

FIVE COUNTY ASSOCIATION OF GOVERNMENTS

**Financial Statements
and Additional Information
With Independent Auditor's Report**

For the Year Ended June 30, 2021

DRAFT

Five County Association of Governments
Financial Statements and Supplementary Information
For the Year Ended June 30, 2021

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Five County Association of Governments
Financial Statements and Supplementary Information
For the Year Ended June 30, 2021

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Independent Auditor's Report

Steering Committee
Five County Association of Governments
St. George, Utah

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Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Five County Association of Governments (Association), as of June 30, 2021, and for the year then ended which collectively comprise the Association'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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Five County Association of Governments as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension schedules 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 Association's financial statements. The supplementary combining and individual program statements and schedules and accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual program financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 28, 2021 on our consideration of the Association's internal control over financial reporting and 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 or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Association's internal control over financial reporting and compliance.

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HAFEN, BUCKNER, EVERETT & GRAFF, PC
February 1, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

FIVE COUNTY ASSOCIATION OF GOVERNMENTS
Management's Discussion and Analysis

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The following narrative presents management's discussion and analysis of the Five County Association of Government's (AOG) financial performance during the year ending June 30, 2021. Readers are encouraged to consider the information presented here in conjunction with the basic financial statements and additional information, which follow this section.

History and Background of Five County Association of Governments

The Five County Association of Governments is a voluntary association of local governments in Southwestern Utah comprised of Beaver, Garfield, Iron, Kane and Washington Counties. The AOG was formally established in 1957 to provide the basis for addressing matters of common regional concern. The Five County Association of Governments, as presently constituted, was established in 1972 pursuant to the provisions of the Interlocal Cooperation Act of 1965. The overall mission of the Five County Association of Governments is to serve as a multi-purpose organization providing a regional forum to identify, discuss, study, and resolve area-wide problems of common interest and concern. It is also the role of the Association to engage in and carry out physical, economic, and human resources planning.

Financial Highlights

- The AOG's assets and deferred outflows exceeded liabilities and deferred inflows by \$1,113,848 at the close of the most recent fiscal year.
- Unrestricted net position was a deficit \$516,131 at June 30, 2021.
- The Association's total assets are \$2,751,489.
- The Expenditures for June 30, 2021 were less than the adopted budget by \$203,271.
- Capital assets (Net of accumulated depreciation) at June 30, 2021 were \$703,399 which includes land, a building, equipment, and vehicles.

Overview of the Financial Statements

This discussion is intended to serve as an introduction to the AOG's basic financial statements. The AOG's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the AOG's finances, in a manner similar to a private-sector business. The statements consist of the Statement of Net Position, and the Statement of Activities.

The *Statement of Net Position* presents information on all of the assets and liabilities of the AOG, 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 AOG is improving or deteriorating.

The *Statement of Activities* presents information showing how the net position of the AOG 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 year period (e.g., uncollected revenues and earned, but unused, vacation leave and sick leave).

The distinct type of activities reflected in the government-wide statements are governmental activities. The Five County Association of Governments has no business-type activities. Governmental activities are those supported primarily by intergovernmental revenues and fees for services.

Fund Financial Statements

As is common with other state or local government entities, the AOG uses *funds* to account for separate activities and to help demonstrate compliance with financially related legal requirements (such as budgetary compliance). A fund is a set of closely related accounts used to maintain control over financial resources which have been segregated for specific activities or purposes. The AOG maintains only governmental funds and fiduciary 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 year. Such information may be useful in evaluating the AOG'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 statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The AOG maintains one governmental fund which is the general fund.

General Fund. The general fund is the operating fund of the AOG. Revenues from intergovernmental sources, fees for services, and all other sources are received into this fund. Expenditures include operation and administrative costs.

Fiduciary Fund Types

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

Non-expendable Trust Funds - The revolving loan fund was created by the Association with grant monies to provide financing for qualified businesses in the Five County Area. The down payment assistance fund was created with state funding to provide financing to enable lower income and first-time home buyers in the Five County Area to make the down payment on the purchase of a home. The activities of the revolving loan and down payment assistance funds are governed by the Steering Committee of the Association and the funds' financial information are included in the Association's general purpose financial statements as non-expendable trust funds.

Agency Fund - The Association acts as an agent for the Southern Utah Planning Authorities Council (S.U.P.A.C.). Member entities pay membership dues to cover the cost of membership lunch. The activity of this fund is accounted for in a separate agency fund.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Five County Association of Governments. The AOG adopts an annual appropriated budget for the governmental funds. The budget is a twelve-month snapshot of all contracts which fit into the twelve-month window. Contracts to the AOG are issued on the federal fiscal year, state fiscal year, calendar year or any other period of time agreed to by the two contracting entities. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Government-wide Financial Analysis

As previously noted, net position may serve over time as a useful indicator of an entity's financial position. In the case of the Five County Association of Governments, assets exceeded liabilities by \$1,113,848 at the close of the most recent fiscal year.

Five County Association of Governments
Comparative Summary of Net Position
As of June 30, 2021 and 2020

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	Governmental Activities	
	<u>2021</u>	<u>2020</u>
Assets and deferred outflows of resources:		
Current and other assets	\$2,048,090	\$1,520,310
Capital assets	703,399	762,300
Deferred outflows of resources	<u>341,828</u>	<u>321,658</u>
Total assets & deferred outflows	<u>3,093,317</u>	<u>2,604,268</u>
Liabilities and deferred inflows of resources:		
Current liabilities	1,084,887	908,402
Noncurrent liabilities	107,954	653,547
Deferred inflows of resources	<u>786,628</u>	<u>402,142</u>
Total liabilities & deferred inflows	<u>1,979,469</u>	<u>1,964,076</u>
Net position:		
Invested in capital assets net of related debt	681,769	718,293
Restricted	948,210	660,573
Unrestricted	<u>(516,131)</u>	<u>(909,179)</u>
Total net position	<u>\$1,113,848</u>	<u>\$ 640,192</u>

Governmental Activities:

As of June 30, 2021, the Associations assets exceeded liabilities by \$1,075,490 up from \$640,192 in fiscal year 2020 due primarily to pension changes.

Five County Association of Governments
Comparative Schedule of Changes in Net Position
as of and for the fiscal year ended June 30, 2021 and 2020

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	Governmental Activities	
	<u>2021</u>	<u>2020</u>
Revenues:		
Charges for services	\$ 492,547	\$ 92,547
Operating grants and contributions	<u>8,122,172</u>	<u>8,122,172</u>
Total revenues	<u>8,614,719</u>	<u>8,614,719</u>
Expenses:		
Governmental activities	<u>8,576,856</u>	<u>8,576,856</u>
Total expenses	<u>8,576,856</u>	<u>8,576,856</u>
Changes in net position	37,863	37,863
Net position, July 1	<u>602,329</u>	<u>602,329</u>
Net position, June 30	<u>\$ 640,192</u>	<u>\$ 640,192</u>

General Fund Budgetary Highlights

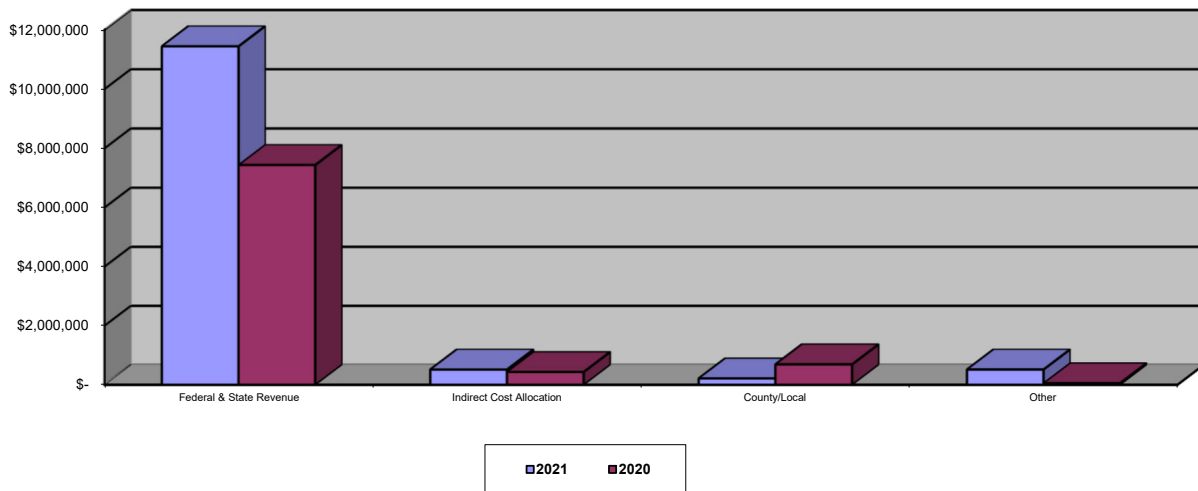
During the fiscal year, the Five County Association of Governments approved and revised the Association's budget. Budget amendments were made to reflect changes in contracts and related funding. Even with these adjustments, actual expenditures were below final budgeted amounts. Revenues were under the final budgeted figures. The table shown below comparing overall budget to actual is net of the revenue and corresponding expenditure.

SUMMARY of Actual to Budgeted Revenues & Expenses:

	Original	Amended	Actual
Total Revenues	\$10,385,712	\$13,253,712	\$12,690,631
Total Expenditures including Capital Outlay	<u>10,385,712</u>	<u>13,253,712</u>	<u>12,487,360</u>
Excess (Deficit) of Revenues			
Over Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 203,271</u>

Revenues

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Capital Assets

The AOG's fiscal year 2021 investment in capital assets, for all activities, amounted to \$703,399. The AOG has chosen a threshold of capital assets to be included for reporting purposes at \$3,000.

Summary of Net Capital Assets

	2021	2020
Buildings	\$ 927,671	\$ 927,671
Land	135,000	135,000
Furniture & Equipment	482,854	499,783
Accumulated Depreciation	<u>(842,126)</u>	<u>(800,154)</u>
Total Net Capital Assets	<u>\$ 703,399</u>	<u>\$ 762,300</u>

Long-term Debt

The AOG's fiscal year 2021 long-term debt totaled \$21,630 compared with \$44,007 in 2020.

Request for Information

This financial report is designed to provide interested parties with a general overview of the AOG's financial status. Questions concerning any of the reports and information contained in this financial audit, or requests for additional financial information, should be addressed to the Five County Association of Governments, 1070 West 1600 South Building B, St. George, UT 84770.

BASIC FINANCIAL STATEMENTS

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Five County Association of Governments

Statement of Net Position

June 30, 2021

	Governmental Activities
Assets:	
Cash & Cash Equivalents	\$ 250,505
Accrued Revenue	1,539,097
Prepaid Assets	40,193
Inventory	123,943
Net Pension Asset	94,352
Capital Assets (Net of Accumulated Depreciation)	703,399
Total Assets	2,751,489
Deferred Outflows of Resources:	341,828
Total Assets and Deferred Outflows of Resources	\$ 3,093,317
Liabilities:	
Cash Deficit	\$ -
Accounts Payable	359,181
Accrued Liabilities	2,931
Unearned Revenue	516,136
Accrued Leave	206,639
Credit Line	-
Long-term Debt:	
Due within one year	10,509
Due in more than one year	11,121
Net Pension Liability	86,324
Total Liabilities	1,192,841
Deferred Inflows of Resources:	786,628
Net Position:	
Invested in Capital Assets	681,769
Restricted	948,210
Unrestricted	(516,131)
Total Net Position	1,113,848
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 3,093,317

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

Five County Association of Governments**Statement of Activities****For the Year Ended June 30, 2021**

Function/Program	Program Revenues				Net Revenue (Expense) and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities:					
Administration	\$ 244,709	\$ 515,340	\$	\$	\$ 270,631
General Services	12,001,594		12,175,291		173,697
Total Governmental Activities	<u>\$ 12,246,303</u>	<u>\$ 515,340</u>	<u>\$ 12,175,291</u>	<u>\$</u>	<u>444,328</u>
General Revenues:					
Total General Revenues					
Change in Net Position					444,328
Net Position at Beginning of Year					640,192
Net Position at End of Year					<u>\$ 1,084,520</u>

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

Five County Association of Governments
Balance Sheet - Governmental Funds
June 30, 2021

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	<u>Major Fund</u>
	<u>General</u>
<i>Assets:</i>	
Cash (Note 2)	\$ 250,505
Accounts Receivable (Note 5)	-
Accrued Revenue Receivable	1,539,097
Other Assets	40,193
Inventory (Note 3)	123,943
<i>Total Assets</i>	<u>\$ 1,953,738</u>
<i>Liabilities:</i>	
Cash (Deficit)	\$
Accounts Payable	359,181
Accrued Liabilities	2,931
Unearned Revenue (Note 8)	516,136
Credit Line	
<i>Total Liabilities</i>	<u>878,248</u>
<i>Fund Balance:</i>	
Nonspendable:	
Inventory	123,943
Restricted	948,210
Assigned	
Unassigned	3,337
<i>Total Fund Balance</i>	<u>1,075,490</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 1,953,738</u>

DRAFT**Five County Association of Governments****Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2021**

Total fund balances for governmental funds	\$ 1,075,490
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Total net position reported for governmental activities differs from the statement of net position as follows:

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

Land	\$ 135,000	
Building	922,271	
Building Improvements	5,400	
Furniture & Equipment	72,547	
Vehicles	410,308	
Accumulated Depreciation	<u>(842,127)</u>	
Total Capital Assets		703,399
 Net Pension Asset		 94,352
 Deferred Outflows of Resources - Pensions		 341,828

Long-term Liabilities that pertain to governmental funds, including accrued leave, 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 follow:

Accrued Leave	(206,639)	
Long-Term Debt	(21,630)	
Net Pension Liability	<u>(86,324)</u>	
Total Long-term Liabilities		(314,593)
 Deferred Inflows of Resources - Pensions		 <u>(786,628)</u>

Total net position of governmental activities	\$ 1,113,848
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The notes to the financial statements are an integral part of this statement

Five County Association of Governments
Combined Statement of Revenues, Expenditures and Changes in
Fund Balance
All Governmental Fund Types
For the Year Ended June 30, 2021

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	<u>General Fund Types</u>
REVENUES:	
State & Federal Contracts	\$ 11,445,103
Indirect Cost Allocations (Note 4)	515,340
County/Local Participation	214,054
Other	516,134
TOTAL REVENUES	<u>12,690,631</u>
EXPENDITURES:	
Total Payroll & Related Expense	4,054,215
Materials	1,658,570
Fiscal Management	34,943
Rent	437,007
Travel	103,385
Printing	25,933
Postage	13,418
Telephone	71,793
Office Supplies	92,974
Indirect Cost Allocation (Note 4)	515,340
Consultant/Contract Services	1,144,185
Capital Outlay	93,652
County Council on Aging	455,525
Assistance	3,249,826
Other	536,594
TOTAL EXPENDITURES	<u>12,487,360</u>
Excess (Deficit) of Revenues Over Expenditures	203,271
OTHER FUNDING SOURCES/(USES)	
BEGINNING FUND BALANCE	<u>872,219</u>
YEAR END FUND BALANCE	<u><u>\$ 1,075,490</u></u>

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

Five County Association of Governments

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Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2021

Net change in fund balances - total governmental funds	\$	203,271
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Amounts reported for governmental activities differs from the statement of activities as follows:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$3,000 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.

Depreciation	\$	(65,780)	
Capital Outlays		<u>6,879</u>	
Total Capital Assets			(58,901)

Government funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned is reported as pension expense.

			275,829
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Accrued leave is recognized as an expenditure in the governmental funds when it is paid. In the statement of activities, however, the expense for accrued leave is recognized as it accrues. The effect of this difference in treatment is as follows:

Accrued Leave	\$	1,752	
Repayment of Long-Term Debt Principal		<u>22,377</u>	
Total Long-Term Liabilities Activities			<u>24,129</u>

Change in net position of governmental activities	\$	<u>444,328</u>
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The notes to the financial statements are an integral part of this statement

Five County Association of Governments
Combined Balance Sheet - All Fiduciary Fund Types
June 30, 2021

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	<u>Fiduciary Fund Type</u>	
	<u>Nonexpendable Trust</u>	<u>Agency Fund</u>
<i>Assets:</i>		
Cash	\$ 922,182	\$ 119
Accrued Interest		
Notes Receivable	840,811	
<i>Total Assets</i>	<u>\$ 1,762,993</u>	<u>\$ 119</u>
 <i>Liabilities and Fund Balances:</i>		
Due to SUPAC	\$	\$ 119
Fund Balance	1,762,993	
<i>Total Liabilities and Fund Balance</i>	<u>\$ 1,762,993</u>	<u>\$ 119</u>

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

Five County Association of Governments
Combined Statement of Revenues, Expenses and Changes in Fund Balance
Nonexpendable Trust Funds for the Year Ended June 30, 2021

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Fiduciary Fund Type
Nonexpendable Trust

Revenues:

Interest	\$ 25,780
Other	5,564
<i>Total Revenues</i>	<u>31,344</u>

Expenditures:

Bad Debts	-
Administrative	31,440
<i>Total Expenditures</i>	<u>31,440</u>

Excess (Deficit) of Revenues Over Expenditures	(96)
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<i>Beginning Fund Balance</i>	<u>1,763,089</u>
<i>Year End Fund Balance</i>	<u><u>\$ 1,762,993</u></u>

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

Five County Association of Governments
Combined Statement of Cash Flows - Nonexpendable Trust Funds
For the Year Ended June 30, 2021

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Cash Provided By:		
Operating Activities		
Net Income (Loss)	\$	(96)
Change in Operating Assets and Liabilities:		
(Increase)/Decrease in Accrued Interest Income		
Bad Debts		-
Net Cash Used by Operating Activities		<u>(96)</u>
Noncapital Financing Activities:		
Net Cash Provided by Noncapital Financing Activities		<u></u>
Investing Activities:		
Principal Repayments from Customers	202,802	
Loans Made to Customers	<u>(300,000)</u>	
Net Cash Used in Investing Activities		<u>(97,198)</u>
Increase/(Decrease) in Cash Equivalents	(97,294)	
Cash and Cash Equivalents at Beginning of Year	<u>1,019,476</u>	
Cash and Cash Equivalents at End of Year	<u>\$ 922,182</u>	

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

**FIVE COUNTY ASSOCIATION OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**REPORTING ENTITY**

The Five County Association of Governments (the Association) was established in 1973 by representatives of local governments of Beaver, Garfield, Iron, Kane and Washington counties in the State of Utah in accordance with an Executive Order issued by Governor Rampton in 1970. The Executive Order fixed the boundaries of multi-county districts for planning and development in the State of Utah. All county and municipal units of government within each district were requested to cooperate and participate in establishing a multi-county association of governments under the terms of the Inter-local Cooperation Act of 1965. The main purposes of the districting and the establishment of Association of Governments were to facilitate area-wide planning and development activities, to provide a strengthened role of county and municipal officials in the execution of state and federal programs at the local level, and to eliminate duplication and competition between various levels of government and thus facilitate the most effective use of the State's resources.

The Association has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship to the Association are such that exclusion would cause the Association's financial statements to be misleading or incomplete. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by the Governmental Accounting Standards Board. The basic, but not only, criterion for including a potential component unit within the reporting entity is whether or not the Association exercises significant influence over the potential component unit. Significant influence or accountability is based primarily on operational or financial relationships with the Association. The Five County Association of Governments has no component units as defined by the pronouncement of the Governmental Accounting Standards Board.

The accounting and reporting policies of the Five County Association of Governments (the Association) conform with generally accepted accounting principles as applicable to state and local governmental entities. The following is a summary of the more significant policies.

Government-wide and Fund Financial Statements - The *government-wide financial statements* (the statement of net position and the statement of changes in net position) report information on all of the activities of the Association. These statements include the financial activities of the overall government, except for fiduciary activities.

**FIVE COUNTY ASSOCIATION OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Association's governmental activities. Direct expenses are those which are specifically associated with a function, and therefore, are clearly identifiable to a particular function. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The Association reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the Association and accounts for all revenues and expenditures not designated to other funds. The general fund consists of several individual programs which are segregated for the purpose of carrying on specific activities.

Fiduciary Fund Types

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

Nonexpendable Trust Funds - The revolving loan fund was created by the Association with grant monies to provide financing for qualified businesses in the Five County Area. The down payment assistance fund was created with state funding to provide financing to enable lower income and first time home buyers in the Five County Area to make the down payment on the purchase of a home. The activities of the revolving loan and down payment assistance funds are governed by the Steering Committee of the Association and the funds' financial information are included in the Association's basic financial statements as nonexpendable trust funds.

**FIVE COUNTY ASSOCIATION OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Agency Fund - The Association acts as an agent for the Southern Utah Planning Authorities Council (S.U.P.A.C.). Member entities pay membership dues to cover the cost of printing and postage. The activity of this fund is accounted for in a separate agency fund.

Measurement focus, basis of accounting, and financial statement presentation - The *government-wide financial statements, and fiduciary fund financial statements* are reported using the economic measurement focus. The government-wide financial statements are reported using 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 Association receives value without directly giving equal value in exchange, include grants and donations.

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 Association considers all revenues reported in the governmental funds to be available if the revenues are collected within approximately sixty days after year end. Revenues are generated primarily from grants and contracts with federal and state agencies with matching funds from local participants in the Association and client fees for services. Contracts which are generally fixed in nature, occasionally cover periods different from the Association's fiscal year. In such cases revenues are recognized based on expenditures incurred. Excesses of expenditures over revenues (if any) are either renegotiated with the funding agency or reimbursed by participants in the Association.

Net Position/Fund Balances - The difference between assets and liabilities is "Net Position" on the government-wide and "Fund Balance" on the governmental fund financial statements. Net position is divided into invested in capital assets (net of related debt), restricted, and unrestricted. Net position is reported as restricted when constraints are placed upon them by external parties or are imposed by constitutional provisions or enabling legislation.

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

Deferred Outflows/Inflows of resources - In addition to assets, the statement of financial position may 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 and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an

**FIVE COUNTY ASSOCIATION OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Association is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable fund balance- Amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

Restricted fund balance - Amounts with constraints placed on use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Committed fund balance - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Association's Steering Committee.

Assigned - Amounts that are constrained by the Association's intent to be used for specific purposes but are neither restricted nor committed. This intent can be expressed by the Steering Committee or the Executive Director.

Unassigned - Residual classification of the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned to a specific purpose within the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Association considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Association considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Capital Assets - The capital assets of the Association, which include buildings and improvements, furniture and fixtures, machines and equipment, and vehicles are reported in the government-wide financial statements. The Association defines capital assets as assets with an initial, individual cost of more than \$3,000 and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at 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.

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**FIVE COUNTY ASSOCIATION OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Interest incurred during construction is not capitalized. Capital assets of the Association are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	5 - 40
Leasehold Improvements	10
Vehicles	5 - 10
Machines and Equipment	5 - 20
Furniture and Fixtures	5 - 20

Comparative Data - Comparative data for the prior accounting period has been presented in certain of the accompanying financial statements in order to provide an understanding of changes in financial operations.

Budgetary Data - The Association adopts a budget for all programs except trust and agency funds. The adopted budget is prepared using the same basis of accounting as the Association's financial statements. All budget amounts presented in the accompanying financial statements and supplementary information have been adjusted for legally authorized revisions of the annual budgets during the year.

NOTE 2 - DEPOSITS AND INVESTMENTS

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The Association's policy is to follow the requirements of the Utah Money Management Act (Utah Code, Section 51, Chapter 7) in handling its depository transactions. The Act requires the depositing of Association funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the federal government, and which has been certified by the commissioner of financial institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Association maintains a cash pool that is available for use by all Governmental Fund Types. Separate accounts are maintained for trust funds. For purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash on hand and in banks. The Association has no investments.

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**FIVE COUNTY ASSOCIATION OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk - At June 30, 2021, the carrying amount of the Association's deposits was \$1,137,953 and the bank balances were \$1,531,667. As of June 30, 2021, \$1,319,864 of the bank balances were covered by Federal Depository insurance with the remaining amount uninsured and uncollateralized.

NOTE 3 - INVENTORY

The Association's inventory consists of material and supplies used in the weatherization program. The inventory is recorded at cost based on the first-in first-out method. A reservation of fund balance has been set up for the inventory.

NOTE 4 - INDIRECT COST ALLOCATIONS

Certain expenditures of the administration program have been allocated as indirect cost allocations to other programs. These allocated expenditures are offset by indirect credits totaling \$515,340 and \$433,164 for the years ended June 30, 2021 and June 30, 2020, respectively, in the "Revenue" section of the administration program. The allocation of indirect costs by the Association is in accordance with requirements of Uniform Guidance. Therefore, those allowable costs incurred for a common or joint purpose benefitting more than one program and not readily assignable to the benefitted program were allocated to the various benefitted program based on actual salaries, wages and fringe benefits of applicable personnel in those programs.

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2021 and 2020 consist of the following:

	<u>2021</u>	<u>2020</u>
Federal & State Monies Due from Other Governmental Units	\$ 1,539,097	\$ 1,383,807
Other		
Totals	<u>\$ 1,539,097</u>	<u>\$ 1,383,807</u>

Due from other governmental units consist of billings for reimbursement of costs on contracts made prior to June 30. Accrued interest consists of interest earned but not yet received on loans made by the Revolving Loan program.

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**FIVE COUNTY ASSOCIATION OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 6 - NOTES RECEIVABLE

Notes receivable consists of loans made by the Revolving Loan Program to private businesses and individuals in the Five County Area. The Revolving Loan Program is reported in the financial statements as a Nonexpendable Trust Program. The loans bear interest ranging from 5 to 7.25% and are for periods from 3 to 15 years. Each of the loans are secured by trust deeds and/or other security agreements in favor of the Association. No reserve has been established for potential losses from uncollectible loans.

During the year ended June 30, 2021, three new loans totaling \$300,000 were made. At June 30, 2021, three loans were delinquent. Due to the nature of the revolving loan program, all of the loans should be considered as credit risks. If all of the loans were to become uncollectible, the entire amount due from 19 loans amounting to \$840,388 would be recorded as a loss.

NOTE 7 - CAPITAL ASSETS

A summary of capital asset activity for the fiscal year ended June 30, 2021 follows:

<u>Governmental Activities</u>	<u>6/30/2020</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>6/30/2021</u> <u>Balance</u>
Capital assets, not being depreciated:				
Land	\$135,000	\$ -	\$ -	\$135,000
Total capital assets, not being depreciated	135,000	-	-	135,000
Capital assets, being depreciated:				
Building	922,271	-	-	922,271
Building Improvements	5,400	-	-	5,400
Office Furniture & Equipment	89,476	6,879	(23,808)	72,547
Vehicles	410,307	-	-	410,307
Total capital assets being depreciated	1,427,454	6,879	(23,808)	1,410,525
Less accumulated depreciation	800,154	65,780	(23,808)	842,126
Total capital assets, being depreciated, net	627,300	(58,901)	-	568,399
Governmental activities capital assets, net	<u>\$ 762,300</u>	<u>\$ (58,901)</u>	<u>\$ -</u>	<u>\$ 703,399</u>

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**FIVE COUNTY ASSOCIATION OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 8 - UNEARNED REVENUE / ACCRUED REVENUE

Unearned revenue in the accompanying balance sheet represents the excess of federal and state monies received over amounts expended on particular programs. These monies will be recognized in the period that the expenditures are made. Total unearned revenue at June 30, 2021 and 2020 amounted to \$516,136 and \$409,251, respectively.

Accrued revenue represents the excess of expenditures over monies received and amounted to \$1,444,166 and \$1,383,807 at June 30, 2021 and 2020 respectively.

NOTE 9 - REVOLVING LOAN PROGRAM

The revolving loan program was created by the Steering Committee of the Association. The program was created with grant monies received from the Department of Housing and Urban Development, the Economic Development Administration and the Farmers Home Administration. The purpose of the program is to create permanent long terms jobs within the Five County region by providing “gap” financing to qualified businesses for eligible activities. Loans made through the program are intended to help bridge the gap created by shortfalls in commercial financing. Funds are repaid into the program and recycled to other businesses, thus allowing an ongoing job creation program for southwest Utah.

NOTE 10 - RETIREMENT PLAN

General Information about the Pension Plan

Plan description: Eligible plan participants are provided with a pension plan through the Utah Retirement Systems. Utah Retirement Systems are comprised of the following Pension Trust Funds:

Defined Benefit Plans

- Public Employees Noncontributory Retirement System (Noncontributory System);
- Public Employees Contributory Retirement System (Contributory System); are multiple employer cost sharing, public employees, retirement systems.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); is a multiple employer, cost sharing, public employee, retirement system.

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

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**FIVE COUNTY ASSOCIATION OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 10 - RETIREMENT PLAN (CONTINUED)

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can may be obtained by writing Utah Retirement Systems, 560 East 200 South, Salt Lake City, UT 84102 or visiting the website: www.urs.org/general/publications.

Summary of Benefits by System

Benefits provided: URS provides retirement, disability, and death benefits.

Retirement benefits are as follows:

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percentage per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2%/year all years	Up to 4%
Contributory System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975, 2.00% per year July 1975 to present	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5%/year all years	Up to 2.5%

**Actuarial reductions are applied*

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

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FIVE COUNTY ASSOCIATION OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 - RETIREMENT PLAN (CONTINUED)

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the 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. Contribution rates as of June 30, 2021 are as follows:

<u>Utah Retirement Systems</u>	<u>Employee Paid by Employer</u>	<u>Employer Contribution</u>	<u>Employer 401(k)</u>
Contributory System			
11-Local Governmental Division Tier 1	6.000%	14.46%	N/A
111-Local Governmental Division Tier 2	N/A	15.80%	0.89
Noncontributory System			
15-Local Governmental Division Tier 1	N/A	18.47%	N/A
Tier 2 DC Only			
211 Local Government	N/A	6.69%	10.00%

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 193,323	N/A
Contributory System	12,815	5,317
Tier 2 Public Employees System	174,945	—
Tier 2 DC Only System	<u>20,535</u>	<u>N/A</u>
Total Contributions	<u>\$ 401,617</u>	<u>\$ 5,317</u>

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

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**FIVE COUNTY ASSOCIATION OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 10 - RETIREMENT PLAN (CONTINUED)

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

At June 30, 2021, we reported a net pension asset of \$94,352 and a net pension liability of \$86,324.

(Measurement Date): December 31, 2020

	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share Dec. 31, 2019	Change (Decrease)
Noncontributory System	\$ —	\$ 77,560	0.1512056%	0.1561173%	0.0049117%
Contributory System	94,352	---	0.5264545%	0.4642803%	0.0621742 %
Tier 2 Public Employees System	—	8,764	0.0609361%	0.0582625%	0.0026736 %
	<u>\$ —</u>	<u>\$ 86,324</u>			

The net pension asset and liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2020 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2021, we recognized pension expense of \$125,788.

At June 30, 2021, we reported deferred outflows of resources and deferred inflows of resources relation to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 112,120	\$ 4,013
Changes in assumptions	11,186	10,464
Net difference between projected and actual earnings on pension plan investments	---	752,029
Changes in proportion and differences between contributions and proportionate share of contributions	15,521	20,122
Contributions subsequent to the measurement date	<u>203,102</u>	<u>—</u>
Total	<u>\$ 341,828</u>	<u>\$ 786,628</u>

\$203,102 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

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**FIVE COUNTY ASSOCIATION OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 10 - RETIREMENT PLAN (CONTINUED)

These contributions will be recognized as a reduction of the net pension liability in the upcoming year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2021	\$ (189,540)
2022	(90,735)
2023	(262,933)
2024	(121,787)
2025	2,934
Thereafter	14,251

Noncontributory System Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, we recognized pension expense of \$68,150.

At June 30, 2021, we reported deferred outflows of resources and deferred inflows of resources relation to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 104,052	\$ ---
Changes in assumptions	62,317	10,145
Net difference between projected and actual earnings on pension plan investments	---	566,346
Changes in proportion and differences between contributions and proportionate share of contributions	2,389	20,122
Contributions subsequent to the measurement date	<u>97,872</u>	<u>---</u>
Total	<u>\$ 204,313</u>	<u>\$ 596,613</u>

\$97,872 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

These contributions will be recognized as a reduction of the net pension liability in the upcoming year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2021	\$ (134,009)
2022	(63,579)
2023	(198,692)
2024	(93,892)
2025	---
Thereafter	---

**FIVE COUNTY ASSOCIATION OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 10 - RETIREMENT PLAN (CONTINUED)

Contributory System Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, we recognized pension expense of \$(28,113).

At June 30, 2021, we reported deferred outflows of resources and deferred inflows of resources relation to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ ---	\$ ---
Changes in assumptions	---	---
Net difference between projected and actual earnings on pension plan investments	---	160,065
Changes in proportion and differences between contributions and proportionate share of contributions	---	---
Contributions subsequent to the measurement date	<u>6,429</u>	<u>—</u>
Total	<u>\$ 6,429</u>	<u>\$ 160,065</u>

\$6,429 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

These contributions will be recognized as a reduction of the net pension liability in the upcoming year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2021	\$ (51,195)
2022	(24,528)
2023	(58,237)
2024	(26,105)
2025	---
Thereafter	---

Tier Public Employees System Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, we recognized pension expense of \$85,751.

At June 30, 2021, we reported deferred outflows of resources and deferred inflows of resources relation to pensions from the following sources:

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**FIVE COUNTY ASSOCIATION OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,068	\$ 4,013
Changes in assumptions	11,096	319
Net difference between projected and actual earnings on pension plan investments	---	25,618
Changes in proportion and differences between contributions and proportionate share of contributions	13,132	---
Contributions subsequent to the measurement date	98,800	---
Total	<u>\$ 131,086</u>	<u>\$ 29,950</u>

\$98,800 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

These contributions will be recognized as a reduction of the net pension liability in the upcoming year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2021	\$ (4,428)
2022	(2,628)
2023	(6,005)
2024	(1,790)
2025	2,934
Thereafter	14,251

Actuarial Assumptions

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 - 9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based on gender, occupation and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

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FIVE COUNTY ASSOCIATION OF GOVERNMENTS NOTES TO THE FINANCIAL STATEMENTS

The actuarial assumptions used in the January 1, 2020, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

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

Asset class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity Securities	37%	6.30%	2.33%
Debt Securities	20%	0.00%	0.00%
Real Assets	15%	6.19%	0.93%
Private Equity	12%	9.50%	1.14%
Absolute Return	16%	2.75%	0.44%
Totals	100%		4.84%
Inflation			2.50%
Expected arithmetic nominal return			7.34%

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

Discount rate: The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments, to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate remained unchanged at 6.95 percent.

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**FIVE COUNTY ASSOCIATION OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 10 - RETIREMENT PLAN (CONTINUED)

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.95 percent) or 1 percentage point higher (7.95 percent) than the current rate:

<u>System</u>	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 1,344,657	\$ 77,560	\$ (978,756)
Contributory System	140,332	(94,352)	(292,503)
Tier 2 Public Employees System	<u>147,477</u>	<u>8,764</u>	<u>(97,347)</u>
Total	<u>\$ 1,632,466</u>	<u>\$ (8,028)</u>	<u>\$ (1,368,606)</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.

Defined Contribution Savings Plans

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

Five County Association of Governments participates in the following Defined Contribution Savings Plans Utah Retirement Systems:

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

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30 were as follows:

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**FIVE COUNTY ASSOCIATION OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS**

	2021	2020	2019
401(k) Plan			
Employer Contributions	\$42,194	\$42,634	\$35,305
Employee Contributions	40,890	40,890	36,960
457 Plan			
Employer Contributions	—	—	—
Employee Contributions	11,593	3,168	768
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	3,700	3,610	5,810
Traditional IRA			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	1,050	1,000	3,900

REQUIRED SUPPLEMENTARY INFORMATION

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Five County Association of Governments
Combined Statement of Revenues, Expenditures and Change in Fund Balance
Budget and Actual - General Fund Types
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>			Favorable
	Original	Revised	Actual	(Unfavorable)
REVENUES:				
State & Federal Contracts	\$ 8,985,162	\$ 11,698,345	\$ 11,445,103	\$ (253,242)
Indirect Cost Allocations (Note 4)	495,559	520,000	515,340	(4,660)
County/Local Participation	169,341	175,161	214,054	38,893
Other	735,650	860,194	516,134	(344,060)
TOTAL REVENUES	10,385,712	13,253,700	12,690,631	(563,069)
EXPENDITURES:				
Total Payroll & Related Expense	4,310,266	4,533,576	4,054,215	479,361
Materials	1,590,908	1,669,107	1,658,570	10,537
Fiscal Management		40,000	34,943	5,057
Rent		184,744	437,007	(252,263)
Travel	218,939	229,601	103,385	126,216
Printing		38,854	25,933	12,921
Postage		16,534	13,418	3,116
Telephone		101,348	71,793	29,555
Supplies	1,127,357	165,291	92,974	72,317
Indirect Cost Allocation	495,559	520,000	515,340	4,660
Consultant/Contract Services	254,100	603,908	1,144,185	(540,277)
Capital Outlay	123,362	54,808	93,652	(38,844)
County Council on Aging	520,350	544,750	455,525	89,225
Assistance		3,674,505	3,249,826	424,679
Other	1,744,871	876,674	536,594	340,080
TOTAL EXPENDITURES	10,385,712	13,253,700	12,487,360	766,340
Excess (Deficit) of Revenues Over Expenditures			203,271	203,271
TRANSFER FROM (TO) OTHER FUNDS				
OTHER FUNDING SOURCES/(USES)				
BEGINNING FUND BALANCE	872,219	872,219	872,219	
YEAR END FUND BALANCE	\$ 872,219	\$ 872,219	\$ 1,075,490	\$ 203,271

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

Five County Association of Governments
Schedule of the Proportionate Share of the Net Pension Liability
Five County Association of Governments
June 30, 2021

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	As of December 31,	Proportion of Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Employee Payroll	Proportion of Net Pension Liability (Asset) as a percentage of its covered-employee Payroll	Plan Fiduciary Net Position as a percentage of its covered-employee Payroll
Noncontributory Retirement System	2014	0.1687390%	\$ 732,704	\$ 1,389,073	52.70%	90.20%
	2015	0.1561607%	\$ 883,633	\$ 1,257,533	70.27%	87.80%
	2016	0.1531392%	\$ 983,341	\$ 1,218,254	80.72%	87.30%
	2017	0.1561792%	\$ 684,268	\$ 1,197,471	57.14%	91.90%
	2018	0.1547481%	\$ 1,139,522	\$ 1,190,463	95.72%	87.00%
	2019	0.1561173%	\$ 588,386	\$ 1,175,976	50.03%	93.70%
	2020	0.1512056%	\$ 77,560	\$ 1,091,744	7.10%	99.20%
Contributory Retirement System	2014	0.1384092%	\$ 39,923	\$ 74,028	53.90%	94.00%
	2015	0.1754427%	\$ 123,311	\$ 74,754	164.96%	85.70%
	2016	0.3146284%	\$ 103,233	\$ 75,492	136.75%	92.90%
	2017	0.3789076%	\$ 30,833	\$ 76,887	40.10%	98.20%
	2018	0.4304542%	\$ 174,680	\$ 80,568	216.81%	91.20%
	2019	0.4642803%	\$ 30,427	\$ 83,196	36.57%	98.60%
	2020	0.5264545%	\$ (94,352)	\$ 86,841	-108.65%	103.90%
Tier 2 Public Employees System	2014	0.0673100%	\$ (2,040)	\$ 330,001	-0.60%	103.50%
	2015	0.0583467%	\$ (127)	\$ 376,926	-0.03%	100.20%
	2016	0.0619502%	\$ 6,911	\$ 508,042	1.36%	95.10%
	2017	0.0633512%	\$ 5,586	\$ 620,047	0.90%	97.40%
	2018	0.0570609%	\$ 24,438	\$ 666,028	3.67%	90.80%
	2019	0.0582625%	\$ 13,104	\$ 809,851	1.62%	96.50%
	2020	0.0609361%	\$ 8,764	\$ 973,485	0.90%	98.30%

Note:

This schedule will become a 10-year history. The schedule will be built each year since the implementation of GASB 68. The schedule above is only for the first six years.

Five County Association of Governments

Schedule of Contributions

Utah Retirement Systems

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	Of Fiscal Year Ended June 30,	Actuarial determined contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2016	216,072	216,072	-	1,224,721	17.64%
	2017	213,426	213,426	-	1,195,784	17.85%
	2018	215,396	215,396	-	1,207,479	17.84%
	2019	207,053	207,053	-	1,166,145	17.76%
	2020	203,892	203,892	-	1,149,259	17.74%
	2021	193,323	193,323	-	1,101,668	17.55%
Contributory System	2016	140,854	10,854	-	75,060	14.46%
	2017	10,979	10,979	-	75,924	14.46%
	2018	11,420	11,420	-	78,975	14.46%
	2019	11,718	11,718	-	81,036	14.46%
	2020	12,342	12,342	-	85,356	15.66%
	2021	12,815	12,815	-	88,623	14.46%
Tier 2 Public Employees System*	2016	63,630	63,630	-	426,763	14.91%
	2017	84,075	84,075	-	563,879	14.91%
	2018	96,846	96,846	-	640,942	15.11%
	2019	116,770	116,770	-	751,413	15.54%
	2020	130,971	130,971	-	836,340	15.66%
	2021	174,945	174,945	-	1,107,244	15.80%
Tier 2 Public Employees DC Only System*	2016	10,350	10,350	-	154,715	6.69%
	2017	12,741	12,741	-	190,442	6.69%
	2018	13,706	13,706	-	204,870	6.69%
	2019	16,454	16,454	-	245,949	6.69%
	2020	21,677	21,677	-	324,021	6.69%
	2021	20,535	20,535	-	306,945	6.69%

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

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative practices.

Note:

This schedule will become a 10-year history. The schedule will be built each year since the implementation of GASB 68. The schedule above is only for the first five years.

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**FIVE COUNTY ASSOCIATION OF GOVERNMENTS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

Changes in Assumptions

There were a number of demographic assumptions (e.g. rates of termination, disability, retirement, as well as an updated mortality and salary increase assumption) updated for use in the January 1, 2020 actuarial valuation. These assumption updates were adopted by the Utah State Retirement Systems. In aggregate. Those assumption changes resulted in a \$201 million increase in the Total Pension Liability, which is about 0.50% of the Total Pension Liability of as December 31, 2019 for all systems combined. The Actuarial Experience Study report as of December 31, 2019 provides detailed information regarding those assumption changes, which may be accessed online at newsroom.urs.org under the “Retirement Office” column using the “Reports and Stats” tab.

OTHER SUPPLEMENTARY INFORMATION

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Five County Association of Governments
Combining Balance Sheet - All General Programs
June 30, 2021

	<u>Program 1</u>	<u>Program 2</u>	<u>Program 3</u>	<u>Program 4</u>	<u>Program 5</u>	<u>Program 6</u>	<u>Program 7</u>
		Aging			Community		Area
		Waiver	Veteran's	Aging Waiver	& Economic	Special	Agency on
	<u>Administration</u>	<u>Admin</u>	<u>Direct</u>	<u>Services</u>	<u>Development</u>	<u>Contracts</u>	<u>Aging</u>
Assets:							
Cash	\$ (61,724)	\$ (16,144)	\$ 189,807	\$ 4,139	\$ 367,016	\$ 147,599	\$ (81,503)
Accounts Receivable							
Accrued Revenue		16,144	51,146	14,230	131,947	19,583	142,365
Other Assets	28,411			873			
Inventory							
Total Assets	\$ (33,313)	\$ -	\$ 240,953	\$ 19,242	\$ 498,963	\$ 167,182	\$ 60,862
Liabilities and Program Balances:							
Accounts Payable	1,436		38,439		93,081	9,824	53,525
Accrued Liabilities							
Unearned Revenue			202,514				
Credit Line							
Program Balance:							
Nonspendable:							
Inventory							
Restricted:					405,882	157,358	7,337
Assigned:							
Unassigned:	(34,749)			19,242			
Total Liabilities and Program Balances	\$ (33,313)	\$ -	\$ 240,953	\$ 19,242	\$ 498,963	\$ 167,182	\$ 60,862

See Notes to Financial Statements

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<u>Program 8</u>	<u>Program 9</u>	<u>Program 10</u>	<u>Program 11</u>	<u>Program 12</u>	<u>Program 13</u>	<u>Program 14</u>	<u>Program 15</u>	<u>Program 18</u>
<u>Weatherization</u>	<u>RSVP</u>	<u>Human Services</u>	<u>Volunteer Center Iron County</u>	<u>Continuum of Care</u>	<u>Child Care R & R</u>	<u>Nutrition</u>	<u>Heat Assistance</u>	<u>Mobility Mgt</u>
\$ (79,621)	\$ (6,504)	\$ 15,976	\$ (10,624)	\$ (3,868)	\$ (104,216)	\$ 34,127	\$ (72,950)	\$ (8,887)
131,539	8,658				117,263	325,464	76,012	9,761
123,943								
<u>\$ 175,861</u>	<u>\$ 2,154</u>	<u>\$ 15,976</u>	<u>\$ (10,624)</u>	<u>\$ (3,868)</u>	<u>\$ 13,047</u>	<u>\$ 359,591</u>	<u>\$ 3,062</u>	<u>\$ 874</u>
	2,154		35		420	127,555	128 2,931	
123,943								
51,918					12,627	232,036		874
		15,976	(10,659)	(3,868)			3	
<u>\$ 175,861</u>	<u>\$ 2,154</u>	<u>\$ 15,976</u>	<u>\$ (10,624)</u>	<u>\$ (3,868)</u>	<u>\$ 13,047</u>	<u>\$ 359,591</u>	<u>\$ 3,062</u>	<u>\$ 874</u>

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Five County Association of Governments
Combining Balance Sheet - All General Programs
June 30, 2021

(Continued)

	<u>Program 19</u>	<u>Program 20</u>	<u>Program 23</u>	<u>Program 24</u>	<u>Program 25</u>	<u>Program 26</u>	<u>Program 27</u>
	<u>Volunteer</u>	<u>Down</u>	<u>Human Svcs</u>				
	<u>Center</u>	<u>Foster</u>	<u>Payment</u>	<u>Transp.</u>	<u>Transportation</u>		<u>Senior</u>
	<u>Wash. County</u>	<u>Grandparent</u>	<u>Assistance</u>	<u>Planning</u>	<u>Planning</u>	<u>SSBG</u>	<u>Companion</u>
Assets:							
Cash	\$ 53,849	\$ (17,441)	\$ 34,852	\$ (4,657)	\$ 221,505	\$ (18,795)	\$ (18,228)
Accounts Receivable							
Accrued Revenue		13,227		4,420	57,238	10,777	19,857
Other Assets							
Inventory							
Total Assets	\$ 53,849	\$ (4,214)	\$ 34,852	\$ (237)	\$ 278,743	\$ (8,018)	\$ 1,629
Liabilities and Program Balances:							
Accounts Payable		150			45		150
Accrued Liabilities							
Unearned Revenue					272,526		
Program Balance:							
Nonspendable:							
Inventory							
Restricted:							
Assigned:							
Unassigned:	53,849	(4,364)	34,852	(237)	6,172	(8,018)	1,479
Total Liabilities and Program Balances	\$ 53,849	\$ (4,214)	\$ 34,852	\$ (237)	\$ 278,743	\$ (8,018)	\$ 1,629

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Program 28	Program 29	Program 30	Program 31	Program 32	Program 33	Program 35	Program 36	Program 38	Program 39
CSBG	Volunteer Income Tax Assistance	Caregiver Support	VITA IRS	Iron County RPO	Habitat for Humanity	Alternatives	New Choices Waiver	CSBG	Pamela Atkinson
\$ (96,916)	\$ (8,412)	\$ (33,540)	\$ (56)	\$ (21,796)	\$ (17,685)	\$ (51,969)	\$ 31,060	\$ (58,133)	\$ (2,145)
94,931	7,474	59,519		20,280 1,388	32,644	80,092	24,535	35	
\$ (1,985)	\$ (938)	\$ 25,979	\$ (56)	\$ (128)	\$ 14,959	\$ 28,123	\$ 55,595	\$ (58,098)	\$ (2,145)
		6,663				24,576	1,000		
					14,959				
		19,316					54,595		
(1,985)	(938)		(56)	(128)		3,547		(58,098)	(2,145)
\$ (1,985)	\$ (938)	\$ 25,979	\$ (56)	\$ (128)	\$ 14,959	\$ 28,123	\$ 55,595	\$ (58,098)	\$ (2,145)

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Five County Association of Governments
Combining Balance Sheet - All General Programs
June 30, 2020

(Continued)

	<u>Program 40</u>	<u>Program 41</u>	<u>Program 42</u>	<u>Program 43</u>	<u>Program 44</u>	<u>Program 45</u>	<u>Program 46</u>
	<u>Emergency</u>	<u>Iron County</u>	<u>Emergency</u>	<u>CAC -Child</u>	<u>Emergency</u>	<u>Community</u>	<u></u>
	<u>Solutions</u>	<u>EFSP</u>	<u>Food&Shelter</u>	<u>Development</u>	<u>Food</u>	<u>Fire</u>	<u>VITA</u>
	<u>Program</u>	<u>Program</u>	<u>Program</u>	<u>Program</u>	<u>Network</u>	<u>Prevention</u>	<u>Program</u>
Assets:							
Cash	\$ 2,789	\$ 16,650	\$ 9,491	\$ 215	\$ (1)	\$ (270)	\$ 905
Accounts Receivable							
Accrued Revenue	10,212						
Other Assets							
Inventory							
Total Assets	\$ 13,001	\$ 16,650	\$ 9,491	\$ 215	\$ (1)	\$ (270)	\$ 905
Liabilities and Program Balances:							
Accounts Payable							
Accrued Liabilities							
Unearned Revenue		16,650	9,487				
Program Balance:							
Nonspendable:							
Inventory							
Restricted:							905
Assigned:							
Unassigned:	13,001		4	215	(1)	(270)	
Total Liabilities and Program Balances	\$ 13,001	\$ 16,650	\$ 9,491	\$ 215	\$ (1)	\$ (270)	\$ 905

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<u>Program 47</u>	<u>Program 48</u>	<u>Program 49</u>	<u>Program 50</u>	<u>Program 51</u>	<u>Program 52</u>	<u>Program 54</u>	<u>Totals</u>	
<u>Court Ordered</u>	<u>Iron</u>	<u>Institute of</u>	<u>Payroll</u>	<u>VITA</u>	<u>Continuum</u>	<u>CSBG</u>	<u>(Memorandum Only)</u>	
<u>Community</u>	<u>County</u>	<u>Autonomous</u>	<u>Clearing</u>	<u>Federal</u>	<u>of Care</u>	<u>Cares</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
<u>Service</u>	<u>COCS</u>	<u>Mobility</u>			<u>Expansion</u>			
\$ (15,056)	\$ (30,809)	\$ 5,362	\$ (9,486)	\$ (1,687)	\$ (4,431)	\$ (27,283)	\$ 250,505	\$ 758
	30,809			1,687		27,283	1,539,097	1,383,807
			9,486				40,193	24,888
							123,943	110,857
\$ (15,056)	\$ -	\$ 5,362	\$ -	\$	\$ (4,431)	\$	\$ 1,953,738	\$ 1,520,310
							359,181	266,052
							2,931	2,116
							516,136	409,251
							123,943	110,857
		5,362					948,210	831,078
(15,056)					(4,431)		3,337	(99,044)
\$ (15,056)	\$	\$ 5,362	\$	\$	\$ (4,431)	\$	\$ 1,953,738	\$ 1,520,310

Five County Association of Governments
Combining Balance Sheet -Fiduciary Fund Types
Nonexpendable Trust Funds
June 30, 2021

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	Nonexpendable Trust Funds		Totals (Memorandum Only)	
	Down Payment Assistance	Revolving Loan Fund	June 30, 2021	June 30, 2020
<i>Assets:</i>				
Cash	\$ 34,852	\$ 887,330	\$ 922,182	\$ 1,019,476
Accrued Interest				
Notes Receivable		840,811	840,811	743,612
<i>Total Assets</i>	<u>\$ 34,852</u>	<u>\$ 1,728,141</u>	<u>\$ 1,762,993</u>	<u>\$ 1,763,088</u>
 <i>Liabilities and Fund Balances:</i>				
Fund Balance	\$ 34,852	\$ 1,728,141	\$ 1,762,993	\$ 1,763,088
<i>Total Liabilities and Fund Balance</i>	<u>\$ 34,852</u>	<u>\$ 1,728,141</u>	<u>\$ 1,762,993</u>	<u>\$ 1,763,088</u>

See Notes to Financial Statements

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Five County Association of Governments
Statement of Changes in Assets and Liabilities -
All Agency Funds
For the Year Ended June 30, 2021

	Balance			Balance
	June 30, 2020	Additions	Deductions	June 30, 2021
<i>Southern Utah Planning Authorities Council:</i>				
<i>Assets:</i>				
Cash	\$ 119	\$		\$ 119
<i>Liabilities:</i>				
Due to SUPAC	\$ 119	\$		\$ 119

See Notes to Financial Statements

DRAFT**Five County Association of Governments**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

All General Fund Programs

For The Year Ended June 30, 2021

	<u>Program 1</u>	<u>Program 2</u>	<u>Program 3</u>	<u>Program 4</u>	<u>Program 5</u>
	<u>Administration</u>	<u>Aging Waiver Admin</u>	<u>Veteran's Direct</u>	<u>Aging Waiver Services</u>	<u>Community & Economic Dev.</u>
REVENUES:					
State & Federal Contracts	\$	\$ 70,139	\$ 417,755	\$ 155,241	\$ 2,005,028
Indirect Cost Allocations	515,340				
County/Local Participation					73,490
Other					35,852
TOTAL REVENUES	515,340	70,139	417,755	155,241	2,114,370
EXPENDITURES:					
Total Payroll & Related Expense	353,076	60,704	45,462	109,447	401,286
Materials					
Fiscal Management	34,943				
Rent	27,215	563	807	1,831	3,485
Travel	16,501	1,028	207	1,977	10,589
Printing	2,542	17	205	552	2,977
Postage	2,329	18	41	99	610
Telephone	5,137	484	673	1,274	3,283
Supplies	6,106	1,046	171	148	4,017
Indirect Cost Allocation		4,966	6,342	15,504	55,979
Consultant/Contract Services		1,019	363,144	28,529	15,000
Capital Outlay	4,637	294			24,147
County Council on Aging Assistance					1,421,310
Other	33,280		703		4,428
TOTAL EXPENDITURES	485,766	70,139	417,755	159,361	1,947,111
Excess (Deficit) of Revenues Over Expenditures	29,574			(4,120)	167,259
Transfer From (To) Other Programs					
Other Programing Sources/(Uses)					
Beginning Program Balance	(64,323)			23,362	238,623
Year End Program Balance	\$ (34,749)	\$	\$	\$ 19,242	\$ 405,882

See Notes to Financial Statements

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<u>Program 6</u>	<u>Program 7</u>	<u>Program 8</u>	<u>Program 9</u>	<u>Program 10</u>	<u>Program 11</u>	<u>Program 12</u>	<u>Program 13</u>	<u>Program 14</u>
Special Contracts	Area Agency On Aging	Weatherization	RSVP	Human Services	Human Services	Continuum of Care	Child Care R & R	Nutrition
\$ 239,611	\$ 610,746	\$ 986,004	\$ 118,571	\$ 866	\$	\$ 92,281	\$ 679,167	\$ 1,093,493
				695		19,230	850	
39,753				4,115			3,772	397,331
279,364	610,746	986,004	118,571	5,676		111,511	683,789	1,490,824
	112,649	583,214	73,882			13,528	532,504	11,803
		228,939					8,673	1,420,174
	869	36,951	300			43,468	18,119	289
	972	22,798	3,578				8,578	
	1,029	3,001	1,785	3			3,471	9
	586	985	663	1			1,024	58
	3,345	9,176	1,217			16	13,165	182
	1,048	6,635	14,193	209			3,813	2
19,873	16,911	64,171	10,307			177	75,483	1,647
		461	7,607			21,502	9,421	8,332
	1,006	2,052					8,698	35,334
	455,525							
						38,348		
270,422	16,806		5,039			500	10,748	
290,295	610,746	958,383	118,571	213		117,539	693,697	1,477,830
(10,931)		27,621		5,463		(6,028)	(9,908)	12,994
168,289	7,337	148,240		10,513	(10,659)	2,160	22,535	219,042
\$ 157,358	\$ 7,337	\$ 175,861	\$	\$ 15,976	\$ (10,659)	\$ (3,868)	\$ 12,627	\$ 232,036

DRAFT**Five County Association of Governments**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

All General Fund Programs

For The Year Ended June 30, 2021

	<u>Program 15</u>	<u>Program 18</u>	<u>Program 19</u>	<u>Program 20</u>	<u>Program 23</u>	<u>Program 24</u>
	Heat	Mobility	Volunteer Ctr.	Foster	Down	H.S. Cons.
	Assistance	Mgt	Wash Co	Grandparent	Payment	Transportation
					Assistance	Planning
REVENUES:						
State & Federal Contracts	\$ 596,018	\$ 61,758	\$	\$ 98,148		\$ 19,374
Indirect Cost Allocations						
County/Local Participation		16,787	10,000			5,424
Other			8,735		5,564	
TOTAL REVENUES	596,018	78,545	18,735	98,148	5,564	24,798
EXPENDITURES:						
Total Payroll & Related Expense	436,892	67,443		35,333		21,389
Materials	784					
Fiscal Management						
Rent	45,210	249		567		249
Travel	3,533	443	1	1,123		
Printing	68	73	7	579		11
Postage	1,453		4	396		
Telephone	14,051	648		403		165
Supplies	11,054		214	5,897		
Indirect Cost Allocation	60,912	9,408		4,803		2,984
Consultant/Contract Services			110	184		
Capital Outlay	14,528					
County Council on Aging						
Assistance						
Other	7,533	280	1,699	52,695	40	
TOTAL EXPENDITURES	596,018	78,544	2,035	101,980	40	24,798
Excess (Deficit) of Revenues Over						
Expenditures		1	16,700	(3,832)	5,524	
Transfer From (To) Other Programs						
Other Programing Sources/(Uses)						
Beginning Program Balance	3	873	37,149	(532)	29,328	(237)
Year End Program Balance	\$ 3	\$ 874	\$ 53,849	\$ (4,364)	\$ 34,852	\$ (237)

See Notes to Financial Statements

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<u>Program 25</u>	<u>Program 26</u>	<u>Program 27</u>	<u>Program 28</u>	<u>Program 29</u>	<u>Program 30</u>	<u>Program 31</u>	<u>Program 32</u>	<u>Program 33</u>
Dixe MPO	SSBG	Senior Companion	CSBG	Volunteer Tax Assist.	Caregiver Support	VITA IRS	Iron Co. RPO	Habitat for Humanity
\$ 459,999	\$ 49,461	\$ 119,899	\$ 146,369	\$ 18,000	\$ 234,632	\$ 40,523	\$	\$ 1,862,843
49,320		1,766			1,000		36,492	
509,319	49,461	121,665	146,369	18,000	235,632	40,523	36,492	1,862,843
266,418	2,497	35,821	93,356	11,681	165,781	6,085	30,816	106,224
3,288		567	5,717		2,760	2,175	588	171,425
1,666	1	19,427	816	102	1,273		457	196
255	11	783	543		857		62	1,539
52	79	519	251	1	1,315	23	1	686
2,322	38	408	2,673	162	1,919	391	269	1,226
1,630		5,501	6,552	2,510	3,722	84		34
37,165	348	5,123	14,703	1,514	23,127	783	4,299	11,031
168,475	41,716				33,878	30,982		3,954
2,452								
			9,708					1,557,946
19,424	4,770	60,941	7,344	2,091				125
503,147	49,460	129,090	141,663	18,061	234,632	40,523	36,492	1,854,386
6,172	1	(7,425)	4,706	(61)	1,000			8,457
	(8,019)	8,904	(6,691)	(877)	18,316	(56)	(128)	(8,457)
\$ 6,172	\$ (8,018)	\$ 1,479	\$ (1,985)	\$ (938)	\$ 19,316	\$ (56)	\$ (128)	\$

DRAFT**Five County Association of Governments****Combining Statement of Revenues, Expenditures and Changes in Fund Balances****All General Fund Programs****For The Year Ended June 30, 2021**

	<u>Program 35</u>	<u>Program 36</u>	<u>Program 38</u>	<u>Program 39</u>	<u>Program 40</u>	<u>Program 41</u>
		New Choices		Pamela	Emergency	Emergency
	Alternatives	Waiver	CSBG	Atkinson	Solutions	Food & Shelter
REVENUES:						
State & Federal Contracts	\$ 505,931	\$ 281,319	\$ 120,272	\$ 43,541	\$ 48,301	\$ 7,852
Indirect Cost Allocations						
County/Local Participation						
Other			64		7,168	
TOTAL REVENUES	505,931	281,319	120,336	43,541	55,469	7,852
EXPENDITURES:						
Total Payroll & Related Expense	141,749	224,082	61,679	336	12,446	
Materials						
Fiscal Management						
Rent	2,489	3,483	2,283	14,471	18,030	
Travel	4,735	1,907	1,473			
Printing	1,156	1,958	1,939	287		
Postage	1,479	114	560			
Telephone	2,318	2,656	2,015		11	
Office Supplies	1,833	1,354	6,800			
Indirect Cost Allocation	19,535	28,506	11,227	47	187	
Consultant/Contract Services	330,637	14,717		29,766		
Capital Outlay		75				
County Council on Aging						
Assistance			44,803			7,852
Other			1,621		17,725	
TOTAL EXPENDITURES	505,931	278,852	134,400	44,907	48,399	7,852
Excess (Deficit) of Revenues Over						
Expenditures		2,467	(14,064)	(1,366)	7,070	
Transfer From (To) Other Programs						
Other Programing Sources/(Uses)						
Beginning Program Balance	3,547	52,128	(44,034)	(779)	5,931	
Year End Program Balance	\$ 3,547	\$ 54,595	\$ (58,098)	\$ (2,145)	\$ 13,001	\$

See Notes to Financial Statements

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<u>Program 42</u>	<u>Program 43</u>	<u>Program 44</u>	<u>Program 45</u>	<u>Program 46</u>	<u>Program 47</u>	<u>Program 48</u>	<u>Program 49</u>
Emergency		Emergency	Community		Court Ordered	Iron	Institute of
Food&Shelter	CAC - Child	Food	Fire	TANF	Community	County	Autonomous
Iron County	Development	Network	Prevention	VITA	Services	COCS	Mobility
\$ 143,755	\$	\$	\$	\$	\$	\$ 17,902	\$
					6,556		
143,755					6,556	17,902	
					6,649	6,495	1,437
						9,534	
					4		
	2			1	203		
					1	69	
	2				112	2,021	
						3,846	
					927	1,091	201
							20,000
						429	
143,755							
					1,550		
143,755	4			1	9,446	23,485	21,638
	(4)			(1)	(2,890)	(5,583)	(21,638)
4	219	(1)	(270)	906	(12,166)	5,583	27,000
\$ 4	\$ 215	\$ (1)	\$ (270)	\$ 905	\$ (15,056)	\$	\$ 5,362

DRAFT**Five County Association of Governments**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

All General Fund Programs

For The Year Ended June 30, 2021

	Program 51	Program 52	Program 54	Totals	
	VITA	Continuum	CSBG	(Memorandum Only)	
	Federal	of Care	Cares	June 30, 2021	June 30, 2020
		Expansion			
REVENUES:					
State	\$ 9,193	\$ 52,825	\$ 38,286	\$ 11,445,103	\$ 1,380,432
Indirect Cost Allocations				515,340	433,164
County/Local Participation				214,054	690,434
Other		6,224		516,134	52,128
TOTAL REVENUES	9,193	59,049	38,286	12,690,631	2,556,158
EXPENDITURES:					
Total Payroll & Related Expense	7,707	2,296	12,048	4,054,215	3,830,869
Materials				1,658,570	1,543,696
Fiscal Management				34,943	41,094
Rent		19,449	576	437,007	264,523
Travel				103,385	175,488
Printing			8	25,933	23,448
Postage	1			13,418	10,573
Telephone			31	71,793	88,510
Supplies	320		4,235	92,974	69,606
Indirect Cost Allocation	1,165		4,894	515,340	415,600
Consultant/Contract Services		14,751		1,144,185	853,526
Capital Outlay				93,652	60,146
County Council on Aging				455,525	428,872
Assistance		25,729	375	3,249,826	
Other		711	16,119	536,594	706,986
TOTAL EXPENDITURES	9,193	62,936	38,286	12,487,360	8,512,937
Excess (Deficit) of Revenues Over					
Expenditures		(3,887)		203,271	(5,956,779)
Transfer From (To) Other Programs					
Other Programing Sources/(Uses)					
Beginning Program Balance		(544)		872,219	741,109
Year End Program Balance	\$	\$ (4,431)	\$	\$ 1,075,490	\$ (5,215,670)

See Notes to Financial Statements

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Five County Association of Governments
Combining Statement of Revenues, Expenses and Changes in Fund Balance
Nonexpendable Trust Funds for the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Fiduciary Fund Types		Totals	
	<u>Nonexpendable Trust Funds</u>		<u>(Memorandum Only)</u>	
	<u>Down Payment Assistance Fund</u>	<u>Revolving Loan Fund</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
<i>Revenues:</i>				
State Contracts	\$	\$	\$	\$
Interest		25,780	25,780	61,579
Other	5,564		5,564	5,522
<i>Total Revenues</i>	<u>5,564</u>	<u>25,780</u>	<u>31,344</u>	<u>67,101</u>
<i>Expenditures:</i>				
Legal Fees - Repossessions				
Bad Debts				35,573
Administrative	40	31,400	31,440	35,258
<i>Total Expenditures</i>	<u>40</u>	<u>31,400</u>	<u>31,440</u>	<u>70,831</u>
Excess (Deficit) of Revenues Over Expenditures	5,524	(5,620)	(96)	(3,730)
Transfer From Other Funds				
<i>Beginning Fund Balance</i>	29,328	1,733,761	1,763,089	1,766,819
<i>Year End Fund Balance</i>	<u>\$ 34,852</u>	<u>\$ 1,728,141</u>	<u>\$ 1,762,993</u>	<u>\$ 1,763,089</u>

See Notes to Financial Statements

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Five County Association of Governments
Combining Statement of Cash Flows - Nonexpendable Trust Funds
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Down Payment Assistance	Revolving Loan Fund	Totals - (Memorandum Only)	
			June 30, 2021	June 30, 2020
<i>Cash Provided By:</i>				
Operating Activities				
Net Income (Loss)	\$ 5,524	\$ (5,620)	\$ (96)	\$ (3,730)
<i>Change in Operating Assets and Liabilities:</i>				
(Increase)/Decrease in Accrued Interest Income				
Loans Charged Off as Uncollectible				35,573
<i>Net Cash Used by Operating Activities</i>	<u>5,524</u>	<u>(5,620)</u>	<u>(96)</u>	<u>31,843</u>
<i>Noncapital Financing Activities:</i>				
Transfers In				
<i>Net Cash Provided by Noncapital Financing Activities</i>				
<i>Investing Activities:</i>				
Principal Repayments from Customers		202,802	202,802	187,268
Loans Made to Customers		(300,000)	(300,000)	(50,000)
<i>Net Cash Provided by Investing Activities</i>		<u>(97,198)</u>	<u>(97,198)</u>	<u>137,268</u>
Increase/(Decrease) in Cash Equivalents	5,524	(102,818)	(97,294)	169,111
Cash and Cash Equivalents at Beginning of Year	<u>29,328</u>	<u>990,148</u>	<u>1,019,476</u>	<u>850,365</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$ 34,852</u>	<u>\$ 887,330</u>	<u>\$ 922,182</u>	<u>\$ 1,019,476</u>

See Notes to Financial Statements

SINGLE AUDIT COMPLIANCE SECTION

**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***

STEERING COMMITTEE
FIVE COUNTY ASSOCIATION OF GOVERNMENTS
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 and each major fund of the Five County Association of Governments (The Association), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Five County Association of Government's basic financial statements, and have issued our report thereon dated February 1, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association'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 Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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 Five County Association of Government'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 obtaining 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 Five County Association of Government'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 Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hafen, Buckner, Everett & Graff, PC
February 1, 2022

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

STEERING COMMITTEE
FIVE COUNTY ASSOCIATION OF GOVERNMENTS
ST. GEORGE, UTAH

Report on Compliance for Each Major Federal Program

We have audited the Five County Association of Government's (Association) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Association's major federal programs for the year ended June 30, 2021. Five County Association of Government'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 Five County Association of Government'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 the Association'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 the Association's compliance.

Opinion on Each Major Federal Program

In our opinion, the Association 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, 2021.

Report on Internal Control Over Compliance

Management of Five County Association of Governments 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 the Association'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 the 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 the Association'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.

Purpose of this Report

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

HAFEN, BUCKNER, EVERETT & GRAFF, PC

February 1, 2022

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**Five County Association of Governments
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA #</i>	<i>Pass-through Grantor</i>	<i>Federal Expenditures</i>
<i>Aging Cluster-Cluster</i>			
Department of Health and Human Services			
Special Programs for the Aging_Title III, Part B_Grants for Supportive Services & Senior Centers			
Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	Ut Dept of Human Services	401,401
Total Special Programs for the Aging_Title III, Part B_Grants for Supportive Services & Senior Centers			401,401
Special Programs for the Aging_Title III, Part C_Nutrition Services			
Special Programs for the Aging_Title III, Part C_Nutrition Services	93.045	Ut Dept of Human Services	673,392
Total Special Programs for the Aging_Title III, Part C_Nutrition Services			673,392
Nutrition Services Incentive Program			
Nutrition Services Incentive Program	93.053	Ut Dept of Human Services	125,300
Total Nutrition Services Incentive Program			125,300
Total Department of Health and Human Services			1,200,093
Total Aging Cluster-Cluster			1,200,093
<i>Economic Development Cluster-Cluster</i>			
Department of Commerce			
Economic Adjustment Assistance			
Economic Adjustment Assistance	11.307		1,345,693
Total Economic Adjustment Assistance			1,345,693
Total Department of Commerce			1,345,693
Total Economic Development Cluster-Cluster			1,345,693
<i>Food Distribution Cluster-Cluster</i>			
United States Department of Agriculture			
Emergency Food Assistance Program (Administrative Costs)			
Emergency Food Assistance Program (Administrative Costs)	10.568	Utah Food Bank	18,576
Total Emergency Food Assistance Program (Administrative Costs)			18,576
Total United States Department of Agriculture			18,576
Total Food Distribution Cluster-Cluster			18,576
<i>Foster Grandparents/Senior Companion Cluster-Cluster</i>			
Corporation for National and Community Service			
Foster Grandparent Program			
Foster Grandparent Program	94.011		103,602
Total Foster Grandparent Program			103,602
Senior Companion Program			
Senior Companion Program	94.016		94,424
Total Senior Companion Program			94,424
Total Corporation for National and Community Service			198,026
Total Foster Grandparents/Senior Companion Cluster-Cluster			198,026
<i>Highway Planning and Construction Cluster-Cluster</i>			
Department of Transportation			
Highway Planning and Construction			
Highway Planning and Construction	20.205	UDOT	359,921
Total Highway Planning and Construction			359,921
Total Department of Transportation			359,921

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**Five County Association of Governments
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA #</i>	<i>Pass-through Grantor</i>	<i>Federal Expenditures</i>
Total Highway Planning and Construction Cluster-Cluster			359,921
Medicaid Cluster-Cluster			
Department of Health and Human Services			
Medical Assistance Program			
		Ut Division of Health Care	
Medical Assistance Program	93.778	Financing	294,710
Total Medical Assistance Program			294,710
Total Department of Health and Human Services			294,710
Total Medicaid Cluster-Cluster			294,710
Services To Indian Children, Elderly And Families-Cluster			
Department of Health and Human Services			
Community Services Block Grant (477 Cluster - Version 2)			
		UT Dept of Housing &	
Community Services Block Grant (477 Cluster - Version 2)	93.569	Community Development	304,928
Total Community Services Block Grant (477 Cluster - Version 2)			304,928
Child Care and Development Block Grant(477 Cluster - Version 2)			
		UT Dept of Housing &	
Child Care and Development Block Grant(477 Cluster - Version 2)	93.575	Community Development	679,167
Total Child Care and Development Block Grant(477 Cluster - Version 2)			679,167
Total Department of Health and Human Services			984,095
Total Services To Indian Children, Elderly And Families-Cluster			984,095
Transit Services Programs Cluster-Cluster			
Department of Transportation			
Enhanced Mobility of Seniors and Individuals with Disabilities			
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	UDOT	57,145
Total Enhanced Mobility of Seniors and Individuals with Disabilities			57,145
Total Department of Transportation			57,145
Total Transit Services Programs Cluster-Cluster			57,145
Other Programs			
Corporation for National and Community Service			
Retired and Senior Volunteer Program			
Retired and Senior Volunteer Program	94.002		104,511
Total Retired and Senior Volunteer Program			104,511
Total Corporation for National and Community Service			104,511
Department of Commerce			
Economic Development Support for Planning Organizations			
Economic Development Support for Planning Organizations	11.302		179,916
Total Economic Development Support for Planning Organizations			179,916
Total Department of Commerce			179,916
Department of Energy			
Weatherization Assistance for Low-Income Persons			
		Ut Dept of Workforce	
Weatherization Assistance for Low-Income Persons	81.042	Services	289,849
Total Weatherization Assistance for Low-Income Persons			289,849

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**Five County Association of Governments
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA #</i>	<i>Pass-through Grantor</i>	<i>Federal Expenditures</i>
<i>Total Department of Energy</i>			289,849
Department of Transportation			
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research			
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	UDOT	<u>121,771</u>
Total Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research			121,771
Formula Grants for Rural Areas			
Formula Grants for Rural Areas	20.509	UDOT	<u>10,000</u>
Total Formula Grants for Rural Areas			<u>10,000</u>
<i>Total Department of Transportation</i>			131,771
Department of Health and Human Services			
Special Programs for the Aging_Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals			
Special Programs for the Aging_Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals	93.042	Utah Dept. of Human Services	<u>17,732</u>
Total Special Programs for the Aging_Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals			17,732
Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services			
Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services	93.043	Ut Dept of Human Services	<u>25,300</u>
Total Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services			25,300
Special Programs for the Aging_Title IV_and Title II_Discretionary Projects			
Special Programs for the Aging_Title IV_and Title II_Discretionary Projects	93.048	Ut Dept of Human Services	<u>115,370</u>
Total Special Programs for the Aging_Title IV_and Title II_Discretionary Projects			115,370
National Family Caregiver Support, Title III, Part E			
National Family Caregiver Support, Title III, Part E	93.052	Ut Dept of Human Services	<u>184,508</u>
Total National Family Caregiver Support, Title III, Part E			184,508
Low-Income Home Energy Assistance			
Low-Income Home Energy Assistance	93.568	Ut Dept of Workforce Services	<u>1,229,081</u>
Total Low-Income Home Energy Assistance			1,229,081
Social Services Block Grant			
Social Services Block Grant	93.667	Ut Dept of Workforce Services	<u>176,197</u>
Total Social Services Block Grant			176,197
Centers for Medicare & Medicaid Services (CMS) Research, Demonstrations & Evaluations			

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**Five County Association of Governments
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA #</i>	<i>Pass-through Grantor</i>	<i>Federal Expenditures</i>
Centers for Medicare & Medicaid Services (CMS) Research, Demonstrations & Evaluations	93.779	Ut Dept of Workforce Services	36,990
Total CMS Research, Demonstrations and Evaluations			36,990
Assistance Programs for Chronic Disease Prevention and Control			
Assistance Prog for Chronic Disease Prevention & Control	93.945	Ut Dept of Health	19,629
Total Assistance Programs for Chronic Disease Prevention & Control			19,629
Total Department of Health and Human Services			1,804,807
Department of Housing and Urban Development			
Community Development Block Grants/State's program			
		Ut Dept of Housing & Community Development	1,605,995
Community Development Block Grants/State's program	14.228		1,605,995
Total Community Development Block Grants/State's program			1,605,995
Home Investment Partnerships Program			
		Housing & Community Development	91,841
Home Investment Partnerships Program	14.239		91,841
Total Home Investment Partnerships Program			91,841
Continuum of Care Program			
Continuum of Care Program	14.267		145,106
Total Continuum of Care Program			145,106
Total Department of Housing and Urban Development			1,842,942
Department of the Treasury			
Volunteer Income Tax Assistance (VITA) Matching Grant Program			
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009	Community Action Partnership of Ut	8,872
Total Volunteer Income Tax Assistance (VITA) Matching Grant Program			8,872
Coronavirus Relief Fund			
		Housing & Community Development	1,845,158
Coronavirus Relief Fund	21.019		1,845,158
Total Coronavirus Relief Fund			1,845,158
Emergency Rental Assistance Program			
		Housing & Community Development	32,644
Emergency Rental Assistance Program	21.023		32,644
Total Emergency Rental Assistance Program			32,644
Total Department of the Treasury			1,886,674
Department of Veterans Affairs			
VHA Home Care			
VHA Home Care	64.044		537,583
Total VHA Home Care			537,583
Total Department of Veterans Affairs			537,583
Total Other Programs			6,778,053
Total Expenditures of Federal Awards			\$ 11,236,312

The accompanying notes are an integral part of this schedule

FIVE COUNTY ASSOCIATION OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021

I. SUMMARY OF AUDITOR'S RESULTS

- A. Type of audit report issued on the financial statements: Unmodified opinion.
- B. Internal control over financial reporting:
Material weakness identified: None.
Significant deficiencies identified that were not considered to be material weaknesses: None
- C. Instances of noncompliance material to the financial statements: None
- D. Internal control over major programs:
Material weakness identified: None
Significant deficiencies identified that were not considered to be material weaknesses: None
- E. Type of report issued on compliance for major programs: Unmodified opinion.
- F. Audit findings required to be reported in accordance with 2 CFR section 200.516(a): None.
- G. Major Programs:

<u>Program</u>	<u>CFDA</u>	<u>Amount</u>
Community Development Block Grants	14.228	\$1,605,995
Low-Income Home Energy Assistance	93.568	\$1,229,081
Coronavirus Relief Fund	21.023	\$1,845,158

- H. Dollar threshold used to distinguish between Type A and B programs: \$750,000.
- I. Five County Association of Government qualifies as a low-risk auditee.

FIVE COUNTY ASSOCIATION OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021

**II. FINDINGS RELATED TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE
REPORTED IN ACCORDANCE WITH *GENERALLY ACCEPTED GOVERNMENTAL AUDITING
STANDARDS***

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-NONE-

FIVE COUNTY ASSOCIATION OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021

**III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS AS DEFINED IN ACCORDANCE
WITH 2 CFR SECTION 200.516(A) OF THE UNIFORM GUIDANCE**

-NONE-

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FIVE COUNTY ASSOCIATION OF GOVERNMENTS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2021

Status of Federal Award Findings and Questioned Costs

- NONE -

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE STATE COMPLIANCE AUDIT GUIDE**

Steering Committee
Five County Association of Governments
St. George, Utah

Report On Compliance with General State Compliance Requirements

We have audited the Five County Association of Government's (Association) compliance with the applicable general state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor that could have a direct and material effect on the Association for the year ended June 30, 2021.

General state compliance requirements were tested for the year ended June 30, 2021 in the following areas:

Cash Management
Public Treasurer's Bond
Fraud Risk Assessment

Budgetary Compliance
Fund Balance

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on Five County Association of Government'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 state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the Association'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 on compliance for each state compliance requirement referred above. However, our audit does not provide a legal determination of Five County Association of Government's compliance with those requirements.

Opinion on Compliances

In our opinion, Five County Association of Governments complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2021.

Other Matters

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

Report on Internal Control Over Compliance

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

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

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

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

HAFEN, BUCKNER, EVERETT & GRAFF, PC
February 1, 2022

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