

CITY OF ST. GEORGE, UT
COMPREHENSIVE ANNUAL FINANCIAL
REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2008



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Prepared by Philip R. Peterson, CPA CGFM
Finance Director

CITY OF ST. GEORGE, UT
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2008

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INTRODUCTORY SECTION



CITY OF ST. GEORGE

175 East 200 North
St. George, Utah 84770

November 6, 2008

To the Honorable Mayor, Members of the City Council,
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, 2008, 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.

State law requires that all local governments publish within six months of the close of its 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, 2008, 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 Hinton, Burdick, Hall, & Spilker, PLLC, 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, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and

CITY OF ST. GEORGE

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MAYOR

Daniel D. McArthur

CITY MANAGER

Gary S. Esplin

CITY COUNCIL

Suzanne B. Allen
Gil Almquist, Gail Bunker
Jon Pike, Gloria Shakespeare

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, 2008, 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 the country 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. For the period of July 1, 2006 thru July 1, 2007 (the latest data available) the City ranked as the second-fastest-growing metropolitan area in the nation at 5.1% growth. This was down from a growth rate of 6% and a #1 ranking for the previous year.

“But it’s not just scenery that attracts. This is a community with a strong sense of pride and connection with its past. And unlike many attractive communities, this one still wants to grow – and has done so by appealing to companies from giant Wal-Mart (which has a distribution center near St. George) and Skywest Airlines to entrepreneurial firms who are filling the spacious, orderly industrial park in the region.” (Inc.com)

During the fiscal year there were building permits issued for 451 residential units. It represents a decrease of over 55% which compares with a 33% decline for the fiscal year ended June 30, 2007. While there were several commercial projects permitted during the year, the total valuation of building permits did decline by 42% for the fiscal year in comparison with an 18% decline in the fiscal year ended June 30, 2007.

“In the fiscal year 2007-2008 the City completed numerous public improvement projects. Some of those major projects included: (1) finished upgrades to our technology infrastructure; (2) completion of a new HVAC system at the City Office; (3) completion and dedication of the Town Square and Water Walk; (4) completion of Phases I and II of the Canyons Complex improvements; (5) completion of Cox/Brooks pond and nature park; (6) completed the first phase of the Hela Seegmiller Historic Farm; (7) sale of the existing airport to facilitate the new replacement airport; (8) a new pumper for the Fire department; (9) a new park in the Green Valley area; (10) a new community park in the Hidden Valley area; (11) completed major upgrades to the Snow Canyon Parkway with medians; (12) Bid Phase II of the Fields Complex;

(13) finalized purchase of West Elementary and trade with the State of Utah for the existing courthouse building; (14) design completed on the Mall Drive bridge; (15) construction started on Brigham Road improvements; (16) build the frontage road adjacent to Snow Park; (17) completed the major storm drain on 100 West; (18) completed the environmental review for Red Hills Parkway and improvements of the 200 East connection at Red Hills Parkway; (19) construction started on major expansion to the Fleet and SunTran buildings; (20) the Mathis Park was rebuild was completed; (21) Dixie Downs Park was rebuilt and a longer trail was installed; (22) all trails were put back in operation after the flood destruction of 2005; and (23) design is underway for the new Firehouse Park in Dixie Downs.” (City Manager’s 2009 budget message)

CASH MANAGEMENT

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

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

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

RISK MANAGEMENT

The City, effective July 1, 1991, is self-insured up to \$250,000 for general liability, law enforcement liability, and auto liability with excess insurance up to \$25,000. Property is covered by a blanket all risk policy with limits of up to \$241,112,583. Traveler’s Insurance administers the insurance policies above what the City provides as self-insurance.

The City has 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, 2008, 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.

ACKNOWLEDGMENTS

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, Hinton, Burdick, Hall, & Spilker. My thanks also to the City Manager, City Treasurer, Manager of Budget and Financial Planning, 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,

A handwritten signature in cursive script that reads "Philip R. Peterson".

Philip R. Peterson, CPA, CGFM
Finance Director

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



Mayor Daniel D. McArthur



Council Member Suzanne Allen



Council Member Gail Bunker



Council Member Gloria Shakespeare



Council Member Gil Almquist



Council Member Jon Pike

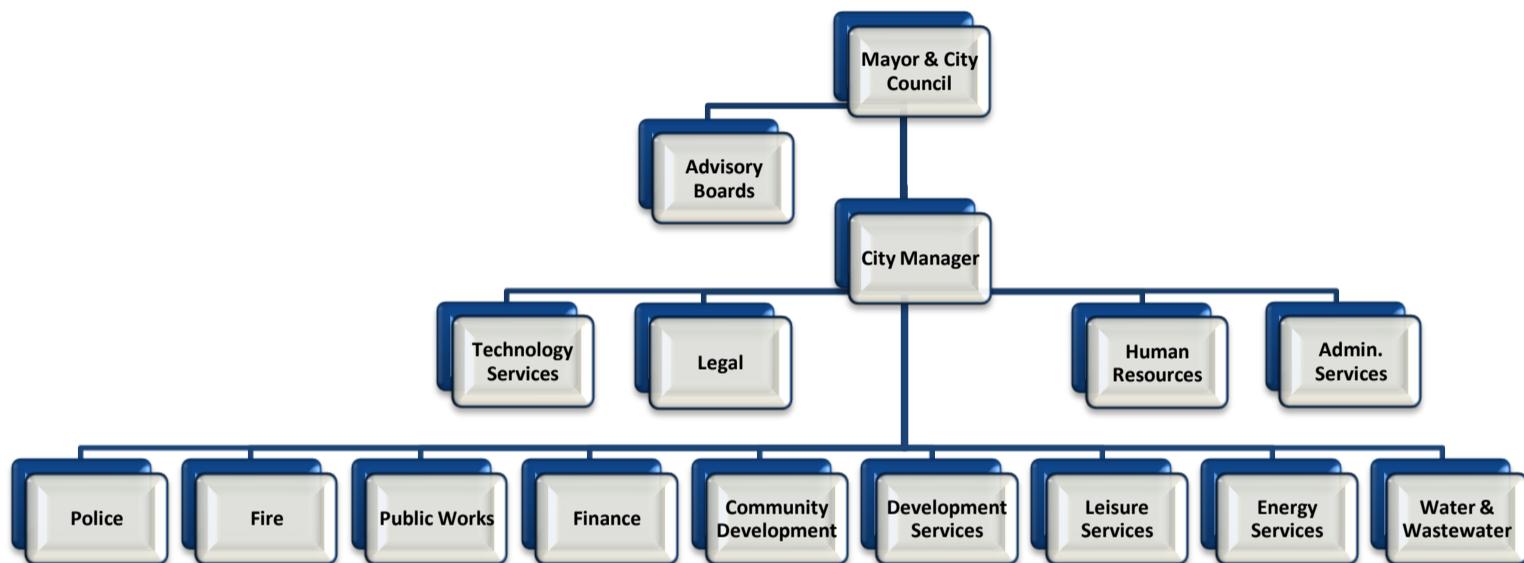


City Manager Gary S. Esplin

*Shawn Guzman
Gay Cragun
Tiffany LaJoice
Phillip Solomon
Barry Barnum
Marlon Stratton
Robert Stoker
Larry H. Bulloch
Matthew Loo
Kent Perkins
Robert Nicholson
Philip R. Peterson
Deanna Brklacich
Marc Mortensen
Judith Mayfield*

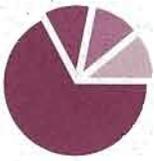
*City Attorney
City Recorder
City Treasurer
Energy Services Director
Water Services Director
Chief of Police
Fire Chief
Public Works Director
Development Services Director
Leisure Services Director
Community Development Director
Finance Director
Budget & Financial Planning Manager
Assistant to the City Manager
Human Resources Manager*

City of St. George
Organizational Chart



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FINANCIAL SECTION



HINTONBURDICK

HINTON BURDICK HALL & SPILKER PLLC

CPAs & ADVISORS

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

MEMBERS:

CHAD B. ATKINSON
KRIS J. BRAUNBERGER
DEAN R. BURDICK
ROBERT S. COX
TODD B. FELTNER
BRENT R. HALL
KENNETH A. HINTON
MORRIS J. PEACOCK
PHILLIP S. PEINE
MICHAEL K. SPILKER
MARK E. TICHENOR

The Honorable Mayor and
City Council
St. George, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. George, Utah, as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of St. George's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. George, Utah, as of June 30, 2008, 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.

ST. GEORGE • 63 SOUTH 300 EAST STE 100, ST. GEORGE, UT 84770
CEDAR CITY • 337 SOUTH MAIN, STE 230, CEDAR CITY, UT 84720
RICHFIELD • 159 NORTH MAIN STREET, RICHFIELD, UT 84704
HURRICANE • 48 SOUTH 2500 WEST, STE 250, HURRICANE, UT 84737
MESQUITE • 590 WEST MESQUITE BLVD, SUITE 201, MESQUITE, NV 89027

OFFICE 435.628.3663 FAX 435.628.3668
OFFICE 435.865.7666 FAX 435.867.6111
OFFICE 435.896.5491 FAX 435.896.5493
OFFICE 435.635.5665 FAX 435.628.3668
OFFICE 702.346.3462 FAX 702.346.3464

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2008, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and the schedule of impact fees received, spent, and ending balances since adoption, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of St. George, Utah's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole. The introductory, continuing disclosure and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

 Hinton, Burdick, Hall & Spilker, PLLC

HINTON, BURDICK, HALL & SPILKER, PLLC
October 10, 2008

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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, 2008. 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 16.89% to \$388,254,300. Governmental net assets increased by 20.73% while Business-type net assets increased by 13.42%.
In the Governmental funds, the increase is made up of increases in fixed assets net of related debt at 64.15% of the increase while the remaining 35.85% is made of primarily cash and receivables.
Business-type fund net asset increases were also primarily made up of increases in net assets net of related debt increasing by 14.39% while other net assets increased by 10.09%.
- The total net assets are \$388,254,300 and are made up of \$283,839,858 in capital assets net of related debt and \$104,414,442 in other net assets.
- In the General Fund, revenues exceeded expenditures by \$3,394,314. \$3,336,000 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 10.85% of total budgeted expenditures for the next fiscal year ending 2009, which was an increase from 10.29% for the prior fiscal year.
- Total long-term liabilities of the City increased by \$17,588,809. The 2007 Series Sales Tax bonds were issued in the amount of \$24,755,000.

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 29 & 30 of this report.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

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

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

The major governmental funds (as determined by generally accepted accounting principles) are the General Fund, the Public Works Capital Projects Fund, the Street Bond Capital Projects Fund, and the Replacement Airport 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, Wastewater Collection and Golf Courses meet the criteria of major fund classification. The Refuse Collection, Municipal Building Authority, Wastewater Collection 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 \$387,941,661.

By far the largest portion of the City of St. George's net assets (73.54%) reflects its investment in capital assets (e.g., land, buildings, infrastructure assets, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

STATEMENT OF NET ASSETS (in thousands)

	Governmental Activities		Business-type Activities	
	2008	2007	2008	2007
Current and other assets	\$73,912	\$ 56,031	\$58,329	\$ 53,018
Capital assets	<u>187,646</u>	<u>144,595</u>	<u>237,518</u>	<u>223,980</u>
Total assets	<u>261,558</u>	<u>200,626</u>	<u>295,847</u>	<u>276,998</u>

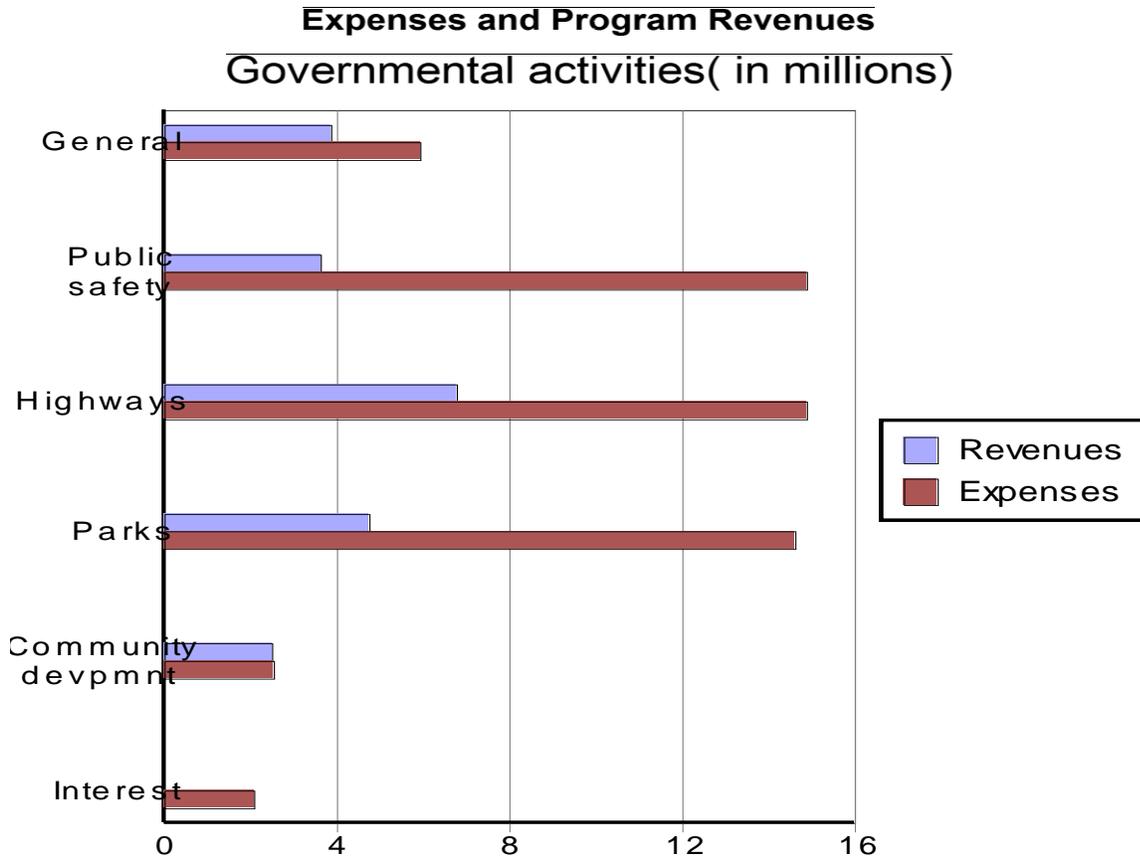
Long-term debt outstanding	54,270	34,614	78,251	84,345
Other liabilities	<u>17,101</u>	<u>8,479</u>	<u>19,529</u>	<u>18,028</u>
Total liabilities	<u>71,371</u>	<u>43,093</u>	<u>97,780</u>	<u>102,373</u>
Net assets:				
Invested in capital assets, net of debt	129,100	109,818	154,740	133,387
Restricted	2,487	4,549	12,945	7,642
Unrestricted	<u>58,600</u>	<u>43,165</u>	<u>30,382</u>	<u>33,596</u>
Total net assets	<u>\$190,187</u>	<u>\$157,532</u>	<u>\$198,067</u>	<u>\$174,625</u>

CHANGES IN NET ASSETS (in thousands)

	Governmental Activities		Business-type Activities	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues:				
Program revenues:				
Charges for services	\$11,915	\$ 12,730	\$ 94,629	\$ 93,591
Operating grants & contributions	9,601	8,043	9,571	-
Capital grants & contributions	22,538	8,355	-	-
General revenues:				
Property taxes	11,333	9,861		
Other taxes	26,309	26,482		
Investment income	2,312	2,458	1,976	1,992
Other revenues	<u>2,998</u>	<u>1,857</u>	<u>3,188</u>	<u>2,861</u>
Total revenues	<u>87,006</u>	<u>69,786</u>	<u>109,364</u>	<u>98,444</u>
Expenses:				
General government	5,935	4,433		
Public safety	14,885	13,824		
Highways/public improvements	14,887	14,814		
Parks & recreation	14,607	13,524		
Community & Econ development	2,544	2,359		
Interest on long-term debt	<u>1,776</u>	<u>1,480</u>		
Electric			48,734	48,304
Water			15,756	15,383
Wastewater collection			7,599	7,876
Wastewater treatment			5,015	4,878
Golf courses			5,181	5,224
Municipal building authority			265	352
Drainage utility			16	6
Refuse collection			<u>3,075</u>	<u>3,104</u>
Total expenses	<u>54,634</u>	<u>50,434</u>	<u>85,641</u>	<u>85,127</u>

Increase in net assets before transfers	32,372	19,352	23,723	13,317
Transfers	<u>282</u>	<u>(1,703)</u>	<u>(282)</u>	<u>1,703</u>
Increase in net assets	32,654	17,649	23,441	15,020
Net assets beginning	<u>157,533</u>	<u>139,884</u>	<u>174,626</u>	<u>159,606</u>
Net assets ending	<u>\$190,187</u>	<u>\$157,533</u>	<u>\$ 198,067</u>	<u>\$174,626</u>

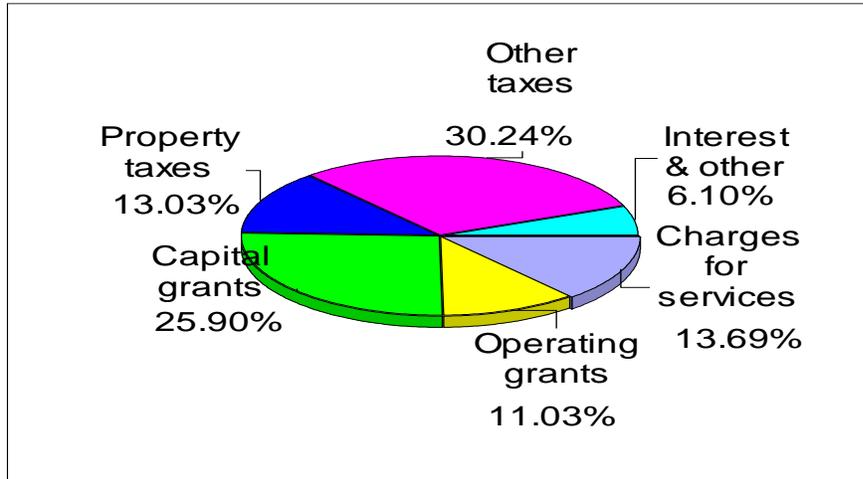
The following graphs display the government-wide activities for governmental activities reflected in the above tables.



Overall governmental revenues were up 24.68%. The largest reason for this was the large capital grants which were received for the acquisition of land for the new replacement airport. As a result capital grants increased from 11.97% to 25.9% of governmental revenues. Charges for services declined as a result of the slowdown in the building trades. Building permits and all related impact fees were down significantly from prior years. The slowdown also resulted in a 3.3% decline in sales tax revenue which is the City’s largest governmental revenue source. The following graph displays the total governmental revenues by source.

Revenues by Source

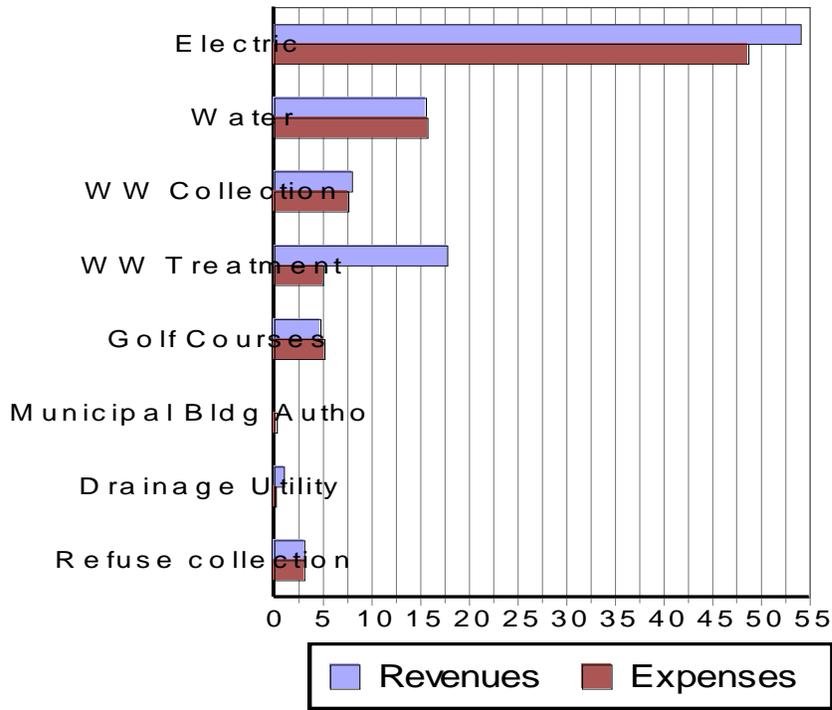
Governmental activities



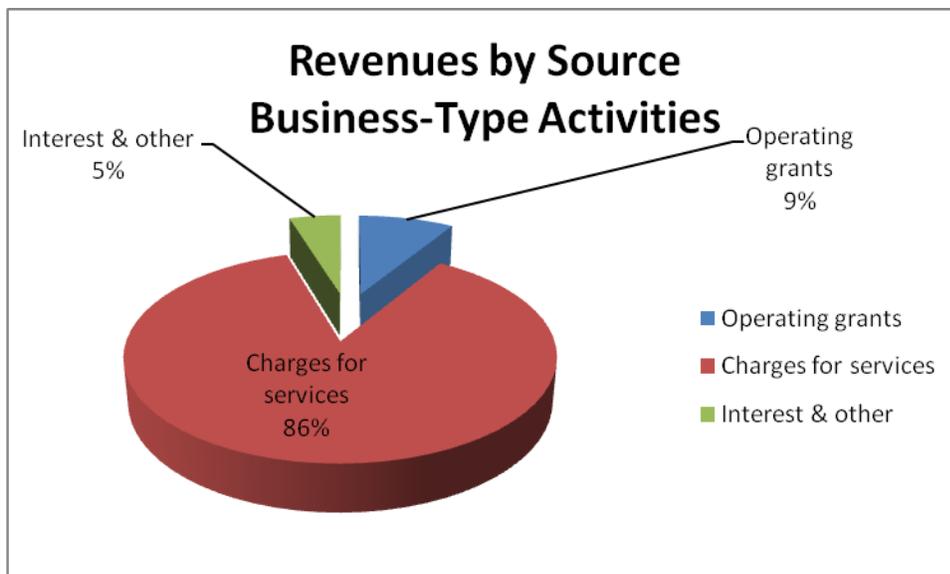
Overall governmental expenditures for all funds increased by 8.95% when compared with last fiscal year. Highways/public improvements decreased from 29.4% to 27.1% some projects were delayed because of the revenue slowdown. General government increased from 8.8% to 10.8%. The CDBG activity was also increased significantly as was the City participation in economic incentives thru the Economic Development Fund at Ft. Pierce Industrial Park. Community & Development Services remained steady at 4.6% of expenditures compared to 4.7% in the prior fiscal year. Parks and Recreation also remained fairly constant at 26.6% of expenditures compared with 26.8% in the prior fiscal year. Public Safety decreased slightly from 27.4% of expenditures in the prior fiscal year to 27.1% in the current year.

Total net assets in business-type activities increased by \$23,441,494. The increase is made up quite equally between additions to fixed assets (net of accumulated depreciation) of \$13,537,588 and a reduction in debt of \$5,706,000. The balance of increase of \$4,197,906 was made up of an increase in current assets such as cash and receivables. The City received a large operating grant of \$9,500,000 to the Wastewater Treatment Enterprise Fund for the future operation of the water reuse agreement with the Shivwitts band of the Paiute Indian Tribe. This grant was recognized as revenue in the current fiscal year because of the infinite period which the agreement applies to. It was not possible to determine the actual number of years which the agreement applies to as it talks only of a period into perpetuity. 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 are charges for services with almost 86.53%. The operating grant is the grant referred to above for the water reuse agreement.



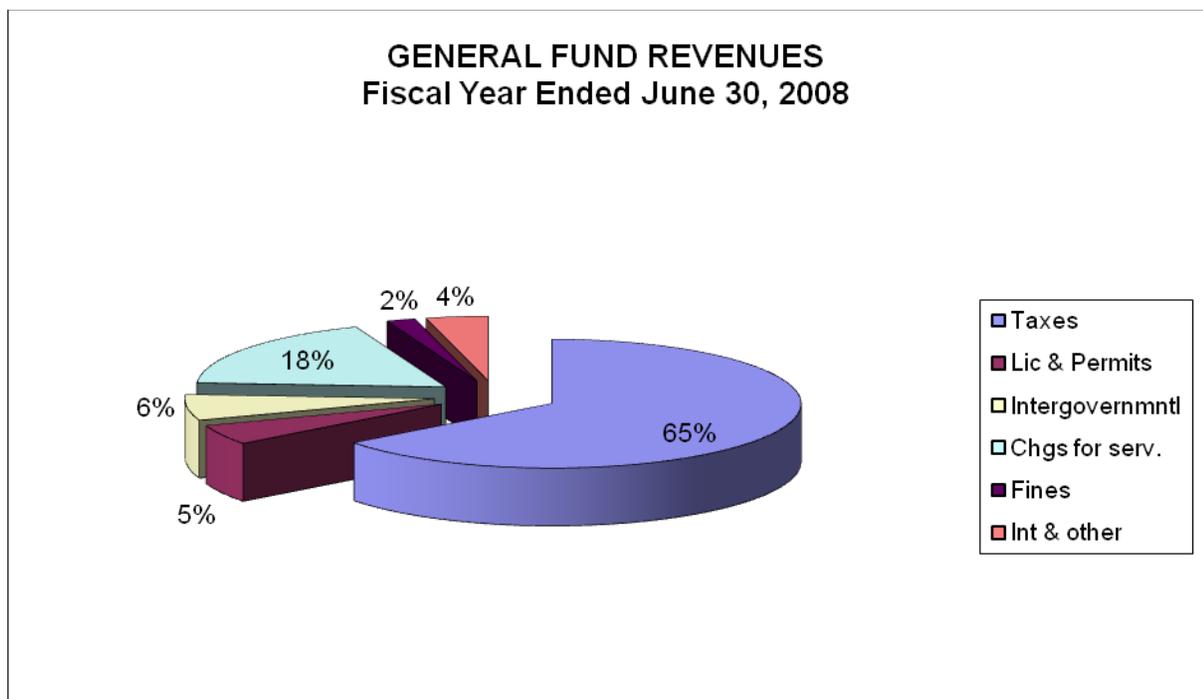
FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

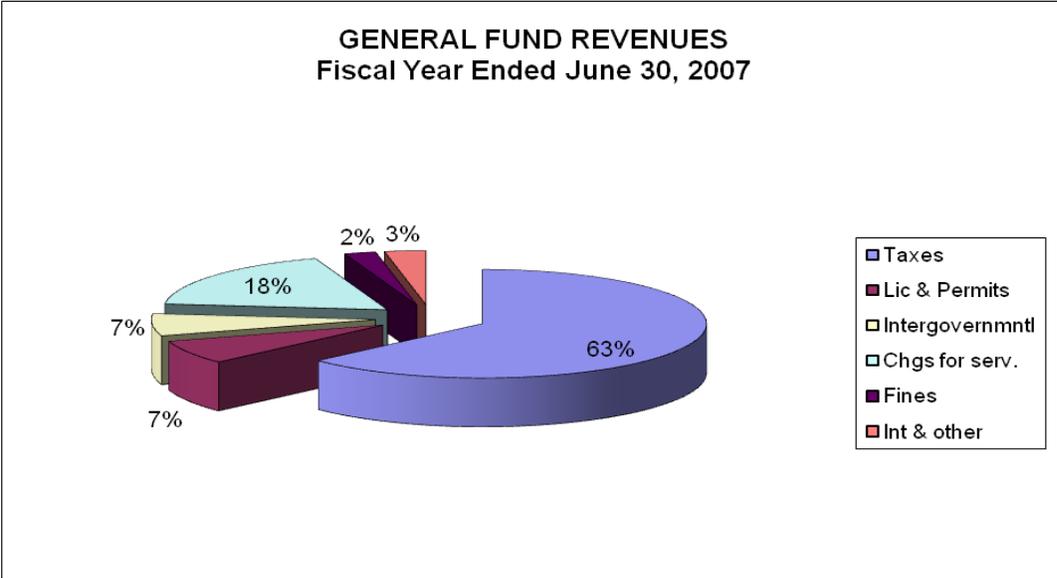
The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

As of the June 30, 2008, the City's governmental funds (General, Capital Projects, Debt Service, & Special Revenue) reported combined fund balances of \$62,393,871. This represents an increase of \$13,700,086 (28.14%) from last year's ending balances. The main reason for this increase is because of the land acquisitions for at the replacement airport site. Federal grants were used for the majority of these purchases during the current fiscal year.

GENERAL FUND

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 \$3 million during the year, a large portion of the surplus was transferred to the Capital Equipment Capital Projects Fund for use in future capital and economic development projects. Thus the General Fund total fund balance only increased by \$58,314. An analysis of this total fund balance shows that it represents just over 10.85% of projected revenues for the new fiscal year which ends June 30, 2009. State laws allows for a maximum fund balance of 18% so the City is well within those limits.

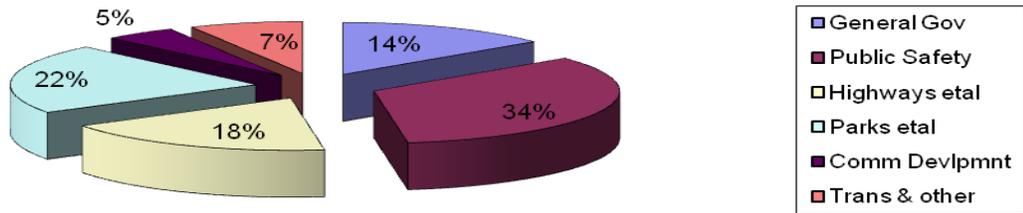




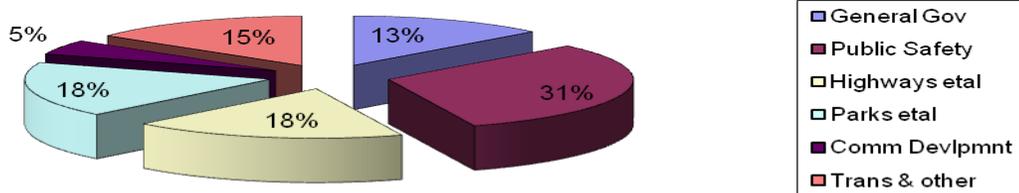
Taxes continue to be the largest source of revenue in the General Fund and represent 65% of total general fund revenues. The largest element of taxes is sales taxes as it has been for the last several years. It represents 51.78% of total tax revenues and represents 33.43% of total general fund revenues. This compares with 34.75% in the fiscal year ended June 30, 2007. Overall, tax revenues were up 3.5% as both franchise taxes at 8.4% and property taxes at 14.46% made up for the 3% reduction in sales taxes. Licenses and permits are down 28.8% from last year as the number of building permits which have been issued is down in comparison to the last year. The number of residential permits issued this year represent a decrease of over 55% from the prior year with 451 residential units being permitted as compared with 1,024 in 2007. The total dollar evaluation of building permits was down 42%. Intergovernmental revenues were roughly equal to a year ago.

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, the largest increase is in public safety with the police department being up over a million dollars mainly as a result of hiring of additional officers for their salaries and benefits and the fire department being up over \$600,000 as the result of the purchase of a new pumper truck. Parks and public property was also up approximately \$550,000 as a result of the renovation of the HVAC system in the city office building and numerous renovations and improvements to city facilities.

**GENERAL FUND EXPENDITURES
Fiscal Year Ended June 30, 2008**



**GENERAL FUND EXPENDITURES
Fiscal Year Ended June 30, 2007**



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 net income is up \$1.2 million on an increase of 3% in total revenues. Operating expenses increased only .9% with electricity and natural gas purchases actually being lower this year than last as a result of the various purchase methods which the City is actively taking advantage of. The Water Utility fund had a decrease of net income of only \$145,000 as compared to almost \$2 million last year. The Wastewater Treatment fund saw a decrease of over

18% in net income as total revenues were almost 11% with impact fee and other operating revenues being down over 45%.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the General Fund original budget was amended from an original budget expenditure total of \$47,345,816 to a final budget of \$50,483,155 (6.63%). These increases were made to take prior year surpluses which were anticipated to be necessary to mean current year operations. However, in January of 2008, a mandatory budget reduction of 5% was implemented by the City Manager which resulted in the City actually being able to generate a surplus and have total expenditures less than originally budgeted by almost \$2 million.

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, 2008, amounts to \$425,163,124 (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 17% (a 29 % increase for governmental activities and a 6 % increase for business-type activities).

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

- \$24,755,000 in Series 2007 Sales Tax Revenue bonds were issued which will be used for the construction of various public works and infrastructure items throughout the City including the Southern Corridor and Mall Drive Bridge.
- Several projects were completed and others started in the parks and recreation area. These included \$798,496 for completion of the Little Valley Park, \$391,087 for renovation and improvements to The Canyons Complex, \$198,075 for rebuilding of Mathis Park, and \$292,932 for completion of the Brooks Pond and Nature Park.
- \$19,907,255 for the feasibility studies, environmental assessments and land acquisition for the new airport site.
- \$3,357,374 to complete construction of the Town Square and Water Walk in historic downtown St. George.
- \$4,209,310 was spent for purchase of the West Elementary School and other property from Washington County School District. Once the new district courthouse is completed in St. George, this property will then be traded to the State of Utah for the acquisition of the former courthouse by the City.
- Considerable funds were expended for highway and street projects including: \$325,910

for the improvements to Hilton Drive; \$566,727 for traffic signals throughout the City; \$1,974,248 for the Main Street Storm Drain; \$4,567,429 for the Southern Corridor; \$2,050,954 for re-construction of Tonaquint Road; \$1,333,808.52 for construction of a second access road at the Dixie Center; \$544,984 for construction of the Snow Park Frontage road; \$1,019,296 for the Washington Fields Storm Drain; \$649,840 for improvements to Brigham Road; \$308,644 for design of the Mall Drive Bridge; and \$220,717 for improvements to Red Hills Parkway.

- \$389,600 was spent for continued renovation of the 3rd floor of the Arts Center building and \$559,178 for the purchase of a new pumper for the fire department.
- \$1,008,441.94 was spent to remodel and expand the fleet service building to accommodate the SunTran buses. \$790,462,29 was also spent for the acquisition of new state of the art buses for SunTran.
- \$2,831,902 in the Water Utility for construction of wells, pipeline, and other improvements to the distribution system.
- \$4,394,221 was spent in the Electric Utility for expansion and improvements to the distribution system; \$6,064,642 for expansion and improvements to the transmission system; and \$2,643,071 to complete the 1st gas fired turbine project and begin the expansion for a 2nd gas fired turbine.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land	\$ 46,665,776	\$ 23,584,179		
Buildings	17,688,456	16,564,895		
Improvements	46,040,563	41,101,894		
Infrastructure	67,102,161	54,849,604		
Machinery & equipment	10,148,656	8,494,197		
Plant, prop. & equipment			<u>\$237,517,512</u>	<u>\$220,057,105</u>
Total	<u>\$187,645,612</u>	<u>\$144,594,769</u>	<u>\$237,517,512</u>	<u>\$220,057,105</u>

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

Long-term debt - At June 30, 2008, the City had total bonded debt outstanding of \$136,976,635. Of this amount \$54,803,400 is considered to be general obligation debt and backed by the full faith and credit of the City; \$2,233,000 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 \$79,940,235 is debt which is secured solely by specific revenue sources (i.e., revenue bonds).

CITY OF ST. GEORGE'S OUTSTANDING DEBT

	Governmental		Business-type	
	Activities		Activities	
	2008	2007	2008	2007
General obligation bonds	\$17,105,000	\$ 17,540,000		
Sales tax revenue bonds	28,070,000	3,670,000		
Excise Revenue bonds	4,100,000	4,700,000		
WCIA Capital lease bonds	5,528,400	6,002,720		
Special assessment debt with governmental commitment	<u>2,233,000</u>	<u>2,864,000</u>		
Revenue bonds			\$79,940,235	\$85,872,000
Total outstanding debt	<u>\$57,036,400</u>	<u>\$34,776,720</u>	<u>\$79,940,235</u>	<u>\$85,872,000</u>

The City's total debt increased by \$22,259,680 during the fiscal year. As mentioned above, the 2007 Series Sales Tax Revenue Bonds were issued during the year totaling \$24,755,000.

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		Fitch
	Investors	Standards	
	<u>Service</u>	<u>& Poors</u>	
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 \$274,515,017, 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 \$549,030,034, which again significantly exceeds the outstanding business-type activity debt. Thus the total debt limit is \$823,545,051 while the total outstanding debt less reserves restricted for debt service is \$71,218,858. The resulting debt margin is \$752,326,193. The statistical section has additional information on debt margin and demonstrates the calculation of this margin for the current fiscal year.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The unemployment rate for Washington County (of which St. George is the largest City) was 4.9 % for the quarter ended September 2008 compared with a state unemployment rate of 3.5% and a national rate of 6.1% seasonally adjusted. This compares with a rate of 2.7% in 2007. (Source: Utah Dept of Workforce Services)
- The General Fund budget for the fiscal year-ending June 30, 2009 reflects a decrease of 10.41% from the final budget for the fiscal year-ended June 30, 2008. This is the result of a directive from the City Manager that all budgets be reduced by 10% because of the slumping economy.

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, 2008

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash	\$ 56,920,770	\$ 30,717,522	\$ 87,638,292
Restricted cash		12,945,226	12,945,226
Accounts receivable (net of allowance for doubtful accounts)	14,292,450	10,938,805	25,231,255
Inventory	93,322	2,431,816	2,525,138
Notes receivable	1,618,215		1,618,215
Internal Balances	500,000	(500,000)	
Bond discounts		1,796,264	1,796,264
Prepaid expenses	487,500	-	487,500
Capital assets (net of depreciation)			
Land	46,665,776		46,665,776
Buildings	17,688,456		17,688,456
Improvements	46,040,563		46,040,563
Infrastructure	67,102,161		67,102,161
Machinery & equipment	10,148,656		10,148,656
Plant, property, and equipment		237,517,512	237,517,512
Total assets	\$ 261,557,869	\$ 295,847,145	\$ 557,405,014
LIABILITIES:			
Accrued liabilities	\$ 9,163,867	\$ 11,734,359	\$ 20,898,226
Construction bonds held	1,170,606		1,170,606
Deposits payable		1,472,154	1,472,154
Deferred compensation	1,080,348		1,080,348
Interest payable	886,132		886,132
Unearned revenues	523,718		523,718
Notes payable:			
Due within one year	25,000		25,000
Due in more than one year	1,442,794		1,442,794
Bonds payable:			
Due within one year	3,816,000	5,882,000	9,698,000
Due in more than one year	47,692,000	74,058,235	121,750,235
Capital leases:			
Due within one year	435,000	440,691	875,691
Due in more than one year	5,135,062	700,873	5,835,935
Bond premiums	-	3,491,875	3,491,875
Total liabilities	71,370,527	97,780,187	169,150,714
NET ASSETS:			
Invested in capital assets, net of related debt	129,099,756	154,740,102	283,839,858
Restricted for:			
Unspent bond/impact fees for const.	-	7,178,501	7,178,501
Debt service	2,486,979	5,766,725	8,253,704
Unrestricted	58,600,607	30,381,630	88,982,237
Total Net Assets	\$ 190,187,342	\$ 198,066,958	\$ 388,254,300

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, 2008

	Program Revenues					Total
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Net Governmental Activities	
Governmental activities:						
General government	\$ 5,934,690	\$ 3,872,000	\$ -	\$ -	\$ (2,062,690)	\$ (2,062,690)
Public Safety	14,884,773	2,809,782	814,237		(11,260,754)	(11,260,754)
Highways & public improvements	14,887,214	626,961	6,142,116	22,532,868	14,414,730	14,414,730
Parks, recreation & public property	14,606,912	2,587,114	2,165,938	5,000	(9,848,860)	(9,848,860)
Community & economic development	2,544,289	2,018,994	479,089		(46,206)	(46,206)
Interest on long-term debt	1,775,654				(1,775,654)	(1,775,654)
Total governmental activities	54,633,531	11,914,851	9,601,380	22,537,868	(10,579,433)	-
Business-type activities:						
Electric	48,733,812	54,090,919			5,357,107	5,357,107
Water	15,756,271	15,506,099	71,530		(178,642)	(178,642)
Regional wastewater treatment	5,015,115	8,283,020	9,500,000		12,767,905	12,767,905
Wastewater collection	7,598,918	7,966,649			367,731	367,731
Golf courses	5,181,096	4,749,759			(431,337)	(431,337)
Municipal bldg authority	265,194	-			(265,194)	(265,194)
Drainage Utility	15,445	954,858			939,413	939,413
Solid waste	3,074,794	3,078,369			3,575	3,575
Total business-type activities	85,640,645	94,629,671	9,571,530	-	18,560,557	18,560,557
General Revenues:						
Taxes:						
Property taxes levied for general purposes					8,887,017	8,887,017
Property taxes levied for debt service					2,445,799	2,445,799
Franchise taxes					6,540,738	6,540,738
General sales taxes & highway sales taxes					19,767,772	19,767,772
Business licenses					628,580	628,580
Investment income					2,312,477	4,288,414
Lease payments					(174,729)	(174,729)
Gain on sale of assets					2,186,588	2,186,588
Rents & concessions					29,946	2,477,682
Miscellaneous					327,254	1,067,450
Transfers					282,932	(282,932)
Total general revenues & transfers					43,234,374	48,115,312
Change in net assets					32,654,941	23,441,494
Net assets - beginning					157,532,403	174,625,464
Net assets - ending					\$ 190,187,344	\$ 198,066,958
						\$ 388,254,303

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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, 2008

	General	Public Works Capital Projects Fund	Street Bond Capital Projects Fund	Replacement Airport Capital Proj. Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 1,567,343	\$ 3,741,083	\$ 21,423,590	\$ (4,310,572)	\$ 33,815,080	\$ 56,236,522
Accounts receivable	3,141,364	464,543		6,348,070	4,338,473	14,292,450
Prepaid items	487,500					487,500
Inventory	93,322					93,322
Notes receivable	1,618,215					1,618,215
Due from other funds	500,000	1,976,584			422,819	2,899,402
Total assets	\$ 7,407,744	\$ 6,182,209	\$ 21,423,590	\$ 2,037,498	\$ 38,576,372	\$ 75,627,412
LIABILITIES AND FUND BALANCE						
Liabilities:						
Construction bonds held	\$ 170,271	\$ -	\$ -	1,000,335		\$ 1,170,606
Due to other funds	388,645		2,010,757		-	2,399,402
Accrued liabilities	1,912,161	4,468,703		1,130,425	1,628,525	9,139,814
Deferred revenues	29,491	-		-	494,227	523,718
Total liabilities	2,500,568	4,468,703	2,010,757	2,130,761	2,122,752	13,233,541
Fund Balance:						
Reserved for Special revenue funds					10,223,432	10,223,432
Reserved for Debt service fund					2,486,979	2,486,979
Reserved for Capital projects fund		1,713,506	19,412,832	(93,263)	23,743,209	44,776,284
Reserved for Police Seizures	119,034					119,034
Reserved for Notes receivable	1,618,215					1,618,215
Reserved for Perpetual Care	318,003					318,003
Unreserved - undesignated	2,851,923					2,851,923
Total fund balance	4,907,175	1,713,506	19,412,832	(93,263)	36,453,620	62,393,871
Total liabilities and fund balance	\$ 7,407,744	\$ 6,182,209	\$ 21,423,590	\$ 2,037,498	\$ 38,576,372	
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.						187,645,612
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.						(60,512,336)
Fund balance in Self-Insurance internal service fund						660,194
						\$ 190,187,342

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, 2008

	<u>General</u>	<u>Public Works Capital Projects Fund</u>	<u>Street Bond Capital Projects Fund</u>	<u>Replacement Airport Capital Proj. Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Taxes & special assessments	\$ 29,348,208			\$ -	\$ 9,320,256	\$ 38,668,463
Licenses and permits	2,270,555				-	2,270,555
Intergovernmental	2,931,939			16,198,488	3,873,628	23,004,055
Charges for services	8,235,888				-	8,235,888
Fines & forfeitures	850,868				-	850,868
Investment income	928,850	21,024	450,224		882,539	2,282,637
Rents & concessions	29,946				-	29,946
Miscellaneous	139,055				190,367	329,423
Contributions from other sources	71,503					71,503
Capital development fees	-				3,283,122	3,283,122
Total revenues	44,806,810	21,024	450,224	16,198,488	17,549,912	79,026,458
Expenditures:						
Current:						
General government	6,419,183	528	271,668		1,996,686	8,688,064
Public safety	15,283,141				-	15,283,141
Highways & public improvements	8,289,325				-	8,289,325
Parks, recreation & public property	9,884,604				-	9,884,604
Community & economic development	2,135,149				890,246	3,025,395
Capital outlay	-	14,635,418		19,907,255	16,993,429	51,536,102
Debt service						
Capital leases	49,729				125,000	174,729
Principal	-				1,813,780	1,813,780
Interest & admin charges	-	10,512			1,290,200	1,300,712
Total expenditures	42,061,131	14,646,458	271,668	19,907,255	23,109,341	99,995,852
Excess (deficiency) of revenues over expenditures	2,745,680	(14,625,434)	178,557	(3,708,767)	(5,559,429)	(20,969,393)
Other financing sources (uses):						
Transfers in	531,753	12,399,187			8,381,107	21,312,047
Transfers out	(3,336,000)		(5,520,725)		(11,523,764)	(20,380,489)
Contributions from private sources		581,817			263,978	845,795
Proceeds from sale of capital assets	116,828				2,069,760	2,186,588
Contributions from other governments				4,000,000	1,950,538	5,950,538
Loss on bond refunding					-	-
Issuance of notes/bonds/leases	-		24,755,000		-	24,755,000
Total other financing sources (uses)	(2,687,419)	12,981,004	19,234,275	4,000,000	1,141,619	34,669,480
Net change in fund balances	58,261	(1,644,430)	19,412,832	291,233	(4,417,809)	13,700,087
Fund balances, beginning of year,	4,848,915	3,357,936	-	(384,497)	40,871,430	48,693,784
Fund balances, end of year	\$ 4,907,176	\$ 1,713,506	\$ 19,412,832	\$ (93,264)	\$ 36,453,621	\$ 62,393,871

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, 2008**

Net change in fund balances - total governmental funds \$ 13,700,087

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. 43,050,843

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 2,467,815

Issuance of long-term debt is a revenue in the governmental funds, but the proceeds increases long-term liabilities in the statement of net assets. (26,075,950)

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. (474,942)

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. (38,197)

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. 25,287

Change in net assets of governmental activities \$ 32,654,943

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, 2008

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Taxes:				
General property taxes	\$ 7,600,000	\$ 7,800,000	\$ 7,507,253	\$ (292,747)
Prior year's delinquent taxes	100,000	100,000	104,761	4,761
General sales & use taxes	16,640,000	16,640,000	15,195,456	(1,444,544)
Franchise taxes	5,900,000	6,100,000	6,540,738	440,738
Total taxes	30,240,000	30,640,000	29,348,208	(1,291,792)
Licenses & permits:				
Business licenses & permits	636,950	636,950	628,580	(8,370)
Non-business licenses & permits	2,719,000	2,719,000	1,641,975	(1,077,025)
Total licenses & permits	3,355,950	3,355,950	2,270,555	(1,085,395)
Intergovernmental revenues:				
Federal grants	250,000	296,762	382,363	85,601
State grants	200,000	209,011	74,882	(134,129)
Class "C" roads	2,155,000	2,305,000	2,411,190	106,190
State liquor allotment	57,000	57,000	63,503	6,503
Total intergovernmental revenues	2,662,000	2,867,773	2,931,939	64,166
Charges for services:				
Enterprise funds	3,410,000	3,410,000	3,410,000	-
Public safety	2,064,191	2,074,191	1,958,914	(115,277)
Parks & public property	450,000	450,000	377,019	(72,981)
Cemetery	430,500	430,500	307,148	(123,352)
Recreation	1,839,975	1,852,975	1,701,172	(151,803)
Airport	559,100	559,100	464,707	(94,393)
Irrigation & Reuse Center	23,000	163,000	16,928	(146,072)
Total charges for services	8,776,766	8,939,766	8,235,888	(703,878)
Fines & forfeitures:				
Court fines & bail forfeitures	897,250	897,250	850,868	(46,382)
Miscellaneous:				
Interest	750,000	900,000	928,850	28,850
Rents & concessions	32,000	32,000	29,946	(2,054)
Other	100,000	100,000	139,055	39,055
Total miscellaneous	882,000	1,032,000	1,097,851	65,851
Total revenues	46,813,966	47,732,739	44,735,307	(2,997,432)
Other Financing Sources :				
Sales of capital assets	20,000	20,000	116,828	96,828
Contributions from others	54,000	66,000	71,503	5,503
Issuance of capital leases	-	-	-	-
Appropriated fund balance	-	2,006,232	-	(2,006,232)
Transfers from other funds	457,850	658,184	531,753	(126,431)
Total Other Financing Sources :	531,850	2,750,416	720,085	(2,030,331)
Total revenues & Other Financing Sources	\$ 47,345,816	\$ 50,483,155	\$ 45,455,392	\$ (5,027,763)

(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, 2008

EXPENDITURES:	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
General government:				
City Council	\$ 653,735	\$ 742,235	\$ 737,676	\$ 4,559
City Manager	264,119	267,667	248,251	19,416
Human Resources	317,430	326,382	293,193	33,189
Administrative Services	495,367	500,263	460,552	39,711
Finance	1,550,145	1,591,518	1,456,282	135,236
Technology Services	1,387,727	1,412,312	1,297,780	114,532
Legal	913,891	950,983	841,974	109,009
Elections	47,500	65,000	64,599	401
Economic Development Administration	1,113,494	1,123,039	1,018,875	104,164
Total general government	6,743,408	6,979,399	6,419,183	560,216
Public Safety:				
Police	10,009,157	10,417,560	10,102,795	314,765
Drug Task Force	170,000	180,000	96,110	83,890
Dispatch Center	2,187,795	2,335,655	2,047,759	287,896
Fire	3,323,419	3,326,778	3,036,476	290,302
Total public safety	15,690,371	16,259,993	15,283,141	976,852
Highways & public improvements:				
Flood Control	97,000	97,000	23,806	73,194
Public Works Administration	550,741	545,191	459,030	86,161
Streets	4,925,971	5,087,640	4,776,084	311,556
Automotive	977,724	1,037,467	885,768	151,699
Engineering	1,697,567	1,722,449	1,472,358	250,091
Airport	736,748	751,001	672,279	78,722
Total highways & improvements	8,985,751	9,240,748	8,289,325	951,423
Parks, Recreation & Public Property:				
Building Maintenance	1,375,434	1,432,884	1,415,026	17,858
Parks and open spaces	4,107,011	4,170,698	3,744,486	426,212
Recreation & cultural arts	4,711,990	4,781,921	4,468,641	313,280
Cemetery	800,218	803,455	256,451	547,004
Total parks, recreation & public property	10,994,653	11,188,958	9,884,604	1,304,354
Community development	2,269,338	2,313,198	2,135,149	178,049
Debt service: Capital leases	66,909	66,909	49,729	17,180
Total expenditures	44,750,430	46,049,205	42,061,131	3,988,074
OTHER FINANCING USES				
Contributions to other funds	2,595,436	4,434,000	3,336,000	1,098,000
TOTAL EXPENDITURES & OTHER USES	47,345,866	50,483,205	45,397,131	5,086,074
Net change in fund balance	(50)	(50)	58,261	\$ 58,311
Fund Balance at beginning of year	4,848,915	4,848,915	4,848,915	
Fund Balance at end of year	\$ 4,848,865	\$ 4,848,865	\$ 4,907,176	

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, 2008

ASSETS	Business-type Activities - Enterprise Funds				TOTALS 2008	Governmental Activities Internal Service Fund
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWTR TREATMENT	Non-Major Enterprise Funds		
Current assets:						
Cash	\$ 4,705,962	\$ 1,240,894	\$ 26,003,300	\$ (1,232,634)	\$ 30,717,522	\$ 684,247
Restricted cash	5,351,469	3,292,054	2,473,706	1,827,997	12,945,226	
Accts. receivable (net of allowance for uncollectibles of \$1,182,333)	9,765,916	605,381	520,435	47,074	10,938,805	
Inventory	1,866,622	565,193			2,431,816	
Due from other funds						
Note receivable				363,193	363,193	
Bond discounts & insurance	304,364	659,870	693,131	138,898	1,796,264	
Prepaid expenses	-					
Total current assets	21,994,334	6,363,392	29,690,572	1,144,527	59,192,826	684,247
Capital assets net of accumulated depreciation	55,436,370	98,660,028	56,305,185	27,115,928	237,517,512	-
TOTAL ASSETS	77,430,704	105,023,421	85,995,757	28,260,456	296,710,338	684,247
LIABILITIES						
Current liabilities:						
Accrued liabilities	7,815,464	1,941,395	897,482	1,080,018	11,734,359	24,053
Capital leases				1,141,564	1,141,564	
Due to other funds (short-term)						
Deposits payable	1,472,154				1,472,154	
Total current liabilities	9,287,618	1,941,395	897,482	2,221,583	14,348,078	24,053
Long-term liabilities:						
Bonds payable - long term	15,490,000	47,168,713	12,972,522	4,309,000	79,940,235	
Bond premiums	514,717	2,609,001	368,157		3,491,875	
Due to other funds (long-term)				863,193	863,193	
Total long-term liabilities	16,004,717	49,777,714	13,340,679	5,172,193	84,295,303	-
Total liabilities	25,292,335	51,719,109	14,238,162	7,393,775	98,643,380	24,053
NET ASSETS						
Invested in capital assets, net of related debt	39,736,018	49,542,185	43,657,637	21,804,262	154,740,102	-
Restricted	5,351,469	3,292,054	2,473,706	1,827,997	12,945,226	-
Unrestricted	7,050,882	470,074	25,626,253	(2,765,579)	30,381,630	660,194
Total net assets	\$ 52,138,369	\$ 53,304,312	\$ 71,757,596	\$ 20,866,680	\$ 198,066,957	\$ 660,194

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, 2008

	Business-type Activities - Enterprise Funds				TOTALS 2008	Governmental Activities
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWTR TREATMENT	Non-Major Enterprise Funds		Internal Service Fund
OPERATING REVENUES:						
Charges for services	\$ 51,029,054	\$ 14,377,769	\$ 7,358,714	\$ 16,256,590	\$ 89,022,127	\$ 462,000
Other operating revenues	3,061,865	1,128,330	924,306	493,044	5,607,545	
Total operating revenues	54,090,919	15,506,099	8,283,020	16,749,634	94,629,671	\$ 462,000
OPERATING EXPENSES:						
Electricity purchased	33,217,278		439,033		33,656,311	
Natural gas purchased	2,249,351				2,249,351	
Water purchased		4,216,527			4,216,527	
Salary and wages	3,336,321	2,384,161	966,345	2,231,989	8,918,816	
Supplies	1,448,882	-	-	407,716	1,856,599	
Service vehicle expense	173,493	201,065	76,856	154,242	605,656	
Equipment rental	362	28,651	2,582	248,101	279,695	
Depreciation	3,209,916	2,883,327	1,221,153	1,189,930	8,504,327	
Bad debts	240,541	64,946	-	49,941	355,428	
Payroll tax & employee benefits	1,291,785	1,053,418	425,680	962,742	3,733,626	
Office & dept. supplies	106,281	387,679	43,198	132,715	669,872	
Professional services	498,768	174,209	185,618	610,391	1,468,986	1,053
R. & M. - equipment	589,268	1,279,255	539,421	111,126	2,519,070	
R. & M. - buildings and grounds	21,311	26,719	15,860	823,330	887,220	
Insurance & surety bonds	118,084	84,251	84,073	59,774	346,182	
Travel	71,528	38,947	8,331	16,464	135,270	
Miscellaneous	1,757	816			2,574	
Interest expense	65,911				65,911	
Subscriptions & memberships	60,730	15,135	665	8,407	84,937	
Lease payments					-	
Claims paid						141,609
Insurance premiums						323,891
Contract labor				8,263,724	8,263,724	
Billing & administration	1,350,000	890,000	520,000	650,000	3,410,000	
Total operating expenses	48,051,569	13,729,106	4,528,814	15,920,592	82,230,081	466,553
Operating income (loss)	6,039,350	1,776,993	3,754,206	829,042	12,399,590	(4,553)
NON-OPERATING REVENUES (EXPENSES)						
Interest income	565,996	186,706	1,106,143	117,091	1,975,937	29,840
Rent	-	1,934,818	11,000	501,919	2,447,737	
Miscellaneous income	583,922	49	66,830	89,396	740,196	-
Federal grants		71,530	9,500,000		9,571,530	
Loss on bond refinancing	-		(112,198)	-	(112,198)	
Interest charges	(682,244)	(2,027,164)	(374,103)	(214,855)	(3,298,365)	
Total non-operating revenue (expense)	467,675	165,939	10,197,672	493,550	11,324,836	29,840
Income before transfers	6,507,025	1,942,931	13,951,878	1,322,592	23,724,426	25,287
Transfers (to) from other funds				(282,932)	(282,932)	
Change in Net Assets	6,507,025	1,942,931	13,951,878	1,039,660	23,441,494	25,287
Total net assets - beginning	45,631,344	51,361,382	57,805,719	19,827,021	174,625,466	634,907
Total net assets - ending	\$ 52,138,369	\$ 53,304,313	\$ 71,757,597	\$ 20,866,681	\$ 198,066,960	\$ 660,194

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, 2008

	Business-type Activities - Enterprise Funds				TOTALS 2008	Governmental Activities Internal Service Fund
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWTR TREATMENT	Non-Major Enterprise Funds		
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 51,831,860	\$ 15,111,305	\$ 8,347,505	16,704,249	\$ 91,994,918	\$ -
Receipts from interfund services provided					(58,836,570)	462,000
Payments to suppliers	(38,796,827)	(7,268,172)	(1,262,393)	(11,509,177)	(12,652,442)	
Payments to employees	(4,628,106)	(3,437,579)	(1,392,025)	(3,194,731)		
Payments for interfund services used						(444,215)
Net cash provided by operating activities	8,406,926	4,405,553	5,693,087	2,000,340	20,505,907	17,785
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Rents received		1,934,818	11,000	501,919	2,447,737	
Miscellaneous non-operating income	583,922	49	66,830	89,396	740,196	
Economic development transfer				(282,932)	(282,932)	
Net cash provided (used) by noncapital and related financing activities	583,922	1,934,867	77,830	308,382	2,905,001	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from capital debt	-	-	-	-	-	-
Purchases of capital assets	(13,378,590)	(2,942,596)	(3,784,178)	(1,936,554)	(22,041,918)	
Principal paid on capital debt	(620,000)	(2,410,000)	(2,131,000)	(770,000)	(5,931,000)	
Interest paid on capital debt	(682,244)	(2,027,164)	(374,103)	(214,855)	(3,298,365)	
Capital lease proceeds				651,302	651,302	
Capital lease principal payments				(427,461)	(427,461)	
Loss on bond refinancing			(112,198)		(112,198)	
Premium on bonds issued	(30,278)	(208,258)	(73,631)		(312,167)	
Federal grants	-	71,530	9,500,000		9,571,530	
Net cash provided (used) by capital and related financing activities	(14,711,112)	(7,516,488)	3,024,890	(2,697,568)	(21,900,277)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	565,996	186,706	1,106,143	117,091	1,975,937	29,840
Net increase (decrease) in cash and cash equivalents	(5,154,267)	(989,362)	9,901,950	(271,755)	3,486,567	47,625
Cash and equivalents including restricted cash of \$10,750,754 at beginning of year	15,211,696	5,522,310	18,575,057	867,118	40,176,181	636,621
Cash and equivalents including restricted cash of \$12,945,226 at end of year	\$ 10,057,429	\$ 4,532,948	\$ 28,477,007	\$ 595,363	\$ 43,662,748	\$ 684,246
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss) (after transfers)	6,039,350	1,776,993	3,754,206	829,042	12,399,590	(4,553)
Adjustments to reconcile net income from operations to net cash provided by operating activities:						
Depreciation	3,209,916	2,883,327	1,221,153	1,189,930	8,504,327	
Changes in assets & liabilities:						
Decrease (increase) in receivables	(2,259,059)	(394,794)	64,485	(45,386)	(2,634,754)	
Decrease (increase) in inventory	564,146	(941)			563,205	
Decrease (increase) in discounts	17,904	57,781	150,863	20,086	246,634	
Decrease (increase) in prepaid exp.						
Decrease (increase) in leases payable						
Increase (decrease) in deposits	49,453				49,453	
Increase (decrease) in interfund pay.						
Increase (decrease) in accruals	785,216	83,189	502,379	6,667	1,377,451	22,338
Total adjustments	2,367,576	2,628,562	1,938,880	1,171,297	8,106,316	22,338
Net cash provided by operating activities:	\$ 8,406,926	\$ 4,405,555	\$ 5,693,086	\$ 2,000,339	\$ 20,505,906	\$ 17,785

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, 2008

	PENSION TRUST *****
<u>ASSETS</u>	
Restricted cash and investments	<u>\$ 16,276,523</u>
Total Assets	<u>16,276,523</u>
<u>LIABILITIES</u>	
Liabilities:	
Accrued liabilities	<u>-</u>
Total liabilities	<u>-</u>
NET ASSETS	
Held in trust for pension benefits and other purposes	<u><u>\$ 16,276,523</u></u>

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

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

FOR THE YEAR ENDED JUNE 30, 2008

		PENSION TRUST *****
ADDITIONS		
Retirement contributions	\$	997,646
Life insurance contributions		16,178
Certificate sales		-
Net increase in fair value of investments		(1,061,677)
Citizen donations		-
		<hr/>
Total additions		<u>(47,853)</u>
DEDUCTIONS		
Administrative & general		-
Life insurance premiums		16,178
Retirement withdrawals		636,742
Transfers to other government agencies		-
		<hr/>
Total deductions		<u>652,920</u>
Change in net assets		(700,774)
Net assets - beginning of year		<u>16,977,297</u>
Net assets - end of year	\$	<u><u>16,276,524</u></u>

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

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

JUNE 30, 2008

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 and 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 non-fiduciary activities of the City and its component units. For the most part, the effect of inter-fund 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 off-set by program revenues. Direct expenses are those which are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

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

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

Sales taxes, franchise taxes, innkeeper taxes, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the

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

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund. Other major governmental funds include the Public Works Capital Projects Fund, the Street Bond Capital Projects Fund, and the Replacement Airport 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 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. A Fiduciary fund is 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, 2008 were estimated based on July billings and are included in the operating revenues and accounts receivable at year-end. An allowance for uncollectible accounts is recorded as bad debt expense equal to 1/2 of 1% of revenues in the Electric, Water, Wastewater Collection, and Refuse Collection enterprise funds.

3. Inventories and prepaid items

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

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

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

4. Capital assets

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

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

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

5. Compensated absences

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

6. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums, discounts, and issuance

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

7. Restricted assets

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

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 costs 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	\$268,278,901
Accumulated depreciation	<u>(80,633,289)</u>
Total difference	\$ <u>187,645,612</u>

Long-term debt transactions:

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the fund financials. All liabilities (both current and long-term) are reported in the statement of net assets. Balances at June 30, 2008 were:

2007 Sales Tax Revenue Bonds	\$24,755,000
2005 Sales Tax Revenue Bonds	3,315,000

Excise tax bonds	4,100,000
Parks and recreation general obligation bonds	17,105,000
Special assessment bonds	2,233,000
Capital lease	5,570,062
Note payable to McArthur	146,844
Note Payable to Washington Co School District	1,320,950
Interest payable on long-term debt	886,132
Compensated absences	<u>1,080,348</u>
Total	<u>\$ 60,512,336</u>

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

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

Net Capital outlay	\$50,911,201
Depreciation expense	<u>(7,860,358)</u>
Net difference as reported	\$ <u>43,050,843</u>

III. Stewardship, compliance, and accountability

A. Budgetary information

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

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

- 1) Prior to the first meeting in May, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 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 \$3,137,339 or 6.63% of the original budget. The largest amounts of the increase were to transfer to the Capital Equipment Fund \$2,367,569 of the anticipated General Fund surplus revenues for the year which were then allocated to various capital projects. This increase was for 75.5% 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 on a monthly basis. The July tax remittance is accrued as receivable at June 30th year end. 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, 2008, the Museum Collection Acquisition Special Revenue Fund expenditures exceeded appropriations by \$4,258 and the Recreation Bond Capital Projects Fund expenditures exceeded appropriations by \$18,367.

D. Deficit fund equity

At June 30, 2008 the Future Airport Capital Project fund had a deficit fund balance. The year-end payables exceeded available assets at year-end. The deficit should be eliminated during the 2009 fiscal year thru additional revenues or transfers from other funds.

IV. Detailed Notes for All Funds

A. Cash and investments

At June 30, 2008, the City had the following cash & investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percentage</u>
U.S. Treasuries	\$2,432,772	2.08%
State Treasurer's investment pool	83,249,790	71.24%
Bank certificates of deposit	10,899,568	9.33%
Bank demand deposits (checking & saving)	3,001,287	2.57%
Corporate bond	1,000,000	.85%
Insurance company contracts (pension plan)	<u>16,276,524</u>	<u>13.93%</u>
Total fair value	<u>\$116,859,941</u>	<u>100.00%</u>

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, 2008, the weighted average of maturities was 77.08 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, 2008, excluding the UPTIF, the City had one issuer in which the total investments exceeded five percent but less than the 20% allowed by policy:

- The Village Bank at 8.30%

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, 2008, \$16,556,402, (14.17%) of the City's portfolio balance of \$116,859,941 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. 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 12% of the net sales proceeds to be applied to the note. At June 30, 2008, the unpaid principal and interest totaled \$1,618,215.

D. Capital assets

Capital asset activity for the year ended June 30, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$23,584,179	23,988,656	907,059	46,665,776
Capital assets being depreciated:				
Buildings	24,613,181	1,935,703		26,548,884
Improvements	53,000,738	6,607,792		59,608,530
Infrastructure	97,545,636	16,350,816		113,896,452
Equipment, etc	<u>18,623,966</u>	<u>2,935,292</u>	_____	<u>21,559,258</u>
Total capital assets being depreciated	<u>193,783,521</u>	<u>27,829,603</u>	_____	<u>221,613,124</u>
Less accum. depreciation for:				
Buildings	8,048,286	812,142		8,860,428
Improvements	11,898,844	1,669,123		13,567,967
Infrastructure	42,696,032	4,098,258		46,794,290
Equipment etc	<u>10,129,769</u>	<u>1,280,834</u>	_____	<u>11,410,603</u>
Total accum. depreciation	<u>72,772,931</u>	<u>7,860,357</u>	_____	<u>80,633,288</u>
Total capital assets being depreciated, net	<u>121,010,590</u>	<u>19,969,246</u>	_____	<u>140,979,836</u>
Governmental activities capital assets, net	<u>\$144,594,769</u>	<u>\$43,957,902</u>	<u>\$ 907,059</u>	<u>\$187,645,612</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	<u>30,561,922</u>	_____	_____	<u>30,561,922</u>
Capital assets being depreciated:				
Buildings and systems	245,506,302	13,358,826		258,865,128
Improvements	9,093,719	7,337,207		16,430,926
Machinery & Equipment	<u>17,915,601</u>	<u>1,447,710</u>	<u>509,126</u>	<u>18,854,185</u>
Total capital assets being depreciated	<u>272,515,622</u>	<u>22,143,743</u>	<u>509,126</u>	<u>294,150,239</u>
Less accum. depreciation for:				
Buildings and systems	63,387,820	6,738,111		70,125,931
Improvements	4,118,224	346,759		4,464,983
Machinery & Equipment	<u>11,591,576</u>	<u>1,419,456</u>	<u>407,297</u>	<u>12,603,735</u>
Total accum. depreciation	<u>79,097,620</u>	<u>8,504,326</u>	<u>407,297</u>	<u>87,194,649</u>
Total capital assets being depreciated, net	<u>193,418,002</u>	<u>13,639,417</u>	<u>101,829</u>	<u>206,955,590</u>
Business-type activities net capital assets	<u>\$223,979,924</u>	<u>13,639,417</u>	<u>101,829</u>	<u>\$237,517,512</u>

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

Governmental activities:		
General government		\$ 501,346
Public safety		671,298
Highways, streets, etc.		4,716,389
Parks, recreations, etc.		1,559,595
Community development		<u>411,730</u>
Total depreciation expense - governmental activities		<u>\$7,860,358</u>
Business-type activities:		
Municipal building authority		\$ 98,336
Water utility		2,883,327
Wastewater collection		415,714
Electric utility		3,209,916
Golf courses		675,880
Regional wastewater treatment		<u>1,221,153</u>
Total depreciation expense - business-type activities		<u>\$ 8,504,326</u>

The City has followed the procedure of capitalizing large purchases of poles, transformers, pipes, etc. in the electric and water enterprise funds. Many of these materials are not used immediately upon purchase, but rather kept on hand in case of an

emergency need. Upon inspection of these supplies, it was deemed to be more accurate to classify these assets as inventory rather than to capitalize them. Thus, an inventory count was performed and an appropriate amount of the fixed assets were classified as inventory.

E. Interfund receivables, payables, and transfers

At June 30, 2008, interfund balances due to or from other funds was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Special Assessment Debt Service	General Fund	\$388,645
Public Works Capital Project Fund	Street Bond Cap Proj Fund	1,976,584
Dixie Center EDA Fund	Street Bond Cap Proj Fund	34,174
General Fund	Golf Course Fund	500,000
Wastewater Collection	Golf Course Fund	<u>363,193</u>
		<u>\$3,262,596</u>

The Golf Course Fund has borrowed a total of \$1,900,000 from the Wastewater Collection Fund for the purchase of the Southgate Golf Course. The loan is being repaid through monthly installments of \$13,153.33 which includes principal and interest. The interest rate is calculated each year on November 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, 2008 were as follows:

<u>Fund Transferring Out</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>
General Fund	Dixie Center Operations	\$ 467,000
	Public Works Capital Proj.	638,626
	Capital Equip Cap. Projects	2,869,000
	Golf Course Fund	500,000
Economic Development Fund	SunTran Public Transit Fund	350,000
	Public Works Capital Proj.	5,201,090
Transportation Improvmnt	General Fund	70,000
	Park Impact Fund	270,784
Recreation Bond Capital Projects	General Fund	40,000
Park Impact Fund	Public Works Capital Proj.	1,133,833
Drainage Impact Fund	General Fund	85,000
Drainage Utility Fund	Public Works Capital Proj.	677,932
Drainage Utility Fund	General Fund	116,419
CDBG Special Revenue Fund	Park Impact Fund	139,962
CDBG Special Revenue Fund	Public Works Capital Proj.	72,727

<u>Fund Transferring Out</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>
Ft. Pierce EDA Fund	Housing Program Fund	332,413
EDA #1 Fund	Housing Program Fund	108,397
Capital Equip. Cap Proj.	General Fund	190,334
	Downtown RDA Fund	1,272,240
	2005 Flood Reconst. Fund	948,780
Street Bond Cap. Proj. Fund	Dixie Center EDA Fund	1,490,887
	Capital Equip. Cap. Proj.	131,644
	Public Works Capital Proj.	3,898,194
Street Impact Fund	Public Works Capital Proj.	<u>776,785</u>
	Total Interfund Transfers	<u>\$ 21,782,047</u>
Total Interfund Transfers - Governmental Funds		21,019,115
Total Interfund Transfers - Enterprise Funds		762,932

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 totaled \$11,645,000. In December of 2006 the City advance refunded \$4,925,000 of the 1999 G O bonds due after August 1, 2012. These bonds totaled \$5,140,000.

General obligation bonds are direct obligations of the City and pledge the full faith and credit of the City. The 1999 G.O. bonds are due in installments ranging from \$80,000 to \$135,000 thru August 1, 2012. The 2004 G O Refunding bonds totaling \$11,645,000 were issued with annual installments of \$100,000 to \$1,420,000 thru August 1, 2021. The 2006 G O Refunding bonds totaling \$5,140,000 were issued with annual installments of \$15,000 to \$1,804,000 thru August 1, 2023.

General obligation bonds currently outstanding at June 30, 2008 are as follows:

Governmental activities:

	<u>Interest rates</u>	<u>Amount</u>
1999 G.O. Parks & Recreation	4.60% to 7.50%	\$ 610,000
2004 G.O. Parks & Recreation	2.50% to 5.00%	11,355,000
2006 G.O. Parks & Recreation	3.985%	<u>5,140,000</u>
		<u>\$17,105,000</u>

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 \$370,000 to \$870,000 thru June 15, 2015. At June 30, 2008 the outstanding balance of this issue was as follows:

Governmental activities:		
	<u>Interest rates</u>	<u>Amount</u>
2005 Sales Tax Revenue bonds	5.48%	<u>\$3,315,000</u>

In the current fiscal year, the City issued additional sales tax revenue bonds totaling \$24,755,000 for the purpose of constructing various road improvements etc. throughout the City. The bonds are due in annual installments of \$1,690,000 to \$2,975,000 per year from November 1, 2008 thru November 1, 2017. They have an interest rate of 3.84%.

Governmental activities:		
	<u>Interest rates</u>	<u>Amount</u>
2007 Sales Tax Revenue bonds	3.84%	<u>\$24,755,000</u>

The City has another debt which it treats as general obligation type debt because of the nature of the debt and the revenues being used to fund the related debt service. In 2004, 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 \$5,000,000 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 \$625,000 to \$750,000 thru December 1, 2013. At June 30, 2008, the debt balance was as follows:

Governmental activities:		
	<u>Interest rates</u>	<u>Amount</u>
2004 Excise Tax Revenue bonds	3.0% to 4.38%	<u>\$4,100,000</u>
Total City reflected General Obligation Debt		<u>\$49,275,000</u>

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

(In thousands of dollars)

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
<u>June 30</u>			
2009	\$ 3,195	\$ 2,309	\$ 5,504
2010	3,781	1,775	5,556
2011	3,966	1,630	5,596

<u>Year Ended</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2012	4,152	1,475	5,627
2013	4,357	1,309	5,666
2014-2023	28,020	5,134	33,154
2024	<u>1,804</u>	<u>36</u>	<u>1,840</u>
Totals	<u>\$49,275</u>	<u>\$13,668</u>	<u>\$62,943</u>

The City over the past several years has created several special assessment districts in which various improvements (i.e.; streets, curb & gutter, sidewalk, etc.) have been constructed and bonds issued for the construction costs. These bonds are being repaid from assessments against those property owners which have received the benefit of such construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the City provides the resources necessary to cover such deficit until further collection efforts can be taken to provide the necessary funds. At June 30, 2008, the various issues outstanding are as follows:

<u>District</u>	<u>Original Issue</u>	(amounts in thousands)		<u>Final Due</u>	
		<u>Annual principal</u>	<u>Interest rates</u>	<u>Date</u>	<u>Amount</u>
97-1	\$ 265	\$33	5.20%	8/1/08	\$ 33
97-2	1,651	\$198 to \$210	5.9% to 5.95%	11/1/09	408
98-1	400	\$48 to \$51	5.75% to 5.8%	12/15/09	99
99-4	1,109	\$111	3.45% to 4%	11/1/12	555
99-1	989	\$99	3.55% to 4.1%	2/1/13	495
99-3	1,077	\$107 to \$108	3.50% to 4.35%	6/1/13	538
2000-1	228	\$24 to \$28	4.95% to 5.15%	6/1/12	<u>105</u>
		Total special assessment debt			<u>\$2,233</u>

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

(in thousands of dollars)			
<u>Year Ended</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2009	\$ 621	\$ 98	\$ 719
2010	605	70	675
2011	345	41	386
2012	345	27	372
2013	<u>317</u>	<u>13</u>	<u>330</u>
Totals	<u>\$ 2,233</u>	<u>\$ 249</u>	<u>\$ 2,482</u>

In connection with several districts, property owners against whom an assessment have been levied have, in a few cases, either gone bankrupt or breached their obligation to make installments as they come due. Most of these are collectible, and even where

bankruptcy has occurred, the property affected by the levy should be available for foreclosure. As required by state law, a guarantee fund has been established within the special assessment debt service fund. The law requires that a tax rate of .00002 be charged to all general property taxpayers until sufficient funds are accumulated in the guarantee fund to meet statutory requirements. The requirements are that 25% of the remaining outstanding bond principal for bonds issued prior to 1987 and 10% of the remaining outstanding bond principal for bonds issued after that date. The required and maintained balance at June 30, 2008, is \$223,300.

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, 2008 by issue are as follows: (in thousands)

<u>Bond Descrip.</u>	<u>Original Issue</u>	<u>Annual principal</u>	<u>Interest rates</u>	<u>Final Due Date</u>	<u>Amount</u>
1998A MBA	\$6,270	\$155 to \$395	4.12% to 4.7%	9/1/17	\$ 3,150
1998A MBA Holt	400	\$53	7%	10/1/08	53
2000 Woodward	<u>350</u>	\$16 to \$23	2.5%	4/1/21	<u>247</u>
Total Municipal Bldg	<u>7,020</u>				<u>3,450</u>
1987B Water	\$1,274	due 1/1/13	0.00%	1/1/13	\$ 1,274
2003 Water	12,325	\$855 to \$1215	3.0% to 5.25%	6/1/16	9,150
2001 Water	8,670	\$565 to \$1,650	4.25% to 5%	6/1/20	7,810
2004 Water	<u>31,000</u>	\$525 to \$2,425	4.0% to 5%	7/1/25	<u>28,935</u>
Total Water Utility	<u>53,269</u>				<u>47,169</u>
1993B Sewer	4,000	\$231 to \$275	3.5%	6/15/14	1,515
1997B Sewer	12,000	\$1050 to \$1172	1.0%	6/15/12	4,443
2004 Sewer	<u>7,015</u>	\$650 to \$935	4.00% to 5.0%	7/1/16	<u>7,015</u>
Total Wastewater Treatment	<u>23,015</u>				<u>12,973</u>
2004 Golf Course	\$ 407	due 4/1/2010	4.05%	4/1/10	\$ 407
2003 Golf Course	<u>2,840</u>	\$452	3.95%	4/01/09	<u>452</u>
	<u>\$3,247</u>				<u>\$ 859</u>
2005 Electric Rev	<u>\$17,280</u>	\$645 to \$3,305	3.5% to 5%	6/01/25	<u>\$15,490</u>
Total Business-type activities	<u>\$103,831</u>				<u>\$79,941</u>

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

<u>Year Ended</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2009	\$ 5,882	\$ 3,545	\$ 9,427
2010	5,978	3,343	9,321
2011	5,841	3,113	8,954
2012	6,066	2,896	8,962
2013	4,937	2,660	7,597
2014-2018	24,491	9,979	34,470
2019-2023	17,336	5,043	22,379
2024-2026	<u>9,410</u>	<u>1,066</u>	<u>10,476</u>
Totals	<u>\$79,941</u>	<u>\$31,645</u>	<u>\$111,586</u>

In prior years, the City defeased certain outstanding bonds by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the City's financial statements. At June 30, 2008, 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
1999 MBA Crosby bonds	841,000
1999 G O Parks & Recreation bonds	4,925,000

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2008 was as follows: (in thousands)

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due in</u> <u>OneYr</u>
Governmental activities:					
Bonds payable:					
G.O. Bonds	\$17,540	\$ -	\$(435)	\$17,105	\$ 510
Sales Tax Bonds	3,670	24,755	(355)	28,070	2,060
Excise Bonds	4,700	-	(600)	4,100	625

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due in OneYr</u>
Special assessment debt with governmental commitment	<u>2,864</u>	<u>-</u>	<u>(631)</u>	<u>2,233</u>	<u>621</u>
Total bonds payable	28,774	24,755	(2,021)	51,508	3,816
McArthur note	161	-	(14)	147	25
Wash. Co Schl Dist. Note	-	1,321	-	1,321	
WICA lease	5,921	-	(393)	5,528	393
Capital leases	81	-	(39)	42	42
Vacation payable	<u>1,042</u>	<u>38</u>	<u>(-)</u>	<u>1,080</u>	<u>1,080</u>
Governmental activity long-term liabilities	<u>\$35,979</u>	<u>\$26,114</u>	<u>\$(2,467)</u>	<u>\$59,626</u>	<u>\$5,356</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$85,871	-	\$(5,930)	\$ 79,941	5,882
Capital leases	<u>918</u>	<u>651</u>	<u>(427)</u>	<u>1,142</u>	<u>441</u>
Total business-type long-term liabilities	<u>\$86,789</u>	<u>\$ 651</u>	<u>\$(6,357)</u>	<u>\$81,083</u>	<u>\$6,323</u>

G. Leases payable

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 \$1,388,492.

The following is a schedule of future minimum lease payments under such capital leases, and the present value of net minimum lease payments at June 30, 2008.

<u>Fiscal year ended</u>	<u>Golf Carts</u>	<u>Equipment</u>
June 30, 2009	\$311,130	\$175,667
June 30, 2010	189,630	-
June 30, 2011	304,630	-
June 30, 2012	113,172	
June 30, 2013	<u>162,000</u>	<u>-</u>
Total payments	1,080,562	175,667
Less amount representing interest	<u>(105,285)</u>	<u>(9,380)</u>
Present value of lease payments	<u>\$975,277</u>	<u>\$ 166,287</u>

The City has entered into a lease agreement as lessee for financing the acquisition of communications equipment in the E-911 dispatch center. This lease agreement qualifies as a capital lease for accounting purposes and therefore, has been recorded at the present

value of the future minimum lease payments as of the date of inception. The value of the equipment is \$650,000.

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, 2008.

<u>Fiscal year ended</u>	
June 30, 2009	\$43,891
Less amount representing interest	<u>(2,229)</u>
Present value of lease payments	<u>\$41,662</u>

Washington County/St. George City Interlocal Agency

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

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

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

The lease is considered a capital lease based on GASB's Codification, Section L.20.119-122 and FASB's Statement 13. The following is an annual schedule of future minimum lease payments and St. George City's sublease payments:(in thousands)

<u>Fiscal year ended</u>	<u>Payments</u>
June 30, 2009	\$632
June 30, 2010	596
June 30, 2011	606
June 30, 2012	343
June 30, 2013	353
2014-2018	1939
2019-2023	<u>2156</u>
Total remaining minimum lease payments	6625
Less amount representing interest	<u>(1097)</u>
Present value of net remaining minimum lease payments	<u>\$5528</u>

For the fiscal year ended June 30, 2008 expenditures were payments for O&M of \$846,881 and debt service payments of \$656,974.

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

	<u>Golf Courses</u>	<u>MBA</u>
Assets:		
Cash and investments	\$(1,664,106)	\$237,726
Other assets (deferred bond costs)	39,500	99,398
Capital assets	17,504,102	10,770,124
Less depreciation	<u>(5,327,072)</u>	<u>(988,517)</u>
Total assets	<u>10,552,423</u>	<u>10,118,732</u>
Liabilities:		
Accrued liabilities	584,325	49,505
Due to other funds	863,193	-
Noncurrent liabilities	<u>2,000,564</u>	<u>3,450,000</u>
Total liabilities	<u>3,448,082</u>	<u>3,499,505</u>

	<u>Golf Courses</u>	<u>MBA</u>
Net assets:		
Invested in capital assets net of related debt	10,215,965	6,431,006
Restricted	-	-
Unrestricted	<u>(3,111,624)</u>	<u>188,221</u>
Total net assets	<u>\$7,104,341</u>	<u>\$6,619,226</u>

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

	<u>Golf Courses</u>	<u>MBA</u>
Charges for services	\$4,749,759	\$ -
Depreciation expense	(675,880)	(98,336)
Other operating expenses	<u>(4,444,369)</u>	<u>(12,851)</u>
Operating income(loss)	<u>(370,490)</u>	<u>(111,187)</u>
Nonoperating revenues (expenses)		
Interest income	-	4,608
Rental income	7,246	494,673
Miscellaneous income	83,214	-
Transfers from other funds	500,000	-
Interest expense	<u>(60,847)</u>	<u>(154,008)</u>
Change in net assets	159,122	234,087
Beginning net assets	<u>6,945,219</u>	<u>6,385,140</u>
Ending net assets	<u>\$ 7,104,341</u>	<u>\$6,619,227</u>

CONDENSED STATEMENT OF CASH FLOWS

	<u>Golf Courses</u>	<u>MBA</u>
Net cash provided (used) by:		
Operating activities	\$ 204,416	\$ (6,471)
Noncapital financing activities	590,459	494,673
Capital and related financing activities	(860,630)	(490,008)
Investing activities	<u>-</u>	<u>4,608</u>
Net increase (decrease)	(65,755)	2,802
Beginning cash & cash equivalents	<u>(1,598,351)</u>	<u>234,924</u>
Ending cash & cash equivalents (deficit)	<u>\$(1,664,106)</u>	<u>\$237,726</u>

V. Other information

A. Risk management

The City, effective July 1, 1991, is self-insured up to \$250,000 for general liability, law enforcement liability, and auto liability with excess insurance up to \$25,000. Property is covered by a blanket all risk policy with limits of up to \$241,112,583. Traveler's Insurance administers the insurance policies above what the City provides as self-insurance.

	<u>6/30/08</u>	<u>6/30/07</u>
Unpaid claims beginning of fiscal year	\$ 1,715	\$ 6,152
Incurred claims	163,947	115,123
Claim payments	<u>(141,609)</u>	<u>(119,560)</u>
Unpaid claims, end of fiscal year	<u>\$ 24,053</u>	<u>\$ 1,715</u>

B. Contingent liabilities

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

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

C. Jointly governed organization

The City, in conjunction with 38 other governmental entities that provide for the purchase and transmission of electrical services, created the Utah Association of Municipal Power System (UAMPS). UAMPS owns interest in various power generation entities as well as coordinates 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 \$10,323,835 during the fiscal year ended June 30, 2008.

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 for 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, 2008, there had been twenty-three series of Industrial Revenue Bonds issued. The aggregate principal amount payable could not be determined; however, their original issue amounts totaled \$59.8 million.

E. Commitments/subsequent events

1) On July 9, 2008, the City issued Electric Revenue Bonds, Series 2008 in the amount of \$50,000,000 for the purpose of paying for electric utility system improvements including the acquiring and construction of a natural gas fired turbine (Millcreek Turbine #2) and related improvements and additions. The bonds were rated by Moody's as Aaa/A1.

2) On October 17, 2008 a groundbreaking ceremony was held for the construction of the replacement airport. The project is being funded largely through Federal Aviation Administration grants and by the sale of the existing airport property to Anderson Development Services Inc. Anderson Development Services has entered into an agreement with the City for the purchase of the existing airport at a cost of approximately \$43 million. Anderson Development will take possession of the existing airport once the replacement airport is completed and in operation. A deposit of \$1 million has been made by Anderson and the city is using the agreement to attempt to make arrangements for the State of Utah to participate in the construction of the new airport with a bridge loan. The City was also awarded a Letter of Intent (LOI) from the FAA for \$90 million which it is anticipated will be used by the City as collateral for issuing bonds for construction.

In July, the City received FAA grants totaling just over \$21 million which was used to finalize purchase of property needed for the airport either with outright purchases or through deposits with the court in condemnation proceedings.

The contract for grading and drainage improvements to the airport site was awarded for just over \$13 million and work has begun on the first phase of construction and contracts for design of the terminal and other airport amenities have also been awarded and those processes are continuing as well.

F. 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 \$1,253,037.
- 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 \$3,315,000.

4) The actual amount expended for:

A) acquisition of property \$0

B) site improvements or preparation costs \$3,681,141

C) installation of public utilities or other public improvements \$0

D) administrative costs of the agency \$9,287

E) debt service payments \$498,130

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 12.76% 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, 7.61% to the Contributory, 11.62% to the Noncontributory, and 22.61% 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, 2008, 2007, and 2006 respectively were; for the Contributory System, \$44,622, \$44,021, and \$45,339; for the Noncontributory System, \$2,210,468, \$2,061,828, and \$1,741,453; for the Public Safety Noncontributory, \$1,047,335, \$949,867, and \$694,378; and for the Firefighters System, \$133,144, \$109,112, and \$66,703 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 2.44% for non-exempt employees covered by the Contributory, 4.43% for non-exempt employees covered by the Non-contributory, 3.29% 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 \$1,013,824 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

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SCHEDULE OF IMPACT FEES RECEIVED, SPENT, AND ENDING BALANCES
SINCE ADOPTION THRU FISCAL YEAR ENDED JUNE 30, 2008

NOTE: The City has adopted an impact fee schedule which has the entire City as the development area. What this means is that fees collected on building permits can be used for eligible expenditures as determined in the impact fee study anywhere in the City as determined by the Mayor & City Council in the annual budget process. Fees are collected at 100% of the maximum allowable fee as determined by an impact fee study conducted by an independent consultant. Fees are spent on a first in/first out (FIFO) basis and any cancelled building permits on which fees have been paid are refunded with interest.

PARK IMPACT FUND							STREET IMPACT FUND						
FISCAL YEAR	Revenues	Interest	Professional Services	Capital Outlay	Debt Service	Accumulated Balance	FISCAL YEAR	Revenues	Interest	Professional Services	Capital Outlay	Debt Service	Accumulated Balance
1981	\$ 13,100	\$ -	\$ -	\$ -	\$ -	\$ 13,100	1981	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1982	55,728		300	25,000		43,528	1982						-
1983	71,225		226	5,000		109,527	1983						-
1984	171,229		5,566	5,000		270,190	1984						-
1985	249,975		2,582	218,098		299,485	1985						-
1986	535,500	37,368	180	171,414		700,759	1986	87,000					87,000 First Year
1987	124,330	34,505	180	601,659		257,755	1987	211,300		180	47,514		250,606
1988	64,600	16,400	16,259	106,967		105,529	1988	116,700		225	212,538		154,543
1989	49,900		232	89,005		176,192	1989	126,900		232	78,771		202,440
1990	106,250		469	92,870		189,103	1990	209,800		296	120,614		291,330
1991	113,969		4,333	129,254		169,485	1991	202,048		233	127,820		365,325
1992	134,825		14,675	200,769		88,866	1992	224,475		289	196,295		393,216
1993	266,300		31,509	238,830		84,827	1993	261,700		261	282,555		372,100
1994	322,625		707	174,447		232,298	1994	511,800		297	586,687		296,916
1995	1,006,650		105,204	163,462	37,789	932,493	1995	765,132		369	289,742		771,937
1996	1,018,350	34,915	62,160	1,412,495	37,783	473,320	1996	691,328	43,132	18,025	617,349		871,023
1997	891,540	16,442	30,138	957,598	386,841	6,725	1997	619,798	61,904	5,950	277,725		1,269,050
1998	748,700	7,943	34,564	245,710	195,742	287,352	1998	503,740	50,622	388	809,806		1,013,218
1999	855,010	24,411	64,358	188,388	195,968	718,059	1999	542,252	50,497	390	1,091,448		514,129
2000	754,412	30,144	20,777	265,282	482,785	733,771	2000	506,543	23,096	390	1,145,304		(101,926)
2001	829,610	62,056	394	224,100		1,400,943	2001	587,940	630	394	600,000		(113,750)
2002	1,057,950	57,460	632	51,727		2,463,994	2002	696,361	5,572	514			587,669
2003	1,409,800	53,063	541	667,046	10,000	3,249,270	2003	864,315	16,748	541	700,000		768,191
2004	1,975,942	63,113	450	645,123	5,000	4,637,752	2004	1,204,931	9,650	449	1,535,000		447,323
2005	2,261,850	116,486	177,872	1,085,217	5,000	5,747,999	2005	1,387,582	23,669	464	265,613		1,592,497
2006	1,665,027	242,944	55,213	3,561,467	6,082	4,033,208	2006	1,099,964	67,192	4,096	1,250,000		1,505,557
2007	1,024,092	122,119	58,750	2,905,757		2,214,912	2007	943,609	102,987	2,531	555,236		1,994,386
2008	1,277,372	58,800	17,221	1,360,171		2,173,692	2008	1,117,832	107,696	528	776,785		2,442,601

DRAINAGE IMPACT FUND							FIRE DEPARTMENT IMPACT FUND						
FISCAL YEAR	Revenues	Interest	Professional Services	Capital Outlay	Debt Service	Accumulated Balance	FISCAL YEAR	Revenues	Interest	Professional Services	Capital Outlay	Debt Service	Accumulated Balance
1994	9,450					9,450 First Year	1994	5,400					5,400 First Year
1995	311,112		369	13,832		306,361	1995	168,272		369			173,303
1996	428,313	24,454	495	128,281		630,352	1996	183,923	14,310	495			371,041
1997	384,920	41,872	443	198,687		858,014	1997	158,053	20,411	443	223,733		325,329
1998	358,185	49,433	389	73,201		1,192,042	1998	161,333	19,321	25,829	45,068		435,086
1999	334,978	66,267	705	295,009		1,297,573	1999	158,680	14,584	390	355,128		252,832
2000	330,178	71,708	390	426,013		1,273,056	2000	161,386	18,040	390	68,579		363,289
2001	553,615	57,398	4,289	1,173,451		706,329	2001	193,967	23,659	394	96,712		483,809
2002	455,680	21,340	12,386	928,585		242,378	2002	223,400	15,600	514	129,992		592,303
2003	498,365	7,698	5,708	549,062		193,671	2003	253,162	13,537	541	52,087		806,374
2004	685,549	6,749	2,701	200,000		683,268	2004	335,428	4,005	450	1,051,116		94,241
2005	871,387	16,609	3,257	870,000		698,007	2005	395,190	7,068	464			496,035
2006	885,179	34,096	9,365	840,000		767,917	2006	347,724	28,766	4,096			868,429
2007	757,193	64,063	2,531	(811,965)		2,398,607	2007	268,473	45,574	2,532	300,000		879,944
2008	594,429	113,629	528	1,133,833		1,972,304	2008	199,793	41,782	528			1,120,991

POLICE DEPARTMENT IMPACT FUND						
FISCAL YEAR	Revenues	Interest	Professional Services	Capital Outlay	Debt Service	Accumulated Balance
1994	450					450
1995	33,782		369			33,863
1996	63,878	3,521	495			100,767
1997	56,894	7,197	443			164,415
1998	52,283	8,941	388		150,000	75,251
1999	43,182	3,644	390		125,000	(3,313)
2000	46,301		390		50,000	(7,402)
2001	85,616	1,050	395		39,500	39,369
2002	62,780	622	514		75,000	27,257
2003	64,287	293	541		85,000	6,296
2004	88,721	85	450		85,000	9,652
2005	114,062	620	464		85,000	38,870
2006	123,639	1,586	4,096		125,000	34,999
2007	150,527	2,435	2,530		125,000	60,431
2008	93,696	1,526	528		125,000	30,125

First Year

WASTEWATER COLLECTION IMPACT FUND						
FISCAL YEAR	Revenues	Interest	Professional Services	Capital Outlay	Debt Service	Accumulated Balance
1981	\$ 128,965	\$ -	\$ -	\$ -	\$ -	\$ 128,965
1982	81,728	1,779	300	124,231		87,941
1983	177,338	1,620	226	29,139		237,534
1984	280,714	360	165			518,443
1985	478,887	100	182	20,612		976,636
1986	849,820	30,048	180	101,024		1,755,300
1987	482,300			2,237,600		-
1988	212,760			212,760		-
1989	308,224			308,224		-
1990	395,100			395,100		-
1991	459,517			459,517		-
1992	525,855			525,855		-
1993	703,750			703,750		-
1994	1,192,213			1,192,213		-
1995	1,146,575			1,146,575		-
1996	876,775	25,409			1,248,143	(345,959)
1997	492,475	34,581		233,014	553,827	(605,744)
1998	208,380	17,194		130,727		(510,897)
1999	228,860	5,440				(276,597)
2000	213,180					(63,417)
2001	241,495			310,060		(131,982)
2002	295,570			101,279		62,309
2003	361,620			223,739		200,190
2004	515,424			176,308		539,306
2005	595,177			313,528		820,955
2006	453,342		3,583	815,874		454,840
2007	880,112	53,163	10,856	596,276		780,983
2008	493,044			1,272,564		1,463

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ELECTRIC UTILITY IMPACT FUND						
FISCAL YEAR	Revenues	Interest	Professional Services	Capital Outlay	Debt Service	Accumulated Balance
1981	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1982						-
1983						-
1984						-
1985						-
1986	781,433			3,254,683		(2,473,250)
1987	628,479			3,014,538		(4,859,309)
1988	434,754			344,292		(4,768,847)
1989	540,595			644,435		(4,872,687)
1990	683,429			1,627,001		(5,816,259)
1991	700,621					(5,115,638)
1992	988,869					(4,126,769)
1993	1,105,811			1,105,811		(4,126,769)
1994	1,889,495					(2,237,274)
1995	3,099,875			862,601		-
1996	1,514,693	47,102		1,776,735		(214,940)
1997	1,139,980	62,820		1,578,833		(590,973)
1998	1,199,225	61,275		1,936,684		(1,267,157)
1999	967,325	32,326		2,173,520		(2,441,026)
2000	1,007,410	947		1,692,170		(3,124,839)
2001	1,250,215			743,055		(2,617,679)
2002	1,427,748			993,903		(2,183,834)
2003	1,719,684			947,314		(1,411,464)
2004	2,446,567			1,587,669		(552,566)
2005	2,916,771			2,603,883		(239,678)
2006	2,675,739		3,583	966,183	1,099,391	366,904
2007	2,741,642			1,915,855	1,303,301	(110,610)
2008	2,241,959			6,880,678	1302244	(6,051,573)

First Year

REGIONAL WASTEWATER TREATMENT IMPACT FUND						
FISCAL YEAR	Revenues	Interest	Professional Services	Capital Outlay	Debt Service	Accumulated Balance
1986						
1987						
1988						
1989						
1990						
1991						
1992						
1993						
1994						
1995						
1996						
1997	410,766	6,881			775,359	(357,712) First Year
1998	1,058,282	35,109			1,939,900	(1,204,221)
1999	904,893	29,065			2,029,395	(2,299,658)
2000	1,173,928	300			2,444,305	(3,569,735)
2001	1,112,969				3,527,340	(5,984,106)
2002	1,459,773				3,548,654	(8,072,987)
2003	1,752,481	14,938			3,000,000	(9,305,568)
2004	2,447,521			416,808	2,683,377	(9,958,232)
2005	3,047,417			169,983	3,197,042	(10,277,840)
2006	2,662,784		3,583	1,912,196	1,733,750	(11,264,585)
2007	1,706,879				1,710,177	(11,267,883)
2008	924,306			1,558,376	1,252,551	(13,154,504)

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WATER UTILITY IMPACT FUND						
FISCAL YEAR	Revenues	Interest	Professional Services	Capital Outlay	Debt Service	Accumulated Balance
1986	1,093,433			1,613,125		(519,692) First Year
1987	601,876			354,769		(272,585)
1988	329,158			443,282		(386,709)
1989	358,277			167,096		(195,528)
1990	509,985			368,371		(53,914)
1991	673,387			619,473		-
1992	682,740			682,740		-
1993	827,610			827,610		-
1994	1,362,716			1,362,716		-
1995	1,258,983			1,258,983		-
1996	715,870	21,003		739,319	420,241	(422,687)
1997	844,222	34,809		1,425,839	947,405	(1,916,900)
1998	1,007,281	48,748		1,835,700	945,225	(3,641,796)
1999	1,080,246	28,793		2,205,066	947,325	(5,685,148)
2000	1,037,843			2,009,422	943,465	(7,600,192)
2001	1,273,460			3,051,440	943,840	(10,322,012)
2002	1,628,828			3,846,474	479,680	(13,019,338)
2003	2,659,827			2,000,000	482,995	(12,842,506)
2004	3,823,731			1,820,850	479,995	(11,319,620)
2005	4,537,600				2,501,105	(9,283,125)
2006	3,510,670		3,583	534,465	1,474,200	(7,784,703)
2007	1,945,386			34,126	1,717,383	(7,590,826)
2008	837,761			911,466	2,219,082	(9,883,613)

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City of St. George, UT
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2008

Assets	Special Revenue Funds												
	Dixie Center Ops	Airport PFC Fees	Economic Development	Transportation Improvement	CDBG Grant Fund	Museum Acquis. Fund	Johnson Farm Dinosaur Tracks	Affordable Housing Program	Ft. Pierce CDA Fund	Ft Pierce EDA Fund	Econ Devlpmnt Agencv #1	Dixie Center Area EDA Fund	SunTran Public Transit
Cash and investments	\$ (127,862)	\$ 1,171,183	\$ 1,097,950	\$ 4,914,390	\$ -	\$ 22,799	\$ 19,294	\$ 440,810	\$ 51,676	\$ 425,458	\$ 431,028	\$ 447,972	\$ (1,069,792)
Receivables:													
Accounts	295,352			738,822	2,381					1,257		492	1,654,722
Due from other funds												34,174	
Total assets	\$ 167,490	\$ 1,171,183	\$ 1,097,950	\$ 5,653,212	\$ 2,381	\$ 22,799	\$ 19,294	\$ 440,810	\$ 51,676	\$ 426,716	\$ 431,028	\$ 482,638	\$ 584,930
Liabilities and Fund Balances													
Liabilities:													
Accounts payable	\$ 107,364	\$ -	\$ -	\$ 7,327	\$ 2,381	\$ 3,850	\$ 1,106			\$ -	\$ -	\$ 2,960	\$ 203,685
Deferred revenues													
Due to other funds													
Total liabilities	107,364		-	7,327	2,381	3,850	1,106		-	-	-	2,960	203,685
Fund balances:													
Reserved, reported in:													
Special revenue funds	60,126	1,171,183	1,097,950	5,645,885	-	18,949	18,187	440,810	51,676	426,716	431,028	479,678	381,245
Debt service funds													
Capital project funds													
Total fund balances	60,126	1,171,183	1,097,950	5,645,885	-	18,949	18,187	440,810	51,676	426,716	431,028	479,678	381,245
Total liabilities and fund balances	\$ 167,490	\$ 1,171,183	\$ 1,097,950	\$ 5,653,212	\$ 2,381	\$ 22,799	\$ 19,294	\$ 440,810	\$ 51,676	\$ 426,716	\$ 431,028	\$ 482,638	\$ 584,930

(continued)

City of St. George, UT
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2008
 (continued)

Assets	Debt Service		Capital Projects Funds									Totals
	Special Assessments	Recreation Bond D.S.	Downtown RDA	Capital Equipment Capital Proj.	Park Impact	Street Impact	Drainage Impact	Fire Dept Impact	Police Impact	Recreation Bonds	2005 Flood Reconstruction	
Cash and investments	\$ 1,024,422	\$ 261,617	\$ 210,376	\$ 16,312,926	\$ 2,673,770	\$ 2,442,602	\$ 1,972,305	\$ 1,120,992	\$ 30,124	\$ 17,307	\$ (76,268)	\$ 33,815,080
Receivables:												
Accounts	1,306,522		4,984		-	-	-	-	-	-	333,942	4,338,473
Due from other funds	388,645		-		-	-	-	-	-	-	-	422,819
Total assets	\$ 2,719,589	\$ 261,617	\$ 215,360	\$ 16,312,926	\$ 2,673,770	\$ 2,442,602	\$ 1,972,305	\$ 1,120,992	\$ 30,124	\$ 17,307	\$ 257,674	\$ 38,576,372
Liabilities and Fund Balances												
Liabilities:												
Accounts payable	\$ -	\$ -	\$ 62,429	\$ 588,575	\$ 500,077	\$ -	\$ -	\$ -	\$ -	\$ 14,794	\$ 133,977	\$ 1,628,525
Deferred revenues	494,227		-		-	-	-	-	-	-	-	494,227
Advances from other funds			-		-	-	-	-	-	-	-	-
Total liabilities	494,227		62,429	588,575	500,077	-	-	-	-	14,794	133,977	2,122,752
Fund balances:												
Reserved, reported in:												
Special revenue funds			-		-	-	-	-	-	-	-	10,223,432
Debt service funds	2,225,362	261,617	-		-	-	-	-	-	-	-	2,486,979
Capital project funds			152,931	15,724,352	2,173,693	2,442,602	1,972,305	1,120,992	30,124	2,513	123,696	23,743,209
Total fund balances	2,225,362	261,617	152,931	15,724,352	2,173,693	2,442,602	1,972,305	1,120,992	30,124	2,513	123,696	36,453,620
Total liabilities and fund balances	\$ 2,719,589	\$ 261,617	\$ 215,360	\$ 16,312,926	\$ 2,673,770	\$ 2,442,602	\$ 1,972,305	\$ 1,120,992	\$ 30,124	\$ 17,307	\$ 257,674	\$ 38,576,372

CITY OF ST. GEORGE, UT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2008

	Special Revenue Funds												
	Dixie Center Operations	Airport PFC Fees	Economic Development	Transportation Improvement	CDBG Grant Fund	Museum Acquis Fund	Johnson Farm Dinosaur Tracks	Affordable Housing Program	Ft. Pierce CDA Fund	Ft Pierce EDA Fund	Econ Dvlpmnt Agency #1	Dixie Center Area EDA Fund	SunTran Public Transit
Revenues:													
Taxes & fees	\$ 402,262	\$ 205,239	\$ -	\$ 4,572,316	\$ -	\$ 17,204	\$ 87,256	\$ -	\$ 179,039	\$ 563,394	\$ 288,109	\$ 244,462	\$ 143,727
Assessments													
Intergovernmental					479,089								1,813,425
Investment income	-	43,268	65,126	324,400	2,479	773	1,652	105	20,097	15,016	7,181		
Capital development fees													
Other					10,000		569						1,600
Total revenues	402,262	248,507	65,126	4,896,716	491,568	17,977	89,477	-	179,144	583,491	303,126	251,643	1,958,752
Expenditures:													
Current:													
General government	846,881	528	8,839	20,095	6,136	528	123,319		2,990	528	528	528	948,274
Public Safety													
Highways & improvements													
Parks, recreation etc													
Community & Econ Developmnt								124,478	431,368	11,237			
Lease payments	-												
Debt service:													
Principal on long-term debt	392,780												
Interest on long-term debt	264,194												
Capital outlay:													
				31,299	237,877	13,730						1,308,347	1,372,448
Total expenditures	1,503,855	528	8,839	51,393	244,013	14,258	123,319	-	127,468	431,896	11,765	1,308,874	2,320,722
Excess (deficiency) of revenues over expenditures	(1,101,593)	247,979	56,287	4,845,322	247,555	3,719	(33,842)	-	51,676	151,595	291,360	(1,057,231)	(361,970)
Other financing sources (uses):													
Transfers in	467,000												
Transfers out								440,810				1,490,887	350,000
Capital debt (notes & bonds)													
Loss on bond refunding													
Property sales													
Contributions from private sources													
Contributions from other governmnt	629,588												
Capital Leases													
Notes payable													
Total other financing sources (uses)	1,096,588	-	(500,000)	(5,621,090)	(329,107)	-	-	440,810	-	(332,413)	(108,397)	1,490,887	350,000
Net change in fund balances	(5,005)	247,979	(443,713)	(775,767)	(81,552)	3,719	(33,842)	440,810	51,676	(180,818)	182,963	433,656	(11,970)
Fund balances, beginning of year	65,131	923,204	1,541,663	6,421,652	81,552	15,229	52,029	-	-	607,534	248,065	46,022	393,215
Fund balances, end of year	\$60,126	\$1,171,183	\$1,097,950	\$5,645,885	(\$0)	\$18,948	\$18,187	\$440,810	\$51,676	\$426,716	\$431,028	\$479,678	\$381,245

(continued)

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CITY OF ST. GEORGE, UT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2008
(continued)

	Debt Service		Capital Projects Funds									
	Special Assessments	Recreation Bond D.S.	Downtown RDA	Capital Equipment Capital Proj.	Park Impact	Street Impact	Drainage Impact	Fire Dept Impact	Police Impact	Recreation Bonds	2005 Flood Reconstruction	Total
Revenues:												
Taxes	\$ -	\$ 1,192,762	\$ 1,253,037	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,148,807
Assessments	171,449		-	-	-	-	-	-	-	-	-	171,449
Intergovernmental			-	-	-	-	-	-	-	-	1,581,114	3,873,628
Investment income	30,742	1,106	35,503	-	58,800	107,696	113,629	41,782	1,526	11,655	-	882,539
Capital development fees			-	-	1,277,372	1,117,832	594,429	199,793	93,696	-	-	3,283,122
Other			-	178,198	-	-	-	-	-	-	-	190,367
Total revenues	202,191	1,193,868	1,288,540	178,198	1,336,172	1,225,529	708,059	241,575	95,222	11,655	1,581,114	17,549,912
Expenditures:												
Current:												
General government	2,748	2,578	9,287	528	17,221	528	528	528	528	2,513	528	1,996,686
Public Safety												-
Highways & improvements												-
Parks, recreation etc												-
Community & Econ Developmnt			323,163									890,246
Lease payments									125,000			125,000
Debt service:												
Principal on long-term debt	631,000	435,000	355,000									1,813,780
Interest on long-term debt	125,365	757,510	143,130									1,290,200
Capital outlay:	-	-	3,357,978	6,635,298	1,735,916					12,768	2,287,769	16,993,429
Total expenditures	759,113	1,195,089	4,188,557	6,635,826	1,753,137	528	528	528	125,528	15,281	2,288,297	23,109,341
Excess (deficiency) of revenues over expenditures	(556,923)	(1,220)	(2,900,017)	(6,457,628)	(416,965)	1,225,001	707,531	241,048	(30,306)	(3,626)	(707,182)	(5,559,429)
Other financing sources (uses):												
Transfers in			1,272,240	3,000,644	410,745	-	-	-	-	-	948,781	8,381,107
Transfers out			-	(2,411,355)	(40,000)	(776,785)	(1,133,833)	-	-	(270,784)	-	(11,523,764)
Capital debt (notes & bonds)			-	-	-	-	-	-	-	-	-	-
Loss on bond refunding			-	-	-	-	-	-	-	-	-	-
Property sales				2,069,760								2,069,760
Contributions from private sources				258,978	5,000							263,978
Contributions from other governmnts				1,320,950								1,950,538
Capital leases												-
Notes payable												-
Total other financing sources (uses)	-	-	1,272,240	4,238,977	375,745	(776,785)	(1,133,833)	-	-	(270,784)	948,781	1,141,619
Net change in fund balances	(556,923)	(1,220)	(1,627,776)	(2,218,651)	(41,219)	448,216	(426,302)	241,048	(30,306)	(274,409)	241,598	(4,417,809)
Fund balances, beginning of year	2,782,284	262,838	1,780,708	17,943,003	2,214,912	1,994,386	2,398,607	879,944	60,431	276,923	(117,902)	40,871,430
Fund balances, end of year	\$2,225,361	\$261,618	\$152,932	\$15,724,352	\$2,173,693	\$2,442,602	\$1,972,305	\$1,120,992	\$30,125	\$2,514	\$123,696	\$36,453,621

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, 2008

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Business license innkeeper fees	\$ 440,000	\$ 440,000	\$ 402,262	\$ (37,738)
Interest income	-	-	-	-
Total revenues	<u>440,000</u>	<u>440,000</u>	<u>402,262</u>	<u>(37,738)</u>
EXPENDITURES:				
Current:				
General government	739,737	850,146	846,881	3,265
Rental payments	19,000	19,000	-	19,000
Debt service:				
Principal	318,300	392,780	392,780	-
Interest	230,233	272,406	264,194	8,212
Capital outlay:	-	-	-	-
Total expenditures	<u>1,307,270</u>	<u>1,534,332</u>	<u>1,503,855</u>	<u>30,477</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(867,270)</u>	<u>(1,094,332)</u>	<u>(1,101,593)</u>	<u>(7,261)</u>
OTHER FINANCING SOURCES (USES):				
Contributions from other governments	381,385	608,447	629,588	21,141
Appropriated fund balance	-	-	-	-
Transfers from other funds	467,000	467,000	467,000	-
Total other financing sources(uses)	<u>848,385</u>	<u>1,075,447</u>	<u>1,096,588</u>	<u>21,141</u>
EXCESS OF REVENUES OVER EXPENDITURES & OTHER FINANCING SOURCES (USES):	(18,885)	(18,885)	(5,005)	<u>\$ 13,880</u>
Fund balance at beginning of year	<u>65,131</u>	<u>65,131</u>	<u>65,131</u>	
Fund balance at end of year	<u>\$ 46,246</u>	<u>\$ 46,246</u>	<u>\$ 60,126</u>	

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, 2008

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Passenger facility charges	\$ 200,000	\$ 200,000	\$ 205,239	\$ 5,239
Interest income	20,000	20,000	43,268	23,268
Total revenues	220,000	220,000	248,507	28,507
EXPENDITURES:				
Current:				
General government	-	-	528	(528)
Capital projects:				
Improvements				
Property purchases	-	-	-	-
Equipment purchases	-	-	-	-
Total expenditures	-	-	528	(528)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	220,000	220,000	247,979	27,979
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(652,000)	(652,000)		652,000
Appropriated fund balance	432,000	432,000	-	(432,000)
Total other financing sources (uses):	(220,000)	(220,000)	-	220,000
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	247,979	\$247,979
Fund balance at beginning of year	923,204	923,204	923,204	
Fund balance at end of year	\$ 923,204	\$ 923,204	\$ 1,171,183	

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, 2008

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Interest income	\$ 165,000	\$ 165,000	\$ 65,126	\$ (99,874)
Miscellaneous income				
Intergovernmental revenues				
Total revenues	<u>165,000</u>	<u>165,000</u>	<u>65,126</u>	<u>(99,874)</u>
EXPENDITURES:				
Current:				
General government	30,000	30,000	8,839	21,161
Capital projects:				
Improvements	-	-	-	-
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>8,839</u>	<u>21,161</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>135,000</u>	<u>135,000</u>	<u>56,287</u>	<u>(78,713)</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	365,000	365,000		(365,000)
Transfers from other funds				
Transfers to other funds	(500,000)	(500,000)	(500,000)	-
Total other financing sources(uses)	<u>(135,000)</u>	<u>(135,000)</u>	<u>(500,000)</u>	<u>(365,000)</u>
EXCESS OF REVENUES OVER EXPENDITURES & OTHER FINANCING SOURCES (USES):	-	-	(443,713)	<u>\$ (443,713)</u>
Fund balance at beginning of year	<u>1,541,663</u>	<u>1,541,663</u>	<u>1,541,663</u>	
Fund balance at end of year	<u>\$ 1,541,663</u>	<u>\$ 1,541,663</u>	<u>\$ 1,097,950</u>	

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, 2008

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Highway sales taxes	\$ 5,400,000	\$ 5,400,000	\$ 4,572,316	\$ (827,684)
Interest income	166,509	166,509	324,400	157,891
Total revenues	<u>5,566,509</u>	<u>5,566,509</u>	<u>4,896,716</u>	<u>(669,793)</u>
EXPENDITURES:				
Current:				
General government	110,000	110,000	20,095	89,905
Capital projects:				
Improvements	230,000	530,000	31,299	498,701
Total expenditures	<u>340,000</u>	<u>640,000</u>	<u>51,393</u>	<u>588,607</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,226,509</u>	<u>4,926,509</u>	<u>4,845,322</u>	<u>(81,187)</u>
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(39,904,000)	(10,301,000)	(5,621,090)	4,679,910
Property sales	12,000,000		-	-
Sale of bonds	18,300,000	-	-	-
Appropriated fund balance	4,377,491	5,374,491	-	(5,374,491)
Total other financing sources(uses)	<u>(5,226,509)</u>	<u>(4,926,509)</u>	<u>(5,621,090)</u>	<u>(694,581)</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	(775,767)	<u>\$ (775,767)</u>
Fund balance at beginning of year	<u>6,421,652</u>	<u>6,421,652</u>	<u>6,421,652</u>	
Fund balance at end of year	<u>\$ 6,421,652</u>	<u>\$ 6,421,652</u>	<u>\$ 5,645,885</u>	

CITY OF ST. GEORGE, UTAH

CDBG GRANT FUND - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2008

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental revenues	\$ 900,000	\$ 900,000	\$ 479,089	\$ (420,911)
Other income			10,000	\$ 10,000
Interest income	1,500	1,500	2,479	979
Total revenues	901,500	901,500	491,568	(409,932)
EXPENDITURES:				
Current:				
General government	200,000	200,000	6,136	193,864
Capital projects:	-	-	-	
Improvements			237,877	(237,877)
Total expenditures	200,000	200,000	244,013	(44,013)
Excess (Deficiency) of expenditures over revenues	701,500	701,500	247,555	(453,945)
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance			-	-
Bonds sold		-	-	-
Transfer to other funds	(697,086)	(697,086)	(329,107)	367,979
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	4,414	4,414	(81,552)	\$ (85,966)
Fund balance at beginning of year	81,553	81,553	81,552	
Fund balance at end of year	\$ 85,967	\$ 85,967	\$ (0)	

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

YEAR ENDED JUNE 30, 2008

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Fees and donations	\$ 13,500	\$ 13,500	\$ 17,204	\$ 3,704
Interest income	600	600	773	173
Total revenues	14,100	14,100	17,977	3,877
EXPENDITURES:				
Current:				
General government	-	-	528	(528)
Capital projects:				
Improvements	10,000	10,000	13,730	(3,730)
Total expenditures	10,000	10,000	14,258	(4,258)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,100	4,100	3,719	(381)
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):	4,100	4,100	3,719	\$ (381)
Fund balance at beginning of year	15,229	15,229	15,229	
Fund balance at end of year	<u>\$ 19,329</u>	<u>\$ 19,329</u>	<u>\$ 18,948</u>	

CITY OF ST. GEORGE, UTAH

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Admission fees	\$ 95,000	\$ 95,000	\$ 87,256	\$ (7,744)
Other revenues			569	569
Investment income			1,652	1,652
	<u>95,000</u>	<u>95,000</u>	<u>89,477</u>	<u>(5,523)</u>
EXPENDITURES:				
Current				
General government	133,295	133,295	123,319	9,976
Capital projects:				
Improvements	-	-	-	-
Total expenditures	<u>133,295</u>	<u>133,295</u>	<u>123,319</u>	<u>9,976</u>
Excess (Deficiency) of expenditures over revenues	<u>(38,295)</u>	<u>(38,295)</u>	<u>(33,842)</u>	<u>4,453</u>
OTHER FINANCING SOURCES:				
Appropriated fund balance	38,295	38,295		(38,295)
Contributions from private sources				
Transfers from other funds	-	-		-
Total other financing sources:	<u>38,295</u>	<u>38,295</u>	<u>-</u>	<u>(38,295)</u>
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	-	(33,842)	<u>\$ (33,842)</u>
Fund balance at beginning of year	<u>52,029</u>	<u>52,029</u>	<u>52,029</u>	
Fund balance at end of year	<u>\$ 52,029</u>	<u>\$ 52,029</u>	<u>\$ 18,187</u>	

CITY OF ST. GEORGE, UTAH
HOUSING PROGRAMS - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
Community and economic improvements	-	531,000	-	531,000
Land Purchases	-	-	-	-
Building Construction	-	-	-	-
Total expenditures	-	531,000	-	531,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(531,000)	-	531,000
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-	531,000	440,810	(90,190)
Appropriated fund balance	-	-	-	-
Total other financing sources (uses):	-	531,000	440,810	(90,190)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	440,810	\$ 440,810
Fund balance at beginning of year	-	-	-	
Fund balance at end of year	\$ -	\$ -	\$440,810	

CITY OF ST. GEORGE, UTAH

FT. PIERCE CDA - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Economic development taxes	\$ -	\$ 500,000	\$ 179,039	\$ (320,961)
Interest income	-	15,000	105	(14,895)
Total revenues	-	515,000	179,144	(335,856)
EXPENDITURES:				
Current:				
General government	-	-	2,990	(2,990)
Community & Economic development	-	250,000	124,478	125,522
Building Construction	-	265,000	-	265,000
Total expenditures	-	515,000	127,468	387,532
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	51,676	51,676
OTHER FINANCING SOURCES (USES):				
Contributions from private sources	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources (uses):	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	51,676	\$ 51,676
Fund balance at beginning of year	-	-	-	
Fund balance at end of year	\$ -	\$ -	\$ 51,676	

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, 2008

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Economic development taxes	\$ 900,000	\$ 900,000	\$ 563,394	\$ (336,606)
Interest income	30,000	30,000	20,097	(9,903)
Total revenues	930,000	930,000	583,491	(346,509)
EXPENDITURES:				
Current:				
Professional & technical services	550	550	528	22
Economic incentives	520,000	520,000	431,368	88,632
Housing programs	180,000	-	-	-
Total expenditures	700,550	520,550	431,896	88,654
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	229,450	409,450	151,595	(257,855)
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	-	220,000	-	(220,000)
Transfers to other funds	-	(400,000)	(332,413)	67,587
Total other financing sources (uses):	-	(180,000)	(332,413)	(152,413)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	229,450	229,450	(180,818)	\$ (410,268)
Fund balance at beginning of year	607,534	607,534	607,534	
Fund balance at end of year	\$ 836,984	\$ 836,984	\$ 426,716	

CITY OF ST. GEORGE, UT
 ECONOMIC DEVELOPMENT AGENCY #1 - SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2008

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Economic development taxes	\$ 400,000	\$ 400,000	\$ 288,109	\$ (111,891)
Interest income	15,000	15,000	15,016	16
Total revenues	415,000	415,000	303,126	(111,874)
EXPENDITURES:				
Current:				
General government	2,500	2,500	528	1,972
Economic incentives	100,000	100,000	11,237	88,763
Housing programs	80,000	-	-	-
Total expenditures	182,500	102,500	11,765	90,735
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	232,500	312,500	291,360	(21,140)
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance		51,000	-	(51,000)
Transfers to other funds		(131,000)	(108,397)	22,603
Total other financing sources (uses):		(80,000)	(108,397)	(28,397)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	232,500	232,500	182,963	\$ (49,537)
Fund balance at beginning of year	248,065	248,065	248,065	
Fund balance at end of year	\$ 480,565	\$ 480,565	\$ 431,028	

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

YEAR ENDED JUNE 30, 2008

	<u>BUDGETED AMOUNTS</u>		<u>VARIANCE WITH FINAL BUDGET</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>POSITIVE (NEGATIVE)</u>
REVENUES:				
Economic development taxes	\$ 500,000	\$ 500,000	\$ 244,462	\$ (255,538)
Interest income	25,000	25,000	7,181	(17,819)
Total revenues	525,000	525,000	251,643	(273,357)
EXPENDITURES:				
Current:				
Professional & technical fees	20,000	20,000	528	19,472
Housing programs	-	-		-
Capital outlay	1,750,000	1,750,000	1,308,347	441,653
Total expenditures	1,770,000	1,770,000	1,308,874	461,126
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,245,000)	(1,245,000)	(1,057,231)	187,769
OTHER FINANCING SOURCES (USES):				
Sale of bonds	2,000,000	-	-	-
Transfers from other funds		2,000,000	1,490,887	(509,113)
Total other financing sources (uses):	2,000,000	2,000,000	1,490,887	(509,113)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	755,000	755,000	433,656	\$ (321,344)
Fund balance at beginning of year	46,022	46,022	46,022	
Fund balance at end of year	\$ 801,022	\$ 801,022	\$ 479,678	

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, 2008

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Transit fares	\$ 100,000	\$ 100,000	\$ 106,134	\$ 6,134
Intergovernmental revenues	4,093,831	4,541,831	1,813,425	(2,728,406)
Miscellaneous revenues	-	-	1,600	1,600
Advertising fees	42,000	42,000	37,592	(4,408)
Total revenues	4,235,831	4,683,831	1,958,752	(2,725,079)
EXPENDITURES:				
Current:				
General government	1,233,520	1,236,050	948,274	287,776
Capital projects:				
Improvements	3,429,600	3,989,600	1,372,448	2,617,152
Total expenditures	4,663,120	5,225,650	2,320,722	2,904,928
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(427,289)	(541,819)	(361,970)	179,849
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	-	-		-
Appropriated fund balance	58,272	172,802		(172,802)
Transfers from other funds	350,000	350,000	350,000	-
Total other financing sources(uses)	408,272	522,802	350,000	(172,802)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	(19,017)	(19,017)	(11,970)	\$ 7,047
Fund balance at beginning of year	393,215	393,215	393,215	
Fund balance at end of year	\$ 374,198	\$ 374,198	\$ 381,245	

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, 2008

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Special assessments collected	\$ 190,000	\$ 190,000	\$ 171,449	\$ (18,551)
Miscellaneous revenues				
Interest income	50,000	50,000	30,742	(19,258)
Total revenues	240,000	240,000	202,191	(37,809)
EXPENDITURES:				
General:				
General government	7,500	7,500	2,748	4,752
Debt service:				
Principal	631,000	631,000	631,000	-
Interest & other charges	126,246	126,246	125,365	881
Total expenditures	764,746	764,746	759,113	5,633
Excess (deficiency) of revenues over (under) expenditures	(524,746)	(524,746)	(556,923)	(32,177)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds				
Sales of bonds				
Appropriated fund balance	524,746	524,746	-	(524,746)
Total other financing sources (uses):	524,746	524,746	-	(524,746)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	(556,923)	(\$556,923)
Fund balance at beginning of year	2,782,284	2,782,284	2,782,284	
Fund balance at end of year	<u>\$ 2,257,538</u>	<u>\$ 2,257,538</u>	<u>\$ 2,225,361</u>	

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, 2008

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Current property taxes	\$ 1,192,762	\$ 1,192,762	\$ 1,192,762	\$ -
Interest income	1,600	1,600	1,106	(494)
Total revenues	1,194,362	1,194,362	1,193,868	(494)
EXPENDITURES:				
General:				
General government	4,000	4,000	2,578	1,422
Debt service:				
Principal	435,000	435,000	435,000	
Interest & other charges	757,762	757,762	757,510	252
Total expenditures	1,196,762	1,196,762	1,195,089	1,673
Excess (deficiency) of revenues over (under) expenditures	(2,400)	(2,400)	(1,220)	1,180
OTHER FINANCING SOURCES (USES):				
Transfers to other funds		-	-	0
Sales of bonds		-	-	-
Appropriated fund balances	2,000	2,000	-	(2,000)
Loss on bond refunding			-	-
Total other financing sources (uses):	2,000	2,000	-	(2,000)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	(400)	(400)	(1,220)	(\$820)
Fund balance at beginning of year	262,838	262,838	262,838	
Fund balance at end of year	<u>\$ 262,438</u>	<u>\$ 262,438</u>	<u>\$ 261,618</u>	

CITY OF ST. GEORGE, UT

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Redevelopment taxes	\$ 1,000,000	\$ 1,250,000	\$ 1,253,037	\$ 3,037
Miscellaneous				
Interest income	125,000	35,000	35,503	503
Total revenues	1,125,000	1,285,000	1,288,540	3,540
EXPENDITURES:				
Current:				
General government	7,300	9,300	9,287	13
Community and economic development		323,163	323,163	
Capital projects:				
Improvements	2,957,000	3,467,000	3,357,978	109,022
Land purchases	-	-	-	-
Debt service:				
Bond principal	1,173,300	355,000	355,000	-
Interest	143,130	143,130	143,130	-
Lease payments	-	-	-	-
Total expenditures	4,280,730	4,297,593	4,188,557	109,036
Excess (deficiency) revenues over (under) expenditures:	(3,155,730)	(3,012,593)	(2,900,017)	112,576
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	1,155,730	1,775,498	-	(1,775,498)
Transfers from other funds	2,000,000	1,237,095	1,272,240	35,145
Total other financing sources (uses)	3,155,730	3,012,593	1,272,240	(1,740,353)
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(1,627,776)	\$ (1,627,777)
Fund balance at beginning of year	1,780,708	1,780,708	1,780,708	
Fund balance at end of year	<u>\$ 1,780,708</u>	<u>\$ 1,780,708</u>	<u>\$ 152,932</u>	

CITY OF ST. GEORGE, UTAH
 CAPITAL EQUIPMENT - CAPITAL PROJECT FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Property sales	-	2,069,760	2,069,760	-
Sundry revenues		178,200	178,198	(2)
Total revenues	-	2,247,960	2,247,958	(2)
EXPENDITURES:				
Current:				
General government	1,000	1,000	528	472
Capital projects:				
Improvements	3,405,400	4,124,352	6,635,298	(2,510,946)
Property purchases	-	3,390,710	-	3,390,710
Total expenditures	3,406,400	7,516,062	6,635,826	880,236
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,406,400)	(5,268,102)	(4,387,868)	880,234
OTHER FINANCING SOURCES (USES):				
Operating transfers in	2,128,436	2,128,436	3,000,644	872,208
Transfers to other funds	(4,550,000)	(3,922,034)	(2,411,355)	1,510,679
Contributions from private sources		65,041	258,978	193,937
Contributions from other governments		1,320,950	1,320,950	
Appropriated fund balance	5,827,964	5,675,709	-	(5,675,709)
Total other financing sources (uses)	3,406,400	5,268,102	2,169,217	(3,098,885)
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	-	(2,218,651)	\$ (2,218,651)
Fund balance at beginning of year	17,943,003	17,943,003	17,943,003	
Fund balance at end of year	\$17,943,003	\$17,943,003	\$15,724,352	

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, 2008

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Charges for services	\$ 2,977,837	\$ 2,977,837	\$ 1,277,372	\$ (1,700,465)
Intergovernmental	200,000	200,000		(200,000)
Sale of property	85,000	85,000		(85,000)
Contributions from others	6,555	6,555	-	(6,555)
Interest income	327,562	327,562	58,800	(268,762)
Total revenues	3,596,954	3,596,954	1,336,172	(2,260,782)
EXPENDITURES:				
Current:				
General government	40,000	40,000	17,221	22,779
Capital projects:				
Improvements	6,324,000	6,324,000	1,735,916	4,588,084
Property purchases			-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	6,364,000	6,364,000	1,753,137	4,610,863
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,767,046)	(2,767,046)	(416,965)	2,350,081
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	967,698	967,698	410,745	(556,953)
Transfers to other funds	(40,000)	(40,000)	(40,000)	-
Contributions from private sources			5,000	5,000
Appropriated fund balance				
Total other financing sources (uses):	927,698	927,698	375,745	(551,953)
EXCESS REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	(1,839,348)	(1,839,348)	(41,219)	\$1,798,129
Fund balance at beginning of year	2,214,912	2,214,912	2,214,912	
Fund balance at end of year	\$ 375,564	\$ 375,564	\$ 2,173,693	

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, 2008

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Charges for services	\$ 3,105,904	\$ 3,105,904	\$ 1,117,832	\$ (1,988,072)
Interest income	78,000	78,000	107,696	29,696
Total revenues	<u>3,183,904</u>	<u>3,183,904</u>	<u>1,225,529</u>	<u>(1,958,375)</u>
EXPENDITURES:				
Current:				
General government	5,000	5,000	528	4,472
Capital projects:				
Improvements	-	-	-	-
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>528</u>	<u>4,472</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3,178,904</u>	<u>3,178,904</u>	<u>1,225,001</u>	<u>(1,953,903)</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	1,331,096	1,411,096		(1,411,096)
Transfers to other funds	(4,510,000)	(4,590,000)	(776,785)	3,813,215
Total other financing sources (uses):	<u>(3,178,904)</u>	<u>(3,178,904)</u>	<u>(776,785)</u>	<u>2,402,119</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	448,216	\$ <u>448,216</u>
Fund balance at beginning of year	<u>1,994,386</u>	<u>1,994,386</u>	<u>1,994,386</u>	
Fund balance at end of year	<u>\$ 1,994,386</u>	<u>\$ 1,994,386</u>	<u>\$ 2,442,602</u>	

CITY OF ST. GEORGE, UTAH

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Charges for services	\$ 853,554	\$ 853,554	\$ 594,429	\$ (259,125)
Interest income	44,258	44,258	113,629	69,371
Total revenues	897,812	897,812	708,059	(189,753)
EXPENDITURES:				
Current:				
General government	15,000	15,000	528	14,472
Capital projects:				
Land purchases	-	-	-	-
Improvements	-	-	-	-
Total expenditures	15,000	15,000	528	14,472
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	882,812	882,812	707,531	(175,281)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(2,300,000)	(2,300,000)	(1,133,833)	1,166,167
Transfers from other funds	-	-	-	-
Appropriated fund balance	1,417,188	1,417,188	-	(1,417,188)
Total other financing sources(uses)	(882,812)	(882,812)	(1,133,833)	(251,021)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	(426,302)	\$ (426,302)
Fund balance at beginning of year	2,398,607	2,398,607	2,398,607	
Fund balance at end of year	\$ 2,398,607	\$ 2,398,607	\$ 1,972,305	

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, 2008

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Charges for services	\$ 250,000	\$ 250,000	\$ 199,793	\$ (50,207)
Interest income	30,000	30,000	41,782	11,782
Total revenues	280,000	280,000	241,575	(38,425)
EXPENDITURES:				
Current:				
General government	82,500	82,500	528	81,972
Capital Projects:				
Land Purchases	-	-	-	-
Building Construction	800,000	800,000	-	800,000
Total expenditures	882,500	882,500	528	881,972
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(602,500)	(602,500)	241,048	843,548
OTHER FINANCING SOURCES (USES):				
Contributions from private sources	-	-	-	-
Appropriated fund balance	602,500	602,500	-	(602,500)
Total other financing sources (uses):	602,500	602,500	-	(602,500)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	241,048	\$ 241,048
Fund balance at beginning of year	879,944	879,944	879,944	
Fund balance at end of year	\$ 879,944	\$ 879,944	\$ 1,120,992	

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, 2008

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	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Charges for services	\$ 181,500	\$ 181,500	\$ 93,696	\$ (87,804)
Interest income	1,760	1,760	1,526	(234)
Total revenues	183,260	183,260	95,222	(88,038)
EXPENDITURES:				
Current:				
General government	5,000	5,000	528	4,472
Lease payments	175,000	175,000	125,000	50,000
Total expenditures	180,000	180,000	125,528	54,472
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,260	3,260	(30,306)	\$ (33,566)
Fund balance at beginning of year	60,431	60,431	60,431	
Fund balance at end of year	\$ 63,691	\$ 63,691	\$ 30,125	

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, 2008

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	11,655	11,655
Other income				
Total revenues	0	0	11,655	11,655
EXPENDITURES:				
Current:				
General government			2,513	(2,513)
Capital projects:				
Improvements			12,768	(12,768)
Property purchases				
Total expenditures	-	-	15,281	(15,281)
Excess (Deficiency) of expenditures over revenues	-	-	(3,626)	(3,626)
OTHER FINANCING SOURCES:				
Transfers to other funds	267,698	267,698	(270,784)	(3,086)
Appropriated fund balance	-	-	-	-
Contributions from other governments			-	-
Total other financing sources (uses):	267,698	267,698	(270,784)	(3,086)
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(267,698)	(267,698)	(274,409)	(6,711)
Fund balance at beginning of year	276,923	276,923	276,923	
Fund balance at end of year	\$ 9,225	\$ 9,225	\$ 2,514	

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, 2008

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental	\$ 748,487	\$ 748,487	\$ 1,581,114	\$ 832,627
Interest income				
Other income				
Total revenues	<u>748,487</u>	<u>748,487</u>	<u>1,581,114</u>	<u>832,627</u>
EXPENDITURES:				
Current:				
General government			528	(528)
Capital projects:				
Improvements	2,938,000	2,938,000	2,287,769	650,231
Property purchases				
Total expenditures	<u>2,938,000</u>	<u>2,938,000</u>	<u>2,288,297</u>	<u>649,703</u>
Excess (Deficiency) of expenditures over revenues	(2,189,513)	(2,189,513)	(707,182)	1,482,331
OTHER FINANCING SOURCES:				
Transfers from other funds	<u>2,200,000</u>	<u>2,200,000</u>	<u>948,781</u>	<u>(1,251,220)</u>
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	10,487	10,487	241,598	<u>\$ 231,111</u>
Fund balance at beginning of year	<u>(117,902)</u>	<u>(117,902)</u>	<u>(117,902)</u>	
Fund balance at end of year	<u>\$ (107,415)</u>	<u>\$ (107,415)</u>	<u>\$ 123,696</u>	

City of St. George, UT
NonMajor Proprietary Funds
Combining Statement of Net Assets
June 30, 2008

Business-type Activities
Enterprise Funds

<u>Assets</u>	<u>Refuse Collection</u>	<u>Municipal Building Authority</u>	<u>Drainage Utility</u>	<u>Wastewater Collection</u>	<u>Golf Courses</u>	<u>Total Non-Major</u>
Cash and investments	\$ 332,046	\$ 237,726	\$ 1,163,756	\$ (1,302,057)	\$ (1,664,106)	\$ (1,232,634)
Restricted cash	-	-	-	1,827,997		1,827,997
Accounts Receivable				47,074		47,074
Notes Receivable				363,193		363,193
Furniture, Fixtures, & equip	-	10,770,124	-	10,084,852	17,504,102	38,359,078
Less depreciation	-	(988,517)	-	(4,927,561)	(5,327,072)	(11,243,149)
Other assets (deferred bond costs)	-	99,398	-		39,500	138,898
Total assets	332,046	10,118,732	1,163,756	6,093,498	10,552,423	28,260,456
66 Liabilities						
Liabilities:						
Accrued liabilities	\$ 250,256	\$ 49,505	\$ -	\$ 195,932	584,325	1,080,018
Due to other funds					863,193	863,193
Leases payable					1,141,564	1,141,564
Bonds payable		3,450,000			859,000	4,309,000
Total liabilities	250,256	3,499,505	-	195,932	3,448,082	7,393,775
Net Assets						
Invested in capital assets, net of related deb	-	6,431,006	-	5,157,292	10,215,965	21,804,262
Restricted for impact fee construction				1,827,997	-	1,827,997
Unrestricted	81,790	188,221	1,163,756	(1,087,722)	(3,111,624)	(2,765,579)
Total Net Assets	\$ 81,790	\$ 6,619,226	\$ 1,163,756	\$ 5,897,567	\$ 7,104,341	\$ 20,866,680

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, 2008

	Business-type Activities Enterprise Funds					Total Non-Major
	<u>Refuse Collection</u>	<u>Municipal Building Authority</u>	<u>Drainage Utility</u>	<u>Wastewater Collection</u>	<u>Golf Courses</u>	
OPERATING REVENUES:						
Charges for services	\$ 3,078,369	\$ -	\$ 954,858	\$ 7,473,604	\$ 4,749,759	16,256,590
Other operating revenues				493,044		493,044
Total operating revenues	3,078,369	-	954,858	7,966,649	4,749,759	16,749,634
OPERATING EXPENSES:						
Salary and wages				746,897	1,485,092	2,231,989
Supplies				35,584	372,133	407,716
Service vehicle expense				84,195	70,047	154,242
Equipment rental				2,350	245,751	248,101
Depreciation		98,336		415,714	675,880	1,189,930
Bad debts	14,552			35,389		49,941
Payroll tax & employee benefits				337,351	625,391	962,742
Office & dept. supplies				10,704	122,011	132,715
Professional services	528	12,851	3,120	14,864	579,028	610,391
R. & M. - equipment				10,982	100,144	111,126
R. & M. - buildings and grounds			12,324	6,639	804,367	823,330
Insurance & surety bonds		-		30,048	29,726	59,774
Travel				12,443	4,021	16,464
Subscriptions & memberships				1,749	6,658	8,407
Contract labor	2,909,714			5,354,009		8,263,724
Claims paid						
Insurance premiums						
Billing & administration	150,000			500,000		650,000
Total operating expenses	3,074,794	111,187	15,445	7,598,918	5,120,249	15,920,592
Operating income (loss)	3,575	(111,187)	939,413	367,731	(370,490)	829,042
NON-OPERATING REVENUES (EXPENSES)						
Interest income		4,608	57,823	54,660		117,091
Rent		494,673			7,246	501,919
Miscellaneous income				6,182	83,214	89,396
Interest charges		(154,008)			(60,847)	(214,855)
Total non-operating revenue (expense)	-	345,274	57,823	60,842	29,612	493,550
Income before transfers	3,575	234,087	997,236	428,573	(340,878)	1,322,592
Transfers (to) from other funds	-	-	(762,932)	(20,000)	500,000	(282,932)
Changes in Net Assets	3,575	234,087	234,304	408,573	159,122	1,039,660
Total Net Assets - beginning of year	78,215	6,385,140	929,452	5,488,994	6,945,219	19,827,020
Total Net Assets - end of year	\$ 81,790	\$ 6,619,227	\$ 1,163,756	\$ 5,897,567	\$ 7,104,341	\$ 20,866,680

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

FOR THE YEAR ENDED JUNE 30, 2008

Business-type Activities - Enterprise Funds

	REFUSE COLLECTION	MUNICIPAL BUILDING AUTHORITY	DRAINAGE UTILITY	WASTEWATER COLLECTION	GOLF COURSES	TOTAL NON-MAJOR
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 3,078,369	\$ -	\$ 954,858	\$ 8,063,284	\$ 4,607,738	\$ 16,704,249
Payments to suppliers	(3,083,669)	(6,471)	(15,445)	(6,110,754)	(2,292,838)	(11,509,177)
Payments to employees	-	-	-	(1,084,248)	(2,110,483)	(3,194,731)
Net cash provided by operating activities	(5,299)	(6,471)	939,413	868,282	204,416	2,000,340
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Rents received		494,673			7,246	501,919
Miscellaneous non-operating income				6,182	83,214	89,396
Economic development transfer		-	(762,932)	(20,000)	500,000	(282,932)
Net cash provided (used) by noncapital and related financing activities	-	494,673	(762,932)	(13,818)	590,459	308,382
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets				(1,346,930)	(589,624)	(1,936,554)
Principal paid on capital debt		(336,000)			(434,000)	(770,000)
Interest paid on capital debt		(154,008)			(60,847)	(214,855)
Proceeds from capital leases					651,302	651,302
Capital lease principal payments					(427,461)	(427,461)
Net cash provided (used) by capital and related financing activities	-	(490,008)	-	(1,346,930)	(860,630)	(2,697,568)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	-	4,608	57,823	54,660	-	117,091
Net increase (decrease) in cash and cash equivalents	(5,299)	2,802	234,304	(437,806)	(65,755)	(271,755)
Cash and equivalents including restricted cash of \$1,334,952 at beginning of year	337,346	234,924	929,452	963,747	(1,598,351)	867,118
Cash and equivalents including restricted cash of \$1,827,997 at end of year	\$ 332,047	\$ 237,726	\$ 1,163,756	\$ 525,941	\$ (1,664,106)	\$ 595,363
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 3,575	\$ (111,187)	\$ 939,413	\$ 367,731	\$ (370,490)	\$ 829,042
Adjustments to reconcile net income from operations to net cash provided by operating activities:						
Depreciation	-	98,336	-	415,714	675,880	1,189,930
Changes in assets & liabilities:						
Decrease (increase) in receivables				(45,386)		(45,386)
Decrease (increase) in interfund rec.				142,021		142,021
Decrease (increase) in prepaid assets						-
Decrease (increase) in discounts		11,044			9,042	20,086
Increase (decrease) in accruals	(8,874)	(4,665)	-	(11,798)	32,004	6,667
Increase (decrease) in due to other funds					(142,021)	(142,021)
Total adjustments	(8,874)	104,715	-	500,551	574,905	1,171,297
Net cash provided by operating activities:	\$ (5,299)	\$ (6,472)	\$ 939,413	\$ 868,281	\$ 204,416	\$ 2,000,339

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

JUNE 30, 2008

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$	46,665,776
Buildings		26,548,884
Improvements		59,608,531
Infrastructure assets		113,896,452
Equipment		<u>21,559,258</u>
Total Governmental Funds Capital Assets	<u>\$</u>	<u>268,278,901</u>

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

Capital Projects Funds:

General obligation bonds	\$	29,102,761
Federal grants		23,155,635
State grants		1,386,814
County grants		20,000
WCIA - (Dixie Center interlocal agency)		10,207,697
Downtown Redevelopment revenues		8,726,551
Capital equipment fund		23,802,142
Public Works Capital projects fund		28,073,200
Replacement Airport capital projects fund		15,153,995
Industrial Park fund		2,401,462
Sewer Impact fund		245,866
Park Impact fund		15,253,560
Fire Impact fund		2,466,575
Drainage Impact fund		2,203,677
Special Assessment fund		23,245,453
Street Impact fund		2,426,990
Dixie Center EDA fund		182,541
Transportation improvement fund		10,505,041
SunTran Public Transit fund		347,952
Airport PFC fund		307,641
General Fund revenues		<u>69,063,348</u>
Total Governmental Funds Capital Assets	<u>\$</u>	<u>268,278,901</u>

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

JUNE 30, 2008

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVEMENTS	INFRASTRUCTURE	EQUIPMENT
GENERAL GOVERNMENT:						
Gen. government bldgs.	\$ 17,758,939	\$ 13,432,929	\$ 3,151,937	\$ 1,174,073	\$ -	\$ -
WCIA (Dixie Center)	10,255,803	1,774,067	8,481,736	-	-	-
Downtown Redevelopment	13,061,855	2,480,452	2,340,059	8,241,344	-	-
Community development (Industrial Park)	1,626,676	162,489	-	1,464,187	-	-
Administration	1,408,512	-	-	-	-	1,408,512
Total general government	44,111,785	17,849,937	13,973,732	10,879,604	-	1,408,512
PUBLIC SAFETY:						
Police protection	5,783,302	-	82,589	168,531	-	5,532,182
Fire protection	6,957,199	613,048	2,461,537	86,490	-	3,796,124
Total public safety	12,740,501	613,048	2,544,126	255,021	-	9,328,306
PUBLIC WORKS:	154,303,948	20,337,055	3,800,784	8,873,066	113,751,300	7,541,743
PARKS, RECREATION, & PUBLIC PROPERTY:	57,122,667	7,865,736	6,230,242	39,600,840	145,152	3,280,697
Total governmental fund capital assets allocated to function	\$ 268,278,901	\$ 46,665,776	\$ 26,548,884	\$ 59,608,531	\$ 113,896,452	\$ 21,559,258

**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, 2008

FUNCTION AND ACTIVITY	GOVERNMENTAL FUNDS CAPITAL ASSETS JULY 1, 2007	ADDITIONS	DELETIONS	GOVERNMENTAL FUNDS CAPITAL ASSETS JUNE 30, 2008
GENERAL GOVERNMENT:				
Gen. government bldgs.	\$ 14,058,748	\$ 4,607,250	\$ 907,059	\$ 17,758,939
WCIA - Dixie Center	10,255,803	-	-	10,255,803
Downtown Redevelopment	9,704,481	3,357,374	-	13,061,855
Industrial Park	1,626,676	-	-	1,626,676
Administration	1,205,723	202,789	-	1,408,512
	<u>36,851,431</u>	<u>8,167,413</u>	<u>907,059</u>	<u>44,111,785</u>
PUBLIC SAFETY:				
Police protection	5,219,586	563,716	-	5,783,302
Fire protection	6,504,556	452,643	-	6,957,199
	<u>11,724,142</u>	<u>1,016,359</u>	<u>-</u>	<u>12,740,501</u>
PUBLIC WORKS: PARKS, RECREATION, & PUBLIC PROPERTY:				
	115,638,335	38,665,613	-	154,303,948
	53,153,793	3,968,874	-	57,122,667
TOTAL GOVERNMENTAL FUND CAPITAL ASSETS	<u><u>\$ 217,367,701</u></u>	<u><u>\$ 51,818,259</u></u>	<u><u>\$ 907,059</u></u>	<u><u>\$ 268,278,901</u></u>

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STATISTICAL SECTION

CITY OF ST. GEORGE, UTAH

ELECTRIC FUND

STATISTICAL ANALYSIS

JUNE 30, 2008

Year Ended June 30,
2008 2007

Production Cost Analysis:

Kilowatt hours generated	34,758,200	43,530,800
Kilowatt hours purchased	<u>628,794,833</u>	<u>611,323,423</u>
Total Kilowatt Hours	<u>663,553,033</u>	<u>654,854,223</u>
Total Operating Costs	<u>\$48,051,569</u>	<u>\$47,600,977</u>
Cost per Kilowatt Hour	<u>\$.07242</u>	<u>\$.07269</u>

Summary of Kilowatt Hours and Costs for previous period

<u>YEAR</u>	<u>KILOWATT HOURS</u>	<u>COST PER KILOWATT HOUR</u>
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
2006	611,224,083	.07154
2007	654,854,223	.07269
2008	663,553,033	.07242

2008

2007

Average Revenue Analysis:

Kilowatt Hours billed	634,199,394	600,712,433
Unbilled Hours-line loss, street lights	<u>29,353,639</u>	<u>54,141,790</u>
Total Kilowatt Hours	<u>663,553,033</u>	<u>654,854,223</u>
Total Revenue Billed	\$51,090,919	\$48,831,532
Number of Customers	26,870	26,646
Average monthly billing	\$158.45	\$152.72

CITY OF ST. GEORGE, UTAH

WATER FUND

STATISTICAL ANALYSIS

JUNE 30, 2008

	<u>Year Ended June 30,</u>	
	<u>2008</u>	<u>2007</u>
Production cost analysis:		
Number of gallons billed	9,818,442,261	9,865,595,308
Expense of operations *	\$15,756,270	\$15,383,007
Cost per billed gallon	\$.001605	\$.001559
Average Revenue Analysis:		
Number of metered customers	20,606	20,287
Water usage billed	\$14,377,769	\$12,823,814
Average monthly billing per metered customer	\$58.15	\$52.68

* includes interest charges

CITY OF ST. GEORGE, UTAH
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	FISCAL YEAR									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Governmental activities:										
Invested in capital assets, net of related debt	N/A	N/A	\$ 46,857	\$ 54,034	\$ 57,354	\$ 64,316	\$ 77,190	\$ 89,565	\$ 109,818	\$ 129,100
Restricted			3,305	2,918	3,776	3,375	7,340	7,308	4,549	2,487
Unrestricted			28,515	29,767	33,832	40,960	36,417	43,111	43,165	58,600
Total governmental activities net assets	\$ -	\$ -	\$ 78,677	\$ 86,719	\$ 94,962	\$ 108,651	\$ 120,947	\$ 139,984	\$ 157,532	\$ 190,187
Business-type activities:										
Invested in capital assets, net of related debt			\$ 68,172	\$ 76,985	\$ 87,134	\$ 71,589	\$ 96,644	\$ 119,982	\$ 133,387	\$ 154,740
Restricted				6,163	6,737	30,873	16,168	4,857	7,642	12,945
Unrestricted			27,462	12,465	10,600	17,647	24,147	34,767	33,596	30,382
Total business-type activities net assets	\$ -	\$ -	\$ 95,634	\$ 95,613	\$ 104,471	\$ 120,109	\$ 136,959	\$ 159,606	\$ 174,625	\$ 198,067
Primary government:										
Invested in capital assets, net of related debt	N/A	N/A	\$ 115,029	\$ 131,019	\$ 144,488	\$ 135,905	\$ 173,834	\$ 209,547	\$ 243,205	\$ 283,840
Restricted	-	-	3,305	9,081	10,513	34,248	23,508	12,165	12,191	15,432
Unrestricted	-	-	55,977	42,232	44,432	58,607	60,564	77,878	76,761	88,982
Total primary government net assets	N/A	N/A	\$ 174,311	\$ 182,332	\$ 199,433	\$ 228,760	\$ 257,906	\$ 299,590	\$ 332,157	\$ 388,254

CITY OF ST. GEORGE, UTAH
 CHANGES IN NET ASSETS
 LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (amounts expressed in thousands)

	FISCAL YEAR									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
EXPENSES:										
Governmental activities:										
General government	N/A	N/A	\$ 3,954	\$ 4,462	\$ 5,129	\$ 3,491	\$ 2,205	\$ 5,004	\$ 4,433	\$ 5,935
Public safety			7,573	7,445	8,395	9,521	10,357	11,497	13,824	14,885
Highways & public improvements			8,989	7,927	8,076	10,419	17,231	14,096	14,814	14,887
Parks, recreation, & public property			6,552	5,792	6,453	9,592	12,167	11,087	13,525	14,607
Community & economic development			951	990	1,171	1,446	1,957	2,058	2,359	2,544
Interest on long-term debt			2,120	2,145	2,053	1,653	1,122	1,411	1,480	1,776
Total governmental activities expenses:			<u>30,139</u>	<u>28,761</u>	<u>31,277</u>	<u>36,122</u>	<u>45,039</u>	<u>45,153</u>	<u>50,435</u>	<u>54,634</u>
Business-type activities:										
Energy services			36,944	41,519	36,461	38,654	38,667	44,254	48,304	48,734
Water services			6,453	6,672	7,792	8,323	10,455	13,161	15,383	15,756
Wastewater collection			5,690	5,825	6,098	6,527	7,021	7,250	7,876	7,599
Regional wastewater treatment			4,239	4,222	4,257	4,006	4,083	4,174	4,878	5,015
Golf courses			3,965	4,104	4,077	4,206	4,624	4,637	5,224	5,181
Municipal building authority			531	518	488	440	435	371	352	265
Solid waste			2,039	2,125	2,229	2,379	2,560	2,812	3,104	3,075
Drainage utility			-				1	6		16
Total business-type activities expenses:			<u>59,861</u>	<u>64,985</u>	<u>61,402</u>	<u>64,535</u>	<u>67,845</u>	<u>76,660</u>	<u>85,127</u>	<u>85,641</u>
Total primary government expenses			<u>\$ 90,000</u>	<u>\$ 93,746</u>	<u>\$ 92,679</u>	<u>\$ 100,657</u>	<u>\$ 112,884</u>	<u>\$ 121,813</u>	<u>\$ 135,562</u>	<u>\$ 140,275</u>

PROGRAM REVENUES:

Governmental activities:										
Charges for services:										
General government	N/A	N/A	\$ 2,190	\$ 2,325	\$ 2,437	\$ 2,568	\$ 3,054	\$ 3,063	\$ 3,496	\$ 3,872
Public safety			1,362	1,232	1,618	1,966	2,220	2,338	2,815	2,810
Highways & public improvements			182	212	221	293	319	570	680	627
Parks, recreation, & public property			1,233	1,347	1,463	2,071	2,114	2,733	2,501	2,587
Community & economic development			857	1,151	1,288	2,648	3,656	3,685	3,238	2,019
Operating grants & contributions			4,730	5,145	6,526	7,971	10,710	9,000	8,043	9,601
Capital grants & contributions			1,533	2,536	2,073	4,720	2,462	5,457	8,355	22,538
Total governmental activities program revenues			<u>12,087</u>	<u>13,948</u>	<u>15,626</u>	<u>22,237</u>	<u>24,535</u>	<u>26,846</u>	<u>29,128</u>	<u>44,054</u>
Business-type activities:										
Charges for services:										
Energy services			27,361	32,559	36,361	40,359	44,253	48,604	52,688	54,091
Water services			9,553	10,850	12,191	14,639	15,463	15,682	15,167	15,506
Wastewater collection			5,746	5,830	6,222	6,706	7,246	7,256	7,966	7,967
Regional wastewater treatment			6,561	7,002	7,676	8,710	9,841	9,763	9,297	8,283
Golf courses			3,992	4,057	4,219	4,242	3,957	4,340	4,597	4,750

Municipal building authority									
Solid waste	2,036	2,126	2,264	2,435	2,624	2,812	2,969	3,078	
Drainage utility				819	837	869	906	955	
Operating grants & contributions	15	13	19	695	791			9,571	
Capital grants & contributions	674	69		1,072		5,500	-	-	
Total business-type activities program revenues	55,938	62,506	68,952	79,677	85,012	94,826	93,590	104,201	
Total primary government program revenues	\$ 68,025	\$ 76,454	\$ 84,578	\$ 101,914	\$ 109,547	\$ 121,672	\$ 122,718	\$ 148,255	

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Net (expense) / revenue										
Governmental activities	N/A	N/A	\$ (18,052)	\$ (14,813)	\$ (15,651)	\$ (13,885)	\$ (20,504)	\$ (18,307)	\$ (21,307)	\$ (10,580)
Business-type activities			(3,923)	(2,479)	7,550	15,142	17,167	18,166	8,463	18,560
Total primary government net expense			\$ (21,975)	\$ (17,292)	\$ (8,101)	\$ 1,257	\$ (3,337)	\$ (141)	\$ (12,844)	\$ 7,980

**GENERAL REVENUES AND OTHER
CHANGES IN NET ASSETS**

Governmental activities:

Taxes

Property taxes for general purposes	\$ 4,799	\$ 5,056	\$ 5,514	\$ 6,545	\$ 6,327	\$ 6,520	\$ 7,532	\$ 8,887
Property taxes for debt service	1,613	1,622	1,666	1,779	1,660	2,054	2,329	2,446
Franchise taxes	2,780	3,246	3,525	3,887	5,086	5,839	6,035	6,541
General sales & highway sales taxes	10,974	12,134	11,942	13,584	16,035	19,317	20,447	19,768

Business licenses	347	358	378	409	468	532	639	628
Investment income	2,191	1,142	1,020	845	1,077	1,889	2,458	2,312
Lease payments	(576)	(621)	(348)	(373)	(466)	(97)	(193)	(175)
Gain on sale of assets	56	151	706	17	650	388	1,333	2,187
Rents and concessions	8	14	18	60	30	35	33	30
Miscellaneous	133	116	169	535	68	195	45	327
Transfers	(306)	(363)	(696)	208	1,864	670	(1,703)	283
Total governmental activities	22,019	22,855	23,894	27,496	32,799	37,342	38,955	43,234

Business-type activities:

Investment income	2,031	794	378	395	958	1,828	1,992	1,976
Lease payments	595	624	666			839	2,448	2,448
Miscellaneous	(62)	677	(434)	309	590	2,483	413	740
Transfers	306	363	696	(208)	(1,864)	(670)	1,703	(283)
Total business-type activities	2,870	2,458	1,306	496	(316)	4,480	6,556	4,881
Total primary government	\$ 24,889	\$ 25,313	\$ 25,200	\$ 27,992	\$ 32,483	\$ 41,822	\$ 45,511	\$ 48,115

CHANGE IN NET ASSETS

Governmental activities	\$ 3,967	\$ 8,042	\$ 8,243	\$ 13,611	\$ 12,295	\$ 19,035	\$ 17,648	\$ 32,654
Business-type activities	(1,053)	(21)	8,856	15,638	16,851	22,646	15,019	23,441
Total primary government	\$ 2,914	\$ 8,021	\$ 17,099	\$ 29,249	\$ 29,146	\$ 41,681	\$ 32,667	\$ 56,095

CITY OF ST. GEORGE, UTAH
 GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (amounts expressed in thousands)

<u>Fiscal</u> <u>Year</u>	<u>General</u> <u>Property Tax</u>	<u>Debt Serv</u> <u>Property Tax</u>	<u>General Sales &</u> <u>Highway Sales Tax</u>	<u>Franchise</u> <u>Tax</u>	<u>Total</u>
1999 (1)	4,389	1,137	8,525	2,305	16,356
2000	4,521	1,477	10,444	2,433	18,875
2001	4,799	1,613	10,974	2,780	20,166
2002 (2)	5,056	1,622	12,134	3,246	22,058
2003	5,514	1,666	11,942	3,525	22,647
2004	6,545	1,779	13,584	3,887	25,795
2005	6,327	1,660	16,035	5,086	29,108
2006	6,520	2,054	19,317	5,839	33,730
2007	7,532	2,329	20,447	6,035	36,343
2008	8,887	2,446	19,768	6,541	37,642

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- (1) first year of highway sales taxes
- (2) in the general sales taxes, approximately \$700 thousand dollars was returned from funds used for the 2000 Winter Olympics.

CITY OF ST. GEORGE, UTAH
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)
 (amounts expressed in thousands)

	FISCAL YEAR									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General fund										
Reserved for police seizures	\$ 156	\$ 101	\$ 66	\$ 23	\$ 28	\$ 40	\$ 90	\$ 67	\$ 103	\$ 119
Reserved for notes receivable	425	589	664	498	950	595	343	714	1,501	1,618
Reserved for perpetual care	84	4	8	30	78	126	139	181	236	318
Unreserved	2,491	2,838	2,797	3,007	3,299	3,629	3,881	3,905	3,009	2,852
Total general fund	<u>\$ 3,156</u>	<u>\$ 3,532</u>	<u>\$ 3,535</u>	<u>\$ 3,558</u>	<u>\$ 4,355</u>	<u>\$ 4,390</u>	<u>\$ 4,453</u>	<u>\$ 4,867</u>	<u>\$ 4,849</u>	<u>\$ 4,907</u>
All other governmental funds										
Reserved										
Unreserved, reported in:										
Special revenue funds	2,007	4,463	5,953	5,390	4,915	6,848	6,144	8,336	10,343	10,224
Debt service funds	3,658	3,132	2,574	2,397	2,798	3,086	3,218	3,694	3,045	23,520
Capital projects funds	16,467	19,085	20,475	22,112	26,404	17,581	24,271	34,347	30,456	23,743
Total all other governmental funds	<u>\$ 22,132</u>	<u>\$ 26,680</u>	<u>\$ 29,002</u>	<u>\$ 29,899</u>	<u>\$ 34,117</u>	<u>\$ 27,515</u>	<u>\$ 33,633</u>	<u>\$ 46,377</u>	<u>\$ 43,844</u>	<u>\$ 57,487</u>

CITY OF ST. GEORGE, UTAH
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)
 (amounts expressed in thousands)

	FISCAL YEAR									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
REVENUES:										
Taxes & special assessments	\$ 17,637	\$ 20,098	\$ 21,013	\$ 22,837	\$ 23,845	\$ 27,674	\$ 30,274	\$ 35,693	\$ 37,306	\$ 38,668
Licenses & permits	1,017	1,075	1,169	1,448	1,619	2,861	3,656	3,545	3,190	2,271
Intergovernmental	2,342	2,370	2,555	2,383	3,526	4,501	10,197	7,476	7,165	23,004
Charges for services	3,597	3,679	3,753	4,000	4,425	5,071	6,176	7,137	8,001	8,236
Fines & forfeitures	459	646	863	740	863	1,076	987	928	1,018	851
Investment income	1,192	1,775	2,191	1,129	1,013	840	1,067	1,868	2,431	2,283
Rents & concessions	34	4	8	14	18	60	30	35	33	30
Miscellaneous	120	68	742	219	196	576	325	195	145	329
Contributions from other sources	652	302			318	2,350	558	300	66	71
Capital development fees	1,934	1,795	2,251	2,685	3,577	4,290	5,030	4,121	3,144	3,283
Total revenues	<u>28,984</u>	<u>31,812</u>	<u>34,545</u>	<u>35,455</u>	<u>39,400</u>	<u>49,299</u>	<u>58,300</u>	<u>61,298</u>	<u>62,499</u>	<u>79,026</u>
EXPENDITURES:										
General government	3,332	4,459	3,116	3,619	4,205	4,940	5,773	7,300	8,271	8,688
Public safety	6,347	7,345	7,009	7,197	8,301	9,269	10,355	12,023	13,933	15,283
Highways & public improvements	6,061	5,971	6,332	6,768	6,394	7,356	10,021	9,505	8,070	8,289
Parks, recreation, & public property	4,483	4,502	5,546	5,864	6,012	6,447	7,334	8,068	8,610	9,885
Community & economic development	343	330	875	918	1,045	1,230	1,638	1,967	2,155	3,025
Capital outlay	7,826	5,228	5,525	9,341	9,482	14,896	28,823	16,946	22,955	51,536
Debt service										
Capital leases	340	349	576	621	349	373	466	197	193	175
Principal	1,396	2,186	1,487	983	1,069	13,668	1,441	1,188	6,849	1,814
Interest & other admin charges	1,127	1,712	1,574	1,513	1,427	1,694	1,251	1,462	1,411	1,301
Total expenditures	<u>31,255</u>	<u>32,082</u>	<u>32,040</u>	<u>36,824</u>	<u>38,284</u>	<u>59,873</u>	<u>67,102</u>	<u>58,656</u>	<u>72,447</u>	<u>99,996</u>
Excess of revenues over (under) expend.	(2,271)	(270)	2,505	(1,369)	1,116	(10,574)	(8,802)	2,642	(9,948)	(20,970)
OTHER FINANCING SOURCES (USES):										
Transfers in	4,004	8,078	10,553	7,299	8,052	15,774	14,701	13,795	13,364	21,312
Transfers out	(3,930)	(7,850)	(10,813)	(7,045)	(8,048)	(14,698)	(11,797)	(11,768)	(14,458)	(20,380)
Contributions from private sources	88	315		321		69	128	393	947	846
Contributions from other governments								785	1,040	5,951
Proceeds from sale of capital assets	105	2,129	56	32	671	17	650	388	1,333	2,186
Loss on bond refinancing						(1,074)			(93)	-
Premiums on bonds sold						643				
Issuance of notes/bonds/ or leases	6,615	2,075	20	1,660	3,176	16,645	4,510	343	5,265	24,755
Total other financing sources (uses)	<u>6,882</u>	<u>4,747</u>	<u>(184)</u>	<u>2,267</u>	<u>3,851</u>	<u>17,376</u>	<u>8,192</u>	<u>3,936</u>	<u>7,398</u>	<u>34,670</u>
Net change in fund balance	<u>\$ 4,611</u>	<u>\$ 4,477</u>	<u>\$ 2,321</u>	<u>\$ 898</u>	<u>\$ 4,967</u>	<u>\$ 6,802</u>	<u>\$ (610)</u>	<u>\$ 6,578</u>	<u>\$ (2,550)</u>	<u>\$ 13,700</u>
Debt service as a percentage of non-capital expenditures	13.92%	18.79%	15.90%	12.79%	10.96%	53.81%	8.99%	7.33%	17.08%	6.79%

1997 Parks & Rec GO Bonds refunded

CITY OF ST. GEORGE, UTAH
SALES TAX PAYERS BY SECTOR
JUNE 30, 2008
(amounts expressed in thousands)

2008

1999

		2008				1999	
Ranking	Category	Percent of Total Direct Point of Sales Taxes	Number of Business per Category	Ranking	Category	Percent of Total Direct Point of Sales Taxes	Number of Business per Category
1	Retail - Motor Vehicles	16.65%	98	1	Retail - Motor Vehicles	16.29%	86
2	Retail - General Merchandise	15.34%	20	2	Retail - General Merchandise	13.64%	18
3	Wholesale Durable Goods	9.06%	137	6	Wholesale Durable Goods	6.21%	93
4	Retail - Bldg & Garden	8.68%	57	4	Retail - Bldg & Garden	8.38%	43
5	Retail - Eating & Drinking	7.64%	199	5	Retail - Eating & Drinking	7.48%	133
6	Retail - Food Stores	7.40%	84	3	Retail - Food Stores	11.44%	64
7	Retail - Miscellaneous	6.05%	395	9	Retail - Miscellaneous	5.30%	316
8	Retail - Furniture	4.76%	107	7	Retail - Furniture	5.54%	103
9	Retail - Apparel & Accessories	4.12%	102	8	Retail - Apparel & Accessories	5.33%	69
10	Services - Auto Repair	3.30%	190	11	Services - Auto Repair	3.91%	157
11	Nondisclosable\Nonclassifiable	2.83%	10	10	Nondisclosable\Nonclassifiable	3.94%	22
12	Services - Hotel & Lodging	2.76%	72	12	Services - Hotel & Lodging	2.88%	50
13	Construction	2.64%	101	13	Construction	1.58%	59
14	Manufacturing	2.51%	145	16	Manufacturing & Mining	2.15%	117
15	Services - Business	1.98%	165	14	Services - Business	1.48%	135
16	Services - Amusements & Rec.	1.01%	51	15	Services - Amusements & Rec.	1.30%	44
17	Wholesale Non-durables	0.93%	39	17	Wholesale Non-durables	0.96%	34
18	Services - Health	0.51%	95	19	Services - Health	0.41%	58
19	Services - Personal	0.50%	109	18	Services - Personal	0.68%	79
20	Communications	0.42%	50	23	Communications	0.15%	12
21	Services - Education	0.31%	66	20	Services - Education	0.31%	38
22	Transportation	0.21%	26	24	Transportation	0.10%	14
23	Agric Forestry & Fishing	0.17%	10	22	Agric Forestry & Fishing	0.22%	16
24	Finance, Ins. & Real Estate	0.16%	39	25	Finance, Ins. & Real Estate	0.06%	14
25	Prior period payments & refunds	0.05%	29	21	Prior period payments & refunds	0.25%	63
26	Ocassional Retail Sales	0.01%	13	26	Ocassional Retail Sales	0.01%	4
		<u>100.00%</u>				<u>100.00%</u>	

Source: Utah State Tax Commission statistical reports for calendar year ended December 31, 2007 and December 31, 1999.

CITY OF ST. GEORGE, UTAH
 PRINCIPAL TAXABLE PROPERTIES
 JUNE 30, 2008
 (amounts expressed in thousands)

2008

1999

<u>NAME</u>	<u>TYPE OF BUSINESS</u>	<u>TAXABLE VALUE</u>	<u>% OF TOTAL</u>
SKYWEST AIRLINES INC	REGIONAL AIRLINE	\$ 48,845,061	0.71%
WELLS DAIRY INC.	ICE CREAM MANUFACTURER	40,324,702	0.59%
TRAVELLER/STONE CLIFF LC	LAND DEVELOPMENT	31,853,785	0.46%
QWEST CORPORATION	TELECOMMUNICATIONS	30,411,805	0.44%
SUNHILLS HOMES LC	LAND DEVELOPMENT	26,415,276	0.38%
GENERAL GROWTH PROPERTIES INC	LAND DEVELOPMENT	24,655,452	0.36%
IHC HOSPITALS INC.	REGIONAL MEDICAL CENTER	22,030,705	0.32%
SUNRIVER ST. GEORGE DEVELOPMENT	LAND DEVELOPMENT	17,874,879	0.26%
DIXIE ESCALANTE RURAL ELECTRIC ASSN.	ELECTRICAL CO-OP	17,020,856	0.25%
JENCO LC	LAND DEVELOPMENT	16,192,038	0.24%
ZION FACTORY STORES III	SHOPPING CENTER	15,904,157	0.23%
MAINSTREET PARTNERS LC	OFFICE COMPLEX	15,764,119	0.23%
		<u>\$ 307,292,835</u>	<u>4.48%</u>

<u>NAME</u>	<u>TYPE OF BUSINESS</u>	<u>TAXABLE VALUE</u>	<u>% OF TOTAL</u>
ZIONS FACTORY STORES	STRIP SHOPPING MALL	\$ 21,071,800	1.04%
RED CLIFFS MALL LTD	REGIONAL SHOPPING MALL	18,357,785	0.90%
IHC HOSPITALS	MEDICAL PROVIDER	11,809,380	0.58%
MOORE BUSINESS FORMS INC	PAPER PRODUCTS MANUFACTURER	9,830,705	0.48%
SUN RIVER DEVELOPMENT	LAND DEVELOPMENT	8,210,430	0.40%
A & M INVESTMENTS	PROPERTY INVESTMENTS	7,172,335	0.35%
LESTER WITTEWER INVESTMENTS	PROPERTY INVESTMENTS	6,864,992	0.34%
HARMON'S	GROCERY STORE COMPLEX	6,237,495	0.31%
THETA INVESTMENT CO	PROPERTY INVESTMENTS	6,010,180	0.30%
SMITH'S FOOD KING	GROCERY STORE COMPLEX	5,684,640	0.28%
DEAN T. TERRY	HOLIDAY INN & RESTAURANT	5,183,150	0.25%
AH COOMBS LC	PROPERTY INVESTMENTS	5,172,565	0.25%
		<u>\$ 111,605,457</u>	<u>5.48%</u>

Source: Washington County Information Technology Services

CITY OF ST. GEORGE, UTAH
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF PROPERTY
 LAST TEN FISCAL YEARS
 (in thousands of dollars)

Fiscal Year Ended June 30	Real Property				Commercial Attached Personal Property	Less Adjustments to Taxable Value	Total Taxable Value	Estimated Actual Value	Taxable Value as a Percentage of Actual Value
	Primary Residential Property	Non-Primary Residential Property	Commercial & Other Property	State Assessed Property					
1999	\$ 949,554	\$ 453,438	\$ 497,391	\$ 54,513	\$ 16,618	\$ (4,444)	\$ 1,967,070	\$ 2,783,411	70.67%
2000	1,058,816	454,420	677,753	64,438	10,196	(36,680)	2,228,943	3,141,008	70.96%
2001	1,162,428	482,240	690,864	67,506	2,404	(15,766)	2,389,676	3,387,224	70.55%
2002	1,237,988	520,897	807,263	84,397	1,165	(23,445)	2,628,265	3,705,599	70.93%
2003	1,370,760	577,959	864,775	102,883	1,212	(18,796)	2,898,793	4,109,661	70.54%
2004	1,459,050	616,981	887,775	101,439	1,155	(27,213)	3,039,187	4,320,220	70.35%
2005	1,616,411	681,916	937,422	99,342		(18,060)	3,317,031	4,716,445	70.33%
2006	2,068,273	877,977	1,037,878	90,651		(2,249)	4,072,530	5,932,597	68.65%
2007	2,820,877	1,256,276	1,334,676	89,785		-	5,501,614	8,021,906	68.58%
2008	3,397,861	1,735,621	1,497,991	130,172		-	6,761,645	9,594,120	70.48%

CITY OF ST. GEORGE, UTAH
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	City of St. George			Overlapping Governments									Direct & Overlapping Rates
	Operating Rate	Debt Service Rate	Total City Rate	Washington County					Washington Co School District			(1) Special Districts	
				County Library Rate	County General Rate	County G.O. Bond	Assess & Collect Rate	Total County Rate	Local School Fund Rate	State School Fund Rate	Total School Rate		
1999	0.001777	0.000356	0.002133	0.000306	0.000665		0.000410	0.001381	0.005227	0.001840	0.007067	0.001025	0.011606
2000	0.001742	0.000349	0.002091	0.000295	0.000598		0.000398	0.001291	0.005108	0.001840	0.006948	0.000900	0.011230
2001	0.001719	0.000345	0.002064	0.000320	0.000977		0.000380	0.001677	0.005085	0.001820	0.006905	0.000874	0.011520
2002	0.001658	0.000335	0.001993	0.000310	0.000929		0.000358	0.001597	0.004933	0.001810	0.006743	0.000815	0.011148
2003	0.001615	0.000324	0.001939	0.000419	0.000943		0.000341	0.001703	0.004925	0.001807	0.006732	0.000942	0.011316
2004	0.001603	0.000322	0.001925	0.000306	0.000729	0.000312	0.000348	0.001695	0.004880	0.001800	0.006680	0.000965	0.011265
2005	0.001535	0.000308	0.001843	0.000302	0.000720	0.000354	0.000345	0.001721	0.004875	0.001800	0.006675	0.000934	0.011173
2006	0.001369	0.000275	0.001644	0.000269	0.000640	0.000315	0.000320	0.001544	0.004411	0.001720	0.006131	0.001035	0.010354
2007	0.001126	0.000210	0.001336	0.000216	0.000514	0.000235	0.000257	0.001222	0.004085	0.001515	0.005600	0.000816	0.008974
2008	0.001026	0.000191	0.001217	0.000195	0.000464	0.000186	0.000421	0.001266	0.004344	0.001311	0.005655	0.000716	0.008854

(1) Washington County Water Conservancy District and Dixie Center Special District. Dixie Center levy ended in 1999.

CITY OF ST. GEORGE, UTAH
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected with the fiscal year of the levy		Collections of Prior Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
1999	4,342	4,077	93.90%	312	4,389	101.08%
2000	4,517	4,224	93.51%	297	4,521	100.09%
2001	5,066	4,529	89.40%	270	4,799	94.73%
2002	5,096	4,717	92.56%	340	5,057	99.23%
2003	5,423	5,160	95.15%	355	5,515	101.70%
2004	5,977	5,622	94.06%	524	6,146	102.83%
2005	6,324	5,890	93.14%	173	6,063	95.87%
2006	6,936	6,907	99.58%	139	7,046	101.59%
2007	7,515	7,412	98.63%	120	7,532	100.23%
2008	8,382	7,538	89.93%	105	7,643	91.18%

CITY OF ST. GEORGE, UTAH
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities					Business-Type Activities						Total Primary Government	Per Capita
	General Obligation Bonds	Tax Increment Bonds	Excise Tax Bonds	Special Assessment Bonds	Capital Leases	Sewer Bonds	Water Bonds	Electric Bonds	MBA Bonds	Golf Course Bonds	Capital Leases		
1999	17,700	1,118	3,310	3,573	199	36,558	27,789		8,920	2,757	652	102,576	2,137
2000	17,640	959	2,960	4,573	177	35,316	26,879		8,550	2,432	571	100,057	2,001
2001	17,580	794	2,595	3,361	122	33,020	26,584		8,351	2,990	485	95,882	1,918
2002	17,520	623	2,210	3,027	66	30,629	25,534		7,756	2,634	524	90,523	1,758
2003	17,425	442	1,810	5,613	6	28,170	23,859		7,146	2,528	363	87,362	1,616
2004	18,190	251	6,390	4,854	207	23,634	54,414		6,499	2,132	619	117,190	1,953
2005	18,015	4,210	5,850	4,080	121	20,942	52,299	17,280	5,724	2,132	666	131,319	2,020
2006	17,695	4,210	5,285	3,480	-	18,026	51,459	16,710	5,188	1,711	857	124,621	1,731
2007	17,540	3,670	4,700	2,864	-	15,104	49,579	16,110	3,786	1,293	918	115,564	1,541
2008	17,105	28,070	4,100	2,233	42	12,973	47,169	15,490	3,450	859	1,142	132,633	1,591

CITY OF ST. GEORGE, UTAH
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita amount)

Fiscal year	General Obligation <u>Bonds</u>	Less: Amounts Available in Debt <u>Service Funds</u>	<u>Total</u>	Percentage of Estimated Actual Taxable Value of <u>Property</u>		<u>Per Capita</u>
1999	\$ 17,700	\$ 280	\$ 17,420	0.8856%	\$	363
2000	17,640	282	17,358	0.7788%		347
2001	17,580	285	17,295	0.7237%		346
2002	17,520	287	17,233	0.6557%		335
2003	17,425	288	17,137	0.5912%		317
2004	18,190	289	17,901	0.5890%		298
2005	18,015	365	17,650	0.5321%		272
2006	17,695	364	17,331	0.4256%		241
2007	17,540	-	17,540	0.4307%		234
2008	17,105	-	17,105	0.2492%		205

CITY OF ST. GEORGE, UTAH
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF JUNE 30, 2008
 (amounts expressed in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Washington County	\$ 26,665	54.80%	\$ 14,612
Washington County School District	249,669	54.80%	136,819
Washington County Water Conservancy	7,640	54.80%	4,187
Washington County/St George City (WCIA)	<u>14,547</u>	38.00%	5,528
sub-total overlapping debt	298,521		161,146
City of St. George direct debt	17,105		17,105
 Total direct & overlapping debt	 <u><u>\$ 315,626</u></u>		 <u><u>\$ 178,251</u></u>

CITY OF ST. GEORGE, UTAH
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
 (amounts expressed in thousands)

	FISCAL YEAR									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$ 244,299	\$ 281,783	\$ 294,557	\$ 306,841	\$ 336,740	\$ 371,978	\$ 410,848	\$ 503,555	\$ 669,296	\$ 823,545
Total net debt applicable to limit	82,055	80,385	77,254	71,093	64,969	97,894	85,060	81,933	74,318	71,218
Legal debt margin	<u>\$ 162,244</u>	<u>\$ 201,398</u>	<u>\$ 217,303</u>	<u>\$ 235,748</u>	<u>\$ 271,771</u>	<u>\$ 274,084</u>	<u>\$ 325,788</u>	<u>\$ 421,622</u>	<u>\$ 594,978</u>	<u>\$ 752,327</u>
Total net debt applicable to the limit as a percentage of debt limit										

Legal Debt Margin Calculation for Fiscal Year 2008

Taxable value	<u>\$ 6,862,875</u>
Debt limit:	
General obligation 4%	\$ 274,515
Water & Sewer 8%	549,030
Total debt limit	<u>\$ 823,545</u>
Debt applicable to limit:	
General obligation bonds	\$ 17,105
less: amt set aside for repayment of debt	(262)
Water & sewer bonds	60,141
less: amt set aside for repayment of debt	(5,766)
Total net debt applicable to limit	<u>71,218</u>
Legal debt margin	<u>\$ 752,327</u>

CITY OF ST. GEORGE, UTAH
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (amounts expressed in thousands)

Fiscal Year	Sewer Revenue Bonds (Regional Treatment Fund)						Water Revenue Bonds					
	Sewer Charges and other	Less: Operating Expenses	Net Available Revenues	Debt Service		Coverage	Water Charges and other	Less: Operating Expenses	Net Available Revenues	Debt Service		Coverage
				Principal	Interest					Principal	Interest	
1999	\$ 6,384	\$ 1,861	\$ 4,523	\$ 736	\$ 1,293	2.23	\$ 8,157	\$ 3,295	\$ 4,862	\$ 1,035	\$ 1,473	1.94
2000	7,047	2,041	5,006	1,242	1,278	2.01	9,329	3,474	5,855	910	1,462	2.47
2001	7,497	2,153	5,344	2,296	1,231	1.52	9,620	3,615	6,005	295	1,495	3.35
2002	7,474	2,187	5,287	2,391	1,158	1.49	10,881	3,980	6,901	1,050	1,301	2.94
2003	7,972	2,254	5,718	2,459	1,097	1.61	12,210	4,998	7,212	1,675	1,324	2.40
2004	8,871	2,363	6,508	4,536	662	1.25	14,726	5,242	9,484	445	1,422	5.08
2005	10,374	2,591	7,783	2,692	505	2.43	15,895	6,467	9,428	2,115	2,019	2.28
2006	10,790	2,706	8,084	2,917	484	2.38	16,116	8,651	7,465	840	2,142	2.50
2007	10,217	3,216	7,001	2,922	415	2.10	17,399	10,670	6,729	1,880	2,094	1.69
2008	9,355	3,308	6,047	2,131	374	2.41	17,628	10,846	6,782	2,410	2,027	1.53

Fiscal Year	Golf Course Revenue Bonds						Energy Services Revenue Bonds					
	Golf Charges and other	Less: Operating Expenses	Net Available Revenues	Debt Service		Coverage	Energy Charges and other	Less: Operating Expenses	Net Available Revenues	Debt Service		Coverage
				Principal	Interest					Principal	Interest	
1999	\$ 4,234	\$ 3,095	\$ 1,139	\$ 308	\$ 252	2.03	\$ 23,907	\$ 20,869	\$ 3,038	\$ -	\$ -	n/a
2000	4,573	3,201	1,372	325	228	2.48	24,937	24,961	(24)	-	-	n/a
2001	4,105	3,405	700	342	204	1.28	28,224	35,156	(6,932)	-	-	n/a
2002	4,110	3,466	644	356	242	1.08	33,466	39,629	(6,163)	-	-	n/a
2003	4,286	3,578	708	282	139	1.68	36,430	34,562	1,868	-	-	n/a
2004	4,357	3,689	668	396	132	1.27	40,195	37,040	3,155	-	-	n/a
2005	3,994	3,993	1	-	98	0.01	44,637	36,630	8,007	-	-	n/a
2006	4,416	4,038	378	421	88	0.74	51,039	40,748	10,291	570	529	9.36
2007	4,642	4,533	109	418	69	0.22	53,623	44,291	9,332	600	703	7.16
2008	4,840	4,444	396	434	61	0.80	55,241	44,842	10,399	620	682	7.99

CITY OF ST. GEORGE, UTAH
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	Population	(1) Personal Income (amts expressed in millions)	(1) Per Capita Personal income	Median Age	(2) School Enrollment	(1) Unemployment Rate
1999	48,000	1,613.6	18,327			3.6
2000	50,000	1,751.9	19,202	31.4		3.2
2001	50,000	1,903.4	20,120			3.8
2002	51,500	1,977.8	19,856		18,823	4.5
2003	54,050	2,098.7	20,084		19,617	4.4
2004	60,000	2,377.4	21,530		20,317	3.8
2005	65,000	2,736.4	23,017	30.0	21,584	3.5
2006	72,000	3,020.0	23,913		23,189	2.4
2007	75,000	3,504.3	24,869	31	24,352	2.9
2008	83,364	not available	not available		25,295	4.9

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(1) Source: Utah Department of Workforce Services
 (information is for Washington County of which St. George is the largest city.)

(2) Source: Utah State Office of Education
 (information is for Washington County of which St. George is the largest city.)

CITY OF ST. GEORGE, UTAH
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO

2008			1999		
<u>Employer</u>	<u>Employees</u>	<u>Industry</u>	<u>Employer</u>	<u>Employees</u>	<u>Industry</u>
Washington County School District (1)	2,000-2,999	Public Education	Washington County School District (1)	1,000-2000	Public Education
Intermountain Health Care	2,000-2,999	Health Care	Intermountain Health Care	500-700	Health Care
Dixie College	500-999	Higher Education	Dixie College	500-700	Higher Education
City of St. George	500-999	Local Government	City of St. George	300-400	Local Government
Federal Government	250-499	Federal Government	Andrus Trucking	200-300	Trucking
Skywest Airlines	250-499	Air Transportation	Skywest Airlines	200-300	Air Transportation
Washington County	250-499	Local Government	Wal-Mart	200-300	Retail Sales

(1) County-wide

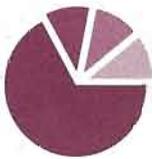
Source: Utah Department of Workforce Services

CITY OF ST. GEORGE, UTAH
 FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS

FUNCTION	FISCAL YEAR									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General government	37	37	41	45	45	48	48	64	50	51
Community & development services	12	11	12	12	12	16	21	24	39	39
Public Safety										
Police										
Officers	62	68	71	74	76	80	83	89	93	97
Reserves	15	15	8	8	8	8	8	8	4	4
Civilians	13	13	15	17	24	26	28	30	37	39
Fire										
Firefighters & officers	8	8	8	8	8	9	15	19	22	22
Volunteers firefighters	51	51	51	51	51	51	51	55	64	64
Civilians								1	1	1
Highways & streets										
Engineering & Administration	18	18	19	19	20	21	21	24	22	25
Maintenance	21	22	22	23	25	26	28	28	31	32
Fleet maintenance	7	7	9	10	10	10	11	11	12	13
Culture & recreation										
Recreation	7	8	10	10	10	10	12	14	12	14
Parks & design	21	22	21	22	25	25	29	34	39	41
Building maintenance	4	3	3	3	3	4	6	6	7	11
Dixie Center					6	8	8	9	9	9
Administration & others	10	10	10	10	10	10	9	9	8	8
Water services	25	25	29	32	33	44	48	52	54	54
Wastewater collections	12	12	12	14	15	17	16	17	19	19
Energy services	54	53	48	50	53	46	49	49	53	56
Golf courses	25	33	33	33	33	33	33	33	33	33
Wastewater treatment	18	20	20	20	17	18	18	18	21	21
Public transit						2	2	11	15	15
Total	420	436	442	461	484	512	544	605	645	668

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SINGLE AUDIT SECTION



HINTONBURDICK

HINTON BURDICK HALL & SPILKER PLLC

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

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, 2008, which collectively comprise the City of St. George, Utah's basic financial statements and have issued our report thereon dated October 10, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of St. George's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over

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financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City of St. George, Utah, in a separate letter dated October 10, 2008.

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



HINTON, BURDICK, HALL &, SPILKER, PLLC
October 10, 2008

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ST. GEORGE CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Justice:			
Bulletproof Vest Partnership Program	16.607		\$ 6,525
Victims of Crime Act	16.575		43,196
Drug Enforcement & System Improvement Formula Grant Program	16.579		<u>124,037</u>
Total U.S. Department of Justice			<u>173,758</u>
U.S. Department of Transportation:			
Federal Aviation Administration: Airport Improvements Program	20.106		16,198,488
Federal Transportation Administration: Urbanized Area Formula Program	20.507		793,848
Capital Program	20.500		<u>1,019,577</u>
Total U.S. Department of Transportation			<u>18,011,913</u>
Executive Office of the President, Office of National Drug Control Policy:			
High Intensity Drug Trafficking Area	07.000		<u>87,129</u>
U.S. Department of Homeland Security:			
Federal Emergency Management Agency: Public Assistant Grant Program	97.036		827,495
Staffing for Adequate Fire & Emergency Response (SAFER)	97.083		155,089
Homeland Security Grant Program- Citizen Corps Grant	97.067		<u>1,874</u>
Total U.S. Department of Homeland Security			<u>984,458</u>
U.S. Department of the Interior:			
Shivwits Band of the Paiute Indian Tribe of Utah, Water Rights Settlement Act, Public Law 106-263, (H.R. 3291), sections 5 & 11, enacted on August 18, 2000.	NONE		9,500,000
Water Conservation Grant Program	NONE		<u>71,530</u>

Total U.S. Department of the Interior		<u>9,571,530</u>
Housing & Urban Development Agency: Community Development Block Grant/ Entitlement Grants Program	14.218	<u>479,089</u>
Total Expenditures of Federal Awards		<u>\$29,307,877</u>

The accompanying notes are an integral part of this schedule.

ST. GEORGE CITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

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. Sub-recipients

St. George City provided federal awards to the following sub-recipients:

Western Region Nonprofit Housing	\$195,000
Color Country Community Housing	\$25,580
Five County Association of Governments	\$10,000

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**ST. GEORGE CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008**

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
- Significant deficiencies 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
- Significant deficiencies identified that are not considered to be material weaknesses? ___yes x none reported

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:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
20.106	Airport Improvements Program
None	Shivwits Band of the Paiute Indian Tribe of Utah, Water Rights Settlement Act, Public Law 106-263 (H.R. 3291), Sections 5 & 11, enacted on 8/18/2000
20.507	Urbanized Area Formula Program
20.500	Capital Program

**ST. GEORGE CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008**

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

Dollar threshold used to distinguish between
type A and type B programs: \$ 879,236

Auditee qualified as low-risk auditee? ___yes _x_ no

Section II – Financial Statement Findings

No findings were reported.

Section III – Federal Award Findings and Questioned Costs

No findings or questioned costs were reported.

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**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, 2008. St. George City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of St. George City's management. Our responsibility is to express an opinion on St. George City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about St. George City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of St. George City's compliance with those requirements.

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In our opinion, St. George City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of St. George City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered St. George City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of St. George City's internal control over compliance.

A *control deficiency* in a City's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the City's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the City's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

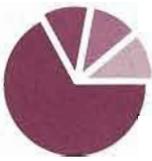
This report is intended solely for the information and use of the mayor, city council, management, others within the City, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Hinton, Burdick, Hall & Spilker, PLLC

HINTON, BURDICK, HALL & SPILKER PLLC

October 10, 2008

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Independent Auditors' Report on State Legal Compliance

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, 2008, and have issued our report thereon dated October 10, 2008. 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, 2008. 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)

Our audit also included test-work 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

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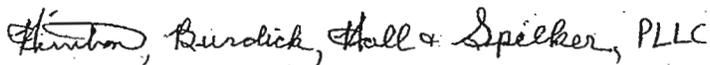
Mayor and City Council
October 10, 2008
Page 2

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed 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, 2008.



HINTON, BURDICK, HALL & SPILKER, PLLC
October 10, 2008

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SCHEDULE OF FINDINGS AND RECOMMENDATIONS

October 10, 2008

St. George City Officials
St. George, Utah 84770

Dear Sirs:

During our audit of the funds of St. George City for the fiscal year 2007 - 2008, 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 the funds which have over-expended their budget amounts. We recognize 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 had a deficit fund balance at June 30, 2008.

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October 10, 2008

Page 2

Recommendation

We follow the recommendation of the State Auditor's office by suggesting the City budget in fiscal year 2008-2009 to eliminate the fund deficit in this fund.

This letter is intended solely for the use of the mayor, 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,

Hinton, Burdick, Hall & Spilker, PLLC

Hinton, Burdick, Hall & Spilker PLLC

October 10, 2008

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November 14, 2008

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

From: Philip R. Peterson, CPA CGFM
Finance Director

Subject: Schedule of Findings and Recommendations
Fiscal year audit ended June 30, 2008

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. The Replacement Airport is the largest capital project ever undertaken by the City and is a multi-year capital project. While every attempt is made to stay within budget and not have deficits in the early years, they are not unexpected and when the project is completed within the next two to three years, the fund will not have a deficit.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2008

Part I: Federal Findings and Questioned Costs

Section II. Financial Statement Findings

This year additional steps were taken during the closing of the fiscal year to try to insure that no audit adjustments were found and recommended by the auditors. Although there were audit adjustments made, they were all discovered by the City and the entries were proposed by the City and verified by the auditors.

Section III. Federal Award Fings and Questioned Costs

Finding #2007-01 - Errors in reimbursement requests

No errors were found in any of the airport reimbursement requests this year.

Finding #2007-02 thru #2007-09- Errors and omissions in regard to CDBG activities.

A new coordinator for CDBG activities was hired shortly after the end of the 2007 fiscal year and all issues were resolved to the satisfaction of both HUD and the City. A more aggressive approach to monitoring the activities the CDBG program has been taken and for the fiscal year 2008 no concerns or issues were noted by our auditors.

CONTINUING DISCLOSURE SECTION

City of St. George, UT
 Continuing Disclosure - Excise Tax Revenue Bonds, Series 1996
 Fiscal Year Ended June 30, 2008

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 <u>Year 2003</u>	Fiscal <u>Year 2004</u>	Fiscal <u>Year 2005</u>	Fiscal <u>Year 2006</u>	Fiscal <u>Year 2007</u>
Motor Fuel Tax	\$ 236,639	\$ 239,925	\$241,597	\$240,432	\$254,696
Special Fuel Tax	84,523	86,163	93,964	102,194	111,410
Motor Vehicle Registration Fees	28,359	29,391	30,690	32,046	34,293
Proportional Registration Fees	11,838	11,830	12,122	12,421	14,772
Temporary Permits	397	360	336	313	401
Special Transportation Permits	6,112	5,962	6,609	7,333	7,780
Highway Use Permits	7,557	7,901	8,139	8,384	9,108
Motor Vehicle Control Fees	4,289	4,515	4,757	5,012	5,302
	<u>\$ 379,714</u>	<u>\$ 386,047</u>	<u>\$398,214</u>	<u>\$408,135</u>	<u>\$437,762</u>

Source: "Annual Statistical Summary", Utah Department of Transportation, December 2007

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 <u>Year</u>	St. George <u>Allocations</u>	Total B & C Road <u>Fund Allocations</u>	St. George <u>Percentage</u>
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%
2006	1,980,256	114,089,482	1.74%
2007	2,219,074	115,835,239	1.92%
2008	2,411,190	124,415,351	1.94%

(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, 2008

TABLE 3 - CALCULATION OF ESTIMATED DEBT SERVICE COVERAGE

Bond Year	Project Class C Road Fund Allocation		1996 Bonds	2004 Bonds	Total D.S.	Coverage
2004	\$ 2,103,013	1	\$ 497,330	\$ -	\$ 497,330	4.23
2005	1,932,452	1	497,010	280,300	777,310	2.49
2006	1,980,256	1	500,284	277,800	778,084	2.55
2007	2,219,074	1	497,004	275,300	772,304	2.87
2008	2,411,190	1		765,425	765,425	3.15
2009	2,483,526	2		772,425	772,425	3.22
2010	2,558,031	2		772,569	772,569	3.31
2011	2,634,772	2		775,363	775,363	3.40
2012	2,713,816	2		768,975	768,975	3.53
2013	2,795,230	2		768,562	768,562	3.64
2014	2,879,087	2		766,406	766,406	3.76

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 ⁿ Road Fund Portion	Contribution from the City's General Fund	General Fund Monies as a % of Total
2008	\$ 4,776,084	\$ 2,411,190	\$ 2,364,894	49.52%
2007	4,634,877	2,219,074	2,415,803	52.12%
2006	4,346,521	1,980,256	2,366,265	54.44%
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%

(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, 2008

Comparative Property Tax Rates Within Washington County

<u>Tax Levying Entity</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Hurricane	0.001965	0.002061	0.001821	0.001821	0.002105
Ivins	0.00137	0.001413	0.001413	0.001413	0.001413
LaVerkin	0.001197	0.001486	0.001893	0.001893	0.002105
St. George City	0.001217	0.001336	0.001644	0.001644	0.001843
Washington City	0.001089	0.001308	0.001252	0.001252	0.001405

(Source: Washington County Auditor)

DEBT STRUCTURE

Outstanding General Obligation Indebtedness

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Current Balance Outstanding</u>
1999	Parks and Recreation	\$ 6,000,000	August 1, 2023	\$ 610,000
2004	Parks and Recreation	11,645,000	August 1, 2021	11,355,000
2006	Parks and Recreation	5,140,000	August 1, 2023	5,140,000

Outstanding Tax Increment Bond Indebtedness

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Current Balance Outstanding</u>
2005	Sales tax rev.	\$4,210,000	June 15, 2015	\$3,670,000
2007	Sales tax rev.	24,755,000	Nov. 1, 2017	24,755,000

Outstanding Revenue Indebtedness

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Current Balance Outstanding</u>
1987B	Subordinated Water	\$1,273,713	January 1, 2013	\$ 1,273,713
2003	Water Refunding	\$12,325,000	June 1, 2016	\$ 9,150,000
1994	Wastewater	\$4,000,000	June 15, 2014	\$ 1,515,000
2003	Golf Refunding	\$2,840,000	April 1, 2009	\$ 452,000
2004	Excise Tax Revenue	\$5,000,000	December 1, 2013	\$ 4,100,000
1997B	Sewer	\$12,000,000	June 15, 2012	\$ 4,443,000
2001	Water Refunding	\$8,670,000	June 1, 2020	\$ 7,810,000
2004	Water	\$31,000,000	July 1, 2025	\$28,935,000
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	\$15,490,000

Outstanding Lease Purchase Indebtedness

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Current Balance Outstanding</u>
1999A	MBA Refunding	\$6,270,000	September 1, 2017	\$3,150,000
1998	Holt purchase	\$400,000	October 1, 2008	\$ 53,000
2000	MBA Woodward	\$350,000	April 1, 2021	\$ 247,000

Outstanding Special Assessment Indebtedness

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Current Balance Outstanding</u>
1998	SID 97-1	\$265,212	August 1, 2008	\$ 33,000
1999	SID97-2	\$1,650,826	November 1, 2009	\$ 408,000
2000	SID98-1	\$400,126	December 15, 2009	\$ 99,000
2002	SID2000-1	\$228,000	June 1, 2012	\$ 105,000
2002	SID 99-4	\$1,109,000	November 1, 2012	\$ 555,000
2003	SID 99-1	\$989,000	February 1, 2013	\$ 495,000
2003	SID 99-3	\$1,077,000	June 1, 2013	\$ 538,000

Debt Ratios

Direct General Obligation Debt is .25% of 2007 Taxable Value.

Total Direct and Overlapping General Obligation Debt is 2.6% of 2007 Taxable Value

Per Capita Direct General Obligation Debt is \$205 based on the estimated population of 83,364.

Per Capita Direct and Overlapping General Obligation Debt is \$2,138 based on estimated population.

City of St. George, UT
 Continuing Disclosure - 1997A Sewer Revenue Bonds
 Fiscal Year Ended June 30, 2008

Table 1 - Sewer Fees by Fiscal Year per Entity

Entity	-----Fiscal Year Ended June 30-----				
	2008	2007	2006	2005	2004
City of St. George	\$ 5,354,009	\$ 5,628,693	\$ 5,521,616	\$ 5,368,964	\$ 4,995,934
Washington City	1,218,104	1,221,440	988,265	845,250	722,627
City of Santa Clara	345,145	351,852	239,996	252,609	237,326
Town of Ivins	441,455	388,587	350,206	326,382	306,391
	<u>\$ 7,358,713</u>	<u>\$ 7,590,572</u>	<u>\$ 7,100,083</u>	<u>\$ 6,793,205</u>	<u>\$ 6,262,278</u>

(Source: The City)

Table 2 - Sewer Connections by Fiscal Year per Entity

Entity	-----Fiscal Year Ended June 30-----				
	2008	2007	2006	2005	2004
City of St. George	31,201	32,573	32,709	31,288	29,928
Washington City	7,099	7,068	5,759	4,926	4,563
City of Santa Clara	2,011	2,036	1,399	1,472	1,545
Town of Ivins	2,572	2,249	2,041	1,902	1,848
	<u>42,883</u>	<u>43,926</u>	<u>41,908</u>	<u>39,588</u>	<u>37,884</u>

City of St. George, UT
 Continuing Disclosure - 1997A Sewer Revenue Bonds
 Fiscal Year Ended June 30, 2008

Enterprise Fund - Wastewater Collection
 Balance Sheet

	-----Fiscal Year Ended June 30-----				
	2008	2007	2006	2005	2004
Assets:					
Current Assets:					
Cash	\$ 525,940	\$ 963,747	\$ 1,168,396	\$ 2,186,740	\$ 2,344,892
Accts Rec./Due from other funds	410,267	506,902	657,639	781,482	844,826
Total current assets	936,207	1,470,649	1,826,035	2,968,222	3,189,718
Property Plant & Equipment	10,084,852	8,737,922	8,141,646	6,290,334	5,976,805
Accumulated depreciation	(4,927,561)	(4,511,847)	(4,138,073)	(3,912,993)	(3,687,675)
Net property, plant & equipment	5,157,291	4,226,075	4,003,573	2,377,341	2,289,130
Total Assets	\$ 6,093,498	\$ 5,696,724	\$ 5,829,608	\$ 5,345,563	\$ 5,478,848
Liabilities and fund equity:					
Current Liabilities:					
Accrued liabilities	\$ 195,932	\$ 207,730	\$ 525,154	\$ 46,722	\$ 37,799
Total current liabilities	195,932	207,730	525,154	46,722	37,799
Total Liabilities	195,932	207,730	525,154	46,722	37,799
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	3,845,742	3,437,170	3,252,630	3,247,017	3,389,225
Total retained earnings	3,845,742	3,437,170	3,252,630	3,247,017	3,389,225
Total fund equity	5,897,566	5,488,994	5,304,454	5,298,841	5,441,049
Total liabilities and equity	\$ 6,093,498	\$ 5,696,724	\$ 5,829,608	\$ 5,345,563	\$ 5,478,848

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2008

Enterprise Fund - Wastewater Treatment
Balance Sheet

	-----Fiscal Year Ended June 30-----				
	2008	2007	2006	2005	2004
Assets:					
Current Assets:					
Cash	\$ 26,003,300	\$ 15,498,092	\$ 16,445,296	\$ 14,487,835	\$ 13,935,643
Restricted cash	2,473,706	3,076,964	2,913,122	3,939,878	3,447,520
Accounts receivable	520,435	584,920	10,200	210,930	4,072
Bond discounts & insurance	693,131	843,994	1,029,257	1,214,521	1,399,784
Prepaid expenses	-	-	-	-	-
Total current assets	29,690,572	20,003,970	20,397,875	19,853,164	18,787,019
Property Plant & Equipment	68,130,495	64,346,318	60,677,176	51,114,818	47,814,010
Accumulated depreciation	(11,825,310)	(10,604,157)	(9,469,310)	(8,596,977)	(7,722,099)
Net property, plant & equipment	56,305,185	53,742,161	51,207,866	42,517,841	40,091,911
Total Assets	\$ 85,995,757	\$ 73,746,131	\$ 71,605,741	\$ 62,371,005	\$ 58,878,930
Liabilities and fund equity:					
Current Liabilities:					
Accrued liabilities	\$ 897,482	\$ 395,103	\$ 663,319	\$ 619,809	\$ 499,902
Due to other funds	-	-	-	-	-
Total current liabilities	897,482	395,103	663,319	619,809	499,902
Bonds payable	13,340,679	15,545,311	18,587,543	21,624,526	24,436,758
Total Liabilities	14,238,161	15,940,414	19,250,862	22,244,335	24,936,660
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	2,473,706	3,076,964	2,913,122	3,939,878	3,447,520
Unreserved/unrestricted	66,522,322	51,967,185	46,680,189	33,425,224	27,733,182
Total retained earnings	68,996,028	55,044,149	49,593,311	37,365,102	31,180,702
Total fund equity	71,757,596	57,805,717	52,354,879	40,126,670	33,942,270
Total liabilities and equity	\$ 85,995,757	\$ 73,746,131	\$ 71,605,741	\$ 62,371,005	\$ 58,878,930

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2008

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

	-----Fiscal Year Ended June 30-----				
	2008	2007	2006	2005	2004
Operating revenues:					
Charges for services	\$7,473,604	\$7,086,317	\$6,802,983	\$6,650,564	\$6,192,015
Impact and connection fees	-	-	-	-	-
Other operating revenues	493,044	880,112	453,342	595,177	514,424
Total operating revenues	7,966,648	7,966,429	7,256,325	7,245,741	6,706,439
Operating expenses:					
Salary & Wages	746,897	654,669	576,084	528,759	534,280
Deprecation	415,714	373,773	225,080	225,318	200,964
Bad debts	35,389	35,439	34,058	33,222	30,928
Payroll tax & employee benefits	337,351	284,352	244,854	232,898	227,276
Office & department supplies	50,387	135,296	102,748	88,741	85,708
Professional services	14,864	10,856	55,844	72,401	67,873
Repair & maintenance - equipment	95,177	120,656	65,130	40,378	43,859
Repair & maintenance - bldg & grounds	6,639	23,490	3,754	9,189	10,291
Insurance & surety bonds	30,048	89,093	36,519	50,163	22,849
Travel	12,443	19,836	8,271	11,418	16,725
Contract labor	5,354,009	5,628,693	5,522,889	5,368,964	4,995,934
Billing and administration	500,000	500,000	375,000	360,000	290,000
Total operating expenses	7,598,918	7,876,153	7,250,231	7,021,451	6,526,687
Operating income (loss)	367,730	90,276	6,094	224,290	179,752
Non-operating revenues (expenses)					
Interest income	54,660	53,163	80,439	63,929	51,029
Miscellaneous income	6,182	41,100	1,080	3,344	167
Total non-operating revenue (expense)	60,842	94,263	81,519	67,273	51,196
Net Income	428,572	184,539	87,613	291,563	230,948
Transfers to other funds	(20,000)	-	(82,000)	(433,772)	-
Retained earnings at beginning of year	3,437,170	3,252,631	3,247,018	3,389,227	3,158,279
Retained earnings at end of year	3,845,742	3,437,170	3,252,631	3,247,018	3,389,227

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2008

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

	-----Fiscal Year Ended June 30-----				
	2008	2007	2006	2005	2004
Operating revenues:					
Charges for services	\$ 7,358,714	\$ 7,590,572	\$ 7,100,084	\$ 6,793,204	\$ 6,262,274
Impact and connection fees	-	-	-	-	-
Other operating revenues	924,306	1,706,879	2,662,784	3,047,417	2,447,521
Total operating revenues	8,283,020	9,297,451	9,762,868	9,840,621	8,709,795
Operating expenses:					
Salary & Wages	966,345	894,364	782,939	783,770	742,647
Supplies	439,033	523,667	318,776	372,692	347,022
Equipment rental	2,582	2,155	1,505	3,780	1,124
Deprecation	1,221,153	1,134,846	872,333	874,877	868,749
Payroll tax & employee benefits	425,680	398,110	315,273	322,419	298,553
Office & department supplies	43,863	65,568	53,183	67,858	63,206
Professional services	185,618	163,267	200,418	181,420	200,341
Repair & maintenance - equipment	616,277	565,042	454,498	375,241	345,006
Repair & maintenance - bldg & grounds	15,860	13,974	16,012	3,295	953
Insurance & surety bonds	84,073	78,460	59,785	34,746	33,376
Travel	8,331	11,320	18,127	13,770	11,075
Billing and administration	520,000	500,000	485,000	432,000	320,000
Total operating expenses	4,528,815	4,350,773	3,577,849	3,465,868	3,232,052
Operating income (loss)	3,754,205	4,946,678	6,185,019	6,374,753	5,477,743
Non-operating revenues (expenses)					
Interest income	1,106,143	948,703	848,763	392,043	226,248
Miscellaneous income	77,830	82,717	5,790,853	253,714	47,571
Interest charges	(486,301)	(527,259)	(596,425)	(617,240)	(773,867)
Total non-operating revenue (expense)	697,672	504,161	6,043,191	28,517	(500,048)
Net Income	4,451,877	5,450,839	12,228,210	6,403,270	4,977,695
Transfers to other funds	-	-	-	(218,869)	
Federal grants	9,500,000				
Retained earnings at beginning of year	55,044,153	49,593,314	37,365,104	31,180,703	26,203,008
Retained earnings at end of year	\$68,996,030	\$55,044,153	\$ 49,593,314	\$ 37,365,104	\$ 31,180,703

City of St. George, UT
 Continuing Disclosure - 1997A Sewer Revenue Bonds
 Fiscal Year Ended June 30, 2008

Balance Sheet- General Fund

	-----Fiscal Year Ended June 30-----				
	2008	2007	2006	2005	2004
Assets and other debits:					
Cash	\$ 1,567,343	\$ 889,350	\$ 2,636,637	\$ 2,544,357	\$ 1,914,248
Accounts receivable (net of allowance)	3,141,364	3,549,850	3,310,617	2,767,095	2,429,767
Inventory	93,322	76,772	57,398	51,861	52,517
Due from other funds	500,000	500,000	500,000	500,000	500,000
Prepaid items	487,500	88,773	38,062	44,273	313,537
Notes receivable	1,618,215	1,501,469	714,220	343,082	595,088
Total assets and other debits	\$7,407,744	\$6,606,214	\$7,256,934	\$6,250,668	\$5,805,157
Liabilities:					
Accrued liabilities	\$ 1,912,161	\$ 1,183,184	\$ 1,832,593	\$ 1,259,140	\$ 663,397
Construction bonds held	170,271	163,272	155,527	149,363	363,654
Due to other funds	388,645	388,645	388,645	388,645	388,645
Deferred revenues	29,491	22,198	13,102	-	-
Total liabilities	2,500,568	1,757,299	2,389,867	1,797,148	1,415,696
Fund equity and other credits:					
Fund Balances:					
Reserved by statute	396,718	338,785	247,923	229,502	39,609
Reserved for notes receivable	1,618,215	1,501,469	714,220	343,082	595,088
Unreserved - undesignated	2,892,242	3,008,661	3,904,924	3,880,936	3,754,764
Total fund equity and other credits	4,907,175	4,848,915	4,867,067	4,453,520	4,389,461
Total Liabilities, Equity, and other credits	\$7,407,743	\$6,606,214	\$7,256,934	\$6,250,668	\$5,805,157

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2008

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, 2004 through June 30, 2008. The summary has not been audited

	-----Fiscal Year Ended June 30-----				
	2004	2005	2006	2007	2008
REVENUES:					
Taxes and special assessments	\$20,814,066	\$23,357,920	\$26,466,660	\$28,352,697	\$29,348,208
Licenses and permits	2,861,199	3,656,186	3,544,685	3,190,123	2,270,555
Intergovernmental	2,603,641	4,547,551	3,257,244	2,947,720	2,931,939
Charges for services	5,070,508	6,176,457	7,136,562	8,001,581	8,235,888
Fines and forfeitures	1,076,417	987,030	928,299	1,017,869	850,868
Miscellaneous	128,398	68,251	183,860	169,837	139,055
Interest income	254,389	348,492	797,245	1,080,786	928,850
Rents and concessions	59,617	30,046	34,713	32,525	29,946
Proceeds from sale of property	-	-	-	-	-
Total revenues	<u>32,868,235</u>	<u>39,171,933</u>	<u>42,349,268</u>	<u>44,793,138</u>	<u>44,735,309</u>
EXPENDITURES:					
General government	3,682,399	4,153,719	4,894,699	5,816,649	6,419,183
Public safety	9,269,024	10,355,029	12,023,185	13,933,315	15,283,141
Highways and public improvements	7,355,810	10,020,742	9,505,136	8,069,622	8,289,325
Parks, recreation and public prop.	6,446,712	7,333,537	8,068,186	8,610,122	9,884,604
Community and economic development	1,230,257	1,638,479	1,967,056	2,150,028	2,135,149
Capital projects	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital leases	<u>74,984</u>	<u>71,924</u>	<u>53,284</u>	<u>49,084</u>	<u>49,729</u>
Total expenditures	<u>28,059,186</u>	<u>33,573,430</u>	<u>36,511,546</u>	<u>38,628,820</u>	<u>42,061,131</u>
Excess (deficiency of Revenues over Expenditures)	<u>4,809,049</u>	<u>5,598,503</u>	<u>5,837,722</u>	<u>6,164,318</u>	<u>2,674,178</u>
OTHER FINANCING SOURCES (USES):					
Proceeds of bond sales/capital leases	-	-	-	-	-
Contributions from other entities	53,811	74,123	300,031	65,916	71,503
Operating transfers out	(5,037,140)	(6,198,669)	(6,000,000)	(6,472,000)	(3,336,000)
Operating transfers in	190,907	564,624	172,000	162,659	531,753
Proceeds from sale of fixed assets	<u>17,430</u>	<u>25,480</u>	<u>103,872</u>	<u>60,955</u>	<u>116,828</u>
Total other financing sources (uses)	<u>(4,774,992)</u>	<u>(5,534,442)</u>	<u>(5,424,097)</u>	<u>(6,182,470)</u>	<u>(2,615,916)</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	34,057	64,061	413,625	(18,152)	58,262
Residual equity transfer to PFC Spec Rev Fund	-	-	-	-	-
Unappropriated Fund Balances at the beginning of the year	<u>4,355,403</u>	<u>4,389,458</u>	<u>4,453,443</u>	<u>4,867,068</u>	<u>4,848,915</u> **
Fund Balances at the end of year	<u>\$ 4,389,460</u>	<u>\$ 4,453,519</u>	<u>\$ 4,867,068</u>	<u>\$ 4,848,916</u>	<u>\$ 4,907,177</u>

** (includes balance in perpetual care fund)

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

Historical Summaries of Taxable Values of Property

Locally Assessed	2007		2006		2005		2004		2003		2002	
	Taxable Value	% of T.V.										
Residential Real Estate - primary use	\$ 1,184,609,696	17.52%	\$ 815,711,566	14.83%	\$ 474,201,510	10.24%	\$ 382,106,770	10.02%	\$ 347,369,360	10.01%	\$ 329,728,030	9.98%
Residential Real Estate - Not primary use	1,148,362,981	16.98%	759,257,740	13.80%	126,237,230	2.73%	101,595,425	2.66%	93,224,660	2.69%	83,412,195	2.52%
Commercial and Industrial Real Estate	589,163,932	8.71%	542,992,735	9.87%	316,812,290	6.84%	286,165,460	7.50%	280,126,520	8.07%	270,827,680	8.20%
Agricultural Real Estate - Improved - Not F.A.A.	50,770,036	0.75%	42,272,440	0.77%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Real Estate - Under FAA-Agricultural	2,369,365	0.04%	1,859,735	0.03%	555,285	0.01%	616,345	0.02%	689,260	0.02%	677,015	0.02%
Unimproved Real Estate - Not F.A.A.	-	0.00%	-	0.00%	543,699,090	11.74%	438,747,895	11.50%	393,123,490	11.33%	400,574,720	12.13%
Total Real Estate	2,975,276,010	44.00%	2,162,094,215	39.30%	1,461,508,405	31.56%	1,209,231,895	31.70%	1,114,533,290	32.11%	1,085,219,640	32.85%
Residential Buildings - Primary use	2,213,250,891	32.73%	2,005,165,010	36.45%	1,601,958,065	34.59%	1,239,249,480	32.48%	1,115,654,870	32.14%	1,041,283,650	31.52%
Residential Buildings - Not primary use	587,257,794	8.69%	497,017,970	9.03%	366,802,925	7.92%	274,805,495	7.20%	241,211,045	6.95%	210,791,080	6.38%
Commercial and Industrial Buildings	853,832,236	12.63%	745,120,255	13.54%	572,387,670	12.36%	509,739,765	13.36%	471,130,845	13.57%	455,579,300	13.79%
Agricultural Buildings	1,856,423	0.03%	2,430,925	0.04%	2,362,495	0.05%	2,028,070	0.05%	1,874,365	0.05%	1,823,110	0.06%
Total Buildings	3,656,197,344	54.07%	3,249,734,160	59.07%	2,543,511,155	54.92%	2,025,822,810	53.10%	1,829,871,125	52.72%	1,709,477,140	51.75%
Total Real Property	6,631,473,354	98.07%	5,411,828,375	98.37%	4,005,017,560	86.47%	3,235,054,705	84.80%	2,944,404,415	84.82%	2,794,696,780	84.59%
Fee in Lieu Property	-	0.00%	-	0.00%	57,776,955	1.25%	50,106,273	1.31%	43,311,289	1.25%	267,613,136	8.10%
Fee based property	-	0.00%	-	0.00%	291,315,537	0.64%	261,753,538	0.64%	-	-	-	-
Mobile Homes - Primary residential use	-	0.00%	-	0.00%	5,064,988	0.11%	5,283,331	0.14%	5,956,203	0.17%	6,237,991	0.19%
Mobile Homes - other use	-	0.00%	-	0.00%	3,732,128	0.08%	4,214,820	0.11%	4,460,143	0.13%	4,057,102	0.12%
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	-	0.00%	-	0.00%	177,976,389	3.84%	159,211,151	4.17%	371,601,473	10.71%	128,145,238	3.88%
Total Personal Property	-	0.00%	-	0.00%	535,867,997	11.57%	480,569,113	12.60%	425,329,108	12.25%	406,053,467	12.29%
Total Locally Assessed	6,631,473,354	98.07%	5,411,828,375	98.37%	4,540,885,557	98.04%	3,715,623,818	97.40%	3,369,733,523	97.08%	3,200,750,247	96.89%
Total Centrally Assessed	130,171,738	1.93%	89,785,275	1.63%	90,664,550	1.96%	99,341,673	2.60%	101,438,950	2.92%	102,882,833	3.11%
Total Taxable Value	\$ 6,761,645,092	100.00%	\$ 5,501,613,650	100.00%	\$ 4,631,550,107	100.00%	\$ 3,814,965,491	100.00%	\$ 3,471,172,473	100.00%	\$ 3,303,633,080	100.00%

(Source: Washington County Information Technology)

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

Revenue Bond Debt Service

FISCAL YEAR ENDING 6/30	WATER SALES REVENUES	OTHER REVENUES (1)	INTEREST INCOME(2)	TOTAL REVENUES	O & M EXPENSE	NET REVENUES	2001 Refunding		1993 BOND		1995A BOND		2003 Refunding		2004 Bond Debt		TOTAL DEBT SERVICE	TOTAL DEBT SERVICE	TOTAL DEBT SERVICE COVERAGE
							DEBT SERVICE												
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	\$ 2,539,744	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	2,796,759	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	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	-	-	-	1,867,341	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	-	-	-	3,328,920	3,328,920	2.83
2006	11,613,585	4,069,040	433,269	16,115,894	8,651,459	7,464,435	448,170	-	-	-	-	-	1,271,288	-	-	-	3,193,658	3,193,658	2.34
2007	12,823,814	2,343,208	275,516	15,442,538	10,669,861	4,772,677	445,970	-	-	-	-	-	1,271,513	-	-	-	4,202,883	4,202,883	1.14
2008	14,377,769	3,063,197	186,705	17,627,671	10,845,779	6,781,892	540,000	-	-	-	-	-	1,264,860	-	-	-	4,437,164	4,437,164	1.53

(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.

**WATER UTILITY ENTERPRISE FUND
BALANCE SHEET**

Fiscal Year Ended June 30

	2008	2007	2006	2005	2004	2003	2002
ASSETS							
Current Assets:							
Cash	\$ 1,240,894	\$ 2,294,281	\$ 3,226,718	\$ 319,897	\$ -	\$ -	\$ (1,373,249)
Restricted Cash	3,292,054	3,228,028	4,856,639	10,961,469	27,425,337	540,865	388,587
Accts. Receivable	605,381	210,587	250,829	15,130	173,619	8,905	145,981
Inventory	565,193	564,252	465,903	303,632	311,628	220,828	229,556
Bond Discounts	659,870	717,651	775,432	833,212	890,993	518,097	848,976
Prepaid Expenses	-	-	-	2,830	2,830	2,830	2,830
Total Current Assets	6,363,392	7,014,799	9,575,521	12,436,170	28,804,407	1,291,525	242,681
Property, Plant & Equipment							
Improvements	125,122,446	122,179,850	116,995,177	111,256,927	91,751,547	77,232,555	68,897,015
Less Accum. Depr.	(26,462,417)	(23,579,090)	(20,959,586)	(18,592,366)	(16,623,004)	(14,964,337)	(13,494,457)
Net prop. plant & equip.	98,660,029	98,600,760	96,035,591	92,664,561	75,128,543	62,268,218	55,402,558
TOTAL ASSETS	\$ 105,023,421	\$ 105,615,559	\$ 105,611,112	\$ 105,100,731	\$ 103,932,950	\$ 63,559,743	\$ 55,645,239
LIABILITIES & FUND EQUITY							
Current Liabilities:							
Accrued Liabilities	\$ 1,941,395	\$ 1,858,206	\$ 1,781,911	\$ 3,536,847	\$ 2,863,701	\$ 1,208,315	\$ 211,586
Due to other funds	-	-	-	-	2,006,017	3,866,603	-
Total Current Liabilities	1,941,395	1,858,206	1,781,911	3,536,847	4,869,718	5,074,918	211,586
Long-Term Liabilities:							
Bonds Payable	47,168,713	49,578,713	51,458,713	52,298,713	54,413,713	23,858,713	25,533,713
Bond premiums	2,609,001	2,817,259	3,025,517	3,233,775	3,442,033	956,187	-
Capital leases	-	-	-	120,605	221,862	303,980	396,456
Deferred gain on bond redemption	-	-	-	-	-	-	-
Total long-term liabilities	49,777,714	52,395,972	54,484,230	55,653,093	58,077,608	25,118,880	25,930,169
TOTAL LIABILITIES	51,719,109	54,254,178	56,266,141	59,189,940	62,947,326	30,193,798	26,141,755
FUND EQUITY							
Contributed Capital:							
Subdivisions	278,131	278,131	278,131	278,131	278,131	278,131	278,131
Government Agencies	1,615,652	1,615,652	1,615,652	1,615,652	1,615,652	1,615,652	1,615,652
Total Contributions	1,893,783	1,893,783	1,893,783	1,893,783	1,893,783	1,893,783	1,893,783
Retained Earnings:							
Reserved for bond retirement	3,292,054	3,228,028	4,856,639	1,890,678	1,538,022	540,865	388,587
Unreserved	48,118,475	46,239,570	42,594,549	42,126,329	37,553,819	30,931,297	27,221,114
Total retained earnings	51,410,529	49,467,598	47,451,188	44,017,007	39,091,841	31,472,162	27,609,701
TOTAL FUND EQUITY	53,304,312	51,361,381	49,344,971	45,910,790	40,985,624	33,365,945	29,503,484
TOTAL LIABILITIES & EQUITY	\$ 105,023,421	\$ 105,615,559	\$ 105,611,112	\$ 105,100,730	\$ 103,932,950	\$ 63,559,743	\$ 55,645,239

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

	2008	2007	2006	2005	2004	2003	2002
Operating Revenues:							
Charges for services	\$14,377,769	\$12,823,814	\$11,613,585	\$10,366,313	\$10,316,867	\$ 9,232,571	\$ 8,902,637
Impact fees & Other	1,128,330	2,343,208	4,069,040	5,096,818	4,322,025	2,958,374	1,947,637
Total operating revenues	15,506,099	15,167,022	15,682,625	15,463,131	14,638,892	12,190,945	10,850,274
Operating Expenses:							
Water purchased	4,216,527	4,033,190	1,122,563	850,278	662,191	700,260	497,949
Salary and Wages	2,384,161	2,130,251	2,204,221	1,905,206	1,695,616	1,400,210	1,216,659
Service vehicle expense	201,065	149,139	136,520	109,189	92,046	80,488	53,990
Equipment rental	28,651	18,213	21,205	11,115	14,875	18,139	72,297
Depreciation	2,883,327	2,619,504	2,367,220	1,969,362	1,658,667	1,469,881	1,391,037
Bad debts	64,946	61,908	57,475	50,576	51,363	45,879	42,731
Payroll tax & benefits	1,053,418	942,704	886,429	802,391	690,897	552,031	470,341
Office supplies	387,679	2,096,072	2,963,452	112,863	130,669	764,625	541,052
Professional services	174,209	158,441	99,239	151,778	120,769	142,323	197,625
R & M - equipment	1,305,974	248,267	325,784	1,688,726	1,053,676	700,071	292,723
Insurance & surety bonds	84,251	81,961	93,822	109,619	152,772	62,438	65,244
Travel	38,947	34,600	65,468	25,715	36,222	26,285	35,186
Miscellaneous	816	1,222	2,067	1,510	655	(128)	150
Subscriptions	15,135	2,361	2,214	14,308	8,167	3,484	1,679
Billing & administration	890,000	711,530	671,000	633,400	532,000	501,900	492,000
Total operating expenses	13,729,106	13,289,363	11,018,679	8,436,036	6,900,585	6,467,886	5,370,663
Operating income	1,776,993	1,877,659	4,663,946	7,027,095	7,738,307	5,723,059	5,479,611
Non-operating Rev. (Exp.):							
Interest income	186,706	275,516	433,269	432,366	86,846	19,055	30,902
Rent	1,934,818	1,934,818	322,470	-	-	-	-
Miscellaneous	71,579	22,063	156,845	690	1,216,866	10,000	530,786
Loss on bond refunding	-	-	-	-	-	(565,492)	-
Interest charges	(2,027,164)	(2,093,642)	(2,142,352)	(2,019,046)	(1,422,341)	(1,324,162)	(1,300,974)
Total Non-operating	165,939	138,755	(1,229,768)	(1,585,990)	(118,629)	(1,860,599)	(739,286)
Net Income (loss)	1,942,932	2,016,414	3,434,178	5,441,105	7,619,678	3,862,460	4,740,325
Transfers to other funds	-	-	-	(515,939)	-	-	-
Retaining earnings at July 1	49,467,598	47,451,184	44,017,006	39,091,840	31,472,162	27,609,702	22,869,377
Retained earnings at June 30	\$51,410,530	\$49,467,598	\$47,451,184	\$44,017,006	\$39,091,840	\$31,472,162	\$27,609,702

Source: City's Comprehensive Annual Financial Reports

CITY OF ST. GEORGE, UT

Continuing Disclosure - 1997A Washington County/St. George Interlocal Agency

June 30, 2008

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 <u>Ended June 30</u>	<u>Innkeepers Tax Revenue</u>
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
2006	380,119
2007	407,141
2008	402,262

(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.

<u>Fiscal Year June 30</u>	<u>Sales Tax Revenues</u>	<u>Percent Increase from prior year</u>
2003	\$9,197,358	(3.91%) ***
2004	10,382,991	12.89%
2005	12,209,211	17.59%
2006	14,727,245	20.62%
2007	15,666,907	6.38%
2008	15,195,456	(3.01%)

*** 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

Debt Structure

See Statistical section of CAFR

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 - 2005 ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2008

TABLE I - SYSTEM RATES

	Customer Charge (per month)	Energy Charge (per kWh)	Demand Charge (per kW)	Average Monthly Bill
Residential Service	\$ 9.80	\$ 0.0681		\$ 80.14
Commercial Service				
Small General Service	8.48			
0-500 kWh (per kWh)		0.1172		222.91
Next 9,500 kWh (per kWh)		0.0639		
Over 10,000 kWh (per kWh)		0.0385		
0-5 kW (per kW)			\$ -	
Over 5 kW (per kW)			7.59	
Large General Service	44.23			3,869.55
0-10,000 kWh (per kWh)		0.0520		
Over 10,000 kWh (per kWh)		0.0385		
0-5 kW (per kW)			-	
Over 5 kW (per kW)			11.21	
Agricultural Service	8.48			
0-500 kWh (per kWh)		0.1172		
Next 9,500 kWh (per kWh)		0.0639		
Over 10,000 kWh (per kWh)		0.0385		

TABLE II - AVERAGE REVENUE FROM RATES

	Average Revenue \$ per kWh	Average Monthly Bills	
		Summer May-Oct	Winter Nov-Apr
Residential Service	\$ 0.0776	\$ 91.36	\$ 68.92
Small Commercial (includes demand)	0.0912	243.11	202.71
Large Commercial (includes demand)	0.0706	4,249.77	3,489.33

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - 2005 ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2008

TABLE III - Summary of Kilowatt Hours and Production Costs

<u>Year</u>	<u>kWh</u>	<u>Cost per kWh</u>
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
2006	611,224,083	0.07154
2007	654,854,223	0.07269
2008	663,553,033	0.07242

TABLE IV - Ten Largest Customers of the System

<u>Name</u>	<u>Type of Business</u>	<u>kWh</u>	<u>% of City's Total kWh</u>
Dixie State College	College	15,114,835	2.3833%
IHC Dixie Regional Medical Center	Hospital	12,325,246	1.9434%
Quality Park Products	Manufacturing	9,173,280	1.4464%
Dixie Medical Center	Hospital	8,170,200	1.2883%
Costco Wholesale	Large box store	5,405,760	0.8524%
Lowe's Home Improvement	Large box store	3,864,640	0.6094%
Harmon's City Inc	Grocery store	3,862,200	0.6090%
Albertsons Inc. #329	Grocery store	2,424,900	0.3824%
LDS St. George Temple	Religious bldg.	2,416,500	0.3810%
Lin's Supermarkets Inc.	Grocery store	2,339,840	0.3689%
		<u>65,097,401</u>	<u>10.2645%</u>

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - 2005 ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2008

TABLE V Historical and Projected Operating Results

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	HISTORICAL						PROJECTED			
Sources of Funds:										
Service Charges/User Fees	\$ 34,641,750	\$ 37,695,191	\$ 39,754,876	\$ 44,196,505	\$ 48,831,532	\$ 51,029,054	\$ 53,777,035	\$ 57,319,605	\$ 60,705,128	\$ 63,637,515
Impact fees	1,719,684	2,446,567	4,498,132	4,408,012	3,856,965	3,061,865	2,500,000	2,500,000	2,500,000	2,500,000
Total sources of funds	36,361,434	40,141,758	44,253,008	48,604,517	52,688,497	54,090,919	56,277,035	59,819,605	63,205,128	66,137,515
Uses of Funds:										
Electricity purchased	29,738,567	31,583,859	30,317,925	32,530,927	36,099,643	35,466,629	40,556,744	42,581,165	44,430,945	45,887,160
Operating costs	4,823,096	5,456,514	6,311,798	8,217,167	11,501,334	12,584,940	8,360,517	8,694,937	9,042,735	9,404,444
Total O & M Expenses	34,561,663	37,040,373	36,629,723	40,748,094	47,600,977	48,051,569	48,917,261	51,276,102	53,473,680	55,291,604
Net Operating Revenues	1,799,771	3,101,385	7,623,285	7,856,423	5,087,520	6,039,350	7,359,774	8,543,503	9,731,448	10,845,911
Non-operating Revenues (Expenses)										
Interest income	43,438	28,412	62,608	454,638	689,072	565,997	1,062,984	724,402	265,359	306,698
Other income	25,432	24,452	321,333	1,979,362	245,233	583,922	850,000	850,000	850,000	850,000
Total Non-operating	68,870	52,864	383,941	2,434,000	934,305	1,149,919	1,912,984	1,574,402	1,115,359	1,156,698
Net Revenues for DS payments	1,868,641	3,154,249	8,007,226	10,290,423	6,021,825	7,189,269	9,272,758	10,117,905	10,846,807	12,002,609
Outstanding Bonds:										
Series 2005 Bonds	-	-	-	1,129,669	1,303,301	1,302,244	1,337,629	1,335,054	1,334,454	1,334,466
Series 2008 Bonds	-	-	-	-	-	-	-	-	3,323,625	3,338,625
Total debt service payments	-	-	-	1,129,669	1,303,301	1,302,244	1,337,629	1,335,054	4,658,079	4,673,091
Projected Debt Service Coverage	N/A	N/A	N/A	9.11	4.62	5.52	6.93	7.58	2.33	2.57

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - 2005 ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2008

TABLE VI Statement of Net Assets

ASSETS	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Current assets:					
Cash	\$ 4,705,962	\$ 15,209,435	\$ 8,908,066	\$ 9,710,617	\$ 1,692,554
Restricted cash	5,351,469	2,264	1,929	1,267,078	-
Accts. receivable (net of allowance for uncollectibles)	9,765,916	7,506,857	7,582,406	5,816,812	5,809,699
Inventory	1,866,622	2,430,768	1,871,667	1,260,040	1,477,922
Due from other funds				-	-
Note receivable				-	-
Bond discounts & insurance	304,364	322,268	340,172	358,076	-
Prepaid expenses	-	-	90,228	-	-
Total current assets	21,994,333	25,471,592	18,794,468	18,412,623	8,980,175
Capital assets net of accumulated depreciation	55,436,370	45,267,696	44,605,417	40,733,551	23,180,949
TOTAL ASSETS	77,430,703	70,739,288	63,399,885	59,146,174	32,161,124
LIABILITIES					
Current liabilities:					
Accrued liabilities	7,815,464	7,030,248	4,499,267	6,564,590	3,604,920
Capital leases	-	-	-	-	-
Due to other funds (short-term)				-	-
Deposits payable	1,472,154	1,422,701	1,302,527	1,167,359	997,817
Total current liabilities	9,287,618	8,452,949	5,801,794	7,731,949	4,602,737
Long-term liabilities:					
Bonds payable - long term	15,490,000	16,110,000	16,710,000	17,280,000	-
Bond premiums	514,717	544,994	575,271	605,549	-
Due to other funds (long-term)	-	-	-	-	-
Total long-term liabilities	16,004,717	16,654,994	17,285,271	17,885,549	-
Total liabilities	25,292,335	25,107,943	23,087,065	25,617,498	4,602,737
NET ASSETS					
Invested in capital assets, net of related debt	39,736,018	28,612,702	27,320,146	22,848,002	23,180,949
Restricted	5,351,469	2,264	1,929	1,267,078	-
Unrestricted	7,050,882	17,016,378	12,990,746	9,413,596	4,377,438
Total net assets	\$ 52,138,369	\$ 45,631,344	\$ 40,312,821	\$ 33,528,676	\$ 27,558,387

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - 2005 ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2008

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
OPERATING REVENUES:					
Charges for services	\$ 51,029,054	\$48,831,532	\$44,196,505	\$39,754,876	\$36,946,003
Other operating revenues	3,061,865	3,856,965	4,408,012	4,498,132	3,413,026
Total operating revenues	54,090,919	52,688,497	48,604,517	44,253,008	40,359,029
OPERATING EXPENSES:					
Electricity purchased	33,217,278	33,257,531	32,530,927	30,317,925	31,583,859
Natural gas purchased	2,249,351	2,842,112	1,503,365		
Salary and wages	3,336,321	3,133,149	2,925,315	2,482,803	2,282,556
Supplies	1,448,882	914,073	212,793	55,122	222,089
Service vehicle expense	173,493	162,693	173,404	141,003	98,057
Equipment rental	362	1,768	7,500	2,508	238
Depreciation	3,209,916	3,310,293	2,976,888	2,036,938	1,963,390
Bad debts	240,541	232,501	219,205	197,862	180,904
Payroll tax & employee benefits	1,291,785	1,214,349	1,072,626	968,694	828,934
Office & dept. supplies	106,281	104,220	87,417	72,197	79,839
Professional services	498,768	466,308	308,474	598,487	147,811
R. & M. - equipment	589,268	329,791	463,845	311,018	206,477
R. & M. - buildings and grounds	21,311	28,617	17,284	25,175	16,765
Insurance & surety bonds	118,084	226,821	92,839	79,355	130,832
Travel	71,528	72,852	58,536	75,220	53,405
Miscellaneous	1,759	1,714	5,065	3,055	210
Interest expense	65,911	61,925	37,041	316,730	46,690
Subscriptions & memberships	60,730	24,473	25,458	32,468	13,703
Billing & administration	1,350,000	1,215,787	1,007,000	950,100	798,000
Total operating expenses	48,051,569	47,600,977	43,724,982	38,666,660	38,653,759
Operating income (loss)	6,039,350	5,087,520	4,879,535	5,586,348	1,705,270
NON-OPERATING REVENUES (EXPENSES)					
Interest income	565,997	689,072	454,638	62,608	28,412
Rent	-	-	-	-	-
Miscellaneous income	583,922	245,233	1,979,362	321,333	24,452
Loss on bond refinancing	-	-	-	-	-
Interest charges	(682,244)	(703,301)	(529,391)	-	-
Total non-operating revenue (expense)	467,675	231,004	1,904,609	383,941	52,864
Income before transfers	6,507,025	5,318,524	6,784,144	5,970,289	1,758,134
Contributions	-	-	-	-	-
Transfers to/from other funds	-	-	-	-	-
Change in Net Assets	6,507,025	5,318,524	6,784,144	5,970,289	1,758,134
Total net assets - beginning	45,631,344	40,312,820	33,528,676	27,558,387	25,800,254
Total net assets - ending	\$ 52,138,369	\$45,631,344	\$40,312,820	\$33,528,676	\$27,558,388

Management's Discussion of Operations

The City had level zed growth throughout the year, which corresponds with level zed increases in energy demand and requirements (2008 Fiscal Year system peak was 177 MW). The City continues to meet these requirements with a diverse Energy Portfolio to avoid volatility of any given source. The Energy Portfolio is made up of base load coal. The mix is as follows: coal and base load, hydro with gas and diesel, peaking resources. The Energy Services Division net metering program continues to promote solar and renewable energy resources. The program continues to be very successful.

The following is a list of the current City Energy Services Resources for the 2008 fiscal year:

CURRENT SOURCES

Colorado River Storage Project Contract (Hydro) Expires 2024	19 MW for summer 29 MW for winter
• Western Replacement Power	10-20 MW
• Western System Power Pool	5-10 MW
Utah Associated Municipal Power (UAMPS)	
• Pool – contact Sales	
• Firm – Idaho (Expired December 2007)	22 MW
Deseret Generation and Transmission	
• Bonanza 1 – Coal	50 MW
• Contract Sales (other shafts) Coal	20 MW
City Owned Generation	
• Red Rock – Diesel	14 MW
• Bloomington – Diesel	11 MW
• Millcreek 1 – Natural Gas	40 MW
• Millcreek 2 – Natural Gas	40 MW
Note: Millcreek 2 turbine was purchased from GE March 2008 and now is under design and scheduled for construction in 2009.	
Long Term Purchase Contacts	
• Jordanelle Hydro (Heber sale) On line May 2008	4 MW
Short Term Market Purchases/Sales (1-3 year contracts)	
• Powerex	5-15 MW
• Morgan Stanley	5-15 MW
• Cargill	5-15 MW
• City of Burbank	5-15 MW
• UMPA	5-15 MW
• Black Hills	5-15 MW
• PacifiCorp	5-15 MW

NATURAL GAS

- IGI/BP Long term gas hedge 35-50% of requirements. Other short-term hedges are also in place.

FUTURE SOURCES

- Landfill Biomass Project 1-5 MW
- Dixie Solar Project 3 MW

- DGT Bonanza 2 30 MW
- New Coal Contract (various plants under study) 20-30 MW
- Millcreek Gas 3 40 MW

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 five 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 5%.

The Department has projected that all other operating expensed of the System will increase at a rate of approximately 4% per annum for the next five fiscal years. This projection will be modified if economical conditions or growth rates change. The Department believes that a projected rate of increase of 1 ½% per year is reasonable, based on its continuing efforts to improve its operating efficiency and the management System resource portfolio. The rate increases will be reallocated each budget year and adopted by the City Council if necessary.

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 construction of an additional 40 MW gas generator for peaking power will help achieve this goal. The City has established a risk policy which encourages pre-purchase hedges and contracts to meet peak demand rather than rely on the spot market. The City has also adopted a similar risk policy for the purchase of natural gas for the City owned gas generators to avoid the gas market volatility.

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. Climate change issues are currently affecting the decisions to build and other related issues.

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, 2008. Approximately 55.54% of the System’s electric sales revenues and 55.53% of energy sold new generation 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 (177 MW) continues to grow at an average of 5% and energy sales continue to grow at an average of 4%.

FINANCIAL

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. There 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 over the past five years. *First*, the City increased its electric rates as follows: February 2002 – across the board 40%, April 2003 – across the board 10%, July 2005 – across the board 1½% *Second*, the City raised impact fees for capital improvements resulting from new construction as follows: February 2002 – 51% and August 2006 – 54%. *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*, 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) and others 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, 2005, 2006 and 2007. It is expected to produce positive margins for the near future years. The City will continue to adhere to a strict risk policy in the management and procurement of energy resources to avoid market volatility. The City is also working to secure future energy resources to meet the growing demand. The new Millcreek Generation addition is part of meeting the future demand. The acquiring of future resources will involve the consideration of climate change issues as well.

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