WASHINGTON COUNTY
List of Elected and Appointed Officials
December 31, 2015

ELECTED OFFICIALS

Alan Gardner.....	Commission Chair
Victor Iverson.....	Commissioner
Zachary Renstrom.....	Commissioner
Tom Durrant.....	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
Shelly Teeples.	Children’s Justice Center
Roxie Sherwin.....	Convention & Tourism Office
Christine Holliday.....	Council On Aging
Jo Ann Gordon.....	Dixie Center
Peter F. Kuhlmann.....	Emergency Operations
Robert Sandberg.....	Habitat Conservation Planning
Sherrie Larsen.....	Human Resources
Andrew Yergensen	Information Technology
Salote McKenize.....	Justice Court
Joel Tucker.....	Library
Scott Messel.....	Community Development
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, 2015, 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 major component unit, Southwest Utah Public Health Department, which statements reflect total assets of \$9,281,479 as of December 31, 2015 and total revenues of \$9,029,412 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, based on our audit and the report of other auditors, 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, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in note 16 to the financial statements, the County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the proportionate share of the net pension liability, and the schedule of contributions, 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, 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, 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 and the combining and individual nonmajor fund budgetary comparison schedules 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 10, 2016, 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 10, 2016

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**WASHINGTON COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2015**

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, 2015. 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 151,000. 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 2015 from \$6.59 million to \$7.03 million or 6.59%.
- Transient Room Taxes increased during 2015 from \$5.12 million to \$5.78 million or 12.95%.
- Restaurant Taxes increased during 2015 from \$2.4 million to \$2.7 million or 8.37%.
- As of the end of 2015, the County's unemployment rate was 3.5% as compared to the State rate of 3.4% and the National rate of 5.0%.
- During 2015 the County's General Fund balance increased from \$7.4 million to \$7.8 million.
- Total County assets, excluding component units, exceed total liabilities (net position) by \$79.6 million at the close of the fiscal year. Total net position increased by \$7.8, which is net of a (\$8.5) million restatement adjustment for implementing GASB 68.
- Total revenues from all sources, excluding component units, were \$74.67 million.
- The total cost of all County programs, excluding component units, was \$58.32 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 sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, Debt Service fund, Assessing and Collecting fund, Travel Board fund, and the Capital Projects fund all of which are considered to be major funds. Data from the other eleven 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 \$79.6 million at the close of the most recent fiscal year. This is a 10.9% 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	
	2015	2014	2015	2014
Current and other assets	\$ 74,135,689	\$ 61,038,105	\$ 41,559,350	\$ 36,195,880
Capital assets	52,619,246	54,150,553	38,725,434	38,396,000
Total assets	<u>126,754,935</u>	<u>115,188,658</u>	<u>80,284,784</u>	<u>74,591,880</u>
Deferred outflows of resources	<u>5,113,234</u>	<u>1,044,060</u>	<u>688,625</u>	<u>-</u>
Long-term liabilities	42,733,221	37,503,249	11,271,839	9,312,114
Other liabilities	<u>7,719,422</u>	<u>6,884,158</u>	<u>1,458,956</u>	<u>1,153,269</u>
Total liabilities	<u>50,452,643</u>	<u>44,387,407</u>	<u>12,730,795</u>	<u>10,465,383</u>
Deferred inflows of resources	<u>1,769,629</u>	<u>-</u>	<u>361,270</u>	<u>504,867</u>
Net position:				
Net investment in capital assets	21,118,381	18,792,938	35,173,917	34,888,979
Restricted	32,530,548	22,453,986	4,413,998	3,715,730
Unrestricted	<u>25,996,968</u>	<u>30,598,387</u>	<u>28,293,429</u>	<u>25,016,921</u>
Total net position	<u>\$ 79,645,897</u>	<u>\$ 71,845,311</u>	<u>\$ 67,881,344</u>	<u>\$ 63,621,630</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

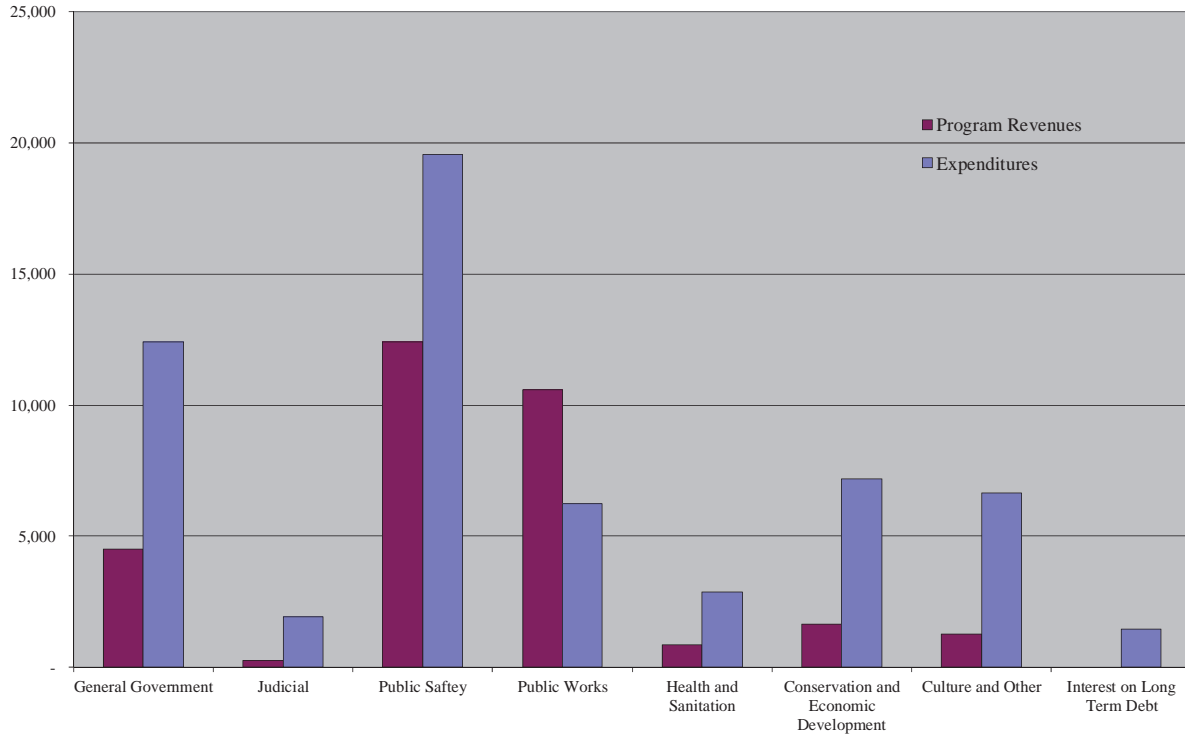
	Governmental Activities		Component Unit Activities	
	2015	2014	2015	2014
Revenues:				
Program revenues:				
Charges for services	\$ 16,171,187	\$ 15,500,076	\$ 16,875,359	\$ 15,323,966
Operating grants and contributions	12,108,304	5,617,442	7,900,955	7,657,464
Capital grants and contributions	3,311,016	5,402,362	1,258,505	841,190
General revenues:				
Taxes	42,795,756	39,511,389	1,994,235	956,844
Other	286,445	188,020	390,095	421,754
Total revenues	<u>74,672,708</u>	<u>66,219,289</u>	<u>28,419,149</u>	<u>25,201,218</u>
Expenses:				
General government	12,396,081	12,790,789	-	-
Judicial	1,930,865	1,971,140	-	-
Public safety	19,534,739	20,458,498	3,106,070	2,035,741
Public works	6,247,919	8,375,234	11,833,405	12,497,934
Health and sanitation	2,877,979	2,683,620	7,707,224	7,955,175
Conservation and economic development	7,197,339	5,999,648	24,471	44,897
Culture and other	6,664,575	5,064,690	-	-
Interest on long term debt	1,473,148	1,602,630	-	-
Total expenses	<u>58,322,645</u>	<u>58,946,249</u>	<u>22,671,170</u>	<u>22,533,747</u>
Increase in net position	16,350,063	7,273,040	5,747,979	2,667,471
Net position, beginning	71,845,311	63,987,704	63,621,630	60,549,980
Restatement adjustment	(8,549,477)	-	-	-
Prior period adjustment	-	584,567	(1,488,265)	404,179
Net position, ending	<u>\$ 79,645,897</u>	<u>\$ 71,845,311</u>	<u>\$ 67,881,344</u>	<u>\$ 63,621,630</u>

The cost of all Governmental activities this year was \$58.3 million. As shown on the Statement above, \$16.2 million of this cost was paid for by those who directly benefited from the programs; \$15.4 million was subsidized by grants received from other governmental organizations for both capital and operating activities. Overall governmental program revenues, including intergovernmental aid and fees for services were \$31.6 million. General taxes, investment earnings, and other general revenues totaled \$43.1 million.

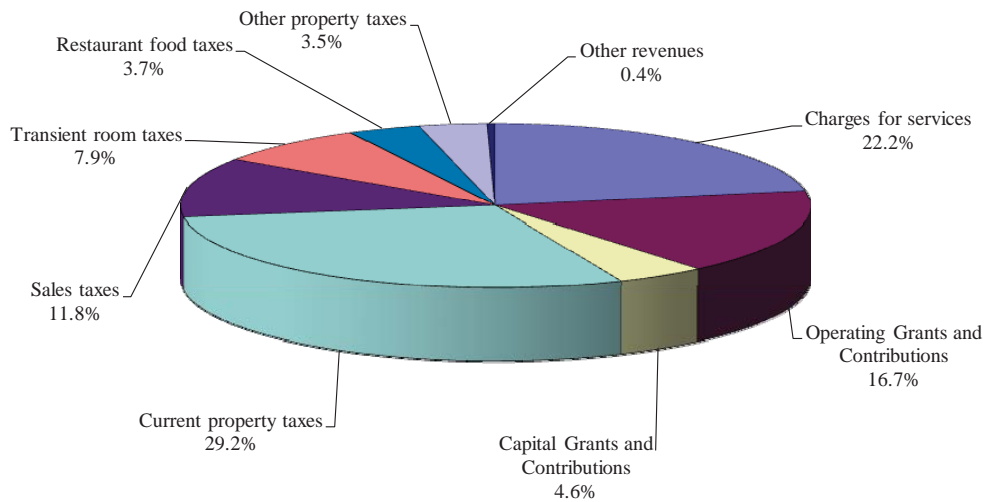
Total resources available during the year to finance operations were \$146.5 million consisting of net position at December 31, 2014 of \$71.8 million, program revenues of \$31.6 million and general revenues of \$43.1 million. Total Governmental Activities during the year were \$58.9 million and a restatement adjustment for implementing GASB 68 was \$8.5 million; thus net position increased by \$7.8 to \$79.6 million.

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

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



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



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental funds

The focus of the County's governmental fund financial statements (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 76 to 79.

For the year ended December 31, 2015, the governmental funds reflect a combined fund balance of \$66,441,778, as reported on page 16 to 17. Of this, \$32,576,830 is not available for expenditure or is restricted and legally segregated for a specific future use. An additional \$9.2 million has been committed to capital projects. The remaining \$24,664,948 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 increased slightly from the prior year. Revenues totaled \$26,195,204 and expenditures, before other financing sources and uses, totaled \$23,279,017. The net increase in fund balance before transfers was \$2,916,187. Transfers from the general fund of \$2,549,056 were made to the Debt Service fund, Children's Justice Center fund, Council on Aging fund and the Capital Projects fund for 2015. (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 decreased in 2015 due to some bonds being paid off in 2014. (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 \$6,555,003 while expenditures totaled \$5,786,685 in 2015. (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 increased from the prior year. Revenues and expenditures excluding transfers totaled \$6,232,930 and \$4,563,985 in 2015, 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 2015. The fund reported \$151,292 in revenue, and \$514,133 in expenditures before transfers. (See Page 19)

The non-major funds of the County consist of the following special revenue funds: Class "B" Roads, Municipal Services, Flood Damage, Children's Justice Center, Library, Habitat Conservation, Council on Aging, Recreation, Grants, RAP Tax, and Corridor Preservation. The non-major funds are combined into

one column on the governmental fund statements. (See Pages 76 to 90 for nonmajor combining and individual fund statements)

General Fund Budgetary Highlights

The final appropriations for the General Fund at year-end, including transfers, were \$131,109 higher than actual expenditures. The budget to actual variance in appropriations was the result of various departments slightly over and under and due to estimates in contingency anticipated for miscellaneous services and supplies which were not expended. Actual revenues were more than the final budget by \$1,272,552. 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 66 to 69)

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 2015, net capital assets of the government activities totaled \$52.6 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 \$46.55 million in governmental type debt. The debt is a liability of the government and amounts to approximately \$226.50 per capita. During the current fiscal year, the County's total debt had a net decrease of \$7,074,991. (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 2016 close to the 2015 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, 2015

	Primary Government	
	Governmental	Component
Assets	Activities	Units
Cash and investments	\$ 58,649,652	\$ 28,596,887
Receivables (net of allowance for uncollectibles)	7,128,614	2,804,148
Inventory	-	20,067
Prepaid assets	569,779	82,732
Restricted cash and investments	4,830,449	9,967,940
Noncurrent receivables	-	84,996
Note receivable	2,937,912	-
Net pension asset	19,283	2,580
Capital assets not being depreciated	4,549,422	12,660,406
Capital assets being depreciated, net of accumulated depreciation	48,069,824	26,065,028
Total assets	126,754,935	80,284,784
 Deferred Outflows of Resources		
Deferred charge on refunding	845,721	-
Deferred outflows related to pensions	4,267,513	688,625
Total deferred outflows of resources	5,113,234	688,625
 Liabilities		
Accounts payable and other current liabilities	3,332,452	1,207,603
Unearned revenue	270,714	-
Accrued interest payable	295,256	28,252
Noncurrent liabilities:		
Due within one year	3,821,000	223,101
Due in more than one year	42,733,221	11,271,839
Total liabilities	50,452,643	12,730,795
 Deferred Inflows of Resources		
Billings for future period revenues	-	147,153
Deferred inflows related to pensions	1,769,629	214,117
Total deferred inflows of resources	1,769,629	361,270
 Net Position		
Net investment in capital assets	21,118,381	35,173,917
Restricted for:		
Class "B" roads	1,690,122	-
Debt Service	236,497	-
Public works	7,689,221	-
Health and sanitation	432,420	-
Conservation	5,751,228	-
Economic development	16,183,516	-
Other purposes	547,544	4,413,998
Unrestricted	25,996,968	28,293,429
Total net position	\$ 79,645,897	\$ 67,881,344

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Statement of Activities
For the Year Ended December 31, 2015

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	\$ 12,396,081	\$ 3,836,810	\$ 569,645	\$ 110,228	\$ (7,879,398)	\$ (7,879,398)	\$ -
Judicial	1,930,865	263,898	-	-	(1,666,967)	(1,666,967)	-
Public safety	19,534,739	8,935,167	3,051,360	425,159	(7,123,053)	(7,123,053)	-
Public works	6,247,919	279,573	7,818,577	2,492,266	4,342,497	4,342,497	-
Health and sanitation	2,877,979	677,128	195,041	-	(2,005,810)	(2,005,810)	-
Conservation & economic development	7,197,339	900,466	473,279	283,363	(5,540,231)	(5,540,231)	-
Culture and other	6,664,575	1,278,145	402	-	(5,386,028)	(5,386,028)	-
Interest on long-term debt	1,473,148	-	-	-	(1,473,148)	(1,473,148)	-
Total governmental activities	<u>58,322,645</u>	<u>16,171,187</u>	<u>12,108,304</u>	<u>3,311,016</u>	<u>(26,732,138)</u>	<u>(26,732,138)</u>	<u>-</u>
Total primary government	<u>\$ 58,322,645</u>	<u>\$ 16,171,187</u>	<u>\$ 12,108,304</u>	<u>\$ 3,311,016</u>	<u>(26,732,138)</u>	<u>(26,732,138)</u>	<u>-</u>
Component units:							
Public safety	\$ 3,106,070	\$ 1,926,279	\$ 414,056	\$ 201,032	-	-	(564,703)
Public works	11,833,405	13,176,021	249,696	1,057,473	-	-	2,649,785
Health and sanitation	7,707,224	1,758,202	7,203,643	-	-	-	1,254,621
Conservation & economic development	24,471	14,857	33,560	-	-	-	23,946
Total component units	<u>\$ 22,671,170</u>	<u>\$ 16,875,359</u>	<u>\$ 7,900,955</u>	<u>\$ 1,258,505</u>	<u>-</u>	<u>-</u>	<u>3,363,649</u>
General revenues:							
Current property taxes					21,228,936	21,228,936	1,877,680
Sales taxes					8,614,521	8,614,521	-
Transient room taxes					5,778,951	5,778,951	-
Restaurant food taxes					2,670,785	2,670,785	-
RAP taxes					1,960,596	1,960,596	-
Other property taxes					2,541,967	2,541,967	116,555
Unrestricted investment earnings					280,877	280,877	137,163
Gain on the sale of assets					5,568	5,568	41,455
Other revenues					-	-	211,477
Total general revenues and transfers					<u>43,082,201</u>	<u>43,082,201</u>	<u>2,384,330</u>
Change in net position					16,350,063	16,350,063	5,747,979
Net position - beginning					71,845,311	71,845,311	63,621,630
Restatement adjustment					(8,549,477)	(8,549,477)	-
Prior period adjustment					-	-	(1,488,265)
Net position - ending					<u>\$ 79,645,897</u>	<u>\$ 79,645,897</u>	<u>\$ 67,881,344</u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Balance Sheet
Governmental Funds
December 31, 2015

	General Fund	Debt Service
Assets		
Cash and investments	\$ 6,157,643	\$ -
Property taxes receivable	2,421,948	319,567
Assessments receivable	-	9,497
Due from other governments	260,280	-
Due from other funds	19,322	-
Other receivables	13,222	-
Prepaid assets	5,779	-
Restricted cash and investments	-	4,805,449
Total assets	\$ 8,878,194	\$ 5,134,513
Liabilities		
Accounts payable	560,980	3,500
Accrued liabilities	311,062	-
Due to other funds	-	-
Unearned revenue	213,180	-
Total liabilities	1,085,222	3,500
Deferred Inflows of Resources		
Unavailable revenue - special assessments	-	9,497
Total deferred inflows of resources	-	9,497
Fund balances		
Nonspendable: Prepaid assets	5,779	-
Restricted for:		
Class "B" roads	-	-
Debt service fund	-	227,000
Public works	-	-
Health and sanitation	-	-
Conservation	-	-
Economic development	-	-
Other purposes	-	-
Committed to capital projects	-	-
Assigned to debt service	-	4,894,516
Assigned to special revenue funds	-	-
Assigned to capital projects	-	-
Unassigned	7,787,193	-
Total fund balances	7,792,972	5,121,516
Total liabilities, deferred inflows of resources and fund balances	\$ 8,878,194	\$ 5,134,513

The accompanying notes are an integral part of the financial statements

Special Revenue		Capital Projects	Other Governmental Funds	Total Governmental Funds
Assessing and Collecting	Travel Board			
\$ 4,696,206	\$ 9,423,303	\$ 9,851,093	\$ 27,153,392	\$ 57,281,637
764,567	-	-	548,325	4,054,407
-	-	-	-	9,497
-	814,172	-	1,944,502	3,018,954
-	-	-	-	19,322
-	-	-	-	13,222
-	-	-	50,000	55,779
-	-	-	25,000	4,830,449
<u>5,460,773</u>	<u>\$ 10,237,475</u>	<u>\$ 9,851,093</u>	<u>\$ 29,721,219</u>	<u>\$ 69,283,267</u>
56,055	290,832	109,014	1,042,940	2,063,321
45,348	20,525	-	101,700	478,635
-	-	-	19,322	19,322
-	7,900	-	49,634	270,714
<u>101,403</u>	<u>319,257</u>	<u>109,014</u>	<u>1,213,596</u>	<u>2,831,992</u>
-	-	-	-	9,497
-	-	-	-	9,497
-	-	-	50,000	55,779
-	-	-	1,690,122	1,690,122
-	-	-	-	227,000
-	-	-	7,689,221	7,689,221
-	-	-	432,420	432,420
-	-	-	5,751,228	5,751,228
-	9,918,218	-	6,265,298	16,183,516
-	-	-	547,544	547,544
-	-	9,200,000	-	9,200,000
-	-	-	-	4,894,516
5,359,370	-	-	6,081,790	11,441,160
-	-	542,079	-	542,079
-	-	-	-	7,787,193
<u>5,359,370</u>	<u>9,918,218</u>	<u>9,742,079</u>	<u>28,507,623</u>	<u>66,441,778</u>
<u>\$ 5,460,773</u>	<u>\$ 10,237,475</u>	<u>\$ 9,851,093</u>	<u>\$ 29,721,219</u>	<u>\$ 69,283,267</u>

WASHINGTON COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2015

	General Fund	Debt Service
Revenues		
Taxes	\$ 17,884,630	\$ 3,021,237
Licenses and permits	26,620	-
Intergovernmental	4,318,865	70,222
Charges for services	1,832,135	-
Fines and forfeitures	1,059,523	-
Interest	55,836	513
Sub-lease revenue	-	-
Other revenue	1,017,595	79,332
Total revenues	26,195,204	3,171,304
Expenditures		
Current:		
General government	4,542,744	87,621
Judicial	1,825,592	-
Public Safety	14,482,241	-
Public Works	465,696	-
Health and Sanitation	1,400,685	-
Conservation & Economic Development	186,520	-
Culture and other	320,539	-
Matching Funds & contributions	55,000	-
Capital outlay	-	-
Debt service:		
Principal	-	3,075,000
Interest	-	1,021,070
Total expenditures	23,279,017	4,183,691
Excess revenues over (under) expenditures	2,916,187	(1,012,387)
Other financing sources (uses)		
Transfers in	-	505,856
Transfers out	(2,549,056)	-
Total other financing sources and uses	(2,549,056)	505,856
Net change in fund balances	367,131	(506,531)
Fund balances - beginning of year	7,425,841	5,628,047
Fund balances - end of year	\$ 7,792,972	\$ 5,121,516

The accompanying notes are an integral part of the financial statements

Special Revenue		Capital Projects	Other Governmental Funds	Total Governmental Funds
Assessing and Collecting	Travel Board			
\$ 6,510,575	\$ 5,778,951	\$ -	\$ 9,916,817	\$ 43,112,210
-	-	-	163,240	189,860
-	-	-	16,043,859	20,432,946
38,230	-	-	719,342	2,589,707
-	-	-	95,361	1,154,884
-	50,051	48,563	125,914	280,877
-	-	-	507,114	507,114
6,198	403,928	102,729	198,658	1,808,440
<u>6,555,003</u>	<u>6,232,930</u>	<u>151,292</u>	<u>27,770,305</u>	<u>70,076,038</u>
	-	-	-	-
5,786,685	-	-	233,871	10,650,921
-	-	-	-	1,825,592
-	-	-	3,502,269	17,984,510
-	-	-	5,189,169	5,654,865
-	-	-	1,282,342	2,683,027
-	4,017,981	-	2,644,882	6,849,383
-	-	-	5,595,519	5,916,058
-	-	-	-	55,000
-	-	514,133	-	514,133
-	408,432	-	921,274	4,404,706
-	137,572	-	272,283	1,430,925
<u>5,786,685</u>	<u>4,563,985</u>	<u>514,133</u>	<u>19,641,609</u>	<u>57,969,120</u>
<u>768,318</u>	<u>1,668,945</u>	<u>(362,841)</u>	<u>8,128,696</u>	<u>12,106,918</u>
-	200,000	1,500,000	1,243,200	3,449,056
-	(700,000)	-	(200,000)	(3,449,056)
-	(500,000)	1,500,000	1,043,200	-
<u>768,318</u>	<u>1,168,945</u>	<u>1,137,159</u>	<u>9,171,896</u>	<u>12,106,918</u>
<u>4,591,052</u>	<u>8,749,273</u>	<u>8,604,920</u>	<u>19,335,727</u>	<u>54,334,860</u>
<u>\$ 5,359,370</u>	<u>\$ 9,918,218</u>	<u>\$ 9,742,079</u>	<u>\$ 28,507,623</u>	<u>\$ 66,441,778</u>

WASHINGTON COUNTY
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
December 31, 2015

Total governmental fund balances		\$ 66,441,778
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.		2,937,912
Net pension asset is not an available resource and, therefore, is not reported in the funds.		19,283
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$ 121,525,703	
Accumulated depreciation	<u>(68,906,457)</u>	
		52,619,246
Revenues considered unearned and not reported in the funds		9,497
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	(22,228,000)	
Less: Deferred charge on refunding (to be amortized)	845,721	
Net unamortized premiums	(704,271)	
Capital leases payable	(12,352,227)	
Compensated absences	(1,587,342)	
Net pension liability	(9,682,381)	
Accrued interest payable	<u>(295,256)</u>	
		(46,003,756)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.		
Deferred outflows	4,267,513	
Deferred inflows	<u>(1,769,629)</u>	
		2,497,884
Assets and liabilities of the internal service fund included in governmental activities.		<u>1,124,053</u>
Total net position of governmental activities		<u>\$ 79,645,897</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, 2015

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

Net changes in fund balances - total governmental funds \$ 12,106,918

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between depreciation expense and capital outlay in the current period.

Capital outlay	\$ 1,471,241	
Depreciation expense	<u>(3,002,275)</u>	(1,531,034)

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. (273)

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. (63,607)

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. (408,085)

The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal repayments:		
Bonds payable	3,032,000	
Capital leases	1,330,564	
Amortization of bond premiums	100,610	
Amortization of deferred charge on refunding	<u>(198,339)</u>	4,264,835

Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the net pension liability is measured a year before the County's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pension, is reported in the Statement of Activities.

Pension contributions	4,040,761	
Pension expense	<u>(2,656,498)</u>	1,384,263

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(33,399)	
Accrued interest	<u>27,426</u>	(5,973)

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 603,019

Change in net position of governmental activities \$ 16,350,063

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Statement of Net Position
Proprietary Funds
December 31, 2015

	<u>Internal Service Fund</u>
Assets:	
Cash	\$ 1,368,015
Accounts receivable	32,534
Prepaid expenses	<u>514,000</u>
Total Assets	<u>1,914,549</u>
Liabilities:	
Accounts payable	<u>790,496</u>
Total Liabilities	<u>790,496</u>
Net Position:	
Unrestricted	<u>1,124,053</u>
Total Net Position	<u><u>\$ 1,124,053</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, 2015

	<u>Internal Service Fund</u>
Operating Revenues	
Charges for services	
County contributions	\$ 4,168,980
Employee contributions	<u>981,411</u>
Total operating revenues	<u>5,150,391</u>
Operating Expenses	
Claims expense	4,044,666
Premium expense	<u>502,706</u>
Total operating expenses	<u>4,547,372</u>
Operating income (loss)	603,019
Net position, beginning of the year	<u>521,034</u>
Net position, end of the year	<u>\$ 1,124,053</u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015

	Internal Service Fund
Cash Flows From Operating Activities:	
Cash received from customers, service fees	\$ 5,192,974
Cash paid to suppliers	(4,394,582)
Cash flows from operating activities	798,392
Net Change in Cash and Cash Equivalents	798,392
Cash and cash equivalents including restricted cash, beginning of year	569,623
Cash and cash equivalents including restricted cash, end of year	\$ 1,368,015
Reconciliation of operating income (loss) to cash flows from operating activities:	
Net operating income (loss)	\$ 603,019
Adjustments to reconcile net income (loss) to cash flows from operating activities:	
Depreciation	
Changes in operating assets and liabilities	
(Increase)/Decrease in receivables	42,583
Increase/(Decrease) in accounts payable	152,790
Net cash flows from operating activities	\$ 798,392

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Combined Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2015

	<u>Agency Funds</u>
Assets	
Cash and investments	\$ 25,905,596
Total Assets	<u>\$ 25,905,596</u>
Liabilities	
Deposits held in trust	\$ 7,937,028
Due to taxing districts	15,362,916
Due to Washington County General Fund	1,148,629
Due to Assessing & Collecting Fund	764,567
Due to other funds	<u>692,456</u>
Total Liabilities	<u>\$ 25,905,596</u>
Net Position	
Held in trust for individuals, organizations, and other governments	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Combining Statement of Net Position
Component Units
December 31, 2015

	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	\$ 3,666,507	\$ 6,724,191	\$ 14,584,622	\$ 3,621,567	\$ 28,596,887
Due from other governments	550,901	-	-	469,651	1,020,552
Due from other sources	-	462,954	919,765	400,877	1,783,596
Inventory	-	13,255	-	6,812	20,067
Prepaid assets	64,461	5,720	-	12,551	82,732
Total current assets	<u>4,281,869</u>	<u>7,206,120</u>	<u>15,504,387</u>	<u>4,511,458</u>	<u>31,503,834</u>
Noncurrent assets:					
Restricted cash and investments	-	3,694,744	5,907,414	365,782	9,967,940
Due from other sources - noncurrent	-	84,996	-	-	84,996
Net pension asset	2,361	-	219	-	2,580
Capital assets not being depreciated	930,146	9,896,698	62,179	1,771,383	12,660,406
Capital assets being depreciated, net of accumulated depreciation	4,067,103	10,334,626	3,929,339	7,733,960	26,065,028
Total noncurrent assets	<u>4,999,610</u>	<u>24,011,064</u>	<u>9,899,151</u>	<u>9,871,125</u>	<u>48,780,950</u>
Total assets	<u>\$ 9,281,479</u>	<u>\$ 31,217,184</u>	<u>\$ 25,403,538</u>	<u>\$ 14,382,583</u>	<u>\$ 80,284,784</u>
Deferred Outflows of Resources					
Deferred outflows related to pensions	438,619	137,324	112,682	-	688,625
Liabilities					
Current liabilities:					
Accounts payable	\$ 24,000	\$ 51,668	\$ 919,856	\$ 30,682	\$ 1,026,206
Accrued liabilities	83,333	19,262	27,723	51,079	181,397
Compensated absences	95,192	68,133	85,273	-	248,598
Accrued interest payable	-	-	-	28,252	28,252
Total current liabilities	<u>202,525</u>	<u>139,063</u>	<u>1,032,852</u>	<u>110,013</u>	<u>1,484,453</u>
Noncurrent liabilities:					
Due within one year	-	-	-	223,101	223,101
Due in more than one year	1,047,974	388,749	6,084,079	3,502,439	11,023,241
Total noncurrent liabilities	<u>1,047,974</u>	<u>388,749</u>	<u>6,084,079</u>	<u>3,725,540</u>	<u>11,246,342</u>
Total liabilities	<u>1,250,499</u>	<u>527,812</u>	<u>7,116,931</u>	<u>3,835,553</u>	<u>12,730,795</u>
Deferred Inflows of Resources					
Billings for future period revenues	-	-	-	147,153	147,153
Deferred inflows related to pensions	137,182	42,961	33,974	-	214,117
Total deferred inflows of resources	<u>137,182</u>	<u>42,961</u>	<u>33,974</u>	<u>147,153</u>	<u>361,270</u>
Net Position:					
Net investment in capital assets	4,997,249	20,231,324	3,991,518	5,953,826	35,173,917
Restricted	-	3,823,996	88,034	501,968	4,413,998
Unrestricted	3,335,168	6,728,415	14,285,763	3,944,083	28,293,429
Total net position	<u>\$ 8,332,417</u>	<u>\$ 30,783,735</u>	<u>\$ 18,365,315</u>	<u>\$ 10,399,877</u>	<u>\$ 67,881,344</u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2015

	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	\$ -	\$ -	\$ -	\$ 3,106,070	\$ 3,106,070
Public works					
Sewer services	-	2,131,160	-	-	2,131,160
Solid waste services	-	-	9,083,852	-	9,083,852
Water services	-	-	-	404,666	404,666
Transportation services	-	-	-	213,727	213,727
Health and sanitation					
Health services	7,707,224	-	-	-	7,707,224
Conservation & economic development	-	-	-	24,471	24,471
Total expenses	<u>7,707,224</u>	<u>2,131,160</u>	<u>9,083,852</u>	<u>3,748,934</u>	<u>22,671,170</u>
Program revenues:					
Charges for services	1,758,202	2,627,665	10,053,541	2,435,951	16,875,359
Operating grants and contributions	7,203,643	9,607	-	687,705	7,900,955
Capital grants and contributions	-	1,033,523	-	224,982	1,258,505
Net (expense) revenue	<u>1,254,621</u>	<u>1,539,635</u>	<u>969,689</u>	<u>(400,296)</u>	<u>3,363,649</u>
General revenues:					
Property taxes	-	-	-	1,877,680	1,877,680
Other taxes	-	-	-	116,555	116,555
Unrestricted investment earnings	7,805	56,968	59,253	13,137	137,163
Miscellaneous	59,762	145,522	-	6,193	211,477
Gain on sale of assets	-	31,972	9,483	-	41,455
Total general revenues and transfers	<u>67,567</u>	<u>234,462</u>	<u>68,736</u>	<u>2,013,565</u>	<u>2,384,330</u>
Change in net position	1,322,188	1,774,097	1,038,425	1,613,269	5,747,979
Total net position - beginning	7,901,644	29,307,929	17,557,107	8,854,950	63,621,630
Prior period adjustment	(891,415)	(298,291)	(230,217)	(68,342)	(1,488,265)
Total net position - ending	<u>\$ 8,332,417</u>	<u>\$ 30,783,735</u>	<u>\$ 18,365,315</u>	<u>\$ 10,399,877</u>	<u>\$ 67,881,344</u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

NOTE 1. Summary of Significant Accounting Policies

Description of government-wide financial statements

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

Reporting Entity

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

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

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

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

Southwest Utah Public Health Department (Major Special Revenue Fund) - The Department provides health related services to the citizens and government units in Washington, Iron, Kane, Beaver, and Garfield counties. The department is funded by state and federal financial assistance, county contributions and charges for services. The District issued separate audited financial statements dated May 30, 2016.

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 10, 2016.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

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 16, 2016.

The Hurricane Valley Fire Special Service District (Non-major General Fund) - The District provides fire protection to the communities of Hurricane, Leeds, 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 30, 2016.

Rockville/Springdale Fire Protection District (Non-major Enterprise Fund) - The District provides fire protection to the communities of Rockville and Springdale, Utah and is funded mainly through user fees. The District issued separate audited financial statements dated May 31, 2016.

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 June 24, 2016.

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.

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

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

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

NOTE 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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 2015, the County provided \$505,295 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 2015 the County contributed \$27,314 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, 2015

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.

Washington County Flood Control Authority – The Authority provides planning, coordination, and the integration of activities necessary to maintain a comprehensive, cooperative, and continuing multi-agency flood control program in the areas around the cities of St. George, Santa Clara, and Washington.

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, 2015

NOTE 1. Summary of Significant Accounting Policies (Continued)

The County reports the following major governmental funds:

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

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

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

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

The **Capital Projects Fund** is used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds and trust funds.

The County's **non-major governmental funds** account for specific revenue sources that are legally restricted to expenditures for specific purposes. Non-major funds are the Class "B" Roads, Municipal Services, Flood Damage, Children's Justice Center, Library, Habitat Conservation, Council on Aging, Recreation, Grants, RAP Tax, and Corridor Preservation.

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, 2015

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, 2015

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, 2015

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 has two items that qualify for reporting in this category. The first 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. The second is pension related items reported on the government-wide financial statements. See footnote 10 for more information.

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 two items that qualify for reporting in this category. The first arises only under a modified accrual basis of accounting. 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. The second is pension related items reported on the government-wide financial statements. See footnote 10 for more information.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

NOTE 1. Summary of Significant Accounting Policies (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position of the Utah Retirement Systems (URS) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

NOTE 1. Summary of Significant Accounting Policies (Continued)

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.

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.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

NOTE 1. Summary of Significant Accounting Policies (Continued)

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.

Proprietary funds operating and nonoperating revenues and expenses

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

Use of estimates

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

New pronouncements

For the year ended December 31, 2015, the County implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension assets and liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits. Implementation of these new Statements resulted in a restatement of beginning net position in the County's government-wide financial statements (see Note 16).

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

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.

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.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

NOTE 3. Stewardship, Compliance and Accountability (Continued)

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, 2015, 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.

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, 2015, \$4,285,671 of the County's bank balance of \$5,026,656 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, 2015, \$12,544,737 of the Washington County Solid Waste Special Service District bank balance of \$13,294,737, \$1,294,486 of the Southwest Utah Public Health Department bank balance of \$1,699,950 and none of Ash Creek Special Service District bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

NOTE 4. Deposits and Investments (Continued)

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.

The Act authorizes investments in negotiable or nonnegotiable deposits of qualified depositories and permitted depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); 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; the Utah Public Treasurer's Investment Fund; and reciprocal deposits subject to rules of the State Money Management Council.

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, 2015 the County had the following investments, ratings, and maturities:

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

NOTE 4. Deposits and Investments (Continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating (1)</u>	<u>Weighted Average Maturity (2)</u>
Local Government Pooled Investment Fund	\$ 82,755,190	N/A	53.13

(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.

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:

	<u>Carrying Amount</u>	<u>Quality Rating</u>
Southwest Utah Public Health Department	\$ 2,034,289	Unrated
Ash Creek Special Service District	\$10,296,649	Unrated
Wash. County Solid Waste Special Svc. Dist. No. 1	\$ 7,196,289	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, 2015. These monies were distributed to the various County funds in January 2016 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 2015, the County's combined tax rate for assessing and collecting was .000521. 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, 2016.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

NOTE 5. Receivables (Continued)

Notes receivable that are shown on the Statement of Net Position include \$2,937,912 receivable from St. George City for payments due on the Convention Center, Convention Center Land and the Museum subleases. See Note 9 also.

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, 2015 are shown in the following table:

	Transfers out reported in:				Total
	General Fund	Travel Board	Assessing and Collecting	Nonmajor: Recreation Fund	
Transfers in reported in:					
Debt Service Fund	\$ 505,856	\$ -	\$ -	\$ -	\$ 505,856
Travel Board Fund	-	-	-	200,000	200,000
Capital Projects Fund	1,500,000	-	-	-	1,500,000
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><u>\$ 2,549,056</u></u>	<u><u>\$ 700,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 200,000</u></u>	<u><u>\$ 3,449,056</u></u>

Interfund receivables and payables were recorded to eliminate short-term deficit pooled cash balances in the various funds. Interfund receivables and payables at December 31, 2015 are shown in the following table:

	Due from Other Funds reported in:	
	General Fund	Total
Due to Other Funds reported in:		
Nonmajor Special Revenue Funds:		
Children's Justice Center Fund	\$ 19,322	\$ 19,322
Total Interfund Balances	<u><u>\$ 19,322</u></u>	<u><u>\$ 19,322</u></u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

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, 2015. These monies were distributed in January of 2016 and thereafter.

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WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

NOTE 8. Capital Assets

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

Governmental Activities:	Balance 12/31/2014	Additions	Deletions	Transfers	Balance 12/31/2015
Capital assets, not being depreciated:					
Land	\$ 4,549,422	\$ -	\$ -	\$ -	\$ 4,549,422
Total capital assets, not being depreciated:	4,549,422	-	-	-	4,549,422
Capital assets, being depreciated:					
Buildings and improvements	51,650,887	500,197	-	-	52,151,084
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	5,176,677	418,393	(545,754)	-	5,049,316
Equipment	8,333,512	422,853	(162,986)	-	8,593,379
Furniture and fixtures	713,034	129,798	-	-	842,832
Bridges, Towers, Trails	4,729,540	-	(273)	-	4,729,267
Streets and sidewalks	26,672,195	-	-	-	26,672,195
Total capital assets, being depreciated:	116,214,053	1,471,241	(709,013)	-	116,976,281
Less accumulated depreciation for:					
Buildings and improvements	(17,111,168)	(1,573,925)	-	-	(18,685,093)
Convention Center	(5,730,618)	(317,118)	-	-	(6,047,736)
Regional Park	(2,042,340)	(118,812)	-	-	(2,161,152)
Museum	(1,052,907)	(58,458)	-	-	(1,111,365)
Autos and trucks	(4,338,387)	(289,951)	545,754	-	(4,082,584)
Equipment	(6,369,852)	(423,164)	162,986	-	(6,630,030)
Furniture and fixtures	(600,867)	(54,905)	-	-	(655,772)
Bridges, Towers, Trails	(3,019,751)	(144,378)	-	-	(3,164,129)
Streets and sidewalks	(26,347,032)	(21,564)	-	-	(26,368,596)
Total accumulated depreciation	(66,612,922)	(3,002,275)	708,740	-	(68,906,457)
Total capital assets, being depreciated, net	49,601,131	(1,531,034)	(273)	-	48,069,824
Governmental activities capital assets, net	<u>\$ 54,150,553</u>	<u>\$ (1,531,034)</u>	<u>\$ (273)</u>	<u>\$ -</u>	<u>\$ 52,619,246</u>

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

Governmental Activities:	
General government	\$ 819,238
Public safety	713,502
Public works	436,724
Health and sanitation	162,088
Conservation and economic development	248,422
Other	620,717
Judicial	1,584
Total depreciation expense - governmental activities	<u>\$ 3,002,275</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

NOTE 9. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2015.

Governmental activities:	Balance			Balance	Current
General Obligation:	12/31/2014	Additions	Retirements	12/31/2015	Portion
Refunding G.O. bonds					
Series 2010 Refunding G.O. bonds	\$ 8,345,000	\$ -	\$ (515,000)	\$ 7,830,000	\$ 540,000
Series 2012 Refunding G.O. bonds	2,280,000	-	(755,000)	1,525,000	760,000
Series 2004B G.O. bonds	1,215,000	-	(1,215,000)	-	-
Series 2007 G.O. bonds	3,700,000	-	(240,000)	3,460,000	250,000
Net unamortized premiums	804,881	-	(100,610)	704,271	-
Capital leases (Convention)	12,724,792	-	(1,018,564)	11,706,228	1,365,000
Capital leases (Museum)	298,000	-	(46,000)	252,000	48,000
Capital leases (Land)	659,999	-	(266,000)	393,999	275,000
Net pension liability **	12,327,597		(2,645,216)	9,682,381	-
Accrued Compensated Absences	1,553,943	33,399	-	1,587,342	261,000
Total General Obligation	43,909,212	33,399	(6,801,390)	37,141,221	3,499,000
Revenue Obligation:					
Sales tax revenue bonds, series 2006	7,065,000	-	(200,000)	6,865,000	210,000
MBA lease revenue bonds, series 2010	2,655,000	-	(107,000)	2,548,000	112,000
Total Revenue Obligation	9,720,000	-	(307,000)	9,413,000	322,000
Total Governmental activity long-term liabilities	\$ 53,629,212	\$ 33,399	\$ (7,108,390)	\$ 46,554,221	\$ 3,821,000

** See footnote 16 restatement adjustment

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

NOTE 9. Long-Term Debt (Continued)

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

Period Ending December 31	Principal	Interest	Total
2016	\$ 1,872,000	\$ 935,255	\$ 2,807,255
2017	1,917,000	883,200	2,800,200
2018	1,642,000	820,280	2,462,280
2019	1,723,000	743,028	2,466,028
2020	1,809,000	661,642	2,470,642
2021-2025	7,365,000	2,130,980	9,495,980
2026-2030	3,063,000	1,002,016	4,065,016
2031-2035	2,352,000	409,973	2,761,973
2036	485,000	21,576	506,576
	\$ 22,228,000	\$ 7,607,950	\$ 29,835,950

Prior year defeasance of debt

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, 2015

NOTE 9. Long-Term Debt (Continued)

Bonds payable at December 31, 2015, consist of the following:

General Obligation:

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. \$ 3,460,000

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. 7,830,000

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. 1,525,000

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. 6,865,000

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. 2,548,000

Total Bonds Payable \$ 22,228,000

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

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
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	429,992	1,439,539	1,869,531
2021-2022	1,009,168	3,378,522	4,387,690
Total remaining minimum lease payments	3,094,044	10,358,326	13,452,370
Less amount representing interest	401,612	1,344,530	1,746,142
Present value of net remaining minimum lease payments	<u>\$ 2,692,432</u>	<u>\$ 9,013,796</u>	<u>\$ 11,706,228</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

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
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
2021	-	-	-
Total remaining minimum lease payments	106,028	172,992	279,020
Less amount representing interest	10,268	16,752	27,020
Present value of net remaining minimum lease payments	<u>\$ 95,760</u>	<u>\$ 156,240</u>	<u>\$ 252,000</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

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
2016	\$ 112,038	\$ 182,800	\$ 294,838
2017	47,497	77,495	124,992
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
Total remaining minimum lease payments	159,535	260,295	419,830
Less amount representing interest	9,815	16,016	25,831
Present value of net remaining minimum lease payments	<u>\$ 149,720</u>	<u>\$ 244,279</u>	<u>\$ 393,999</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

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

General Information about the Pension Plan

Plan description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

- The Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple employer, cost-sharing, public employee retirement systems.
- The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer retirement system;
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); and the Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) are multiple employer, cost-sharing, public employee retirement systems.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

NOTE 10. Defined Benefit Pension Plan (Continued)

Benefits provided: URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

Summary of Benefits by System

System	Final average salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending on the employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* With actuarial deductions

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contributions: As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates are as follows:

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

NOTE 10. Defined Benefit Pension Plan (Continued)

Utah Retirement Systems

	<u>Employee Paid</u>	<u>Paid by Employer for Employee</u>	<u>Employer Contribution Rates</u>
Contributory System			
111 – Local Governmental Division Tier 2	N/A	N/A	14.910 %
Noncontributory System			
15 – Local Governmental Division Tier 1	N/A	N/A	18.470 %
Public Safety Retirement System			
23 – Other Division A Contributory Tier 1	0.920%	11.370%	22.750 %
43 – Other Division A Noncontributory Tier 1	N/A	N/A	34.040 %
122 – Other Division A Contributory Tier 2	N/A	N/A	22.500 %

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2014, the County reported a net pension asset of \$19,283 and a net pension liability of \$9,682,381.

	<u>Proportionate Share</u>	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>
Noncontributory System	1.0894576%	\$ -	\$ 4,730,681
Public Safety System	3.9374732%	-	4,951,700
Tier 2 Public Employees System	0.1945078%	5,894	-
Tier 2 Public Safety and Firefighter System	0.9050599%	13,389	-
Total Net Pension Asset / Liability		<u>\$ 19,283</u>	<u>\$ 9,682,381</u>

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2014.

For the year ended December 31, 2014, the County recognized pension expense of \$2,651,877. At December 31, 2014, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

NOTE 10. Defined Benefit Pension Plan (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 437	\$ 640,647
Changes in assumptions	-	1,128,982
Net difference between projected and actual earnings on pension plan investments	226,315	-
Changes in proportion and differences between contributions and proportional share of contributions	-	-
Contributions subsequent to the measurement date	4,040,761	-
Total	\$ 4,267,513	\$ 1,769,629

\$4,040,761 was reported as deferred outflows of resources related to pension results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2014. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Deferred Outflows (Inflows) of Resources
2015	\$ (432,620)
2016	(432,620)
2017	(432,620)
2018	(238,074)
2019	(1,069)
Thereafter	(5,872)

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

NOTE 10. Defined Benefit Pension Plan (Continued)

Actuarial assumptions: The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 Percent
Salary increases	3.50- 10.50 percent, average, including inflation
Investment rate of return	7.5 percent, net of pension plan investment expense, including inflation

Active member mortality rates are a function of the member's gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the table below.

Retired Member Mortality

Class of Member

Educators

Men EDUM (90%)

Women EDUF (100%)

Public Safety and Firefighters

Men RP 2000mWc (100%)

Women EDUF (120%)

Local Government, Public Employees

Men RP 2000mWC (100%)

Women EDUF (120%)

EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage

EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage

RP 2000mWC = RP 2000 Combined mortality table for males with white collar adjustments multiplied by given percentage

The actuarial assumptions used in the January 1, 2014, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

NOTE 10. Defined Benefit Pension Plan (Continued)

	Expected Return Arithmetic Basis		
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		5.23%
	Inflation		2.75%
	Expected arithmetic nominal return		7.98%

The 7.50% assumed investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of			
Net pension (asset) / liability	\$ 23,961,100	\$ 9,663,098	\$ (2,093,322)

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

NOTE 10. Defined Benefit Pension Plan (Continued)

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. See each entity's separately issued financial statement for further entity specific information.

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 \$135,000 per insured for health and prescription drug coverage, with an additional aggregating deductible of \$200,000. The excess loss insurance is provided by Companion Life Insurance Company 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.

	12/31/2015
Unpaid claims beginning of year	\$ -
Incurred claims	4,234,386
Claim payments	(4,234,386)
Unpaid claims, end of year	\$ -

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2015

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, 2015

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, 2015, the principal amount outstanding on the bonds was \$201,000, \$470,000, and \$553,000, respectively.

NOTE 16. Restatement Adjustment

As mentioned in Note 1 to the financial statements, the County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension assets and liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pension benefits provided through defined benefit pension plans. This resulted in a restatement of beginning net position as follows:

	Governmental Activities
Restatement adjustment - implementation of GASB 68:	
Net pension liability	\$ (12,327,597)
Net pension asset	5,345
Deferred outflows - contributions subsequent to measurement date	3,772,775
Total Restatement Adjustment	\$ (8,549,477)

REQUIRED SUPPLEMENTARY INFORMATION

WASHINGTON COUNTY
Schedule of the Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years

	<u>Noncontributory System</u>	<u>Public Safety System</u>	<u>Tier 2 Public Employees System</u>	<u>Tier 2 Public Safety and Firefighter System</u>
	<u>2015</u>	<u>2015</u>	<u>2015</u>	<u>2015</u>
Proportion of the net pension liability (asset)	1.0894576%	3.9374732%	0.1945078%	0.9050599%
Proportionate share of the net pension liability (asset)	\$ 4,730,681	\$ 4,951,700	\$ (5,894)	\$ (13,389)
Covered employee payroll	\$ 9,455,509	\$ 5,931,668	\$ 954,897	\$ 374,571
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	50.0%	83.5%	-0.6%	-3.6%
Plan fiduciary net position as a percentage of the total pension liability	90.20%	90.50%	103.50%	120.50%

Note: The County implemented GASB 68 in 2015. Prior year information is not available.

WASHINGTON COUNTY
Schedule of Contributions
Last 10 Fiscal Years

	<u>Noncontributory System</u>	<u>Public Safety System</u>	<u>Tier 2 Public Employees System</u>	<u>Tier 2 Public Safety and Firefighter System</u>
	<u>2015</u>	<u>2015</u>	<u>2015</u>	<u>2015</u>
Contractually required contribution	\$ 1,712,322	\$ 1,939,422	\$ 80,249	\$ 40,781
Contributions in relation to the contractually required contribution	(1,712,322)	(1,939,422)	(80,249)	(40,781)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 9,455,509	\$ 5,931,668	\$ 954,897	\$ 374,571
Contributions as a percentage of covered-employee payroll **	18.11%	32.70%	8.40%	10.89%

Note: The County implemented GASB 68 in 2015. Prior year information is not available.

WASHINGTON COUNTY
Notes to the Required Supplementary Information
For the Year Ended December 31, 2015

Other information that is not required as part of RSI

The information below is not required as part of GASB 68 but provided for informational purposes. The schedule below is a summary of the Defined Contribution Savings Plans for pay periods January 1 – December 31.

Defined Contribution System

	Employee Paid Contributions	Employer Paid Contributions
401 (k) Plan	\$ 406,611	\$ 71,056
457 Plan	77,415	-
Roth IRA Plan	43,385	-
Traditional IRA Plan	1,000	-

* The employer paid 401(k) contributions include the totals paid for employees enrolled in the Tier 2 Defined Contribution 401(k) Plan.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES

FOR THE FOLLOWING FUNDS:

- The **General fund** is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.
- The **Assessing and Collecting fund** is used to account for funds raised by levies on property taxes that are legally restricted to expenditure for the County's functions of assessing, collecting and distribution property taxes.
- The **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, 2015

REVENUES:	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
Taxes:				
Current Property Taxes	\$ 8,000,000	\$ 8,199,780	\$ 8,409,270	\$ 209,490
Fee in lieu Taxes	1,000,000	1,000,000	1,058,084	58,084
Prior Years Delinquent Taxes	685,000	685,000	562,135	(122,865)
County Sales & Use Taxes	6,400,000	6,400,000	7,027,758	627,758
RDA Taxes	217,932	216,037	228,264	12,227
Penalties & Interest	725,000	725,000	599,119	(125,881)
Total Taxes	17,027,932	17,225,817	17,884,630	658,813
Licenses, Permits:				
Marriage Licenses	25,000	25,000	26,620	1,620
Intergovernmental:				
Prison Reimbursement	3,402,000	3,402,000	3,729,669	327,669
Bailiff/Security Reimbursement	566,335	566,335	589,196	22,861
Total Intergovernmental	3,968,335	3,968,335	4,318,865	350,530
Charges for Services:				
Clerk's Fees	80,000	80,000	104,950	24,950
Data Processing Fees	55,000	55,000	110,482	55,482
Jail Commissary, Phone and Medical	440,000	440,000	439,624	(376)
Recorder's Fees	650,000	650,000	753,566	103,566
State Medical Reimbursements	30,000	30,000	23,165	(6,835)
Prisoner Industry and Other	396,500	396,500	400,348	3,848
Total Charges for Services	1,651,500	1,651,500	1,832,135	180,635
Fines and Forfeitures:				
Court and Precinct Fines	1,081,100	1,081,100	1,059,523	(21,577)
Total Fines and Forfeitures	1,081,100	1,081,100	1,059,523	(21,577)
Other Revenues:				
Interest Revenue	-	-	55,836	55,836
Rent-Property	889,200	889,200	891,614	2,414
Sale of Property, Material & Supplies	-	-	4,898	4,898
Vending Revenue	-	-	157	157
Xerox Revenue	25,700	25,700	25,983	283
Other	56,000	56,000	94,943	38,943
Total Other Revenues	970,900	970,900	1,073,431	102,531
TOTAL REVENUES	\$24,724,767	\$ 24,922,652	\$ 26,195,204	\$ 1,272,552

(continued)

WASHINGTON COUNTY
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2015

EXPENDITURES:	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
GENERAL GOVERNMENT				
Commission:				
Salaries	\$ 384,190	\$ 384,190	\$ 330,316	\$ 53,874
Employee Benefits	210,100	210,100	198,841	11,259
Services, Supplies and Other	66,500	106,500	62,363	44,137
Capital Outlay	5,100	5,100	45,101	(40,001)
	<u>665,890</u>	<u>705,890</u>	<u>636,621</u>	<u>69,269</u>
Human Resource:				
Salaries	157,790	157,790	160,947	(3,157)
Employee Benefits	84,600	84,600	86,148	(1,548)
Services, Supplies and Other	48,900	48,900	33,172	15,728
Capital Outlay	4,000	4,000	1,907	2,093
	<u>295,290</u>	<u>295,290</u>	<u>282,174</u>	<u>13,116</u>
Info Tech Services:				
Salaries	13,751	13,751	54,437	(40,686)
Employee Benefits	19,966	19,966	31,176	(11,210)
Services, Supplies and Other	155,519	155,519	82,556	72,963
Capital Outlay	37,211	37,211	39,160	(1,949)
	<u>226,447</u>	<u>226,447</u>	<u>207,329</u>	<u>19,118</u>
Clerk/Auditor:				
Salaries	361,896	361,896	378,757	(16,861)
Employee Benefits	187,084	187,084	175,944	11,140
Services, Supplies and Other	46,000	66,000	37,027	28,973
Capital Outlay	2,500	2,500	4,879	(2,379)
	<u>597,480</u>	<u>617,480</u>	<u>596,607</u>	<u>20,873</u>
Recorder:				
Salaries	24,224	24,224	30,224	(6,000)
Employee Benefits	36,896	36,896	29,266	7,630
Services, Supplies and Other	43,000	43,000	25,832	17,168
Capital Outlay	7,000	7,000	2,327	4,673
	<u>111,120</u>	<u>111,120</u>	<u>87,649</u>	<u>23,471</u>
Attorney:				
Salaries	1,567,793	1,567,793	1,535,213	32,580
Employee Benefits	809,500	809,500	735,436	74,064
Services, Supplies and Other	142,440	142,440	125,616	16,824
Capital Outlay	16,900	16,900	19,572	(2,672)
	<u>2,536,633</u>	<u>2,536,633</u>	<u>2,415,837</u>	<u>120,796</u>
Non-Departmental:				
Services, Supplies and Other	40,000	40,000	37,775	2,225
Insurance - Buildings and Vehicles	232,808	232,808	231,597	1,211
	<u>272,808</u>	<u>272,808</u>	<u>269,372</u>	<u>3,436</u>
Elections:				
Services, Supplies and Other	73,000	73,000	42,615	30,385
Capital Outlay	3,000	3,000	4,540	(1,540)
	<u>76,000</u>	<u>76,000</u>	<u>47,155</u>	<u>28,845</u>
Total General Government	<u>4,781,668</u>	<u>4,841,668</u>	<u>4,542,744</u>	<u>275,453</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, 2015

EXPENDITURES (Continued):	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
JUDICIAL				
Justice of the Peace:				
Salaries	664,000	664,000	671,396	(7,396)
Employee Benefits	318,600	318,600	292,188	26,412
Services and Supplies	79,500	79,500	89,412	(9,912)
Capital Outlay	10,000	10,000	7,134	2,866
	1,072,100	1,072,100	1,060,130	11,970
Public Defender:				
Services, Supplies and Other	758,394	758,394	765,462	(7,068)
Total Judicial	1,830,494	1,830,494	1,825,592	4,902
PUBLIC SAFETY				
Public Safety/County Jail:				
Salaries	8,293,100	8,287,100	8,335,626	(48,526)
Employee Benefits	4,840,600	4,840,600	4,720,147	120,453
Services, Supplies and Other	1,129,697	1,121,602	979,668	141,934
Capital Outlay	367,508	381,603	446,800	(65,197)
Total Public Safety	14,630,905	14,630,905	14,482,241	148,664
PUBLIC WORKS				
Maintenance:				
Motor Pool	11,500	11,500	10,422	1,078
County Buildings Maintenance	485,975	485,975	455,274	30,701
Total Public Works	497,475	497,475	465,696	31,779
PUBLIC HEALTH				
Health Services:				
Services, Supplies and Other	1,405,000	1,405,000	1,400,685	4,315
Total Public Health	1,405,000	1,405,000	1,400,685	4,315
CONSERVATION & DEVELOPMENT				
Agricultural Extension Service:				
Services, Supplies and Other	169,750	169,750	161,489	8,261
Capital Outlay	800	800	31	769
	170,550	170,550	161,520	9,030
Contribution to Economic Development Fund:				
Services, Supplies and Other	25,000	25,000	25,000	-
Total Conservation & Development	195,550	195,550	186,520	9,030

(continued)

WASHINGTON COUNTY
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2015

EXPENDITURES (Continued):	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
MISCELLANEOUS				
Services, Supplies and Other	344,620	477,505	320,539	156,966
MATCHING FUNDS & CONTRIBUTIONS				
Contributions	50,000	55,000	55,000	-
TOTAL EXPENDITURES	23,735,712	23,933,597	23,279,017	631,109
Excess of Revenues Over Expenditures	989,055	989,055	2,916,187	1,903,661
Other Financing Sources (Uses):				
Transfer to Debt Service Fund	(505,856)	(505,856)	(505,856)	-
Transfer to Special Revenue Funds	(543,200)	(543,200)	(543,200)	-
Transfer to Capital Projects Fund	-	(1,000,000)	(1,500,000)	(500,000)
Total Other Financing Sources (Uses):	(1,049,056)	(2,049,056)	(2,549,056)	(500,000)
Net Change in Fund Balance	(60,001)	(1,060,001)	367,131	1,403,661
Fund Balance, Beginning of Year	7,425,841	7,425,841	7,425,841	-
Fund Balance, End of Year	\$ 7,365,840	\$ 6,365,840	\$ 7,792,972	\$ 1,403,661

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, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Assessing & Collecting Tax	\$ 6,171,744	\$ 6,367,925	\$ 6,475,828	\$ 107,903
Penalties & Interest	25,000	25,000	34,747	9,747
Total Taxes	<u>6,196,744</u>	<u>6,392,925</u>	<u>6,510,575</u>	<u>117,650</u>
Recorder's Fees	12,000	12,000	38,230	26,230
Other	55,000	55,000	6,198	(48,802)
Total Revenues	<u>6,263,744</u>	<u>6,459,925</u>	<u>6,555,003</u>	<u>95,078</u>
EXPENDITURES:				
Commission	117,510	117,510	123,957	(6,447)
Human Resources	32,810	32,810	31,353	1,457
Info Tech Services	859,338	859,338	801,933	57,405
GIS	126,950	126,950	104,574	22,376
Clerk Auditor	321,720	321,720	320,892	828
Treasurer:				
Salaries	243,900	243,900	248,800	(4,900)
Employee Benefits	103,900	103,900	103,415	485
Services, Supplies and Other	63,250	73,250	59,438	13,812
Capital Outlay	7,000	7,000	7,457	(457)
Total Treasurer	<u>418,050</u>	<u>428,050</u>	<u>419,110</u>	<u>8,940</u>
Recorder:				
Salaries	629,680	629,680	622,893	6,787
Attorney	133,507	133,507	119,402	14,105
Assessor:				
Salaries	1,605,000	1,605,000	1,617,905	(12,905)
Employee Benefits	779,900	779,900	753,540	26,360
Services, Supplies and Other	504,100	504,100	382,586	121,514
Capital Outlay	104,500	104,500	75,605	28,895
Total Assessor	<u>2,993,500</u>	<u>2,993,500</u>	<u>2,829,636</u>	<u>163,864</u>
Administration Building	179,325	179,325	153,605	25,720
Miscellaneous Contingent	451,354	637,535	259,330	378,205
Total Expenditures	<u>6,263,744</u>	<u>6,459,925</u>	<u>5,786,685</u>	<u>673,240</u>
Excess of Revenues Over (Under) Expenditures	-	-	768,318	768,318
Fund Balance, Beginning of Year	<u>4,591,052</u>	<u>4,591,052</u>	<u>4,591,052</u>	-
Fund Balance, End of Year	<u>\$ 4,591,052</u>	<u>\$ 4,591,052</u>	<u>\$ 5,359,370</u>	<u>\$ 768,318</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, 2015

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Tax Revenues:				
Transient Room Taxes	\$ 4,000,000	\$ 5,000,000	\$ 5,778,951	\$ 778,951
Other Revenues:				
Interest Earnings	-	-	50,051	50,051
Other	451,500	451,500	403,928	(47,572)
Total Revenues	<u>4,451,500</u>	<u>5,451,500</u>	<u>6,232,930</u>	<u>781,430</u>
EXPENDITURES:				
Conservation & Economic Development:				
Convention Center Operations	153,996	153,996	153,997	(1)
Travel Board:				
Salaries	355,200	355,200	353,097	2,103
Employee Benefits	192,600	192,600	179,093	13,507
Services, Supplies and Other	3,188,700	3,688,700	3,318,597	370,103
Capital Outlay	15,000	15,000	13,197	1,803
Debt Service				
Principal	408,432	408,432	408,432	-
Interest	137,572	137,572	137,572	-
Total Expenditures	<u>4,451,500</u>	<u>4,951,500</u>	<u>4,563,985</u>	<u>387,515</u>
Excess of Revenues				
Over (Under) Expenditures	<u>-</u>	<u>500,000</u>	<u>1,668,945</u>	<u>1,168,945</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	(500,000)	-	1,168,945	1,168,945
Fund Balance, Beginning of Year	<u>8,749,273</u>	<u>8,749,273</u>	<u>8,749,273</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 8,249,273</u>	<u>\$ 8,749,273</u>	<u>\$ 9,918,218</u>	<u>\$ 1,168,945</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.

WASHINGTON COUNTY
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Tax Revenues	\$ 2,776,694	\$ 2,782,056	\$ 3,021,237	\$ 239,181
Other Revenues:				
Intergovernmental Revenues	46,905	70,425	70,222	(203)
Assessment Revenues	-	-	79,332	79,332
Interest Income	-	-	513	513
Total Revenues	<u>2,823,599</u>	<u>2,852,481</u>	<u>3,171,304</u>	<u>318,823</u>
EXPENDITURES:				
Bank and Other Fees	85,356	88,718	87,621	1,097
Debt Service:				
Principal, Public Safety Bond	769,000	769,000	769,000	-
Principal, Library Bonds	1,145,000	1,970,000	1,970,000	-
Principal, Special Assessment Bonds	14,000	14,000	14,000	-
Principal, MBA Lease Revenue Bonds	107,000	122,000	122,000	-
Principal, Sales Tax Revenue Bonds	200,000	200,000	200,000	-
Interest, Public Safety Bond	28,410	28,410	27,832	578
Interest, Library Bond	586,374	588,374	587,587	787
Interest, Special Assessment Bonds	11,800	11,800	11,800	-
Interest, MBA Lease Revenue Bonds	77,659	89,679	89,231	448
Interest, Sales Tax Revenue Bond	304,856	304,856	304,620	236
Total Expenditures	<u>3,329,455</u>	<u>4,186,837</u>	<u>4,183,691</u>	<u>3,146</u>
Excess of Revenues Over (Under) Expenditures	<u>(505,856)</u>	<u>(1,334,356)</u>	<u>(1,012,387)</u>	<u>321,969</u>
Other Financing Sources (Uses):				
Operating Transfers:				
From General Fund	<u>505,856</u>	<u>505,856</u>	<u>505,856</u>	<u>-</u>
Total Other Financing Sources (Uses):	<u>505,856</u>	<u>505,856</u>	<u>505,856</u>	<u>-</u>
Net Change in Fund Balance	-	(828,500)	(506,531)	321,969
Fund Balance, Beginning of Year	<u>5,628,047</u>	<u>5,628,047</u>	<u>5,628,047</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 5,628,047</u>	<u>\$ 4,799,547</u>	<u>\$ 5,121,516</u>	<u>\$ 321,969</u>

WASHINGTON COUNTY
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Other Revenues:				
Interest Earnings	-	-	48,563	48,563
Miscellaneous Revenue	-	-	102,729	102,729
Total Revenues	-	-	151,292	151,292
EXPENDITURES:				
Capital Outlay:				
Equipment	-	-	-	-
Other	-	1,525,000	514,133	1,010,867
Total Expenditures	-	1,525,000	514,133	1,010,867
Excess of Revenues Over (Under) Expenditures	-	(1,525,000)	(362,841)	1,162,159
Other Financing Sources (Uses):				
Transfer from General Fund	-	1,000,000	1,500,000	500,000
Total Other Financing Sources (Uses)	-	1,000,000	1,500,000	500,000
Net Change in Fund Balance	-	(525,000)	1,137,159	1,662,159
Fund Balance, Beginning of Year	8,604,920	8,604,920	8,604,920	-
Fund Balance, End of Year	<u>\$ 8,604,920</u>	<u>\$ 8,079,920</u>	<u>\$ 9,742,079</u>	<u>\$ 1,662,159</u>

SUPPLEMENTARY INFORMATION
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.

- The **Class “B” Roads fund** is used to account for intergovernmental revenue used for the maintenance and construction of roads.
- **Municipal Services fund** is used to account for sales tax revenues, fees, intergovernmental and other revenues used for providing Engineering and Surveying, GIS, Planning and Zoning, Building Inspection, Sheriff, Fire Control Services, Maintenance Shop, and Weed Control.
- **Flood Damage fund** is used to account for revenue sources that are legally restricted to expenditure for flood damage and river bank improvements.
- **Children’s Justice Center fund** is used to account for grants and other revenues used to provide services to children and families in crisis.
- The **Library Fund** is used to account for property taxes and other revenues used to provide and maintain the County libraries.
- 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.
- **RAP Tax fund** is used to account for recreation, arts, and parks taxes collected that are legally restricted to expenditure for cultural and recreational facilities and cultural organizations.
- **Corridor Preservation fund** is used to account for revenue received from the state to be used for right-of-ways and other related expenditures.

WASHINGTON COUNTY
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Special Revenue Funds				
	Class "B" Roads	Municipal Services	Flood Damage	Children's Justice Center	Library
ASSETS					
Cash and investments	\$ 1,631,800	\$ 3,965,020	\$ 1,616,328	\$ -	\$ 1,464,677
Property taxes receivable	-	175,436	-	-	372,889
Due from other governments	306,241	4,454	-	90,488	-
Prepaid assets	-	-	-	-	50,000
Restricted cash	-	-	-	-	25,000
Total assets	<u>1,938,041</u>	<u>4,144,910</u>	<u>1,616,328</u>	<u>90,488</u>	<u>1,912,566</u>
LIABILITIES					
Accounts payable	234,062	33,220	-	1,247	137,158
Accrued liabilities	13,857	20,030	-	2,665	45,711
Due to other funds	-	-	-	19,322	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>247,919</u>	<u>53,250</u>	<u>-</u>	<u>23,234</u>	<u>182,869</u>
FUND BALANCES					
Nonspendable: Prepaid assets	-	-	-	-	50,000
Restricted for:					
Class "B" roads	1,690,122	-	-	-	-
Public works	-	-	1,616,328	-	-
Health and sanitation	-	-	-	-	-
Conservation	-	-	-	-	-
Economic development	-	-	-	-	-
Other purposes	-	-	-	67,254	-
Assigned	-	4,091,660	-	-	1,679,697
Total fund balances	<u>1,690,122</u>	<u>4,091,660</u>	<u>1,616,328</u>	<u>67,254</u>	<u>1,729,697</u>
Total liabilities & fund balance	<u>\$ 1,938,041</u>	<u>\$ 4,144,910</u>	<u>\$ 1,616,328</u>	<u>\$ 90,488</u>	<u>\$ 1,912,566</u>

<u>Habitat Conservation</u>	<u>Council on Aging</u>	<u>Recreation Fund</u>	<u>Grants Fund</u>	<u>RAP Tax</u>	<u>Corridor Preservation</u>	<u>Total Nonmajor Govtl. Funds</u>
\$ 5,429,784	\$ 403,282	\$ 5,758,108	\$ 474,815	\$ 443,007	\$ 5,966,571	27,153,392
-	-	-	-	-	-	548,325
326,755	107,386	536,926	14,750	451,180	106,322	1,944,502
-	-	-	-	-	-	50,000
-	-	-	-	-	-	25,000
<u>5,756,539</u>	<u>510,668</u>	<u>6,295,034</u>	<u>489,565</u>	<u>894,187</u>	<u>6,072,893</u>	<u>29,721,219</u>
637	69,023	24,198	7,721	535,674	-	1,042,940
4,674	9,225	5,538	-	-	-	101,700
-	-	-	-	-	-	19,322
-	-	-	49,634	-	-	49,634
<u>5,311</u>	<u>78,248</u>	<u>29,736</u>	<u>57,355</u>	<u>535,674</u>	<u>-</u>	<u>1,213,596</u>
-	-	-	-	-	-	50,000
-	-	-	-	-	-	1,690,122
-	-	-	-	-	6,072,893	7,689,221
-	432,420	-	-	-	-	432,420
5,751,228	-	-	-	-	-	5,751,228
-	-	6,265,298	-	-	-	6,265,298
-	-	-	121,777	358,513	-	547,544
-	-	-	310,433	-	-	6,081,790
<u>5,751,228</u>	<u>432,420</u>	<u>6,265,298</u>	<u>432,210</u>	<u>358,513</u>	<u>6,072,893</u>	<u>28,507,623</u>
<u>\$ 5,756,539</u>	<u>\$ 510,668</u>	<u>\$ 6,295,034</u>	<u>\$ 489,565</u>	<u>\$ 894,187</u>	<u>\$ 6,072,893</u>	<u>\$ 29,721,219</u>

WASHINGTON COUNTY
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2015

	Special Revenue Funds				
	Class "B" Roads	Municipal Services	Flood Damage	Children's Justice Center	Library
REVENUES:					
Taxes	\$ 403,000	\$ 998,016	\$ -	\$ -	\$ 3,408,469
Licenses, permits and fees	-	163,240	-	-	-
Intergovernmental	1,652,915	2,737,976	2,476,541	188,086	150,860
Charges for services	11,810	279,071	-	-	-
Fines and forfeitures	-	-	-	-	95,361
Interest	8,990	21,573	7,857	-	3,219
Sub-lease revenue	-	-	-	-	-
Miscellaneous	-	115,985	-	-	79,239
Total	<u>2,076,715</u>	<u>4,315,861</u>	<u>2,484,398</u>	<u>188,086</u>	<u>3,737,148</u>
EXPENDITURES:					
General Government	-	233,871	-	-	-
Public Safety	-	2,564,231	-	199,984	-
Public Works	1,750,336	866,630	2,457,781	-	-
Health and Sanitation	-	-	-	-	-
Conservation and Economic Development	-	-	-	-	-
Culture and Other	-	263,005	-	-	3,729,440
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total	<u>1,750,336</u>	<u>3,927,737</u>	<u>2,457,781</u>	<u>199,984</u>	<u>3,729,440</u>
Excess of revenues over (under) expenditures	<u>326,379</u>	<u>388,124</u>	<u>26,617</u>	<u>(11,898)</u>	<u>7,708</u>
Other financing sources (uses):					
Transfers in	-	-	-	25,500	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,500</u>	<u>-</u>
Net change in fund balances	<u>326,379</u>	<u>388,124</u>	<u>26,617</u>	<u>13,602</u>	<u>7,708</u>
Fund Balances - Beginning	<u>1,363,743</u>	<u>3,703,536</u>	<u>1,589,711</u>	<u>53,652</u>	<u>1,721,989</u>
Fund Balances - Ending	<u>\$ 1,690,122</u>	<u>\$ 4,091,660</u>	<u>\$ 1,616,328</u>	<u>\$ 67,254</u>	<u>\$ 1,729,697</u>

Habitat Conservation	Council on Aging	Recreation Fund	Grants Fund	RAP Tax Fund	Corridor Preservation	Total Non-major Gvtl. Funds
\$ -	\$ -	\$ 3,146,736	\$ -	\$ 1,960,596	\$ -	\$ 9,916,817
-	-	-	-	-	-	163,240
901,839	796,972	46,850	926,157	-	6,165,663	16,043,859
-	-	428,461	-	-	-	719,342
-	-	-	-	-	-	95,361
31,246	2,103	28,283	-	991	21,652	125,914
-	-	507,114	-	-	-	507,114
2,565	-	869	-	-	-	198,658
935,650	799,075	4,158,313	926,157	1,961,587	6,187,315	27,770,305
-	-	-	-	-	-	233,871
-	-	-	738,054	-	-	3,502,269
-	-	-	-	-	114,422	5,189,169
-	1,282,342	-	-	-	-	1,282,342
614,150	-	1,876,418	154,314	-	-	2,644,882
-	-	-	-	1,603,074	-	5,595,519
-	-	921,274	-	-	-	921,274
-	-	272,283	-	-	-	272,283
614,150	1,282,342	3,069,975	892,368	1,603,074	114,422	19,641,609
321,500	(483,267)	1,088,338	33,789	358,513	6,072,893	8,128,696
-	517,700	700,000	-	-	-	1,243,200
-	-	(200,000)	-	-	-	(200,000)
-	517,700	500,000	-	-	-	1,043,200
321,500	34,433	1,588,338	33,789	358,513	6,072,893	9,171,896
5,429,728	397,987	4,676,960	398,421	-	-	19,335,727
\$ 5,751,228	\$ 432,420	\$ 6,265,298	\$ 432,210	\$ 358,513	\$ 6,072,893	\$ 28,507,623

WASHINGTON COUNTY
Class "B" Roads Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Taxes:				
Fee in lieu Taxes	\$ 400,000	\$ 400,000	\$ 403,000	\$ 3,000
Intergovernmental Revenues:				
Class "B" Roads	1,300,000	1,300,000	1,500,556	200,556
Forest Reserve	-	-	112,900	112,900
FHWA Reimbursement	-	-	39,459	39,459
Total Intergovernmental Revenues	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,652,915</u>	<u>352,915</u>
Charges for Services:				
Fuel Revenue - Other Departments	18,000	18,000	11,810	(6,190)
Other Revenues:				
Interest Revenue	-	-	8,990	8,990
Total Other Revenues	<u>-</u>	<u>-</u>	<u>8,990</u>	<u>8,990</u>
Total Revenues	<u>1,718,000</u>	<u>1,718,000</u>	<u>2,076,715</u>	<u>358,715</u>
EXPENDITURES:				
Public Works:				
Salaries	524,300	524,300	535,635	(11,335)
Employee Benefits	286,900	286,900	277,954	8,946
Services, Supplies and Other	778,300	778,300	426,482	351,818
Capital Outlay	478,300	478,300	510,265	(31,965)
Total Public Works	<u>2,067,800</u>	<u>2,067,800</u>	<u>1,750,336</u>	<u>317,464</u>
Excess of Revenues Over (Under) Expenditures	(349,800)	(349,800)	326,379	676,179
Fund Balance, Beginning of Year	<u>1,363,743</u>	<u>1,363,743</u>	<u>1,363,743</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,013,943</u>	<u>\$ 1,013,943</u>	<u>\$ 1,690,122</u>	<u>\$ 676,179</u>

WASHINGTON COUNTY
Municipal Services Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Sales Tax Revenue	\$ 900,000	\$ 900,000	\$ 998,016	\$ 98,016
Business Licenses and Building Permits	86,000	86,000	163,240	77,240
Intergovernmental Revenue:				
Federal Payments in Lieu of Taxes	2,500,000	2,500,000	2,491,452	(8,548)
State Mineral Lease	85,000	85,000	92,512	7,512
Sheriff Protection	140,000	140,000	126,055	(13,945)
Federal Public Safety Grant & GIS	110,085	110,085	27,957	(82,128)
Total Intergovernmental	<u>2,835,085</u>	<u>2,835,085</u>	<u>2,737,976</u>	<u>(97,109)</u>
Charges for Services	408,200	408,200	279,071	(129,129)
Other Revenue:				
Interest Earnings	-	-	21,573	21,573
Sale of Land & Equipment	-	-	-	-
Liquor Allocation	90,000	90,000	101,697	11,697
Miscellaneous	7,500	7,500	14,288	6,788
Total Other	<u>97,500</u>	<u>97,500</u>	<u>137,558</u>	<u>40,058</u>
Total Revenues	<u>4,326,785</u>	<u>4,326,785</u>	<u>4,315,861</u>	<u>(10,924)</u>
EXPENDITURES:				
General Government:				
Planning & Zoning	136,540	136,540	129,297	7,243
GIS	126,950	126,950	104,574	22,376
Total General Government	<u>263,490</u>	<u>263,490</u>	<u>233,871</u>	<u>29,619</u>
Public Safety:				
Sheriff and Dispatch	2,150,000	2,150,000	2,150,000	-
Fire Control	177,827	177,827	143,208	34,619
Building Inspector	325,833	325,833	271,023	54,810
Total Public Safety	<u>2,653,660</u>	<u>2,653,660</u>	<u>2,564,231</u>	<u>89,429</u>
Public Works				
Maintenance shop	344,700	344,700	326,995	17,705
Weed control	162,500	162,500	154,451	8,049
Public works - other	635,385	635,385	385,184	250,201
Total Public Works	<u>1,142,585</u>	<u>1,142,585</u>	<u>866,630</u>	<u>275,955</u>
Miscellaneous Contingent	267,050	267,050	263,005	4,045
Total Expenditures	<u>4,326,785</u>	<u>4,326,785</u>	<u>3,927,737</u>	<u>399,048</u>
Excess of Revenues				
Over (Under) Expenditures	-	-	388,124	388,124
Fund Balance, Beginning of Year	3,703,536	3,703,536	3,703,536	-
Fund Balance, End of Year	<u>\$ 3,703,536</u>	<u>\$ 3,703,536</u>	<u>\$ 4,091,660</u>	<u>\$ 388,124</u>

WASHINGTON COUNTY
Flood Damage Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal Revenue	\$ 3,080,000	\$ 3,185,000	\$ 2,476,541	\$ (708,459)
Total Intergovernmental	3,080,000	3,185,000	2,476,541	(708,459)
Interest Revenue	-	-	7,857	7,857
Total Revenues	3,080,000	3,185,000	2,484,398	(700,602)
EXPENDITURES:				
Other Expenditures - Flood:				
Services, Supplies and Other	3,080,000	3,185,000	2,457,781	727,219
Total Expenditures	3,080,000	3,185,000	2,457,781	727,219
Excess of Revenues Over (Under) Expenditures	-	-	26,617	26,617
Fund Balance, Beginning of Year	1,589,711	1,589,711	1,589,711	-
Fund Balance, End of Year	<u>\$ 1,589,711</u>	<u>\$ 1,589,711</u>	<u>\$ 1,616,328</u>	<u>\$ 26,617</u>

WASHINGTON COUNTY
Children's Justice Center Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental Revenue	\$ 198,000	\$ 208,000	\$ 188,086	\$ (19,914)
Total Revenues	<u>198,000</u>	<u>208,000</u>	<u>188,086</u>	<u>(19,914)</u>
EXPENDITURES:				
Public Safety				
AG's Children Justice Center	194,400	204,400	184,133	20,267
VOCA	29,100	29,100	15,851	13,249
Total Expenditures	<u>223,500</u>	<u>233,500</u>	<u>199,984</u>	<u>33,516</u>
Excess of Revenues Over (Under) Expenditures	(25,500)	(25,500)	(11,898)	13,602
Other Financing Sources (Uses):				
Transfers:				
From General Fund	25,500	25,500	25,500	-
Net Change in Fund Balance	-	-	13,602	13,602
Fund Balance, Beginning of Year	<u>53,652</u>	<u>53,652</u>	<u>53,652</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 53,652</u>	<u>\$ 53,652</u>	<u>\$ 67,254</u>	<u>\$ 13,602</u>

WASHINGTON COUNTY
Library Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Tax Revenues:				
Current Property Taxes	\$ 2,729,039	\$ 2,836,263	\$ 2,909,457	\$ 73,194
Fee Assessed Taxes	178,000	178,000	217,181	39,181
Prior Years Delinquent Taxes	262,000	262,000	193,909	(68,091)
RDA Taxes	75,253	74,700	78,218	3,518
Penalties & Interest	12,000	12,000	9,704	(2,296)
Total Taxes	<u>3,256,292</u>	<u>3,362,963</u>	<u>3,408,469</u>	<u>45,506</u>
Intergovernmental Revenue	7,000	150,000	150,860	860
Fines and Forfeitures	95,000	95,000	95,361	361
Other Revenues:				
Interest Earnings	-	-	3,219	3,219
Xerox Revenue	37,000	37,000	36,968	(32)
Miscellaneous	25,000	25,000	19,997	(5,003)
Contributions	20,000	20,000	22,274	2,274
Total Other	<u>82,000</u>	<u>82,000</u>	<u>82,458</u>	<u>458</u>
Total Revenues	<u>3,440,292</u>	<u>3,689,963</u>	<u>3,737,148</u>	<u>47,185</u>
EXPENDITURES:				
Culture and other expenditures:				
St. George Library	676,800	676,800	666,468	10,332
Hurricane Library	383,700	383,700	365,888	17,812
Santa Clara Library	318,700	318,700	330,825	(12,125)
Springdale Library	90,050	90,050	101,645	(11,595)
Enterprise Library	111,650	111,650	109,736	1,914
New Harmony Library	67,000	67,000	88,742	(21,742)
Washington City Library	328,000	328,000	295,658	32,342
Other Branches & Misc. Grants	1,619,863	1,870,087	1,692,260	177,827
Other	75,253	74,700	78,218	(3,518)
Total Expenditures	<u>3,671,016</u>	<u>3,920,687</u>	<u>3,729,440</u>	<u>191,247</u>
Net Change in Fund Balance	(230,724)	(230,724)	7,708	238,432
Fund Balance, Beginning of Year	<u>1,721,989</u>	<u>1,721,989</u>	<u>1,721,989</u>	-
Fund Balance, End of Year	<u>\$ 1,491,265</u>	<u>\$ 1,491,265</u>	<u>\$ 1,729,697</u>	<u>\$ 238,432</u>

WASHINGTON COUNTY
Habitat Conservation Plan Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Intergovernmental - HCP Fees				
HCP Fees	\$ 800,000	\$ 800,000	\$ 901,839	\$ 101,839
Grants	-	-	-	-
Total intergovernmental	<u>800,000</u>	<u>800,000</u>	<u>901,839</u>	<u>101,839</u>
Other Revenues:				
Interest Earnings	-	-	31,246	31,246
Other	1,500	1,500	2,565	1,065
Total Revenues	<u>801,500</u>	<u>801,500</u>	<u>935,650</u>	<u>134,150</u>
EXPENDITURES:				
Other Expenditures - HCP:				
Salaries	260,500	260,500	243,184	17,316
Employee Benefits	101,900	101,900	83,766	18,134
Services, Supplies and Other	678,688	678,688	239,621	439,067
Capital Outlay	<u>1,834,000</u>	<u>1,834,000</u>	<u>47,579</u>	<u>1,786,421</u>
Total Expenditures	<u>2,875,088</u>	<u>2,875,088</u>	<u>614,150</u>	<u>2,260,938</u>
Excess of Revenues				
Over (Under) Expenditures	(2,073,588)	(2,073,588)	321,500	2,395,088
Fund Balance, Beginning of Year	<u>5,429,728</u>	<u>5,429,728</u>	<u>5,429,728</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 3,356,140</u>	<u>\$ 3,356,140</u>	<u>\$ 5,751,228</u>	<u>\$ 2,395,088</u>

WASHINGTON COUNTY
Council on Aging Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Intergovernmental Revenue:				
Council on Aging Contract	\$ 220,559	\$ 220,559	\$ 179,893	\$ (40,666)
Nutrition Contract - St. George	330,000	330,000	377,365	47,365
Nutrition Contract - Hurricane	147,500	147,500	143,362	(4,138)
Nutrition Contract - Enterprise	48,959	48,959	43,356	(5,603)
Miscellaneous - C.O.A.	45,370	45,370	42,823	(2,547)
Miscellaneous - Transportation	12,000	12,000	10,173	(1,827)
Interest Revenue	-	-	2,103	2,103
Total Revenues	<u>804,388</u>	<u>804,388</u>	<u>799,075</u>	<u>(5,313)</u>
EXPENDITURES:				
Health & Sanitation:				
Council on Aging - General	165,729	165,729	133,052	32,677
Council on Aging - St. George Center	892,459	892,459	890,900	1,559
Council on Aging - Hurricane Center	200,800	200,800	191,105	9,695
Council on Aging - Enterprise Center	<u>73,100</u>	<u>73,100</u>	<u>67,285</u>	<u>5,815</u>
Total Expenditures	<u>1,332,088</u>	<u>1,332,088</u>	<u>1,282,342</u>	<u>49,746</u>
Excess of Revenues Over (Under) Expenditures	(527,700)	(527,700)	(483,267)	44,433
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	(10,000)	(10,000)	34,433	44,433
Fund Balance, Beginning of Year	<u>397,987</u>	<u>397,987</u>	<u>397,987</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 387,987</u>	<u>\$ 387,987</u>	<u>\$ 432,420</u>	<u>\$ 44,433</u>

WASHINGTON COUNTY
Recreation Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Tax Revenues:				
Restaurant Food Tax	\$ 2,200,000	\$ 2,200,000	\$ 2,670,785	\$ 470,785
Leasing Sales Tax	375,000	375,000	475,951	100,951
Total Taxes	<u>2,575,000</u>	<u>2,575,000</u>	3,146,736	571,736
Intergovernmental Revenue	-	-	46,850	46,850
Charges for Services:				
County Fair	131,800	131,800	113,010	(18,790)
Regional Park	241,500	241,500	315,451	73,951
Total Charges for Services	<u>373,300</u>	<u>373,300</u>	428,461	55,161
Other Revenues:				
Interest Earnings	-	-	28,283	28,283
Vision Dixie and Other Revenue	3,000	3,000	869	(2,131)
Sub-lease Revenue	-	640,000	507,114	(132,886)
Total Revenues	<u>2,951,300</u>	<u>3,591,300</u>	<u>4,158,313</u>	<u>567,013</u>
EXPENDITURES:				
Conservation & Economic Development:				
Regional Park Facility	1,528,211	1,488,211	587,304	900,907
County Fair	247,000	287,000	280,820	6,180
Confluence Park	200,000	200,000	48,568	151,432
Convention Center Operations	351,300	351,300	203,826	147,474
Dixie College Eccles Fine Arts Center	53,000	53,000	55,900	(2,900)
St. George City Airport Interlocal Agreement	700,000	700,000	700,000	-
Debt Service				
Principal	371,789	1,011,789	921,274	90,515
Interest	-	-	272,283	(272,283)
Total Expenditures	<u>3,451,300</u>	<u>4,091,300</u>	<u>3,069,975</u>	<u>1,021,325</u>
Excess of Revenues				
Over (Under) Expenditures	(500,000)	(500,000)	1,088,338	1,588,338
Other Financing Sources (Uses):				
Transfers:				
From Travel Board Special Revenue Fund	700,000	700,000	700,000	-
To Travel Board Special Revenue Fund	(200,000)	(200,000)	(200,000)	-
Total Other Financing Sources (Uses)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	1,588,338	1,588,338
Fund Balance, Beginning of Year	4,676,960	4,676,960	4,676,960	-
Fund Balance, End of Year	<u>\$ 4,676,960</u>	<u>\$ 4,676,960</u>	<u>\$ 6,265,298</u>	<u>\$ 1,588,338</u>

WASHINGTON COUNTY
Miscellaneous Grants Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Intergovernmental Revenues:				
CDBG Grants	\$ -	\$ 150,000	\$ 152,314	\$ 2,314
LLEBG/SCAAP	-	10,000	9,789	(211)
Drug Court	192,000	190,000	194,855	4,855
WMD and Emergency OPS Grants	701,525	709,405	488,731	(220,674)
DEA Eradication	-	43,000	43,000	-
Other Grants	20,000	36,700	37,468	768
Total Revenues	<u>913,525</u>	<u>1,139,105</u>	<u>926,157</u>	<u>(212,948)</u>
EXPENDITURES:				
Public Safety:				
LLEBG/SCAAP	-	10,000	4,237	5,763
WMD - Emergency Operations	721,525	736,605	499,456	237,149
DEA Eradication	-	43,000	43,000	-
Drug Court	192,000	190,000	189,197	803
Other	-	7,500	2,164	5,336
Total Public Safety	<u>913,525</u>	<u>987,105</u>	<u>738,054</u>	<u>249,051</u>
Conservation & Economic Development:				
CDBG	-	150,700	152,314	(1,614)
Predator Control	-	2,000	2,000	-
Total Conservation & Economic Devel.	<u>-</u>	<u>152,700</u>	<u>154,314</u>	<u>(1,614)</u>
Total Expenditures	<u>913,525</u>	<u>1,139,805</u>	<u>892,368</u>	<u>247,437</u>
Excess of Revenues Over (Under) Expenditures				
	-	(700)	33,789	34,489
Fund Balance, Beginning of Year	<u>398,421</u>	<u>398,421</u>	<u>398,421</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 398,421</u>	<u>\$ 397,721</u>	<u>\$ 432,210</u>	<u>\$ 34,489</u>

WASHINGTON COUNTY
RAP Tax Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Tax Revenues:				
RAP Taxes	\$ -	\$ 2,200,000	\$ 1,960,596	\$ (239,404)
Total Taxes	-	2,200,000	1,960,596	(239,404)
Other Revenues:				
Interest Earnings	-	-	991	991
Total Other	-	-	991	991
Total Revenues	-	2,200,000	1,961,587	(238,413)
EXPENDITURES:				
Culture and other expenditures:				
County expenditures	-	430,000	5,466	424,534
Distribution to entities	-	1,770,000	1,597,608	172,392
Total Expenditures	-	2,200,000	1,603,074	596,926
Net Change in Fund Balance	-	-	358,513	358,513
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ 358,513	\$ 358,513

WASHINGTON COUNTY
Corridor Preservation Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental:				
State Revenue	\$ -	\$ 6,000,000	\$ 6,165,663	\$ 165,663
Total Intergovernmental	-	6,000,000	6,165,663	165,663
Interest Revenue	-	-	21,652	21,652
Total Revenues	-	6,000,000	6,187,315	187,315
EXPENDITURES:				
Public Works:				
Services, Supplies and Other	-	6,000,000	114,422	5,885,578
Total Expenditures	-	6,000,000	114,422	5,885,578
Excess of Revenues Over (Under) Expenditures	-	-	6,072,893	6,072,893
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ 6,072,893	\$ 6,072,893

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.
- **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, 2015

	Balance 12/31/2014	Additions	Deductions	Balance 12/31/2015
TAX COLLECTION TRUST FUND:				
Assets:				
Cash & Investments	\$ 32,442,894	\$ 155,797,140	\$ 168,537,558	\$ 19,702,476
Total Assets	<u>\$ 32,442,894</u>	<u>\$ 155,797,140</u>	<u>\$ 168,537,558</u>	<u>\$ 19,702,476</u>
Liabilities:				
Deposits Held in Trust	\$ 1,788,951	\$ 2,925,025	\$ 2,980,068	\$ 1,733,908
Due to Taxing Districts	25,842,826	129,568,129	140,048,039	15,362,916
Due to Washington Co. General Fund	2,073,382	10,161,279	11,086,032	1,148,629
Due to Assessing & Collecting Fund	1,431,424	6,886,596	7,553,453	764,567
Due to Other Funds	1,306,311	6,256,111	6,869,966	692,456
Total Liabilities	<u>\$ 32,442,894</u>	<u>\$ 155,797,140</u>	<u>\$ 168,537,558</u>	<u>\$ 19,702,476</u>
DEPOSIT FUND:				
Assets:				
Cash & Investments	\$ 1,164,671	\$ 6,948,883	\$ 6,851,292	\$ 1,262,262
Total Assets	<u>\$ 1,164,671</u>	<u>\$ 6,948,883</u>	<u>\$ 6,851,292</u>	<u>\$ 1,262,262</u>
Liabilities:				
Deposits Held in Trust	<u>\$ 1,164,671</u>	<u>\$ 6,948,883</u>	<u>\$ 6,851,292</u>	<u>\$ 1,262,262</u>
ECONOMIC DEVELOPMENT COUNCIL:				
Assets:				
Cash & Investments	\$ 424,782	\$ 374,124	\$ 395,489	\$ 403,417
Total Assets	<u>\$ 424,782</u>	<u>\$ 374,124</u>	<u>\$ 395,489</u>	<u>\$ 403,417</u>
Liabilities:				
Deposits Held in Trust	<u>\$ 424,782</u>	<u>\$ 374,124</u>	<u>\$ 395,489</u>	<u>\$ 403,417</u>

(Continued)

WASHINGTON COUNTY
All Trust and Agency Funds
Combining Statement of Changes in Assets and Liabilities (Continued)
For the Year Ended December 31, 2015

	Balance 12/31/2014	Additions	Deductions	Balance 12/31/2015
WASHINGTON COUNTY INTERLOCAL AGENCY:				
Assets:				
Cash & Investments	\$ 2,870,220	\$ 5,045,844	\$ 5,393,779	\$ 2,522,285
Total Assets	<u>\$ 2,870,220</u>	<u>\$ 5,045,844</u>	<u>\$ 5,393,779</u>	<u>\$ 2,522,285</u>
Liabilities:				
Deposits Held in Trust	<u>\$ 2,870,220</u>	<u>\$ 5,045,844</u>	<u>\$ 5,393,779</u>	<u>\$ 2,522,285</u>
WASHINGTON COUNTY FLOOD CONTROL:				
Assets:				
Cash & Investments	\$ 1,263,457	\$ 2,762,459	\$ 2,010,760	\$ 2,015,156
Total Assets	<u>\$ 1,263,457</u>	<u>\$ 2,762,459</u>	<u>\$ 2,010,760</u>	<u>\$ 2,015,156</u>
Liabilities:				
Deposits Held in Trust	<u>\$ 1,263,457</u>	<u>\$ 2,762,459</u>	<u>\$ 2,010,760</u>	<u>\$ 2,015,156</u>
TOTAL - ALL TRUST AND AGENCY FUNDS:				
Assets:				
Cash & Investments	\$ 38,166,024	\$ 170,928,450	\$ 183,188,878	\$ 25,905,596
Total Assets	<u>\$ 38,166,024</u>	<u>\$ 170,928,450</u>	<u>\$ 183,188,878</u>	<u>\$ 25,905,596</u>
Liabilities:				
Deposits Held in Trust	\$ 7,512,081	\$ 18,056,335	\$ 17,631,388	\$ 7,937,028
Due to Taxing Districts	25,842,826	129,568,129	140,048,039	15,362,916
Due to Washington Co. General Fund	2,073,382	10,161,279	11,086,032	1,148,629
Due to Assessing & Collecting Fund	1,431,424	6,886,596	7,553,453	764,567
Due to Other Funds	1,306,311	6,256,111	6,869,966	692,456
Total Liabilities	<u>\$ 38,166,024</u>	<u>\$ 170,928,450</u>	<u>\$ 183,188,878</u>	<u>\$ 25,905,596</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, 2015

	Treasurer's Balance 12/31/2014	Tax Collection Receipts	Current Year's Taxes & Interest Apportioned	Prior Year's Taxes & Interest Apportioned	Disburse- ments	Treasurer's Balance 12/31/2015
Tax Collection Amounts:						
Current Taxes	\$ -	\$ 143,938,011	\$ (143,938,011)	\$ -	\$ -	\$ -
Prior Year's Redemptions	-	7,933,281	-	(7,933,281)	-	-
Penalties & Interest	-	1,000,823	-	(1,000,823)	-	-
Other Collections	1,788,951	2,925,025	-	-	2,980,068	1,733,908
Total	\$ 1,788,951	\$ 155,797,140	\$ (143,938,011)	\$ (8,934,104)	\$ 2,980,068	\$ 1,733,908
Tax Units:						
Library Operating Fund	\$ 686,488		\$ 3,127,527	\$ 189,872	\$ 3,630,998	\$ 372,889
School District	18,676,763		91,872,286	5,110,969	104,113,958	11,546,060
Water Conservancy District	2,082,380		9,423,744	583,924	10,969,974	1,120,074
Assessing & Collecting	1,431,424		6,497,035	389,561	7,553,453	764,567
General Fund	2,073,382		9,039,757	1,121,522	11,086,032	1,148,629
County G.O. Bond	619,823		2,760,611	178,101	3,238,968	319,567
Special Service Districts:						
Rockville/Springdale	17,016		53,288	3,359	69,037	4,626
Southwest Mosquito SSD	118,299		535,594	30,902	621,032	63,763
Southwestern SSD	12,462		81,003	4,211	90,815	6,861
Smithsonian SSD	-		-	-	-	-
Leeds Area SSD	31,558		126,766	10,073	152,886	15,511
New Harmony SSD	19,953		88,162	11,024	102,544	16,595
Northwestern SSD	-		-	-	-	-
Dixie Deer SSD	-		-	-	-	-
Hurricane Valley Fire District	106,882		1,385,748	47,359	1,224,191	315,798
Coral Canyon SID	118,783		783,687	43,587	875,248	70,809
North Central Fire SSD	5,301		12,185	892	16,210	2,168
Cities & Towns:						
Apple Valley	16,049		67,062	15,995	86,432	12,674
Enterprise	40,751		150,947	14,836	184,868	21,666
Hildale	19,745		161,804	71,022	226,198	26,373
Hurricane	524,916		1,974,851	176,377	2,481,834	194,310
Ivins	279,260		1,345,879	34,104	1,546,465	112,778
LaVerkin	92,410		366,040	35,958	443,746	50,662
Leeds	14,278		62,305	4,871	74,725	6,729
New Harmony	6,505		22,450	1,526	26,390	4,091
Rockville	20,147		75,470	3,356	87,860	11,113
St. George	3,006,854		10,510,029	636,625	12,725,890	1,427,618
Santa Clara	121,187		743,601	40,124	833,607	71,305
Springdale	21,217		63,646	3,194	83,276	4,781
Toquerville	29,068		107,167	13,020	130,475	18,780
Virgin	14,247		53,468	5,421	65,436	7,700
Washington	446,796		2,445,899	152,319	2,814,942	230,072
Total Due Units	\$ 30,653,944		\$ 143,938,011	\$ 8,934,104	\$ 165,557,490	\$ 17,968,569
Total	\$ 32,442,895	\$ 155,797,140			\$ 168,537,558	\$ 19,702,477

WASHINGTON COUNTY

Statement of Taxes Charged and Collected
December 31, 2015

TAXABLE VALUE OF PROPERTY

	Year-End Value (After BOE)	Centrally - Assessed Value	RDA Value	Adjusted Real & Centrally Assessed Value	Year End Personal Property Value	Total Adjusted Value
Library Operations	\$ 11,545,474,600	\$ 474,961,185	\$ (371,874,084)	\$ 11,648,561,701	\$ 388,655,796	\$ 12,037,217,497
School District	11,545,474,600	474,961,185	(371,874,084)	11,648,561,701	388,655,796	12,037,217,497
Water Conservancy District	11,545,474,600	474,961,185	(371,874,084)	11,648,561,701	388,655,796	12,037,217,497
Assessing & Collecting:						
Local	11,545,474,600	474,961,185	-	12,020,435,785	388,655,796	12,409,091,581
State	11,545,474,600	474,961,185	-	12,020,435,785	388,655,796	12,409,091,581
General Fund	11,545,474,600	474,961,185	(371,874,084)	11,648,561,701	388,655,796	12,037,217,497
County G.O. Bond	11,545,474,600	474,961,185	(371,874,084)	11,648,561,701	388,655,796	12,037,217,497
Rockville/Springdale Fire	216,391,655	2,416,385	-	218,808,040	8,117,243	226,925,283
Southwest Mosquito SSD	11,545,474,600	474,961,185	(371,874,084)	11,648,561,701	388,655,796	12,037,217,497
Southwestern SSD	115,990,895	3,507,997	-	119,498,892	702,370	120,201,262
Leeds Area SSD	86,391,610	2,819,151	-	89,210,761	690,570	89,901,331
New Harmony Fire	116,181,705	4,137,539	-	120,319,244	54,897	120,374,141
Coral Canyon	257,146,550	960,788	-	258,107,338	1,652,960	259,760,298
Enterprise	58,729,705	1,293,613	-	60,023,318	898,376	60,921,694
Hildale	34,519,805	1,006,204	-	35,526,009	6,193,116	41,719,125
Hurricane	999,822,720	22,180,907	-	1,022,003,627	55,490,749	1,077,494,376
Ivins	747,056,350	7,132,108	-	754,188,458	3,661,903	757,850,361
LaVerkin	150,892,425	4,798,196	-	155,690,621	5,303,747	160,994,368
Leeds	65,417,230	1,569,788	-	66,987,018	650,482	67,637,500
New Harmony	13,655,075	976,625	-	14,631,700	5,555	14,637,255
St. George	6,446,210,835	134,488,619	(238,189,536)	6,342,509,918	260,039,679	6,602,549,597
Santa Clara	370,784,370	3,690,125	-	374,474,495	2,235,911	376,710,406
Springdale	181,297,195	1,313,842	-	182,611,037	7,976,116	190,587,153
Toquerville	81,890,570	5,884,188	-	87,774,758	1,024,027	88,798,785
Virgin	43,781,090	1,520,790	-	45,301,880	593,805	45,895,685
Washington	1,604,910,570	15,357,611	-	1,620,268,181	28,361,413	1,648,629,594
Rockville	35,094,460	1,102,543	-	36,197,003	141,127	36,338,130
Apple Valley	39,392,205	3,035,221	-	42,427,426	189,866	42,617,292
Northwestern SSD	-	-	-	-	-	-
Dixie Deer SSD	-	-	-	-	-	-
Hurricane Valley SSD	1,375,930,585	40,454,611	-	1,416,385,196	62,782,022	1,479,167,218
North Central Fire SSD	17,439,020	1,419,614	-	18,858,634	777,839	19,636,473

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
0.000257	0.000269	\$2,993,680	\$104,548	\$3,098,228
0.007495	0.007221	87,305,970	2,806,484	90,112,454
0.000775	0.000816	9,027,635	317,143	9,344,778
0.000509	0.000535	6,118,402	207,931	6,326,333
0.000012	0.000013	144,245	5,053	149,298
0.000743	0.000779	8,654,887	302,761	8,957,648
0.000227	0.000247	2,644,224	95,998	2,740,222
0.000241	0.000251	52,733	2,037	54,770
0.000044	0.000046	512,537	17,878	530,415
0.000632	0.000644	75,523	452	75,975
0.001366	0.001389	121,862	959	122,821
0.000729	0.000776	87,713	43	87,756
0.003000	0.003000	774,322	4,959	779,281
0.002404	0.002538	144,296	2,280	146,576
0.007466	0.008340	265,237	51,651	316,888
0.001843	0.002432	1,883,553	134,954	2,018,507
0.001783	0.001862	1,344,718	6,818	1,351,536
0.002353	0.002532	366,340	13,429	379,769
0.000892	0.000904	59,752	588	60,340
0.001529	0.001554	22,372	9	22,381
0.001599	0.001662	10,141,673	432,186	10,573,859
0.001893	0.001918	708,880	4,288	713,168
0.000340	0.000359	62,088	2,863	64,951
0.001186	0.001272	104,101	1,303	105,404
0.001200	0.001304	54,362	774	55,136
0.001446	0.001505	2,342,908	42,684	2,385,592
0.002225	0.002141	80,538	302	80,840
0.001733	0.001923	73,527	365	73,892
0.000000	0.000000	-	-	-
0.000000	0.000000	-	-	-
0.000950	0.001093	1,345,566	68,621	1,414,187
0.000605	0.000617	11,409	480	11,889
		<u>\$137,525,053</u>	<u>\$4,629,841</u>	<u>\$142,154,894</u>

(Continued)

WASHINGTON COUNTY

Statement of Taxes Charged and Collected (Continued)
December 31, 2015

	TREASURER'S RELIEF				CURRENT YEAR ACTUAL	
	Unpaid Taxes	Abatements	Other	Total Relief	Taxes Collected	Collection Rate
Library Operations	\$ 139,127	\$ 53,638	\$ (4,883)	\$ 187,882	\$2,910,346	93.94%
School District	3,049,081	1,564,238	(52,927)	4,560,392	85,552,062	94.94%
Water Conservancy District	419,574	161,746	(5,261)	576,059	8,768,719	93.84%
Assessing & Collecting:						
Local	275,560	106,230	27,339	409,129	5,917,204	93.53%
State	6,500	2,505	793	9,798	139,500	93.44%
General Fund	394,321	155,066	(3,591)	545,796	8,411,852	93.91%
County G.O. Bond	122,937	47,375	1,331	171,643	2,568,579	93.74%
Rockville/Springdale Fire	2,740	349	88	3,177	51,593	94.20%
Southwest Mosquito SSD	23,819	9,184	(1,001)	32,002	498,413	93.97%
Southwestern SSD	2,003	2,412	144	4,559	71,416	94.00%
Leeds Area SSD	2,327	3,885	228	6,440	116,381	94.76%
New Harmony Fire	5,190	1,794	65	7,049	80,707	91.97%
Coral Canyon	17,653	7,390	3,236	28,279	751,002	96.37%
Enterprise	8,329	4,118	23	12,470	134,106	91.49%
Hildale	199,426	1,141	68	200,635	116,253	36.69%
Hurricane	103,243	41,435	40,311	184,989	1,833,518	90.84%
Ivins	51,086	29,443	3,195	83,724	1,267,812	93.81%
LaVerkin	32,113	14,736	1,636	48,485	331,284	87.23%
Leeds	1,070	1,780	146	2,996	57,344	95.03%
New Harmony	1,184	596	(38)	1,742	20,639	92.22%
St. George	452,901	164,464	155,588	772,953	9,800,906	92.69%
Santa Clara	22,917	17,808	649	41,374	671,794	94.20%
Springdale	2,756	272	157	3,185	61,766	95.10%
Toquerville	4,004	3,680	159	7,843	97,561	92.56%
Virgin	2,718	2,473	210	5,401	49,735	90.20%
Washington	80,548	37,604	6,850	125,002	2,260,590	94.76%
Rockville	7,283	1,441	(6)	8,718	72,122	89.22%
Apple Valley	12,770	1,113	113	13,996	59,896	81.06%
Northwestern SSD	-	-	-	-	-	-
Dixie Deer SSD	-	-	-	-	-	-
Hurricane Valley SSD	111,323	243	14,860	126,426	1,287,761	91.06%
North Central Fire SSD	744	-	8	752	11,137	93.67%
Totals	\$ 5,555,247	\$ 2,438,159	\$189,490	\$8,182,896	\$133,971,998	

OTHER COLLECTIONS

Fee in Lieu	Miscellaneous Collections	Delinquent Tax Collected	Interest & Penalty Collected
\$ 217,181	\$ 13,755	\$ 180,168	\$ 9,704
6,320,224	399,466	4,846,693	264,276
655,025	41,557	553,557	30,367
430,181	27,269	363,564	19,859
10,150	635	5,991	147
627,905	39,772	522,403	599,119
192,032	12,194	168,880	9,221
1,695	-	3,201	158
37,181	2,348	29,418	1,484
9,587	-	4,017	194
10,385	356	9,548	525
7,455	324	10,547	477
32,685	-	42,761	826
16,841	241	13,988	848
45,551	121	66,941	4,081
141,333	12,563	165,021	11,356
78,067	7,932	32,377	1,727
34,756	-	34,320	1,638
4,961	232	4,629	242
1,811	-	1,485	41
709,123	47,481	606,597	30,028
71,807	134	38,082	2,042
1,880	-	3,000	194
9,606	3	12,186	834
3,733	5	5,059	362
185,309	14,339	144,930	7,389
3,348	5,982	3,198	158
7,166	1,641	15,258	737
-	-	-	-
-	-	-	-
97,987	6,255	44,596	2,763
1,048	48	866	26
\$ 9,966,013	\$634,653	\$7,933,281	\$1,000,823

WASHINGTON COUNTY

**Schedule of Expenditures of Transient Room Taxes and
Tourism, Recreation, Culture and Convention Facilities Taxes
December 31, 2015**

Transient Room Taxes (TRT):

Establishing and promoting:		
Recreation	\$	658,456
Sports		381,208
Tourism		2,046,733
Film production		86,676
Conventions		690,912
Totals		3,863,985
Acquiring, leasing, construction, furnishing, or operating:		
Convention meeting rooms		350,000
Exhibit halls		350,000
Visitor information centers		-
Museums		-
Related facilities		700,000
Totals		1,400,000
Acquiring or leasing land required for or related to:		
Convention meeting rooms		-
Exhibit halls		-
Visitor information centers		-
Museums		-
Related facilities		-
Totals		-
Mitigation costs		-
Payment of principal, interest, premiums, and reserves on bonds		-
Total expenditures of transient room taxes		\$ 5,263,985

Tourism, Recreation, Culture, and Convention Facilities (TRCC) and Leasing Sales Tax:

Financing tourism promotion		-
Development, operation, and maintenance of:		
Tourist facilities	\$	48,568
Recreation facilities		2,311,863
Cultural facilities		-
Convention facilities		786,304
Pleiades as security for evidences of indebtedness		-
Total		3,146,735
Total expenditures of tourism, recreation, culture, and convention facilities taxes		\$ 3,146,735

Reserves and Pledges:

	1/1/2015	Additions 2015	12/31/2015
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, 2015, 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 10, 2016. Our report includes a reference to other auditors who audited the financial statements of Southwest Utah Public Health Department, 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 10, 2016

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, 2015.

General state compliance requirements were tested for the year ended December 31, 2015 in the following areas:

Budgetary Compliance
Fund Balance
Justice Courts
Utah Retirement Systems
Tax Levy Revenue Recognition
Restricted Taxes
Transient Room Tax and Tourism Tax
Open and Public Meetings Act
Conflicts of Interest

Washington County received state funding from the following programs classified as major programs for the year ended December 31, 2015:

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, 2015.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide*.

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, 2015, and the related notes to the financial statements, which collectively comprise Washington County's basic financial statements. We issued our report thereon dated June 10, 2016, 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 10, 2016

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WASHINGTON COUNTY
Schedule of Expenditures of State Awards
For the Year Ended December 31, 2015

Grant Name	Award/contract # (if applicable)	Year of Last Audit	Expenditures
Department of Transportation			
B&C Road Allotment		2015	1,500,555
State Tax Commission			
Liquor Allocation			101,697
Administrative Office of the Courts			
5th District Court Bailiff Contract	110452	2013	172,335
5th District Court Security Contract	110452	2013	126,000
Department of Administrative Service (DFCM)			
Rent - Adult Probation & Parole	71238		176,704
Rent - Highway Patrol	71237		55,712
Rent - DMV License	71253		128,800
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			92,288
State PILT - Wildlife			224
Attorney General			
Children Justice Center			137,364
Utah Office of Tourism			
Cooperative Funding Match			269,959
Department of Heritage and Arts			
CLEF Grant			3,150
Department of Agriculture			
Predator Control Grant	11562		2,000
LEPC Grant	HLS 2012 LEPC		2,750
TOTAL GRANT, CONTRACT, AND LOAN FUND EXPENDITURES			3,252,553

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Findings and Recommendations
For the Year Ended December 31, 2015

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, 2015, 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:

None Noted.

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,



HintonBurdick, PLLC
St. George, Utah
June 10, 2016

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