



FINANCIAL STATEMENTS

Year Ended December 31, 2017

With Report of

Certified Public Accountants

WASHINGTON COUNTY

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WASHINGTON COUNTY

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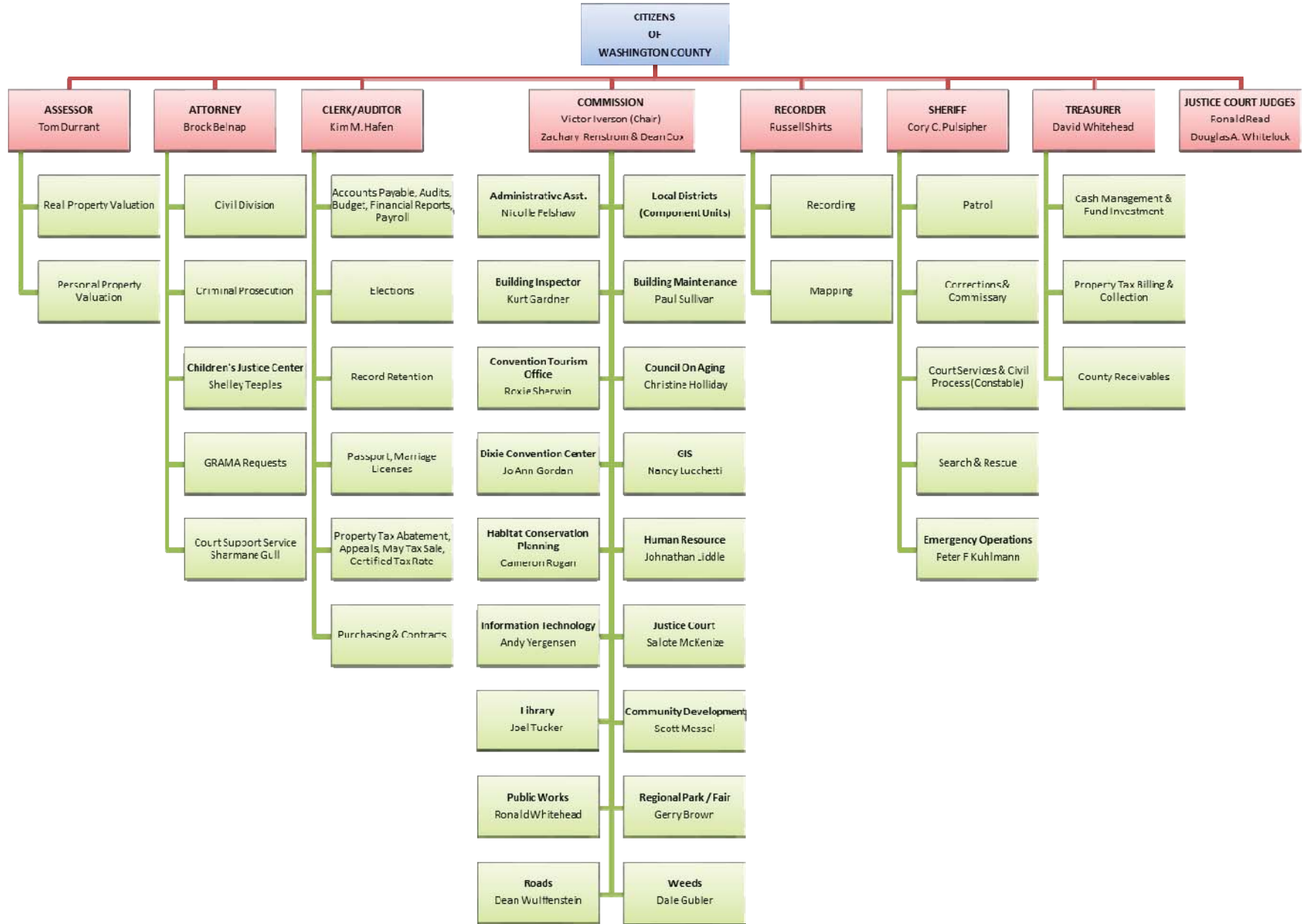
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INTRODUCTORY SECTION

WASHINGTON COUNTY ORGANIZATIONAL CHART

For the Year Ended December 31, 2017



WASHINGTON COUNTY
List of Elected and Appointed Officials
December 31, 2017

ELECTED OFFICIALS

Victor Iverson.....Commission Chair
Zachary Renstrom.....Commissioner
Dean CoxCommissioner
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

Nicolle Felshaw.....County Administrative Assistant
Kurt G. Gardner.....Building Inspector
Paul E. Sullivan.....Building Maintenance
Shelly Teeples.Children’s Justice Center
Sharmane GullCourt Support Services
Roxie Sherwin.....Convention & Tourism Office
Christine Holliday.....Council On Aging
Jo Ann Gordon.....Dixie Center
Peter F. Kuhlmann.....Emergency Operations
Cameron Rogan.....Habitat Conservation Planning
Johnathan Liddle.....Human Resources
Andy 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, 2017, 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 \$10,581,589 as of December 31, 2017 and total revenues of \$8,775,773 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, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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, 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, and the combining and individual nonmajor fund budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 18, 2018, 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 18, 2018

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**WASHINGTON COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017**

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, 2017. 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 is 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 160,000. 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. These include general government, judicial, public safety, health and sanitation, conservation, culture tourism and recreation, and public works. Additional services provided to residents in the unincorporated areas include road maintenance, building inspections, planning, and zoning, plus fire control.

FINANCIAL HIGHLIGHTS

- Washington County has consistently been one of the highest growth counties in the state. The past few years we have seen increase in building permits.
- Sales Tax revenues increased during 2017 to \$10.1 million.
- Transient Room Taxes increased during 2017 from \$6.81 million to \$7.85 million.
- Restaurant Taxes increased during 2017 from \$2.875 million to \$3.08 million.
- The County's unemployment rate was 3.1% as compared the National unemployment rate of 4.1%.
- Washington County's General Fund balance remained strong at \$8.16 million.
- Total County assets, excluding component units, exceed total liabilities (net position) by \$97.9 million at the close of the fiscal year. Total net position increased by \$6.5 million.
- Total revenues from all sources, excluding component units, were \$79.02 million
- The total cost of all County programs, excluding component units, was \$72.85 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).

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 tourism and recreation, conservation, 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 are 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 seventeen 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, RAP Tax fund, Travel Board fund, and the Capital Projects fund all of which are considered major funds. Data from the other thirteen 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, criteria 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 others and donations for a specific purpose. 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, net position was \$97.9 million at the close 2017.

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	
	2017	2016	2017	2016
Current and other assets	\$ 85,755,807	\$ 82,999,832	\$ 47,450,692	\$ 44,555,996
Capital assets	52,978,139	51,196,283	43,545,390	39,912,983
Total assets	<u>138,733,946</u>	<u>134,196,115</u>	<u>90,996,082</u>	<u>84,468,979</u>
Deferred outflows of resources	10,879,324	9,751,828	1,821,712	1,534,058
Long-term liabilities	41,931,121	43,451,252	12,632,283	10,247,471
Other liabilities	7,330,592	7,217,170	1,727,587	1,594,054
Total liabilities	<u>49,261,713</u>	<u>50,668,422</u>	<u>14,359,870</u>	<u>11,841,525</u>
Deferred inflows of resources	2,387,293	1,860,355	494,835	654,103
Net position:				
Net investment in				
capital assets	27,452,103	22,583,628	38,245,206	36,592,841
Restricted	43,939,323	44,218,713	12,056,524	10,023,679
Unrestricted	<u>26,572,838</u>	<u>24,616,825</u>	<u>27,661,359</u>	<u>26,890,889</u>
Total net position	<u>\$ 97,964,264</u>	<u>\$ 91,419,166</u>	<u>\$ 77,963,089</u>	<u>\$ 73,507,409</u>

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

WASHINGTON COUNTY, UTAH
Change in Net Position

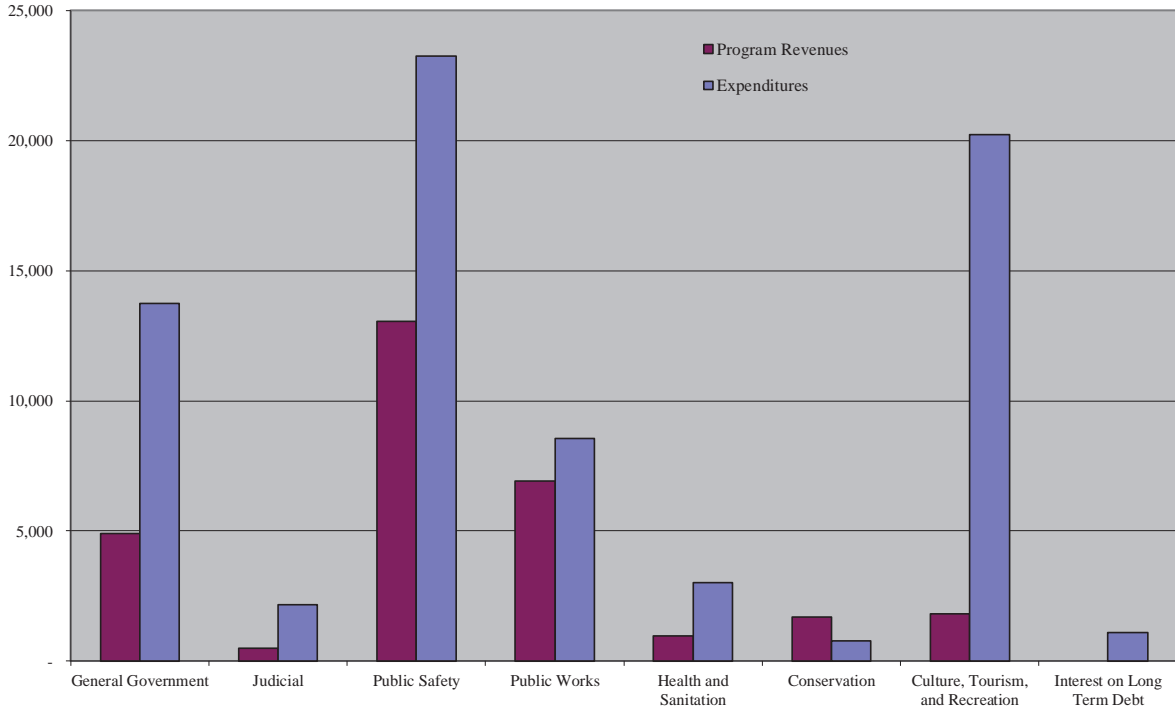
	Governmental Activities		Component Unit Activities	
	2017	2016	2017	2016
Revenues:				
Program revenues:				
Charges for services	\$ 17,985,710	\$ 16,916,822	\$ 19,864,447	\$ 18,784,076
Operating grants and contributions	7,933,723	7,574,825	7,115,036	7,377,947
Capital grants and contributions	3,945,011	885,410	2,584,028	1,906,022
General revenues:				
Taxes	48,141,019	45,652,530	3,135,856	2,035,211
Other	1,015,372	579,096	630,323	411,076
Total revenues	<u>79,020,835</u>	<u>71,608,683</u>	<u>33,329,690</u>	<u>30,514,332</u>
Expenses:				
General government	13,752,716	13,473,595	-	-
Judicial	2,162,231	1,998,595	-	-
Public safety	23,260,712	21,442,341	4,916,005	3,485,246
Public works	8,564,121	3,863,003	15,707,307	14,071,868
Health and sanitation	3,024,159	2,839,087	8,177,076	7,731,044
Conservation	783,491	642,902	73,623	21,635
Culture, tourism, and recreation	20,240,131	14,394,935	-	-
Interest on long term debt	1,097,929	1,180,956	-	-
Total expenses	<u>72,885,490</u>	<u>59,835,414</u>	<u>28,874,011</u>	<u>25,309,793</u>
Increase in net position	6,135,345	11,773,269	4,455,679	5,204,539
Net position, beginning	91,419,165	79,645,897	73,507,410	67,881,344
Prior period adjustment	409,754	-	-	421,526
Net position, ending	<u>\$ 97,964,264</u>	<u>\$ 91,419,166</u>	<u>\$ 77,963,089</u>	<u>\$ 73,507,409</u>

The cost of all Governmental activities this year was \$72.88 million. As shown on the Statement above, \$17.98 million of this cost was paid for by those who directly benefited from the programs; \$11.87 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 \$29.8 million. General taxes, investment earnings, and other general revenues totaled \$49.1 million.

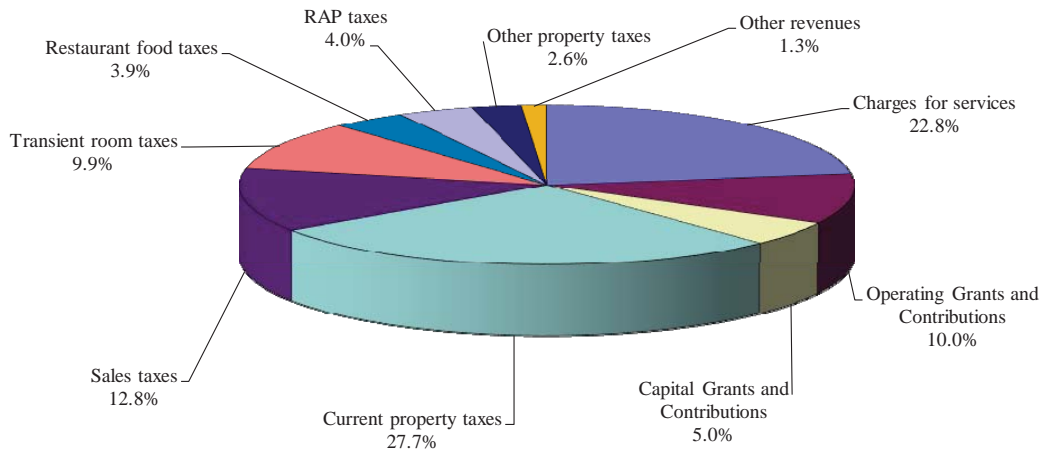
Total resources available during the year to finance operations were \$170.4 million consisting of net position at December 31, 2016 of \$91.4 million, program revenues of 29.8 million and general revenues of \$49.1 million. Total Governmental Activities during the year were \$72.8 million, thus net position increased by \$6.5 million to \$97.96 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, 2017, the governmental funds reflect a combined fund balance of \$79,089,729 as reported on page 16 to 17. Of this, \$43,993,409 is not available for expenditure or is restricted and legally segregated for a specific future use. An additional \$15,177,462 has been committed to capital projects. The remaining \$19,918,858 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, culture, tourism and recreation. General fund revenues and expenditures increased slightly from the prior year. Revenues totaled \$29,309,857 and expenditures, before other financing sources and uses, totaled \$24,043,156. The net increase in fund balance before transfers was \$5,266,701. Transfers from the general fund totaling \$4,949,499 were made to the Capital Projects fund, Debt Service fund, Children's Justice Center fund, Library fund, Council on Aging fund, and Grant and Endowment fund for 2017. (See Page 18-19)

The RAP Tax fund is used for the collection of the Recreation, Arts, & Parks (RAP) taxes. This is a tax with restricted use only allowed for Recreation, Cultural and Art projections and Park related projects. Revenues in 2017 were \$3,133,907 with expenditures of \$3,038,332.

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. In 2017, the Public Safety Bond was retired from funds reserved in fund balance.

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. Revenues and expenditures excluding transfers totaled \$8,051,062 and \$8,068,575 in 2017, respectively. (See Page 18)

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. In 2017, the construction of facilities to host the County fair, house USU extension service, and a Convention Center was built in the Regional Park, re-named Legacy Park (See Page 19)

The non-major funds of the County consist of the following special revenue funds: Class "B" Roads, Municipal Services, Assessing & Collecting, Flood Damage, Children's Justice Center, Library, Habitat Conservation, Council on Aging, Recreation, Grants, Sports & Outdoor Recreation, and Corridor

Preservation. The non-major funds are combined into one column on the governmental fund statements. (See Pages 75 to 92 for non-major combining and individual fund statements)

General Fund Budgetary Highlights

The final appropriations for the General Fund at year-end, including transfers, increased the fund balance by \$317,202 also there was a prior period adjustment which added \$119,807 giving a final fund balance of \$8,164,447. The budget to actual variance in appropriations was the result of various departments slightly over, 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 \$1,743,643. 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 2017, net capital assets of the government activities totaled \$52.98 million. Depreciation on capital assets is recognized in the Government-Wide financial statements. (See note 8 to the financial statements.)

Debt

At year-end 2017, the County had \$45.40 million in governmental type debt. The debt is a liability of the government and amounts to approximately \$283.76 per capita. During the current fiscal year, the County's total debt had a net decrease of \$1,789,130. (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 2018 close to the 2017 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, 2017

	Primary Government	
	Governmental Activities	Component Units
Assets		
Cash and investments	\$ 68,943,104	\$ 31,204,586
Receivables (net of allowance for uncollectibles)	9,522,109	3,420,950
Inventory	-	14,793
Prepaid assets	575,926	83,220
Restricted cash and investments	4,586,832	12,670,534
Noncurrent receivables	-	46,022
Note receivable	2,116,670	-
Net pension asset	11,166	10,587
Capital assets not being depreciated	5,071,677	14,785,674
Capital assets being depreciated, net of accumulated depreciation	47,906,462	28,759,716
Total assets	138,733,946	90,996,082
Deferred Outflows of Resources		
Deferred charge on refunding	883,761	-
Deferred outflows related to pensions	9,995,563	1,821,712
Total deferred outflows of resources	10,879,324	1,821,712
Liabilities		
Accounts payable and other current liabilities	3,432,973	1,423,336
Unearned revenue	197,134	-
Accrued interest payable	229,485	20,239
Noncurrent liabilities:		
Due within one year	3,471,000	284,012
Due in more than one year	26,790,603	11,687,358
Net pension liability	15,140,518	944,925
Total liabilities	49,261,713	14,359,870
Deferred Inflows of Resources		
Billings for future period revenues	-	6,403
Deferred inflows related to pensions	2,387,293	488,432
Total deferred inflows of resources	2,387,293	494,835
Net Position		
Net investment in capital assets	27,452,103	38,245,206
Restricted for:		
Class "B" roads	2,077,850	-
Debt Service	234,840	-
Public works	9,342,410	-
Health and sanitation	783,240	-
Conservation	7,355,446	-
Culture, tourism, and recreation	16,700,906	-
Other purposes	7,444,631	12,056,524
Unrestricted	26,572,838	27,661,359
Total net position	\$ 97,964,264	\$ 77,963,089

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Statement of Activities
For the Year Ended December 31, 2017

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	\$ 13,752,716	\$ 4,265,151	\$ 642,809	\$ -	\$ (8,844,756)	\$ (8,844,756)	\$ -
Judicial	2,162,231	287,841	222,414	-	(1,651,976)	(1,651,976)	-
Public safety	23,260,712	9,383,729	3,302,531	356,590	(10,217,862)	(10,217,862)	-
Public works	8,564,121	307,445	3,421,734	3,195,803	(1,639,139)	(1,639,139)	-
Health and sanitation	3,024,159	754,417	213,234	-	(2,056,508)	(2,056,508)	-
Conservation	783,491	1,682,422	202	-	899,133	899,133	-
Culture, tourism, and recreation	20,240,131	1,304,705	130,799	392,618	(18,412,009)	(18,412,009)	-
Interest on long-term debt	1,097,929	-	-	-	(1,097,929)	(1,097,929)	-
Total governmental activities	<u>72,885,490</u>	<u>17,985,710</u>	<u>7,933,723</u>	<u>3,945,011</u>	<u>(43,021,046)</u>	<u>(43,021,046)</u>	<u>-</u>
Total primary government	<u>\$ 72,885,490</u>	<u>\$ 17,985,710</u>	<u>\$ 7,933,723</u>	<u>\$ 3,945,011</u>	<u>(43,021,046)</u>	<u>(43,021,046)</u>	<u>-</u>
Component units:							
Public safety	\$ 4,916,005	\$ 1,945,214	\$ 21,362	\$ 894,675	-	-	(2,054,754)
Public works	15,707,307	16,170,088	135,065	1,689,353	-	-	2,287,199
Health and sanitation	8,177,076	1,749,145	6,958,609	-	-	-	530,678
Conservation & economic development	73,623	-	-	-	-	-	(73,623)
Total component units	<u>\$ 28,874,011</u>	<u>\$ 19,864,447</u>	<u>\$ 7,115,036</u>	<u>\$ 2,584,028</u>	<u>-</u>	<u>-</u>	<u>689,500</u>
General revenues:							
Current property taxes					21,883,027	21,883,027	3,015,660
Sales taxes					10,153,875	10,153,875	-
Transient room taxes					7,856,254	7,856,254	-
Restaurant food taxes					3,086,854	3,086,854	-
RAP taxes					3,126,911	3,126,911	-
Other property taxes					2,034,098	2,034,098	120,196
Unrestricted investment earnings					896,373	896,373	474,407
Gain on the sale of assets					-	-	26,275
Other revenues					118,999	118,999	129,641
Total general revenues and transfers					<u>49,156,391</u>	<u>49,156,391</u>	<u>3,766,179</u>
Change in net position					6,135,345	6,135,345	4,455,679
Net position - beginning					91,419,165	91,419,165	73,507,410
Prior period adjustment					409,754	409,754	-
Net position - ending					<u>\$ 97,964,264</u>	<u>\$ 97,964,264</u>	<u>\$ 77,963,089</u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Balance Sheet
Governmental Funds
December 31, 2017

	General Fund	Special Revenue	
		RAP Tax	Travel Board
Assets			
Cash and investments	\$ 5,933,320	\$ 599,685	\$ 9,554,183
Property taxes receivable	2,943,132	-	-
Assessments receivable	-	-	-
Due from other governments	325,090	564,198	1,028,342
Other receivables	20,511	-	-
Prepaid assets	6,174	-	5,752
Restricted cash and investments	-	-	-
Total assets	<u>\$ 9,228,227</u>	<u>\$ 1,163,883</u>	<u>\$ 10,588,277</u>
Liabilities			
Accounts payable	\$ 510,736	\$ 495,317	\$ 262,314
Accrued liabilities	357,910	-	48,163
Unearned revenue	195,134	-	2,000
Total liabilities	<u>1,063,780</u>	<u>495,317</u>	<u>312,477</u>
Deferred Inflows of Resources			
Unavailable revenue - special assessments	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances			
Nonspendable: Prepaid assets	6,174	-	5,752
Restricted for:			
Class "B" roads	-	-	-
Debt service fund	-	-	-
Public works	-	-	-
Health and sanitation	-	-	-
Conservation	-	-	-
Culture, tourism, and recreation	-	668,566	10,270,048
Other purposes	-	-	-
Committed to capital projects	-	-	-
Assigned to debt service	-	-	-
Assigned to special revenue funds	-	-	-
Unassigned	8,158,273	-	-
Total fund balances	<u>8,164,447</u>	<u>668,566</u>	<u>10,275,800</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,228,227</u>	<u>\$ 1,163,883</u>	<u>\$ 10,588,277</u>

The accompanying notes are an integral part of the financial statements

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 15,178,862	\$ 36,479,836	\$ 67,745,886
-	1,507,433	4,450,565
-	7,840	7,840
-	3,084,608	5,002,238
-	10,955	31,466
-	50,000	61,926
-	4,586,832	4,586,832
<u>\$ 15,178,862</u>	<u>\$ 45,727,504</u>	<u>\$ 81,886,753</u>
\$ 1,400	\$ 616,761	\$ 1,886,528
-	299,449	705,522
-	-	197,134
<u>1,400</u>	<u>916,210</u>	<u>2,789,184</u>
-	7,840	7,840
<u>-</u>	<u>7,840</u>	<u>7,840</u>
-	50,000	61,926
-	2,077,850	2,077,850
-	227,000	227,000
-	9,342,410	9,342,410
-	783,240	783,240
-	7,355,446	7,355,446
-	5,762,292	16,700,906
-	7,444,631	7,444,631
15,177,462	-	15,177,462
-	4,420,525	4,420,525
-	7,340,060	7,340,060
-	-	8,158,273
<u>15,177,462</u>	<u>44,803,454</u>	<u>79,089,729</u>
<u>\$ 15,178,862</u>	<u>\$ 45,727,504</u>	<u>\$ 81,886,753</u>

WASHINGTON COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	General Fund	Special Revenue	
		RAP Tax Fund	Travel Board
Revenues			
Taxes	\$ 19,983,786	\$ 3,126,911	\$ 7,856,254
Licenses and permits	32,615	-	-
Intergovernmental	4,992,655	-	-
Charges for services	2,007,058	-	-
Fines and forfeitures	977,888	-	-
Interest	149,253	6,996	134,463
Sub-lease revenue	-	-	-
Other revenue	1,166,602	-	60,345
Total revenues	<u>29,309,857</u>	<u>3,133,907</u>	<u>8,051,062</u>
Expenditures			
Current:		-	-
General government	4,627,951	-	-
Judicial	1,932,659	-	-
Public Safety	15,100,341	-	-
Public Works	556,448	-	-
Health and Sanitation	1,491,830	-	-
Conservation	-	-	-
Culture, tourism, and recreation	272,342	3,038,332	7,509,403
Matching Funds & contributions	61,585	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	444,538
Interest	-	-	114,634
Total expenditures	<u>24,043,156</u>	<u>3,038,332</u>	<u>8,068,575</u>
Excess revenues over (under) expenditures	<u>5,266,701</u>	<u>95,575</u>	<u>(17,513)</u>
Other financing sources (uses)			
Transfers in	-	-	200,000
Transfers out	(4,949,499)	-	(1,417,350)
Total other financing sources and uses	<u>(4,949,499)</u>	<u>-</u>	<u>(1,217,350)</u>
Net change in fund balances	317,202	95,575	(1,234,863)
Fund balances - beginning of year	7,727,438	572,991	11,510,663
Prior period adjustment	119,807	-	-
Fund balances - end of year	<u>\$ 8,164,447</u>	<u>\$ 668,566</u>	<u>\$ 10,275,800</u>

The accompanying notes are an integral part of the financial statements

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 17,539,226	\$ 48,506,177
-	230,261	262,876
-	13,549,997	18,542,652
-	726,128	2,733,186
-	85,848	1,063,736
157,417	448,244	896,373
-	425,681	425,681
5,000	415,574	1,647,521
<u>162,417</u>	<u>33,420,959</u>	<u>74,078,202</u>
-	6,435,330	11,063,281
-	-	1,932,659
-	4,214,972	19,315,313
-	8,169,864	8,726,312
-	1,319,930	2,811,760
-	688,319	688,319
-	7,908,089	18,728,166
-	-	61,585
3,559,424	-	3,559,424
-	2,960,462	3,405,000
-	1,016,812	1,131,446
<u>3,559,424</u>	<u>32,713,778</u>	<u>71,423,265</u>
<u>(3,397,007)</u>	<u>707,181</u>	<u>2,654,937</u>
6,261,818	2,790,199	9,252,017
-	(2,885,168)	(9,252,017)
<u>6,261,818</u>	<u>(94,969)</u>	<u>-</u>
2,864,811	612,212	2,654,937
12,312,651	43,901,295	76,025,038
-	289,947	409,754
<u>\$ 15,177,462</u>	<u>\$ 44,803,454</u>	<u>\$ 79,089,729</u>

WASHINGTON COUNTY
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
December 31, 2017

Total governmental fund balances		\$ 79,089,729
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.		2,116,670
Net pension asset is not an available resource and, therefore, is not reported in the funds.		11,166
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$ 126,631,990	
Accumulated depreciation	<u>(73,653,851)</u>	
		52,978,139
Revenues considered unearned and not reported in the funds		7,840
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	(17,929,000)	
Less: Deferred charge on refunding (to be amortized)	883,761	
Net unamortized premiums	(1,496,291)	
Capital leases payable	(9,101,175)	
Compensated absences	(1,735,137)	
Net pension liability	(15,140,518)	
Accrued interest payable	<u>(229,485)</u>	
		(44,747,845)
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	9,995,563	
Deferred inflows	<u>(2,387,293)</u>	
		7,608,270
Assets and liabilities of the internal service fund included in governmental activities.		<u>900,295</u>
Total net position of governmental activities		<u><u>\$ 97,964,264</u></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, 2017

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

Net changes in fund balances - total governmental funds		\$ 2,654,937
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay	\$ 5,142,828	
Depreciation expense	<u>(3,311,745)</u>	1,831,083
<p>The statement of activities only reports the gain or loss on the sale of capital assets. In the governmental funds, only the proceeds from the sale are reported.</p>		
		(49,227)
<p>Sub-lease revenues reported in the funds that provide current financial resources are reported as a reduction of notes receivable in the statement of net position.</p>		
		(384,437)
<p>The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>		
Principal payments on bonds payable	1,917,000	
Principal payments on capital leases	1,562,551	
Amortization of bond premiums	166,918	
Amortization of deferred charge on refunding	<u>(175,412)</u>	3,471,057
<p>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.</p>		
Pension contributions	4,106,253	
Pension expense	<u>(5,133,278)</u>	(1,027,025)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Compensated absences	(62,488)	
Accrued interest	<u>17,867</u>	(44,621)
<p>Internal service funds are used by management to charge costs of certain activities to individual funds. This amount represents the net revenue (expense) of the internal service fund reported as governmental activities</p>		
		<u>(316,422)</u>
Change in net position of governmental activities		<u>\$ 6,135,345</u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Statement of Net Position
Proprietary Funds
December 31, 2017

	<u>Internal Service Fund</u>
Assets:	
Cash	\$ 1,197,218
Accounts receivable	30,000
Prepaid expenses	<u>514,000</u>
Total Assets	<u>1,741,218</u>
 Liabilities:	
Accounts payable	<u>840,923</u>
Total Liabilities	<u>840,923</u>
 Net Position:	
Unrestricted	<u>900,295</u>
Total Net Position	<u><u>\$ 900,295</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, 2017

	Internal Service Fund
Operating Revenues	
Charges for services	
County contributions	\$ 4,383,981
Employee contributions	937,111
Total operating revenues	5,321,092
Operating Expenses	
Claims expense	5,107,013
Premium expense	530,501
Total operating expenses	5,637,514
Operating income (loss)	(316,422)
Net position, beginning of the year	1,216,717
Net position, end of the year	\$ 900,295

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, 2017

	Internal Service Fund
Cash Flows From Operating Activities:	
Cash received from customers, service fees	\$ 5,404,047
Cash paid to suppliers	(5,496,215)
Cash flows from operating activities	(92,168)
Net Change in Cash and Cash Equivalents	(92,168)
Cash and cash equivalents including restricted cash, beginning of year	1,289,386
Cash and cash equivalents including restricted cash, end of year	\$ 1,197,218
Reconciliation of operating income (loss) to cash flows from operating activities:	
Net operating income (loss)	\$ (316,422)
Adjustments to reconcile net income (loss) to cash flows from operating activities:	
Depreciation	
Changes in operating assets and liabilities	
(Increase)/Decrease in receivables	82,955
Increase/(Decrease) in accounts payable	141,299
	141,299
Net cash flows from operating activities	\$ (92,168)

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Combined Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2017

	<u>Agency Funds</u>
Assets	
Cash and investments	\$ 29,477,549
Total Assets	<u>\$ 29,477,549</u>
Liabilities	
Deposits held in trust	\$ 8,054,609
Due to taxing districts	18,474,961
Due to Washington County General Fund and Other Funds	1,978,558
Due to Assessing & Collecting Fund	<u>969,421</u>
Total Liabilities	<u>\$ 29,477,549</u>
Net Position	
Held in trust for individuals, organizations, and other governments	<u><u>\$ -</u></u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Combining Statement of Net Position
Component Units
December 31, 2017

	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	\$ 5,418,068	\$ 7,947,500	\$ 14,059,037	\$ 3,779,981	\$ 31,204,586
Due from other governments	351,326	-	-	973,325	1,324,651
Due from other sources	-	524,071	1,046,907	525,321	2,096,299
Inventory	-	7,981	-	6,812	14,793
Prepaid assets	61,714	21,506	-	-	83,220
Total current assets	<u>5,831,108</u>	<u>8,501,058</u>	<u>15,105,944</u>	<u>5,285,439</u>	<u>34,723,549</u>
Noncurrent assets:					
Restricted cash and investments	-	5,522,494	6,016,358	1,131,682	12,670,534
Due from other sources - noncurrent	-	46,022	-	-	46,022
Net pension asset	-	-	-	10,587	10,587
Capital assets not being depreciated	971,079	9,941,285	142,645	3,730,665	14,785,674
Capital assets being depreciated, net of accumulated depreciation	3,779,402	11,717,781	5,145,027	8,117,506	28,759,716
Total noncurrent assets	<u>4,750,481</u>	<u>27,227,582</u>	<u>11,304,030</u>	<u>12,990,440</u>	<u>56,272,533</u>
Total assets	<u>\$ 10,581,589</u>	<u>\$ 35,728,640</u>	<u>\$ 26,409,974</u>	<u>\$ 18,275,879</u>	<u>\$ 90,996,082</u>
Deferred Outflows of Resources					
Deferred outflows related to pensions	952,400	356,604	262,907	249,801	1,821,712
Liabilities					
Current liabilities:					
Accounts payable	\$ 12,110	\$ 12,718	\$ 858,290	\$ 160,354	\$ 1,043,472
Accrued liabilities	202,905	49,777	32,981	94,201	379,864
Compensated absences	103,557	56,870	96,576	-	257,003
Accrued interest payable	-	-	-	20,239	20,239
Total current liabilities	<u>318,572</u>	<u>119,365</u>	<u>987,847</u>	<u>274,794</u>	<u>1,700,578</u>
Noncurrent liabilities:					
Due within one year	-	-	-	284,012	284,012
Due in more than one year	1,380,127	63,643	4,948,927	5,037,658	11,430,355
Net pension liability	-	510,665	385,488	48,772	944,925
Total noncurrent liabilities	<u>1,380,127</u>	<u>574,308</u>	<u>5,334,415</u>	<u>5,370,442</u>	<u>12,659,292</u>
Total liabilities	<u>1,698,699</u>	<u>693,673</u>	<u>6,322,262</u>	<u>5,645,236</u>	<u>14,359,870</u>
Deferred Inflows of Resources					
Billings for future period revenues	-	-	-	6,403	6,403
Deferred inflows related to pensions	268,312	64,351	57,481	98,288	488,432
Total deferred inflows of resources	<u>268,312</u>	<u>64,351</u>	<u>57,481</u>	<u>104,691</u>	<u>494,835</u>
Net Position:					
Net investment in capital assets	4,750,481	21,659,066	5,287,672	6,547,987	38,245,206
Restricted	4,828,523	5,599,076	355,761	1,273,164	12,056,524
Unrestricted	(12,026)	8,069,078	14,649,705	4,954,602	27,661,359
Total net position	<u>\$ 9,566,978</u>	<u>\$ 35,327,220</u>	<u>\$ 20,293,138</u>	<u>\$ 12,775,753</u>	<u>\$ 77,963,089</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, 2017

	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	\$ -	\$ -	\$ -	\$ 4,916,005	\$ 4,916,005
Public works					
Sewer services	-	2,753,003	-	-	2,753,003
Solid waste services	-	-	12,465,359	-	12,465,359
Water services	-	-	-	470,621	470,621
Transportation services	-	-	-	18,324	18,324
Health and sanitation					
Health services	8,177,076	-	-	-	8,177,076
Conservation & economic development	-	-	-	73,623	73,623
Total expenses	<u>8,177,076</u>	<u>2,753,003</u>	<u>12,465,359</u>	<u>5,478,573</u>	<u>28,874,011</u>
Program revenues:					
Charges for services	1,749,145	2,907,560	12,710,627	2,497,115	19,864,447
Operating grants and contributions	6,958,609	99,531	-	56,896	7,115,036
Capital grants and contributions	-	1,668,804	-	915,224	2,584,028
Net (expense) revenue	<u>530,678</u>	<u>1,922,892</u>	<u>245,268</u>	<u>(2,009,338)</u>	<u>689,500</u>
General revenues:					
Property taxes	-	-	-	3,015,660	3,015,660
Other taxes	-	-	-	120,196	120,196
Unrestricted investment earnings	40,844	176,920	210,453	46,190	474,407
Miscellaneous	27,135	98,706	-	3,800	129,641
Gain on sale of assets	-	11,808	4,695	9,772	26,275
Total general revenues and transfers	<u>67,979</u>	<u>287,434</u>	<u>215,148</u>	<u>3,195,618</u>	<u>3,766,179</u>
Change in net position	598,657	2,210,326	460,416	1,186,280	4,455,679
Total net position - beginning	8,968,321	33,116,894	19,832,722	11,589,473	73,507,410
Prior period adjustment	-	-	-	-	-
Total net position - ending	<u>\$ 9,566,978</u>	<u>\$ 35,327,220</u>	<u>\$ 20,293,138</u>	<u>\$ 12,775,753</u>	<u>\$ 77,963,089</u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

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 7, 2018.

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 July 11, 2018.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

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 April 2, 2018.

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 20, 2018.

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, 2018.

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, 2017

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.

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.

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 2017, the County provided \$546,688 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 2017 the County contributed \$25,000 to the Association. The County does not retain an ongoing financial interest or responsibility in the Association.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

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, 2017

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 **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.

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.

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** include the debt service fund and special revenue funds that account for specific revenue sources that are legally restricted to expenditures for specific purposes. Non-major special revenue funds are the Class "B" Roads, Municipal Services, Assessing and Collecting, Flood Damage, Children's Justice Center, Library, Habitat Conservation, Council on Aging, Recreation, Grants, Sports and Outdoor Recreation, 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.

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.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

NOTE 1. Summary of Significant Accounting Policies (Continued)

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.

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.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

NOTE 1. Summary of Significant Accounting Policies (Continued)

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.

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 acquisition 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.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

NOTE 1. Summary of Significant Accounting Policies (Continued)

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Building and improvements	7 to 40 years
Treatment facilities and improvements	40 years
Machinery and equipment	3 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.

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.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

NOTE 1. Summary of Significant Accounting Policies (Continued)

Net position flow assumption

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

Fund balance flow assumptions

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

Fund balance policies

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

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

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

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

NOTE 1. Summary of Significant Accounting Policies (Continued)

Revenues and expenditures/expenses

Program revenues

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

Property taxes

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

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

Compensated absences

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

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

NOTE 1. Summary of Significant Accounting Policies (Continued)

Proprietary funds operating and nonoperating revenues and expenses

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

Use of estimates

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

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

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

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

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

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

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

NOTE 3. Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

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

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

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

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

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

Expenditures over Appropriations

Expenditures may not legally exceed budgeted appropriations at the department level. The Statement of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual reports as listed in the table of contents present all of the departments which incurred an excess of expenditures/expenses over appropriations for the year ended December 31, 2017, if any.

Encumbrances

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

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

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.

A reconciliation of cash and investments as shown on the statement of net position is as follows:

Cash and cash equivalents	\$ 68,943,104
Restricted cash and investments	4,586,832
Agency fund monies	29,477,549
	<u>\$ 103,007,485</u>

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. At December 31, 2017, cash on hand was \$6,206 and the carrying amount of the County's deposits was \$1,435,652. As of December 31, 2017, \$1,230,781 of the County's bank balance of \$1,760,384 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, 2017, \$6,176,008 of the Washington County Solid Waste Special Service District bank balance of \$6,739,074, \$2,162,600 of the Southwest Utah Public Health Department bank balance of \$2,587,469, and \$191,814 of Ash Creek Special Service District bank balance of \$441,814 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

Investments

The Money Management Act defines the types of securities authorized as appropriate investment for the County and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

NOTE 4. Deposits and Investments (Continued)

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. Financial statements for the PTIF funds are available on the Utah State Treasurer’s website at treasurer.utah.gov.

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, 2017 the County had the following investments, ratings, and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating (1)</u>	<u>Weighted Average Maturity (2)</u>
Local Government Pooled Investment Fund	\$ 101,565,628	N/A	50.08

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

N/A indicates not applicable.

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

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County’s policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State’s Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

NOTE 4. Deposits and Investments (Continued)

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act.

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

	Carrying Amount	Quality Rating
Southwest Utah Public Health Department	\$ 4,589,110	Unrated
Ash Creek Special Service District	\$13,028,180	Unrated
Wash. County Solid Waste Special Svc. Dist. No. 1	\$ 7,366,940	Unrated

In addition to the PTIF investments above, the Washington County Solid Waste Special Service District has the following investments:

Investment Type	Fair Value	Credit Rating (1)	Investment Maturities (in years)	
			less than 1	1-5
Agency	\$ 2,341,725	AA	\$ -	\$ 2,341,725
Corporate	4,486,031	A	875,382	3,610,649
Currency	12	AAA	12	-
Money Market Fund	24,382	N/A	24,382	-

(1) Ratings are provided where applicable to indicate associated Credit Risk.
N/A indicates not applicable.

Fair value measurements

As noted above, the County holds investments that are measured at fair value on a recurring basis. The County categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The PTIF, as listed above, is valued using significant other observable inputs (Level 2 inputs).

The Washington County Solid Waste Special Service District investments are valued as follows: Agency, Currency, and Money Market Fund are valued using quoted prices in active markets (Level 1 inputs). Corporate is valued using significant unobservable inputs (Level 2 inputs).

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

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, 2017. These monies were distributed to the various County funds in January 2018 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 2017, the County's combined tax rate for assessing and collecting was .00047. 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, 2018.

Notes receivable that are shown on the Statement of Net Position include \$2,116,670 receivable from St. George City for payments due on the Convention Center 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, 2017 are shown in the following table:

	Transfers out reported in:			Total
	General Fund	Travel Board	Nonmajor: Recreation Fund	
Transfers in reported in:				
Travel Board Fund	\$ -	\$ -	\$ 200,000	\$ 200,000
Capital Projects Fund	3,700,000	-	2,561,818	6,261,818
Nonmajor Special Revenue Funds:	-	-	-	
Debt Service Fund	433,929	-	-	433,929
Children's Justic Center Fund	54,770	-	-	54,770
Library Fund	112,000	-	-	112,000
Council on Aging Fund	561,300	-	-	561,300
Recreation Fund	-	700,000	-	700,000
Grant & Endowment	87,500	-	-	87,500
Sports & Outdoor Rec. Fund	-	717,350	123,350	840,700
Total Transfers	\$ 4,949,499	\$ 1,417,350	\$ 2,885,168	\$ 9,252,017

No interfund receivables and payables at December 31, 2017.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

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, 2017. These monies were distributed in January of 2018 and thereafter.

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WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

NOTE 8. Capital Assets

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

Governmental Activities:	Balance 12/31/2016	Additions	Deletions	Transfers	Balance 12/31/2017
Capital assets, not being depreciated:					
Land	4,574,422	\$ -	\$ -	\$ 293,430	\$ 4,867,852
Construction in progress	77,284	3,523,869	-	(3,397,328)	203,825
Total capital assets, not being depreciated:	<u>4,651,706</u>	<u>3,523,869</u>	<u>-</u>	<u>(3,103,898)</u>	<u>5,071,677</u>
Capital assets, being depreciated:					
Buildings and improvements	52,311,614	24,555	-	-	52,336,169
Convention Center	12,344,835	-	-	-	12,344,835
Regional Park	4,313,510	-	-	3,103,898	7,417,408
Museum	2,279,863	-	-	-	2,279,863
Autos and trucks	5,300,856	596,440	(654,687)	-	5,242,609
Equipment	8,806,703	572,283	(219,118)	-	9,159,868
Furniture and fixtures	952,418	35,000	-	-	987,418
Bridges, Towers, Trails, Infrastructure	4,729,267	390,681	-	-	5,119,948.36
Streets and sidewalks	26,672,195	-	-	-	26,672,195
Total capital assets, being depreciated:	<u>117,711,261</u>	<u>1,618,959</u>	<u>(873,805)</u>	<u>3,103,898</u>	<u>121,560,313</u>
Less accumulated depreciation for:					
Buildings and improvements	(20,238,359)	(1,602,668)	-	-	(21,841,027)
Convention Center	(6,364,854)	(317,118)	-	-	(6,681,972)
Regional Park	(2,279,964)	(136,056)	-	-	(2,416,020)
Museum	(1,169,823)	(58,458)	-	-	(1,228,281)
Autos and trucks	(4,169,076)	(449,345)	614,896	-	(4,003,525)
Equipment	(6,545,632)	(546,526)	209,682	-	(6,882,476)
Furniture and fixtures	(706,128)	(41,961)	-	-	(748,089)
Bridges, Towers, Trails, Infrastructure	(3,302,691)	(138,052)	-	-	(3,440,743)
Streets and sidewalks	(26,390,157)	(21,561)	-	-	(26,411,718)
Total accumulated depreciation	<u>(71,166,684)</u>	<u>(3,311,745)</u>	<u>824,578</u>	<u>-</u>	<u>(73,653,851)</u>
Total capital assets, being depreciated, net	<u>46,544,577</u>	<u>(1,692,786)</u>	<u>(49,227)</u>	<u>3,103,898</u>	<u>47,906,462</u>
Governmental activities capital assets, net	<u>\$ 51,196,283</u>	<u>\$ 1,831,083</u>	<u>\$ (49,227)</u>	<u>\$ -</u>	<u>\$ 52,978,139</u>

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

Governmental Activities:	
General government	\$ 859,391
Public safety	877,381
Public works	488,162
Health and sanitation	199,485
Culture, tourism, and recreation	885,470
Judicial	1,856
Total depreciation expense - governmental activities	<u>\$ 3,311,745</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

NOTE 9. Long-Term Liabilities

The following is a summary of changes in long-term debt for the year ended December 31, 2017.

Governmental activities:	Balance 12/31/2016	Additions	Retirements	Balance 12/31/2017	Current Portion
General Obligation Bonds:					
Refunding G.O. bonds					
Series 2010 Refunding G.O. bonds	\$ 7,290,000	\$ -	\$ (555,000)	\$ 6,735,000	\$ 1,020,000
Series 2012 Refunding G.O. bonds	765,000	-	(765,000)	-	-
Series 2016 Refunding G.O. bonds	3,145,000	-	(265,000)	2,880,000	290,000
Net unamortized premiums	870,279		(127,272)	743,007	-
Revenue Obligation Bonds:					
Sales tax revenue bonds, series 2006	215,000	-	(215,000)	-	-
Sales tax revenue refunding bonds, series 2016	5,995,000		-	5,995,000	230,000
Net unamortized premiums	792,930		(39,646)	753,284	-
MBA lease revenue bonds, series 2010	2,436,000		(117,000)	2,319,000	122,000
Total Bonds	21,509,209	-	(2,083,918)	19,425,291	1,662,000
Capital leases (Convention)	10,340,727		(1,395,552)	8,945,175	1,500,000
Capital leases (Museum)	204,000		(48,000)	156,000	48,000
Capital leases (Land)	118,999		(118,999)	-	-
Net pension liability	13,345,667	1,794,851	-	15,140,518	-
Accrued Compensated Absences	1,672,649	62,488	-	1,735,137	261,000
Total Governmental activity					
long-term liabilities	<u>\$ 47,191,251</u>	<u>\$ 1,857,339</u>	<u>\$ (3,646,469)</u>	<u>\$ 45,402,121</u>	<u>\$ 3,471,000</u>

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

Period Ending December 31	Principal	Interest	Total
2018	\$ 1,662,000	\$ 716,480	\$ 2,378,480
2019	1,733,000	647,240	2,380,240
2020	1,814,000	574,680	2,388,680
2021	1,880,000	498,800	2,378,800
2021	1,941,000	435,650	2,376,650
2022-2026	4,248,000	1,094,840	5,342,840
2027-2031	2,671,000	698,370	3,369,370
2032-2036	1,980,000	244,000	2,224,000
	<u>\$ 17,929,000</u>	<u>\$ 4,910,060</u>	<u>\$ 22,839,060</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

NOTE 9. Long-Term Liabilities (Continued)

Prior year defeasance of debt

The County issued \$2,880,000 of general obligation refunding bonds in 2016 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 2007 G.O. Bonds. As a result, \$2,945,000 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 \$168,150. 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. The amount of defeased debt outstanding at December 31, 2017 is \$2,125,000.

The County issued \$5,995,000 of sales tax refunding bonds in 2016 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 2006 Sales Tax Bonds. As a result, \$6,440,000 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 \$243,640. 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. The amount of defeased debt outstanding at December 31, 2017 is \$6,225,000.

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

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

NOTE 9. Long-Term Liabilities (Continued)

Bonds payable at December 31, 2017, consist of the following:

General Obligation:

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. \$ 6,735,000

Refunding G. O. Bonds Series 2016 for the purpose of partially refunding G.O. Bonds, Series 2007, payable in amounts ranging from \$290,000 to \$360,000 including interest ranging from 2.0% to 4.0%, maturing April 1, 2026. 2,880,000

Revenue Obligation:

Refunding Sales Tax Series 2016 for the purpose of partially refunding Sales Tax Revenue Bonds, Series 2006, payable in amounts ranging from \$230,000 to \$430,000 including interest ranging from 3.0% to 4.0%, maturing September 1, 2036. 5,995,000

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. 2,319,000

Net unamortized premiums 1,496,291

Total Bonds Payable \$ 19,425,291

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

NOTE 9. Long-Term Liabilities (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
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	436,087	1,459,944	1,896,031
2022	572,839	1,917,767	2,490,606
Total remaining minimum lease payments	2,283,216	7,643,814	9,927,030
Less amount representing interest	225,826	756,029	981,855
Present value of net remaining minimum lease payments	<u>\$ 2,057,390</u>	<u>\$ 6,887,785</u>	<u>\$ 8,945,175</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

NOTE 9. Long-Term Liabilities (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
2018	\$ 21,075	\$ 34,385	\$ 55,460
2019	21,170	34,540	55,710
2020	21,238	34,652	55,890
2021	-	-	-
2022	-	-	-
Total remaining minimum lease payments	63,483	103,577	167,060
Less amount representing interest	4,203	6,857	11,060
Present value of net remaining minimum lease payments	<u>\$ 59,280</u>	<u>\$ 96,720</u>	<u>\$ 156,000</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

NOTE 9. Long-Term Liabilities (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;
- The Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer, cost-sharing, public employee retirement system;
- The Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple employer, cost-sharing, public employee retirement system.

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, 2017

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.

Contribution Rate Summary

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 as of December 31, 2017 are as follows:

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

NOTE 10. Defined Benefit Pension Plan (Continued)

Utah Retirement Systems

	Employee	Employer	Employer 401(k)
Contributory System			
111 – Local Governmental Division Tier 2	N/A	15.11%	1.58%
Noncontributory System			
15 – Local Governmental Division Tier 1	N/A	18.47%	N/A
Public Safety System			
Contributory			
122 – Tier 2 DB Hybrid Public Safety	N/A	22.57%	1.26%
Noncontributory			
43 – Other Division A with 2.5% COLA	N/A	34.04%	N/A
Tier 2 DC Only			
211 – Local Government	N/A	6.69%	10.00%
222 – Public Safety	N/A	11.83%	12.00%

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For the fiscal year ended December 31, 2017, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 1,575,961	N/A
Public Safety System	1,798,657	-
Tier 2 Public Employees System	391,376	-
Tier 2 Public Safety and Firefighter	290,553	-
Tier 2 DC Only System	41,995	N/A
Tier 2 DC Public Safety and Firefighter System	7,710	N/A
Total Contributions	\$ 4,106,253	\$ -

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

NOTE 10. Defined Benefit Pension Plan (Continued)

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

At December 31, 2017, the County reported a net pension asset of \$11,166 and a net pension liability of \$15,140,518.

	Proportionate Share		Change (Decrease)	(Measurement Date): December 31, 2016	
	December 31, 2015	December 31, 2016		Net Pension Asset	Net Pension Liability
	Noncontributory System	1.0917112%		1.0874791%	(0.0042321)%
Public Safety System	4.0018025%	4.0071949%	0.0053924 %	-	8,131,705
Tier 2 Public Employees System	0.1908972%	0.2318753%	0.0409781 %	-	25,866
Tier 2 Public Safety and Firefighter	1.2931737%	1.2863569%	(0.0068168)%	11,116	-
				<u>\$ 11,116</u>	<u>\$ 15,140,518</u>

The net pension asset and liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2016 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended December 31, 2017, the County recognized pension expense of \$5,132,686.

At December 31, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 159,929	\$ 871,456
Changes in assumptions	2,380,315	514,473
Net difference between projected and actual earnings on pension plan investments	3,278,791	964,670
Changes in proportion and differences between contributions and proportional share of contributions	70,276	36,695
Contributions subsequent to the measurement date	4,106,253	-
	<u>\$ 9,995,563</u>	<u>\$ 2,387,294</u>

\$4,106,253 reported as deferred outflows of resources related to pension results from contributions made by the County prior to our fiscal year end, but subsequent to the measurement date of December 31, 2016.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

NOTE 10. Defined Benefit Pension Plan (Continued)

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
2017	\$ 1,000,012
2018	1,197,885
2019	1,411,247
2020	(130,175)
2021	1,748
Thereafter	21,300

Actuarial assumptions

The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 Percent
Salary increases	3.35 – 10.35 percent, average, including inflation
Investment rate of return	7.2 percent, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actual assumptions used in the January 1, 2016, 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 and is applied consistently to each defined benefit pension plan. 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, 2017

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		2.60%
	Expected arithmetic nominal return		7.83%

The 7.20% assumed investment rate of return is comprised of an inflation rate of 2.60%, a real return of 4.60% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 7.20 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. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced to 7.20 percent from 7.50 percent from the prior measurement period.

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 7.20 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 (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

System	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Noncontributory System	\$ 14,464,049	\$ 6,982,947	\$ 740,376
Public Safety System	16,912,103	8,131,705	994,439
Tier 2 Public Employees System	176,058	25,866	(88,393)
Tier 2 Public Safety and Firefighter	78,123	(11,166)	(79,783)
Total	\$ 31,630,333	\$ 15,129,352	\$ 1,566,639

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

NOTE 10. Defined Benefit Pension Plan (Continued)

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

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

The County participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan
- Traditional IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended December 31, were as follows:

<i>401(k) Plan</i>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer Contributions	\$ 169,703	\$ 140,542	\$ 105,061
Employee Contributions	290,731	319,300	372,510
<i>457 Plan</i>			
Employer Contributions	-	-	-
Employee Contributions	68,128	74,565	80,276
<i>Roth IRA Plan</i>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	84,390	62,950	47,585
<i>Traditional IRA</i>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	1,300	-	-

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.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

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.

	12/31/17
Unpaid claims beginning of year	\$ -
Incurred claims	5,231,809
Claim payments	(5,231,809)
Unpaid claims, end of year	\$ -

NOTE 12. Commitments and Contracts

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

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

St. George City Sub-Lease Agreement:

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

Washington County/St. George City Interlocal Agreement:

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

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

NOTE 13. Contingencies

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

NOTE 14. Component Unit Disclosures

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

NOTE 15. Conduit Debt Obligations

To provide for the purchase and improvements to an existing building for the 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.

To provide for the construction of a firehouse for the Hurricane Valley Fire Special Service District (a component unit of the County), the Municipal Building Authority of Washington County, Utah issued \$1,000,000 Lease Revenue Bonds Series, 2016. The County leases the property from the Authority and subleases the property to the Hurricane Valley Special Service District.

To provide for the construction of a new campus building the Dixie Applied Technology College, the Municipal Building Authority of Washington County, Utah issued \$8,510,000 Lease Revenue Bonds Series, 2017. The County leases the property from the Authority and subleases the property to the Dixie Applied Technology College.

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, 2017, the principal amount outstanding on the bonds was \$172,000, \$442,000, \$522,000, \$1,000,000, and \$8,510,000, respectively.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2017

NOTE 16. Prior Period Adjustment

The County had some monies that were previously reported in a fiduciary fund. It was determined that the monies should have been reported in the County's governmental funds. A prior period adjustment has been recorded to decrease cash and deposits in trust in the agency fund and increase cash and fund balance/net position in the following:

<u>Governmental Activities</u>	<u>General Fund</u>	<u>Municipal Services Fund</u>	<u>Library Fund</u>	<u>Council on Aging Fund</u>
\$ 409,754	\$ 119,807	\$ 73,017	\$ 52,108	\$ 164,822

REQUIRED SUPPLEMENTARY INFORMATION

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

<u>As of fiscal year ended December 30,</u>	<u>Proportion of the net pension liability (asset)</u>	<u>Proportionate share of the net pension liability (asset)</u>	<u>Covered payroll</u>	<u>Proportionate share of the net pension liability (asset) as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
Noncontributory System					
2015	1.0894576%	\$ 4,730,681	\$ 9,455,509	50.03%	90.2%
2016	1.0917112%	\$ 6,177,433	\$ 9,445,406	65.40%	87.8%
2017	1.0874790%	\$ 6,982,947	\$ 9,507,848	73.44%	87.3%
Public Safety System					
2015	3.9374732%	\$ 4,951,700	\$ 5,931,668	83.48%	90.5%
2016	4.0018025%	\$ 7,168,234	\$ 5,923,953	121.00%	87.1%
2017	4.0071950%	\$ 8,131,705	\$ 5,830,056	139.48%	86.5%
Tier 2 Public Employees System					
2015	0.1945078%	\$ (5,894)	\$ 954,897	-0.62%	103.5%
2016	0.1908972%	\$ (417)	\$ 1,233,200	-0.03%	100.2%
2017	0.2318750%	\$ 25,866	\$ 1,901,571	1.36%	95.1%
Tier 2 Public Safety and Firefighter System					
2015	0.9050599%	\$ (13,389)	\$ 374,571	-3.57%	120.5%
2016	1.2931737%	\$ (18,894)	\$ 769,516	-2.46%	110.7%
2017	1.2863570%	\$ (11,166)	\$ 1,062,822	-1.05%	103.6%

In accordance with paragraph 81.a of GASB 68, employers are required to disclose a 10-year history of their proportionate share of the net pension liability (asset) in their RSI. The County implemented GASB 68 in 2015. Prior year information is not available.

WASHINGTON COUNTY
Schedule of Contributions
Last 10 Fiscal Years

As of fiscal year ended December 30,	Actuarial determined contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
Noncontributory System					
2014	\$ 1,647,982	\$ 1,647,982	-	\$ 9,456,761	17.43%
2015	1,697,032	1,697,032	-	9,445,458	17.97%
2016	1,699,000	1,699,000	-	9,509,197	17.87%
2017	1,575,961	1,575,961	-	8,815,924	17.88%
Public Safety System					
2014	\$ 1,893,774	\$ 1,893,774	-	\$ 5,931,668	31.93%
2015	1,961,387	1,961,387	-	5,923,953	33.11%
2016	1,963,143	1,963,143	-	5,830,675	33.67%
2017	1,798,657	1,798,657	-	5,370,153	33.49%
Tier 2 Public Employees System*					
2014	\$ 138,422	\$ 138,422	-	\$ 955,015	14.49%
2015	184,883	184,883	-	1,238,763	14.92%
2016	283,488	283,488	-	1,901,334	14.91%
2017	391,376	391,376	-	2,607,582	15.01%
Tier 2 Public Safety and Firefighter System*					
2014	\$ 82,055	\$ 82,055	-	\$ 375,579	21.85%
2015	173,317	173,317	-	769,516	22.52%
2016	238,672	238,672	-	1,060,763	22.50%
2017	290,553	290,553	-	1,289,256	22.54%
Tier 2 Public Employees DC Only System*					
2014	\$ 6,411	\$ 6,411	-	\$ 101,042	6.34%
2015	17,446	17,446	-	260,388	6.70%
2016	32,613	32,613	-	484,094	6.74%
2017	41,995	41,995	-	627,732	6.69%
Tier 2 Public Safety and Firefighter DC Only System*					
2014	\$ 4,215	\$ 4,215	-	\$ 38,483	10.95%
2015	7,516	7,516	-	63,534	11.83%
2016	4,872	4,872	-	41,183	11.83%
2017	7,710	7,710	-	65,175	11.83%

Paragraph 81.a of GASB 68, requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative issues. The County implemented GASB 68 in 2015. Prior year information is not available.

*Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

WASHINGTON COUNTY
Notes to the Required Supplementary Information
For the Year Ended December 31, 2017

Changes in Assumptions:

The following actuarial assumption changes were adopted January 1, 2016. The assumed investment return assumption was decreased from 7.50% to 7.20% and the assumed inflation rate was decreased from 2.75% to 2.60%. With the decrease in the assumed rate of inflation, both the payroll growth and wage inflation assumptions were decreased by 0.15% from the prior year's assumption.

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 **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.
- 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, 2017

REVENUES:	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Taxes:				
Current Property Taxes	\$ 8,705,876	\$ 9,095,272	\$ 9,321,892	\$ 226,620
Fee in lieu Taxes	1,025,000	1,025,000	1,178,097	153,097
Prior Years Delinquent Taxes	525,000	525,000	516,830	(8,170)
County Sales & Use Taxes	7,220,000	8,000,000	8,340,445	340,445
RDA Taxes	216,037	216,037	159,664	(56,373)
Penalties & Interest	450,000	450,000	466,858	16,858
Total Taxes	<u>18,141,913</u>	<u>19,311,309</u>	<u>19,983,786</u>	<u>672,477</u>
Licenses, Permits:				
Marriage Licenses	<u>27,500</u>	<u>27,500</u>	<u>32,615</u>	<u>5,115</u>
Intergovernmental:				
Prison Reimbursement	3,501,500	3,501,500	4,159,916	658,416
Miscellaneous Reimbursements	325,000	325,000	223,993	(101,007)
Bailiff/Security Reimbursement	<u>590,335</u>	<u>590,335</u>	<u>608,746</u>	<u>18,411</u>
Total Intergovernmental	<u>4,416,835</u>	<u>4,416,835</u>	<u>4,992,655</u>	<u>575,820</u>
Charges for Services:				
Clerk's Fees	122,270	122,270	129,349	7,079
Data Processing Fees	72,500	72,500	104,603	32,103
Jail Commissary, Phone and Medical	430,000	430,000	450,067	20,067
Recorder's Fees	765,000	765,000	899,230	134,230
State Medical Reimbursements	15,000	15,000	25,630	10,630
Prisoner Industry and Other	<u>384,000</u>	<u>384,000</u>	<u>398,179</u>	<u>14,179</u>
Total Charges for Services	<u>1,788,770</u>	<u>1,788,770</u>	<u>2,007,058</u>	<u>218,288</u>
Fines and Forfeitures:				
Court and Precinct Fines	<u>1,035,500</u>	<u>1,035,500</u>	<u>977,888</u>	<u>(57,612)</u>
Total Fines and Forfeitures	<u>1,035,500</u>	<u>1,035,500</u>	<u>977,888</u>	<u>(57,612)</u>
Other Revenues:				
Interest Revenue	-	-	149,253	149,253
Rent-Property	890,800	890,800	914,190	23,390
Sale of Property, Material & Supplies	-	-	11,654	11,654
Vending Revenue	-	-	258	258
Xerox Revenue	27,500	27,500	28,755	1,255
Other	<u>68,000</u>	<u>68,000</u>	<u>211,745</u>	<u>143,745</u>
Total Other Revenues	<u>986,300</u>	<u>986,300</u>	<u>1,315,855</u>	<u>329,555</u>
TOTAL REVENUES	<u>26,396,818</u>	<u>27,566,214</u>	<u>29,309,857</u>	<u>1,743,643</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, 2017

EXPENDITURES:	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
GENERAL GOVERNMENT				
Commission:				
Salaries	381,352	381,352	297,381	83,971
Employee Benefits	205,600	205,600	174,355	31,245
Services, Supplies and Other	78,550	78,550	55,914	22,636
Capital Outlay	12,500	12,500	3,433	9,067
	<u>678,002</u>	<u>678,002</u>	<u>531,083</u>	<u>146,919</u>
Human Resource:				
Salaries	164,570	164,570	155,225	9,345
Employee Benefits	79,500	79,500	71,844	7,656
Services, Supplies and Other	55,600	55,600	42,710	12,890
Capital Outlay	12,000	12,000	11,454	546
	<u>311,670</u>	<u>311,670</u>	<u>281,233</u>	<u>30,437</u>
Info Tech Services:				
Salaries	552	552	10,764	(10,212)
Employee Benefits	11,700	11,700	(205)	11,905
Services, Supplies and Other	176,448	176,448	113,594	62,854
Capital Outlay	68,500	68,500	101,779	(33,279)
	<u>257,200</u>	<u>257,200</u>	<u>225,932</u>	<u>31,268</u>
Clerk/Auditor:				
Salaries	350,302	350,302	351,897	(1,595)
Employee Benefits	181,915	181,915	165,861	16,054
Services, Supplies and Other	53,450	53,450	50,394	3,056
Capital Outlay	11,000	11,000	8,894	2,106
	<u>596,667</u>	<u>596,667</u>	<u>577,046</u>	<u>19,621</u>
Recorder:				
Salaries	32,268	32,268	52,935	(20,667)
Employee Benefits	22,572	22,572	25,234	(2,662)
Services, Supplies and Other	47,000	47,000	26,546	20,454
Capital Outlay	7,000	7,000	-	7,000
	<u>108,840</u>	<u>108,840</u>	<u>104,715</u>	<u>4,125</u>
Attorney:				
Salaries	1,681,333	1,681,333	1,635,919	45,414
Employee Benefits	807,200	807,200	783,343	23,857
Services, Supplies and Other	183,340	183,340	130,681	52,659
Capital Outlay	16,000	16,000	5,615	10,385
	<u>2,687,873</u>	<u>2,687,873</u>	<u>2,555,558</u>	<u>132,315</u>
Non-Departmental:				
Services, Supplies and Other	42,000	42,000	40,950	1,050
Insurance - Buildings and Vehicles	265,605	265,605	265,605	-
	<u>307,605</u>	<u>307,605</u>	<u>306,555</u>	<u>1,050</u>
Elections:				
Services, Supplies and Other	52,400	52,400	44,167	8,233
Capital Outlay	8,000	8,000	1,662	6,338
	<u>60,400</u>	<u>60,400</u>	<u>45,829</u>	<u>14,571</u>
Total General Government	<u>5,008,257</u>	<u>5,008,257</u>	<u>4,627,951</u>	<u>376,181</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, 2017

EXPENDITURES (Continued):	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
JUDICIAL				
Justice of the Peace:				
Salaries	687,000	687,000	670,036	16,964
Employee Benefits	299,700	299,700	281,083	18,617
Services and Supplies	86,000	86,000	69,841	16,159
Capital Outlay	9,000	9,000	28,184	(19,184)
	1,081,700	1,081,700	1,049,144	32,556
Public Defender:				
Services, Supplies and Other	874,261	924,261	883,515	40,746
Total Judicial	1,955,961	2,005,961	1,932,659	73,302
PUBLIC SAFETY				
Public Safety/County Jail:				
Salaries	8,874,300	8,874,300	8,724,947	149,353
Employee Benefits	4,983,800	4,983,800	4,727,986	255,814
Services, Supplies and Other	1,349,126	1,349,126	1,212,958	136,168
Capital Outlay	385,993	385,993	434,450	(48,457)
Total Public Safety	15,593,219	15,593,219	15,100,341	492,878
PUBLIC WORKS				
Maintenance:				
Motor Pool	51,000	51,000	10,652	40,348
County Buildings Maintenance	526,700	526,700	545,796	(19,096)
Total Public Works	577,700	577,700	556,448	21,252
PUBLIC HEALTH				
Health Services:				
Services, Supplies and Other	1,455,000	1,494,000	1,491,830	2,170
Total Public Health	1,455,000	1,494,000	1,491,830	2,170
CULTURE, TOURISM, & RECREATION				
Contribution to Economic Development Fund:				
Services, Supplies and Other	25,000	25,000	25,000	-
Total Culture, Tourism, & Recreation	25,000	25,000	25,000	-

(continued)

WASHINGTON COUNTY
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2017

EXPENDITURES (Continued):	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
MISCELLANEOUS				
Services, Supplies and Other	504,655	302,537	247,342	55,195
MATCHING FUNDS & CONTRIBUTIONS				
Contributions	58,000	68,617	61,585	7,032
TOTAL EXPENDITURES	25,177,792	25,075,291	24,043,156	1,028,010
Excess of Revenues Over Expenditures	1,219,026	2,490,923	5,266,701	2,771,653
Other Financing Sources (Uses):				
Transfer to Debt Service Fund	(505,956)	(505,956)	(433,929)	72,027
Transfer to Special Revenue Funds	(713,070)	(815,570)	(815,570)	-
Transfer to Capital Projects Fund	-	(3,000,000)	(3,700,000)	(700,000)
Total Other Financing Sources (Uses):	(1,219,026)	(4,321,526)	(4,949,499)	(627,973)
Net Change in Fund Balance	-	(1,830,603)	317,202	2,143,680
Fund Balance, Beginning of Year	7,727,438	7,727,438	7,727,438	-
Prior Period Adjustment	-	-	119,807	119,807
Fund Balance, End of Year	\$ 7,727,438	\$ 5,896,835	\$ 8,164,447	\$ 2,263,487

WASHINGTON COUNTY
RAP Tax Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Tax Revenues:				
RAP Taxes	\$ 3,000,000	\$ 3,275,000	\$ 3,126,911	\$ (148,089)
Total Taxes	3,000,000	3,275,000	3,126,911	(148,089)
Other Revenues:				
Interest Earnings	-	-	6,996	6,996
Total Other	-	-	6,996	6,996
Total Revenues	3,000,000	3,275,000	3,133,907	(141,093)
EXPENDITURES:				
Culture, Tourism, and Recreation:				
County expenditures	553,000	578,000	485,546	92,454
Distribution to entities	2,447,000	2,697,000	2,552,786	144,214
Total Expenditures	3,000,000	3,275,000	3,038,332	236,668
Net Change in Fund Balance	-	-	95,575	95,575
Fund Balance, Beginning of Year	572,991	572,991	572,991	-
Fund Balance, End of Year	\$ 572,991	\$ 572,991	\$ 668,566	\$ 95,575

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, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Tax Revenues:				
Transient Room Taxes	\$ 6,250,000	\$ 7,750,000	\$ 7,856,254	\$ 106,254
Other Revenues:				
Interest Earnings	-	-	134,463	134,463
Other	60,192	60,192	60,345	153
Total Revenues	<u>6,310,192</u>	<u>7,810,192</u>	<u>8,051,062</u>	<u>240,870</u>
EXPENDITURES:				
Culture, Tourism, and Recreation:				
Convention Center Operations	700,000	700,000	140,828	559,172
Travel Board:				
Salaries	334,300	334,300	323,895	10,405
Employee Benefits	151,300	151,300	159,567	(8,267)
Services, Supplies and Other	6,867,242	8,367,242	6,822,178	1,545,064
Capital Outlay	40,000	40,000	62,935	(22,935)
Debt Service				
Principal	-	-	444,538	(444,538)
Interest	-	-	114,634	(114,634)
Total Expenditures	<u>8,092,842</u>	<u>9,592,842</u>	<u>8,068,575</u>	<u>1,524,267</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,782,650)</u>	<u>(1,782,650)</u>	<u>(17,513)</u>	<u>1,765,137</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)	-
To Sports & Outdoor Recreation Fund	(717,350)	(717,350)	(717,350)	-
Total Other Financing Sources (Uses):	<u>(1,217,350)</u>	<u>(1,217,350)</u>	<u>(1,217,350)</u>	<u>-</u>
Net Change in Fund Balance	(3,000,000)	(3,000,000)	(1,234,863)	1,765,137
Fund Balance, Beginning of Year	<u>11,510,663</u>	<u>11,510,663</u>	<u>11,510,663</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 8,510,663</u>	<u>\$ 8,510,663</u>	<u>\$ 10,275,800</u>	<u>\$ 1,765,137</u>

SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS

BUDGET-TO-ACTUAL

- **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
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Other Revenues:				
Interest Earnings	-	-	157,417	157,417
Miscellaneous Revenue	-	-	5,000	5,000
	<u>-</u>	<u>-</u>	<u>162,417</u>	<u>162,417</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>162,417</u>	<u>162,417</u>
EXPENDITURES:				
Capital Outlay:				
Land	-	300,000	293,430	6,570
Buildings	3,742,079	3,564,995	3,265,994	299,001
Other	500,000	3,000,000	-	3,000,000
	<u>4,242,079</u>	<u>6,864,995</u>	<u>3,559,424</u>	<u>3,305,571</u>
Total Expenditures	<u>4,242,079</u>	<u>6,864,995</u>	<u>3,559,424</u>	<u>3,305,571</u>
Excess of Revenues Over (Under) Expenditures	<u>(4,242,079)</u>	<u>(6,864,995)</u>	<u>(3,397,007)</u>	<u>3,467,988</u>
Other Financing Sources (Uses):				
Transfer from General Fund	2,000,000	3,000,000	3,700,000	700,000
Transfer from Recreation Fund	-	2,600,000	2,561,818	(38,182)
	<u>2,000,000</u>	<u>5,600,000</u>	<u>6,261,818</u>	<u>661,818</u>
Total Other Financing Sources (Uses)	<u>2,000,000</u>	<u>5,600,000</u>	<u>6,261,818</u>	<u>661,818</u>
Net Change in Fund Balance	<u>(2,242,079)</u>	<u>(1,264,995)</u>	<u>2,864,811</u>	<u>4,129,806</u>
Fund Balance, Beginning of Year	<u>12,312,651</u>	<u>12,312,651</u>	<u>12,312,651</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 10,070,572</u>	<u>\$ 11,047,656</u>	<u>\$ 15,177,462</u>	<u>\$ 4,129,806</u>

SUPPLEMENTARY INFORMATION
NONMAJOR GOVERNMENTAL FUNDS
COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS

Debt Service Funds

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.

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.
- The **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.
- 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 function of assessing, collecting, and distribution property taxes.
- The **Flood Damage fund** is used to account for revenue sources that are legally restricted to expenditure for flood damage and river bank improvements.
- The **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.
- The **Council on Aging fund** is used to account for grants and other revenues used to provide senior nutrition and other senior citizen programs.
- The **Recreation fund** is used to account for fees collected and used for the acquisition and construction of recreation facilities within the County.
- The **Grants fund** is used to account for miscellaneous grants such as CDBG, VOCA, SCAAP, LLEBG and Drug Court.
- The **Sports & Outdoor Recreation fund** is used to account for sports & outdoor recreations revenues used to promote events and travel within the County.
- The **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, 2017

	Debt Service	Special Revenue Funds			
		Class "B" Roads	Municipal Services	Assessing and Collecting	Flood Damage
ASSETS					
Cash and investments	\$ -	\$ 1,863,545	\$ 4,690,887	\$ 6,373,873	\$ 815,767
Property taxes receivable	89,189	-	-	949,463	-
Assessments receivable	7,840	-	-	-	-
Due from other governments	-	280,362	191,421	-	941,901
Other receivables	306	-	4,608	-	-
Prepaid assets	-	-	-	-	-
Restricted cash	4,561,832	-	-	-	-
Total assets	<u>4,659,167</u>	<u>2,143,907</u>	<u>4,886,916</u>	<u>7,323,336</u>	<u>1,757,668</u>
LIABILITIES					
Accounts payable	-	51,912	17,136	45,459	64,783
Accrued liabilities	3,802	14,145	131,745	54,429	-
Total liabilities	<u>3,802</u>	<u>66,057</u>	<u>148,881</u>	<u>99,888</u>	<u>64,783</u>
Deferred Inflows of Resources					
Unavailable revenue - special assessments	7,840	-	-	-	-
Total deferred inflows of resources	<u>7,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable: Prepaid assets	-	-	-	-	-
Restricted for:					
Class "B" roads	-	2,077,850	-	-	-
Debt service fund	227,000	-	-	-	-
Public works	-	-	-	-	1,692,885
Health and sanitation	-	-	-	-	-
Conservation	-	-	-	-	-
Culture, tourism, and recreation	-	-	-	-	-
Other purposes	-	-	-	7,223,448	-
Assigned	4,420,525	-	4,738,035	-	-
Total fund balances	<u>4,647,525</u>	<u>2,077,850</u>	<u>4,738,035</u>	<u>7,223,448</u>	<u>1,692,885</u>
Total liabilities, deferred inflows of resources, & fund balances	<u>\$ 4,659,167</u>	<u>\$ 2,143,907</u>	<u>\$ 4,886,916</u>	<u>\$ 7,323,336</u>	<u>\$ 1,757,668</u>

Children's Justice Center	Library	Habitat Conservation	Council on Aging	Recreation Fund	Grants Fund	Sports & Outdoor Rec.	Corridor Preservation	Total Nonmajor Gvtl. Funds
\$ 59,455	\$ 1,893,866	\$ 7,077,668	\$ 703,982	\$ 4,803,661	\$ 188,151	\$ 465,982	\$ 7,542,999	36,479,836
-	468,781	-	-	-	-	-	-	1,507,433
-	-	-	-	-	-	-	-	7,840
55,125	-	424,889	119,320	581,403	363,442	19,469	107,276	3,084,608
5,231	-	-	-	810	-	-	-	10,955
-	50,000	-	-	-	-	-	-	50,000
-	25,000	-	-	-	-	-	-	4,586,832
<u>119,811</u>	<u>2,437,647</u>	<u>7,502,557</u>	<u>823,302</u>	<u>5,385,874</u>	<u>551,593</u>	<u>485,451</u>	<u>7,650,275</u>	<u>45,727,504</u>
6,809	47,732	141,010	27,416	69,105	115,142	29,507	750	616,761
3,437	52,909	6,101	12,646	8,446	9,814	1,975	-	299,449
<u>10,246</u>	<u>100,641</u>	<u>147,111</u>	<u>40,062</u>	<u>77,551</u>	<u>124,956</u>	<u>31,482</u>	<u>750</u>	<u>916,210</u>
-	-	-	-	-	-	-	-	7,840
-	-	-	-	-	-	-	-	7,840
-	50,000	-	-	-	-	-	-	50,000
-	-	-	-	-	-	-	-	2,077,850
-	-	-	-	-	-	-	-	227,000
-	-	-	-	-	-	-	7,649,525	9,342,410
-	-	-	783,240	-	-	-	-	783,240
-	-	7,355,446	-	-	-	-	-	7,355,446
-	-	-	-	5,308,323	-	453,969	-	5,762,292
109,565	-	-	-	-	111,618	-	-	7,444,631
-	2,287,006	-	-	-	315,019	-	-	11,760,585
<u>109,565</u>	<u>2,337,006</u>	<u>7,355,446</u>	<u>783,240</u>	<u>5,308,323</u>	<u>426,637</u>	<u>453,969</u>	<u>7,649,525</u>	<u>44,803,454</u>
<u>\$ 119,811</u>	<u>\$ 2,437,647</u>	<u>\$ 7,502,557</u>	<u>\$ 823,302</u>	<u>\$ 5,385,874</u>	<u>\$ 551,593</u>	<u>\$ 485,451</u>	<u>\$ 7,650,275</u>	<u>\$ 45,727,504</u>

WASHINGTON COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Debt Service	Special Revenue Funds			
		Class "B" Roads	Municipal Services	Assessing and Collecting	Flood Damage
REVENUES:					
Taxes	\$ 1,551,249	\$ 475,000	\$ 1,136,790	\$ 7,021,242	\$ -
Licenses, permits and fees	-	-	230,261	-	-
Intergovernmental	68,592	1,905,898	4,342,661	-	1,610,581
Charges for services	-	16,007	223,571	40,000	-
Fines and forfeitures	-	-	-	-	-
Interest	3,726	25,109	57,611	53,939	17,602
Sub-lease revenue	-	-	-	-	-
Miscellaneous	-	3,075	133,965	200	-
Total	1,623,567	2,425,089	6,124,859	7,115,381	1,628,183
EXPENDITURES:					
General Government	35,564	-	382,708	6,017,058	-
Public Safety	-	-	2,820,097	-	-
Public Works	-	2,447,356	2,650,741	-	1,566,538
Health and Sanitation	-	-	-	-	-
Conservation	-	-	-	-	-
Culture, Tourism, and Recreation	-	-	-	-	-
Debt Service:					
Principal	1,962,000	-	-	-	-
Interest	760,188	-	-	-	-
Total	2,757,752	2,447,356	5,853,546	6,017,058	1,566,538
Excess of revenues over (under) expenditures	(1,134,185)	(22,267)	271,313	1,098,323	61,645
Other financing sources (uses):					
Transfers in	433,929	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	433,929	-	-	-	-
Net change in fund balances	(700,256)	(22,267)	271,313	1,098,323	61,645
Fund Balances - Beginning	5,347,781	2,100,117	4,393,705	6,125,125	1,631,240
Prior Period Adjustment	-	-	73,017	-	-
Fund Balances - Ending	\$ 4,647,525	\$ 2,077,850	\$ 4,738,035	\$ 7,223,448	\$ 1,692,885

Children's Justice Center	Library	Habitat Conservation	Council on Aging	Recreation Fund	Grants Fund	Sports & Outdoor Rec.	Corridor Preservation	Total Non-major Gvtl. Funcs
\$ -	\$ 3,712,294	\$ -	\$ -	\$ 3,642,651	\$ -	\$ -	\$ -	\$ 17,539,226
-	-	-	-	-	-	-	-	230,261
200,874	71,045	1,632,983	888,367	311,639	1,001,521	-	1,515,836	13,549,997
-	-	-	-	446,550	-	-	-	726,128
-	85,848	-	-	-	-	-	-	85,848
-	10,605	88,669	6,231	78,950	-	2,899	102,903	448,244
-	-	-	-	425,681	-	-	-	425,681
6,015	101,166	3,347	6,769	14,096	-	146,941	-	415,574
206,889	3,980,958	1,724,999	901,367	4,919,567	1,001,521	149,840	1,618,739	33,420,959
-	-	-	-	-	-	-	-	6,435,330
262,874	-	-	-	-	1,132,001	-	-	4,214,972
-	-	-	-	-	-	-	1,505,229	8,169,864
-	-	-	1,319,930	-	-	-	-	1,319,930
-	-	688,319	-	-	-	-	-	688,319
-	3,786,159	-	-	3,456,605	-	665,325	-	7,908,089
-	-	-	-	998,462	-	-	-	2,960,462
-	-	-	-	256,624	-	-	-	1,016,812
262,874	3,786,159	688,319	1,319,930	4,711,691	1,132,001	665,325	1,505,229	32,713,778
(55,985)	194,799	1,036,680	(418,563)	207,876	(130,480)	(515,485)	113,510	707,181
54,770	112,000	-	561,300	700,000	87,500	840,700	-	2,790,199
-	-	-	-	(2,885,168)	-	-	-	(2,885,168)
54,770	112,000	-	561,300	(2,185,168)	87,500	840,700	-	(94,969)
(1,215)	306,799	1,036,680	142,737	(1,977,292)	(42,980)	325,215	113,510	612,212
110,780	1,978,099	6,318,766	475,681	7,285,615	469,617	128,754	7,536,015	43,901,295
-	52,108	-	164,822	-	-	-	-	289,947
\$ 109,565	\$ 2,337,006	\$ 7,355,446	\$ 783,240	\$ 5,308,323	\$ 426,637	\$ 453,969	\$ 7,649,525	\$ 44,803,454

WASHINGTON COUNTY
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Tax Revenues	\$ 1,558,215	\$ 1,517,171	\$ 1,551,249	\$ 34,078
Other Revenues:				
Intergovernmental Revenues	70,295	70,295	68,592	(1,703)
Interest Income	-	-	3,726	3,726
Total Revenues	<u>1,628,510</u>	<u>1,587,466</u>	<u>1,623,567</u>	<u>36,101</u>
EXPENDITURES:				
Bank and Other Fees	77,518	77,518	35,564	41,954
Debt Service:				
Principal, Public Safety Bond	780,000	780,000	780,000	-
Principal, Library Bonds	820,000	820,000	820,000	-
Principal, Special Assessment Bonds	14,000	14,000	14,000	-
Principal, MBA Lease Revenue Bonds	133,000	133,000	133,000	-
Principal, Sales Tax Revenue Bonds	215,000	215,000	215,000	-
Interest, Public Safety Bond	15,305	15,305	14,796	509
Interest, Library Bond	475,944	434,900	434,900	-
Interest, Special Assessment Bonds	11,100	11,100	11,100	-
Interest, MBA Lease Revenue Bonds	79,323	79,323	80,470	(1,147)
Interest, Sales Tax Revenue Bond	288,456	288,456	218,922	69,534
Total Expenditures	<u>2,909,646</u>	<u>2,868,602</u>	<u>2,757,752</u>	<u>110,850</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,281,136)</u>	<u>(1,281,136)</u>	<u>(1,134,185)</u>	<u>146,951</u>
Other Financing Sources (Uses):				
Operating Transfers:				
From General Fund	505,956	505,956	433,929	(72,027)
Total Other Financing Sources (Uses):	<u>505,956</u>	<u>505,956</u>	<u>433,929</u>	<u>(72,027)</u>
Net Change in Fund Balance	(775,180)	(775,180)	(700,256)	74,924
Fund Balance, Beginning of Year	<u>5,347,781</u>	<u>5,347,781</u>	<u>5,347,781</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 4,572,601</u>	<u>\$ 4,572,601</u>	<u>\$ 4,647,525</u>	<u>\$ 74,924</u>

WASHINGTON COUNTY
Class "B" Roads Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Taxes:				
Fee in lieu Taxes	\$ 400,000	\$ 400,000	\$ 475,000	\$ 75,000
Intergovernmental Revenues:				
Class "B" Roads	1,675,000	1,675,000	1,902,773	227,773
FHWA Reimbursement	-	-	3,125	3,125
Total Intergovernmental Revenues	<u>1,675,000</u>	<u>1,675,000</u>	<u>1,905,898</u>	<u>230,898</u>
Charges for Services:				
Fuel Revenue - Other Departments	7,500	7,500	16,007	8,507
Other Revenues:				
Interest Revenue	-	-	25,109	25,109
Other	-	-	3,075	3,075
Total Other Revenues	<u>-</u>	<u>-</u>	<u>28,184</u>	<u>28,184</u>
Total Revenues	<u>2,082,500</u>	<u>2,082,500</u>	<u>2,425,089</u>	<u>342,589</u>
EXPENDITURES:				
Public Works:				
Salaries	549,000	549,000	559,525	(10,525)
Employee Benefits	297,700	297,700	286,525	11,175
Services, Supplies and Other	1,015,800	1,015,800	717,857	297,943
Capital Outlay	870,000	870,000	883,449	(13,449)
Total Public Works	<u>2,732,500</u>	<u>2,732,500</u>	<u>2,447,356</u>	<u>285,144</u>
Excess of Revenues Over (Under) Expenditures	(650,000)	(650,000)	(22,267)	627,733
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	2,100,117	<u>-</u>
Fund Balance, End of Year	<u>\$ (650,000)</u>	<u>\$ (650,000)</u>	<u>\$ 2,077,850</u>	<u>\$ 627,733</u>

WASHINGTON COUNTY
Municipal Services Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Sales Tax Revenue	\$ 1,000,000	\$ 1,000,000	\$ 1,136,790	\$ 136,790
Business Licenses and Building Permits	150,000	150,000	230,261	80,261
Intergovernmental Revenue:				
Federal Payments in Lieu of Taxes	2,526,000	2,526,000	2,539,763	13,763
State Mineral Lease	90,000	90,000	89,645	(355)
Sheriff Protection	150,000	150,000	128,031	(21,969)
Federal Public Safety Grant & GIS	125,085	125,085	-	(125,085)
Other	1,909,028	1,909,028	1,585,222	(323,806)
Total Intergovernmental	<u>4,800,113</u>	<u>4,800,113</u>	<u>4,342,661</u>	<u>(457,452)</u>
Charges for Services	270,034	270,034	223,571	(46,463)
Other Revenue:				
Interest Earnings	-	-	57,611	57,611
Sale of Land & Equipment	40,000	40,000	-	(40,000)
Liquor Allocation	90,000	90,000	109,842	19,842
Miscellaneous	3,000	3,000	24,123	21,123
Total Other	<u>133,000</u>	<u>133,000</u>	<u>191,576</u>	<u>58,576</u>
Total Revenues	<u>6,353,147</u>	<u>6,353,147</u>	<u>6,124,859</u>	<u>(228,288)</u>
EXPENDITURES:				
General Government:				
Planning & Zonning	139,500	169,500	166,697	2,803
GIS	121,200	121,200	116,373	4,827
Miscellaneous Contingent	130,281	130,281	99,638	30,643
Total General Government	<u>390,981</u>	<u>420,981</u>	<u>382,708</u>	<u>38,273</u>
Public Safety:				
Sheriff and Dispatch	2,150,000	2,150,000	2,189,705	(39,705)
Fire Control	207,833	207,833	185,744	22,089
Building Inspector	353,500	323,500	270,667	52,833
Miscellaneous Contingent	146,000	146,000	173,981	(27,981)
Total Public Safety	<u>2,857,333</u>	<u>2,827,333</u>	<u>2,820,097</u>	<u>7,236</u>
Public Works:				
Maintenance shop	328,620	328,620	265,967	62,653
Weed control	219,800	219,800	200,307	19,493
Public works - other	2,556,413	2,556,413	2,184,467	371,946
Total Public Works	<u>3,104,833</u>	<u>3,104,833</u>	<u>2,650,741</u>	<u>454,092</u>
Total Expenditures	<u>6,353,147</u>	<u>6,353,147</u>	<u>5,853,546</u>	<u>499,601</u>
Excess of Revenues				
Over (Under) Expenditures	-	-	271,313	271,313
Fund Balance, Beginning of Year	4,393,705	4,393,705	4,393,705	-
Prior Period Adjustment	-	-	73,017	73,017
Fund Balance, End of Year	<u>\$ 4,393,705</u>	<u>\$ 4,393,705</u>	<u>\$ 4,738,035</u>	<u>\$ 344,330</u>

WASHINGTON COUNTY
Assessing and Collecting Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Assessing & Collecting Tax	\$ 6,694,723	\$ 6,961,537	\$ 7,003,889	\$ 42,352
Penalties & Interest	20,000	20,000	17,353	(2,647)
Total Taxes	<u>6,714,723</u>	<u>6,981,537</u>	<u>7,021,242</u>	<u>39,705</u>
Recorder's Fees	20,000	20,000	40,000	20,000
Interest Income	-	-	53,939	53,939
Other	-	-	200	200
Total Revenues	<u>6,734,723</u>	<u>7,001,537</u>	<u>7,115,381</u>	<u>113,844</u>
EXPENDITURES:				
Commission	119,648	119,648	97,491	22,157
Human Resources	34,630	34,630	31,248	3,382
Info Tech Services	951,600	951,600	860,799	90,801
GIS	121,200	121,200	116,373	4,827
Clerk Auditor	321,283	321,283	310,288	10,995
Treasurer:				
Salaries	276,000	276,000	276,783	(783)
Employee Benefits	114,600	114,600	128,447	(13,847)
Services, Supplies and Other	69,750	69,750	55,260	14,490
Capital Outlay	7,000	7,000	2,562	4,438
Total Treasurer	<u>467,350</u>	<u>467,350</u>	<u>463,052</u>	<u>4,298</u>
Recorder:				
Salaries	616,760	616,760	593,385	23,375
Attorney	141,467	141,467	134,501	6,966
Assessor:				
Salaries	1,671,900	1,671,900	1,679,278	(7,378)
Employee Benefits	791,900	791,900	757,194	34,706
Services, Supplies and Other	486,600	486,600	442,839	43,761
Capital Outlay	104,500	104,500	66,890	37,610
Total Assessor	<u>3,054,900</u>	<u>3,054,900</u>	<u>2,946,201</u>	<u>108,699</u>
Administration Building	192,900	192,900	199,327	(6,427)
Miscellaneous Contingent	712,985	979,799	264,393	715,406
Total Expenditures	<u>6,734,723</u>	<u>7,001,537</u>	<u>6,017,058</u>	<u>984,479</u>
Excess of Revenues Over (Under) Expenditures	-	-	1,098,323	1,098,323
Fund Balance, Beginning of Year	<u>6,125,125</u>	<u>6,125,125</u>	<u>6,125,125</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 6,125,125</u>	<u>\$ 6,125,125</u>	<u>\$ 7,223,448</u>	<u>\$ 1,098,323</u>

WASHINGTON COUNTY
Flood Damage Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal Revenue	\$ -	\$ 1,592,972	\$ 1,610,581	\$ 17,609
Total Intergovernmental	-	1,592,972	1,610,581	17,609
Interest Revenue	-	-	17,602	17,602
Total Revenues	-	1,592,972	1,628,183	35,211
EXPENDITURES:				
Public Works:				
Payments to Other Governments	-	5,972	5,972	-
Services, Supplies and Other	-	1,587,000	1,560,566	26,434
Total Expenditures	-	1,592,972	1,566,538	26,434
Excess of Revenues Over (Under) Expenditures	-	-	61,645	61,645
Fund Balance, Beginning of Year	1,631,240	1,631,240	1,631,240	-
Fund Balance, End of Year	\$ 1,631,240	\$ 1,631,240	\$ 1,692,885	\$ 61,645

WASHINGTON COUNTY
Children's Justice Center Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental Revenue	\$ 210,980	\$ 210,980	\$ 200,874	\$ (10,106)
Other Revenues:				
Contributions	-	-	6,015	6,015
Total Other	-	-	6,015	6,015
Total Revenues	210,980	210,980	206,889	(4,091)
EXPENDITURES:				
Public Safety				
AG's Children Justice Center	250,750	265,750	262,874	2,876
Total Expenditures	250,750	265,750	262,874	2,876
Excess of Revenues Over (Under) Expenditures	(39,770)	(54,770)	(55,985)	(1,215)
Other Financing Sources (Uses):				
Transfers:				
From General Fund	39,770	54,770	54,770	-
Net Change in Fund Balance	-	-	(1,215)	(1,215)
Fund Balance, Beginning of Year	110,780	110,780	110,780	-
Fund Balance, End of Year	\$ 110,780	\$ 110,780	\$ 109,565	\$ (1,215)

WASHINGTON COUNTY
Library Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Tax Revenues:				
Current Property Taxes	\$ 3,016,402	\$ 3,148,883	\$ 3,227,316	\$ 78,433
Fee Assessed Taxes	225,000	225,000	242,278	17,278
Prior Years Delinquent Taxes	212,000	212,000	178,875	(33,125)
RDA Taxes	74,700	74,700	55,295	(19,405)
Penalties & Interest	10,000	10,000	8,530	(1,470)
Total Taxes	<u>3,538,102</u>	<u>3,670,583</u>	<u>3,712,294</u>	<u>41,711</u>
Intergovernmental Revenue	7,000	7,000	71,045	64,045
Fines and Forfeitures	100,000	100,000	85,848	(14,152)
Other Revenues:				
Interest Earnings	-	-	10,605	10,605
Xerox Revenue	39,000	39,000	38,996	(4)
Miscellaneous	14,000	14,000	32,829	18,829
Contributions	22,000	22,000	29,341	7,341
Total Other	<u>75,000</u>	<u>75,000</u>	<u>111,771</u>	<u>36,771</u>
Total Revenues	<u>3,720,102</u>	<u>3,852,583</u>	<u>3,980,958</u>	<u>128,375</u>
EXPENDITURES:				
Culture, Tourism, and Recreation:				
St. George Library	647,700	647,700	674,496	(26,796)
Hurricane Library	360,600	360,600	364,813	(4,213)
Santa Clara Library	329,300	329,300	352,611	(23,311)
Springdale Library	103,100	103,100	89,245	13,855
Enterprise Library	112,250	112,250	113,116	(866)
New Harmony Library	104,650	104,650	99,615	5,035
Washington City Library	323,900	323,900	315,230	8,670
Hildale Library	83,250	83,250	95,196	(11,946)
Other Branches & Misc. Grants	1,700,360	1,832,841	1,626,539	206,302
Other	74,700	74,700	55,298	19,402
Total Expenditures	<u>3,839,810</u>	<u>3,972,291</u>	<u>3,786,159</u>	<u>186,132</u>
Other Financing Sources (Uses):				
Transfers:				
From General Fund	<u>112,000</u>	<u>112,000</u>	<u>112,000</u>	<u>-</u>
Net Change in Fund Balance	(7,708)	(7,708)	306,799	314,507
Fund Balance, Beginning of Year	1,978,099	1,978,099	1,978,099	-
Prior Period Adjustment	-	-	52,108	52,108
Fund Balance, End of Year	<u>\$ 1,970,391</u>	<u>\$ 1,970,391</u>	<u>\$ 2,337,006</u>	<u>\$ 366,615</u>

WASHINGTON COUNTY
Habitat Conservation Plan Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Intergovernmental - HCP Fees				
HCP Fees	\$ 775,000	\$ 775,000	\$ 1,632,983	\$ 857,983
Total intergovernmental	<u>775,000</u>	<u>775,000</u>	<u>1,632,983</u>	<u>857,983</u>
Other Revenues:				
Interest Earnings	-	-	88,669	88,669
Other	2,000	2,000	3,347	1,347
Total Revenues	<u>777,000</u>	<u>777,000</u>	<u>1,724,999</u>	<u>947,999</u>
EXPENDITURES:				
Conservation:				
Salaries	281,700	281,700	219,755	61,945
Employee Benefits	117,200	117,200	84,561	32,639
Services, Supplies and Other	727,912	727,912	251,266	476,646
Capital Outlay	1,926,000	1,926,000	132,737	1,793,263
Total Expenditures	<u>3,052,812</u>	<u>3,052,812</u>	<u>688,319</u>	<u>2,364,493</u>
Excess of Revenues Over (Under) Expenditures	(2,275,812)	(2,275,812)	1,036,680	3,312,492
Fund Balance, Beginning of Year	<u>6,318,766</u>	<u>6,318,766</u>	<u>6,318,766</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 4,042,954</u>	<u>\$ 4,042,954</u>	<u>\$ 7,355,446</u>	<u>\$ 3,312,492</u>

WASHINGTON COUNTY
Council on Aging Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Intergovernmental Revenue:				
Council on Aging Contract	\$ 208,300	\$ 208,300	\$ 194,809	\$ (13,491)
Nutrition Contract	595,201	595,201	640,410	45,209
Miscellaneous - C.O.A.	44,400	44,400	42,127	(2,273)
Miscellaneous - Transportation	13,000	13,000	11,021	(1,979)
Other Revenues	-	-	6,769	6,769
Interest Revenue	-	-	6,231	6,231
Total Revenues	<u>860,901</u>	<u>860,901</u>	<u>901,367</u>	<u>40,466</u>
EXPENDITURES:				
Health & Sanitation:				
Council on Aging - General	251,918	251,918	251,097	821
Council on Aging - St. George Center	906,833	906,833	820,442	86,391
Council on Aging - Hurricane Center	211,350	211,350	174,942	36,408
Council on Aging - Enterprise Center	78,100	78,100	73,449	4,651
Total Expenditures	<u>1,448,201</u>	<u>1,448,201</u>	<u>1,319,930</u>	<u>128,271</u>
Excess of Revenues Over (Under) Expenditures	(587,300)	(587,300)	(418,563)	168,737
Other Financing Sources (Uses):				
Transfers:				
From General Fund	<u>561,300</u>	<u>561,300</u>	<u>561,300</u>	<u>-</u>
Net Change in Fund Balance	(26,000)	(26,000)	142,737	168,737
Fund Balance, Beginning of Year	475,681	475,681	475,681	-
Prior Period Adjustment	-	-	164,822	164,822
Fund Balance, End of Year	<u>\$ 449,681</u>	<u>\$ 449,681</u>	<u>\$ 783,240</u>	<u>\$ 333,559</u>

WASHINGTON COUNTY
Recreation Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Tax Revenues:				
Restaurant Food Tax	\$ 2,700,000	\$ 3,000,000	\$ 3,086,854	\$ 86,854
Leasing Sales Tax	475,000	525,000	555,797	30,797
Total Taxes	3,175,000	3,525,000	3,642,651	117,651
Intergovernmental Revenue	-	-	311,639	311,639
Charges for Services:				
County Fair	146,400	146,400	121,649	(24,751)
Regional Park	261,700	261,700	324,901	63,201
Total Charges for Services	408,100	408,100	446,550	38,450
Other Revenues:				
Interest Earnings	-	-	78,950	78,950
Vision Dixie and Other Revenue	1,000	1,000	14,096	13,096
Sub-lease Revenue	689,345	689,345	425,681	(263,664)
Total Revenues	4,273,445	4,623,445	4,919,567	296,122
EXPENDITURES:				
Culture, Tourism, and Recreation:				
USU Extension	238,650	238,650	242,946	(4,296)
Regional Park Facility	1,106,945	661,945	648,547	13,398
County Fair	279,800	289,800	290,578	(778)
Confluence Park	320,000	150,000	124,987	25,013
Southern Utah Shooting Sports Park	80,000	495,000	460,146	34,854
Convention Center Operations	351,700	351,700	211,381	140,319
Dixie College Eccles Fine Arts Center	600,000	800,000	778,020	21,980
St. George City Airport Interlocal Agreement	700,000	700,000	700,000	-
Debt Service				
Principal	1,473,000	1,473,000	998,462	474,538
Interest	-	-	256,624	(256,624)
Total Expenditures	5,150,095	5,160,095	4,711,691	448,404
Excess of Revenues				
Over (Under) Expenditures	(876,650)	(536,650)	207,876	744,526
Other Financing Sources (Uses):				
Transfers:				
From Travel Board Special Revenue Fund	700,000	700,000	700,000	-
To Travel Board Special Revenue Fund	371,500	(200,000)	(200,000)	-
To Capital Projects Fund	(2,600,000)	(2,600,000)	(2,561,818)	38,182
To Sports & Outdoor Recreation Fund	(94,850)	(123,350)	(123,350)	-
Total Other Financing Sources (Uses)	(1,623,350)	(2,223,350)	(2,185,168)	38,182
Net Change in Fund Balance	(2,500,000)	(2,760,000)	(1,977,292)	782,708
Fund Balance, Beginning of Year	7,285,615	7,285,615	7,285,615	-
Fund Balance, End of Year	\$ 4,785,615	\$ 4,525,615	\$ 5,308,323	\$ 782,708

WASHINGTON COUNTY
Grants Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Intergovernmental Revenues:				
CDBG Grants	\$ -	\$ -	\$ -	\$ -
CPIP Mental Health	-	19,000	122,850	103,850
Drug Court	188,000	437,380	415,420	(21,960)
WMD and Emergency OPS Grants	600,967	613,241	404,166	(209,075)
DEA Eradication	-	15,000	15,000	-
Other Grants	22,000	51,450	44,085	(7,365)
Total Revenues	<u>810,967</u>	<u>1,136,071</u>	<u>1,001,521</u>	<u>(134,550)</u>
EXPENDITURES:				
Public Safety:				
CPIP Mental Health	-	45,200	122,850	(77,650)
LLEBG/SCAAP	-	31,000	30,172	828
WMD - Emergency Operations	620,967	633,241	500,891	132,350
DEA Eradication	-	15,000	15,000	-
Drug Court	188,000	188,000	192,057	(4,057)
Predator Control	2,000	2,000	2,000	-
JRI - Court Support	-	336,880	265,682	71,198
Other	-	3,250	3,349	(99)
Total Expenditures	<u>810,967</u>	<u>1,254,571</u>	<u>1,132,001</u>	<u>122,570</u>
Excess of Revenues				
Over (Under) Expenditures	-	(118,500)	(130,480)	(11,980)
Other Financing Sources (Uses):				
Transfers:				
From General Fund	-	87,500	87,500	-
Net Change in Fund Balance	-	(31,000)	(42,980)	(11,980)
Fund Balance, Beginning of Year	<u>469,617</u>	<u>469,617</u>	<u>469,617</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 469,617</u>	<u>\$ 438,617</u>	<u>\$ 426,637</u>	<u>\$ (11,980)</u>

WASHINGTON COUNTY
Sports & Outdoor Recreation Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Other Revenues:				
Interest Earnings	\$ -	\$ -	\$ 2,899	\$ 2,899
Other	161,000	161,000	146,941	(14,059)
Total Revenues	<u>161,000</u>	<u>161,000</u>	<u>149,840</u>	<u>(11,160)</u>
EXPENDITURES:				
Culture, Tourism, and Recreation:				
Sports & Outdoor Recreation:				
Salaries	95,200	95,200	88,522	6,678
Employee Benefits	42,300	42,300	34,758	7,542
Services, Supplies and Other	864,200	864,200	540,171	324,029
Capital Outlay	-	-	1,874	(1,874)
Total Expenditures	<u>1,001,700</u>	<u>1,001,700</u>	<u>665,325</u>	<u>336,375</u>
Excess of Revenues				
Over (Under) Expenditures	<u>(840,700)</u>	<u>(840,700)</u>	<u>(515,485)</u>	<u>325,215</u>
Other Financing Sources (Uses):				
Transfers:				
From Travel Board Special Revenue Fund	745,850	745,850	717,350	(28,500)
From Recreation Special Revenue Fund	94,850	94,850	123,350	28,500
Total Other Financing Sources (Uses):	<u>840,700</u>	<u>840,700</u>	<u>840,700</u>	<u>-</u>
Net Change in Fund Balance	-	-	325,215	325,215
Fund Balance, Beginning of Year	<u>128,754</u>	<u>128,754</u>	<u>128,754</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 128,754</u>	<u>\$ 128,754</u>	<u>\$ 453,969</u>	<u>\$ 325,215</u>

WASHINGTON COUNTY
Corridor Preservation Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Intergovernmental:				
State Revenue	\$ 1,300,000	\$ 1,300,000	\$ 1,515,836	\$ 215,836
Total Intergovernmental	1,300,000	1,300,000	1,515,836	215,836
Interest Revenue	-	-	102,903	102,903
Total Revenues	1,300,000	1,300,000	1,618,739	318,739
EXPENDITURES:				
Public Works:				
Services, Supplies and Other	1,300,000	1,550,000	1,505,229	44,771
Total Expenditures	1,300,000	1,550,000	1,505,229	44,771
Excess of Revenues Over (Under) Expenditures	-	(250,000)	113,510	363,510
Fund Balance, Beginning of Year	7,536,015	7,536,015	7,536,015	-
Fund Balance, End of Year	<u>\$ 7,536,015</u>	<u>\$ 7,286,015</u>	<u>\$ 7,649,525</u>	<u>\$ 363,510</u>

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

Fiduciary Funds Trust and Agency

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

- **Tax Collection Trust fund** is an agency fund which accounts for all collections and disbursements of taxes for the county.
- **Deposit Trust fund** is an agency fund which accounts for miscellaneous court funds, surcharges, 4-H, Treasurer and other custodial accounts.
- **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, 2017

	Balance 12/31/2016	Additions	Deductions	Balance 12/31/2017
TAX COLLECTION TRUST FUND:				
Assets:				
Cash & Investments	\$ 23,579,047	\$ 166,419,004	\$ 166,545,464	\$ 23,452,587
Total Assets	<u>\$ 23,579,047</u>	<u>\$ 166,419,004</u>	<u>\$ 166,545,464</u>	<u>\$ 23,452,587</u>
Liabilities:				
Deposits Held in Trust	\$ 1,774,791	\$ 2,845,415	\$ 2,590,559	\$ 2,029,647
Due to Taxing Districts	18,604,843	140,036,609	140,166,491	18,474,961
Due to Washington Co. General Fund and Other Funds	2,243,881	16,108,243	16,373,566	1,978,558
Due to Assessing & Collecting Fund	955,532	7,428,737	7,414,848	969,421
Total Liabilities	<u>\$ 23,579,047</u>	<u>\$ 166,419,004</u>	<u>\$ 166,545,464</u>	<u>\$ 23,452,587</u>
DEPOSIT FUND:				
Assets:				
Cash & Investments	\$ 1,310,411	\$ 8,348,993	\$ 8,635,162	\$ 1,024,242
Total Assets	<u>\$ 1,310,411</u>	<u>\$ 8,348,993</u>	<u>\$ 8,635,162</u>	<u>\$ 1,024,242</u>
Liabilities:				
Deposits Held in Trust	<u>\$ 1,310,411</u>	<u>\$ 8,348,993</u>	<u>\$ 8,635,162</u>	<u>\$ 1,024,242</u>
ECONOMIC DEVELOPMENT COUNCIL:				
Assets:				
Cash & Investments	\$ 440,638	\$ 342,906	\$ 413,852	\$ 369,692
Total Assets	<u>\$ 440,638</u>	<u>\$ 342,906</u>	<u>\$ 413,852</u>	<u>\$ 369,692</u>
Liabilities:				
Deposits Held in Trust	<u>\$ 440,638</u>	<u>\$ 342,906</u>	<u>\$ 413,852</u>	<u>\$ 369,692</u>

(Continued)

WASHINGTON COUNTY
All Trust and Agency Funds
Combining Statement of Changes in Assets and Liabilities (Continued)
For the Year Ended December 31, 2017

	Balance 12/31/2016	Additions	Deductions	Balance 12/31/2017
WASHINGTON COUNTY				
INTERLOCAL AGENCY:				
Assets:				
Cash & Investments	\$ 2,471,512	\$ 5,469,770	\$ 5,606,254	\$ 2,335,028
Total Assets	<u>\$ 2,471,512</u>	<u>\$ 5,469,770</u>	<u>\$ 5,606,254</u>	<u>\$ 2,335,028</u>
Liabilities:				
Deposits Held in Trust	<u>\$ 2,471,512</u>	<u>\$ 5,469,770</u>	<u>\$ 5,606,254</u>	<u>\$ 2,335,028</u>
WASHINGTON COUNTY				
FLOOD CONTROL:				
Assets:				
Cash & Investments	\$ 1,899,517	\$ 917,141	\$ 520,658	\$ 2,296,000
Total Assets	<u>\$ 1,899,517</u>	<u>\$ 917,141</u>	<u>\$ 520,658</u>	<u>\$ 2,296,000</u>
Liabilities:				
Deposits Held in Trust	<u>\$ 1,899,517</u>	<u>\$ 917,141</u>	<u>\$ 520,658</u>	<u>\$ 2,296,000</u>
TOTAL - ALL TRUST				
AND AGENCY FUNDS:				
Assets:				
Cash & Investments	\$ 29,701,125	\$ 181,497,814	\$ 181,721,390	\$ 29,477,549
Total Assets	<u>\$ 29,701,125</u>	<u>\$ 181,497,814</u>	<u>\$ 181,721,390</u>	<u>\$ 29,477,549</u>
Liabilities:				
Deposits Held in Trust	\$ 7,896,869	\$ 17,924,225	\$ 17,766,485	\$ 8,054,609
Due to Taxing Districts	18,604,843	140,036,609	140,166,491	18,474,961
Due to Washington Co. General Fund and Other Funds	2,243,881	16,108,243	16,373,566	1,978,558
Due to Assessing & Collecting Fund	955,532	7,428,737	7,414,848	969,421
Total Liabilities	<u>\$ 29,701,125</u>	<u>\$ 181,497,814</u>	<u>\$ 181,721,390</u>	<u>\$ 29,477,549</u>

OTHER SCHEDULES

- **Tax Collection Agency Fund – Cash Receipts and Disbursements**
This schedule reports the cash receipts 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, 2017

	Treasurer's Balance 12/31/2016	Tax Collection Receipts	Current Year's Taxes & Interest Apportioned	Prior Year's Taxes & Interest Apportioned	Disburse- ments	Treasurer's Balance 12/31/2017
Tax Collection Amounts:						
Current Taxes	\$ -	\$ 159,237,471	\$ (159,237,471)	\$ -	\$ -	\$ -
Prior Year's Redemptions	-	7,373,865	-	(7,373,865)	-	-
Penalties & Interest	-	844,829	-	(844,829)	-	-
Other Collections	1,774,791	2,845,415	-	-	2,590,559	2,029,647
Total	\$ 1,774,791	\$ 170,301,580	\$ (159,237,471)	\$ (8,218,694)	\$ 2,590,559	\$ 2,029,647
Tax Units:						
Library Operating Fund, General Fund, and County G.O. Bond	\$ 2,243,881		\$ 15,114,236	\$ 1,411,298	\$ 16,790,857	\$ 1,978,558
School District	13,706,713		101,453,159	4,649,802	106,607,946	13,201,728
Water Conservancy District	1,379,047		10,589,816	480,811	11,042,382	1,407,292
Assessing & Collecting	955,532		7,110,292	318,445	7,414,848	969,421
Special Service Districts:						
Rockville/Springdale	14,308		57,164	4,104	63,630	11,946
Southwest Mosquito SSD	78,161		605,125	27,268	629,748	80,806
Southwestern SSD	7,924		53,464	1,614	55,465	7,537
New Harmony SSD	13,439		92,231	6,165	96,093	15,742
Hurricane Valley Fire District	222,956		2,689,110	70,900	2,469,382	513,584
Coral Canyon SID	91,664		922,560	15,942	929,217	100,949
North Central Fire SSD	3,390		12,146	751	13,499	2,788
Cities & Towns:						
Apple Valley	15,886		76,848	11,363	93,194	10,903
Enterprise	25,748		161,411	9,953	163,993	33,119
Hildale	41,471		186,597	395,981	602,547	21,502
Hurricane	287,786		2,233,106	99,979	2,316,832	304,039
Ivins	190,752		1,505,626	58,132	1,575,609	178,901
LaVerkin	58,901		380,737	22,567	407,434	54,771
Leeds	13,382		70,262	2,158	73,864	11,938
New Harmony	4,791		22,211	1,302	26,195	2,109
Rockville	19,829		79,975	3,165	92,436	10,533
St. George	1,998,982		11,952,949	464,910	12,393,220	2,023,621
Santa Clara	89,840		850,210	17,939	872,309	85,680
Springdale	17,218		68,817	5,314	76,222	15,127
Toquerville	13,828		116,254	4,051	119,235	14,898
Virgin	9,987		51,611	12,528	64,660	9,466
Washington	298,840		2,781,554	122,252	2,846,664	355,982
Total Due Units	\$ 21,804,256		\$ 159,237,471	\$ 8,218,694	\$ 167,837,481	\$ 21,422,940
Total	\$ 23,579,047	\$ 170,301,580			\$ 170,428,040	\$ 23,452,587

WASHINGTON COUNTY
Statement of Taxes Charged and Collected
December 31, 2017

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, General Fund, and County G.O. Bond	\$ 14,439,012,506	\$ 503,951,883	\$ (549,000,651)	\$ 14,393,963,738	\$ 428,968,527	\$ 14,822,932,265
School District	14,439,012,506	503,951,883	(549,000,651)	14,393,963,738	428,968,527	14,822,932,265
Water Conservancy District	14,439,012,506	503,951,883	(549,000,651)	14,393,963,738	428,968,527	14,822,932,265
Assessing & Collecting:						
Local	13,890,011,855	503,951,883	-	14,393,963,738	428,968,527	14,822,932,265
State	13,890,011,855	503,951,883	-	14,393,963,738	428,968,527	14,822,932,265
Rockville/Springdale Fire	294,015,245	2,833,511	-	296,848,756	8,383,553	305,232,309
Southwest Mosquito SSD	14,333,889,530	503,951,883	(443,877,675)	14,393,963,738	428,968,527	14,822,932,265
Southwestern SSD	62,046,760	4,040,121	-	66,086,881	371,814	66,458,695
New Harmony Fire	134,945,930	4,465,744	-	139,411,674	177,864	139,589,538
Coral Canyon	302,325,590	1,162,424	-	303,488,014	1,861,115	305,349,129
Enterprise	66,167,170	1,443,233	-	67,610,403	793,639	68,404,042
Hildale	39,702,210	2,036,125	-	41,738,335	4,761,638	46,499,973
Hurricane	1,404,106,158	25,001,536	(168,534,973)	1,260,572,721	57,346,620	1,317,919,341
Ivins	901,605,104	7,717,241	(3,696,209)	905,626,136	3,951,757	909,577,893
LaVerkin	183,956,030	4,838,268	-	188,794,298	5,362,209	194,156,507
Leeds	76,321,230	1,855,285	-	78,176,515	546,011	78,722,526
New Harmony	14,668,320	996,063	-	15,664,383	1,587	15,665,970
St. George	8,075,225,549	167,751,981	(376,769,469)	7,866,208,061	290,113,488	8,156,321,549
Santa Clara	469,576,630	3,163,471	-	472,740,101	10,693,025	483,433,126
Springdale	256,066,765	1,670,836	-	257,737,601	8,292,420	266,030,021
Toquerville	100,043,660	5,100,352	-	105,144,012	786,454	105,930,466
Virgin	46,654,710	1,723,528	-	48,378,238	394,010	48,772,248
Washington	1,970,989,150	17,227,007	-	1,988,216,157	28,956,102	2,017,172,259
Rockville	37,948,480	1,162,675	-	39,111,155	91,133	39,202,288
Apple Valley	48,092,290	3,330,083	-	51,422,373	209,834	51,632,207
Hurricane Valley SSD	1,786,172,965	46,796,378	-	1,832,969,343	64,920,838	1,897,890,181
North Central Fire SSD	17,838,455	1,907,459	-	19,745,914	229,125	19,975,039
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
0.000999	0.001125	\$14,379,570	\$482,590	\$14,862,160
0.006706	0.007272	96,525,921	3,119,459	99,645,380
0.000700	0.000740	10,075,775	317,437	10,393,212
0.000460	0.000485	6,621,223	208,050	6,829,273
0.000010	0.000011	143,940	4,719	148,659
0.000195	0.000225	57,886	1,886	59,772
0.000040	0.000042	575,759	18,017	593,776
0.000695	0.000607	45,930	226	46,156
0.000653	0.000716	91,036	127	91,163
0.003000	0.003000	910,464	5,583	916,047
0.002226	0.002356	150,501	1,870	152,371
0.006200	0.006577	258,778	31,317	290,095
0.001671	0.001794	2,106,417	102,880	2,209,297
0.001617	0.001727	1,464,397	6,825	1,471,222
0.002009	0.002261	379,288	12,124	391,412
0.000867	0.000885	67,779	483	68,262
0.001469	0.001519	23,011	2	23,013
0.001432	0.001513	11,264,410	438,942	11,703,352
0.001695	0.001795	801,294	19,194	820,488
0.000268	0.000315	69,074	2,612	71,686
0.001079	0.001147	113,450	902	114,352
0.001059	0.001099	51,233	433	51,666
0.001337	0.001397	2,658,245	40,452	2,698,697
0.002199	0.002231	86,005	203	86,208
0.001565	0.001667	80,476	350	80,826
0.001408	0.000913	2,580,821	59,273	2,640,094
0.000619	0.000601	12,223	138	12,361
		<u>\$151,594,906</u>	<u>\$4,876,094</u>	<u>\$156,471,000</u>

(Continued)

WASHINGTON COUNTY
Statement of Taxes Charged and Collected (Continued)
December 31, 2017

	TREASURER'S RELIEF				CURRENT YEAR ACTUAL	
	Unpaid Taxes	Abatements	Other	Total Relief	Taxes Collected	Collection Rate
Library Operations, General						
Fund, and County G.O. Bond	\$ 489,473	\$ 240,244	\$ 58,049	\$ 787,766	\$14,074,394	94.70%
School District	3,285,475	1,612,670	269,988	5,168,133	94,477,247	94.81%
Water Conservancy District	342,907	168,337	20,042	531,286	9,861,926	94.89%
Assessing & Collecting:						
Local	225,336	110,622	12,620	348,578	6,480,695	94.90%
State	4,899	2,406	470	7,775	140,884	94.77%
Rockville/Springdale Fire	3,716	331	168	4,215	55,557	92.95%
Southwest Mosquito SSD	19,595	9,618	1,028	30,241	563,535	94.91%
Southwestern SSD	623	807	58	1,488	44,668	96.78%
New Harmony Fire	4,699	1,807	468	6,974	84,189	92.35%
Coral Canyon	15,569	10,977	2,091	28,637	887,410	96.87%
Enterprise	5,940	4,147	346	10,433	141,938	93.15%
Hildale	140,499	-	1,834	142,333	147,762	50.94%
Hurricane	77,528	50,249	11,026	138,803	2,070,494	93.72%
Ivins	24,302	26,326	4,175	54,803	1,416,419	96.28%
LaVerkin	27,332	13,357	3,488	44,177	347,235	88.71%
Leeds	1,325	2,310	388	4,023	64,239	94.11%
New Harmony	1,848	658	-	2,506	20,507	89.11%
St. George	354,263	170,733	7,354	532,350	11,171,002	95.45%
Santa Clara	25,870	16,616	3,693	46,179	774,309	94.37%
Springdale	4,091	249	276	4,616	67,070	93.56%
Toquerville	4,220	2,574	1,205	7,999	106,353	93.00%
Virgin	1,709	2,085	143	3,937	47,729	92.38%
Washington	81,641	42,215	10,767	134,623	2,564,074	95.01%
Rockville	8,338	1,680	-	10,018	76,190	88.38%
Apple Valley	9,408	1,938	683	12,029	68,797	85.12%
Hurricane Valley SSD	95,029	50,041	302	145,372	2,494,722	94.49%
North Central Fire SSD	738	220	94	1,052	11,309	91.49%
Totals	\$ 5,256,373	\$ 2,543,217	\$410,756	\$8,210,346	\$148,260,654	

OTHER COLLECTIONS

Fee in Lieu	Miscellaneous Collections	Delinquent Tax Collected	Interest & Penalty Collected	Tax Increment paid to RDAs	Net Revenue for Distribution
\$ 1,039,842	\$ 117,543	\$ 929,581	\$ 481,717	\$ 277,741	\$ 16,365,335
6,975,912	788,834	4,405,538	244,264	1,860,849	105,030,946
727,890	82,332	455,039	25,772	192,630	10,960,328
478,308	54,103	295,310	16,286	-	7,324,702
10,405	1,176	6,521	328	-	159,313
1,607	25	3,934	170	-	61,293
41,590	4,704	25,835	1,433	10,979	626,117
8,796	5	1,516	98	-	55,083
8,042	1,270	5,796	369	-	99,666
35,150	-	14,771	1,171	-	938,502
19,473	8,594	9,567	386	-	179,958
38,835	4,400	371,181	24,800	-	586,978
162,612	16,598	93,626	6,353	-	2,349,683
89,207	16,574	55,589	2,543	-	1,580,332
33,502	1,663	21,347	1,220	-	404,967
6,023	-	2,045	113	-	72,420
1,704	77	1,228	74	-	23,590
781,947	91,129	439,104	25,806	394,003	12,114,985
75,901	7,795	16,721	1,218	-	875,944
1,747	35	5,094	220	-	74,166
9,901	288	3,734	317	-	120,593
3,882	435	11,968	560	-	64,574
217,480	19,319	117,063	5,189	-	2,923,125
3,785	-	3,033	132	-	83,141
8,051	819	10,674	689	-	89,030
194,388	20,154	67,338	3,562	-	2,780,164
837	-	712	39	-	12,896
<u>\$ 10,976,817</u>	<u>\$1,237,872</u>	<u>\$7,373,865</u>	<u>\$844,829</u>	<u>\$2,736,202</u>	<u>\$165,957,831</u>

WASHINGTON COUNTY
Schedule of Expenditures of Transient Room Taxes and
Tourism, Recreation, Culture and Convention Facilities Taxes
December 31, 2017

Transient Room Taxes (TRT):

Establishing and promoting:		
Recreation	\$	1,615,398
Sports		1,117,350
Tourism		3,114,658
Film production		156,739
Conventions		1,519,787
Totals		7,523,932
Acquiring, leasing, construction, furnishing, or operating:		
Convention meeting rooms		350,000
Exhibit halls		350,000
Visitor information centers		-
Museums		102,863
Related facilities		700,000
Totals		1,502,863
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	\$	9,026,795

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

Financing tourism promotion		-
Development, operation, and maintenance of:		
Tourist facilities	\$	14,445
Recreation facilities		2,070,968
Cultural facilities		200,000
Convention facilities		801,441
Pleades as security for evidences of indebtedness		-
Total		3,086,854
Total expenditures of tourism, recreation, culture, and convention facilities taxes		\$ 3,086,854

Reserves and Pledges:

	1/1/2017	Additions 2017	12/31/2017
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, 2017, 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 18, 2018. 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 18, 2018



HINTONBURDICK
CPAs & ADVISORS

**Independent Auditors' Report on Compliance
And Report on Internal Control over Compliance
As Required by the *State Compliance Audit***

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

Report On Compliance with General State Compliance Requirements

We have audited Washington County's compliance with the applicable general state 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 for the year ended December 31, 2017.

General state compliance requirements were tested for the year ended December 31, 2017 in the following areas:

Budgetary Compliance
Fund Balance
Justice Courts
Utah Retirement Systems
Restricted Taxes
Open and Public Meetings Act
Public Treasurer's Bond
Cash Management
Statement of Taxes Charged, Collected and Disbursed

Management's Responsibility

Management is responsible for compliance with the general state requirements referred to above.

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 a state compliance requirement 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 for each state compliance requirement referred to above. However, our audit does not provide a legal determination of Washington County's compliance.

Opinion on General State Compliance Requirements

In our opinion, Washington County complied, in all material respects, with the compliance requirements referred to above for the year ended December 31, 2017.

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 state compliance requirements referred to above to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements 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 state 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 state 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 state 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.



HintonBurdick, PLLC
St. George, Utah
June 18, 2018



**Findings and Recommendations
For the Year Ended December 31, 2017**

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, 2017, we noted the following circumstances that, if improved, would strengthen the County's accounting system and control over its assets and State Compliance. This item is discussed below for your consideration.

INTERNAL CONTROL OVER FINANCIAL REPORTING:

Material Weaknesses:

None Noted.

COMPLIANCE AND OTHER MATTERS:

Compliance:

Note 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 18, 2018

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