CITY OF ST. GEORGE, UT

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2005

CITY OF ST. GEORGE, UT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Prepared by Philip R. Peterson, CPA
Finance Director

CITY OF ST. GEORGE, UT
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2005

TABLE OF CONTENTS

INTRODUCTORY SECTION Page

Letter of Transmittal 5
City Officials 12
Organizational Chart 13
GFOA Certificate of Achievement 14

FINANCIAL SECTION

Independent Auditor's Report 15
Management's Discussion and Analysis 17
Basic Financial Statements:
Government-wide Financial Statements:
Statement of Net Assets 31
Statement of Activities 32
Fund Financial Statements:
Balance Sheet - Governmental Funds 33
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds 34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 35
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund 36
Statement of Net Assets - Proprietary Funds 38
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds 39
Statement of Cash Flows - Proprietary Funds 40
Statement of Fiduciary Net Assets - Fiduciary Funds 41
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds 42
Notes to Financial Statements 43
Supplemental Information
Combining Balance Sheet - Nonmajor Governmental Funds 73
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds 75
Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual:
Dixie Center Operations - Special Revenue Fund - 77
Airport PFC Fees - Special Revenue Fund - 78

Economic Development - Special Revenue Fund - 79
Transportation Improvement - Special Revenue Fund - 80
Museum Permanent Acquistion -Special Revenue Fund - 81
Ft. Pierce EDA Fund - Special Revenue Fund 82
SunTran Public Transit - Special Revenue Fund 83
Special Assessments - Debt Service Fund - 84
Recreation G.O. Bonds - Debt Service Fund - 85
Capital Equipment - Capital Projects Fund - 86
Downtown Redevelopment - Capital Projects Fund - 87
Park Impact - Capital Projects Fund - 88
Streets Impact - Capital Projects Fund - 89
Johnson Dino Track Preservation - Capital Projects Fund - 90
Drainage Impact - Capital Projects Fund - 91
Fire Impact - Capital Projects Fund - 92
Police Impact - Capital Projects Fund - 93
Street Bonds - Capital Projects Fund - 94
Recreation Bonds - Capital Projects Fund - 95
2005 Flood Restoration - Capital Projects Fund - 96
Replacement Airport - Capital Projects Fund 97
Combining Balance Sheet - Nonmajor Proprietary Funds 98
Combining Statement of Revenues, Expenses, and Changes in Fund Balances - Nonmajor Proprietary Funds 99
Combining Statement of Cash Flows - Nonmajor Proprietary Funds 100
Capital Assets Used in the Operation of Governmental Funds:
Schedule by Source 101
Schedule by Function and Activity 102
Schedule of Changes by Function and Activity 103

STATISTICAL SECTION:

Electric Fund - Statistical Analysis 105
Water Fund - Statistical Analysis 106
General Governmental Expenditures and Other Uses by Function
General Fund 107
Revenues and Other Financing Sources by Source - General Fund 107
Tax Revenue by Source - General Fund 108
Property Tax Levies and Collections 108
Taxable and Market Value of Taxable Property 109
Special Assessment Collections 109
Property Tax Rate - All Direct and Overlapping Governments 110
Ratio of General Bonded Debt to Taxable Value and Bonded Debt
Per Capita 110
Computation of Legal Debt Margin 111
Computation of Direct and Overlapping Debt 111

Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures 112
Revenue Bond Coverage - Water & Wastewater Utilities 112
Demographic Statistics 113
Principal Taxable Properties 114
Miscellaneous Statistics 115

SINGLE AUDIT SECTION:
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 *Governmental Auditing Standards* 117
Schedule of Expenditures of Federal Awards 120
Notes to the Schedule of Expenditures of Federal Awards 122
Schedule of Findings & Questioned Costs 123
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 125
Independent Auditor's Report on State Legal Compliance 127
Schedule of Findings and Recommendations 129
Response to Findings and Recommendations 131
Summary Schedule of Prior Audit Findings 132

CONTINUING DISCLOSURE SECTION:
Excise Tax Revenue Bonds - Series 1996 133
General Obligation Parks & Rec Bonds - Series 1996 135
Sewer Revenue Bonds - Series 1997A 138
Water Utility Revenue Bonds 146
Washington County/St. George Interlocal Agency - Series 1997A 149
Municipal Building Authority Lease Revenue Refunding - 1998A 150
Electric Utility Revenue Bonds 151

THIS PAGE LEFT BLANK INTENTIONALLY

INTRODUCTORY SECTION

October 15, 2005

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, 2005, 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, 2005, 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, 2005, 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, 2005, 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 the 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. 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 21st century. The 2000 census showed a population of 49,663 which was an increase of 74.24% from the 1990 census.

In a recent report published by USA Today, Utah is the 5th fastest growing state and is expected to be so through at least 2010. Washington County continues to be one of Utah's fastest growing counties. In recent figures relating to net in-migration to Utah, Washington County accounts for over 50% of all net in-migration to the entire state. "With this said no one expects to see any slowdown of population growth or demand for commercial or residential building in all of southern Utah." "Washington County has been discovered." (Commerce CRG)

The St George area is also a great place to work, with plenty of employment opportunities. Along with four-year course offerings at Dixie State College, job oppoprtunities continue to expand as more high-tech industries locate here. This has provided more diversity in the local job market from what has traditionally been a service-oriented industry. In fact, St. George has the highest job growth rate for all Utah cities at 10.7 percent according to a Federal Deposit Insurance Corporation report. The employment growth is not all in retail either. A lot of jobs can be found in construction, manufacturing, and health care. Every major industry is creating employment, making relocation here all the more appealing. (Kimberly Johnson, Business Consultant, Department of Workforce Services)

During the fiscal year there were building permits issued for almost 2,100 residential units. It represents an increase of over 10% from the prior year's number of units.

The fiscal year ended June 30, 2005 was one of tremendous growth and great challenges.

In January the area was hit by devastating floods which caused damage to many public

facilities as well as private property. A total of 19 homes were either lost as a direct result of the floods or damaged so badly that they had to be demolished later. A separate fund was established in the financial statements to record the activities involved in the reconstruction and rehabilitation of public facilities. Funds were received and continue to be received from F.E.M.A. and the N.R.C.S. for rehabilitation of projects eligible for funding in accordance with their federal guidelines. In addition, the State of Utah authorized up to $25 million in funds to the Washington County area. At the time the legislation was passed authorizing the funds they were designated as a loan subject to repayment in May of 2006. It is hoped that the 2006 legislative session will forgive the loan and designate the funds as grants to those areas using them. For purposes of this financial report, the City has received $3,704,200 from the State which has been designated as a debt issue for accounting purposes. F.E.M.A. has reimbursed the City a total of almost $1.6 million which is also accounted for in this fund. All of the channel reconstruction and stablizing has been done by the N.R.C.S. outside of City funding. The City's percentage of applicable costs was paid for through rock which the City was able to get donated by private parties within the area.

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 $17,280,000 in Electric Revenue Bonds for the acquistion of an electric generating facility, including related land and building structures. The facility will consist of a building large enough to house one natural gas-fired simple-cycle power generator and enough additional capacity to house an additional generator set. The facility has an anticipated nominal output of 39.1 megawatts and the power produced will be used primarily during peak demand periods (approx. May thru September). The facility will also serve as a hedge against spot market price exposure to the Energy Services Fund.

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 completion of the new bridge on Dixie Drive south, the continuing reconstruction of Turtle Road, and work on the completion of Riverside Drive to the east side of the city.

In connection with Washington County School District and Washington County, the City began to plan for the construction of a downtown plaza and waterwalk in the center of historic St. George. The County is in the process of constructing a new library on a corner of city property. The architecture of the building will be in the historic sandstone similar to the St. George City Arts Center, the Woodward School, the L.D.S. Tabernacle,

and Washington County School District office building on the same block.

In the downtown area, the privately built Main Street Plaza was completed and opened for business during the year. Many professional businesses have located to the building as well as a Blue Bunny Ice Cream Parlor on the first floor.

The City completed construction of the $1.2 million, 16,000 sq. foot Dinosaur Intepretive Center at the St. George Dinosaur Discovery Site at Johnson Farm. The site features the largest and best collection of dinosaur swim tracks in the world as well as many raised three-toed dinosaur footprints and the only known imprint of a dinosaur resting on its haunches or squatting.

The city's newest industrial park, the privately developed Ft. Pierce, is in its fifth phase. The master plan calls for the park to eventually include more than 1,000 acres. The park is filling with new distribution facilities and manufacturing plants, including Orgill, Inc.'s new 522,000 square foot home improvement products distribution center and Wells Dairy's, manufacturer of Blue Bunny Ice Cream, new $55 million facility and Bomatic Plastics' new 100,000 square foot manufacturing facility.

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 will 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.

(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, 2005, 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

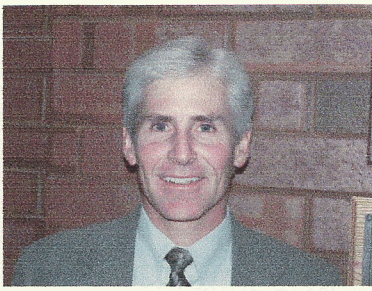
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. George for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2004. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

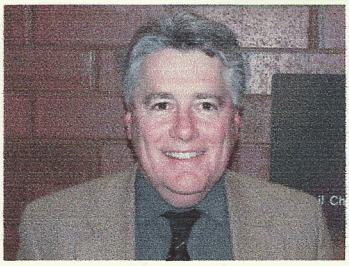
The preparation of this financial report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department and our independent auditors, Kemp, Burdick, Hinton, and Hall. My thanks also to the City Manager, City Treasurer, the Administrative Services 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,

Philip R. Peterson, CPA CGFM
Finance Director

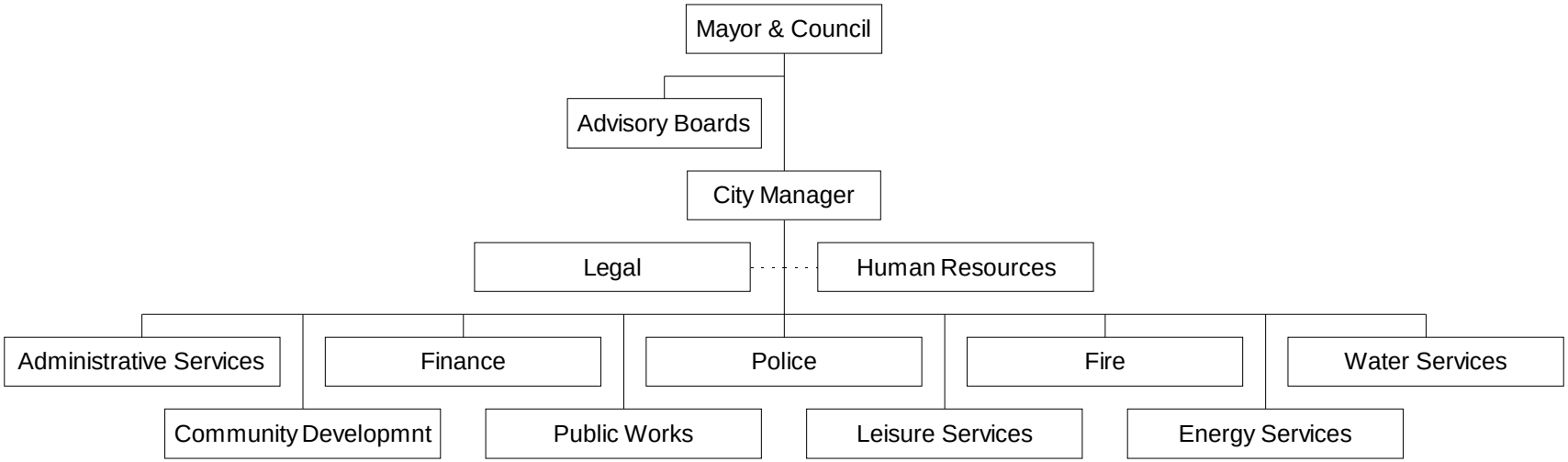
CITY OF ST. GEORGE, UTAH





Shawn Guzman	*City Attorney*
Gay Cragun	*City Recorder*
Deanna C. Brklacich	*City Treasurer*
Phillip Solomon	*Energy Services Director*
Barry Barnum	***Water Services Director***
Marlon Stratton	*Chief of Police*
Robert Stoker	*Fire Chief*
Larry H. Bulloch	*Public Works Director*
Joseph C. Vincent	***Director of Administrative Services***
Kent Perkins	*Leisure Services Director*
Robert Nicholson	*Community Development Director*
Philip R. Peterson	*Finance Director*

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, 2004

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

KEMPBURDICK
KEMP BURDICK HINTON & HALL L.C.
CPA'S & ADVISORS

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

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, 2005, 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, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund 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 October 7, 2005 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

P.O. BOX 38
63 SOUTH 300 EAST, SUITE 100
ST. GEORGE, UTAH 84771
OFFICE (435) 628-3663
FAX (435) 628-3668

337 SOUTH MAIN, SUITE 230
CEDAR PROFESSIONAL PLAZA
CEDAR CITY, UTAH 84720
OFFICE (435) 865-7666
FAX (435) 867-6111

P.O. BOX 3575
590 WEST MESQUITE BLVD., SUITE 201
MESQUITE, NV 89024
OFFICE (702) 346-3462
FAX (702) 346-3464

the results of our audit.

The Management's Discussion and Analysis on pages 17-30, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accountin 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, *Audi 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.
October 7, 2005

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, 2005. 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 12.78% to $257,906,420. Governmental net assets increased by 11.41% while Business-type net assets increased by 14.03%.
  In the Governmental funds, the increase is almost totally made up of increases in fixed assets. 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, the construction of the gas-turbine generation facility, and the City portion of the regional water pipeline projects being the largest contributors to such costs.

- The total net assets of $257,906,420 is made up of $173,834,078 in capital assets net of related debt and $84,072,342 in other net assets.

- In the General Fund, revenues exceeded expenditures by $5,795,730. $5,731,669 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 11.42% of total budgeted expenditures for the next fiscal year ending fy2006.

- Total long-term liabilities of the City increased $18,141,058 with the issuance of the Electric Revenue bonds in the Electric Utility for $17,280,000 and the issuance of Sales Tax Revenue Bonds for the improvements to the downtown area of the City for $4,210,000.

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 31 & 32 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 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 $257,906,420.

By far the largest portion of the City of St. George's net assets (67.38%) 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 <u>not</u> 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)

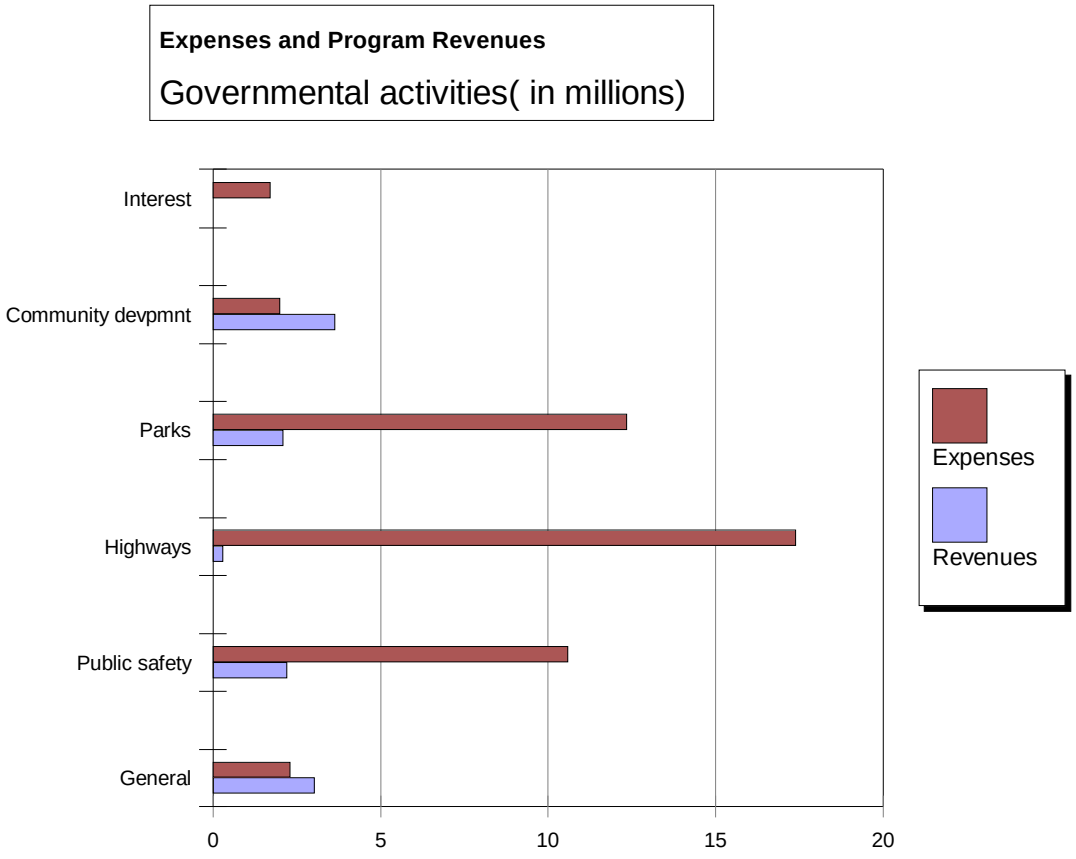
	Governmental Activities		Business-type Activities	
	2005	2004	2005	2004
Current and other assets	$53,865	$ 50,546	$52,840	$ 57,065
Capital assets	119,731	100,738	200,208	163,131
Total assets	173,596	151,284	253,048	220,196
Long-term debt outstanding	42,567	36,421	103,565	91,543
Other liabilities	10,082	6,211	12,524	8,545
Total liabilities	52,649	42,632	116,089	100,088
Net assets:				
Invested in capital assets, net of debt	77,190	64,316	96,644	71,589
Restricted	7,340	3,375	16,169	4,760
Unrestricted	36,417	40,960	24,146	43,760
Total net assets	$120,947	$108,652	$136,959	$120,109

CHANGES IN NET ASSETS (in thousands)

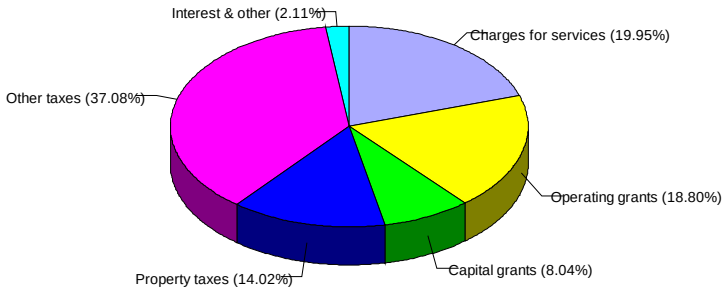
	Governmental Activities		Business-type Activities	
	2005	2004	2005	2004
Revenues:				
Program revenues:				
Charges for services	$11,363	$ 9,547	$ 84,220	$ 77,909
Operating grants & contributions	10,710	7,971	791	695
Capital grants & contributions	2,462	4,720	-	1,072
General revenues:				
Property taxes	7,987	8,324		
Other taxes	21,121	17,471		
Investment income	1,077	844	958	395
Other revenues	751	648	590	309
Total revenues	55,471	49,525	86,559	80,380
Expenses:				
General government	2,205	3,491		
Public safety	10,357	9,521		
Highways/public improvements	17,231	10,419		
Parks & recreation	12,167	9,592		
Community & econ development	1,957	1,446		
Interest on long-term debt	1,122	1,653		
Electric			38,667	38,654

Water			10,455	8,323
Wastewater collection			7,021	6,527
Wastewater treatment			4,083	4,006
Golf courses			4,624	4,205
Municipal building authority			435	440
Refuse collection			2,560	2,379
Total expenses	45,039	36,122	67,845	64,534
Increase in net assets before transfers	10,432	13,403	18,714	15,846
Transfers	1,864	208	(1,864)	(208)
Increase in net assets	12,296	13,611	16,850	15,638
Net assets beginning	108,651	95,040	120,109	104,471
Net assets ending	$120,947	$108,651	$ 136,959	$120,109

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



Revenues by Source
Governmental activities

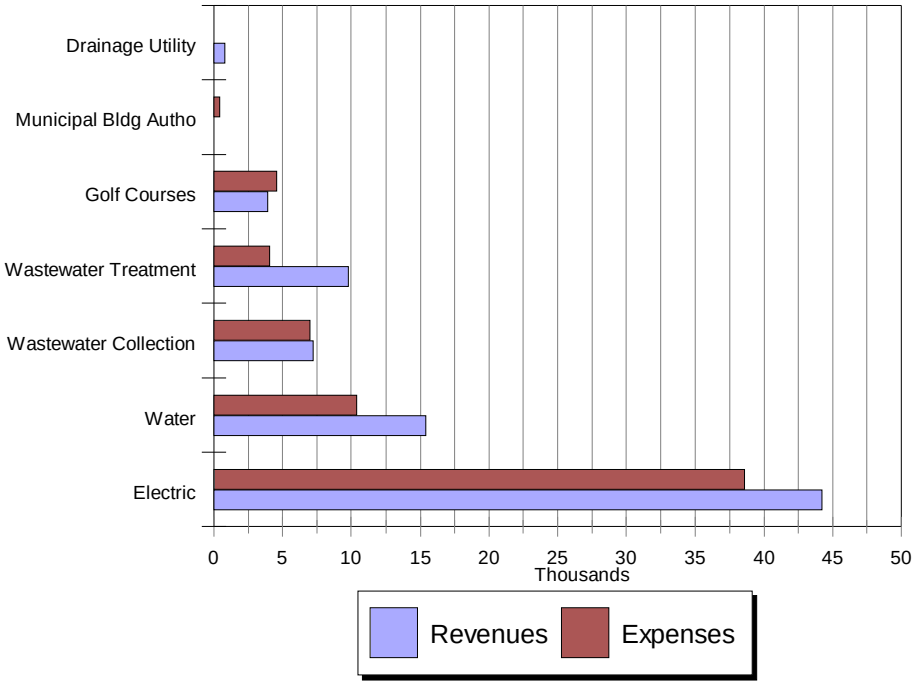


Overall governmental revenues were up 15.02%. Property taxes declined from 16.81% of revenues to 14.02% while other taxes increased from 35.28% to 37.08%. Capital grants declined from 9.53% to 8.04% while operating grants increased from 16.09% to 18.80%.

All expenditure categories in the governmental activities saw increases except for General Government. Highways/public improvements increased from 27.5% to 37.5% with the large projects that were done for Riverside Drive etc. General government decreased from 18.8% to 5.0% because of the large property purchases last year in the downtown area of the City. Community & Economic Development decreased from 5.8% to 4.3%. Parks and Recreation increased from 17.1% to 26.6% because of the completion of the museum at the Johnson Dinosaur Track Farm. Overall governmental expenditures for all funds increased by 28.54% as the City continues to grow at a record pace and therefore more services are being required..

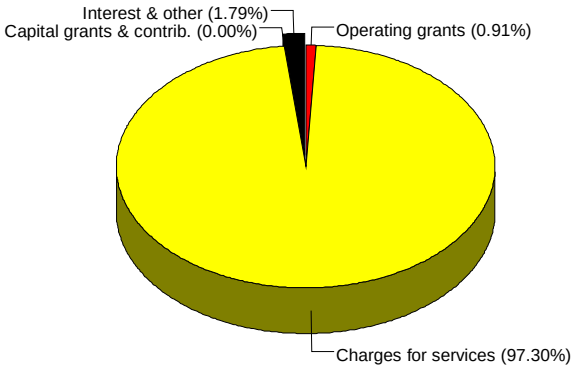
Total net assets in business-type activities increased by $16,850,537. The largest part of this increase is reflected in the near completion of the expansion of the Quail Creek water treatment plant and the gas-turbine generating facility being built by the Energy Services Utility fund. The following 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 which is comparable to fy 2004.

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.

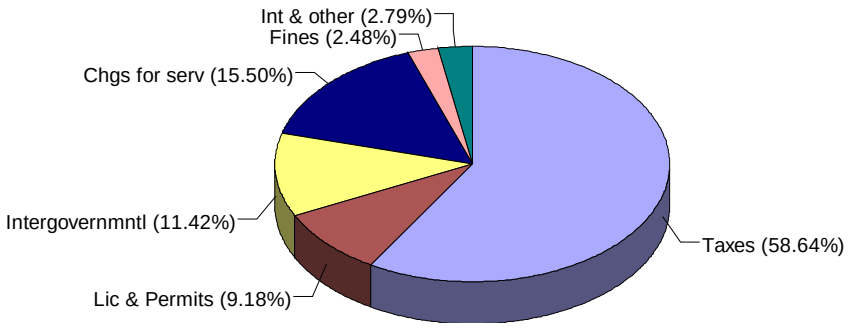
As of the June 30, 2005, the City's governmental funds (General, Capital Projects, Debt Service, & Special Revenue) reported combined fund balances of $44,665,842. This represents a decrease of $609,670 (1.35%) from last year's ending balances.

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 $64,061. An analysis of this total fund balance shows that it represents just over 11.42% of projected revenues for the new fiscal year which ends June 30, 2006. 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 58.64% of total general fund revenues. The largest element of taxes is sales taxes as it has been for the last several years. It represents 52.27% of total tax revenues and represents 30.65% of total general fund revenues. This compares with 31.34% in the prior fiscal year ended June 30, 2004. 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 over 10% over the prior year with almost 2100 residential units being permitted. Intergovernmental revenues were up slightly as the fire department was able to take advantage of a couple of homeland security grants and the airport also had a major rehabilitation project on the taxi-way completed with the assistance of federal funds.

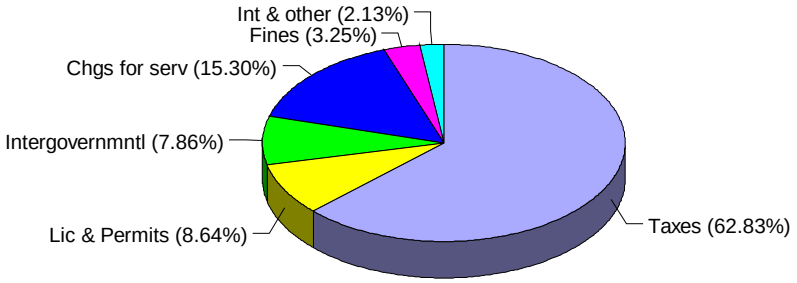
General Fund Revenues

Fiscal Year Ended 6/30/05



General Fund Revenues

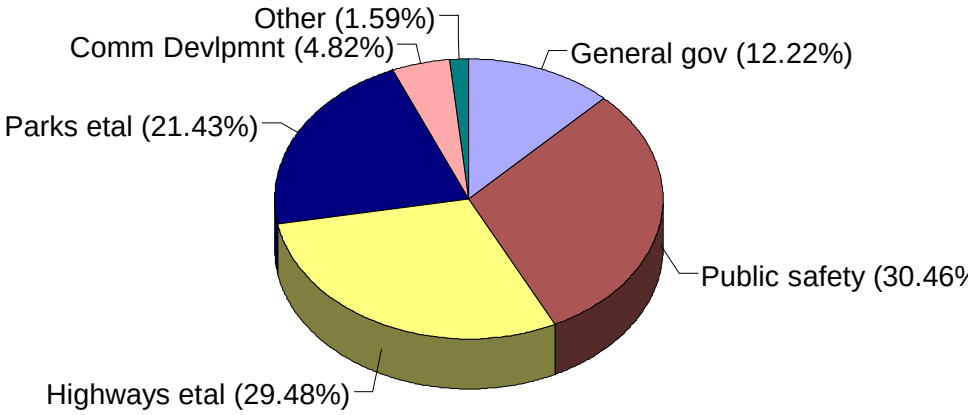
Fiscal Year Ended 6/30/04



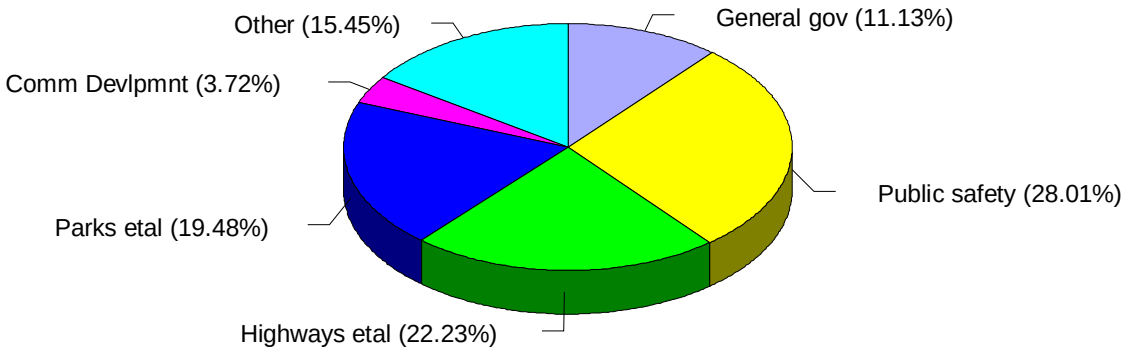
The following graphs display the expenditures in the General Fund by function for the past two fiscal years. As can be seen by reviewing these graphs, most expenditures are close to maintaining the same percentage of expenditures over the two years. The large increase in highways etal is because of the renovation of the airport taxiway as previously mentioned.

General Fund Expenditures

Fiscal Year Ended 6/30/05



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 9.65% 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 to a net income of almost $6m in 2005. The Water Utility fund had a decrease of 20.33% in it's net income to a net income of over $5.4 million as a result of increased interest costs on bonded debt. The Wastewater Treatment fund saw an increase of 28.64% in it's net income as revenues increased almost 13% 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 $34,972,500 to a final budget of $41,274,124 (18.02%). 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, 2005, amounts to $319,938,822 (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 21.25% (a 18.85 % increase for governmental activities and a 22.73 % increase for business-type activities).

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

- Almost $3 million was spent in governmental funds to acquire property on the black hill and the Miles property at the top of main street.

- $879,172 was spent to complete the museum project at the Johnson Farm Dinosaur Site.

- Several projects were completed and others started in the parks and recreation area. These included the Slick Rock Park, Blake Memorial Park, Little Valley Park, Bloomington Park, I-15 Beautification project, and the Santa Clara River Trail just to name a few of them.

- $1.3 million for the feasibility studies and environmental assessments for the new airport site.

- Just over $4 million was spent in the 2005 Flood Restoration Fund to pay for rehabilitation and cleanup various areas as a result of the January flooding.

- $2,049,474 for the completion of the Highland Drive reconstruction project.

- $1,152,047 for the continuing project on Dixie Drive extension and to complete the bridge project.

- $3,379,209 for the completion of the latest phase of River Road in the Bloomington Hills area of the City.

- $2,420,225 for the 400 East pipeline project for drainage purposes and to improve the road.

- $2,629,632 for the continuing construction of Riverside Drive around the east side of the City to provide another east-west route across town.

- $1,550,488 for construction of the extension of 200 East to Red Hills Parkway. With the

reconstruction of St George Boulevard starting by the State of Utah it is imperative that this route be completed to faciliate another east-west route into the City.

- $3,236,861 in the Water Utility for construction of wells, pipeline, and other improvements to the distribution system. $14,940,515 was spent to continue the process of expansion of the Quail Creek water treatment plant.

- $1,208,738 was spent in the Electric Utility for expansion and improvements to the distribution system, $1,305,249 for purchase of the Bloomington diesel plant from UAMPs so that can better manage that generation facility, and $16,868,856 in bond funds and electric system revenues for the construction of a gas-fired turbine generator facility to better allow for load management during peak usage periods.

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

	Governmental Activities		Business-type Activities	
	2005	2004	2005	2004
Land	$ 21,775,422	$ 18,803,876		
Buildings	16,218,247	15,696,427		
Improvements	31,287,501	29,469,354		
Infrastructure	44,403,193	31,160,769		
Machinery & equipment	6,046,350	5,606,820		
Plant, prop.& equipment			$200,208,109	$163,131,362
Total	$119,730,713	$100,737,246	$200,208,109	$163,131,362

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, 2005, the City had total bonded debt outstanding of $137,023,260. Of this amount $34,556,260 is considered to be general obligation debt and backed by the full faith and credit of the City; $4,080,000 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 $98,387,000 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	
	2005	2004	2005	2004
General obligation bonds	$18,015,000	$ 18,190,000		
Downtown RDA bonds	-	251,000		
Sales tax revenue bonds	4,210,000	-		

Excise Revenue bonds	5,850,000	6,390,000		
WCIA Capital lease bonds	6,481,260	6,736,255		
Special assessment debt with governmental commitment	4,080,000	4,854,000		
Revenue bonds			$98,387,000	$86,679,000
Total outstanding debt	$38,636,260	$36,421,255	$98,387,000	$86,679,000

The City's total debt increased by $12,294,260 during the fiscal year.

- The City issued $4,210,000 in Sales Tax Revenue bonds.
- The City issued $17,280,000 in Electric Utility revenue bonds.
- The City issued $407,000 of Golf Course 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	
2005 Electric Revenue	Aaa (underlying A3)		

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 $136,949,338, 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 $273,898,677, which again significantly exceeds the outstanding business-type activity debt. Thus total debt limit is $410,848,015 while the total outstanding debt less reserves restricted for debt service is $95,485,429. The resulting debt margin is $315,2362,586. Table IX in the statistical section demonstrates the calculation of this margin.

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 3.8 % compared with a state unemployment rate of 4.7% and a national rate of 5.5%.

This compares with a rate of 4.2% in 2004. (Source: Utah Dept of Workforce Services)

- The General Fund budget for the fiscal year-ending June 30, 2006 reflects a decrease of 5.85% from the final budget for the fiscal year-ended June 30, 2005. The largest part of this decrease is the result of the final year-end transfers in 2005 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, 2005

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash	$ 43,856,329	$ 26,996,180	$ 70,852,509
Restricted cash		16,168,858	16,168,858
Accounts receivable (net of allowance for doubtful accounts)	8,773,555	6,042,872	14,816,427
Inventory	51,861	1,563,672	1,615,532
Notes receivable	343,082		343,082
Internal Balances	500,000	(500,000)	
Bond discounts		2,565,465	2,565,465
Prepaid expenses	44,273	2,830	47,103
Capital assets (net of depreciation)			
Land	21,775,422		21,775,422
Buildings	16,218,247		16,218,247
Improvements	31,287,501		31,287,501
Infrastructure	44,403,193		44,403,193
Machinery & equipment	6,046,350		6,046,350
Plant, property, and equipment		200,208,109	200,208,109
Total assets	$ 173,299,812	$ 253,047,986	$ 426,347,798
LIABILITIES:			
Accrued liabilities	$ 4,574,000	$ 11,357,088	$ 15,931,088
Construction bonds held	149,363		149,363
Deposits payable		1,167,359	1,167,359
Deferred compensation	802,016		802,016
Interest payable	472,450		472,450
Unearned revenues	4,010,385		4,010,385
Bonds payable:			
Due within one year	6,296,000	5,584,000	11,880,000
Due in more than one year	29,863,200	92,792,985	122,656,185
Capital leases:			-
Due within one year	255,000	665,722	920,722
Due in more than one year	6,226,260		6,226,260
Bond premiums	-	4,521,577	4,521,577
Total liabilities	52,648,673	116,088,731	168,737,404
NET ASSETS:			
Invested in capital assets, net of related debt	77,190,253	96,643,825	173,834,078
Restricted for:			
Unspent bond proceeds for construction	4,122,100	9,320,209	13,442,309
Debt service	3,217,613	6,848,649	10,066,262
Unrestricted	36,121,172	24,146,572	60,267,744
Total Net Assets	$ 120,651,138	$ 136,959,255	$ 257,610,393

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, 2005

		Program Revenues					
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Net Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	$ 2,204,772	$ 3,054,364	$ -	$ -	$ 849,592		$ 849,592
Public Safety	10,356,919	2,220,207	3,124,351	-	$ (5,012,361)		(5,012,361)
Highways & public improvements	17,231,121	318,986	4,701,262	1,502,220	$ (10,708,653)		(10,708,653)
Parks, recreation & public property	12,166,826	2,113,947	2,852,212	959,314	$ (6,241,353)		(6,241,353)
Community & economic development	1,956,795	3,655,379	32,658		$ 1,731,242		1,731,242
Interest on long-term debt	1,121,771				$ (1,121,771)		(1,121,771)
Total governmental activities	45,038,204	11,362,883	10,710,483	2,461,534	(20,503,304)	-	(20,503,304)
Business-type activities:							
Electric	38,666,661	44,253,008				5,586,347	5,586,347
Water	10,455,082	15,463,131		-		5,008,049	5,008,049
Wastewater collection	7,021,451	7,245,741				224,291	224,291
Regional wastewater treatment	4,083,108	9,840,621	9,000			5,766,513	5,766,513
Golf courses	4,624,083	3,957,020	17,207			(649,855)	(649,855)
Municipal bldg authority	434,919	-	765,044			330,125	330,125
Drainage Utility	-	836,734				836,734	836,734
Solid waste	2,559,820	2,623,848				64,028	64,028
Total business-type activities	67,845,123	84,220,104	791,251	-		17,166,232	17,166,232
General Revenues:							
Taxes:							
Property taxes levied for general purposes					6,326,575		6,326,575
Property taxes levied for debt service					1,660,122		1,660,122
Franchise taxes					5,085,982		5,085,982
General sales taxes & highway sales taxes					16,035,260		16,035,260
Business licenses					468,431		468,431
Investment income					1,076,769	958,359	2,035,128
Lease payments					(466,411)		(466,411)
Gain on sale of assets					650,480		650,480
Rents & concessions					30,046		30,046
Miscellaneous					68,251	589,617	657,868
Transfers					1,863,671	(1,863,671)	-
Total general revenues & transfers					32,799,176	(315,695)	32,483,480
Change in net assets					12,295,872	16,850,536	29,146,408
Net assets - beginning					108,651,293	120,108,718	228,760,011
Net assets - ending					$ 120,947,165	$ 136,959,254	$ 257,906,419

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, 2005

	General	Public Works Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	$ 2,544,357	$ 8,200,233	$ 32,644,050	$ 43,388,641
Accounts receivable	2,767,095	228,980	5,777,480	8,773,555
Prepaid items	44,273			44,273
Inventory	51,861			51,861
Notes receivable	343,082			343,082
Due from other funds	500,000		388,645	888,645
Total assets	$ 6,250,667	$ 8,429,213	$ 38,810,175	$ 53,490,056
LIABILITIES AND FUND BALANCE				
Liabilities:				
Construction bonds held	$ 149,363			$ 149,363
Due to other funds	388,645		-	388,645
Accrued liabilities	1,259,140	1,849,651	1,463,057	4,571,848
Deferred revenues	-		4,010,385	4,010,385
Total liabilities	1,797,147	1,849,651	5,473,442	9,120,241
Fund Balance:				
Reserved for Special revenue funds			6,143,674	6,143,674
Reserved for Debt service fund			3,217,613	3,217,613
Reserved for Capital projects fund		6,579,562	24,271,474	30,851,036
Reserved for Police Seizures	90,168			90,168
Reserved for Notes receivable	343,082			343,082
Reserved for Perpetual Care	139,334			139,334
Unreserved - undesignated	3,880,936			3,880,936
Total fund balance	4,453,520	6,579,562	33,632,761	44,665,842
Total liabilities and fund balance	$ 6,250,667	$ 8,429,213	$ 39,106,202	

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.	119,730,713
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.	(43,914,926)
Fund balance in Self-Insurance internal service fund	465,536
	$ 120,947,165

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, 2005

	General	Public Works Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes & special assessments	$ 23,357,920	$ -	$6,915,899	$ 30,273,819
Licenses and permits	3,656,186		-	3,656,186
Intergovernmental	4,547,551		5,649,325	10,196,876
Charges for services	6,176,457		-	6,176,457
Fines & forfeitures	987,030		-	987,030
Investment income	348,492	214,877	503,328	1,066,696
Rents & concessions	30,046		-	30,046
Miscellaneous	68,251	-	202,955	271,206
Contributions from other sources	74,123		483,701	557,824
Capital development fees	-		5,030,070	5,030,070
Total revenues	39,246,055	214,877	18,785,278	58,246,210
Expenditures:				
Current:				
General government	4,153,719	464	1,618,423	5,772,605
Public safety	10,355,029		-	10,355,029
Highways & public improvements	10,020,742		-	10,020,742
Parks, recreation & public property	7,333,537		-	7,333,537
Community & economic development	1,638,479		-	1,638,479
Capital outlay	-	13,911,356	14,911,356	28,822,712
Debt service				
Capital leases	71,924		394,487	466,411
Principal	-		1,441,552	1,441,552
Interest & admin charges	-		1,251,349	1,251,349
Total expenditures	33,573,429	13,911,820	19,617,167	67,102,416
Excess (deficiency) of revenues over expenditures	5,672,626	(13,696,943)	(831,889)	(8,856,206)
Other financing sources (uses):				
Transfers in	564,624	6,993,945	7,142,058	14,700,627
Transfers out	(6,198,669)		(5,598,288)	(11,796,957)
Contributions from private sources		-	128,401	128,401
Proceeds from sale of capital assets	25,480		625,000	650,480
Loss on bond refinancing				-
Premiums on bonds sold			-	-
Issuance of notes/bonds/leases	-	200,000	4,310,000	4,510,000
Total other financing sources (uses)	(5,608,565)	7,193,945	6,607,170	8,192,551
Net change in fund balances	64,061	(6,502,998)	5,775,281	(663,655)
Fund balances, beginning of year,	4,389,458	13,082,559	27,803,495	45,275,512
Fund balances, end of year	$ 4,453,519	$ 6,579,561	$ 33,578,776	$ 44,611,857

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, 2005

Net change in fund balances - total governmental funds	$ (663,655)
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.	19,198,478
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	(205,011)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	1,994,995
Issuance of long-term debt provides current financial resources in the governmental funds but increases long-term liabilities in the statement of net assets.	(4,510,000)
Issuance of long-term debt provides current financial resources in the governmental funds but increases long-term liabilities in the statement of net assets. (State of Utah)	(3,704,200)
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.	129,579
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.	(79,205)
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.	80,903
Change in net assets of governmental activities	$ 12,241,884

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, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Taxes:				
General property taxes	$ 6,300,000	$ 6,300,000	$ 5,889,668	$ (410,332)
Prior year's delinquent taxes	425,000	425,000	173,059	(251,941)
General sales & use taxes	10,400,000	10,400,000	12,209,211	1,809,211
Franchise taxes	4,000,000	4,000,000	5,085,982	1,085,982
Total taxes	21,125,000	21,125,000	23,357,920	2,232,920
Licenses & permits:				
Business licenses & permits	425,000	425,000	468,431	43,431
Non-business licenses & permits	2,015,000	2,250,000	3,187,755	937,755
Total licenses & permits	2,440,000	2,675,000	3,656,186	981,186
Intergovernmental revenues:				
Federal grants	2,530,500	2,751,471	2,459,539	(291,932)
State grants	-	12,000	120,697	108,697
Class "C" roads	2,100,000	2,100,000	1,932,452	(167,548)
State liquor allotment	30,000	30,000	34,863	4,863
Total intergovernmental revenues	4,660,500	4,893,471	4,547,551	(345,920)
Charges for services:				
Enterprise funds	2,060,000	2,502,500	2,502,500	-
Public safety	1,015,000	1,015,000	1,233,178	218,178
Parks & public property	200,000	200,000	467,624	267,624
Cemetery	245,000	245,000	236,295	(8,705)
Recreation	1,452,000	1,493,662	1,483,135	(10,527)
Airport	240,000	240,000	212,356	(27,644)
Irrigation & Reuse Center	40,000	40,000	41,369	1,369
Total charges for services	5,252,000	5,736,162	6,176,457	440,295
Fines & forfeitures:				
Court fines & bail forfeitures	900,000	900,000	987,030	87,030
Miscellaneous:				
Interest	250,000	250,000	348,492	98,492
Rents & concessions	-	-	30,046	30,046
Other	120,000	127,000	68,251	(58,749)
Total miscellaneous	370,000	377,000	446,788	69,788
Total revenues	34,747,500	35,706,633	39,171,932	3,465,299
Other Financing Sources :				
Sales of capital assets	35,000	35,000	25,480	(9,520)
Contributions from other entities	-	11,878	74,123	62,245
Appropriated fund balance	-	5,000,000		(5,000,000)
Transfers from other funds	190,000	520,613	564,624	44,011
Total Other Financing Sources :	225,000	5,567,491	664,227	(4,903,264)
Total revenues & Other Financing Sources	$ 34,972,500	$ 41,274,124	$ 39,836,159	$ (1,437,965)

(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, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
EXPENDITURES:	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
General government:				
City Council	$ 619,858	$ 669,858	$ 658,708	$ 11,150
City Manager	312,425	312,425	291,210	21,215
Human Resources	369,073	369,073	271,014	98,059
Administrative Services	840,653	890,653	888,451	2,202
Finance	1,270,811	1,270,811	1,249,565	21,246
Legal	636,353	636,353	621,470	14,883
Economic Development Administration	187,267	171,325	173,300	(1,975)
Total general government	4,236,440	4,320,498	4,153,719	166,780
Public Safety:				
Police	6,831,996	7,066,867	7,007,808	59,059
Drug Task Force	104,336	104,336	90,504	13,832
Dispatch Center	1,306,311	1,521,712	1,468,879	52,833
Fire	1,755,867	1,899,396	1,787,838	111,558
Total public safety	9,998,510	10,592,311	10,355,029	237,282
Highways & public improvements:				
Flood Control	412,000	412,000	403,008	8,993
Public Works Administration	491,205	491,205	468,182	23,023
Streets	4,000,947	4,128,242	4,091,872	36,370
Automotive	764,426	764,426	735,196	29,230
Engineering	1,449,214	1,499,214	1,358,628	140,586
Airport	2,924,659	3,190,272	2,963,856	226,416
Total highways & improvements	10,042,451	10,485,359	10,020,742	464,617
Parks, Recreation & Public Property:				
Building Maintenance	629,624	629,624	591,261	38,363
Parks and open spaces	2,522,040	2,770,009	2,633,501	136,508
Recreation & cultural arts	3,785,589	4,087,704	3,868,027	219,677
Cemetery	374,782	328,221	240,748	87,473
Total parks, recreation & public property	7,312,035	7,815,558	7,333,537	482,021
Community & economic development	1,159,691	1,665,232	1,638,479	26,753
Debt service: Capital leases	71,924	71,924	71,924	-
Total expenditures	32,821,051	34,950,882	33,573,429	1,377,453
OTHER FINANCING USES				
Contributions to other funds	2,151,449	6,323,242	6,198,669	124,573
TOTAL EXPENDITURES & OTHER USES	34,972,500	41,274,124	39,772,098	1,502,026
Net change in fund balance	-	-	64,061	$ 64,061
Fund Balance at beginning of year	4,389,458	4,389,458	4,389,458	
Fund Balance at end of year	$ 4,389,458	$ 4,389,458	$ 4,453,519	

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, 2005

	Business-type Activities - Enterprise Funds						Governmental Activities
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWTR TREATMENT	WASTEWTR COLLECTION	Non-Major Enterprise Funds	TOTALS 2005	Internal Service Fund
ASSETS							
Current assets:							
Cash	$ 9,710,617	$ 319,897	$ 14,487,835	$ 2,186,740	$ 291,091	$ 26,996,180	$ 467,688
Restricted cash	1,267,078	10,961,469	3,939,878	-	433	16,168,858	
Accts. receivable (net of allowance for uncollectibles of $804,152)	5,816,812	15,130	210,930			6,042,872	
Inventory	1,260,040	303,632	-	-		1,563,672	
Due from other funds	-	-	-	-		-	
Note receivable	-	-	-	781,482		781,482	
Bond discounts & insurance	358,076	833,212	1,214,521	-	159,656	2,565,465	
Prepaid expenses	-	2,830	-	-		2,830	-
Total current assets	18,412,623	12,436,170	19,853,164	2,968,222	451,180	54,121,359	467,688
Capital assets net of accumulated depreciation	40,733,551	92,664,561	42,517,841	2,377,341	21,914,816	200,208,109	-
TOTAL ASSETS	59,146,174	105,100,730	62,371,005	5,345,563	22,365,996	254,329,468	467,688
LIABILITIES							
Current liabilities:							
Accrued liabilities	6,564,590	3,536,847	619,809	46,722	589,120	11,357,088	2,152
Capital leases	-	120,605	-	-	545,117	665,722	
Due to other funds (short-term)	-	-				-	
Deposits payable	1,167,359	-	-	-	-	1,167,359	
Total current liabilities	7,731,949	3,657,452	619,809	46,722	1,134,237	13,190,168	2,152
Long-term liabilities:							
Bonds payable - long term	17,280,000	52,298,713	20,942,272	-	7,856,000	98,376,985	
Bond premiums	605,549	3,233,775	682,253	-	-	4,521,577	
Due to other funds (long-term)	-	-	-	-	1,281,482	1,281,482	
Total long-term liabilities	17,885,549	55,532,488	21,624,526	-	9,137,482	104,180,045	-
Total liabilities	25,617,498	59,189,940	22,244,334	46,722	10,271,719	117,370,213	2,152
NET ASSETS							
Invested in capital assets, net of related debt	22,848,002	37,011,468	20,893,315	2,377,341	13,513,699	96,643,825	-
Restricted	1,267,078	10,961,469	3,939,878	-	433	16,168,858	-
Unrestricted	9,413,596	(2,062,146)	15,293,477	2,921,501	(1,419,856)	24,146,572	465,536
Total net assets	$ 33,528,676	$ 45,910,791	$ 40,126,670	$ 5,298,841	$ 12,094,276	$ 136,959,254	$ 465,536

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, 2005

	Business-type Activities - Enterprise Funds						Governmental Activities
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWTR TREATMENT	WASTEWTR COLLECTION	Non-Major Enterprise Funds	TOTALS 2005	Internal Service Fund
OPERATING REVENUES:							
Charges for services	$ 39,754,876	$ 10,366,313	$ 6,793,204	$ 6,650,564	$ 7,417,602	$ 70,982,559	$ 551,864
Other operating revenues	4,498,132	5,096,818	3,047,417	595,177	-	13,237,545	
Total operating revenues	44,253,008	15,463,131	9,840,621	7,245,741	7,417,602	84,220,104	$ 551,864
OPERATING EXPENSES:							
Electricity purchased	30,317,925	-	372,437			30,690,362	
Water purchased		850,278	-			850,278	
Salary and wages	2,482,803	1,905,206	783,770	528,759	1,296,476	6,997,013	
Supplies	55,122	-	-	20,591	355,726	431,439	
Service vehicle expense	141,003	109,189	51,565	58,941	187,703	548,401	
Equipment rental	2,508	11,115	3,780	1,267	244,140	262,810	
Depreciation	2,036,938	1,969,362	874,877	225,318	647,056	5,753,551	
Bad debts	197,862	50,576	-	33,222	13,115	294,775	
Payroll tax & employee benefits	968,694	802,391	322,419	232,898	472,996	2,799,398	
Office & dept. supplies	72,197	1,463,375	66,515	7,706	104,382	1,714,175	
Professional services	598,487	151,778	181,420	72,401	518,980	1,523,065	464
R. & M. - equipment	311,018	333,092	323,677	39,111	98,290	1,105,189	
R. & M. - buildings and grounds	25,175	5,122	3,295	9,189	683,815	726,597	
Insurance & surety bonds	79,355	109,619	34,746	50,163	32,197	306,079	
Travel	75,220	25,715	13,770	11,418	10,041	136,164	
Miscellaneous	3,055	1,510	255			4,820	
Interest expense	316,730	-	-			316,730	
Subscriptions & memberships	32,468	14,308	1,343	1,503	5,969	55,591	
Lease payments	-	-	-			-	
Claims paid							71,401
Insurance premiums							409,165
Contract labor	-	-	-	5,368,964	2,419,242	7,788,205	
Billing & administration	950,100	633,400	432,000	360,000	127,000	2,502,500	
Total operating expenses	38,666,661	8,436,036	3,465,868	7,021,451	7,217,128	64,807,144	481,030
Operating income (loss)	5,586,347	7,027,095	6,374,753	224,291	200,474	19,412,960	70,834
NON-OPERATING REVENUES (EXPENSES)							
Interest income	62,608	432,366	392,043	63,929	7,414	958,359	10,072
Rent	-	-	9,000		782,251	791,251	
Miscellaneous income	321,333	690	244,714	3,344	19,536	589,617	-
Loss on bond refinancing	-	-	(112,198)	-	-	(112,198)	
Interest charges	-	(2,019,046)	(505,042)		(401,693)	(2,925,781)	
Total non-operating revenue (expense)	383,941	(1,585,990)	28,517	67,273	407,508	(698,752)	10,072
Income before transfers	5,970,288	5,441,105	6,403,270	291,563	607,981	18,714,208	80,906
Contributions	-	-	-		-	-	
Transfers (to) from other funds	-	(515,939)	(218,869)	(433,772)	(695,090)	(1,863,670)	
Change in Net Assets	5,970,288	4,925,166	6,184,401	(142,209)	(87,109)	16,850,538	80,906
Total net assets - beginning	27,558,387	40,985,626	33,942,269	5,441,050	12,181,386	120,108,718	384,630
Total net assets - ending	$ 33,528,675	$ 45,910,792	$ 40,126,670	$ 5,298,841	$ 12,094,277	$ 136,959,256	$ 465,536

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, 2005

	Business-type Activities - Enterprise Funds						Governmental Activities
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWTR TREATMENT	WASTEWTR COLLECTION	Non-Major Enterprise Funds	TOTALS 2005	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	$ 44,245,895	$ 13,615,603	$ 9,633,763	$ 7,309,085	$ 7,001,180	$ 81,805,526	$ -
Receipts from interfund services provided							551,864
Payments to suppliers	(30,189,208)	(3,020,154)	(1,179,632)	(6,025,553)	(4,732,500)	(45,147,047)	
Payments to employees	(3,451,497)	(2,707,597)	(1,106,189)	(761,657)	(1,769,471)	(9,796,411)	
Payments for interfund services used							(478,948)
Net cash provided by operating activities	10,605,190	7,887,852	7,347,942	521,876	499,208	26,862,069	72,916
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Rents received			9,000		782,251	791,251	
Miscellaneous non-operating income	321,333	690	244,714	3,344	19,536	589,617	
Economic development transfer					(695,090)	(695,090)	
Net cash provided (used) by noncapital and related financing activities	321,333	690	253,714	3,344	106,697	685,778	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from capital debt	17,280,000	-	-		148,052	17,428,052	
Purchases of capital assets	(19,589,540)	(19,505,379)	(3,300,807)	(313,528)	(121,043)	(42,830,297)	
Principal paid on capital debt		(2,115,000)	(2,692,000)	-	(775,000)	(5,582,000)	
Interest paid on capital debt		(2,019,046)	(505,042)	-	(401,693)	(2,925,781)	
Capital lease principal payments		(101,257)		-		(101,257)	
Loss on bond refinancing		-	(112,198)	-		(112,198)	
Premium on bonds issued	605,549	(208,258)	(120,233)			277,058	
Transfers to governmental funds	-	(515,939)	(218,869)	(433,772)		(1,168,580)	
Net cash provided (used) by capital and related financing activities	(1,703,991)	(24,464,879)	(6,949,149)	(747,300)	(1,149,684)	(35,015,003)	-
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	62,608	432,366	392,043	63,929	7,414	958,359	10,072
Net increase (decrease)in cash and cash equivalents	9,285,140	(16,143,971)	1,044,550	(158,152)	(536,365)	(6,508,798)	82,988
Cash and equivalents at beginning of year	1,692,553	27,425,337	17,383,164	2,344,892	827,891	49,673,837	384,699
Cash and equivalents at end of year	$ 10,977,693	$ 11,281,366	$ 18,427,714	$ 2,186,740	$ 291,526	$ 43,165,039	$ 467,687
Reconciliation of operating income to net cash provided (used) by operating activities:							
Operating income (loss) (after transfers)	5,586,347	7,027,095	6,374,753	224,291	200,474	19,412,960	70,834
Adjustments to reconcile net income from operations to net cash provided by operating activities:							
Depreciation	2,036,938	1,969,362	874,877	225,318	647,056	5,753,551	
Changes in assets & liabilities:							
Decrease (increase) in receivables	(7,113)	158,489	(206,858)			(55,482)	
Decrease (increase) in inventory	217,882	7,996				225,878	
Decrease (increase) in interfund rec.	-					-	
Decrease (increase) in discounts	(358,076)	57,781	185,263		20,086	(94,946)	
Decrease (increase) in prepaid exp.			-			-	
Decrease (increase) in note rec.	-			63,344		63,344	
Increase (decrease) in deposits	169,542					169,542	
Increase (decrease) in interfund pay.	-	(2,006,017)			(416,422)	(2,422,439)	
Increase (decrease) in accruals	2,959,670	673,146	119,907	8,923	48,014	3,809,660	2,082
Total adjustments	5,018,843	860,757	973,189	297,585	298,734	7,449,108	2,082
Net cash provided by operating activities:	$ 10,605,190	$ 7,887,852	$ 7,347,942	$ 521,876	$ 499,208	$ 26,862,068	$ 72,916

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, 2005

	PENSION TRUST
	**********
ASSETS	
Restricted cash and investments	$ 13,057,296
Total Assets	13,057,296
LIABILITIES	
Liabilities:	
Accrued liabilities	-
Total liabilities	-
NET ASSETS	
Held in trust for pension benefits and other purposes	$ 13,057,296

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, 2005

	PENSION TRUST
	**********
ADDITIONS	
Retirement contributions	$ 821,048
Life insurance contributions	26,000
Certificate sales	-
Net increase in fair value of investments	505,426
Citizen donations	-
Total additions	1,352,473
DEDUCTIONS	
Administrative & general	-
Life insurance premiums	26,000
Retirement withdrawals	589,106
Transfers to other governmnt agencies	-
Total deductions	615,106
Change in net assets	737,367
Net assets - beginning of year	12,319,929
Net assets - end of year	$ 13,057,296

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

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. The only other major governmental fund is 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, 2005 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 ½ 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	$179,090,907
Accumulated depreciation	(59,360,194)
Total difference	$119,730,713

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, 2005 were:

2005 Sales Tax Revenue Bonds	$ 4,210,000
Excise tax bonds	5,850,000
Parks and recreation general obligation bonds	18,015,000
Special assessment bonds	4,080,000
Capital lease	6,481,260
Note payble to McArthur	200,000
Utah House Bill HB240	3,704,000

Interest payable on long-term debt	472,450
Compensated absences	802,016
Total difference	$43,814,726

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	$25,278,174
Depreciation expense	(6,079,696)
Net difference as reported	$ 19,198,478

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 1st. 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 22nd, 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 $6,416,185 or 18.02% of the original budget. The largest amounts of the increase were to transfer to the Capital Equipment Fund $3,171,793, 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 $4,171,793 or 66.20% 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 1st and delinquent after November 30th 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 30th 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 30th.

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 30th.

C. Excess of expenditures over appropriations

For the fiscal year ended June 30, 2005, the Recreation Bond Projects Capital Projects Fund expenditures exceeded appropriations by $127,001.

D. Deficit fund equity

At June 30, 2005 the 2005 Flood Reconstruction Fund and the Future Airport Capital Project fund had deficit fund balances. In both cases the funds are capital projects funds and year-end payables exceeded available assets. In both cases, the deficits should be eliminated during the 2006 fiscal year thru additional revenues or transfers from other funds.

IV. Detailed Notes for All Funds

A. Cash and investments

At June 30, 2005, the City had the following cash & investments:

Investment Type	Fair Value	Percentage
U.S. Treasuries	$2,971,032	6.79%
State Treasurer's investment pool	71,652,489	66.47%
Bank certificates of deposit	9,019,561	9.01%
Bank demand deposits (checking & saving)	3,377,790	4.68%
Insurance company contracts (pension plan)	13,057,296	13.05%
Total fair value	$100,078,168	100.00%

Interest Rate Risk

In accordance with the City's Investment Policy, the City will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investment portfolio so securities mature to meet cash requirements for ongoing operations; and by investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools. At June 30, 2005, the weighted average of maturities was 61.87 days.

Credit Risk

The City's Investment Policy and the Utah State Money Management Act (the Act) limits investments in commercial paper and corporate bonds to be rated by two nationally recognized statistical rating organizations (NRSROs), one of which must be Moody's Investors Service or Standard & Poor's. It is the City's policy to limit its investments in these investment types to "first tier" investments with ratings of "A" or higher as issued by NRSROs. Investments in U.S. Government guaranteed securities are exempt from a rating requirement, as are investments in the Utah Public Treasurer's Investment Fund (UPTIF).

Concentration of Credit Risk

The City's Investment Policy and the Act are explicit in how the City will diversify its investments by issuer. Diversification of investments with a single institution (issuer) must comply with applicable rules of the Act, specifically:

- No more than 20% of funds may be invested in any one permitted qualified out-of-state depository institution
- No more than 10% of the total portfolio with a single Commercial Paper or Corporate Notes issuer if the portfolio is $10,000,000 or less
- No more than $1,000,000 in a single Commercial Paper or Corporate Notes issuer if the portfolio is greater than $10,000,000 but less than $20,000,000
- No more than 5% of the total portfolio with a single Commercial Paper or Corporate Notes issuer if the portfolio is $20,000,000 or more
- May not exceed the maximum amount of funds allowed to be held by any qualified depository as reported quarterly by the State Council

Further, for issuers which are not covered by rules or statute, the City will restrict its investments to no more than 20% with a single issuer with the exception of funds invested with the UPTIF, U.S. Treasury securities, or funds held in trust (i.e. construction, sinking, or reserve bond funds, etc.).

As of June 30, 2005, excluding the UPTIF, the City had one issuer in which the total investments exceeded five percent:

- SunFirst Bank at 9.95%

Custodial Credit Risk - Deposits
In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's Investment policy requires that no more than 25% of the investment portfolio may be invested in Certificates of Deposit. The policy is not specific as to deposits held for general operating cash flows.

As of June 30, 2005, $13,262,458, (15.24%) of the City's portfolio balance of $87,020,872 was exposed to custodial credit risk - deposits, because it was uninsured and uncollateralized.

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 5 1/2%. 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, 2005, the unpaid principal and interest totaled $343,082.

D. Capital assets

Capital asset activity for the year ended June 30, 2005 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$18,803,876	2,971,546		21,775,422
Capital assets being depreciated:				
Buildings	21,507,475	1,220,439		22,727,914
Improvements	37,826,253	2,870,707		40,696,960
Infrastructure	62,986,206	16,541,591		79,527,797
Equipment, etc	12,893,935	1,673,892	205,011	14,362,815
Total capital assets being depreciated	135,213,868	22,306,628	205,011	157,315,485
Less accum. depreciation for:				
Buildings	5,811,047	698,619		6,509,666
Improvements	8,356,899	1,052,559		9,409,458
Infrastructure	31,825,437	3,299,167		35,124,604
Equipment etc	7,287,114	1,029,352		8,316,466
Total accum. depreciation	53,280,498	6,079,696		59,360,194
Total capital assets being depreciated, net	81,933,373	16,226,932	205,011	97,955,291
Governmental activities capital assets, net	$100,737,246	$19,198,478	$205,011	$119,730,713

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	30,525,594			30,525,594
Capital assets being depreciated:				
Buildings and systems	171,787,740	42,164,949		213,952,689

Improvements	6,818,176	222,187		7,040,363
Machinery & Equipment	12,274,315	443,165		12,717,480
Total capital assets being depreciated	190,880,230	42,830,301		233,710,531
Less accum. depreciation for:				
Buildings and systems	45,981,497	4,701,100		50,682,597
Improvements	3,246,724	274,673		3,521,397
Machinery & Equipment	9,046,241	777,778		9,824,019
Total accum. depreciation	58,274,462	5,753,551		64,028,013
Total capital assets being depreciated, net	132,605,768	37,076,747		169,682,518
Business-type activities net capital assets	$163,131,362	37,076,747		$200,208,112

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

Governmental activities:	
General government	$ 445,884
Public safety	569,597
Highways, streets, etc.	3,797,992
Parks, recreations, etc.	1,143,210
Community development	123,013
Total depreciation expense - governmental activities	$6,079,696
Business-type activities:	
Municipal building authority	$ 114,364
Water utility	1,969,362
Wastewater collection	225,318
Electric utility	2,036,938
Golf courses	532,692
Regional wastewater treatment	874,877
Total depreciation expense - business-type activities	$5,753,551

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

At June 30, 2005, interfund balances due to or from other funds was as follows:

Receivable Fund	Payable Fund	Amount
Special Assessment Debt Service	General Fund	$388,645
General Fund	Golf Course Fund	500,000
Wastewater Collection	Golf Course Fund	781,482
		$1,670,127

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 1st 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, 2005 were as follows:

Fund Transferring Out	Fund Receiving Transfer	Amount
General Fund	Dixie Center Operations	$ 467,000
	Public Works Capital Proj.	990,000
	Economic Development	1,000,000
	Capital Equip Cap. Projects	4,731,669
Perpetual Care Fund	Public Works Capital Proj.	50,000
Economic Development Fund	Muni Bldg Authority	319,910
Transportation Improvmnt	SunTran Public Transit Fund	175,000
Transportation Improvmnt	Public Works Capital Proj.	3,184,000
Capital Equipment Cap. Proj.	Johnson Dino Track Fund	125,000
Capital Equipment Cap. Proj.	Public Works Capital Proj.	125,000
Airport PFC Fund	Replacement Airport Fund	101,581
Airport PFC Fund	General Fund	184,011
Park Impact Fund	Public Works Capital Proj.	50,000
Park Impact Fund	General Fund	40,000
Drainage Impact Fund	Public Works Capital Proj.	870,000
Street Impact Capital Proj. Fund	General Fund	265,613
Drainage Utility Fund	Public Works Capital Proj.	950,000
Drainage Utility Fund	General Fund	65,000
Water Utility Fund	Capital Equipment Cap. Proj.	497,758
Water Utility Fund	Public Works Capital Proj.	18,181
Wastewater Collection Fund	Capital Equipment Cap. Proj.	44,050
Wastewater Collection Fund	Public Works Capital Proj.	389,722

Wastewater Treatment Fund	Public Works Capital Proj.	208,869
Wastewater Treatment Fund	General Fund	10,000
Streets Bond Capital Proj. Fund	Public Works Capital Proj.	158,173
	Total Interfund Transfers	$ 15,020,537

Total Interfund Transfers -	Governmental Funds	13,156,867
Total Interfund Transfers -	Enterprise Funds	1,863,670

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. In fiscal year 2004, the City advance refunded $10,880,000 of the 1997 G O bonds due after August 1, 2007. These bonds totalled $11,645,000.

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. 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.

General obligation bonds currently outstanding at June 30, 2005 are as follows:

Governmental activities:

	Interest rates	Amount
1997 G.O. Parks & Recreation	5.50% to 8.00%	$ 565,000
1999 G.O. Parks & Recreation	4.50% to 7.50%	5,805,000
2004 G.O. Parks & Recreation	2.00% to 5.00%	11,645,000
		$18,015,000

In addition, the City Downtown Redevelopment Agency has issued sales tax revenue 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 issued total $4,210,000 and are due in installments of $355,000 to $870,000 thru June 15, 2015. At June 30, 2005 the outstanding balance of this issue was as follows:

Governmental activities:

	Interest rates	Amount
2005 Sales Tax Revenue bonds	5.48%	$4,210,000

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 2004 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, 2005, these debt balances are as follows:

Governmental activities:

	Interest rates	Amount
1996 Excise Tax Revenue bonds	4.60% to 4.95%	$ 950,000
2004 Excise Tax Revenue bonds	2.50% to 4.38%	4,900,000
		$5,850,000
Total City reflected General Obligation Debt		$28,075,000

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

(In thousands of dollars)

Year Ended June 30	Principal	Interest	Totals
2006	$ 885	$ 1,203	$2,088
2007	1,495	1,153	2,648
2008	1,390	1,084	2,474
2009	1,490	1,027	2,517
2010	1,580	973	2,553
2011-2015	9,095	3,859	12,954
2016-2020	5,820	2,237	8,057
2021-2024	6,320	667	6,987
Totals	$28,075	$12,203	$40,278

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, 2005, the various issues outstanding are as follows:

(amounts in thousands)

District	Original Issue	Annual principal	Interest rates	Final Due Date	Amount
97-1	$ 265	$26 to $33	5.15% to 5.20%	8/1/08	$ 122
96-1	221	$23 to $27	5.15%	4/1/08	78
97-2	1,651	$150 to $210	5.75% to 5.95%	11/1/09	939
98-1	400	$36 to$51	5.65% to 5.8%	12/15/09	228
99-4	1,109	$110 to $111	2.8% to 4%	11/1/12	888
99-1	989	$98 to $99	2.35% to 4.1%	2/1/13	792
99-3	1,077	$107 to $108	2.20% to 4.35%	6/1/13	862
2000-1	228	$20 to $28	4.15% to 5.15%	6/1/12	171
		Total special assessment debt			$4,080

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

(in thousands of dollars)

Year Ended June 30	Principal	Interest	Totals
2006	$ 600	$ 177	$ 777
2007	616	153	769
2008	631	126	757
2009	621	98	719
2010	605	70	675
2011-2013	1,007	81	1,088
Totals	$ 4,080	$ 705	$ 4,785

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, 2005, is $332,600.

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, 2005 by issue are as follows: (in thousands)

Bond Descrip.	Original Issue	Annual principal	Interest rates	Final Due Date	Amount
1998A MBA	$6,270	$155 to $505	4% to 4.7%	9/1/17	$ 3,925
1998A MBA Holt	400	$41 to $53	7%	10/1/08	192
1999 MBACrosby	2,250	$214 to $299	7%	7/15/09	1,313
2000 Woodward	350	$15 to $23	2.5%	4/1/21	294
Total Municipal Bldg	9,270				5,724
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	11,565
2001 Water	8,670	$55 to $1,650	3.9% to 5%	6/1/20	8,460
2004 Water	31,000	$525 to $2,425	1.75% to 5%	7/1/25	31,000
Total Water Utility	53,269				52,299
1988A Sewer	$1,450	$72 to $73	0.00%	6/15/08	$ 218
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	2,550
1993B Sewer	4,000	$195 to $275	3.5%	6/15/14	2,164
1997A Sewer	14,280	$640 to $1215	4.7% to 4.85%	6/15/07	1,440
1997B Sewer	12,000	$883 to $1172	1.0%	6/15/12	7,382
1997C Sewer	44	due 6/15/17	0.00%	6/15/17	44
2004 Sewer	7,015	$650 to $935	4.00% to 5.0%	7/1/16	7,015
Total Wastewater Treatment	42,304				20,942
2004 Golf Course	$ 407	due 4/1/2010		4/1/10	$ 407
2003 Golf Course	2,840	$407 to $452	3.95%	4/01/09	1,725
	$3,247				$ 2,132
2005 Electric Rev	$17,280	$570 to $3,305	3.5% to 5%	6/01/25	$17,280
Total Business-type activities	$137,370				$98,377

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

Year Ended June 30		Principal	Interest	Totals
2006		$ 5,574	$ 4,131	$ 9,705
2007		6,797	3,925	10,722
2008		6,323	3,698	10,021
2009		6,162	3,489	9,651
2010		5,870	3,264	9,134
2011-2015		27,361	12,998	40,359
2016-2020		22,061	7,244	29,305
2021-2025		16,278	2,863	19,141
2026		1,951	61	2,012
	Totals	$98,377	$41,673	$140,050

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, 2005, 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

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2005 was as follows: (in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Due in OneYr
Governmental activities:					
Bonds payable:					
G.O. Bonds	$18,190	$ -	$(175)	$18,015	$ 320

RDA Bonds	251	-	(251)	-	-
Sales Tax Bonds	-	4,210	-	4,210	-
Excise Bonds	6,390	-	(540)	5,850	565
Special assessment debt with governmental commitment	4,854	-	(774)	4,080	600
Total bonds payable	29,685	4,210	(1,740)	32,155	1,485
Sampson note	-	100	-	100	25
McArthur note	-	200	-	200	25
State of Utah	-	3,704	-	3,704	3,704
WICA lease	6,736	-	(255)	6,481	255
Vacation payable	723	789	(710)	802	802
Governmental activity long-term liabilities	$37,144	$ 9,003	$(2,705)	$43,442	$6,296
Business-type activities:					
Bonds payable:					
Revenue bonds	$86,679	$17,687	$(5,989)	$ 98,377	5,584
Capital leases	619	666	(619)	666	666
Total business-type long-term liabilities	$87,298	$18,353	$(6,608)	$99,043	$6,250

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, 2005, $78,087 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, 2005.

Fiscal year ended	Business-type activity
June 30, 2006	$125,522
Less amount representing interest	(4,917)
Present value of lease payments	$120,605

The City has entered into a lease agreement as lessee for financing the acquisition of golf carts, mowers, and tractors in the golf course fund. These lease agreements qualify as capital leases 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 golf course fund. The value of the equipment is $743,436.

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, 2005.

Fiscal year ended	Golf Carts	Equipment
June 30, 2006	$101,825	$78,103
June 30, 2007	101,825	78,103
June 30, 2008	101,825	
June 30, 2008	101,825	
Total payments	407,300	156,206
Less amount representing interest	(10,235)	(8,154)
Present value of lease payments	$397,065	$148,052

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)

	Dixie Center		Museum		Land	
Fiscal year ended	Prin.	Int.	Prin.	Int.	Prin.	Int.,
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	5065	2462	258	84	1158	374
Less amount representing interest	-	(2462)	-	(84)	-	(374)
Present value of net remaining minimum lease payments	$5,065,000		$252,640		$1,158,620	

For the fiscal year ended June 30, 2005 expenditures were payments for O&M of $563,993 and debt service payments of $515,769.

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
Assets:		
Cash and investments	$ (429,360)	$235,540
Other assets (deferred bond costs)	27,125	132,531
Capital assets	15,763,325	10,882,324
Less depreciation	(3,925,123)	(805,710)
Total assets	11,435,967	10,444,686
Liabilities:		
Accrued liabilities	229,994	150,735
Due to other funds	1,281,482	-
Noncurrent liabilities	2,677,117	5,724,000

Total liabilities	4,188,593	5,874,735
Net assets:		
Invested in capital assets net of related debt	9,161,085	4,352,614
Restricted	433	-
Unrestricted	(1,914,144)	217,336
Total net assets	$7,247,374	$4,569,950

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

	Golf Courses	MBA
Charges for services	$3,957,020	$ -
Depreciation expense	(532,692)	(114,364)
Other operating expenses	(3,993,634)	(16,619)
Operating income(loss)	(569,305)	(130,983)
Nonoperating revenues (expenses)		
Interest income	-	1,163
Rental income	17,207	765,044
Miscellaneous income	19,536	-
Transfers from other funds	-	319,910
Interest expense	(97,757)	(303,936)
Change in net assets	(630,320)	651,198
Beginning net assets	7,877,695	3,918,752
Ending net assets	$ 7,247,375	$4,569,950

CONDENSED STATEMENT OF CASH FLOWS

	Golf Courses	MBA
Net cash provided (used) by:		
Operating activities	$ (395,787)	$ (21,377)
Noncapital financing activities	36,743	1,084,954
Capital and related financing activities	(70,748)	(1,078,936)
Investing activities	-	1,163
Net increase (decrease)	(429,792)	(14,196)
Beginning cash & cash equivalents	433	249,737
Ending cash & cash equivalents (deficit)	$ (429,359)	$235,541

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.

	6/30/05	6/30/04
Unpaid claims beginning of fiscal year	$ 70	$ 9,121
Incurred claims	73,483	96,526
Claim payments	(71,401)	(105,577)
Unpaid claims, end of fiscal year	$ 2,152	$ 70

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 $16,822,084.77 during the fiscal year ended June 30, 2005.

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, 2005, there had been twenty-two series of Industrial Revenue Bonds issued. The aggregate principal amount payable could not be determined; however, their original issue amounts totaled $56.3 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	$2,261,850	
Interest income	116,486	
Total revenues		$2,378,336
Expenditures:		
Professional fees	177,872	
Debt service	5,000	
Capital outlay	1,085,217	
Total expenditures		(1,268,089)
Increase in fund balance		1,110,247
Beginning fund balance		4,637,752
Ending fund balance		$ 5,747,999

2) Street Impact Capital Projects Fund

Revenues: Impact fees collected	$1,387,582	
Interest income	23,669	
Total revenues		$1,411,250
Expenditures:		
Capital transfers	265,613	

Professional fees	464	
Total expenditures		(266,077)
Increase in fund balance		1,145,174
Beginning fund balance		447,324
Ending fund balance		$ 1,592,498

3) Drainage Impact Capital Projects Fund

Revenues: Impact fees collected	$871,387	
Interest income	16,609	
Total revenues		$887,996
Expenditures:		
Professional fees	3,256	
Capital transfers	870,000	
Total expenditures		(873,256)
Increase in fund balance		14,740
Beginning fund balance		683,268
Ending fund balance		$ 698,008

4) Fire Department Impact Capital Projects Fund

Revenues: Impact fees collected	$395,190	
Interest income	7,067	
Total revenues		$402,257
Expenditures:		
Professional fees	464	
Total expenditures		(464)
Increase in fund balance		401,793
Beginning fund balance		94,241
Ending fund balance		$ 496,034

5) Police Department Impact Capital Projects Fund

Revenues: Impact fees collected	$ 114,062	
Interest income	621	
Total revenues		$114,683
Expenditures:		
Professional fees	464	
Lease payments	85,000	
Total expenditures		(85,464)
Increase in fund balance		29,219
Beginning fund balance		9,651
Ending fund balance		$ 38,870

6) Water Utility Enterprise Fund

Revenues: Impact fees collected	$4,537,600	
Interest income	-	
Total revenues		$4,537,600
Expenditures:		
1995A Bond debt service	$1,370,885	
2004 A Bond debt service	1,130,220	
Total expenditures		(2,501,105)
Increase in fund balance		2,036,495
Beginning fund balance		(11,319,620)
Ending fund balance		$(9,283,125)

7) Wastewater Collection Enterprise Fund

Revenues: Impact fees collected	$595,177	
Interest income	-	
Total revenues		$595,177
Expenditures:		
Capital outlay	$313,528	
Total expenditures		(313,528)
Increase in fund balance		281,649
Beginning fund balance		539,306
Ending fund balance		$ 820,955

8) Electric Utility Enterprise Fund

Revenues: Impact fees collected	$2,916,771	
Interest income	-	
Total revenues		$2,916,771
Expenditures:		
Capital outlay	$2,603,883	
Total expenditures		(2,603,883)
Increase in fund balance		312,888
Beginning fund balance		(552,566)
Ending fund balance		$(239,678)

9) Wastewater Treatment Enterprise Fund

Revenues: Impact fees collected	$3,047,417	
Interest income	-	
Total revenues		$3,047,417
Expenditures:		
Debt service	$3,197,042	
Capital outlay	169,983	
Total expenditures		(3,367,025)
Decrease in fund balance		(319,608)
Beginning fund balance		(9,958,232)

Ending fund balance	$ (10,277,840)

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 $660,748.

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) 2005 Sales Tax Revenue bonds $4,210,000.

4) The actual amount expended for:
   A) acquisition of property $0
   B) site improvements or preparation costs $310,224
   C) installation of public utilities or other public improvements $0
   D) administrative costs of the agency $144

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 8.61% to the Firefighter's Retirement Systems respectively. The City of St. George is required to contribute a percent of covered salary to the respective systems, 7.08% to the Contributory, 11.09% to the Noncontributory, and 19.08% 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, 2005, 2004, and 2003 respectively were; for the Contributory System, $44,020, $38,506, and $34,313; for the Noncontributory System, $1,552,794, $1,208,046, and $981,576; for the Public Safety Noncontributory, $630,925, $515,476, and $397,595; and for the Firefighters System, $49,881 $33,836, and $29,328 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 2.97% for non-exempt employees covered by the Contributory, 4.96% for non-exempt employees covered by the Non-contributory, 7.44% 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 $847,048 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.

SUPPLEMENTAL DATA

City of St. George, UT
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2005

	Special Revenue Funds							Debt Service	
Assets	**Dixie Center Ops**	**Airport PFC Fees**	**Economic Development**	**Transportation Improvement**	**Museum Acquis. Fund**	**Ft Pierce EDA Fund**	**SunTran Public Transit**	**Special Assessments**	**Recreation Bond D.S.**
Cash and investments	$ (198,780)	$ 447,039	$ 2,911,529	$ 1,668,795	$ 12,377	$ 137,781	$ (70,678)	$ 986,329	$ 364,963
Receivables:									
Accounts	237,513	-	-	712,783	-	-	-	3,595,223	-
Due from other funds	-	-	-	-	-	-	-	388,645	-
Total assets	$ 38,733	$ 447,039	$ 2,911,529	$ 2,381,578	$ 12,377	$ 137,781	$ (70,678)	$ 4,970,197	$ 364,963
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	$ 1,239	$ -	$ -	$ 6,212	$ -	$ -	$ 3,261	$ 500	$ -
Deferred revenues	-	-	-	-	-	-	-	2,117,047	-
Due to other funds	-	-	-	-	-	-	-	-	-
Total liabilities	1,239	-	-	6,212	-	-	3,261	2,117,547	-
Fund balances:									
Reserved, reported in:									
Special revenue funds	37,494	447,039	2,911,529	2,375,366	12,377	137,781	222,088	-	-
Debt service funds	-	-	-	-	-	-	-	2,852,650	364,963
Capital project funds	-	-	-	-	-	-	-	-	-
Total fund balances	37,494	447,039	2,911,529	2,375,366	12,377	137,781	222,088	2,852,650	364,963
Total liabilities and and fund balances	$ 38,733	$ 447,039	$ 2,911,529	$ 2,381,578	$ 12,377	$ 137,781	$ 225,349	$ 4,970,197	$ 364,963

(continued)

City of St. George, UT
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2005
(continued)

	Capital Projects Funds												
Assets	**Capital Equipment**	**Downtown RDA**	**Park Impact**	**Street Impact**	**Johnson Dino Track Fund**	**Drainage Impact**	**Fire Dept Impact**	**Police Impact**	**Streets Bond**	**Recreation Bonds**	**2005 Flood Reconstruction**	**Future Airport Capital Proj.**	**Totals**
Cash and investments	$ 11,274,008	$ 4,367,684	$ 5,774,246	$1,563,497	$ 144,566	$ 698,008	$ 496,034	$ 38,870	$ -	$ (89,189)	$ 2,279,766	$ (162,793)	$ 32,644,050
Receivables:													
Accounts	-	-	-	29,000	-	-	-	-	-	808,076	189,089	205,796	5,777,480
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	388,645
Total assets	$ 11,274,008	$ 4,367,684	$ 5,774,246	$1,592,497	$ 144,566	$ 698,008	$ 496,034	$ 38,870	$ -	$ 718,887	$ 2,468,856	$ 43,003	$ 38,810,175
Liabilities and Fund Balances													
Liabilities:													
Accounts payable	$ 4,286	$ -	$ 26,247	$ -	$ 12,845	$ -	$ -	$ -	$ -	$ 180,987	$ 1,142,387	$ 85,092	$ 1,463,057
Deferred revenues	-	-	-	-	-	-	-	-	-	-	1,893,339	-	4,010,385
Advances from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	4,286	-	26,247	-	12,845	-	-	-	-	180,987	3,035,726	85,092	5,473,442
Fund balances:													
Reserved, reported in:													
Special revenue funds	-	-	-	-	-	-	-	-	-	-	-	-	6,143,674
Debt service funds	-	-	-	-	-	-	-	-	-	-	-	-	3,217,613
Capital project funds	11,269,722	4,367,684	5,747,998	1,592,497	131,721	698,008	496,034	38,870	-	537,900	(566,870)	(42,089)	24,271,474
Total fund balances	11,269,722	4,367,684	5,747,998	1,592,497	131,721	698,008	496,034	38,870	-	537,900	(566,870)	(42,089)	33,632,761
Total liabilities and and fund balances	$ 11,274,008	$ 4,367,684	$ 5,774,246	$1,592,497	$ 144,566	$ 698,008	$ 496,034	$ 38,870	$ -	$ 718,887	$ 2,468,856	$ 43,003	$ 39,106,202

CITY OF ST. GEORGE, UT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2005

	Special Revenue Funds							Debt Service	
	Dixie Center Operations	Airport PFC Fees	Economic Development	Transportation Improvement	Museum Acquis Fund	Ft Pierce EDA Fund	SunTran Public Transit	Special Assessments	Recreation Bond D.S.
Revenues:									
Taxes & fees	$ 309,938	$ 200,696	$ -	$ 3,826,049	$ 10,456	$ 263,848	$ 65,260	$ -	$ 999,374
Assessments	-	-	-	-		-	-	579,529	-
Intergovernmental	-	-	32,658	-		-	309,145	-	-
Investment income	-	11,915	38,852	56,292	159	2,378	-	175,643	493
Capital development fees	-	-	-	-		-	-	-	-
Other	-	-	-	-		-	-	-	-
Total revenues	309,938	212,611	71,510	3,882,341	10,616	266,226	374,405	755,172	999,867
Expenditures:									
Current:									
General government	544,993	-	50,715	513		128,446	488,429	2,390	2,417
Public Safety									
Highways & improvements									
Parks, recreation etc									
Community & Econ Developmnt									
Lease payments	19,000								
Debt service:									
Principal on long-term debt	237,160							774,000	175,000
Interest on long-term debt	278,609							212,056	746,355
Capital outlay:			58,500	2,049,474	3,900		4,789	-	-
Total expenditures	1,079,762	-	109,215	2,049,987	3,900	128,446	493,218	988,446	923,772
Excess (deficiency) of revenues over expenditures	(769,824)	212,611	(37,705)	1,832,354	6,716	137,781	(118,813)	(233,274)	76,096
Other financing sources (uses):									
Transfers in	467,000	-	1,000,000	-		-	175,000	-	-
Transfers out	-	(285,592)	(319,910)	(3,359,000)		-		-	-
Capital debt (notes & bonds)	-	-	-	-	-	-	-	-	-
Premiums on bonds sold	-	-	-	-	-	-	-	-	-
Property sales									
Contributions from private sources	-			21,740					
Contributions from other governmnts	333,701								
Capital Leases	-								
Notes payable	-	-	-	-		-		-	-
Total other financing sources (uses)	800,701	(285,592)	680,090	(3,337,260)	-	-	175,000	-	-
Net change in fund balances	30,877	(72,981)	642,385	(1,504,906)	6,716	137,781	56,187	(233,274)	76,096
Fund balances, beginning of year	6,617	520,020	2,269,144	3,880,272	5,661	-	165,901	3,085,925	288,867
Fund balances, end of year	$37,494	$447,039	$2,911,529	$2,375,366	$12,377	$137,781	$222,088	$2,852,651	$364,963

(continued)

CITY OF ST. GEORGE, UT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2005
(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	2005 Flood Reconstruction	Future Airport Capital Proj.	Total
Revenues:													
Taxes	$ -	$ 660,748	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,336,370
Assessments	-	-	-	-	-	-	-	-	-	-	-	-	579,529
Intergovernmental	-	-	-	-	500,000	-	-	-	-	256,359	3,486,402	1,064,761	5,649,325
Investment income	-	10,664	116,486	23,669	7,818	16,609	7,067	621	23,907	10,755	-	-	503,328
Capital development fees	-	-	2,261,850	1,387,582		871,387	395,190	114,062	-	-	-	-	5,030,070
Other	-	-	-	-	-	-	-	-	-	202,955	-	-	202,955
Total revenues	-	671,412	2,378,336	1,411,250	507,818	887,996	402,257	114,683	23,907	470,069	3,486,402	1,064,761	18,301,577
Expenditures:													
Current:													
General government	464	100,539	177,872	464	97,617	3,256	464	464	464	18,455		464	1,618,423
Public Safety													-
Highways & improvements													-
Parks, recreation etc													-
Community & Econ Developmnt													-
Lease payments		290,487						85,000					394,487
Debt service:													-
Principal on long-term debt		251,000	4,392										1,441,552
Interest on long-term debt		13,722	608										1,251,349
Capital outlay:	3,714,611	209,829	995,217		902,202	-	-		-	1,561,335	4,107,261	1,304,238	14,911,356
Total expenditures	3,715,075	865,577	1,178,089	464	999,819	3,256	464	85,464	464	1,579,790	4,107,261	1,304,702	19,617,167
Excess (deficiency) of revenues over expenditures	(3,715,075)	(194,166)	1,200,247	1,410,787	(492,001)	884,740	401,793	29,219	23,444	(1,109,721)	(620,858)	(239,941)	(1,315,590)
Other financing sources (uses):													
Transfers in	5,273,477	-	-	-	125,000	-	-	-	-	-	-	101,581	7,142,058
Transfers out	(250,000)	-	(90,000)	(265,613)	-	(870,000)	-	-	(158,173)	-	-	-	(5,598,288)
Capital debt (notes & bonds)	100,000	4,210,000	-	-	-	-	-	-	-	625,000			4,935,000
Premiums on bonds sold	-	-	-	-	-	-	-	-	-	-	-	-	-
Property sales	-												-
Contributions from private sources			-		106,661						53,988	-	182,389
Contributions from other governmnts					150,000								483,701
Capital leases													-
Notes payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	5,123,477	4,210,000	(90,000)	(265,613)	381,661	(870,000)	-	-	(158,173)	625,000	53,988	101,581	7,144,859
Net change in fund balances	1,408,402	4,015,834	1,110,247	1,145,174	(110,340)	14,740	401,793	29,219	(134,730)	(484,721)	(566,870)	(138,360)	5,829,269
Fund balances, beginning of year	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	27,803,495
Fund balances, end of year	$11,269,723	$4,367,683	$5,747,999	$1,592,498	$131,721	$698,008	$496,034	$38,870	$0	$537,899	($566,870)	($42,089)	$33,632,764

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, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Business license innkeeper fees	$ 275,000	$ 275,000	$ 309,938	$ 34,938
Interest income	-	-	-	-
Total revenues	275,000	275,000	309,938	34,938
EXPENDITURES:				
Current:				
General government	535,499	535,499	544,993	(9,494)
Rental payments	19,000	19,000	19,000	-
Debt service:				
Principal	225,000	225,000	237,160	(12,160)
Interest	316,000	316,000	278,609	37,391
Capital outlay:			-	-
Total expenditures	1,095,499	1,095,499	1,079,762	15,737
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(820,499)	(820,499)	(769,824)	50,675
OTHER FINANCING SOURCES (USES):				
Contributions from other governments	326,499	326,499	333,701	7,202
Contributions from other sources	-	-	-	-
Transfers from other funds	467,000	467,000	467,000	-
Total other financing sources(uses)	793,499	793,499	800,701	7,202
EXCESS OF REVENUES OVER EXPENDITURES & OTHER FINANCING SOURCES (USES):	(27,000)	(27,000)	30,877	$ 57,877
Fund balance at beginning of year	6,617	6,617	6,617	
Fund balance at end of year	$ (20,383)	$ (20,383)	$ 37,494	

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, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Passenger facility charges	$ 160,000	$ 5,000	$ 200,696	$ 195,696
Interest income	5,000	160,000	11,915	(148,085)
Total revenues	165,000	165,000	212,611	47,611
EXPENDITURES:				
Current:				
General government	-	-	-	-
Capital projects:				
Improvements				
Property purchases	-	-	-	-
Equipment purchases	-			-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	165,000	165,000	212,611	47,611
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(155,533)	(286,533)	(285,592)	941
Appropriated fund balance		131,000	-	(131,000)
Total other financing sources (uses):	(155,533)	(155,533)	(285,592)	(130,059)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	9,467	9,467	(72,981)	-$82,448
Fund balance at beginning of year	520,020	520,020	520,020	
Fund balance at end of year	$ 529,487	$ 529,487	$ 447,039	

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, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Interest income	$ 5,000	$ 40,000	$ 38,852	$ (1,148)
Miscellaneous income				
Intergovernmental revenues		95,000	32,658	(62,342)
Total revenues	5,000	135,000	71,510	(63,490)
EXPENDITURES:				
Current:				
General government	2,500	97,500	50,715	46,785
Capital projects:				
Improvements	-	60,000	58,500	1,500
Total expenditures	2,500	157,500	109,215	48,285
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,500	(22,500)	(37,705)	(15,205)
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	-	25,000		(25,000)
Transfers from other funds			1,000,000	1,000,000
Transfers to other funds	(319,910)	(319,910)	(319,910)	-
Total other financing sources(uses)	(319,910)	(294,910)	680,090	975,000
EXCESS OF REVENUES OVER EXPENDITURES & OTHER FINANCING SOURCES (USES):	(317,410)	(317,410)	642,385	$ 959,795
Fund balance at beginning of year	2,269,144	2,269,144	2,269,144	
Fund balance at end of year	$ 1,951,734	$ 1,951,734	$ 2,911,529	

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, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Highway sales taxes	$ 3,050,000	$ 3,050,000	$ 3,826,049	$ 776,049
Contributions from private sources			21,740	$ 21,740
Interest income	90,000	90,000	56,292	(33,708)
Total revenues	3,140,000	3,140,000	3,904,081	764,081
EXPENDITURES:				
Current:				
General government	1,000	1,000	513	487
Capital projects:				
Improvements	4,158,483	2,558,483	2,049,474	509,009
Total expenditures	4,159,483	2,559,483	2,049,987	509,496
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,019,483)	580,517	1,854,094	1,273,577
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(1,928,500)	(3,759,000)	(3,359,000)	400,000
Appropriated fund balance	-	230,500	-	(230,500)
Total other financing sources(uses)	(1,928,500)	(3,528,500)	(3,359,000)	169,500
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	(2,947,983)	(2,947,983)	(1,504,906)	$ 1,443,077
Fund balance at beginning of year	3,880,272	3,880,272	3,880,272	
Fund balance at end of year	$ 932,289	$ 932,289	$ 2,375,366	

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

YEAR ENDED JUNE 30, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Fees and donations	$ -	$ -	$ 10,456	$ 10,456
Interest income	-	-	159	159
Total revenues	-	-	10,615	10,615
EXPENDITURES:				
Current:				
General government	-	-	-	-
Capital projects:				
Improvements	-	3,900	3,900	-
Total expenditures	-	3,900	3,900	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(3,900)	6,715	10,615
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	-	-	-	-
Appropriated fund balance	-	3,900	-	(3,900)
Total other financing sources(uses)	-	3,900	-	(3,900)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	6,715	$ 6,715
Fund balance at beginning of year	5,661	5,661	5,661	
Fund balance at end of year	$ 5,661	$ 5,661	$ 12,376	

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

YEAR ENDED JUNE 30, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Economic development taxes	$ 88,485	$ 181,236	$ 263,848	$ 82,612
Interest income	-	-	2,378	2,378
Total revenues	88,485	181,236	266,226	84,990
EXPENDITURES:				
Current:				
Economic incentives	70,788	128,466	128,446	20
Housing programs	17,697	52,770	-	52,770
Total expenditures	88,485	181,236	128,446	52,790
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	137,780	137,780
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	137,780	$ 137,780
Fund balance at beginning of year	-	-	-	
Fund balance at end of year	$ -	$ -	$ 137,780	

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, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Transit fares	$ 47,000	$ 47,000	$ 54,860	$ 7,860
Intergovernmental revenues	925,889	972,389	309,145	(663,244)
Miscellaneous revenues	-	-	-	-
Advertising fees	18,000	18,000	10,400	(7,600)
Total revenues	990,889	1,037,389	374,405	(662,984)
EXPENDITURES:				
Current:				
General government	431,738	524,738	488,429	36,309
Capital projects:				
Improvements	167,000	167,000	4,789	162,211
Total expenditures	598,738	691,738	493,218	198,520
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	392,151	345,651	(118,813)	(464,464)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(565,000)	(565,000)		565,000
Transfers from other funds	128,500	175,000	175,000	-
Total other financing sources(uses)	(436,500)	(390,000)	175,000	565,000
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	(44,349)	(44,349)	56,187	$ 100,536
Fund balance at beginning of year	165,901	165,901	165,901	
Fund balance at end of year	$ 121,552	$ 121,552	$ 222,088	

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, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Special assessments collected	$ 666,000	$ 774,000	$ 579,529	$ (194,471)
Miscellaneous revenues	10,000	10,000		$ (10,000)
Interest income	178,920	212,209	175,643	(36,566)
Total revenues	854,920	996,209	755,172	(241,037)
EXPENDITURES:				
General:				
General government	10,000	10,000	2,390	7,610
Debt service:				
Principal	666,000	774,000	774,000	-
Interest & other charges	178,920	212,209	212,056	153
Total expenditures	854,920	996,209	988,446	7,763
Excess (deficiency) of revenues over (under) expenditures	-	-	(233,274)	$ (233,274)
Fund balance at beginning of year	3,085,925	3,085,925	3,085,925	
Fund balance at end of year	$ 3,085,925	$ 3,085,925	$ 2,852,651	

CITY OF ST. GEORGE, UT
RECREATION G.O. BONDS - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Current property taxes	$ 999,374	$ 999,374	$ 999,374	$ -
Interest income	500	500	493	(7)
Total revenues	999,874	999,874	999,867	(7)
EXPENDITURES:				
General:				
General government	2,000	2,000	2,417	(417)
Debt service:				
Principal	100,000	100,000	175,000	(75,000)
Interest & other charges	899,374	899,374	746,355	153,019
Total expenditures	1,001,374	1,001,374	923,772	77,602
Excess (deficiency) of revenues over (under) expenditures	(1,500)	(1,500)	76,095	$ 77,595
Fund balance at beginning of year	288,867	288,867	288,867	
Fund balance at end of year	$ 287,367	$ 287,367	$ 364,962	

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, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental	$ -	$ -	$ -	$ -
Property sales	-	-	-	-
Sundry revenues			-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
General government	1,000	1,000	464	537
Capital projects:				
Improvements	200,000	1,720,240	743,066	977,174
Property purchases	-	3,100,000	2,971,545	128,455
Total expenditures	201,000	4,821,240	3,715,075	1,106,166
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(201,000)	(4,821,240)	(3,715,075)	1,106,166
OTHER FINANCING SOURCES (USES):				
Operating transfers in	1,684,449	2,226,257	5,273,477	3,047,220
Transfers to other funds	-	(125,000)	(250,000)	(125,000)
Issue of notes/bonds			100,000	100,000
Appropriated fund balance	-	4,203,432	-	(4,203,432)
Total other financing sources (uses)	1,684,449	6,304,689	5,123,477	(1,181,212)
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	1,483,449	1,483,449	1,408,402	$ (75,047)
Fund balance at beginning of year	9,861,321	9,861,321	9,861,321	
Fund balance at end of year	$11,344,770	$11,344,770	$11,269,723	

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, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Redevelopment taxes	$ 890,000	$ 890,000	$ 660,748	$ (229,252)
Miscellaneous				
Interest income	5,000	5,000	10,664	5,664
Total revenues	895,000	895,000	671,412	(223,588)
EXPENDITURES:				
Current:				
General government	40,200	90,200	100,539	(10,339)
Capital projects:				
Buildings	150,000	300,000	209,829	90,171
Land purchases	-		-	-
Debt service:				
Bond principal	401,000	401,000	251,000	150,000
Interest	13,722	13,722	13,722	-
Lease payments	290,487	290,487	290,487	-
Total expenditures	895,409	1,095,409	865,577	229,832
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	-	-	-	-
Bonds issued		4,200,000	4,210,000	10,000
Total other financing sources (uses)	-	4,200,000	4,210,000	10,000
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENDITURES	(409)	3,999,591	4,015,834	$ 16,243
Fund balance at beginning of year	351,849	351,849	351,849	
Fund balance at end of year	$ 351,440	$ 4,351,440	$ 4,367,683	

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, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Charges for services	$ 1,925,000	$ 1,925,000	$ 2,261,850	$ 336,850
Contributions from others			-	-
Interest income	50,000	50,000	116,486	66,486
Total revenues	1,975,000	1,975,000	2,378,336	403,336
EXPENDITURES:				
Current:				
General government	1,100	1,100	177,872	(176,772)
Capital projects:				
Improvements	2,822,978	2,822,978	995,217	1,827,761
Property purchases			-	-
Debt service:				
Principal	-	-	4,392	(4,392)
Interest	-	-	608	(608)
Transfers to other funds	240,000	290,000	90,000	200,000
Total expenditures	3,064,078	3,114,078	1,268,089	1,845,989
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,089,078)	(1,139,078)	1,110,247	$ 2,249,325
Appropriated fund balance	-	50,000		
Fund balance at beginning of year	4,637,752	4,637,752	4,637,752	
Fund balance at end of year	$ 3,548,674	$ 3,548,674	$ 5,747,999	

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, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Charges for services	$ 1,150,000	$ 1,150,000	$ 1,387,582	$ 237,582
Interest income	11,000	11,000	23,669	12,669
Total revenues	1,161,000	1,161,000	1,411,250	250,250
EXPENDITURES:				
Current:				
General government	-	-	464	(464)
Capital projects:				
Improvements	-	-	-	-
Total expenditures	-	-	464	(464)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,161,000	1,161,000	1,410,787	249,787
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(500,000)	(500,000)	(265,613)	234,387
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	661,000	661,000	1,145,174	$ 484,174
Fund balance at beginning of year	447,324	447,324	447,324	
Fund balance at end of year	$ 1,108,324	$ 1,108,324	$ 1,592,498	

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, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental	$ -	$ 500,000	$ 500,000	$ -
Investment income	2,500	2,500	7,818	5,318
	2,500	502,500	507,818	5,318
EXPENDITURES:				
Current				
General government	152160	152,160	97,617	54,543
Capital projects:				
Building construction	22,756	1,022,756	902,202	120,554
Total expenditures	174,916	1,174,916	999,819	175,097
Excess (Deficiency) of expenditures over revenues	(174,916)	(672,416)	(492,001)	180,415
OTHER FINANCING SOURCES:				
Contributions from Washington County		125,000	150,000	25,000
Contributions from private sources	170,000	170,000	106,661	(63,339)
Transfers from other funds	-	125,000	125,000	-
Total other financing sources:	170,000	420,000	381,661	(38,339)
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(4,916)	(252,416)	(110,340)	$ 142,076
Appropriated fund balance	-	250,000		
Fund balance at beginning of year	242,061	242,061	242,061	
Fund balance at end of year	$ 237,145	$ 239,645	$ 131,721	

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, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Charges for services	$ 625,000	$ 625,000	$ 871,387	$ 246,387
Interest income	5,000	5,000	16,609	11,609
Total revenues	630,000	630,000	887,996	257,996
EXPENDITURES:				
Current:				
General government	13,500	13,500	3,256	10,244
Capital projects:				
Land purchases	-	-	-	-
Improvements	-	-	-	-
Total expenditures	13,500	13,500	3,256	10,244
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	616,500	616,500	884,740	268,240
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(870,000)	(870,000)	(870,000)	-
Appropriated fund balance	-	-	-	-
Total other financing sources(uses)	(870,000)	(870,000)	(870,000)	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	(253,500)	(253,500)	14,740	$ 268,240
Fund balance at beginning of year	683,268	683,268	683,268	
Fund balance at end of year	$ 429,768	$ 429,768	$ 698,008	

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, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Charges for services	$ 375,000	$ 375,000	$ 395,190	$ 20,190
Interest income	-	-	7,067	7,067
Total revenues	375,000	375,000	402,257	27,257
EXPENDITURES:				
Current:				
General government	550	550	464	87
Building Construction	-	-	-	-
Total expenditures	550	550	464	87
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	374,450	374,450	401,793	27,343
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources (uses):	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	374,450	374,450	401,793	$ 27,343
Fund balance at beginning of year	94,241	94,241	94,241	
Fund balance at end of year	$ 468,691	$ 468,691	$ 496,034	

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, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Charges for services	$ 85,000	$ 85,000	$ 114,062	$ 29,062
Interest income	100	100	621	521
Total revenues	85,100	85,100	114,683	29,583
EXPENDITURES:				
Current:				
General government	700	700	464	237
Lease payments	85,000	85,000	85,000	-
Total expenditures	85,700	85,700	85,464	237
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(600)	(600)	29,219	$ 29,819
Fund balance at beginning of year	9,651	9,651	9,651	
Fund balance at end of year	$ 9,051	$ 9,051	$ 38,870	

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, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Interest income	$ -	$ -	$ 23,907	$ 23,907
EXPENDITURES:				
Current:				
General government	-	-	464	(464)
Capital projects:	-	-	-	
Improvements			-	-
Total expenditures	-	-	464	(464)
Excess (Deficiency) of expenditures over revenues	-	-	23,443	23,443
OTHER FINANCING SOURCES:				
Appropriated fund balance		165,000	-	(165,000)
Bonds sold		-	-	-
Transfer to other funds	-	(165,000)	(158,173)	6,827
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	-	(134,730)	$ (134,730)
Fund balance at beginning of year	134,730	134,730	134,730	
Fund balance at end of year	$ 134,730	$ 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, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental	$ -	$ -	$ 256,359	$ 256,359
Interest income	10,000	10,000	10,755	755
Other income	-	-	202,955	202,955
Total revenues	10,000	10,000	470,069	460,069
EXPENDITURES:				
Current:				
General government	100,444	100,444	18,455	81,989
Capital projects:				
Improvements	1,352,345	1,352,345	1,561,335	(208,990)
Property purchases	-	-	-	-
Total expenditures	1,452,789	1,452,789	1,579,790	(127,001)
Excess (Deficiency) of expenditures over revenues	(1,442,789)	(1,442,789)	(1,109,721)	333,068
OTHER FINANCING SOURCES:				
Property sales	-	-	625,000	625,000
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(1,442,789)	(1,442,789)	(484,721)	$ 958,068
Fund balance at beginning of year	1,022,620	1,022,620	1,022,620	
Fund balance at end of year	$ (420,169)	$ (420,169)	$ 537,899	

CITY OF ST. GEORGE, UTAH

2005 FLOOD RESTORATION - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental	$ -	$ 5,250,000	$ 3,486,402	$ (1,763,598)
Interest income	-	-	-	-
Other income	-	55,000	53,988	(1,012)
Total revenues	0	5,305,000	3,540,390	-1,764,610
EXPENDITURES:				
Current:				
General government	-	-	-	-
Capital projects:				
Improvements	-	5,305,000	4,107,261	1,197,739
Property purchases	-	-		-
Total expenditures	-	5,305,000	4,107,261	1,197,739
Excess (Deficiency) of expenditures over revenues	-	-	(566,871)	(566,871)
OTHER FINANCING SOURCES:				
Transfers from other funds	-	-	-	-
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	-	(566,871)	$ (566,871)
Fund balance at beginning of year	-	-	-	
Fund balance at end of year	$ -	$ -	$ (566,871)	

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, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental	$ 4,531,770	$ 4,531,770	$ 1,064,761	$ (3,467,009)
Interest income	-	-	-	-
Other income	-	-	-	-
Total revenues	4,531,770	4,531,770	1,064,761	-3,467,009
EXPENDITURES:				
Current:				
General government	-	-	464	(464)
Capital projects:				
Improvements	4,531,770	4,531,770	1,304,238	3,227,532
Property purchases	-	-		-
Total expenditures	4,531,770	4,531,770	1,304,702	3,227,068
Excess (Deficiency) of expenditures over revenues	-	-	(239,941)	(239,941)
OTHER FINANCING SOURCES:				
Transfers from other funds	101,581	101,581	101,581	-
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	101,581	101,581	(138,360)	$ (239,941)
Fund balance at beginning of year	96,271	96,271	96,271	
Fund balance at end of year	$ 197,852	$ 197,852	$ (42,089)	

City of St. George, UT
NonMajor Proprietary Funds
Combining Statement of Net Assets
June 30, 2005

	Business-type Activities Enterprise Funds				
Assets	**Refuse Collection**	**Municipal Building Authority**	**Drainage Utility**	**Golf Courses**	**Total Non-Major**
Cash and investments	$ 422,227	$ 235,540	$ 63,116	$ (429,793)	$ 291,091
Restricted cash	-	-	-	433	433
Furniture, Fixtures, & equip	-	10,882,324	-	15,763,325	26,645,649
Less depreciation	-	(805,710)	-	(3,925,123)	(4,730,833)
Other assets (deferred bond costs)	-	132,531	-	27,125	159,656
Total assets	422,227	10,444,686	63,116	11,435,967	22,365,996
Liabilities					
Liabilities:					
Accrued liabilities	$ 208,391	$ 150,735	$ -	229,994	589,120
Due to other funds				1,281,482	1,281,482
Leases payable				545,117	545,117
Bonds payable		5,724,000		2,132,000	7,856,000
Total liabilities	208,391	5,874,735	-	4,188,593	10,271,719
Net Assets					
Invested in capital assets, net of related debt	-	4,352,614	-	9,161,085	13,513,699
Restricted for debt service				433	433
Unrestricted	213,835	217,336	63,116	(1,914,144)	(1,419,856)
Total Net Assets	$ 213,835	$ 4,569,950	$ 63,116	$ 7,247,374	$ 12,094,276

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, 2005

	Business-type Activities Enterprise Funds				
	Refuse Collection	Municipal Building Authority	Drainage Utility	Golf Courses	Total Non-Major
OPERATING REVENUES:					
Charges for services	$ 2,623,848	$ -	$ 836,734	$ 3,957,020	7,417,602
Other operating revenues					-
Total operating revenues	2,623,848	-	836,734	3,957,020	7,417,602
OPERATING EXPENSES:					
Salary and wages				1,296,476	1,296,476
Supplies				355,726	355,726
Service vehicle expense				187,703	187,703
Equipment rental				244,140	244,140
Depreciation		114,364		532,692	647,056
Bad debts	13,115		-		13,115
Payroll tax & employee benefits				472,996	472,996
Office & dept. supplies		7		104,375	104,382
Professional services	464	13,311	-	505,206	518,980
R. & M. - equipment				98,290	98,290
R. & M. - buildings and grounds				683,815	683,815
Insurance & surety bonds		3,301		28,896	32,197
Travel				10,041	10,041
Subscriptions & memberships				5,969	5,969
Contract labor	2,419,242		-		2,419,242
Claims paid					
Insurance premiums					
Billing & administration	127,000	-	-		127,000
Total operating expenses	2,559,820	130,983	-	4,526,326	7,217,128
Operating income (loss)	64,028	(130,983)	836,734	(569,305)	200,474
NON-OPERATING REVENUES (EXPENSES)					
Interest income		1,163	6,251	-	7,414
Rent		765,044		17,207	782,251
Miscellaneous income				19,536	19,536
Interest charges		(303,936)		(97,757)	(401,693)
Total non-operating revenue (expense)	-	462,271	6,251	(61,015)	407,508
Income before transfers	64,028	331,288	842,985	(630,320)	607,981
Transfers (to) from other funds	-	319,910	(1,015,000)	-	(695,090)
Changes in Net Assets	64,028	651,198	(172,015)	(630,320)	(87,109)
Total Net Assets - beginning of year	149,808	3,918,752	235,131	7,877,695	12,181,386
Total Net Assets - end of year	$ 213,836	$ 4,569,950	$ 63,116	$ 7,247,375	$ 12,094,277

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

FOR THE YEAR ENDED JUNE 30, 2005

	Business-type Activities - Enterprise Funds				
	REFUSE COLLECTION	MUNICIPAL BUILDING AUTHORITY	DRAINAGE UTILITY	GOLF COURSES	TOTAL NON-MAJOR
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 2,623,848	$ -	$ 836,734	$ 3,540,598	$ 7,001,180
Payments to suppliers	(2,544,210)	(21,377)	-	(2,166,913)	(4,732,500)
Payments to employees	-	-	-	(1,769,471)	(1,769,471)
Net cash provided by operating activities	79,638	(21,377)	836,734	(395,787)	499,208
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Rents received		765,044		17,207	782,251
Miscellaneous non-operating income				19,536	19,536
Economic development transfer		319,910	(1,015,000)		(695,090)
Net cash provided (used) by noncapital and related financing activities	-	1,084,954	(1,015,000)	36,743	106,697
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets				(121,043)	(121,043)
Principal paid on capital debt		(775,000)		-	(775,000)
Interest paid on capital debt		(303,936)		(97,757)	(401,693)
Proceeds from capital leases				148,052	148,052
Net cash provided (used) by capital and related financing activities	-	(1,078,936)	-	(70,748)	(1,149,684)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	-	1,163	6,251	-	7,414
Net increase (decrease)in cash and cash equivalents	79,638	(14,196)	(172,015)	(429,792)	(536,365)
Cash and equivalents at beginning of year	342,589	249,737	235,131	433	827,890
Cash and equivalents at end of year	$ 422,227	$ 235,541	$ 63,116	$ (429,359)	$ 291,525
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	$ 64,028	$ (130,983)	$ 836,734	$ (569,305)	$ 200,474
Adjustments to reconcile net income from operations to net cash provided by operating activities:					
Depreciation	-	114,364	-	532,692	647,056
Changes in assets & liabilities:					
Increase (decrease) in prepaid assets					
Decrease (increase) in discounts		11,045		9,041	20,086
Increase (decrease) in accruals	15,610	(15,803)	-	48,207	48,014
Increase (decrease) in due to other funds				(416,422)	(416,422)
Total adjustments	15,610	109,606	-	173,518	298,734
Net cash provided by operating activities:	$ 79,638	$ (21,377)	$ 836,734	$ (395,787)	$ 499,208

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

JUNE 30, 2005

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	$	21,775,422
Buildings		22,727,914
Improvements		40,696,960
Infrastructure assets		79,527,797
Equipment		14,362,815
Total Governmental Funds Capital Assets	$	179,090,908

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		17,525,993
Replacement Airport capital projects fund		559,412
Industrial Park fund		2,401,462
Sewer Impact fund		245,866
Park Impact fund		7,972,780
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		3,291,210
SunTran Public Transit fund		259,616
Airport PFC fund		307,641
General Fund revenues		61,272,153
Total Governmental Funds Capital Assets	$	179,090,908

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

JUNE 30, 2005

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVEMENTS	INFRASTRUCTURE	EQUIPMENT
GENERAL GOVERNMENT:						
Gen. government bldgs.	$ 14,336,791	$ 10,589,835	$ 2,970,823	$ 776,133	$ -	$ -
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	695,240	-	-	-	-	695,240
Total general government	31,925,880	15,006,843	12,514,567	3,709,230	-	695,240
PUBLIC SAFETY:						
Police protection	4,050,836	-	82,589	93,968	-	3,874,279
Fire protection	5,103,161	113,048	2,461,537	72,133	-	2,456,443
Total public safety	9,153,997	113,048	2,544,126	166,101	-	6,330,722
PUBLIC WORKS:	96,195,847	557,709	2,604,650	8,752,478	79,409,875	4,871,135
PARKS, RECREATION, & PUBLIC PROPERTY:	41,815,184	6,097,822	5,064,571	28,069,151	117,922	2,465,718
Total governmental fund capital assets allocated to function	$ 179,090,908	$ 21,775,422	$ 22,727,914	$ 40,696,960	$ 79,527,797	$ 14,362,815

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, 2005

FUNCTION AND ACTIVITY	GOVERNMENTAL FUNDS CAPITAL ASSETS JULY 1, 2004	ADDITIONS	DELETIONS	GOVERNMENTAL FUNDS CAPITAL ASSETS JUNE 30, 2005
GENERAL GOVERNMENT:				
Gen. government bldgs.	$ 11,147,239	$ 3,189,552	$ -	$ 14,336,791
WCIA - Dixie Center	10,255,803	-	-	10,255,803
Downtown Redevelopment	5,011,370	-	-	5,011,370
Industrial Park	1,626,676	-	-	1,626,676
Administration	657,194	38,046	-	695,240
	28,698,282	3,227,598	-	31,925,880
PUBLIC SAFETY:				
Police protection	3,562,388	540,694	52,246	4,050,836
Fire protection	5,039,532	63,629	-	5,103,161
	8,601,920	604,323	52,246	9,153,997
PUBLIC WORKS:	78,915,575	17,421,000	140,728	96,195,847
PARKS, RECREATION, & PUBLIC PROPERTY:	37,801,968	4,025,253	12,037	41,815,184
TOTAL GOVERNMENTAL FUND CAPITAL ASSETS	$ 154,017,745	$ 25,278,174	$ 205,011	$ 179,090,908

STATISTICAL SECTION

CITY OF ST. GEORGE, UTAH

ELECTRIC FUND

STATISTICAL ANALYSIS

JUNE 30, 2005

	Year Ended June 30, 2005	2004
Production Cost Analysis:		
Kilowatt hours generated	3,348,892	6,904,404
Kilowatt hours purchased	556,197,441	550,520,351
Total Kilowatt Hours	559,546,333	557,424,755
Total Operating Costs	$38,666,661	$38,653,761
Cost per Kilowatt Hour	$____.06910	$____.06934

Summary of Kilowatt Hours and Costs for previous period

YEAR	KILOWATT HOURS	COST PER KILOWATT HOUR
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
2005	559,546,333	.06910

	2005	2004
Average Revenue Analysis:		
Kilowatt Hours billed	529,681,600	551,504,820
Unbilled Hours-line loss, street lights	29,864,733	5,919,935
Total Kilowatt Hours	559,546,333	557,424,755
Total Revenue Billed	$39,754,876	$36,946,003
Number of Customers	24,326	23,198
Average monthly billing	$136.19	$132.72

CITY OF ST. GEORGE, UTAH

WATER FUND

STATISTICAL ANALYSIS

JUNE 30, 2005

	Year Ended June 30, 2005	2004
Production cost analysis:		
Number of gallons billed	7,762,960,020	8,123,990,312
Expense of operations	$10,455,082	$8,322,925
Cost per billed gallon	$ .001347	$ .001024
Average Revenue Analysis:		
Number of metered customers	17,711	16,085
Water usage billed	$10,366,313	$10,316,867
Average monthly billing per metered customer	$48.78	$53.45

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

FISCAL YEAR	GENERAL GOVRNMNT	PUBLIC SAFETY	HIGHWAYS & PUBLIC IMPRVMNTS	PARKS RECREATION & PUBLIC PROPERTY	OTHER	TOTAL
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
2005	4,153,719	10,355,029	10,020,742	7,333,537	7,909,072	39,772,099

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-GOVERNMNTL	CHARGES FOR SERVICES	FINES & FORFEITS	INTEREST & OTHER REVENUES	IN LIEU & TRNFRS IN	TOTAL
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
2005	23,357,920	3,656,186	4,547,551	6,176,457	987,030	546,392	564,624	39,836,160

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
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
2005	6,062,727	12,209,211	5,085,982	23,357,920

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
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%
2005	6,323,775	5,889,668	93.14%	173,059	6,062,727	95.87%

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
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% ***
2005	3,423,733,461	5,070,695,292	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
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
2005	774,000	1,003,968	129.71%	3,983,868

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
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	-	0006743	0.000815	-	0.011148
2003	0.001939	0.001284	0.000419	-	0006732	0.000942	-	0.011316
2004	0.001925	0.001429	0.000306	-	0.006680	0.000925	-	0.011265
2005	0.001843	0.001459	0.000302	-	0.006675	0.000894	-	0.011173

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
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
2005	65,000	3,423,733,461	28,075,000	0.82%	432

Source: Washington County auditor

TABLE IX
CITY OF ST. GEORGE, UTAH
COMPUTATION OF LEGAL DEBT MARGIN
YEAR ENDED JUNE 30, 2005

Taxable Value		$ 3,423,733,461
	General obligation Debt	Water & Sewer Debt
Debt limit 4% of taxable value	$ 136,949,338	
Debt limit 8% of taxable value		$ 273,898,677
Amount of debt applicable to debt limit:		
Total bonded debt	$ 28,075,000	$ 73,240,985
Less assets restricted to bond retirement	-	(5,830,556)
Total amount of debt applicable to limit	28,075,000	67,410,429
Legal debt margin	$ 108,874,338	$ 206,488,248
Total combined legal debt margin		$ 315,362,586

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

GOVERNMENTAL UNIT	BONDED DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO CITY OF ST GEORGE	CITY SHARE OF DEBT
City of St George, UT	$ 28,075,000	100.00%	$ 28,075,000
Washington County	$ 1,105,000	56.23%	621,342
Washington Co School District	$ 151,059,000	56.23%	84,940,476
Washington Co. Water Conservancy	$ 11,700,000	56.23%	6,578,910
Washington Co/St George City (WCIA)	$ 17,055,934	38.00%	6,481,255
Total direct & overlapping debt			$ 126,696,982

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.
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% **
2005	175,000	746,355	921,355	39,772,099	2.32% **

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---------- PRINCIPAL	INTEREST	TOTAL	COVERAGE
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
2005	25,303,752	11,901,904	13,401,848	4,807,000	2,524,088	7,331,088	1.83 *

* principal paid includes early payoff of balance of 1995A Water bonds $890,000.

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:

	NUMBER	PERCENT
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	1,076	2.2%
	49,663	100.0%

Median age 31.4 years

Source: U.S. Census Bureau

TABLE XIV

CITY OF ST. GEORGE, UTAH

PRINCIPAL TAXABLE PROPERTIES

JUNE 30, 2005

NAME	TYPE OF BUSINESS	TAXABLE VALUE	% OF TOTAL
PRICE DEVELOPMENT	REGIONAL SHOPPING MALL	$ 30,264,415	0.88%
FIRT AMERICAN TAX VALUTATION	PROPERTY INVESTMENTS	$ 30,099,890	0.88%
LESTER WITTWER INVESTMENTS	PROPERTY INVESTMENTS	18,184,145	0.53%
SUNSET CORNER PROPERTIES	PROPERTY INVESTMENTS	16,568,955	0.48%
RIMROCK MARKETPLACE	PROPERTY INVESTMENTS	15,209,410	0.44%
WELLS DAIRY INC	ICE CREAM MANUFACTURING FACILITY	14,318,815	0.42%
WAL-MART INC	SUPER WAL-MART RETAIL STORE	13,397,710	0.39%
THE PLANTATIONS AT ST GEORGE	PROPERTY INVESTMENTS	12,235,275	0.36%
COSTCO WHOLESALE	WHOLESALE SHOPPING CLUB	10,035,980	0.29%
TARGET CORP	SUPER TARGET RETAIL STORE	8,972,520	0.26%
		$ 169,287,115	4.94%

Source: Washington County Assessor

TABLE XV

CITY OF ST. GEORGE, UTAH

MISCELLANEOUS STATISTICS

JUNE 30, 2005

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:	#of units		Const value	
	2005	2004	2005	2004
Single family residential	1,181	1,010	$203,454,120	$155,490,000
Condo/townhomes	661	610	72,184,000	63,303,627
Apartments/duplex	244	267	19,195,000	17,980,000
Mobile Home/RV	7	5	326,000	200,000
Commercial/Industrial			74,391,200	52,228,657
Miscellaneous/Additions			9,900,775	6,863,866
Government/Hospital addition			2,536,373	1,958,000
Churches/Additions			3,490,000	2,300,000
Schools			201,000	120,000
Totals	2,093	1,892	$385,678,468	$300,444,150

THIS PAGE LEFT BLANK INTENTIONALLY

SINGLE AUDIT SECTION

KEMPBURDICK
KEMP BURDICK HINTON & HALL L.C.
CPA'S & ADVISORS

MEMBERS:
KRIS J. BRAU
DEAN R. BUR
BRENT R. HA
KENNETH A.
GREGORY A.
MORRIS J. PE
MICHAEL K. S
MARK E. TICK

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 Jun 30, 2005, and have issued our report thereon dated October 7, 2005. 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 t 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 opinic 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 matte in the internal control over financial reporting that might be material weaknesses. A material weakness i 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 t the financial statements being audited may occur and not be detected within a timely period by employee 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.

P.O. BOX 38
63 SOUTH 300 EAST, SUITE 100
ST. GEORGE, UTAH 84771
OFFICE (435) 628-3663
FAX (435) 628-3668

337 SOUTH MAIN, SUITE 230
CEDAR PROFESSIONAL PLAZA
CEDAR CITY, UTAH 84720
OFFICE (435) 865-7666
FAX (435) 867-6111

P.O. BOX 3575
590 WEST MESQUITE BLVD., SUIT
MESQUITE, NV 89024
OFFICE (702) 346-3462
FAX (702) 346-3464

WWW.KEMPBURDICK.COM

This report is intended solely for the information of the mayor, audit committee, management, and feder 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 tha 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.
October 7, 2005

ST. GEORGE CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

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		$ 242,412
Local Law Enforcement Block Grant Program	16.592		7,500
Bulletproof Vest Partnership Program	16.607		12,195
Victims of Crime Act	16.575		41,821
Drug Enforcement & System Improvement Formula Grant Program	16.579		118,390
Total U.S. Department of Justice			422,318
U.S. Department of Transportation:			
Federal Aviation Administration			
Airport Improvements Program	20.106		3,013,764
Federal Highway Administration			
Environmental Streamlining Grant Program	20.205		19,449
Recreation Trails Program	20.219		256,359
Federal Transportation Administration:			
Urbanized Area Formula Program	20.507		309,145
Total U.S. Department of Transportation			3,598,717
Executive Office of the President, Office of National Drug Control Policy:			
High Intensity Drug Trafficking Area	NONE		18,757
U.S Department of Homeland Security:			
Federal Emergency Management Agency			
Public Assistant Grant Program	97.036		1,550,956
Operations & Firefighter Safety Program	97.044		100,471
Total U.S. Department of Homeland Security			1,651,427

U.S. Department of the Interior:		
Bureau of Land Management		
Virgin River Dinosaur Track Preservation	15.224	500,000
Outdoor Rec. Acquisition, Dev. & Plan.	15.916	83,076
Total U.S. Department of the Interior		583,076
Housing & Urban Development Agency:		
Community Development Block Grant/ State's Program	14.228	66,600
Federal Emergency Management Agency:		
State & Local All-Hazards Operational Planning	83.562	133
Total Expenditures of Federal Awards		$ 6,341,026

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, 2005

Note 1. Basis of Presentation

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.

Note 2. Subrecipients

St. George City provided no federal awards to subrecipients.

ST. GEORGE CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2005

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness identified? ____yes __x__no
- Reportable conditions identified that are not considered to be material weaknesses? ____yes __x__none reported

Noncompliance material to financial statements noted? ____yes __x__no

Federal Awards

Internal control over major programs:

- Material weakness identified? ____yes __x__no
- Reportable conditions identified that are not considered to be material weaknesses? ____yes __x__no

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ____yes __x__no

Identification of major programs:

CFDA Number(s)	Name of Federal Program
20.106	Airport Improvements Program
97.036	FEMA Public Assistance Program
15.224	BLM, Virgin River Dinosaur Track Preservation

ST. GEORGE CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2005

Section I – Summary of Auditor's Results (Continued)

Dollar threshold used to distinguish between type A and type B programs: $ 300,000

Auditee qualified as low-risk auditee? x yes

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No questioned costs were reported.

KEMPBURDICK
KEMP BURDICK HINTON & HALL L.C.
CPA'S & ADVISORS

MEMBERS:
KRIS J. BRAU
DEAN R. BU
BRENT R. H
KENNETH A.
GREGORY A.
MORRIS J. P
MICHAEL K. S
MARK E. TIC

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 2005. St. George City's major federal programs are identified in the summary of auditor's resu 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 expres an opinion on St. George City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepte 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 wit those requirements.

In our opinion St. George City complied, in all material respects, with the requirements referre to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

P.O. BOX 38
63 SOUTH 300 EAST, SUITE 100
ST. GEORGE, UTAH 84771
OFFICE (435) 628-3663
FAX (435) 628-3668

337 SOUTH MAIN, SUITE 230
CEDAR PROFESSIONAL PLAZA
CEDAR CITY, UTAH 84720
OFFICE (435) 865-7666
FAX (435) 867-6111

P.O. BOX 3575
590 WEST MESQUITE BLVD., SUIT
MESQUITE, NV 89024
OFFICE (702) 346-3462
FAX (702) 346-3464

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 grant 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 deficiencie 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 materi 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 no be used by anyone other than these specified parties.

While these reports are intended to be used by the specified parties, which include the applicabl 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.
October 7, 2005

KEMPBURDICK
KEMP BURDICK HINTON & HALL L.C.
CPA'S & ADVISORS

MEMBERS:
KRIS J. BRAUN
DEAN R. BURD
BRENT R. HAL
KENNETH A. H
GREGORY A. K
MORRIS J. PEA
MICHAEL K. SI
MARK E. TICHI

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, 2005, and have issued our report thereon dated October 7, 2005. 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, 2005. 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)
Disaster Relief Funds

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

P.O. BOX 38
63 SOUTH 300 EAST, SUITE 100
ST. GEORGE, UTAH 84771
OFFICE (435) 628-3663
FAX (435) 628-3668

337 SOUTH MAIN, SUITE 230
CEDAR PROFESSIONAL PLAZA
CEDAR CITY, UTAH 84720
OFFICE (435) 865-7666
FAX (435) 867-6111

P.O. BOX 3575
590 WEST MESQUITE BLVD., SUITE
MESQUITE, NV 89024
OFFICE (702) 346-3462
FAX (702) 346-3464

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 two immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings and Recommendations. We considered these instances 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, 2005.

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

KEMP, BURDICK, HINTON & HALL, L.C.
October 7, 2005

KEMPBURDICK
KEMP BURDICK HINTON & HALL L.C.
CPA'S & ADVISORS

MEMBERS:
KRIS J. BRAUNBER
DEAN R. BURDICK
BRENT R. HALL
KENNETH A. HINTO
GREGORY A. KEMP
MORRIS J. PEACOC
MICHAEL K. SPILKE
MARK E. TICHENOR

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

October 7, 2005

St. George City Officials
St. George, Utah 84770

Dear Sirs:

During our audit of the funds of St. George City for the fiscal year 2004 - 2005, we found a couple of instances of non-compliance with state law. We do not believe these instances to be material; however, we are required to communicate them 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.

2. Finding-Deficit Fund Balance:

   Utah Code 10-6-117 dictates that appropriations for expenditures are not to exceed estimated expendable revenue. The State Auditor's office holds the position that any fund deficit is an illegally created debt and should be budgeted to be eliminated immediately. The City's Replacement Airport Fund and Flood Reconstruction Fund had a deficit fund balance at June 30, 2005.

P.O. BOX 38
63 SOUTH 300 EAST, SUITE 100
ST. GEORGE, UTAH 84771
OFFICE (435) 628-3663
FAX (435) 628-3668

337 SOUTH MAIN, SUITE 230
CEDAR PROFESSIONAL PLAZA
CEDAR CITY, UTAH 84720
OFFICE (435) 865-7666
FAX (435) 867-6111

P.O. BOX 3575
590 WEST MESQUITE BLVD., SUITE 201
MESQUITE, NV 89024
OFFICE (702) 346-3462
FAX (702) 346-3464

WWW.KEMPBURDICK.COM

Recommendation

We follow the recommendation of the State Auditor's office by suggesting the City budget in fiscal year 2005-2006 to eliminate the fund deficit in these funds.

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.

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

October 15, 2005

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, 2005

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 work to eliminate this type of problem in the future.

2. Both funds have been budgeted to eliminate the deficits during the next fiscal year ended June 30, 2006.

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

Finding 1. - 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.

CONTINUING DISCLOSURE SECTION

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 2000	Fiscal Year 2001	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004
Motor Fuel Tax	$ 237,574	$ 229,410	$ 237,925	$ 236,639	$ 239,925
Special Fuel Tax	76,590	80,849	84,406	84,523	86,163
Motor Vehicle Registration Fees	25,848	25,935	27,378	28,359	29,391
Proportional Registration Fees	12,203	11,554	11,665	11,838	11,830
Temporary Permits	372	409	401	397	360
Special Transportation Permits	5,678	5,911	5,831	6,112	5,962
Highway Use Permits	7,325	7,155	7,530	7,557	7,901
Motor Vehicle Control Fees	4,173	4,093	4,166	4,289	4,515
	$ 369,763	$ 365,316	$ 379,302	$ 379,714	$ 386,047

Source: "Annual Statistical Summary", Utah Department of Transportation, December 2004

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
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%
2004	2,103,013	126,044,713	1.67%
2005	1,932,452	109,358,434	1.77%

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

City of St. George, UT
Continuing Disclosure - Excise Tax Revenue Bonds, Series 1996
Fiscal Year Ended June 30, 2005

TABLE 3 - CALCULATION OF ESTIMATED DEBT SERVICE COVERAGE

Bond Year	Project Class C Road Fund Allocation		1996 Bonds	2004 Bonds	Total D.S.	Coverage
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	1,932,452	2	497,010	280,300	777,310	2.49
2006	1,990,426	2	500,284	277,800	778,084	2.56
2007	2,050,138	2	497,004	275,300	772,304	2.65
2008	2,111,642	2		765,425	765,425	2.76
2009	2,174,992	2		772,425	772,425	2.82
2010	2,240,242	2		772,569	772,569	2.90
2011	2,307,449	2		775,363	775,363	2.98
2012	2,376,672	2		768,975	768,975	3.09
2013	2,447,972	2		768,562	768,562	3.19
2014	2,521,412	2		766,406	766,406	3.29
2015	2,597,054	2		766,406	766,406	3.39

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
2005	$ 4,091,872	$ 1,932,452	$ 2,159,420	52.77%
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%

(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, 2005

Comparative Property Tax Rates Within Washington County

Tax Levying Entity	2004	2003	2002	2001	2000
Hurricane	0.002105	0.002139	0.002225	0.002102	0.00212
Ivins	0.001413	0.001413	0.001413	0.001545	0.001545
LaVerkin	0.002105	0.001564	0.001564	0.001610	0.001699
St. George City	0.001843	0.001925	0.001939	0.001993	0.002064
Washington City	0.001405	0.001387	0.001387	0.001397	0.001581

(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	$ 565,000
1999	Parks and Recreation	6,000,000	August 1, 2023	5,805,000
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
2005	Sales tax rev.	$4,210,000	June 15, 2015	$4,210,000

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	$ 218,000
1988B	Sewer	$ 129,750	June 15, 2008	$ 129,750
2003	Sewer Refunding	$3,385,000	July 1, 2007	$ 2,550,000
2003	Water Refunding	$12,325,000	June 1, 2016	$11,565,000
1994	Wastewater	$4,000,000	June 15, 2014	$ 2,164,000
2003	Golf Refunding	$2,840,000	April 1, 2009	$ 1,725,000
1996	Excise Tax Revenue	$3,880,000	December 1, 2006	$ 950,000
2004	Excise Tax Revenue	$5,000,000	December 1, 2013	$4,900,000
1997A	Sewer	$14,280,000	June 15, 2007	$ 1,440,000
1997B	Sewer	$12,000,000	June 15, 2012	$ 7,382,000
1997C	Sewer	$44,000	June 15, 2017	$ 44,000
2001	Water Refunding	$8,670,000	June 1, 2020	$ 8,460,000
2004	Water	$31,000,000	July 1, 2025	$31,000,000
2004	Sewer	$7,015,000	July 1, 2016	$7,015,000
2004	Golf Refunding	$407,000	April 1, 2010	$ 407,000
2005	Electric Revenue	$17,280,000	June 1, 2025	$17,280,000

Outstanding Lease Purchase Indebtedness

Series	Purpose	Original Amount	Final Maturity Date	Current Balance Outstanding
1999A	MBA Refunding	$6,270,000	September 1, 2017	$3,935,000
1998	Holt purchase	$400,000	October 1, 2008	$ 192,000
1999	Crosby purchase	$2,250,000	July 15, 2009	$1,313,000
2000	MBA Woodward	$350,000	April 1, 2021	$ 294,000

Outstanding Special Assessment Indebtedness

Series	Purpose	Original Amount	Final Maturity Date	Current Balance Outstanding

Outstanding Special Assessment Indebtedness (continued)

1997	SID 96-1	$221,393	April 1, 2008	$ 78,000
1998	SID 97-1	$265,212	August 1, 2008	$ 122,000
1999	SID97-2	$1,650,826	November 1, 2009	$ 939,000
2000	SID98-1	$400,126	December 15, 2009	$ 228,000
2002	SID2000-1	$228,000	June 1, 2012	$ 171,000
2002	SID 99-4	$1,109,000	November 1, 2012	$ 888,000
2003	SID 99-1	$989,000	February 1, 2013	$ 792,000
2003	SID 99-3	$1,077,000	June 1, 2013	$ 862,000

Debt Ratios

Direct General Obligation Debt is .82% of 2004 Taxable Value.

Total Direct and Overlapping General Obligation Debt is 3.70% of 2004 Taxable Value

Per Capita Direct General Obligation Debt is $432 based on the estimated population of 65,000.

Per Capita Direct and Overlapping General Obligation Debt is $1,949 based on estimated population.

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2005

Table 1 - Sewer Fees by Fiscal Year per Entity

	Fiscal Year Ended June 30				
Entity	2005	2004	2003	2002	2001
City of St. George	$ 5,368,964	$ 4,995,934	$ 4,728,824	$ 4,456,064	$ 4,429,832
Washington City	845,250	722,627	652,751	585,145	543,407
City of Santa Clara	252,609	237,326	245,460	235,106	228,085
Town of Ivins	326,382	306,391	281,823	266,065	246,445
	$ 6,793,205	$ 6,262,278	$ 5,908,858	$ 5,542,380	$ 5,447,769

(Source: The City)

Table 2 - Sewer Connections by Fiscal Year per Entity

	Fiscal Year Ended June 30				
Entity	2005	2004	2003	2002	2001
City of St. George	31,288	29,928	27,557	25,968	25,815
Washington City	4,926	4,563	3,804	3,410	3,167
City of Santa Clara	1,472	1,545	1,430	1,370	1,329
Town of Ivins	1,902	1,848	1,642	1,550	1,436
	39,588	37,884	34,433	32,298	31,747

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2005

Enterprise Fund - Wastewater Collection
Balance Sheet

	Fiscal Year Ended June 30				
	2005	2004	2003	2002	2001
Assets:					
Current Assets:					
Cash	$ 2,186,740	$ 2,344,892	$ 3,065,467	$ 2,945,853	$ 2,892,577
Accts Rec./Due from other funds	781,482	844,826	-	-	-
Total current assets	2,968,222	3,189,718	3,065,467	2,945,853	2,892,577
Poperty Plant & Equipment	6,290,334	5,976,805	5,690,040	5,360,565	5,028,433
Accumulated deprecation	(3,912,993)	(3,687,675)	(3,486,711)	(3,262,972)	(2,968,228)
Net property, plant & equipment	2,377,341	2,289,130	2,203,329	2,097,593	2,060,205
Total Assets	$ 5,345,563	$ 5,478,848	$ 5,268,796	$ 5,043,446	$ 4,952,782
Liabilities and fund equity:					
Current Liabilities:					
Accrued liabilities	$ 46,722	$ 37,799	$ 58,693	$ 18,663	$ 15,510
Total current liabilities	46,722	37,799	58,693	18,663	15,510
Total Liabilities	46,722	37,799	58,693	18,663	15,510
Fund Equity:					
Contributed capital:					
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
Total contributions	2,051,824	2,051,824	2,051,824	2,051,824	2,051,824
Retained Earnings:					
Unreserved/unrestricted	3,247,017	3,389,225	3,158,279	2,972,959	2,885,448
Total retained earnings	3,247,017	3,389,225	3,158,279	2,972,959	2,885,448
Total fund equity	5,298,841	5,441,049	5,210,103	5,024,783	4,937,272
Total liabilities and equity	$ 5,345,563	$ 5,478,848	$ 5,268,796	$ 5,043,446	$ 4,952,782

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2005

Enterprise Fund - Wastewater Treatment
Balance Sheet

	Fiscal Year Ended June 30				
	2005	2004	2003	2002	2001
Assets:					
Current Assets:					
Cash	$ 14,487,835	$ 13,935,643	$ 10,316,427	$ 9,075,238	$ 8,460,346
Restricted cash	3,939,878	3,447,520	6,196,327	5,059,793	6,254,401
Accounts receivable	210,930	4,072	780	149,205	-
Bond discounts & insurance	1,214,521	1,399,784	388,703	364,289	401,275
Prepaid expenses	-	-	-	33,885	66,650
Total current assets	19,853,164	18,787,019	16,902,237	14,682,410	15,182,672
Poperty Plant & Equipment	51,114,818	47,814,010	47,313,864	47,301,091	45,066,216
Accumulated deprecation	(8,596,977)	(7,722,099)	(6,853,351)	(6,031,579)	(5,154,529)
Net property, plant & equipment	42,517,841	40,091,911	40,460,513	41,269,512	39,911,687
Total Assets	$ 62,371,005	$ 58,878,930	$ 57,362,750	$ 55,951,922	$ 55,094,359
Liabilities and fund equity:					
Current Liabilities:					
Accrued liabilities	$ 619,809	$ 499,902	$ 100,404	$ 73,036	$ 77,212
Due to other funds	-	-	-	-	-
Total current liabilities	619,809	499,902	100,404	73,036	77,212
Bonds payable	21,624,526	24,436,758	28,297,771	30,629,272	33,020,272
Total Liabilities	22,244,335	24,936,660	28,398,175	30,702,308	33,097,484
Fund Equity:					
Contributed capital:					
Subdivisions	-	-	-	-	-
Government agencies	2,761,568	2,761,568	2,761,568	2,761,568	2,761,568
Total contributions	2,761,568	2,761,568	2,761,568	2,761,568	2,761,568
Retained Earnings:					
Restricted for bond retirement	3,939,878	3,447,520	6,196,327	5,059,793	6,254,401
Unreserved/unrestricted	33,425,224	27,733,182	20,006,680	17,428,253	12,980,906
Total retained earnings	37,365,102	31,180,702	26,203,007	22,488,046	19,235,307
Total fund equity	40,126,670	33,942,270	28,964,575	25,249,614	21,996,875
Total liabilities and equity	$ 62,371,005	$ 58,878,930	$ 57,362,750	$ 55,951,922	$ 55,094,359

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2005

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

	Fiscal Year Ended June 30				
	2005	2004	2003	2002	2001
Operating revenues:					
Charges for services	$ 6,650,564	$ 6,192,015	$ 5,860,842	$ 5,534,748	$ 5,505,002
Impact and connection fees	-	-	-	-	-
Other operating revenues	595,177	514,424	361,620	295,570	241,495
Total operating revenues	7,245,741	6,706,439	6,222,462	5,830,318	5,746,497
Operating expenses:					
Salary & Wages	528,759	534,280	452,066	391,606	349,698
Deprecation	225,318	200,964	223,739	294,745	315,035
Bad debts	33,222	30,928	29,287	27,602	27,543
Payroll tax & employee benefits	232,898	227,276	193,285	163,731	147,090
Office & department supplies	88,741	85,708	83,800	45,352	18,396
Professional services	72,401	67,873	-	49,540	5,315
Repair & maintenance - equipment	40,378	43,859	67,256	68,977	97,456
Repair & maintenance - bldg & grounds	9,189	10,291	2,769	9,392	9,900
Insurance & surety bonds	50,163	22,849	22,519	12,378	20,720
Travel	11,418	16,725	11,697	16,711	6,811
Contract labor	5,368,964	4,995,934	4,728,824	4,461,514	4,438,834
Billing and administration	360,000	290,000	283,000	283,000	253,000
Total operating expenses	7,021,451	6,526,687	6,098,242	5,824,548	5,689,798
Operating income (loss)	224,290	179,752	124,220	5,770	56,699
Non-operating revenues (expenses)					
Interest income	63,929	51,029	60,177	94,215	166,484
Miscellaneous income	3,344	167	924	-	-
Total non-operating revenue (expense)	67,273	51,196	61,101	94,215	166,484
Net Income	291,563	230,948	185,321	99,985	223,183
Transfers to other funds	(433,772)	-	-	(12,475)	-
Retained earnings at beginning of year	3,389,227	3,158,279	2,972,958	2,885,448	2,662,265
Retained earnings at end of year	3,247,018	3,389,227	3,158,279	2,972,958	$2,885,448

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2005

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

	Fiscal Year Ended June 30				
	2005	2004	2003	2002	2001
Operating revenues:					
Charges for services	$ 6,793,204	$ 6,262,274	$ 5,908,858	$ 5,542,380	$ 5,447,769
Impact and connection fees	-	-	-	-	-
Other operating revenues	3,047,417	2,447,521	1,767,419	1,459,773	1,112,969
Total operating revenues	9,840,621	8,709,795	7,676,277	7,002,153	6,560,738
Operating expenses:					
Salary & Wages	783,770	742,647	693,080	649,346	624,224
Supplies	372,692	347,022	365,088	526,888	461,604
Equipment rental	3,780	1,124	1,931	1,767	2,696
Deprecation	874,877	868,749	905,669	877,051	855,361
Payroll tax & employee benefits	322,419	298,553	274,582	247,274	245,307
Office & department supplies	67,858	63,206	51,716	44,022	54,307
Professional services	181,420	200,341	218,433	148,222	120,441
Repair & maintenance - equipment	375,241	345,006	244,155	206,866	320,458
Repair & maintenance - bldg & grounds	3,295	953	35,498	34,526	38,915
Insurance & surety bonds	34,746	33,376	41,911	41,911	29,345
Travel	13,770	11,075	7,517	11,104	10,436
Billing and administration	432,000	320,000	320,000	275,000	245,000
Total operating expenses	3,465,868	3,232,052	3,159,580	3,063,977	3,008,094
Operating income (loss)	6,374,753	5,477,743	4,516,697	3,938,176	3,552,644
Non-operating revenues (expenses)					
Interest income	392,043	226,248	243,136	434,980	890,212
Miscellaneous income	253,714	47,571	52,386	37,237	45,709
Interest charges	(617,240)	(773,867)	(1,097,258)	(1,157,654)	(1,230,862)
Total non-operating revenue (expense)	28,517	(500,048)	(801,736)	(685,437)	(294,941)
Net Income	6,403,270	4,977,695	3,714,961	3,252,739	3,257,703
Transfers to other funds	(218,869)				
Retained earnings at beginning of year	31,180,703	26,203,008	22,488,047	19,235,308	15,977,605
Retained earnings at end of year	$ 37,365,104	$ 31,180,703	$ 26,203,008	$ 22,488,047	$ 19,235,308

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2005

Balance Sheet- General Fund

	Fiscal Year Ended June 30				
	2005	2004	2003	2002	2001
Assets and other debits:					
Cash	$ 2,544,357	$ 1,914,248	$ 1,710,536	$ 1,558,372	$ 1,456,868
Accounts receivable (net of allowance)	2,767,095	2,429,767	2,058,334	1,726,050	1,917,791
Inventory	51,861	52,517	48,483	38,566	48,218
Due from other funds	500,000	500,000	500,000	500,000	-
Prepaid items	44,273	313,537	314,670	-	-
Notes receivable	343,082	595,088	949,668	498,345	664,352
Total assets and other debits	$ 6,250,668	$ 5,805,157	$ 5,581,691	$ 4,321,333	$ 4,087,229
Liabilities:					
Accrued liabilities	$ 1,259,140	$ 663,397	$ 554,650	$ 246,065	$ 70,806
Construction bonds held	149,363	363,654	361,189	158,107	99,781
Due to other funds	388,645	388,645	388,645	388,645	388,645
Deferred property taxes	-	-	-	-	-
Total liabilities	1,797,148	1,415,696	1,304,484	792,817	559,232
Fund equity and other credits:					
Fund Balances:					
Reserved by statute	229,502	39,609	28,368	22,933	66,350
Reserved for notes receivable	343,082	595,088	949,668	498,345	664,353
Unreserved - undesignated	3,880,936	3,754,764	3,299,171	3,007,238	2,797,294
Total fund equity and other credits	4,453,520	4,389,461	4,277,207	3,528,516	3,527,997
Total Liabilities, Equity, and other credits	$ 6,250,668	$ 5,805,157	$ 5,581,691	$ 4,321,333	$ 4,087,229

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2005

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, 2001 through June 30, 2005. The summary has not been audited

	Fiscal Year Ended June 30				
REVENUES:	2001	2002	2003	2004	2005
Taxes and special assessements	$ 16,117,048	$ 17,874,099	$ 18,236,344	$ 20,814,066	$ 23,357,920
Licenses and permits	1,169,019	1,448,310	1,618,604	2,861,199	3,656,186
Intergovernmental	2,506,070	2,052,480	2,614,535	2,603,641	4,547,551
Charges for services	3,752,768	4,018,677	4,424,868	5,070,508	6,176,457
Fines and forfeitures	862,925	739,632	862,990	1,076,417	987,030
Miscellaneous	132,945	100,280	161,046	128,398	68,251
Interest income	791,925	357,259	355,482	254,389	348,492
Rents and concessions	7,935	13,649	18,340	59,617	30,046
Proceeds from sale of property	56,477	-	-	-	-
Total revenues	25,397,112	26,604,386	28,292,209	32,868,235	39,171,933
EXPENDITURES:					
General government	3,035,366	3,211,163	3,355,450	3,682,399	4,153,719
Public safety	7,008,832	7,197,215	8,301,077	9,269,024	10,355,029
Highways and public improvements	6,331,930	6,767,621	6,394,111	7,355,810	10,020,742
Parks, recreation and public prop.	5,546,456	5,864,233	6,012,287	6,446,712	7,333,537
Community and economic development	874,723	917,991	1,044,881	1,230,257	1,638,479
Capital projects	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital leases	118,489	80,539	72,892	74,984	71,924
Total expenditures	22,915,796	24,038,762	25,180,698	28,059,186	33,573,430
Excess (deficiency of Revenues over Expenditures)	2,481,316	2,565,624	3,111,511	4,809,049	5,598,503
OTHER FINANCING SOURCES (USES):					
Proceeds of bond sales/capital leases	-	-	-	-	-
Contributions from other entities	-	50,678	49,313	53,811	74,123
Operating transfers out	(3,027,556)	(2,711,000)	(2,482,195)	(5,037,140)	(6,198,669)
Operating transfers in	546,240	62,645	-	190,907	564,624
Proceeds from sale of fixed assets	-	32,573	70,061	17,430	25,480
Total other financing sources (uses)	(2,481,316)	(2,565,104)	(2,362,821)	(4,774,992)	(5,534,442)
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	-	520	748,690	34,057	64,061
Residual equity transfer to PFC Spec Rev Fund	-	-	-	-	-
Unappropriated Fund Balances at the beginning of the year	3,527,998	3,527,998	3,528,518	4,355,403	4,389,458 **
Fund Balances at the end of year	$ 3,527,998	$ 3,528,518	$ 4,277,208	$ 4,389,460	$ 4,453,519

** (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, 2005

Historical Summaries of Taxable Values of Property

Set by County Assessor	2004		2003		2002		2001		2000		1999	
Locally Assessed	Taxable Value	% of T.V.	Taxable Value	% of T.V.	Taxable Value	% of T.V.	Taxable Value	% of T.V.	Taxable Value	% of T.V.	Taxable Value	% of T.V.
Residential Real Estate - primary use	$ 382,106,770	10.02%	$ 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%
Residential Real Estate - Not primary use	101,595,425	2.66%	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%
Commercial and Industrial Real Estate	286,165,460	7.50%	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%
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	616,345	0.02%	689,260	0.02%	677,015	0.02%	634,145	0.02%	671,160	0.02%	683,855	0.03%
Umimproved Real Estate - Not F.A.A.	438,747,895	11.50%	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%
Total Real Estate	1,209,231,895	31.70%	1,114,533,290	32.11%	1,085,219,640	32.85%	990,670,840	34.09%	888,996,829	32.07%	846,158,755	32.41%
Residential Buildings - Primary use	1,239,249,480	32.48%	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%
Residential Buildings - Not primary use	274,805,495	7.20%	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%
Commercial and Industrial Buildings	509,739,765	13.36%	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%
Agricultural Buildings	2,028,070	0.05%	1,874,365	0.05%	1,823,110	0.06%	2,052,585	0.07%	1,922,750	0.07%	982,155	0.04%
Total Buildings	2,025,822,810	53.10%	1,829,871,125	52.72%	1,709,477,140	51.75%	1,552,040,020	53.40%	1,430,768,707	51.62%	1,308,860,245	50.13%
Total Real Property	3,235,054,705	84.80%	2,944,404,415	84.82%	2,794,696,780	84.59%	2,542,710,860	87.49%	2,319,765,536	83.69%	2,155,019,000	82.53%
Fee in Lieu Property	50,106,273	1.31%	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%
Fee based property	261,753,538	6.86%	-		-		-		-		-	
Mobile Homes - Primary residential use	5,283,331	0.14%	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%
Mobile Homes - other use	4,214,820	0.11%	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%
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	159,211,151	4.17%	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%
Total Personal Property	480,569,113	12.60%	425,329,108	12.25%	406,053,467	12.29%	279,130,779	9.60%	384,432,114	13.87%	392,306,538	15.02%
Total Locally Assessed	3,715,623,818	97.40%	3,369,733,523	97.08%	3,200,750,247	96.89%	2,821,841,639	97.10%	2,704,197,650	97.56%	2,547,325,538	97.56%
Total Centrally Assessed	99,341,673	2.60%	101,438,950	2.92%	102,882,833	3.11%	84,389,082	2.90%	67,505,746	2.44%	63,728,127	2.44%
Total Taxable Value	$ 3,814,965,491	100.00%	$ 3,471,172,473	100.00%	$ 3,303,633,080	100.00%	$ 2,906,230,721	100.00%	$ 2,771,703,396	100.00%	$ 2,611,053,665	100.00%

(Source: Washington County Information Technology)

WATER UTILITY FUND

ACTUAL REVENUES, EXPENSES, AND DEBT SERVICE COVERAGE

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: 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	TOTAL DEBT SERVICE COVERAGE
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
2005	10,366,313	5,096,818	432,366	15,895,497	6,466,674	9,428,823	450,315	-	-	480,885	1,267,500	1,130,220	3,328,920	2.83

(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

	2005	2004	2003	2002	2001	2000	1999	1998
ASSETS								
-								
Current Assets:								
Cash	$ 319,897	$ -	$ -	$ (1,373,249)	$ (1,610,658)	$ (1,928,615)	$ (2,563,135)	$ (2,557,359)
Restricted Cash	10,961,469	27,425,337	540,865	388,587	503,051	501,491	488,462	542,306
Accts. Receivable	15,130	173,619	8,905	145,981	-	14,458	253,361	125,357
Inventory	303,632	311,628	220,828	229,556	204,847	193,012	228,701	163,863
Bond Discounts	833,212	890,993	518,097	848,976	906,268	900,761	954,132	1,007,502
Prepaid Expenses	2,830	2,830	2,830	2,830	2,831	2,831	2,831	2,831
Total Current Assets	12,436,170	28,804,407	1,291,525	242,681	6,339	(316,062)	(635,648)	(715,500)
Property, Plant & Equipment								
Improvements	111,256,927	91,751,547	77,232,555	68,897,015	64,267,588	61,216,149	58,489,364	55,054,334
Less Accum. Depr.	(18,592,366)	(16,623,004)	(14,964,337)	(13,494,457)	(12,103,419)	(10,785,726)	(9,535,966)	(8,354,907)
Net prop. plant & equip.	92,664,561	75,128,543	62,268,218	55,402,558	52,164,169	50,430,423	48,953,398	46,699,427
TOTAL ASSETS	$ 105,100,731	$ 103,932,950	$ 63,559,743	$ 55,645,239	$ 52,170,508	$ 50,114,361	$ 48,317,750	$ 45,983,927
LIABILITIES & FUND EQUITY								
-								
Current Liabilities:								
Accrued Liabilities	$ 3,536,847	$ 2,863,701	$ 1,208,315	$ 211,586	$ 338,804	$ 388,017	$ 744,945	$ 624,236
Due to other funds	-	2,006,017	3,866,603					
Total Current Liabilities	3,536,847	4,869,718	5,074,918	211,586	338,804	388,017	744,945	624,236
Long-Term Liabilities:								
Bonds Payable	52,298,713	54,413,713	23,858,713	25,533,713	26,583,713	26,878,713	27,788,713	28,823,713
Bond premiums	3,233,775	3,442,033	956,187	-	-	-	-	-
Capital leases	120,605	221,862	303,980	396,456	484,831	569,288	650,000	-
Deferred gain on bond redemption	-	-	-	-	-	485,496	509,771	534,046
Total long-term liabilities	55,653,093	58,077,608	25,118,880	25,930,169	27,068,544	27,933,497	28,948,484	29,357,759
TOTAL LIABILITIES	59,189,940	62,947,326	30,193,798	26,141,755	27,407,348	28,321,514	29,693,429	29,981,995
FUND EQUITY								
-								
Contributed Capital:								
Subdivisions	278,131	278,131	278,131	278,131	278,131	278,131	278,131	203,548
Government Agencies	1,615,652	1,615,652	1,615,652	1,615,652	1,615,652	1,615,652	1,615,652	1,301,095
Total Contributions	1,893,783	1,893,783	1,893,783	1,893,783	1,893,783	1,893,783	1,893,783	1,504,643
Retained Earnings:								
Reserved for bond retirement	1,890,678	1,538,022	540,865	388,587	503,051	501,491	488,462	542,306
Unreserved	42,126,329	37,553,819	30,931,297	27,221,114	22,366,326	19,397,573	16,242,076	13,954,983
Total retained earnings	44,017,007	39,091,841	31,472,162	27,609,701	22,869,377	19,899,064	16,730,538	14,497,289
TOTAL FUND EQUITY	45,910,790	40,985,624	33,365,945	29,503,484	24,763,160	21,792,847	18,624,321	16,001,932
TOTAL LIABILITIES & EQUITY	$ 105,100,730	$ 103,932,950	$ 63,559,743	$ 55,645,239	$ 52,170,508	$ 50,114,361	$ 48,317,750	$ 45,983,927

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

	2005	2004	2003	2002	2001	2000	1999
Operating Revenues:							
Charges for services	$ 10,366,313	$ 10,316,867	$ 9,232,571	$ 8,902,637	$ 8,069,746	$ 8,119,704	$ 6,841,327
Impact fees & Other	5,096,818	4,322,025	2,958,374	1,947,637	1,482,915	1,152,668	1,224,462
Total operating revenues	15,463,131	14,638,892	12,190,945	10,850,274	9,552,661	9,272,372	8,065,789
Operating Expenses:							
Water purchased	850,278	662,191	700,260	497,949	566,048	412,168	394,026
Salary and Wages	1,905,206	1,695,616	1,400,210	1,216,659	1,092,805	1,002,666	1,048,225
Service vehicle expense	109,189	92,046	80,488	53,990	55,495	35,572	45,350
Equipment rental	11,115	14,875	18,139	72,297	10,419	16,456	4,785
Depreciation	1,969,362	1,658,667	1,469,881	1,391,037	1,317,693	1,249,760	1,181,060
Bad debts	50,576	51,363	45,879	42,731	40,410	40,132	33,856
Payroll tax & benefits	802,391	690,897	552,031	470,341	433,830	370,695	392,089
Office supplies	112,863	130,669	764,625	541,052	40,124	506,418	358,145
Professional services	151,778	120,769	142,323	197,625	112,481	193,896	160,587
R & M - equipment	1,688,726	1,053,676	700,071	292,723	685,497	389,859	301,912
Insurance & surety bonds	109,619	152,772	62,438	65,244	80,152	27,986	36,377
Travel	25,715	36,222	26,285	35,186	12,246	15,369	15,064
Miscellaneous	1,510	655	(128)	150	307	-	7,342
Subscriptions	14,308	8,167	3,484	1,679	2,395	1,813	2,095
Billing & administration	633,400	532,000	501,900	492,000	482,500	460,800	494,800
Total operating expenses	8,436,036	6,900,585	6,467,886	5,370,663	4,932,402	4,723,590	4,475,713
Operating income	7,027,095	7,738,307	5,723,059	5,479,611	4,620,259	4,548,782	3,590,076
Non-operating Rev. (Exp.):							
Interest income	432,366	86,846	19,055	30,902	67,357	56,275	90,969
Miscellaneous	690	1,216,866	10,000	530,786	(196,144)	25,179	25,179
Loss on bond refunding	-	-	(565,492)				
Interest charges	(2,019,046)	(1,422,341)	(1,324,162)	(1,300,974)	(1,521,159)	(1,461,710)	(1,472,975)
Total Non-operating	(1,585,990)	(118,629)	(1,860,599)	(739,286)	(1,649,946)	(1,380,256)	(1,356,827)
Net Income (loss)	5,441,105	7,619,678	3,862,460	4,740,325	2,970,313	3,168,526	2,233,249
Transfers to other funds	(515,939)						
Retaining earnings at July 1	39,091,840	31,472,162	27,609,702	22,869,377	19,899,064	16,730,538	14,497,289
Retained earnings at June 30	$ 44,017,006	$ 39,091,840	$ 31,472,162	$ 27,609,702	$ 22,869,377	$ 19,899,064	$ 16,730,538

Source: City's Comprehensive Annual Financial Reports

CITY OF ST. GEORGE, UT
Continuing Disclosure - 1997A Washington County/St. George Interlocal Agency
June 30, 2005

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
2005	309,938

(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
2001	$8,538,437	4.99%
2002	9,571,255	12.10%
2003	9,197,358	(3.91%) ***
2004	10,382,991	12.89%
2005	12,209,211	17.59%

*** 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 Statiscal 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, 2005

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.

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - 2005 ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2005

TABLE I - SYSTEM RATES

	Customer Charge (per month)	Energy Charge (per kWh)	Demand Charge (per kW)	Average Monthly Bill
Residential Service	$ 9.66	$ 0.0671		$ 74.55
Commercial Service				
Small General Service	8.35			
0-500 kWh (per kWh)		0.1155		229.65
Next 9,500 kWh (per kWh)		0.0630		
Over 10,000 kWh (per kWh)		0.0379		
0-5 kW (per kW)			$ -	
Over 5 kW (per kW)			7.48	
Large General Service	43.58			3,558.42
0-10,000 kWh (per kWh)		0.0512		
Over 10,000 kWh (per kWh)		0.0379		
0-5 kW (per kW)			-	
Over 5 kW (per kW)			11.04	
Agricultural Service	8.35			
0-500 kWh (per kWh)		0.1155		
Next 9,500 kWh (per kWh)		0.0630		
Over 10,000 kWh (per kWh)		0.0379		

TABLE II - AVERAGE REVENUE FROM RATES

	Average Revenue $ per kWh	Average Monthly Bills Summer May-Oct	Average Monthly Bills Winter Nov-Apr
Residential Service	$ 0.071	$ 76.42	$ 61.20
Small Commercial (includes demand)	0.101	230.89	192.11
Large Commercial (includes demand)	0.071	3,913.80	3,190.38

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - 2005 ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2005

TABLE III - Summary of Kilowatt Hours and Production Costs

Year	kWh	Cost per kWh
1995	369,089,363	$ 0.05412
1996	392,034,761	0.05297
1997	419,976,185	0.05306
1998	426,475,844	0.05117
1999	456,043,750	0.04957
2000	470,326,067	0.05708
2001	494,674,942	0.07468
2002	503,732,000	0.08242
2003	550,745,668	0.06620
2004	557,424,755	0.06934
2005	559,564,333	0.06910

TABLE IV - Ten Largest Customers of the System

Name	Type of Business	kWh	% of City's Total kWh
Dixie State College	College	13,563,000	2.5606%
Quality Park Products	Manufacturing	9,834,240	1.8566%
Dixie Medical Center	Hospital	7,548,000	1.4250%
Costco Wholesale	Large box store	4,445,120	0.8392%
IHC Dixie Regional Medical Center	Hospital	3,928,100	0.7416%
Harmons City Inc	Grocery store	3,779,400	0.7135%
Cabinetec, dba Aquarius Cabinets	Manufacturing	3,415,680	0.6449%
Lowes Home Improvement	Large box store	3,395,040	0.6410%
IHC Dixie Regional Medical Center	Hospital	3,122,899	0.5896%
IHC Dixie Regional Medical Center	Hospital	3,072,335	0.5800%
		56,103,814	10.5920%

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - 2005 ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2005

TABLE V Historical and Projected Operating Results

	HISTORICAL					PROJECTED				
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Sources of Funds:										
Service Charges/User Fees	$ 26,110,665	$ 31,130,881	$ 34,641,750	$ 37,695,191	$ 39,754,876	$ 44,131,025	$ 43,209,424	$ 45,364,253	$ 47,354,487	$ 49,833,217
Impact fees	1,250,215	1,427,748	1,719,684	2,446,567	4,498,132	4,195,961	4,279,880	4,365,478	4,898,066	4,996,028
Total sources of funds	27,360,880	32,558,629	36,361,434	40,141,758	44,253,008	48,326,986	47,489,304	49,729,731	52,252,553	54,829,245
Uses of Funds:										
Electricity purchased	28,264,928	33,977,987	29,738,567	31,583,859	30,317,925	37,726,974	35,038,672	36,621,804	30,780,509	32,948,960
Operating costs	6,890,689	5,651,092	4,823,096	5,456,514	6,311,798	6,293,749	6,545,499	6,807,319	7,079,612	7,362,796
Total O & M Expenses	35,155,617	39,629,079	34,561,663	37,040,373	36,629,723	44,020,723	41,584,171	43,429,123	37,860,121	40,311,756
Net Operating Revenues	(7,794,737)	(7,070,450)	1,799,771	3,101,385	7,623,285	4,306,263	5,905,133	6,300,608	14,392,432	14,517,489
Non-operating Revenues (Expenses)										
Interest income	831,271	831,271	43,438	28,412	62,608	412,271	1,572,556	138,127	203,348	342,363
Other income	32,248	75,649	25,432	24,452	321,333	25,000	25,000	25,000	25,000	25,000
Total Non-operating	863,519	906,920	68,870	52,864	383,941	437,271	1,597,556	163,127	228,348	367,363
Net Revenues for DS payments	(6,931,218)	(6,163,530)	1,868,641	3,154,249	8,007,226	4,743,534	7,502,689	6,463,735	14,620,780	14,884,852
Outstanding Bonds:										
Series 2005 Bonds	-	-	-	-	-	1,335,769	1,335,329	1,334,329	1,337,629	1,335,053
Series 2008 Bonanza project (anticipated)	-	-	-	-	-	-	-	-	6,768,994	6,766,694
Total debt service payments	-	-	-	-	-	1,335,769	1,335,329	1,334,329	8,106,623	8,101,747
Projected Debt Service Coverage	N/A	N/A	N/A	N/A	N/A	3.55	5.62	4.84	1.80	1.84

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - 2005 ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2005

TABLE VI Statement of Net Assets

	2005	2004	2003	2002	2001
ASSETS					
Current assets:					
Cash	$ 9,710,617	$ 1,692,554	$ -	$ (2,074,991)	$ 7,364,143
Restricted cash	1,267,078	-			
Accts. receivable (net of allowance for uncollectibles)	5,816,812	5,809,699	5,509,355	5,396,136	5,741,302
Inventory	1,260,040	1,477,922	1,500,691	1,562,542	1,532,678
Due from other funds	-	-	968,674	1,083,403	1,182,544
Note receivable	-	-	35,210	47,046	62,265
Bond discounts & insurance	358,076	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total current assets	18,412,623	8,980,175	8,013,930	6,014,136	15,882,932
Capital assets net of accumulated depreciation	40,733,551	23,180,949	23,479,664	23,484,568	23,926,261
TOTAL ASSETS	59,146,174	32,161,124	31,493,594	29,498,704	39,809,193
LIABILITIES					
Current liabilities:					
Accrued liabilities	6,564,590	3,604,920	3,839,030	2,774,259	4,458,266
Capital leases	-				
Due to other funds (short-term)	-		920,811		
Deposits payable	1,167,359	997,817	933,500	893,303	844,444
Total current liabilities	7,731,949	4,602,737	5,693,341	3,667,562	5,302,710
Long-term liabilities:					
Bonds payable - long term	17,280,000	-	-	-	-
Bond premiums	605,549	-	-	-	-
Due to other funds (long-term)	-	-	-	-	-
Total long-term liabilities	17,885,549	-	-	-	-
Total liabilities	25,617,498	4,602,737	5,693,341	3,667,562	5,302,710
NET ASSETS					
Invested in capital assets, net of related debt	22,848,002	23,180,949	23,479,664	23,484,568	23,826,261
Restricted	1,267,078				
Unrestricted	9,413,596	4,377,438	2,320,590	2,346,575	10,580,222
Total net assets	$ 33,528,676	$ 27,558,387	$ 25,800,254	$ 25,831,143	$ 34,406,483

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - 2005 ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2005

TABLE VII Statement of Revenues, Expenses, and Changes in Fund Net Assets

	2005	2004	2003	2002	2001
OPERATING REVENUES:					
Charges for services	$ 39,754,876	$ 36,946,003	$ 33,554,656	$ 30,175,128	$ 25,283,678
Other operating revenues	4,498,132	3,413,026	2,806,778	2,383,501	2,077,202
Total operating revenues	44,253,008	40,359,029	36,361,434	32,558,629	27,360,880
OPERATING EXPENSES:					
Electricity purchased	30,317,925	31,583,859	29,738,567	33,977,987	28,264,928
Salary and wages	2,482,803	2,282,556	2,149,882	1,986,541	1,802,204
Supplies	55,122	222,089	251,377	1,089,800	2,792,123
Service vehicle expense	141,003	98,057	81,491	255,886	95,855
Equipment rental	2,508	238	20	122	20
Depreciation	2,036,938	1,963,390	1,899,531	1,889,866	1,788,503
Bad debts	197,862	180,904	162,498	146,311	123,868
Payroll tax & employee benefits	968,694	828,934	794,667	722,367	658,474
Office & dept. supplies	72,197	79,839	91,749	73,011	87,496
Professional services	598,487	147,811	94,732	163,648	141,743
R. & M. - equipment	311,018	206,477	234,629	204,972	325,753
R. & M. - buildings and grounds	25,175	16,765	28,820	19,234	35,983
Insurance & surety bonds	79,355	130,832	71,737	186,671	36,535
Travel	75,220	53,405	35,756	32,577	24,659
Miscellaneous	3,055	210	251	634	207
Interest expense	316,730	46,690	59,596	22,299	35,583
Subscriptions & memberships	32,468	13,703	13,091	8,804	6,386
Billing & administration	950,100	798,000	752,800	738,000	723,800
Total operating expenses	38,666,660	38,653,759	36,461,194	41,518,730	36,944,120
Operating income (loss)	5,586,348	1,705,270	(99,760)	(8,960,101)	(9,583,240)
NON-OPERATING REVENUES (EXPENSES)					
Interest income	62,608	28,412	43,438	209,112	831,271
Rent	-				
Miscellaneous income	321,333	24,452	25,432	75,649	32,248
Loss on bond refinancing	-				
Interest charges	-				
Total non-operating revenue (expense)	383,941	52,864	68,870	284,761	863,519
Income before transfers	5,970,289	1,758,134	(30,890)	(8,675,340)	(8,719,721)
Contributions	-				
Transfers to/from other funds	-				
Change in Net Assets	5,970,289	1,758,134	(30,890)	(8,675,340)	(8,719,721)
Total net assets - beginning	27,558,387	25,800,254	25,831,142	34,506,482	43,226,203
Total net assets - ending	$ 33,528,676	$ 27,558,388	$ 25,800,252	$ 25,831,142	$ 34,506,482

Management's Discussion of Operations

The rapid increase in the City's population during the 1990's produced corresponding increases in energy requirements of its system. The City met these increases through the addition of short-and long-term contracts. In addition to the Federal Colorado River Storage Project Power (CRSP) throughout most of the 1990's the City was able to make market purchases at advantageous prices.

The dramatic and unprecedented increase in electric energy prices in the Western United States that began in the spring of 2000 (the "Western States Power Crisis") had a significant negative impact on the financial operations of the System. The system experienced an operating loss in the last half of fiscal 2000 and significant operating losses in fiscal years 2001 and 2002. These losses totaled over $17 million and resulted in a reduction in retained earnings of the System of over $15 Million. The losses were directly attributable to increased purchased power expenses and excessive exposure to the market.

The City has taken a number of steps to restore the financial integrity of the System. *First*, the City increased its electric rated in three ways: (1) effective May 1, 2001, a 50% power cost adjustment was imposed for the peak demand periods in each year from May 1 through September 30; (2) effective February 15, 2002, an across the board increase of 40% was made to all electric rates; and (3) effective February 15, 2002, impact fees (the fees charged to new service connections resulting from new construction) were increased 51%. *Second*, the City cut its budged capital expenditures for the System by 50% for fiscal year 2004. *Third*, the management structure of the City's water and power departments was changed to separate management responsibility for the System from that of the water utility and a new Director of Energy Services was appointed. *Fourth*, effective April 2003, another 10% across the board rate increase was approved. *Fifth*, the City has instituted various procedures to more actively manage its purchase power expense, including hiring additional power resources schedulers, and has renegotiated certain of its power purchase agreements and has entered into a long-term power purchase contract with Deseret Generation and Transmission (DGT) to further stabilize its long-term power supply costs. The City represents that the System has operated with positive cash flows in fiscal years 2003, 2004, and 2005. It is expected to produce positive margins for the near future years. See "Historical Projected Operating Results."

Historical. The City is located in the south west corner of Utah and is a commercial center for the surrounding communities. In addition to its residential customers, the System serves a wide range of commercial establishments. For the fiscal year ended June 30, 2005. Approximately 54% of the System's electric sales revenues and 52% of the energy sold through the System were attributable to commercial establishments. The commercial base in the City has contributed to relatively constant growth in electric energy sales through the System. The System peak continues to grow at an average of 5% and energy sales continue to grow at an average of 4%.

SOURCES

Colorado River Storage Project (Hydro)

Utah Associated Municipal Power (UAMPS)	8%
• Pool – Contract Sales	6%
• Firm – Idaho (Wind – 2007)	8%
• Payson – Gas Generation	8%
Deseret Generation and Transmission	
• Bonanza 1 – Coal	19%
• Bonanza 2 – Future	11%
• Contract Sales	6%
City Owned Generation	
• 14 MW Red Rock – Diesel	5%
• 11 MW Bloomington – Diesel	4%
• 40 MW Millcreek – Natural Gas	15%
• 24-40 MW – Natural Gas (future)	15%
	100%

Short Term Market Purchases

- PPM
- Powerex
- Morgan Stanley

Forecast, For the purposes of the forecast information shown under "Historical and Projected Operating Results: herein, the City has utilized the information developed by the Department for internal forecasting purposes. The Department presently projects that energy sales through the System will continue to show the steady annual increases exhibited over the past three fiscal years. In addition, the Department has included additional expected energy sales through the System from new commercial establishments that are presently under construction or for which building permits have been applied for, resulting in a projected average annual growth rate in energy sales revenue through the System of approximately 4%. The City anticipates a greater than 25% increase in impact fees effective 2006.

The Department has projected that all other operating expenses of the System will increase at a rate of approximately 4% per annum for the next five fiscal years. The Department believes that this projected rate of increase is reasonable, based on its continuing efforts to improve its operating efficiency and the completion of a number of System improvements in recent years.

While historically the City relied heavily on its ability to purchase on-demand blocks of power on the spot-market to satisfy peak demand on the System, the City has initiated a plan to reduce its spot market exposure to 10% or less. The City has established a risk

policy which encourages pre-purchases to meet peak demand rather than rely on the spot market.

Although the Department believes that the forecasts regarding the operation of the System are reasonable for its planning purposes and for purposes for this annual report, a variety of factors will affect such forecasts and no assurance can be given by the City or the Department that such forecasts will, in fact, be realized. The factors that could affect such forecasts include proposed state and federal environmental regulations, costs of purchased power and energy, fuel and other operating costs, economic and demographic conditions in the City, weather and other matters that cannot presently be determined.