

FIVE COUNTY ASSOCIATION OF GOVERNMENTS

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

For the Year Ended June 30, 2020

Five County Association of Governments
 Financial Statements and Supplementary Information
 For the Year Ended June 30, 2020

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Five County Association of Governments
Financial Statements and Supplementary Information
For the Year Ended June 30, 2020

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Independent Auditor's Report

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

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, 2020, 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, 2020, 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, 2020 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.

Hafen Buckner, Everett & Graff, PC

HAFEN, BUCKNER, EVERETT & GRAFF, PC
December 28, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

FIVE COUNTY ASSOCIATION OF GOVERNMENTS

Management's Discussion and Analysis

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, 2020. 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 \$640,192 at the close of the most recent fiscal year.
- Unrestricted net position was a deficit \$909,179 at June 30, 2020.
- The Association's total assets are \$2,282,610.
- The Expenditures for June 30, 2020 were less than the adopted budget by \$1,872,776.
- Capital assets (Net of accumulated depreciation) at June 30, 2020 were \$762,300 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 \$720,676 at the close of the most recent fiscal year.

**Five County Association of Governments
Comparative Summary of Net Position
As of June 30, 2020 and 2019**

| | Governmental <u>Activities</u> | |
|--|-----------------------------------|-------------------|
| | <u>2020</u> | <u>2019</u> |
| Assets and deferred outflows of resources: | | |
| Current and other assets | \$1,520,310 | \$1,616,006 |
| Capital assets | 762,300 | 832,299 |
| Deferred outflows of resources | <u>321,658</u> | <u>666,434</u> |
| Total assets & deferred outflows | <u>2,604,268</u> | <u>3,114,739</u> |
| Liabilities and deferred inflows of resources: | | |
| Current liabilities | 908,402 | 1,083,402 |
| Noncurrent liabilities | 653,547 | 1,338,640 |
| Deferred inflows of resources | <u>402,142</u> | <u>46,361</u> |
| Total liabilities & deferred inflows | <u>1,964,076</u> | <u>2,542,072</u> |
| Net position: | | |
| Invested in capital assets net of related debt | 718,293 | 767,103 |
| Restricted | 660,573 | 660,573 |
| Unrestricted | <u>(909,179)</u> | <u>(825,347)</u> |
| Total net position | <u>\$ 640,192</u> | <u>\$ 602,329</u> |

Governmental Activities:

As of June 30, 2020, the Associations assets exceeded liabilities by \$640,192 up from \$602,329 in fiscal year 2019 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, 2020 and 2019**

| | Governmental Activities | |
|------------------------------------|----------------------------|-------------------|
| | <u>2020</u> | <u>2019</u> |
| Revenues: | | |
| Charges for services | \$ 492,547 | \$ 396,839 |
| Operating grants and contributions | <u>8,122,172</u> | <u>8,069,841</u> |
| Total revenues | <u>8,614,719</u> | <u>7,466,680</u> |
| Expenses: | | |
| Governmental activities | <u>8,576,856</u> | <u>8,538,690</u> |
| Total expenses | <u>8,576,856</u> | <u>8,538,690</u> |
| Changes in net position | 37,863 | (72,010) |
| Net position, July 1 | <u>602,329</u> | <u>674,339</u> |
| Net position, June 30 | <u>\$ 640,192</u> | <u>\$ 602,329</u> |

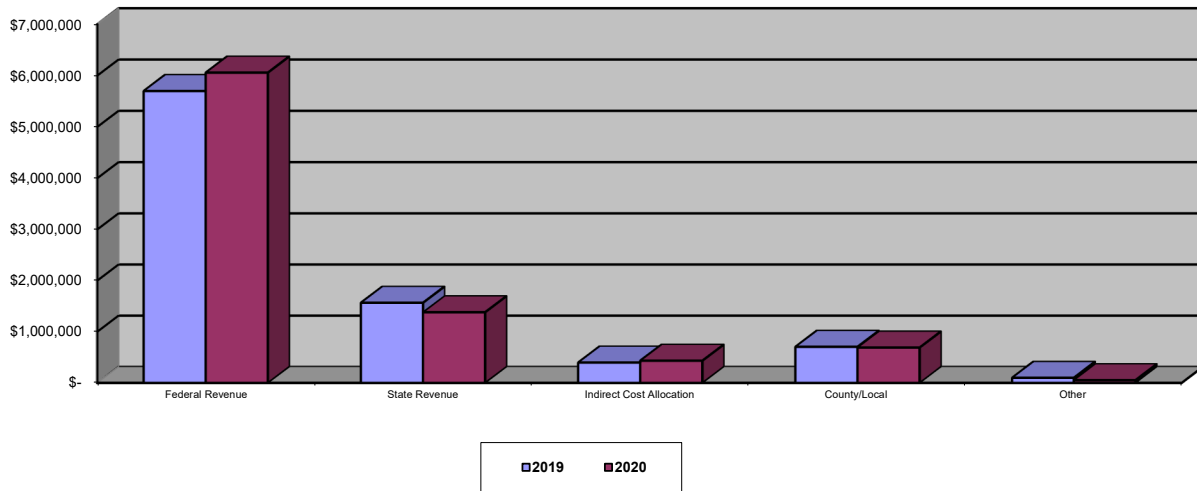
General Fund Budgetary Highlights

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 | \$ 8,846,530 | \$10,385,712 | \$ 8,614,719 |
| Total Expenditures including Capital Outlay | <u>8,846,530</u> | <u>10,385,712</u> | <u>8,512,936</u> |
| Excess (Deficit) of Revenues | | | |
| Over Expenditures | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ 101,783</u> |

Revenues



Capital Assets

The AOG’s fiscal year 2020 investment in capital assets, for all activities, amounted to \$762,300. The AOG has chosen a threshold of capital assets to be included for reporting purposes at \$3,000.

Summary of Net Capital Assets

| | <u>2020</u> | <u>2019</u> |
|--------------------------|-------------------|-------------------|
| Buildings | \$ 927,671 | \$ 927,671 |
| Land | 135,000 | 135,000 |
| Furniture & Equipment | 499,783 | 519,026 |
| Accumulated Depreciation | <u>(800,154)</u> | <u>(749,398)</u> |
| Total Net Capital Assets | <u>\$ 762,300</u> | <u>\$ 832,299</u> |

Long-term Debt

The AOG’s fiscal year 2020 long-term debt totaled \$44,007 compared with \$65,196 in 2019.

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

Five County Association of Governments

Statement of Net Position

June 30, 2020

| | Governmental Activities |
|--|----------------------------|
| Assets: | |
| Cash & Cash Equivalents | \$ 758 |
| Accounts Receivable | - |
| Accrued Revenue Receivable | 1,383,807 |
| Prepaid Assets | 24,888 |
| Inventory | 110,857 |
| Capital Assets (Net of Accumulated Depreciation) | 762,300 |
| Total Assets | 2,282,610 |
| Deferred Outflows of Resources: | 321,658 |
| Total Assets and Deferred Outflows of Resources | \$ 2,604,268 |
| Liabilities: | |
| Cash Deficit | \$ - |
| Accounts Payable | 266,052 |
| Accrued Liabilities | 2,116 |
| Unearned Revenue | 409,251 |
| Accrued Leave | 208,591 |
| Credit Line | - |
| Long-term Debt: | |
| Due within one year | 22,377 |
| Due in more than one year | 21,630 |
| Net Pension Liability | 631,917 |
| Total Liabilities | 1,561,934 |
| Deferred Inflows of Resources: | 402,142 |
| Net Position: | |
| Invested in Capital Assets | 718,293 |
| Restricted | 831,078 |
| Unrestricted | (909,179) |
| Total Net Position | 640,192 |
| Total Liabilities, Deferred Inflows of Resources and Net Position | \$ 2,604,268 |

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, 2020

| 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 | \$ 563,446 | \$ 492,547 | \$ | \$ (70,899) |
| General Services | 8,013,410 | 8,122,172 | \$ | 108,762 |
| Total Governmental Activities | \$ 8,576,856 | \$ 492,547 | \$ 8,122,172 | \$ 37,863 |
| General Revenues: | | | | |
| Total General Revenues | | | | 37,863 |
| Change in Net Position | | | | 37,863 |
| Net Position at Beginning of Year | | | | 602,329 |
| Net Position at End of Year | | | | \$ 640,192 |

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

Five County Association of Governments
Balance Sheet - Governmental Funds
June 30, 2020

| | Major Fund |
|---|-------------------------|
| | General |
| <i>Assets:</i> | |
| Cash (Note 2) | \$ 758 |
| Accounts Receivable (Note 5) | - |
| Accrued Revenue Receivable | 1,383,807 |
| Other Assets | 24,888 |
| Inventory (Note 3) | 110,857 |
| <i>Total Assets</i> | \$ 1,520,310 |
| <i>Liabilities:</i> | |
| Cash (Deficit) | \$ - |
| Accounts Payable | 266,052 |
| Accrued Liabilities | 2,116 |
| Unearned Revenue (Note 8) | 409,251 |
| Credit Line | - |
| <i>Total Liabilities</i> | 677,419 |
| <i>Fund Balance:</i> | |
| Nonspendable: | |
| Inventory | 110,857 |
| Restricted | 831,078 |
| Assigned | - |
| Unassigned | (99,044) |
| <i>Total Fund Balance</i> | 842,891 |
| <i>Total Liabilities and Fund Balances</i> | \$ 1,520,310 |

Five County Association of Governments

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2020

| | | |
|---|----|---------|
| Total fund balances for governmental funds | \$ | 842,891 |
|---|----|---------|

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 | | 89,476 | |
| Vehicles | | 410,308 | |
| Accumulated Depreciation | | <u>(800,155)</u> | |
| Total Capital Assets | | | 762,300 |
| Deferred Outflows of Resources - Pensions | | | 321,658 |

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 | | (208,591) | |
| Long-term Debt | | (44,007) | |
| Net Pension Liability | | <u>(631,917)</u> | |
| Total Long-term Liabilities | | | (884,515) |
| Deferred Inflows of Resources - Pensions | | | <u>(402,142)</u> |

| | | |
|--|----|-----------------------|
| Total net position of governmental activities | \$ | <u><u>640,192</u></u> |
|--|----|-----------------------|

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, 2020

| | General Fund Types |
|--|---------------------------|
| REVENUES: | |
| State | \$ 1,380,432 |
| Federal | 6,206,870 |
| Indirect Cost Allocations (Note 4) | 433,164 |
| County/Local Participation | 690,434 |
| Accrued (Unearned) Revenue | (148,309) |
| Other | 52,128 |
| TOTAL REVENUES | 8,614,719 |
| EXPENDITURES: | |
| Total Payroll & Related Expense | 3,830,869 |
| Materials | 1,543,696 |
| Fiscal Management | 41,094 |
| Rent | 264,523 |
| Travel | 175,488 |
| Printing | 23,448 |
| Postage | 10,573 |
| Telephone | 88,510 |
| Office Supplies | 69,606 |
| Indirect Cost Allocation (Note 4) | 415,600 |
| Consultant/Contract Services | 853,526 |
| Capital Outlay | 60,146 |
| County Council on Aging | 428,872 |
| Other | 706,986 |
| TOTAL EXPENDITURES | 8,512,937 |
| Excess (Deficit) of Revenues Over Expenditures | 101,782 |
| OTHER FUNDING SOURCES/(USES) | |
| BEGINNING FUND BALANCE | 741,109 |
| YEAR END FUND BALANCE | \$ 842,891 |

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

Five County Association of Governments

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, 2020

| | |
|---|-------------------|
| Net change in fund balances - total governmental funds | \$ 101,782 |
|---|-------------------|

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 | \$ (69,999) | |
| Capital Outlays | <u>-</u> | |
| Total Capital Assets | | (69,999) |

Government funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned is reported as pension expense. 37,039

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 | \$ (52,148) | |
| Repayment of Long-Term Debt Principal | 21,189 | |
| Total Long-term Liabilities | <u>-</u> | <u>(30,959)</u> |

| | |
|--|-------------------------|
| Change in net position of governmental activities | <u>\$ 37,863</u> |
|--|-------------------------|

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, 2020

| | <u>Fiduciary Fund Type</u> | |
|--|---------------------------------------|-------------------------------|
| | <u>Nonexpendable Trust</u> | <u>Agency Fund</u> |
| <i>Assets:</i> | | |
| Cash | \$ 1,019,476 | \$ 119 |
| Accrued Interest | | |
| Notes Receivable | 743,613 | |
| <i>Total Assets</i> | <u><u>\$ 1,763,089</u></u> | <u><u>\$ 119</u></u> |
| <i>Liabilities and Fund Balances:</i> | | |
| Due to SUPAC | \$ | \$ 119 |
| Fund Balance | 1,763,089 | |
| <i>Total Liabilities and Fund Balance</i> | <u><u>\$ 1,763,089</u></u> | <u><u>\$ 119</u></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, 2020

| | <u>Fiduciary Fund Type</u> <u>Nonexpendable Trust</u> |
|--|--|
| <i>Revenues:</i> | |
| Interest | \$ 61,579 |
| Other | 5,522 |
| <i>Total Revenues</i> | <u>67,101</u> |
| <i>Expenditures:</i> | |
| Bad Debts | 35,573 |
| Administrative | 35,258 |
| <i>Total Expenditures</i> | <u>70,831</u> |
| Excess (Deficit) of Revenues Over Expenditures | (3,730) |
| <i>Beginning Fund Balance</i> | <u>1,766,819</u> |
| <i>Year End Fund Balance</i> | <u><u>\$ 1,763,089</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, 2020

Cash Provided By:

| | |
|----------------------|------------|
| Operating Activities | |
| Net Income (Loss) | \$ (3,730) |

Change in Operating Assets and Liabilities:

| | |
|---|----------------------|
| (Increase)/Decrease in Accrued Interest Income | |
| Bad Debts | 35,573 |
| <i>Net Cash Used by Operating Activities</i> | <u>31,843</u> |

Noncapital Financing Activities:

| | |
|--|------------------------------------|
| <i>Net Cash Provided by Noncapital Financing Activities</i> | <u> </u> |
|--|------------------------------------|

Investing Activities:

| | |
|---|-----------------------|
| Principal Repayments from Customers | 187,268 |
| Loans Made to Customers | (50,000) |
| <i>Net Cash Used in Investing Activities</i> | <u>137,268</u> |

| | |
|---|---------|
| Increase/(Decrease) in Cash Equivalents | 169,111 |
|---|---------|

| | |
|--|----------------|
| Cash and Cash Equivalents at Beginning of Year | <u>850,365</u> |
|--|----------------|

| | |
|--|-----------------------------------|
| <i>Cash and Cash Equivalents at End of Year</i> | <u><u>\$ 1,019,476</u></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.

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.

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

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk - At June 30, 2020, the carrying amount of the Association's deposits was \$1,020,350 and the bank balances were \$1,531,667. As of June 30, 2020, \$1,406,992 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 \$433,164 and \$396,840 for the years ended June 30, 2020 and June 30, 2019 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, 2020 and 2019 consist of the following:

| | <u>2020</u> | <u>2019</u> |
|--|-----------------------------|----------------------------|
| Federal & State Monies Due from Other Governmental Units | \$ 1,383,807 | \$ 1,413,336 |
| Other | <u> </u> | <u>92,541</u> |
| Totals | <u>\$ 1,383,807</u> | <u>\$ 1,505,877</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.

**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, 2020, one new loan totaling \$50,000 were made and two loans were written off. At November 30, 2020, 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 18 loans amounting to \$679,673 would be recorded as a loss.

NOTE 7 - CAPITAL ASSETS

A summary of capital asset activity for the fiscal year ended June 30, 2020 follows:

| <u>Governmental Activities</u> | 6/30/2019 | | | 6/30/2020 |
|--|-------------------|--------------------|-----------------|-------------------|
| | Balance | Additions | Retirements | Balance |
| Capital assets, not being depreciated: | | | | |
| Land | \$135,000 | \$ - | \$ - | \$135,000 |
| Total capital assets, not being depreciated | <u>135,000</u> | <u>-</u> | <u>-</u> | <u>135,000</u> |
| Capital assets, being depreciated: | | | | |
| Building | 922,271 | - | - | 922,271 |
| Building Improvements | 5,400 | - | - | 5,400 |
| Office Furniture & Equipment | 93,295 | - | (3,819) | 89,476 |
| Vehicles | 425,731 | - | (15,424) | 410,307 |
| Total capital assets being depreciated | <u>1,446,697</u> | <u>-</u> | <u>(19,243)</u> | <u>1,427,454</u> |
| Less accumulated depreciation | <u>749,398</u> | <u>69,999</u> | <u>(19,243)</u> | <u>800,154</u> |
| Total capital assets, being depreciated, net | <u>697,299</u> | <u>(69,999)</u> | <u>-</u> | <u>627,300</u> |
| Governmental activities capital assets, net | <u>\$ 832,299</u> | <u>\$ (69,999)</u> | <u>\$ -</u> | <u>\$ 762,300</u> |

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, 2020 and 2019 amounted to \$409,251 and \$385,427, respectively.

Accrued revenue represents the excess of expenditures over monies received and amounted to \$1,383,807 and \$1,413,336 at June 30, 2020 and 2019 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.

**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.

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.*

**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, 2020 are as follows:

| <u>Utah Retirement Systems</u> | <u>Employee</u> | <u>Employer</u> | <u>Employer</u> | <u>401(k)</u> |
|--|--------------------------------|----------------------------|----------------------------|----------------------|
| | <u>Paid by Employer</u> | <u>Contribution</u> | <u>Contribution</u> | |
| Contributory System | | | | |
| 11-Local Governmental Division Tier 1 | 6.000% | | 14.46% | N/A |
| 111-Local Governmental Division Tier 2 | N/A | | 15.66% | 1.03% |
| 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 | \$ 203,892 | N/A |
| Contributory System | 12,342 | 5,121 |
| Tier 2 Public Employees System | 130,971 | — |
| Tier 2 DC Only System | <u>21,677</u> | <u>N/A</u> |
| Total Contributions | <u>\$ 368,883</u> | <u>\$ 5,121</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.

**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, 2020, we reported a net pension asset of \$0 and a net pension liability of \$631,917.

| | <u>(Measurement Date): December 31, 2019</u> | | | | |
|--------------------------------|--|------------------------------|----------------------------|--|--------------------------|
| | <u>Net Pension Asset</u> | <u>Net Pension Liability</u> | <u>Proportionate Share</u> | <u>Proportionate Share Dec. 31, 2017</u> | <u>Change (Decrease)</u> |
| Noncontributory System | \$ — | \$ 588,386 | 0.15671173% | 0.1547481% | 0.0013692% |
| Contributory System | — | 30,427 | 0.4642803% | 0.4304542% | 0.0338261 % |
| Tier 2 Public Employees System | — | 13,104 | 0.0582625% | 0.0570609% | 0.0012016 % |
| | <u>\$ —</u> | <u>\$ 631,917</u> | | | |

The net pension asset and liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2019 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, 2020, we recognized pension expense of \$362,485.

At June 30, 2020, 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 | \$ 57,187 | \$ 12,949 |
| Changes in assumptions | 67,912 | 377 |
| Net difference between projected and actual earnings on pension plan investments | --- | 383,580 |
| Changes in proportion and differences between contributions and proportionate share of contributions | 15,805 | 5,236 |
| Contributions subsequent to the measurement date | <u>180,755</u> | <u>—</u> |
| Total | <u>\$ 321,658</u> | <u>\$ 402,142</u> |

\$180,755 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, 2019.

**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> |
|--------------------------------|---|
| 2020 | \$ (50,540) |
| 2021 | (86,464) |
| 2022 | 11,468 |
| 2023 | (144,212) |
| 2024 | 1,279 |
| Thereafter | 7,231 |

Noncontributory System Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2020, we recognized pension expense of \$287,718.

At June 30, 2020, 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 | \$ 53,521 | \$ 8,452 |
| Changes in assumptions | 62,317 | --- |
| Net difference between projected and actual earnings on pension plan investments | --- | 297,552 |
| Changes in proportion and differences between contributions and proportionate share of contributions | 6,563 | 5,236 |
| Contributions subsequent to the measurement date | <u>97,193</u> | <u>---</u> |
| Total | <u>\$ 219,594</u> | <u>\$ 311,240</u> |

\$97,193 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, 2019.

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> |
|--------------------------------|---|
| 2020 | \$ (22,218) |
| 2021 | (63,095) |
| 2022 | 9,599 |
| 2023 | (113,124) |
| 2024 | --- |
| 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, 2020, we recognized pension expense of \$1,140.

At June 30, 2020, 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 | \$ --- | \$ --- |
| Changes in assumptions | --- | --- |
| Net difference between projected and actual earnings on pension plan investments | --- | 75,955 |
| Changes in proportion and differences between contributions and proportionate share of contributions | --- | --- |
| Contributions subsequent to the measurement date | 6,171 | — |
| Total | \$ 6,171 | \$ 75,955 |

\$6,171 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, 2019.

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> |
|--------------------------------|---|
| 2020 | \$ (26,883) |
| 2021 | (22,126) |
| 2022 | 1,391 |
| 2023 | (28,337) |
| 2024 | --- |
| Thereafter | --- |

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

For the year ended June 30, 2020, we recognized pension expense of \$73,627.

At June 30, 2020, we reported deferred outflows of resources and deferred inflows of resources relation to pensions from the following sources:

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

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ 3,666 | \$ 4,497 |
| Changes in assumptions | 5,595 | 377 |
| Net difference between projected and actual earnings on pension plan investments | --- | 10,073 |
| Changes in proportion and differences between contributions and proportionate share of contributions | 9,241 | --- |
| Contributions subsequent to the measurement date | <u>77,391</u> | <u>---</u> |
| Total | <u>\$ 95,893</u> | <u>\$ 14,947</u> |

\$77,391 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, 2019.

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> |
|--------------------------------|---|
| 2020 | \$ (1,439) |
| 2021 | (1,243) |
| 2022 | 478 |
| 2023 | (2,751) |
| 2024 | 1,279 |
| Thereafter | 7,231 |

Actuarial Assumptions

The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the January 1, 2019, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

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

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 | 40% | 6.15% | 2.46% |
| Debt Securities | 20% | 0.40% | 0.08% |
| Real Assets | 15% | 5.75% | 0.86% |
| Private Equity | 9% | 9.95% | 0.89% |
| <u>Absolute Return</u> | 16% | 2.85% | 0.46% |
| Totals | 100% | | 4.75% |
| | | | <u>Inflation</u> |
| | | | 2.50% |
| | | | <u>Expected arithmetic nominal return</u> |
| | | | 7.25% |

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

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

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:

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

NOTE 10 - RETIREMENT PLAN (CONTINUED)

| System | 1% Decrease <u>(5.95%)</u> | Discount Rate <u>(6.95%)</u> | 1% Increase <u>(7.95%)</u> |
|--------------------------------|----------------------------------|------------------------------------|----------------------------------|
| Noncontributory System | \$ 1,837,733 | \$ 588,386 | \$ (453,557) |
| Contributory System | 237,539 | 30,427 | (144,220) |
| Tier 2 Public Employees System | <u>112,999</u> | <u>13,104</u> | <u>(64,097)</u> |
| Total | <u>\$ 2,188,271</u> | <u>\$ 631,917</u> | <u>\$ (661,874)</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:

| | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|------------------------|-------------|-------------|-------------|
| 401(k) Plan | | | |
| Employer Contributions | \$42,634 | \$35,305 | \$32,901 |
| Employee Contributions | 40,890 | 35,810 | 35,810 |
| 457 Plan | | | |
| Employer Contributions | — | — | — |
| Employee Contributions | 3,168 | 768 | 1,718 |
| Roth IRA Plan | | | |
| Employer Contributions | N/A | N/A | N/A |
| Employee Contributions | 3,610 | 5,810 | 6,760 |
| Traditional IRA | | | |
| Employer Contributions | N/A | N/A | N/A |
| Employee Contributions | 1,000 | 3,900 | 3,900 |

REQUIRED SUPPLEMENTARY INFORMATION

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, 2020

| | <u>Budgeted Amounts</u> | | Actual | Favorable (Unfavorable) |
|--|-------------------------|-------------------|-------------------|----------------------------|
| | Original | Revised | | |
| REVENUES: | | | | |
| State & Federal Contracts | \$ 7,583,176 | \$ 7,915,041 | \$ 7,587,302 | \$ (327,739) |
| Indirect Cost Allocations (Note 4) | 439,757 | 442,636 | 433,164 | (9,472) |
| County/Local Participation | 697,378 | 713,591 | 690,434 | (23,157) |
| Accrued (Unearned) Revenue | | | (148,309) | (148,309) |
| Other | 126,219 | 186,597 | 52,128 | (134,469) |
| TOTAL REVENUES | 8,846,530 | 9,257,865 | 8,614,719 | (643,146) |
| EXPENDITURES: | | | | |
| Total Payroll & Related Expense | 3,859,340 | 4,094,286 | 3,830,869 | 263,417 |
| Materials | 1,495,120 | 1,595,740 | 1,543,696 | 52,044 |
| Fiscal Management | | | 41,094 | (41,094) |
| Rent | | | 264,523 | (264,523) |
| Travel | 213,650 | 210,802 | 175,488 | 35,314 |
| Printing | | | 23,448 | (23,448) |
| Postage | | | 10,573 | (10,573) |
| Telephone | | | 88,510 | (88,510) |
| Supplies | 710,418 | 806,997 | 69,606 | 737,391 |
| Indirect Cost Allocation | 439,757 | 442,636 | 415,600 | 27,036 |
| Consultant/Contract Services | 254,100 | 281,900 | 853,526 | (571,626) |
| Capital Outlay | 148,042 | 104,813 | 60,146 | 44,667 |
| County Council on Aging | 520,717 | 525,417 | 428,872 | 96,545 |
| Other | 1,205,386 | 1,195,274 | 706,986 | 488,288 |
| TOTAL EXPENDITURES | 8,846,530 | 9,257,865 | 8,512,937 | 744,928 |
| Excess (Deficit) of Revenues Over Expenditures | | | 101,782 | 101,782 |
| TRANSFER FROM (TO) OTHER FUNDS | | | | |
| OTHER FUNDING SOURCES/(USES) | | | | |
| BEGINNING FUND BALANCE | 741,109 | 741,109 | 741,109 | |
| YEAR END FUND BALANCE | \$ 741,109 | \$ 741,109 | \$ 842,891 | \$ 101,782 |

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, 2020

| | 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% |
| 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% |
| 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% |

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

| | 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% |
| 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% |
| 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% |
| 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% |

*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.

**FIVE COUNTY ASSOCIATION OF GOVERNMENTS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020**

Changes in Assumptions

As a result of the passage of SB 129, the retirement rates for members in the Tier 2 Public Safety and Firefighter Hybrid System have been modified to be the same as the assumption used to model the retirement pattern in the Tier I Public Safety and Firefighter Systems, except for a 10% load at first eligibility for unreduced retirement prior to age 65.

OTHER SUPPLEMENTARY INFORMATION

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

| | <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> |
|---|-----------------------|-----------------------------------|-----------------------------|----------------------------------|---|------------------------------|-------------------------------------|
| | <u>Administration</u> | <u>Aging Waiver Admin</u> | <u>Veteran's Direct</u> | <u>Aging Waiver Services</u> | <u>& Economic Community Development</u> | <u>Special Contracts</u> | <u>Area Agency on Aging</u> |
| Assets: | | | | | | | |
| Cash | \$ (85,228) | \$ (7,851) | \$ 52,008 | \$ 5,255 | \$ 212,402 | \$ 162,636 | \$ (9,887) |
| Accounts Receivable | | | | | | | |
| Accrued Revenue Receiv | | 7,851 | 84,616 | 17,257 | 26,209 | 7,577 | 64,294 |
| Other Assets | 21,913 | | | 850 | 12 | | |
| Inventory | | | | | | | |
| Total Assets | \$ (63,315) | \$ - | \$ 136,624 | \$ 23,362 | \$ 238,623 | \$ 170,213 | \$ 54,407 |
| Liabilities and Program Balances: | | | | | | | |
| Accounts Payable | 1,008 | | 53,938 | | | 1,924 | 47,070 |
| Accrued Liabilities | | | | | | | |
| Unearned Revenue Credit Line | | | 82,686 | | | | |
| Program Balance: | | | | | | | |
| Nonspendable: | | | | | | | |
| Inventory | | | | | | | |
| Restricted: | | | | 23,362 | 238,623 | 168,289 | 7,337 |
| Assigned: | | | | | | | |
| Unassigned: | (64,323) | | | | | | |
| Total Liabilities and Program Balances | \$ (63,315) | \$ - | \$ 136,624 | \$ 23,362 | \$ 238,623 | \$ 170,213 | \$ 54,407 |

See Notes to Financial Statements

| <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> |
| \$ (109,150) | \$ (11,994) | \$ 10,513 | \$ (10,624) | \$ (28,895) | \$ (80,305) | \$ 75,181 | \$ (62,172) | \$ (9,920) |
| 146,533 | 11,304 690 | | | 31,055 | 102,929 | 263,438 | 73,065 | 10,793 |
| 110,857 | | | | | | | | |
| \$ 148,240 | \$ - | \$ 10,513 | \$ (10,624) | \$ 2,160 | \$ 22,624 | \$ 338,619 | \$ 10,893 | \$ 873 |
| | | | 35 | | 89 | 119,577 | | |
| | | | | | | | 10,890 | |
| 110,857 37,383 | | | | | 22,535 | 219,042 | | 873 |
| | | 10,513 | (10,659) | 2,160 | | | 3 | |
| \$ 148,240 | \$ - | \$ 10,513 | \$ (10,624) | \$ 2,160 | \$ 22,624 | \$ 338,619 | \$ 10,893 | \$ 873 |

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

(Continued)

| | <u>Program 19</u> | <u>Program 20</u> | <u>Program 24</u> | <u>Program 25</u> | <u>Program 26</u> | <u>Program 27</u> | <u>Program 28</u> |
|---|---------------------|--------------------|-------------------|-----------------------|-------------------|-------------------|-------------------|
| | <u>Volunteer</u> | | <u>Human Svcs</u> | | | | |
| | <u>Center</u> | <u>Foster</u> | <u>Transp.</u> | <u>Transportation</u> | | <u>Senior</u> | |
| | <u>Wash. County</u> | <u>Grandparent</u> | <u>Planning</u> | <u>Planning</u> | <u>SSBG</u> | <u>Companion</u> | <u>CSBG</u> |
| Assets: | | | | | | | |
| Cash | \$ 37,149 | \$ (7,437) | \$ (2,734) | \$ 249,747 | \$ (22,120) | \$ (3,626) | \$ (6,691) |
| Accounts Receivable | | | | | | | |
| Accrued Revenue Receivable | | 7,070 | 2,497 | 79,049 | 14,101 | 15,617 | |
| Other Assets | | | | | | | |
| Inventory | | | | | | | |
| Total Assets | \$ 37,149 | \$ (367) | \$ (237) | \$ 328,796 | \$ (8,019) | \$ 11,991 | \$ (6,691) |
| Liabilities and Program Balances: | | | | | | | |
| Accounts Payable | | 165 | | 13,121 | | 3,087 | |
| Accrued Liabilities | | | | | | | |
| Unearned Revenue | | | | 315,675 | | | |
| Program Balance: | | | | | | | |
| Nonspendable: | | | | | | | |
| Inventory | | | | | | | |
| Restricted: | | | | | | | |
| Assigned: | | | | | | | |
| Unassigned: | 37,149 | (532) | (237) | | (8,019) | 8,904 | (6,691) |
| Total Liabilities and Program Balances | \$ 37,149 | \$ (367) | \$ (237) | \$ 328,796 | \$ (8,019) | \$ 11,991 | \$ (6,691) |

| Program 29 | Program 30 | Program 31 | Program 32 | Program 33 | Program 35 | Program 36 | Program 38 | Program 39 |
|--|------------------------------|---------------------|--------------------------------|---------------------------------|---------------------|-----------------------------------|--------------------|----------------------------|
| Volunteer Income Tax Assistance | Caregiver Support | VITA IRS | Iron County RPO | Habitat for Humanity | Alternatives | New Choices Waiver | CSBG | Pamela Atkinson |
| \$ (3,064) | \$ (12,977) | \$ (56) | \$ (16,827) | \$ (8,457) | \$ (51,969) | \$ 18,985 | \$ (188,614) | \$ (22,505) |
| 2,187 | 32,649 | | 15,311 1,388 | | 80,092 | 33,249 | 144,545 35 | 21,726 |
| \$ (877) | \$ 19,672 | \$ (56) | \$ (128) | \$ (8,457) | \$ 28,123 | \$ 52,234 | \$ (44,034) | \$ (779) |
| | 1,356 | | | | 24,576 | 106 | | |
| | 18,316 | | | | 3,547 | 52,128 | | |
| (877) | | (56) | (128) | (8,457) | | | (44,034) | (779) |
| \$ (877) | \$ 19,672 | \$ (56) | \$ (128) | \$ (8,457) | \$ 28,123 | \$ 52,234 | \$ (44,034) | \$ (779) |

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

(Continued)

| | <u>Program 40</u> | <u>Program 42</u> | <u>Program 43</u> | <u>Program 44</u> | <u>Program 45</u> | <u>Program 46</u> |
|---|-------------------|-------------------------|-------------------|-------------------|--------------------|-------------------|
| | Emergency | Emergency | CAC -Child | Emergency | Community | VITA |
| | Solutions | Food&Shelter Program | Development | Food Network | Fire Prevention | VITA |
| Assets: | | | | | | |
| Cash | \$ (6,759) | \$ 4 | \$ (7,110) | \$ (1) | \$ (270) | \$ 906 |
| Accounts Receivable | | | | | | |
| Accrued Revenue Receivable | 12,690 | | 7,329 | | | |
| Other Assets | | | | | | |
| Inventory | | | | | | |
| Total Assets | \$ 5,931 | \$ 4 | \$ 219 | \$ (1) | \$ (270) | \$ 906 |
| Liabilities and Program Balances: | | | | | | |
| Accounts Payable | | | | | | |
| Accrued Liabilities | | | | | | |
| Unearned Revenue | | | | | | |
| Program Balance: | | | | | | |
| Nonspendable: | | | | | | |
| Inventory | | | | | | |
| Restricted: | 5,931 | 4 | 219 | | | 906 |
| Assigned: | | | | | | |
| Unassigned: | | | | (1) | (270) | |
| Total Liabilities and Program Balances | \$ 5,931 | \$ 4 | \$ 219 | \$ (1) | \$ (270) | \$ 906 |

| <u>Program 47</u> | <u>Program 48</u> | <u>Program 49</u> | <u>Program 50</u> | <u>Program 52</u> | <u>Totals</u> | |
|----------------------|-------------------|---------------------|-------------------|-------------------|--------------------------|----------------------|
| <u>Court Ordered</u> | <u>Iron</u> | <u>Institute of</u> | <u>Payroll</u> | <u>Continuum</u> | <u>(Memorandum Only)</u> | |
| <u>Community</u> | <u>County</u> | <u>Autonomous</u> | <u>Clearing</u> | <u>of Care</u> | <u>June 30, 2020</u> | <u>June 30, 2019</u> |
| <u>Service</u> | <u>COCS</u> | <u>Mobility</u> | | <u>Expansion</u> | | |
| \$ (12,166) | \$ (52,331) | \$ 27,000 | \$ 2,116 | \$ (11,404) | \$ 758 | \$ (4,629) |
| | 57,914 | | | 10,860 | 1,383,807 | 1,413,336 |
| | | | | | 24,888 | 4,702 |
| | | | | | 110,857 | 105,427 |
| \$ (12,166) | \$ 5,583 | \$ 27,000 | \$ 2,116 | \$ (544) | \$ 1,520,310 | \$ 1,611,377 |
| | | | | | 266,052 | 301,079 |
| | | | 2,116 | | 2,116 | 3,783 |
| | | | | | 409,251 | 385,427 |
| | | | | | | 180,000 |
| | | | | | 110,857 | 114,972 |
| | 5,583 | 27,000 | | | 831,078 | 660,573 |
| | | | | | | 407 |
| (12,166) | | | | (544) | (99,044) | (34,864) |
| \$ (12,166) | \$ 5,583 | \$ 27,000 | \$ 2,116 | \$ (544) | \$ 1,520,310 | \$ 1,611,377 |

Five County Association of Governments
Combining Balance Sheet -Fiduciary Fund Types
Nonexpendable Trust Funds
June 30, 2020

| | Nonexpendable Trust Funds | | Totals (Memorandum Only) | |
|--|--------------------------------------|--------------------------------|-------------------------------------|----------------------|
| | Down Payment Assistance | Revolving Loan Fund | June 30, 2020 | June 30, 2019 |
| <i>Assets:</i> | | | | |
| Cash | \$ 29,328 | \$ 990,148 | \$ 1,019,476 | \$ 850,365 |
| Accrued Interest | | | | |
| Notes Receivable | | 743,613 | 743,613 | 916,454 |
| <i>Total Assets</i> | \$ 29,328 | \$ 1,733,761 | \$ 1,763,089 | \$ 1,766,819 |
| <i>Liabilities and Fund Balances:</i> | | | | |
| Fund Balance | \$ 29,328 | \$ 1,733,761 | \$ 1,763,089 | \$ 1,766,819 |
| <i>Total Liabilities and Fund Balance</i> | \$ 29,328 | \$ 1,733,761 | \$ 1,763,089 | \$ 1,766,819 |

See Notes to Financial Statements

Five County Association of Governments
Statement of Changes in Assets and Liabilities -
All Agency Funds
For the Year Ended June 30, 2020

| | Balance | Additions | Deductions | Balance |
|---|----------------------|------------------|-------------------|----------------------|
| | June 30, 2019 | | | June 30, 2019 |
| <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

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, 2020

| | <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 | \$ | \$ 71,697 | \$ | \$ 24,657 | \$ 150,000 |
| Federal | | | 398,681 | 141,089 | 160,000 |
| Indirect Cost Allocations | 433,164 | | | | |
| County/Local Participation | 59,383 | | | | 35,241 |
| Accrued (Unearned) Revenue | | | (85,149) | | |
| Other | | | | | |
| TOTAL REVENUES | 492,547 | 71,697 | 313,532 | 165,746 | 345,241 |
| EXPENDITURES: | | | | | |
| Total Payroll & Related Expense | 345,027 | 59,906 | 35,577 | 105,019 | 293,247 |
| Materials | | | | | |
| Fiscal Management | 41,094 | | | | |
| Rent | 27,196 | 587 | 669 | 1,987 | 3,485 |
| Travel | 14,912 | 3,522 | 666 | 2,861 | 7,324 |
| Printing | 3,259 | 131 | 199 | 562 | 1,304 |
| Postage | 4,631 | 5 | 18 | 59 | 390 |
| Telephone | 7,545 | 755 | 780 | 1,467 | 3,252 |
| Supplies | 9,085 | 661 | 138 | 93 | 3,551 |
| Indirect Cost Allocation | | 4,723 | 4,611 | 13,397 | 38,047 |
| Consultant/Contract Services | | 125 | 270,691 | 25,900 | |
| Capital Outlay | 4,586 | 1,282 | 183 | | 7,010 |
| County Council on Aging | | | | | |
| Other | 42,192 | | | | 3,872 |
| TOTAL EXPENDITURES | 499,527 | 71,697 | 313,532 | 151,345 | 361,482 |
| Excess (Deficit) of Revenues Over Expenditures | (6,980) | | | 14,401 | (16,241) |
| Transfer From (To) Other Programs | | | | | |
| Other Programing Sources/(Uses) | | | | | |
| Beginning Program Balance | (57,343) | | | 8,961 | 254,864 |
| Year End Program Balance | \$ (64,323) | \$ | \$ | \$ 23,362 | \$ 238,623 |

See Notes to Financial Statements

| <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> |
|----------------------|-------------------------|------------------|------------------|-------------------|------------------------------|----------------------|---------------------|
| Special Contracts | Area Agency On Aging | Weatherization | RSVP | Human Services | Volunteer Ctr Iron County | Continuum of Care | Child Care R & R |
| \$ 58,919 | \$ 183,894 | \$ 132,046 | \$ 29,564 | \$ | | | \$ |
| 157,113 | 379,041 | 881,144 | 103,380 | | | 96,085 | 687,381 |
| 45,126 | | | 3,452 | | 4,983 | 5,706 | |
| | | | | 8,751 | | | 2,973 |
| 261,158 | 562,935 | 1,013,190 | 136,396 | 8,751 | 4,983 | 101,791 | 690,354 |
| | 102,349 | 583,322 | 82,355 | 9 | 14,274 | 4,111 | 529,151 |
| | | 277,709 | | | | | 8,941 |
| | 869 | 22,227 | 300 | | | 53,583 | 18,415 |
| | 6,836 | 26,899 | 12,504 | | | | 23,253 |
| | 849 | 487 | 2,431 | | 124 | | 3,542 |
| | 226 | 977 | 451 | 1 | | | 420 |
| | 2,538 | 13,023 | 2,958 | | 118 | | 13,983 |
| | 919 | 8,337 | 6,608 | | 50 | | 4,216 |
| | 15,500 | 43,170 | 10,673 | | 999 | 1,538 | 68,386 |
| | | 869 | 11,842 | | | 7,323 | 7,945 |
| | 900 | 2,902 | 162 | | | | 9,565 |
| | 428,872 | | | | | | |
| 251,882 | 3,112 | | 6,112 | | 3,911 | 35,083 | 5,461 |
| 251,882 | 562,970 | 979,922 | 136,396 | 10 | 19,476 | 101,638 | 693,278 |
| 9,276 | (35) | 33,268 | | 8,741 | (14,493) | 153 | (2,924) |
| 159,013 | 7,372 | 114,972 | | 1,772 | 3,834 | 2,007 | 25,459 |
| \$ 168,289 | \$ 7,337 | \$ 148,240 | \$ | \$ 10,513 | \$ (10,659) | \$ 2,160 | \$ 22,535 |

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, 2020

| | <u>Program 14</u> | <u>Program 15</u> | <u>Program 18</u> | <u>Program 19</u> | <u>Program 20</u> | <u>Program 24</u> |
|--|-------------------|-------------------|-------------------|------------------------|--------------------|-----------------------|
| | Nutrition | Heat Assistance | Mobility Mgt | Volunteer Ctr. Wash Co | Foster Grandparent | H.S. Transp. Planning |
| REVENUES: | | | | | | |
| State | | \$ | \$ | \$ | \$ 8,152 | \$ |
| Federal | 985,405 | 541,809 | 57,242 | | 92,485 | 16,394 |
| Indirect Cost Allocations | | | | | | |
| County/Local Participation | 379,587 | | 14,511 | | 9,357 | 4,303 |
| Accrued (Unearned) Revenue | | (10,889) | | | | |
| Other | | | | 19,708 | 210 | |
| TOTAL REVENUES | 1,364,992 | 530,920 | 71,753 | 19,708 | 110,204 | 20,697 |
| EXPENDITURES: | | | | | | |
| Total Payroll & Related Expense | 19,388 | 379,212 | 61,336 | | 34,244 | 17,495 |
| Materials | 1,254,446 | 2,600 | | | | |
| Fiscal Management | | | | | | |
| Rent | 289 | 36,198 | 249 | | 567 | 249 |
| Travel | 253 | 7,277 | 275 | | 1,559 | |
| Printing | 40 | 396 | 349 | 4 | 715 | 2 |
| Postage | 30 | 331 | 1 | | 120 | |
| Telephone | 554 | 16,104 | 1,000 | | 636 | 205 |
| Supplies | 145 | 9,541 | 394 | 26 | 251 | 274 |
| Indirect Cost Allocation | 2,513 | 49,146 | 7,949 | | 4,438 | 2,267 |
| Consultant/Contract Services | 7,849 | | | | 984 | |
| Capital Outlay | 5,905 | 17,585 | | | | |
| County Council on Aging | | | | | | |
| Other | | 12,530 | | 8,169 | 66,822 | |
| TOTAL EXPENDITURES | 1,291,412 | 530,920 | 71,553 | 8,199 | 110,336 | 20,492 |
| Excess (Deficit) of Revenues Over Expenditures | 73,580 | | 200 | 11,509 | (132) | 205 |
| Transfer From (To) Other Programs | | | | | | |
| Other Programing Sources/(Uses) | | | | | | |
| Beginning Program Balance | 145,462 | 3 | 673 | 25,640 | (400) | (442) |
| Year End Program Balance | \$ 219,042 | \$ 3 | \$ 873 | \$ 37,149 | \$ (532) | \$ (237) |

See Notes to Financial Statements

| <u>Program 25</u> Transportation Planning | <u>Program 26</u> SSBG | <u>Program 27</u> Senior Companion | <u>Program 28</u> CSBG | <u>Program 29</u> Volunteer Tax Assist. | <u>Program 30</u> Caregiver Support | <u>Program 31</u> VITA IRS | <u>Program 32</u> Iron Co. RPO |
|---|---------------------------|--|---------------------------|---|---|----------------------------------|--------------------------------------|
| \$ 389,613 | \$ 74,879 | \$ 7,614 96,787 | \$ 71,678 | \$ 16,607 | \$ 71,428 129,505 | \$ 37,176 | \$ |
| 40,001 | | 6,815 | | | 994 | | 33,686 |
| 5,719 | | | (12,300) | | | | |
| | | 170 | | | | | |
| 435,333 | 74,879 | 111,386 | 59,378 | 16,607 | 201,927 | 37,176 | 33,686 |
| 288,093 | 5,695 | 30,579 | 53,715 | 13,228 | 138,967 | 7,299 | 27,680 |
| 3,288 | | 567 | 1,429 | 794 | 2,467 | | 588 |
| 11,842 | | 19,560 | 1,447 | 368 | 4,105 | | 987 |
| 1,551 | 34 | 920 | 136 | | 1,596 | | 100 |
| 18 | 37 | 175 | 371 | | 760 | | |
| 2,806 | 64 | 545 | 582 | 82 | 1,916 | 144 | 619 |
| 1,394 | | 1,481 | | 1,041 | 1,153 | 335 | |
| 37,337 | 739 | 3,963 | 7,931 | 1,791 | 18,010 | 855 | 3,587 |
| 72,907 | 68,596 | 1,178 | | | 30,586 | 27,517 | |
| 4,987 | | | | | 2,367 | | |
| 11,613 | 7,601 | 51,500 | 857 | | | | 125 |
| 435,836 | 82,766 | 110,468 | 66,468 | 17,304 | 201,927 | 36,150 | 33,686 |
| (503) | (7,887) | 918 | (7,090) | (697) | | 1,026 | |
| 503 | (132) | 7,986 | 399 | (180) | 18,316 | (1,082) | (128) |
| \$ | \$ (8,019) | \$ 8,904 | \$ (6,691) | \$ (877) | \$ 18,316 | \$ (56) | \$ (128) |

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, 2020

| | Program 33 | Program 35 | Program 36 | Program 38 | Program 39 | Program 40 |
|--|-------------------------------------|---------------------|-----------------------------------|-------------------|----------------------------|--------------------------------|
| | Habitat for Humanity | Alternatives | New Choices Waiver | CSBG | Pamela Atkinson | Emergency Solutions |
| REVENUES: | | | | | | |
| State | \$ | \$ 393,572 | \$ 75,210 | | \$ | \$ 30,079 |
| Federal | | 108,484 | 218,468 | 214,292 | 21,726 | 30,079 |
| Indirect Cost Allocations | | | | | | |
| County/Local Participation | | | | | | |
| Accrued (Unearned) Revenue | | | | (45,690) | | |
| Other | | | | 3,849 | | 9,255 |
| TOTAL REVENUES | | 502,056 | 293,678 | 172,451 | 21,726 | 69,413 |
| EXPENDITURES: | | | | | | |
| Total Payroll & Related Expense | | 167,432 | 213,010 | 139,350 | 293 | 5,959 |
| Materials | | | | | | |
| Fiscal Management | | | | | | |
| Rent | | 3,137 | 3,719 | 7,147 | 21,395 | 12,044 |
| Travel | | 8,474 | 10,812 | 5,934 | | |
| Printing | | 1,581 | 1,308 | 1,326 | | |
| Postage | | 267 | 30 | 1,208 | | 2 |
| Telephone | | 3,442 | 4,891 | 5,558 | | 12 |
| Office Supplies | | 1,068 | 759 | 15,461 | | 1,971 |
| Indirect Cost Allocation | | 21,699 | 25,430 | 16,820 | 38 | (223) |
| Consultant/Contract Services | | 292,608 | 17,176 | | | |
| Capital Outlay | | 2,367 | 345 | | | |
| County Council on Aging | | | | | | |
| Other | | | | 24,088 | | 43,777 |
| TOTAL EXPENDITURES | | 502,075 | 277,480 | 216,892 | 21,726 | 63,542 |
| Excess (Deficit) of Revenues Over Expenditures | | (19) | 16,198 | (44,441) | | 5,871 |
| Transfer From (To) Other Programs | | | | | | |
| Other Programing Sources/(Uses) | | | | | | |
| Beginning Program Balance | (8,457) | 3,566 | 35,930 | 407 | (779) | 60 |
| Year End Program Balance | \$ (8,457) | \$ 3,547 | \$ 52,128 | \$ (44,034) | \$ (779) | \$ 5,931 |

See Notes to Financial Statements

| <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>Program 47</u> | <u>Program 48</u> |
|-------------------|---------------------------|--------------------|-------------------|-------------------|-------------------|----------------------|-------------------|
| <u>Emergency</u> | <u>Emergency</u> | <u>CAC - Child</u> | <u>Emergency</u> | <u>Community</u> | | <u>Court Ordered</u> | <u>Iron</u> |
| <u>Food &</u> | <u>Food & Shelter</u> | <u>Development</u> | <u>Food</u> | <u>Fire</u> | <u>VITA</u> | <u>Community</u> | <u>County</u> |
| <u>Shelter</u> | <u>Iron County</u> | | <u>Network</u> | <u>Prevention</u> | | <u>Services</u> | <u>COCS</u> |
| | \$ 39,817 | | \$ | \$ | | \$ | \$ |
| 27,643 | | 7,329 | | | 2,874 | | 57,914 |
| | | | | 47,289 | | | |
| | | | | | | 3,814 | |
| 27,643 | 39,817 | 7,329 | | 47,289 | 2,874 | 3,814 | 57,914 |
| | | 1,707 | | 38,029 | 1,579 | 6,927 | 13,993 |
| | | 5,608 | | 373 | | | 10,001 |
| | | 9 | | 3,040 | | 18 | 751 |
| | | | | 165 | 184 | 152 | 1 |
| | | | 1 | | | 1 | 43 |
| | | | | 559 | | 42 | 2,330 |
| | | 5 | | | | | 649 |
| | | | | 5,123 | 205 | 898 | 1,955 |
| 27,643 | 39,817 | | | | | 694 | 22,082 |
| 27,643 | 39,817 | 7,329 | 1 | 47,289 | 1,968 | 8,732 | 51,805 |
| | | | (1) | | 906 | (4,918) | 6,109 |
| | 4 | 219 | | (270) | | (7,248) | (526) |
| \$ | \$ 4 | \$ 219 | \$ (1) | \$ (270) | \$ 906 | \$ (12,166) | \$ 5,583 |

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, 2020

| | <u>Program 49</u> | <u>Program 51</u> | <u>Program 52</u> | <u>Totals</u> | |
|--|---------------------|-------------------|-------------------|--------------------------|----------------------|
| | <u>Institute of</u> | | <u>Continuum</u> | <u>(Memorandum Only)</u> | |
| | <u>Autonomous</u> | <u>VITA</u> | <u>of Care</u> | <u>June 30, 2020</u> | <u>June 30, 2019</u> |
| | <u>Mobility</u> | | <u>Expansion</u> | | |
| REVENUES: | | | | | |
| State | \$ 50,000 | \$ | \$ | \$ 1,380,432 | \$ 1,566,555 |
| Federal | | 10,241 | 48,109 | 6,206,870 | 5,681,178 |
| Indirect Cost Allocations | | | | 433,164 | 396,839 |
| County/Local Participation | | | | 690,434 | 625,597 |
| Accrued (Unearned) Revenue | | | | (148,309) | 18,750 |
| Other | | | 3,398 | 52,128 | 98,601 |
| TOTAL REVENUES | 50,000 | 10,241 | 51,507 | 8,614,719 | 8,387,520 |
| EXPENDITURES: | | | | | |
| Total Payroll & Related Expense | | 9,553 | 1,759 | 3,830,869 | 3,572,080 |
| Materials | | | | 1,543,696 | 1,462,347 |
| Fiscal Management | | | | 41,094 | 28,676 |
| Rent | | | 25,096 | 264,523 | 211,886 |
| Travel | | | | 175,488 | 224,454 |
| Printing | | | | 23,448 | 32,775 |
| Postage | | | | 10,573 | 11,368 |
| Telephone | | | | 88,510 | 85,726 |
| Office Supplies | | | | 69,606 | 65,841 |
| Indirect Cost Allocation | | 688 | 1,397 | 415,600 | 381,269 |
| Consultant/Contract Services | | | 9,430 | 853,526 | 972,245 |
| Capital Outlay | | | | 60,146 | 70,076 |
| County Council on Aging | | | | 428,872 | 527,049 |
| Other | 23,000 | | 15,043 | 706,986 | 699,254 |
| TOTAL EXPENDITURES | 23,000 | 10,241 | 52,725 | 8,512,937 | 8,345,046 |
| Excess (Deficit) of Revenues Over Expenditures | 27,000 | | (1,218) | 101,782 | 42,474 |
| Transfer From (To) Other Programs | | | | | |
| Other Programing Sources/(Uses) | | | | | |
| Beginning Program Balance | | | 674 | 741,109 | 698,614 |
| Year End Program Balance | \$ 27,000 | \$ | \$ (544) | \$ 842,891 | \$ 741,088 |

See Notes to Financial Statements

Five County Association of Governments
Combining Statement of Revenues, Expenses and Changes in Fund Balance
Nonexpendable Trust Funds for the Year Ended June 30, 2020
With Comparative Totals for the Year Ended June 30, 2019

| | <u>Fiduciary Fund Types</u> | | <u>Totals</u> | |
|--|----------------------------------|---------------------|--------------------------|----------------------|
| | <u>Nonexpendable Trust Funds</u> | | <u>(Memorandum Only)</u> | |
| | <u>Down Payment</u> | <u>Revolving</u> | <u>June 30, 2020</u> | <u>June 30, 2019</u> |
| | <u>Assistance Fund</u> | <u>Loan Fund</u> | | |
| Revenues: | | | | |
| State Contracts | \$ | \$ | \$ | \$ |
| Interest | | 61,579 | 61,579 | 48,692 |
| Other | 5,522 | | 5,522 | 2,000 |
| Total Revenues | 5,522 | 61,579 | 67,101 | 50,692 |
| Expenditures: | | | | |
| Legal Fees - Repossessions | | | | |
| Bad Debts | | 35,573 | 35,573 | |
| Administrative | | 35,258 | 35,258 | 40,895 |
| Total Expenditures | | 70,831 | 70,831 | 40,895 |
| Excess (Deficit) of Revenues Over Expenditures | 5,522 | (9,252) | (3,730) | 9,797 |
| Transfer From Other Funds | | | | |
| Beginning Fund Balance | 23,806 | 1,743,013 | 1,766,819 | 1,757,022 |
| Year End Fund Balance | \$ 29,328 | \$ 1,733,761 | \$ 1,763,089 | \$ 1,766,819 |

See Notes to Financial Statements

Five County Association of Governments
Combining Statement of Cash Flows - Nonexpendable Trust Funds
For the Year Ended June 30, 2020
With Comparative Totals for the Year Ended June 30, 2019

| | Down Payment Assistance | Revolving Loan Fund | Totals - (Memorandum Only) | |
|--|----------------------------|------------------------|----------------------------|-------------------|
| | | | June 30, 2020 | June 30, 2019 |
| <i>Cash Provided By:</i> | | | | |
| Operating Activities | | | | |
| Net Income (Loss) | \$ 5,522 | \$ (9,252) | \$ (3,730) | \$ 9,797 |
| <i>Change in Operating Assets and Liabilities:</i> | | | | |
| (Increase)/Decrease in Accrued Interest Income | | | | |
| Loans Charged Off as Uncollectible | | 35,573 | 35,573 | |
| <i>Net Cash Used by Operating Activities</i> | <u>5,522</u> | <u>26,321</u> | <u>31,843</u> | <u>9,797</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 | | 187,268 | 187,268 | 139,515 |
| Loans Made to Customers | | (50,000) | (50,000) | (467,500) |
| <i>Net Cash Provided by Investing Activities</i> | | <u>137,268</u> | <u>137,268</u> | <u>(327,985)</u> |
| Increase/(Decrease) in Cash Equivalents | 5,522 | 163,589 | 169,111 | (318,188) |
| Cash and Cash Equivalents at Beginning of Year | <u>23,806</u> | <u>826,559</u> | <u>850,365</u> | <u>1,168,553</u> |
| <i>Cash and Cash Equivalents at End of Year</i> | <u>\$ 29,328</u> | <u>\$ 990,148</u> | <u>\$ 1,019,476</u> | <u>\$ 850,365</u> |

See Notes to Financial Statements

SINGLE AUDIT COMPLIANCE SECTION



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**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, 2020, 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 December 28, 2020.

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

Hafen, Buckner, Everett & Graff, PC
December 28, 2020

Certified Public Accountants

hbeg.com

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St. George, UT 84770
(435) 673-6167

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, 2020. 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, 2020.

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

HAFEN, BUCKNER, EVERETT & GRAFF, PC

December 28, 2020

**Five County Association of Governments
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020**

| <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 | \$ 294,278 |
| Total Spec Prog for the Aging_Title III, Part B_Grants for Supportive Serv & Senior Centers | | | 294,278 |
| 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 | 484,850 |
| Total Special Programs for the Aging_Title III, Part C_Nutrition Services | | | 484,850 |
| Nutrition Services Incentive Program | | | |
| Nutrition Services Incentive Program | 93.053 | Ut Dept of Human Services | 154,917 |
| Total Nutrition Services Incentive Program | | | 154,917 |
| <i>Total Department of Health and Human Services</i> | | | 934,045 |
| <i>Total Aging Cluster-Cluster</i> | | | 934,045 |
| <i>Economic Development Cluster-Cluster</i> | | | |
| Department of Commerce | | | |
| Economic Adjustment Assistance | | | |
| Economic Adjustment Assistance | 11.307 | | 1,219,577 |
| Total Economic Adjustment Assistance | | | 1,219,577 |
| <i>Total Department of Commerce</i> | | | 1,219,577 |
| <i>Total Economic Development Cluster-Cluster</i> | | | 1,219,577 |
| <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 | 57,914 |
| Total Emergency Food Assistance Program (Administrative Costs) | | | 57,914 |
| <i>Total United States Department of Agriculture</i> | | | 57,914 |
| <i>Total Food Distribution Cluster-Cluster</i> | | | 57,914 |
| <i>Foster Grandparents/Senior Companion Cluster-Cluster</i> | | | |
| Corporation for National and Community Service | | | |
| Foster Grandparent Program | | | |
| Foster Grandparent Program | 94.011 | | 96,787 |
| Total Foster Grandparent Program | | | 96,787 |
| Senior Companion Program | | | |
| Senior Companion Program | 94.016 | | 92,485 |
| Total Senior Companion Program | | | 92,485 |
| <i>Total Corporation for National and Community Service</i> | | | 189,272 |
| <i>Total Foster Grandparents/Senior Companion Cluster-Cluster</i> | | | 189,272 |
| <i>Highway Planning and Construction Cluster-Cluster</i> | | | |
| Department of Transportation | | | |
| Highway Planning and Construction | | | |
| Highway Planning and Construction | 20.205 | UDOT | 389,613 |
| Total Highway Planning and Construction | | | 389,613 |
| <i>Total Department of Transportation</i> | | | 389,613 |
| <i>Total Highway Planning and Construction Cluster-Cluster</i> | | | 389,613 |

**Five County Association of Governments
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020**

| <i>Federal Grantor/Program or Cluster Title</i> | <i>Federal CFDA #</i> | <i>Pass-through Grantor</i> | <i>Federal Expenditures</i> |
|--|---------------------------|---------------------------------------|---------------------------------|
| Medicaid Cluster-Cluster | | | |
| Department of Health and Human Services Medical Assistance Program | | Ut Division of Health Care | |
| Medical Assistance Program | 93.778 | Financing | <u>359,557</u> |
| Total Medical Assistance Program | | | <u>359,557</u> |
| <i>Total Department of Health and Human Services</i> | | | <u>359,557</u> |
| Total Medicaid Cluster-Cluster | | | <u>359,557</u> |
| Services To Indian Children, Elderly And Families-Cluster | | | |
| Department of Health and Human Services Community Services Block Grant | | UT Dept of Housing & Community Dev | |
| Community Services Block Grant | 93.569 | | <u>235,060</u> |
| Total Community Services Block Grant | | | <u>235,060</u> |
| Child Care and Development Block Grant | | UT Dept of Housing & Community Dev | |
| Child Care and Development Block Grant | 93.575 | | <u>687,381</u> |
| Total Child Care & Development Block Grant | | | <u>687,381</u> |
| <i>Total Department of Health and Human Services</i> | | | <u>922,441</u> |
| Total Services To Indian Children, Elderly And Families-Cluster | | | <u>922,441</u> |
| TANF Cluster-Cluster | | | |
| Department of Health and Human Services Temporary Assistance for Needy Families (TANF) State Programs | | Community Action Partnership of Ut | |
| TANF State Programs | 93.558 | | <u>2,874</u> |
| Total TANF State Programs | | | <u>2,874</u> |
| <i>Total Department of Health and Human Services</i> | | | <u>2,874</u> |
| Total TANF Cluster-Cluster | | | <u>2,874</u> |
| Transit Services Programs Cluster-Cluster | | | |
| Department of Transportation Enhanced Mobility of Seniors and Individuals with Disabilities | | UDOT | |
| Enhanced Mobility of Seniors & Individuals w/Disabilities | 20.513 | | <u>57,242</u> |
| Total Enhanced Mobility of Seniors & Individuals w/Disabilities | | | <u>57,242</u> |
| <i>Total Department of Transportation</i> | | | <u>57,242</u> |
| Total Transit Services Programs Cluster-Cluster | | | <u>57,242</u> |
| Other Programs | | | |
| Corporation for National and Community Service Retired and Senior Volunteer Program | | | |
| Retired and Senior Volunteer Program | 94.002 | | <u>80,833</u> |
| Total Retired and Senior Volunteer Program | | | <u>80,833</u> |
| <i>Total Corporation for National and Community Service</i> | | | <u>80,833</u> |
| Department of Homeland Security Emergency Food and Shelter National Board Program | | United Way | |
| Emergency Food and Shelter National Board Program | 97.024 | | <u>90,007</u> |
| Total Emergency Food and Shelter National Board Program | | | <u>90,007</u> |
| <i>Total Department of Homeland Security</i> | | | <u>90,007</u> |

**Five County Association of Governments
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020**

| <i>Federal Grantor/Program or Cluster Title</i> | <i>Federal CFDA #</i> | <i>Pass-through Grantor</i> | <i>Federal Expenditures</i> |
|--|---------------------------|----------------------------------|---------------------------------|
| Department of Commerce | | | |
| Economic Development Support for Planning Organizations | | | |
| Economic Development Support for Planning Org | 11.302 | | 70,000 |
| Total Economic Development Support for Planning Org | | | 70,000 |
| <i>Total Department of Commerce</i> | | | 70,000 |
| Department of Energy | | | |
| Weatherization Assistance for Low-Income Persons | | | |
| | | Ut Dept of Workforce | |
| Weatherization Assistance for Low-Income Persons | 81.042 | Services | 247,980 |
| Total Weatherization Assistance for Low-Income Persons | | | 247,980 |
| <i>Total Department of Energy</i> | | | 247,980 |
| Department of Transportation | | | |
| Metropolitan Transportation Planning & State & Non-Metropolitan Planning & Research | | | |
| Metro Trans Planning & State & Non-Metro Planning & Research | 20.505 | UDOT | 16,394 |
| Total Metro Trans Planning & State & Non-Metro Planning & Research | | | 16,394 |
| <i>Total Department of Transportation</i> | | | 16,394 |
| Department of Health and Human Services | | | |
| Spec Prog for the Aging_Title VII, Chapter 2_LT Care Ombudsman Serv for Older Ind | | | |
| Spec Prog for the Aging_Title VII, Chapter 2_LT Care Ombudsman Serv for Older Ind | 93.042 | Utah Dept. of Human Services | 9,809 |
| Total Spec Prog for the Aging_Title VII, Chptr 2_LT Care Ombudsman Serv for Older Ind | | | 9,809 |
| Spec Prog for the Aging_Title III, Part D_Disease Prev & Health Pro Serv | | | |
| Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services | 93.043 | Ut Dept of Human Services | 16,298 |
| Total Spec Prog for the Aging_Title III, Part D_Disease Prev & Health Pro Serv | | | 16,298 |
| Spec Prog for the Aging_Title IV & Title II_Discretionary Projects | | | |
| Spec Prog for the Aging_Title IV & Title II_Discretionary Proj | 93.048 | Ut Dept of Human Serv | 20,000 |
| Total Spec Prog for the Aging_Title IV & Title II_Discretionary Proj | | | 20,000 |
| National Family Caregiver Support, Title III, Part E | | | |
| National Family Caregiver Support, Title III, Part E | 93.052 | Ut Dept of Human Serv | 129,505 |
| Total National Family Caregiver Support, Title III, Part E | | | 129,505 |
| Medicare Enrollment Assistance Program | | | |
| Medicare Enrollment Assistance Program | 93.071 | Ut Dept of Human Serv | 77,500 |
| Total Medicare Enrollment Assistance Program | | | 77,500 |
| Low-Income Home Energy Assistance | | | |
| | | Ut Dept of Workforce | |
| Low-Income Home Energy Assistance | 93.568 | Services | 1,174,973 |
| Total Low-Income Home Energy Assistance | | | 1,174,973 |
| Social Services Block Grant | | | |
| | | Ut Dept of Workforce | |
| Social Services Block Grant | 93.667 | Services | 183,363 |
| Total Social Services Block Grant | | | 183,363 |
| Centers for Medicare & Medicaid Services (CMS) Research, Demos & Evaluations | | | |
| Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations | 93.779 | Ut Dept of Workforce Services | 32,006 |
| Total CMS Research, Demonstrations and Evaluations | | | 32,006 |

**Five County Association of Governments
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020**

| <i>Federal Grantor/Program or Cluster Title</i> | <i>Federal CFDA #</i> | <i>Pass-through Grantor</i> | <i>Federal Expenditures</i> |
|---|---------------------------|---------------------------------------|---------------------------------|
| Assistance Programs for Chronic Disease Prevention & Control | | | |
| Assistance Prog for Chronic Disease Prevention & Control | 93.945 | Ut Dept of Health | <u>17,797</u> |
| Total Assistance Programs for Chronic Disease Prev & Control | | | <u>17,797</u> |
| <i>Total Department of Health and Human Services</i> | | | <u>1,661,251</u> |
| Department of Housing and Urban Development | | | |
| Community Development Block Grants/State's program | | | |
| Community Development Block Grants/State's program | 14.228 | Ut Dept of Housing & Community Dev | <u>90,000</u> |
| Total Community Development Block Grants/State's program | | | <u>90,000</u> |
| Emergency Solutions Grant Program | | | |
| Emergency Solutions Grant Program | 14.231 | Ut Dept of Housing & Community Dev | <u>37,407</u> |
| Total Emergency Solutions Grant Program | | | <u>37,407</u> |
| Home Investment Partnerships Program | | | |
| Home Investment Partnerships Program | 14.239 | Ut Dept of Housing & Community Dev | <u>21,726</u> |
| Total Home Investment Partnerships Program | | | <u>21,726</u> |
| Continuum of Care Program | | | |
| Continuum of Care Program | 14.267 | | <u>144,194</u> |
| Total Continuum of Care Program | | | <u>144,194</u> |
| <i>Total Department of Housing and Urban Development</i> | | | <u>293,327</u> |
| 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 | <u>10,241</u> |
| Total VITA Matching Grant Program | | | <u>10,241</u> |
| <i>Total Department of the Treasury</i> | | | <u>10,241</u> |
| Department of Veterans Affairs | | | |
| VHA Home Care | | | |
| VHA Home Care | 64.044 | | <u>10,241</u> |
| Total VHA Home Care | | | <u>10,241</u> |
| <i>Total Department of Veterans Affairs</i> | | | <u>10,241</u> |
| Total Other Programs | | | <u>2,480,274</u> |
| Total Expenditures of Federal Awards | | | <u><u>\$ 6,612,809</u></u> |

The accompanying notes are an integral part of this schedule

FIVE COUNTY ASSOCIATION OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020

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> |
|--------------------------------|------------------------|---------------|
| Aging Cluster | 93.044, 93.045, 93.053 | \$ 934,045 |
| Economic Adjustment Assistance | 11.307 | \$1,219,577 |

- 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, 2020

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

-NONE-

FIVE COUNTY ASSOCIATION OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020

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

-NONE-

FIVE COUNTY ASSOCIATION OF GOVERNMENTS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2020

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, 2020.

General state compliance requirements were tested for the year ended June 30, 2020 in the following areas:

- | | |
|--|-------------------------|
| Cash Management | Budgetary Compliance |
| Open and Public Meetings Act | Public Treasurer’s Bond |
| Utah Retirement Systems | Fund Balance |
| Special and Local Service District Board Members | Fraud Assessment |

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on 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, 2020.

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 charge 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

HAFEN, BUCKNER, EVERETT & GRAFF, PC
December 28, 2020