

CITY OF ST. GEORGE, UT  
COMPREHENSIVE ANNUAL FINANCIAL  
REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2004

Prepared by Philip R. Peterson, CPA  
Finance Director

CITY OF ST. GEORGE, UT  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended June 30, 2004

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# ***INTRODUCTORY SECTION***

October 15, 2004



To the Honorable Mayor, Members of the City Council,  
and Citizens of the City of St. George

It is with great pleasure that the Comprehensive Annual Financial Report (CAFR) for the City of St. George for the year ended June 30, 2004, is presented.

In addition to the fund financial information presented in the City's financial statements, this report now includes government-wide financial statements. The government-wide financial statements include a Statement of Net Assets that provides the total net assets of the City including all capital assets (including infrastructure) and the Statement of Activities that shows the cost of providing government services. The City has taken a leadership role in implementing these new accounting standards.

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This Comprehensive Annual Financial Report is hereby issued and submitted to you for the fiscal year ended June 30, 2004, in accordance with these requirements.

This report consists of management's representations concerning the finances of the City of St. George. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established an internal control framework that is designed to both protect the assets of the City from loss, theft, or misuse and to allow for the compiling of sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's internal control procedures have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of management's knowledge and belief, this financial report is complete and reliable in all material respects.

The City of St. George's financial statements have been audited by Kemp, Burdick, Hinton, & Hall, LC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of St. George

for the fiscal year ended June 30, 2004, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of St. George's financial statements for the fiscal year ended June 30, 2004, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

The comprehensive annual financial report is presented in five sections:

1. ***The Introductory Section***, which is unaudited, includes this letter of transmittal and the City's organization chart.
2. ***The Financial Section***, which includes the MD&A, the basic financial statements, and the independent auditor's report on the financial statements.
3. ***The Statistical Section***, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.
4. ***The Single Audit Section***, which includes all reports and schedules necessary in order for the City to comply with the Single Audit Act and U.S. Office of Management and Budget Circular A-128, Audits of State and Local Governments.
5. ***The Continuing Disclosure Section***, which includes various schedules necessary to meet the continuing disclosure requirements of various bond issues which the City has undertaken.

The financial reporting entity (the City) includes all funds of the primary government (i.e., the City of St. George as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The Downtown Redevelopment Agency component unit is reported in the statements as a capital projects fund while the Municipal Building Authority is reported as an enterprise fund.

State statutes detail the functions to be performed by State municipalities. Title 10 of the Utah Code generally sets out laws to provide for the incorporation, organization, and classification of cities and towns in proportion to population. Cities of the third class, such as the City, are those with fewer than 60,000 and more than 800 inhabitants. State law allows cities of

the third class to choose government either by mayor and city council or by mayor, city council, and city manager. The City of St. George is organized under general law and governed by a mayor and five city council members elected at large for staggered four-year terms. The Mayor presides over all meetings but casts no vote in the City Council except in the case of a tie. The City Manager is responsible for the day-to-day operations of the City as it's chief operating officer. Department heads are full-time employees of the City and are responsible for day-to-day operations within the policy framework of the governing body. They report to the Mayor, City Manager, and the City Council.

The principal powers and duties of municipalities are to maintain law and order, abate nuisances, guard public health and sanitation, promote recreation, provide fire protection, and construct and maintain streets, sidewalks, waterworks and sewers. Municipalities also regulate commercial and residential development within their boundaries by means of zoning ordinances, building codes and licensing procedures.

### **ECONOMIC CONDITION AND OUTLOOK**

The City of St. George, incorporated in 1862, is the county seat of Washington County, which county is located in the extreme southwest corner of the state of Utah. It is nestled in a picturesque valley surrounded by impressive sandstone cliffs. The backdrop is breathtaking with blue skies, clean air, and a friendly business environment which attracts over 2 million international visitors annually. The desert climate promotes year round recreation and leisure activities, which includes eight championship golf courses. Washington County is one of the fastest growing areas in Utah and is expected to remain so well into the 21<sup>st</sup> century. The 2000 census showed a population of 49,663 which was an increase of 74.24% from the 1990 census.

*St. George, the county's largest city, lies along Interstate 15 with a host of smaller communities that make up Utah's Dixie. The advantages of the county's position along one of the nation's key east-west routes between California and established destination points such as Salt Lake City, Denver, and Albuquerque is making Washington County one of the nation's fastest growing communities. The scenic area not only provides easy access to major markets of the western United States, it has become a destination point for countless people and businesses looking for a better way of life and more fruitful atmosphere for growth and prosperity. By the end of the decade, the St. George-Zion National Park areas of Washington County were rated among the best communities in the country to retire by Rand-McNally, Prentice Hall, Money, and the American Association of Retired People. (Washington County, a spectacular environment for business growth)*

During the fiscal year there were building permits issued for almost 1,900 residential units. It represents an increase of almost 37% from the prior year's number of units.

Some of the major accomplishments and projects which were begun during the fiscal year are as follows:

In November the new Dixie Regional Medical Center opened and has experienced tremendous growth since then. The fourth floor was not completed during construction and it was anticipated that it would be completed in two to three years. However, because of the growth in services, the floor has already been slated to be completed within the next few months. Over 100 open heart procedures have been completed in St George which would have had to go elsewhere prior to the new hospital opening.

The City continues work on the financial planning, land acquisition, and other issues related to the construction of a new regional airport within the City. A setback was encountered with a court ruling which ruled that the City must conduct an environmental study concerning the impact of the airport on the natural quiet of Zion National Park. During the year the City authorized and began the work of accomplishing such a study. It is anticipated that the project may be delayed somewhat, but it is hoped that it will not be a substantial delay.

The City issued \$31,000,000 in bonds for the expansion of the Quail Creek water treatment plant. The expansion will double the size of the current plant and along with the regional pipeline constructed by the Washington County Water Conservancy District will allow for the delivery of Quail Creek treated water to the westside of the City.

A number of highway and street projects were completed and others began during the fiscal year. Included in these were the reconstruction of Highland Drive, the construction of the new bridge on Dixie Drive south, the reconstruction of Turtle Road, and preliminary work begun on the completion of Riverside Drive.

An existing building was purchased in the Millcreek Industrial Park as a replacement for the Parks division maintenance building during the 2003 fiscal year and the remodeling of the building was completed during this year. Construction was completed on Fire Station #7 in the Dixie Downs area which will also serve as a secondary dispatch center for the police department. Funding was requested from the county, state, and federal governments to assist in the preservation of the dinosaur tracks found at the Johnson farm. A build/design contract was approved and construction began on the construction of a building to house these unique items on site.

A number of property purchases were completed during the year to acquire property in the downtown area and also additional land for parks and trails throughout the city. The downtown property purchases will allow for the city to better plan and manage the rehabilitation of the downtown area. Throughout the year several meetings were held with interested individuals and groups to plan on what the downtown area should look like.

Construction began on two new motels within the City. These represent the first new motels in the City in several years. A new Hilton Gardens is being constructed next door

to the Dixie Center and a Marriott Courtyard will be constructed near the new hospital in the northeastern part of the City. In addition, a couple of motels also announced plans to add more rooms.

The city's newest industrial park, the privately developed Ft Pierce, is in its third phase. The master plan calls for the park to eventually include more than 1,000 acres. A number of businesses have constructed buildings and several other companies will be building new facilities over the next year.

The privately funded Tonaquint Center Development Inc's new High Tech Business Park provides a blend of high-tech development and technology based companies. Three of the eventual 24 buildings with nearly 600,000 square feet of space are in place. All buildings will have redundant fiber internet access.

## **CASH MANAGEMENT**

The Utah Money Management Act (MM Act) governs the investment of all public funds held by public treasurers in the state. It establishes criteria for the investment of public funds with an emphasis on safety, liquidity, yield, matching strategy to fund objectives, and matching the term of investments to the availability of funds. The MM Act provides a limited list of approved investments, including qualified in-state and permitted out-of-state financial institutions, approved government agency securities, and investments in corporate securities carrying "top credit ratings."

The law requires all securities to be delivered versus payment to the Treasurer's safekeeping bank. It also requires diversification of investments. The City is currently complying with all of the provisions of the MM Act for all City operating funds. A significant portion of the City's funds are invested in the Utah Public Treasurer's Investment Fund (PTIF).

All deposits are held either by the City, its agent or a financial institution's trust department in the City's name. All of the City's investments held during the year, and at year-end, are classified in the category of lowest credit risk as defined by the Government Accounting Standards Board.

## **RISK MANAGEMENT**

The City has organized a Safety/Risk Management Committee consisting of safety representatives from each of the City's departments. The responsibilities of the committee include:

- (1) Establish City-wide safety rules, policies, and training programs.

(2) Review, investigate, and act upon safety matters referred by the City Manager, Department Heads, and employees generally.

(3) Perform safety inspections and make periodic reviews for adherence to safety requirements.

(4) Educate and train employees to understand and follow safety rules and procedures.

As part of an over-all risk management effort, the City has also established a Claims Committee to review controversial or large dollar claims. This committee consists of the Director of Administrative Services, Risk Manager, City Manager, City Attorney, Human Resource Manager, and the department head whose area of speciality is most closely related to the claim.

The City has also established an "Incident Report Form" to facilitate the timely reporting of employee, third party, or property related incidents that could result in financial expenditures.

### **PENSION BENEFITS PROVIDED**

During the fiscal year ended June 30, 2004, the City participated in two separate retirement systems. One system is maintained by the Utah State Retirement Board which covers City, County, and State employees in the State of Utah. Those contributions above the State required rates are invested in a separate defined contribution plan administered by the International City Managers Association retirement trust.

### **AWARDS & ACKNOWLEDGMENTS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. George for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2003. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. I believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and I am submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this financial report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department and our independent auditors, Kemp, Burdick, Hinton, and Hall. My thanks also to the Finance Director, the Administrative Services Director, Mayor and members of the City Council for their support and dedication to maintaining the highest standards of professionalism in the management of the

City's finances.

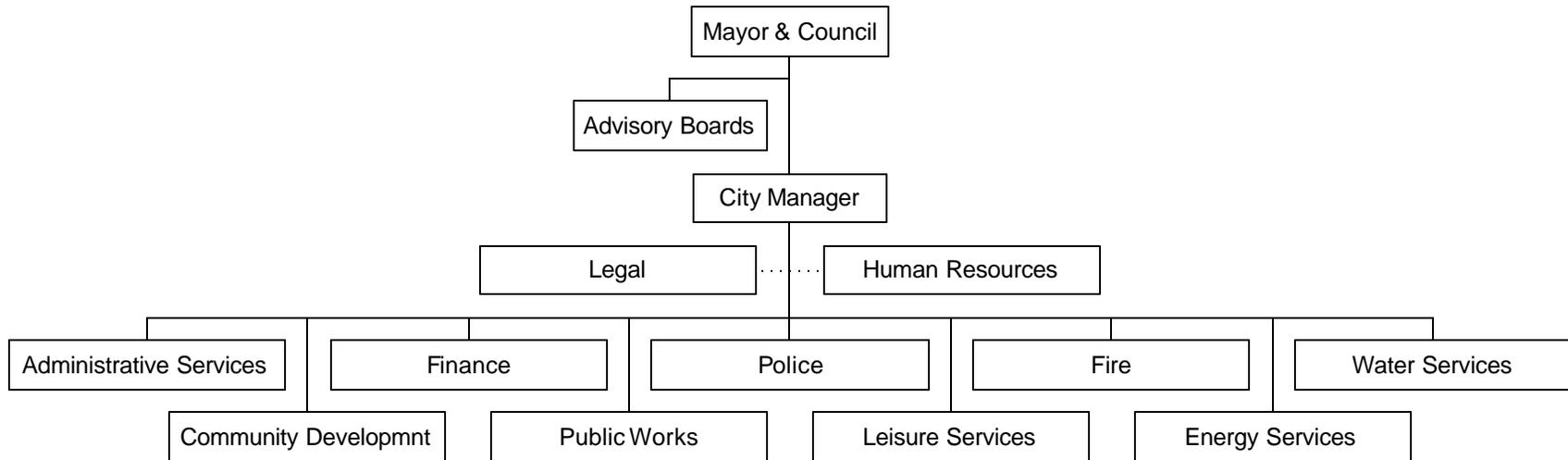
Respectfully submitted,

Gary S. Esplin  
City Manager

**OFFICIALS**  
**CITY OF ST. GEORGE, UTAH**

<i>Daniel D. McArthur</i>	<i>Mayor</i>
<i>Suzanne Allen</i>	<i>City Council Member</i>
<i>Larry Gardner</i>	<i>City Council Member</i>
<i>Robert (Bob) Whatcott</i>	<i>City Council Member</i>
<i>Rod Orton</i>	<i>City Council Member</i>
<i>Gail Bunker</i>	<i>City Council Member</i>
<i>Gary S. Esplin</i>	<i>City Manager</i>
<i>Shawn Guzman</i>	<i>City Attorney</i>
<i>Gay Cragun</i>	<i>City Recorder</i>
<i>Deanna C. Brklacich</i>	<i>City Treasurer</i>
<i>Phillip Solomon</i>	<i>Energy Services Director</i>
<i>Barry Barnum</i>	<i>Water Services Director</i>
<i>Marlon Stratton</i>	<i>Chief of Police</i>
<i>Robert Stoker</i>	<i>Fire Chief</i>
<i>Larry H. Bulloch</i>	<i>Public Works Director</i>
<i>Joseph C. Vincent</i>	<i>Director of Administrative Services</i>
<i>Kent Perkins</i>	<i>Leisure Services Director</i>
<i>Robert Nicholson</i>	<i>Community Development Director</i>
<i>Philip R. Peterson</i>	<i>Finance Director</i>

# City of St. George, Ut Organization Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of St. George,  
Utah

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

# ***FINANCIAL SECTION***



**INDEPENDENT AUDITORS' OPINION  
ON BASIC FINANCIAL STATEMENTS AND  
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS**

MEMBERS:  
KRIS J. BRAUNBERGER  
DEAN R. BURDICK  
BRENT R. HALL  
KENNETH A. HINTON  
GREGORY A. KEMP  
MORRIS J. PEACOCK  
MICHAEL K. SPILKER  
MARK E. TICHENOR

The Honorable Mayor and  
City Council  
St. George, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. George, Utah, as of and for the year ended June 30, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City of St. George's management. Our responsibility is to express an opinion on these basic 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. George, Utah, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2004 on our consideration of the City of St. George's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering

the results of our audit.

The Management's Discussion and Analysis on pages 17-31, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The combining and individual fund schedules listed in the Table of Contents are also presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of St. George, Utah. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects, in relation to the basic financial statements taken as a whole.

We did not audit the data included in the introductory, continuing disclosure and statistical sections of this report and therefore express no opinion thereon.

*Kemp, Burdick, Hinton & Hall, L.C.*

KEMP, BURDICK, HINTON & HALL, L.C.  
September 13, 2004

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of St. George, we offer readers of the City of St. George's financial statements this narrative overview and analysis of the financial activities of the City of St. George for the fiscal year ended June 30, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### FINANCIAL HIGHLIGHTS

- The total net assets of the City of St. George increased 13.63% to \$228,760,009. Governmental net assets increased by 12.06% while Business-type net assets increased by 14.97%.  
In the Governmental funds, the increase is almost totally made up of increases in fixed assets. Fire Station #7 was completed at a cost of just over one million dollars, several streets and public works projects were started including the improvements to Skyline Drive and Highland Drive, and several purchases of property were made in order to protect the downtown area and also acquire property for future parks or open space in the Little Valley area of the City.  
Business-type fund net asset increases were also mainly in the fixed asset category with the construction of the Quail Creek treatment plant expansion and the City portion of the regional water pipeline projects being the largest contributors to such costs. Restricted cash balances also include over twenty-five million dollars in unspent construction funds restricted for the Quail Creek expansion from the bond issue.
- The total net assets of \$228,760,009 is made up of \$135,904,922 in capital assets net of related debt and \$92,855,087 in other net assets.
- In the General Fund, revenues exceeded expenditures by \$5,071,195. \$5,037,140 was then transferred to other funds including the Capital Equipment Capital Projects Fund to be used to fund additional capital projects. The total fund balance of the General Fund represents 12.38% of total budgeted expenditures for the next fiscal year ending fy2005.
- Total long-term liabilities of the City increased \$27,787,196 with the issuance of the Quail Creek expansion bonds in the Water Utility for \$31,000,000 and the issuance of additional Excise Tax Revenue Bonds in the General Fund for \$5,000,000.

### REPORTING THE CITY AS A WHOLE

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

to the basic financial statements.

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

- *The statement of net assets* presents information on all of the City of St. George's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of St. George is improving or deteriorating. However, you will also need to consider other nonfinancial factors.
- *The statement of activities* presents information showing how the City's net assets changed during the fiscal year reported. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of the City of St. George that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The government-wide financial statements can be found on pages 32 & 33 of this report.

## **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of St. George also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental funds** - These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These fund statements focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps users determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation included with the fund financial statements.

The major governmental funds (as determined by generally accepted accounting principles) are the General Fund, the Recreation Bond Debt Service Fund, and the Public Works Capital Projects Fund.. The balance of the governmental funds are determined to be nonmajor and are included in the combining statements within this report.

- Proprietary funds - The City of St. George maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of St. George uses enterprise funds to account for its Electric Utility, Water Utility, Wastewater Collection Utility, Wastewater Treatment Utility, Municipal Building Authority, Refuse Collection, and Golf Courses. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of St. George's various functions. The City uses an internal service fund for providing self-insurance above that amount carried with commercial insurance companies. Because this service primarily benefits governmental activities, they have been included with governmental activities in the government-wide financial statements.

As determined by generally accepted accounting principles, all enterprise funds except for Refuse Collection, Municipal Building Authority and Golf Courses meet the criteria of major fund classification. The Refuse Collection, Municipal Building Authority and Golf Courses funds are classified as nonmajor and are included in the combining statements within this report.

- Fiduciary funds - These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting method used for these funds is much like that used for proprietary funds.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of St. George, assets exceed liabilities by \$228,760,009.

By far the largest portion of the City of St. George's net assets (59.41%) reflects its investment in capital assets (e.g., land, buildings, infrastructure assets, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

STATEMENT OF NET ASSETS (in thousands)

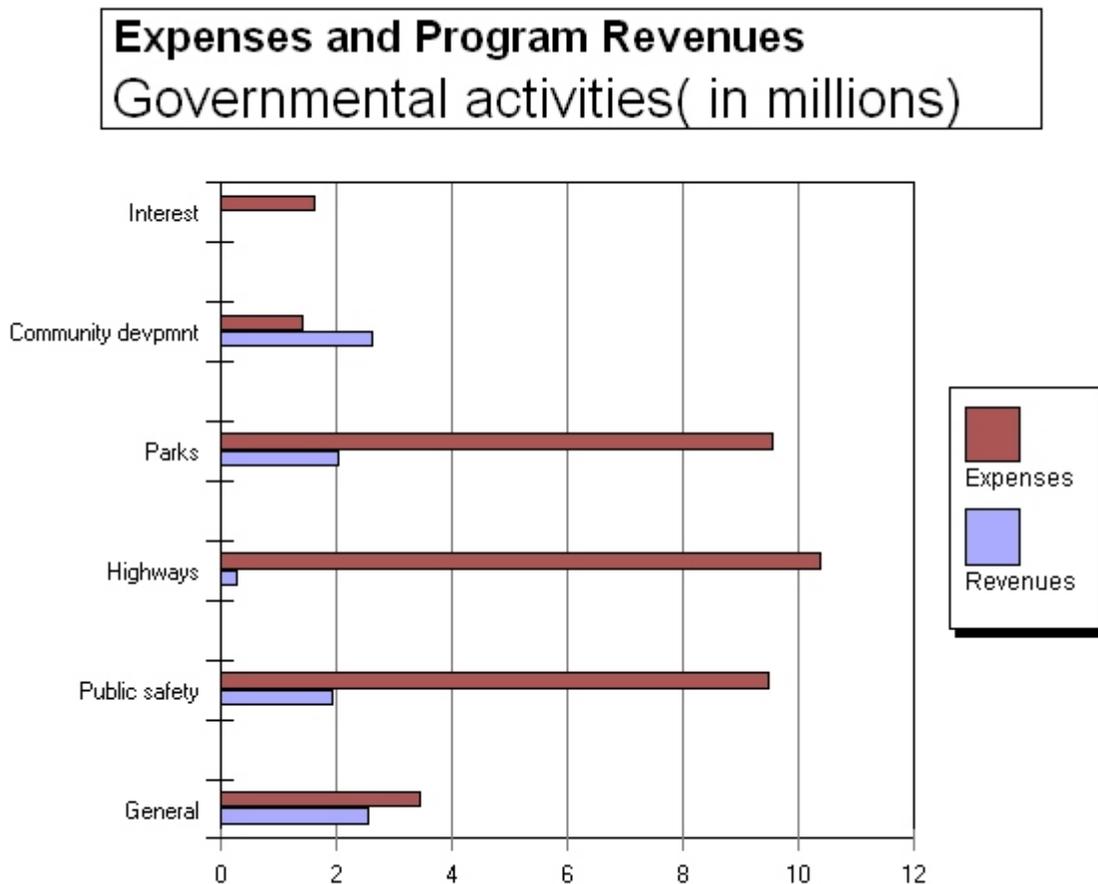
	Governmental Activities		Business-type Activities	
	2004	2003	2004	2003
Current and other assets	\$50,546	\$ 44,441	\$57,065	\$ 29,308
Capital assets	<u>100,738</u>	<u>91,220</u>	<u>163,131</u>	<u>150,283</u>
Total assets	151,284	135,661	220,196	179,591
Long-term debt outstanding	36,421	33,866	91,543	63,149
Other liabilities	<u>6,211</u>	<u>6,833</u>	<u>8,545</u>	<u>11,971</u>
Total liabilities	42,632	40,699	100,088	75,120
Net assets:				
Invested in capital assets, net of debt	64,316	57,354	71,589	87,134
Restricted	3,375	2,798	4,760	6,737
Unrestricted	<u>40,960</u>	<u>34,810</u>	<u>43,760</u>	<u>10,600</u>
Total net assets	<u>\$108,652</u>	<u>\$94,962</u>	<u>\$120,109</u>	<u>\$104,471</u>

CHANGES IN NET ASSETS (in thousands)

	Governmental Activities		Business-type Activities	
	2004	2003	2004	2003
Revenues:				
Program revenues:				
Charges for services	\$ 9,547	\$ 7,027	\$ 77,909	\$ 68,934
Operating grants & contributions	7,971	6,526	695	19
Capital grants & contributions	4,720	2,073	1,072	-
General revenues:				
Property taxes	8,324	7,181		
Other taxes	17,471	15,467		
Investment income	844	1,020	395	378
Other revenues	<u>648</u>	<u>922</u>	<u>309</u>	<u>233</u>
Total revenues	<u>49,525</u>	<u>40,216</u>	<u>80,380</u>	<u>69,564</u>
Expenses:				
General government	3,491	5,129		
Public safety	9,521	8,395		
Highways/public improvements	10,419	8,076		
Parks & recreation	9,592	6,453		
Community & econ development	1,446	1,171		

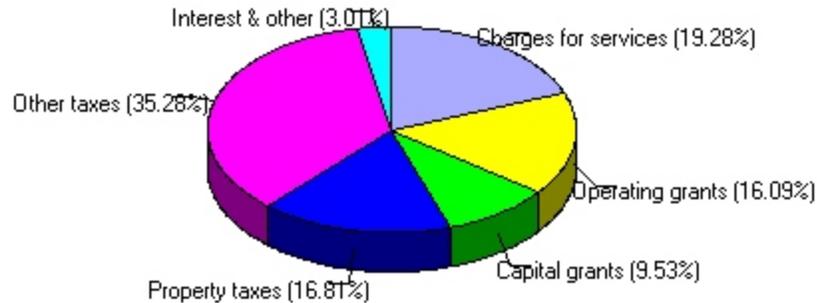
Interest on long-term debt	<u>1,653</u>	<u>2,053</u>		
Electric			38,654	36,461
Water			8,323	7,792
Wastewater collection			6,527	6,098
Wastewater treatment			4,006	4,257
Golf courses			4,205	4,077
Municipal building authority			440	488
Refuse collection			<u>2,379</u>	<u>2,229</u>
Total expenses	<u>36,122</u>	<u>31,277</u>	<u>64,534</u>	<u>61,402</u>
Increase in net assets before transfers	13,403	8,939	15,846	8,162
Transfers	<u>208</u>	<u>(696)</u>	<u>(208)</u>	<u>696</u>
Increase in net assets	13,611	8,242	15,638	8,858
Net assets beginning	<u>95,040</u>	<u>86,798</u>	<u>104,471</u>	<u>95,613</u>
Net assets ending	<u>\$108,651</u>	<u>\$ 95,040</u>	<u>\$ 120,109</u>	<u>\$104,471</u>

The following graphs display the government-wide activities for governmental activities reflected in the above tables.



# Revenues by Source

## Governmental activities

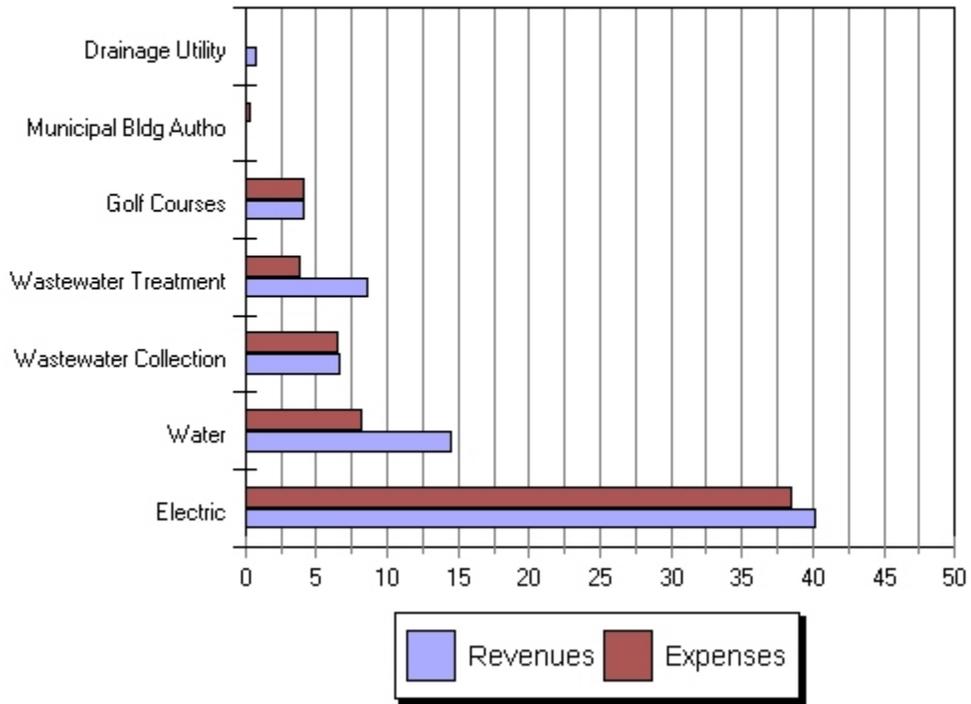


Primarily because of the sale of a parcel of city property in the prior year, the amount of interest and other revenues decreased from 4.83% of revenues to 3.01%. Charges for services increased from 17.39% to 19.28% while capital grants remained essentially the same and other taxes decreased from 38.5% to 35.28%. Operating grants decreased from 16.24% to 16.09%. Overall governmental revenues were up 16.45%.

Although all expenditure categories in the governmental activities saw increases except for interest on long-term debt and Parks and Recreation, all remained fairly constant as a percentage of total expenditures. Highways/public improvements increased from 25.8% to 27.5% with the addition of the SunTran public transit fund, General government increased from 16.4% to 18.8%, and Community & Economic Development increased from 3.7% to 5.8%. Parks and Recreation declined from 20.6% to 17.1%. Overall governmental expenditures for all funds increased by 13.74% as the City continues to grow at a record pace and therefore more services are being required..

Total net assets in business-type activities increased by \$15,637,516. The largest part of this increase is reflected in the unspent bond proceeds which will be spent to fund the expansion of the Quail Creek water treatment plant. Therefore, although this year shows a decrease in the amount of fixed assets net of related debt, it is somewhat misleading in that although all of the debt is reflected on the statement of net assets, the expansion project has not yet been completed and thus is not yet in the fixed assets. As stated earlier, this unspent portion of the bond processes was in excess of twenty-five million dollars at June 30<sup>th</sup>. The following graphs again reflect the government-wide activities for business-type activities as displayed in the following tables.

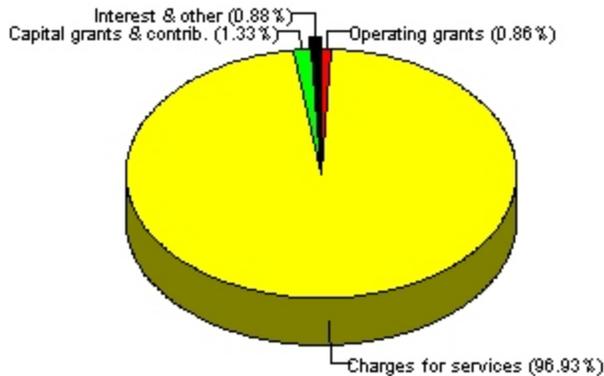
**Expenses and Program Revenues**  
**Business-type activities (in millions)**



As can be seen from the following chart, the majority of revenues in the business-type activities is in charges for services with almost 97% of the revenues as compared to 99% in fy 2003. The City also received some operating and capital grants and contributions from developers and others which they have not received in prior years to make up the balance of revenue sources.

# Revenues by Source

## Business-type activities



### FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

As of the June 30, 2004, the City's governmental funds (General, Capital Projects, Debt Service, & Special Revenue) reported combined fund balances of \$45,275,512. This represents an increase of \$6,802,455 (17.72%) over last year's ending balances.

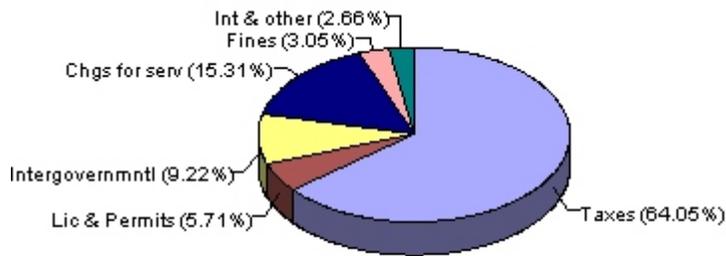
The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenses, are accounted for in this fund. While revenues exceeded expenditures in the General Fund by over \$5 million during the year, a large portion of the surplus was transferred almost in total to the Capital Equipment Capital Projects Fund and the Economic Development Fund for use in future capital and economic development projects. Thus the General Fund total fund balance increased by just \$34,055. An analysis of this total fund balance shows that it represents just over 12.38% of projected revenues for the new fiscal year which ends June 30, 2005. State laws allows for a maximum fund balance of 18% so the City is well within those limits.

Taxes continue to be the largest source of revenue in the General Fund and represent 62.83% of

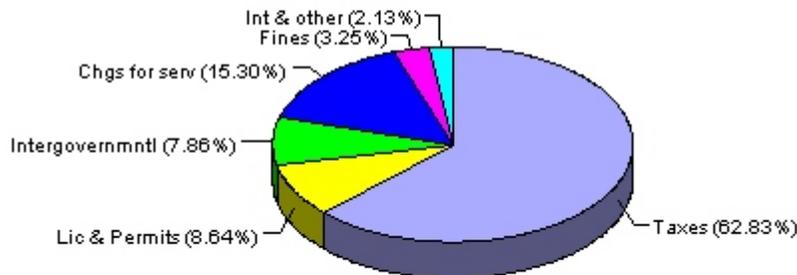
total general fund revenues. The largest element of taxes is sales taxes as it has been for the last several years. It represents 49.88% of total tax revenues and represents 31.34% of total general fund revenues. This compares with 32.37% in the prior fiscal year ended June 30, 2003. Licenses and permits are up from last year because of the large numbers of building permits which have been issued in comparison to the last year. The number of residential permits issued this year represent an increase of almost 37% over the prior year with almost 1900 residential units being permitted. Intergovernmental revenues were down slightly as the airport security grants from prior years are no longer received and the capital grants for construction of the new airport are now being reflected in its own capital projects fund.

The following charts display General Fund revenues as a percent of total revenues for the past two years.

## General Fund Revenues Fiscal Year Ended 6/30/03

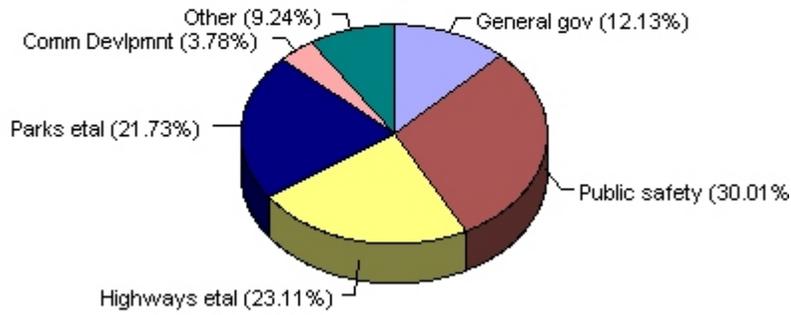


## General Fund Revenues Fiscal Year Ended 6/30/04

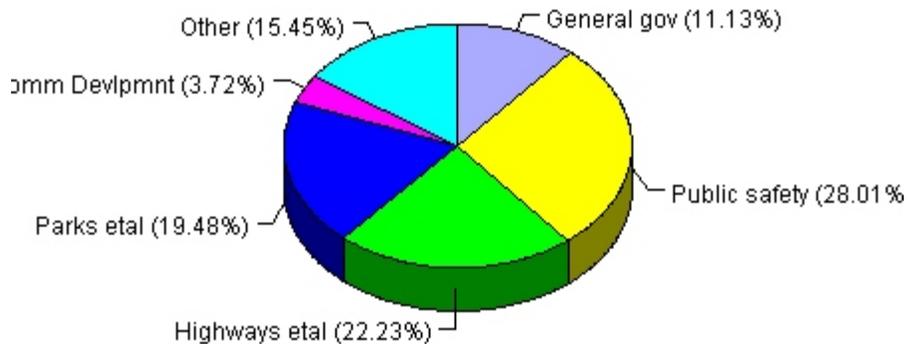


The following graphs display the expenditures in the General Fund by function for the past two fiscal years. As can be seen by reviewing these graphs, most expenditures are close to maintaining the same percentage of expenditures over the two years. The large increase in other is because of the larger than normal transfer at year mentioned previously.

### General Fund Expenditures Fiscal Year Ended 6/30/03



### General Fund Expenditures Fiscal Year Ended 6/30/04



As stated earlier, the City maintains several enterprise funds to account for the business-type activities of the City. The separate fund statements included in this report provides the same information for business-type activities as is provided in the government-wide financial statements. However, the difference is that the fund statements provide much more detail.

The Electric Utility fund was able to continue the turnaround in it's operations during the year by a combination of the rate increase passed in February of 2002, April of 2004, and a more concerted effort to manage the cost of power purchased for sale to our citizens/customers. Total operating revenues in the utility increased by 10.99% during the year. The results have been that the utility has gone from a loss of \$8.675 million in 2002 to a loss of just under \$31,000 for 2003 to a net income of \$1,758,133 in fiscal year 2004.. The Water Utility fund had an increase of 69.5% in it's net income to a net income of over \$6.5 million. The Wastewater Treatment fund saw an increase of 33.99% in it's net income as revenues increased over 13.46% from the prior year.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

During the fiscal year, the General Fund original budget was amended from an original budget expenditure total of \$31,280,500 to a final budget of \$36,337,738 (16.17%). These increases were made to take advantage of revenues being better than originally anticipated. The largest increase was to allow for the transfers of surplus revenues from the General Fund to the Capital Equipment Capital Projects fund and the Economic Development Special Revenue fund..

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital assets - The City of St. George's investment in capital assets for its governmental and business-type activities as of June 30, 2004, amounts to \$263,868,608 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, infrastructure (streets, sidewalks, etc.), and machinery and equipment. The total increase in the City's investment in fixed assets for the current year was 9.05% (a 9.87 % increase for governmental activities and a 8.85 % increase for business-type activities).

Major capital asset events during the current fiscal year included the following:

- \$1,200,000 for purchase of property in the Little Valley area of the city to be used for parks and recreation purposes.
- \$1,051,116 for the completion of fire station #7 in the Dixie Downs area of the City..
- \$114,215 to complete the renovation of an existing building in the Millcreek Industrial park for use as the parks division maintenance facility.
- \$706,990 for the feasibility studies and environmental assessments for the new airport site.

- \$1,100,485 for the purchase of property in the downtown area of the City. These purchases will facilitate the development of the downtown area in a way that the Mayor and City Council can give better direction.
- \$400,000 for an additional property purchase in the downtown area from the school district.
- \$439,162 for the completion of the Highland Drive phase 1 reconstruction project.
- \$2,301,302 for the improvements and reconstruction of the northern beltway on the north side of the city.
- \$209,111 for the widening of Snow Canyon parkway and also \$101,085 for the first portion of improvements to River Road.
- \$2,374,918 for the construction of the Dixie Drive bridge and extension of Dixie Drive.
- \$226,275 for rehabilitation of the landscaping at city hall to make it more water friendly by removing much of the turf and replacing it with a desert landscape theme.
- \$516,961 to begin the construction of the building at the Johnson Dino Track site to cover the tracks to better preserve them and also allow for a visitors center.
- \$425,466 for continuing work on the Virgin River trail system throughout the city.
- \$3,685,301 in the Water Utility for construction of wells, pipeline, and other improvements to the distribution system. \$7,772,317 was spent to begin the process of expansion of the Quail Creek water treatment plant. \$849,532 was spent on the planning and construction of the water reuse line, and \$1,524,672 was spent for additional storage tanks within the water sytem..
- \$761,711 was spent in the Electric Utility for expansion and improvements to the distribution system, \$355,489 for improvements to the diesel plant for generation, and another \$470,469 was spent for improvements and construction of substations throughout the City.

CITY OF ST. GEORGE'S CAPITAL ASSETS  
(net of depreciation)

	Governmental Activities		Business-type Activities	
	2004	2003	2004	2003
Land	\$ 18,803,876	\$ 15,573,315		
Buildings	15,696,427	14,000,914		
Improvements	29,469,354	29,251,671		
Infrastructure	31,160,769	27,080,590		
Machinery & equipment	5,606,820	5,313,823		
Plant, prop.& equipment			<u>\$163,131,362</u>	<u>\$150,282,914</u>
<b>Total</b>	<u><b>\$100,737,246</b></u>	<u><b>\$ 91,220,313</b></u>	<u><b>\$163,131,362</b></u>	<u><b>\$150,282,914</b></u>

Additional information on the City's capital assets can be found in the footnotes to this financial report and also the supplemental section.

Long-term debt - At June 30, 2004, the City had total bonded debt outstanding of \$124,729,000. Of this amount \$33,196,000 is considered to be general obligation debt and backed by the full faith and credit of the City; \$4,854,000 is special assessment debt for which the City is liable in the event of default by the property owners subject to the assessment; and the remainder of \$86,679,000 is debt which is secured solely by specific revenue sources (i.e., revenue bonds).

CITY OF ST. GEORGE'S OUTSTANDING DEBT

	Governmental Activities		Business-type Activities	
	2004	2003	2004	2003
General obligation bonds	\$18,190,000	\$ 17,425,000		
Downtown RDA bonds	251,000	442,000		
Excise Revenue bonds	6,390,000	1,810,000		
WCIA Capital lease bonds	6,736,255	8,613,000		
Special assessment debt with governmental commitment	<u>4,854,000</u>	<u>5,613,000</u>		
Revenue bonds			<u>\$86,679,000</u>	<u>\$61,703,000</u>
<b>Total outstanding debt</b>	<u><b>\$36,421,255</b></u>	<u><b>\$33,903,000</b></u>	<u><b>\$86,679,000</b></u>	<u><b>\$61,703,000</b></u>

The City's total debt increased by \$27,787,196 during the fiscal year.

- The City issued \$5,000,000 in Excise Tax Revenue bonds.

- The City issued \$31,000,000 in Water Utility revenue bonds.
- The City issued \$7,015,000 of sewer revenue refunding bonds.
- The City issued \$11,645,000 in GO recreation bond refunding bonds.

The City’s bonds continue to have the same ratings which they have carried for the past several years. These ratings are as follows:

	Moody’s Investors Service	Standards & Poors	Fitch
1997 Recreation GO bonds	Aaa	AAA	AAA
1993 Water Revenue	Aaa	AAA	
Wastewater Revenue	Aaa	AAA	

State statutes limit the amount of general obligation debt a governmental entity may issue to 4% of its total taxable value. The current limitation for the City is \$123,992,785, which is significantly in excess of the City’s outstanding general obligation debt. In addition, state statute allows for an additional 4% to be used for water, sewer, or electrical projects thus resulting in a debt limit of 8% of total taxable value. The current limitation for these water, sewer and electrical projects is thus \$247,985,570, which again significantly exceeds the outstanding business-type activity debt. Thus total debt limit is \$371,978,355 while the total outstanding debt less reserves restricted for debt service is \$97,893,921. The resulting debt margin is \$274,084,434.

Additional information on the outstanding debt obligations of the City can be found in the footnotes to this report.

### **ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES**

- The unemployment rate for Washington County (of which St. George is the largest City) was 4.2 % compared with a state unemployment rate of 4.8% and a national rate of 5.5%. This compares with a rate of 4.1% in 2003. (Source: Utah Dept of Workforce Services)
- The General Fund budget for the fiscal year-ending June 30, 2005 reflects a decrease of 2.44% from the final budget for the fiscal year-ended June 30, 2004. The largest part of this decrease is the result of the final year-end transfers in 2004 which were made to the capital projects and the economic development funds.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City of St. George’s

finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to: City of St. George, Finance Director, 175 E 200 N, St. George, UT 84770.

CITY OF ST. GEORGE, UTAH  
STATEMENT OF NET ASSETS  
JUNE 30, 2004

	Governmental Activities	Business-type Activities	Total
<b>ASSETS:</b>			
Cash	\$ 38,069,791	\$ 18,800,546	\$ 56,870,336
Restricted cash		30,873,290	30,873,290
Accounts receivable (net of allowance for doubtful accounts)	8,656,242	5,987,390	14,643,632
Inventory	52,517	1,789,550	1,842,068
Notes receivable	595,088		595,088
Internal Balances	2,859,096	(2,859,096)	
Bond discounts		2,470,519	2,470,519
Prepaid expenses	313,537	2,830	316,367
Capital assets (net of depreciation)			
Land	18,803,876		18,803,876
Buildings	15,696,427		15,696,427
Improvements	29,469,354		29,469,354
Infrastructure	31,160,769		31,160,769
Machinery & equipment	5,606,820		5,606,820
Plant, property, and equipment		163,131,362	163,131,362
Total assets	<u>\$ 151,283,517</u>	<u>\$ 220,196,392</u>	<u>\$ 371,479,910</u>
<b>LIABILITIES:</b>			
Accrued liabilities	\$ 1,840,356	\$ 7,547,428	\$ 9,387,785
Construction bonds held	363,654		363,654
Deposits payable		997,817	997,817
Deferred compensation	722,811		722,811
Interest payable	602,029		602,029
Unearned revenues	2,682,119		2,682,119
Bonds payable:			
Due within one year	1,740,000	5,099,000	6,839,000
Due in more than one year	27,945,000	81,579,986	109,524,986
Capital leases:			
Due within one year	248,000	618,926	866,926
Due in more than one year	6,488,255		6,488,255
Bond premiums	-	4,244,519	4,244,519
Total liabilities	<u>42,632,225</u>	<u>100,087,676</u>	<u>142,719,901</u>
<b>NET ASSETS:</b>			
Invested in capital assets, net of related debt	64,315,991	71,588,932	135,904,923
Restricted for:			
Unspent bond proceeds for construction		26,112,857	
Debt service	3,374,791	4,760,433	8,135,224
Unrestricted	40,960,510	17,646,496	58,607,006
Total Net Assets	<u>\$ 108,651,293</u>	<u>\$ 120,108,718</u>	<u>\$ 228,760,009</u>

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

CITY OF ST. GEORGE, UTAH  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2004

	Program Revenues				Net Governmental Activities	Business-type Activities	Total
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions			
<b>Governmental activities:</b>							
General government	\$ 3,491,260	\$ 2,567,926	\$ -	\$ -	\$ (923,334)		\$ (923,334)
Public Safety	9,520,843	1,966,363	838,708	-	(6,715,772)		(6,715,772)
Highways & public improvements	10,418,822	293,081	4,775,554	2,344,037	(3,006,150)		(3,006,150)
Parks, recreation & public property	9,592,471	2,071,331	2,306,761	2,376,085	(2,838,294)		(2,838,294)
Community & economic development	1,446,317	2,648,093	49,531		1,251,307		1,251,307
Interest on long-term debt	1,652,796				(1,652,796)		(1,652,796)
<b>Total governmental activities</b>	<b>36,122,509</b>	<b>9,546,794</b>	<b>7,970,554</b>	<b>4,720,122</b>	<b>(13,885,039)</b>	<b>-</b>	<b>(13,885,039)</b>
<b>Business-type activities:</b>							
Electric	38,653,761	40,359,029				1,705,269	1,705,269
Water	8,322,925	14,638,893		1,071,866		7,387,834	7,387,834
Wastewater collection	6,526,687	6,706,438				179,752	179,752
Regional wastewater treatment	4,005,919	8,709,795	6,000			4,709,876	4,709,876
Golf courses	4,206,536	4,241,585	17,401			52,450	52,450
Municipal bldg authority	440,543	-	672,036			231,493	231,493
Drainage Utility	-	818,662				818,662	818,662
Solid waste	2,378,576	2,435,030				56,454	56,454
<b>Total business-type activities</b>	<b>64,534,946</b>	<b>77,909,432</b>	<b>695,437</b>	<b>1,071,866</b>		<b>15,141,789</b>	<b>15,141,789</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property taxes levied for general purposes					6,544,523		6,544,523
Property taxes levied for debt service					1,779,323		1,779,323
Franchise taxes					3,886,551		3,886,551
General sales taxes & highway sales taxes					13,584,265		13,584,265
Business licenses					409,493		409,493
Investment income					844,527	395,162	1,239,689
Lease payments					(373,377)		(373,377)
Gain on sale of assets					17,430		17,430
Rents & concessions					59,617		59,617
Miscellaneous					535,313	309,035	844,348
Transfers					208,470	(208,470)	-
<b>Total general revenues &amp; transfers</b>					<b>27,496,135</b>	<b>495,727</b>	<b>27,991,862</b>
<b>Change in net assets</b>					<b>13,611,096</b>	<b>15,637,516</b>	<b>29,248,612</b>
<b>Net assets - beginning</b>					<b>95,040,197</b>	<b>104,471,202</b>	<b>199,511,399</b>
<b>Net assets - ending</b>					<b>\$ 108,651,293</b>	<b>\$ 120,108,718</b>	<b>\$ 228,760,011</b>

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

CITY OF ST. GEORGE, UT  
**GOVERNMENTAL FUNDS TYPE**  
**BALANCE SHEET**  
 JUNE 30, 2004

<u>ASSETS</u>	<u>General</u>	<u>Recreation Bond Debt Service</u>	<u>Public Works Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash	\$ 1,914,248	\$ 288,867	\$ 13,444,815	\$ 22,037,161	\$ 37,685,091
Accounts receivable	2,429,767		168,980	6,057,495	8,656,242
Prepaid items	313,537				313,537
Inventory	52,517				52,517
Notes receivable	595,088				595,088
Due from other funds	500,000			2,977,372	3,477,372
<b>Total assets</b>	<b>\$ 5,805,158</b>	<b>\$ 288,867</b>	<b>\$ 13,613,794</b>	<b>\$ 31,072,028</b>	<b>\$ 50,779,847</b>

LIABILITIES AND FUND BALANCE

Liabilities:					
Construction bonds held	\$ 363,654				\$ 363,654
Due to other funds	388,645			229,631	618,276
Accrued liabilities	663,397		531,235	645,654	1,840,286
Deferred revenues	-			2,682,119	2,682,119
<b>Total liabilities</b>	<b>1,415,697</b>		<b>531,235</b>	<b>3,557,404</b>	<b>5,504,335</b>
Fund Balance:					
Reserved in Special revenue funds				6,847,614	6,847,614
Reserved for Debt service fund		288,867		3,085,924	3,374,791
Reserved for Capital projects fund			13,082,559	17,581,087	30,663,646
Reserved for Police Seizures	39,609				39,609
Reserved for Notes receivable	595,088				595,088
Reserved for Perpetual Care	125,834				125,834
Unreserved - undesignated	3,628,930				3,628,930
<b>Total fund balance</b>	<b>4,389,461</b>	<b>288,867</b>	<b>13,082,559</b>	<b>27,514,624</b>	<b>45,275,512</b>
<b>Total liabilities and fund balance</b>	<b>\$ 5,805,158</b>	<b>\$ 288,867</b>	<b>\$ 13,613,794</b>	<b>\$ 31,072,028</b>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	100,737,246
Long-term liabilities, including bonds payable and capital leases, are not due and payable in the current period and therefore are not reported in the funds.	(37,746,095)
Fund balance in Self-Insurance internal service fund	384,630
	<b>\$ 108,651,293</b>

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

CITY OF ST. GEORGE, UT  
**GOVERNMENTAL FUNDS TYPE**  
**STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
YEAR ENDED JUNE 30, 2004

	<u>General</u>	<u>Recreation Bond Debt Service</u>	<u>Public Works Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes & special assessments	\$ 20,814,066	\$ 1,083,060	\$ -	\$ 5,776,945	\$ 27,674,071
Licenses and permits	2,861,199			-	2,861,199
Intergovernmental	2,603,641			1,897,316	4,500,957
Charges for services	5,070,508			-	5,070,508
Fines & forfeitures	1,076,417			-	1,076,417
Investment income	254,389	384	145,821	439,052	839,645
Rents & concessions	59,617			-	59,617
Miscellaneous	128,398		327,915	119,866	576,178
Contributions from other sources	53,811			2,296,280	2,350,091
Capital development fees	-			4,290,570	4,290,570
	<hr/>			<hr/>	<hr/>
Total revenues	32,922,045	1,083,444	473,736	14,820,029	49,299,254
Expenditures:					
Current:					
General government	3,682,399	186,386	9,036	1,062,649	4,940,471
Public safety	9,269,024			-	9,269,024
Highways & public improvements	7,355,810			-	7,355,810
Parks, recreation & public property	6,446,712			-	6,446,712
Community & economic development	1,230,257			-	1,230,257
Capital outlay	-		6,964,553	7,931,160	14,895,713
Debt service					
Capital leases	74,984			298,393	373,377
Principal	-	10,880,000		2,788,428	13,668,428
Interest & admin charges	-	1,102,837		590,727	1,693,564
	<hr/>			<hr/>	<hr/>
Total expenditures	28,059,187	12,169,223	6,973,589	12,671,357	59,873,356
Excess (deficiency) of revenues over expenditures	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,862,858	(11,085,779)	(6,499,854)	2,148,672	(10,574,102)
Other financing sources (uses):					
Transfers in	190,907		10,066,096	5,517,000	15,774,003
Transfers out	(5,037,140)			(9,660,766)	(14,697,906)
Contributions from private sources			69,100		69,100
Proceeds from sale of capital assets	17,430			-	17,430
Loss on bond refinancing		(1,073,867)			(1,073,867)
Premiums on bonds sold		515,783		127,014	642,797
Issuance of notes/bonds/leases	-	11,645,000		5,000,000	16,645,000
Total other financing sources (uses)	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(4,828,803)	11,086,916	10,135,196	983,248	17,376,557
Net change in fund balances	34,055	1,137	3,635,342	3,131,920	6,802,455
Fund balances, beginning of year,	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,355,403	287,730	9,447,217	24,382,705	38,473,055
Fund balances, end of year	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 4,389,458	\$ 288,867	\$ 13,082,559	\$ 27,514,625	\$ 45,275,510

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

CITY OF ST. GEORGE, UT  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**  
YEAR ENDED JUNE 30, 2004

Net change in fund balances - total governmental funds \$ 6,802,455

Amounts reported for governmental activities in the statement of activities differs from the amounts reported in the statement of revenues, expenditures, and changes in fund balance because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 9,668,406

Retirement of fixed assets reduces the total fixed assets in the statement of net assets however, no expenditure or revenue is recognized in the statement of activities (151,473)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 14,090,224

Issuance of long-term debt provides current financial resources in the governmental funds but increases long-term liabilities in the statement of net assets. (16,645,000)

Accrued Interest for Long-term debt is not reported as an expenditure for the current period while it is recorded in the statement of activities. (72,614)

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (79,623)

Internal service funds are used by management to charge the costs of self-insurance to individual funds. The net revenue of these activities of internal service funds is reported with governmental activities. (1,279)

Change in net assets of governmental activities \$ 13,611,096

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

CITY OF ST. GEORGE, UTAH  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
<b>Taxes:</b>				
General property taxes	\$ 5,500,000	\$ 5,500,000	\$ 6,020,487	\$ 520,487
Prior year's delinquent taxes	385,000	385,000	524,036	139,036
General sales & use taxes	9,400,000	9,408,400	10,382,991	974,591
Franchise taxes	3,750,000	3,750,000	3,886,551	136,551
<b>Total taxes</b>	<b>19,035,000</b>	<b>19,043,400</b>	<b>20,814,066</b>	<b>1,770,666</b>
<b>Licenses &amp; permits:</b>				
Business licenses & permits	375,000	375,000	409,493	34,493
Non-business licenses & permits	1,215,000	1,252,000	2,451,706	1,199,706
<b>Total licenses &amp; permits</b>	<b>1,590,000</b>	<b>1,627,000</b>	<b>2,861,199</b>	<b>1,234,199</b>
<b>Intergovernmental revenues:</b>				
Federal grants	2,196,000	2,278,669	413,591	(1,865,078)
State grants	-	91,299	56,777	(34,522)
Class "C" roads	2,000,000	2,000,000	2,103,013	103,013
State liquor allotment	15,000	15,000	30,260	15,260
<b>Total intergovernmental revenues</b>	<b>4,211,000</b>	<b>4,384,968</b>	<b>2,603,641</b>	<b>(1,781,327)</b>
<b>Charges for services:</b>				
Enterprise funds	2,060,000	2,060,000	2,060,000	-
Public safety	674,000	874,000	889,946	15,946
Parks & public property	145,000	145,000	196,387	51,387
Cemetery	187,000	187,000	222,240	35,240
Recreation	1,261,000	1,371,000	1,507,861	136,861
Airport	170,000	170,000	140,063	(29,937)
Irrigation & Reuse Center	65,000	65,000	54,010	(10,990)
<b>Total charges for services</b>	<b>4,562,000</b>	<b>4,872,000</b>	<b>5,070,508</b>	<b>198,508</b>
<b>Fines &amp; forfeitures:</b>				
Court fines & bail forfeitures	1,150,000	1,155,000	1,076,417	(78,583)
<b>Miscellaneous:</b>				
Interest	300,000	300,000	254,389	(45,611)
Rents & concessions	-	-	59,617	59,617
Other	90,000	90,000	128,398	38,398
<b>Total miscellaneous</b>	<b>390,000</b>	<b>390,000</b>	<b>442,404</b>	<b>52,404</b>
<b>Total revenues</b>	<b>30,938,000</b>	<b>31,472,368</b>	<b>32,868,234</b>	<b>1,395,866</b>
<b>Other Financing Sources :</b>				
Sales of capital assets	35,000	57,870	17,430	(40,440)
Contributions from other entities	117,500	117,500	53,811	(63,689)
Appropriated fund balance	-	4,500,000	-	(4,500,000)
Transfers from other funds	190,000	190,000	190,907	907
<b>Total Other Financing Sources :</b>	<b>342,500</b>	<b>4,865,370</b>	<b>262,148</b>	<b>(4,603,222)</b>
<b>Total revenues &amp; Other Financing Sources</b>	<b>\$ 31,280,500</b>	<b>\$ 36,337,738</b>	<b>\$ 33,130,382</b>	<b>\$ (3,207,356)</b>

(continued)

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

CITY OF ST. GEORGE, UTAH  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
(continued)  
YEAR ENDED JUNE 30, 2004

EXPENDITURES:	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
General government:				
City Council	\$ 604,808	\$ 604,808	\$ 605,845	\$ (1,037)
City Manager	371,679	371,679	307,204	64,475
Human Resources	362,044	362,044	338,391	23,653
Administrative Services	720,784	749,284	761,721	(12,437)
Finance	1,087,214	1,087,214	1,083,158	4,056
Legal	575,791	605,991	555,688	50,303
Elections	25,000	32,500	30,393	2,107
Total general government	<u>3,747,320</u>	<u>3,813,520</u>	<u>3,682,399</u>	<u>131,121</u>
Public Safety:				
Police	6,697,778	6,847,150	6,765,516	81,634
Drug Task Force	178,070	178,070	138,028	40,042
Dispatch Center	976,033	1,191,621	1,034,376	157,245
Fire	1,390,868	1,402,568	1,331,104	71,464
Total public safety	<u>9,242,749</u>	<u>9,619,409</u>	<u>9,269,024</u>	<u>350,385</u>
Highways & public improvements:				
Flood Control	367,000	462,000	366,712	95,288
Public Works Administration	458,980	482,980	420,297	62,683
Streets	3,757,855	3,823,855	3,691,389	132,466
Automotive	687,152	692,652	638,276	54,376
Engineering	1,454,296	1,454,296	1,389,364	64,932
Airport	2,593,849	2,616,349	772,283	1,844,066
Irrigation	78,854	78,854	77,489	1,365
Total highways & improvements	<u>9,397,986</u>	<u>9,610,986</u>	<u>7,355,810</u>	<u>2,255,176</u>
Parks, Recreation & Public Property:				
Building Maintenance	525,779	525,779	552,940	(27,161)
Parks and open spaces	2,309,502	2,309,502	2,314,330	(4,828)
Recreation & cultural arts	3,510,689	3,640,589	3,359,944	280,645
Cemetery	253,567	253,567	219,499	34,068
Total parks, recreation & public property	<u>6,599,537</u>	<u>6,729,437</u>	<u>6,446,712</u>	<u>282,725</u>
Community & economic development	<u>1,223,710</u>	<u>1,285,710</u>	<u>1,230,257</u>	<u>55,453</u>
Debt service: Capital leases	<u>74,984</u>	<u>74,984</u>	<u>74,984</u>	<u>-</u>
Total expenditures	<u>30,286,286</u>	<u>31,134,046</u>	<u>28,059,187</u>	<u>3,074,859</u>
OTHER FINANCING USES				
Contributions to other funds	<u>959,944</u>	<u>5,169,422</u>	<u>5,037,140</u>	<u>132,282</u>
TOTAL EXPENDITURES & OTHER USES	<u>31,246,230</u>	<u>36,303,468</u>	<u>33,096,327</u>	<u>3,207,141</u>
Net change in fund balance	34,270	34,270	34,055	\$ <u>(215)</u>
Fund Balance at beginning of year	<u>4,355,403</u>	<u>4,355,403</u>	<u>4,355,403</u>	
Fund Balance at end of year	<u>\$ 4,389,673</u>	<u>\$ 4,389,673</u>	<u>\$ 4,389,458</u>	

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

## CITY OF ST. GEORGE, UTAH

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS

JUNE 30, 2004

	Business-type Activities - Enterprise Funds					TOTALS 2004	Governmental Activities Internal Service Fund
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWTR TREATMENT	WASTEWTR COLLECTION	Non-Major Enterprise Funds		
<b>ASSETS</b>							
Current assets:							
Cash	\$ 1,692,554	\$ -	\$ 13,935,643	\$ 2,344,892	\$ 827,457	\$ 18,800,546	\$ 384,700
Restricted cash	-	27,425,337	3,447,520	-	433	30,873,290	-
Accts. receivable (net of allowance for uncollectibles of \$714,582)	5,809,699	173,619	4,072	-	-	5,987,390	-
Inventory	1,477,922	311,628	-	-	-	1,789,550	-
Due from other funds	-	-	-	-	-	-	-
Note receivable	-	-	-	844,826	-	844,826	-
Bond discounts & insurance	-	890,993	1,399,784	-	179,742	2,470,519	-
Prepaid expenses	-	2,830	-	-	-	2,830	-
Total current assets	8,980,175	28,804,408	18,787,019	3,189,718	1,007,632	60,768,952	384,700
Capital assets net of accumulated depreciation	23,180,949	75,128,543	40,091,911	2,289,130	22,440,829	163,131,362	-
TOTAL ASSETS	32,161,124	103,932,951	58,878,930	5,478,848	23,448,461	223,900,314	384,700
<b>LIABILITIES</b>							
Current liabilities:							
Accrued liabilities	3,604,920	2,863,701	499,902	37,799	541,107	7,547,428	70
Capital leases	-	221,862	-	-	397,065	618,926	-
Due to other funds (short-term)	-	2,006,017	-	-	-	2,006,017	-
Deposits payable	997,817	-	-	-	-	997,817	-
Total current liabilities	4,602,737	5,091,580	499,902	37,799	938,171	11,170,189	70
Long-term liabilities:							
Bonds payable - long term	-	54,413,713	23,634,272	-	8,631,000	86,678,985	-
Bond premiums	-	3,442,033	802,486	-	-	4,244,519	-
Due to other funds (long-term)	-	-	-	-	1,697,904	1,697,904	-
Total long-term liabilities	-	57,855,746	24,436,758	-	10,328,904	92,621,409	-
Total liabilities	4,602,737	62,947,326	24,936,661	37,799	11,267,076	103,791,597	70
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	23,180,949	17,050,935	15,655,153	2,289,130	13,412,765	71,588,932	-
Restricted	-	27,425,337	3,447,520	-	433	30,873,290	-
Unrestricted	4,377,438	(3,490,647)	14,839,596	3,151,920	(1,231,811)	17,646,495	384,630
Total net assets	\$ 27,558,387	\$ 40,985,625	\$ 33,942,269	\$ 5,441,050	\$ 12,181,386	\$ 120,108,717	\$ 384,630

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

CITY OF ST. GEORGE, UTAH  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET ASSETS

PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2004

	Business-type Activities - Enterprise Funds					TOTALS 2004	Governmental
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWTR TREATMENT	WASTEWTR COLLECTION	Non-Major Enterprise Funds		Internal Service Fund
OPERATING REVENUES:							
Charges for services	\$ 36,946,003	\$ 10,316,867	\$ 6,262,274	\$ 6,192,015	\$ 7,495,277	\$ 67,212,437	\$ 507,926
Other operating revenues	3,413,026	4,322,025	2,447,521	514,424	-	10,696,995	
Total operating revenues	40,359,029	14,638,893	8,709,795	6,706,438	7,495,277	77,909,432	\$ 507,926
OPERATING EXPENSES:							
Electricity purchased	31,583,859	-	347,022			31,930,882	
Water purchased		662,191	-			662,191	
Salary and wages	2,282,556	1,695,616	742,647	534,280	1,235,633	6,490,732	
Supplies	222,089	-	-	24,177	292,200	538,466	
Service vehicle expense	98,057	92,046	44,417	50,677	84,198	369,395	
Equipment rental	238	14,875	1,124	115	250,652	267,003	
Depreciation	1,963,390	1,658,667	868,749	200,964	500,734	5,192,504	
Bad debts	180,904	51,363	-	30,928	12,167	275,361	
Payroll tax & employee benefits	828,934	690,897	298,553	227,276	431,548	2,477,208	
Office & dept. supplies	79,839	130,669	60,846	9,522	94,642	375,518	
Professional services	147,811	120,769	200,341	67,873	528,009	1,064,803	10,434
R. & M. - equipment	206,477	1,050,925	300,589	43,745	51,798	1,653,533	
R. & M. - buildings and grounds	16,765	2,751	953	10,291	689,372	720,132	
Insurance & surety bonds	130,832	152,772	33,376	22,849	28,345	368,174	
Travel	53,405	36,222	11,075	16,725	8,277	125,704	
Miscellaneous	210	655	-			865	
Interest expense	46,690	-	-			46,690	
Subscriptions & memberships	13,703	8,167	2,360	1,332	7,807	33,369	
Lease payments	-	-	-			-	
Claims paid							105,577
Insurance premiums							398,080
Contract labor	-	-	-	4,995,934	2,245,959	7,241,893	
Billing & administration	798,000	532,000	320,000	290,000	120,000	2,060,000	
Total operating expenses	38,653,761	6,900,584	3,232,052	6,526,687	6,581,341	61,894,424	514,091
Operating income (loss)	1,705,269	7,738,309	5,477,743	179,752	913,937	16,015,008	(6,165)
NON-OPERATING REVENUES (EXPENSES)							
Interest income	28,412	86,846	226,248	51,029	2,626	395,162	4,882
Rent	-	-	6,000		689,437	695,437	
Miscellaneous income	24,452	145,000	41,571	167	97,843	309,033	-
Loss on bond refinancing	-	-	(112,198)	-	-	(112,198)	
Interest charges	-	(1,422,341)	(661,669)		(444,314)	(2,528,325)	
Total non-operating revenue (expense)	52,864	(1,190,495)	(500,048)	51,195	345,592	(1,240,890)	4,882
Income before transfers	1,758,133	6,547,814	4,977,695	230,947	1,259,529	14,774,118	(1,283)
Contributions	-	1,071,866	-		-	1,071,866	
Transfers to/from other funds	-	-	-		(208,470)	(208,470)	
Change in Net Assets	1,758,133	7,619,680	4,977,695	230,947	1,051,059	15,637,514	(1,283)
Total net assets - beginning	25,800,254	33,365,946	28,964,574	5,210,103	11,130,327	104,471,204	385,913
Total net assets - ending	\$ 27,558,387	\$ 40,985,626	\$ 33,942,269	\$ 5,441,050	\$ 12,181,386	\$ 120,108,718	\$ 384,630

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

## CITY OF ST. GEORGE, UTAH

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2004

	Business-type Activities - Enterprise Funds						Governmental Activities Internal Service Fund
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWTR TREATMENT	WASTEWTR COLLECTION	Non-Major Enterprise Funds	TOTALS 2004	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers and users	\$ 40,141,758	\$ 12,613,593	\$ 8,706,503	\$ 5,861,612	\$ 7,495,277	\$ 74,818,743	\$ -
Receipts from interfund services provided							507,926
Payments to suppliers	(33,725,905)	(1,663,714)	(1,933,686)	(5,585,061)	(4,395,547)	(47,303,912)	
Payments to employees	(3,111,490)	(2,386,513)	(1,041,200)	(761,556)	(1,667,181)	(8,967,941)	
Payments for interfund services used							(302,163)
Net cash provided by operating activities	3,304,363	8,563,365	5,731,617	(485,004)	1,432,549	18,546,890	205,763
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Rents received			6,000		689,437	695,437	
Miscellaneous non-operating income	24,452	145,000	41,571	167	97,843	309,033	
Economic development transfer					(208,470)	(208,470)	
Net cash provided (used) by noncapital and related financing activities	24,452	145,000	47,571	167	578,810	796,000	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Proceeds from capital debt		31,000,000	7,015,000		171,768	38,186,768	
Purchases of capital assets	(1,664,675)	(14,518,991)	(500,146)	(286,766)	(1,070,372)	(18,040,950)	
Principal paid on capital debt		(445,000)	(11,551,000)	-	(647,000)	(12,643,000)	
Interest paid on capital debt		(1,422,341)	(661,669)	-	(444,314)	(2,528,324)	
Capital lease principal payments		(82,118)	-	-	-	(82,118)	
Loss on bond refinancing		-	(112,198)	-	-	(112,198)	
Premium on bonds issued		2,485,846	674,987			3,160,833	
Developer contributions		1,071,866					
Net cash provided (used) by capital and related financing activities	(1,664,675)	18,089,262	(5,135,026)	(286,766)	(1,989,918)	7,941,011	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest received	28,412	86,846	226,248	51,029	2,627	395,162	4,882
Net increase (decrease) in cash and cash equivalents	1,692,553	26,884,473	870,410	(720,575)	24,067	28,750,929	210,645
Cash and equivalents at beginning of year	-	540,864	16,512,754	3,065,467	803,824	20,922,909	174,054
Cash and equivalents at end of year	\$ 1,692,553	\$ 27,425,337	\$ 17,383,164	\$ 2,344,892	\$ 827,891	\$ 49,673,838	\$ 384,699
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>							
Operating income (loss)	1,705,269	7,738,309	5,477,743	179,752	913,937	16,015,008	(6,165)
Adjustments to reconcile net income from operations to net cash provided by operating activities:							
Depreciation	1,963,390	1,658,667	868,749	200,964	500,734	5,192,504	
Changes in assets & liabilities:							
Decrease (increase) in receivables	(300,344)	(164,714)	(3,292)			(468,350)	
Decrease (increase) in inventory	22,769	(90,800)				(68,031)	
Decrease (increase) in interfund rec.	968,674					968,674	
Decrease (increase) in discounts		(372,896)	(1,011,081)		20,085	(1,363,892)	
Decrease (increase) in prepaid exp.			-			-	220,979
Decrease (increase) in note rec.	35,210			(844,826)		(809,616)	
Increase (decrease) in deposits	64,317					64,317	
Increase (decrease) in interfund pay.	(920,811)	(1,860,586)				(2,781,397)	
Increase (decrease) in accruals	(234,110)	1,655,386	399,498	(20,894)	(2,207)	1,797,673	(9,051)
Total adjustments	1,599,095	825,057	253,874	(664,756)	518,612	2,531,882	211,928
Net cash provided by operating activities:	\$ 3,304,364	\$ 8,563,366	\$ 5,731,617	\$ (485,004)	\$ 1,432,549	\$ 18,546,891	\$ 205,763

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

CITY OF ST. GEORGE, UTAH  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS

JUNE 30, 2004

PENSION  
TRUST  
\*\*\*\*\*

<u>ASSETS</u>	
Restricted cash and investments	<u>\$ 12,319,929</u>
Total Assets	<u>12,319,929</u>
<u>LIABILITIES</u>	
Liabilities:	
Accrued liabilities	<u>-</u>
Total liabilities	<u>-</u>
NET ASSETS	
Held in trust for pension benefits and other purposes	<u><u>\$ 12,319,929</u></u>

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

CITY OF ST. GEORGE, UTAH  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2004

	PENSION TRUST *****
<b>ADDITIONS</b>	
Retirement contributions	\$ 943,587
Life insurance contributions	27,650
Certificate sales	-
Net increase in fair value of investments	1,298,171
Citizen donations	-
	<hr/>
Total additions	<u>2,269,408</u>
<b>DEDUCTIONS</b>	
Administrative & general	-
Life insurance premiums	27,650
Retirement withdrawals	467,506
Transfers to other governmnt agencies	-
	<hr/>
Total deductions	<u>495,156</u>
Change in net assets	1,774,252
Net assets - beginning of year	<u>10,545,677</u>
Net assets - end of year	<u><u>\$ 12,319,929</u></u>

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

CITY OF ST. GEORGE, UT  
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2004

I. Summary of significant accounting policies

A. Reporting entity

The basic financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

The City of St. George (City) was incorporated January 17, 1862. The City operates under a Council-Mayor-Manager form of government. As required by GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). The board of directors for the Downtown Redevelopment Agency is the Mayor & City Council. As a result, the Downtown Redevelopment Fund is a component unit and is accounted for as a Capital Projects fund.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those which are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales taxes, franchise taxes, innkeeper taxes, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible

to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenues are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund. Other major governmental funds include the Recreation Bond Debt Service Fund and the Public Works Capital Projects Fund.

The City reports the following major proprietary funds:

The Electric Utility accounts for the activities of the City's electric distribution operations. The Water Utility accounts for the activities of the City's water production, treatment, and distribution operations.

The Wastewater Collection fund accounts for the operation and maintenance of the City-owned collection system for wastewater.

The Wastewater Treatment fund accounts for the operation and maintenance of the regional wastewater treatment plant which also services Ivins, Santa Clara, and Washington with the City being the operator.

Additionally, the City reports the following fund types:

An Internal Service fund to account for the self-insurance activities of the various funds throughout the City. Fiduciary funds are maintained for the activities of the Pension Trust fund which accounts for the activities of the City's defined contribution plan.

Internal balances - amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are reported as internal balances.

As a general rule internal activities - amounts reported as interfund transfers in the fund financial statements are eliminated from the government-wide financial statements except for the net amount of transfers between governmental and business-type activities, which are reported as transfers - internal activities. Exceptions to this general rule are payments to the General Fund by various enterprise funds for the providing of administrative and billing services for such funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. The effect of interfund services between funds is not eliminated in the statement of activities.

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

When both restricted and unrestricted assets are available for use, it is the City's policy to use restricted assets first, then unrestricted assets as they are needed but reserves the right to be selective in the use of such restricted assets that best fit City needs.

#### D. Assets, liabilities, and net assets or equity

##### 1. Deposits and investments

Cash includes cash on hand, demand deposits with banks and other financial institutions, and deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts. City policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the state treasurer's investment pool, and other investments as allowed by the State of Utah's Money Management Act. Investments are reported at fair value. The State Treasurer's Investment Pool operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

##### 2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to or due from other funds. In the City Electric, Water, Wastewater Collection, and Refuse Collection funds, the City records utility revenues billed to customers when meters are read on a monthly basis. Unbilled service accounts receivable at June 30, 2004 were estimated based on July billings and are included in the operating revenues and accounts receivable at year-end. An allowance for uncollectible accounts is recorded as bad debt expense equal to 1/2 of 1% of revenues in the Electric, Water, Wastewater Collection, and Refuse Collection enterprise funds.

##### 3. Inventories and prepaid items

Inventories of materials and supplies in the Electric and Water Funds, consisting principally of materials used in the repair of the transmission, distribution, collection and treatment systems, are valued at cost and accounted for on a first-in, first-out basis (FIFO). Inventory in the General Fund is primarily supplies in the automotive division

which are expended on a consumption basis. This inventory is likewise accounted for on a FIFO basis.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

#### 4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Building and improvements	10 to 100 years
Infrastructure	15 to 100 years
Machinery and equipment	7 to 30 years

#### 5. Compensated absences

For governmental funds amounts of vested or accumulated vacation leave and comp time that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net assets and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. Vested or accumulated vacation leave and comp time of proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements. In accordance with GAAP, no liability or expense/expenditure is recorded for non-vesting accumulating rights to receive sick pay benefits.

#### 6. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary

fund type statement of net assets. Bond premiums, discounts, and issuance costs are deferred and amortized over the life of the applicable debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Restricted assets

Restricted assets are comprised of cash restricted for future payments of principal and interest on debt service as well as unexpended portions of bonds issued for capital construction purposes.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

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

Capital related items:

When capital assets (property, plant, & equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the City as a whole.

Cost of capital assets	\$154,017,744
Accumulated depreciation	<u>(53,280,497)</u>
Total difference	<u>\$100,737,246</u>

Long-term debt transactions:

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the fund financials. All liabilities (both current and long-term) are reported in the statement of net assets. Balances at June 30, 2004 were:

Downtown Redevelopment bonds	\$ 251,000
Excise tax bonds	6,390,000
Parks and recreation general obligation bonds	18,190,000
Special assessment bonds	4,854,000
Capital lease	6,736,255
Interest payable on long-term debt	602,029
Compensated absences	<u>722,811</u>
Total difference	<u>\$37,746,095</u>

B. Explanation of differences between governmental fund operating statements and the statement of net activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. The first element of this reconciliation states that capital outlays are reported in the governmental funds as expenditures while the government-wide statement of activities allocates these costs over the useful lives of the assets as depreciation. While shown in the reconciliation as the net difference, the elements of this difference are as follows:

Capital outlay	\$15,290,431
Depreciation expense	<u>(5,622,025)</u>
Net difference as reported	\$ <u>9,668,406</u>

**III. Stewardship, compliance, and accountability**

A. Budgetary information

Annual budgets are adopted on a basis consistent with GAAP for all governmental funds. Control is maintained at the function level (i.e., general government, public safety, highways & improvements, parks & public property, etc.). All appropriations lapse at fiscal year end.

The City Council observes the following procedures in establishing the budgetary data reflected in the fund financial statements:

- 1) Prior to the first meeting in May, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1<sup>st</sup>. The operating budget includes proposed expenditures and the means of financing

them. Budgets are prepared for all City funds including proprietary funds.

2) Public hearings are conducted to obtain taxpayer comments.

3) Prior to June 22<sup>nd</sup>, the budget is legally enacted through passage of an ordinance.

4) The City Manager is authorized to transfer budgeted amounts within function levels; however, to transfer budgeted amounts between function levels requires City Council approval. Any revisions that alter the total expenditures of any fund must be approved through a public hearing by the City Council and can be made at any time during the fiscal year. The General Fund budget was increased by \$5,057,238 or 16.19% of the original budget. The largest amounts of the increase were to transfer to the Capital Equipment Fund \$2,500,000, and to the Economic Development Fund \$1,000,000 of the anticipated General Fund surplus revenues for the year which were then allocated to various capital and economic development projects. This increase was for \$3,500,000 or 69.21% of the total budgeted increase. The balance of the increase was for unanticipated expenditures and to take advantage of additional revenues which were received.

5) Although Utah State law requires the initial preparation of budgets for all City funds (both governmental & proprietary), it only requires the reporting of actual versus budgets for the General Fund and Major Special Revenue funds.

## B. Tax Revenues

Property taxes are collected by the Washington County Treasurer and remitted to the City in two to three installments in July, December, and a final settlement in the first quarter of the calendar year. Taxes are levied and are due and payable on November 1<sup>st</sup> and delinquent after November 30<sup>th</sup> of each year at which time they become liens if not paid. An accrual of uncollected current and prior year s property taxes beyond that which was received within 60 days after fiscal year end has not been made, as the amounts are not deemed to be material.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly. An accrual has been made for all taxes received by the State for the period ended June 30<sup>th</sup> and thus due and payable to the City.

Franchise taxes are charged to various utility companies doing business with the City including telephone, cable television, gas utility, and electric utility companies. The fees are generally remitted on a monthly basis. Again an accrual has been made for all fees due and payable to the City at June 30<sup>th</sup>.

The Innkeeper business license fee is collected at 1% of transient room rentals at motels, hotels, and R.V. parks. It is remitted to the City on a quarterly basis. Again an accrual has been made for all fees due and payable to the City at June 30<sup>th</sup>.

C. Excess of expenditures over appropriations

For the fiscal year ended June 30, 2004, the Street Bond Projects Capital Projects Fund expenditures exceeded appropriations by \$6,683.

D. Deficit fund equity

During the fiscal year, the prior year deficits in the SunTran Public Transit Special Revenue Fund and the Dixie Center Operations Special Revenue Fund were both eliminated thru the receipt of grant funds and transfers from other funds. Therefore this year, there are no funds with a deficit fund balance at June 30<sup>th</sup>.

**IV. Detailed Notes for All Funds**

A. Cash and investments

Listed below is a summary of the cash and temporary cash investment portfolio of the City as of June 30, 2004. Investments are governed by the Utah Money Management Act. At June 30, 2004, the carrying amount of the City's demand deposits was \$4,206,980 and the bank balance was \$7,937,844. Of the bank balance \$431,714 was covered by federal depository insurance and \$7,506,130 was uninsured and uncollateralized. The following table provides information about the credit and market risks associated with the City's temporary cash investments.

Category 1 - includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name.

Category 2 - includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name.

Category 3 - includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the City's name.

	Category			Carrying Amount	Fair Value
	1	2	3		
U.S. Treasury Fund	\$2,936,145			\$2,936,145	\$2,936,145
Insurance Co. Investment Contracts				12,319,929	12,319,929
Investment in: Treasurer's investment pool				<u>80,600,501</u>	<u>80,600,501</u>
Total cash investments				95,856,576	95,856,576
Cash & time deposits				<u>4,206,980</u>	<u>4,206,980</u>

Total cash and temporary investments \$100,063,556 100,063,556

Several funds have a cash deficit position in the pooled cash of the city. These deficits have been recorded as due to other funds in the individual funds and recorded as due from other funds in the Capital Equipment Capital Projects fund. Such deficits were as follows:

Dixie Center Operations Special Revenue Fund	\$ 216,595
Water Utility Enterprise Fund	2,006,017
Golf Courses Enterprise Fund	353,078
SunTran Public Transit Special Revenue Fund	<u>12,936</u>

Total \$2,588,626

#### B. Deposits

Enterprise fund deposits are deposits the City requires from residential renters and any business receiving a utility connection. The deposit is returnable after 3 years for residential and 2 years for business customers upon proof of good credit performance.

#### C. Notes receivable

In the General Fund, an economic incentive note has been written with the developers of the Ft. Pierce Business Park. The agreement states that the Ft. Pierce Business Park, LC., may borrow up to \$1,200,000 from the City. Interest will accrue at 8%. Interest was capitalized thru December 31, 1999, and thereafter has been due quarterly beginning April 1, 2000. In addition, for each lot sold, the developers will remit to the City from each closing 10.88% of the gross sales proceeds to be applied to the note. At June 30, 2004, the unpaid principal and interest totaled \$595,088. On June 21, 2004, the interest rate was reduced to 5 1/2%.

#### D. Capital assets

Capital asset activity for the year ended June 30, 2004 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$15,573,315	3,230,561		<u>18,803,876</u>
Capital assets being depreciated:				
Buildings	19,187,284	2,320,191		21,507,475
Improvements	36,580,679	1,245,574		37,826,253
Infrastructure	55,882,263	7,103,943		62,986,206

Equipment, etc	<u>11,655,245</u>	<u>1,390,163</u>	<u>151,473</u>	<u>12,893,935</u>
Total capital assets being depreciated	<u>123,305,471</u>	<u>12,059,871</u>	<u>151,473</u>	<u>135,213,869</u>
Less accum. depreciation for:				
Buildings	5,186,369	624,678		5,811,047
Improvements	7,329,008	1,027,891		8,356,899
Infrastructure	28,801,674	3,023,763		31,825,437
Equipment etc	<u>6,341,421</u>	<u>945,693</u>		<u>7,287,114</u>
Total accum. depreciation	<u>47,658,471</u>	<u>5,622,025</u>		<u>53,280,496</u>
Total capital assets being depreciated, net	<u>75,647,000</u>	<u>6,437,846</u>	<u>151,473</u>	<u>81,933,373</u>
Governmental activities capital assets, net	<u>\$91,220,316</u>	<u>\$9,668,407</u>	<u>\$151,473</u>	<u>\$100,737,246</u>

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
	<u>Balance</u>			<u>Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	<u>30,444,905</u>	<u>80,689</u>		<u>30,525,594</u>
Capital assets being depreciated:				
Buildings and systems	155,500,151	16,287,589		171,787,740
Improvements	6,499,273	318,903		6,818,176
Machinery & Equipment	<u>10,920,545</u>	<u>1,353,770</u>		<u>12,274,315</u>
Total capital assets being depreciated	<u>172,919,969</u>	<u>17,960,261</u>		<u>190,880,230</u>
Less accum. depreciation for:				
Buildings and systems	41,640,590	4,340,907		45,981,497
Improvements	2,981,324	265,400		3,246,724
Machinery & Equipment	<u>8,460,044</u>	<u>586,197</u>		<u>9,046,241</u>
Total accum. depreciation	<u>53,081,958</u>	<u>5,192,504</u>		<u>58,274,462</u>
Total capital assets being depreciated, net	<u>119,838,011</u>	<u>12,767,757</u>		<u>132,605,768</u>
Business-type activities net capital assets	<u>\$150,282,916</u>	<u>12,848,447</u>		<u>\$163,131,362</u>

In the government-wide financial statements depreciation was charged as follows by program or activity:

Governmental activities:

General government	\$ 485,270
Public safety	492,012
Highways, streets, etc.	3,467,220
Parks, recreations, etc.	1,105,574
Community development	<u>71,949</u>
Total depreciation expense - governmental activities	<u>\$5,622,025</u>
Business-type activities:	
Municipal building authority	\$ 114,364
Water utility	1,658,667
Wastewater collection	200,964
Electric utility	1,963,390
Golf courses	386,370
Regional wastewater treatment	<u>868,749</u>
Total depreciation expense - business-type activities	<u>\$5,192,504</u>

The City has followed the procedure of capitalizing large purchases of poles, transformers, pipes, etc. in the electric and water enterprise funds. Many of these materials are not used immediately upon purchase, but rather kept on hand in case of an emergency need. Upon inspection of these supplies, it was deemed to be more accurate to classify these assets as inventory rather than to capitalize them. Thus, an inventory count was performed and an appropriate amount of the fixed assets were classified as inventory.

#### E. Interfund receivables, payables, and transfers

In addition to the cash deficits referred to above, at June 30, 2004, interfund balances due to or from other funds was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Special Assessment Debt Service	General Fund	\$388,645
General Fund	Golf Course Fund	500,000
Wastewater Collection	Golf Course Fund	<u>844,826</u>
		<u>\$1,733,471</u>

The Golf Course Fund has borrowed a total of \$1,900,000 from the Wastewater Collection Fund for the purchase of the Southgate Golf Course. The loan is being repaid through monthly installments of \$13,153.33 which includes principal and interest. The interest rate is calculated each year on November 1<sup>st</sup> and is equal to the average interest rate earned on City deposits invested in the state treasurer's investment pool for the prior twelve months.

In addition to the above amounts which will be repaid by the respective funds, transfers were made which will not be repaid. Such amounts for the fiscal year ended June 30, 2004 were as follows:

<u>Fund Transferring Out</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>
General Fund	Dixie Center Operations	\$ 481,500
	Muni Bldg Authority	55,640
	Public Works Capital Proj.	855,000
	Economic Development	1,000,000
	Capital Equip Cap. Projects	3,500,000
Perpetual Care Fund	General Fund	12,627
Economic Development Fund	Muni Bldg Authority	320,890
Transportation Improvmt	SunTran Public Transit Fund	128,500
Transportation Improvmt	Public Works Capital Proj.	1,830,000
Capital Equipment Cap. Proj. Johnson	Dino Track Fund	357,000
Airport PFC Fund	Replacement Airport Fund	50,000
Airport PFC Fund	General Fund	72,376
Park Impact Fund	Public Works Capital Proj.	200,000
Drainage Impact Fund	Public Works Capital Proj.	200,000
Street Impact Capital Proj. Fund	Public Works Capital Proj.	1,535,000
Drainage Utility Fund	Public Works Capital Proj.	585,000
Streets Bond Capital Proj. Fund	General Fund	105,904
Streets Bond Capital Proj. Fund	Public Works Capital Proj.	<u>4,861,096</u>
	Total Interfund Transfers	<u>\$ 16,150,533</u>
Total Interfund Transfers - Governmental Funds		15,774,003
Total Interfund Transfers - Enterprise Funds		376,530

#### F. Long-term debt

##### General Obligation Bonds

The City has issued general obligation bonds to provide funds for the acquisition and construction of major parks and recreation capital facilities throughout the City. In a special election in 1996, the citizens authorized the issuance of up to \$18 million in general obligation bonds. In January of 1997, the first installment of such bonds were issued for \$12 million. In January of 1999, the balance of \$6 million was issued.

General obligation bonds are direct obligations of the City and pledge the full faith and credit of the City. The first installment of 1997 G.O. bonds are due in installments ranging from \$75,000 to \$1,405,000 thru August 1, 2021. The second installment of 1999 G.O. bonds are due in installments ranging from \$35,000 to \$1,820,000 thru August 1, 2023. During the fiscal year, the City advance refunded \$10,880,000 of the 1997 G O bonds due

after August 1, 2007, to take advantage of lower interest rates. The 2004 G O Refunding bonds totaling \$11,645,000 were issued with annual installments of \$95,000 to \$1,420,000 thru August 1, 2021. The new bonds have an average coupon rate of 4.37% as compared to 5.45% for the refunded bonds. The total net present value savings were \$332,432.

General obligation bonds currently outstanding at June 30, 2004 are as follows:

Governmental activities:

	<u>Interest rates</u>	<u>Amount</u>
1997 G.O. Parks & Recreation	5.50% to 8.00%	\$ 640,000
1999 G.O. Parks & Recreation	4.50% to 7.50%	5,905,000
2004 G.O. Parks & Recreation	2.00% to 5.00%	<u>11,645,000</u>
		<u>\$18,190,000</u>

In addition, the City Downtown Redevelopment Agency has issued tax increment bonds which were used for the refurbishing of a portion of the downtown part of the City. Such bonds are treated as general obligation debt by the City as they are guaranteed by the assessment and collection of property taxes in accordance with the redevelopment laws of the State of Utah. The bonds were issued in two installments in 1995. The 1995A serial bonds were issued for \$840,000 and are due in annual installments of \$110,000 to \$123,000 thru June 1, 2005 and the 1995B serial bonds were issued for \$835,000 are due in annual installments of \$68,000 to \$141,000 thru June 1, 2005. At June 30, 2004 the outstanding balances of such issues were as follows:

Governmental activities:

	<u>Interest rates</u>	<u>Amount</u>
1995A Downtown Redevelopment	5.45%	\$110,000
1995B Downtown Redevelopment	5.48%	<u>141,000</u>
		<u>\$251,000</u>

The City has another debt which it treats as general obligation type debt because of the nature of the debt and the revenues being used to fund the related debt service. In addition, in 1996, the City issued Excise Tax revenue bonds which are secured by the collection of Class C road funds in the General Fund. Such bonds were originally issued for \$3,880,000 and were used for the construction of major capital asset facilities throughout the City in accordance with the allowed uses of Class C road funds as mandated by the State of Utah. The bonds are being repaid in annual installments of \$420,000 to \$485,000 thru December 1, 2006. During the current fiscal year an additional \$5,000,00 in Excise Tax revenue bonds were issued and will be paid from the same revenue sources. The bonds are being repaid in annual installments of \$100,000 to \$750,000 thru December 1, 2013. At June 30, 2004, these debt balances are as follows:

Governmental activities:

	<u>Interest rates</u>	<u>Amount</u>
1996 Excise Tax Revenue bonds	4.60% to 4.95%	\$1,390,000
2004 Excise Tax Revenue bonds	2.50% to 4.38%	<u>5,000,000</u>
		<u>\$6,390,000</u>

Total City reflected General Obligation Debt \$24,831,000

Annual debt service requirements to maturity for the above reflected general obligation debt is as follows:

(In thousands of dollars)

<u>Year Ended</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2005	\$ 966	\$ 1,009	\$ 1,975
2006	885	1,035	1,920
2007	955	988	1,943
2008	1,035	940	1,975
2009	1,120	898	2,018
2010-2014	6,845	3,788	10,633
2015-2019	5,345	2,485	7,830
2020-2024	<u>7,680</u>	<u>1,010</u>	<u>8,690</u>
Totals	<u>\$24,831</u>	<u>\$12,153</u>	<u>\$36,984</u>

The City over the past several years has created several special assessment districts in which various improvements (i.e.; streets, curb & gutter, sidewalk, etc) have been constructed and bonds issued for the construction costs. These bonds are being repaid from assessments against those property owners which have received the benefit of such construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the City provides the resources necessary to cover such deficit until further collection efforts can be taken to provide the necessary funds. At June 30, 2004, the various issues outstanding are as follows:

(amounts in thousands)

<u>District</u>	<u>Original Issue</u>	<u>Annual principal</u>	<u>Interest rates</u>	<u>Final Due Date</u>	<u>Amount</u>
97-1	\$ 265	\$26 to \$33	5.15% to 5.20%	8/1/08	\$ 149
93-1	1,872	\$188	6.95%	12/1/04	188
96-1	221	\$23 to \$27	5.15%	4/1/08	102
97-2	1,651	\$150 to \$210	5.75% to 5.95%	11/1/09	1,097
98-1	400	\$36 to \$51	5.65% to 5.8%	12/15/09	266
99-4	1,109	\$110 to \$111		11/1/12	999

99-1	989	\$98 to \$99	2.35% to 4.1%	2/1/13	891
99-3	1,077	\$107 to \$108	2.20% to 4.35%	6/1/13	970
2000-1	228	\$20 to \$28	4.15% to 5.15%	6/1/12	<u>192</u>
Total special assessment debt					<u>\$4,854</u>

Annual debt service requirements to maturity for special assessment bonds are as follows:

(in thousands of dollars)

Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2005	\$ 774	\$ 212	\$ 986
2006	600	177	777
2007	616	153	769
2008	631	126	757
2009	621	98	719
2010-2013	<u>1,612</u>	<u>151</u>	<u>1,763</u>
Totals	\$ <u>4,854</u>	<u>\$917</u>	\$ <u>5,771</u>

In connection with several districts, property owners against whom an assessment have been levied have, in a few cases, either gone bankrupt or breached their obligation to make installments as they come due. Most of these are collectible, and even where bankruptcy has occurred, the property affected by the levy should be available for foreclosure. As required by state law, a guarantee fund has been established within the special assessment debt service fund. The law requires that a tax rate of .00002 be charged to all general property taxpayers until sufficient funds are accumulated in the guarantee fund to meet statutory requirements. The requirements are that 25% of the remaining outstanding bond principal for bonds issued prior to 1987 and 10% of the remaining outstanding bond principal for bonds issued after that date. The required and maintained balance at June 30, 2004, is \$485,400.

#### Revenue bonds

The City has also issued bonds where the revenues and assets of the issuing fund are pledged as security for the bonds. Revenue bonds outstanding at June 30, 2004 by issue are as follows: (in thousands)

<u>Bond Descrip. Issue</u>	<u>Original principal</u>	<u>Annual rates</u>	<u>Interest Date</u>	<u>Final Due Amount</u>
1998A MBA	\$6,270	\$155 to \$505	3.85% to 4.7%	9/1/17 \$ 4,430
1998A MBA Holt	400	\$41 to \$53	7%	10/1/08 233
1999 MBACrosby	2,250	\$214 to \$299	7%	7/15/09 1,527
2000 Woodward	<u>350</u>	\$15 to \$23	2.5%	4/1/21 <u>309</u>

Total Municipal Bldg	<u>9,270</u>				<u>6,499</u>
1987B Water	\$1,274	due 1/1/13	0.00%	1/1/13	\$1,274
2003 Water	12,325	\$760 to \$1215	2.5% to 5.25%	6/1/16	12,325
1995A Water	12,000	\$410 to \$460	5.05% to 5.6%	6/1/07	1,300
2001 Water	8,670	\$55 to \$1,650	3.9% to 5%	6/1/20	8,515
2004 Water	<u>31,000</u>	\$525 to \$2,425	1.75% to 5%	7/1/25	<u>31,000</u>
Total Water Utility	<u>65,269</u>				<u>54,414</u>
1988A Sewer	\$1,450	\$72 to \$73	0.00%	6/15/08	\$ 290
1988B Sewer	130	due 6/15/08	0.00%	6/15/08	129
2003 Sewer	3,385	\$820 to \$875	2.5% to 4%	7/1/07	3,385
1993B Sewer	4,000	\$195 to \$275	3.5%	6/15/14	2,366
1997A Sewer	14,280	\$640 to \$1215	4.7% to 4.85%	6/15/07	2,110
1997B Sewer	12,000	\$883 to \$1172	1.0%	6/15/12	8,295
1997C Sewer	44	due 6/15/17	0.00%	6/15/17	44
2004 Sewer	<u>7,015</u>	\$650 to \$935	4.00% to 5.0%	7/1/16	<u>7,015</u>
Total Wastewater Treatment	<u>42,304</u>				<u>23,634</u>
2003 Golf Course	<u>2,840</u>	\$407 to \$452	3.95%	4/01/09	<u>2,132</u>
Total Business-type activities	<u>\$119,683</u>				<u>\$86,679</u>

Revenue bond debt service requirements to maturity are as follows: (in thousands)

Year Ended	Principal	Interest	Totals
<u>June 30</u>			
2005	\$ 5,099	\$ 3,108	\$ 8,207
2006	5,014	3,365	8,379

2007	6,197	3,190	9,387
2008	5,703	2,984	8,687
2009	5,517	2,796	8,313
2010-2014	24,367	11,044	35,411
2015-2019	19,167	6,089	25,256
2020-2024	10,885	2,522	13,407
2025-2026	<u>4,730</u>	<u>239</u>	<u>4,969</u>
Totals	<u>\$86,679</u>	<u>\$35,337</u>	<u>\$122,016</u>

In prior years, the City defeased certain outstanding bonds by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the City's financial statements. At June 30, 2004, the following outstanding bonds are considered defeased:

1986A Water Revenue Bonds	\$6,195,000
1986B Water Revenue Bonds	5,170,000
1991 Water Revenue Bonds	5,670,000
1995A Water Revenue Bonds	8,010,000
1987A Subordinated Water bonds	1,785,000
1996A Municipal Building Authority bonds	2,829,000
1996B Municipal Building Authority bonds	2,042,000
1996C Municipal Building Authority bonds	1,066,000
1997 G O Parks & Recreation bonds	10,880,000
1997A Sewer Revenue bonds	10,400,000
1993 Sewer Revenue bonds	4,115,000
2000 Golf Course Revenue bonds	2,633,552
1993 Water Revenue bonds	13,575,000

During the current fiscal year the City advance refunded a portion of the 1997A Sewer Bonds with a balance of \$12,510,000. This refunding was completed to take advantage of lower interest rates and replace the requirement for a debt service reserve fund with an insurance policy and thus lower the total debt service over the life of the bonds. As a result of using the excess funds in the debt service reserve fund, a total of \$10,400,000 in bonds was able to be refunded with the issuance of \$7,015,000 in 2004 Series bonds. The old sewer bonds had an interest rate of 4.65% to 5.375% while the new bonds have an interest rate of 4% to 5%. The City also refunded a portion of the 1997 Recreation G.O. bonds with a balance of \$10,880,000. This refunding was completed to take advantage of lower interest rates and provide some additional funds for the repairs to the roof of the Sand Hollow Aquatic Center.

The cash flow savings and economic gain (loss) from the current refundings is as follows:

	<u>Cash Flow Savings</u>	<u>Economic Gain (Loss)</u>
Sewer Treatment	8,015,756	468,535
Recreation Bonds	471,537	(1,073,867)

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2004 was as follows: (in thousands)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due in OneYr</u>
<b>Governmental activities:</b>					
Bonds payable:					
G.O. Bonds	\$17,425	\$11,645	\$(10,880)	\$18,190	\$ 175
RDA Bonds	442	-	( 191)	-	251 251
Excise Bonds	1,810	-	( 420)	-	6,390 540
Special assessment debt with governmental commitment	<u>5,613</u>	<u>-</u>	<u>( 759)</u>	<u>4,854</u>	<u>774</u>
Total bonds payable	25,290	16,645	(12,250)	29,685	1,740
Leases payable	6	-	( 6)	-	-
WCIA Lease	8,571	-	( 1,835)	6,736	-
Vacation payable	<u>643</u>	<u>789</u>	<u>( 709)</u>	<u>723</u>	<u>723</u>
Governmental activity long-term liabilities	<u>\$34,510</u>	<u>\$17,434</u>	<u>\$(14,800)</u>	<u>\$37,144</u>	<u>\$2,711</u>
<b>Business-type activities:</b>					
Bonds payable:					
Revenue bonds	\$61,703	\$38,015	\$(13,039)	\$ 86,679	5,099
Capital leases	<u>363</u>	<u>407</u>	<u>( 151)</u>	<u>619</u>	<u>619</u>
Total business-type long-term liabilities	<u>\$62,066</u>	<u>\$38,422</u>	<u>\$(13,190)</u>	<u>\$87,298</u>	<u>\$5,718</u>

G. Leases payable

The City has entered into a lease agreement as lessee for financing the acquisition of metron water meters for the water utility. This lease agreement qualifies as a capital lease for accounting purposes (title transfers at the end of the lease terms for a nominal \$1 payment) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception and is being depreciated in the water utility

fund. The value of the meters is \$650,721. At June 30, 2004, \$65,072 in depreciation has been taken against them.

The following is a schedule of future minimum lease payments under such capital lease, and the present value of net minimum lease payments at June 30, 2004.

<u>Fiscal year ended</u>	<u>Business-type activity</u>
June 30, 2005	\$110,872
June 30, 2006	<u>110,872</u>
	221,744
Less amount representing interest	<u>( 14,531)</u>
Present value of lease payments	<u>\$207,213</u>

Washington County/St. George City Interlocal Agency

The Washington County/St. George City Interlocal Agency (the Agency) or WCIA was formed on January 6, 1997 by Washington County and St. George City pursuant to the Utah Interlocal Co-operation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended. The Agency's purpose is to provide for the acquisition, construction, equipping and operation and maintenance of recreational, tourist, cultural and convention facilities. The interlocal agreement terminates after 30 years or such later date upon which all bonds of the Agency and other contractual obligations have been retired, but in no event later than 50 years after January 6, 1997.

The Agency's governing board consists of five members, two appointed by the Board of Washington County commissioners, two members appointed by the St. George City council and one member elected by the four Agency board members. Each member is entitled to one vote; however, budgeting and financing is not effective until approved by the Board of Commissioners and City Council. The Agency is considered a joint building or finance authority, as per GASB's Codification, Section J50.109. The Agency's separate financial statements are available by calling 435-628-7003.

The City subleases an undivided 38% interest in the convention center facilities from Washington County, which has a master lease for rental of the facilities owned by the Agency. The County will make base lease payments to the Agency equal to the Agency's bond payments over a period of 25 years. The County will receive from the City sublease payments totaling \$10,179,096 over the 25 year period with annual payments ranging from \$304,057 to \$578,188. The Agency's right and interest in the facilities will be transferred to Washington County and St. George City upon payment by the County and the City of the then applicable purchase option price, or all the base rentals, or upon discharge of the lien on the Indenture.

The lease is considered a capital lease based on GASB's Codification, Section L.20.119-

122 and FASB s Statement 13. The following is an annual schedule of future minimum lease payments and St. George City s sublease payments:(in thousands)

Fiscal year ended	Dixie Center		Museum		Land		
	Prin.	Int.	Prin.	Int.	Prin.	Int.	
June 30, 2005	\$225	\$260	\$12	\$ 9	\$ 17	\$43	
June 30, 2006	250	249	13	9	-		43
June 30, 2007	285	236	13	9	-	43	
June 30, 2008	305	222	13	8	74	42	
June 30, 2009	320	207	13	8	77	40	
2010-2014	1210	818	76	31	430	149	
2015-2019	1155	553	90	17	523	56	
2020-2024	1540	177	40	2	54	1	
Total remaining minimum lease payments	5290	2722	270	93	1175	417	
Less amount representing interest	-	(2722)	-	( 93)	-	(417)	
Present value of net remaining minimum lease payments	<u>\$5,290,000</u>		<u>\$269,800</u>		<u>\$1,176,455</u>		

For the fiscal year ended June 30, 2004 expenditures were payments for O&M of \$549,618 and debt service payments of \$526,046.

#### H. Segment information

The City issued revenue bonds to finance the purchase of the Sunbrook Golf Course and also for the construction of the Sunbrook Golf Course clubhouse. Investors in the revenue bonds rely solely on the revenue generated by the golf courses for repayment of principal and interest on the bonds. The City Municipal Building Authority also issued revenue bonds for the construction of the Sunbrook Club House, the police department building, the Museum & Opera House. Investors in the revenue bonds rely solely on the revenues generated by rents charged to other city funds (Golf Course, Police Impact Fund, Downtown RDA, and General Fund) for the repayment of principal and interest on the bonds. Summary financial information for the golf courses and the municipal building authority is presented below.

#### CONDENSED STATEMENT OF NET ASSETS

	Golf Courses	MBA
<b>Assets:</b>		
Cash and investments	\$ 433	\$249,736
Other assets (deferred bond costs)	36,167	143,576
Capital assets	15,642,282	10,882,324
Less depreciation	( 3,392,431)	(691,346)
Total assets	<u>12,286,450</u>	<u>10,584,290</u>
<b>Liabilities:</b>		
Accrued liabilities	181,787	166,538
Due to other funds	1,697,904	-
Noncurrent liabilities	<u>2,529,065</u>	<u>6,499,000</u>
Total liabilities	<u>4,408,756</u>	<u>6,665,538</u>

Net assets:		
Invested in capital assets net of related debt	9,720,786	3,691,979
Restricted	433	-
Unrestricted	<u>(1,843,524)</u>	<u>226,774</u>
Total net assets	<u>\$7,877,695</u>	<u>\$3,918,752</u>

**CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN NET ASSETS**

	<u>Golf Courses</u>	<u>MBA</u>
Charges for services	\$4,241,585	\$ -
Depreciation expense	(386,370)	(114,364)
Other operating expenses	<u>(3,688,605)</u>	<u>( 13,427)</u>
Operating income(loss)	<u>166,611</u>	<u>(127,791)</u>
Nonoperating revenues (expenses)		
Interest income	295	863
Rental income	17,401	672,036
Miscellaneous income	97,843	-
Transfers from other funds	-	376,530
Interest expense	<u>( 131,561)</u>	<u>(312,753)</u>
Change in net assets	150,588	608,885
Beginning net assets	<u>7,727,107</u>	<u>3,309,866</u>
Ending net assets	<u>\$ 7,877,695</u>	<u>\$3,918,752</u>

**CONDENSED STATEMENT OF CASH FLOWS**

	<u>Golf Courses</u>	<u>MBA</u>
Net cash provided (used) by:		
Operating activities	\$ 572,115	\$ (27,400)
Noncapital financing activities	115,244	1,048,566
Capital and related financing activities	(1,030,165)	(959,753)
Investing activities	<u>295</u>	<u>863</u>
Net increase (decrease)	(342,513)	62,276
Beginning cash & cash equivalents	<u>342,946</u>	<u>187,461</u>
Ending cash & cash equivalents (deficit)	<u>\$ 433</u>	<u>\$249,737</u>

***V. Other information***

**A. Risk management**

The City, effective July 1, 1991, is self-insured up to \$50,000 for general liability, law enforcement liability, and auto liability with excess insurance up to \$10,000,000. Property is covered by a blanket all risk policy with limits of up to \$83,687,846. Royal and SunAlliance administers the insurance policies above what the City provides as self-

insurance.

	<u>6/30/04</u>	<u>6/30/03</u>
Unpaid claims beginning of fiscal year	\$ 9,121	\$ 630
Incurred claims	96,526	53,158
Claim payments	<u>(105,577)</u>	<u>( 44,667)</u>
Unpaid claims, end of fiscal year	<u>\$ 70</u>	<u>\$ 9,121</u>

#### B. Contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City. A contingent liability of less than \$250,000 is estimated to be possible.

#### C. Jointly governed organization

The City, in conjunction with 38 other governmental entities that provide for the purchase and transmission of electrical services, created the Utah Association of Municipal Power System (UAMPS). UAMPS owns interest in various power generation entities as well as coordinating the purchase of additional power on the open spot-market. The UAMPs board is comprised of one member from each participating entity (dependent on the particular projects which an entity elects to participate in). Except for minimum purchase requirements, no participant has any obligation, entitlement, or residual interest. The City's electrical utility fund purchased power totaling \$27,458,616 during the fiscal year ended June 30, 2004.

#### D. Conduit debt obligations

From time to time, the City has issued Industrial Revenue Bonds (IRBs) to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for

repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2004, there had been twenty-one series of Industrial Revenue Bonds issued. The aggregate principal amount payable could not be determined; however, their original issue amounts totaled \$52.8 million.

E. Commitments/subsequent events

1) The City has entered into an agreement with Washington County School District for the possible additional purchase of property from the district. The agreements are subject to appropriation of the needed funds in the applicable years of purchase. The terms of the agreement are as follows:

A) On or before July 31, 2007, the City will make a payment of \$818,300 to the school district. At such time, the school district shall convey to the City by warranty deed marketable fee simple title a total of 2.42 acres within Block 17, Plat A , of the St. George City survey.

F. Uses of impact fees

The City collects on each building permit issued, various impact fees restricted as to their use. In order to comply with legislation passed by the Utah State legislature, the following disclosures are made as to the revenues collected and disbursements made for the various fees.

1) Park Impact Capital Projects Fund			
Revenues: Impact fees collected		\$1,975,942	
Interest income		<u>63,113</u>	
Total revenues			\$2,039,055
Expenditures:			
Professional fees		450	
Debt service		5,000	
Capital outlay		<u>645,123</u>	
Total expenditures			( 650,573)
Increase in fund balance			1,388,482
Beginning fund balance			<u>3,249,270</u>
Ending fund balance			<u>\$ 4,637,752</u>

2) Street Impact Capital Projects Fund			
Revenues: Impact fees collected		\$1,204,931	
Interest income		<u>9,650</u>	
Total revenues			\$1,214,581

Expenditures:			
	Capital transfers	1,535,000	
	Professional fees	<u>449</u>	
	Total expenditures		<u>(1,535,449)</u>
	Decrease in fund balance		(320,868)
	Beginning fund balance		<u>768,192</u>
	Ending fund balance		<u>\$ 447,324</u>
3) Drainage Impact Capital Projects Fund			
	Revenues: Impact fees collected	\$685,549	
	Interest income	<u>6,749</u>	
	Total revenues		\$692,298
Expenditures:			
	Professional fees	2,701	
	Capital transfers	<u>200,000</u>	
	Total expenditures		<u>( 202,701)</u>
	Increase in fund balance		489,597
	Beginning fund balance		<u>193,671</u>
	Ending fund balance		<u>\$ 683,268</u>
4) Fire Department Impact Capital Projects Fund			
	Revenues: Impact fees collected	\$335,428	
	Interest income	<u>4,005</u>	
	Total revenues		\$339,433
Expenditures:			
	Professional fees	450	
	Building construction	<u>1,051,116</u>	
	Total expenditures		<u>(1,051,566)</u>
	Decrease in fund balance		( 712,133)
	Beginning fund balance		<u>806,374</u>
	Ending fund balance		<u>\$ 94,241</u>
5) Police Department Impact Capital Projects Fund			
	Revenues: Impact fees collected	\$ 88,721	
	Interest income	<u>85</u>	
	Total revenues		\$ 88,806
Expenditures:			
	Professional fees	450	
	Lease payments	<u>85,000</u>	
	Total expenditures		<u>( 85,540)</u>
	Increase in fund balance		3,356
	Beginning fund balance		<u>6,295</u>
	Ending fund balance		<u>\$ 9,651</u>

6) Water Utility Enterprise Fund			
Revenues: Impact fees collected	\$3,823,731		
Interest income	<u>-</u>		
Total revenues			\$3,823,731
Expenditures:			
1995A Bond debt service	\$ 479,995		
Capital outlay	<u>1,820,850</u>		
Total expenditures			<u>(2,300,845)</u>
Increase in fund balance			1,522,886
Beginning fund balance			<u>(12,842,506)</u>
Ending fund balance			<u><u>\$(11,319,620)</u></u>
7) Wastewater Collection Enterprise Fund			
Revenues: Impact fees collected	\$515,424		
Interest income	<u>-</u>		
Total revenues			\$515,424
Expenditures:			
Capital outlay	<u>\$176,308</u>		
Total expenditures			<u>( 176,308)</u>
Increase in fund balance			339,116
Beginning fund balance			<u>200,190</u>
Ending fund balance			<u><u>\$ 539,306</u></u>
8) Electric Utility Enterprise Fund			
Revenues: Impact fees collected	\$2,446,567		
Interest income	<u>-</u>		
Total revenues			\$2,446,567
Expenditures:			
Capital outlay	<u>\$1,587,669</u>		
Total expenditures			<u>(1,587,669)</u>
Increase in fund balance			858,898
Beginning fund balance			<u>(1,411,464)</u>
Ending fund balance			<u><u>\$( 552,566)</u></u>
9) Wastewater Treatment Enterprise Fund			
Revenues: Impact fees collected	\$2,447,521		
Interest income	<u>-</u>		
Total revenues			\$2,447,521
Expenditures:			
Debt service	\$2,683,377		
Capital outlay	<u>416,808</u>		
Total expenditures			<u>(3,100,185)</u>
Decrease in fund balance			( 652,664)

Beginning fund balance	(9,305,568)
Ending fund balance	<u>\$ (9,958,232)</u>

G. Downtown Redevelopment Fund required disclosures

In accordance with Section 17A-2-12117(3), the City's redevelopment agency ( a component unit which is included as a capital project fund in this financial report) is required to disclose the following information:

- 1) The tax increment collected by the agency for each project area.
  - A) The Downtown Redevelopment agency for the City is one project area. The total tax increment collected was \$696,263
  
- 2) The amount of tax increment paid to any taxing agency pursuant to Section 17A-2-1258.
  - A) No amounts were paid to others.
  
- 3) The outstanding principal of bonds and other loans incurred to finance projects in the area.
  - A) 1995A Serial bonds \$110,000
  - B) 1995B Serial bonds \$141,000
  
- 4) The actual amount expended for:
  - A) acquisition of property \$701,980
  - B) site improvements or preparation costs \$0
  - C) installation of public utilities or other public improvements \$0
  - D) administrative costs of the agency \$18,616

H. Employee retirement systems and pension plans

Defined Benefit Pension Plan

The City of St. George contributes to the Local Government Contributory Retirement System and Local Governmental Noncontributory Retirement System, Public Safety Retirement System for employers with Social Security coverage, Firefighters Retirement System which are for employers with Social Security coverage; all of which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). Utah Retirement Systems provide refunds, retirement benefits, annual cost of living allowances and death benefits to plan members and beneficiaries in accordance with retirement statutes established and amended by the state legislature.

The Systems are established and governed by the respective sections of Chapter 49 of the

Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System, Public Safety Retirement System for employers with Social Security coverage, and Firefighters Retirement System which are for employers with Social Security coverage. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 S, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

**Funding Policy:** Plan members are required to contribute a percent of their covered salary (all or part may be paid by the employer) to the respective systems to which they belong; 6.0% to the Contributory and 8.21% to the Firefighters Retirement Systems respectively. The City of St. George is required to contribute a percent of covered salary to the respective systems, 5.61% to the Contributory, 9.62% to the Noncontributory, and 16.24% to the Public Safety Noncontributory. The contribution rates are the actuarially determined rates and are approved by the Board as authorized by Chapter 49.

The City of St. George contributions to the various systems for the years ending June 30, 2004, 2003, and 2002 respectively were; for the Contributory System, \$38,506, \$34,313, and \$33,900; for the Noncontributory System, \$1,208,046, \$981,576, and \$827,977; for the Public Safety Noncontributory, \$515,476, \$397,595, and \$362,367; and for the Firefighters System, \$33,836, \$29,328, and \$21,538 respectively. The contributions were equal to the required contributions for each year.

#### Defined Contribution Plan

The City also provides pension benefits for all its full-time employees through a defined contribution plan administered by ICMA Retirement Corporation. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. The contribution rates established by the City Council are 4.44% for non-exempt employees covered by the Contributory, 6.43% for non-exempt employees covered by the Non-contributory, 8.23% for Firefighters covered by the Contributory systems of the State Systems referred to above and 16.05% for department heads exempt from the State Systems. The contributions to the plan totaled \$971,237 which represents all required contributions. Because it is a defined contribution plan, all amounts are vested and there is no unfunded liability.

#### Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, available to all full-time City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency. The City of St. George has adopted Governmental Accounting Standards Board Statement 32 (GASB No. 32), Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans . This has resulted in the reporting of the 457 Plans as a Trust Fund rather than previously as an Agency Fund . Now all of the assets and income of the 457 Plan are held in trust for the exclusive benefit of the participants or their beneficiaries rather than the assets of the City. The plan is invested with and administered by the Utah State Retirement Systems and the ICMA.

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# ***SUPPLEMENTAL DATA***

**City of St. George, UT**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2004**

Assets	Special Revenue Funds						Debt Service
	<u>Dixie Center Ops</u>	<u>Airport PFC Fees</u>	<u>Economic Development</u>	<u>Transportation Improvement</u>	<u>Museum Acquis. Fund</u>	<u>SunTran Public Transit</u>	<u>Special Assessments</u>
Cash and investments	\$ -	\$ 520,020	\$ 2,285,492	\$ 3,364,030	\$ 5,661	\$ 100	\$ 780,206
Receivables:							
Accounts	223,251		-	597,557		179,612	4,599,191
Due from other funds	-	-	-	-		-	388,645
Total assets	\$ 223,251	\$ 520,020	\$ 2,285,492	\$ 3,961,587	\$ 5,661	\$ 179,712	\$ 5,768,043
<b>Liabilities and Fund Balances</b>							
Liabilities:							
Accounts payable	\$ 39	\$ -	\$ 16,349	\$ 81,315	\$ -	\$ 776	\$ -
Deferred revenues	-	-	-	-		-	2,682,119
Due to other funds	216,595	-	-	-		13,036	-
Total liabilities	216,634	-	16,349	81,315	-	13,812	2,682,119
Fund balances:							
Reserved, reported in:							
Special revenue funds	6,617	520,020	2,269,143	3,880,272	5,661	165,901	
Debt service funds	-	-	-	-		-	3,085,924
Capital project funds	-	-	-	-		-	-
Total fund balances	6,617	520,020	2,269,143	3,880,272	5,661	165,901	3,085,924
Total liabilities and fund balances	\$ 223,251	\$ 520,020	\$ 2,285,492	\$ 3,961,587	\$ 5,661	\$ 179,712	\$ 5,768,043

(continued)

**City of St. George, UT**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2004**  
 (continued)

**Capital Projects Funds**

Assets	<u>Capital Equipment</u>	<u>Downtown RDA</u>	<u>Park Impact</u>	<u>Street Impact</u>	<u>Johnson Dino Track Fund</u>	<u>Drainage Impact</u>	<u>Fire Dept Impact</u>	<u>Police Impact</u>	<u>Streets Bond</u>	<u>Recreation Bonds</u>	<u>Future Airport Capital Proj.</u>	<u>Totals</u>
Cash and investments	\$ 7,272,594	\$ 363,689	\$ 4,700,432	\$ 408,324	\$ 344,644	\$ 683,268	\$ 94,241	\$ 9,651	\$ 134,730	\$ 1,068,288	\$ 1,791	\$ 22,037,161
Receivables:												
Accounts	-	-	-	39,000	-	-	-	-	-	-	418,884	6,057,495
Advances to other funds	2,588,727	-	-	-	-	-	-	-	-	-	-	2,977,372
<b>Total assets</b>	<b>\$ 9,861,321</b>	<b>\$ 363,689</b>	<b>\$ 4,700,432</b>	<b>\$ 447,324</b>	<b>\$ 344,644</b>	<b>\$ 683,268</b>	<b>\$ 94,241</b>	<b>\$ 9,651</b>	<b>\$ 134,730</b>	<b>\$ 1,068,288</b>	<b>\$ 420,675</b>	<b>\$ 31,072,028</b>
<b>Liabilities and Fund Balances</b>												
Liabilities:												
Accounts payable	\$ -	\$ 11,840	\$ 62,680	\$ -	\$ 102,584	\$ -	\$ -	\$ -	\$ -	\$ 45,668	\$ 324,404	\$ 645,654
Deferred revenues	-	-	-	-	-	-	-	-	-	-	-	2,682,119
Advances from other funds	-	-	-	-	-	-	-	-	-	-	-	229,631
<b>Total liabilities</b>	<b>-</b>	<b>11,840</b>	<b>62,680</b>	<b>-</b>	<b>102,584</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,668</b>	<b>324,404</b>	<b>3,557,404</b>
Fund balances:												
Reserved, reported in:												
Special revenue funds	-	-	-	-	-	-	-	-	-	-	-	6,847,614
Debt service funds	-	-	-	-	-	-	-	-	-	-	-	3,085,924
Capital project funds	9,861,321	351,849	4,637,752	447,324	242,061	683,268	94,241	9,651	134,730	1,022,620	96,271	17,581,087
<b>Total fund balances</b>	<b>9,861,321</b>	<b>351,849</b>	<b>4,637,752</b>	<b>447,324</b>	<b>242,061</b>	<b>683,268</b>	<b>94,241</b>	<b>9,651</b>	<b>134,730</b>	<b>1,022,620</b>	<b>96,271</b>	<b>27,514,624</b>
<b>Total liabilities and and fund balances</b>	<b>\$ 9,861,321</b>	<b>\$ 363,689</b>	<b>\$ 4,700,432</b>	<b>\$ 447,324</b>	<b>\$ 344,644</b>	<b>\$ 683,268</b>	<b>\$ 94,241</b>	<b>\$ 9,651</b>	<b>\$ 134,730</b>	<b>\$ 1,068,288</b>	<b>\$ 420,675</b>	<b>\$ 31,072,028</b>

CITY OF ST. GEORGE, UT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2004

	<u>Special Revenue Funds</u>						<u>Debt Service</u>
	<u>Dixie Center Operations</u>	<u>Airport PFC Fees</u>	<u>Economic Development</u>	<u>Transportation Improvement</u>	<u>Museum Acquis Fund</u>	<u>SunTran Public Transit</u>	<u>Special Assessments</u>
Revenues:							
Taxes & fees	\$ 281,880	\$ 176,772	\$ -	\$ 3,201,274	\$ 5,619	\$ 58,142	\$ -
Assessments	-	-	-	-	-	-	1,356,995
Intergovernmental	-	-	-	-	-	579,374	-
Investment income	-	6,624	2,495	47,211	42	-	224,728
Capital development fees	-	-	-	-	-	-	-
Other	-	-	75,000	-	-	40,866	-
	<hr/>						
Total revenues	281,880	183,396	77,495	3,248,484	5,661	678,381	1,581,723
	<hr/>						
Expenditures:							
Current:							
General government	530,618	450	68,008	450	-	298,291	2,380
Public Safety							
Highways & improvements							
Parks, recreation etc							
Community & Econ Developmnt							
Lease payments	19,000						
Debt service:							
Principal on long-term debt	1,834,085						759,199
Interest on long-term debt	321,046						244,673
Capital outlay:			30,267	508,034		90,310	-
	<hr/>						
Total expenditures	2,704,749	450	98,275	508,484	-	388,601	1,006,253
	<hr/>						
Excess (deficiency) of revenues over expenditures	(2,422,869)	182,946	(20,780)	2,740,000	5,661	289,781	575,471
	<hr/>						
Other financing sources (uses):							
Transfers in	481,500	-	1,000,000	-	-	128,500	-
Transfers out	-	(122,376)	(320,890)	(1,958,500)	-	-	-
Bonds sold	-	-	-	-	-	-	-
Premiums on bonds sold	-	-	-	-	-	-	-
Property sales							
Contributions from private sources	1,629,085						
Contributions from other governmnts	320,195						
Capital Leases	-						
Notes payable	-						
	<hr/>						
Total other financing sources (uses)	2,430,780	(122,376)	679,110	(1,958,500)	-	128,500	-
	<hr/>						
Net change in fund balances	7,911	60,570	658,330	781,500	5,661	418,281	575,471
	<hr/>						
Fund balances, beginning of year	(1,294)	459,450	1,610,814	3,098,772	-	(252,380)	2,510,454
	<hr/>						
Fund balances, end of year	\$6,617	\$520,020	\$2,269,144	\$3,880,272	\$5,661	\$165,901	\$3,085,925

(continued)

CITY OF ST. GEORGE, UT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2004  
(continued)

Capital Projects Funds												
	Capital Equipment	Downtown RDA	Park Impact	Street Impact	Johnson Dino Tracks	Drainage Impact	Fire Dept Impact	Police Impact	Streets Bond	Recreation Bonds	Future Airport Capital Proj.	Total
Revenues:												
Taxes	\$ -	\$ 696,263	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,419,950
Assessments	-	-	-	-	-	-	-	-	-	-	-	1,356,995
Intergovernmental	-	-	-	-	400,000	-	-	-	-	-	917,942	1,897,316
Investment income	-	4,509	63,113	9,650	2,022	6,749	4,005	85	46,895	20,926	-	439,052
Capital development fees	-	-	1,975,942	1,204,931	-	685,549	335,428	88,721	-	-	-	4,290,570
Other	4,000	-	-	-	-	-	-	-	-	-	-	119,866
<b>Total revenues</b>	<b>4,000</b>	<b>700,772</b>	<b>2,039,055</b>	<b>1,214,581</b>	<b>402,022</b>	<b>692,298</b>	<b>339,433</b>	<b>88,806</b>	<b>46,895</b>	<b>20,926</b>	<b>917,942</b>	<b>12,523,749</b>
Expenditures:												
Current:												
General government	450	18,616	450	449	-	2,701	450	450	64,870	74,016	-	1,062,649
Public Safety												-
Highways & improvements												-
Parks, recreation etc												-
Community & Econ Developmnt												-
Lease payments		194,393						85,000				298,393
Debt service:												
Principal on long-term debt		191,000	4,144									2,788,428
Interest on long-term debt		24,152	856									590,727
Capital outlay:	2,685,049	701,980	792,123		516,961	-	1,051,116		7,313	670,685	877,321	7,931,160
<b>Total expenditures</b>	<b>2,685,499</b>	<b>1,130,141</b>	<b>797,573</b>	<b>449</b>	<b>516,961</b>	<b>2,701</b>	<b>1,051,566</b>	<b>85,450</b>	<b>72,183</b>	<b>744,701</b>	<b>877,321</b>	<b>12,671,357</b>
Excess (deficiency) of revenues over expenditures	(2,681,499)	(429,369)	1,241,482	1,214,132	(114,939)	689,597	(712,133)	3,356	(25,288)	(723,775)	40,621	(147,608)
Other financing sources (uses):												
Transfers in	3,500,000	-	-	-	357,000	-	-	-	-	-	50,000	5,517,000
Transfers out	(357,000)	-	(200,000)	(1,535,000)	-	(200,000)	-	-	(4,967,000)	-	-	(9,660,766)
Bonds sold	-	-	-	-	-	-	-	-	5,000,000	-	-	5,000,000
Premiums on bonds sold	-	-	-	-	-	-	-	-	127,014	-	-	127,014
Property sales	-	-	-	-	-	-	-	-	-	-	-	-
Contributions from private sources			347,000								-	1,976,085
Contributions from other governments												320,195
Capital leases												-
Notes payable												-
<b>Total other financing sources (uses)</b>	<b>3,143,000</b>	<b>-</b>	<b>147,000</b>	<b>(1,535,000)</b>	<b>357,000</b>	<b>(200,000)</b>	<b>-</b>	<b>-</b>	<b>160,014</b>	<b>-</b>	<b>50,000</b>	<b>3,279,528</b>
<b>Net change in fund balances</b>	<b>461,501</b>	<b>(429,369)</b>	<b>1,388,482</b>	<b>(320,868)</b>	<b>242,061</b>	<b>489,597</b>	<b>(712,133)</b>	<b>3,356</b>	<b>134,726</b>	<b>(723,775)</b>	<b>90,621</b>	<b>3,131,920</b>
Fund balances, beginning of year	9,399,820	781,218	3,249,270	768,192	-	193,671	806,374	6,295	4	1,746,395	5,650	24,382,705
<b>Fund balances, end of year</b>	<b>\$9,861,321</b>	<b>\$351,849</b>	<b>\$4,637,752</b>	<b>\$447,324</b>	<b>\$242,061</b>	<b>\$683,268</b>	<b>\$94,241</b>	<b>\$9,651</b>	<b>\$134,730</b>	<b>\$1,022,620</b>	<b>\$96,271</b>	<b>\$27,514,625</b>

CITY OF ST. GEORGE, UT  
DIXIE CENTER OPERATIONS - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Business license innkeeper fees	\$ 260,401	\$ 260,401	\$ 281,880	\$ 21,479
Interest income	-	-	-	-
<b>Total revenues</b>	<b>260,401</b>	<b>260,401</b>	<b>281,880</b>	<b>21,479</b>
<b>EXPENDITURES:</b>				
Current:				
General government	426,979	534,979	530,618	4,361
Rental payments	19,000	19,000	19,000	-
Debt service:				
Principal	216,700	216,700	1,834,085	(1,617,385)
Interest	339,722	339,722	321,046	18,676
Capital outlay:				
<b>Total expenditures</b>	<b>1,002,401</b>	<b>1,110,401</b>	<b>2,704,749</b>	<b>(1,594,348)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(742,000)</b>	<b>(850,000)</b>	<b>(2,422,869)</b>	<b>(1,572,869)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Contributions from other governments	205,000	313,000	320,195	7,195
Contributions from other sources	-	-	1,629,085	1,629,085
Transfers from other funds	537,000	537,000	481,500	(55,500)
<b>Total other financing sources(uses)</b>	<b>742,000</b>	<b>850,000</b>	<b>2,430,780</b>	<b>1,580,780</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES &amp; OTHER FINANCING SOURCES (USES):</b>	<b>-</b>	<b>-</b>	<b>7,911</b>	<b>\$ 7,911</b>
Fund balance at beginning of year	(1,294)	(1,294)	(1,294)	
Fund balance at end of year	\$ (1,294)	\$ (1,294)	\$ 6,617	

CITY OF ST. GEORGE, UT  
 AIRPORT PFC FEES - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Passenger facility charges	\$ 125,000	\$ 125,000	\$ 176,772	\$ 51,772
Interest income	10,000	10,000	6,624	(3,376)
<b>Total revenues</b>	<b>135,000</b>	<b>135,000</b>	<b>183,396</b>	<b>48,396</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	450	(450)
Capital projects:				
Improvements				
Property purchases	-	-	-	-
Equipment purchases	-	148,000		148,000
<b>Total expenditures</b>	<b>-</b>	<b>148,000</b>	<b>450</b>	<b>147,550</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>135,000</b>	<b>(13,000)</b>	<b>182,946</b>	<b>195,946</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers to other funds	(200,000)	(122,000)	(122,376)	(376)
Appropriated fund balance		70,000	-	(70,000)
<b>Total other financing sources (uses):</b>	<b>(200,000)</b>	<b>(52,000)</b>	<b>(122,376)</b>	<b>(70,376)</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):</b>	<b>(65,000)</b>	<b>(65,000)</b>	<b>60,570</b>	<b>\$125,570</b>
Fund balance at beginning of year	459,450	459,450	459,450	
Fund balance at end of year	<u>\$ 394,450</u>	<u>\$ 394,450</u>	<u>\$ 520,020</u>	

CITY OF ST. GEORGE, UT  
 ECONOMIC DEVELOPMENT - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Interest income	\$ 30,000	\$ 30,000	\$ 2,495	\$ (27,505)
Miscellaneous income		31,000	75,000	44,000
Intergovernmental revenues		92,000		-92,000
<b>Total revenues</b>	<b>30,000</b>	<b>153,000</b>	<b>77,495</b>	<b>(75,505)</b>
<b>EXPENDITURES:</b>				
Current:				
General government	2,500	94,500	68,008	26,492
Capital projects:				
Improvements	-	31,000	30,267	733
<b>Total expenditures</b>	<b>2,500</b>	<b>125,500</b>	<b>98,275</b>	<b>27,225</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>27,500</b>	<b>27,500</b>	<b>(20,780)</b>	<b>(48,280)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Appropriated fund balance	-	-		-
Transfers from other funds			1,000,000	1,000,000
Transfers to other funds	(320,890)	(320,890)	(320,890)	-
<b>Total other financing sources(uses)</b>	<b>(320,890)</b>	<b>(320,890)</b>	<b>679,110</b>	<b>1,000,000</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES &amp; OTHER FINANCING SOURCES (USES):</b>	<b>(293,390)</b>	<b>(293,390)</b>	<b>658,330</b>	<b>\$ 951,720</b>
Fund balance at beginning of year	1,610,814	1,610,814	1,610,814	
Fund balance at end of year	<b>\$ 1,317,424</b>	<b>\$ 1,317,424</b>	<b>\$ 2,269,144</b>	

CITY OF ST. GEORGE, UT  
TRANSPORTATION IMPROVEMENT - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Highway sales taxes	\$ 2,700,000	\$ 2,700,000	\$ 3,201,274	\$ 501,274
Interest income	100,000	100,000	47,211	(52,789)
Total revenues	<u>2,800,000</u>	<u>2,800,000</u>	<u>3,248,484</u>	<u>448,484</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	450	(450)
Capital projects:				
Improvements	3,658,483	3,658,483	508,034	3,150,449
Total expenditures	<u>3,658,483</u>	<u>3,658,483</u>	<u>508,484</u>	<u>3,149,999</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(858,483)</u>	<u>(858,483)</u>	<u>2,740,000</u>	<u>3,598,483</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers to other funds	(1,958,500)	(1,958,500)	(1,958,500)	-
Appropriated fund balance	-	-	-	-
Total other financing sources(uses)	<u>(1,958,500)</u>	<u>(1,958,500)</u>	<u>(1,958,500)</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	<u>(2,816,983)</u>	<u>(2,816,983)</u>	<u>781,500</u>	<u>\$ 3,598,483</u>
Fund balance at beginning of year	<u>3,098,772</u>	<u>3,098,772</u>	<u>3,098,772</u>	
Fund balance at end of year	<u>\$ 281,789</u>	<u>\$ 281,789</u>	<u>\$ 3,880,272</u>	

CITY OF ST. GEORGE, UT  
MUSEUM COLLECTION ACQUISITIONS - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Fees and donations	\$ -	\$ -	\$ 5,619	\$ 5,619
Interest income	-	-	42	42
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>5,661</b>	<b>5,661</b>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Capital projects:				
Improvements	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>5,661</b>	<b>5,661</b>
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	-	-	-	-
Appropriated fund balance	-	-	-	-
<b>Total other financing sources(uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):</b>	<b>-</b>	<b>-</b>	<b>5,661</b>	<b>\$ 5,661</b>
Fund balance at beginning of year	-	-	-	
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,661</b>	

CITY OF ST. GEORGE, UT  
 SUNTRAN PUBLIC TRANSIT - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
Transit fares	\$ 36,000	\$ 36,000	\$ 48,142	\$ 12,142
Intergovernmental revenues	350,000	350,000	579,374	229,374
Miscellaneous revenues	-	-	40,865	40,865
Advertising fees	25,500	25,500	10,000	(15,500)
<b>Total revenues</b>	<b>411,500</b>	<b>411,500</b>	<b>678,381</b>	<b>266,881</b>
<b>EXPENDITURES:</b>				
Current:				
General government	375,253	375,253	298,291	76,962
Capital projects:				
Improvements	164,000	164,000	90,310	73,690
<b>Total expenditures</b>	<b>539,253</b>	<b>539,253</b>	<b>388,601</b>	<b>150,652</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(127,753)</b>	<b>(127,753)</b>	<b>289,780</b>	<b>417,533</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers from other funds	128,500	128,500	128,500	-
<b>Total other financing sources(uses)</b>	<b>128,500</b>	<b>128,500</b>	<b>128,500</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):</b>	<b>747</b>	<b>747</b>	<b>418,280</b>	<b>\$ 417,533</b>
Fund balance at beginning of year	(252,380)	(252,380)	(252,380)	
Fund balance at end of year	<b>\$ (251,633)</b>	<b>\$ (251,633)</b>	<b>\$ 165,900</b>	

CITY OF ST. GEORGE, UT  
SPECIAL ASSESSMENTS - DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
Special assessments collected	\$ 652,283	\$ 759,483	\$ 1,356,995	\$ 597,512
Miscellaneous revenues	\$ 5,000	\$ 5,000		\$ (5,000)
Interest income	207,653	244,353	224,728	(19,625)
<b>Total revenues</b>	<b>864,936</b>	<b>1,008,836</b>	<b>1,581,723</b>	<b>572,887</b>
<b>EXPENDITURES:</b>				
General:				
General government	10,500	10,500	2,380	8,120
Debt service:				
Principal	652,283	759,483	759,199	284
Interest & other charges	207,653	244,353	244,673	(320)
<b>Total expenditures</b>	<b>870,436</b>	<b>1,014,336</b>	<b>1,006,253</b>	<b>8,083</b>
Excess (deficiency) of revenues over (under) expenditures	(5,500)	(5,500)	575,471	<u>\$ 580,971</u>
Fund balance at beginning of year	2,510,454	2,510,454	2,510,454	
Fund balance at end of year	<u>\$ 2,504,954</u>	<u>\$ 2,504,954</u>	<u>\$ 3,085,925</u>	

CITY OF ST. GEORGE, UTAH

CAPITAL EQUIPMENT - CAPITAL PROJECT FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Property sales	-	-	-	-
Sundry revenues			4,000	4,000
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>4,000</b>	<b>4,000</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
General government	-	-	450	(450)
<b>Capital projects:</b>				
Improvements	335,000	425,000	385,049	39,951
Property purchases	-	2,300,000	2,300,000	-
<b>Total expenditures</b>	<b>335,000</b>	<b>2,725,000</b>	<b>2,685,499</b>	<b>39,501</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(335,000)</b>	<b>(2,725,000)</b>	<b>(2,681,499)</b>	<b>43,501</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	814,517	814,517	3,500,000	2,685,483
Transfers to other funds	-	(357,000)	(357,000)	-
Sale of property			-	-
Appropriated fund balance	-	2,747,000	-	(2,747,000)
<b>Total other financing sources (uses)</b>	<b>814,517</b>	<b>3,204,517</b>	<b>3,143,000</b>	<b>(61,517)</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>479,517</b>	<b>479,517</b>	<b>461,501</b>	<b>\$ (18,016)</b>
Fund balance at beginning of year	9,399,820	9,399,820	9,399,820	
Fund balance at end of year	<u>\$9,879,337</u>	<u>\$9,879,337</u>	<u>\$9,861,321</u>	

CITY OF ST. GEORGE, UT

DOWNTOWN REDEVELOPMENT - CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
Redevelopment taxes	\$ 660,000	\$ 660,000	\$ 696,263	\$ 36,263
Miscellaneous				
Interest income	10,000	10,000	4,509	(5,491)
<b>Total revenues</b>	<b>670,000</b>	<b>670,000</b>	<b>700,772</b>	<b>30,772</b>
<b>EXPENDITURES:</b>				
Current:				
General government	40,200	40,200	18,616	21,584
Capital projects:				
Buildings	150,000	300,000	300,000	-
Land purchases	400,000	400,000	401,980	(1,980)
Debt service:				
Bond principal	191,000	191,000	191,000	-
Interest	24,152	24,152	24,152	-
Lease payments	194,393	194,393	194,393	-
<b>Total expenditures</b>	<b>999,745</b>	<b>1,149,745</b>	<b>1,130,141</b>	<b>19,604</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Appropriated fund balance	329,745	479,745	-	(479,745)
Transfers to other funds			-	-
<b>Total other financing sources (uses)</b>	<b>329,745</b>	<b>479,745</b>	<b>-</b>	<b>(479,745)</b>
<b>EXCESS(DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>(429,369)</b>	<b>\$ (429,369)</b>
Fund balance at beginning of year	781,218	781,218	781,218	
Fund balance at end of year	\$ 781,218	\$ 781,218	\$ 351,849	

CITY OF ST. GEORGE, UTAH

PARK IMPACT - CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Charges for services	\$ 1,250,000	\$ 1,450,000	\$ 1,975,942	\$ 525,942
Contributions from others			347,000	347,000
Interest income	45,000	45,000	63,113	18,113
<b>Total revenues</b>	<b>1,295,000</b>	<b>1,495,000</b>	<b>2,386,055</b>	<b>891,055</b>
<b>EXPENDITURES:</b>				
Current:				
General government	1,100	1,100	450	650
Capital projects:				
Improvements	1,440,000	1,440,000	445,123	994,877
Property purchases			347,000	(347,000)
Debt service:				
Principal	-	-	4,144	(4,144)
Interest	-	-	856	(856)
Transfers to other funds		200,000	200,000	
<b>Total expenditures</b>	<b>1,441,100</b>	<b>1,641,100</b>	<b>997,573</b>	<b>643,527</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(146,100)</b>	<b>(146,100)</b>	<b>1,388,482</b>	<b>\$ 1,534,582</b>
Fund balance at beginning of year	3,249,270	3,249,270	3,249,270	
Fund balance at end of year	\$ 3,103,170	\$ 3,103,170	\$ 4,637,752	

CITY OF ST. GEORGE, UTAH

STREET IMPACT - CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Charges for services	\$ 780,000	\$ 780,000	\$ 1,204,931	\$ 424,931
Interest income	45,000	45,000	9,650	(35,350)
Total revenues	<u>825,000</u>	<u>825,000</u>	<u>1,214,581</u>	<u>389,581</u>
<b>EXPENDITURES:</b>				
Current:				
General government	1,000	1,000	449	551
Capital projects:				
Improvements	-	-	-	-
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>449</u>	<u>551</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	824,000	824,000	1,214,132	390,132
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	<u>(1,535,000)</u>	<u>(1,535,000)</u>	<u>(1,535,000)</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	(711,000)	(711,000)	(320,868)	<u>\$ 390,132</u>
Fund balance at beginning of year	<u>768,192</u>	<u>768,192</u>	<u>768,192</u>	
Fund balance at end of year	<u>\$ 57,192</u>	<u>\$ 57,192</u>	<u>\$ 447,324</u>	

CITY OF ST. GEORGE, UTAH

JOHNSON DINO TRACK PRESERVATION - CAPITAL PROJECTS FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental	\$ -	\$ 900,000	\$ 400,000	\$ (500,000)
Investment income			2,022	2,022
		<u>900,000</u>	<u>402,022</u>	<u>-497,978</u>
EXPENDITURES:				
Current				
General government			-	-
Capital projects:				
Building construction	-	1,407,000	516,961	890,039
		<u>-</u>	<u>516,961</u>	<u>890,039</u>
Total expenditures		<u>1,407,000</u>	<u>516,961</u>	<u>890,039</u>
Excess (Deficiency) of expenditures over revenues	-	(507,000)	(114,939)	392,061
OTHER FINANCING SOURCES:				
Contributions from Washington County		150,000		(150,000)
Transfers from other funds	-	357,000	357,000	-
		<u>507,000</u>	<u>357,000</u>	<u>(150,000)</u>
Total other financing sources:		<u>507,000</u>	<u>357,000</u>	<u>(150,000)</u>
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	-	242,061	<u>\$ 242,061</u>
Fund balance at beginning of year	-	-	-	
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 242,061</u>	

CITY OF ST. GEORGE, UTAH

DRAINAGE IMPACT - CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Charges for services	\$ 460,000	\$ 460,000	\$ 685,549	\$ 225,549
Interest income	8,000	8,000	6,749	(1,251)
Total revenues	468,000	468,000	692,298	224,298
EXPENDITURES:				
Current:				
General government	13,500	13,500	2,701	10,799
Capital projects:				
Land purchases	-	-	-	-
Improvements	-	-	-	-
Total expenditures	13,500	13,500	2,701	10,799
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	454,500	454,500	689,597	235,097
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(200,000)	(200,000)	(200,000)	-
Appropriated fund balance	-	-	-	-
Total other financing sources(uses)	(200,000)	(200,000)	(200,000)	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	254,500	254,500	489,597	\$ 235,097
Fund balance at beginning of year	193,671	193,671	193,671	
Fund balance at end of year	\$ 448,171	\$ 448,171	\$ 683,268	

CITY OF ST. GEORGE, UTAH

FIRE DEPT IMPACT - CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
Charges for services	\$ 235,000	\$ 535,000	\$ 335,428	\$ (199,572)
Interest income	5,000	5,000	4,005	(995)
Total revenues	<u>240,000</u>	<u>540,000</u>	<u>339,433</u>	<u>(200,567)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	550	550	450	100
Building Construction	-	1,100,000	1,051,116	48,884
Total expenditures	<u>550</u>	<u>1,100,550</u>	<u>1,051,566</u>	<u>48,984</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	239,450	(560,550)	(712,133)	(151,583)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers to other funds	-	-	-	-
Appropriated fund balance	-	800,000	-	(800,000)
Total other financing sources (uses):	-	800,000	-	(800,000)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	239,450	239,450	(712,133)	<u>\$ (951,583)</u>
Fund balance at beginning of year	<u>806,374</u>	<u>806,374</u>	<u>806,374</u>	
Fund balance at end of year	<u>\$ 1,045,824</u>	<u>\$ 1,045,824</u>	<u>\$ 94,241</u>	

CITY OF ST. GEORGE, UTAH

POLICE DEPT IMPACT - CAPITAL PROJECTS FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Charges for services	\$ 60,000	\$ 60,000	\$ 88,721	\$ 28,721
Interest income	500	500	85	(415)
Total revenues	<u>60,500</u>	<u>60,500</u>	<u>88,806</u>	<u>28,306</u>
EXPENDITURES:				
Current:				
General government	700	700	450	250
Lease payments	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>	-
Total expenditures	<u>85,700</u>	<u>85,700</u>	<u>85,450</u>	<u>250</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(25,200)	(25,200)	3,356	<u>\$ 28,556</u>
Fund balance at beginning of year	<u>6,295</u>	<u>6,295</u>	<u>6,295</u>	
Fund balance at end of year	<u>\$ (18,905)</u>	<u>\$ (18,905)</u>	<u>\$ 9,651</u>	

CITY OF ST. GEORGE, UTAH

STREET BOND PROJECTS - CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Interest income	\$ -	\$ -	\$ 46,895	\$ 46,895
EXPENDITURES:				
Current:				
General government	-	65,500	64,870	630
Capital projects:	-	-	-	
Improvements			7,313	(7,313)
Total expenditures	-	65,500	72,183	(6,683)
Excess (Deficiency) of expenditures over revenues	-	(65,500)	(25,288)	40,212
OTHER FINANCING SOURCES:				
Bond premiums			127,014	127,014
Bonds sold		5,032,500	5,000,000	(32,500)
Transfer to other funds	-	(4,967,000)	(4,967,000)	-
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	-	134,726	\$ 134,726
Fund balance at beginning of year	4	4	4	
Fund balance at end of year	\$ 4	\$ 4	\$ 134,730	

CITY OF ST. GEORGE, UTAH

RECREATION BOND PROJECTS - CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
Intergovernmental	\$ 356,000	\$ 356,000	\$ -	\$ (356,000)
Interest income	25,000	25,000	20,926	(4,074)
Other income	18,037	18,037	-	(18,037)
<b>Total revenues</b>	<b>399,037</b>	<b>399,037</b>	<b>20,926</b>	<b>-378,111</b>
<b>EXPENDITURES:</b>				
Current:				
General government	98,495	98,495	74,016	24,479
Capital projects:				
Improvements	1,586,673	1,586,673	670,685	915,988
Property purchases	40,000	40,000	-	40,000
<b>Total expenditures</b>	<b>1,725,168</b>	<b>1,725,168</b>	<b>744,701</b>	<b>980,467</b>
Excess (Deficiency) of expenditures over revenues	(1,326,131)	(1,326,131)	(723,775)	602,356
<b>OTHER FINANCING SOURCES:</b>				
Appropriated fund balance	-	-	-	-
<b>EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>	<b>(1,326,131)</b>	<b>(1,326,131)</b>	<b>(723,775)</b>	<b>\$ 602,356</b>
Fund balance at beginning of year	1,746,395	1,746,395	1,746,395	
Fund balance at end of year	\$ 420,264	\$ 420,264	\$ 1,022,620	

CITY OF ST. GEORGE, UTAH

REPLACEMENT AIRPORT - CAPITAL PROJECTS FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
Intergovernmental	\$ 3,946,023	\$ 3,946,023	\$ 917,942	\$ (3,028,081)
Interest income	-	-	-	-
Other income	-	-	-	-
<b>Total revenues</b>	<b>3,946,023</b>	<b>3,946,023</b>	<b>917,942</b>	<b>-3,028,081</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	-
Capital projects:				
Improvements	3,946,023	3,946,023	877,321	3,068,702
Property purchases	-	-	-	-
<b>Total expenditures</b>	<b>3,946,023</b>	<b>3,946,023</b>	<b>877,321</b>	<b>3,068,702</b>
Excess (Deficiency) of expenditures over revenues	-	-	40,621	40,621
<b>OTHER FINANCING SOURCES:</b>				
Transfers from other funds	50,000	50,000	50,000	-
<b>EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>	<b>50,000</b>	<b>50,000</b>	<b>90,621</b>	<b>\$ 40,621</b>
Fund balance at beginning of year	5,650	5,650	5,650	
Fund balance at end of year	\$ 55,650	\$ 55,650	\$ 96,271	

**City of St. George, UT**  
**NonMajor Proprietary Funds**  
**Combining Statement of Net Assets**  
**June 30, 2004**

<b>Assets</b>	<b>Business-type Activities</b>					<b>Total Non-Major</b>
	<b>Enterprise Funds</b>					
	<b>Refuse Collection</b>	<b>Municipal Building Authority</b>	<b>Drainage Utility</b>	<b>Golf Courses</b>		
Cash and investments	\$ 342,589	\$ 249,736	\$ 235,131	\$ -	\$	827,457
Restricted cash	-	-	-	433		433
Furniture, Fixtures, & equip	-	10,882,324	-	15,642,282		26,524,606
Less depreciation	-	(691,346)	-	(3,392,431)		(4,083,777)
Other assets (deferred bond costs)	-	143,576	-	36,167		179,742
<b>Total assets</b>	<b>342,589</b>	<b>10,584,290</b>	<b>235,131</b>	<b>12,286,450</b>		<b>23,448,461</b>
<b>Liabilities</b>						
Liabilities:						
Accrued liabilities	\$ 192,781	\$ 166,538	\$ -	181,787		541,107
Due to other funds				1,697,904		1,697,904
Leases payable				397,065		397,065
Bonds payable		6,499,000		2,132,000		8,631,000
Total liabilities	192,781	6,665,538	-	4,408,756		11,267,076
Net Assets						
Invested in capital assets, net of related debt	-	3,691,979	-	9,720,786		13,412,765
Restricted for debt service				433		433
Unrestricted	149,808	226,774	235,131	(1,843,524)		(1,231,811)
<b>Total Net Assets</b>	<b>\$ 149,808</b>	<b>\$ 3,918,752</b>	<b>\$ 235,131</b>	<b>\$ 7,877,695</b>	<b>\$</b>	<b>12,181,386</b>

**City of St. George, UT**  
**NonMajor Proprietary Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**For the Year Ended June 30, 2004**

	Business-type Activities Enterprise Funds				
	<u>Refuse Collection</u>	<u>Municipal Building Authority</u>	<u>Drainage Utility</u>	<u>Golf Courses</u>	<u>Total Non-Major</u>
OPERATING REVENUES:					
Charges for services	\$ 2,435,030	\$ -	\$ 818,662	\$ 4,241,585	7,495,277
Other operating revenues					-
Total operating revenues	2,435,030	-	818,662	4,241,585	7,495,277
OPERATING EXPENSES:					
Salary and wages				1,235,633	1,235,633
Supplies				292,200	292,200
Service vehicle expense				84,198	84,198
Equipment rental				250,652	250,652
Depreciation		114,364		386,370	500,734
Bad debts	12,167		-		12,167
Payroll tax & employee benefits				431,548	431,548
Office & dept. supplies		7		94,635	94,642
Professional services	450	13,419	-	514,140	528,009
R. & M. - equipment				51,798	51,798
R. & M. - buildings and grounds				689,372	689,372
Insurance & surety bonds				28,345	28,345
Travel				8,277	8,277
Subscriptions & memberships				7,807	7,807
Contract labor	2,245,959		-		2,245,959
Claims paid					
Insurance premiums					
Billing & administration	120,000	-	-		120,000
Total operating expenses	2,378,576	127,791	-	4,074,975	6,581,341
Operating income (loss)	56,454	(127,791)	818,662	166,611	913,937
NON-OPERATING REVENUES (EXPENSES)					
Interest income		863	1,469	295	2,626
Rent		672,036		17,401	689,437
Miscellaneous income				97,843	97,843
Interest charges		(312,753)		(131,561)	(444,314)
Total non-operating revenue (expense)	-	360,146	1,469	(16,023)	345,592
Income before transfers	56,454	232,356	820,131	150,588	1,259,529
Transfers to/from other funds	-	376,530	(585,000)	-	(208,470)
Changes in Net Assets	56,454	608,886	235,131	150,588	1,051,059
Total Net Assets - beginning of year	93,354	3,309,866	-	7,727,107	11,130,327
Total Net Assets - end of year	\$ 149,808	\$ 3,918,752	\$ 235,131	\$ 7,877,695	\$ 12,181,386

CITY OF ST. GEORGE, UTAH  
NONMAJOR PROPRIETARY FUNDS  
COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2004

Business-type Activities - Enterprise Funds

	<u>REFUSE COLLECTION</u>	<u>MUNICIPAL BUILDING AUTHORITY</u>	<u>DRAINAGE UTILITY</u>	<u>GOLF COURSES</u>	<u>TOTAL NON-MAJOR</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 2,435,030	\$ -	\$ 818,662	\$ 4,241,585	\$ 7,495,277
Payments to suppliers	(2,365,858)	(27,400)	-	(2,002,290)	(4,395,547)
Payments to employees	-	-	-	(1,667,181)	(1,667,181)
Net cash provided by operating activities	<u>69,172</u>	<u>(27,400)</u>	<u>818,662</u>	<u>572,114</u>	<u>1,432,549</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Rents received		672,036		17,401	689,437
Miscellaneous non-operating income				97,843	97,843
Economic development transfer		376,530	(585,000)		(208,470)
Net cash provided (used) by noncapital and related financing activities	<u>-</u>	<u>1,048,566</u>	<u>(585,000)</u>	<u>115,244</u>	<u>578,810</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchases of capital assets				(1,070,372)	(1,070,372)
Principal paid on capital debt		(647,000)		-	(647,000)
Interest paid on capital debt		(312,753)		(131,561)	(444,314)
Proceeds from capital leases				171,768	171,768
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(959,753)</u>	<u>-</u>	<u>(1,030,165)</u>	<u>(1,989,918)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	-	863	1,469	295	2,627
Net increase (decrease) in cash and cash equivalents	69,172	62,276	235,131	(342,513)	24,067
Cash and equivalents at beginning of year	273,417	187,461	-	342,946	803,824
Cash and equivalents at end of year	<u>\$ 342,589</u>	<u>\$ 249,737</u>	<u>\$ 235,131</u>	<u>\$ 433</u>	<u>\$ 827,891</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ 56,454	\$ (127,791)	\$ 818,662	\$ 166,611	\$ 913,937
Adjustments to reconcile net income from operations to net cash provided by operating activities:					
Depreciation	-	114,364	-	386,370	500,734
Changes in assets & liabilities:					
Increase (decrease) in prepaid assets				9,041	20,085
Decrease (increase) in discounts		11,044			
Increase (decrease) in accruals	12,718	(25,018)	-	10,093	(2,207)
Total adjustments	<u>12,718</u>	<u>100,390</u>	<u>-</u>	<u>405,504</u>	<u>518,612</u>
Net cash provided by operating activities:	<u>\$ 69,172</u>	<u>\$ (27,400)</u>	<u>\$ 818,662</u>	<u>\$ 572,115</u>	<u>\$ 1,432,549</u>

CITY OF ST. GEORGE, UTAH  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE BY SOURCE

JUNE 30, 2004

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$	18,803,876
Buildings		21,507,475
Improvements		37,826,253
Infrastructure assets		62,986,206
Equipment		<u>12,893,935</u>
 Total Governmental Funds Capital Assets	 \$	 <u><u>154,017,744</u></u>

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

Capital Projects Funds:		
General obligation bonds	\$	22,376,874
Federal grants		6,129,652
State grants		633,195
County grants		20,000
WCIA - (Dixie Center interlocal agency)		10,207,697
Downtown Redevelopment revenues		3,944,962
Capital equipment fund		16,443,005
Public Works Capital projects fund		11,309,981
Replacement Airport capital projects fund		559,412
Industrial Park fund		2,401,462
Sewer Impact fund		245,866
Park Impact fund		7,162,769
Fire Impact fund		1,966,575
Drainage Impact fund		229,844
Special Assessment fund		22,902,766
Street Impact fund		400,205
Transportation improvement fund		1,749,770
SunTran Public Transit fund		259,616
Airport PFC fund		22,049
General Fund revenues		<u>45,052,044</u>
 Total Governmental Funds Capital Assets	 \$	 <u><u>154,017,744</u></u>

CITY OF ST. GEORGE, UTAH  
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
BY FUNCTION & ACTIVITY

JUNE 30, 2004

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVEMENTS	INFRASTRUCTURE	EQUIPMENT
<b>GENERAL GOVERNMENT:</b>						
Gen. government bldgs.	\$ 11,147,239	\$ 7,618,289	\$ 2,807,646	\$ 721,304	\$ -	\$ -
WCIA (Dixie Center)	10,255,803	1,774,067	8,481,736	-	-	-
Downtown Redevelopment	5,011,370	2,480,452	1,062,008	1,468,910	-	-
Community development (Industrial Park)	1,626,676	162,489	-	1,464,187	-	-
Administration	657,194	-	-	-	-	657,194
<b>Total general government</b>	<b>28,698,282</b>	<b>12,035,297</b>	<b>12,351,390</b>	<b>3,654,401</b>	<b>-</b>	<b>657,194</b>
<b>PUBLIC SAFETY:</b>						
Police protection	3,562,388	-	82,589	93,968	-	3,385,831
Fire protection	5,039,532	113,048	2,461,537	72,133	-	2,392,814
<b>Total public safety</b>	<b>8,601,920</b>	<b>113,048</b>	<b>2,544,126</b>	<b>166,101</b>	<b>-</b>	<b>5,778,645</b>
<b>PUBLIC WORKS:</b>	<b>78,915,575</b>	<b>557,709</b>	<b>2,604,650</b>	<b>8,922,509</b>	<b>62,697,954</b>	<b>4,132,753</b>
<b>PARKS, RECREATION, &amp; PUBLIC PROPERTY:</b>	<b>37,801,968</b>	<b>6,097,822</b>	<b>4,007,309</b>	<b>25,253,273</b>	<b>117,921</b>	<b>2,325,643</b>
<b>Total governmental fund capital assets allocated to function</b>	<b>\$ 154,017,745</b>	<b>\$ 18,803,876</b>	<b>\$ 21,507,475</b>	<b>\$ 37,996,284</b>	<b>\$ 62,815,875</b>	<b>\$ 12,894,235</b>

CITY OF ST. GEORGE, UTAH  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

YEAR ENDED JUNE 30, 2004

FUNCTION AND ACTIVITY	GOVERNMENTAL FUNDS CAPITAL ASSETS JULY 1, 2003	ADDITIONS	DELETIONS	GOVERNMENTAL FUNDS CAPITAL ASSETS JUNE 30, 2004
<b>GENERAL GOVERNMENT:</b>				
Gen. government bldgs.	\$ 9,520,480	\$ 1,626,759	\$ -	\$ 11,147,239
WCIA - Dixie Center	10,255,803	-	-	10,255,803
Downtown Redevelopment Industrial Park	4,611,370	400,000	-	5,011,370
Administration	1,626,676	-	-	1,626,676
	624,035	33,159	-	657,194
	<u>26,638,364</u>	<u>2,059,918</u>	<u>-</u>	<u>28,698,282</u>
<b>PUBLIC SAFETY:</b>				
Police protection	3,147,924	414,464	-	3,562,388
Fire protection	3,902,008	1,137,524	-	5,039,532
	<u>7,049,932</u>	<u>1,551,988</u>	<u>-</u>	<u>8,601,920</u>
<b>PUBLIC WORKS:</b>	70,943,823	8,123,225	151,473	78,915,575
<b>PARKS, RECREATION, &amp; PUBLIC PROPERTY:</b>	34,246,667	3,555,301	-	37,801,968
<b>TOTAL GOVERNMENTAL FUND CAPITAL ASSETS</b>	<u>\$ 138,878,786</u>	<u>\$ 15,290,432</u>	<u>\$ 151,473</u>	<u>\$ 154,017,745</u>

# ***STATISTICAL SECTION***

CITY OF ST. GEORGE, UTAH

ELECTRIC FUND

STATISTICAL ANALYSIS

JUNE 30, 2004

	<u>Year Ended June 30,</u>	
	<u>2004</u>	<u>2003</u>
Production Cost Analysis:		
Kilowatt hours generated	6,904,404	9,357,918
Kilowatt hours purchased	<u>550,520,351</u>	<u>541,387,750</u>
Total Kilowatt Hours	<u>557,424,755</u>	<u>550,745,668</u>
Total Operating Costs	<u>\$38,653,761</u>	<u>\$36,461,192</u>
Cost per Kilowatt Hour	<u>\$ .06934</u>	<u>\$ .06620</u>

Summary of Kilowatt Hours and Costs for previous period

<u>YEAR</u>	<u>KILOWATT HOURS</u>	<u>COST PER KILOWATT HOUR</u>
1994	346,738,642	.04966
1995	369,089,363	.05412
1996	392,034,761	.05297
1997	419,976,185	.05306
1998	426,475,844	.05117
1999	456,043,750	.04957
2000	470,326,067	.05708
2001	494,674,942	.07468
2002	503,732,000	.08242
2003	550,745,668	.06620
2004	557,424,755	.06934

	<u>2004</u>	<u>2003</u>
Average Revenue Analysis:		
Kilowatt Hours billed	551,504,820	477,364,769
Unbilled Hours-line loss, street lights	<u>5,919,935</u>	<u>73,380,899</u>
Total Kilowatt Hours	<u>557,424,755</u>	<u>550,745,668</u>
Total Revenue Billed	\$36,946,003	\$33,554,656
Number of Customers	23,198	21,680
Average monthly billing	\$132.72	\$128.98

CITY OF ST. GEORGE, UTAH

WATER FUND

STATISTICAL ANALYSIS

JUNE 30, 2004

	<u>Year Ended June 30,</u>	
	<u>2004</u>	<u>2003</u>
Production cost analysis:		
Number of gallons billed	8,123,990,312	7,890,345,265
Expense of operations	\$8,322,925	\$7,792,048
Cost per billed gallon	\$ .001024	\$ .000988
Average Revenue Analysis:		
Number of metered customers	16,085	14,663
Water usage billed	\$10,316,867	\$9,232,571
Average monthly billing per metered customer	\$53.45	\$52.47

TABLE I  
CITY OF ST. GEORGE, UTAH  
GENERAL GOVERNMENTAL EXPENDITURES AND OTHER USES BY FUNCTION  
GENERAL FUND  
LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL GOVERNMENT	PUBLIC SAFETY	HIGHWAYS & PUBLIC IMPRVMNTS	PARKS RECREATION & PUBLIC PROPERTY	OTHER	TOTAL
1995	\$ 4,095,625	\$ 4,448,091	\$ 4,393,589	\$ 2,441,109	\$ 2,320,448	\$ 17,698,862
1996	2,518,228	4,740,659	4,129,613	3,188,672	1,877,640	16,454,812
1997	2,391,938	5,222,463	4,375,437	3,481,714	2,586,506	18,058,058
1998	2,685,261	6,082,104	4,889,735	3,835,310	2,963,682	20,456,092
1999	3,107,515	6,346,946	6,061,190	4,482,507	2,420,506	22,418,664
2000	3,335,747	7,344,769	5,971,003	4,501,654	2,808,512	23,961,685
2001	3,035,366	7,008,832	6,331,930	5,546,456	4,020,767	25,943,351
2002	3,211,163	7,197,215	6,767,621	5,864,233	3,709,530	26,749,762
2003	3,355,450	8,301,077	6,394,111	6,012,287	3,599,968	27,662,893
2004	3,682,399	9,269,024	7,355,810	6,446,712	6,342,381	33,096,326

Source: St George City audited financial statements

TABLE II  
CITY OF ST. GEORGE, UTAH  
REVENUES AND OTHER FINANCING SOURCES BY SOURCE  
GENERAL FUND  
LAST TEN FISCAL YEARS

FISCAL YEAR	TAXES	LICENSES & PERMITS	INTER-GOVERNMENTAL	CHARGES FOR SERVICES	FINES & FORFEITS	INTEREST & OTHER REVENUES	IN LIEU & TRNFRS IN	TOTAL
1995	\$ 9,797,351	\$ 1,105,129	\$ 1,803,014	\$ 2,009,246	\$ 218,135	\$ 2,001,640	-	\$ 16,934,515
1996	11,566,055	999,997	1,018,774	2,430,778	216,661	414,811	-	16,647,076
1997	13,058,793	914,563	1,087,426	2,430,919	466,646	403,289	-	18,361,636
1998	13,877,051	974,139	2,071,624	2,827,836	397,018	504,605	-	20,652,273
1999	14,155,766	1,017,029	2,342,404	3,596,639	459,420	912,142	-	22,483,400
2000	15,087,379	1,074,999	2,363,853	3,679,499	646,262	1,653,766	-	24,505,758
2001	16,117,048	1,169,019	2,506,070	3,752,768	862,925	1,535,521	-	25,943,351
2002	17,874,099	1,448,310	2,052,480	3,999,759	739,632	636,002	-	26,750,282
2003	18,236,344	1,618,604	2,614,535	4,424,868	862,990	654,242	-	28,411,583
2004	20,814,066	2,861,199	2,603,641	5,070,508	1,076,417	704,552	-	33,130,383

Source: St George City audited financial statements

TABLE III  
CITY OF ST. GEORGE, UTAH  
TAX REVENUE BY SOURCE  
GENERAL FUND  
LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL PROPERTY TAXES	GENERAL SALES & USE TAXES	FRANCHISE TAXES	TOTAL TAXES
1995	\$ 2,569,090	\$ 5,662,992	\$ 1,565,269	\$ 9,797,351
1996	3,356,531	6,335,072	1,874,452	11,566,055
1997	4,463,792	6,602,360	1,992,641	13,058,793
1998	4,769,964	6,917,219	2,189,868	13,877,051
1999	4,388,896	7,461,474	2,305,396	14,155,766
2000	4,521,037	8,133,428	2,432,914	15,087,379
2001	4,798,994	8,538,437	2,779,617	16,117,048
2002	5,056,459	9,571,255	3,246,385	17,874,099
2003	5,514,458	9,197,358	3,524,528	18,236,344
2004	6,544,523	10,382,991	3,886,551	20,814,065

Source: St. George City audited financial statements

TABLE IV  
CITY OF ST. GEORGE, UTAH  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

FISCAL YEAR	TOTAL TAX LEVY (1)	CURRENT TAX COLLECTION	% OF LEVY TO COLLECTN	DELINQNT TAXES	TOTAL TAX COLLECTION	TOTAL AS A % OF LEVY
1995	\$ 2,552,601	\$ 2,442,329	95.68%	\$ 126,761	\$ 2,569,090	100.65%
1996	3,377,891	3,224,368	95.46%	132,163	3,356,531	99.37%
1997	4,508,681	4,309,075	95.57%	154,717	4,463,792	99.00%
1998	4,858,046	4,568,751	94.05%	201,213	4,769,964	98.19%
1999	4,342,410	4,076,723	93.88%	312,173	4,388,896	101.07%
2000	4,517,406	4,224,226	93.51%	296,811	4,521,037	100.08%
2001	5,066,375	4,529,284	89.40%	269,710	4,798,994	94.72%
2002	5,096,122	4,716,756	92.56%	339,703	5,056,459	99.22%
2003	5,422,951	5,159,945	95.15%	354,513	5,514,458	101.69%
2004	5,976,647	5,621,550	94.06%	524,036	6,145,586	102.83%

Source: St. George City audited financial statements  
(1) Washington County auditor

TABLE V  
CITY OF ST. GEORGE, UTAH  
TAXABLE AND MARKET VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS

FISCAL YEAR	TAXABLE VALUE	MARKET VALUE	RATIO OF TAXABLE TO MARKET VALUE
1995	\$ 1,311,055,379	\$ 1,625,967,438	80.63%
1996	1,459,063,750	2,029,085,374	71.91% ***
1997	1,675,477,790	2,310,563,406	72.51% ***
1998	1,884,382,850	2,699,357,487	69.81% ***
1999	2,035,823,012	3,042,482,776	66.91% ***
2000	2,348,189,583	3,384,819,688	69.37% ***
2001	2,454,639,268	3,538,473,790	69.37% ***
2002	2,557,010,645	3,686,046,771	69.37% ***
2003	2,806,163,266	4,045,211,561	69.37% ***
2004	3,099,819,624	4,591,190,515	67.52% ***

Source: Washington County auditor

\*\*\* taxable value determined by class of property  
55% of fair market value of primary residential property  
100% of fair market value of non-primary residential property

TABLE VI  
CITY OF ST. GEORGE, UTAH  
SPECIAL ASSESSMENT COLLECTIONS  
LAST TEN FISCAL YEARS

FISCAL YEAR	CURRENT DUE ASSESSMENTS	CURRENT COLLECTIONS	RATIO OF COLLECTIONS TO AMOUNT DUE	TOTAL OUTSTANDING ASSESSMENTS
1995	\$ 1,647,505	\$ 1,322,694	80.30%	\$ 7,098,120
1996	1,085,000	1,085,929	100.10%	6,012,191
1997	1,062,000	984,972	92.70%	5,027,219
1998	1,052,000	778,882	74.03%	5,297,781
1999	1,012,000	1,031,544	101.93%	4,045,707
2000	1,051,213	743,247	70.70%	4,339,094
2001	845,511	487,025	57.60%	3,722,505
2002	918,151	416,161	45.33%	3,624,005
2003	1,111,883	892,819	80.30%	5,150,997
2004	759,483	1,356,995	178.67%	4,987,836

Source: St George City audited financial statements

TABLE VII  
 CITY OF ST. GEORGE, UTAH  
 PROPERTY TAX RATE - ALL DIRECT AND OVERLAPPING GOVERNMENTS  
 PERCENT OF TAXABLE VALUE  
 LAST TEN FISCAL YEARS

FISCAL YEAR	ST GEORGE CITY	WASHINGTON COUNTY GEN PURPOSE	WASH. COUNTY LIBRARY	WASH. COUNTY REFUND	WASH. COUNTY SCHL DIST.	WASH. CO WATER CONSERVN	DIXIE CENTER	TOTAL
1995	0.001923	0.001377	0.000317	-	0.008414	0.000993	0.000211	0.013235
1996	0.001984	0.001374	0.000322	-	0.007030	0.001000	0.000212	0.011922
1997	0.002258	0.001274	0.000299	-	0.006363	0.001000	0.000212	0.011406
1998	0.002188	0.001469	0.000309	-	0.006931	0.000988	0.000212	0.012097
1999	0.002133	0.001075	0.000306	-	0.007067	0.000966	0.000059	0.011606
2000	0.002091	0.000996	0.000295	-	0.006948	0.000900	-	0.011230
2001	0.002064	0.001357	0.000320	-	0.006905	0.000874	-	0.011520
2002	0.001993	0.001287	0.000310	-	0.006743	0.000815	-	0.011148
2003	0.001939	0.001284	0.000419	-	0.006732	0.000942	-	0.011316
2004	0.001925	0.001429	0.000306	-	0.006680	0.000925	-	0.011265

Source: Washington County Treasurer

TABLE VIII  
 CITY OF ST. GEORGE, UTAH  
 RATIO OF GENERAL BONDED DEBT TO TAXABLE VALUE  
 AND BONDED DEBT PER CAPITA  
 LAST TEN FISCAL YEARS

FISCAL YEAR	POPULATION	TAXABLE VALUE	GENERAL BONDED DEBT	RATIO OF GENERAL BOND DEBT TAXABLE VALUE.	GENERAL BONDED DEBT PER CAPITA
1995	38,000	\$ 1,311,055,379	\$ 4,713,000	0.36%	\$ 124
1996	42,000	1,459,063,750	4,153,000	0.28%	99
1997	45,000	1,675,477,790	19,080,000	1.14%	424
1998	47,000	1,884,382,850	16,710,000	0.89%	356
1999	48,000	2,035,823,012	22,128,000	1.09%	461
2000	50,000	2,348,189,583	21,559,000	0.92%	431
2001	50,000	2,454,639,268	21,019,000	0.86%	420
2002	51,500	2,557,010,645	20,378,000	0.80%	396
2003	54,050	2,806,163,266	19,677,000	0.70%	364
2004	60,000	3,099,819,624	24,831,000	0.80%	414

Source: Washington County auditor

TABLE IX  
CITY OF ST. GEORGE, UTAH  
COMPUTATION OF LEGAL DEBT MARGIN  
YEAR ENDED JUNE 30, 2004

Taxable Value		<u>\$ 3,099,819,624</u>
	<u>General obligation Debt</u>	<u>Water &amp; Sewer Debt</u>
Debt limit 4% of taxable value	\$ 123,992,785	
Debt limit 8% of taxable value		\$ 247,985,570
Amount of debt applicable to debt limit:		
Total bonded debt	\$ 24,831,000	\$ 78,048,463
Less assets restricted to bond retirement	<u>-</u>	<u>(4,985,542)</u>
Total amount of debt applicable to limit	<u>24,831,000</u>	<u>73,062,921</u>
Legal debt margin	<u>\$ 99,161,785</u>	<u>\$ 174,922,649</u>
Total combined legal debt margin		<u>\$ 274,084,434</u>

TABLE X  
CITY OF ST. GEORGE, UTAH  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
YEAR ENDED JUNE 30, 2004

<u>GOVERNMENTAL UNIT</u>	<u>BONDED DEBT OUTSTANDING</u>	<u>PERCENTAGE APPLICABLE TO CITY OF ST GEORGE</u>	<u>CITY SHARE OF DEBT</u>
City of St George, UT	\$ 24,831,000	100.00%	\$ 24,831,000
Washington County	\$ 25,370,000	56.23%	14,265,551
Washington Co School District	\$ 133,789,000	56.23%	75,229,555
Washington Co. Water Conservancy	\$ 13,030,000	56.23%	7,326,769
Washington Co/St George City (WCIA)	\$ 17,726,987	38.00%	<u>6,736,255</u>
Total direct & overlapping debt			<u>\$ 128,389,130</u>

Source: Washington County Auditor  
Washington County School District  
Washington Co. Water Conservancy District

TABLE XI  
CITY OF ST. GEORGE, UTAH  
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES  
LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures & Other Uses	Ratio of Debt Service to Total General Expend.
1995	\$ 100,000	\$ 15,912	\$ 115,912	\$ 17,698,862	0.65%
1996	105,000	10,062	115,062	16,454,811	0.70%
1997	65,000	3,868	68,868	18,058,058	0.38%
1998	200,000	701,366	901,366	20,456,092	4.41%
1999	-	-	-	22,418,664	
2000	60,000	954,751	1,014,751	24,976,436	4.06% **
2001	60,000	963,535	1,023,535	26,968,080	3.80% **
2002	60,000	959,635	1,019,635	27,770,711	3.67% **
2003	95,000	954,423	1,049,423	28,713,656	3.65% **
2004	135,000	1,102,837	1,237,837	33,096,327	3.74% **

Source: St George City audited financial statements  
\*\* General fund expenditures and recreation debt service fund

TABLE XII  
CITY OF ST. GEORGE, UTAH  
REVENUE BOND COVERAGE  
WATER & WASTEWATER UTILITIES  
WATER & WASTEWATER BONDS  
LAST TEN FISCAL YEARS

Fiscal Year	REVENUES	DIRECT OPERATING EXPENSE	NET REVENUE AVAILABLE DEBT SERVICE	-----DEBT SERVICE REQUIREMENTS-----			COVERAGE
				PRINCIPAL	INTEREST	TOTAL	
1995	\$ 7,856,095	\$ 4,594,906	\$ 3,261,189	\$ 1,421,211	\$ 1,497,124	\$ 2,918,335	1.12
1996	8,645,285	5,399,692	3,245,593	1,306,789	1,898,571	3,205,360	1.01
1997	10,472,351	6,124,125	4,348,226	1,730,000	2,118,325	3,848,325	1.13
1998	12,726,943	6,747,987	5,978,956	1,811,000	2,646,017	4,457,017	1.34
1999	13,803,583	6,999,645	6,803,938	1,771,000	2,766,370	4,537,370	1.50
2000	15,577,373	7,615,774	7,961,599	2,152,000	2,740,052	4,892,052	1.63
2001	17,070,967	7,940,496	9,130,471	3,341,478	2,725,606	6,067,084	1.50
2002	17,852,427	8,434,640	9,417,787	3,441,000	2,458,628	5,899,628	1.60
2003	19,867,223	9,627,467	10,239,756	4,134,000	2,421,420	6,555,420	1.56
2004	23,348,688	10,132,636	13,216,052	2,236,000	2,084,010	4,320,010	3.06

**INCLUDES ALL REVENUES AND EXPENSES FOR WATER UTILITY & WASTEWATER TREATMENT FUNDS**  
Source: City of St George audited financial statements

TABLE XIII  
 CITY OF ST. GEORGE, UTAH  
 DEMOGRAPHIC STATISTICS

CENSUS POPULATION COUNT:

1910	1,037
1920	2,215
1930	2,434
1940	3,591
1950	4,562
1960	5,130
1970	7,097
1980	11,350
1990	28,502
2000	49,663

AGE DISTRIBUTION OF POPULATION:

	<u>NUMBER</u>	<u>PERCENT</u>
Under 5 years	4,286	8.6%
5 to 9 years	3,688	7.4%
10 to 14 years	3,672	7.4%
15 to 19 years	4,847	9.8%
20 to 24 years	4,377	8.8%
25 to 34 years	5,728	11.5%
35 to 44 years	5,176	10.4%
45 to 54 years	4,443	8.9%
55 to 59 years	1,868	3.8%
60 to 64 years	2,012	4.1%
65 to 74 years	4,866	9.8%
75 to 84 years	3,624	7.3%
85 and over	<u>1,076</u>	<u>2.2%</u>
	<u>49,663</u>	<u>100.0%</u>

Median age 31.4 years

Source: U.S. Census Bureau

TABLE XIV  
CITY OF ST. GEORGE, UTAH  
PRINCIPAL TAXABLE PROPERTIES  
JUNE 30, 2004

NAME	TYPE OF BUSINESS	TAXABLE VALUE	% OF TOTAL
PRICE DEVELOPMENT	REGIONAL SHOPPING MALL	\$ 30,179,300	0.87%
LESTER WITTEWER INVESTMENTS	PROPERTY INVESTMENTS	18,102,730	0.52%
RIMROCK MARKETPLACE	PROPERTY INVESTMENTS	14,601,205	0.42%
WAL-MART INC	SUPER WAL-MART RETAIL STORE	13,790,960	0.40%
THE PLANTATIONS AT ST GEORGE	PROPERTY INVESTMENTS	12,253,275	0.35%
ZION FACTORY STORES HOLDING CO	STRIP SHOPPING MALL	11,280,450	0.32%
ZION FACTORY STORES III	STRIP SHOPPING MALL	10,066,150	0.29%
COSTCO WHOLESALE	WHOLESALE SHOPPING CLUB	10,035,980	0.29%
TARGET CORP	SUPER TARGET RETAIL STORE	8,972,520	0.26%
AH COOMBS LC	PROPERTY INVESTMENTS	<u>8,358,395</u>	0.24%
		<u>\$ 137,640,965</u>	3.97%

Source: Washington County Assessor

TABLE XV  
 CITY OF ST. GEORGE, UTAH  
 MISCELLANEOUS STATISTICS  
 JUNE 30, 2004

Date of incorporation	1862
Form of Government	Mayor-Council-Manager
Area	70.53 Square miles
Miles of streets	263
Fire Protection:	
Number of stations	7
Number of full-time firemen	8
Number of volunteer firemen	51
Police Protection:	
Number of stations	1
Number of policemen	67
Number of reserve officers	8
Education:	
Number of schools:	
High School	3
Junior High	3
Elementary	6
Recreation and Culture:	
Number of parks	22 (total of 387.4 acres)
Number of libraries	1
Number of volumes	40,000 (approximately)
Employees:	
Classified service	342
Exempt	40
Part-time	311

Bldg. permits:	<u>#of units</u>		<u>Const value</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Single family residential	1,010	749	\$155,490,000	\$107,190,002
Condo/townhomes	610	446	63,303,627	48,360,895
Apartments/duplex	267	185	17,980,000	12,245,000
Mobile Home/RV	<u>5</u>	<u>3</u>	200,000	63,000
Commercial/Industrial			52,228,657	45,423,375
Miscellaneous/Additions			6,863,866	5,181,375
Government/Hospital addition			1,958,000	-
Churches/Additions			2,300,000	2,581,000
Schools			<u>120,000</u>	<u>687,700</u>
Totals			Totals	<u><u>1,892</u></u>

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# ***SINGLE AUDIT SECTION***



MEMBERS:  
KRIS J. BRAUNBERGER  
DEAN R. BURDICK  
BRENT R. HALL  
KENNETH A. HINTON  
GREGORY A. KEMP  
MORRIS J. PEACOCK  
MICHAEL K. SPILKER  
MARK E. TICHENOR

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
LAWS AND REGULATIONS AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF BASIC  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Mayor and  
City Council  
St. George, Utah

We have audited the basic financial statements of the City of St. George, as of and for the year ended June 30, 2004, and have issued our report thereon dated September 13, 2004. 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.

As part of obtaining reasonable assurance about whether the City of St. George's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under *Government Auditing Standards*.

In planning and performing our audit, we considered the City of St. George's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Mayor and City Council

September 13, 2004

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This report is intended solely for the information of the mayor, audit committee, management, and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

While these reports are intended to be used by the specified parties, which include the applicable government regulatory bodies which require the reports, this report restriction does not alter the fact that the audit reports are public documents which, based on Utah laws, must be open to inspection by any interested person.

*Kemp, Burdick, Hinton & Hall, L.C.*

KEMP, BURDICK, HINTON & HALL, L.C.

September 13, 2004

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**ST. GEORGE CITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2004**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Justice: COPS/Universal Hiring Program	16.710		\$ 148,449
State Homeland Security Grant Program, Part 2	16.007		56,232
Bulletproof Vest Partnership Program	16.607		10,312
Victims of Crime Act	16.575		38,214
Drug Enforcement & System Improvement Formula Grant Program	16.579		<u>63,899</u>
Total U.S. Department of Justice			<u>317,106</u>
U.S. Department of Transportation: Federal Aviation Administration Airport Improvements Program	20.106		917,942
Federal Transportation Administration: Urbanized Area Formula Program	20.507		<u>579,374</u>
Total U.S. Department of Transportation			<u>1,497,316</u>
Executive Office of the President, Office of National Drug Control Policy: High Intensity Drug Trafficking Area	NONE		31,679
Environmental Protection Agency: Sustainable Development Challenge Grant Program	66.651		20,000
Housing & Urban Development Agency: Community Development Block Grant/ State's Program	14.228		25,651
Federal Emergency Management Agency: State & Local All-Hazards Operational Planning	83.562		<u>19,155</u>
Total Expenditures of Federal Awards			<u>\$ 1,910,907</u>

The accompanying notes are an integral part of this schedule.

**ST. GEORGE CITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2004**

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**Note 1. Basis of Presentation**

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The accompanying schedule of expenditures of federal awards includes the federal grant activity of St. George City and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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**Note 2. Subrecipients**

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St. George City provided no federal awards to subrecipients.

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MEMBERS:  
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Mayor  
And City Council  
St. George, Utah

Compliance

We have audited the compliance of St. George City with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. St. George City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of St. George City's management. Our responsibility is to express an opinion on St. George City's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 St. George City'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. Our audit does not provide a legal determination of St. George City's compliance with those requirements.

In our opinion St. George City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

## Internal Control Over Compliance

The management of St. George City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered St. George City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect St. George City's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts and grants.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. However, we noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

While these reports are intended to be used by the specified parties, which include the applicable government regulatory bodies which require the reports, this report restriction does not alter the fact that the audit reports are public documents which, based on Utah laws, must be open to inspection by any interested person.

*Kemp, Burdick, Hinton & Hall, L.C.*

KEMP, BURDICK, HINTON & HALL, L.C.  
September 13, 2004

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MEMBERS:  
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MICHAEL K. SPILKER  
MARK E. TICHENOR

## Independent Auditors' Report on State Legal Compliance

To the Honorable Mayor  
and City Council  
St. George, Utah

We have audited the basic financial statements of the City of St. George, Utah, for the year ended June 30, 2004, and have issued our report thereon dated September 13, 2004. As part of our audit, we have audited the City of St. George's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah's Legal Compliance Audit Guide for the year ended June 30, 2004. The City received the following major State assistance programs from the State of Utah:

C Road Funds (Department of Transportation)  
Liquor Law Enforcement (State Tax Commission)  
Water Resources Credit Enhancement (Department of Natural Resources)  
Dinosaur Tracks Museum

Our audit also included testwork on the City's compliance with those general compliance requirements identified in the Compliance Manual of Audits of Local Governments in Utah including:

Public Debt  
Cash Management  
Purchasing Requirements  
Budgetary Compliance  
Truth in Taxation & Property Tax Limitations  
Liquor Law Enforcement  
B & C Road Funds  
Department of Commerce  
Other General Compliance Issues  
Impact Fees & Other Development Fees  
Asset Forfeitures

Mayor and City Council

September 13, 2004

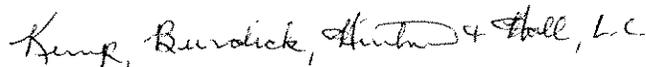
Page 2

The management of the City of St. George is responsible for the City's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *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 material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed an immaterial instance of noncompliance with the requirements referred to above, which is described in the accompanying Schedule of Findings and Recommendations. We considered this instance of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the City of St. George, Utah, complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended June 30, 2004.



KEMP, BURDICK, HINTON & HALL, L.C.

September 13, 2004

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MEMBERS:  
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MORRIS J. PEACOCK  
MICHAEL K. SPILKER  
MARK E. TICHENOR

## SCHEDULE OF FINDINGS AND RECOMMENDATIONS

September 13, 2004

St. George City Officials  
St. George, Utah 84770

Dear Sirs:

During our audit of the funds of St. George City for the fiscal year 2003 - 2004, we found an instance of non-compliance with state law. We do not believe this instance to be material; however, we are required to communicate it to you. We recommend that appropriate action be taken to put the City in full compliance with state laws.

### 1. Finding - Budgetary Compliance:

The Fiscal Procedures Act for Utah Cities requires cities to restrict expenditures to the authorized department budget. The "statement of revenues, expenditures and changes in fund balance - budget and actual" identifies one fund which has over-expended its budget amounts. We recognize that this instance is unusual and that most of the City's funds and departments were in full compliance with this requirement.

### Recommendation

We recommend that the City operate within the confines of State law by limiting expenditures or following proper procedures to adjust the departmental/fund budgets.

This letter is intended solely for the use of the City Council and management.

It has been a pleasure to once again be of service to the City this past year. Observations we made during the audit evidence the fact that you are carefully trying to comply with federal and state laws and to fulfill your stewardship to the citizens of St. George. We wish to thank you for your diligent efforts.

September 13, 2004

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If we can be of additional assistance in any way to further assist you in fulfilling your stewardship, please contact us at any time. We look forward to a continued pleasant professional relationship.

Sincerely,

*Kemp, Burdick, Hinton & Hall, L.C.*

Kemp, Burdick, Hinton & Hall, LC

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October 15, 2004



To: Mayor and City Council  
City Manager  
City of St. George

From: Philip R. Peterson, CPA  
Finance Director

Subject: Schedule of Findings and Recommendations  
Fiscal year audit ended June 30, 2004

The following responses have been made to the audit findings and recommendations of our auditors as they were included in the schedule of findings and recommendations.

1. We do monitor all budgets closely to assure that they stay within authorized limits. We will continue to monitor all budgets and eliminate this types of problems in the future.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2004

Finding 1. - Deficit Fund Balance

Condition: The Dixie Center Operations fund and the SunTran Public Transit fund had deficit fund balances at June 30, 2003.

Recommendation: The auditor recommended that the City eliminate the deficits during the 2003-2004 fiscal year.

Current Status: The deficit in both funds have been eliminated.

Finding 2. - Budgetary Compliance

Although the budget is monitored closely by management at times there are year-end audit entries and particularly capital projects items which may cause a

budgetary compliance problem. The City continues to monitor the budgets in an effort to eliminate this type of thing from happening again.

Finding 3. - Cash Deposits

Condition: Some deposits at the golf courses were not deposited within the 3 days required by city policy.

Recommendation: The auditor recommended that the City consistently follow our policies and procedures requiring that cash receipts are deposited within three days of being received.

Current status: During tests this year all deposits were found to be made in compliance with city policy.

***CONTINUING DISCLOSURE  
SECTION***

City of St. George, UT  
 Continuing Disclosure - Excise Tax Revenue Bonds, Series 1996  
 Fiscal Year Ended June 30, 2004

Table 1 provides total revenue amounts deposited in the State Transportation Fund from which Class B and C road allocations are made:

**TABLE 1**

	Fiscal Year 1999	Fiscal Year 2000	Fiscal Year 2001	Fiscal Year 2002	Fiscal Year 2003
Motor Fuel Tax	\$ 225,191	\$ 237,574	\$ 229,410	\$ 237,925	\$ 250,656
Special Fuel Tax	72,067	76,590	80,849	84,406	84,523
Motor Vehicle Registration Fees	24,886	25,848	25,935	27,378	28,359
Proportional Registration Fees	10,627	12,203	11,554	11,665	11,838
Temporary Permits	386	372	409	401	397
Special Transportation Permits	5,756	5,678	5,911	5,831	6,112
Highway Use Permits	6,589	7,325	7,155	7,530	7,557
Motor Vehicle Control Fees	4,123	4,173	4,093	4,166	4,289
	<u>\$ 349,625</u>	<u>\$ 369,763</u>	<u>\$ 365,316</u>	<u>\$ 379,302</u>	<u>\$ 393,731</u>

Source: "Annual Statistical Summary", Utah Department of Transportation, December 2003

Table 2 reflects collector and Class "C" Road Funds allocated by the Utah Department of Transportation quarterly to the City for the past five years:

**TABLE 2 - C ROAD FUND DISTRIBUTION**

Fiscal Year	St. George Allocations	Total B & C Road Fund Allocations	St. George Percentage
1999	\$1,571,994	\$104,552,498	1.50%
2000	1,698,549	107,313,227	1.58%
2001	1,736,506	104,976,375	1.65%
2002	1,686,442	106,061,133	1.59%
2003	1,857,785	115,755,260	1.60%
2003	2,103,013	n/a	n/a

(Source: Utah Department of Transportation, "Annual Statistical Summary")

n/a = 2004 totals not yet available as state report is filed on a calendar year basis.

City of St. George, UT  
 Continuing Disclosure - Excise Tax Revenue Bonds, Series 1996  
 Fiscal Year Ended June 30, 2004

**TABLE 3 - CALCULATION OF ESTIMATED DEBT SERVICE COVERAGE**

Bond Year	Project Class C Road Fund Allocation		1996 Bonds	2004 Bonds	Total D.S.	Coverage
2001	\$ 1,736,506	1	\$ 495,864	\$ -	\$ 495,864	3.50
2002	1,686,442	1	499,262	-	499,262	3.38
2003	1,857,785	1	496,400	-	496,400	3.74
2004	2,103,013	1	497,330	-	497,330	4.23
2005	2,166,103	2	497,010	280,300	777,310	2.79
2006	2,231,086	2	500,284	277,800	778,084	2.87
2007	2,298,019	2	497,004	275,300	772,304	2.98
2008	2,366,960	2		765,425	765,425	3.09
2009	2,437,968	2		772,425	772,425	3.16
2010	2,511,108	2		772,569	772,569	3.25
2011	2,586,441	2		775,363	775,363	3.34
2012	2,664,034	2		768,975	768,975	3.46
2013	2,743,955	2		768,562	768,562	3.57
2014	2,826,274	2		766,406	766,406	3.69

1 - per City of St. George audited financial statements  
 2 - growth rate of 3% per year estimated.

**TABLE 4 - TEN YEAR HISTORY OF FUNDING SOURCES FOR ROAD CONSTRUCTION AND MAINTENANCE**

Fiscal Year	Total Road Construction and Maintenance Expenditures	C" Road Fund Portion	Contribution from the City's General Fund	General Fund Monies as a % of Total
2004	\$ 3,691,389	\$ 2,103,013	\$ 1,588,376	43.03%
2003	3,409,665	1,857,785	1,551,880	45.51%
2002	3,358,022	1,686,442	1,671,580	49.78%
2001	3,685,634	1,736,506	1,949,128	52.88%
2000	3,427,740	1,698,549	1,729,191	50.45%
1999	3,643,434	1,571,994	2,071,440	56.85%
1998	3,037,644	1,326,748	1,710,896	56.32%
1997	2,175,789	749,928	1,425,861	65.53%
1996	2,223,540	702,215	1,521,325	68.42%
1995	2,156,737	630,421	1,526,316	70.77%

(Source: City of St. George annual financial statements)

City of St. George, UT  
Continuing Disclosure - Series 1996 General Obligation Parks & Rec Bonds  
Fiscal Year Ended June 30, 2004

**Comparative Property Tax Rates Within Washington County**

<u>Tax Levying Entity</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Hurricane	0.002139	0.002225	0.002102	0.00212	0.002187
Ivins	0.001413	0.001413	0.001545	0.001545	0.001551
LaVerkin	0.001564	0.001564	0.001610	0.001699	0.001787
St. George City	0.001925	0.001939	0.001993	0.002064	0.002091
Washington City	0.001387	0.001387	0.001397	0.001581	0.001623

(Source: Washington County Auditor)

## DEBT STRUCTURE

### *Outstanding General Obligation Indebtedness*

Series	Purpose	Original Amount	Final Maturity Date	Current Balance Outstanding
1997	Parks and Recreation	\$12,000,000	August 1, 2007	\$ 640,000
1999	Parks and Recreation	6,000,000	August 1, 2023	5,905,000
2004	Parks and Recreation	11,645,000	August 1, 2021	11,645,000

### *Outstanding Tax Increment Bond Indebtedness*

Series	Purpose	Original Amount	Final Maturity Date	Current Balance Outstanding
1995A	Downtown	\$840,000	June 1, 2005	\$110,000
1995B	Downtown	\$835,000	June 1, 2005	\$141,000

### *Outstanding Revenue Indebtedness*

Series	Purpose	Original Amount	Final Maturity Date	Current Balance Outstanding
1987B	Subordinated Water	\$1,273,713	January 1, 2013	\$ 1,273,713
1988A	Sewer	\$1,450,200	June 15, 2008	\$ 290,000 0
1988B	Sewer	\$ 129,750	June 15, 2008	\$ 129,750 0
2003	Sewer Refunding	\$3,385,000	July 1, 2007	\$ 3,385,000
2003	Water Refunding	\$12,325,000	June 1, 2016	\$12,325,000
1994	Wastewater	\$4,000,000	June 15, 2014	\$ 2,366,000
2003	Golf Refunding	\$2,840,000	April 1, 2009	\$ 2,132,000
1995A	Water Refunding	\$12,000,000	June 1, 2020	\$ 1,300,000
1996	Excise Tax Revenue	\$3,880,000	December 1, 2006	\$ 1,390,000
2004	Excise Tax Revenue	\$5,000,000	December 1, 2013	\$5,000,000
1997A	Sewer	\$14,280,000	June 15, 2007	\$ 2,110,000
1997B	Sewer	\$12,000,000	June 15, 2012	\$ 8,295,000
1997C	Sewer	\$44,000	June 15, 2017	\$ 44,000
2001	Water Refunding	\$8,670,000	June 1, 2020	\$ 8,515,000
2004	Water	\$31,000,000	July 1, 2025	\$31,000,000
2004	Sewer	\$7,015,000	July 1, 2016	\$7,015,000

### *Outstanding Lease Purchase Indebtedness*

Series	Purpose	Original Amount	Final Maturity Date	Current Balance Outstanding
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1999A	MBA Refunding	\$6,270,000	September 1, 2017	\$4,430,000
1998	Holt purchase	\$400,000	October 1, 2008	\$ 233,000
1999	Crosby purchase	\$2,250,000	July 15, 2009	\$1,527,000
2000	MBA Woodward	\$350,000	April 1, 2021	\$ 309,000

***Outstanding Special Assessment Indebtedness***

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Current Balance Outstanding</u>
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***Outstanding Special Assessment Indebtedness (continued)***

1994	SID 93-1	\$1,872,000	December 1, 2004	\$ 188,000
1997	SID 96-1	\$221,393	April 1, 2008	\$ 102,000
1998	SID 97-1	\$265,212	August 1, 2008	\$ 149,000
1999	SID97-2	\$1,650,826	November 1, 2009	\$1,097,000
2000	SID98-1	\$400,126	December 15, 2009	\$ 266,000
2002	SID2000-1	\$228,000	June 1, 2012	\$ 192,000
2002	SID 99-4	\$1,109,000	November 1, 2012	\$ 999,000
2003	SID 99-1	\$989,000	February 1, 2013	\$ 891,000
2003	SID 99-3	\$1,077,000	June 1, 2013	\$ 970,000

**Debt Ratios**

Direct General Obligation Debt is .80% of 2003 Taxable Value.

Total Direct and Overlapping General Obligation Debt is 4.14% of 2003 Taxable Value

Per Capita Direct General Obligation Debt is \$414 based on the estimated population of 60,000.

Per Capita Direct and Overlapping General Obligation Debt is \$2,140 based on estimated population.

City of St. George, UT  
 Continuing Disclosure - 1997A Sewer Revenue Bonds  
 Fiscal Year Ended June 30, 2004

Table 1 - Sewer Fees by Fiscal Year per Entity

Entity	-----Fiscal Year Ended June 30-----				
	2004	2003	2002	2001	2000
City of St. George	\$ 4,995,934	\$ 4,728,824	\$ 4,456,064	\$ 4,429,832	\$ 4,139,779
Washington City	722,627	652,751	585,145	543,407	543,933
City of Santa Clara	237,326	245,460	235,106	228,085	218,747
Town of Ivins	306,391	281,823	266,065	246,445	217,917
	<u>\$ 6,262,278</u>	<u>\$ 5,908,858</u>	<u>\$ 5,542,380</u>	<u>\$ 5,447,769</u>	<u>\$ 5,120,376</u>

(Source: The City)

Table 2 - Sewer Connections by Fiscal Year per Entity

Entity	-----Fiscal Year Ended June 30-----				
	2004	2003	2002	2001	2000
City of St. George	29,928	27,557	25,968	25,815	24,521
Washington City	4,563	3,804	3,410	3,167	2,999
City of Santa Clara	1,545	1,430	1,370	1,329	1,293
Town of Ivins	1,848	1,642	1,550	1,436	1,352
	<u>37,884</u>	<u>34,433</u>	<u>32,298</u>	<u>31,747</u>	<u>30,165</u>

City of St. George, UT  
 Continuing Disclosure - 1997A Sewer Revenue Bonds  
 Fiscal Year Ended June 30, 2004

Enterprise Fund - Wastewater Collection  
 Balance Sheet

	-----Fiscal Year Ended June 30-----				
	2004	2003	2002	2001	2000
<b>Assets:</b>					
<b>Current Assets:</b>					
Cash	\$ 2,344,892	\$ 3,065,467	\$ 2,945,853	\$ 2,892,577	\$ 2,661,543
Accts Rec./Due from other funds	844,826	-	-	-	-
<b>Total current assets</b>	<b>3,189,718</b>	<b>3,065,467</b>	<b>2,945,853</b>	<b>2,892,577</b>	<b>2,661,543</b>
Property Plant & Equipment	5,976,805	5,690,040	5,360,565	5,028,433	4,718,372
Accumulated depreciation	(3,687,675)	(3,486,711)	(3,262,972)	(2,968,228)	(2,653,193)
<b>Net property, plant &amp; equipment</b>	<b>2,289,130</b>	<b>2,203,329</b>	<b>2,097,593</b>	<b>2,060,205</b>	<b>2,065,179</b>
<b>Total Assets</b>	<b>\$ 5,478,848</b>	<b>\$ 5,268,796</b>	<b>\$ 5,043,446</b>	<b>\$ 4,952,782</b>	<b>\$ 4,726,722</b>
<b>Liabilities and fund equity:</b>					
<b>Current Liabilities:</b>					
Accrued liabilities	\$ 37,799	\$ 58,693	\$ 18,663	\$ 15,510	\$ 12,633
<b>Total current liabilities</b>	<b>37,799</b>	<b>58,693</b>	<b>18,663</b>	<b>15,510</b>	<b>12,633</b>
<b>Total Liabilities</b>	<b>37,799</b>	<b>58,693</b>	<b>18,663</b>	<b>15,510</b>	<b>12,633</b>
<b>Fund Equity:</b>					
<b>Contributed capital:</b>					
Subdivisions	580,629	580,629	580,629	580,629	580,629
Government agencies	1,471,195	1,471,195	1,471,195	1,471,195	1,471,195
<b>Total contributions</b>	<b>2,051,824</b>	<b>2,051,824</b>	<b>2,051,824</b>	<b>2,051,824</b>	<b>2,051,824</b>
<b>Retained Earnings:</b>					
Unreserved/unrestricted	3,389,225	3,158,279	2,972,959	2,885,448	2,662,265
<b>Total retained earnings</b>	<b>3,389,225</b>	<b>3,158,279</b>	<b>2,972,959</b>	<b>2,885,448</b>	<b>2,662,265</b>
<b>Total fund equity</b>	<b>5,441,049</b>	<b>5,210,103</b>	<b>5,024,783</b>	<b>4,937,272</b>	<b>4,714,089</b>
<b>Total liabilities and equity</b>	<b>\$ 5,478,848</b>	<b>\$ 5,268,796</b>	<b>\$ 5,043,446</b>	<b>\$ 4,952,782</b>	<b>\$ 4,726,722</b>

City of St. George, UT  
Continuing Disclosure - 1997A Sewer Revenue Bonds  
Fiscal Year Ended June 30, 2004

Enterprise Fund - Wastewater Treatment  
Balance Sheet

	-----Fiscal Year Ended June 30-----				
	2004	2003	2002	2001	2000
<b>Assets:</b>					
<b>Current Assets:</b>					
Cash	\$ 13,935,643	\$ 10,316,427	\$ 9,075,238	\$ 8,460,346	\$ 7,287,391
Restricted cash	3,447,520	6,196,327	5,059,793	6,254,401	5,789,175
Accounts receivable	4,072	780	149,205	-	-
Bond discounts & insurance	1,399,784	388,703	364,289	401,275	438,261
Prepaid expenses	-	-	33,885	66,650	104,120
<b>Total current assets</b>	<b>18,787,019</b>	<b>16,902,237</b>	<b>14,682,410</b>	<b>15,182,672</b>	<b>13,618,947</b>
Property Plant & Equipment	47,814,010	47,313,864	47,301,091	45,066,216	44,817,154
Accumulated depreciation	(7,722,099)	(6,853,351)	(6,031,579)	(5,154,529)	(4,299,167)
<b>Net property, plant &amp; equipment</b>	<b>40,091,911</b>	<b>40,460,513</b>	<b>41,269,512</b>	<b>39,911,687</b>	<b>40,517,987</b>
<b>Total Assets</b>	<b>\$ 58,878,930</b>	<b>\$ 57,362,750</b>	<b>\$ 55,951,922</b>	<b>\$ 55,094,359</b>	<b>\$ 54,136,934</b>
<b>Liabilities and fund equity:</b>					
<b>Current Liabilities:</b>					
Accrued liabilities	\$ 499,902	\$ 100,404	\$ 73,036	\$ 77,212	\$ 81,011
Due to other funds	-	-	-	-	-
<b>Total current liabilities</b>	<b>499,902</b>	<b>100,404</b>	<b>73,036</b>	<b>77,212</b>	<b>81,011</b>
Bonds payable	24,436,758	28,297,771	30,629,272	33,020,272	35,316,750
<b>Total Liabilities</b>	<b>24,936,660</b>	<b>28,398,175</b>	<b>30,702,308</b>	<b>33,097,484</b>	<b>35,397,761</b>
<b>Fund Equity:</b>					
<b>Contributed capital:</b>					
Subdivisions	-	-	-	-	-
Government agencies	2,761,568	2,761,568	2,761,568	2,761,568	2,761,568
<b>Total contributions</b>	<b>2,761,568</b>	<b>2,761,568</b>	<b>2,761,568</b>	<b>2,761,568</b>	<b>2,761,568</b>
<b>Retained Earnings:</b>					
Restricted for bond retirement	3,447,520	6,196,327	5,059,793	6,254,401	5,789,175
Unreserved/unrestricted	27,733,182	20,006,680	17,428,253	12,980,906	10,188,430
<b>Total retained earnings</b>	<b>31,180,702</b>	<b>26,203,007</b>	<b>22,488,046</b>	<b>19,235,307</b>	<b>15,977,605</b>
<b>Total fund equity</b>	<b>33,942,270</b>	<b>28,964,575</b>	<b>25,249,614</b>	<b>21,996,875</b>	<b>18,739,173</b>
<b>Total liabilities and equity</b>	<b>\$ 58,878,930</b>	<b>\$ 57,362,750</b>	<b>\$ 55,951,922</b>	<b>\$ 55,094,359</b>	<b>\$ 54,136,934</b>

City of St. George, UT  
Continuing Disclosure - 1997A Sewer Revenue Bonds  
Fiscal Year Ended June 30, 2004

Enterprise Fund - Wastewater Collection  
Statement of Revenues, Expenditures, and Changes in Retained Earnings

	-----Fiscal Year Ended June 30-----				
	2004	2003	2002	2001	2000
Operating revenues:					
Charges for services	\$ 6,192,015	\$ 5,860,842	\$ 5,534,748	\$ 5,505,002	\$ 4,662,145
Impact and connection fees	-	-	-	-	-
Other operating revenues	514,424	361,620	295,570	241,495	213,180
<b>Total operating revenues</b>	<b>6,706,439</b>	<b>6,222,462</b>	<b>5,830,318</b>	<b>5,746,497</b>	<b>4,875,325</b>
Operating expenses:					
Salary & Wages	534,280	452,066	391,606	349,698	320,351
Depreciation	200,964	223,739	294,745	315,035	317,465
Bad debts	30,928	29,287	27,602	27,543	23,226
Payroll tax & employee benefits	227,276	193,285	163,731	147,090	129,413
Office & department supplies	85,708	83,800	45,352	18,396	37,242
Professional services	67,873	-	49,540	5,315	11,501
Repair & maintenance - equipment	43,859	67,256	68,977	97,456	79,432
Repair & maintenance - bldg & grounds	10,291	2,769	9,392	9,900	9,367
Insurance & surety bonds	22,849	22,519	12,378	20,720	11,123
Travel	16,725	11,697	16,711	6,811	8,311
Contract labor	4,995,934	4,728,824	4,461,514	4,438,834	4,139,779
Billing and administration	290,000	283,000	283,000	253,000	257,805
<b>Total operating expenses</b>	<b>6,526,687</b>	<b>6,098,242</b>	<b>5,824,548</b>	<b>5,689,798</b>	<b>5,345,015</b>
Operating income (loss)	179,752	124,220	5,770	56,699	(469,690)
Non-operating revenues (expenses)					
Interest income	51,029	60,177	94,215	166,484	148,022
Miscellaneous income	167	924	-	-	125,288
<b>Total non-operating revenue (expense)</b>	<b>51,196</b>	<b>61,101</b>	<b>94,215</b>	<b>166,484</b>	<b>273,310</b>
Net Income	230,948	185,321	99,985	223,183	(196,380)
Transfers to other funds	-	-	(12,475)	-	-
Retained earnings at beginning of year	3,158,279	2,972,958	2,885,448	2,662,265	2,858,645
<b>Retained earnings at end of year</b>	<b>3,389,227</b>	<b>3,158,279</b>	<b>2,972,958</b>	<b>\$2,885,448</b>	<b>\$2,662,265</b>

City of St. George, UT  
Continuing Disclosure - 1997A Sewer Revenue Bonds  
Fiscal Year Ended June 30, 2004

Enterprise Fund - Wastewater Treatment  
Statement of Revenues, Expenditures, and Changes in Retained Earnings

	-----Fiscal Year Ended June 30-----				
	2004	2003	2002	2001	2000
Operating revenues:					
Charges for services	\$ 6,262,274	\$ 5,908,858	\$ 5,542,380	\$ 5,447,769	\$ 5,131,073
Impact and connection fees	-	-	-	-	-
Other operating revenues	2,447,521	1,767,419	1,459,773	1,112,969	1,173,928
<b>Total operating revenues</b>	<b>8,709,795</b>	<b>7,676,277</b>	<b>7,002,153</b>	<b>6,560,738</b>	<b>6,305,001</b>
Operating expenses:					
Salary & Wages	742,647	693,080	649,346	624,224	569,265
Supplies	347,022	365,088	526,888	461,604	398,618
Equipment rental	1,124	1,931	1,767	2,696	2,018
Deprecation	868,749	905,669	877,051	855,361	851,531
Payroll tax & employee benefits	298,553	274,582	247,274	245,307	215,617
Office & department supplies	63,206	51,716	44,022	54,307	44,793
Professional services	200,341	218,433	148,222	120,441	119,531
Repair & maintenance - equipment	345,006	244,155	206,866	320,458	291,739
Repair & maintenance - bldg & grounds	953	35,498	34,526	38,915	3,102
Insurance & surety bonds	33,376	41,911	41,911	29,345	21,151
Travel	11,075	7,517	11,104	10,436	9,736
Billing and administration	320,000	320,000	275,000	245,000	365,083
<b>Total operating expenses</b>	<b>3,232,052</b>	<b>3,159,580</b>	<b>3,063,977</b>	<b>3,008,094</b>	<b>2,892,184</b>
Operating income (loss)	5,477,743	4,516,697	3,938,176	3,552,644	3,412,817
Non-operating revenues (expenses)					
Interest income	226,248	243,136	434,980	890,212	720,676
Miscellaneous income	47,571	52,386	37,237	45,709	21,484
Interest charges	(773,867)	(1,097,258)	(1,157,654)	(1,230,862)	(1,278,342)
<b>Total non-operating revenue (expense)</b>	<b>(500,048)</b>	<b>(801,736)</b>	<b>(685,437)</b>	<b>(294,941)</b>	<b>(536,182)</b>
Net Income	4,977,695	3,714,961	3,252,739	3,257,703	2,876,635
Retained earnings at beginning of year	26,203,008	22,488,047	19,235,308	15,977,605	13,100,970
Retained earnings at end of year	\$ 31,180,703	\$ 26,203,008	\$ 22,488,047	\$ 19,235,308	\$ 15,977,605

City of St. George, UT  
 Continuing Disclosure - 1997A Sewer Revenue Bonds  
 Fiscal Year Ended June 30, 2004

Balance Sheet- General Fund

	-----Fiscal Year Ended June 30-----				
	2004	2003	2002	2001	2000
<b>Assets and other debits:</b>					
Cash	\$ 1,914,248	\$ 1,710,536	\$ 1,558,372	\$ 1,456,868	\$ 1,689,876
Accounts receivable (net of allowance)	2,429,767	2,058,334	1,726,050	1,917,791	1,743,314
Inventory	52,517	48,483	38,566	48,218	49,609
Due from other funds	500,000	500,000	500,000	-	-
Prepaid items	313,537	314,670	-	-	-
Notes receivable	595,088	949,668	498,345	664,352	589,348
<b>Total assets and other debits</b>	<b>\$ 5,805,157</b>	<b>\$ 5,581,691</b>	<b>\$ 4,321,333</b>	<b>\$ 4,087,229</b>	<b>\$ 4,072,147</b>
<b>Liabilities:</b>					
Accrued liabilities	\$ 663,397	\$ 554,650	\$ 246,065	\$ 70,806	\$ 61,655
Construction bonds held	363,654	361,189	158,107	99,781	93,850
Due to other funds	388,645	388,645	388,645	388,645	388,645
Deferred property taxes	-	-	-	-	-
<b>Total liabilities</b>	<b>1,415,696</b>	<b>1,304,484</b>	<b>792,817</b>	<b>559,232</b>	<b>544,150</b>
<b>Fund equity and other credits:</b>					
<b>Fund Balances:</b>					
Reserved by statute	39,609	28,368	22,933	66,350	101,426
Reserved for notes receivable	595,088	949,668	498,345	664,353	589,348
Unreserved - undesignated	3,754,764	3,299,171	3,007,238	2,797,294	2,837,223
<b>Total fund equity and other credits</b>	<b>4,389,461</b>	<b>4,277,207</b>	<b>3,528,516</b>	<b>3,527,997</b>	<b>3,527,997</b>
<b>Total Liabilities, Equity, and other credits</b>	<b>\$ 5,805,157</b>	<b>\$ 5,581,691</b>	<b>\$ 4,321,333</b>	<b>\$ 4,087,229</b>	<b>\$ 4,072,147</b>

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Fund Types - General Fund

The following summary was extracted from the City's general purpose financial statements for the fiscal years ended June 30, 2000 through June 30, 2004. The summary has not been audited

	-----Fiscal Year Ended June 30-----				
	2000	2001	2002	2003	2004
<b>REVENUES:</b>					
Taxes and special assessments	\$ 15,087,379	\$ 16,117,048	\$ 17,874,099	\$ 18,236,344	\$ 20,814,066
Licenses and permits	1,074,999	1,169,019	1,448,310	1,618,604	2,861,199
Intergovernmental	2,363,853	2,506,070	2,052,480	2,614,535	2,603,641
Charges for services	3,679,499	3,752,768	4,018,677	4,424,868	5,070,508
Fines and forfeitures	646,262	862,925	739,632	862,990	1,076,417
Miscellaneous	64,088	132,945	100,280	161,046	128,398
Interest income	659,455	791,925	357,259	355,482	254,389
Rents and concessions	4,331	7,935	13,649	18,340	59,617
Proceeds from sale of property	-	56,477	-	-	-
<b>Total revenues</b>	<b>23,579,866</b>	<b>25,397,112</b>	<b>26,604,386</b>	<b>28,292,209</b>	<b>32,868,235</b>
<b>EXPENDITURES:</b>					
General government	3,335,747	3,035,366	3,211,163	3,355,450	3,682,399
Public safety	7,344,769	7,008,832	7,197,215	8,301,077	9,269,024
Highways and public improvements	5,971,003	6,331,930	6,767,621	6,394,111	7,355,810
Parks, recreation and public prop.	4,501,654	5,546,456	5,864,233	6,012,287	6,446,712
Community and economic development	329,645	874,723	917,991	1,044,881	1,230,257
Capital projects	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital leases	128,673	118,489	80,539	72,892	74,984
<b>Total expenditures</b>	<b>21,611,491</b>	<b>22,915,796</b>	<b>24,038,762</b>	<b>25,180,698</b>	<b>28,059,186</b>
<b>Excess (deficiency of Revenues over Expenditures)</b>	<b>1,968,375</b>	<b>2,481,316</b>	<b>2,565,624</b>	<b>3,111,511</b>	<b>4,809,049</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds of bond sales/capital leases	23,760	-	-	-	-
Contributions from other entities	301,895	-	50,678	49,313	53,811
Operating transfers out	(2,350,194)	(3,027,556)	(2,711,000)	(2,482,195)	(5,037,140)
Operating transfers in	571,456	546,240	62,645	-	190,907
Proceeds from sale of fixed assets	28,781	-	32,573	70,061	17,430
<b>Total other financing sources (uses)</b>	<b>(1,424,302)</b>	<b>(2,481,316)</b>	<b>(2,565,104)</b>	<b>(2,362,821)</b>	<b>(4,774,992)</b>
<b>Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses</b>	<b>544,073</b>	<b>-</b>	<b>520</b>	<b>748,690</b>	<b>34,057</b>
Residual equity transfer to PFC Spec Rev Fund	(87,453)	-	-	-	-
<b>Unappropriated Fund Balances at the beginning of the year</b>	<b>3,071,377</b>	<b>3,527,998</b>	<b>3,527,998</b>	<b>3,528,518</b>	<b>4,355,403 **</b>
<b>Fund Balances at the end of year</b>	<b>\$ 3,527,997</b>	<b>\$ 3,527,998</b>	<b>\$ 3,528,518</b>	<b>\$ 4,277,208</b>	<b>\$ 4,389,460</b>

\*\* (includes balance in perpetual care fund)

(Source: City Audited Financials. This chart has not been audited.)

City of St. George, UT  
 Continuing Disclosure - 1997A Sewer Revenue Bonds  
 Fiscal Year Ended June 30, 2004

Historical Summaries of Taxable Values of Property

Set by County Assessor Locally Assessed	2003		2002		2001		2000		1999		1998	
	Taxable Value	% of T.V.										
Residential Real Estate - primary use	\$ 347,369,360	10.01%	\$ 329,728,030	9.98%	\$ 302,830,275	10.42%	\$ 283,690,180	10.24%	\$ 266,078,900	10.19%	\$230,889,336	9.88%
Residential Real Estate - Not primary use	93,224,660	2.69%	83,412,195	2.52%	82,954,805	2.85%	76,584,604	2.76%	72,632,090	2.78%	70,520,030	3.02%
Commercial and Industrial Real Estate	280,126,520	8.07%	270,827,680	8.20%	248,976,980	8.57%	213,237,455	7.69%	206,514,735	7.91%	130,964,286	5.61%
Agricultural Real Estate - Improved - Not F.A.A.	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Real Estate - Under FAA-Agricultural	689,260	0.02%	677,015	0.02%	634,145	0.02%	671,160	0.02%	683,855	0.03%	628,365	0.03%
Unimproved Real Estate - Not F.A.A.	393,123,490	11.33%	400,574,720	12.13%	355,274,635	12.22%	314,813,430	11.36%	300,249,175	11.50%	267,716,065	11.46%
<b>Total Real Estate</b>	<b>1,114,533,290</b>	<b>32.11%</b>	<b>1,085,219,640</b>	<b>32.85%</b>	<b>990,670,840</b>	<b>34.09%</b>	<b>888,996,829</b>	<b>32.07%</b>	<b>846,158,755</b>	<b>32.41%</b>	<b>700,718,082</b>	<b>29.99%</b>
Residential Buildings - Primary use	1,115,654,870	32.14%	1,041,283,650	31.52%	938,773,655	32.30%	877,794,562	31.67%	791,146,675	30.30%	721,043,835	30.86%
Residential Buildings - Not primary use	241,211,045	6.95%	210,791,080	6.38%	199,961,465	6.88%	181,393,155	6.54%	163,661,765	6.27%	166,723,660	7.14%
Commercial and Industrial Buildings	471,130,845	13.57%	455,579,300	13.79%	411,252,315	14.15%	369,658,240	13.34%	353,069,650	13.52%	306,504,355	13.12%
Agricultural Buildings	1,874,365	0.05%	1,823,110	0.06%	2,052,585	0.07%	1,922,750	0.07%	982,155	0.04%	949,315	0.04%
<b>Total Buildings</b>	<b>1,829,871,125</b>	<b>52.72%</b>	<b>1,709,477,140</b>	<b>51.75%</b>	<b>1,552,040,020</b>	<b>53.40%</b>	<b>1,430,768,707</b>	<b>51.62%</b>	<b>1,308,860,245</b>	<b>50.13%</b>	<b>1,195,221,165</b>	<b>51.16%</b>
<b>Total Real Property</b>	<b>2,944,404,415</b>	<b>84.82%</b>	<b>2,794,696,780</b>	<b>84.59%</b>	<b>2,542,710,860</b>	<b>87.49%</b>	<b>2,319,765,536</b>	<b>83.69%</b>	<b>2,155,019,000</b>	<b>82.53%</b>	<b>1,895,939,247</b>	<b>81.16%</b>
Fee in Lieu Property	43,311,289	1.25%	267,613,136	8.10%	157,038,376	5.40%	266,109,267	9.60%	262,864,082	10.07%	261,322,304	11.19%
Mobile Homes - Primary residential use	5,956,203	0.17%	6,237,991	0.19%	6,346,327	0.22%	6,167,990	0.22%	6,020,680	0.23%	6,528,694	0.28%
Mobile Homes - other use	4,460,143	0.13%	4,057,102	0.12%	4,033,110	0.14%	3,964,479	0.14%	4,173,942	0.16%	4,685,367	0.20%
Commercial and Industrial Property	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Agricultural Machinery	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Trade Fixtures	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Other Personal Property	371,601,473	10.71%	128,145,238	3.88%	111,712,966	3.84%	108,190,378	3.90%	119,247,834	4.57%	107,683,580	4.61%
<b>Total Personal Property</b>	<b>425,329,108</b>	<b>12.25%</b>	<b>406,053,467</b>	<b>12.29%</b>	<b>279,130,779</b>	<b>9.60%</b>	<b>384,432,114</b>	<b>13.87%</b>	<b>392,306,538</b>	<b>15.02%</b>	<b>380,219,945</b>	<b>16.28%</b>
<b>Total Locally Assessed</b>	<b>3,369,733,523</b>	<b>97.08%</b>	<b>3,200,750,247</b>	<b>96.89%</b>	<b>2,821,841,639</b>	<b>97.10%</b>	<b>2,704,197,650</b>	<b>97.56%</b>	<b>2,547,325,538</b>	<b>97.56%</b>	<b>2,276,159,192</b>	<b>97.43%</b>
<b>Total Centrally Assessed</b>	<b>101,438,950</b>	<b>2.92%</b>	<b>102,882,833</b>	<b>3.11%</b>	<b>84,389,082</b>	<b>2.90%</b>	<b>67,505,746</b>	<b>2.44%</b>	<b>63,728,127</b>	<b>2.44%</b>	<b>59,974,578</b>	<b>2.57%</b>
<b>Total Taxable Value</b>	<b>\$ 3,471,172,473</b>	<b>100.00%</b>	<b>\$ 3,303,633,080</b>	<b>100.00%</b>	<b>\$ 2,906,230,721</b>	<b>100.00%</b>	<b>\$ 2,771,703,396</b>	<b>100.00%</b>	<b>\$ 2,611,053,665</b>	<b>100.00%</b>	<b>\$ 2,336,133,770</b>	<b>100.00%</b>

(Source: Washington County Information Technology)

WATER UTILITY FUND  
**ACTUAL REVENUES, EXPENSES, AND  
 DEBT SERVICE COVERAGE**

Revenue Bond Debt Service

FISCAL YEAR ENDING '6/30	WATER SALES REVENUES	OTHER REVENUES (1)	INTEREST INCOME(2)	TOTAL REVENUES	O & M EXPENSE	NET REVENUES	Revenue Bond Debt Service					TOTAL DEBT SERVICE COVERAGE		
							2001 Refunding DEBT SERVICE	1993 BOND DEBT SERVICE	1987A SUBORDINATED BOND DEBT SERVICE (3)	1995A BOND DEBT SERVICE	2003 Refunding BOND DEBT SERVICE		2004 Bond Debt SERVICE	TOTAL DEBT SERVICE
1997	\$5,037,979	\$967,802	\$182,394	\$6,188,175	\$3,439,713	\$2,748,462	-	\$1,402,524	-	\$947,405	-	\$0	\$2,349,929	1.17
1998	5,873,537	1,310,752	93,807	7,278,096	3,549,117	3,728,979	-	1,405,894	-	945,225	-	-	2,351,119	1.59
1999	6,841,327	1,224,462	90,969	8,156,758	3,294,653	4,862,105	-	1,402,404	-	947,325	-	-	2,349,729	2.07
2000	8,119,704	1,152,668	56,275	9,328,647	3,473,830	5,854,817	-	1,401,644	-	943,465	-	-	2,345,109	2.50
2001	8,069,746	1,482,915	67,356	9,620,017	3,614,709	6,005,308	192,340	1,403,564	-	943,840	-	-	2,539,744	2.36
2002	8,902,637	1,947,637	30,902	10,881,176	3,979,626	6,901,550	450,130	1,403,429	-	943,200	-	-	2,796,759	2.47
2003	9,232,571	2,958,375	19,055	12,210,001	4,998,005	7,211,996	449,280	1,406,179	-	482,995	-	-	2,338,454	3.08
2004	10,316,867	4,322,025	86,846	14,725,738	5,241,917	9,483,821	452,405	-	-	479,995	386,292	548,649	1,867,341	5.08

(1) Other Revenues consist of impact fees and connection fees.

(2) Interest Income consists of interest earnings on various funds and accounts of the System.

(3) The 1987A Subordinated Bonds were refunded by the 1995A Bonds in 1996 fiscal year.

**WATER UTILITY ENTERPRISE FUND  
BALANCE SHEET**

**Fiscal Year Ended June 30**

	2004	2003	2002	2001	2000	1999	1998	1997
<b>ASSETS</b>								
Current Assets:								
Cash	\$ -	\$ -	\$ (1,373,249)	\$ (1,610,658)	\$ (1,928,615)	\$ (2,563,135)	\$ (2,557,359)	\$ (1,363,803)
Restricted Cash	27,425,337	540,865	388,587	503,051	501,491	488,462	542,306	294,112
Accts. Receivable	173,619	8,905	145,981	-	14,458	253,361	125,357	19,631
Inventory	311,628	220,828	229,556	204,847	193,012	228,701	163,863	182,998
Bond Discounts	890,993	518,097	848,976	906,268	900,761	954,132	1,007,502	1,060,872
Prepaid Expenses	2,830	2,830	2,830	2,831	2,831	2,831	2,831	2,831
<b>Total Current Assets</b>	<b>28,804,407</b>	<b>1,291,525</b>	<b>242,681</b>	<b>6,339</b>	<b>(316,062)</b>	<b>(635,648)</b>	<b>(715,500)</b>	<b>196,641</b>
Property, Plant & Equipment								
Improvements	91,751,547	77,232,555	68,897,015	64,267,588	61,216,149	58,489,364	55,054,334	52,660,851
Less Accum. Depr.	(16,623,004)	(14,964,337)	(13,494,457)	(12,103,419)	(10,785,726)	(9,535,966)	(8,354,907)	(7,249,542)
<b>Net prop. plant &amp; equip.</b>	<b>75,128,543</b>	<b>62,268,218</b>	<b>55,402,558</b>	<b>52,164,169</b>	<b>50,430,423</b>	<b>48,953,398</b>	<b>46,699,427</b>	<b>45,411,309</b>
<b>TOTAL ASSETS</b>	<b>\$ 103,932,950</b>	<b>\$ 63,559,743</b>	<b>\$ 55,645,239</b>	<b>\$ 52,170,508</b>	<b>\$ 50,114,361</b>	<b>\$ 48,317,750</b>	<b>\$ 45,983,927</b>	<b>\$ 45,607,950</b>
<b>LIABILITIES &amp; FUND EQUITY</b>								
Current Liabilities:								
Accrued Liabilities	\$ 2,863,701	\$ 1,208,315	\$ 211,586	\$ 338,804	\$ 388,017	\$ 744,945	\$ 624,236	\$ 355,661
Due to other funds	2,006,017	3,866,603	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>4,869,718</b>	<b>5,074,918</b>	<b>211,586</b>	<b>338,804</b>	<b>388,017</b>	<b>744,945</b>	<b>624,236</b>	<b>355,661</b>
Long-Term Liabilities:								
Bonds Payable	54,413,713	23,858,713	25,533,713	26,583,713	26,878,713	27,788,713	28,823,713	29,813,713
Bond premiums	3,442,033	956,187	-	-	-	-	-	-
Capital leases	221,862	303,980	396,456	484,831	569,288	650,000	-	-
Deferred gain on bond redemption	-	-	-	-	485,496	509,771	534,046	558,320
<b>Total long-term liabilities</b>	<b>58,077,608</b>	<b>25,118,880</b>	<b>25,930,169</b>	<b>27,068,544</b>	<b>27,933,497</b>	<b>28,948,484</b>	<b>29,357,759</b>	<b>30,372,033</b>
<b>TOTAL LIABILITIES</b>	<b>62,947,326</b>	<b>30,193,798</b>	<b>26,141,755</b>	<b>27,407,348</b>	<b>28,321,514</b>	<b>29,693,429</b>	<b>29,981,995</b>	<b>30,727,694</b>
<b>FUND EQUITY</b>								
Contributed Capital:								
Subdivisions	278,131	278,131	278,131	278,131	278,131	278,131	203,548	203,548
Government Agencies	1,615,652	1,615,652	1,615,652	1,615,652	1,615,652	1,615,652	1,301,095	1,301,095
<b>Total Contributions</b>	<b>1,893,783</b>	<b>1,893,783</b>	<b>1,893,783</b>	<b>1,893,783</b>	<b>1,893,783</b>	<b>1,893,783</b>	<b>1,504,643</b>	<b>1,504,643</b>
Retained Earnings:								
Reserved for bond retirement	1,538,022	540,865	388,587	503,051	501,491	488,462	542,306	294,112
Unreserved	37,553,819	30,931,297	27,221,114	22,366,326	19,397,573	16,242,076	13,954,983	13,081,501
<b>Total retained earnings</b>	<b>39,091,841</b>	<b>31,472,162</b>	<b>27,609,701</b>	<b>22,869,377</b>	<b>19,899,064</b>	<b>16,730,538</b>	<b>14,497,289</b>	<b>13,375,613</b>
<b>TOTAL FUND EQUITY</b>	<b>40,985,624</b>	<b>33,366,945</b>	<b>29,503,484</b>	<b>24,763,160</b>	<b>21,792,847</b>	<b>18,624,321</b>	<b>16,001,932</b>	<b>14,880,256</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 103,932,950</b>	<b>\$ 63,559,743</b>	<b>\$ 55,645,239</b>	<b>\$ 52,170,508</b>	<b>\$ 50,114,361</b>	<b>\$ 48,317,750</b>	<b>\$ 45,983,927</b>	<b>\$ 45,607,950</b>

Source: City's Comprehensive Annual Financial Reports

**WATER UTILITY ENTERPRISE FUND**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN RETAINED EARNINGS**

**Fiscal Year Ended June 30**

	2004	2003	2002	2001	2000	1999	1998
<b>Operating Revenues:</b>							
Charges for services	\$ 10,316,867	\$ 9,232,571	\$ 8,902,637	\$ 8,069,746	\$ 8,119,704	\$ 6,841,327	\$ 5,873,537
Impact fees & Other	4,322,025	2,958,374	1,947,637	1,482,915	1,152,668	1,224,462	1,310,752
<b>Total operating revenues</b>	<b>14,638,892</b>	<b>12,190,945</b>	<b>10,850,274</b>	<b>9,552,661</b>	<b>9,272,372</b>	<b>8,065,789</b>	<b>7,184,289</b>
<b>Operating Expenses:</b>							
Water purchased	662,191	700,260	497,949	566,048	412,168	394,026	588,828
Salary and Wages	1,695,616	1,400,210	1,216,659	1,092,805	1,002,666	1,048,225	900,022
Service vehicle expense	92,046	80,488	53,990	55,495	35,572	45,350	46,990
Equipment rental	14,875	18,139	72,297	10,419	16,456	4,785	13,185
Depreciation	1,658,667	1,469,881	1,391,037	1,317,693	1,249,760	1,181,060	1,105,365
Bad debts	51,363	45,879	42,731	40,410	40,132	33,856	27,975
Payroll tax & benefits	690,897	552,031	470,341	433,830	370,695	392,089	345,910
Office supplies	130,669	764,625	541,052	40,124	506,418	358,145	405,037
Professional services	120,769	142,323	197,625	112,481	193,896	160,587	135,674
R & M - equipment	1,053,676	700,071	292,723	685,497	389,859	301,912	604,853
Insurance & surety bonds	152,772	62,438	65,244	80,152	27,986	36,377	31,280
Travel	36,222	26,285	35,186	12,246	15,369	15,064	13,022
Miscellaneous	655	(128)	150	307	-	7,342	81
Subscriptions	8,167	3,484	1,679	2,395	1,813	2,095	2,940
Billing & administration	532,000	501,900	492,000	482,500	460,800	494,800	433,320
<b>Total operating expenses</b>	<b>6,900,585</b>	<b>6,467,886</b>	<b>5,370,663</b>	<b>4,932,402</b>	<b>4,723,590</b>	<b>4,475,713</b>	<b>4,654,482</b>
<b>Operating income</b>	<b>7,738,307</b>	<b>5,723,059</b>	<b>5,479,611</b>	<b>4,620,259</b>	<b>4,548,782</b>	<b>3,590,076</b>	<b>2,529,807</b>
<b>Non-operating Rev. (Exp.):</b>							
Interest income	86,846	19,055	30,902	67,357	56,275	90,969	93,807
Miscellaneous	1,216,866	10,000	530,786	(196,144)	25,179	25,179	25,179
Loss on bond refunding	-	(565,492)					
Interest charges	(1,422,341)	(1,324,162)	(1,300,974)	(1,521,159)	(1,461,710)	(1,472,975)	(1,527,117)
<b>Total Non-operating</b>	<b>(118,629)</b>	<b>(1,860,599)</b>	<b>(739,286)</b>	<b>(1,649,946)</b>	<b>(1,380,256)</b>	<b>(1,356,827)</b>	<b>(1,408,131)</b>
<b>Net Income (loss)</b>	<b>7,619,678</b>	<b>3,862,460</b>	<b>4,740,325</b>	<b>2,970,313</b>	<b>3,168,526</b>	<b>2,233,249</b>	<b>1,121,676</b>
Retaining earnings at July 1	31,472,162	27,609,702	22,869,377	19,899,064	16,730,538	14,497,289	13,375,613
Retained earnings at June 30	\$ 39,091,840	\$ 31,472,162	\$ 27,609,702	\$ 22,869,377	\$ 19,899,064	\$ 16,730,538	\$ 14,497,289

Source: City's Comprehensive Annual Financial Reports

CITY OF ST. GEORGE, UT  
 Continuing Disclosure - 1997A Washington County/St. George Interlocal Agency  
 June 30, 2004

Pursuant to the Continuing Disclosure Agreement for the above referenced bonds.

Sublease Rentals

The following table shows the revenues produced from the imposition of the Innkeepers Tax for the years shown:

Fiscal Year Ended June 30	Innkeepers Tax Revenue
1995	\$102,821 (1)
1996	199,404
1997	203,471
1998	219,452
1999	239,049
2000	250,450
2001	244,486
2002	246,130
2003	258,106
2004	281,880

(1) Represents collections from January 1, 1995 thru June 30, 1995.

The following table shows the total sales tax revenues collected in the City of St. George for the last five years.

Fiscal Year June 30	Sales Tax Revenues	Percent Increase from prior year
2000	\$ 8,133,000	9.0%
2001	8,538,437	4.99%
2002	9,571,255	12.10%
2003	9,197,358	(3.91%) ***
2004	10,382,991	12.89%

\*\*\* 2002 included \$700,000 return of taxes held out for sponsoring 2002 Winter Olympics. Without this one time money the net increase for 2003 over 2002 was 3.68%.

**Tax Revenues by Source (Last ten fiscal years)**

See Statistical section of CAFR - Table III

**Debt Structure**

See Statistical section of CAFR - Tables IX and X

**Debt Ratios**

See continuing disclosure on 1996 General Obligation Parks and Recreation bonds

**Historical Summaries of taxable value**

See continuing disclosure on 1997A Sewer Revenue bonds

CITY OF ST. GEORGE, UT

Continuing Disclosure - 1998A Municipal Building Authority Lease Revenue Refunding bonds  
June 30, 2004

In accordance with the continuing disclosure agreement for the above referenced bonds;

**ALL DISCLOSURES ARE MADE IN DISCLOSURE DOCUMENTS FOR  
PRIOR ISSUES CONTAINED IN THIS REPORT.**