



# **FINANCIAL STATEMENTS**

**Year Ended December 31, 2018**

**With Report of**

**Certified Public Accountants**

# WASHINGTON COUNTY

## Table of Contents

### INTRODUCTORY SECTION:

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

### FINANCIAL SECTION:

Independent Auditors' Report.....	1
Management's Discussion and Analysis.....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	14
Statement of Activities .....	15
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	16
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	21
Statement of Net Position – Proprietary Funds .....	22
Statement of Revenues, Expenditures, and Changes in Net Position – Proprietary Funds .....	23
Statement of Cash Flows – Proprietary Funds .....	24
Statement of Fiduciary Net Position – Fiduciary Funds.....	25
Combining Statement of Net Position – Component Units.....	26
Combining Statement of Activities – Component Units .....	27
Notes to the Financial Statements .....	28
Required Supplementary Information:	
Schedule of the Proportionate Share of the Net Pension Liability .....	66
Schedule of Contributions .....	67
Notes to the Required Supplementary Information .....	68

## WASHINGTON COUNTY

### Table of Contents (Continued)

Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
General Fund (Detailed) .....	70
RAP Tax Special Revenue Fund .....	74
Travel Board Special Revenue Fund .....	75
Supplementary Information:	
Major Governmental Funds:	
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Capital Projects Fund .....	77
Combining and Individual Fund Financial Statements:	
Combining Balance Sheet – Non-major Governmental Funds .....	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds .....	82
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	
Debt Service Fund .....	84
Special Revenue Funds .....	85
Combining Statement of Changes in Assets and Liabilities - All Trust and Agency Funds .....	98
Other Schedules:	
Tax Collection Agency Fund – Cash Receipts and Disbursements .....	101
Statement of Taxes Charged and Collected.....	102
Schedule of Expenditures of Transient Room Taxes .....	106

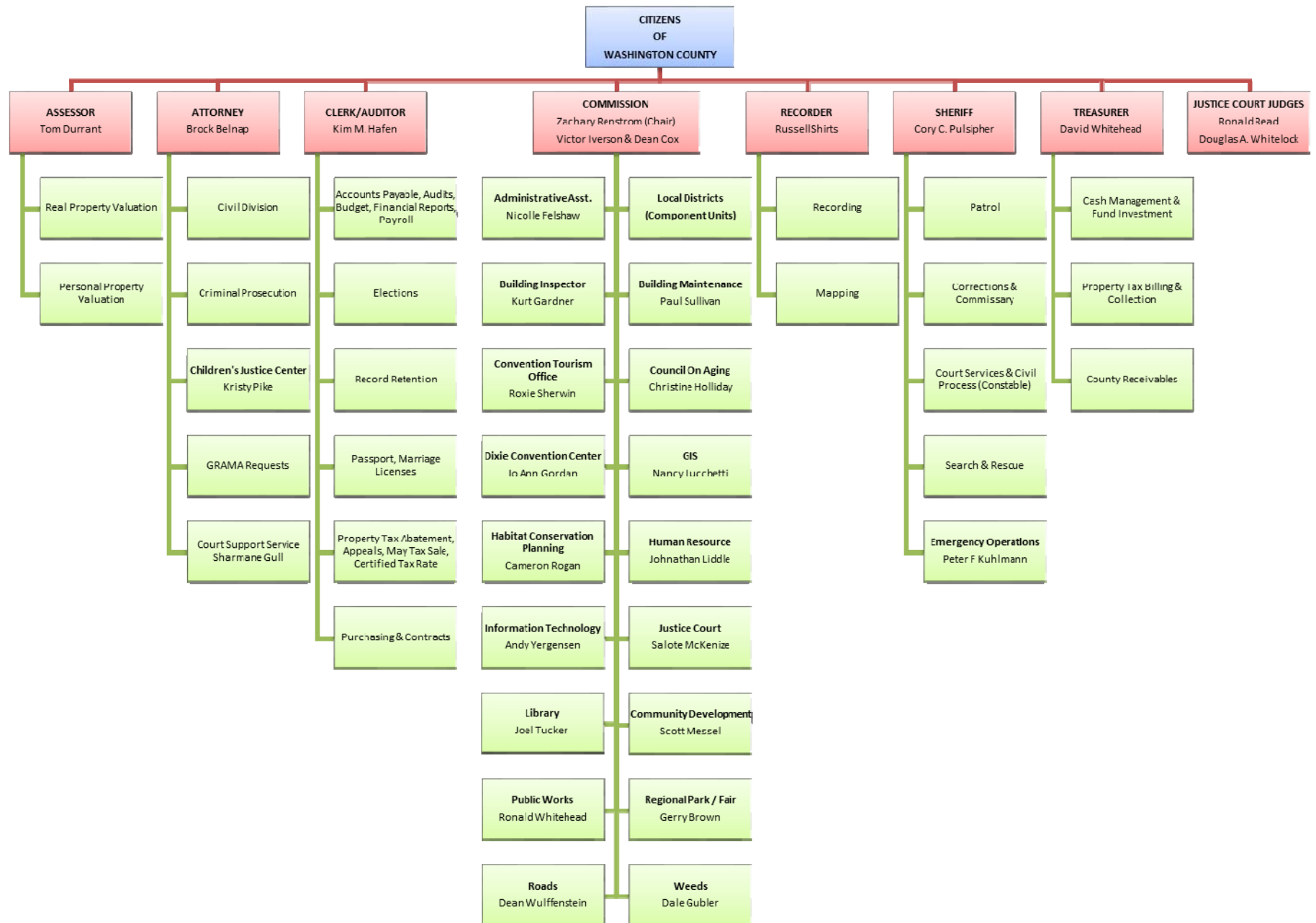
### OTHER COMMUNICATIONS FROM INDEPENDENT AUDITORS:

Report on Compliance and on Internal Control over Financial Reporting .....	109
Report on Compliance with the <i>State Compliance Audit Guide</i> .....	111
Findings and Recommendations .....	113

## **INTRODUCTORY SECTION**

# WASHINGTON COUNTY ORGANIZATIONAL CHART

## For the Year Ended December 31, 2018



**WASHINGTON COUNTY**  
**List of Elected and Appointed Officials**  
**December 31, 2018**

---

**ELECTED OFFICIALS**

Zachary Renstrom .....	Commission Chair
Victor Iverson .....	Commissioner
Dean Cox .....	Commissioner
Tom Durrant.....	Assessor
Brock Belnap.....	Attorney
Kim M. Hafen.....	Clerk/Auditor
Russell Shirts.....	Recorder
Cory C. Pulsipher.....	Sheriff
David Whitehead.....	Treasurer
Ronald Read.....	Justice Court Judge
Douglas A. Whitlock.....	Justice Court Judge

**OTHER COUNTY APPOINTED OFFICIALS**

Nicolle Felshaw.....	County Administrative Assistant
Kurt G. Gardner.....	Building Inspector
Paul E. Sullivan.....	Building Maintenance
Shelly Teeple.....	Children's Justice Center
Sharmane Gull .....	Court 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, 2018, 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 \$11,773,466 as of December 31, 2018 and total revenues of \$8,806,637 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, 2018, 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 19, 2019, 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 19, 2019

***This page intentionally left blank***

**WASHINGTON COUNTY, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2018**

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, 2018. 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 Washington 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 during 2018 were \$10.8 million.
- Transient Room Taxes increased during 2018 from \$7.85 million to \$8.59 million.
- Restaurant Taxes increased during 2018 from \$3.08 million to \$3.325 million.
- The County's unemployment rate at year-end was a strong 3.3%
- Washington County's General Fund balance remained strong at \$9.70 million.
- Total County assets and deferred outflows of resources, excluding component units, exceed total liabilities and deferred inflows of resources (net position) by \$111 million at the close of the fiscal year. Total net position increased by \$13.4 million.
- Total revenues from all sources, excluding component units, were \$82.5 million
- The total cost of all County programs, excluding component units, was \$69.06 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 \$111 million at the close 2018.

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	
	2018	2017	2018	2017
Current and other assets	\$ 93,379,499	\$ 85,755,807	\$ 55,099,482	\$ 47,450,692
Capital assets	55,568,072	52,978,139	44,807,669	43,545,390
Total assets	148,947,571	138,733,946	99,907,151	90,996,082
Deferred outflows of resources	8,951,305	10,879,324	1,656,752	1,821,712
Long-term liabilities	33,691,764	41,931,121	11,845,455	12,632,283
Other liabilities	7,621,159	7,330,592	3,329,518	1,727,587
Total liabilities	41,312,923	49,261,713	15,174,973	14,359,870
Deferred inflows of resources	5,182,001	2,387,293	972,752	494,835
Net position:				
Net investment in				
capital assets	32,927,891	27,452,103	39,927,061	38,245,206
Restricted	50,641,203	43,939,323	14,279,479	12,056,524
Unrestricted	27,834,858	26,572,838	31,209,638	27,661,359
Total net position	\$ 111,403,952	\$ 97,964,264	\$ 85,416,178	\$ 77,963,089

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	
	2018	2017	2018	2017
Revenues:				
Program revenues:				
Charges for services	\$ 18,508,160	\$ 17,985,710	\$ 23,847,639	\$ 19,864,447
Operating grants and contributions	9,164,125	7,933,723	7,062,416	7,115,036
Capital grants and contributions	2,134,886	3,945,011	2,189,612	2,584,028
General revenues:				
Taxes	51,035,820	48,141,019	3,338,904	3,135,856
Other	1,664,492	1,015,372	1,591,133	630,323
Total revenues	<u>82,507,483</u>	<u>79,020,835</u>	<u>38,029,704</u>	<u>33,329,690</u>
Expenses:				
General government	13,265,313	13,752,716	-	-
Judicial	2,204,465	2,162,231	-	-
Public safety	23,631,193	23,260,712	6,721,841	4,916,005
Public works	6,648,043	8,564,121	17,572,972	15,707,307
Health and sanitation	3,341,895	3,024,159	7,552,437	8,177,076
Conservation	639,280	783,491	-	73,623
Culture, tourism, and recreation	18,411,528	20,240,131	-	-
Interest on long term debt	926,078	1,097,929	-	-
Total expenses	<u>69,067,795</u>	<u>72,885,490</u>	<u>31,847,250</u>	<u>28,874,011</u>
Increase in net position	13,439,688	6,135,345	6,182,454	4,455,679
Net position, beginning	97,964,264	91,419,165	77,963,089	73,507,410
Prior period adjustment	-	409,754	1,270,635	-
Net position, ending	<u>\$ 111,403,952</u>	<u>\$ 97,964,264</u>	<u>\$ 85,416,178</u>	<u>\$ 77,963,089</u>

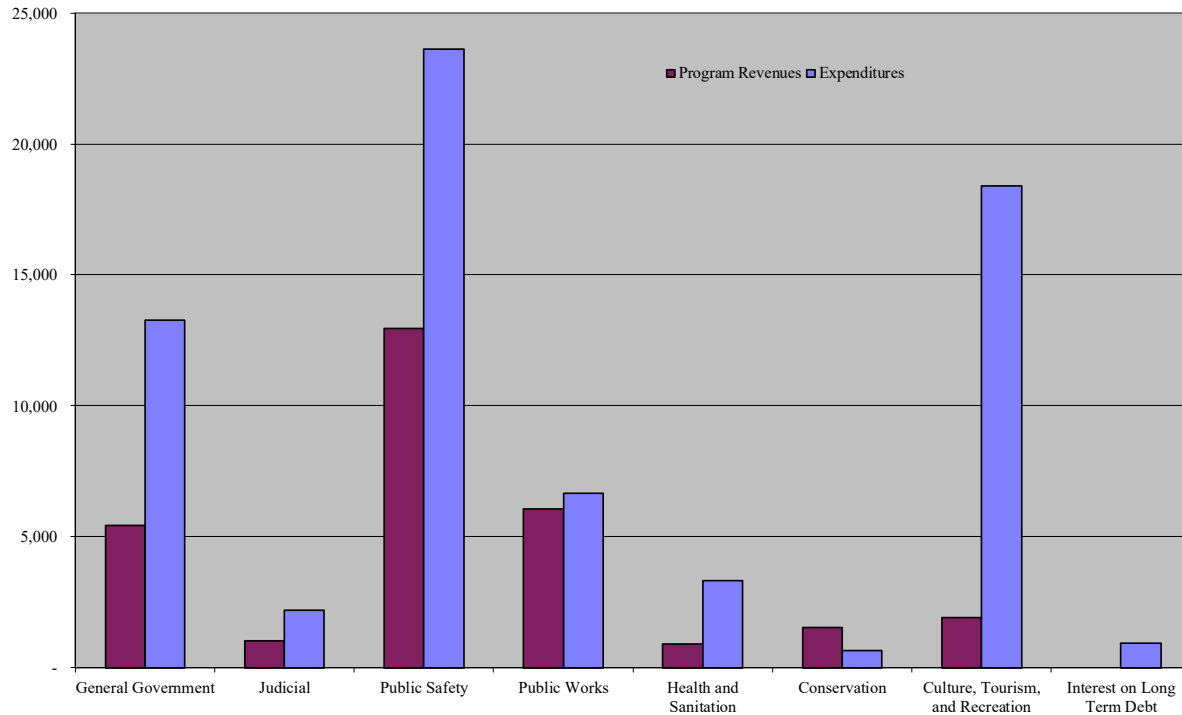
The cost of all Governmental activities this year was \$69.06 million. As shown on the Statement above, \$18.50 million of this cost was paid for by those who directly benefited from the programs; \$11.29 million was subsidized by grants received from other governmental organizations for both capital and operating activities. Overall governmental program revenues, including intergovernmental aid and fees for services were \$29.79 million. General taxes, investment earnings, and other general revenues totaled \$52.7 million.

Total resources available during the year to finance operations were \$180.4 million consisting of net position at December 31, 2017 of \$97.96 million, program revenues of 29.79 million and general revenues of \$52.7 million. Total Governmental Activities during the year were \$69.06 million, thus net position increased by \$13.43 million to \$111.4 million.

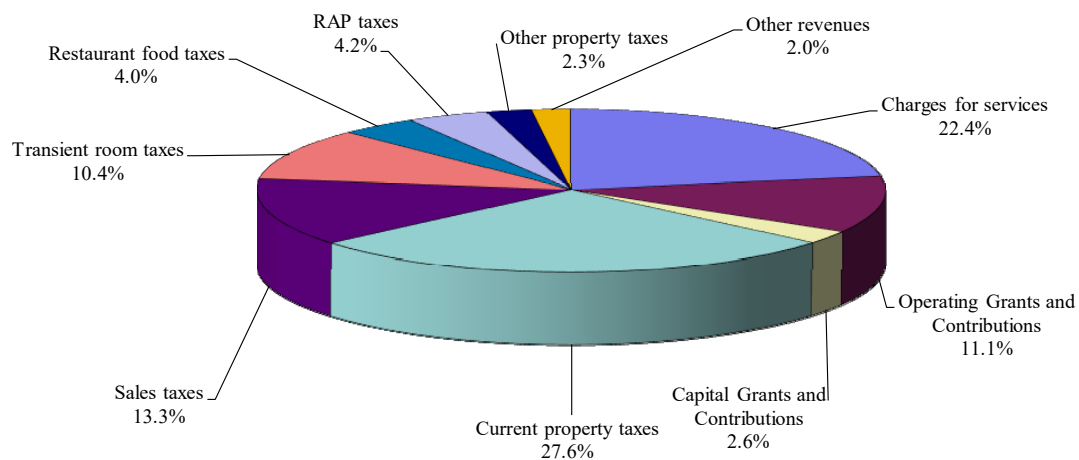


The following graphs compare program revenues with program expenditures and provide a breakdown of revenues by source for governmental activities:

**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 80 to 83.

For the year ended December 31, 2018, the governmental funds reflect a combined fund balance of \$87,073,015 as reported on page 16 to 17. Of this, \$50,700,324 is not available for expenditure or is restricted and legally segregated for a specific future use. An additional \$15,012,743 has been committed to capital projects. The remaining \$21,359,948 may serve as a useful indicator of a government's net resources available for spending at the end of the year.

The General fund is the principal operating fund of the County and accounts for many functions of the government, including general administrative services, judicial, public safety, public works, health and sanitation, conservation, culture, tourism and recreation. General fund revenues and expenditures increased slightly from the prior year. Revenues totaled \$30,680,324 and expenditures, before other financing sources and uses, totaled \$25,946,580. The net increase in fund balance before transfers was \$4,733,744. Transfers from the general fund totaling \$3,415,846 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 2018. (See Page 18-19)

The RAP Tax fund is used for the collecting the Recreation, Arts, & Parks (RAP) tax. This is a tax with restricted use only allowed for Recreation, Cultural and Art projections and Park related projects. Revenues in 2018 were \$3,447,889 with expenditures of \$3,304,930.

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.

The Travel Board fund is used to account for transient room tax revenues used to promote travel within Washington County and assist the Washington County/St George Interlocal Agency. Revenues and expenditures excluding transfers totaled \$9,155,614 and \$6,694,034 in 2018, 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 2018, the construction of a housing building to hold minimum risk security inmates at the Purgatory Correctional Facility was constructed.

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, and Corridor Preservation. The non-major funds are combined into one column on the governmental fund statements. (See Pages 78 to 96 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 \$1,531,237 giving a final fund balance of \$9,695,684. 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 \$1,179,714. 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 70 to 73)

## **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 2018, net capital assets of the government activities totaled \$55.56 million. Depreciation on capital assets is recognized in the Government-Wide financial statements. (See note 8 to the financial statements.)

### **Debt**

At year-end 2018, the County had \$37.32 million in governmental type debt. The debt is a liability of the government and amounts to approximately \$233.26 per capita. During the current fiscal year, the County's total debt had a net decrease of \$8,079,357. (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 Washington County, management has proposed to budget revenues and expenditures for 2019 close to the 2018 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](http://www.washco.utah.gov)

## **BASIC FINANCIAL STATEMENTS**

**WASHINGTON COUNTY**  
**Statement of Net Position**  
**December 31, 2018**

	<b>Primary Government Governmental Activities</b>	<b>Component Units</b>
<b>Assets</b>		
Cash and investments	\$ 77,676,374	\$ 36,452,630
Receivables (net of allowance for uncollectibles)	9,176,665	4,153,261
Inventory	-	10,946
Prepaid assets	573,121	64,260
Restricted cash and investments	4,186,410	13,573,483
Noncurrent receivables	-	762,635
Note receivable	1,752,797	-
Net pension asset	14,132	82,267
Capital assets not being depreciated	5,841,418	12,597,771
Capital assets being depreciated, net of accumulated depreciation	49,726,654	32,209,898
Total assets	148,947,571	99,907,151
<b>Deferred Outflows of Resources</b>		
Deferred charge on refunding	754,570	-
Deferred outflows related to pensions	8,196,735	1,656,752
Total deferred outflows of resources	8,951,305	1,656,752
<b>Liabilities</b>		
Accounts payable and other current liabilities	3,588,790	3,101,118
Unearned revenue	195,134	-
Accrued interest payable	206,235	75,279
Noncurrent liabilities:		
Due within one year	3,631,000	153,121
Due in more than one year	23,316,687	10,208,058
Net pension liability	10,375,077	1,637,397
Total liabilities	41,312,923	15,174,973
<b>Deferred Inflows of Resources</b>		
Billings for future period revenues	-	-
Deferred inflows related to pensions	5,182,001	972,752
Total deferred inflows of resources	5,182,001	972,752
<b>Net Position</b>		
Net investment in capital assets	32,927,891	39,927,061
Restricted for:		
Class "B" roads	2,957,816	-
Debt Service	227,000	-
Public works	9,419,202	-
Health and sanitation	833,283	-
Conservation	8,422,567	-
Culture, tourism, and recreation	20,040,326	-
Other purposes	8,741,009	14,279,479
Unrestricted	27,834,858	31,209,638
Total net position	\$ 111,403,952	\$ 85,416,178

The accompanying notes are an integral part of the financial statements

**WASHINGTON COUNTY**  
**Statement of Activities**  
**For the Year Ended December 31, 2018**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units
					Governmental Activities	Total	
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 13,265,313	\$ 4,560,947	\$ 865,332	\$ -	\$ (7,839,034)	\$ (7,839,034)	\$ -
Judicial	2,204,465	353,910	679,723	-	(1,170,832)	(1,170,832)	-
Public safety	23,631,193	9,634,231	3,049,567	259,104	(10,688,291)	(10,688,291)	-
Public works	6,648,043	401,605	3,905,892	1,761,586	(578,960)	(578,960)	-
Health and sanitation	3,341,895	656,837	238,786	-	(2,446,272)	(2,446,272)	-
Conservation	639,280	1,525,083	286	-	886,089	886,089	-
Culture, tourism, and recreation	18,411,528	1,375,547	424,539	114,196	(16,497,246)	(16,497,246)	-
Interest on long-term debt	926,078	-	-	-	(926,078)	(926,078)	-
Total governmental activities	69,067,795	18,508,160	9,164,125	2,134,886	(39,260,624)	(39,260,624)	-
Total primary government	\$ 69,067,795	\$ 18,508,160	\$ 9,164,125	\$ 2,134,886	(39,260,624)	(39,260,624)	-
<b>Component units:</b>							
Public safety	\$ 6,721,841	\$ 3,673,705	\$ 83,408	\$ 143,563	-	-	(2,821,165)
Public works	17,572,972	18,222,672	292,029	2,046,049	-	-	2,987,778
Health and sanitation	7,552,437	1,951,262	6,686,979	-	-	-	1,085,804
Total component units	\$ 31,847,250	\$ 23,847,639	\$ 7,062,416	\$ 2,189,612	-	-	1,252,417
General revenues:							
Current property taxes					22,775,456	22,775,456	3,095,148
Sales taxes					10,988,253	10,988,253	-
Transient room taxes					8,599,254	8,599,254	-
Restaurant food taxes					3,325,243	3,325,243	-
RAP taxes					3,434,762	3,434,762	-
Other property taxes					1,912,852	1,912,852	243,756
Unrestricted investment earnings					1,610,178	1,610,178	877,531
Gain on the sale of assets					54,314	54,314	127,882
Other revenues					-	-	585,720
Total general revenues and transfers					52,700,312	52,700,312	4,930,037
Change in net position					13,439,688	13,439,688	6,182,454
Net position - beginning					97,964,264	97,964,264	77,963,089
Prior period adjustment					-	-	1,270,635
Net position - ending					\$ 111,403,952	\$ 111,403,952	\$ 85,416,178

The accompanying notes are an integral part of the financial statements

**WASHINGTON COUNTY**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2018**

	General Fund	Special Revenue RAP Tax	Travel Board
<b>Assets</b>			
Cash and investments	\$ 7,654,748	\$ 755,183	\$ 11,136,785
Property taxes receivable	2,788,890	-	-
Due from other governments	294,376	594,130	1,171,798
Other receivables	35,070	-	-
Prepaid assets	5,000	-	-
Restricted cash and investments	-	-	-
Total assets	<u>\$ 10,778,084</u>	<u>\$ 1,349,313</u>	<u>\$ 12,308,583</u>
<b>Liabilities</b>			
Accounts payable	\$ 453,363	\$ 537,788	\$ 184,858
Accrued liabilities	433,903	-	22,400
Unearned revenue	195,134	-	-
Total liabilities	<u>1,082,400</u>	<u>537,788</u>	<u>207,258</u>
<b>Fund balances</b>			
Nonspendable: Prepaid assets	5,000	-	-
Restricted for:			
Class "B" roads	-	-	-
Debt service fund	-	-	-
Public works	-	-	-
Health and sanitation	-	-	-
Conservation	-	-	-
Culture, tourism, and recreation	-	811,525	12,101,325
Other purposes	-	-	-
Committed to capital projects	377,028	-	-
Assigned to debt service	-	-	-
Assigned to special revenue funds	-	-	-
Unassigned	9,313,656	-	-
Total fund balances	<u>9,695,684</u>	<u>811,525</u>	<u>12,101,325</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,778,084</u>	<u>\$ 1,349,313</u>	<u>\$ 12,308,583</u>

The accompanying notes are an integral part of the financial statements

---

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 14,215,411	\$ 42,971,919	\$ 76,734,046
-	1,321,054	4,109,944
-	2,330,895	4,391,199
596,629	3,823	635,522
-	54,121	59,121
-	4,186,410	4,186,410
<u>\$ 14,812,040</u>	<u>\$ 50,868,222</u>	<u>\$ 90,116,242</u>
\$ 176,325	\$ 775,611	\$ 2,127,945
-	263,845	720,148
-	-	195,134
<u>176,325</u>	<u>1,039,456</u>	<u>3,043,227</u>
-	54,121	59,121
-	2,957,816	2,957,816
-	227,000	227,000
-	9,419,202	9,419,202
-	833,283	833,283
-	8,422,567	8,422,567
-	7,127,476	20,040,326
-	8,741,009	8,741,009
14,635,715	-	15,012,743
-	4,095,837	4,095,837
-	7,950,455	7,950,455
-	-	9,313,656
<u>14,635,715</u>	<u>49,828,766</u>	<u>87,073,015</u>
<u>\$ 14,812,040</u>	<u>\$ 50,868,222</u>	<u>\$ 90,116,242</u>



**WASHINGTON COUNTY**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2018**

		Special Revenue	
	General Fund	RAP Tax Fund	Travel Board
<b>Revenues</b>			
Taxes	\$ 21,131,584	\$ 3,434,762	\$ 8,599,254
Licenses and permits	36,056	-	-
Intergovernmental	5,118,576	-	-
Charges for services	1,983,870	-	-
Fines and forfeitures	996,486	-	-
Interest	199,861	13,127	222,060
Sub-lease revenue	-	-	-
Other revenue	1,213,891	-	334,300
Total revenues	30,680,324	3,447,889	9,155,614
<b>Expenditures</b>			
Current:		-	-
General government	5,554,876	-	-
Judicial	1,939,855	-	-
Public Safety	15,869,488	-	-
Public Works	584,895	-	-
Health and Sanitation	1,625,019	-	-
Conservation	-	-	-
Culture, tourism, and recreation	325,777	3,304,930	6,128,207
Matching Funds & contributions	46,670	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	466,656
Interest	-	-	99,171
Total expenditures	25,946,580	3,304,930	6,694,034
Excess revenues over (under) expenditures	4,733,744	142,959	2,461,580
<b>Other financing sources (uses)</b>			
Transfers in	213,339	-	200,000
Transfers out	(3,415,846)	-	(836,055)
Total other financing sources and uses	(3,202,507)	-	(636,055)
Net change in fund balances	1,531,237	142,959	1,825,525
Fund balances - beginning of year	8,164,447	668,566	10,275,800
Fund balances - end of year	\$ 9,695,684	\$ 811,525	\$ 12,101,325

The accompanying notes are an integral part of the financial statements

---

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 18,485,315	\$ 51,650,915
-	184,474	220,530
-	12,047,018	17,165,594
-	771,042	2,754,912
-	82,911	1,079,397
314,772	860,358	1,610,178
-	434,956	434,956
-	418,509	1,966,700
<u>314,772</u>	<u>33,284,583</u>	<u>76,883,182</u>
-	6,605,818	12,160,694
-	-	1,939,855
-	4,156,413	20,025,901
-	6,557,348	7,142,243
-	1,406,416	3,031,435
-	580,321	580,321
-	7,088,812	16,847,726
-	-	46,670
2,856,519	-	2,856,519
-	2,771,469	3,238,125
-	931,236	1,030,407
<u>2,856,519</u>	<u>30,097,833</u>	<u>68,899,896</u>
<u>(2,541,747)</u>	<u>3,186,750</u>	<u>7,983,286</u>
2,000,000	2,272,614	4,685,953
-	(434,052)	(4,685,953)
<u>2,000,000</u>	<u>1,838,562</u>	<u>-</u>
(541,747)	5,025,312	7,983,286
<u>15,177,462</u>	<u>44,803,454</u>	<u>79,089,729</u>
<u>\$ 14,635,715</u>	<u>\$ 49,828,766</u>	<u>\$ 87,073,015</u>

**WASHINGTON COUNTY**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**To the Statement of Net Position**  
**December 31, 2018**

---

Total governmental fund balances		\$ 87,073,015
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.		1,752,797
Net pension asset is not an available resource and, therefore, is not reported in the funds.		14,132
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$ 132,395,724	
Accumulated depreciation	<u>(76,827,652)</u>	
		55,568,072
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	(16,267,000)	
Less: Deferred charge on refunding (to be amortized)	754,570	
Net unamortized premiums	(1,329,373)	
Capital leases payable	(7,551,175)	
Compensated absences	(1,800,139)	
Net pension liability	(10,375,077)	
Accrued interest payable	<u>(206,235)</u>	
		(36,774,429)
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	8,196,735	
Deferred inflows	<u>(5,182,001)</u>	
		3,014,734
Assets and liabilities of the internal service fund included in governmental activities.		<u>755,631</u>
Total net position of governmental activities		<u><u>\$ 111,403,952</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, 2018**

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

Net changes in fund balances - total governmental funds \$ 7,983,286

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.

Capital outlay	\$ 6,226,715	
Depreciation expense	<u>(3,500,642)</u>	
		2,726,073

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. (335,825)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the amount of capital asset donations received in the current year. 199,685

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. (363,873)

Revenues that do not provide current financial resources are not reported as revenues in governmental funds. This represents the change in unearned revenues for property taxes that have previously been deferred in the funds. (7,840)

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.

Principal payments on bonds payable	1,662,000	
Principal payments on capital leases	1,550,000	
Amortization of bond premiums	166,918	
Amortization of deferred charge on refunding	<u>(129,191)</u>	
		3,249,727

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

Pension contributions	4,192,611	
Pension expense	<u>(4,017,740)</u>	
		174,871

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

Compensated absences	(65,002)	
Accrued interest	<u>23,250</u>	
		(41,752)

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 (144,664)

Change in net position of governmental activities \$ 13,439,688

The accompanying notes are an integral part of the financial statements

**WASHINGTON COUNTY**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2018**

---

	Internal Service Fund
<b>Assets:</b>	
Cash	\$ 942,328
Accounts receivable	40,000
Prepaid expenses	514,000
Total Assets	<u>1,496,328</u>
<b>Liabilities:</b>	
Accounts payable	<u>740,697</u>
Total Liabilities	<u>740,697</u>
<b>Net Position:</b>	
Unrestricted	<u>755,631</u>
Total Net Position	<u>\$ 755,631</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, 2018**

---

	<u>Internal Service Fund</u>
<b>Operating Revenues</b>	
Charges for services	
County contributions	\$ 4,810,495
Employee contributions	1,059,240
Interest	<u>17,245</u>
Total operating revenues	<u>5,886,980</u>
<b>Operating Expenses</b>	
Claims expense	5,446,422
Premium expense	<u>585,222</u>
Total operating expenses	<u>6,031,644</u>
Operating income (loss)	(144,664)
<b>Net position, beginning of the year</b>	<u>900,295</u>
<b>Net position, end of the year</b>	<u><u>\$ 755,631</u></u>

The accompanying notes are an integral part of the financial statements

**WASHINGTON COUNTY**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2018**

---

	<u>Internal Service Fund</u>
<b>Cash Flows From Operating Activities:</b>	
Cash received from customers, service fees	\$ 5,876,980
Cash paid to suppliers	<u>(6,131,870)</u>
Cash flows from operating activities	<u>(254,890)</u>
 <b>Net Change in Cash and Cash Equivalents</b>	 (254,890)
 Cash and cash equivalents including restricted cash, beginning of year	 <u>1,197,218</u>
 Cash and cash equivalents including restricted cash, end of year	 <u><u>\$ 942,328</u></u>
 Reconciliation of operating income (loss) to cash flows from operating activities:	
Net operating income (loss)	\$ (144,664)
Adjustments to reconcile net income (loss) to cash flows from operating activities:	
Depreciation	
Changes in operating assets and liabilities	
(Increase)/Decrease in receivables	(10,000)
Increase/(Decrease) in accounts payable	<u>(100,226)</u>
 Net cash flows from operating activities	 <u><u>\$ (254,890)</u></u>

The accompanying notes are an integral part of the financial statements

**WASHINGTON COUNTY**  
**Combined Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2018**

---

	<u>Agency Funds</u>
<b>Assets</b>	
Cash and investments	<u>\$ 27,929,048</u>
Total Assets	<u>\$ 27,929,048</u>
<b>Liabilities</b>	
Deposits held in trust	\$ 8,998,583
Due to taxing districts	16,407,607
Due to Washington County General Fund and Other Funds	1,733,006
Due to Assessing & Collecting Fund	<u>789,852</u>
Total Liabilities	<u>\$ 27,929,048</u>
<b>Net Position</b>	
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, 2018**

	Southwest Utah Public Health Dept.	Ash Creek SSD	Washington County Solid Waste SSD	Nonmajor Component Units	Total Component Units
<b>Assets</b>					
Current assets:					
Cash and investments	\$ 6,590,430	\$ 8,239,078	\$ 15,252,707	\$ 6,370,415	\$ 36,452,630
Due from other governments	418,952	13,000	-	179,495	611,447
Due from other sources	-	669,804	1,168,252	1,703,758	3,541,814
Inventory	-	4,134	-	6,812	10,946
Prepaid assets	54,956	9,304	-	-	64,260
Total current assets	<u>7,064,338</u>	<u>8,935,320</u>	<u>16,420,959</u>	<u>8,260,480</u>	<u>40,681,097</u>
Noncurrent assets:					
Restricted cash and investments	-	5,868,249	6,161,654	1,543,580	13,573,483
Due from other sources - noncurrent	-	762,635	-	-	762,635
Net pension asset	-	-	-	82,267	82,267
Capital assets not being depreciated	925,000	10,207,434	134,149	1,331,188	12,597,771
Capital assets being depreciated, net of accumulated depreciation	<u>3,784,128</u>	<u>13,225,014</u>	<u>4,945,108</u>	<u>10,255,648</u>	<u>32,209,898</u>
Total noncurrent assets	<u>4,709,128</u>	<u>30,063,332</u>	<u>11,240,911</u>	<u>13,212,683</u>	<u>59,226,054</u>
Total assets	<u>\$ 11,773,466</u>	<u>\$ 38,998,652</u>	<u>\$ 27,661,870</u>	<u>\$ 21,473,163</u>	<u>\$ 99,907,151</u>
<b>Deferred Outflows of Resources</b>					
Deferred outflows related to pensions	<u>792,585</u>	<u>376,580</u>	<u>221,088</u>	<u>266,499</u>	<u>1,656,752</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	\$ 35,987	\$ 303,462	\$ 1,066,012	\$ 1,322,505	\$ 2,727,966
Accrued liabilities	195,108	34,659	32,038	111,347	373,152
Compensated absences	-	70,563	114,844	55,560	240,967
Accrued interest payable	-	-	-	75,279	75,279
Total current liabilities	<u>231,095</u>	<u>408,684</u>	<u>1,212,894</u>	<u>1,564,691</u>	<u>3,417,364</u>
Noncurrent liabilities:					
Due within one year	-	-	-	153,121	153,121
Due in more than one year	89,675	65,610	5,093,068	4,718,738	9,967,091
Net pension liability	<u>940,764</u>	<u>402,034</u>	<u>256,921</u>	<u>37,678</u>	<u>1,637,397</u>
Total noncurrent liabilities	<u>1,030,439</u>	<u>467,644</u>	<u>5,349,989</u>	<u>4,909,537</u>	<u>11,757,609</u>
Total liabilities	<u>1,261,534</u>	<u>876,328</u>	<u>6,562,883</u>	<u>6,474,228</u>	<u>15,174,973</u>
<b>Deferred Inflows of Resources</b>					
Billings for future period revenues	-	-	-	-	-
Deferred inflows related to pensions	<u>483,339</u>	<u>175,280</u>	<u>126,114</u>	<u>188,019</u>	<u>972,752</u>
Total deferred inflows of resources	<u>483,339</u>	<u>175,280</u>	<u>126,114</u>	<u>188,019</u>	<u>972,752</u>
<b>Net Position:</b>					
Net investment in capital assets	4,709,128	23,432,448	5,079,257	6,706,228	39,927,061
Restricted	5,077,678	6,665,086	633,495	1,903,220	14,279,479
Unrestricted	<u>1,034,372</u>	<u>8,226,090</u>	<u>15,481,209</u>	<u>6,467,967</u>	<u>31,209,638</u>
Total net position	<u>\$ 10,821,178</u>	<u>\$ 38,323,624</u>	<u>\$ 21,193,961</u>	<u>\$ 15,077,415</u>	<u>\$ 85,416,178</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, 2018**

	Southwest Utah Public Health Dept.	Ash Creek SSD	Washington County Solid Waste SSD	Nonmajor Component Units	Total Component Units
<b>Expenses:</b>					
Public safety:					
Fire and emergency services	\$ -	\$ -	\$ -	\$ 6,721,841	\$ 6,721,841
Public works					
Sewer services	-	2,857,651	-	-	2,857,651
Solid waste services	-	-	14,004,164	-	14,004,164
Water services	-	-	-	504,300	504,300
Transportation services	-	-	-	206,857	206,857
Health and sanitation					
Health services	7,552,437	-	-	-	7,552,437
Conservation & economic development	-	-	-	-	-
Total expenses	<u>7,552,437</u>	<u>2,857,651</u>	<u>14,004,164</u>	<u>7,432,998</u>	<u>31,847,250</u>
<b>Program revenues:</b>					
Charges for services	1,951,262	3,137,137	14,541,149	4,218,091	23,847,639
Operating grants and contributions	6,686,979	73,598	-	301,839	7,062,416
Capital grants and contributions	-	2,012,170	-	177,442	2,189,612
Net (expense) revenue	<u>1,085,804</u>	<u>2,365,254</u>	<u>536,985</u>	<u>(2,735,626)</u>	<u>1,252,417</u>
<b>General revenues:</b>					
Property taxes	-	-	-	3,095,148	3,095,148
Other taxes	-	-	-	243,756	243,756
Unrestricted investment earnings	110,319	358,654	351,464	57,094	877,531
Miscellaneous	58,077	150,626	-	377,017	585,720
Gain on sale of assets	-	121,870	12,374	(6,362)	127,882
Total general revenues and transfers	<u>168,396</u>	<u>631,150</u>	<u>363,838</u>	<u>3,766,653</u>	<u>4,930,037</u>
Change in net position	1,254,200	2,996,404	900,823	1,031,027	6,182,454
Total net position - beginning	9,566,978	35,327,220	20,293,138	12,775,753	77,963,089
Prior period adjustment	-	-	-	1,270,635	1,270,635
Total net position - ending	<u>\$ 10,821,178</u>	<u>\$ 38,323,624</u>	<u>\$ 21,193,961</u>	<u>\$ 15,077,415</u>	<u>\$ 85,416,178</u>

The accompanying notes are an integral part of the financial statements

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2018**

---

**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 June 22, 2019.

Ash Creek Special Service District (Major Enterprise Fund) - The District provides sewer service to the communities of Hurricane, LaVerkin and Toquerville and is funded mainly through user fees. The District was created by the County under the Utah Special Service District Act. The District issued separate audited financial statements dated June 24, 2019.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2018**

---

**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 5, 2019.

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 May 15, 2019.

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 2, 2019.

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, 2018**

---

**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 2018, the County provided \$571,165 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 2018 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, 2018**

---

**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, 2018**

---

**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, 2018**

---

**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, 2018**

---

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

---

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

***Cash and cash equivalents and investments***

Cash and cash equivalents are general considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

Investments are recorded at fair value in accordance with GASB Statement No.72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

***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, 2018**

---

**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, 2018**

---

**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, 2018**

---

**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, 2018**

---

**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, 2018**

---

**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, 2018, 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, 2018**

---

**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	\$ 77,646,374
Restricted cash and investments	4,186,410
Agency fund monies	27,929,048
	<u>\$ 109,761,832</u>

**Deposits**

*Custodial Credit Risk*

Custodial credit risk 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, 2018, cash on hand was \$6,402 and the carrying amount of the County's deposits was \$2,771,542. As of December 31, 2018, \$3,619,054 of the County's bank balance of \$4,137,073 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, 2018, \$6,194,971 of the Washington County Solid Waste Special Service District bank balance of \$6,758,242, \$1,205,237 of the Southwest Utah Public Health Department bank balance of \$1,716,150, and none of Ash Creek Special Service District bank balance of \$128,171 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 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.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2018**

---

**NOTE 4. Deposits and Investments (Continued)**

---

Washington County follows the requirements of the Utah Money Management Act (*Utah Code*, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of Washington 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.

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

Statutes authorize Washington County to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; 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 Money Management Act; and the Utah State Public Treasurers' Investment Fund.

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act (*Utah Code*, Title 51, Chapter 7). 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 gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, 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.

At December 31, 2018, Washington County had \$66,432,750 in the PTIF.



**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2018**

---

**NOTE 4. Deposits and Investments (Continued)**

---

At December 31, 2018, Washington County had the following invested in the PTIF:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating (1)</u>	<u>Weighted Average Maturity (2)</u>
Local Government Pooled Investment Fund	\$ 66,432,750	N/A	57.91

(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.

*Fair Value of Investments*

Washington County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Valuations based on quoted prices in active markets for identical assets or liabilities that the County has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail any significant degree of judgment. Securities classified as Level 1 inputs include U.S. Government securities and certain other U.S. Agency and sovereign government obligations.;
- *Level 2:* Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly. Securities classified as Level 2 include: corporate and municipal bonds, and “brokered” or securitized certificates of deposit; and,
- *Level 3:* Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

At December 31, 2018, Washington County had the following recurring fair value measurements.

Security Type Category	Level 1	Level 2	Level 3	Other	Total
Agency	\$ 493,550	\$ -	\$ -	\$ -	\$ 493,550
Corporate	-	39,440,912	-	-	39,440,912
Currency	50	-	-	-	50
MMFund	91,246	-	-	-	91,246
Total	<u>\$ 584,847</u>	<u>\$ 39,440,912</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,025,759</u>

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2018**

**NOTE 4. Deposits and Investments (Continued)**

For securities that generally have market prices from multiple sources, it can be difficult to select the best individual price, and the best source one day may not be the best source on the following day. The solution is to report a “consensus price” or a weighted average price for each security. Washington County receives market prices for these securities from a variety of industry standard data providers (e.g., Bloomberg), security master files from large financial institutions, and other third-party sources. Through the help of an investment advisor, Washington County uses these multiple prices as inputs into a distribution-curve based algorithm to determine the daily market value.

- U.S. Treasuries, U.S. Agencies: quoted prices for identical securities in markets that are active;

Debt securities classified in Level 2 are valued using the following approaches

- Corporate and Municipal Bonds and Commercial Paper: quoted prices for similar securities in active markets;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities’ relationship to benchmark quoted prices;
- Money Market, and Bond Mutual Funds: published fair value per share (unit) for each fund;
- Utah Public Treasurers’ Investment Fund: application of the December 31, 2018 fair value factor, as calculated by the Utah State Treasurer, to Washington County’s average daily balance in the Fund; and,
- Donated Real Estate: recent appraisals of the real estate’s value.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Washington 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 Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers’ acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

As of December 31, 2018, Washington County’s investments had the following maturities:

**Agency Bond**  
**1 to 3 years**

Account	Identifier	Final Maturity	Ending Market Value + Accrued	Ending Book Value	Security Type	Final Maturity Group
Moreton Washington County	BBG00CW43VGO	5/25/2021	494,175	492,684	AGCYBOND	1 to 3 Years

**Cash**  
**0 to 1 year**

Account	Identifier	Final Maturity	Ending Market Value + Accrued	Ending Book Value	Security Type	Final Maturity Group
Moreton Washington County	CCYUSD	12/31/2018	50.15	50	CASH	0 to 1 Year

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2018**

**NOTE 4. Deposits and Investments (Continued)**

**CORP**

**0 to 1 Year**

Account	Identifier	Final Maturity	Ending Market Value + Accrued	Ending Book Value	Security Type	Final Maturity Group
Moreton-Washington County	BBG004C2YJ04	4/15/2019	700,691	698,643	CORP	0 to 1 Year
Moreton-Washington County	BBG006W3KG88	7/25/2019	1,006,220	997,165	CORP	0 to 1 Year
Moreton-Washington County	BBG00DSPMJX3	9/20/2019	562,169	559,842	CORP	0 to 1 Year
Moreton-Washington County	BBG0072FL2Q2	9/5/2019	350,582	348,386	CORP	0 to 1 Year
Moreton-Washington County	BBG00DSPMJX3	9/20/2019	323,372	322,082	CORP	0 to 1 Year
Moreton-Washington County	BBG00DLKKXM4	8/19/2019	489,471	486,591	CORP	0 to 1 Year
Moreton-Washington County	BBG002ZL7F90	5/24/2019	855,345	851,911	CORP	0 to 1 Year
Moreton-Washington County	BBG000LDRL5	7/1/2019	1,040,280	1,013,918	CORP	0 to 1 Year
Moreton-Washington County	BBG00B9TG843	11/28/2019	996,832	996,356	CORP	0 to 1 Year
Moreton-Washington County	BBG007NFBFQ1	12/4/2019	571,980	571,986	CORP	0 to 1 Year
Moreton-Washington County	BBG0073XP8P6	9/15/2019	1,064,675	1,060,618	CORP	0 to 1 Year
Moreton-Washington County	BBG00BVT7786	2/1/2019	1,184,723	1,174,380	CORP	0 to 1 Year
<b>Moreton-Washington County</b>	<b>-</b>	<b>7/23/2019</b>	<b>9,146,339</b>	<b>9,081,881</b>	<b>CORP</b>	<b>0 to 1 Year</b>

**CORP**

**1 to 3 Years**

Account	Identifier	Final Maturity	Ending Market Value + Accrued	Ending Book Value	Security Type	Final Maturity Group
Moreton-Washington County	BBG004CH1FG8	4/15/2020	988,412	1,003,401	CORP	1 to 3 Years
Moreton-Washington County	BBG00KBB4NS3	3/15/2021	986,068	1,002,301	CORP	1 to 3 Years
Moreton-Washington County	BBG00G4WLN14	3/9/2021	698,052	701,650	CORP	1 to 3 Years
Moreton-Washington County	BBG00K9NFDG2	3/12/2020	995,468	1,001,238	CORP	1 to 3 Years
Moreton-Washington County	BBG00G9HDP8	12/27/2020	996,363	1,002,828	CORP	1 to 3 Years
Moreton-Washington County	BBG00JSBX7S1	2/10/2021	993,142	1,001,567	CORP	1 to 3 Years
Moreton-Washington County	BBG00HZ3H892	10/20/2020	998,401	1,000,000	CORP	1 to 3 Years
Moreton-Washington County	BBG00K2MNH56	2/22/2021	743,278	750,582	CORP	1 to 3 Years
Moreton-Washington County	BBG00CBZG4V3	3/4/2021	506,810	509,941	CORP	1 to 3 Years
Moreton-Washington County	BBG00KN5GTV3	4/20/2021	1,000,147	1,001,519	CORP	1 to 3 Years
Moreton-Washington County	BBG00CBZG4V3	3/4/2021	506,810	510,064	CORP	1 to 3 Years
Moreton-Washington County	BBG00GSGCK16	4/20/2020	506,444	505,134	CORP	1 to 3 Years
Moreton-Washington County	BBG009S1WLK3	8/17/2020	1,010,332	1,011,014	CORP	1 to 3 Years
Moreton-Washington County	BBG00KTFFJ48	5/7/2021	994,624	1,001,816	CORP	1 to 3 Years
Moreton-Washington County	BBG00GVM33Y4	6/8/2020	941,406	943,517	CORP	1 to 3 Years
Moreton-Washington County	BBG00GNTPL10	5/12/2020	1,004,598	1,004,229	CORP	1 to 3 Years
Moreton-Washington County	BBG00JPCZGF4	1/11/2021	992,051	1,000,964	CORP	1 to 3 Years
Moreton-Washington County	BBG00GSGCK16	4/20/2020	506,444	505,131	CORP	1 to 3 Years
Moreton-Washington County	BBG0014SQF36	8/25/2020	794,334	791,279	CORP	1 to 3 Years
Moreton-Washington County	BBG00CXBCM73	5/25/2021	380,475	385,145	CORP	1 to 3 Years
Moreton-Washington County	BBG00KWVQFJ9	5/18/2021	618,144	625,957	CORP	1 to 3 Years
Moreton-Washington County	BBG00CRGKTP5	4/23/2021	534,748	536,823	CORP	1 to 3 Years
Moreton-Washington County	BBG000N2G19	2/18/2020	1,015,336	1,033,013	CORP	1 to 3 Years
Moreton-Washington County	BBG00KG1GVP2	3/29/2021	662,797	671,223	CORP	1 to 3 Years
Moreton-Washington County	BBG00D0R36L1	6/7/2021	201,905	203,229	CORP	1 to 3 Years
Moreton-Washington County	BBG00G4WLN14	3/9/2021	598,330	601,859	CORP	1 to 3 Years
Moreton-Washington County	BBG00D8ZHTL0	7/14/2021	706,561	705,695	CORP	1 to 3 Years
Moreton-Washington County	BBG00DGSS5B8	8/2/2021	637,686	642,637	CORP	1 to 3 Years
Moreton-Washington County	BBG00DG7MCZ9	7/28/2021	1,010,726	1,013,783	CORP	1 to 3 Years
Moreton-Washington County	BBG00CR6DZ08	4/21/2021	253,053	255,425	CORP	1 to 3 Years
Moreton-Washington County	BBG00LNJ8DS9	8/13/2021	731,130	737,426	CORP	1 to 3 Years
Moreton-Washington County	BBG00KT9Z185	5/4/2021	498,024	501,383	CORP	1 to 3 Years
Moreton-Washington County	BBG00LSJSPC2	8/30/2021	243,459	250,000	CORP	1 to 3 Years
Moreton-Washington County	BBG00LWX2RV9	9/11/2021	98,868	100,156	CORP	1 to 3 Years
Moreton-Washington County	BBG00CKGW535	3/30/2021	1,011,870	1,018,433	CORP	1 to 3 Years
Moreton-Washington County	BBG00LWX2RV9	9/11/2021	395,473	400,588	CORP	1 to 3 Years
Moreton-Washington County	BBG00M0HB0T9	9/21/2021	490,667	501,690	CORP	1 to 3 Years
Moreton-Washington County	BBG00J20Z1C1	10/30/2020	1,212,119	1,212,512	CORP	1 to 3 Years
Moreton-Washington County	BBG0080GHT86	1/30/2020	499,074	494,483	CORP	1 to 3 Years
Moreton-Washington County	BBG00L3CYJ31	6/11/2021	995,646	1,004,276	CORP	1 to 3 Years
Moreton-Washington County	BBG00JRSXV48	1/25/2021	219,585	219,073	CORP	1 to 3 Years
<b>Moreton-Washington County</b>	<b>-</b>	<b>1/1/2021</b>	<b>29,178,862</b>	<b>29,362,983</b>	<b>CORP</b>	<b>1 to 3 Years</b>

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2018**

**NOTE 4. Deposits and Investments (Continued)**

**MMFUND**  
**0 to 1 year**

Account	Identifier	Final Maturity	Ending Market Value + Accrued	Ending Book Value	Security Type	Final Maturity Group
Moreton-Washington County	PIBDA	12/31/2018	91,246	91,246	MMFUND	0 to 1 Year

**YANKEE**  
**1 to 3 Years**

Account	Identifier	Final Maturity	Ending Market Value + Accrued	Ending Book Value	Security Type	Final Maturity Group
Moreton-Washington County	BBG00KK6PT44	4/13/2021	1,000,285	1,002,037	YANKEE	1 to 3 Years
Moreton-Washington County	BBG00L51HZ3	6/29/2021	314,616	320,441	YANKEE	1 to 3 Years
<b>Moreton-Washington County</b>	<b>-</b>	<b>5/1/2021</b>	<b>1,314,902</b>	<b>1,322,479</b>	<b>YANKEE</b>	<b>1 to 3 Years</b>

Summary

Account	Identifier	Final Maturity	Ending Market Value + Accrued	Ending Book Value	Security Type	Final Maturity Group
Moreton-Washington County	-	9/7/2020	40,225,575	40,351,322		

\* Grouped by: Security Type -> Final Maturity

\* Groups Sorted by: Security Type

\* Weighted by: Ending Market Value + Accrued

**Credit Risk**

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

At December 31, 2018, Washington County's investments had the following quality ratings:

**Concentration of Credit Risk**

**Credit Risk**

**AAA**

Account	Identifier	Security Type	Ending Book Value	Rating	Moody's Rating	S&P Rating	Fitch Rating	Ending Market Value + Accrued
Moreton-Washington County	BBG00CW43VG0	AGCY BOND	492,684	AAA	Aaa	AA+	---	494,175
Moreton-Washington County	CCYUSD	CASH	50	AAA	Aaa	AAA	---	50
<b>Moreton-Washington County</b>			<b>492,734</b>	<b>AAA</b>	<b>Aaa</b>	<b>AA+</b>	<b>---</b>	<b>494,225</b>

**AA**

Account	Identifier	Security Type	Ending Book Value	Rating	Moody's Rating	S&P Rating	Fitch Rating	Ending Market Value + Accrued
Moreton-Washington County	BBG00CKGW535	CORP	1,018,433	AA	Aa2	AA-	---	1,011,870
Moreton-Washington County	BBG00KK6PT44	YANKEE	1,002,037	AA	Aa2	A+	---	1,000,285
Moreton-Washington County	BBG00KN5GTV3	CORP	1,001,519	AA	Aa2	A+	---	1,000,147
<b>Moreton-Washington County</b>			<b>3,021,989</b>	<b>AA</b>	<b>Aa2</b>	<b>A+</b>	<b>---</b>	<b>3,012,302</b>

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2018**

**NOTE 4. Deposits and Investments (Continued)**

Account	Identifier	Security Type	Ending Book		Moody's Rating	S&P Rating	Fitch Rating	Ending Market Value + Accrued
			Value	Rating				
Moreton-Washington County	BBG002ZL7F90	CORP	851,911	AA-	Aa3	AA-	---	855,345
Moreton-Washington County	BBG0080GHT86	CORP	494,483	AA-	A2	A-	---	499,074
Moreton-Washington County	BBG009S1WLK3	CORP	1,011,014	AA-	Aa3	A+	---	1,010,332
Moreton-Washington County	BBG00CBZG4V3	CORP	509,941	AA-	A2	A-	---	506,810
Moreton-Washington County	BBG00CBZG4V3	CORP	510,064	AA-	A2	A-	---	506,810
Moreton-Washington County	BBG00CXBCM73	CORP	385,145	AA-	A2	A	---	380,475
Moreton-Washington County	BBG00D0R36L1	CORP	203,229	AA-	A2	A-	---	201,905
Moreton-Washington County	BBG00DG7MCZ9	CORP	1,013,783	AA-	A1	AA-	---	1,010,726
Moreton-Washington County	BBG00G4WLN14	CORP	701,650	AA-	A2	A-	---	698,052
Moreton-Washington County	BBG00G4WLN14	CORP	601,859	AA-	A2	A-	---	598,330
Moreton-Washington County	BBG00GVM33Y4	CORP	943,517	AA-	Aa3	A+	---	941,406
Moreton-Washington County	BBG00JRSXV48	CORP	219,073	AA-	Aa3	AA-	---	219,585
Moreton-Washington County	BBG00KTFFJ48	CORP	1,001,816	AA-	Aa3	A+	---	994,624
Moreton-Washington County	BBG00KWWQFJ9	CORP	625,957	AA-	A2	A	---	618,144
Moreton-Washington County	BBG00L3CYJ31	CORP	1,004,276	AA-	A1	AA-	---	995,646
Moreton-Washington County	BBG00LWX2RV9	CORP	100,156	AA-	A2	A	---	98,868
Moreton-Washington County	BBG00LWX2RV9	CORP	400,588	AA-	A2	A	---	395,473
<b>Moreton-Washington County</b>		<b>CORP</b>	<b>10,578,463</b>	<b>AA-</b>	<b>A1</b>	<b>A</b>	<b>---</b>	<b>10,531,607</b>

Account	Identifier	Security Type	Ending Book		Moody's Rating	S&P Rating	Fitch Rating	Ending Market Value + Accrued
			Value	Rating				
Moreton-Washington County	BBG000N2G19	CORP	1,033,013	A+	A3	NA	---	1,015,336
Moreton-Washington County	BBG0014SQF36	CORP	791,279	A+	A3	A-	---	794,334
Moreton-Washington County	BBG006W3KG88	CORP	997,165	A+	A3	A	---	1,006,220
Moreton-Washington County	BBG00B9TG843	CORP	996,356	A+	A1	A+	---	996,832
Moreton-Washington County	BBG00CR6DZ08	CORP	255,425	A+	A3	BBB+	---	253,053
Moreton-Washington County	BBG00D8ZHTL0	CORP	705,695	A+	A1	A-	---	706,561
Moreton-Washington County	BBG00DSPMJX3	CORP	559,842	A+	A1	A	---	562,169
Moreton-Washington County	BBG00DSPMJX3	CORP	322,082	A+	A1	A	---	323,372
Moreton-Washington County	BBG00HZ3H892	CORP	1,000,000	A+	A1	A+	---	998,401
Moreton-Washington County	BBG00J20Z1C1	CORP	1,212,512	A+	A3	BBB+	---	1,212,119
Moreton-Washington County	BBG00JSBX7S1	CORP	1,001,567	A+	A3	BBB+	---	993,142
Moreton-Washington County	BBG00LNJ8DS9	CORP	737,426	A+	A1	A+	---	731,130
<b>Moreton-Washington County</b>		<b>CORP</b>	<b>9,612,362</b>	<b>A+</b>	<b>A2</b>	<b>A-</b>	<b>---</b>	<b>9,592,668</b>

Account	Identifier	Security Type	Ending Book		Moody's Rating	S&P Rating	Fitch Rating	Ending Market Value + Accrued
			Value	Rating				
Moreton-Washington County	BBG0073XP8P6	CORP	1,060,618	A	A3	BBB+	---	1,064,675
Moreton-Washington County	BBG007NFBFQ1	CORP	571,986	A	Baa1	A-	---	571,980
Moreton-Washington County	BBG00BVT7786	CORP	1,174,380	A	Baa1	A	---	1,184,723
Moreton-Washington County	BBG00CRGKTP5	CORP	536,823	A	A3	BBB+	---	534,748
Moreton-Washington County	BBG00DGSS5B8	CORP	642,637	A	Baa1	NA	---	637,686
Moreton-Washington County	BBG00DLKKXM4	CORP	486,591	A	A2	BBB+	---	489,471
Moreton-Washington County	BBG00G9HDP8	CORP	1,002,828	A	A3	BBB+	---	996,363
Moreton-Washington County	BBG00GGSK16	CORP	505,134	A	NA	A	---	506,444
Moreton-Washington County	BBG00GGSK16	CORP	505,131	A	NA	A	---	506,444
Moreton-Washington County	BBG00JPCZGF4	CORP	1,000,964	A	A2	A	---	992,051
Moreton-Washington County	BBG00K2MNH56	CORP	750,582	A	A2	A	---	743,278
Moreton-Washington County	BBG00KBB4NS3	CORP	1,002,301	A	A2	A	---	986,068
Moreton-Washington County	BBG00KT9Z185	CORP	501,383	A	A2	A	---	498,024
Moreton-Washington County	BBG00L516HZ3	YANKEE	320,441	A	A2	A	---	314,616
Moreton-Washington County	BBG00LSJSPC2	CORP	250,000	A	A3	BBB+	---	243,459
Moreton-Washington County	BBG00M0HB0T9	CORP	501,690	A	A2	A	---	490,667
<b>Moreton-Washington County</b>			<b>10,813,489</b>	<b>A</b>	<b>A3</b>	<b>A-</b>	<b>---</b>	<b>10,760,698</b>

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2018**

**NOTE 4. Deposits and Investments (Continued)**

A-

Account	Identifier	Security Type	Ending Book Value	Rating	Moody's Rating	S&P Rating	Fitch Rating	Ending Market Value + Accrued
Moreton-Washington County	BBG000LDRL5	CORP	1,013,918	A-	A3	A-	---	1,040,280
Moreton-Washington County	BBG004C2YJ04	CORP	698,643	A-	A3	A-	---	700,691
Moreton-Washington County	BBG0072FL2Q2	CORP	348,386	A-	Baa1	BBB+	---	350,582
Moreton-Washington County	BBG00GNTPL10	CORP	1,004,229	A-	Baa1	BBB	---	1,004,598
Moreton-Washington County	BBG00KG1GVP2	CORP	671,223	A-	A3	A-	---	662,797
<b>Moreton-Washington County</b>		<b>CORP</b>	<b>3,736,400</b>	<b>A-</b>	<b>A3</b>	<b>BBB+</b>	<b>---</b>	<b>3,758,949</b>

BBB+

Account	Identifier	Security Type	Ending Book Value	Rating	Moody's Rating	S&P Rating	Fitch Rating	Ending Market Value + Accrued
Moreton-Washington County	BBG004CH1FG8	CORP	1,003,401	BBB+	Baa1	BBB+	---	988,412
Moreton-Washington County	BBG00K9NFDG3	CORP	1,001,238	BBB+	Baa1	BB+	---	995,468
<b>Moreton-Washington County</b>		<b>CORP</b>	<b>2,004,639</b>	<b>A-</b>	<b>A3</b>	<b>BBB+</b>	<b>---</b>	<b>1,983,880</b>

NA

Account	Identifier	Security Type	Ending Book Value	Rating	Moody's Rating	S&P Rating	Fitch Rating	Ending Market Value + Accrued
Moreton-Washington County	PIBDA	MMFUND	91,246	NA	NA	NA	---	91,246

**Summary**

Account	Identifier	Security Type	Ending Book Value	Rating	Moody's Rating	S&P Rating	Fitch Rating	Ending Market Value + Accrued
Moreton-Washington County	---	---	40,351,322	A+	A2	A-	---	40,225,575

\* Grouped by: Rating

\* Groups Sorted by: Rating

\* Weighted by: Ending Market Value + Accrued

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Washington County's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio.

At December 31, 2018, Washington County does not hold more than 5 percent of total investments in any single security concentration other than U. S. Government Treasuries and Agencies.

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, Washington County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Washington County does have a formal policy for custodial credit risk. All investments other than bank deposits or funds invested in the state treasurers fund are to be held by a third party with securities delivered on a delivery vs. purchase basis. As of December 31, 2018, Washington County safe kept all investments with custodian counterparty Wells Fargo Bank, NA and **all investments** which was/were held by the counterparty's trust department or agent are registered in Washington County's name.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2018**

---

**NOTE 4. Deposits and Investments (Continued)**

---

**Component Units**

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	Investment Maturity
Southwest Utah Public Health Department	\$ 4,982,153	Unrated	57.91 days
Ash Creek Special Service District	\$14,049,159	Unrated	57.91 days
Wash. County Solid Waste Special Svc. Dist. No. 1	\$ 7,728,263	Unrated	57.91 days

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	\$ 2,349,786	AA	\$ -	\$ 2,349,786
Corporate	4,633,664	A	1,945,221	2,688,443
Currency	19	AAA	19	-
Money Market Fund	29,527	N/A	29,527	-

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

N/A indicates unrated.

---

**NOTE 5. Receivables**

---

**Property taxes receivable** in the governmental funds represent property taxes collected by the County and held in the Treasurer's Trust Fund at December 31, 2018. These monies were distributed to the various County funds in January 2019 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 2018, the County's combined tax rate for assessing and collecting was .000438. 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, 2019.

**Notes receivable** that are shown on the Statement of Net Position include \$1,752,670 receivable from St. George City for payments due on the Convention Center and the Museum subleases. See Note 9 also.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2018**

---

**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, 2018 are shown in the following table:

<b>Transfers out reported in:</b>					
	General Fund	Travel Board	Nonmajor: Recreation Fund	Nonmajor: Grants Fund	Total
<b>Transfers in reported in:</b>					
General Fund	\$ -	\$ -	\$ -	\$ 213,339	\$ 213,339
Travel Board Fund	-	-	200,000	-	200,000
Capital Projects Fund	2,000,000	-	-	-	\$ 2,000,000
Nonmajor Special Revenue Funds:					
Debt Service Fund	447,000	-	-	-	447,000
Children's Justic Center Fund	51,942	-	-	-	51,942
Library Fund	112,000	-	-	-	112,000
Council on Aging Fund	629,904	-	-	-	629,904
Recreation Fund	-	700,000	-	-	700,000
Grant & Endowment	175,000	-	-	-	175,000
Sports & Outdoor Rec. Fund		136,055	20,713		156,768
<b>Total Transfers</b>	<b>\$ 3,415,846</b>	<b>\$ 836,055</b>	<b>\$ 220,713</b>	<b>\$ 213,339</b>	<b>\$ 4,685,953</b>

No interfund receivables and payables at December 31, 2018.

---

**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, 2018. These monies were distributed in January of 2019 and thereafter.



**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2018**

**NOTE 8. Capital Assets**

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

<b>Governmental Activities:</b>	<b>Balance 12/31/2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance 12/31/2018</b>
Capital assets, not being depreciated:					
Land	4,867,852	\$ 1,016,100	\$ (103,036)	\$ -	\$ 5,780,916
Construction in progress	203,825	2,807,565	(91,029)	(2,859,859)	60,502
Total capital assets, not being depreciated:	5,071,677	3,823,665	(194,065)	(2,859,859)	5,841,418
Capital assets, being depreciated:					
Buildings and improvements	52,336,169	-	-	2,859,859	55,196,028
Convention Center	12,344,835	-	-	-	12,344,835
Regional Park	7,417,408	-	-	-	7,417,408
Museum	2,279,863	-	-	-	2,279,863
Autos and trucks	5,242,609	1,195,701	(15,057)	-	6,423,253
Equipment	9,159,868	1,407,034	(453,544)	-	10,113,358
Furniture and fixtures	987,418	-	-	-	987,418
Bridges, Towers, Trails, Infrastructure	5,119,948	-	-	-	5,119,948
Streets and sidewalks	26,672,195	-	-	-	26,672,195
Total capital assets, being depreciated:	121,560,313	2,602,735	(468,601)	2,859,859	126,554,306
Less accumulated depreciation for:					
Buildings and improvements	(21,841,027)	(1,611,967)	-	-	(23,452,994)
Convention Center	(6,681,972)	(317,118)	-	-	(6,999,090)
Regional Park	(2,416,020)	(220,980)	-	-	(2,637,000)
Museum	(1,228,281)	(58,458)	-	-	(1,286,739)
Autos and trucks	(4,003,525)	(553,449)	15,057	-	(4,541,917)
Equipment	(6,882,476)	(531,300)	311,784	-	(7,101,992)
Furniture and fixtures	(748,089)	(41,379)	-	-	(789,468)
Bridges, Towers, Trails, Infrastructure	(3,440,743)	(144,430)	-	-	(3,585,173)
Streets and sidewalks	(26,411,718)	(21,561)	-	-	(26,433,279)
Total accumulated depreciation	(73,653,851)	(3,500,642)	326,841	-	(76,827,652)
Total capital assets, being depreciated, net	47,906,462	(897,907)	(141,760)	2,859,859	49,726,654
Governmental activities capital assets, net	\$ 52,978,139	\$ 2,925,758	\$ (335,825)	\$ -	\$ 55,568,072

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

<b>Governmental Activities:</b>	
General government	\$ 1,061,753
Public safety	824,000
Public works	523,783
Health and sanitation	202,913
Culture, tourism, and recreation	881,609
Judicial	6,584
Total depreciation expense - governmental activities	<u>\$ 3,500,642</u>

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2018**

**NOTE 9. Long-Term Liabilities**

The following is a summary of changes in long-term debt for the year ended December 31, 2018.

<b>Governmental activities:</b>	Balance			Balance	Current
General Obligation Bonds:	12/31/2017	Additions	Retirements	12/31/2018	Portion
Refunding G.O. bonds					
Series 2010 Refunding G.O. bonds	\$ 6,735,000	\$ -	\$ (1,020,000)	\$ 5,715,000	\$ 1,075,000
Series 2016 Refunding G.O. bonds	2,880,000	-	(290,000)	2,590,000	295,000
Net unamortized premiums	743,007		(127,272)	615,735	-
Revenue Obligation Bonds:					
Sales tax revenue refunding bonds, series 2016	5,995,000		(230,000)	5,765,000	235,000
Net unamortized premiums	753,284	-	(39,646)	713,638	-
MBA lease revenue bonds, series 2010	2,319,000	-	(122,000)	2,197,000	128,000
Total Bonds	19,425,291	-	(1,828,918)	17,596,373	1,733,000
Capital leases (Convention)	8,945,175	-	(1,500,000)	7,445,175	1,585,000
Capital leases (Museum)	156,000	-	(50,000)	106,000	52,000
Net pension liability	15,140,518	-	(4,765,441)	10,375,077	-
Accrued Compensated Absences	1,735,137	65,002	-	1,800,139	261,000
Total Governmental activity long-term liabilities	<u>\$ 45,402,121</u>	<u>\$ 65,002</u>	<u>\$ (8,144,359)</u>	<u>\$ 37,322,764</u>	<u>\$ 3,631,000</u>

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

Period Ending December 31	Principal	Interest	Total
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
2022	1,941,000	435,650	2,376,650
2023	1,283,000	350,580	1,633,580
2024-2028	3,972,000	1,084,910	5,056,910
2029-2033	2,409,000	501,520	2,910,520
2034-2036	1,235,000	100,200	1,335,200
	<u>\$ 16,267,000</u>	<u>\$ 4,193,580</u>	<u>\$ 20,460,580</u>

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

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2018**

---

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

---

Bonds payable at December 31, 2018, 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. \$ 5,715,000

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. 2,590,000

**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. 5,765,000

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. 2,197,000

Net unamortized premiums 1,329,373

Total Bonds Payable \$ 17,596,373

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2018**

---

**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
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	572,539	1,916,761	2,489,300
2023	-	-	-
Total remaining minimum lease payments	1,863,642	6,239,151	8,102,793
Less amount representing interest	151,125	506,493	657,618
Present value of net remaining minimum lease payments	<u>\$ 1,712,517</u>	<u>\$ 5,732,658</u>	<u>\$ 7,445,175</u>

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2018**

---

**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
2019	\$ 21,170	\$ 34,540	\$ 55,710
2020	21,238	34,652	55,890
Total remaining minimum lease payments	42,408	69,192	111,600
Less amount representing interest	2,128	3,472	5,600
Present value of net remaining minimum lease payments	<u>\$ 40,280</u>	<u>\$ 65,720</u>	<u>\$ 106,000</u>

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2018**

---

**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. Pension Plans**

---

***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:

**Defined Benefit Pension Plan**

- 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](http://www.urs.org).

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2018**

---

**NOTE 10. Pension Plans (Continued)**

---

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

***Summary of Benefits by System***

<b>System</b>	<b>Final average salary</b>	<b>Years of service required and/or age eligible for benefit</b>	<b>Benefit percent per year of service</b>	<b>COLA**</b>
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, 2018 are as follows:

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2018**

**NOTE 10. Pension Plans (Continued)**

**Utah Retirement Systems**

	<b>Employee</b>	<b>Employer</b>	<b>Employer 401(k)</b>
<b>Contributory System</b>			
111 – Local Governmental Division Tier 2	N/A	15.54%	1.15%
<b>Noncontributory System</b>			
15 – Local Governmental Division Tier 1	N/A	18.47%	N/A
<b>Public Safety System</b>			
<b>Contributory</b>			
122 – Tier 2 DB Hybrid Public Safety	N/A	23.09%	0.74%
<b>Noncontributory</b>			
43 – Other Division A with 2.5% COLA	N/A	34.04%	N/A
<b>Tier 2 DC Only</b>			
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, 2018, the employer and employee contributions to the Systems were as follows:

<b>System</b>	<b>Employer Contributions</b>	<b>Employee Contributions</b>
Noncontributory System	\$ 1,522,3431	N/A
Contributory System	254	-
Public Safety System	1,759,801	-
Tier 2 Public Employees System	447,658	-
Tier 2 Public Safety and Firefighter	397,654	-
Tier 2 DC Only System	57,856	N/A
Tier 2 DC Public Safety and Firefighter System	7,045	N/A
<b>Total Contributions</b>	<b>\$ 4,192,611</b>	<b>\$ -</b>

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, 2018**

**NOTE 10. Pension Plans (Continued)**

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

At December 31, 2018, the County reported a net pension asset of \$14,132 and a net pension liability of \$10,375,077.

	Proportionate Share		Change (Decrease)	(Measurement Date): December 31, 2017	
	December 31, 2016	December 31, 2017		Net Pension Asset	Net Pension Liability
Noncontributory System	1.0874791%	1.0436110%	(0.0438681)%	\$ -	\$ 4,572,373
Public Safety System	4.0071949%	3.6842591%	(0.3229358) %	-	5,779,343
Tier 2 Public Employees System	0.2318753%	0.2649571%	0.0330818 %	-	23,361
Tier 2 Public Safety and Firefighter	1.2863569%	1.2213792%	(0.0649777)%	14,132	-
				<u>\$ 14,132</u>	<u>\$ 10,375,077</u>

The net pension asset and liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2017 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, 2018, the County recognized pension expense of \$4,016,307.

At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 110,240	\$ 1,149,381
Changes in assumptions	3,832,929	190,04
Net difference between projected and actual earnings on pension plan investments	-	3,275,575
Changes in proportion and differences between contributions and proportional share of contributions	60,955	567,005
Contributions subsequent to the measurement date	4,192,611	-
	<u>\$ 8,196,735</u>	<u>\$ 5,182,001</u>

\$4,192,611 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, 2017.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2018**

---

**NOTE 10. Pension Plans (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:

<b>Year Ended December 31</b>	<b>Deferred Outflows (Inflows) of Resources</b>
2018	\$ 359,937
2019	560,400
2020	(997,795)
2021	(1,153,688)
2022	(6,751)
Thereafter	60,020

***Actuarial assumptions***

The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary increases	3.25 – 9.75 percent, average, including inflation
Investment rate of return	6.95 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, 2017, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

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, 2018**

**NOTE 10. Pension Plans (Continued)**

Asset Class	Target Asset Allocation	Expected Return Arithmetic Basis	
		Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	40%	6.15%	2.46%
Debt securities	20%	0.40%	0.08%
Real assets	15%	5.75%	0.86%
Private equity	9%	9.95%	0.89%
Absolute return	16%	2.85%	0.46%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		4.75%
	Inflation		2.50%
	Expected arithmetic nominal return		7.25%

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.45% that is net of investment expense.

*Discount rate:* The discount rate used to measure the total pension liability was 6.95 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 6.95 percent from 7.20 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 6.95 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 (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 12,365,842	\$ 4,572,373	\$ (1,907,510)
Public Safety System	14,561,347	5,779,343	(1,338,370)
Tier 2 Public Employees System	275,059	23,361	(170,735)
Tier 2 Public Safety and Firefighter	125,150	(14,132)	(120,544)
Total	\$ 27,327,398	\$ 10,360,945	\$ (3,537,159)

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2018**

---

**NOTE 10. Pension Plans (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:

	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b><i>401(k) Plan</i></b>			
Employer Contributions	\$ 188,602	\$ 169,703	\$ 140,542
Employee Contributions	321,152	290,731	319,300
<b><i>457 Plan</i></b>			
Employer Contributions	-	-	-
Employee Contributions	69,847	68,128	74,565
<b><i>Roth IRA Plan</i></b>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	103,727	84,390	62,950
<b><i>Traditional IRA</i></b>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	2,073	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, 2018**

---

**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.

	12/31/18
Unpaid claims beginning of year	\$ -
Incurred claims	5,587,174
Claim payments	(5,587,174)
Unpaid claims, end of year	<u>\$ -</u>

---

**NOTE 12. Commitments and Contracts**

---

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

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

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

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

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

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

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2018**

---

**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 purchase of a fire truck for the Hurricane Valley Fire Special Service District (a component unit of the County), the Municipal Building Authority of Washington County, Utah issued \$995,000 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.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2018**

---

**NOTE 15.      Conduit Debt Obligations (Continued)**

---

To provide for the construction of a fire station for the Hurricane Valley Fire Special Service District (a component unit of the County), the Municipal Building Authority of Washington County, Utah issued \$1,638,000 Lease Revenue Bonds Series, 2017. The County leases the property from the Authority and subleases the property to the Hurricane Valley Special Service District.

The lease payments coincide with the debt service payments on the bonds. The bonds are payable from and secured by the lease payments and do not constitute a pledge of the faith and credit of the County and have not been reported in the accompanying financial statements. At December 31, 2018, the principal amount outstanding on the bonds was \$155,000, \$426,000, \$506,000, \$956,000, \$8,240,000, and \$1,638,000, respectively.

## **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 31,</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>
<b>Noncontributory System</b>					
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%
2018	1.0436110%	\$ 4,572,373	\$ 8,816,860	51.86%	91.9%
<b>Public Safety System</b>					
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%
2018	3.6842591%	\$ 5,779,343	\$ 5,373,861	107.55%	90.2%
<b>Tier 2 Public Employees System</b>					
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%
2018	0.2649517%	\$ 23,361	\$ 2,593,231	0.90%	97.4%
<b>Tier 2 Public Safety and Firefighter System</b>					
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%
2018	1.2213792%	\$ (14,132)	\$ 1,289,304	-1.10%	103.0%

\* 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 31,	Actuarial determined contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
<b>Noncontributory System</b>					
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%
2018	1,522,343	1,522,343	-	8,579,933	17.74%
<b>Contributory System</b>					
2018	\$ 254	\$ 254	\$ -	\$ 1,632	15.56%
<b>Public Safety System</b>					
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%
2018	1,759,801	1,759,801	-	5,311,885	33.13%
<b>Tier 2 Public Employees System*</b>					
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%
2018	447,658	447,658	-	2,921,573	15.32%
<b>Tier 2 Public Safety and Firefighter System*</b>					
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%
2018	397,654	397,654	-	1,739,908	22.85%
<b>Tier 2 Public Employees DC Only System*</b>					
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%
2018	57,856	57,856	-	860,633	6.72%
<b>Tier 2 Public Safety and Firefighter DC Only System*</b>					
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%
2018	7,045	7,045	-	59,551	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, 2018**

---

*Changes in Assumptions:*

As a result of an experience study conducted as of December 31, 2016, the Board adopted recommended changes to several economic and demographic assumptions that are used in the actuarial valuation. The assumption changes that had the largest impact on the Total Pension Liability (and actuarial liability) include a decrease in the investment return assumption from 7.20% to 6.95%, a reduction in the price inflation assumption from 2.60% to 2.50% (which also resulted in a corresponding decrease in the cost-of-living-adjustment assumption for the funds with a 4.00% annual COLA max), and the adoption of an updated retiree mortality table that is developed using URS's actual retiree mortality experience. There were changes to several other demographic assumptions, but those changes had a minimal impact on the Total Pension Liability (and actuarial accrued liability).

## **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, 2018**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
<b>Taxes:</b>				
Current Property Taxes	\$ 9,095,272	\$ 9,571,802	\$ 9,636,648	\$ 64,846
Fee in lieu Taxes	1,025,000	1,215,000	1,292,548	77,548
Prior Years Delinquent Taxes	460,000	460,000	436,537	(23,463)
County Sales & Use Taxes	8,000,000	8,800,000	9,075,266	275,266
RDA Taxes	170,000	170,000	200,100	30,100
Penalties & Interest	450,000	450,000	490,485	40,485
Total Taxes	19,200,272	20,666,802	21,131,584	464,782
<b>Licenses, Permits:</b>				
Marriage Licenses	27,500	27,500	36,056	8,556
<b>Intergovernmental:</b>				
Prison Reimbursement	3,701,500	3,701,500	4,012,259	310,759
Miscellaneous Reimbursements	320,000	649,473	439,680	(209,793)
Bailiff/Security Reimbursement	613,335	613,335	666,637	53,302
Total Intergovernmental	4,634,835	4,964,308	5,118,576	154,268
<b>Charges for Services:</b>				
Clerk's Fees	130,000	130,000	167,643	37,643
Data Processing Fees	75,000	75,000	81,676	6,676
Jail Commissary, Phone and Medical	445,000	445,000	424,992	(20,008)
Recorder's Fees	810,000	810,000	856,369	46,369
State Medical Reimbursements	20,000	20,000	13,455	(6,545)
Prisoner Industry and Other	344,500	344,500	439,735	95,235
Total Charges for Services	1,824,500	1,824,500	1,983,870	159,370
<b>Fines and Forfeitures:</b>				
Court and Precinct Fines	1,017,500	1,017,500	996,486	(21,014)
Total Fines and Forfeitures	1,017,500	1,017,500	996,486	(21,014)
<b>Other Revenues:</b>				
Interest Revenue	-	-	199,861	199,861
Rent-Property	901,800	901,800	932,573	30,773
Sale of Property, Material & Supplies	-	-	54,314	54,314
Vending Revenue	-	-	134	134
Xerox Revenue	30,000	30,000	31,999	1,999
Other	68,200	68,200	194,871	126,671
Total Other Revenues	1,000,000	1,000,000	1,413,752	413,752
<b>TOTAL REVENUES</b>	<b>27,704,607</b>	<b>29,500,610</b>	<b>30,680,324</b>	<b>1,179,714</b>

(continued)

**WASHINGTON COUNTY**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Continued)**  
**For the Year Ended December 31, 2018**

EXPENDITURES:	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
GENERAL GOVERNMENT				
Commission:				
Salaries	310,087	310,087	313,273	(3,186)
Employee Benefits	165,800	165,800	168,421	(2,621)
Services, Supplies and Other	73,250	73,250	51,310	21,940
Capital Outlay	12,500	12,500	694	11,806
	561,637	561,637	533,698	27,939
Human Resource:				
Salaries	166,255	166,255	161,400	4,855
Employee Benefits	81,700	81,700	64,211	17,489
Services, Supplies and Other	62,450	62,450	46,727	15,723
Capital Outlay	5,000	5,000	1,453	3,547
	315,405	315,405	273,791	41,614
Info Tech Services:				
Salaries	21,327	21,327	10,985	10,342
Employee Benefits	10,975	10,975	16,526	(5,551)
Services, Supplies and Other	177,398	177,398	123,003	54,395
Capital Outlay	55,000	55,000	93,267	(38,267)
	264,700	264,700	243,781	20,919
Clerk/Auditor:				
Salaries	298,135	298,135	310,680	(12,545)
Employee Benefits	155,201	155,201	129,549	25,652
Services, Supplies and Other	54,900	54,900	51,965	2,935
Capital Outlay	13,000	13,000	1,134	11,866
	521,236	521,236	493,328	27,908
Recorder:				
Salaries	41,290	41,290	54,000	(12,710)
Employee Benefits	18,410	18,410	31,758	(13,348)
Services, Supplies and Other	47,000	47,000	22,322	24,678
Capital Outlay	7,000	7,000	659	6,341
	113,700	113,700	108,739	4,961
Attorney:				
Salaries	1,690,623	1,690,623	1,696,005	(5,382)
Employee Benefits	813,200	813,200	811,196	2,004
Services, Supplies and Other	173,940	173,940	149,607	24,333
Capital Outlay	16,000	16,000	11,409	4,591
	2,693,763	2,693,763	2,668,217	25,546
Non-Departmental:				
Services, Supplies and Other	45,000	45,000	42,825	2,175
Insurance - Buildings and Vehicles	359,733	359,733	360,799	(1,066)
	404,733	404,733	403,624	1,109
Elections:				
Services, Supplies and Other	320,200	427,200	448,292	(21,092)
Capital Outlay	8,000	393,000	381,406	11,594
	328,200	820,200	829,698	(9,498)
Total General Government	5,203,374	5,695,374	5,554,876	135,537
				(continued)

(continued)

**WASHINGTON COUNTY**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Continued)**  
**For the Year Ended December 31, 2018**

EXPENDITURES (Continued):	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
JUDICIAL				
Justice of the Peace:				
Salaries	665,200	665,200	641,966	23,234
Employee Benefits	301,500	301,500	270,301	31,199
Services and Supplies	88,500	88,500	49,974	38,526
Capital Outlay	29,000	29,000	19,040	9,960
	1,084,200	1,084,200	981,281	102,919
Public Defender:				
Services, Supplies and Other	966,432	966,432	958,574	7,858
Total Judicial	2,050,632	2,050,632	1,939,855	110,777
PUBLIC SAFETY				
Public Safety/County Jail:				
Salaries	9,333,300	9,333,300	9,060,531	272,769
Employee Benefits	5,063,225	5,063,225	4,917,823	145,402
Services, Supplies and Other	1,285,719	1,285,719	1,190,942	94,777
Capital Outlay	474,124	474,124	700,192	(226,068)
Total Public Safety	16,156,368	16,156,368	15,869,488	286,880
PUBLIC WORKS				
Maintenance:				
Motor Pool	51,000	61,000	50,134	10,866
County Buildings Maintenance	568,700	568,700	534,761	33,939
Total Public Works	619,700	629,700	584,895	44,805
PUBLIC HEALTH				
Health Services:				
Services, Supplies and Other	1,630,000	1,630,000	1,625,019	4,981
Total Public Health	1,630,000	1,630,000	1,625,019	4,981
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, 2018**

<b>EXPENDITURES (Continued):</b>	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<b>MISCELLANEOUS</b>				
Services, Supplies and Other	545,687	271,000	300,777	(29,777)
<b>MATCHING FUNDS &amp; CONTRIBUTIONS</b>				
Contributions	58,000	58,000	46,670	11,330
<b>TOTAL EXPENDITURES</b>	<u>26,288,761</u>	<u>26,516,074</u>	<u>25,946,580</u>	<u>564,533</u>
Excess of Revenues Over Expenditures	<u>1,415,846</u>	<u>2,984,536</u>	<u>4,733,744</u>	<u>1,744,247</u>
<b>Other Financing Sources (Uses):</b>				
Transfer to Debt Service Fund	(447,000)	(447,000)	(447,000)	-
Transfer to Special Revenue Funds	(968,846)	(968,846)	(968,846)	-
Transfer to Capital Projects Fund	-	(3,000,000)	(2,000,000)	1,000,000
Transfer from Other Funds	-	-	213,339	213,339
Total Other Financing Sources (Uses):	<u>(1,415,846)</u>	<u>(4,415,846)</u>	<u>(3,202,507)</u>	<u>1,213,339</u>
<b>Net Change in Fund Balance</b>	-	(1,431,310)	1,531,237	2,957,586
Fund Balance, Beginning of Year	<u>8,164,447</u>	<u>8,164,447</u>	<u>8,164,447</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 8,164,447</u>	<u>\$ 6,733,137</u>	<u>\$ 9,695,684</u>	<u>\$ 2,957,586</u>



**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, 2018**

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>				
Tax Revenues:				
RAP Taxes	\$ 2,950,000	\$ 3,535,000	\$ 3,434,762	\$ (100,238)
Total Taxes	2,950,000	3,535,000	3,434,762	(100,238)
Other Revenues:				
Interest Earnings	-	-	13,127	13,127
Total Other	-	-	13,127	13,127
Total Revenues	2,950,000	3,535,000	3,447,889	(87,111)
<b>EXPENDITURES:</b>				
Culture, Tourism, and Recreation:				
County expenditures	550,000	610,000	499,054	110,946
Distribution to entities	2,400,000	2,925,000	2,805,876	119,124
Total Expenditures	2,950,000	3,535,000	3,304,930	230,070
<b>Net Change in Fund Balance</b>	-	-	142,959	142,959
Fund Balance, Beginning of Year	668,566	668,566	668,566	-
Fund Balance, End of Year	\$ 668,566	\$ 668,566	\$ 811,525	\$ 142,959

**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, 2018**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Tax Revenues:				
Transient Room Taxes	\$ 7,750,000	\$ 8,500,000	\$ 8,599,254	\$ 99,254
Other Revenues:				
Interest Earnings	-	-	222,060	222,060
Other	197,200	197,200	334,300	137,100
Total Revenues	7,947,200	8,697,200	9,155,614	458,414
<b>EXPENDITURES:</b>				
Culture, Tourism, and Recreation:				
Convention Center Operations	851,000	851,000	281,376	569,624
Travel Board:				
Salaries	430,700	430,700	420,245	10,455
Employee Benefits	189,800	189,800	191,488	(1,688)
Services, Supplies and Other	4,929,479	5,679,479	5,222,291	457,188
Capital Outlay	50,000	50,000	12,807	37,193
Debt Service				
Principal	-	-	466,656	(466,656)
Interest	-	-	99,171	(99,171)
Total Expenditures	6,450,979	7,200,979	6,694,034	506,945
Excess of Revenues				
Over (Under) Expenditures	1,496,221	1,496,221	2,461,580	965,359
<b>Other Financing Sources (Uses):</b>				
Transfers:				
From Recreation Special Revenue Fund	200,000	200,000	200,000	-
To Recreation Special Revenue Fund	(700,000)	(700,000)	(700,000)	-
To Sports & Outdoor Recreation Fund	(996,221)	(996,221)	(136,055)	860,166
Total Other Financing Sources (Uses):	(1,496,221)	(1,496,221)	(636,055)	860,166
<b>Net Change in Fund Balance</b>	-	-	1,825,525	1,825,525
Fund Balance, Beginning of Year	10,275,800	10,275,800	10,275,800	-
Fund Balance, End of Year	\$ 10,275,800	\$ 10,275,800	\$ 12,101,325	\$ 1,825,525

## **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, 2018**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Other Revenues:				
Interest Earnings	\$ -	\$ -	\$ 314,772	\$ 314,772
Total Revenues	-	-	314,772	314,772
<b>EXPENDITURES:</b>				
Capital Outlay:				
Buildings	2,700,000	2,750,000	2,747,063	2,937
Other	-	3,050,000	109,456	2,940,544
Total Expenditures	2,700,000	5,800,000	2,856,519	2,943,481
Excess of Revenues Over (Under) Expenditures	(2,700,000)	(5,800,000)	(2,541,747)	3,258,253
<b>Other Financing Sources (Uses):</b>				
Transfer from General Fund	-	3,000,000	2,000,000	(1,000,000)
Total Other Financing Sources (Uses)	-	3,000,000	2,000,000	(1,000,000)
<b>Net Change in Fund Balance</b>	(2,700,000)	(2,800,000)	(541,747)	2,258,253
Fund Balance, Beginning of Year	15,177,462	15,177,462	15,177,462	-
Fund Balance, End of Year	<u>\$ 12,477,462</u>	<u>\$ 12,377,462</u>	<u>\$ 14,635,715</u>	<u>\$ 2,258,253</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, 2018**

		Special Revenue Funds			
	Debt Service	Class "B" Roads	Municipal Services	Assessing and Collecting	Flood Damage
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 2,646,144	\$ 5,232,928	\$ 7,836,532	\$ 1,567,811
Property taxes receivable	161,427	-	-	774,282	-
Due from other governments	-	428,295	212,010	-	233,158
Other receivables	-	-	1,369	1,000	-
Prepaid assets	-	-	-	-	-
Restricted cash	4,161,410	-	-	-	-
Total assets	4,322,837	3,074,439	5,446,307	8,611,814	1,800,969
<b>LIABILITIES</b>					
Accounts payable	-	100,576	196,670	64,480	103,592
Accrued liabilities	-	16,047	81,586	64,196	-
Total liabilities	-	116,623	278,256	128,676	103,592
<b>FUND BALANCES</b>					
Nonspendable: Prepaid assets	-	-	-	-	-
Restricted for:					
Class "B" roads	-	2,957,816	-	-	-
Debt service fund	227,000	-	-	-	-
Public works	-	-	-	-	1,697,377
Health and sanitation	-	-	-	-	-
Conservation	-	-	-	-	-
Culture, tourism, and recreation	-	-	-	-	-
Other purposes	-	-	-	8,483,138	-
Assigned	4,095,837	-	5,168,051	-	-
Total fund balances	4,322,837	2,957,816	5,168,051	8,483,138	1,697,377
Total liabilities, deferred inflows of resources, & fund balances	\$ 4,322,837	\$ 3,074,439	\$ 5,446,307	\$ 8,611,814	\$ 1,800,969

								Total Nonmajor Gvtl. Funds
Children's Justice Center	Library	Habitat Conservation	Council on Aging	Recreation Fund	Grants Fund	Sports & Outdoor Rec.	Corridor Preservation	
\$ 88,466	\$ 2,213,220	\$ 8,204,048	\$ 778,170	\$ 6,580,335	\$ 210,188	\$ 14,548	\$ 7,599,529	42,971,919
-	385,345	-	-	-	-	-	-	1,321,054
33,266	-	314,916	115,543	636,802	234,609	-	122,296	2,330,895
-	-	-	-	1,454	-	-	-	3,823
3,000	50,000	-	-	-	1,121	-	-	54,121
-	25,000	-	-	-	-	-	-	4,186,410
<u>124,732</u>	<u>2,673,565</u>	<u>8,518,964</u>	<u>893,713</u>	<u>7,218,591</u>	<u>445,918</u>	<u>14,548</u>	<u>7,721,825</u>	<u>50,868,222</u>
1,632	53,116	89,030	46,115	81,974	23,878	14,548	-	775,611
3,729	54,317	7,367	14,315	9,141	13,147	-	-	263,845
<u>5,361</u>	<u>107,433</u>	<u>96,397</u>	<u>60,430</u>	<u>91,115</u>	<u>37,025</u>	<u>14,548</u>	<u>-</u>	<u>1,039,456</u>
3,000	50,000	-	-	-	1,121	-	-	54,121
-	-	-	-	-	-	-	-	2,957,816
-	-	-	-	-	-	-	-	227,000
-	-	-	-	-	-	-	7,721,825	9,419,202
-	-	-	833,283	-	-	-	-	833,283
-	-	8,422,567	-	-	-	-	-	8,422,567
-	-	-	-	7,127,476	-	-	-	7,127,476
116,371	-	-	-	-	141,500	-	-	8,741,009
-	2,516,132	-	-	-	266,272	-	-	12,046,292
<u>119,371</u>	<u>2,566,132</u>	<u>8,422,567</u>	<u>833,283</u>	<u>7,127,476</u>	<u>408,893</u>	<u>-</u>	<u>7,721,825</u>	<u>49,828,766</u>
<u>\$ 124,732</u>	<u>\$ 2,673,565</u>	<u>\$ 8,518,964</u>	<u>\$ 893,713</u>	<u>\$ 7,218,591</u>	<u>\$ 445,918</u>	<u>\$ 14,548</u>	<u>\$ 7,721,825</u>	<u>\$ 50,868,222</u>



**WASHINGTON COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2018**

	Debt Service	Special Revenue Funds			
		Class "B" Roads	Municipal Services	Assessing and Collecting	Flood Damage
<b>REVENUES:</b>					
Taxes	\$ 1,585,015	\$ 700,000	\$ 1,215,703	\$ 7,225,895	\$ -
Licenses, permits and fees	-	-	184,474	-	-
Intergovernmental	144,083	2,225,232	2,651,205	-	1,547,021
Charges for services	-	21,174	229,287	47,700	-
Fines and forfeitures	-	-	-	-	-
Interest	3,584	54,952	114,040	116,317	29,928
Sub-lease revenue	-	-	-	-	-
Miscellaneous	9,680	22,382	102,088	508	-
Total	1,742,362	3,023,740	4,496,797	7,390,420	1,576,949
<b>EXPENDITURES:</b>					
General Government	103,034	-	372,054	6,130,730	-
Public Safety	-	-	2,648,196	-	-
Public Works	-	2,143,774	1,046,531	-	1,572,457
Health and Sanitation	-	-	-	-	-
Conservation	-	-	-	-	-
Culture, Tourism, and Recreation	-	-	-	-	-
Debt Service:					
Principal	1,709,000	-	-	-	-
Interest	702,016	-	-	-	-
Total	2,514,050	2,143,774	4,066,781	6,130,730	1,572,457
Excess of revenues over (under) expenditures	(771,688)	879,966	430,016	1,259,690	4,492
<b>Other financing sources (uses):</b>					
Transfers in	447,000	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	447,000	-	-	-	-
<b>Net change in fund balances</b>	(324,688)	879,966	430,016	1,259,690	4,492
Fund Balances - Beginning	4,647,525	2,077,850	4,738,035	7,223,448	1,692,885
Fund Balances - Ending	\$ 4,322,837	\$ 2,957,816	\$ 5,168,051	\$ 8,483,138	\$ 1,697,377

Children's Justice Center	Library	Habitat Conservation	Council on Aging	Recreation Fund	Grants Fund	Sports & Outdoor Rec.	Corridor Preservation	Total Non-major Govt. Funds
\$ -	\$ 3,836,521	\$ -	\$ -	\$ 3,922,181	\$ -	\$ -	\$ -	\$ 18,485,315
-	-	-	-	-	-	-	-	184,474
203,117	90,593	1,466,131	767,858	10,051	1,261,067	-	1,680,660	12,047,018
-	-	-	-	472,881	-	-	-	771,042
-	82,911	-	-	-	-	-	-	82,911
1,395	22,726	175,056	16,292	123,395	-	16,447	186,226	860,358
-	-	-	-	434,956	-	-	-	434,956
21,097	100,914	6,255	42,405	-	-	113,180	-	418,509
225,609	4,133,665	1,647,442	826,555	4,963,464	1,261,067	129,627	1,866,886	33,284,583
-	-	-	-	-	-	-	-	6,605,818
267,745	-	-	-	-	1,240,472	-	-	4,156,413
-	-	-	-	-	-	-	1,794,586	6,557,348
-	-	-	1,406,416	-	-	-	-	1,406,416
-	-	580,321	-	-	-	-	-	580,321
-	4,016,539	-	-	2,331,909	-	740,364	-	7,088,812
-	-	-	-	1,062,469	-	-	-	2,771,469
-	-	-	-	229,220	-	-	-	931,236
267,745	4,016,539	580,321	1,406,416	3,623,598	1,240,472	740,364	1,794,586	30,097,833
(42,136)	117,126	1,067,121	(579,861)	1,339,866	20,595	(610,737)	72,300	3,186,750
51,942	112,000	-	629,904	700,000	175,000	156,768	-	2,272,614
-	-	-	-	(220,713)	(213,339)	-	-	(434,052)
51,942	112,000	-	629,904	479,287	(38,339)	156,768	-	1,838,562
9,806	229,126	1,067,121	50,043	1,819,153	(17,744)	(453,969)	72,300	5,025,312
109,565	2,337,006	7,355,446	783,240	5,308,323	426,637	453,969	7,649,525	44,803,454
\$ 119,371	\$ 2,566,132	\$ 8,422,567	\$ 833,283	\$ 7,127,476	\$ 408,893	\$ -	\$ 7,721,825	\$ 49,828,766

**WASHINGTON COUNTY**  
**Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended December 31, 2018**

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>				
Tax Revenues	\$ 1,947,956	\$ 1,210,656	\$ 1,585,015	\$ 374,359
Other Revenues:				
Intergovernmental Revenues	826,567	826,567	144,083	(682,484)
Assessment Revenues	-	-	9,680	9,680
Interest Income	-	-	3,584	3,584
Total Revenues	<u>2,774,523</u>	<u>2,037,223</u>	<u>1,742,362</u>	<u>(294,861)</u>
<b>EXPENDITURES:</b>				
Bank and Other Fees	130,137	130,137	103,034	27,103
Debt Service:				
Principal, Public Safety Bond	16,000	16,000	16,000	-
Principal, Library Bonds	1,310,000	1,310,000	1,310,000	-
Principal, Special Assessment Bonds	15,000	15,000	15,000	-
Principal, MBA Lease Revenue Bonds	138,000	138,000	138,000	-
Principal, Sales Tax Revenue Bonds	500,000	500,000	230,000	270,000
Interest, Public Safety Bond	5,600	5,600	5,397	203
Interest, Library Bond	805,875	805,875	395,598	410,277
Interest, Special Assessment Bonds	10,750	10,750	10,750	-
Interest, MBA Lease Revenue Bonds	75,661	80,661	76,571	4,090
Interest, Sales Tax Revenue Bond	<u>214,500</u>	<u>214,500</u>	<u>213,700</u>	<u>800</u>
Total Expenditures	<u>3,221,523</u>	<u>3,226,523</u>	<u>2,514,050</u>	<u>712,473</u>
Excess of Revenues				
Over (Under) Expenditures	<u>(447,000)</u>	<u>(1,189,300)</u>	<u>(771,688)</u>	<u>417,612</u>
<b>Other Financing Sources (Uses):</b>				
Operating Transfers:				
From General Fund	<u>447,000</u>	<u>447,000</u>	<u>447,000</u>	<u>-</u>
Total Other Financing Sources (Uses):	<u>447,000</u>	<u>447,000</u>	<u>447,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	(742,300)	(324,688)	417,612
Fund Balance, Beginning of Year	<u>4,647,525</u>	<u>4,647,525</u>	<u>4,647,525</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 4,647,525</u>	<u>\$ 3,905,225</u>	<u>\$ 4,322,837</u>	<u>\$ 417,612</u>

**WASHINGTON COUNTY**  
**Class "B" Roads Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended December 31, 2018**

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>				
Taxes:				
Fee in lieu Taxes	\$ 600,000	\$ 600,000	\$ 700,000	\$ 100,000
Intergovernmental Revenues:				
Class "B" Roads	1,868,000	1,868,000	2,204,152	336,152
Forest Reserve	298,000	298,000	-	(298,000)
FHWA Reimbursement	-	-	21,080	21,080
Total Intergovernmental Revenues	<u>2,166,000</u>	<u>2,166,000</u>	<u>2,225,232</u>	<u>59,232</u>
Charges for Services:				
Fuel Revenue - Other Departments	<u>11,000</u>	<u>11,000</u>	<u>21,174</u>	<u>10,174</u>
Other Revenues:				
Interest Revenue	14,000	14,000	54,952	40,952
Other	<u>2,500</u>	<u>2,500</u>	<u>22,382</u>	<u>19,882</u>
Total Other Revenues	<u>16,500</u>	<u>16,500</u>	<u>77,334</u>	<u>60,834</u>
Total Revenues	<u>2,793,500</u>	<u>2,793,500</u>	<u>3,023,740</u>	<u>230,240</u>
<b>EXPENDITURES:</b>				
Public Works:				
Salaries	567,000	567,000	577,323	(10,323)
Employee Benefits	292,500	292,500	281,425	11,075
Services, Supplies and Other	766,000	766,000	622,154	143,846
Capital Outlay	<u>1,348,000</u>	<u>1,348,000</u>	<u>662,872</u>	<u>685,128</u>
Total Public Works	<u>2,973,500</u>	<u>2,973,500</u>	<u>2,143,774</u>	<u>829,726</u>
Excess of Revenues				
Over (Under) Expenditures	(180,000)	(180,000)	879,966	1,059,966
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>2,077,850</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (180,000)</u>	<u>\$ (180,000)</u>	<u>\$ 2,957,816</u>	<u>\$ 1,059,966</u>

**WASHINGTON COUNTY**  
**Municipal Services Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended December 31, 2018**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Sales Tax Revenue	\$ 1,110,000	\$ 1,110,000	\$ 1,215,703	\$ 105,703
Business Licenses and Building Permits	154,000	154,000	184,474	30,474
Intergovernmental Revenue:				
Federal Payments in Lieu of Taxes	2,325,000	2,325,000	2,404,417	79,417
State Mineral Lease	90,000	90,000	90,359	359
Sheriff Protection	150,000	150,000	127,135	(22,865)
Federal Public Safety Grant & GIS	-	-	24,094	24,094
Other	-	-	5,200	5,200
Total Intergovernmental	<u>2,565,000</u>	<u>2,565,000</u>	<u>2,651,205</u>	<u>86,205</u>
Charges for Services	270,437	270,437	229,287	(41,150)
Other Revenue:				
Interest Earnings	-	-	114,040	114,040
Liquor Allocation	100,000	100,000	92,746	(7,254)
Miscellaneous	3,500	3,500	9,342	5,842
Total Other	<u>103,500</u>	<u>103,500</u>	<u>216,128</u>	<u>112,628</u>
Total Revenues	<u>4,202,937</u>	<u>4,202,937</u>	<u>4,496,797</u>	<u>293,860</u>
<b>EXPENDITURES:</b>				
General Government:				
Planning & Zonning	180,500	200,500	195,686	4,814
GIS	123,850	123,850	122,846	1,004
Miscellaneous Contingent	70,717	70,717	53,522	17,195
Total General Government	<u>375,067</u>	<u>395,067</u>	<u>372,054</u>	<u>23,013</u>
Public Safety:				
Sheriff and Dispatch	2,150,000	2,150,000	2,150,000	-
Fire Control	189,600	145,600	45,611	99,989
Building Inspector	255,950	279,950	267,213	12,737
Miscellaneous Contingent	146,000	146,000	185,372	(39,372)
Total Public Safety	<u>2,741,550</u>	<u>2,721,550</u>	<u>2,648,196</u>	<u>73,354</u>
Public Works:				
Maintenance shop	341,820	341,820	258,524	83,296
Weed control	183,700	183,700	148,256	35,444
Public works - other	658,885	658,885	639,751	19,134
Total Public Works	<u>1,184,405</u>	<u>1,184,405</u>	<u>1,046,531</u>	<u>137,874</u>
Total Expenditures	<u>4,301,022</u>	<u>4,301,022</u>	<u>4,066,781</u>	<u>234,241</u>
Excess of Revenues				
Over (Under) Expenditures	(98,085)	(98,085)	430,016	528,101
Fund Balance, Beginning of Year	<u>4,738,035</u>	<u>4,738,035</u>	<u>4,738,035</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 4,639,950</u>	<u>\$ 4,639,950</u>	<u>\$ 5,168,051</u>	<u>\$ 528,101</u>

**WASHINGTON COUNTY**  
**Assessing and Collecting Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended December 31, 2018**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Assessing & Collecting Tax	\$ 6,909,698	\$ 7,260,533	\$ 7,206,134	\$ (54,399)
Penalties & Interest	18,000	18,000	19,761	1,761
Total Taxes	<u>6,927,698</u>	<u>7,278,533</u>	<u>7,225,895</u>	<u>(52,638)</u>
Recorder's Fees	18,000	18,000	47,700	29,700
Interest Income	-	-	116,317	116,317
Other	-	-	508	508
Total Revenues	<u>6,945,698</u>	<u>7,296,533</u>	<u>7,390,420</u>	<u>93,887</u>
<b>EXPENDITURES:</b>				
Commission	99,113	99,113	94,183	4,930
Human Resources	35,045	35,045	30,422	4,623
Info Tech Services	974,100	974,100	911,345	62,755
GIS	123,850	123,850	122,848	1,002
Clerk Auditor	280,665	280,665	265,638	15,027
Treasurer:				
Salaries	290,800	290,800	295,241	(4,441)
Employee Benefits	135,100	135,100	136,909	(1,809)
Services, Supplies and Other	71,750	71,750	65,589	6,161
Capital Outlay	7,000	7,000	1,200	5,800
Total Treasurer	<u>504,650</u>	<u>504,650</u>	<u>498,939</u>	<u>5,711</u>
Recorder:				
Salaries	644,300	644,300	616,193	28,107
Attorney	141,777	141,777	140,433	1,344
Assessor:				
Salaries	1,714,000	1,714,000	1,710,537	3,463
Employee Benefits	767,300	767,300	787,105	(19,805)
Services, Supplies and Other	530,600	530,600	450,178	80,422
Capital Outlay	104,500	104,500	73,544	30,956
Total Assessor	<u>3,116,400</u>	<u>3,116,400</u>	<u>3,021,364</u>	<u>95,036</u>
Administration Building	206,900	206,900	195,588	11,312
Miscellaneous Contingent	818,898	1,169,733	233,777	935,956
Total Expenditures	<u>6,945,698</u>	<u>7,296,533</u>	<u>6,130,730</u>	<u>1,165,803</u>
Excess of Revenues				
Over (Under) Expenditures	-	-	1,259,690	1,259,690
Fund Balance, Beginning of Year	<u>7,223,448</u>	<u>7,223,448</u>	<u>7,223,448</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 7,223,448</u>	<u>\$ 7,223,448</u>	<u>\$ 8,483,138</u>	<u>\$ 1,259,690</u>

**WASHINGTON COUNTY**  
**Flood Damage Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended December 31, 2018**

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental:				
Federal Revenue	\$ 920,000	\$ 1,589,299	\$ 1,547,021	\$ (42,278)
Total Intergovernmental	920,000	1,589,299	1,547,021	(42,278)
Interest Revenue	-	-	29,928	29,928
Total Revenues	920,000	1,589,299	1,576,949	(12,350)
<b>EXPENDITURES:</b>				
Public Works:				
Services, Supplies and Other	920,000	1,589,299	1,572,457	16,842
Total Expenditures	920,000	1,589,299	1,572,457	16,842
Excess of Revenues Over (Under) Expenditures	-	-	4,492	4,492
Fund Balance, Beginning of Year	1,692,885	1,692,885	1,692,885	-
Fund Balance, End of Year	\$ 1,692,885	\$ 1,692,885	\$ 1,697,377	\$ 4,492

**WASHINGTON COUNTY**  
**Children's Justice Center Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended December 31, 2018**

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental Revenue	\$ 200,438	\$ 213,799	\$ 203,117	\$ (10,682)
Other Revenues:				
Interest Earnings	-	-	1,395	1,395
Contributions	-	19,099	21,097	1,998
Total Other	-	19,099	22,492	3,393
Total Revenues	200,438	232,898	225,609	(7,289)
<b>EXPENDITURES:</b>				
Public Safety				
AG's Children Justice Center	194,580	283,840	266,945	16,895
VOCA	57,800	-	-	-
NCA	-	1,000	800	200
Total Expenditures	252,380	284,840	267,745	17,095
Excess of Revenues Over (Under) Expenditures	(51,942)	(51,942)	(42,136)	9,806
<b>Other Financing Sources (Uses):</b>				
Transfers:				
From General Fund	51,942	51,942	51,942	-
<b>Net Change in Fund Balance</b>	-	-	9,806	9,806
Fund Balance, Beginning of Year	109,565	109,565	109,565	-
Fund Balance, End of Year	\$ 109,565	\$ 109,565	\$ 119,371	\$ 9,806



**WASHINGTON COUNTY**  
**Library Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended December 31, 2018**

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>				
Tax Revenues:				
Current Property Taxes	\$ 3,148,883	\$ 3,318,021	\$ 3,343,084	\$ 25,063
Fee Assessed Taxes	200,000	200,000	265,860	65,860
Prior Years Delinquent Taxes	222,000	222,000	151,114	(70,886)
RDA Taxes	58,000	58,000	66,773	8,773
Penalties & Interest	10,000	10,000	9,690	(310)
Total Taxes	<u>3,638,883</u>	<u>3,808,021</u>	<u>3,836,521</u>	<u>28,500</u>
Intergovernmental Revenue	15,174	15,174	90,593	75,419
Fines and Forfeitures	95,000	95,000	82,911	(12,089)
Other Revenues:				
Interest Earnings	-	-	22,726	22,726
Xerox Revenue	39,000	39,000	41,018	2,018
Miscellaneous	14,500	14,500	13,618	(882)
Contributions	<u>25,000</u>	<u>25,000</u>	<u>46,278</u>	<u>21,278</u>
Total Other	<u>78,500</u>	<u>78,500</u>	<u>123,640</u>	<u>45,140</u>
Total Revenues	<u>3,827,557</u>	<u>3,996,695</u>	<u>4,133,665</u>	<u>136,970</u>
<b>EXPENDITURES:</b>				
Culture, Tourism, and Recreation:				
St. George Library	667,300	667,300	666,682	618
Hurricane Library	378,100	378,100	371,205	6,895
Santa Clara Library	350,400	350,400	347,979	2,421
Springdale Library	96,400	96,400	92,640	3,760
Enterprise Library	106,200	106,200	97,553	8,647
New Harmony Library	101,000	101,000	101,800	(800)
Washington City Library	333,200	333,200	324,537	8,663
Hildale Library	100,900	100,900	102,316	(1,416)
Other Branches & Misc. Grants	1,996,458	2,165,596	1,845,052	320,544
Other	<u>58,000</u>	<u>58,000</u>	<u>66,775</u>	<u>(8,775)</u>
Total Expenditures	<u>4,187,958</u>	<u>4,357,096</u>	<u>4,016,539</u>	<u>340,557</u>
Excess of Revenues				
Over (Under) Expenditures	(360,401)	(360,401)	117,126	477,527
<b>Other Financing Sources (Uses):</b>				
Transfers:				
From General Fund	<u>112,000</u>	<u>112,000</u>	<u>112,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<b>(248,401)</b>	<b>(248,401)</b>	<b>229,126</b>	<b>477,527</b>
Fund Balance, Beginning of Year	<u>2,337,006</u>	<u>2,337,006</u>	<u>2,337,006</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,088,605</u>	<u>\$ 2,088,605</u>	<u>\$ 2,566,132</u>	<u>\$ 477,527</u>

**WASHINGTON COUNTY**  
**Habitat Conservation Plan Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended December 31, 2018**

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental - HCP Fees				
HCP Fees	\$ 1,100,000	\$ 1,100,000	\$ 1,466,131	\$ 366,131
Total intergovernmental	1,100,000	1,100,000	1,466,131	366,131
Other Revenues:				
Interest Earnings	-	-	175,056	175,056
Other	2,500	2,500	6,255	3,755
Total Revenues	1,102,500	1,102,500	1,647,442	544,942
<b>EXPENDITURES:</b>				
Conservation:				
Salaries	238,700	238,700	240,411	(1,711)
Employee Benefits	91,800	91,800	92,554	(754)
Services, Supplies and Other	713,720	713,720	204,802	508,918
Capital Outlay	1,954,000	1,954,000	42,554	1,911,446
Total Expenditures	2,998,220	2,998,220	580,321	2,417,899
Excess of Revenues				
Over (Under) Expenditures	(1,895,720)	(1,895,720)	1,067,121	2,962,841
Fund Balance, Beginning of Year	7,355,446	7,355,446	7,355,446	-
Fund Balance, End of Year	\$ 5,459,726	\$ 5,459,726	\$ 8,422,567	\$ 2,962,841

**WASHINGTON COUNTY**  
**Council on Aging Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended December 31, 2018**

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental Revenue:				
Council on Aging Contract	\$ 212,454	\$ 212,454	\$ 178,514	\$ (33,940)
Nutrition Contract	528,860	528,860	520,288	(8,572)
Miscellaneous - C.O.A.	44,200	59,200	56,279	(2,921)
Miscellaneous - Transportation	13,000	13,000	12,777	(223)
Other Revenues	-	45,000	42,405	(2,595)
Interest Revenue	-	-	16,292	16,292
Total Revenues	<u>798,514</u>	<u>858,514</u>	<u>826,555</u>	<u>(31,959)</u>
<b>EXPENDITURES:</b>				
Health & Sanitation:				
Council on Aging - General	244,033	244,033	232,286	11,747
Council on Aging - St. George Center	927,685	987,685	915,249	72,436
Council on Aging - Hurricane Center	210,600	210,600	169,185	41,415
Council on Aging - Enterprise Center	98,100	98,100	89,696	8,404
Total Expenditures	<u>1,480,418</u>	<u>1,540,418</u>	<u>1,406,416</u>	<u>134,002</u>
Excess of Revenues				
Over (Under) Expenditures	(681,904)	(681,904)	(579,861)	102,043
<b>Other Financing Sources (Uses):</b>				
Transfers:				
From General Fund	<u>629,904</u>	<u>629,904</u>	<u>629,904</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>629,904</u>	<u>629,904</u>	<u>629,904</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(52,000)	(52,000)	50,043	102,043
Fund Balance, Beginning of Year	<u>783,240</u>	<u>783,240</u>	<u>783,240</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 731,240</u>	<u>\$ 731,240</u>	<u>\$ 833,283</u>	<u>\$ 102,043</u>

**WASHINGTON COUNTY**  
**Recreation Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended December 31, 2018**

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES:				
Tax Revenues:				
Restaurant Food Tax	\$ 3,050,000	\$ 3,050,000	\$ 3,325,243	\$ 275,243
Leasing Sales Tax	550,000	550,000	596,938	46,938
Total Taxes	3,600,000	3,600,000	3,922,181	322,181
Intergovernmental Revenue	-	-	10,051	10,051
Charges for Services:				
County Fair	127,000	127,000	122,538	(4,462)
Regional Park	276,300	276,300	350,343	74,043
Total Charges for Services	403,300	403,300	472,881	69,581
Other Revenues:				
Interest Earnings	-	-	123,395	123,395
Vision Dixie and Other Revenue	5,000	5,000	-	(5,000)
Sub-lease Revenue	444,149	444,149	434,956	(9,193)
Total Revenues	4,452,449	4,452,449	4,963,464	511,015
EXPENDITURES:				
Culture, Tourism, and Recreation:				
USU Extension	238,650	238,650	238,670	(20)
Regional Park Facility	686,676	686,676	667,230	19,446
County Fair	264,000	320,000	319,346	654
Confluence Park	320,000	320,000	27,689	292,311
Southern Utah Shooting Sports Park	80,400	86,900	98,351	(11,451)
Convention Center Operations	1,202,261	1,139,761	216,429	923,332
Dixie College Eccles Fine Arts Center	100,000	100,000	64,194	35,806
St. George City Airport Interlocal Agreement	700,000	700,000	700,000	-
Debt Service				
Principal	1,188,391	1,188,391	1,062,469	125,922
Interest	-	-	229,220	(229,220)
Total Expenditures	4,780,378	4,780,378	3,623,598	1,156,780
Excess of Revenues				
Over (Under) Expenditures	(327,929)	(327,929)	1,339,866	1,667,795
Other Financing Sources (Uses):				
Transfers:				
From Travel Board Special Revenue Fund	700,000	700,000	700,000	-
To Travel Board Special Revenue Fund	(200,000)	(200,000)	(200,000)	-
To Sports & Outdoor Recreation Fund	(172,071)	(172,071)	(20,713)	151,358
Total Other Financing Sources (Uses)	327,929	327,929	479,287	151,358
Net Change in Fund Balance	-	-	1,819,153	1,819,153
Fund Balance, Beginning of Year	5,308,323	5,308,323	5,308,323	-
Fund Balance, End of Year	\$ 5,308,323	\$ 5,308,323	\$ 7,127,476	\$ 1,819,153

**WASHINGTON COUNTY**  
**Grants Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended December 31, 2018**

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental Revenues:				
CPIP Mental Health	\$ -	\$ 185,858	\$ 74,574	\$ (111,284)
LLEBG/SCAAP	-	-	37,845	37,845
Drug Court	586,760	726,763	882,136	155,373
WMD and Emergency OPS Grants	691,887	691,887	236,024	(455,863)
DEA Eradication	-	21,000	21,000	-
Other Grants	22,000	29,488	9,488	(20,000)
Total Revenues	<u>1,300,647</u>	<u>1,654,996</u>	<u>1,261,067</u>	<u>(393,929)</u>
<b>EXPENDITURES:</b>				
Public Safety:				
CPIP Mental Health	-	185,858	74,574	111,284
LLEBG/SCAAP	-	-	1,717	(1,717)
WMD - Emergency Operations	711,887	711,887	264,667	447,220
DEA Eradication	-	21,000	21,000	-
Drug Court	188,000	213,000	209,687	3,313
Predator Control	2,000	2,000	2,000	-
JRI - Court Support	573,760	688,763	659,339	29,424
Other	-	7,488	7,488	-
Total Expenditures	<u>1,475,647</u>	<u>1,829,996</u>	<u>1,240,472</u>	<u>589,524</u>
Excess of Revenues				
Over (Under) Expenditures	(175,000)	(175,000)	20,595	195,595
<b>Other Financing Sources (Uses):</b>				
Transfers:				
From General Fund	175,000	175,000	175,000	-
To General Fund	-	(213,339)	(213,339)	-
Total Other Financing Sources (Uses)	<u>175,000</u>	<u>(38,339)</u>	<u>(38,339)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	(213,339)	(17,744)	195,595
Fund Balance, Beginning of Year	<u>426,637</u>	<u>426,637</u>	<u>426,637</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 426,637</u>	<u>\$ 213,298</u>	<u>\$ 408,893</u>	<u>\$ 195,595</u>

**WASHINGTON COUNTY**  
**Sports & Outdoor Recreation Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended December 31, 2018**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Other Revenues:				
Interest Earnings	\$ -	\$ -	\$ 16,447	\$ 16,447
Other	-	-	113,180	113,180
Total Revenues	-	-	129,627	129,627
<b>EXPENDITURES:</b>				
Culture, Tourism, and Recreation:				
Sports & Outdoor Recreation:				
Salaries	-	-	13,968	(13,968)
Employee Benefits	-	-	4,642	(4,642)
Services, Supplies and Other	986,850	986,850	721,754	265,096
Total Expenditures	986,850	986,850	740,364	246,486
Excess of Revenues				
Over (Under) Expenditures	(986,850)	(986,850)	(610,737)	376,113
<b>Other Financing Sources (Uses):</b>				
Transfers:				
From Travel Board Special Revenue Fund	996,221	996,221	136,055	(860,166)
From Recreation Special Revenue Fund	172,071	172,071	20,713	(151,358)
Total Other Financing Sources (Uses):	1,168,292	1,168,292	156,768	(1,011,524)
<b>Net Change in Fund Balance</b>	181,442	181,442	(453,969)	(635,411)
Fund Balance, Beginning of Year	453,969	453,969	453,969	-
Fund Balance, End of Year	\$ 635,411	\$ 635,411	\$ -	\$ (635,411)

**WASHINGTON COUNTY**  
**Corridor Preservation Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended December 31, 2018**

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental:				
State Revenue	\$ 1,500,000	\$ 1,750,000	\$ 1,680,660	\$ (69,340)
Total Intergovernmental	1,500,000	1,750,000	1,680,660	(69,340)
Interest Revenue	-	-	186,226	186,226
Total Revenues	1,500,000	1,750,000	1,866,886	116,886
<b>EXPENDITURES:</b>				
Public Works:				
Services, Supplies and Other	1,500,000	1,850,000	1,794,586	55,414
Total Expenditures	1,500,000	1,850,000	1,794,586	55,414
Excess of Revenues Over (Under) Expenditures	-	(100,000)	72,300	172,300
Fund Balance, Beginning of Year	7,649,525	7,649,525	7,649,525	-
Fund Balance, End of Year	<u>\$ 7,649,525</u>	<u>\$ 7,549,525</u>	<u>\$ 7,721,825</u>	<u>\$ 172,300</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, 2018**

	Balance 12/31/2017	Additions	Deductions	Balance 12/31/2018
<b>TAX COLLECTION TRUST FUND:</b>				
<b>Assets:</b>				
Cash & Investments	\$ 23,452,587	\$ 183,554,279	\$ 185,972,206	\$ 21,034,660
Total Assets	<u>\$ 23,452,587</u>	<u>\$ 183,554,279</u>	<u>\$ 185,972,206</u>	<u>\$ 21,034,660</u>
<b>Liabilities:</b>				
Deposits Held in Trust	\$ 2,029,647	\$ 4,021,694	\$ 3,947,146	\$ 2,104,195
Due to Taxing Districts	18,474,961	155,029,651	157,097,005	16,407,607
Due to Washington Co. General Fund and Other Funds	1,978,558	16,808,549	17,054,101	1,733,006
Due to Assessing & Collecting Fund	969,421	7,694,385	7,873,954	789,852
Total Liabilities	<u>\$ 23,452,587</u>	<u>\$ 183,554,279</u>	<u>\$ 185,972,206</u>	<u>\$ 21,034,660</u>
<b>DEPOSIT FUND:</b>				
<b>Assets:</b>				
Cash & Investments	\$ 1,024,242	\$ 10,308,685	\$ 10,434,681	\$ 898,246
Total Assets	<u>\$ 1,024,242</u>	<u>\$ 10,308,685</u>	<u>\$ 10,434,681</u>	<u>\$ 898,246</u>
<b>Liabilities:</b>				
Deposits Held in Trust	<u>\$ 1,024,242</u>	<u>\$ 10,308,685</u>	<u>\$ 10,434,681</u>	<u>\$ 898,246</u>
<b>ECONOMIC DEVELOPMENT COUNCIL:</b>				
<b>Assets:</b>				
Cash & Investments	\$ 369,692	\$ 229,811	\$ 337,137	\$ 262,366
Total Assets	<u>\$ 369,692</u>	<u>\$ 229,811</u>	<u>\$ 337,137</u>	<u>\$ 262,366</u>
<b>Liabilities:</b>				
Deposits Held in Trust	<u>\$ 369,692</u>	<u>\$ 229,811</u>	<u>\$ 337,137</u>	<u>\$ 262,366</u>

(Continued)

**WASHINGTON COUNTY**  
**All Trust and Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities (Continued)**  
**For the Year Ended December 31, 2018**

	<u>Balance 12/31/2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/2018</u>
<b>WASHINGTON COUNTY INTERLOCAL AGENCY:</b>				
<b>Assets:</b>				
Cash & Investments	\$ 2,335,028	\$ 5,726,883	\$ 5,423,690	\$ 2,638,221
Total Assets	<u>\$ 2,335,028</u>	<u>\$ 5,726,883</u>	<u>\$ 5,423,690</u>	<u>\$ 2,638,221</u>
<b>Liabilities:</b>				
Deposits Held in Trust	<u>\$ 2,335,028</u>	<u>\$ 5,726,883</u>	<u>\$ 5,423,690</u>	<u>\$ 2,638,221</u>
<b>WASHINGTON COUNTY FLOOD CONTROL:</b>				
<b>Assets:</b>				
Cash & Investments	\$ 2,296,000	\$ 967,807	\$ 168,252	\$ 3,095,555
Total Assets	<u>\$ 2,296,000</u>	<u>\$ 967,807</u>	<u>\$ 168,252</u>	<u>\$ 3,095,555</u>
<b>Liabilities:</b>				
Deposits Held in Trust	<u>\$ 2,296,000</u>	<u>\$ 967,807</u>	<u>\$ 168,252</u>	<u>\$ 3,095,555</u>
<b>TOTAL - ALL TRUST AND AGENCY FUNDS:</b>				
<b>Assets:</b>				
Cash & Investments	\$ 29,477,549	\$ 200,787,465	\$ 202,335,966	\$ 27,929,048
Total Assets	<u>\$ 29,477,549</u>	<u>\$ 200,787,465</u>	<u>\$ 202,335,966</u>	<u>\$ 27,929,048</u>
<b>Liabilities:</b>				
Deposits Held in Trust	\$ 8,054,609	\$ 21,254,880	\$ 20,310,906	\$ 8,998,583
Due to Taxing Districts	18,474,961	155,029,651	157,097,005	16,407,607
Due to Washington Co. General Fund and Other Funds	1,978,558	16,808,549	17,054,101	1,733,006
Due to Assessing & Collecting Fund	969,421	7,694,385	7,873,954	789,852
Total Liabilities	<u>\$ 29,477,549</u>	<u>\$ 200,787,465</u>	<u>\$ 202,335,966</u>	<u>\$ 27,929,048</u>

## OTHER SCHEDULES

- **Tax Collection Agency Fund – Cash Receipts and Disbursements**

This schedule reports the cash receipted 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, 2018**

	Treasurer's Balance 12/31/2017	Tax Collection Receipts	Current Year's Taxes & Interest Apportioned	Prior Year's Taxes & Interest Apportioned	Disburse- ments	Treasurer's Balance 12/31/2018
<b>Tax Collection Amounts:</b>						
Current Taxes	\$ -	\$ 172,788,395	\$ (172,788,395)	\$ -	\$ -	\$ -
Prior Year's Redemptions	-	5,848,670	-	(5,848,670)	-	-
Penalties & Interest	-	895,520	-	(895,520)	-	-
Other Collections	2,029,647	4,021,694	-	-	3,947,146	2,104,195
<b>Total</b>	<b>\$ 2,029,647</b>	<b>\$ 183,554,279</b>	<b>\$ (172,788,395)</b>	<b>\$ (6,744,190)</b>	<b>\$ 3,947,146</b>	<b>\$ 2,104,195</b>
<b>Tax Units:</b>						
Library Operating Fund, General						
Fund, and County G.O. Bond	\$ 1,978,558		\$ 15,758,548	\$ 1,050,001	\$ 17,054,101	\$ 1,733,006
School District	13,201,728		112,784,045	3,912,911	117,374,533	12,524,151
Water Conservancy District	1,407,292		10,968,510	411,956	11,642,404	1,145,354
Assessing & Collecting	969,421		7,418,552	275,833	7,873,954	789,852
Special Service Districts:						
Rockville/Springdale	11,946		61,366	5,545	67,760	11,097
Southwest Mosquito SSD	80,806		626,286	23,095	665,033	65,154
Southwestern SSD	7,537		41,885	700	47,214	2,908
New Harmony SSD	15,742		96,603	4,757	106,571	10,531
Hurricane Valley Fire District	513,584		2,803,977	118,676	3,148,211	288,026
Coral Canyon SID	100,949		831,647	19,187	863,937	87,846
North Central Fire SSD	2,788		12,401	816	13,049	2,956
Cities & Towns:						
Apple Valley	10,903		112,920	12,446	115,277	20,992
Enterprise	33,119		167,514	19,987	196,014	24,606
Hildale	21,502		178,806	127,365	307,503	20,170
Hurricane	304,039		2,345,896	149,486	2,533,224	266,197
Ivins	178,901		1,597,971	23,367	1,666,842	133,397
LaVerkin	54,771		397,134	37,733	447,687	41,951
Leeds	11,938		69,368	2,605	75,645	8,266
New Harmony	2,109		23,724	2,090	24,608	3,315
Rockville	10,533		83,271	17,115	100,327	10,592
St. George	2,023,621		12,277,276	401,798	13,334,591	1,368,104
Santa Clara	85,680		920,873	27,751	954,222	80,082
Springdale	15,127		74,261	5,279	80,710	13,957
Toquerville	14,898		119,669	5,170	128,546	11,191
Virgin	9,466		56,386	3,445	63,881	5,416
Washington	355,982		2,959,506	85,076	3,139,216	261,348
<b>Total Due Units</b>	<b>\$ 21,422,940</b>		<b>\$ 172,788,395</b>	<b>\$ 6,744,190</b>	<b>\$ 182,025,060</b>	<b>\$ 18,930,465</b>
<b>Total</b>	<b>\$ 23,452,587</b>	<b>\$ 183,554,279</b>			<b>\$ 185,972,206</b>	<b>\$ 21,034,660</b>

**WASHINGTON COUNTY**  
**Statement of Taxes Charged and Collected**  
**December 31, 2018**

**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	\$ 16,255,841,784	\$ 553,703,167	\$ (596,262,321)	\$ 16,213,282,630	\$ 470,712,309	\$ 16,683,994,939
School District	16,255,841,784	553,703,167	(596,262,321)	16,213,282,630	470,712,309	16,683,994,939
Water Conservancy District	16,255,841,784	553,703,167	(596,262,321)	16,213,282,630	470,712,309	16,683,994,939
Assessing & Collecting:						
Local	15,659,579,463	553,703,167	-	16,213,282,630	470,712,309	16,683,994,939
State	15,659,579,463	553,703,167	-	16,213,282,630	470,712,309	16,683,994,939
Rockville/Springdale Fire	317,971,545	3,226,495	-	321,198,040	10,871,204	332,069,244
Southwest Mosquito SSD	16,142,634,263	553,703,167	(483,054,800)	16,213,282,630	470,712,309	16,683,994,939
Southwestern SSD	73,353,935	3,445,830	-	76,799,765	342,551	77,142,316
New Harmony Fire	150,954,459	4,928,554	-	155,883,013	257,820	156,140,833
Coral Canyon	333,009,881	1,261,713	-	334,271,594	1,713,013	335,984,607
Enterprise	76,611,526	1,841,504	-	78,453,030	807,912	79,260,942
Hildale	43,050,980	1,845,955	-	44,896,935	4,490,636	49,387,571
Hurricane	1,612,216,112	28,361,537	(182,594,604)	1,457,983,045	65,064,224	1,523,047,269
Ivins	1,019,955,332	9,097,427	(3,322,900)	1,025,729,859	7,471,833	1,033,201,692
LaVerkin	210,008,575	5,259,037	-	215,267,612	6,165,701	221,433,313
Leeds	88,819,265	2,251,778	-	91,071,043	518,872	91,589,915
New Harmony	15,997,330	1,086,341	-	17,083,671	71,318	17,154,989
St. George	9,000,204,954	191,082,944	(410,344,817)	8,780,943,081	308,155,717	9,089,098,798
Santa Clara	545,742,190	4,040,352	-	549,782,542	11,919,070	561,701,612
Springdale	280,514,690	1,987,377	-	282,502,067	10,668,149	293,170,216
Toquerville	115,856,435	6,599,540	-	122,455,975	769,449	123,225,424
Virgin	54,553,180	1,866,589	-	56,419,769	1,645,815	58,065,584
Washington	2,252,817,229	20,394,592	-	2,273,211,821	31,750,397	2,304,962,218
Rockville	37,456,855	1,239,118	-	38,695,973	203,055	38,899,028
Apple Valley	61,727,745	3,698,805	-	65,426,550	287,761	65,714,311
Hurricane Valley SSD	2,059,630,980	55,596,662	-	2,115,227,642	74,610,246	2,189,837,888
North Central Fire SSD	18,689,395	2,036,005	-	20,725,400	214,466	20,939,866

**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
0.000931	0.000999	\$15,094,566	\$470,242	\$15,564,808
0.006664	0.006706	108,045,315	3,156,597	111,201,912
0.000648	0.000700	10,506,207	329,499	10,835,706
0.000429	0.000460	6,955,498	216,528	7,172,026
0.000009	0.000010	145,920	4,707	150,627
0.000191	0.000195	61,349	2,120	63,469
0.000037	0.000040	599,891	18,828	618,719
0.000499	0.000695	38,323	238	38,561
0.000602	0.000653	93,842	168	94,010
0.002525	0.003000	844,036	5,139	849,175
0.001985	0.002226	155,729	1,798	157,527
0.005049	0.006200	226,685	27,842	254,527
0.001533	0.001671	2,235,088	108,722	2,343,810
0.001527	0.001617	1,566,289	12,082	1,578,371
0.001854	0.002009	399,106	12,387	411,493
0.000741	0.000867	67,484	450	67,934
0.001359	0.001469	23,217	105	23,322
0.001328	0.001432	11,661,092	441,279	12,102,371
0.001579	0.001695	868,107	20,203	888,310
0.000261	0.000268	73,733	2,859	76,592
0.000980	0.001079	120,007	830	120,837
0.000970	0.001059	54,727	1,743	56,470
0.001256	0.001337	2,855,154	42,450	2,897,604
0.002265	0.002199	87,646	447	88,093
0.001796	0.001565	117,506	450	117,956
0.001286	0.001408	2,720,183	105,051	2,825,234
0.000599	0.000619	12,415	133	12,548
		\$165,629,115	\$4,982,897	\$170,612,012

(Continued)

**WASHINGTON COUNTY**  
**Statement of Taxes Charged and Collected (Continued)**  
**December 31, 2018**

	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	\$ 631,436	\$ 265,782	\$ 49,640	\$ 946,858	\$14,617,950	93.92%
School District	4,517,889	1,902,432	145,495	6,565,816	104,636,096	94.10%
Water Conservancy District	439,515	184,990	36,749	661,254	10,174,452	93.90%
Assessing & Collecting:						
Local	290,961	122,470	18,058	431,489	6,740,537	93.98%
State	6,106	2,568	547	9,221	141,406	93.88%
Rockville/Springdale Fire	3,402	427	110	3,939	59,530	93.79%
Southwest Mosquito SSD	25,096	10,562	2,116	37,774	580,945	93.89%
Southwestern SSD	1,533	703	224	2,460	36,101	93.62%
New Harmony Fire	3,684	2,181	373	6,238	87,772	93.36%
Coral Canyon	43,922	9,646	1,772	55,340	793,835	93.48%
Enterprise	3,902	4,181	1,235	9,318	148,209	94.08%
Hildale	105,358	-	5,287	110,645	143,882	56.53%
Hurricane	116,236	55,639	11,317	183,192	2,160,618	92.18%
Ivins	43,630	27,708	5,069	76,407	1,501,964	95.16%
LaVerkin	32,185	15,253	2,077	49,515	361,978	87.97%
Leeds	1,938	2,307	218	4,463	63,471	93.43%
New Harmony	937	451	4	1,392	21,930	94.03%
St. George	409,564	190,643	70,258	670,465	11,431,906	94.46%
Santa Clara	30,125	17,206	4,073	51,404	836,906	94.21%
Springdale	3,814	382	132	4,328	72,264	94.35%
Toquerville	7,353	4,275	1,041	12,669	108,168	89.52%
Virgin	2,459	1,876	685	5,020	51,450	91.11%
Washington	125,282	46,110	10,436	181,828	2,715,776	93.72%
Rockville	7,246	1,753	266	9,265	78,828	89.48%
Apple Valley	12,844	2,463	217	15,524	102,432	86.84%
Hurricane Valley SSD	155,195	71,086	14,457	240,738	2,584,496	91.48%
North Central Fire SSD	865	301	41	1,207	11,341	90.38%
<b>Totals</b>	<b>\$ 7,022,477</b>	<b>\$ 2,943,395</b>	<b>\$381,897</b>	<b>\$10,347,769</b>	<b>\$160,264,243</b>	

---

**OTHER COLLECTIONS**

---

Fee in Lieu	Miscellaneous Collections	Delinquent Tax Collected	Interest & Penalty Collected	Tax Increment paid to RDAs	Net Revenue for Distribution
\$ 1,140,598	\$ 105,188	\$ 559,281	\$ 490,720	\$ 314,652	\$ 16,599,085
8,147,949	752,715	3,634,723	278,188	2,153,319	115,296,352
794,058	73,203	382,465	29,491	215,345	11,238,324
525,570	48,463	250,917	19,401	-	7,584,888
11,039	1,017	5,155	360	-	158,977
1,836	60	5,227	318	-	66,971
45,341	4,180	21,481	1,614	14,284	639,278
5,784	9	605	95	-	42,594
8,831	857	4,501	256	-	102,217
37,812	5	17,705	1,482	-	850,839
19,305	1,697	19,583	404	-	189,199
34,924	218	120,140	7,225	-	306,389
185,278	48,456	133,417	16,069	-	2,543,838
96,007	3,532	20,837	2,530	-	1,624,870
35,156	407	35,929	1,804	-	435,274
5,897	155	2,448	157	-	72,128
1,794	-	2,040	50	-	25,813
845,370	62,534	374,486	27,312	439,910	12,301,698
83,967	15,397	26,002	1,749	-	964,020
1,997	-	5,000	279	-	79,540
11,501	108	4,723	447	-	124,947
4,936	685	3,325	120	-	60,516
243,730	17,178	79,181	5,895	-	3,061,760
4,443	645	15,996	1,119	-	101,031
10,488	145	11,645	801	-	125,511
219,481	42,327	111,085	7,591	-	2,964,980
1,060	10	773	43	-	13,226
<u>\$ 12,524,152</u>	<u>\$1,179,191</u>	<u>\$5,848,670</u>	<u>\$895,520</u>	<u>\$3,137,510</u>	<u>\$177,574,265</u>



**WASHINGTON COUNTY**  
**Schedule of Expenditures of Transient Room Taxes and**  
**Tourism, Recreation, Culture and Convention Facilities Taxes**  
**December 31, 2018**

**Transient Room Taxes (TRT):**

Establishing and promoting:	
Recreation	\$ 900,000
Sports	136,055
Tourism	3,420,628
Film production	
Conventions	657,203
Totals	<u>5,113,886</u>
Acquiring, leasing, construction, furnishing, or operating:	
Convention meeting rooms	350,000
Exhibit halls	350,000
Visitor information centers	-
Museums	
Related facilities	700,000
Totals	<u>1,400,000</u>
Acquiring or leasing land required for or related to:	
Convention meeting rooms	-
Exhibit halls	-
Visitor information centers	-
Museums	-
Related facilities	1,016,100
Totals	<u>1,016,100</u>
Mitigation costs	<u>-</u>
Payment of principal, interest, premiums, and reserves on bonds	<u>-</u>
Total expenditures of transient room taxes	<u>\$ 7,529,986</u>

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

Financing tourism promotion	<u>1,198,703</u>
Development, operation, and maintenance of:	
Tourist facilities	\$ 851,732
Recreation facilities	20,713
Cultural facilities	
Convention facilities	1,094,844
Airport facility	700,000
Pledges as security for evidences of indebtedness	-
Total	<u>2,667,289</u>
Total expenditures of tourism, recreation, culture, and convention facilities taxes	<u>\$ 3,865,992</u>

**Reserves and Pledges:**

	1/1/2018	Additions 2018	12/31/2018
Reserves on WCIA bonds related to TRT funds	\$ 700,000	\$ -	\$ 700,000
Pledges as security for evidence of indebtedness related to TRCC-Airport	\$ 700,000	\$ -	\$ 700,000

**OTHER COMMUNICATIONS FROM INDEPENDENT AUDITORS**

*This page intentionally left blank*



**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, 2018, 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 19, 2019. 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 19, 2019



**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 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, 2018.

State compliance requirements were tested for the year ended December 31, 2018 in the following areas:

- Budgetary Compliance
- Fund Balance
- Justice Courts
- Utah Retirement Systems
- Restricted Taxes
- Open and Public Meetings Act
- Public Treasurer's Bond
- Tax Levy Revenue Recognition

***Management's Responsibility***

Management is responsible for compliance with the 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 state 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 state 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 with those requirements.

### ***Opinion on Compliance***

In our opinion, Washington County complied, in all material respects, with the state compliance requirements referred to above for the year ended December 31, 2018.

### ***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 state 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 audit 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 19, 2019





**Findings and Recommendations  
For the Year Ended December 31, 2018**

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, 2018, we noted the following circumstances that, if improved, would strengthen the County's accounting system and control over its assets and State Compliance. These items are discussed below for your consideration.

**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 19, 2019