

Comprehensive Annual Financial Report

**For the fiscal year ended
June 30, 2016**



**WASHINGTON COUNTY
SCHOOL DISTRICT
St. George, UT**

Comprehensive Annual Financial Report

For the
Fiscal Year Ended
June 30, 2016

Washington County School District

121 West Tabernacle
St. George, Utah 84770

Prepared by the Office of the Business Administrator

Brent L. Bills, Business Administrator
Amy L. Booth, Finance Program Coordinator

WASHINGTON COUNTY SCHOOL DISTRICT

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Washington County School District

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SUPERINTENDENT LARRY G. BERGESON, M.ED.

November 30, 2016

Members of the Board of Education, and
Citizens of the Washington County School District:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Washington County School District for the year ended June 30, 2016. State law requires that school districts publish, within five months of the close of each year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited by a firm of licensed certified public accountants 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 of the United States. This report is published to fulfill that requirement.

This report is published to present complete financial information on all the funds and financial activities of the District for the year. Responsibility for the accuracy of the statements, notes, schedules, and statistical tables rests with the District. The District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief this financial report is complete and reliable in all material respects. The reader will be able to gain a comprehensive understanding of the District's financial affairs from studying this report.

Hafen, Buckner, Everett & Graff, PC, a firm of licensed certified public accountants, has issued an unmodified opinion on the District's financial statements for the year ended June 30, 2016. The independent auditor's report is located at the front of the financial section of this report. The independent audit of the District's financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District's Single Audit Report. The District also receives a report regarding compliance with state programs as required by the *State of Utah Legal Compliance Audit Guide* from the District's independent auditor.

The report is organized in three sections labeled introductory, financial, and statistical. The introductory section includes this transmittal letter, administrative organization chart, members of the Board of Education, and ASBO Certificate of Excellence for 2015.

The financial section contains the independent auditor's report, management discussion and analysis (MD&A), the basic financial statements, notes to basic financial statements, and combining and individual fund statements and schedules.

The statistical section, which is not audited, presents selected financial and demographic data, generally in multiple year formats and is useful in allowing the reader to note trends and changes in the major activities of the District. This section also includes all disclosures, not contained elsewhere in the CAFR, to comply with the Securities and Exchange Commission continuing disclosure requirements for general obligation debt issues.

District Profile

The District was created as a legally separate entity enjoying all the rights and privileges accorded political subdivisions in the State of Utah. The district is fiscally independent. Policymaking and legislative authority are vested in the Board of Education consisting of seven members. The Board of Education is responsible for, among other things; developing policy, adopting the budget, levying taxes, incurring bonded debt, supervising committees, and hiring both the superintendent and business administrator. The superintendent and business administrator are responsible for implementing policies of the Board of Education and oversee the day-to-day operations of the District. The Board of Education is elected on a non-partisan basis. Board members serve four-year staggered terms with no more than four board members elected every two years.

The District adopts an annual budget for all governmental funds, which covers all revenues and expenditures of these funds. This budget acts as the operating plan for the fiscal year and is revised as necessary, following the requirements of Board policies and State law. Revisions may be made during the year authorizing a larger total appropriation of available resources after a public hearing and approval of the Board. A balanced budget by fund is required. The District may not make an appropriation that is in excess of its estimated revenue and estimated fund balances available from a previous year. The level at which expenditures may not exceed appropriations has been interpreted by the State Superintendent of Public Instruction to be the total budget of a given fund.

The major purpose of the District is to provide public education for the approximately 28,167 students in grades kindergarten through twelfth grades living within the boundaries of Washington County, which are part of a total population of approximately 155,000 citizens. In accomplishing this goal, the District operates 45 schools comprised of 7 high schools, 5 middle schools, 5 intermediate schools, 25 elementary schools, 2 special schools, and 1 online school. These include adult education opportunities and many programs for at-risk and disabled students, along with programs for highly-motivated students. The Washington County Education Foundation is a component unit that provides enhancements to regular education programs of the District through gifts and contributions.

Management's Discussion and Analysis

GAAP requires management provide a narrative introduction, overview and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in connection with it. The District's MD&A can be found immediately following the report of the independent auditors.

Local Economy

The Economic Report to the Governor reports the following:

“The Utah economy continues to prosper. During 2015 Utah led the nation in job growth for seven months and ranked second the remaining five months. With an estimated year-over job growth rate of 3.7 percent and a 49,100 job increase, Utah’s economy exceeded expectations in 2015.

Many industries contributed to Utah’s strong performance. Information jobs grew an impressive 7.7 percent, affirming Utah’s reputation as “Silicon Slopes.” Financial Activities also made their mark in 2015 with an estimated 3.5 percent increase in jobs. Goldman Sachs, Fidelity Investments, and other employers helped Utah earn the reputation as the “Wall Street of the West.”

Utah’s construction sector also performed well in 2015. Permit-authorized construction reached its highest level in eight years and major projects like the rebuild of the Salt Lake City International Airport, a new high rise and performing arts center downtown, and multiple commercial buildings at the nexus of Utah’s two largest counties contributed to a strong year.

The consensus forecast calls for an economy with room to run in 2016, fueled by low motor-fuel prices, strong consumer spending, demographic advantages, new construction and an attractive business climate. Economists forecast net in-migration, steady job and wage growth, low unemployment, and low levels of inflation in 2016. All going well, Utah’s economy will once again be one of the top performing economies in the country.”

Utah’s workforce has a rare and unique skill set that no other state in the county can boast. Utah has an unmatched number of bilingual residents of all ages. Among the full-time student population, Utah has the 9th largest per capita who speak a foreign language with just over 18% speaking a variety of languages. This continues into the workforce with 33% of working Utah residents who speak a foreign language. Many businesses in Utah utilize this unique quality and implement workers’ skills to further their business capabilities and relationships with their clients. Collectively, Utah residents speak 90% of the world’s written languages.

The economic factors in Washington County have dramatically improved over last year. The unemployment rate has dropped to 3.7% for August 2016, down from the peak of 10.4% in 2010. Not only did employment increase at a rapid rate, the county’s second quarter 2016 average monthly wage improved by a robust 4.5% over the previous year. Gross taxable sales increased by 8.0% from the second quarter in 2015.

State and Federal Funding Effort

The District receives 59% of general fund revenues from state sources. As a result, State funding effort is one of the most significant factors within the District budget. State aid is based primarily on weighted pupil units (WPU – basic allocation per student). During 2016, state funding for public education increased 7.1%, which included growth for new students and an increase in the value of the weighted pupil unit (WPU) to \$3,092 – an increase of \$120 or 4.0% over the prior year value of \$2,972.

Prospectively, the Utah Legislature passed a 2016-17 budget that includes \$90 million to address enrollment growth, and a 3% increase, about \$80 million in the WPU. This will increase the WPU value to \$3,184. Other budget items include \$20 million for charter schools and a \$15 million grant program for classroom technology. In total, public education funding increased by 5.8%.

Utah's economy remains the strongest in the nation and has one again posted a budget surplus. The State of Utah ended Fiscal Year 2015 with a surplus of \$103 million. Of that number, \$59 million will be immediately deposited into the rainy day fund, bringing the total of that fund to nearly \$528 million, the highest amount in state history.

Long-term Financial Planning

The state's population is projected to grow from 2.8 million in 2012 to 3.7 by 2020, 4.4 million by 2030, 5.2 million by 2040, 6.0 million by 2050 and 6.8 million by 2060.

Based on information from Utah's Bureau of Vital Records, the District expects kindergarten enrollment to increase for the next two years and then flatten out reflecting birth rate trends for Washington County. Due to the current economic conditions, the District also expects migration into the District to flatten. The District anticipates an estimated 2,300 students in the next 5 years primarily due to the fact that student population of the lower grades moving up in the system is greater than the 12th grade leaving the system.

Charter schools are increasing the degree of uncertainty in projecting student growth. Charter schools are independent of the District and are primarily funded by the state. Charter schools have a major impact on the placement and need for additional schools to accommodate growth. Charter school enrollment within District boundaries was 3,057 as of October 1, 2015.

Most of the growth of the District has occurred in the past 30 years. Approximately two-thirds of the total square footage in the District has been constructed after 1978. As a result, the District is primarily composed of newer buildings that require less ongoing maintenance. Many of the older buildings in the District have recently been remodeled or replaced to upgrade plumbing, electrical and energy efficiency.

Major Initiatives

The District uses student achievement as a benchmark for every decision we make, resulting in *Improving Student Achievement* as our mission statement. Each program is reviewed during the budgeting process to analyze if it is effectively meeting our goal as a district. As budgets are presented for the new fiscal year, the expenditures are again analyzed to verify the effect on student achievement. Schools receiving special NCLB funds, like Title I Program Improvement, are visited & reviewed throughout the year to determine if funds are being expended in ways to assist those students in making AYP (Adequate Yearly Progress).

During the last six weeks of the school year elementary and secondary students from across the state participated in a series of assessments designed to test their understanding of the concepts in the core subjects of Language Arts, Math, and Science. The tests are referred to as Criterion-Referenced Tests (CRT) because a criterion-or-cut score is set for each test that indicates proficiency in the subject. The CRT test results are analyzed with the school principals as soon as they are received, and an action plan is determined for each school based on the demographics and needs of those students.

The District has recently implemented a new Language Arts and Math curriculum based on a need to improve test results for those two core subjects. We were pleased to see a major improvement in the CRT testing for those subjects in FY 2016 as a result of the new curriculum and focus on Professional Learning Communities (PLC) at the schools. Those PLC groups use collaboration time with site staff developers and develop student interventions or remediation plans for targeting students.

Awards and Acknowledgements

The District received the Association of School Business Officials (ASBO) International's Certificate of Excellence in Financial Reporting for the Comprehensive Annual Financial Report for the year ended June 30, 2015. This award certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International.

The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials and is also valid for a period of one year. This is the sixth year the District has received this prestigious award.

The timely preparation of this report was accomplished through the efficiency and dedication of the business department staff. We would like to express appreciation to all members of the department who assisted in the preparation of this report. Credit must also be given to members of the Board of Education for their unfailing support for maintaining the highest standards of professionalism in the management of the District's finances.

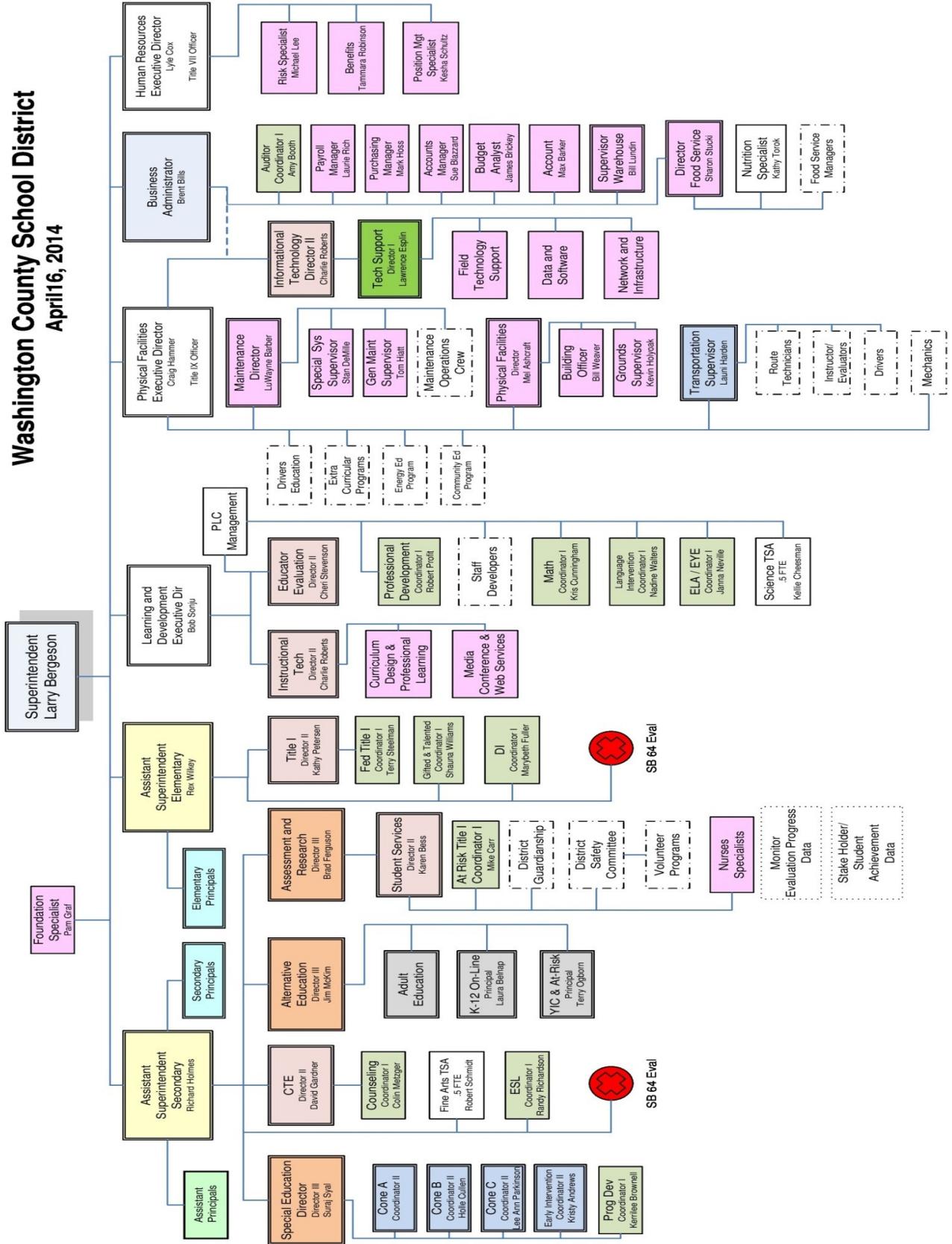
Respectfully submitted,


Larry G. Bergeson, M.Ed.
Superintendent of Schools


Brent L. Bills, M.B.A.
Business Administrator

Washington County School District

April 16, 2014



Washington County School District

Board of Education

Laura Hesson – President
Debra Zockoll – Vice President
Kelly Blake
Ralph Brooks
Larene Cox
Craig Seegmiller
David Stirland

Administration

Larry G. Bergeson - Superintendent
Brent L. Bills - Business Administrator
Richard S. Holmes - Assistant Superintendent
Rex W. Wilkey - Assistant Superintendent
Craig Hammer – Executive Director Secondary Education
Bob Sonju – Executive Director K-12 Student Learning
Lyle Cox - Director of Human Resources
Suraj Syal – Director of Special Education
Dave Gardner - Director of Career and Technical Education
Brad Ferguson - Director of Assessment and Research
Charlie Roberts – Director of Technology
Karen Bess – Director of Student Services



**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

**The Certificate of Excellence in Financial Reporting Award
is presented to**

Washington County School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Washington District School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Washington District School District (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District'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 conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Washington District School District, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information listed in the table of contents and, the schedules of the District's proportionate share of the net pension liability (asset) –Utah Retirement Systems, and the schedules of District contributions – Utah Retirement Systems 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 Washington District School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections 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 October 28, 2016, on our consideration of the Washington District School District'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 Washington District School District's internal control over financial reporting and compliance.

Hafen, Buckner, Everett & Graff, PC

Hafen, Buckner, Everett, & Graff, PC

St. George, UT
October 28, 2016



Management's Discussion and Analysis

This section of the Washington County School District's comprehensive annual financial report presents management's discussion and analysis of the District's financial performance during the year ending June 30, 2016.

Financial Highlights

- The District is dependent on state aid. State aid increased by \$5.2 million driven primarily by the additional students in the district for FY 2016 and subsequent staff needed for instruction, both of which are partially funded by the state. The District also received an increase in the WPU, which generated additional funds per student.
- The District's assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources by \$148.5 million at the close of the most recent fiscal year.
- The District realized student growth again in FY 2016. Student enrollment increased by 1,049 students to a total of 28,167 students as of October 1, 2015. Property tax revenues increased \$9.5 million or 10.3% primarily as a result of additional growth and increased assessed valuation.
- In November of 2013 the public voted to authorize the District to issue \$185 million of general obligation school building bonds for new school construction, land acquisitions, renovation of existing school facilities and related equipment and improvements. The District issued \$35 million of general obligation bonds during fiscal year 2016 and refinanced \$24 million of previously issued bonds.
- The cost of various District construction projects underway for the year ended June 30, 2016 are projected at a total cost of \$47.8 million. The largest of those projects are Crimson Middle projected at a total cost of \$25.2 million, Legacy Elementary projected at a total cost of \$11.7 million, and Majestic Fields Elementary projected at a total cost of \$8.6 million.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the assets and liabilities of the District, 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 the District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the District 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).

The government-wide financial statements can be found on pages 23 to 24 of this report.

Fund financial statements. A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be classified as governmental funds.

- **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 spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the 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.

The District maintains seven 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, the debt service fund, and the capital projects fund, each of which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 25 to 29 of this report.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 31 to 50 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 51 to 64 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$148.5 million at the close of the most recent fiscal year.

WASHINGTON COUNTY SCHOOL DISTRICT'S Net Position
(in millions of dollars)
June 30, 2016 and 2015

	Governmental activities		Total
	2016	2015	change 2016-2015
Current and other assets	\$ 200.0	\$ 185.5	\$ 14.6
Capital assets	400.6	378.3	22.3
Total assets	<u>600.6</u>	<u>563.8</u>	<u>36.9</u>
Deferred outflows of Resources	39.6	13.9	25.7
Total assets and deferred outflows of resources	<u>640.2</u>	<u>577.7</u>	<u>62.6</u>
Current and other liabilities	148.0	142.2	5.8
Long-term liabilities outstanding	334.0	301.3	32.7
Total liabilities	<u>482.0</u>	<u>443.5</u>	<u>38.5</u>
Deferred inflows of Resources	9.7	7.3	2.4
Total liabilities and deferred inflows of resources	<u>491.7</u>	<u>450.8</u>	<u>40.9</u>
Net position:			
Net investment in capital assets	184.9	172.7	12.2
Restricted	10.7	9.0	1.7
Unrestricted	<u>(47.1)</u>	<u>(54.8)</u>	<u>7.7</u>
Total net position	<u>\$ 148.5</u>	<u>\$ 126.9</u>	<u>\$ 21.6</u>

- The largest portion of the District's net position (124.5%) reflects its investment in capital assets (e.g., land, water stock, furniture, buildings and improvements, and equipment net of accumulated depreciation), less any related debt (general obligation bonds payable and obligations under capital leases less unspent bond proceeds) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District'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, since the capital assets themselves cannot be used to liquidate these liabilities.
- An additional portion of the District's net position (7.2%) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for capital projects.
- The remaining balance of *unrestricted net position* (-31.7%) may be used to meet the District's obligations to students, employees, and creditors and to honor next year's budget. This balance includes the District's proportionate share of the unfunded obligation of the defined benefit pension plans administered by URS as required by GASB 68.

Restricted net position increased by \$1.7 million during the year ended June 30, 2016. This resulted primarily from additional debt service revenue received from prior year property tax collections and a reduction in school lunch expenditures.

The District's net position increased by \$21.6 million during the current year. The following discussion and analysis on governmental activities focuses on this increase:

WASHINGTON COUNTY SCHOOL DISTRICT'S Changes in Net Position

(in millions of dollars)

Years Ended June 30, 2016 and 2015

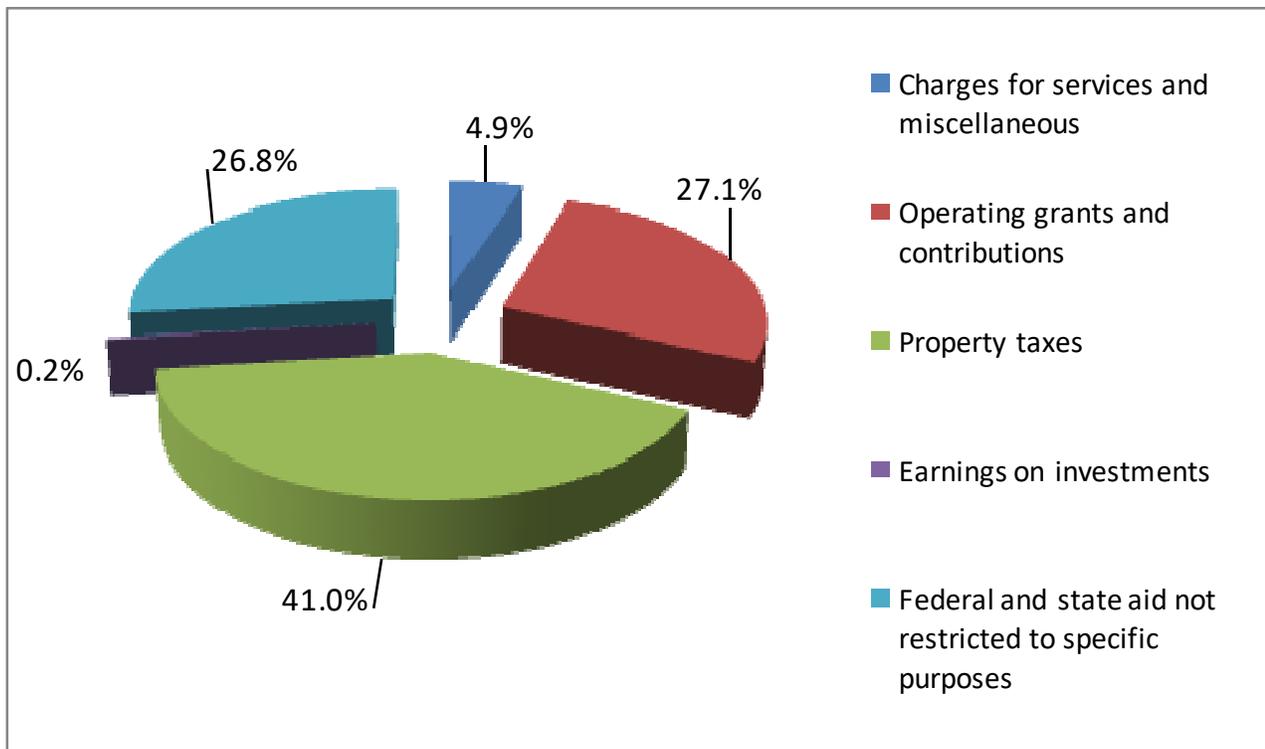
	Governmental activities		Total change 2016-2015
	2016	2015	
Revenues:			
Program revenues:			
Charges for services	\$ 3.2	\$ 3.1	\$ 0.1
Federal and state operating grants	68.2	64.4	3.8
General revenues:			
Property taxes	103.3	98.5	4.8
Federal and state aid not restricted to specific purposes	67.5	65.6	1.9
Earnings on investments	0.5	0.3	0.2
Miscellaneous	9.1	8.6	0.5
Total revenues	<u>251.8</u>	<u>240.5</u>	<u>11.3</u>
Expenses:			
Instruction	148.2	141.0	7.2
Supporting services:			
Students	8.4	9.2	(0.8)
Instructional staff	10.3	9.5	0.8
District administration	0.6	0.5	0.1
School administration	15.1	14.3	0.8
Business	3.6	3.6	0.0
Operation and maintenance of facilities	18.6	18.4	0.2
Transportation	5.6	5.6	0.0
School lunch services	9.4	9.6	(0.2)
Payments to redevelopment agencies	4.0	3.5	0.5
Interest on long-term liabilities	6.4	7.2	(0.8)
Total expenses	<u>230.2</u>	<u>222.4</u>	<u>7.8</u>
Increase in net position	21.6	18.0	3.6
Net position - beginning (as restated)	<u>126.9</u>	<u>108.9</u>	<u>18.0</u>
Net position - ending	<u>\$ 148.5</u>	<u>\$ 126.9</u>	<u>\$ 21.6</u>

Governmental activities.

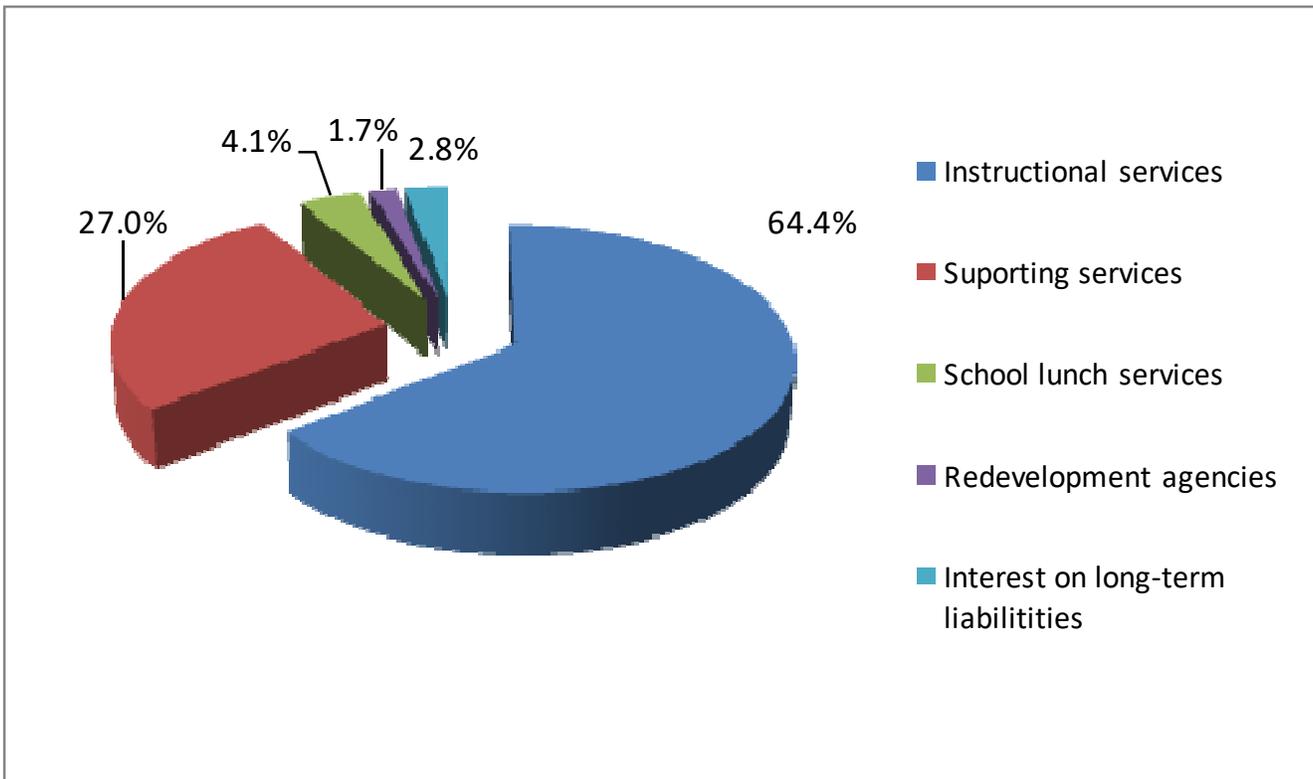
The key elements of the increase of the District's net position for the year ended June 30, 2016 are as follows:

- Federal aid increased by \$0.5 million largely as a result of growth in federal grant funding. State aid increased by \$5.2 million largely due to an increase in the unrestricted minimum school program resulting from additional funding.
- State aid is based primarily on weighted pupil units (WPU) and other appropriations. If a student is in membership a full 180 days, the state awards the District one WPU. The state guarantees that if local taxes do not provide revenue equal to the amount guaranteed by the WPU, the state will make up the difference with additional state funding. Certain special students receive a weighting greater than one. The value of the WPU (\$3,092) increased from \$2,972 in FY 2015.
- Central Services were reclassified under Business Services to align with the designated function classification by the State Office of Education.
- Property tax revenues increased by 10.3% primarily from an increase in assessed valuation, and Utah Code 17C-1 which requires the District to account for property taxes remitted directly to redevelopment agencies. District taxable property values in tax year 2016 increased 9.64%.

Revenues by Source – Governmental Activities



Expenditures by Function – Governmental Activities



Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The debt service fund increased by \$1.6 million due to the collection of prior year property taxes. The capital projects fund increased by \$1.5 million due to the sale of property. The general fund balance increased by \$5.0 million resulting in a year-end balance of \$19.2 million. In addition, the following other changes in fund balances should be noted:

- Expenditures for general District purposes totaled \$182.5 million, an increase of 4.7% from the prior fiscal year. Instructional services represent 67.6% of general fund expenditures.
- General fund salaries totaled \$107.1 million while the associated employee benefits of retirement, social security, and insurance (health and accident, industrial, and unemployment) added \$54.7 million to arrive at 88.7% of total general fund expenditures.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into nonspendable, restricted, and unrestricted portions. Nonspendable includes inventories and prepaid expenditures that are not expected to be converted to cash. Restricted includes net fund resources of the District that are subject to external constraints due to state or federal laws, or externally imposed conditions by grantors or

creditors. Restrictions include tax revenues levied for specific purposes. The unrestricted fund balance is, in turn, subdivided between committed, assigned, and unassigned portions. Committed balances reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. Assigned balances in the general fund and other governmental funds are those that do not meet the requirement of restricted or committed but that are intended to be used for specific purposes. Unassigned balances in the general fund are all other available net fund resources. As of June 30, 2016, the District's combined governmental fund balance is \$55.5 million (\$0.7 million is nonspendable, \$31.0 million is restricted, \$9.4 million is committed, \$4.5 million is assigned, and \$9.9 million is unassigned fund balances).

The District has committed \$9.4 million of the governmental fund balance for the following purposes:

- *Committed to economic stabilization* of \$3.3 million or 1.9% of general fund budgeted expenditures. As allowed by state law, the District has established an undistributed reserve within the general fund; this amount is set aside for contingencies or possible reductions in state funding and is not to be used in the negotiation or settlement of contract salaries. The maintenance of a sufficient reserve is key credit consideration in the District's bond rating.
- *Committed to future growth reserve* of \$2.3 million is set aside to deal with maintenance and operational expenditures related to opening new buildings and providing District level support to the increased property and staff.
- *Committed to students* of \$3.8 million held in the other governmental funds by the student activity fund.

The District has assigned \$4.5 million of the governmental fund balance for the following purposes:

- *Assigned to local school reserve* of \$2.9 million is designated to the schools for instructional and operational supply budget roll-over balances.
- *Assigned to district program reserve* of \$1.6 million is set aside for programs operating with general District funds.

General Fund Budgetary Highlights

During the year, the Board revised the District's budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was insignificant, but adjustments were made between function areas as job descriptions were reclassified. The most significant budgetary adjustments may be summarized as follows:

- \$1.6 million or 1.3% increase in instruction, to reflect funds assigned to local & district programs that were available to spend in the fiscal year.
- \$0.5 million or 5.2% increase in counseling and health services due to a reclassification of support staff employees to accurately reflect their functional purpose.
- \$0.3 million or 5.8% decrease in transportation services due to fuel costs staying relatively low during the fiscal year.

Even with these budget adjustments, actual expenditures were \$4.6 million below final budgeted amounts. The most significant variances may be summarized as follows:

- \$3.4 million or 2.7% positive variance in instructional services due to unspent local & district program allocations.
- \$1.4 million or 14.0% positive variance in student services due to unspent contracted services allocations.
- \$0.9 million or 37.6% negative variance in business services due to the fact that central services are budgeted separately, while actual expenditures are required to be reported as business services per Utah State Office of Education.

Resources available for appropriation were extremely close to the final budgeted amounts. Variances in state and federal revenues primarily result from expenditure-driven grants that are included in the budgets at their full amounts. Such grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met; unspent grant amounts are carried forward and included in the succeeding year's budget. Therefore, actual grant revenues and expenditures are normally less than the amounts budgeted. The district reported \$10.4 million in unearned state and federal revenue at June 30, 2016.

Capital Asset and Debt Administration

Capital Assets. The capital projects fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District. The District began various projects during 2016 at a projected cost of \$47.8 million. At the end of the year \$17.6 million of the restricted fund balance will be used to fulfill the required costs to complete these various projects in progress at June 30, 2016.

Capital assets at June 30, 2016 and 2015 are outlined below:

WASHINGTON COUNTY SCHOOL DISTRICT'S Capital Assets
(net of accumulated depreciation, in millions of dollars)
June 30, 2016 and 2015

	Governmental activities		Total
	2016	2015	change 2016-2015
Sites	\$ 63.3	\$ 56.4	\$ 6.9
Construction in progress	70.7	92.6	-21.9
Buildings	264.5	227.6	36.9
Furniture and equipment	2.1	1.7	0.4
Total capital assets, net	<u>\$ 400.6</u>	<u>\$ 378.3</u>	<u>\$ 22.3</u>

Additional information on the District's capital assets can be found in Note 5 to the basic financial statements.

Debt Administration. In November of 2013 the public voted to authorize the District to issue \$185 million of general obligation school building bonds for new school construction, land acquisitions, renovation of existing school facilities and related equipment and improvements. On December 18, 2014, the District issued \$30 million of bonds, and on January 12, 2016, \$35 million of bonds were issued.

The general obligation bonded debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2016 is \$690.2 million. General obligation debt at June 30, 2016 is \$217.0 million, resulting in a legal debt margin of \$473.2 million.

Although it is not unusual for governments to have a 30-year bond payoff schedule, the District maintains an aggressive schedule to retire all of its general obligation bonds by 2031.

WASHINGTON COUNTY SCHOOL DISTRICT'S Outstanding Debt
 (net of unamortized and deferred amounts, in millions of dollars)
 June 30, 2016 and 2015

	Governmental activities		Total
	2016	2015	change 2016-2015
General obligation bonds	\$ 217.0	\$ 210.2	\$ 6.8
Deferred amounts	16.3	11.4	4.9
General obligation bonds, net	\$ 233.3	\$ 221.6	\$ 11.7

Additional information on the District's long-term debt can be found in Note 9 to the basic financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Washington County School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Business Administrator, Washington County School District, 121 W. Tabernacle, St. George, UT 84770.

WASHINGTON COUNTY SCHOOL DISTRICT

Financial Statements

Year Ended June 30, 2016

WASHINGTON COUNTY SCHOOL DISTRICT
Statement of Net Position
June 30, 2016

	Governmental Activities
Assets:	
Cash and investments	\$ 82,436,520
Receivables:	
Property taxes	109,313,704
Other governments	6,281,031
Other	552,204
Inventories	666,297
Prepays	686,201
Net pension asset	4,130
Capital assets:	
Land and construction in progress	133,916,554
Other capital assets, net of depreciation	266,705,010
Total assets	600,561,651
Deferred Outflows of Resources:	
Deferred charges on refundings	1,813,800
Amounts related to pensions	37,399,126
Bond issue costs	385,668
Total assets and deferred outflows of resources	640,160,245
Liabilities:	
Accounts payable	11,914,281
Accrued interest	3,562,086
Accrued liabilities	13,894,843
Unearned revenue:	
Property taxes	108,205,074
Other governments	10,249,778
Local sources	184,095
Noncurrent liabilities:	
Due within one year	25,810,000
Due in more than one year	308,189,247
Total liabilities	482,009,404
Deferred Inflows of Resources:	
Amounts related to pensions	9,653,961
Total liabilities and deferred inflows of resources	491,663,365
Net Position:	
Net investment in capital assets	184,918,122
Restricted for:	
School lunch	637,933
Foundation	1,587,788
Debt service	737,387
Capital projects	7,703,108
Unrestricted	(47,087,458)
Total net position	\$ 148,496,880

WASHINGTON COUNTY SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2016

Functions	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
Governmental activities:				
Instructional services	\$ 148,204,745	\$ 691,932	\$ 48,047,370	\$ (99,465,443)
Supporting services:				
Students	8,410,205	-	3,407,692	(5,002,513)
Instructional staff	10,345,625	-	2,949,814	(7,395,811)
District administration	596,957	-	-	(596,957)
School administration	15,084,004	-	275,731	(14,808,273)
Business	3,581,486	-	191,262	(3,390,224)
Operation and maintenance of facilities	18,602,913	-	883,809	(17,719,104)
Transportation	5,587,962	254,779	4,181,427	(1,151,756)
Central	-	-	-	-
School lunch services	9,372,314	2,267,611	8,259,426	1,154,723
Payments to redevelopment agencies	4,000,000	-	-	(4,000,000)
Interest on long-term liabilities	6,469,387	-	-	(6,469,387)
Total school district	<u>\$ 230,255,596</u>	<u>\$ 3,214,322</u>	<u>\$ 68,196,531</u>	<u>(158,844,744)</u>
General revenues:				
Property taxes levied for:				
General purposes				62,393,130
Transportation				-
Recreation				-
Debt service				37,237,280
Capital outlay				3,737,520
Federal and state aid not restricted to specific purposes				67,451,771
Earnings on investments				526,747
Miscellaneous				9,071,044
Total general revenues				<u>180,417,492</u>
Change in net position				21,572,749
Net position - beginning				<u>126,924,131</u>
Net position - ending				<u>\$ 148,496,880</u>

The notes to the financial statements are an integral part of this statement.

WASHINGTON COUNTY SCHOOL DISTRICT

**Balance Sheet
Governmental Funds
June 30, 2016**

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Projects		
Assets:					
Cash and investments	\$ 40,965,242	\$ 3,517,001	\$ 31,719,682	\$ 6,234,595	\$ 82,436,520
Receivables:					
Property taxes	60,748,203	40,532,421	8,033,080	-	109,313,704
Other governments	5,458,843	-	-	822,188	6,281,031
Other receivables	495,340	-	4,098	52,766	552,204
Inventory	263,115	-	6,409	396,773	666,297
Prepays	686,201	-	-	-	686,201
Total assets	<u>\$ 108,616,944</u>	<u>\$ 44,049,422</u>	<u>\$ 39,763,269</u>	<u>\$ 7,506,322</u>	<u>\$ 199,935,957</u>
Liabilities, deferred inflows of resources and fund balances:					
Liabilities:					
Accounts payable	\$ 6,230,545	\$ -	\$ 4,942,514	\$ 741,222	\$ 11,914,281
Accrued salaries	13,440,596	-	-	-	13,440,596
Retainable Payable	-	-	454,247	-	454,247
Unearned revenue:					
Property taxes	60,075,783	40,135,616	7,993,675	-	108,205,074
Other governments	9,654,511	-	-	595,267	10,249,778
Local sources	32,582	-	-	151,513	184,095
Total liabilities	<u>89,434,017</u>	<u>40,135,616</u>	<u>13,390,436</u>	<u>1,488,002</u>	<u>144,448,071</u>
Fund Balances:					
Nonspendable:					
Inventories	263,115	-	6,409	396,773	666,297
Restricted for:					
Debt service	-	3,913,806	-	-	3,913,806
Capital Projects	-	-	25,253,064	-	25,253,064
School Lunch	-	-	-	241,160	241,160
Community Recreation	-	-	-	-	-
Schools	-	-	-	1,587,788	1,587,788
Committed to:					
Economic Stabilization	3,300,000	-	-	-	3,300,000
Future Growth	2,291,179	-	-	-	2,291,179
Students	-	-	-	3,792,599	3,792,599
Assigned to:					
Local School	1,795,099	-	1,113,360	-	2,908,459
District Programs	1,670,144	-	-	-	1,670,144
Unassigned	9,863,390	-	-	-	9,863,390
Total fund balances	<u>19,182,927</u>	<u>3,913,806</u>	<u>26,372,833</u>	<u>6,018,320</u>	<u>55,487,886</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 108,616,944</u>	<u>\$ 44,049,422</u>	<u>\$ 39,763,269</u>	<u>\$ 7,506,322</u>	<u>\$ 199,935,957</u>

The notes to the financial statements are an integral part of this statement.

WASHINGTON COUNTY SCHOOL DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position

June 30, 2016

Total fund balances for governmental funds	\$	55,487,886
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Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	63,260,322		
Construction in progress	70,656,232		
Buildings and improvements, net of \$202,075,160 accumulated depreciation	264,566,403		
Furniture and equipment, net of \$15,150,026 accumulated depreciation	<u>2,138,607</u>		400,621,564

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for general obligation bonds is \$3,562,087.		(3,562,087)
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Bond issuance costs are reported as expenditures in the governmental funds. The cost is \$627,374 and accumulated amortization is \$241,706.		385,668
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The net pension asset is not an available resource and therefore is not reported in the governmental funds		4,130
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Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Balances at year-end are:

Bonds payable	(216,965,000)		
Unamortized premiums	(18,108,607)		
Unamortized refunding	1,813,800		
Notes payable	(606,000)		
Net pension liability	(98,319,640)		
Deferred outflows of resources related to pensions	37,399,126		
Deferred inflows of resources related to pensions	<u>(9,653,960)</u>		(304,440,281)

Total net position of governmental activities	\$	<u><u>148,496,880</u></u>
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The notes to the financial statements are an integral part of this statement.

WASHINGTON COUNTY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2016

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Projects		
Revenues:					
Property taxes	\$ 58,771,872	\$ 35,014,917	\$ 3,527,511	\$ 4,000,000	\$ 101,314,300
Earnings on investments	280,907	-	228,880	16,960	526,747
School lunch sales	-	-	-	2,267,611	2,267,611
Other local sources	3,688,216	-	213,044	6,769,631	10,670,891
State aid	110,685,139	-	292,625	3,812,797	114,790,561
Federal aid	14,047,943	-	-	6,809,798	20,857,741
Total revenues	<u>187,474,077</u>	<u>35,014,917</u>	<u>4,262,060</u>	<u>23,676,797</u>	<u>250,427,851</u>
Expenditures:					
Current:					
Instructional services	123,312,797	-	-	8,604,690	131,917,487
Supporting services:					
Students	8,410,205	-	-	-	8,410,205
Instructional staff	10,345,625	-	-	-	10,345,625
District administration	555,474	-	-	-	555,474
School administration	14,035,815	-	-	-	14,035,815
Business	3,332,608	-	-	-	3,332,608
Operation and maintenance					
of facilities	17,281,271	-	-	28,924	17,310,195
Transportation	5,199,654	-	-	-	5,199,654
Central	-	-	-	-	-
School lunch services	-	-	-	10,025,450	10,025,450
Capital outlay	-	-	43,972,377	-	43,972,377
Payments to redevelopment agencies	-	-	-	4,000,000	4,000,000
Debt service:					
Principal retirement	-	24,840,000	-	-	24,840,000
Loan retirement	-	19,000	100,000	-	119,000
Interest and fiscal charges	-	8,506,450	-	-	8,506,450
Bond issuance costs	-	63,774	-	-	63,774
Total expenditures	<u>182,473,449</u>	<u>33,429,224</u>	<u>44,072,377</u>	<u>22,659,064</u>	<u>282,634,114</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,000,628</u>	<u>1,585,693</u>	<u>(39,810,317)</u>	<u>1,017,733</u>	<u>(32,206,263)</u>
Other financing sources (uses):					
Transfers	-	-	-	-	-
Debt issuance	-	-	35,000,000	-	35,000,000
Premium related to debt issuance	-	3,355,000	3,914,649	-	7,269,649
Refunded bonds redeemed	-	24,050,000	-	-	24,050,000
Payment to refunded bond escrow agent	-	(27,405,000)	-	-	(27,405,000)
Sale of capital assets	-	-	2,415,527	-	2,415,527
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>41,330,176</u>	<u>-</u>	<u>41,330,176</u>
Net change in fund balances	5,000,628	1,585,693	1,519,859	1,017,733	9,123,913
Fund balances - beginning	<u>14,182,299</u>	<u>2,328,113</u>	<u>24,852,974</u>	<u>5,000,587</u>	<u>46,363,973</u>
Fund balances - ending	<u>\$ 19,182,927</u>	<u>\$ 3,913,806</u>	<u>\$ 26,372,833</u>	<u>\$ 6,018,320</u>	<u>\$ 55,487,886</u>

The notes to the financial statements are an integral part of this statement.

WASHINGTON COUNTY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Government Funds to the Statement of Activities
Year Ended June 30, 2016

Net change in fund balances-total governmental funds \$ 9,123,913

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 for furniture and equipment and \$25,000 for buildings and improvements are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$	35,142,550	
Gain on disposal of capital assets		2,441,129	
Proceeds from sales of capital assets		(2,415,527)	
Depreciation expense		(12,871,116)	
		22,297,036	22,297,036

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of what it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

General obligation bond proceeds		(59,050,000)	
Bond premium		(7,269,649)	
Bond issuance costs		26,541	
Repayment of bond principal		52,245,000	
Amortization of bond issuance costs		(47,018)	
Amortization of bond premium		2,449,531	
Interest expense - general obligation bonds		(375,235)	
		(12,020,831)	(12,020,831)

The Governmental funds report note proceeds as financing sources, while repayment of note principal is reported as an expenditure. In the statement of net position, however, issuing notes increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of notes payable and related items is as follows:

Note principal payment			119,000
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Some expenses reported in the statement of activities do not require the use of current financial resource and therefore are not reported as expenditures in the governmental funds.

Pension expense			2,053,630
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Change in net position of governmental activities \$ 21,572,749

The notes to the financial statements are an integral part of this statement.

WASHINGTON COUNTY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 56,211,761	\$ 56,171,810	\$ 58,771,872	\$ 2,600,062
Earnings on investments	170,801	180,000	280,907	100,907
Other local sources	5,667,160	5,710,236	3,688,216	(2,022,020)
State aid	109,311,264	111,284,744	110,685,139	(599,605)
Federal aid	14,352,951	14,226,821	14,047,943	(178,878)
Total revenues	<u>185,713,937</u>	<u>187,573,611</u>	<u>187,474,077</u>	<u>(99,534)</u>
Expenditures:				
Current:				
Instructional services	125,143,391	126,751,436	123,312,797	3,438,639
Supporting services:				
Students	9,295,900	9,779,614	8,410,205	1,369,409
Instructional staff	9,935,000	10,088,201	10,345,625	(257,424)
District administration	615,920	546,191	555,474	(9,283)
School administration	13,638,550	13,507,183	14,035,815	(528,632)
Business	2,513,100	2,421,268	3,332,608	(911,340)
Operation and maintenance of facilities	17,954,526	17,621,277	17,281,271	340,006
Transportation	5,724,550	5,389,684	5,199,654	190,030
Central	893,000	944,737	-	944,737
Total expenditures	<u>185,713,937</u>	<u>187,049,591</u>	<u>182,473,449</u>	<u>4,576,142</u>
Excess of revenues over expenditures	<u>-</u>	<u>524,020</u>	<u>5,000,628</u>	<u>4,476,608</u>
Other financing sources (uses):				
Sale of Capital Assets	-	-	-	-
Net change in fund balances	-	524,020	5,000,628	(4,476,608)
Fund balances - beginning	<u>14,182,299</u>	<u>14,182,299</u>	<u>14,182,299</u>	<u>-</u>
Fund balances - ending	<u>\$ 14,182,299</u>	<u>\$ 14,706,319</u>	<u>\$ 19,182,927</u>	<u>\$ (4,476,608)</u>

The notes to the financial statements are an integral part of this statement.



WASHINGTON COUNTY SCHOOL DISTRICT
Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Washington County School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

Reporting entity – The Board of Education, comprised of seven elected individuals, is the primary governing authority for the District. As required by GAAP, these financial statements present the District and its component unit, Washington County School District Foundation, for which the District is considered to be financially accountable. The District is not a component unit of any other primary government. A blended component unit, although a legally separate entity, is, in substance, part of the District’s operations.

- *Blended component unit.* The Washington County School District Foundation is a nonprofit organization established under Internal Revenue Service regulations as a conduit for tax-deductible donations to the District. The Foundation exclusively services the District. The Foundation is presented as a special revenue fund of the District.

Government-wide and fund financial statements – The *government-wide financial statements* (the statement of net position and the statement of activities) display information about the primary government (the District) and its blended component unit. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function. Depreciation expense for capital assets that can specifically be identified with a function are included in its direct expenses. Depreciation expense for “shared” capital assets (for example, a school building is used primarily for instructional, school administration, operation and maintenance of facilities, and school lunch services) are ratably included in the direct expenses of the appropriate functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term liabilities is considered an indirect expense and is reported in the statement of activities as a separate line item. Program revenues include 1) fees and charges paid by students and other recipients of goods or services offered by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

The *fund financial statements* provide information about the District’s funds, including the blended component unit. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

- The *general fund* is the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *debt service fund* accounts for resources accumulated and payments made for principal and interest on general obligation school building bonds.
- The *capital projects fund* accounts for resources accumulated and payments made for the acquisition and improvement of sites; construction and remodel of facilities; and procurement of equipment, textbooks, and supplies necessary for providing educational programs for all students within the District.

Measurement focus, basis of accounting, and financial statement presentation – The *government-wide fund financial statement* is reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District receives value without directly giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the District receives cash. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. It is the District’s policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Budgetary Data – Budgets are presented on the modified accrual basis of accounting for all governmental funds except the Washington County School District Foundation special revenue fund. Budgets are not adopted on a District level for the Washington County School District Foundation special revenue fund. All annual appropriations lapse at fiscal year-end with the exception of those indicated as a fund balance reserve. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- During May of each year, the District superintendent submits to the Board a proposed operating budget for the next fiscal year commencing July 1st. This budget includes proposed expenditures and the means of financing them. Included also is a final budget for the current year ending June 30th.

- Copies of the proposed budget are made available for public inspection and review by the patrons of the District.
- If the District does not exceed the certified tax rate, a public hearing is held prior to June 22 at which the budget is legally adopted by resolution of the Board after obtaining taxpayer input. If the District exceeds the certified tax rate, the budget is adopted in August when data is available to set the rates.
- Once adopted, the budget can be amended by subsequent Board action. The Board upon recommendation of the superintendent can approve reductions in appropriations, but increases in appropriations by fund require a public hearing prior to amending the budget. In accordance with Utah state law, interim adjustments may be made by administrative transfer of money from one appropriation to another within any given fund.
- Expenditures may not legally exceed budgeted appropriations at the fund level.

Encumbrance accounting is employed in the governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year-end are reported as restrictions or commitments of fund balances and do not constitute expenditures or liabilities because the encumbrances will be included in the budget and honored during the subsequent year.

Negative variances in total revenues and the positive variances in total expenditures are largely a result of federal and state program revenues and related expenditures that do not have a direct impact on the fund balance. Budgets generally assume the expenditure of all available resources. Therefore, when the budget is prepared, it is assumed these funds will not have a carryover of revenue to a subsequent year. Program revenue received but not spent is restricted and deferred to the subsequent fiscal year. As a result, overall fund revenue variances will be negative, and overall fund expenditure variances will be positive.

Deposits and Investments – The cash balances of governmental activities are pooled and invested by the District for the purpose of increasing earnings through investment activities and providing efficient management of temporary investments. The District’s investments are reported at fair value at year-end. The Utah Public Treasurers’ Investment Fund operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. Changes in the fair value of investments are recorded as investment earnings. Earnings on pooled funds are apportioned and paid or credited to the funds based on the average balance of each participating fund.

Cash and Cash Equivalents – The District considers cash and cash equivalents to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including investments in the Public Treasurers’ Investment Fund (PTIF).

Inventories – Inventories are valued at cost or, if donated, at fair value when received, using the first in, first out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Donated food commodities are reported in the governmental funds as revenue when received.

Prepays – The District records a prepaid asset if services or materials were paid before the services were incurred or the materials were actually received. Prepaid assets are recorded as expenditures when consumed rather than when purchased. The district has prepaid expenditures of \$686,201 for FY 2016.

Capital Assets – Capital assets, which include land, water stock, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 for furniture and equipment and \$25,000 for land, water stock, buildings and improvements and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets’ lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	30
Building improvements and portable classrooms	30
Maintenance equipment	15
Vocational education equipment	15
Buses	10
Musical instruments	10
Furniture	10
Office equipment	10
Athletic equipment	8
Vehicles	8
Site Improvements	7
Audio visual equipment	5
Computer equipment	3

Compensated Absences - Under terms of association agreements, twelve-month or full-year employees earn vacation and sick leave in amounts varying with tenure and classification. No reimbursement or accrual is made for unused sick leave.

Long-term Obligations – In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums or discounts are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions – For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems (URS) and additions to/deductions from URS’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. Pension plan investments are reported at fair value.

Deferred outflows/inflows of resources – In addition to assets, financial statements 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 District has the following sources that qualify for reporting in this category; these items are reported in the government-wide statement of net position:

- 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.
- Deferred outflows of resources related to pensions – includes a) net difference between projected and actual earnings on pension plan investments, b) changes in proportion and differences between contributions and proportionate share of contributions, and c) District contributions subsequent to the measurement date of December 31, 2015.

In addition to liabilities, the financial statements 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 following items arise only under a modified accrual basis of accounting and are reported in the governmental funds balance sheet; these items are deferred and recognized as an inflow of resources in the period that the amounts become available:

- Unavailable property tax revenue – consists of uncollected, delinquent property taxes.

The following sources are reported in the statement of net position and the governmental funds balance sheet (Property taxes levied for future year only):

- Property taxes levied for future year – property taxes levied on January 1, 2016 for the following school year.
- Deferred inflows of resources related to pensions – includes a) differences between expected and actual experience, b) changes of assumptions in the measurement of the net pension liability/asset, and c) changes in proportion and differences between contributions and proportionate share of contributions.

Net Position / Fund Balance Classifications – The residual of all other elements presented in a statement of net position is *net position* on the government-wide financial statements and the residual of all other elements presented in a balance sheet on the governmental fund financial statements is *fund balance*.

Net position is divided into three components: net investment in capital assets (capital assets net of related debt less unspent bond proceeds), restricted, and unrestricted. Net position is reported as restricted when constraints are placed upon it by external parties or are imposed by constitutional provisions or enabling legislation.

The governmental fund financial statements present fund balances based on a hierarchy that shows, from highest to lowest, the level or form of constraints on fund balance resources and the extent to which the District is bound to honor them. The District first determines and reports nonspendable balances, then restricted, then committed, and so forth.

Fund balance classifications are summarized as follows:

Nonspendable fund balances represent residual equities (assets) that *cannot be spent* because of contractual or legal requirements.

Restricted fund balances represent residual equities that are available for use but which have external enforceable legal restrictions as to how these resources may be used.

Committed fund balances represent resources whose use is constrained by limitations imposed by the District's Board of Education. The District's Board of Education is the highest level of decision making authority for committed fund balances. Committed fund balances are established through Board of Education formal budget adoption, policy or action item adoption, and/or through Board of Education resolution.

Assigned fund balances represent resources whose use is constrained by limitations imposed by the District's administration. The District administration is generally the highest level of decision-making authority for assigned fund balances. The Board of Education delegates authority to District administration to determine specific purposes for these fund balances. However, the Board of Education retains the right to change these assigned fund balances if needed.

Unassigned fund balances represent resources which have not been classified as nonspendable, restricted, committed, or assigned fund balance classifications. A negative fund balance may be reported in governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

Flow Assumptions - When multiple categories of fund equity are used to fund expenditures, fund equity categories will be used based upon the adopted budget plan by the Board of Education. Generally, unassigned fund balances will be used first before assigned and committed fund balances.

Comparative Data, Reclassifications, and Restatements – Comparative data for the prior year has been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations.

2. DEPOSITS AND INVESTMENTS

The District follows the requirements of the Utah Money Management Act (Section 51, Chapter 7 of the Utah Code) in handling its depository and investing transactions. District funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the District to invest in the Utah Public Treasurers' Investment Fund (PTIF), certificates of deposit, U.S. Treasury obligations, U.S. agency issues, high-grade commercial paper, banker's acceptances, repurchase agreements, corporate bonds, restricted mutual funds, and obligations of governmental entities within the State of Utah.

The Act and Council rules govern the financial reporting requirements of qualified depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. The District considers the actions of the Council to be necessary and sufficient for adequate protection of its uninsured bank deposits.

Rules of the Council allow the Foundation to invest private grants, contributions, and endowments in any deposit or investment authorized by the Act and certain investment funds, equity securities, fixed-income securities, and investment strategies with institutions that meet certain restrictions.

Deposits and investments are carried at fair value. Deposits and investments at June 30, 2016 appear in the financial statements as summarized below:

Cash	\$ 12,299,233
Investments	70,137,287
Total cash and investments	<u>\$ 82,436,520</u>

Cash and investments-governmental activities, statement of net position \$ 82,436,520

Deposits – The District's carrying amount of bank deposits at June 30, 2016 is \$12,299,233 and the bank balance is \$12,767,604. Of the bank balance, \$3,858,088 is covered by federal depository insurance and \$8,909,516 was uninsured. No deposits are collateralized, nor are they required to be by state statute.

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk.

Investments - At year-end, the District's investment balances of \$68,191,637 were held in the Public Treasurers' Investment Fund (PTIF), and \$1,945,650 were held in CDs at various local banks and credit unions. The PTIF is an external local government investment pool managed by the Utah State Treasurer. The PTIF is authorized and makes investments in accordance with the Act. The Council provides regulatory oversight for the PTIF. Participant accounts with the PTIF are not insured or otherwise guaranteed by the State of Utah.

Participants in the PTIF share proportionally in the income, costs, gains and losses from investment activities. The degree of risk of the PTIF depends upon the underlying portfolio, which primarily consists of money market securities held by the Utah State Treasurer, including investment-grade corporate notes (83%), money market mutual funds (5%), top-rated commercial paper (8%), and certificates of deposit (4%). The portfolio has a weighted average maturity of 90 days or less. The PTIF is not rated. The reported value of the pool is the same as the fair value of the pool shares.

During the year ended June 30, 2016, the District used an overnight sweep agreement (classified as a Category 2 investment) to a government money market portfolio that primarily invests in obligations of the United States Treasury, agencies or instrumentalities of the United States that meet allowable investments of the Utah Money Management Act.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to interest rate risk by complying with the Act, which requires that the remaining term to maturity of investments to not exceed the period of availability of the funds invested. Except for endowments, the Act further limits the remaining term of maturity on all investments in commercial paper and bankers' acceptances to 270 days or less and fixed-income securities to 365 days or less. In addition, variable-rate securities may not have a remaining term to final maturity exceeding two years.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy for reducing its exposure to credit risk is to comply with the Act and related rules. The Act and related rules limit investments in commercial paper to a first tier rating and investments in fixed-income and variable-rate securities to a rating of A or higher as rated by Moody's Investors Service, Inc. or by Standard and Poor's Corporation. The District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's policy for managing this risk is to comply with the Act and related rules. Rule 17 of the Money Management Council limits investments with a single issuer of commercial paper and corporate obligations to 5% of the District's total portfolio. The District places no other limits on the amount it may invest in any one issuer.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District's policy for managing this risk is to comply with the Act and related rules. The District places no other limit on the amount of investments to be held by counterparties.

3. PROPERTY TAXES

The property tax revenue of the District is collected and distributed by the Washington County Treasurer as an agent of the District. Utah statutes establish 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 15. By July 21, the County auditor is to mail assessed value and tax notices to property owners. A taxpayer may then petition the County Board of Equalization between August 1 and August 15 for a revision of the assessed value. The County auditor makes approved changes in assessed value by November 1 and on this same date the County auditor is to deliver the completed assessment rolls to the County treasurer.

Tax notices are mailed with a due date of November 30. Delinquent taxes are subject to a 2% penalty, with a \$10 minimum penalty. If delinquent taxes and penalties are not paid by January 15 of the following year, these delinquent taxes, including penalties, are subject to an interest charge at an annual rate equal to the federal discount rate plus 6%; the interest period is from January 1 until date paid.

Beginning January 1, 1992, an annual uniform fee based on the value of motor vehicles was levied in lieu of an ad valorem tax on motor vehicles. This uniform fee was 1.5% of the fair market statewide value of the property, as established by the State Tax Commission. Effective January 1, 1999, legislation required motor vehicles be subject to an "age-based" fee that is due each time a vehicle is registered. The age-based fee is for passenger type vehicles and ranges from \$10 to \$150 based on the age of the vehicle. The revenues collected in each county from motor vehicle fees is distributed by the county to each taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed. The District recognizes motor vehicle fees as property tax revenue when the County collects it.

As of June 30, 2016, property taxes receivable by the District includes uncollected taxes assessed as of January 1, 2016 or earlier. It is expected that all assessed taxes (including delinquencies plus accrued interest and penalties) will be collected within a five-year period, after which time the county treasurer may force sale of property to collect the delinquent portion.

4. RECEIVABLES

The District has the following types of receivables owed as of June 30, 2016:

* \$552,204 - Receivables from local sources - Total owed to the District by the schools or local sources due to grants or services provided by the District. This will be paid in FY 2017.

* \$1,317,217 - Receivables from the State of Utah – Total owed to the District from the State of Utah for funds submitted for reimbursement from state grants as well as the final liquor tax payment owed to Food Services.

* \$4,963,814 - Receivables from the federal government – Total owed to the District from the Department of Education for funds submitted for reimbursement from federal grants.

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 56,472,611	\$ 7,633,165	\$ (845,454)	\$ 63,260,322
Construction in progress	92,559,360	27,696,822	(49,599,950)	70,656,232
Total capital assets, not being depreciated	149,031,971	35,329,987	(50,445,404)	133,916,554
Capital assets, being depreciated:				
Buildings and improvements	419,086,280	49,599,950	(2,044,667)	466,641,563
Furniture and equipment	17,283,259	658,017	(652,643)	17,288,633
Total capital assets, being depreciated	436,369,539	50,257,967	(2,697,310)	483,930,196
Accumulated depreciation for:				
Buildings and improvements	(191,513,699)	(12,344,694)	1,783,233	(202,075,160)
Furniture and equipment	(15,563,283)	(526,422)	939,679	(15,150,026)
Total accumulated depreciation	(207,076,982)	(12,871,116)	2,722,912	(217,225,186)
Total capital assets, being depreciated, net	229,292,557	37,386,851	25,602	266,705,010
Governmental activities capital assets, net	\$ 378,324,528	\$ 72,716,838	\$ (50,419,802)	\$ 400,621,564

The District changed capitalization thresholds effective July 1, 2002. The capitalization threshold for purchases of furniture and equipment was changed from \$1,000 to \$5,000, and the capitalization threshold for land and buildings and improvements was raised from \$1,000 to \$25,000.

For the year ended June 30, 2016, depreciation expense was charged to functions of the District as follows:

Governmental activities:

Instructional services	\$ 9,851,541
Supporting services:	
District administration	41,483
School administration	1,048,189
Business	248,878
Operation and maintenance of facilities	1,292,718
Transportation	388,308
Central	<u>0</u>
Total depreciation expense, governmental activities	<u>\$ 12,871,116</u>

The District is obligated at June 30, 2016, under construction commitments as follows:

<u>Project</u>	<u>Project Authorized</u>	<u>Costs to Date</u>	<u>Costs to Complete</u>
Priority Projects	\$ 2,221,101	\$ 691,001	\$ 1,530,100
Legacy Elementary	11,689,000	6,331,491	5,357,509
Majestic Fields Elementary	8,639,000	2,246,300	6,392,700
Crimson Middle	25,225,000	507,140	24,717,860
Total	<u>\$ 47,774,101</u>	<u>\$ 9,775,932</u>	<u>\$ 37,998,169</u>

6. STATE RETIREMENT PLANS

Description of state retirement plans – Eligible employees of the District are provided with the following plans through the Utah Retirement Systems (theURS) administered by the URS:

Defined Benefit Pension Plans (cost-sharing, multiple-employer plans):

- Public Employees Noncontributory Retirement System (Tier 1 Noncontributory System)
- Public Employees Contributory Retirement System (Tier 1 Contributory System)
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Contributory System)

Defined Contribution Plans (individual account plans):

- 401(k) Plan (includes the Tier 2 Defined Contribution Plan)
- 457 Plan and other individual plans

Title 49 of the *Utah Code* grants the authority to establish and amend the benefit terms to the Utah State Retirement Board, whose members are appointed by the Governor. The URS (a component unit of the State of Utah) issues a publicly available financial report that can be obtained at www.urs.org.

The Tier 2 systems 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 systems, are members of the Tier 2 systems.

Benefits provided – The URS provides retirement, disability, and death benefits to participants in the defined benefit pension plans. Retirement benefits are determined from 1.25% to 2.00% of the employee’s highest 3 or 5 years of compensation times the employee’s years of service depending on the pension plan; benefits are subject to cost-of-living adjustments up to 2.50% or 4.00%, limited to the actual Consumer Price Index increase for the year. Employees are eligible to retire based on years of service and age.

Defined contribution plans are available as supplemental plans to the basic retirement benefits of the defined benefit pension plans and as a primary retirement plan for some Tier 2 participants. Participants in the defined contribution plans are fully vested in employer and employee contributions at the time the contributions are made, except Tier 2 required contributions and associated earnings are vested during the first four years of employment. Benefits depend on amounts contributed to the plans plus investment earnings. Individual accounts are provided for each employee and are available at termination, retirement, death, or unforeseeable emergency.

Contributions – As a condition of participation in the plans, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement 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.

For the year ended June 30, 2016, District and employee contributions to the plans were as follows:

	Defined Benefit Plans Rates			District Rates for 401(k) Plan
	District Contribution	Employee Paid	Paid by District for Employee	
Tier 1 Noncontributory System	22.19%	-	-	1.50%
Tier 1 Contributory System	17.70%	6.00%	-	-
Tier 2 Contributory System *	8.22%	-	-	1.78%
Tier 2 Defined Contribution Plan *	-	-	-	10.00%

* The District is also required to contribute 9.94% of covered employee payroll of the Tier 2 plans to finance the unfunded actuarial accrued liability of the Tier 1 plans. The District is also required to contribute 0.08% of covered employee payroll of the Tier 2 plans for death benefits.

Employees can make additional contributions to defined contribution plans subject to limitations.

For the year ended June 30, 2016, District and employee contributions to the plans were as follows:

	<u>District Contributions</u>	<u>Employee Contributions</u>
Tier 1 Noncontributory System	\$ 18,514,268	\$ -
Tier 1 Contributory System	37,204	-
Tier 2 Contributory System	2,633,806	-
401(k) Plan	1,956,748	1,683,707
457 Plan and other individual plans	-	134,194

* Tier 2 plan contributions include required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans and for death benefits.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions – At June 30, 2016, the District reported a net pension asset of \$4,130 and a net pension liability of \$98,319,640 for the following plans:

	<u>Proportionate Share</u>	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>
Tier 1 Noncontributory System	3.1168961%	\$ -	\$ 97,910,633
Tier 1 Contributory System	0.6526865%	-	409,007
Tier 2 Contributory System	1.8918256%	4,130	-
Total		<u>\$ 4,130</u>	<u>\$ 98,319,640</u>

The net pension asset and liability were measured as of December 31, 2015, and the total pension asset and liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of January 1, 2015 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net pension asset and liability is equal to the ratio of the District's actual contributions compared to the total of all employer contributions during the plan year.

For the year ended June 30, 2016, the District recognized pension expense of \$19,332,021 for the defined benefit pension plans and pension expense of \$1,738,976 for the defined contribution plans. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans from the following sources:

The \$10,745,656 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date of December 31, 2015 will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2017	\$ 3,700,388
2018	3,700,388
2019	3,964,133
2020	5,696,319
2021	(11,374)
Thereafter	(50,345)

Actuarial assumptions – The total pension liability in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.50% - 10.50%, average, including inflation
Investment rate of return	7.50%, 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 actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for the five-year period ended December 31, 2013.

The long-term expected rate of return on defined benefit 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:

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

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

Discount rate – The discount rate used to measure the total pension liability was 7.50%. 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, actuarially determined and certified by the Utah State Retirement 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 was not changed from the prior measurement date.

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

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension (asset) liability:			
Tier 1 Noncontributory System	\$177,214,547	\$ 97,910,633	\$ 31,414,194
Tier 1 Contributory System	924,775	409,007	(28,513)
Tier 2 Contributory System	757,341	(4,130)	(581,254)
Total	<u>\$178,896,663</u>	<u>\$ 98,315,510</u>	<u>\$ 30,804,427</u>

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

7. TERMINATION BENEFIT

Early Retirement Incentive – The District provides a voluntary early retirement incentive program. This benefit is subject to change and benefits are not vested until the employee is eligible for and has applied for Utah State Retirement, signed a District Application for Incentive Participation, and received Board approval for an ERI (Early Retirement Incentive) Application. The District recognizes the liability and expenditure in the year in which an employee retires. To qualify for the benefit the applicant must:

- Have been continuously employed by the District for a minimum of ten (10) consecutive years just prior to retirement under contracts that were established for at least 20 hours per week for a minimum of 180 days per contract year, and
- Qualify for retirement benefits from the Utah Retirement Systems (URS) as of the date of retirement from the District, and
- Apply for retirement benefits from the URS at least 30 days prior to the date of retirement, and
- Not be receiving retirement benefits from the URS because of an earlier retirement.

Early Retirement Incentive (ERI) Program has replaced the old "Phase-Out" ERI Program beginning January 31, 2009. The Benefit payment identified below will be adjusted by the employee's average FTE over the last 10 years of service.

Years of Qualifying Employment Service Credit at time of retirement (see § 3.2.1)	Maximum Lump Sum Benefit Payment to a qualified Tax Sheltered Annuity Plan
0 to 9.9	Ineligible
10 to 14.9	\$5,000
15 to 19.9	\$10,000
20 to 24.9	\$15,000
25 or more	\$25,000

Amounts will be adjusted at the same rate as the cost of living adjustments made to the teacher's salary schedule beginning after the 2006-07 school year.

8. MEDICAL PLAN, AND LIFE AND LONG-TERM DISABILITY (LTD)

The district provides \$25,000 employee life insurance, \$2,420 dependent life insurance, and long-term disability coverage that is maintained on a premium basis. The District also provides three months salary in term life insurance, \$2,000 for dependent life insurance that is maintained on a self-insured basis.

9. RISK MANAGEMENT

The District is exposed to various risks of loss related to worker’s compensation, torts, errors and omissions, violation of civil rights, natural disasters, as well as theft of, damage to, and destruction of assets. These risks are covered by the District’s participation in the Utah School Boards Risk Management Mutual Insurance Association for worker’s compensation claims and the Utah State Risk Management system for property, casualty, and liability exposure. These are pooled arrangements whereby districts pay experienced rated annual premiums which are designed to pay claims and build sufficient reserves to enable the pool to protect the participating entities with its own capital. The pools reinsure excess losses to preserve the capital base. Property physical damage is insured to replacement value with a \$1,000 deductible; automobile physical damage is insured to actual value with a \$350 deductible; other liability is limited to the lesser of \$10 million or the statutory limit. Insurance coverage by major category of risk has remained relatively constant as compared to the prior fiscal year. Insurance settlements have not exceeded insurance coverage for the past three years.

Unemployment compensation is handled on a cost of benefits reimbursement basis with the State of Utah.

10. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2016 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 210,160,000	\$ 59,050,000	\$ (52,245,000)	\$ 216,965,000	\$ 25,690,000
Deferred amounts for issuance premium	13,288,489	7,269,649	(2,449,531)	18,108,607	-
Deferred amounts on refunding	(1,851,033)	634,783	(597,550)	(1,813,800)	-
Total bonds payable, net	221,597,456	66,954,432	(55,292,081)	233,259,807	25,690,000
Net pension liability	77,139,436	42,565,854	(21,385,650)	98,319,640	-
Notes Payable	725,000	-	(119,000)	606,000	120,000
Early retirement payable	-	-	-	-	-
Total governmental activity long-term liabilities	<u>\$ 299,461,892</u>	<u>\$ 109,520,286</u>	<u>\$ (76,796,731)</u>	<u>\$ 332,185,447</u>	<u>\$ 25,810,000</u>

Payments on the general obligation bonds are made by the debt service fund from property taxes and earnings on investments. The obligations under capital leases are paid by the capital projects fund. Early retirement benefits will be paid by the fund in which the employee worked.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2015, including interest payments are listed as follows:

Year ending June 30,	Principal	Interest	Total
2017	25,690,000	9,445,375	35,135,375
2018	23,645,000	8,158,706	31,803,706
2019	24,230,000	7,007,813	31,237,813
2020	23,390,000	5,925,500	29,315,500
2021	22,440,000	4,829,675	27,269,675
2022-26	71,255,000	11,587,775	82,842,775
2027-31	26,315,000	1,989,000	28,304,000
Total	<u>\$216,965,000</u>	<u>\$ 48,943,844</u>	<u>\$265,908,844</u>

General Obligation Bonds – The District passed a \$185 million dollar bond in November of 2013 to finance the construction of several new schools and renovation of existing schools. Of that \$185 million approved bond, \$30 million was authorized and issued on December 18, 2014 and \$35 million was authorized and issued on January 12, 2016.

General obligation school building bonds payable at June 30, 2016, with their outstanding balance are comprised of the following individual issues:

\$50,000,000 2007 general obligation refunding bonds, due in annual installments of \$1,355,000 to \$4,290,000, through March 1, 2023, interest from 3.125% to 5.0%	26,470,000
\$20,000,000 2009 general obligation refunding bonds, due in annual installments of \$885,000 to \$1,835,000, through March 1, 2024, interest from 2.5% to 4.0%	12,395,000
\$11,275,000 2010A general obligation refunding bonds, due in annual installments of \$885,000 to \$1,835,000, through March 1, 2025, interest from 2.5% to 4.0%	1,245,000
\$11,950,000 2010B general obligation refunding bonds, due in annual installments of \$885,000 to \$1,835,000, through March 1, 2025, interest from 2.5% to 4.0%	11,950,000
\$25,270,000 2011 general obligation refunding bonds, due in annual installments of \$1,100,000 to \$2,315,000, through March 1, 2026, interest from 2% to 4.125%	15,475,000
\$31,760,000 2012 general obligation refunding bonds, due in annual installments of \$1,225,000 to \$3,750,000, through March 1, 2027, interest from 1.5% to 5%	19,915,000
\$38,880,000 2013 general obligation refunding bonds, due in annual installments of \$1,270,000 to \$5,320,000, through March 1, 2028, interest from 1.25% to 5%	29,190,000
\$47,465,000 2014 general obligation refunding bonds, due in annual installments of \$1,930,000 to \$5,150,000, through March 1, 2029, interest from 3% to 5%	41,275,000
\$59,050,000 2016 general obligation refunding bonds, due in annual installments of \$2,300,000 to \$6,715,000, through March 1, 2031, interest from 2% to 5%	59,050,000
	<u>\$216,965,000</u>

The general obligation bonded debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2016, is \$690,174,848. General obligation debt at June 30, 2016 is \$216,965,000, resulting in a legal debt margin of \$473,209,848.

Advance Refundings – On January 12, 2016, the District issued \$24,050,000 of general obligation refunding bonds with a premium of \$3,355,000. The bonds were issued at an effective interest rate of 1.83% and will mature on March 1, 2031. The District issued the bonds to advance refund \$27,405,000 of outstanding Series 2006 general obligation bonds. The District deposited the net proceeds along with other resources in an irrevocable trust to provide for all future debt service on the refunded portion of the bonds. As a result, the refunded portion of those bonds is considered defeased, and the District has removed the liability from its accounts. The advanced refunding will reduce total debt service payments over the next 15 years by \$1,744,373. This results in an economic gain (difference between the present value of the old and new debt) of \$1,409,036.

Woodward Restoration - During 2000, the District was awarded a \$150,000 grant and a \$350,000 loan from the State of Utah Community Impact Board (CIB) for the restoration of a vacant historic school (Woodward) to be used as a community facility. The loan was funded through the issuance of taxable revenue lease bonds by the Municipal Building Authority of the City of St. George. Although the bonds are issued in the name of the Building Authority, the District is required to make the following annual interest and principal payments:

Year Ending June 30	Principal	Interest	Total
2017	20,000	2,750	22,750
2018	20,000	2,325	22,325
2019	21,000	1,900	22,900
2020	21,000	1,475	22,475
2021	22,000	1,050	23,050
2022	<u>2,000</u>	<u>625</u>	<u>2,625</u>
Total	<u>\$106,000</u>	<u>\$10,125</u>	<u>\$116,125</u>

Hildale Property - During FY 2015, the District purchased two buildings in Hildale, UT to house the new Water Canyon Elementary and Water Canyon High School. The purchase agreement stated that the District would pay \$653,826 for the land in July of 2014 with a \$600,000 note to seller from buyer secured by Trust Deed. The terms for the note require an annual payment of \$100,000 plus 3% interest as shows in the following schedule:

Year Ending June 30	Principal	Interest	Total
2016	100,000	18,000	118,000
2017	100,000	15,000	115,000
2018	100,000	12,000	112,000
2019	100,000	9,000	109,000
2020	100,000	6,000	106,000
2021	<u>100,000</u>	<u>3,000</u>	<u>103,000</u>
Total	<u>\$600,000</u>	<u>\$63,000</u>	<u>\$663,000</u>

11. DESIGNATED FOR UNDISTRIBUTED RESERVE

Utah state law allows for the establishment of an undistributed reserve. The Board must authorize expenditures from the undistributed reserve. This reserve is for contingencies. According to State law, the District may not use undistributed reserves in the negotiation or settlement of contract salaries for District employees. The undistributed reserve may not exceed 5% of the current fiscal year's total general fund budgeted expenditures. Use of the reserve requires a written resolution adopted by a majority vote of the Board filed with the Utah State Board of Education and State Auditor.

12. LITIGATION

There are several lawsuits pending in which the District is involved. The District's counsel and insurance carriers estimate that the potential claims against the District, not covered by insurance, resulting from such litigation would not materially effect the financial statements of the District.

13. GRANTS

The District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the District's independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable fund. Based on prior experience, District administration believes such disallowance, if any, would be immaterial.

14. OPEB

Due to the increased costs of and in anticipation of new accounting rules of the Government Accounting Standards Board, the School Board changed the early retirement policy to phase out the District's so-called "other post-employment benefits" ("OPEBs") and replace them with lower cost termination benefits. Effective January 10, 2006, OPEBs, which consist of medical premium payments and payroll stipends, are being phased out with the final payments to be made in August 2014. The amount of liability for the remaining benefit is \$0.

WASHINGTON COUNTY SCHOOL DISTRICT
Notes to Required Supplementary Information
Year Ended June 30, 2016

Changes in assumptions-Utah Retirement Systems– Amounts reported in plan year 2015 reflect the following assumption changes adopted from the January 1, 2015 valuation:

- The wage inflation assumption for all employee groups was decreased from 3.75% to 3.50%.
- The rate of salary increases assumption for most groups was modified.
- The payroll growth assumption was decreased from 3.50% to 3.25%.
- The post retirement mortality assumption for female educators showed an improvement.
- Minor adjustments to the preretirement mortality assumption were made.
- Certain demographic assumptions were changed that generally resulted in a) an increase in members anticipated to terminate employment prior to retirement, b) a slight decrease in members expected to become disabled, and 3) a slight increase in the expected age of retirement.

WASHINGTON COUNTY SCHOOL DISTRICT
Schedules of the District's Proportionate Share of the Net Pension Liability (Asset)
Utah Retirement Systems
Plan Years Ended December 31, 2014 and 2015

	<u>2014</u>	<u>2015</u>
Tier 1 Noncontributory System:		
District's proportion of the net pension liability (asset)	3.0677897%	3.1168961%
District's proportionate share of the net pension liability (asset)	\$ 77,079,097	\$ 97,910,633
District's covered-employee payroll	\$ 84,933,775	\$ 84,261,067
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	90.8%	116.2%
Plan fiduciary net position as a percentage of the total pension liability	87.2%	84.5%
Tier 1 Contributory System:		
District's proportion of the net pension liability (asset)	0.5503053%	0.6526865%
District's proportionate share of the net pension liability (asset)	\$ 60,340	\$ 409,007
District's covered-employee payroll	\$ 201,615	\$ 206,756
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	29.9%	197.8%
Plan fiduciary net position as a percentage of the total pension liability	98.7%	92.4%
Tier 2 Contributory System:		
District's proportion of the net pension liability (asset)	1.8120261%	1.8918256%
District's proportionate share of the net pension liability (asset)	\$ (54,912)	\$ (4,130)
District's covered-employee payroll	\$ 8,865,360	\$ 12,216,111
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-0.6%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	103.5%	100.2%

These schedules only present information for the 2014 and 2015 measurement periods of the plans; prior-year information is not available.

WASHINGTON COUNTY SCHOOL DISTRICT
Schedules of District Contributions
Utah Retirement Systems
Years Ended June 30, 2015 and 2016

	2015	2016
Tier 1 Noncontributory System:		
Contractually required contribution	\$ 18,271,832	\$ 18,514,268
Contributions in relation to the contractually required contribution	(18,271,832)	(18,514,268)
Contribution deficiency (excess)	\$ -	\$ -
District's covered-employee payroll	\$ 84,216,820	\$ 84,185,887
Contributions as a percentage of covered-employee payroll	21.7%	22.0%
Tier 1 Contributory System:		
Contractually required contribution	\$ 32,504	\$ 37,204
Contributions in relation to the contractually required contribution	(32,504)	(37,204)
Contribution deficiency (excess)	\$ -	\$ -
District's covered-employee payroll	\$ 203,861	\$ 210,192
Contributions as a percentage of covered-employee payroll	15.9%	17.7%
Tier 2 Contributory System:		
Contractually required contribution	\$ 2,069,250	\$ 3,851,578
Contributions in relation to the contractually required contribution	(2,069,250)	(3,851,578)
Contribution deficiency (excess)	\$ -	\$ -
District's covered-employee payroll	\$ 12,206,402	\$ 16,652,958
Contributions as a percentage of covered-employee payroll	17.0%	23.1%

These schedules only present information for the District's 2015 and 2016 reporting periods; prior-year information is not available. Contributions as a percentage of covered-employee payroll may be different than the Utah State Retirement Board certified rate due to rounding or other administrative issues. Tier 2 plan contributions include required contributions to finance the unfunded actuarial accrued liability of the Tier 1 plans and for death benefits.

Major Governmental Funds

By definition, the general fund is a major fund. However, the general fund is presented in the basic financial statements.

Debt Service – The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest due annually. Financing is provided by an annual property tax levy not to exceed .0024 plus an additional levy in an amount not to exceed 10% of the cost of the basic program as authorized by Utah Code 53A-16-104 and 53A-17a-145.

Capital Projects Fund – The Capital Projects Fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District. Financing is provided by an annual property tax levy not to exceed .0024 plus an additional levy in an amount not to exceed 10% of the cost of the basic program as authorized by Utah Code 53A-16-104 and 53A-17a-145. Utah law defines the Capital Projects Fund as the Capital Outlay Fund.

WASHINGTON COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Major Debt Service Fund
Year Ended June 30, 2016
With Comparative Totals for 2015

	2016		Variance with Final Budget - Positive (Negative)	2015
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Revenues:				
Property tax	\$ 33,548,133	\$ 35,014,917	\$ 1,466,784	\$ 33,069,207
Other Local Sources	1,000,000	-	(1,000,000)	-
Total revenues	<u>34,548,133</u>	<u>35,014,917</u>	<u>(1,000,000)</u>	<u>33,069,207</u>
	-			
Expenditures:				
Debt service:				
Bond principal	24,840,000	24,840,000	-	25,090,000
Bond interest	8,586,826	8,498,575	88,251	8,294,394
Paying agent fees	6,250	4,750	1,500	5,250
Bank Loan	19,000	19,000	-	19,000
Bank Interest	3,125	3,125	-	3,600
Bond issuance costs	-	63,774	(63,774)	93,705
Total expenditures	<u>33,455,201</u>	<u>33,429,224</u>	<u>25,977</u>	<u>33,505,949</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,092,932</u>	<u>1,585,693</u>	<u>(974,023)</u>	<u>(436,742)</u>
Other financing sources (uses):				
Bonf Premium		3,355,000	3,355,000	2,155,187
Refunding bonds issued	28,002,550	24,050,000	(3,952,550)	17,465,000
Payment to refunded bond escrow agent	(28,002,550)	(27,405,000)	597,550	(19,620,187)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>1,092,932</u>	<u>1,585,693</u>	<u>(974,023)</u>	<u>(436,742)</u>
Fund balance - beginning	<u>2,328,113</u>	<u>2,328,113</u>	<u>-</u>	<u>2,764,855</u>
Fund balance - ending	<u>\$ 3,421,045</u>	<u>\$ 3,913,806</u>	<u>\$ (974,023)</u>	<u>\$ 2,328,113</u>

WASHINGTON COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Major Capital Projects Fund
Year Ended June 30, 2016
With Comparative Totals for 2015

	2016		Variance with Final Budget - Positive (Negative)	2015
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Revenues:				
Local sources:				
Property taxes	\$ 3,367,239	\$ 3,527,511	\$ 160,272	\$ 3,402,361
Earnings on investments	200,000	228,880	28,880	129,346
Other local	399,054	213,044	(186,010)	5,522
Total local sources	<u>3,966,293</u>	<u>3,969,435</u>	<u>3,142</u>	<u>3,537,229</u>
State sources:				
Other	292,625	292,625	-	127,639
Total state sources	<u>292,625</u>	<u>292,625</u>	<u>-</u>	<u>127,639</u>
Federal sources:				
Other	-	-	-	-
Total federal sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>4,258,918</u>	<u>4,262,060</u>	<u>3,142</u>	<u>3,664,868</u>
Expenditures:				
Salaries	155,100	160,138	(5,038)	152,644
Benefits	69,850	70,036	(186)	67,096
Professional Services	6,500,000	6,106,144	393,856	3,397,612
Sites & improvements	6,700,000	5,669,652	1,030,348	3,576,107
Buildings	33,550,000	27,783,079	5,766,921	16,934,031
Priority equipment	3,300,000	3,288,138	11,862	3,384,186
Other equipment	150,000	460,835	(310,835)	885,504
New school equipment	400,000	373,945	26,055	348,633
Asbestos removal	5,000	1,675	3,325	3,213
Bond issuance costs	200,000	158,735	41,265	171,497
Total expenditures	<u>51,029,950</u>	<u>44,072,377</u>	<u>6,957,573</u>	<u>28,920,524</u>
Excess (deficiency) of revenues over (under) expenditures	(46,771,032)	(39,810,317)	6,960,715	(25,255,656)
Other Financing Sources (Uses):				
General obligation bond proceeds	35,000,000	35,000,000	-	30,000,000
Bond premium	3,914,649	3,914,649	-	3,294,444
Transfer out	-	-	-	-
Sale of capital assets	865,000	2,415,527	1,550,527	23,760
Total other financing sources (uses)	<u>39,779,649</u>	<u>41,330,176</u>	<u>1,550,527</u>	<u>33,318,204</u>
Net change in fund balances	(6,991,383)	1,519,859	8,511,242	8,062,548
Fund balance - beginning	<u>24,852,974</u>	<u>24,852,974</u>	<u>-</u>	<u>16,790,426</u>
Fund balance - ending	<u>\$ 17,861,591</u>	<u>\$ 26,372,833</u>	<u>\$ 8,511,242</u>	<u>\$ 24,852,974</u>



Nonmajor Governmental Funds

Special Revenue Funds

School Lunch Fund – This fund is used to account for the food service activities of the District as required by state and federal law. Financing is provided by local sales along with substantial subsidies from the State of Utah and the U.S. Government to help ensure that student's receive low-cost, nutritionally balanced meals.

Student Activity Fund – This fund is used to account for the school based operations. The fund is newly reported in the financial reports as a special revenue fund as of the 2007-08 fiscal year. The revenue is comprised of interest earnings, gate receipts, fundraisers, and student fees. Expenditures support curricular and extra-curricular activities.

Non K-12 Programs Fund – This fund is used to account for programs that are not part of the basic educational program of kindergarten, elementary, and secondary students. These areas include: adult education, preschool for disabled students, and the recreation fund. The recreation fund is used to account for costs to provide for recreation activities. Financing is provided primarily by recreation property tax levy, which is authorized by Utah Code 11-2-7 and does not have a maximum statutory rate.

Redevelopment Agency Tax Fund – This fund is used to account for property taxes levied by the District, but remitted directly to redevelopment agencies located within the boundaries of the District. Incremental taxes are levied as authorized by *Utah Code 17C-1*. Incremental taxes are recorded as revenue with an equivalent amount of expenditure representing the fact that these amounts are forwarded directly by the county to the redevelopment agencies and used at the agencies' discretion.

Washington County School District Foundation Fund – This fund is used to account for donations received by the District. The Foundation was formed October 16, 1985, to provide a continuing organization, outside the public school system, for the benefit of Washington County School District. The activities of the Foundation are governed by a ten to thirty-member board of directors: one is a member of the Washington County School District Board of Education, one the Superintendent of the District, one the Development Director of the District, and all remaining members from the general public. Although the Foundation's activities and records are operated and maintained separate from the District, the District is considered to be financially accountable for the Foundation.

WASHINGTON COUNTY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
 June 30, 2016

	Special Revenue					Total Nonmajor Governmental Funds
	School Lunch	Student Activity	Non K-12 Programs	Redevelopment Agency Tax	Washington School District Foundation	
Assets:						
Cash and investments	\$ -	\$ 3,988,404	\$ 672,874	\$ -	\$ 1,573,317	\$ 6,234,595
Receivables:						
Property taxes	-	-	-	-	-	-
Other governments	745,401	76,787	-	-	-	822,188
Other receivables	20,261	9,500	-	-	23,005	52,766
Inventory	396,773	-	-	-	-	396,773
Prepays	-	-	-	-	-	-
Total assets	<u>\$ 1,162,435</u>	<u>\$ 3,988,404</u>	<u>\$ 759,161</u>	<u>\$ -</u>	<u>\$ 1,596,322</u>	<u>\$ 7,506,322</u>
Liabilities, deferred inflows of resources and fund balances:						
Liabilities:						
Accounts payable	\$ 524,502	\$ 195,805	\$ 12,381	\$ -	\$ 8,534	\$ 741,222
Wages payable	-	-	-	-	-	-
Unearned revenue:						
Property taxes	-	-	-	-	-	-
Other governments	-	-	595,267	-	-	595,267
Local sources	-	-	151,513	-	-	151,513
Total liabilities	<u>524,502</u>	<u>195,805</u>	<u>759,161</u>	<u>-</u>	<u>8,534</u>	<u>1,488,002</u>
Fund balances:						
Nonspendable:						
Inventories	396,773	-	-	-	-	396,773
Restricted for:						
School Lunch	241,160	-	-	-	-	241,160
Community Recreation Schools	-	-	-	1,587,788	-	1,587,788
Committed to: Students	-	-	-	-	-	-
Total fund balances	<u>637,933</u>	<u>3,792,599</u>	<u>-</u>	<u>-</u>	<u>1,587,788</u>	<u>3,792,599</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,162,435</u>	<u>\$ 3,988,404</u>	<u>\$ 759,161</u>	<u>\$ -</u>	<u>\$ 1,596,322</u>	<u>\$ 7,506,322</u>

WASHINGTON COUNTY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2016

	Special Revenue						Total Nonmajor Governmental Funds
	School Lunch	Student Activity	Non K-12 Programs	Redevelopment Agency Tax	Washington School District Foundation	Total	
Revenues:							
Property tax	-		\$ -	\$ 4,000,000	-	\$ -	4,000,000
Student fees	-	2,049,982	-	-	-	-	2,049,982
Lunch sales	2,267,611		-	-	-	-	2,267,611
Earnings on investments	-	7,445	-	-	9,515	-	16,960
Other local revenues	-	4,149,267	(20,469)	-	590,851	-	4,719,649
State aid	1,731,306		2,081,491	-	-	-	3,812,797
Federal aid	6,528,120		281,678	-	-	-	6,809,798
Total revenues	10,527,037	6,206,694	2,342,700	4,000,000	600,366	-	23,676,797
Expenditures:							
Current:							
Instructional services	-	5,588,411	2,313,776	-	702,503	-	8,604,690
Supporting services:							
Operation and maintenance of facilities	-		28,924	-	-	-	28,924
Payments to redevelopment / economic agencies				4,000,000			4,000,000
School lunch services	10,025,450		-	-	-	-	10,025,450
Total expenditures	10,025,450	5,588,411	2,342,700	4,000,000	702,503	-	22,659,064
Excess of revenues over expenditures	501,587	618,283	0	-	(102,137)	-	1,017,733
Other financing sources:							
Transfer in	-		-	-	-	-	-
Net change in fund balances	501,587	618,283	0	-	(102,137)	-	1,017,733
Fund balances - beginning	136,346	3,174,316	(0)	-	1,689,925	-	5,000,587
Fund balances - ending	\$ 637,933	\$ 3,792,599	\$ 0	\$ -	\$ 1,587,788	\$ -	\$ 6,018,320

WASHINGTON COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
School Lunch
Nonmajor Special Revenue Fund
Year Ended June 30, 2016
With Comparative Totals for 2015

	2016			2015
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
Revenues:				
Local sources:				
Lunch sales - children	\$ 2,033,200	\$ 2,190,791	\$ 157,591	\$ 2,110,789
Lunch Sales - adult	35,800	76,820	41,020	51,317
Other local sales	-	-	-	-
Total local sources	<u>2,069,000</u>	<u>2,267,611</u>	<u>198,611</u>	<u>2,162,106</u>
State sources:				
State lunch program	<u>1,564,344</u>	<u>1,731,306</u>	<u>166,962</u>	<u>1,657,306</u>
Total state sources	<u>1,564,344</u>	<u>1,731,306</u>	<u>166,962</u>	<u>1,657,306</u>
Federal sources:				
Federal lunch program	875,000	893,253	18,253	2,816,550
Free and reduced assistance	3,844,589	3,926,067	81,478	2,037,043
Breakfast program	878,000	920,901	42,901	895,839
Other	<u>625,000</u>	<u>787,899</u>	<u>162,899</u>	<u>729,964</u>
Total federal sources	<u>6,222,589</u>	<u>6,528,120</u>	<u>305,531</u>	<u>6,479,396</u>
Total revenues	<u>9,855,933</u>	<u>10,527,037</u>	<u>671,104</u>	<u>10,298,808</u>
Expenditures:				
Current:				
Salaries	2,811,213	2,795,168	16,045	2,759,944
Employee benefits	1,502,736	1,431,178	71,558	1,539,143
Purchased services	173,500	20,372	153,128	59,321
Supplies	319,700	356,713	(37,013)	313,866
Food	4,000,000	3,802,355	197,645	4,321,441
Equipment	10,000	80,642	(70,642)	77,318
Indirect cost allocation	575,000	653,136	(78,136)	552,116
USDA Commodities	<u>600,000</u>	<u>885,886</u>	<u>(285,886)</u>	<u>539,313</u>
Total expenditures	<u>9,992,149</u>	<u>10,025,450</u>	<u>(33,301)</u>	<u>10,162,462</u>
Net change in fund balances	(136,216)	501,587	637,803	136,346
Fund balances - beginning	<u>136,346</u>	<u>136,346</u>	-	<u>0</u>
Fund balances - ending	<u>\$ 130</u>	<u>\$ 637,933</u>	<u>\$ 637,803</u>	<u>\$ 136,346</u>

WASHINGTON COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Student Activity
Nonmajor Special Revenue Fund
Year Ended June 30, 2016
With Comparative Totals for 2015

	2016		Variance with Final Budget - Positive (Negative)	2015
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Revenues:				
Local sources:				
Transportation Fees	\$ 385,986	\$ 378,962	\$ (7,024)	\$ 384,404
Earnings on investments	8,245	7,445	(800)	280
Student Fees	2,144,988	2,049,982	(95,006)	1,959,697
School Vending	211,957	188,134	(23,823)	207,801
Other Local Sources	3,651,222	3,582,171	(69,051)	3,498,533
Total revenues	<u>6,402,398</u>	<u>6,206,694</u>	<u>(195,704)</u>	<u>6,050,715</u>
Expenditures:				
Current:				
Purchased professional services	399,097	435,959	(36,862)	382,032
Purchased property services	62,171	39,172	22,999	36,379
Other purchased services	817,059	580,887	236,172	778,151
Supplies	4,986,745	4,371,741	615,004	4,315,501
Property	259,938	160,652	99,286	246,079
Total expenditures	<u>6,525,010</u>	<u>5,588,411</u>	<u>936,599</u>	<u>5,758,142</u>
Net change in fund balances	(122,612)	618,283	740,895	292,573
Fund balances - beginning	<u>3,174,316</u>	<u>3,174,316</u>	<u>-</u>	<u>2,881,743</u>
Fund balances - ending	<u>\$ 3,051,704</u>	<u>\$ 3,792,599</u>	<u>\$ 740,895</u>	<u>\$ 3,174,316</u>

WASHINGTON COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Non K-12 Programs

Nonmajor Special Revenue Fund

Year Ended June 30, 2016

With Comparative Totals for 2015

	2016			2015
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
Revenues:				
Local sources:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Miscellaneous revenues	21,515	(20,469)	(41,984)	(18,211)
Total local sources	21,515	(20,469)	(41,984)	(18,211)
State sources:				
Adult high school completion	345,956	327,356	(18,600)	382,776
Preschool	1,906,835	1,754,135	(152,700)	1,464,133
Retirement and social security	-	-	-	-
Total state sources	2,252,791	2,081,491	(171,300)	1,846,909
Federal sources:				
Special education preschool grant	106,428	103,382	(3,046)	108,080
Adult education	176,596	178,296	1,700	181,606
Total federal sources	283,024	281,678	(1,346)	289,686
Total revenues	2,557,330	2,342,700	(214,630)	2,118,384
Expenditures:				
Current:				
Salaries	1,565,750	1,474,902	90,848	1,302,748
Employee benefits	808,780	730,587	78,193	662,324
Purchased services	44,300	29,395	14,905	18,603
Utilities	32,000	28,924	3,076	24,775
Supplies	81,500	57,295	24,205	75,841
Equipment	25,000	21,597	3,403	34,093
Total expenditures	2,557,330	2,342,700	214,630	2,118,384
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balances - beginning	(0)	(0)	-	(0)
Fund balances - ending	\$ (0)	\$ (0)	\$ -	\$ (0)

WASHINGTON COUNTY SCHOOL DISTRICT
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
Redevelopment Agency Tax
Nonmajor Special Revenue Fund
Years Ended June 30, 2016 and 2015

	2016	2015
Revenues:		
Local sources:		
Property Taxes	\$ 4,000,000	\$ 3,480,000
Total revenues	4,000,000	3,480,000
Expenditures:		
Current:		
Payments to redevelopment / economic agencies	4,000,000	3,480,000
Total expenditures	4,000,000	3,480,000
Excess (deficiency) of revenues over (under) expenditures	-	-
Fund balances - beginning	-	-
Fund balances - ending	\$ -	\$ -

WASHINGTON COUNTY SCHOOL DISTRICT
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
Washington County School District Foundation
Nonmajor Special Revenue Fund
Years Ended June 30, 2016 and 2015

	2016	2015
Revenues:		
Local sources:		
Contributions to schools	\$ 589,289	\$ 671,211
Sterling Scholar	1,562	1,909
Woodward Restoration	0	0
Earnings on investments	9,515	6,668
Total revenues	600,366	679,788
Expenditures:		
Current:		
Program services - supplies and materials donated to schools	702,503	473,477
Sterling Scholar	-	-
Woodward Restoration	-	-
Total expenditures	702,503	473,477
Excess (deficiency) of revenues over (under) expenditures	(102,137)	206,311
Fund balances - beginning	1,689,925	1,483,614
Fund balances - ending	\$ 1,587,788	\$ 1,689,925

**STATISTICAL
SECTION**

WASHINGTON COUNTY SCHOOL DISTRICT

STATISTICAL SECTION

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	67-70
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	71-76
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	77-81
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	82-83
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	84-93
Continuing Disclosure Information These schedules are required as part of the District's ongoing General Obligation Bonded debt disclosures and give additional information to investors about the financial trends and tax base of the District.	94-97

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



WASHINGTON COUNTY SCHOOL DISTRICT

**Net Position by Component
Last Ten Fiscal Years
June 30, 2007 through 2016
(accrual basis of accounting)**

<u>Fiscal Year Ending June 30,</u>	<u>Net investment in capital assets</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total Net Position</u>
2007	45,869,535	42,404,054	8,438,960	96,712,549
2008	99,118,625	7,849,734	14,146,090	121,114,449
2009	118,360,389	8,030,221	15,204,591	141,595,201
2010	118,718,819	14,620,949	17,559,090	150,898,858
2011	127,955,624	18,824,013	19,321,640	166,101,277
2012	132,195,693	19,466,066	19,274,488	170,936,247
2013	143,075,565	19,476,680	18,669,079	181,221,324
2014	158,105,134	12,713,534	17,304,415	188,123,083
2015	172,691,325	8,686,766	(54,822,872)	126,555,219
2016	184,918,122	10,666,216	(47,087,458)	148,496,880

FY 2015 was the implementation of GASB 68. The negative unrestricted balance includes the District's proportionate share of the unfunded obligation of the defined benefit pension plans administered by Utah Retirement System.

WASHINGTON COUNTY SCHOOL DISTRICT

Changes in Net Position
Last Ten Fiscal Years
June 30, 2007 through 2016
(accrual basis of accounting)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Instruction	\$ 148,204,745	\$ 141,034,355	\$ 140,302,096	\$ 133,106,562	\$ 134,562,943	\$ 127,050,476	\$ 126,148,065	\$ 119,128,502	\$ 120,207,168	\$ 99,802,169
Support services:										
Students	8,410,205	9,165,450	8,101,619	8,134,314	7,897,628	9,074,614	9,062,436	8,309,284	6,765,462	5,669,314
Instructional staff	10,345,625	9,525,370	9,329,269	9,151,303	8,746,413	8,681,603	9,312,296	9,332,796	7,013,980	4,988,141
General district administration	596,957	550,939	565,008	568,971	483,563	467,053	535,185	546,123	491,737	584,059
School administration	15,084,004	14,263,756	14,153,377	13,580,695	12,735,740	12,696,483	12,844,669	12,627,914	11,740,797	10,200,554
Accounting and purchasing services	3,581,486	3,579,921	3,312,499	2,958,822	2,984,850	2,897,453	2,669,512	2,068,717	2,702,809	1,281,667
Operation and maintenance of buildings	18,602,913	18,372,366	18,382,941	17,288,652	17,111,042	16,674,881	16,513,955	15,952,802	14,532,093	12,795,615
Student transportation	5,587,962	5,594,148	6,037,130	5,971,924	5,683,670	5,535,245	5,537,455	7,436,424	5,554,915	5,757,960
Personnel, planning, and data processing								626,975	609,686	528,835
Nutrition services	9,372,314	9,610,346	9,420,078	9,231,516	8,951,733	7,826,804	7,016,335	7,013,089	6,442,445	5,991,412
Redevelopment agencies	4,000,000	3,480,000	-	-	-	-	-	-	-	-
Interest on long-term liabilities	6,469,387	7,230,106	7,611,702	8,166,740	8,840,945	9,108,852	9,744,806	10,437,638	10,284,612	7,618,840
Total Expenses	230,255,596	222,406,755	217,215,717	208,149,500	207,998,527	200,013,464	199,384,714	193,480,265	186,345,704	155,218,567
Program Revenues										
Charges for services:										
Instruction	691,932	678,592	562,834	567,192	477,988	492,253	487,352	517,456	451,957	430,727
Supporting services	254,779	289,875	554,096	351,302	248,221	229,951	289,501	210,330	288,181	286,998
Nutrition services	2,267,611	2,162,106	2,072,084	1,909,371	2,010,728	2,080,369	2,141,371	2,427,125	2,571,910	2,416,978
Operating grants and contributions	68,196,531	64,351,492	62,493,413	62,244,061	59,729,955	63,111,872	60,825,662	68,593,600	53,525,979	41,373,114
Total Program Revenues	71,410,853	67,482,065	65,682,427	65,071,926	62,466,892	65,914,445	63,743,886	71,748,511	56,838,027	44,507,817
Net (Expense)/Revenue	(158,844,743)	(154,924,690)	(151,533,290)	(143,077,574)	(145,531,635)	(134,099,019)	(135,640,828)	(121,731,754)	(129,507,677)	(110,710,750)
General Revenues and Other Changes in Net Position										
Property taxes	103,367,930	98,437,605	84,826,539	88,708,766	85,487,215	83,939,663	81,861,837	79,265,217	75,771,380	62,795,681
Federal and state revenue not restricted to specific purposes	67,451,771	65,628,557	64,519,292	56,708,886	57,622,719	57,588,730	55,926,958	53,941,000	66,357,202	58,087,201
Interest	526,747	306,521	304,030	481,576	594,815	657,196	731,686	1,776,931	3,858,484	3,645,003
Miscellaneous	9,071,044	8,592,551	8,891,976	7,468,424	6,875,826	7,133,189	6,422,314	7,229,359	6,533,161	2,253,806
Total General and Other	180,417,492	172,965,234	158,541,837	153,362,652	150,580,575	149,318,778	144,942,795	142,212,507	152,520,227	126,786,691
Change in Net Position	21,572,749	18,040,543	7,008,546	10,285,078	5,048,942	15,219,760	9,301,967	20,480,752	23,012,550	16,075,941
Net Position - Beginning **	126,924,131	108,883,588	181,114,537	170,936,246	165,887,305	150,881,517	141,596,891	121,114,449	98,101,899	80,636,608
Net Position - Ending	\$ 148,496,880	\$ 126,924,131	\$ 188,123,083	\$ 181,221,324	\$ 170,936,247	\$ 166,101,277	\$ 150,898,858	\$ 141,595,201	\$ 121,114,449	\$ 96,712,549

** The beginning Net Position in 2015 was restated due to the implementation of GASB 68.

WASHINGTON COUNTY SCHOOL DISTRICT

**Fund Balances, Governmental Funds
Last Ten Fiscal Years
June 30, 2007 through 2016
(modified accrual basis of accounting)**

Fiscal Year Ended June 30,	General Fund				Total
	Nonspendable	Committed	Assigned	Unassigned	
2007	-	5,591,179	-	8,944,459	14,535,638
2008	-	5,591,179	-	14,210,560	19,801,739
2009	-	5,591,179	-	14,544,891	20,136,070
2010	648,768	5,591,179	3,757,047	10,946,833	20,943,827
2011	612,530	5,591,179	3,665,445	11,067,154	20,936,307
2012	329,741	5,591,179	7,285,565	6,589,334	19,795,819
2013	331,642	5,591,179	6,133,624	3,487,407	15,543,852
2014	321,356	5,591,179	3,637,957	3,969,664	13,520,156
2015	322,621	5,591,179	3,758,583	4,509,916	14,182,299
2016	263,115	5,591,179	3,465,243	9,863,390	19,182,927

Fiscal Year Ended June 30,	All Other Governmental Funds						Total
	Nonspendable	Special Revenue	Restricted		Debt Service	Committed	
			Capital Projects	Debt Service			
2007	-	1,484,355	31,997,044	943,215	-	-	34,424,614
2008	-	3,099,698	27,202,600	1,426,880	-	-	31,729,178
2009	-	3,227,662	28,736,116	946,593	-	-	32,910,371
2010	266,674	2,190,441	37,683,478	886,495	2,102,456	1,296,432	44,425,976
2011	231,254	2,576,454	47,917,534	1,605,232	2,245,714	672,635	55,248,823
2012	251,207	1,988,941	23,140,764	4,257,272	2,367,597	1,217,270	33,223,051
2013	200,470	1,177,998	18,324,526	7,032,663	2,557,911	895,227	30,188,795
2014	330,838	1,165,820	15,732,558	2,764,855	2,881,743	1,044,824	23,920,638
2015	147,734	1,689,925	23,672,098	2,328,113	3,174,316	1,169,488	32,181,674
2016	403,182	1,828,948	25,253,064	3,913,806	3,792,599	1,113,360	36,304,959

FY 2010 was the implementation year for the GASB 54 fund balance classifications. Prior years were restated for comparability but the District didn't have a reserve for inventory or assign fund balance for programs in those years.

WASHINGTON COUNTY SCHOOL DISTRICT

Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 June 30, 2007 through 2016
 (modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues										
Property taxes	\$ 101,314,300	\$ 91,823,777	\$ 84,826,539	\$ 88,708,766	\$ 85,487,215	\$ 83,939,663	\$ 81,861,837	\$ 79,265,217	\$ 75,771,380	\$ 62,795,681
Other local sources	13,465,249	12,581,761	13,056,977	11,675,368	11,107,620	11,484,795	10,945,153	12,929,164	14,494,196	9,691,742
State of Utah	114,790,561	109,606,615	105,975,638	96,886,683	96,132,346	93,821,880	91,877,619	99,290,649	106,610,774	85,871,973
Federal government	20,857,741	20,373,434	21,037,067	22,066,284	21,220,328	26,878,722	24,875,001	23,243,951	13,272,407	13,588,342
Total revenues	250,427,851	234,385,587	224,896,221	219,337,081	213,947,510	216,125,060	209,559,610	214,728,981	210,148,757	171,947,738
Expenditures										
Instruction	123,312,797	116,602,184	114,851,525	112,526,956	105,456,677	106,505,811	102,755,922	104,331,254	99,145,862	84,464,947
Supporting services:										
Students	8,410,205	9,165,450	8,101,619	8,136,831	7,936,734	9,148,533	9,137,356	8,378,799	6,843,867	5,530,353
Instructional staff	10,345,625	9,525,370	9,332,602	9,155,491	8,775,328	8,741,861	9,316,404	9,357,570	7,026,037	4,981,117
General district administration	555,474	508,440	521,448	513,006	450,845	434,875	495,652	533,772	487,216	514,546
School administration	14,035,815	13,163,468	13,062,905	12,467,196	11,773,123	11,768,779	11,818,745	12,053,118	10,888,597	9,461,734
Accounting and purchasing	3,332,608	3,303,770	3,057,118	2,715,513	2,730,556	2,645,333	2,421,140	1,948,063	2,532,319	1,213,150
Operation and maintenance of buildings	17,281,271	16,930,370	16,936,621	15,839,899	15,643,964	15,233,579	15,013,674	15,081,778	13,585,305	11,952,772
Student transportation	5,199,654	5,162,622	5,583,091	5,485,539	5,215,124	5,097,896	5,056,078	6,955,527	5,178,541	5,383,441
Personnel, planning, and data processing								590,408	571,228	492,321
Nutrition services	10,025,450	10,162,462	10,092,035	10,134,338	9,867,292	8,772,629	7,967,580	7,846,701	7,309,257	6,607,957
Non K-12 programs	2,342,700	2,118,384	2,143,287	2,467,522	3,041,368	2,796,334	2,930,821	3,077,708	2,827,721	2,767,600
Redevelopment agencies	4,000,000	3,480,000								
Foundation	702,503	473,477	372,569	357,056	256,452	253,936	319,617	291,243	516,413	415,970
Student Activity	5,588,411	5,758,142	5,725,171	5,239,727	5,096,062	4,929,082	4,559,668	4,622,250	4,547,360	-
Capital outlay	44,072,377	28,920,524	29,228,836	32,264,562	29,252,934	17,497,205	14,846,239	27,063,010	72,791,879	61,261,478
Debt Service:										
Bond principal	24,840,000	25,090,000	27,694,175	23,085,000	22,290,000	23,530,000	22,955,000	21,270,000	19,715,000	17,380,000
Bond interest and fees	8,570,224	8,396,949	8,555,002	8,886,807	9,326,373	9,708,120	10,087,751	10,138,789	9,296,223	7,757,667
Bank loan and interest	19,000	19,000	18,000	18,000	17,000	17,000	17,000	16,000	16,000	629,013
Total expenditures	282,634,114	258,780,612	255,276,004	249,293,443	237,129,832	227,080,973	219,698,647	233,555,990	263,278,825	220,814,066
Excess (deficiency) of revenues over (under) expenditures	(32,206,263)	(24,395,025)	(30,379,783)	(29,956,362)	(23,182,322)	(10,955,913)	(10,139,037)	(18,827,009)	(53,130,068)	(48,866,328)
Other financing sources (uses)										
General obligation bond proceeds	35,000,000	30,000,000	20,000,000	20,000,000	-	20,000,000	20,000,000	20,000,000	50,000,000	59,000,000
Refunding bonds proceeds	24,050,000	17,465,000	18,880,000	11,760,000	-	5,270,000	-	-	-	-
Bond premium	7,269,649	5,449,631	4,283,867	4,031,630	-	520,574	220,483	290,800	996,768	1,144,360
Payment to refunded bond escrow	(27,405,000)	(19,620,187)	(21,118,220)	(13,133,684)	-	(5,343,971)	-	-	-	-
Sale of capital assets	2,415,527	23,760	42,283	12,194	16,063	1,324,637	2,241,916	51,734	3,314,614	74,498
Total other financing sources (uses)	41,330,176	33,318,204	22,087,930	22,670,140	16,063	21,771,240	22,462,399	20,342,534	54,311,382	60,218,858
Net change in fund balance	9,123,913	8,923,179	(8,291,853)	(7,286,222)	(23,166,259)	10,815,327	12,323,362	1,515,525	1,181,314	11,352,530
Fund Balance - Beginning	46,363,973	37,440,794	45,732,647	53,018,869	76,185,129	65,369,803	53,046,441	51,530,916	50,349,603	37,607,722
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
Fund Balance - Ending	\$ 55,487,886	\$ 46,363,974	\$ 37,440,794	\$ 45,732,647	\$ 53,018,870	\$ 76,185,130	\$ 65,369,803	\$ 53,046,441	\$ 51,530,917	\$ 48,960,252
Ratio of Debt Service Expenditures to Noncapital Expenditures	14.0%	14.6%	16.0%	14.7%	15.2%	15.9%	16.1%	15.2%	15.2%	16.1%

WASHINGTON COUNTY SCHOOL DISTRICT

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Tax Years
December 31, 2007 through 2016**

Tax Year	Centrally Assessed	Residential	Industrial & Commercial	Agriculture	Personal	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2007	386,642,903	7,694,537,297	1,088,020,469	2,629,353,924	742,174,298	12,540,728,891	0.005655	18,604,380,335	66.37%
2008	500,284,142	8,442,189,216	1,638,399,778	2,608,557,920	700,330,211	13,889,761,267	0.005637	19,816,500,030	67.41%
2009	379,881,275	6,944,736,417	1,251,839,400	2,161,414,320	662,640,548	11,400,511,960	0.006919	16,627,141,984	70.09%
2010	383,204,520	6,174,209,722	1,105,283,412	1,659,226,300	674,988,059	9,996,912,013	0.007804	14,881,509,947	67.18%
2011	411,500,345	6,073,120,455	1,602,182,450	1,459,046,615	376,168,098	9,922,017,963	0.008227	14,758,319,148	67.23%
2012	395,711,704	6,181,195,805	1,648,857,430	1,305,521,335	378,044,131	9,909,330,405	0.008201	14,739,447,278	67.23%
2013	432,052,843	6,913,250,545	1,633,635,765	1,261,357,560	389,077,552	10,629,374,265	0.007544	15,810,462,985	67.23%
2014	428,634,853	7,723,440,535	1,704,678,465	1,293,401,635	399,477,097	11,549,632,585	0.007221	17,179,283,928	67.23%
2015	474,961,254	8,347,088,735	1,893,547,235	1,304,838,630	388,655,796	12,409,091,650	0.007495	18,457,670,162	67.23%
2016	497,849,677	9,195,641,397	2,086,042,439	1,437,486,590	388,655,796	13,605,675,899	0.007272	20,237,506,915	67.23%

Source: Property Tax Division, Utah State Tax Commission

WASHINGTON COUNTY SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates

Last Ten Tax Years

December 31, 2007 through 2016

(rate per \$1 of assessed value)

	Tax Rates for the Tax Year Ended December 31,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Washington County direct rates										
Basic Program (1)	0.001675	0.001736	0.001419	0.001535	0.001651	0.001591	0.001495	0.001433	0.001250	0.001311
Voted Leeway (2)	0.001100	0.000987	0.001000	0.000968	0.001100	0.001100	0.001085	0.001100	0.001100	0.001100
Board Voted Leeway (3)	-	-	-	-	-	0.000400	0.000394	0.000400	0.000400	0.000400
K-3 Reading Program (4)	-	-	-	-	-	0.000121	0.000117	0.000100	0.000092	0.000100
Board Local Levy (5)	0.001628	0.001801	0.001827	0.001801	0.001830					
Special Transportation (6)	-	-	-	-	-	0.000200	0.000149	0.000043	0.000114	0.000035
Tort Liability (7)	-	-	-	-	-	0.000026	0.000024	0.000020	0.000020	0.000020
Non K-12; Recreation (8)	-	-	-	-	-	0.000108	0.000100	0.000085	0.000080	0.000080
Capital Projects (9)	0.000269	0.000271	0.000275	0.000400	0.000420	0.000424	0.000449	0.000245	0.000381	0.000409
10% of Basic - Other (10)	-	-	-	-	-	0.000957	0.000836	0.000701	-	-
Debt Service (11)	0.002600	0.002700	0.002700	0.002840	0.003200	0.003300	0.003155	0.002792	0.002200	0.002200
Total direct rate	0.007272	0.007495	0.007221	0.007544	0.008201	0.008227	0.007804	0.006919	0.005637	0.005655

Limitations per Utah State Statute:

- (1) Rate established annually by Utah State Legislature
- (2) Maximum rate is 0.001600
- (3) Maximum rate is 0.000400
- (4) Maximum rate is 0.000121
- (5) Maximum rate is 0.002500
- (6) Maximum rate is 0.000300
- (7) Maximum rate is 0.000100
- (8) No maximum rate
- (9) Maximum rate is 0.002400
- (10) Maximum rate based on formula and changes annually
- (11) No maximum rate, but must have voter approval for bonds issued

Source: Utah Foundation *Statistical Review of Government in Utah* as compiled from property tax records of the Utah State Tax Commission and Utah Taxpayers Association's website

WASHINGTON COUNTY SCHOOL DISTRICT

**Principal Property Tax Payers
Current Year and Nine Years Ago
December 31, 2015 and 2006**

Taxpayer	December 31, 2015		December 31, 2006	
	Taxable Value	Percent of District's Total Taxable Value (1)	Taxable Value	Percent of District's Total Taxable Value (1)
Pacificorp	\$ 111,641,011	0.90%	\$ 64,133,686	0.60%
Kern River Gas Transmission Co	96,907,943	0.80%	123,617,396	1.20%
Family Dollar Utah DC LLC	60,691,076	0.50%		
Questar Gas	50,949,995	0.40%		
IHC Health Services	46,594,100	0.40%		
Wal-Mart Distribution Center	41,670,700	0.30%		
Dixie Escalante Rural Elec. Asso.	29,278,451	0.20%		
Qwest Corp	27,873,723	0.20%	39,611,638	0.40%
Wal-Mart Stores Inc	27,814,300	0.20%	54,549,933	0.50%
Staker & Parson Companies	25,117,972	0.20%		
Sunrise Ridge Dev. LLC	-	0.00%	77,612,250	0.80%
SkyWest Airlines Inc	-	0.00%	48,845,061	0.50%
Duckie & Ducky Ltd.	-	0.00%	41,007,150	0.40%
Jennings Management Inc.	-	0.00%	36,800,474	0.40%
Sun River St. George Dev. LC	-	0.00%	32,194,083	0.30%
Traveller/Stone Cliff LC	-	0.00%	32,166,480	0.30%
Totals	\$ 518,539,271	4.10%	\$ 550,538,151	5.40%

Source: Washington County Assessor's Office

(1) Excludes motor vehicles (fee-in-lieu and age based)

WASHINGTON COUNTY SCHOOL DISTRICT

**Property Tax Levies and Collections (detail)
Last Ten Tax Years
December 31, 2007, through 2016**

Row #	Description	Formula	2016	2015	2014	2013
1	Estimated Fair Market Value		\$ 20,237,506,915	\$ 18,457,670,162	\$ 17,179,283,928	\$ 15,810,462,985
2	Assessed Value *		13,605,675,899	12,409,091,650	11,549,632,585	10,629,374,265
3	Assessed Value as % of Fair Market Value	2/1	67.23%	67.23%	67.23%	67.23%
4	Tax Rate		0.007272	0.007495	0.007221	0.007544
5	Taxes Assessed **		101,007,623	92,477,200	82,974,030	79,660,669
6	Taxes Waived (RDA) **		1,319,834	1,360,308	1,310,578	1,369,201
7	Waived as % of Assessed Value	6/5	1.31%	1.47%	1.58%	1.72%
8	Taxes Levied		99,687,789	91,116,892	81,663,452	78,291,468
9	Collected In Calendar Year of the Levy **		308,845	85,932,035	76,369,753	73,352,609
10	Collected In Calendar Year of Levy as % of Taxes Levied That Year	9/8	0%	94.31%	93.52%	93.69%
11	Uncollected In Year of the Levy **	8-9	99,378,944	5,184,856	5,293,699	4,938,859
12	Prior Years Uncollected Collected in this Year **		1,953,600	2,264,605	2,807,669	5,134,760
13	Total Collections in this Year **	9+12	2,262,444	88,196,640	79,177,422	78,487,369
14	Total Collections as % of Taxes Levied	13/8	2.27%	96.80%	96.96%	100.25%
15	Total Collections as % of Taxes Assessed	13/5	2.24%	95.37%	95.42%	98.53%
16	Taxes Levied this Year and Collected in Subsequent Years		-	-	970,642	1,245,890
17	Total Collections on This Years Levy	16+9	308,845	85,932,035	77,340,395	74,598,499
18	Total Collections on This Years Levy as % Of Taxes Levied	17/8	0.31%	94.31%	94.71%	95.28%

* Source: Property Tax Division, Utah State Tax Commission (includes Fee in Lieu property).

** Source: Washington County Auditor's Office (includes Property Tax and Motor Vehicle Fee in Lieu).

This schedule recognizes collections on a calendar year basis, whereas property tax collections reported in financial statements are on a fiscal year basis.

Property Tax Year Ended December 31,

2012	2011	2010	2009	2008	2007
\$ 14,739,447,278	\$ 14,758,319,148	\$ 14,881,509,947	\$ 16,627,141,984	\$ 19,816,500,030	\$ 18,604,380,335
9,909,330,405	9,922,017,963	9,996,912,013	11,400,511,960	13,889,761,267	12,540,728,891
67.23%	67.23%	67.18%	68.57%	70.09%	67.41%
0.008201	0.008227	0.007804	0.006919	0.005637	0.005655
83,151,234	81,417,666	80,459,777	81,130,327	80,072,417	72,552,585
1,326,614	1,635,474	2,443,876	2,250,184	1,775,833	1,634,763
1.60%	2.01%	3.04%	2.77%	2.22%	2.25%
81,824,620	79,782,192	78,015,901	78,880,142	78,296,584	70,917,822
74,724,791	73,114,099	70,810,137	71,136,801	68,052,623	64,731,395
91.32%	91.64%	90.76%	90.18%	86.92%	91.28%
7,099,829	6,668,093	7,205,764	7,743,341	10,243,961	6,186,427
4,076,257	4,484,471	2,740,133	1,144,933	825,384	586,967
78,801,048	77,598,570	73,550,270	72,281,734	68,878,007	65,318,362
96.30%	97.26%	94.28%	91.63%	87.97%	92.10%
94.77%	95.31%	91.41%	89.09%	86.02%	90.03%
1,562,563	3,023,209	4,071,639	5,222,236	4,959,800	2,432,488
76,287,354	76,137,308	74,881,776	76,359,037	73,012,423	67,163,884
93.23%	95.43%	95.98%	96.80%	93.25%	94.71%

WASHINGTON COUNTY SCHOOL DISTRICT

**Property Tax Levies and Collections (summary)
Last Ten Tax Years
December 31, 2007 through 2016**

Tax Year Ended December 31,	Taxes Levied For The Calendar Year	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	70,917,822	64,731,395	91.28%	2,432,488	67,163,884	94.71%
2008	78,296,584	68,052,623	86.92%	4,959,800	73,012,423	93.25%
2009	78,880,142	71,136,801	90.18%	5,222,236	76,359,037	96.80%
2010	78,015,901	70,810,137	90.76%	4,071,639	74,881,776	95.98%
2011	79,782,192	73,114,099	91.64%	3,023,209	76,137,308	95.43%
2012	81,824,620	74,724,791	91.32%	1,562,563	76,287,354	93.23%
2013	78,291,468	73,352,609	93.69%	1,245,890	74,598,499	95.28%
2014	81,663,452	76,369,753	93.52%	970,642	77,340,395	94.71%
2015	91,116,892	85,932,035	94.31%	-	85,932,035	94.31%
2016	99,687,789	308,845	0.31%	-	308,845	0.31%

This schedule recognizes collections on a calendar year (tax year) basis, whereas property tax collections reported in the basic financial statements are on a fiscal year basis.

WASHINGTON COUNTY SCHOOL DISTRICT

**Ratios of Outstanding Debt
Last Ten Fiscal Years
June 30, 2007 through 2016**

Fiscal Year Ended June 30,	Outstanding General Obligation Bonds	Amount in Debt Service Fund	General Banded Debt As		Net Bonded Debt Per Student	Notes Payable	Total Net Debt	Debt As		
			Bonded Percentage of Actual Value	Bonded Debt Per Capita				Percentage of Taxable Value	Debt Per Capita	Debt Per Student
2007	219,384,000	943,215	1.18%	1,659	9,120	263,000	219,647,000	1.75%	1,661	9,131
2008	249,669,000	1,426,880	1.26%	1,842	10,025	247,000	249,916,000	1.80%	1,844	10,035
2009	248,399,000	946,593	1.49%	1,812	9,758	229,308	248,628,308	2.18%	1,814	9,767
2010	245,374,000	886,495	1.65%	1,777	9,730	212,308	245,586,308	2.46%	1,778	9,739
2011	241,984,000	1,605,232	1.64%	1,708	9,970	195,308	242,179,308	2.44%	1,710	9,978
2012	219,694,000	4,257,272	1.49%	1,517	8,439	178,308	219,872,308	2.22%	1,518	8,446
2013	215,489,000	7,032,663	1.36%	1,458	8,209	160,308	215,649,308	2.03%	1,459	8,216
2014	206,585,000	2,764,855	1.20%	1,360	7,677	142,308	206,727,308	1.79%	1,361	7,682
2015	210,160,000	2,328,113	1.14%	1,351	7,778	725,000	210,885,000	1.70%	1,355	7,804
2016	216,965,000	3,913,806	1.07%	1,356	7,734	606,000	217,571,000	1.60%	1,360	7,756

Source: Utah Department of Workforce Services

WASHINGTON COUNTY SCHOOL DISTRICT

**Direct and Overlapping Governmental Activities Debt
As of June 30, 2016**

Taxing Entity (1)	2015 Taxable Value (2)	Washington School District's Portion of Taxable Value	District's Percentage (3)	Entity's General Obligation Debt	District's Portion of G. O. Debt
Overlapping:					
Washington County	\$ 12,409,091,560	\$ 12,409,091,560	100.0%	\$ 13,554,881	\$ 13,554,881
Washington Co. Water Conservancy Dist.	12,409,091,650	12,409,091,650	100.0%	1,675,000	1,675,000
Total Overlapping Principal General Obligation Debt				1,675,000	15,229,881
Total Direct General Obligation Debt				216,965,000	
Total Direct and Overlapping Principal General Obligation Debt					\$ 232,194,881

(1) The State's general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of its general obligation bonds.

(2) Taxable value used in this table excludes the taxable value used to determine uniform fees on tangible personal property.

(3) The District's Percentage of the overlapping debt is 100% due to the fact that the district covers the entire area of Washington County and the Washington County Water Conservancy District.

Source: Utah Department of Workforce Services

WASHINGTON COUNTY SCHOOL DISTRICT

Legal Debt Margin Information Last Ten Fiscal Years June 30, 2007 through 2016

Fiscal Year Ended June 30,	Estimated Fair Market Value	Debt Limit 4% of Fair Market Value	Less General Obligation Debt	Legal Debt Margin	Percentage of Debt To Debt Limit
2007	14,959,138,944	598,365,558	219,384,000	\$ 378,981,558	36.66%
2008	18,604,380,335	744,175,213	249,669,000	\$ 494,506,213	33.55%
2009	19,816,500,030	792,660,001	248,399,000	\$ 544,261,001	31.34%
2010	16,627,141,984	665,085,679	245,374,000	\$ 419,711,679	36.89%
2011	14,604,264,780	584,170,591	241,984,000	\$ 342,186,591	41.42%
2012	14,230,857,054	569,234,282	219,694,000	\$ 349,540,282	38.59%
2013	13,812,049,897	552,481,996	215,489,000	\$ 336,992,996	39.00%
2014	14,841,529,705	593,661,188	206,585,000	\$ 387,076,188	34.80%
2015	16,343,694,500	653,747,780	210,160,000	\$ 443,587,780	32.15%
2016	17,254,371,200	690,174,848	216,965,000	\$ 473,209,848	31.44%

The general obligation indebtedness of the District is limited by Utah law to 4% of the fair market value of taxable property in the District. The legal debt margin (additional debt incurring capacity of the District) is based on estimated assessed value. As determined by the Utah State Auditor and Utah State Treasurer, the deferred amounts associated with debt issuances are to be included in the calculation of debt margin.

For debt incurring capacity only, in computing the fair market value of taxable property in the District, the fair market value of all tax equivalent property (which value includes the values of motor vehicles, watercraft, recreational vehicles and all other tangible personal property required to be registered with the State) is included as a part of the fair market value of the taxable property in the District.

Source: Utah Department of Workforce Services

WASHINGTON COUNTY SCHOOL DISTRICT

Debt Service Schedule of Outstanding General Obligation Bonds (Fiscal Year) As of June 30, 2016

		<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Series 2007	Principal	3,325,000	3,475,000	3,615,000	3,760,000	3,920,000	4,085,000	4,290,000
\$ 50,000,000	Interest	1,148,738	1,024,050	885,050	740,450	585,350	418,750	214,500
Series 2009	Principal	1,300,000	1,365,000	1,430,000	1,500,000	1,575,000	1,650,000	1,740,000
\$ 20,000,000	Interest	445,181	393,181	350,525	307,625	257,000	201,875	140,825
Series 2010A	Principal	1,245,000	-	-	-	-	-	-
\$ 11,275,000	Interest	32,993	-	-	-	-	-	-
Series 2010B	Principal	-	1,275,000	1,325,000	1,375,000	1,450,000	1,525,000	1,575,000
\$ 11,950,000	Interest	544,000	544,000	489,813	430,850	367,600	303,800	235,175
Series 2011	Principal	2,315,000	1,260,000	1,300,000	1,340,000	1,400,000	1,450,000	1,510,000
\$ 25,270,000	Interest	573,800	515,925	478,125	426,125	372,525	316,525	258,525
Series 2012	Principal	3,750,000	2,935,000	1,225,000	1,285,000	1,350,000	1,415,000	1,485,000
\$ 31,760,000	Interest	851,500	664,000	517,250	456,000	391,750	324,250	253,500
Series 2013	Principal	4,500,000	4,665,000	4,915,000	3,220,000	1,270,000	1,335,000	1,400,000
\$ 38,880,000	Interest	1,335,650	1,155,650	922,400	676,650	515,650	452,150	385,400
Series 2014	Principal	4,215,000	4,420,000	4,665,000	4,870,000	5,150,000	1,930,000	2,025,000
\$ 47,465,000	Interest	1,762,350	1,593,750	1,372,750	1,186,150	942,650	685,150	588,650
Series 2016	Principal	5,040,000	5,525,000	5,805,000	6,090,000	6,400,000	6,715,000	2,300,000
\$ 59,050,000	Interest	2,751,164	2,268,150	1,991,900	1,701,650	1,397,150	1,077,150	741,400
Total		<u>\$35,135,376</u>	<u>\$33,078,706</u>	<u>\$31,287,813</u>	<u>\$29,365,500</u>	<u>\$27,344,675</u>	<u>\$23,884,650</u>	<u>\$19,142,975</u>
Total Principal		\$25,690,000	\$24,920,000	\$24,280,000	\$23,440,000	\$22,515,000	\$20,105,000	\$16,325,000
Total Interest		9,445,376	8,158,706	7,007,813	5,925,500	4,829,675	3,779,650	2,817,975
Total		<u>\$35,135,376</u>	<u>\$33,078,706</u>	<u>\$31,287,813</u>	<u>\$29,365,500</u>	<u>\$27,344,675</u>	<u>\$23,884,650</u>	<u>\$19,142,975</u>

2024	2025	2026	2027	2028	2029	2030	2031	Total
-	-	-	-	-	-	-	-	26,470,000
-	-	-	-	-	-	-	-	5,016,888
1,835,000	-	-	-	-	-	-	-	12,395,000
73,400	-	-	-	-	-	-	-	2,169,612
-	-	-	-	-	-	-	-	1,245,000
-	-	-	-	-	-	-	-	32,993
1,675,000	1,750,000	-	-	-	-	-	-	11,950,000
162,725	84,000	-	-	-	-	-	-	3,161,963
1,570,000	1,630,000	1,700,000	-	-	-	-	-	15,475,000
198,125	135,325	70,125	-	-	-	-	-	3,345,125
1,545,000	1,595,000	1,640,000	1,690,000	-	-	-	-	19,915,000
194,100	147,750	99,900	50,700	-	-	-	-	3,950,700
1,455,000	1,515,000	1,575,000	1,640,000	1,700,000	-	-	-	29,190,000
315,400	257,200	196,600	133,600	68,000	-	-	-	6,414,350
2,130,000	2,235,000	2,300,000	2,375,000	2,435,000	2,525,000	-	-	41,275,000
487,400	380,900	313,850	244,850	173,600	88,375	-	-	9,820,425
2,340,000	2,385,000	2,500,000	2,630,000	2,710,000	2,790,000	2,870,000	2,950,000	59,050,000
695,400	648,600	529,350	404,350	325,450	244,150	167,425	88,500	15,031,789
<u>\$ 14,676,550</u>	<u>\$ 12,763,775</u>	<u>\$ 10,924,825</u>	<u>\$ 9,168,500</u>	<u>\$ 7,412,050</u>	<u>\$ 5,647,525</u>	<u>\$ 3,037,425</u>	<u>\$ 3,038,500</u>	<u>\$ 265,908,845</u>
\$ 12,550,000	\$ 11,110,000	\$ 9,715,000	\$ 8,335,000	\$ 6,845,000	\$ 5,315,000	\$ 2,870,000	\$ 2,950,000	\$ 216,965,000
2,126,550	1,653,775	1,209,825	833,500	567,050	332,525	167,425	88,500	48,943,845
<u>\$ 14,676,550</u>	<u>\$ 12,763,775</u>	<u>\$ 10,924,825</u>	<u>\$ 9,168,500</u>	<u>\$ 7,412,050</u>	<u>\$ 5,647,525</u>	<u>\$ 3,037,425</u>	<u>\$ 3,038,500</u>	<u>\$ 265,908,845</u>

WASHINGTON COUNTY SCHOOL DISTRICT

Demographic and Economic Statistics Last Ten Fiscal Years June 30, 2007 through 2016

<u>Fiscal Year Ended June 30,</u>	<u>Washington County Estimated Population</u>	<u>Washington County Total Personal Income</u>	<u>Washington County Per Capita Income</u>	<u>Washington County Unemployment Rate</u>
2007	132,277	3,558,000,000	26,892	2.80%
2008	135,552	3,815,000,000	28,141	4.60%
2009	137,088	3,641,000,000	26,560	10.20%
2010	138,115	3,666,000,000	26,468	10.40%
2011	141,666	3,847,546,000	27,191	8.60%
2012	144,809	4,255,580,000	28,076	7.00%
2013	147,800	4,255,380,000	28,809	5.50%
2014	151,948	4,506,565,000	29,659	4.40%
2015	155,602	n/a	n/a	4.00%
2016	160,000	n/a	n/a	3.70%

n/a - This information was not available when this book was published.

Source: Utah Department of Workforce Services

WASHINGTON COUNTY SCHOOL DISTRICT

Principal Employers Current Year and Nine Years Ago June 30, 2016 and 2007

Employer	June 30, 2016		June 30, 2007	
	Number of Employees	Percent of District's Total Estimated Population	Number of Employees	Percent of District's Total Estimated Population
Washington County School District	3,000-4,500	2.34%	2,000-3,000	1.89%
DRMC River Road	2,000-3,000	1.56%	2,000-3,000	1.89%
Dixie State University	1,250-2,000	1.02%	500-1,000	0.57%
Wal-Mart Associates, Inc.	1,000-1,250	0.70%	1,000-2,000	1.13%
Dixie Regional Medical Center	500-1,000	0.47%		
City of St. George	500-1,000	0.47%	500-1,000	0.57%
Skywest Airlines, Inc.	500-1,000	0.47%	500-1,000	0.57%
Washington County	250-500	0.23%	250-500	0.28%
Andrus Transportation Services Inc.	250-500	0.23%		
Captioncall, LLC	250-500	0.23%		
Costco Wholesale Corporation	250-500	0.23%	100-250	0.13%
Mark 1 2009 LLC	250-500	0.23%		
Stephen Wade Auto Center	250-500	0.23%		
Tuacahn Center for the Arts	250-500	0.23%		
Boulevard Furniture			250-500	0.28%
Lin's Supermarket			250-500	0.28%
Totals	<u>10,500-17,250</u>	<u>8.67%</u>	<u>7,350-12,750</u>	<u>7.60%</u>

Source: Utah Department of Workforce Services

WASHINGTON COUNTY SCHOOL DISTRICT

**Full-time Equivalents
Last Ten Fiscal Years
June 30, 2007 through 2016**

	Full-time Equivalent Employees as of June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction	1,829.50	1,766.80	1,642.30	1,617.80	1,535.50	1,517.30	1,505.50	1,413.25	1,433.85	1,432.20
Supporting services:										
Students	120.30	118.20	118.20	117.00	117.00	116.50	118.30	54.00	54.00	41.10
Instructional staff	113.80	107.00	106.00	104.00	102.00	112.80	113.80	128.00	118.00	91.10
General district administration	8.00	7.00	7.00	7.00	7.00	7.00	7.00	2.00	2.00	2.00
School administration	167.80	167.30	167.30	166.30	166.30	166.30	166.30	179.00	179.00	176.00
Accounting and purchasing	29.20	29.20	29.20	27.20	27.20	27.20	27.20	12.50	12.50	12.50
Operation and maintenance of buildings	185.20	179.80	174.20	171.10	171.10	168.50	169.50	165.00	165.00	124.10
Student transportation	66.60	52.80	52.00	51.90	51.90	60.20	61.80	66.00	66.00	60.50
Personnel, planning, and data processing	-	-	-	-	-	-	-	7.10	7.10	7.10
Other support services	-	-	-	-	-	-	-	2.00	2.00	2.00
Nutrition services	118.00	118.50	109.00	107.80	107.80	107.80	105.68	102.75	102.75	94.00
Non K-12 programs	29.20	24.50	21.20	21.90	21.90	13.50	13.00	13.00	13.00	13.00
Capital projects	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total	2,669.60	2,573.10	2,428.40	2,394.00	2,309.70	2,299.10	2,290.08	2,146.60	2,157.20	2,057.60
Licensed (teachers)	1,465.70	1,411.90	1,337.30	1,321.20	1,471.00	1,471.00	1,455.25	1,216.00	1,226.20	1,147.90
Classified (support)	1,203.90	1,161.20	1,091.10	1,072.80	838.70	828.10	834.83	930.60	931.00	909.70
Total	2,669.60	2,573.10	2,428.40	2,394.00	2,309.70	2,299.10	2,290.08	2,146.60	2,157.20	2,057.60

Source: Washington County School District Personnel Department

WASHINGTON COUNTY SCHOOL DISTRICT

Expenses by Function - Statement of Activities
Last Ten Fiscal Years
June 30, 2007 through 2016

Function	Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction	\$ 148,204,745 64.37%	\$ 141,034,355 63.41%	\$ 140,302,096 64.59%	\$ 133,106,562 63.95%	\$ 134,562,943 64.69%	\$ 127,050,476 63.52%	\$ 126,148,065 63.27%	\$ 119,128,502 61.57%	\$ 120,207,168 64.51%	\$ 99,802,169 64.30%
Support Services:										
Students	8,410,205 3.65%	9,165,450 4.12%	8,101,619 3.73%	8,134,314 3.91%	7,897,628 3.80%	9,074,614 4.54%	9,062,436 4.55%	8,309,284 4.29%	6,765,462 3.63%	5,669,314 3.65%
Instructional staff	10,345,625 4.49%	9,525,370 4.28%	9,329,269 4.29%	9,151,303 4.40%	8,746,413 4.21%	8,681,603 4.34%	9,312,296 4.67%	9,332,796 4.82%	7,013,980 3.76%	4,988,141 3.21%
General district administration	596,957 0.26%	550,939 0.25%	565,008 0.26%	558,971 0.27%	483,563 0.23%	467,053 0.23%	535,185 0.27%	546,123 0.28%	491,737 0.26%	584,059 0.38%
School administration	15,084,004 6.55%	14,263,756 6.41%	14,153,377 6.52%	13,580,695 6.52%	12,735,740 6.12%	12,696,483 6.35%	12,844,669 6.44%	12,627,914 6.53%	11,740,797 6.30%	10,200,554 6.57%
Accounting and purchasing services	3,581,486 1.56%	3,579,921 1.61%	3,312,499 1.52%	2,958,822 1.42%	2,984,850 1.44%	2,897,453 1.45%	2,669,512 1.34%	2,068,717 1.07%	2,702,809 1.45%	1,281,667 0.83%
Operation and maintenance of buildings	18,602,913 8.08%	18,372,366 8.26%	18,382,941 8.46%	17,288,652 8.31%	17,111,042 8.23%	16,674,881 8.34%	16,513,955 8.28%	15,952,802 8.25%	14,532,093 7.80%	12,795,615 8.24%
Student transportation	5,587,962 2.43%	5,594,148 2.52%	6,037,130 2.78%	5,971,924 2.87%	5,683,670 2.73%	5,535,245 2.77%	5,537,455 2.78%	7,436,424 3.84%	5,554,915 2.98%	5,757,960 3.71%
Personnel, planning, and data processing	- 0.00%	626,975 0.32%	609,686 0.33%	528,835 0.34%						
Nutrition services	9,372,314 4.07%	9,610,346 4.32%	9,420,078 4.34%	9,231,516 4.44%	8,951,733 4.30%	7,826,804 3.91%	7,016,335 3.52%	7,013,089 3.62%	6,442,445 3.46%	5,991,412 3.86%
Redevelopment agencies	4,000,000 1.74%	3,480,000 1.56%	- 0.00%	- 0.00%						
Interest on long-term liabilities	6,469,387 2.81%	7,230,106 3.25%	7,611,702 3.50%	8,166,740 3.92%	8,840,943 4.25%	9,108,852 4.55%	9,744,806 4.89%	10,437,638 5.39%	10,284,612 5.52%	7,618,840 4.91%
Total	\$ 230,255,596	\$ 222,406,755	\$ 217,215,717	\$ 208,149,499	\$ 207,998,525	\$ 200,013,464	\$ 199,384,714	\$ 193,480,265	\$ 186,345,704	\$ 155,218,567
Average Daily Membership	28,052	27,021	26,909	26,249	26,032	24,272	25,218	25,456	24,904	24,055
Average Expenses Per Pupil	\$ 8,208	\$ 8,231	\$ 8,072	\$ 7,990	\$ 7,990	\$ 8,241	\$ 7,906	\$ 7,601	\$ 7,483	\$ 6,453

Note: The totals on percentages may not equal an even 100.00% due to rounding.

WASHINGTON COUNTY SCHOOL DISTRICT

Expenses by Function Per Pupil - Statement of Activities Last Ten Fiscal Years June 30, 2007 through 2016

Function	Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction	\$ 5,283 64.37%	\$ 5,219 63.41%	\$ 5,214 64.59%	\$ 5,071 63.95%	\$ 5,169 64.69%	\$ 5,234 63.52%	\$ 5,002 63.27%	\$ 4,680 61.57%	\$ 4,827 64.51%	\$ 4,149 64.30%
Support Services:										
Students	300 3.65%	339 4.12%	301 3.73%	310 3.91%	303 3.80%	374 4.54%	359 4.55%	326 4.29%	272 3.63%	236 3.65%
Instructional staff	369 4.49%	353 4.28%	347 4.29%	349 4.40%	336 4.21%	358 4.34%	369 4.67%	367 4.82%	282 3.76%	207 3.21%
General district administration	21 0.26%	20 0.25%	21 0.26%	21 0.27%	19 0.23%	19 0.23%	21 0.27%	21 0.28%	20 0.26%	24 0.38%
School administration	538 6.55%	528 6.41%	526 6.52%	517 6.52%	489 6.12%	523 6.35%	509 6.44%	496 6.53%	471 6.30%	424 6.57%
Accounting and purchasing services	128 1.56%	132 1.61%	123 1.52%	113 1.42%	115 1.44%	119 1.45%	106 1.34%	81 1.07%	109 1.45%	53 0.83%
Operation and maintenance of buildings	663 8.08%	680 8.26%	683 8.46%	659 8.31%	657 8.23%	687 8.34%	655 8.28%	627 8.25%	584 7.80%	532 8.24%
Student transportation	199 2.43%	207 2.52%	224 2.78%	228 2.87%	218 2.73%	228 2.77%	220 2.78%	292 3.84%	223 2.98%	239 3.71%
Personnel, planning, and data processing	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	25 0.32%	24 0.33%	22 0.34%
Nutrition services	334 4.07%	356 4.32%	350 4.34%	352 4.44%	344 4.30%	322 3.91%	278 3.52%	275 3.62%	259 3.46%	249 3.86%
Redevelopment agencies	143 1.74%	0 1.56%	0 0.00%							
Interest on long- term liabilities	231 2.81%	268 3.25%	283 3.50%	311 3.92%	340 4.25%	375 4.55%	386 4.89%	410 5.39%	413 5.52%	317 4.91%
Total	<u>\$ 8,208</u>	<u>\$ 8,102</u>	<u>\$ 8,072</u>	<u>\$ 7,930</u>	<u>\$ 7,990</u>	<u>\$ 8,241</u>	<u>\$ 7,906</u>	<u>\$ 7,601</u>	<u>\$ 7,483</u>	<u>\$ 6,453</u>
Average Daily Membership	28,052	27,021	26,909	26,249	26,032	24,272	25,218	25,456	24,904	24,055

Note: The totals on percentages may not equal an even 100.00% due to rounding.

Source: Washington County School District Personnel Department

WASHINGTON COUNTY SCHOOL DISTRICT

**Expenditures by Function - General Fund
Last Ten Fiscal Years
June 30, 2007 through 2016**

Function	Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction	\$ 123,312,797 67.58%	\$ 116,602,184 66.87%	\$ 114,851,525 66.99%	\$ 112,526,956 67.45%	\$ 105,456,677 66.75%	\$ 106,505,811 66.74%	\$ 102,755,922 65.86%	\$ 104,331,254 65.52%	\$ 99,145,862 67.79%	\$ 84,464,947 68.12%
Support Services:										
Students	8,410,205 4.61%	9,165,450 5.26%	8,101,619 4.73%	8,136,831 4.88%	7,936,734 5.02%	9,148,533 5.73%	9,137,356 5.86%	8,378,799 5.26%	6,843,867 4.68%	5,530,353 4.46%
Instructional staff	10,345,625 5.67%	9,525,370 5.46%	9,332,602 5.44%	9,155,491 5.49%	8,775,328 5.55%	8,741,861 5.48%	9,316,404 5.97%	9,357,570 5.88%	7,026,037 4.80%	4,981,117 4.02%
General district administration	555,474 0.30%	508,440 0.29%	521,448 0.30%	513,006 0.31%	450,845 0.29%	434,875 0.27%	495,652 0.32%	533,772 0.34%	487,216 0.33%	514,546 0.41%
School administration	14,035,815 7.69%	13,163,468 7.55%	13,062,905 7.62%	12,467,196 7.47%	11,773,123 7.45%	11,768,779 7.37%	11,818,745 7.58%	12,053,118 7.57%	10,888,597 7.44%	9,461,734 7.63%
Accounting and purchasing services	3,332,608 1.83%	3,303,770 1.89%	3,057,118 1.78%	2,715,513 1.63%	2,730,556 1.73%	2,645,333 1.66%	2,421,140 1.55%	1,948,063 1.22%	2,532,319 1.73%	1,213,150 0.98%
Operation and maintenance of buildings	17,281,271 9.47%	16,930,370 9.71%	16,936,621 9.88%	15,839,899 9.49%	15,643,964 9.90%	15,233,579 9.55%	15,013,674 9.62%	15,081,778 9.47%	13,585,305 9.29%	11,952,772 9.64%
Student transportation	5,199,654 2.85%	5,162,622 2.96%	5,583,091 3.26%	5,485,539 3.29%	5,215,124 3.30%	5,097,896 3.19%	5,056,078 3.24%	6,955,527 4.37%	5,178,541 3.54%	5,383,441 4.34%
Personnel, planning, and data processing	- 0.00%	590,408 0.37%	571,228 0.39%	492,321 0.40%						
Total	\$ 182,473,449	\$ 174,361,674	\$ 171,446,929	\$ 166,840,431	\$ 157,982,351	\$ 159,576,667	\$ 156,014,971	\$ 159,230,289	\$ 146,258,972	\$ 123,994,381
Average Daily Membership	28,052	27,021	26,909	26,249	26,032	24,272	25,218	25,456	24,904	24,055
Average Expenditures Per Pupil	\$ 6,505	\$ 6,453	\$ 6,371	\$ 6,356	\$ 6,069	\$ 6,575	\$ 6,187	\$ 6,255	\$ 5,873	\$ 5,155

Note: The totals on percentages may not equal an even 100.00% due to rounding.

WASHINGTON COUNTY SCHOOL DISTRICT

Expenditures by Function Per Pupil - General Fund Last Ten Fiscal Years June 30, 2007 through 2016

Function	Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction	\$ 4,396 67.58%	\$ 4,315 66.87%	\$ 4,268 66.99%	\$ 4,287 67.45%	\$ 4,051 66.75%	\$ 4,388 66.74%	\$ 4,075 65.86%	\$ 4,098 65.52%	\$ 3,981 67.79%	\$ 3,511 68.12%
Support Services:										
Students	300 4.61%	339 5.26%	301 4.73%	310 4.88%	305 5.02%	377 5.73%	362 5.86%	329 5.26%	275 4.68%	230 4.46%
Instructional staff	369 5.67%	353 5.46%	347 5.44%	349 5.49%	337 5.55%	360 5.48%	369 5.97%	368 5.88%	282 4.80%	207 4.02%
General district administration	20 0.30%	19 0.29%	19 0.30%	20 0.31%	17 0.29%	18 0.27%	20 0.32%	21 0.34%	20 0.33%	21 0.41%
School administration	500 7.69%	487 7.55%	485 7.62%	475 7.47%	452 7.45%	485 7.37%	469 7.58%	473 7.57%	437 7.44%	393 7.63%
Accounting and purchasing services	119 1.83%	122 1.89%	114 1.78%	103 1.63%	105 1.73%	109 1.66%	96 1.55%	77 1.22%	102 1.73%	50 0.98%
Operation and maintenance of buildings	616 9.47%	627 9.71%	629 9.88%	603 9.49%	601 9.90%	628 9.55%	595 9.62%	592 9.47%	546 9.29%	497 9.64%
Student transportation	185 2.85%	191 2.96%	207 3.26%	209 3.29%	200 3.30%	210 3.19%	200 3.24%	273 4.37%	208 3.54%	224 4.34%
Personnel, planning, and data processing	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	23 0.37%	23 0.39%	20 0.40%
Total	<u>\$ 6,505</u>	<u>\$ 6,453</u>	<u>\$ 6,371</u>	<u>\$ 6,356</u>	<u>\$ 6,069</u>	<u>\$ 6,575</u>	<u>\$ 6,187</u>	<u>\$ 6,255</u>	<u>\$ 5,873</u>	<u>\$ 5,155</u>
Average Daily Membership	28,052	27,021	26,909	26,249	26,032	24,272	25,218	25,456	24,904	24,055

Note: The totals on percentages may not equal an even 100.00% due to rounding.

Source: Washington County School District Personnel Department

WASHINGTON COUNTY SCHOOL DISTRICT

**Nutrition Services - Facts and Figures
Last Ten Fiscal Years
June 30, 2007 through 2016**

	Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Number of schools participating in:										
Lunch - regular schedule	42	42	40	40	39	39	38	37	35	34
Breakfast program	41	41	40	40	37	37	33	32	31	30
Student lunches served:										
Free	1,159,424	1,196,810	1,156,949	1,187,170	1,203,516	1,190,627	1,013,738	871,943	739,066	622,158
Reduced	295,323	292,884	336,138	312,078	375,051	361,891	300,548	329,704	324,434	302,387
Fully paid	914,899	904,039	907,223	864,402	835,156	908,959	817,462	1,116,312	1,188,903	1,128,863
Total	<u>2,369,646</u>	<u>2,393,733</u>	<u>2,400,310</u>	<u>2,363,650</u>	<u>2,413,723</u>	<u>2,461,477</u>	<u>2,131,748</u>	<u>2,317,959</u>	<u>2,252,403</u>	<u>2,053,408</u>
Student breakfasts served:										
Free	403,969	411,559	394,903	422,733	403,589	385,846	350,902	317,950	265,563	242,832
Reduced	62,611	51,685	58,646	56,692	58,325	50,250	57,576	66,063	72,590	63,202
Fully paid	73,642	58,869	62,829	70,015	58,923	60,597	71,955	115,641	128,433	133,328
Total	<u>540,222</u>	<u>522,113</u>	<u>516,378</u>	<u>549,440</u>	<u>520,837</u>	<u>496,693</u>	<u>480,433</u>	<u>499,654</u>	<u>466,586</u>	<u>439,362</u>
Number of serving days:										
Elementary Schools	179	179	179	179	179	179	179	180	180	180
Secondary Schools	178	177	177	177	178	178	176	172	172	172

Source: Washington County School District Food Services Department

WASHINGTON COUNTY SCHOOL DISTRICT

Student Enrollment Statistics Last Ten Fiscal Years June 30, 2007 through 2016

<u>Fiscal Year Ended June 30,</u>	<u>Average Daily Membership</u>	<u>Average Daily Attendance</u>	<u>Attendance Percentage</u>	<u>Official State October 1 Audited Enrollment Count</u>
2007	24,055	22,777	94.69%	24,297
2008	24,904	23,626	94.87%	25,295
2009	25,456	24,090	94.63%	25,775
2010	25,218	23,868	94.65%	25,202
2011	24,272	23,683	97.57%	25,671
2012	26,032	24,802	95.28%	26,137
2013	26,249	24,735	94.23%	26,131
2014	26,909	25,791	95.85%	27,099
2015	27,021	25,918	95.92%	27,118
2016	28,052	26,907	95.92%	28,167

Source: Washington County School District Technology Department

WASHINGTON COUNTY SCHOOL DISTRICT

**History of High School Graduates
Last Ten School Years
School Years 2006-07 through 2015-16**

	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
Desert Hills	428	360	347	261	273	267	210	97	-	0
Dixie	365	352	338	306	276	260	286	282	333	382
Enterprise	66	57	45	54	41	44	54	34	57	50
Hurricane	274	252	260	228	226	214	236	177	202	196
Water Canyon	6	2	-	-	-	-	-	-	-	-
Millcreek	78	78	71	53	52	51	63	97	98	72
Pine View	358	276	276	287	251	257	307	270	353	316
Snow Canyon	357	344	329	328	273	288	335	331	271	300
Southwest	88	9	4	3	-	-	9	-	-	-
Online	37	10	8	-	-	-	-	-	-	-
Post High	-	-	-	-	-	-	-	-	5	-
Focus Center	-	-	-	-	-	-	-	1	-	16
Total	2,057	1,740	1,678	1,520	1,392	1,381	1,500	1,289	1,319	1,332

Source: Washington County School District Secondary Education Department and State Office of Education.

WASHINGTON COUNTY SCHOOL DISTRICT

Teacher Compensation Data Last Ten Fiscal Years June 30, 2007 through 2016

<u>Fiscal Year Ending June 30,</u>	<u>Bachelor Degree 1st Year Teacher Wage</u>	<u>Doctorate Degree 28th Year Teacher Wage</u>	<u>District Average* Teacher Wage</u>	<u>District Average* Teacher Benefits**</u>	<u>Total District Average* Teacher Compensation</u>	<u>State Average* Teacher Compensation</u>
2007	29,470	56,626	39,749	18,282	58,031	62,449
2008	30,496	58,598	41,802	19,834	61,636	66,397
2009	30,496	58,617	44,001	21,555	65,556	69,757
2010	30,496	58,617	46,896	21,962	68,858	69,531
2011	30,496	58,617	46,896	22,721	69,617	69,785
2012	30,496	58,617	46,896	23,230	70,126	70,883
2013	30,496	58,617	45,980	24,695	70,675	69,483
2014	30,572	58,764	46,046	25,570	71,616	74,028
2015	30,954	59,499	46,180	29,922	76,102	76,664
2016	31,883	61,283	N/A	N/A	N/A	N/A

* As calculated and reported by the Utah State Office of Education in the Annual Statistical Report

** Includes all benefits including State retirement, but does not include District retirement benefits

na - This information was not available when this book was published.

Source: Washington County School District Personnel Department and State Office of Education.

WASHINGTON COUNTY SCHOOL DISTRICT

**Capital Asset Information
Last Ten Fiscal Years
June 30, 2007 through 2016**

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Buildings:										
Elementary Schools										
Number	25	25	24	24	23	23	23	23	23	23
Square feet	1,144,163	1,144,163	1,125,990	1,125,990	1,070,334	1,070,334	1,070,334	1,070,334	1,070,334	1,022,873
Capacity	12,800	12,800	12,800	12,800	12,200	12,200	12,200	12,044	12,044	11,903
Enrollment	12,592	12,592	12,907	12,453	12,656	12,661	12,505	13,081	12,685	11,848
Percent of Capacity	98.38%	98.38%	100.84%	97.29%	103.74%	103.78%	102.50%	108.61%	105.32%	99.54%
Average Age	22.04	21.04	20.04	19.04	18.90	17.90	16.90	18.22	17.30	18.60
Intermediate Schools										
Number	5	5	5	5	5	5	5	5	4	4
Square feet	666,520	666,520	666,520	666,520	666,520	666,520	666,520	666,520	524,060	525,943
Capacity	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	4,000	4,000
Enrollment	4,215	4,215	4,099	3,988	4,142	4,036	3,948	3,939	3,746	3,372
Percent of Capacity	84.30%	84.30%	81.98%	79.76%	82.84%	80.72%	78.96%	78.78%	93.65%	84.30%
Average Age	10.20	9.20	8.20	7.20	6.20	5.20	4.20	3.20	2.75	3.75
Middle Schools										
Number	5	5	5	5	5	5	5	5	5	4
Square feet	610,078	610,078	585,508	585,508	585,508	585,508	585,508	585,508	585,508	453,900
Capacity	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	3,500
Enrollment	4,282	4,282	4,268	4,197	4,028	3,835	3,723	3,581	3,551	3,396
Percent of Capacity	95.16%	95.16%	94.84%	93.27%	89.51%	85.22%	82.73%	79.58%	78.91%	97.03%
Average Age	10.60	9.60	24.80	23.80	22.80	21.80	20.80	19.80	23.50	20.50
High Schools ***										
Number	8	8	7	7	7	7	7	7	6	6
Square feet	1,320,203	1,320,203	1,320,203	1,320,203	1,320,203	1,320,203	1,320,203	1,320,203	1,044,108	1,044,108
Capacity	7,050	7,050	7,050	7,050	7,050	7,050	7,050	7,050	5,700	5,700
Enrollment	6,029	6,029	5,825	5,493	5,311	5,139	5,026	5,174	5,313	5,350
Percent of Capacity	85.52%	85.52%	82.62%	77.91%	75.33%	72.89%	71.29%	73.39%	93.21%	93.86%
Average Age	22.57	21.57	20.57	19.57	18.57	17.57	16.57	15.57	17.00	16.00
Other Buildings										
Number	12	12	12	12	12	12	12	11	10	8
Square feet	247,155	247,155	247,155	247,155	247,155	247,155	247,155	192,317	160,936	146,495
Average Age	12.80	11.80	10.80	9.80	8.80	7.80	6.80	7.25	18.89	10.75
Total Buildings										
Number *	55	55	53	53	52	52	52	51	48	45
Square feet	3,988,119	3,988,119	3,945,376	3,945,376	3,889,720	3,889,720	3,889,720	3,834,882	3,384,946	3,193,319
Capacity	29,350	29,350	29,350	29,350	28,750	28,750	28,750	28,594	26,244	25,103
Enrollment	27,118	27,118	27,099	26,131	26,137	25,671	25,202	25,775	25,295	23,966
Percent of Capacity	92.40%	92.40%	92.33%	89.03%	90.91%	89.29%	87.66%	90.14%	96.38%	95.47%
Average Age	20.50	19.50	18.50	17.50	16.60	15.60	14.60	14.60	15.38	27.52
Number of Portables **	63	61	55	53	55	55	55	54	54	53
Acres of Land	630.2	599.7	550.3	540.3	530.3	530.3	530.3	489.3	489.3	477.3
Number of Vehicles	283	279	274	281	269	269	269	268	233	243

* Each school may have a couple of buildings associated with it; however, for purposes of this schedule, each school campus is considered one building.

** Portables are not included in a school's capacity or square footage calculations.

*** Includes one alternative high school.

Source: Washington County School District Capital Facilities Department

WASHINGTON COUNTY SCHOOL DISTRICT

Statements of Net Position
 Governmental Activities
 Last Ten Fiscal Years
 June 30, 2007 through 2016
 (accrual basis of accounting)

	As of June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Assets:										
Cash and investments	\$ 82,436,520	\$ 72,672,440	\$ 63,615,039	\$ 70,869,184	\$ 70,719,254	\$ 92,917,644	\$ 88,141,193	\$ 72,702,359	\$ 77,853,023	\$ 71,052,449
Accounts receivable:										
Property taxes	109,313,704	107,180,708	102,549,274	95,424,209	97,974,087	94,489,583	78,259,247	96,065,920	82,096,760	68,531,228
Other governments	6,281,031	4,262,488	5,858,840	7,320,742	10,604,245	15,507,271	5,736,172	4,893,312	4,397,916	3,594,028
Other receivables	552,204	727,783	747,882	750,024	604,418	667,883	1,507,799	1,828,800	2,129,026	1,899,947
Inventories	666,297	532,603	652,194	547,884	580,948	843,784	915,442	703,910	753,776	876,173
Prepays	686,201	-	-	1,592,758	-	27,239	-	-	344,280	488,738
Net pension asset	4,130	54,912	-	-	-	-	-	-	-	-
Capital assets:										
Sites and construction in progress	133,916,554	149,031,971	130,541,314	110,146,497	82,183,158	65,064,193	56,572,740	81,086,188	134,089,934	101,591,852
Other capital assets, net of accumulated depreciation	266,705,010	229,292,557	237,621,868	249,467,365	261,181,533	273,935,649	283,461,827	266,810,471	196,249,201	175,090,102
Total assets	600,561,651	563,755,462	541,586,411	536,118,664	523,847,643	543,453,246	514,594,421	524,090,960	497,913,916	423,124,518
Deferred Outflows of Resources:										
Deferred charges on refundings	1,813,800	1,851,034	1,556,216	868,331	629,951	761,180	634,514	721,732	828,655	935,578
Amounts related to pensions	37,399,126	11,716,262	-	-	-	-	-	-	-	-
Bond issue costs	385,668	368,912	314,417	186,474	109,606	128,018	73,695	86,512	99,329	112,146
Total assets and deferred outflows of resources	640,160,245	577,691,670	543,457,044	537,173,469	524,587,200	544,342,444	515,302,630	524,899,204	498,841,900	424,172,242
Liabilities:										
Accounts payable	11,914,281	9,781,551	11,121,333	11,552,807	6,167,532	8,441,378	4,416,758	2,179,702	5,841,886	7,248,177
Accrued interest	3,562,086	3,186,851	3,111,399	3,184,299	3,185,316	3,502,005	3,624,851	3,799,434	3,371,304	2,296,553
Accrued liabilities	13,894,843	13,383,916	13,332,428	13,138,791	13,797,481	15,192,908	15,387,142	16,572,597	17,337,808	14,279,247
Unearned revenue:										
Property taxes	108,205,074	106,130,735	101,100,448	93,462,028	95,716,755	93,719,183	76,942,631	94,736,069	81,274,313	68,410,008
Other governments	10,249,778	9,555,471	10,305,674	12,022,122	11,273,177	10,596,979	10,862,019	8,068,758	10,268,907	6,579,234
Local sources	184,095	160,376	122,552	596,407	509,137	317,826	1,581,500	1,590,734	1,320,950	965,645
Noncurrent liabilities:										
Due within one year	25,810,000	25,034,000	22,714,000	22,969,603	21,885,940	23,384,356	25,280,907	24,839,769	23,218,005	20,144,320
Due in more than one year	308,189,247	276,278,927	193,526,127	199,026,088	198,787,708	198,918,937	198,792,271	198,879,489	198,986,412	199,093,335
Total liabilities	482,009,404	443,511,827	355,333,961	355,952,145	351,323,046	354,073,572	336,888,079	350,666,552	341,619,585	319,016,519
Deferred Inflows of Resources:										
Amounts related to pensions	9,653,961	7,255,712	-	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	491,663,365	450,767,539	355,333,961	355,952,145	351,323,046	354,073,572	336,888,079	350,666,552	341,619,585	319,016,519
Net Position:										
Invested in capital assets, net of related debt	184,918,122	172,691,325	158,105,134	143,075,565	132,195,693	127,955,624	118,718,819	118,360,389	99,118,625	45,869,535
Restricted for:										
Nutrition services	637,933	136,346	-	197,597	710,619	1,186,148	842,234	608,987	542,632	504,807
Student Activity	-	-	-	-	2,367,597	2,245,714	2,102,456	1,958,103	1,718,082	-
Non K-12 programs	-	-	-	-	395,577	470,487	504,735	660,572	838,984	979,548
Education Foundation	1,587,788	1,689,925	1,483,614	1,177,998	1,126,632	1,145,625	1,091,232	1,171,212	996,989	941,767
Capital projects	7,703,108	7,719,233	11,262,047	14,066,247	13,684,079	15,544,794	12,744,953	6,397,676	5,598,132	41,219,124
Debt service	737,387	(489,826)	(32,127)	4,034,838	1,181,562	(1,768,755)	(2,664,661)	(2,766,329)	(1,845,095)	(1,241,192)
Unrestricted	(47,087,458)	(54,822,872)	17,304,415	18,669,079	19,274,488	19,321,640	17,559,090	15,204,591	14,146,090	8,438,960
Total net position	\$ 148,496,880	\$ 126,924,131	\$ 188,123,083	\$ 181,221,324	\$ 170,936,247	\$ 166,101,277	\$ 150,898,858	\$ 141,595,201	#####	\$ 96,712,549

Source: Information taken from the District's audited financial statements. This summary itself has not been audited.

WASHINGTON COUNTY SCHOOL DISTRICT

General Fund
Comparative Balance Sheets
Last Ten Fiscal Years
June 30, 2007 through 2016
(modified accrual basis of accounting)

	As of June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Assets:										
Cash and investments	\$ 40,965,242	\$ 36,324,522	\$ 34,317,743	\$ 36,513,693	\$ 36,402,813	\$ 33,713,405	\$ 43,891,442	\$ 38,635,518	\$ 39,717,875	\$ 30,115,656
Accounts receivable:										
Property taxes	60,748,203	59,229,405	54,759,229	49,223,774	50,389,587	46,563,448	41,144,180	43,935,490	43,225,899	35,802,821
Other governments	5,458,843	3,680,875	5,021,402	6,549,759	9,206,459	14,927,385	5,453,517	4,456,513	4,024,792	3,302,911
Other receivables	495,340	684,361	737,196	735,243	577,776	614,386	186,849	466,672	806,929	358,229
Inventories	263,115	322,621	321,356	331,642	329,741	612,530	648,768	503,042	533,775	561,648
Prepays	686,201	-	-	1,592,758	-	27,239	-	-	124,529	22,660
Total assets	<u>\$ 108,616,944</u>	<u>\$ 100,241,784</u>	<u>\$ 95,156,927</u>	<u>\$ 94,946,870</u>	<u>\$ 96,906,376</u>	<u>\$ 96,458,393</u>	<u>\$ 91,324,756</u>	<u>\$ 87,997,235</u>	<u>\$ 88,433,799</u>	<u>\$ 70,163,925</u>
Liabilities and Fund Balances:										
Liabilities:										
Accounts payable	\$ 6,230,545	\$ 5,624,136	\$ 5,661,607	\$ 7,028,169	\$ 4,009,336	\$ 3,965,580	\$ 3,542,659	\$ 688,071	\$ 1,308,176	\$ 767,417
Accrued payroll and related benefits	13,440,596	12,736,513	12,118,219	11,929,129	12,389,122	14,632,045	15,355,512	15,614,903	14,343,779	12,396,973
Deferred revenue:										
Property taxes	60,075,783	58,611,659	53,932,365	48,127,704	49,183,242	46,156,964	40,423,695	43,234,117	42,796,833	35,771,756
Other governments	9,654,511	9,042,346	9,883,650	11,824,557	11,019,720	10,449,671	10,798,513	8,068,758	10,183,271	6,692,141
Local sources	32,582	44,831	40,929	493,459	509,137	317,826	260,550	255,316	-	-
Total liabilities	<u>89,434,017</u>	<u>86,059,485</u>	<u>81,636,770</u>	<u>79,403,018</u>	<u>77,110,557</u>	<u>75,522,086</u>	<u>70,380,929</u>	<u>67,861,165</u>	<u>68,632,059</u>	<u>55,628,287</u>
Fund balances:										
Unreserved:										
Designated for:										
Undistributed reserve	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000
Tort liability	-	-	-	-	-	-	-	-	-	-
Future growth	2,291,179	2,291,179	2,291,179	2,291,179	2,291,179	2,291,179	2,291,179	2,291,179	2,291,179	2,291,179
Early retirement	-	-	-	-	-	-	-	-	-	-
Undesignated	13,591,748	8,591,120	7,928,977	9,952,673	14,204,640	15,345,128	15,352,648	14,544,891	14,210,560	8,944,459
Total fund balances	<u>19,182,927</u>	<u>14,182,299</u>	<u>13,520,156</u>	<u>15,543,852</u>	<u>19,795,819</u>	<u>20,936,307</u>	<u>20,943,827</u>	<u>20,136,070</u>	<u>19,801,739</u>	<u>14,535,638</u>
Total liabilities and fund balances	<u>\$ 108,616,944</u>	<u>\$ 100,241,784</u>	<u>\$ 95,156,926</u>	<u>\$ 94,946,870</u>	<u>\$ 96,906,376</u>	<u>\$ 96,458,393</u>	<u>\$ 91,324,756</u>	<u>\$ 87,997,235</u>	<u>\$ 88,433,798</u>	<u>\$ 70,163,925</u>

Source: Information taken from the District's audited financial statements. This summary itself has not been audited.

WASHINGTON COUNTY SCHOOL DISTRICT

**General Fund
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances
Last Ten Fiscal Years
June 30, 2007 through 2016
(modified accrual basis of accounting)**

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues:										
Property taxes	\$ 59,918,902	\$ 58,771,872	\$ 48,337,004	\$ 49,490,367	\$ 45,398,473	\$ 44,155,128	\$ 44,860,983	\$ 41,833,268	\$ 39,709,373	\$ 30,792,605
Interest	200,000	280,907	170,227	264,255	348,975	361,566	427,907	1,263,714	2,143,298	1,741,514
Other local sources	5,610,236	3,688,216	3,402,268	3,705,942	2,979,328	3,196,498	3,062,208	2,708,987	2,685,903	2,495,119
State of Utah	115,781,310	110,685,139	105,974,761	93,549,938	93,318,228	91,043,339	89,101,606	95,539,388	99,088,089	81,297,758
Federal government	14,371,575	14,047,943	13,604,352	15,577,963	14,796,859	20,885,058	19,666,788	18,654,204	9,299,425	10,094,750
Total Revenues	<u>195,882,023</u>	<u>187,474,077</u>	<u>175,023,817</u>	<u>162,588,465</u>	<u>156,841,863</u>	<u>159,641,589</u>	<u>157,119,492</u>	<u>159,999,561</u>	<u>152,926,088</u>	<u>126,421,746</u>
Expenditures:										
Instruction	133,252,636	123,312,797	114,851,525	112,526,956	105,456,677	106,505,811	102,755,922	104,331,254	99,145,862	84,464,947
Support services:										
Students	10,011,583	8,410,205	8,101,619	8,136,831	7,936,734	9,148,533	9,137,356	8,378,799	6,843,867	5,530,353
Instructional staff	10,641,392	10,345,625	9,332,602	9,155,491	8,775,328	8,741,861	9,316,404	9,357,570	7,026,037	4,981,117
General district administration	579,744	555,474	521,448	513,006	450,845	434,875	495,652	533,772	487,216	514,546
School administration	13,944,446	14,035,815	13,163,468	12,467,196	11,773,123	11,768,779	11,818,745	12,053,118	10,888,597	9,461,734
Accounting and purchasing services	3,713,447	3,332,608	3,057,118	2,715,513	2,730,556	2,645,333	2,421,140	1,948,063	2,532,319	1,213,150
Operation and maintenance of buildings	18,239,522	17,281,271	16,930,370	15,839,899	15,643,964	15,233,579	15,013,674	15,081,778	13,585,305	11,952,772
Student transportation	5,499,253	5,199,654	5,162,622	5,485,539	5,215,124	5,097,896	5,056,078	6,955,527	5,178,541	5,383,441
Personnel, planning, and data processing	-	-	-	-	-	-	-	580,408	571,228	492,321
Total Expenditures	<u>195,882,023</u>	<u>182,473,449</u>	<u>174,361,674</u>	<u>166,840,432</u>	<u>157,982,351</u>	<u>159,576,667</u>	<u>156,014,971</u>	<u>159,230,289</u>	<u>146,258,972</u>	<u>123,994,381</u>
Excess (deficiency) of revenues over (under) expenditures	-	5,000,628	662,143	(4,251,967)	(1,140,488)	64,922	1,104,521	769,272	6,667,116	2,427,365
Other financing sources:										
Transfers	-	-	-	-	-	(72,442)	(296,764)	(434,941)	(1,401,015)	(872,074)
Total Other Financing Sources	-	-	50	-	-	(72,442)	(296,764)	(434,941)	(1,401,015)	(872,074)
Net change in fund balance	-	5,000,628	662,143	(4,251,967)	(1,140,488)	(7,520)	807,757	334,331	5,266,101	1,555,291
Fund balances - beginning	19,182,927	14,182,299	13,520,156	19,795,819	20,936,307	20,943,827	20,136,070	19,801,739	14,535,638	12,980,347
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
Fund balances - ending	<u>\$ 19,182,927</u>	<u>\$ 19,182,927</u>	<u>\$ 14,182,299</u>	<u>\$ 15,543,852</u>	<u>\$ 19,795,819</u>	<u>\$ 20,936,307</u>	<u>\$ 20,943,827</u>	<u>\$ 20,136,070</u>	<u>\$ 19,801,739</u>	<u>\$ 14,535,638</u>

Source: Information taken from the District's audited financial statements. This summary itself has not been audited.

WASHINGTON COUNTY SCHOOL DISTRICT

Historical Summaries of Taxable Values of Property
For the Tax Years Ended December 31, 2007 through 2016
Last Ten Tax Years

	Tax Year Ended December 31,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
	Taxable Value	Taxable Value	Taxable Value	Taxable Value	Taxable Value	Taxable Value	Taxable Value	Taxable Value	Taxable Value	Taxable Value
Set by State Tax Commission- Centrally Assessed	\$ 497,849,677	\$ 474,961,254	\$ 428,634,853	\$ 432,062,843	\$ 395,711,704	\$ 383,204,520	\$ 379,881,275	\$ 500,284,142	\$ 386,642,903	\$ 345,494,274
Set by County Assessor- Locally Assessed:										
Real Property:										
Residential real estate-primary use	6,412,963,410	5,821,189,880	5,382,977,465	4,713,270,345	4,298,514,610	4,479,698,047	5,203,956,347	6,241,134,371	6,129,616,160	4,987,598,450
Residential real estate-not primary use	2,782,677,987	2,525,898,855	2,340,463,070	2,199,980,200	1,862,681,195	1,694,511,675	1,740,780,070	2,220,106,484	1,564,921,137	1,196,543,160
Commercial and industrial real estate	2,086,042,439	1,893,547,235	1,704,678,465	1,633,635,765	1,648,857,430	1,612,786,650	1,739,919,350	1,975,560,640	1,753,435,157	1,521,615,835
Agricultural - FAA	19,120,578	17,356,175	17,469,710	17,025,640	16,533,530	16,460,345	16,968,850	15,037,670	30,753,050	15,107,545
Unimproved non FAA	1,418,366,012	1,287,482,455	1,275,931,925	1,244,331,920	1,288,987,805	1,642,820,525	2,144,445,470	2,593,520,250	2,598,600,874	1,788,060,325
Total Real Property	12,719,170,426	11,545,474,600	10,721,520,635	9,808,243,870	9,135,574,570	9,446,277,242	10,846,070,087	13,026,307,776	12,077,326,378	9,488,920,315
Personal Property:										
Primary mobile homes	6,642,576	6,642,576	6,329,268	5,035,319	5,255,547	5,287,882	7,116,322	8,009,409	8,272,256	9,088,605
Secondary mobile homes	3,461,397	3,461,397	3,811,166	4,306,897	3,794,308	3,603,831	5,129,865	5,138,036	4,854,461	4,763,046
Other business personal	378,551,823	378,551,823	389,336,663	379,735,336	368,994,276	422,653,835	462,698,976	454,031,857	363,201,335	294,731,672
Total Personal Property	388,655,796	388,655,796	399,477,097	389,077,552	378,044,131	431,645,548	474,945,163	467,179,302	376,328,052	308,563,323
Fee in Lieu/age based property (1)	421,348,267	421,348,267	351,723,533	381,453,000	683,703,528	683,703,528	662,640,548	709,794,810	742,174,298	727,982,987
Total Locally Assessed	13,529,174,489	12,355,478,663	11,472,721,265	10,578,774,422	10,197,322,229	10,561,526,818	11,983,655,798	14,203,281,888	13,195,828,728	10,525,466,625
Total Taxable Property	\$ 14,027,024,166	\$ 12,830,439,917	\$ 11,901,356,118	\$ 11,010,827,265	\$ 10,593,033,933	\$ 10,944,730,838	\$ 12,363,537,073	\$ 14,703,566,030	\$ 13,582,471,631	\$ 10,870,960,899
Total taxable value (less fee in lieu/ age based property	\$ 13,605,675,899	\$ 12,409,091,650	\$ 11,549,632,585	\$ 10,629,374,265	\$ 9,909,330,405	\$ 10,261,027,910	\$ 11,700,896,525	\$ 13,993,771,220	\$ 12,840,297,333	\$ 10,142,977,912

Source: Property Tax Division, Utah State Tax Commission.



SINGLE AUDIT

WASHINGTON COUNTY SCHOOL DISTRICT
SINGLE AUDIT AND STATE OF UTAH
LEGAL COMPLIANCE REPORTS
JUNE 30, 2016

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Washington County School District
Schedule of Expenditures of Federal Awards
June 30, 2016

FEDERAL OR PASS THROUGH GRANTOR/PROGRAM TITLE	Title	Major Program	Federal CFDA #	Total Expenditures
<u>U.S. Department of Agriculture</u>				
Passed Through Utah State				
Office of Education:				
	School Breakfast Program		10.553	\$ 920,901
	National School Lunch Program		10.555	5,602,936
				<u>6,523,837</u>
	Child Nutrition Discretionary Grants		10.579	6,839
	Fresh Fruit and Vegetable Program		10.582	-
Passed through Washington County:				
	PILT Forest Reserve		10.666	231,701
	Total U.S. Department of Agriculture			<u>6,762,377</u>
<u>U.S. Department of the Interior</u>				
Passed Through Utah State				
Office of Education:				
	Recreation Resource Management		15.225	18,988
	Total U.S. Department of the Interior			<u>18,988</u>
<u>U.S. Department of Education</u>				
	Indian Education		84.060	100,854
Passed Through Utah State				
Office of Education:				
	Title I Basic and Concentration		84.010	5,833,291
	IDEA Special Education Formula Flow Through	X	84.027	4,061,648
	IDEA Special Education - Preschool	X	84.173	103,382
				<u>4,165,030</u>
	Adult Education - Basic Grants to States		84.002	178,296
	Migrant Education State Grant Program		84.011	185,196
	Vocational Education - Carl Perkins Formula		84.048	403,723
	Education for Homless Children and Youth		84.196	38,640
	English Language Acquisition Title IIIA		84.365	91,099
	USOE Mathematics & Science Partnership		84.366	26,954
	Improving Teacher Quality Title IIA		84.367	646,950
	Total U.S. Department of Education			<u>11,670,033</u>
	Total Expenditures of Federal Awards			<u>\$ 18,451,398</u>

WASHINGTON COUNTY SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 GENERAL

The schedule of expenditures of federal awards presents the activity of all federal award programs of Washington County School District (the District). The District reporting entity is defined in Note 1 to the District's financial statements. All federal awards received directly from federal agencies as well as federal awards passed through from other government agencies are included on the schedule.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting for assistance received by governmental fund types, which is described in Note 1 to the District's financial statements.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Donated food commodities are recorded at fair value at the date of contribution to the District.

NOTE 2 RELATIONSHIP TO DISTRICT'S FINANCIAL STATEMENTS

Federal awards expended on the schedule of expenditures of federal awards for the year ended June 30, 2016 are reconciled to the amounts reported in the District's financial statements as federal government revenues as follows:

Federal funds reported in the General Fund	\$ 11,639,044.00
Federal funds reported in the Non K-12 Funds	281,678.00
Federal funds reported in the School Lunch Fund	<u>6,530,676.00</u>
	<u><u>\$ 18,451,398.00</u></u>

INDEPENDENT AUDITOR'S 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*

Board of Education
Washington County School District
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, each major fund, and the aggregate remaining fund information of Washington County School District (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 28, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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.

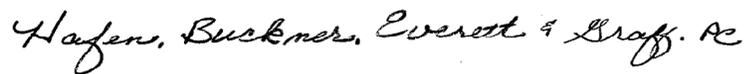
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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 the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Hafen, Buckner, Everett & Graff, PC".

Hafen, Buckner, Everett & Graff, PC

October 28, 2016

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Washington County School District
St. George, Utah

Report on Compliance for Each Major Federal Program

We have audited Washington County School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Washington County School District's major federal programs for the year ended June 30, 2016. Washington County School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Washington County School District's major federal programs based on our audit of the types of 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Washington County School District'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 major federal program. However, our audit does not provide a legal determination of Washington County School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Washington County School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of Washington County School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Washington County School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, 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 School District'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 type of compliance requirement of a federal program 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 type of compliance requirement of a federal program 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 type of compliance requirement of a federal program 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 over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Hafen, Buckner, Everett & Graff, PC

Hafen, Buckner, Everett & Graff, PC
October 28, 2016

Washington County School District
Summary Schedule of Prior Audit Findings
June 30, 2016

No matters were reported in the prior year.

Washington County School District
 Schedule of Findings And Questioned Costs
 June 30, 2016

I. Summary of Auditor's Results.

Financial Statements

Type of audit report issued on the financial statements:	Unmodified
Internal controls over financial reporting:	
Material weakness identified?	None
Significant deficiencies identified that are not considered to be material weaknesses?	None

Federal Awards

Internal controls over major programs:	
Material weakness identified?	None
Significant deficiencies identified that are not considered to be material weaknesses?	None
Type of report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section <i>Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.</i>	None

Major programs:

<u>CFDA Numbers</u>	<u>Program or Cluster</u>
84.027	IDEA Special Education Formula Flow Through
84.173	IDEA Special Education - Preschool

Dollar threshold used to distinguish between Type A and B programs.	\$536,952
Washington County School District qualifies as a low-risk auditee.	Yes

II. Findings related to the financial statements which are required to be reported in accordance with Generally Accepted Governmental Auditing Standards. None

III. Findings and questioned costs for Federal awards as defined in paragraph .510(a)

<u>Finding</u>	<u>Questioned Costs</u>
None	None

INDEPENDENT AUDITOR'S REPORT AS REQUIRED BY THE *STATE COMPLIANCE AUDIT GUIDE* ON:

- **COMPLIANCE WITH GENERAL STATE COMPLIANCE REQUIREMENTS**
 - **INTERNAL CONTROL OVER COMPLIANCE**

To the Board of Education
Washington County School District
St. George, Utah

Report On Compliance with General Compliance Requirements

We have audited the compliance of Washington County School District (the District) with applicable general state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on each of the District for the year ended June 30, 2016.

General compliance requirements were tested for the year ended June 30, 2016 in the following areas:

- Cash Management
- Budgetary Compliance
- Fund Balance
- Utah Retirement Systems Compliance
- Government Records Access Management Act
- Utah Public Finance Website
- Open and Public Meetings Act
- Minimum School Program

Management's Responsibility

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

Auditor's Responsibility

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

Opinion on the General State Compliance Requirements and Each Major State Program

In our opinion, the Washington County School District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the District for the year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in our letter to management dated October 28, 2016 as items 2016-1 through 2016-2. Our opinion on compliance is not modified with respect to these matters.

The District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings, recommendations and responses. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the District's responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the compliance requirements that could have a direct and material effect on the District on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and for each major state program and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state or major state program compliance requirement on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state or major state program compliance requirement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state or major state program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

We noted matters involving internal control over compliance which we are submitting for your consideration. These matters are described in our letter to management dated October 28, 2016.

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.

Hafen, Buckner, Everett & Graff, PC

Hafen, Buckner, Everett & Graff, P.C.
October 28, 2016

Washington County School District
Schedule of Findings, Recommendations, and Responses
For the Year Ended June 30, 2016

16-01 Treasurer's Bond

Condition:

The treasurer's bond was less than amount required.

Criteria:

Utah Administrative Code R628-4-4 for the Money Management Council requires public treasurers to obtain minimum bonding based on all budgeted gross revenues for the prior year.

Cause:

The District did not calculate the minimum bonding requirements and increase the treasurer's bond accordingly.

Effect:

The District is not in compliance with the applicable Utah Administrative Code section.

Recommendation:

We recommend the District recalculate the the minimum required bond amount annually and increase the bond as necessary..

Response:

We will calculate the bonding requirements annually in May to ensure proper bonding is obtained.

16-02 Student Activity Fund

Condition:

Disbursements were made without an authorization request and/or proper supporting documentation.

Criteria:

District policy requires prior authorization and proper support for all disbursements .

Cause:

District policies were not followed and some disbursements were made without prior authorization and/or proper supporting documentation.

Effect:

Risk of misappropriation of assets is increased.

Washington County School District
Schedule of Findings, Recommendations, and Responses
For the Year Ended June 30, 2016

Recommendation:

We recommend that the District implement procedures to ensure that all disbursements are properly authorized and have proper support.

Response:

We have conducted trainings with all principals and finance secretaries. We are conducting internal audits to ensure that District policies and procedures are being followed.

16-03 Open and Public Meetings Act

Condition:

Some monthly board meeting minutes were not posted to the Utah Public Notice Website timely.

Criteria:

Utah Code 54-4-203(4)-(e) requires that within three days of approval, Board of Education meeting minutes are to be posted to the Utah Public Notice Website.

Cause:

This was the result of the person responsible for posting the minutes not being aware of this requirement and not posting the minutes timely.

Effect:

The District is not in compliance with the Open and Public Meetings Act.

Recommendation:

We recommend that the District implement procedures to ensure that all Board of Education Meeting minutes be posted to the Utah Public Notice Website within three days of approval by the Board.

Response:

All board meeting recordings were posted, however written minutes were not posted. We have implemented procedures to ensure that all written minutes are posted to the Utah Public Notice Website within three days of approval by the Board.

16-04 School Lunch Inventory Purchases

Condition:

Some deliveries of food purchased were not signed for and approved by a supervisor for payment.

Washington County School District
Schedule of Findings, Recommendations, and Responses
For the Year Ended June 30, 2016

Criteria:

District policy is that food deliveries be signed for and approved by a supervisor prior to payment.

Cause:

This was the result of the person receiving the delivery not signing for the delivery and a supervisor not approving payment for the purchase.

Effect:

Risk of misappropriation of assets is increased.

Recommendation:

We recommend that the District implement procedures to ensure that all deliveries of purchased food be signed for and approved by the supervisor prior to payment.

Response:

We will provide training with warehouse and food service personnel to ensure signatures are obtained prior to payment.

Washington County School District
Status of Prior Year Findings and Recommendations
For the Year Ended June 30, 2016

15-01 Open and Public Meetings Act

Finding:

It was noted that in some instances monthly board meeting minutes were not being uploaded to the Utah Public Notice Website within three days after being approved by the Board.

Recommendation:

We recommend that the District implement procedures whereby monthly board meeting minutes are uploaded as required by State Compliance Guidelines.

Status:

Noted again, see current year findings.

15-02 Student Activity Fund

Finding:

It was noted that some disbursements were made without an authorized request and/or without proper support.

Recommendation:

We recommend that the District implement procedures to ensure that all disbursements are authorized and have proper support.

Status:

It was noted again that some disbursements were made without proper authorization and support.

15-03 Credit Card Purchases

Finding:

It was noted that on some occasions the PO/Credit Card log used to substantiate credit card charges lacked the signature of the card holder.

Recommendation:

We recommend that the District implement policies and procedures whereby all PO/Credit Card logs are signed by the card holder.

Status:

Implemented

Washington County School District
Status of Prior Year Findings and Recommendations
For the Year Ended June 30, 2016

15-04 Cash Management

Finding:

It was noted that the written report required by the Money Management Council had not been timely filed.

Recommendation:

We recommend that the District implement policies and procedures to ensure that such reports are timely filed.

Status:

Implemented

15-05 School Lunch Inventory Purchases

Finding:

It was noted that the receiving of food inventory was not properly documented and approved by a supervisor for payment.

Recommendation:

We recommend that the District implement policies and procedures to document the receipt of food inventory and obtain supervisor approval for payment for such.

Status:

Noted again, see current year findings.

15-06 Employee Reimbursements

Finding:

It was noted that the reimbursements made to District employees were not always supported by documentation.

Recommendation:

We recommend that the District implement policies and procedures whereby all employee reimbursements are supported by adequate documentation.

Status:

Implemented

Washington County School District
Status of Prior Year Findings and Recommendations
For the Year Ended June 30, 2016

15-07 Employee Reimbursements

Finding:

It was noted that the District's records officer did not have documentation to show the annual GRAMA training had been completed.

Recommendation:

We recommend that the District implement policies and procedures to ensure the records office complete the required GRAMA training annually.

Status:

Implemented

15-08 Cash Receipts

Finding:

It was noted that receipts were not always issued when cash was received as per District policy.

Recommendation:

We recommend that the District implement policies and procedures to ensure that receipts are issue whenever cash is received..

Status:

Implemented