

CITY OF ST. GEORGE, UT
COMPREHENSIVE ANNUAL FINANCIAL
REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2009



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Photo by: Brad Kitchen

Prepared by Philip R. Peterson, CPA CGFM
Finance Director

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 For the Fiscal Year Ended June 30, 2009

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INTRODUCTORY SECTION



CITY OF ST. GEORGE

175 East 200 North
St. George, Utah 84770

October 15, 2009

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, 2009, 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 which shows the cost of providing government services.

State law requires that all local governments publish within six months of the close of the 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, 2009, 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, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and

CITY OF ST. GEORGE

175 East 200 North, St. George, Utah 84770
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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, 2009, 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 214 residential units. It represents a decrease of over 52% which compares with a 55% decline for the fiscal year ended June 30, 2008. While there were commercial projects permitted during the year, the total valuation of building permits did decline by 58% for the fiscal year in comparison with a 42% decline in the fiscal year ended June 30, 2008.

“In fiscal year 2008-2009 the City completed or is in the process of completing numerous public improvement projects despite reductions in revenues on the local level. Some of those major projects include: (1) finished the grading and drainage portion of the new Replacement Airport; (2) finalized the purchase of all necessary property for the new Replacement Airport; (3) made additional improvements to Town Square to handle the tremendous number of users; (4) completed the new Sexton and maintenance building at Tonaquint Cemetery; (5) completion of a major addition to the Fleet facility; (6) the City was awarded the 2009 National Junior College World Series girls fastpitch tournament; (7) in conjunction with Washington County, surrounding communities, and the State

Sports Commission, we were successful in obtaining the 2010-2014 Iron Man Triathlon; (8) completed Phase II of the Fields at Little Valley community park; (9) completed Firehouse Park in Dixie Downs; (10) finished a new trail from the Bloomington bridge to Sun River; (11) an additional K-9 and officer were implemented in the Police Department; (12) traffic enforcement was emphasized resulting in a reduction of accidents in 2008 by 21%; (13) completed HVAC improvements at the Sand Hollow Aquatic Center which resulted in a 36% reduction in utility costs; (14) funding was secured and a ground breaking held for the Valley View Drive bridge project; (15) federal stimulus funds were obtained for new improvements to Hilton Drive/Blackridge Drive/Bluff Street connections; (16) stimulus funds were obtained for the new Transit administration building; (17) completion of the Snow Canyon/Tuweap road connection; (18) completed Brigham Road from two lanes to five lanes with landscaped medians; (19) completed installation of traffic signals on Brigham Road and Snow Canyon Parkway; (20) took delivery of a new state-of-the-art fire pumper engine; (21) in conjunction with UDOT, completed the Atkinville Interchange; (22) issued bonds for a new gas turbine for Energy Services with planning underway for installation; (23) the City's affordable housing fund was involved with its first project located in the Dixie Downs area; (24) completed major infrastructure upgrades for water, wastewater, storm drain, electrical service and street improvements in the Dixie Downs area; and (25) received an upgraded AA bond rating from Moody's Investment." (City Manager's 2010 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, 2009, 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,



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



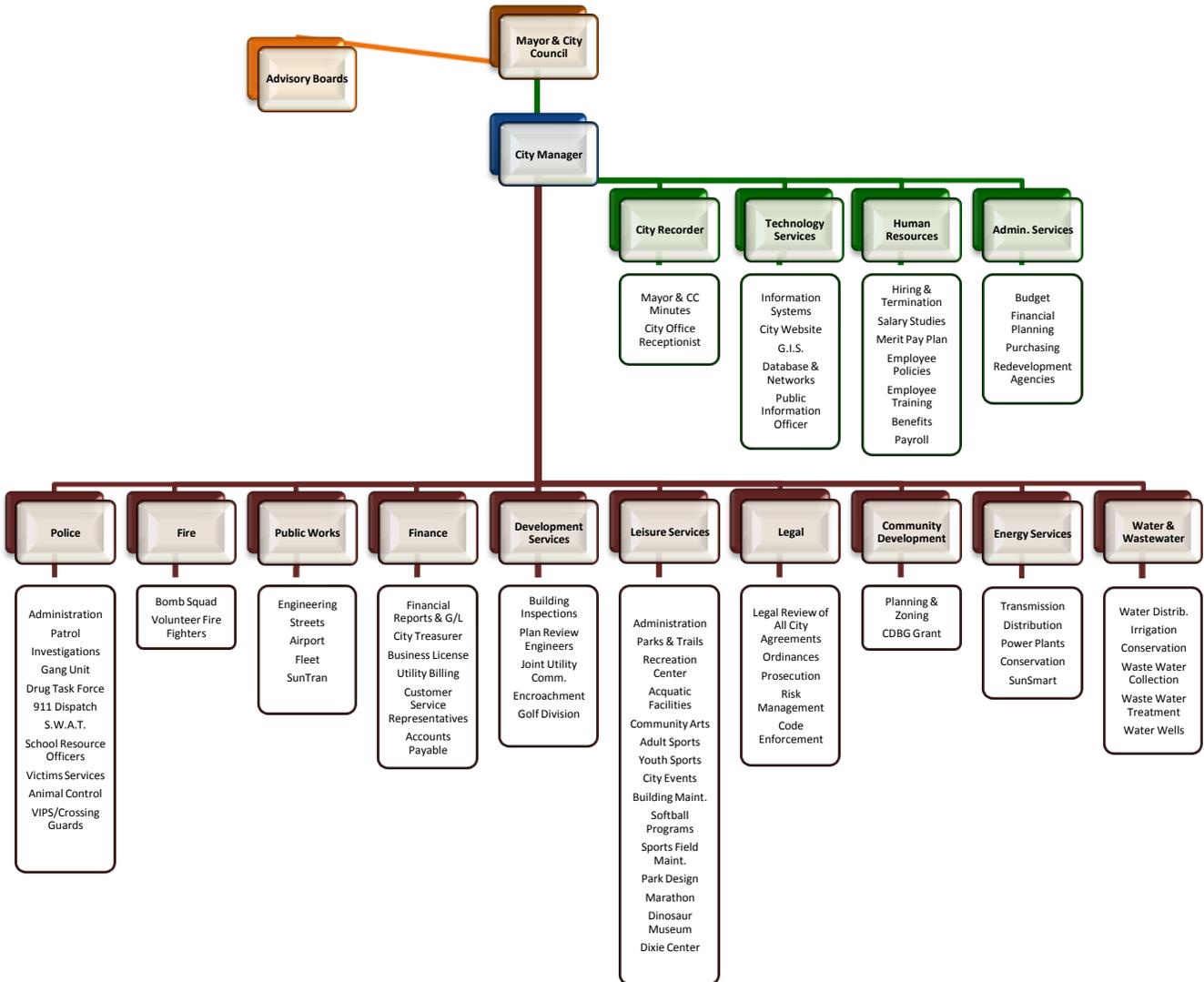
City Manager Gary S. Esplin

*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



MEMBERS:

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

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

The Honorable Mayor and
City Council
St. George, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. George, Utah, as of and for the year ended June 30, 2009, 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.

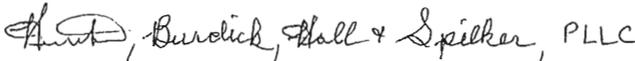
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2009, 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 is not a required part of the basic financial statements but is 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, continuing disclosure section 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 the 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 6, 2009

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, 2009. 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 9.03% to \$423,375,024. Governmental net assets increased by 20.73% while Business-type net assets increased by 13.42%. In the Governmental funds, the total increase is \$28,281,159 and is made up of increases in fixed assets net of related debt of \$49,232,208 while the assets other than fixed assets declined by \$20,951,050 as the decline in the economy and the construction of the replacement airport used a good share of the reserves which have been built up over the last few years. Business-type fund net asset increases were also primarily made up of increases in fixed assets net of related debt and the unspent bond funds for the construction of the addition to the Millcreek Generation facility which increased by 5.36% while other net assets increased by 9.22%.
- The total net assets are \$423,375,024 and are made up of \$319,402,158 in capital assets net of related debt and \$103,972,866 in other net assets.
- In the General Fund, revenues exceeded expenditures by \$2,669,145. \$2,820,000 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 11.71% of total budgeted expenditures for the next fiscal year ending 2010, which was an increase from 10.85% for the prior fiscal year despite the downturn in the economy.
- Total long-term liabilities of the City increased by \$55,499,361. The 2008 Series Electric Revenue bonds were issued in the amount of \$50,000,000; the 2007 Sales tax bonds were refunded with the issuance of the 2009 Sales tax bonds totaling \$22,485,000; and the contract with the State Trust Lands (SITLA) was recorded for \$12,923,030. Please see the later sections regarding capital assets and debt administration for more discussion.

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, Drainage Utility, 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, Drainage Utility, and Golf Courses meet the criteria of major fund classification. The Refuse Collection, Municipal Building Authority, Wastewater Collection, and Drainage Utility, 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 \$423,375,024.

By far the largest portion of the City of St. George's net assets (75.44%) 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	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Current and other assets	\$49,611	\$ 73,912	\$80,926	\$ 58,329
Capital assets	<u>249,560</u>	<u>187,646</u>	<u>266,406</u>	<u>237,518</u>
Total assets	<u>299,171</u>	<u>261,558</u>	<u>347,332</u>	<u>295,847</u>
Long-term debt outstanding	70,333	54,270	128,286	78,251
Other liabilities	<u>10,369</u>	<u>17,101</u>	<u>14,140</u>	<u>19,529</u>
Total liabilities	<u>80,702</u>	<u>71,371</u>	<u>142,426</u>	<u>97,780</u>

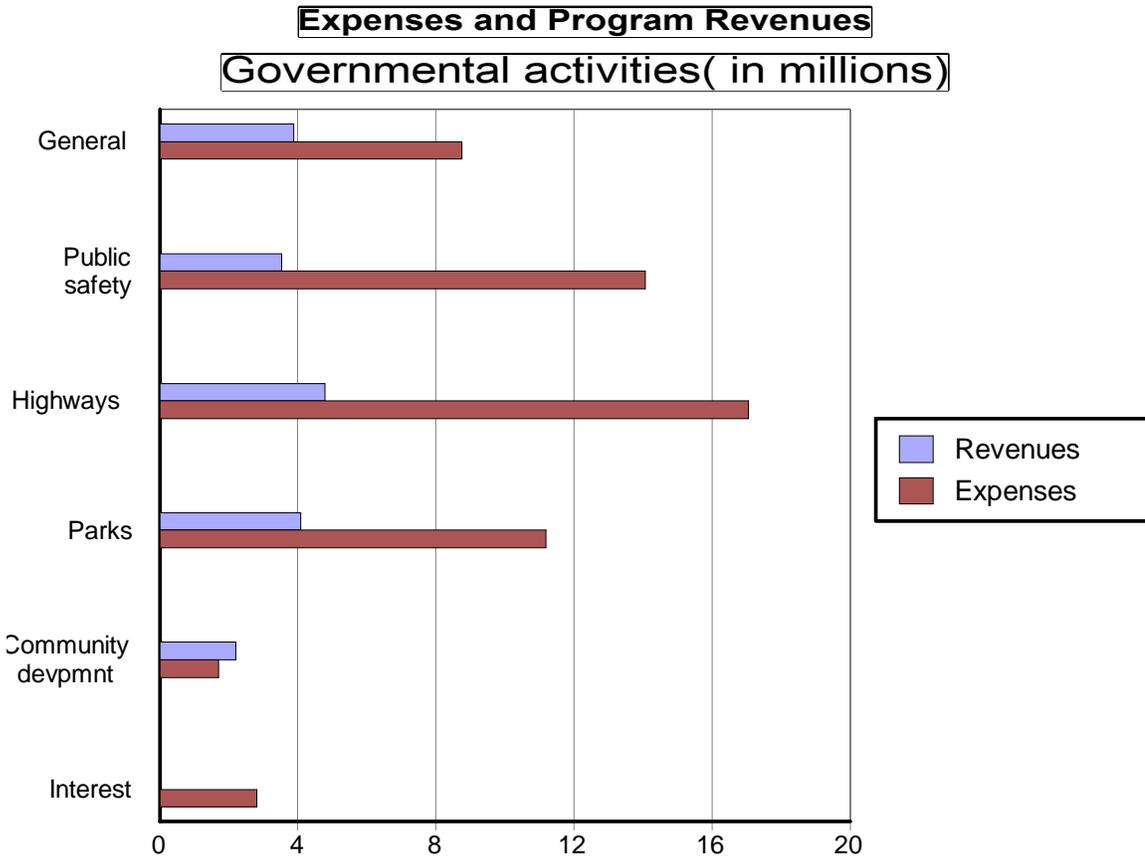
Net assets:

Invested in capital assets, net of debt	178,332	129,100	141,070	154,740
Restricted	1,884	2,487	30,571	12,945
Unrestricted	<u>38,253</u>	<u>58,600</u>	<u>33,265</u>	<u>30,382</u>
Total net assets	<u>\$218,469</u>	<u>\$190,187</u>	<u>\$204,906</u>	<u>\$198,067</u>

CHANGES IN NET ASSETS (in thousands)

	Governmental Activities		Business-type Activities	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues:				
Program revenues:				
Charges for services	\$10,913	\$ 11,915	\$ 93,026	\$ 94,629
Operating grants & contributions	7,324	9,601	7	9,571
Capital grants & contributions	31,062	22,538	-	-
General revenues:				
Property taxes	11,209	11,333		
Other taxes	22,997	26,309		
Investment income	1,211	2,312	1,561	1,976
Other revenues	<u>650</u>	<u>2,998</u>	<u>3,056</u>	<u>3,188</u>
Total revenues	<u>85,366</u>	<u>87,006</u>	<u>97,650</u>	<u>109,364</u>
Expenses:				
General government	8,877	5,935		
Public safety	14,726	14,885		
Highways/public improvements	17,516	14,887		
Parks & recreation	11,175	14,607		
Community & Econ development	1,700	2,544		
Interest on long-term debt	<u>2,800</u>	<u>1,776</u>		
Electric			54,554	48,734
Water			15,026	15,756
Wastewater collection			8,043	7,599
Wastewater treatment			5,057	5,015
Golf courses			4,990	5,181
Municipal building authority			250	265
Drainage utility			4	16
Refuse collection			<u>3,178</u>	<u>3,075</u>
Total expenses	<u>56,794</u>	<u>54,634</u>	<u>91,102</u>	<u>85,641</u>
Increase in net assets before transfers	28,572	32,372	6,548	23,723
Transfers	<u>(291)</u>	<u>282</u>	<u>291</u>	<u>(282)</u>
Increase in net assets	28,281	32,654	6,839	23,441
Net assets beginning	<u>190,187</u>	<u>157,533</u>	<u>198,067</u>	<u>174,626</u>
Net assets ending	<u>\$218,468</u>	<u>\$190,187</u>	<u>\$ 204,906</u>	<u>\$198,067</u>

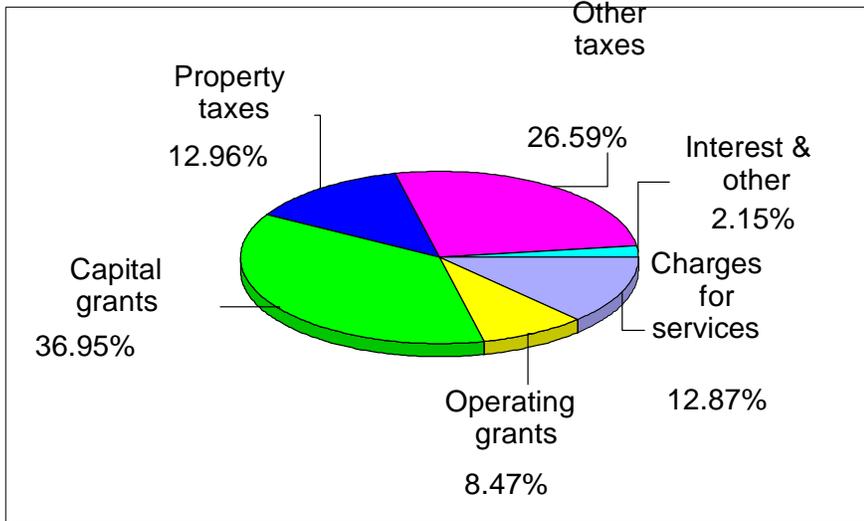
The following graphs display the government-wide activities for governmental activities reflected in the above tables.



Overall governmental revenues were basically flat in comparison with the prior fiscal year. The largest reason we were able to maintain level revenues was because of the large capital grants which were received for the acquisition of land and beginning construction phases of the new replacement airport. As a result capital grants increased from 25.9% to 36.95% 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 15.63% 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

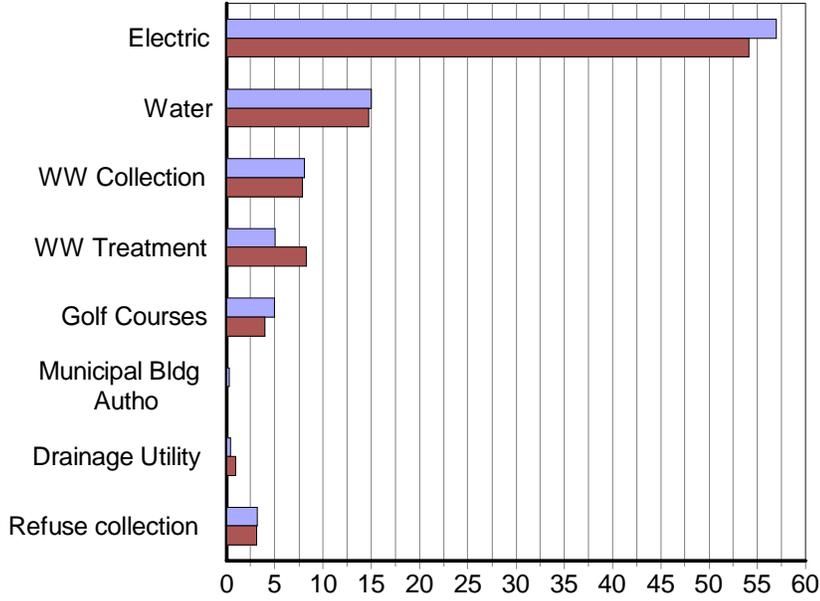


Overall governmental expenditures for all funds increased by 1.7% when compared with last fiscal year. Highways/public improvements increased from 27.1% to 30.7% as a result of the continued land acquisition and beginning construction of the replacement airport. General government increased from 10.8% to 15.8% as a result of increased CDBG activity and the City participation in economic incentives through the Economic Development Fund at Ft. Pierce Industrial Park. Community & Development Services declined to 3.1% of expenditures compared to 4.6% in the prior fiscal year. Parks and Recreation also declined to 20.1% of expenditures compared with 26.6% in the prior fiscal year. Public Safety decreased from 27.1% of expenditures in the prior fiscal year to 25.3% in the current year as the result of a large fire truck which was purchased in the prior year.

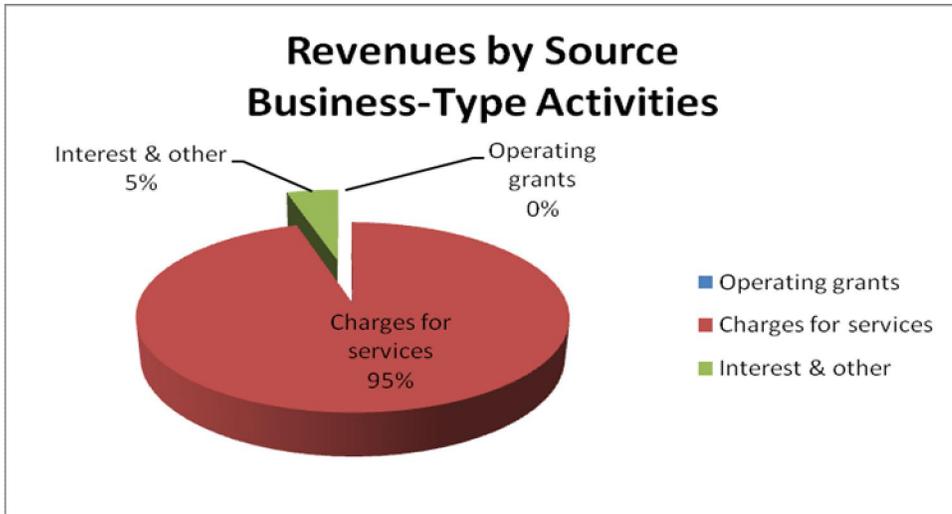
Total net assets in business-type activities increased by \$6,839,567. Total assets increased by \$51,485,266 with \$28,888,972 being an increase in fixed assets (net of accumulated depreciation) and an increase of \$17,176,435 in unspent bond proceeds for the construction of the addition to the Millcreek Generation facility. Long-term debt increased by \$43,712,486 with the issuance of \$50,000,000 in electric revenue bonds for the Millcreek addition mentioned above. The balance of the change was the result of changes to current assets such as cash and receivables and current liabilities such as accounts payable and accruals. 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 at 95.26%.



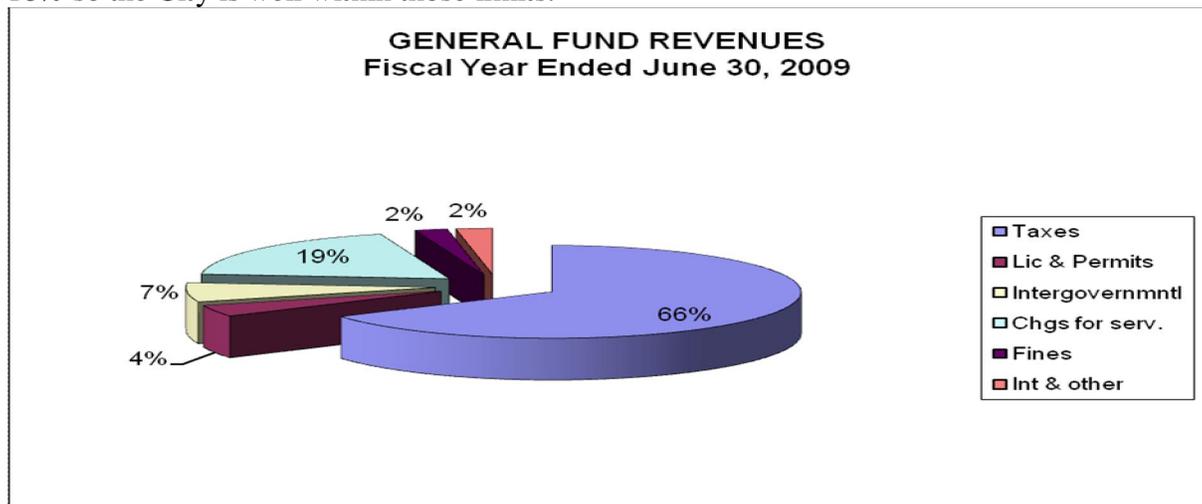
FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

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.

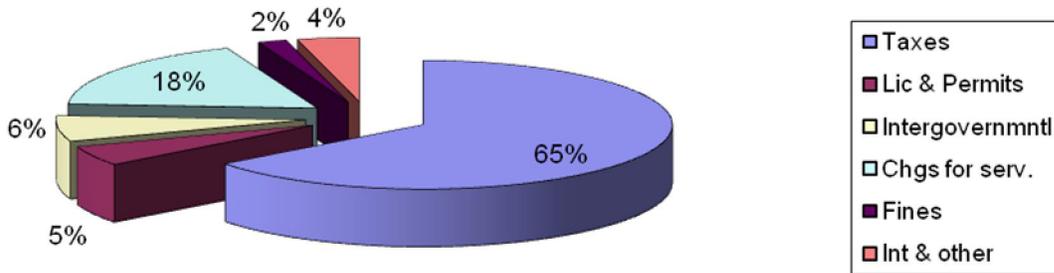
As of June 30, 2009, the City's governmental funds (General, Capital Projects, Debt Service, & Special Revenue) reported combined fund balances of \$41,723,995. This represents a decrease of \$20,669,876 (33.13%) from last year's ending balances. The main reason for this decrease is because of the land acquisitions and beginning of the construction phase at the replacement airport site. Although several federal grants were to help with these costs and several more will be received over the next several years because of the LOI (letter of intent) issued by the FAA, the timing of when a large number of these grants will be received is resulting in a reduction in current resources to help fund this timing gap. The City does have sufficient resources in other funds, such as the wastewater treatment fund, to be able to meet these obligations in a timely manner.

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. Although revenues exceeded expenditures in the General Fund by just under \$3 million during the year, this 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 decreased by \$150,855 as perpetual care funds were used for construction of the cemetery sexton building at the Tonaquint Cemetery. An analysis of this total fund balance shows that it represents just over 11% of projected revenues for the new fiscal year which ends June 30, 2010. State laws allows for a maximum fund balance of 18% so the City is well within those limits.



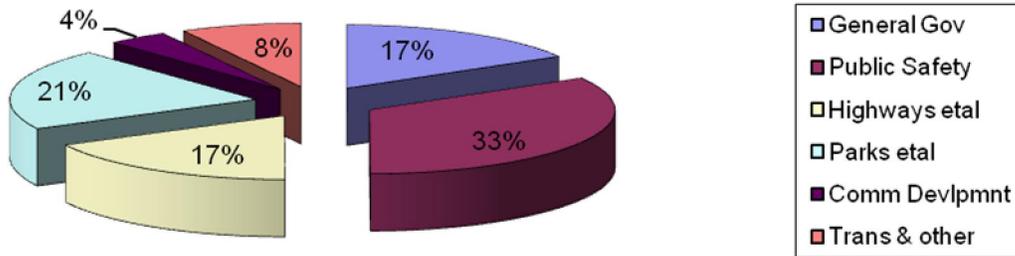
GENERAL FUND REVENUES
Fiscal Year Ended June 30, 2008



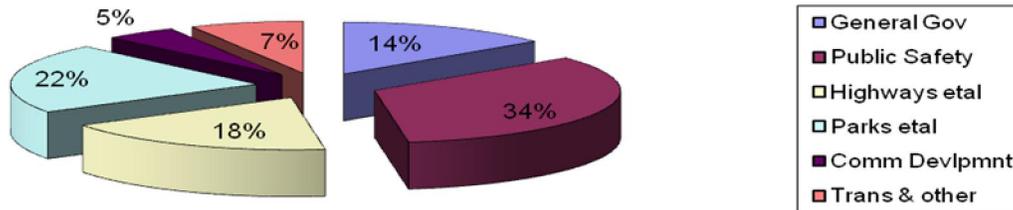
Taxes continue to be the largest source of revenue in the General Fund and represent 66% of total general fund revenues. The largest element of taxes is sales taxes as it has been for the last several years. It represents 47.62% of total tax revenues and represents 31.43% of total general fund revenues. This compares with 33.43% in the fiscal year ended June 30, 2008. Overall, tax revenues were down 9.13%. Sales taxes were down the largest amount with a decrease of 15.27% while franchise taxes were down 3.39%. Property taxes did show a slight increase of 3.03% over last year's revenues. Licenses and permits are down 28.5% 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 52% from the prior year with 214 residential units being permitted as compared with 451 in 2008 and 1,024 in 2007. The total dollar valuation of building permits was down 58%. Intergovernmental revenues were down 7.3% as Class "C" road funds declined by 4.9% compared 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, all major functions of the city remained basically constant from 2008 to 2009 as a percentage of General Fund expenditures. This was the result of the steps which were taken to freeze the budget for all but necessary capital expenditures as well as any new hiring. Employee wages and benefits (which represent the largest percentage of General Fund expenditures) were also frozen as no merit increases or market adjustments were made during the fiscal year.

**GENERAL FUND EXPENDITURES
Fiscal Year Ended June 30, 2009**



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



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 had a net income of \$.7 million in comparison with a net income of \$6.5 million in 2008. While total operating revenues remained basically flat, the City saw a large increase in power costs of 14%. Interest on the \$50 million bond issued for expansion of the Millcreek Generation Facility was capitalized and totaled \$2,394,211 for the year. The Water Utility fund net income remained stable at \$1.9 million, the

same as last year despite lower operating revenues. The Utility was able to reduce operating costs by over 4.6% which made up for the decrease in revenues. The Wastewater Treatment fund also remained relatively constant in operating revenues but because of the receipt of the large \$9.5 million dollar operating grant in last year's statements, the net income declined from \$13.9 million to \$3.7 million. Operating costs were up mainly as a result of the increased depreciation expense.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the General Fund original budget was amended from an original budget expenditure total of \$45,489,103 to a final budget of \$44,195,883 (2.84%). These decreases were made to respond to the declining revenues which the City was experiencing and to put a freeze on capital expenditures, hiring of new employees, and a freeze on all wages. Although the City did not experience any layoffs as a result of the continuing decline in the economy, several positions which were vacated through retirement or other forms of voluntary reductions were not filled and the duties were assumed by current employees.

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, 2009, amounts to \$515,966,382 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, infrastructure (streets, sidewalks, etc.), and machinery and equipment. The total increase in the City's investment in fixed assets for the current year was 21% (a 33.8% increase for governmental activities and an 11% increase for business-type activities).

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

- \$22,485,000 in Series 2009 Sales Tax Revenue bonds were issued to refund the 2007 Sales Tax Revenue bonds to take advantage of lower interest costs. The bonds 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 \$867,704 for completion of the renovation of the 3rd floor of the arts building at 86 S. Main, \$301,584 for construction of the sexton building at the Tonaquint Cemetery, \$2,248,254 for the completion of the Little Valley Park, \$419,110 for completion of the south Bloomington/SunRiver trail, and \$683,211 for beginning construction of the Firehouse Park in the Dixie Downs area of the City.
- \$43,403,822 for the feasibility studies, environmental assessments and land acquisition for the new airport site. \$12,923,030 of this amount was in the form of a note for the purchase of land from SITLA which will be paid off in future years as the letter of intent federal grant funds are received.
- \$13,793,267 was spent for the grading and drainage portion of work on the new replacement airport.
- \$1,099,412 was spent for construction of the addition to the Fleet Center in order to better handle the repairs and maintenance of SunTran buses. The majority of these costs were paid by federal grants.

- Considerable funds were expended for highway and street projects including: \$382,823 for planning and design of the Mall Drive bridge; \$2,660,450 for completion of the Brigham Road improvement project; \$1,421,876 for the Southern Corridor; \$816,075 for property purchases for future improvements to Red Hills Parkway; and \$351,233 for various improvements to public infrastructure in the Dixie Downs area. In addition, CDBG funds were used for the completion of a paving project in the Bowler Ence Marsh subdivision area of the City.
- \$3,025,965 in the Water Utility for construction of wells, pipeline, and other improvements to the distribution system.
- \$3,525,795 was spent in the Electric Utility for expansion and improvements to the distribution and transmission systems; and \$26,791,326 was spent for construction of the 2nd gas turbine unit at the Millcreek Generation station. A \$50 million revenue bond was issued in July to fund that expansion.

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

	Governmental		Business-type	
	<u>Activities</u>		<u>Activities</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land	\$ 82,464,730	\$ 46,665,776		
Buildings	19,138,556	17,688,456		
Improvements	47,702,086	46,040,563		
Infrastructure	91,204,275	67,102,161		
Machinery & equipment	9,050,251	10,148,656		
Plant, prop.& equipment			<u>\$266,406,484</u>	<u>\$237,517,512</u>
Total	<u>\$249,559,898</u>	<u>\$187,645,612</u>	<u>\$266,406,484</u>	<u>\$237,517,512</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, 2009, the City had total bonded debt outstanding of \$174,795,375. Of this amount \$50,618,340 is considered to be general obligation debt and backed by the full faith and credit of the City; \$1,612,000 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 \$124,177,035 is debt which is secured solely by specific revenue sources (i.e., revenue bonds).

CITY OF ST. GEORGE'S OUTSTANDING DEBT

	Governmental		Business-type	
	<u>Activities</u>		<u>Activities</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
General obligation bonds	\$16,595,000	\$ 17,105,000		
Sales tax revenue bonds	25,430,000	28,070,000		

Excise Revenue bonds	3,475,000	4,100,000		
WCIA Capital lease bonds	5,118,340	5,528,400		
Special assessment debt with governmental commitment	<u>1,612,000</u>	<u>2,233,000</u>		
Revenue bonds			<u>\$124,177,035</u>	<u>\$79,940,235</u>
Total outstanding debt	<u>\$50,618,340</u>	<u>\$57,036,400</u>	<u>\$124,177,035</u>	<u>\$79,940,235</u>

The City's total debt increased by \$37,818,740 during the fiscal year. As mentioned above, the 2007 Series Sales Tax Revenue Bonds were refunded during the year with the issuance of the 2009 Series Sales Tax Revenue Bonds of \$22,485,000 and \$50,000,000 in bonds were issued by the Electric Utility fund.

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

	Moody's Investors <u>Service</u>	Standard & Poor's	<u>Fitch</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 \$298,941,991, 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 \$597,883,983, which again significantly exceeds the outstanding business-type activity debt. Thus the total debt limit is \$896,825,974 while the total outstanding debt less reserves restricted for debt service is \$64,593,747. The resulting debt margin is \$832,232,227. 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 7.3 % for the quarter ended June 2009 compared with a state unemployment rate of 5.7% and a national rate of 9.5% seasonally adjusted. This compares with a rate of 4.9% in 2008. (Source: Utah Dept of Workforce Services)
- The General Fund budget for the fiscal year-ending June 30, 2010 reflects a decrease of 10.69% from the final budget for the fiscal year-ended June 30, 2009. 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, 2009

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash	\$ 35,498,701	\$ 35,566,903	\$ 71,065,604
Restricted cash		30,296,328	30,296,328
Accounts receivable (net of allowance for doubtful accounts)	11,452,055	10,155,555	21,607,609
Inventory	97,671	2,455,128	2,552,799
Notes receivable	1,626,532		1,626,532
Internal Balances	500,000	(500,000)	
Bond discounts		2,949,870	2,949,870
Prepaid expenses	436,078	2,144	438,221
Capital assets (net of depreciation)			
Land	82,464,730		82,464,730
Buildings	19,138,556		19,138,556
Improvements	47,702,086		47,702,086
Infrastructure	91,204,275		91,204,275
Machinery & equipment	9,050,251		9,050,251
Plant, property, and equipment		266,406,484	266,406,484
Total assets	\$ 299,170,934	\$ 347,332,411	\$ 646,503,345
LIABILITIES:			
Accrued liabilities	\$ 5,577,160	\$ 12,794,034	\$ 18,371,194
Construction bonds held	1,194,269		1,194,269
Deposits payable		1,345,694	1,345,694
Deferred compensation	1,323,512		1,323,512
Interest payable	978,444		978,444
Unearned revenues	401,114		401,114
Notes payable:			
Due within one year	2,043,450		2,043,450
Due in more than one year	16,058,941		16,058,941
Bonds payable:			
Due within one year	3,586,000	5,978,000	9,564,000
Due in more than one year	43,526,000	118,199,035	161,725,035
Capital leases:			
Due within one year	438,860	158,741	597,601
Due in more than one year	4,679,480	542,922	5,222,402
Bond premiums	895,203	3,407,462	4,302,665
Total liabilities	80,702,433	142,425,888	223,128,321
NET ASSETS:			
Invested in capital assets, net of related debt	178,331,964	141,070,194	319,402,158
Restricted for:			
Unspent bond/impact fees for const.	-	24,629,557	24,629,557
Debt service	1,883,896	5,941,392	7,825,288
Unrestricted	38,252,640	33,265,380	71,518,020
Total Net Assets	\$ 218,468,501	\$ 204,906,523	\$ 423,375,024

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

CITY OF ST. GEORGE, UTAH
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Program Revenues				Total	
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions		Net Governmental Activities
Governmental activities:						
General government	\$ 8,877,231	\$ 3,870,691	\$ -	\$ -	\$ (5,006,540)	\$ (5,006,540)
Public Safety	14,725,433	2,873,621	661,352		(11,190,459)	(11,190,459)
Highways & public improvements	17,516,295	549,478	4,230,596	31,046,338	18,310,117	18,310,117
Parks, recreation & public property	11,174,862	2,513,801	1,337,683	15,250	(7,308,128)	(7,308,128)
Community & economic development	1,700,473	1,105,514	1,094,786		499,826	499,826
Interest on long-term debt	2,799,893				(2,799,893)	(2,799,893)
Total governmental activities	56,794,187	10,913,105	7,324,417	31,061,588	(7,495,076)	(7,495,076)
Business-type activities:						
Electric	54,553,870	54,101,946			(451,924)	(451,924)
Water	15,025,863	14,745,376	6,937		(273,550)	(273,550)
Regional wastewater treatment	5,057,488	8,231,908			3,174,420	3,174,420
Wastewater collection	8,042,817	7,865,515			(177,302)	(177,302)
Golf courses	4,989,470	4,013,339			(976,130)	(976,130)
Municipal bldg authority	250,211	-			(250,211)	(250,211)
Drainage Utility	3,625	972,550			968,924	968,924
Solid waste	3,178,277	3,095,181			(83,096)	(83,096)
Total business-type activities	91,101,621	93,025,815	6,937	-	1,931,130	1,931,130

General Revenues:

Taxes:

Property taxes levied for general purposes	9,158,525					
Property taxes levied for debt service	2,050,099					
Franchise taxes	6,318,933					
General sales taxes & highway sales taxes	16,677,630					
Business licenses	629,502					629,502
Investment income	1,211,325			1,561,517		2,772,842
Lease payments	(175,102)					(175,102)
Gain on sale of assets	28,294					28,294
Rents & concessions	25,474			2,597,065		2,622,539
Miscellaneous	142,562			458,848		601,410
Transfers	(291,006)			291,006		-
Total general revenues & transfers	35,776,235			4,908,437		40,684,672
Change in net assets						
Net assets - beginning						35,120,726
Net assets - ending						388,254,302
	\$ 218,468,503	\$ 204,906,525	\$	\$	\$	423,375,028

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, 2009

ASSETS	General	Street Bond Capital Projects Fund	Replacement Airport Capital Proj. Fund	Other Governmental Funds	Total Governmental Funds
Cash	\$ 1,581,338	\$ 18,787,537	\$ (15,217,304)	\$ 29,622,482	\$ 34,774,054
Accounts receivable	2,729,081		5,891,902	2,831,072	11,452,055
Prepaid items	436,078				436,078
Inventory	97,671				97,671
Notes receivable	1,626,532		115,085	432,384	1,626,532
Due from other funds	500,000				1,047,469
Total assets	\$ 6,970,699	\$ 18,787,537	\$ (9,210,317)	\$ 32,885,938	\$ 49,433,857

LIABILITIES AND FUND BALANCE

Liabilities:					
Construction bonds held	\$ 173,044	\$ -	\$ 1,021,225		\$ 1,194,269
Due to other funds	388,645	158,824			547,469
Accrued liabilities	1,616,511		2,338,183	1,612,315	5,567,009
Deferred revenues	36,179			364,936	401,114
Total liabilities	2,214,379	158,824	3,359,408	1,977,251	7,709,861
Fund Balance:					
Reserved for Special revenue funds				6,476,242	6,476,242
Reserved for Debt service fund				1,883,896	1,883,896
Reserved for Capital projects fund		18,628,713	(12,569,725)	22,548,548	28,607,537
Reserved for Police Seizures	69,726				69,726
Reserved for Notes receivable	1,626,532				1,626,532
Reserved for Perpetual Care	148,073				148,073
Unreserved - undesignated	2,911,989				2,911,989
Total fund balance	4,756,320	18,628,713	(12,569,725)	30,908,686	41,723,995
Total liabilities and fund balance	\$ 6,970,699	\$ 18,787,537	\$ (9,210,317)	\$ 32,885,937	

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.

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.

Fund balance in Self-insurance internal service fund

	249,559,898
	(73,529,890)
	714,496

\$ 218,468,500

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
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	General	Street Bond Capital Projects Fund	Replacement Airport Capital Proj. Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues:					
Taxes & special assessments	\$ 27,037,298	\$ -	-	\$8,117,424	\$ 35,154,722
Licenses and permits	1,622,432	-	-	-	1,622,432
Intergovernmental	2,718,261	-	30,913,863	2,273,784	35,905,908
Charges for services	7,761,910	-	-	-	7,761,910
Fines & forfeitures	856,218	-	-	-	856,218
Investment income	425,197	448,757	(25,344)	353,654	1,202,264
Rents & concessions	25,474	-	-	-	25,474
Miscellaneous	65,690	-	-	77,523	143,212
Contributions from other sources	137,703	-	-	-	137,703
Capital development fees	-	-	-	1,551,446	1,551,446
Total revenues	40,650,182	448,757	30,888,519	12,373,831	84,361,289
Expenditures:					
Current:					
General government	5,991,205	283,769	-	1,964,090	8,239,064
Public safety	14,042,927	-	-	-	14,042,927
Highways & public improvements	7,344,458	-	-	26,337	7,370,794
Parks, recreation & public property	8,738,528	-	-	31,510	8,770,037
Community & economic development	1,661,199	-	-	1,217,534	2,878,733
Capital outlay	-	-	57,568,502	17,993,770	75,562,272
Debt service					
Capital leases	50,102	-	-	125,000	175,102
Principal	-	1,690,000	-	1,926,417	3,616,417
Interest & admin charges	-	1,354,129	-	1,203,799	2,557,928
Total expenditures	37,828,418	3,327,898	57,568,502	21,488,456	123,213,275
Excess (deficiency) of revenues over expenditures	2,821,764	(2,879,141)	(26,679,984)	(12,114,625)	(38,851,986)
Other financing sources (uses):					
Transfers in					
Transfers out	286,087	3,012,146	1,280,492	12,236,847	16,815,573
Payment to refunded bond escrow agent	(3,287,000)	(1,232,327)	-	(11,744,707)	(16,264,034)
Contributions from private sources		(23,065,000)	-	54,250	(23,065,000)
Proceeds from sale of capital assets	28,294	-	-	-	28,294
Contributions from other governments				582,870	582,870
Loss on bond refunding				-	-
Refund bond proceeds		23,380,203	-	-	23,380,203
Issuance of notes/bonds/leases			12,923,030	3,726,924	16,649,954
Total other financing sources (uses)	(2,972,619)	2,095,022	14,203,522	4,856,185	18,182,110
Net change in fund balances	(150,855)	(784,119)	(12,476,462)	(7,258,440)	(20,669,876)
Fund balances, beginning of year,	4,907,176	19,412,832	(93,264)	38,167,127	62,393,871
Fund balances, end of year	\$ 4,756,321	\$ 18,628,713	\$ (12,569,726)	\$ 30,908,687	\$ 41,723,995

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
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Net change in fund balances - total governmental funds \$ (20,669,876)

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. 61,914,287

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 27,348,080

Bond premiums are revenues in the governmental funds, but the premium is a liability in the government-wide statement of net assets (895,203)

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. (39,134,954)

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. (92,312)

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. (243,164)

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. 54,302

Change in net assets of governmental activities \$ 28,281,160

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, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Taxes:				
General property taxes	\$ 7,500,000	\$ 8,320,000	\$ 7,713,651	\$ (606,349)
Prior year's delinquent taxes	100,000	135,000	129,196	(5,804)
General sales & use taxes	15,600,000	13,400,000	12,875,518	(524,482)
Franchise taxes	6,200,000	6,317,000	6,318,933	1,933
Total taxes	29,400,000	28,172,000	27,037,298	(1,134,702)
Licenses & permits:				
Business licenses & permits	641,700	680,000	629,502	(50,498)
Non-business licenses & permits	1,226,000	987,000	992,930	5,930
Total licenses & permits	1,867,700	1,667,000	1,622,432	(44,568)
Intergovernmental revenues:				
Federal grants	618,105	618,105	326,582	(291,523)
State grants	107,642	132,584	29,563	(103,021)
Class "C" roads	2,370,000	2,290,000	2,291,988	1,988
State liquor allotment	73,000	70,128	70,129	1
Total intergovernmental revenues	3,168,747	3,110,817	2,718,261	(392,556)
Charges for services:				
Enterprise funds	3,365,000	3,365,000	3,365,000	-
Public safety	2,111,247	2,037,176	2,017,404	(19,772)
Parks & public property	400,000	135,400	112,584	(22,816)
Cemetery	404,725	375,725	181,665	(194,060)
Recreation	1,839,250	1,761,900	1,678,710	(83,190)
Airport	500,000	400,000	371,623	(28,377)
Reuse Center	23,000	28,000	34,925	6,925
Total charges for services	8,643,222	8,103,201	7,761,910	(341,291)
Fines & forfeitures:				
Court fines & bail forfeitures	792,250	826,750	856,218	29,468
Miscellaneous:				
Interest	750,000	450,000	425,197	(24,803)
Rents & concessions	32,000	32,000	25,474	(6,526)
Other	62,000	60,000	65,690	5,690
Total miscellaneous	844,000	542,000	516,360	(25,640)
Total revenues	44,715,919	42,421,768	40,512,479	(1,909,289)
Other Financing Sources :				
Sales of capital assets	20,000	30,000	28,294	(1,707)
Contributions from others	60,000	156,115	137,703	(18,412)
Appropriated fund balance	-	953,000	-	(953,000)
Transfers from other funds	693,184	635,000	286,087	(348,913)
Total Other Financing Sources :	773,184	1,774,115	452,084	(1,322,031)
Total revenues & Other Financing Sources	\$ 45,489,103	\$ 44,195,883	\$ 40,964,563	\$ (3,231,320)

(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, 2009

EXPENDITURES:	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
General government:				
City Council	\$ 624,240	\$ 609,240	\$ 573,177	\$ 36,063
City Manager	239,049	234,049	231,546	2,503
Human Resources	300,884	342,106	322,184	19,922
Administrative Services	465,033	426,283	422,488	3,795
Finance	1,470,765	1,435,995	1,428,112	7,883
Technology Services	1,244,938	1,120,716	1,071,974	48,742
Legal	1,088,575	1,084,275	1,046,038	38,237
Elections	-	-	-	-
Economic Development Administration	1,008,006	962,506	895,685	66,821
Total general government	<u>6,441,490</u>	<u>6,215,170</u>	<u>5,991,205</u>	<u>223,965</u>
Public Safety:				
Police	9,810,418	9,778,636	9,517,729	260,907
Drug Task Force	192,580	199,205	108,931	90,274
Dispatch Center	2,065,482	1,995,982	1,876,218	119,764
Fire	3,293,558	3,222,703	2,540,049	682,654
Total public safety	<u>15,362,038</u>	<u>15,196,526</u>	<u>14,042,927</u>	<u>1,153,599</u>
Highways & public improvements:				
Flood Control	87,000	-	-	-
Public Works Administration	488,348	429,348	403,490	25,858
Streets	4,738,375	4,401,375	4,266,739	134,636
Fleet Maintenance	968,227	957,727	919,454	38,273
Engineering	1,559,839	1,297,339	1,177,528	119,811
Airport	674,535	613,535	577,246	36,289
Total highways & improvements	<u>8,516,324</u>	<u>7,699,324</u>	<u>7,344,458</u>	<u>354,866</u>
Parks, Recreation & Public Property:				
Building Maintenance	1,078,294	1,048,867	1,031,119	17,748
Parks and open spaces	3,805,512	3,575,691	3,285,881	289,810
Recreation & cultural arts	4,518,185	4,323,329	3,956,678	366,651
Cemetery	483,258	477,894	464,850	13,044
Total parks, recreation & public property	<u>9,885,249</u>	<u>9,425,781</u>	<u>8,738,528</u>	<u>687,253</u>
Community development	<u>1,750,163</u>	<u>1,713,263</u>	<u>1,661,199</u>	<u>52,064</u>
Debt service: Capital leases	<u>50,102</u>	<u>50,102</u>	<u>50,102</u>	-
Total expenditures	<u>42,005,366</u>	<u>40,300,166</u>	<u>37,828,418</u>	<u>2,471,748</u>
OTHER FINANCING USES				
Contributions to other funds	<u>3,483,737</u>	<u>3,895,717</u>	<u>3,287,000</u>	<u>608,717</u>
TOTAL EXPENDITURES & OTHER USES	<u>45,489,103</u>	<u>44,195,883</u>	<u>41,115,418</u>	<u>3,080,465</u>
Net change in fund balance	-	-	(150,855)	<u>(150,855)</u>
Fund Balance at beginning of year	<u>4,907,176</u>	<u>4,907,176</u>	<u>4,907,176</u>	
Fund Balance at end of year	<u>\$ 4,907,176</u>	<u>\$ 4,907,176</u>	<u>\$ 4,756,321</u>	

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

CITY OF ST. GEORGE, UTAH

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

JUNE 30, 2009

ASSETS	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWTR TREATMENT	Non-Major Enterprise Funds	TOTALS 2009	
ASSETS						
Current assets:						
Cash	\$ 7,439,768	\$ 945,796	\$ 27,870,765	\$ (689,427)	\$ 35,566,903	\$ 724,647
Restricted cash	24,354,936	3,325,630	2,341,142	274,621	30,296,328	
Accts. receivable (net of allowance for uncollectibles of \$1,254,829)	9,624,040	220,971	227,567	82,976	10,155,555	
Inventory	1,877,049	578,079			2,455,128	
Due from other funds						
Note receivable				211,888	211,888	
Bond discounts & insurance	1,677,658	602,090	542,268	127,854	2,949,870	
Prepaid expenses	2,144		-		2,144	-
Total current assets	44,975,594	5,672,566	30,981,743	7,913	81,637,815	724,647
Capital assets net of accumulated depreciation	84,261,261	98,759,588	56,290,131	27,095,505	266,406,484	-
TOTAL ASSETS	129,236,854	104,432,153	87,271,874	27,103,418	348,044,299	724,647
LIABILITIES						
Current liabilities:						
Accrued liabilities	9,548,663	2,014,549	397,098	833,724	12,794,034	10,151
Capital leases				701,663	701,663	
Due to other funds (short-term)						
Deposits payable	1,345,694				1,345,694	
Total current liabilities	10,894,357	2,014,549	397,098	1,535,387	14,841,391	10,151
Long-term liabilities:						
Bonds payable - long term	64,845,000	44,782,513	11,041,522	3,508,000	124,177,035	
Bond premiums	712,193	2,400,743	294,526		3,407,462	
Due to other funds (long-term)		-	-	711,888	711,888	
Total long-term liabilities	65,557,193	47,183,256	11,336,048	4,219,888	128,296,385	-
Total liabilities	76,451,550	49,197,805	11,733,146	5,755,275	143,137,776	10,151
NET ASSETS						
Invested in capital assets, net of related debt	20,381,725	52,178,421	45,496,351	23,013,696	141,070,194	-
Restricted	24,354,936	3,325,630	2,341,142	274,621	30,296,328	-
Unrestricted	8,048,643	(269,702)	27,701,234	(1,940,174)	33,540,001	714,496
Total net assets	\$ 52,785,304	\$ 55,234,349	\$ 75,538,727	\$ 21,348,143	\$ 204,906,523	\$ 714,496

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, 2009

	Business-type Activities - Enterprise Funds				TOTALS 2009	Governmental Activities Internal Service Fund
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWTR TREATMENT	Non-Major Enterprise Funds		
OPERATING REVENUES:						
Charges for services	\$ 51,811,239	\$ 14,076,339	\$ 7,693,995	\$ 15,673,427	\$ 89,255,000	\$ 505,691
Other operating revenues	2,290,707	669,037	537,913	273,158	3,770,815	
Total operating revenues	54,101,946	14,745,376	8,231,908	15,946,585	93,025,815	\$ 505,691
OPERATING EXPENSES:						
Electricity purchased	37,868,364		482,448		38,350,812	
Natural gas purchased	3,498,003				3,498,003	
Water purchased		4,393,712			4,393,712	
Salary and wages	3,353,755	2,324,846	963,028	2,269,712	8,911,341	
Supplies	799,088	-	-	419,444	1,218,532	
Service vehicle expense	144,937	168,442	61,661	160,668	535,708	
Equipment rental	-	33,610	2,681	243,333	279,624	
Depreciation	3,979,778	2,926,406	1,320,946	1,212,785	9,439,914	
Bad debts	226,870	69,791	-	53,365	350,026	
Payroll tax & employee benefits	1,252,170	1,007,254	404,254	969,646	3,633,325	
Office & dept. supplies	72,383	180,868	50,462	130,364	434,076	
Professional services	558,004	170,836	285,770	575,296	1,589,906	544
R. & M. - equipment	525,412	796,388	430,907	121,745	1,874,452	
R. & M. - buildings and grounds	20,255	14,803	5,922	738,579	779,560	
Insurance & surety bonds	122,585	78,243	78,998	47,369	327,195	
Travel	53,715	34,810	7,693	30,172	126,390	
Miscellaneous	9,312	1,304			10,617	
Interest expense	55,560				55,560	
Subscriptions & memberships	61,061	14,205	659	14,215	90,139	
Lease payments					-	
Claims paid						163,103
Insurance premiums						296,803
Contract labor				8,631,142	8,631,142	
Billing & administration	1,300,000	875,000	520,000	670,000	3,365,000	
Total operating expenses	53,901,254	13,090,517	4,615,428	16,287,836	87,895,035	460,450
Operating income (loss)	200,692	1,654,859	3,616,480	(341,251)	5,130,780	45,241
NON-OPERATING REVENUES (EXPENSES)						
Interest income	906,871	66,297	541,034	47,315	1,561,517	9,060
Rent	-	2,091,284	7,000	498,782	2,597,065	
Miscellaneous income	191,987	70,000	58,678	138,181	458,846	-
Federal grants		6,937	-		6,937	
Loss on bond refinancing	-		(112,198)	-	(112,198)	
Interest charges	(652,616)	(1,935,346)	(329,862)	(176,564)	(3,094,389)	
Total non-operating revenue (expense)	446,242	299,172	164,652	507,713	1,417,779	9,060
Income before transfers	646,935	1,954,031	3,781,132	166,462	6,548,559	54,302
Transfers (to) from other funds		(23,994)		315,000	291,006	
Change in Net Assets	646,935	1,930,037	3,781,132	481,462	6,839,565	54,302
Total net assets - beginning	52,138,369	53,304,313	71,757,597	20,866,681	198,066,960	660,194
Total net assets - ending	\$ 52,785,304	\$ 55,234,350	\$ 75,538,729	\$ 21,348,143	\$ 204,906,525	\$ 714,496

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

CITY OF ST. GEORGE, UTAH

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWTR TREATMENT	Non-Major Enterprise Funds	TOTALS 2009	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 54,243,822	\$ 15,129,786	\$ 8,524,776	15,910,682	\$ 93,809,066	\$ -
Receipts from interfund services provided						505,691
Payments to suppliers	(45,094,676)	(6,713,962)	(2,276,722)	(12,070,943)	(66,156,303)	
Payments to employees	(4,605,925)	(3,332,101)	(1,367,282)	(3,239,359)	(12,544,666)	
Payments for interfund services used						(474,351)
Net cash provided by operating activities	4,543,221	5,083,723	4,880,773	600,381	15,108,097	31,340
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Rents received		2,091,284	7,000	498,782	2,597,065	
Miscellaneous non-operating income	191,987	70,000	58,678	138,181	458,846	
Economic development transfer		(23,994)		315,000	291,006	
Net cash provided (used) by noncapital and related financing activities	191,987	2,137,290	65,678	951,963	3,346,918	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from capital debt	50,000,000	128,800	-		50,128,800	
Purchases of capital assets	(32,804,668)	(3,025,965)	(1,305,891)	(1,192,361)	(38,328,885)	
Principal paid on capital debt	(645,000)	(2,515,000)	(1,931,000)	(801,000)	(5,892,000)	
Interest paid on capital debt	(652,616)	(1,935,346)	(329,862)	(176,564)	(3,094,389)	
Capital lease principal payments		-		(439,901)	(439,901)	
Loss on bond refinancing			(112,198)		(112,198)	
Premium on bonds issued	197,476	(208,258)	(73,631)		(84,413)	
Federal grants	-	6,937	-		6,937	
Net cash provided (used) by capital and related financing activities	16,095,192	(7,548,832)	(3,752,582)	(2,609,826)	2,183,951	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	906,871	66,297	541,034	47,315	1,561,517	9,060
Net increase (decrease) in cash and cash equivalents	21,737,271	(261,523)	1,734,903	(1,010,168)	22,200,483	40,401
Cash and equivalents including restricted cash of \$12,945,226 at beginning of year	10,057,429	4,532,948	28,477,007	595,363	43,662,747	684,246
Cash and equivalents including restricted cash of \$30,296,328 at end of year	\$ 31,794,700	\$ 4,271,425	\$ 30,211,910	\$ (414,805)	\$ 65,863,230	\$ 724,647
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss) (after transfers)	200,692	1,654,859	3,616,480	(341,251)	5,130,780	45,241
Adjustments to reconcile net income from operations to net cash provided by operating activities:						
Depreciation	3,979,778	2,926,406	1,320,946	1,212,785	9,439,914	
Changes in assets & liabilities:						
Decrease (increase) in receivables	141,876	384,410	292,868	(35,902)	783,252	
Decrease (increase) in inventory	(10,427)	(12,886)			(23,313)	
Decrease (increase) in discounts	(1,373,294)	57,780	150,863	11,044	(1,153,607)	
Decrease (increase) in prepaid exp.	(2,144)	-	-	-	(2,144)	
Increase (decrease) in deposits	(126,460)				(126,460)	
Increase (decrease) in accruals	1,733,199	73,154	(500,384)	(246,294)	1,059,675	(13,902)
Total adjustments	4,342,528	3,428,864	1,264,293	941,633	9,977,317	(13,902)
Net cash provided by operating activities:	\$ 4,543,220	\$ 5,083,723	\$ 4,880,773	\$ 600,381	\$ 15,108,097	\$ 31,339

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, 2009

PENSION
TRUST

ASSETS		
Restricted cash and investments	\$	12,691,643
Total Assets		12,691,643
<u>LIABILITIES</u>		
Liabilities:		
Accrued liabilities		-
Total liabilities		-
NET ASSETS		
Held in trust for pension benefits and other purposes	\$	12,691,643

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 FISCAL YEAR ENDED JUNE 30, 2009

		PENSION TRUST *****
ADDITIONS		
Retirement contributions	\$	1,107,344
Life insurance contributions		13,568
Certificate sales		-
Net increase in fair value of investments		-
Citizen donations		-
		<hr/>
Total additions		<u>1,120,912</u>
DEDUCTIONS		
Administrative & general		144
Life insurance premiums		13,568
Retirement withdrawals		2,151,690
Net decrease in fair value of investments		2,540,389
		<hr/>
Total deductions		<u>4,705,792</u>
Change in net assets		(3,584,880)
Net assets - beginning of year		<u>16,276,524</u>
Net assets - end of year	\$	<u><u>12,691,644</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, 2009

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 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, 2009 were estimated based on July billings and are included in the operating revenues and accounts receivable at year-end. An allowance for uncollectible accounts is recorded as bad debt expense equal to ½ of 1% of revenues in the Electric, Water, Wastewater Collection, and Refuse Collection enterprise funds.

3. Inventories and prepaid items

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

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

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

4. Capital assets

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

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

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

5. Compensated absences

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

6. Long-term obligations

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

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

7. Restricted assets

Restricted assets are comprised of cash restricted for future payments of principal and interest on debt service as well as unexpended portions of bonds issued for capital construction purposes 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	\$338,681,764
Accumulated depreciation	<u>(89,121,866)</u>
Total difference	\$ <u>249,559,898</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, 2009 were:

2009 Sales Tax Revenue Bonds	\$22,485,000
2005 Sales Tax Revenue Bonds	2,945,000

Excise tax bonds	3,475,000
Parks and recreation general obligation bonds	16,595,000
Special assessment bonds	1,612,000
Capital lease	5,118,340
Note payable to McArthur	131,487
Note Payable to Washington Co School District	1,320,950
Note Payable to SITLA for new airport property	12,923,030
SIB Loan payable to UDOT for infrastructure	3,726,924
Interest payable on long-term debt	978,444
Compensated absences	<u>1,323,512</u>
Total	\$ <u>72,634,687</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	\$70,402,863
Depreciation expense	<u>(8,488,578)</u>
Net difference as reported	\$ <u>61,914,285</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 decreased by \$1,293,220 or 2.84% of the original budget. These decreases were made to respond to the declining revenues which the City was experiencing and to put a freeze on capital expenditures, hiring of new employees, and a freeze on all wages. Although the City did not experience any layoffs as a result of the continuing decline in the economy, several positions which were vacated thru retirement or other forms of voluntary reductions were not filled and the duties assumed by current employees.

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, 2009, the CDBG Fund expenditures exceeded appropriations by \$31,851, and the Park Impact Fund expenditures exceeded appropriations by \$5,741.

D. Deficit fund equity

At June 30, 2009 the Future Airport Capital Project fund, the Dixie Center operations fund, the CDBG fund, the Special Assessment Construction fund, and the Police Impact Fund all had a deficit fund balance. In all but the Future Airport Capital Project fund, it is anticipated that the deficits will be eliminated this year thru increased revenues or spending cuts. The Future Airport project is a multi-year project which will result in deficits for the next few years as the sale of the current airport location, and several of the federal reimbursement grants will not be received until after the completion of the project. Other funds in the City are being used to pay for these costs until they are reimbursed in the future. The most notable fund is the Wastewater Treatment fund which is advancing the cash necessary to meet all current obligations of the capital project fund.

IV. Detailed Notes for All Funds

A. Cash and investments

At June 30, 2009, the City had the following cash & investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percentage</u>
U.S. Treasuries	\$6,515,615	5.71%
State Treasurer's investment pool	82,781,263	72.58%
Bank certificates of deposit	11,338,678	9.94%
Bank demand deposits (checking & saving)	726,375	.64%
Insurance company contracts (pension plan)	<u>12,691,643</u>	<u>11.13%</u>
Total fair value	<u>\$114,053,574</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, 2009, the weighted average of maturities was 62.23 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, 2009, excluding the UPTIF, the City had one issuer in which the total investments exceeded five percent but less than the 20% allowed by policy:

- Sunfirst Bank at 6.54%

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, 2009, \$101,233,256, (88.76%) of the City's portfolio balance of \$114,053,574 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 accrues 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, 2009, the unpaid principal and interest totaled \$1,626,532.

D. Capital assets

Capital asset activity for the year ended June 30, 2009 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	\$46,665,776	35,798,954	_____	82,464,730
Capital assets being depreciated:				
Buildings	26,548,884	2,326,766		28,875,650
Improvements	59,608,530	3,663,340		63,271,870
Infrastructure	113,896,452	28,263,775		142,160,227
Equipment, etc	<u>21,559,258</u>	<u>350,030</u>	_____	<u>21,909,288</u>
Total capital assets being depreciated	<u>221,613,124</u>	<u>34,603,911</u>	_____	<u>256,217,035</u>
Less accum. depreciation for:				
Buildings	8,860,428	876,666		9,737,094
Improvements	13,567,967	2,001,816		15,569,783
Infrastructure	46,794,290	4,161,662		50,955,952
Equipment etc	<u>11,410,603</u>	<u>1,448,434</u>	_____	<u>12,859,037</u>
Total accum. depreciation	<u>80,633,288</u>	<u>8,488,578</u>	_____	<u>89,121,866</u>
Total capital assets being depreciated, net	<u>140,979,836</u>	<u>26,115,333</u>	_____	<u>167,095,169</u>

Governmental activities capital assets, net	<u>\$187,645,612</u>	<u>\$61,914,287</u>	<u>\$</u>	<u>\$249,559,899</u>
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	<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	258,865,128	36,472,806		295,337,934
Improvements	16,430,926	1,463,725		17,894,651
Machinery & Equipment	<u>18,854,185</u>	<u>392,355</u>		<u>19,246,540</u>
Total capital assets being depreciated	<u>294,150,239</u>	<u>38,328,886</u>		<u>332,479,125</u>
Less accum. depreciation for:				
Buildings and systems	70,125,931	7,195,351		77,321,282
Improvements	4,464,983	679,865		5,144,848
Machinery & Equipment	<u>12,603,735</u>	<u>1,564,698</u>		<u>14,168,433</u>
Total accum. depreciation	<u>87,194,649</u>	<u>9,439,914</u>		<u>96,634,563</u>
Total capital assets being depreciated, net	<u>206,955,590</u>	<u>28,888,972</u>		<u>235,844,562</u>
Business-type activities net capital assets	<u>\$237,517,512</u>	<u>28,888,972</u>		<u>\$266,406,484</u>

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

Governmental activities:	
General government	\$1,122,215
Public safety	747,445
Highways, streets, etc.	4,869,552
Parks, recreations, etc.	1,712,816
Community development	<u>36,550</u>
Total depreciation expense - governmental activities	<u>\$8,488,578</u>

Business-type activities:	
Municipal building authority	\$ 98,336
Water utility	2,926,406
Wastewater collection	461,755
Electric utility	3,979,778
Golf courses	652,694
Regional wastewater treatment	<u>1,320,945</u>
Total depreciation expense - business-type activities	<u>\$ 9,439,914</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.

The City issued Electric Revenue bonds for the total amount of \$50,000,000 for the addition of a second natural gas turbine to the Millcreek Generation facility. During the fiscal year ended June 30, 2009, \$2,394,211 in interest was paid and accrued on these bonds. In accordance with generally accepted accounting principles such interest was capitalized and added to the cost of the generation facility.

E. Interfund receivables, payables, and transfers

At June 30, 2009, 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	43,739
Replacement Airport Capital Proj.	Street Bond Cap Proj Fund	115,085
General Fund	Golf Course Fund	500,000
Wastewater Collection	Golf Course Fund	<u>211,888</u>
		<u>\$1,259,357</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, 2009 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.	613,420
	Capital Equip Cap. Projects	3,039,125
	Golf Course Fund	500,000
	SunTran Public Transit Fund	350,000
Economic Development Fund	Public Works Capital Proj.	3,830,902
	General Fund	70,000
Transportation Improvmnt		

<u>Fund Transferring Out</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>
Transportation Improvmnt	Park Impact Fund	24,856
	Street Bond Cap. Proj. Fund	1,460,146
Airport PFC Fund	Replacement Airport	1,000,000
Recreation Bond Capital Projects	Park Impact Fund	2,034
Park Impact Fund	General Fund	40,000
Drainage Impact Fund	Public Works Capital Proj.	370,668
Drainage Utility Fund	General Fund	85,000
	Public Works Capital Proj.	100,000
Water Utility Fund	Park Impact Fund	23,994
CDBG Special Revenue Fund	General Fund	61,087
	Park Impact Fund	297,929
	SID Const. Fund	174,355
	Public Works Capital Proj.	191,828
Ft. Pierce EDA Fund	Housing Program Fund	81,598
	General Fund	5,000
	Street Bond Cap Proj Fund	450,000
EDA #1 Fund	Housing Program Fund	51,183
	General Fund	5,000
	Street Bond Cap Proj Fund	562,000
Dixie Center EDA Fund	General Fund	5,000
	Street Bond Cap Proj Fund	369,000
Ft. Pierce CDA Fund	General Fund	5,000
	Street Bond Cap Proj Fund	171,000
Capital Equip. Cap Proj.	Park Impact Fund	471,302
Street Bond Cap. Proj. Fund	Dixie Center EDA Fund	439
	Econ Developmnt Fund	568,573
	Public Works Capital Proj.	382,823
	Replacement Airport Fund	280,492
Street Impact Fund	Public Works Capital Proj.	<u>1,194,820</u>
	Total Interfund Transfers	<u>\$ 17,305,574</u>
	Total Interfund Transfers - Governmental Funds	17,596,580
	Total Interfund Transfers - Enterprise Funds	(291,006)

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 \$120,000 to \$135,000 thru August 1, 2012. The 2004 G O Refunding bonds totaling \$11,645,000 were issued with annual installments of \$430,000 to \$1,420,000 thru August 1, 2021. The 2006 G O Refunding bonds totaling \$5,140,000 were issued with annual installments of \$16,000 to \$1,804,000 thru August 1, 2023.

General obligation bonds currently outstanding at June 30, 2009 are as follows:

Governmental activities:

	<u>Interest rates</u>	<u>Amount</u>
1999 G.O. Parks & Recreation	4.60% to 7.50%	\$ 490,000
2004 G.O. Parks & Recreation	2.50% to 5.00%	10,980,000
2006 G.O. Parks & Recreation	3.985%	<u>5,125,000</u>
		<u>\$16,595,000</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 \$385,000 to \$870,000 thru June 15, 2015. At June 30, 2009 the outstanding balance of this issue was as follows:

Governmental activities:

	<u>Interest rates</u>	<u>Amount</u>
2005 Sales Tax Revenue bonds	3.90%	<u>\$2,945,000</u>

In the current fiscal year, the City issued refunding sales tax revenue bonds totaling \$22,485,000 for the purpose of refunding the 2007 Sales Tax Revenue bonds totaling \$23,065,000 in order to take advantage of lower interest rates. The bonds are due in annual installments of \$1,385,000 to \$2,980,000 per year from November 1, 2009 thru November 1, 2017. They have an interest rate of 2.50% to 5.053%.

Governmental activities:

	<u>Interest rates</u>	<u>Amount</u>
2009 Sales Tax Revenue bonds	2.50% to 5.053%	<u>\$22,485,000</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 \$645,000 to \$750,000 thru December 1, 2013. At June 30, 2009, the debt balance was as follows:

Governmental activities:		
	<u>Interest rates</u>	<u>Amount</u>
2004 Excise Tax Revenue bonds	3.25% to 4.38%	<u>\$3,475,000</u>
Total City reflected General Obligation Debt		<u>\$45,500,000</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>			
2010	\$ 2,981	\$ 1,654	\$ 4,635
2011	4,041	1,555	5,596
2012	4,217	1,411	5,628
2013	4,392	1,273	5,665
2014	4,598	1,106	5,704
2015-2024	<u>25,271</u>	<u>4,007</u>	<u>29,278</u>
Totals	<u>\$45,500</u>	<u>\$11,006</u>	<u>\$56,506</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, 2009, the various issues outstanding are as follows:

(amounts in thousands)

<u>District</u>	<u>Original Issue</u>	<u>Annual principal</u>	<u>Interest rates</u>	<u>Final Due Date</u>	<u>Amount</u>
97-2	\$1,651	\$210	5.95%	11/1/09	210
98-1	400	\$51	5.8%	12/15/09	51
99-4	1,109	\$111	3.65% to 4%	11/1/12	444
99-1	989	\$99	3.75% to 4.1%	2/1/13	396
99-3	1,077	\$107 to \$108	3.80% to 4.35%	6/1/13	430
2000-1	228	\$26 to \$28	5.00% to 5.15%	6/1/12	<u>81</u>
Total special assessment debt					<u>\$1,612</u>

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

(in thousands of dollars)

Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2010	\$ 605	\$ 70	\$ 675
2011	345	41	386
2012	345	27	372
2013	<u>317</u>	<u>13</u>	<u>330</u>
Totals	<u>\$ 1,612</u>	<u>\$ 151</u>	<u>\$ 1,763</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, 2009, is \$161,200.

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, 2009 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	4.25% to 4.7%	9/1/17	\$ 2,870
2000 Woodward	<u>350</u>	\$17 to \$23	2.5%	4/1/21	<u>231</u>
Total Municipal Bldg	<u>6,620</u>				<u>3,101</u>
1987B Water	\$1,274	due 1/1/13	0.00%	1/1/13	\$ 1,274
2003 Water	12,325	\$880 to \$1215	3.125% - 5.25%	6/1/16	8,295
2001 Water	8,670	\$590 to \$1,650	4.25% to 5%	6/1/20	7,245
2004 Water	<u>31,000</u>	\$525 to \$2,425	4.0% to 5%	7/1/25	<u>27,850</u>
Total Water Utility	<u>53,269</u>				<u>44,664</u>

<u>Bond Descrip.</u>	<u>Original Issue</u>	<u>Annual principal</u>	<u>Interest rates</u>	<u>Final Due Date</u>	<u>Amount</u>
1993B Sewer	4,000	\$239 to \$275	3.5%	6/15/14	1,284
1997B Sewer	12,000	\$1090 to \$1172	1.0%	6/15/12	3,393
2004 Sewer	<u>7,015</u>	\$670 to \$935	4.5% to 5.0%	7/1/16	<u>6,365</u>
Total Wastewater Treatment	<u>23,015</u>				<u>11,042</u>
2004 Golf Course	<u>\$ 407</u>	due 4/1/2010	4.05%	4/1/10	<u>\$ 407</u>
2005 Electric Rev	\$17,280	\$665 to \$3,305	3.5% to 5%	6/01/25	\$ 14,845
2008 Electric Rev	<u>50,000</u>	\$875 to \$3,190	4.0% to 5%	6/01/38	<u>50,000</u>
Total Electric	<u>\$67,280</u>				<u>\$ 64,845</u>
Total Business-type activities	<u>\$150,591</u>				<u>\$124,059</u>

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

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2010	\$ 5,978	\$ 5,734	\$11,712
2011	6,716	5,504	12,220
2012	6,991	5,252	12,243
2013	5,912	4,979	10,891
2014	6,273	4,781	11,054
2015-2019	29,319	19,513	48,832
2020-2024	23,735	13,357	37,092
2025-2029	15,345	7,815	23,160
2030-2034	11,915	4,815	16,730
2035-2037	<u>11,875</u>	<u>1,520</u>	<u>13,395</u>
Totals	<u>\$ 124,059</u>	<u>\$73,270</u>	<u>\$197,329</u>

Advance and current refunding:

In the current fiscal year, the City issued refunding sales tax revenue bonds totaling \$22,485,000 to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$23,065,000 of 2007 Series sales tax revenue bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. This advance refunding was undertaken to reduce total service payments over the next 9 years by \$933,065 and resulted in an economic gain of \$580,000.

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, 2009, 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
2007 Sales Tax Revenue bonds	23,065,000

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2009 was as follows: (in thousands)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due in OneYr</u>
Governmental activities:					
Bonds payable:					
G.O. Bonds	\$17,105	\$ -	\$ (510)	\$16,595	\$ 566
Sales Tax Bonds	28,070	22,485	(25,125)	25,430	1,770
Excise Bonds	4,100	-	(625)	3,475	645
Special assessment debt with governmental commitment	<u>2,233</u>	<u>-</u>	<u>(621)</u>	<u>1,612</u>	<u>605</u>
Total bonds payable	51,508	22,485	(26,881)	47,112	3,586
McArthur note	147	-	(16)	131	17
Wash. Co Schl Dist. Note	1,321	-	-	1,321	1,321
SITLA Note payable	-	12,923	-	12,923	-
UDOT SIB loan	-	3,727	-	3,727	706
WICA lease	5,528	-	(410)	5,118	439
Capital leases	42	-	(42)	-	-
Vacation payable	<u>1,080</u>	<u>244</u>	<u>(-)</u>	<u>1,324</u>	<u>132</u>
Governmental activity long-term liabilities	<u>\$59,626</u>	<u>\$39,379</u>	<u>\$(27,349)</u>	<u>\$71,656</u>	<u>\$6,201</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due in OneYr</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$79,941	50,000	\$(5,882)	\$124,059	5,978
Capital leases	<u>1,142</u>	<u>-</u>	<u>(440)</u>	<u>702</u>	<u>235</u>
Total business-type long-term liabilities	<u>\$81,083</u>	<u>\$50,000</u>	<u>\$(6,322)</u>	<u>\$124,761</u>	<u>\$6,213</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. Accumulated depreciation on this equipment totals \$763,831.

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, 2009.

<u>Fiscal year ended</u>	<u>Golf Carts</u>
June 30, 2010	\$189,630
June 30, 2011	304,630
June 30, 2012	113,172
June 30, 2013	<u>162,000</u>
Total payments	769,432
Less amount representing interest	<u>(67,768)</u>
Present value of lease payments	<u>\$ 701,664</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, 2010	\$ 672
June 30, 2011	674
June 30, 2012	452
June 30, 2013	453
June 30, 2014	459
2015-2019	2,389
2020-2023	<u>1,808</u>
Total remaining minimum lease payments	6,907
Less amount representing interest	<u>(1,789)</u>
Present value of net remaining minimum lease payments	<u>\$5,118</u>

For the fiscal year ended June 30, 2009 expenditures were payments for O&M of \$788,141 and debt service payments of \$667,237.

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	\$(2,516,757)	\$236,887
Other assets (deferred bond costs)	39,500	88,354
Capital assets	17,513,090	10,770,124
Less depreciation	<u>(5,979,767)</u>	<u>(1,086,852)</u>
Total assets	<u>9,056,066</u>	<u>10,008,513</u>
Liabilities:		
Accrued liabilities	462,700	44,628
Due to other funds	711,888	-
Noncurrent liabilities	<u>1,108,663</u>	<u>3,101,000</u>
Total liabilities	<u>2,283,251</u>	<u>3,145,628</u>
Net assets:		
Invested in capital assets net of related debt	10,464,160	6,670,626
Restricted	-	-
Unrestricted	<u>(3,691,345)</u>	<u>192,260</u>
Total net assets	<u>\$6,772,815</u>	<u>\$6,862,885</u>

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

	<u>Golf Courses</u>	<u>MBA</u>
Charges for services	\$4,013,339	\$ -
Depreciation expense	(652,694)	(98,336)
Other operating expenses	<u>(4,298,692)</u>	<u>(13,395)</u>
Operating income(loss)	<u>(938,047)</u>	<u>(111,731)</u>
Nonoperating revenues (expenses)		
Interest income	-	1,512
Rental income	6,424	492,357
Miscellaneous income	138,181	-
Transfers from other funds	500,000	-
Interest expense	<u>(38,084)</u>	<u>(138,480)</u>
Change in net assets	<u>(331,526)</u>	<u>243,658</u>
Beginning net assets	<u>7,104,341</u>	<u>6,619,227</u>
Ending net assets	<u>\$ 6,772,815</u>	<u>\$6,862,885</u>

CONDENSED STATEMENT OF CASH FLOWS

	<u>Golf Courses</u>	<u>MBA</u>
Net cash provided (used) by:		
Operating activities	\$ (558,283)	\$ (7,228)
Noncapital financing activities	644,605	492,358
Capital and related financing activities	(938,973)	(487,480)
Investing activities	<u>-</u>	<u>1,512</u>
Net increase (decrease)	(852,651)	(839)
Beginning cash & cash equivalents	<u>(1,664,106)</u>	<u>237,726</u>
Ending cash & cash equivalents (deficit)	<u>\$(2,516,757)</u>	<u>\$236,887</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>6/30/09</u>	<u>6/30/08</u>
Unpaid claims beginning of fiscal year	\$ 24,053	\$ 1,715
Incurred claims	163,103	163,947
Claim payments	<u>(177,005)</u>	<u>(141,609)</u>
Unpaid claims, end of fiscal year	<u>\$ 10,151</u>	<u>\$ 24,053</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 an 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 \$6,576,304 during the fiscal year ended June 30, 2009.

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, 2009, 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 August 6, 2009 the City entered into an inter-local agreement with Washington County whereby the County has agreed to remit \$700,000 per year of their Tourism, Recreation, Cultural, and Convention Facilities Tax (TRCC) receipts annually to the City of St. George to be used towards funding the replacement airport. The City then authorized the use of 100% of the County's pledge to issue Excise Tax bonds for the airport project up to \$12 million. The pledge of the TRCC receipts will begin on March 1, 2010 and will continue for 25 years until the last payment on March 1, 2024. The City has an agreement with George K. Baum as underwriters to purchase the bonds. When GKB went to market the bonds the middle of October, 2009, the market was not favorable to the transaction and the marketing was postponed to a later date. A bond rating was received from Fitch Ratings on the bonds of an A, with a stable outlook from S & P.
- 2) On September 11, 2009, Fitch Ratings in the course of routine surveillance affirmed its 'AA-' rating on the City's Series 2004A Water Revenue bonds issued through the Utah Water Finance Agency.

- 3) In September, the construction bid was opened and awarded for the paving and lighting contract for the replacement airport project. The bid was awarded to Quality Excavation for just over \$18 million and was under engineer's original estimates by almost 1/3.
- 4) The City Wastewater Treatment fund has entered into an agreement to reimburse Desert Canyons Development (DCD) a total of \$2,180,014 as the City's share of a 22" sewer trunk line in their development which will also serve the replacement airport. At June 30, 2009, \$1,028,577.13 of this amount has been paid leaving a balance of \$1,151,436.87 as committed funds.
- 5) On September 1, 2009, the City called and redeemed \$2,580,000 of the series 1998 MBA Lease Revenue bonds. This represented the remaining outstanding bonds for the Sunbrook Golf Course portion of the series. The redemption was funded through both the Economic Development Fund and savings realized on the refunding of the series 2007 Sales Tax Revenue bonds that was done in fiscal year 2008.
- 6) On July 2, 2009, the City Council approved an amendment to the contract with Jacob's Engineering for program management services for the replacement airport project. The amendment was for \$3.5 million and was added to the original contract of \$4.3 million.
- 7) The City continues construction on the second natural gas turbine at the Millcreek Generation facility. The City has issued \$50 million in electric revenue bonds for the project and at June 30, 2009, there was \$24,354,936 remaining in bond funds which will be spent over the next fiscal year to complete the project by the spring of 2010.
- 8) On August 20, 2009, the City Council authorized issuance of up to \$6 million in Water Revenue bonds for construction of treatment facilities. The City is still evaluating whether the bonds will actually be issued or if other steps can be taken to delay the necessity of building the additional treatment facilities.
- 9) The City has entered into an agreement with Anderson Development for the purchase of the existing airport site when the City completes the move to the replacement airport currently under construction. Anderson Development will pay the City approximately \$43 million for the site.

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 \$830,379

- 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 \$2,945,000.

- 4) The actual amount expended for:
 - A) acquisition of property \$0
 - B) site improvements or preparation costs \$0
 - C) installation of public utilities or other public improvements \$0
 - D) administrative costs of the agency \$9,497
 - E) debt service payments \$499,285

G. 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 13.14% 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, 2009, 2008, and 2007 respectively were; for the Contributory System, \$44,409, \$44,621, and \$44,021; for the Noncontributory System, \$2,221,866, \$2,210,468, and \$2,061,828; for the Public Safety Noncontributory, \$1,107,653, \$1,047,335, and \$949,867; and for the Firefighters System, \$140,013, \$133,144, and \$109,112 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, 2.91% 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 \$1,120,912 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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City of St. George, UT
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2009

Special Revenue Funds

Assets	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 Developmt Agency #1	Dixie Center Area EDA Fund	SunTran Public Transit
Cash and investments	\$ (102,171)	\$ 356,690	\$ 1,186,455	\$ 3,185,755	\$ (427)	\$ 31,947	\$ 324,082	\$ 55,844	\$ 274,893	\$ 66,749	\$ 341,569	\$ 140,824
Receivables:												
Accounts	116,139		613,032	91,032				678	1,702	6,745	82	132,612
Due from other funds											0	
Total assets	\$ 13,969	\$ 356,690	\$ 1,186,455	\$ 3,798,786	\$ 90,605	\$ 31,947	\$ 324,082	\$ 56,522	\$ 276,596	\$ 73,494	\$ 341,652	\$ 273,437
Liabilities and Fund Balances												
Liabilities:												
Accounts payable	\$ 16,645	\$ -	\$ -	\$ 91,147	\$ -	\$ -	\$ 234	\$ -	\$ 254,713	\$ -	\$ -	\$ 24,558
Deferred revenues												
Due to other funds												
Total liabilities	\$ 16,645	\$ -	\$ -	\$ 91,147	\$ -	\$ 234	\$ -	\$ -	\$ 254,713	\$ -	\$ -	\$ 24,558
Fund balances:												
Reserved, reported in:												
Special revenue funds	(2,677)	356,690	1,186,455	3,798,786	(542)	31,947	324,082	56,522	21,882	73,494	341,652	248,879
Debt service funds												
Capital project funds												
Total fund balances	(2,677)	356,690	1,186,455	3,798,786	(542)	31,947	324,082	56,522	21,882	73,494	341,652	248,879
Total liabilities and fund balances	\$ 13,969	\$ 356,690	\$ 1,186,455	\$ 3,798,786	\$ 90,605	\$ 31,947	\$ 324,082	\$ 56,522	\$ 276,596	\$ 73,494	\$ 341,652	\$ 273,437

(continued)

City of St. George, UT
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2009
 (continued)

	Capital Projects Funds											Totals				
	Debt Service			Downtown RDA	Capital Equipment	Park Impact	Street Impact	Special Assessment	Drainage Impact	Fire Dept Impact	Police Impact		Recreation Bonds	Public Works Cap. Proj.	2005 Flood Reconstruction	
Assets	Special Assessments	Recreation Bond D.S.														
Cash and investments	\$ 468,481	\$ 370,148	\$ 443,515	\$ 16,104,138	\$ 306,550	\$ 1,756,580	\$ (12,041)	\$ 1,928,571	\$ 1,260,958	\$ (20,863)	\$ -	\$ 1,074,377	\$ 40,552	\$ 29,622,482		
Receivables:	1,139,922	41,928	41,928	3,348	36,216	-	9,647	-	-	-	-	464,543	173,445	2,831,072		
Due from other funds	388,645	-	-	-	-	-	-	-	-	-	-	43,739	-	432,384		
Total assets	\$ 1,997,047	\$ 370,148	\$ 485,444	\$ 16,107,486	\$ 342,767	\$ 1,756,580	\$ (2,394)	\$ 1,928,571	\$ 1,260,958	\$ (20,863)	\$ -	\$ 1,582,658	\$ 213,996	\$ 32,885,938		
Liabilities and Fund Balances																
Liabilities:	Accounts payable	\$ -	\$ 118,363	\$ -	\$ -	\$ 243,230	\$ -	\$ 9,647	\$ -	\$ 14,793	\$ -	\$ -	\$ 751,300	\$ 87,686	\$ 1,612,244	
Deferred revenues	364,936	-	-	-	-	-	-	-	-	-	-	-	-	-	364,936	
Advances from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total liabilities	\$ 364,936	\$ 118,363	\$ -	\$ -	\$ 243,230	\$ -	\$ 9,647	\$ -	\$ 14,793	\$ -	\$ -	\$ 751,300	\$ 87,686	\$ 1,977,180		
Fund balances:	Reserved, reported in:															
Special revenue funds	1,632,112	251,785	485,444	16,107,486	99,537	1,756,580	(12,041)	1,928,571	1,246,165	(20,863)	-	831,358	126,311	6,476,242		
Debt service funds	-	-	-	-	-	-	-	-	-	-	-	-	-	1,883,896		
Capital project funds	-	-	-	-	-	-	-	-	-	-	-	-	-	22,548,548		
Total fund balances	\$ 1,632,112	\$ 251,785	\$ 485,444	\$ 16,107,486	\$ 99,537	\$ 1,756,580	\$ (12,041)	\$ 1,928,571	\$ 1,246,165	\$ (20,863)	\$ -	\$ 831,358	\$ 126,311	\$ 30,908,686		
Total liabilities and fund balances	\$ 1,997,047	\$ 370,148	\$ 485,444	\$ 16,107,486	\$ 342,767	\$ 1,756,580	\$ (2,394)	\$ 1,928,571	\$ 1,260,958	\$ (20,863)	\$ -	\$ 1,582,658	\$ 213,996	\$ 32,885,938		

CITY OF ST. GEORGE, UT
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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 Developmt Agency #1	Dixie Center Area EDA Fund	SunTran Public Transit
Revenues:													
Taxes & fees	\$ 352,890	\$ 162,240	\$ -	\$ 3,802,112	\$ -	\$ 24,260	\$ 138,122	\$ -	\$ 426,434	\$ 407,989	\$ 255,914	\$ 225,342	\$ 142,731
Assessments													
Intergovernmental					1,094,786								983,526
Investment income	815	23,810	20,476	110,705	292	482	264	7,019	1,766	10,850	10,503	11,176	
Capital development fees													
Other					62,135		450						200
Total revenues	353,706	186,050	20,476	3,912,817	1,147,212	24,742	138,836	7,019	428,190	418,839	266,416	236,518	1,126,457
Expenditures:													
Current:													
General government	788,141	544	544	24,011	544	544	128,951	544	544	544	544	544	944,379
Public Safety													
Highways & Improvements													
Parks, recreation etc													10,569
Community & Econ Developmnt					422,011			256,528	246,800	286,531	5,224	439	
Lease payments													
Debt service:													
Principal on long-term debt	410,060												
Interest on long-term debt	257,177												
Capital outlay:													653,874
Total expenditures	1,455,378	544	544	24,011	422,555	11,744	128,951	256,528	247,344	287,075	5,768	983	1,608,823
Excess (deficiency) of revenues over expenditures	(1,101,673)	185,506	19,932	3,888,806	724,658	12,999	9,885	(249,509)	180,846	131,765	260,649	235,535	(482,366)
Other financing sources (uses):													
Transfers in	467,000												350,000
Transfers out													
Capital debt (notes & bonds)		(1,000,000)		(5,735,904)	(725,200)				(176,000)	(536,598)	(618,183)	(374,000)	
Loss on bond refunding													
Property sales													
Contributions from private sources													
Contributions from other governmr							11,000						
Capital Leases													
Notes payable													
Total other financing sources (uses)	1,038,870	(1,000,000)	68,573	(5,735,904)	(725,200)	-	11,000	132,781	(176,000)	(536,598)	(618,183)	(373,561)	350,000
Net change in fund balances	(62,803)	(814,494)	88,505	(1,847,098)	(542)	12,999	20,885	(116,728)	4,846	(404,833)	(357,534)	(138,026)	(132,366)
Fund balances, beginning of year	60,126	1,171,183	1,097,950	5,645,885	-	18,948	18,187	440,810	51,676	426,716	431,028	479,678	381,245
Fund balances, end of year	\$356,689	\$1,186,455	\$3,798,787	\$31,947	\$39,072	\$56,522	\$21,883	\$73,494	\$341,652	\$248,879	\$341,652	\$341,652	\$248,879

(continued)

CITY OF ST. GEORGE, UT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(continued)

	Capital Projects Funds											Total		
	Debt Service		Downtown RDA	Capital Equipment Capital Proj.	Park Impact	Street Impact	Special Assessment	Drainage Impact	Fire Dept Impact	Police Impact	Recreation Bonds		Public Works Cap. Proj.	2005 Flood Reconstruction
Revenues:														
Taxes			\$ 830,379	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,988,133
Assessments	129,291		-	-	-	-	-	-	-	-	-	-	-	129,291
Intergovernmental	(1,748)	11	10,916	-	21,048	53,792	42,129	23,089	171	-	64	6,035	3,184	2,273,784
Investment income			-	-	523,525	497,153	295,689	160,694	74,386	-	-	-	-	353,654
Capital development fees			-	-	-	-	-	-	-	-	-	-	-	1,551,446
Other			-	24,738	-	-	-	-	-	-	-	-	-	77,523
Total revenues	127,544	1,219,731	841,295	24,738	736,861	550,946	337,817	183,782	74,557	64	6,035	3,184	12,373,831	
Expenditures:														
Current:														
General government	1,820	9,844	4,410	43,668	961	8,544	544	544	544	544	2,269	570	1,964,090	
Public Safety														26,337
Highways & improvements				5,427	15,222		10,340							31,510
Parks, recreation etc			5,088											1,217,534
Community & Econ Developmnt									125,000					125,000
Lease payments														
Debt service:														
Principal on long-term debt	621,000	510,000	370,000								15,357			1,826,417
Interest on long-term debt	97,973	709,720	129,285								9,643			1,203,799
Capital outlay:														
			2,210,332	3,579,198	33,604	186,395	-	58,066	11,272,300	-	-	-	-	17,993,770
Total expenditures	720,793	1,229,564	508,782	2,259,427	3,595,381	42,147	10,884	58,610	125,544	544	11,299,569	570	24,488,456	
Excess (deficiency) of revenues over expenditures	(593,250)	(9,833)	332,513	(2,234,689)	(2,858,520)	508,798	(186,395)	125,173	(50,987)	(480)	(11,293,534)	2,614	(12,114,625)	
Other financing sources (uses):														
Transfers in														
Transfers out				3,039,125	820,114	-	174,355	-	-	-	6,684,462	-	-	12,236,847
Capital debt (notes & bonds)				(471,302)	(40,000)	(1,194,820)	(370,668)			(2,033)				(11,744,707)
Loss on bond refunding														
Property sales														
Contributions from private sources														
Contributions from other governments				50,000	4,250									54,250
Capital leases														582,870
Notes payable														
Total other financing sources (uses)				2,617,823	784,364	(1,194,820)	174,355	(370,668)	-	(2,033)	10,411,386	-	-	3,726,924
Net change in fund balances	(593,250)	(9,833)	332,513	383,134	(2,074,156)	(686,021)	(43,735)	125,173	(50,987)	(2,513)	(882,148)	2,614	(7,258,440)	
Fund balances, beginning 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	1,713,506	123,696	38,167,127	
Fund balances, end of year	\$1,632,111	\$251,785	\$485,445	\$16,107,486	\$99,537	\$1,756,581	\$1,928,570	\$1,246,165	\$0	\$831,358	\$126,310	\$30,908,687		

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Business license innkeeper fees	\$ 400,000	\$ 400,000	\$ 352,890	\$ (47,110)
Interest income	-	-	815	815
Total revenues	400,000	400,000	353,706	(46,294)
EXPENDITURES:				
Current:				
General government	870,533	870,533	788,141	82,392
Rental payments	19,000	19,000	-	19,000
Debt service:				
Principal	410,060	410,060	410,060	-
Interest	254,326	254,326	257,177	(2,851)
Capital outlay:				
-	-	-	-	-
Total expenditures	1,553,919	1,553,919	1,455,378	98,541
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,153,919)	(1,153,919)	(1,101,673)	52,246
OTHER FINANCING SOURCES (USES):				
Contributions from other governments	650,000	650,000	571,870	(78,130)
Appropriated fund balance	36,919	36,919	-	(36,919)
Transfers from other funds	467,000	467,000	467,000	-
Total other financing sources(uses)	1,153,919	1,153,919	1,038,870	(115,049)
EXCESS OF REVENUES OVER EXPENDITURES & OTHER FINANCING SOURCES (USES):	-	-	(62,803)	(62,803)
Fund balance at beginning of year	60,126	60,126	60,126	
Fund balance at end of year	\$ 60,126	\$ 60,126	\$ (2,677)	

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Passenger facility charges	\$ 200,000	\$ 200,000	\$ 162,240	\$ (37,760)
Interest income	20,000	20,000	23,810	3,810
Total revenues	220,000	220,000	186,050	(33,950)
EXPENDITURES:				
Current:				
General government	-	550	544	6
Capital projects:				
Improvements	-	-	-	-
Property purchases	-	-	-	-
Equipment purchases	-	-	-	-
Total expenditures	-	550	544	6
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	220,000	219,450	185,506	-33,944
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(1,000,000)	(1,000,000)	(1,000,000)	-
Appropriated fund balance	780,000	780,550	-	(780,550)
Total other financing sources (uses):	(220,000)	(219,450)	(1,000,000)	(780,550)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	(814,494)	(\$814,494)
Fund balance at beginning of year	1,171,183	1,171,183	1,171,183	
Fund balance at end of year	\$ 1,171,183	\$ 1,171,183	\$ 356,689	

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Interest income	\$ 30,000	\$ 30,000	\$ 20,476	\$ (9,524)
Miscellaneous income				
Intergovernmental revenues				
Total revenues	30,000	30,000	20,476	(9,524)
EXPENDITURES:				
Current:				
General government	20,000	20,000	544	19,456
Capital projects:				
Improvements	-	-	-	-
Total expenditures	20,000	20,000	544	19,456
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,000	10,000	19,932	9,932
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	490,000	490,000		(490,000)
Transfers from other funds	(500,000)	(500,000)	568,573	568,573
Transfers to other funds			(500,000)	-
Total other financing sources(uses)	(10,000)	(10,000)	68,573	78,573
EXCESS OF REVENUES OVER EXPENDITURES & OTHER FINANCING SOURCES (USES):	-	-	88,505	88,505
Fund balance at beginning of year	1,097,950	1,097,950	1,097,950	
Fund balance at end of year	\$ 1,097,950	\$ 1,097,950	\$ 1,186,455	

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Highway sales taxes	\$ 4,700,000	\$ 4,700,000	\$ 3,802,112	\$ (897,888)
Interest income	300,000	300,000	110,705	(189,295)
Total revenues	5,000,000	5,000,000	3,912,817	(1,087,183)
EXPENDITURES:				
Current:				
General government	10,000	10,000	24,011	(14,011)
Capital projects:				
Improvements	-	-	-	-
Total expenditures	10,000	10,000	24,011	(14,011)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,990,000	4,990,000	3,888,806	(1,101,194)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(8,398,880)	(8,759,436)	(5,735,904)	3,023,532
Contributions from private sources	100,000	100,000	-	(100,000)
Sale of bonds	-	-	-	-
Appropriated fund balance	3,308,880	3,669,436	-	(3,669,436)
Total other financing sources(uses)	(4,990,000)	(4,990,000)	(5,735,904)	(745,904)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	(1,847,098)	(1,847,098)
Fund balance at beginning of year	5,645,885	5,645,885	5,645,885	
Fund balance at end of year	\$ 5,645,885	\$ 5,645,885	\$ 3,798,787	

CITY OF ST. GEORGE, UTAH

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental revenues	\$ 624,137	\$ 1,062,904	\$ 1,094,786	\$ 31,882
Other income		53,000	52,135	(865)
Interest income	3,000	500	292	(208)
Total revenues	627,137	1,116,404	1,147,212	30,808
EXPENDITURES:				
Current:				
General government	500	500	544	(44)
Community & economic development	137,000	366,147	422,011	(55,864)
Capital projects:				
Improvements	-	-	-	-
Total expenditures	137,500	366,647	422,555	(55,908)
Excess (Deficiency) of expenditures over revenues	489,637	749,757	724,657	(25,100)
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	2,000	(500)	-	500
Bonds sold		-	-	-
Transfer to other funds	(491,637)	(749,257)	(725,200)	24,057
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	-	(542)	(542)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ (542)	\$ (542)

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Fees and donations	\$ 17,000	\$ 19,050	\$ 24,260	\$ 5,210
Interest income	700	700	482	(218)
Total revenues	17,700	19,750	24,742	4,992
EXPENDITURES:				
Current:				
General government	500	550	544	6
Parks, recreation, etc.	10,000	12,000	11,200	800
Capital projects:				
Improvements	-	-	-	-
Total expenditures	10,500	12,550	11,744	806
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,200	7,200	12,999	5,799
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):	7,200	7,200	12,999	5,799
Fund balance at beginning of year	18,948	18,948	18,948	
Fund balance at end of year	\$ 26,148	\$ 26,148	\$ 31,947	

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, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Admission fees	\$ 114,000	\$ 130,000	\$ 138,122	\$ 8,122
Other revenues	\$ 2,500	\$ 2,500	450	(2,050)
Investment income	3,000	3,000	264	(2,736)
	<u>119,500</u>	<u>135,500</u>	<u>138,836</u>	<u>3,336</u>
EXPENDITURES:				
Current				
General government	119,389	146,389	128,951	17,438
Capital projects:				
Improvements	-	-	-	-
	<u>119,389</u>	<u>146,389</u>	<u>128,951</u>	<u>17,438</u>
Excess (Deficiency) of expenditures over revenues	111	(10,889)	9,885	20,774
OTHER FINANCING SOURCES:				
Appropriated fund balance	-	-	-	-
Contributions from other governments	-	11,000	11,000	-
Transfers from other funds	-	-	-	-
	<u>-</u>	<u>11,000</u>	<u>11,000</u>	<u>-</u>
Total other financing sources:				
			11,000	-
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	111	111	20,885	20,774
Fund balance at beginning of year	18,187	18,187	18,187	
Fund balance at end of year	<u>\$ 18,298</u>	<u>\$ 18,298</u>	<u>\$ 39,072</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, 2009

	BUDGETED AMOUNTS		VARIANCE WITH	
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
			POSITIVE	(NEGATIVE)
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	7,019	7,019
Total revenues	-	-	7,019	7,019
EXPENDITURES:				
Current:				
Community and economic improvements	500,000	500,000	256,528	243,472
Land Purchases	-	-	-	-
Building Construction	-	-	-	-
Total expenditures	500,000	500,000	256,528	243,472
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(500,000)	(500,000)	(249,509)	250,491
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	260,000	260,000	132,781	(127,219)
Appropriated fund balance	240,000	240,000	-	(240,000)
Total other financing sources (uses):	500,000	500,000	132,781	(367,219)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	(116,728)	(116,728)
Fund balance at beginning of year	440,810	440,810	440,810	
Fund balance at end of year	\$ 440,810	\$ 440,810	\$ 324,082	

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, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Economic development taxes	\$ 750,000	\$ 750,000	\$ 426,434	\$ (323,566)
Interest income	2,379	2,379	1,756	(623)
Total revenues	752,379	752,379	428,190	(324,189)
EXPENDITURES:				
Current:				
General government	1,000	1,000	544	456
Community & Economic development	230,226	230,226	246,800	(16,574)
Capital Outlay:				
Improvements	60,000	60,000		60,000
Total expenditures	291,226	291,226	247,344	43,882
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	461,153	461,153	180,846	(280,307)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(205,000)	(205,000)	(176,000)	29,000
Appropriated fund balance			-	-
Total other financing sources (uses):	(205,000)	(205,000)	(176,000)	29,000
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	256,153	256,153	4,846	(251,307)
Fund balance at beginning of year	51,676	51,676	51,676	
Fund balance at end of year	\$ 307,829	\$ 307,829	\$ 56,522	

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Economic development taxes	\$ 900,000	\$ 900,000	\$ 407,989	\$ (492,011)
Interest income	8,224	8,224	10,850	2,626
Total revenues	908,224	908,224	418,839	(489,385)
EXPENDITURES:				
Current:				
Professional & technical services	1,000	1,000	544	456
Economic incentives	287,917	287,917	286,531	1,386
Housing programs	-	-	-	-
Total expenditures	288,917	288,917	287,075	1,842
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	619,307	619,307	131,765	(487,542)
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	135,693	135,693	(536,598)	(135,693)
Transfers to other funds	(755,000)	(755,000)	(536,598)	218,402
Total other financing sources (uses):	(619,307)	(619,307)	(536,598)	82,709
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	(404,833)	(404,833)
Fund balance at beginning of year	426,716	426,716	426,716	
Fund balance at end of year	\$ 426,716	\$ 426,716	\$ 21,883	

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Economic development taxes	\$ 400,000	\$ 400,000	\$ 255,914	\$ (144,086)
Interest income	12,187	12,187	10,503	(1,684)
Total revenues	412,187	412,187	266,416	(145,771)
EXPENDITURES:				
Current:				
General government	1,000	1,000	544	456
Economic incentives	11,148	11,148	5,224	5,924
Housing programs	-	-	-	-
Total expenditures	12,148	12,148	5,768	6,380
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	400,039	400,039	260,649	(139,390)
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	246,961	246,961	-	(246,961)
Transfers to other funds	(647,000)	(647,000)	(618,183)	28,817
Total other financing sources (uses):	(400,039)	(400,039)	(618,183)	(218,144)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	(357,534)	(357,534)
Fund balance at beginning of year	431,028	431,028	431,028	
Fund balance at end of year	\$ 431,028	\$ 431,028	\$ 73,494	

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Economic development taxes	\$ 400,000	\$ 400,000	\$ 225,342	\$ (174,658)
Interest income	10,000	10,000	11,176	1,176
Total revenues	410,000	410,000	236,518	(173,482)
EXPENDITURES:				
Current:				
Professional & technical fees	1,000	1,000	544	456
Economic incentives	-	-	439	(439)
Capital outlay:	-	-	-	-
Total expenditures	1,000	1,000	983	17
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	409,000	409,000	235,535	(173,465)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(374,000)	(374,000)	(374,000)	-
Transfers from other funds	-	-	439	439
Total other financing sources (uses):	(374,000)	(374,000)	(373,561)	439
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	35,000	35,000	(138,026)	(173,026)
Fund balance at beginning of year	479,678	479,678	479,678	
Fund balance at end of year	\$ 514,678	\$ 514,678	\$ 341,652	

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES.				
Transit fares	\$ 129,000	\$ 129,000	\$ 142,731	\$ 13,731
Intergovernmental revenues	2,137,711	2,137,711	983,526	(1,154,185)
Miscellaneous revenues	-	-	200	200
Advertising fees	54,000	54,000	-	(54,000)
Total revenues	<u>2,320,711</u>	<u>2,320,711</u>	<u>1,126,457</u>	<u>(1,194,254)</u>
EXPENDITURES:				
Current:				
General government	1,167,994	1,167,994	944,379	223,615
Highways & public improvements			10,569	(10,569)
Capital projects:				
Improvements	1,500,000	1,500,000	653,874	846,126
Total expenditures	<u>2,667,994</u>	<u>2,667,994</u>	<u>1,608,822</u>	<u>1,059,172</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(347,283)</u>	<u>(347,283)</u>	<u>(482,365)</u>	<u>(135,082)</u>
OTHER FINANCING SOURCES (USES).				
Transfers to other funds	-	-	-	-
Appropriated fund balance	-	-	-	-
Transfers from other funds	350,000	350,000	350,000	-
Total other financing sources(uses)	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	<u>2,717</u>	<u>2,717</u>	<u>(132,365)</u>	<u>(135,082)</u>
Fund balance at beginning of year	<u>381,245</u>	<u>381,245</u>	<u>381,245</u>	
Fund balance at end of year	<u>\$ 383,962</u>	<u>\$ 383,962</u>	<u>\$ 248,880</u>	

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Special assessments collected	\$ 190,000	\$ 190,000	\$ 129,291	\$ (60,709)
Miscellaneous revenues	50,000	50,000	(1,748)	(51,748)
Interest income				
Total revenues	240,000	240,000	127,544	(112,456)
EXPENDITURES:				
General:				
General government	7,500	7,500	1,820	5,680
Debt service:				
Principal	621,000	621,000	621,000	-
Interest & other charges	98,145	98,145	97,973	172
Total expenditures	726,645	726,645	720,793	5,852
Excess (deficiency) of revenues over (under) expenditures	(486,645)	(486,645)	(593,250)	(106,605)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds				
Sales of bonds				
Appropriated fund balance	486,645	486,645	-	(486,645)
Total other financing sources (uses):	486,645	486,645	-	(486,645)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	(593,250)	(\$593,250)
Fund balance at beginning of year	2,225,361	2,225,361	2,225,361	
Fund balance at end of year	\$ 1,738,716	\$ 1,738,716	\$ 1,632,111	

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Current property taxes	\$ 1,219,720	\$ 1,219,720	\$ 1,219,720	\$ -
Interest income	1,400	1,400	11	(1,389)
Total revenues	1,221,120	1,221,120	1,219,731	(1,389)
EXPENDITURES:				
General:				
General government	2,500	9,900	9,844	56
Debt service:				
Principal	510,000	510,000	510,000	(0)
Interest & other charges	709,720	709,720	709,720	(0)
Total expenditures	1,222,220	1,229,620	1,229,564	56
Excess (deficiency) of revenues over (under) expenditures	(1,100)	(8,500)	(9,833)	(1,333)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	-	-	-	0
Sales of bonds	-	-	-	-
Appropriated fund balances	1,100	8,500	-	(8,500)
Loss on bond refunding	-	-	-	-
Total other financing sources (uses):	1,100	8,500	-	(8,500)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	(9,833)	(\$9,833)
Fund balance at beginning of year	261,618	261,618	261,618	
Fund balance at end of year	\$ 261,618	\$ 261,618	\$ 251,785	

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, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Redevelopment taxes	\$ 750,000	\$ 750,000	\$ 830,379	\$ 80,379
Miscellaneous				
Interest income	10,000	10,000	10,916	916
Total revenues	760,000	760,000	841,295	81,295
EXPENDITURES:				
Current:				
General government	11,000	11,000	4,410	6,590
Parks, recreation, etc.		5,000	5,088	(88)
Capital projects:				
Improvements	-	-	-	-
Land purchases	-	-	-	-
Debt service:				
Bond principal	370,000	370,000	370,000	-
Interest	129,285	129,285	129,285	-
Lease payments	-	-	-	-
Total expenditures	510,285	515,285	508,783	6,502
Excess (deficiency) revenues over (under) expenditures:	249,715	244,715	332,512	87,797
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	-	-	-	-
Transfers from other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENDITURES	249,715	244,715	332,512	87,797
Fund balance at beginning of year	152,932	152,932	152,932	
Fund balance at end of year	\$ 402,647	\$ 397,647	\$ 485,444	

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, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	-
Property sales	-	-	-	-
Sundry revenues	-	-	24,738	24,738
Total revenues	-	-	24,738	24,738
EXPENDITURES:				
Current:				
General government	1,000	1,000	14,343	(13,343)
Highways & public improvements			5,427	(5,427)
Capital projects:				
Improvements	1,933,800	2,310,400	1,862,841	447,559
Property purchases	-	-	376,816	(376,816)
Total expenditures	1,934,800	2,311,400	2,259,427	51,973
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,934,800)	(2,311,400)	(2,234,689)	76,711
OTHER FINANCING SOURCES (USES):				
Operating transfers in	3,235,862	3,235,862	3,039,125	(196,737)
Transfers to other funds	(435,000)	(435,000)	(471,302)	(36,302)
Contributions from private sources			50,000	50,000
Contributions from other governments			-	-
Appropriated fund balance	-	376,600	-	(376,600)
Total other financing sources (uses)	2,800,862	3,177,462	2,617,823	(559,639)
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	866,062	866,062	383,134	(482,928)
Fund balance at beginning of year	15,724,352	15,724,352	15,724,352	
Fund balance at end of year	\$16,590,414	\$16,590,414	\$16,107,486	

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, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Charges for services	\$ 1,400,000	\$ 1,400,000	\$ 523,525	\$ (876,475)
Intergovernmental	200,000	200,000	192,288	(7,712)
Sale of property	-	-	-	-
Contributions from others	1,354,640	1,354,640	-	(1,354,640)
Interest income	40,000	40,000	21,048	(18,952)
Total revenues	2,994,640	2,994,640	736,861	(2,257,779)
EXPENDITURES:				
Current:				
General government	5,000	5,000	961	4,039
Parks, recreation, etc			15,222	(15,222)
Capital projects:				
Improvements	3,584,640	3,584,640	3,579,198	5,442
Property purchases			-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	3,589,640	3,589,640	3,595,381	(5,741)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(595,000)	(595,000)	(2,858,521)	(2,263,521)
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	635,000	635,000	820,114	185,114
Transfers to other funds	(40,000)	(40,000)	(40,000)	-
Contributions from private sources			4,250	4,250
Appropriated fund balance				
Total other financing sources (uses)	595,000	595,000	784,364	189,364
EXCESS REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	(2,074,157)	(\$2,074,157)
Fund balance at beginning of year	2,173,693	2,173,693	2,173,693	
Fund balance at end of year	\$ 2,173,693	\$ 2,173,693	\$ 99,536	

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, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Charges for services	\$ 1,145,000	\$ 1,145,000	\$ 497,153	\$ (647,847)
Interest income	78,000	78,000	53,792	(24,208)
Total revenues	1,223,000	1,223,000	550,946	(672,054)
EXPENDITURES:				
Current:				
General government	15,000	15,000	8,544	6,456
Capital projects:				
Improvements	100,000	100,000	33,604	66,396
Total expenditures	115,000	115,000	42,147	72,853
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,108,000	1,108,000	508,798	(599,202)
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	1,492,000	1,492,000		(1,492,000)
Transfers to other funds	(2,600,000)	(2,600,000)	(1,194,820)	1,405,180
Total other financing sources (uses):	(1,108,000)	(1,108,000)	(1,194,820)	(86,820)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	(686,021)	(686,021)
Fund balance at beginning of year	2,442,602	2,442,602	2,442,602	
Fund balance at end of year	\$ 2,442,602	\$ 2,442,602	\$ 1,756,581	

CITY OF ST. GEORGE, UTAH

SPECIAL ASSESSMENT CONSTRUCTION - CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Interest income			-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Capital outlay	550,000	550,000	186,395	363,605
Total expenditures	550,000	550,000	186,395	363,605
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(550,000)	(550,000)	(186,395)	363,605
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	200,000	200,000	174,355	(25,645)
Sale of bonds	350,000	350,000		(350,000)
Total other financing sources (uses):	550,000	550,000	174,355	(375,645)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	(12,041)	(12,041)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ (12,041)	

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, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Charges for services	\$ 521,000	\$ 521,000	\$ 295,689	\$ (225,311)
Interest income	100,000	100,000	42,129	(57,871)
Total revenues	621,000	621,000	337,817	(283,183)
EXPENDITURES:				
Current:				
General government	15,000	15,000	544	14,456
Highways & public improvements			10,340	(10,340)
Capital projects:				
Land purchases	-	-	-	-
Improvements	-	-	-	-
Total expenditures	15,000	15,000	10,884	4,116
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	606,000	606,000	326,933	(279,067)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(730,000)	(1,081,233)	(370,668)	710,565
Transfers from other funds	-	-	-	-
Appropriated fund balance	124,000	475,233	-	(475,233)
Total other financing sources(uses)	(606,000)	(606,000)	(370,668)	235,332
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	(43,735)	(43,735)
Fund balance at beginning of year	1,972,305	1,972,305	1,972,305	
Fund balance at end of year	\$ 1,972,305	\$ 1,972,305	\$ 1,928,570	

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, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES.				
Charges for services	\$ 180,000	\$ 180,000	\$ 160,694	\$ (19,306)
Interest income	30,000	30,000	23,089	(6,911)
Total revenues	210,000	210,000	183,782	(26,218)
EXPENDITURES:				
Current:				
General government	82,500	82,500	544	81,956
Capital Projects:				
Land Purchases	-	-	-	-
Building Construction	1,200,000	1,200,000	58,066	1,141,934
Total expenditures	1,282,500	1,282,500	58,610	1,223,890
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,072,500)	(1,072,500)	125,173	1,197,673
OTHER FINANCING SOURCES (USES):				
Contributions from private sources	-	-	-	-
Appropriated fund balance	1,072,500	1,072,500	-	(1,072,500)
Total other financing sources (uses):	1,072,500	1,072,500	-	(1,072,500)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	125,173	125,173
Fund balance at beginning of year	1,120,992	1,120,992	1,120,992	
Fund balance at end of year	\$ 1,120,992	\$ 1,120,992	\$ 1,246,165	

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, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Charges for services	\$ 100,000	\$ 73,000	\$ 74,386	\$ 1,386
Interest income	1,500	1,500	171	(1,329)
Total revenues	101,500	74,500	74,557	57
EXPENDITURES:				
Current:				
General government	1,000	1,000	544	456
Lease payments	125,000	125,000	125,000	-
Total expenditures	126,000	126,000	125,544	456
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(24,500)	(51,500)	(50,987)	513
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-	35,000	-	(35,000)
Appropriated fund balance	24,500	16,500	-	(16,500)
Total other financing sources (uses):	24,500	51,500	-	(51,500)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	(50,987)	(50,987)
Fund balance at beginning of year	30,125	30,125	30,125	
Fund balance at end of year	\$ 5,625	\$ (21,375)	\$ (20,862)	

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, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	-
Interest income	-	-	64	64
Other income				
Total revenues	0	0	64	64
EXPENDITURES:				
Current:				
General government		544	544	0
Capital projects:				
Improvements			-	-
Property purchases				
Total expenditures	-	544	544	0
Excess (Deficiency) of expenditures over revenues	-	(544)	(480)	64
OTHER FINANCING SOURCES:				
Transfers to other funds				
Appropriated fund balance	-	(2,034)	(2,033)	1
Contributions from other governments	-	2,578		(2,578)
Total other financing sources (uses):	-	544	(2,033)	(2,577)
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	-	(2,513)	(2,513)
Fund balance at beginning of year	2,513	2,513	2,513	
Fund balance at end of year	\$ 2,513	\$ 2,513	\$ 0	

CITY OF ST. GEORGE, UTAH

PUBLIC WORKS PROJECTS - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Interest income	\$ 18,000	\$ 18,000	\$ 6,035	\$ (11,965)
Other income	-	-	-	-
Total revenues	<u>18,000</u>	<u>18,000</u>	<u>6,035</u>	<u>(11,965)</u>
EXPENDITURES:				
Current:				
General government	-	-	2,269	(2,269)
Capital projects:				
Improvements	29,117,039	33,143,963	11,272,300	21,871,663
Debt service:				
Principal payments	-	-	15,357	(15,357)
Interest expense	-	-	9,643	(9,643)
Total expenditures	<u>29,117,039</u>	<u>33,143,963</u>	<u>11,299,569</u>	<u>21,844,394</u>
Excess (Deficiency) of expenditures over revenues	<u>(29,099,039)</u>	<u>(33,125,963)</u>	<u>(11,293,534)</u>	<u>21,832,429</u>
OTHER FINANCING SOURCES:				
Transfers to other funds	-	-	-	-
Contributions from private sources	-	-	-	-
Issuance of long-term debt	-	3,726,924	3,726,924	-
Appropriated fund balance	982,000	982,000	-	(982,000)
Transfers from other funds	28,117,039	28,417,039	6,684,462	(21,732,578)
Total other Financing Sources	<u>29,099,039</u>	<u>33,125,963</u>	<u>10,411,386</u>	<u>(22,714,578)</u>
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	-	(882,148)	(882,148)
Fund balance at beginning of year	<u>1,713,506</u>	<u>1,713,506</u>	<u>1,713,506</u>	
Fund balance at end of year	<u>\$ 1,713,506</u>	<u>\$ 1,713,506</u>	<u>\$ 831,358</u>	

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, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental		600	\$ 3,184	\$ 2,584
Interest income	\$ -			
Other income				
Total revenues	0	600	3,184	2,584
EXPENDITURES:				
Current:				
General government			570	(570)
Capital projects:				
Improvements		600	-	600
Property purchases				
Total expenditures	-	600	570	30
Excess (Deficiency) of expenditures over revenues	-	-	2,614	2,614
OTHER FINANCING SOURCES:				
Transfers from other funds	-	-	-	-
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	-	2,614	2,614
Fund balance at beginning of year	123,696	123,696	123,696	
Fund balance at end of year	\$ 123,696	\$ 123,696	\$ 126,310	

City of St. George, UT
 NonMajor Proprietary Funds
 Combining Statement of Net Assets
 June 30, 2009

Business-type Activities
 Enterprise Funds

Assets	Refuse Collection	Municipal Building Authority	Drainage Utility	Wastewater Collection	Golf Courses	Total Non-Major
Cash and investments	\$ 250,202	\$ 236,887	\$ 1,978,493	\$ (638,252)	\$ (2,516,757)	\$ (689,427)
Restricted cash	-	-	-	274,621	-	274,621
Accounts Receivable	-	-	-	82,976	-	82,976
Notes Receivable	-	10,770,124	-	211,888	-	211,888
Furniture, Fixtures, & equip	-	(1,086,852)	-	11,268,226	17,513,090	39,551,439
Less depreciation	-	88,354	-	(5,389,315)	(5,979,767)	(12,455,934)
Other assets (deferred bond costs)	-	-	-	-	39,500	127,854
Total assets	250,202	10,008,513	1,978,493	5,810,143	9,056,066	27,103,418

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Liabilities

Liabilities:						
Accrued liabilities	\$ 251,508	\$ 44,628	\$ -	\$ 74,888	462,700	833,724
Due to other funds	-	-	-	-	711,888	711,888
Leases payable	-	-	-	-	701,663	701,663
Bonds payable	-	3,101,000	-	-	407,000	3,508,000
Total liabilities	251,508	3,145,628	-	74,888	2,283,251	5,755,275
Net Assets						
Invested in capital assets, net of related deb	-	6,670,626	-	5,878,910	10,464,160	23,013,696
Restricted for impact fee construction	-	-	-	274,621	-	274,621
Unrestricted	(1,306)	192,260	1,978,493	(418,276)	(3,691,345)	(1,940,174)
Total Net Assets	\$ (1,306)	\$ 6,862,885	\$ 1,978,493	\$ 5,735,255	\$ 6,772,815	\$ 21,348,143

City of St. George, UT
 Non-Major Proprietary Funds
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
 For the Year Ended June 30, 2009

	Business-type Activities Enterprise Funds					Total Non-Major
	Refuse Collection	Municipal Building Authority	Drainage Utility	Wastewater Collection	Golf Courses	
OPERATING REVENUES:						
Charges for services	\$ 3,095,181	-	\$ 972,550	\$ 7,592,357	\$ 4,013,339	\$ 15,673,427
Other operating revenues				273,158		273,158
Total operating revenues	3,095,181	-	972,550	7,865,515	4,013,339	15,946,585
OPERATING EXPENSES:						
Salary and wages				777,911	1,491,802	2,269,712
Supplies				58,278	361,166	419,444
Service vehicle expense				85,504	75,164	160,668
Equipment rental				447	242,886	243,333
Depreciation		98,336		461,755	652,694	1,212,785
Bad debts	15,448			37,918		53,365
Payroll tax & employee benefits				350,400	619,247	969,646
Office & dept. supplies				10,731	119,633	130,364
Professional services	544	13,395	544	12,869	547,945	575,296
R. & M. - equipment				52,177	69,568	121,745
R. & M. - buildings and grounds			3,082	6,751	728,747	738,579
Insurance & surety bonds				19,083	28,286	47,369
Travel				28,919	1,253	30,172
Subscriptions & memberships				1,218	12,997	14,215
Contract labor	3,012,286			5,618,856		8,631,142
Claims paid						
Insurance premiums						
Billing & administration	150,000			520,000		670,000
Total operating expenses	3,178,277	111,731	3,625	8,042,817	4,951,386	16,287,836
Operating income (loss)	(83,096)	(111,731)	968,924	(177,302)	(938,047)	(341,251)
NON-OPERATING REVENUES (EXPENSES)						
Interest income		1,512	30,813	14,990		47,315
Rent		492,358			6,424	498,782
Miscellaneous income				-	138,181	138,181
Interest charges		(138,480)			(38,084)	(176,564)
Total non-operating revenue (expense)	-	355,390	30,813	14,990	106,521	507,713
Income before transfers	(83,096)	243,659	999,737	(162,312)	(831,526)	166,462
Transfers (to) from other funds	-	-	(185,000)	-	500,000	315,000
Changes in Net Assets	(83,096)	243,659	814,737	(162,312)	(331,526)	481,462
Total Net Assets - beginning of year	81,790	6,619,227	1,163,756	5,897,567	7,104,341	20,866,681
Total Net Assets - end of year	\$ (1,306)	\$ 6,862,886	\$ 1,978,493	\$ 5,735,255	\$ 6,772,815	\$ 21,348,143

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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	\$ 3,095,181	\$ -	\$ 972,550	\$ 7,980,917	\$ 3,862,034	\$ 15,910,682
Payments to suppliers	(3,177,025)	(7,228)	(3,625)	(6,573,795)	(2,309,268)	(12,070,943)
Payments to employees	-	-	-	(1,128,310)	(2,111,048)	(3,239,359)
Net cash provided by operating activities	(81,844)	(7,228)	965,924	278,811	(558,283)	600,381
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Rents received		492,358			6,424	498,782
Miscellaneous non-operating income					138,181	138,181
Economic development transfer			(185,000)		500,000	315,000
Net cash provided (used) by noncapital and related financing activities		492,358	(185,000)		644,605	951,963
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets				(1,183,373)	(8,988)	(1,192,361)
Principal paid on capital debt		(349,000)			(452,000)	(801,000)
Interest paid on capital debt		(138,480)			(38,084)	(176,564)
Proceeds from capital leases						-
Capital lease principal payments					(439,901)	(439,901)
Net cash provided (used) by capital and related financing activities		(487,480)		(1,183,373)	(938,973)	(2,609,826)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received		1,512	30,813	14,990	-	47,315
Net increase (decrease) in cash and cash equivalents	(81,844)	(839)	814,737	(889,571)	(852,651)	(1,010,168)
Cash and equivalents including restricted cash of \$1,827,997 at beginning of year	332,047	237,726	1,163,756	525,941	(1,664,106)	595,364
Cash and equivalents including restricted cash of \$274,621 at end of year	\$ 250,203	\$ 236,887	\$ 1,978,493	\$ (363,630)	\$ (2,516,757)	\$ (414,804)
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (83,096)	\$ (111,731)	\$ 968,924	\$ (177,302)	\$ (938,047)	\$ (341,251)
Adjustments to reconcile net income from operations to net cash provided by operating activities:						
Depreciation		98,336		461,755	652,694	1,212,785
Changes in assets & liabilities:						
Decrease (increase) in receivables				(35,902)		(35,902)
Decrease (increase) in interfund rec.				151,305		151,305
Decrease (increase) in prepaid assets						-
Decrease (increase) in discounts		11,044				11,044
Increase (decrease) in accruals	1,252	(4,877)		(121,044)	(121,625)	(246,294)
Increase (decrease) in due to other funds					(151,305)	(151,305)
Total adjustments	1,252	104,503		456,114	379,764	941,633
Net cash provided by operating activities:	\$ (81,844)	\$ (7,228)	\$ 968,924	\$ 278,812	\$ (558,282)	\$ 600,381

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

JUNE 30, 2009

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$ 82,464,730
Buildings	28,875,650
Improvements	63,271,870
Infrastructure assets	142,160,227
Equipment	21,909,288
	<u>338,681,765</u>
Total Governmental Funds Capital Assets	<u>\$ 338,681,765</u>

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

Capital Projects Funds:	\$
General Fund	101,251,093
Dinosaur Museum Funds	71,620
Downtown Redevelopment revenues	10,724,893
WCIA - (Dixie Center interlocal agency)	10,207,697
Recreation General Obligation bonds	17,991,801
Capital equipment fund	26,925,640
Public Works Capital projects fund	32,789,405
Replacement Airport capital projects fund	81,002,607
Industrial Park fund	2,401,462
Sewer Impact fund	245,866
Park Impact fund	18,832,735
Fire Impact fund	1,473,525
Drainage Impact fund	1,069,844
Special Assessment fund	23,431,848
Street Impact fund	1,683,809
Dixie Center EDA fund	1,308,347
Transportation improvement fund	4,915,250
SunTran Public Transit fund	2,238,813
Art Permanent Collection Fund	13,730
Police Seizures Fund	79,731
Airport PFC fund	22,049
	<u>338,681,765</u>
Total Governmental Funds Capital Assets	<u>\$ 338,681,765</u>

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

JUNE 30, 2009

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVEMENTS	INFRASTRUCTURE	EQUIPMENT
GENERAL GOVERNMENT:						
Gen. government bldgs.	\$ 18,135,755	\$ 13,809,745	\$ 3,151,937	\$ 1,174,073	\$ -	\$ -
WCIA (Dixie Center)	10,255,803	1,774,067	8,481,736	-	-	-
Downtown Redevelopment	13,134,767	2,480,452	2,340,059	8,314,256	-	-
Community development (Industrial Park)	1,626,676	162,489	-	1,464,187	-	-
Administration	1,408,512	-	-	-	-	1,408,512
Total general government	44,561,513	18,226,753	13,973,732	10,952,516	-	1,408,512
PUBLIC SAFETY:						
Police protection	5,814,272	-	82,589	168,531	-	5,563,152
Fire protection	7,138,829	613,048	2,519,603	86,490	-	3,919,688
Total public safety	12,953,101	613,048	2,602,192	255,021	-	9,482,840
PUBLIC WORKS:						
PARKS, RECREATION, & PUBLIC PROPERTY:	219,257,213	55,759,193	4,900,196	8,884,294	142,015,075	7,698,455
	61,909,938	7,865,736	7,399,530	43,180,039	145,152	3,319,481
Total governmental fund capital assets allocated to function	\$ 338,681,765	\$ 82,464,730	\$ 28,875,650	\$ 63,271,870	\$ 142,160,227	\$ 21,909,288

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, 2009

FUNCTION AND ACTIVITY	GOVERNMENTAL FUNDS CAPITAL ASSETS JULY 1, 2008	ADDITIONS	DELETIONS	GOVERNMENTAL FUNDS CAPITAL ASSETS JUNE 30, 2009
GENERAL GOVERNMENT:				
Gen. government bldgs.	\$ 17,758,939	\$ 449,728	-	\$ 18,208,667
WCIA - Dixie Center	10,255,803	-	-	10,255,803
Downtown Redevelopment	13,061,855	-	-	13,061,855
Industrial Park	1,626,676	-	-	1,626,676
Administration	1,408,512	-	-	1,408,512
	<u>44,111,785</u>	<u>449,728</u>	<u>-</u>	<u>44,561,513</u>
PUBLIC SAFETY:				
Police protection	5,783,302	30,969	-	5,814,271
Fire protection	6,957,199	181,632	-	7,138,831
	<u>12,740,501</u>	<u>212,601</u>	<u>-</u>	<u>12,953,102</u>
PUBLIC WORKS:				
PARKS, RECREATION, & PUBLIC PROPERTY:	154,303,948	64,953,265	-	219,257,213
	57,122,667	4,787,270	-	61,909,937
TOTAL GOVERNMENTAL FUND CAPITAL ASSETS	<u>\$ 268,278,901</u>	<u>\$ 70,402,864</u>	<u>\$ -</u>	<u>\$ 338,681,765</u>

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STATISTICAL SECTION

CITY OF ST. GEORGE, UTAH

ELECTRIC FUND

STATISTICAL ANALYSIS

JUNE 30, 2009

Year Ended June 30,
2009 2008

Production Cost Analysis:

Kilowatt hours generated	40,791,581	34,758,200
Kilowatt hours purchased	<u>754,363,677</u>	<u>628,794,833</u>
Total Kilowatt Hours	<u><u>795,155,258</u></u>	<u><u>663,553,033</u></u>
 Total Operating Costs	 <u>\$53,901,254</u>	 <u>\$48,051,569</u>
Cost per Kilowatt Hour	<u>\$.06779</u>	<u>\$.07242</u>

Summary of Kilowatt Hours and Costs for previous period

<u>YEAR</u>	<u>KILOWATT HOURS</u>	<u>COST PER KILOWATT HOUR</u>
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
2009	795,155,258	.06779

Average Revenue Analysis:

	<u>2009</u>	<u>2008</u>
Kilowatt Hours billed	759,979,180	634,199,394
Unbilled Hours-line loss, street lights	<u>35,176,078</u>	<u>29,353,639</u>
Total Kilowatt Hours	<u><u>795,155,258</u></u>	<u><u>663,553,033</u></u>
 Total Revenue Billed	 \$51,811,239	 \$51,090,919
Number of Customers	27,265	26,870
Average monthly billing	\$158.35	\$158.45

CITY OF ST. GEORGE, UTAH

WATER FUND

STATISTICAL ANALYSIS

JUNE 30, 2009

	<u>Year Ended June 30,</u>	
	<u>2008</u>	<u>2008</u>
Production cost analysis:		
Number of gallons billed	10,987,719,358	9,818,442,261
Expense of operations *	\$15,025,863	\$15,756,270
Cost per billed gallon	\$.001367	\$.001605
Average Revenue Analysis:		
Number of metered customers	20,927	20,606
Water usage billed	\$14,076,339	\$14,377,769
Average monthly billing per metered customer	\$56.05	\$58.15

* 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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities:										
Invested in capital assets, net of related debt	N/A	\$ 46,857	\$ 54,034	\$ 57,354	\$ 64,316	\$ 77,190	\$ 89,565	\$ 109,818	\$ 129,100	\$ 178,332
Restricted		3,305	2,918	3,776	3,375	7,340	7,308	4,549	2,487	1,884
Unrestricted		28,515	29,767	33,832	40,960	36,417	43,111	43,165	58,600	38,253
Total governmental activities net assets	\$ -	\$ 78,677	\$ 86,719	\$ 94,962	\$ 108,651	\$ 120,947	\$ 139,984	\$ 157,532	\$ 190,187	\$ 218,469
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	\$ 141,070
Restricted			6,163	6,737	30,873	16,168	4,857	7,642	12,945	30,571
Unrestricted		27,462	12,465	10,600	17,647	24,147	34,767	33,596	30,382	33,265
Total business-type activities net assets	\$ -	\$ 95,634	\$ 95,613	\$ 104,471	\$ 120,109	\$ 136,959	\$ 159,606	\$ 174,625	\$ 198,067	\$ 204,906
Primary government:										
Invested in capital assets, net of related debt	N/A	\$ 115,029	\$ 131,019	\$ 144,488	\$ 135,905	\$ 173,834	\$ 209,547	\$ 243,205	\$ 283,840	\$ 319,402
Restricted	-	3,305	9,081	10,513	34,248	23,508	12,165	12,191	15,432	32,455
Unrestricted	-	55,977	42,232	44,432	58,607	60,564	77,878	76,761	88,982	71,518
Total primary government net assets	N/A	\$ 174,311	\$ 182,332	\$ 199,433	\$ 228,760	\$ 257,906	\$ 299,590	\$ 332,157	\$ 388,254	\$ 423,375

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

	FISCAL YEAR									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
EXPENSES:										
Governmental activities:										
General government	N/A	\$ 3,954	\$ 4,462	\$ 5,129	\$ 3,491	\$ 2,205	\$ 5,004	\$ 4,433	\$ 5,935	\$ 8,877
Public safety		7,573	7,445	8,395	9,521	10,357	11,497	13,824	14,885	14,726
Highways & public improvements		8,989	7,927	8,076	10,419	17,231	14,096	14,814	14,887	17,516
Parks, recreation, & public property		6,552	5,792	6,453	9,592	12,167	11,087	13,525	14,607	11,175
Community & economic development		951	990	1,171	1,446	1,957	2,058	2,359	2,544	1,700
Interest on long-term debt		2,120	2,145	2,053	1,653	1,122	1,411	1,480	1,776	2,800
Total governmental activities expenses:		30,139	28,761	31,277	36,122	45,039	45,153	50,435	54,634	56,794
Business-type activities:										
Energy services		36,944	41,519	36,461	38,654	38,667	44,254	48,304	48,734	54,554
Water services		6,453	6,672	7,792	8,323	10,455	13,161	15,383	15,756	15,026
Wastewater collection		5,690	5,825	6,098	6,527	7,021	7,250	7,876	7,599	8,043
Regional wastewater treatment		4,239	4,222	4,257	4,006	4,083	4,174	4,878	5,015	5,058
Golf courses		3,965	4,104	4,077	4,206	4,624	4,637	5,224	5,181	4,989
Municipal building authority		531	518	488	440	435	371	352	265	250
Solid waste		2,039	2,125	2,229	2,379	2,560	2,812	3,104	3,075	3,178
Drainage utility		-	-	-	-	-	1	6	16	4
Total business-type activities expenses:		59,861	64,985	61,402	64,535	67,845	76,660	85,127	85,641	91,102
Total primary government expenses		\$ 90,000	\$ 93,746	\$ 92,679	\$ 100,657	\$ 112,884	\$ 121,813	\$ 135,562	\$ 140,275	\$ 147,896

PROGRAM REVENUES:										
Governmental activities:										
Charges for services:										
General government	N/A	\$ 2,190	\$ 2,325	\$ 2,437	\$ 2,568	\$ 3,054	\$ 3,063	\$ 3,496	\$ 3,872	\$ 3,871
Public safety		1,362	1,232	1,618	1,966	2,220	2,338	2,815	2,810	2,874
Highways & public improvements		182	212	221	293	319	570	680	627	549
Parks, recreation, & public property		1,233	1,347	1,463	2,071	2,114	2,733	2,501	2,587	2,514
Community & economic development		857	1,151	1,288	2,648	3,656	3,685	3,238	2,019	1,105
Operating grants & contributions		4,730	5,145	6,526	7,971	10,710	9,000	8,043	9,601	7,324
Capital grants & contributions		1,533	2,536	2,073	4,720	2,462	5,457	8,355	22,538	31,062
Total governmental activities program revenues		12,087	13,948	15,626	22,237	24,535	26,846	29,128	44,054	49,299
Business-type activities:										
Charges for services:										
Energy services		27,361	32,559	36,361	40,359	44,253	48,604	52,688	54,091	54,102
Water services		9,553	10,850	12,191	14,639	15,463	15,682	15,167	15,506	14,745
Wastewater collection		5,746	5,830	6,222	6,706	7,246	7,256	7,966	7,967	7,866
Regional wastewater treatment		6,561	7,002	7,676	8,710	9,841	9,763	9,297	8,283	8,232
Golf courses		3,992	4,057	4,219	4,242	3,957	4,340	4,597	4,750	4,013
Municipal building authority										
Solid waste		2,036	2,126	2,264	2,435	2,624	2,812	2,969	3,078	3,095

Drainage utility	15	13	19	819	837	869	906	955	973
Operating grants & contributions	674	69		695	791			9,571	7
Capital grants & contributions				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	93,033
Total primary government program revenues	\$ 68,025	\$ 76,454	\$ 84,578	\$ 101,914	\$ 109,547	\$ 121,672	\$ 122,718	\$ 148,255	\$ 142,332

Net (expense) / revenue	N/A								
Governmental activities	\$ (18,052)	\$ (14,813)	\$ (15,651)	\$ (13,885)	\$ (20,504)	\$ (18,307)	\$ (21,307)	\$ (10,580)	\$ (7,495)
Business-type activities	(3,923)	(2,479)	7,550	15,142	17,167	18,166	8,463	18,560	1,931
Total primary government net expense	\$ (21,975)	\$ (17,292)	\$ (8,101)	\$ 1,257	\$ (3,337)	\$ (141)	\$ (12,844)	\$ 7,980	\$ (5,564)

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	\$ 9,158
Property taxes for debt service	1,613	1,622	1,666	1,779	1,660	2,054	2,329	2,446	2,050
Franchise taxes	2,780	3,246	3,525	3,887	5,086	5,839	6,035	6,541	6,319
General sales & highway sales taxes	10,974	12,134	11,942	13,584	16,035	19,317	20,447	19,768	16,678
Business licenses	347	358	378	409	468	532	639	628	630
Investment income	2,191	1,142	1,020	845	1,077	1,889	2,458	2,312	1,211
Lease payments	(576)	(621)	(348)	(373)	(466)	(97)	(193)	(175)	(175)
Gain on sale of assets	56	151	706	17	650	388	1,333	2,187	28
Rents and concessions	8	14	18	60	30	35	33	30	25
Miscellaneous	133	116	169	535	68	195	45	327	143
Transfers	(306)	(363)	(696)	208	1,864	670	(1,703)	283	(291)
Total governmental activities	22,019	22,855	23,894	27,496	32,799	37,342	38,955	43,234	35,776
Business-type activities:									
Investment income	2,031	794	378	395	958	1,828	1,992	1,976	1,562
Lease payments	595	624	666	839	839	2,448	2,448	2,448	2,597
Miscellaneous	(62)	677	(434)	309	590	2,483	413	740	459
Transfers	306	363	696	(208)	(1,864)	(670)	1,703	(283)	291
Total business-type activities	2,870	2,458	1,306	496	(316)	4,480	6,556	4,881	4,909
Total primary government	\$ 24,889	\$ 25,313	\$ 25,200	\$ 27,992	\$ 32,483	\$ 41,822	\$ 45,511	\$ 48,115	\$ 40,685

CHANGE IN NET ASSETS

Governmental activities	\$ 3,967	\$ 8,042	\$ 8,243	\$ 13,611	\$ 12,295	\$ 19,035	\$ 17,648	\$ 32,654	\$ 28,281
Business-type activities	(1,053)	(21)	8,856	15,638	16,851	22,646	15,019	23,441	6,840
Total primary government	\$ 2,914	\$ 8,021	\$ 17,099	\$ 29,249	\$ 29,146	\$ 41,681	\$ 32,667	\$ 56,095	\$ 35,121

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 Year</u>	<u>General Property Tax</u>	<u>Debt Serv Property Tax</u>	<u>General Sales & Highway Sales Tax</u>	<u>Franchise Tax</u>	<u>Total</u>
2000	4,521	1,477	10,444	2,433	18,875
2001	4,799	1,613	10,974	2,780	20,166
2002 (1)	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
2009	9,158	2,050	16,678	6,319	34,205

(1) 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									
	<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>	<u>2009</u>
General fund										
Reserved for police seizures	\$ 101	\$ 66	\$ 23	\$ 28	\$ 40	\$ 90	\$ 67	\$ 103	\$ 119	\$ 70
Reserved for notes receivable	589	664	498	950	595	343	714	1,501	1,618	1,626
Reserved for perpetual care	4	8	30	78	126	139	181	236	318	148
Unreserved	2,838	2,797	3,007	3,299	3,629	3,881	3,905	3,009	2,852	2,912
Total general fund	\$ 3,532	\$ 3,535	\$ 3,558	\$ 4,355	\$ 4,390	\$ 4,453	\$ 4,867	\$ 4,849	\$ 4,907	\$ 4,756
113 All other governmental funds										
Reserved										
Unreserved, reported in:										
Special revenue funds	4,463	5,953	5,390	4,915	6,848	6,144	8,336	10,343	10,224	6,476
Debt service funds	3,132	2,574	2,397	2,798	3,086	3,218	3,694	3,045	23,520	1,884
Capital projects funds	19,085	20,475	22,112	26,404	17,581	24,271	34,347	30,456	23,743	28,608
Total all other governmental funds	\$ 26,680	\$ 29,002	\$ 29,899	\$ 34,117	\$ 27,515	\$ 33,633	\$ 46,377	\$ 43,844	\$ 57,487	\$ 36,968

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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
REVENUES:										
Taxes & special assessments	\$ 20,098	\$ 21,013	\$ 22,837	\$ 23,845	\$ 27,674	\$ 30,274	\$ 35,693	\$ 37,306	\$ 38,668	\$ 35,155
Licenses & permits	1,075	1,169	1,448	1,619	2,861	3,656	3,545	3,190	2,271	1,622
Intergovernmental	2,370	2,555	2,383	3,526	4,501	10,197	7,476	7,165	23,004	35,906
Charges for services	3,679	3,753	4,000	4,425	5,071	6,176	7,137	8,001	8,236	7,762
Fines & forfeitures	646	863	740	863	1,076	987	928	1,018	851	856
Investment income	1,775	2,191	1,129	1,013	840	1,067	1,868	2,431	2,283	1,202
Rents & concessions	4	8	14	18	60	30	35	33	30	26
Miscellaneous	68	742	219	196	576	325	195	145	329	143
Contributions from other sources	302			318	2,350	558	300	66	71	138
Capital development fees	1,795	2,251	2,685	3,577	4,290	5,030	4,121	3,144	3,283	1,551
Total revenues	31,812	34,545	35,455	39,400	49,299	58,300	61,298	62,499	79,026	84,361
EXPENDITURES:										
General government	4,459	3,116	3,619	4,205	4,940	5,773	7,300	8,271	8,688	8,239
Public safety	7,345	7,009	7,197	8,301	9,269	10,355	12,023	13,933	15,283	14,043
Highways & public improvements	5,971	6,332	6,768	6,394	7,356	10,021	9,505	8,070	8,289	12,761
Parks, recreation, & public property	4,502	5,546	5,864	6,012	6,447	7,334	8,068	8,610	9,885	8,770
Community & economic development	330	875	918	1,045	1,230	1,638	1,967	2,155	3,025	2,879
Capital outlay	5,228	5,525	9,341	9,482	14,896	28,823	16,946	22,955	51,536	57,264
Debt service										
Capital leases	349	576	621	349	373	466	197	193	175	175
Principal	2,186	1,487	983	1,069	13,668	1,441	1,188	6,849	1,814	26,666
Interest & other admin charges	1,712	1,574	1,513	1,427	1,694	1,251	1,462	1,411	1,301	2,558
Total expenditures	32,082	32,040	36,824	38,284	59,873	67,102	58,656	72,447	99,996	133,355
Excess of revenues over (under) expend.	(270)	2,505	(1,369)	1,116	(10,574)	(8,802)	2,642	(9,948)	(20,970)	(48,994)
OTHER FINANCING SOURCES (USES):										
Transfers in	8,078	10,553	7,299	8,052	15,774	14,701	13,795	13,364	21,312	16,816
Transfers out	(7,850)	(10,813)	(7,045)	(8,048)	(14,698)	(11,797)	(11,768)	(14,458)	(20,380)	(16,264)
Contributions from private sources	315		321		69	128	393	947	846	65
Contributions from other governments							785	1,040	5,951	572
Proceeds from sale of capital assets	2,129	56	32	671	17	650	388	1,333	2,186	28
Loss on bond refinancing					(1,074)			(93)		
Premiums on bonds sold					643					
Issuance of notes/bonds/ or leases	2,075	20	1,660	3,176	16,645	4,510	343	5,265	24,755	27,107
Total other financing sources (uses)	4,747	(184)	2,267	3,851	17,376	8,192	3,936	7,398	34,670	28,324
Net change in fund balance	\$ 4,477	\$ 2,321	\$ 898	\$ 4,967	\$ 6,802	\$ (610)	\$ 6,578	\$ (2,550)	\$ 13,700	\$ (20,670)

Debt service as a percentage of non-capital expenditures

18.79% 15.90% 12.79% 10.96% 53.81% 8.99% 7.33% 17.08% 6.79% 38.41%

1997 Parks & Rec GO Bonds refunded 2007 Sales Tax bonds refunded

*** *** ***

CITY OF ST. GEORGE, UTAH
 SALES TAX PAYERS BY SECTOR
 JUNE 30, 2009
 (amounts expressed in thousands)

2009

2000

Ranking	Category	Direct Point of Sales Dollars	Percent of Sales	Ranking	Category	Direct Point of Sales Dollars	Percent of Sales
1	Retail - Gen Merchandise	\$ 412,753,997	22.07%	2	Retail - Gen Merchandise	\$ 114,625,269	12.87%
2	Retail - Motor vehicles	194,351,760	10.39%	1	Retail - Motor vehicles	143,904,050	16.16%
3	Wholesale - Durable goods	133,867,493	7.16%	7	Wholesale - Durable goods	55,782,612	6.27%
4	Retail - Food stores	128,482,002	6.87%	3	Retail - Food stores	102,106,188	11.47%
5	Retail - Eating & drinking	127,888,881	6.84%	5	Retail - Eating & drinking	62,732,192	7.05%
6	Retail - Bldg & Gardening	117,206,735	6.27%	4	Retail - Bldg & Gardening	70,331,220	7.90%
7	Retail - Miscellaneous	110,356,811	5.90%	6	Retail - Miscellaneous	56,763,602	6.38%
8	Retail - Apparel & Accessories	86,360,073	4.62%	10	Retail - Apparel & Accessories	41,286,890	4.64%
9	Services - Auto & repair	80,491,331	4.30%	11	Services - Auto & repair	32,468,783	3.65%
10	Retail - Furniture	63,793,701	3.41%	9	Retail - Furniture	45,545,109	5.12%
11	Communications	47,707,521	2.55%	24	Communications	2,640,358	0.30%
12	Services - Hotel & Lodging	44,286,659	2.37%	12	Services - Hotel & Lodging	24,837,756	2.79%
13	Public Administration	44,086,912	2.36%	n/a	Public Administration		
14	Services - Business	42,846,079	2.29%	14	Services - Business	12,678,321	1.42%
15	Construction	35,730,726	1.91%	15	Construction	12,350,110	1.39%
16	Manufacturing	35,280,238	1.89%	13	Manufacturing	16,025,156	1.80%
17	Private Motor Vehicle sales	27,236,194	1.46%	n/a	Private Motor Vehicle sales		
18	Wholesale - Nondurables	27,213,633	1.45%	18	Wholesale - Nondurables	7,157,988	0.80%
19	Electric & Gas	24,063,101	1.29%	n/a	Electric & Gas		
20	Services - Amusement & rec	23,180,181	1.24%	16	Services - Amusement & rec	10,683,586	1.20%
21	Prior-period payments & refunds	17,065,984	0.91%	19	Prior-period payments & refunds	6,177,044	0.69%
22	Finance, Ins. & Real Estate	9,646,017	0.52%	26	Finance, Ins. & Real Estate	374,883	0.04%
23	Services - Personal	8,519,334	0.46%	20	Services - Personal	5,541,088	0.62%
24	Services - Health	7,024,736	0.38%	21	Services - Health	3,420,187	0.38%
25	Services - Education	5,781,038	0.31%	22	Services - Education	3,080,048	0.35%
26	Agric Forestry & Fishing	4,765,638	0.25%	23	Agric Forestry & Fishing	2,937,306	0.33%
27	Transportation	4,711,498	0.25%	25	Transportation	804,811	0.09%
28	Mining	4,182,671	0.22%	17	Mining	9,132,052	1.03%
29	Nondisclosable\Nonclassifiable	1,284,848	0.07%	8	Nondisclosable\Nonclassifiable	46,967,985	5.28%
30	Occasional Retail sales	432,775	0.02%	n/a	Occasional Retail sales		
		<u>\$ 1,870,598,567</u>				<u>\$ 890,354,594</u>	

Source: Utah State Tax Commission statistical reports for calendar year ended December 31, 2008 and December 31, 2000.

CITY OF ST. GEORGE, UTAH
 PRINCIPAL TAXABLE PROPERTIES
 JUNE 30, 2009
 (amounts expressed in thousands)

2009

2000

NAME	TYPE OF BUSINESS	TAXABLE VALUE	% OF TOTAL	NAME	TYPE OF BUSINESS	TAXABLE VALUE	% OF TOTAL
SKYWEST AIRLINES INC	REGIONAL AIRLINE	\$ 29,584,391	0.40%	PRICE DEVELOPMENT	REGIONAL SHOPPING MALL	\$ 21,759,125	0.93%
SUNHILLS HOMES LC	LAND DEVELOPMENT	26,064,260	0.35%	ZION FACTORY STORES 1	STRIP SHOPPING MALL	21,071,800	0.90%
GENERAL GROWTH PROPERTIES INC	LAND DEVELOPMENT	24,533,515	0.33%	IHC HOSPITALS	MEDICAL PROVIDER	11,201,850	0.48%
PDC-RED CLIFFS MALL LC	REGIONAL SHOPPING MALL	24,533,515	0.33%	LESTER WITTWER INVESTMENTS	PROPERTY INVESTMENTS	8,346,018	0.36%
QWEST CORPORATION	TELECOMMUNICATIONS	24,459,256	0.33%	HARMONS	GROCERY STORE COMPLEX	7,524,335	0.32%
BAJA BROADBAND OPERTING CO LLC	BROADBAND PROVIDER	21,452,239	0.29%	A & M INVESTMENTS	PROPERTY INVESTMENTS	7,172,335	0.31%
VIRACON INC	GLASS FABRICATOR	19,900,765	0.27%	SMITH'S FOOD KING	GROCERY STORE COMPLEX	5,684,640	0.24%
TRAVELLER/STONE CLIFF LC	LAND DEVELOPMENT	19,310,040	0.26%	SUN RIVER DEVELOPMENT II	PROPERTY INVESTMENTS	5,204,530	0.22%
SPLIT ROCK INC	LAND DEVELOPMENT	18,920,115	0.25%	DEAN T. TERRY	HOLIDAY INN & RESTAURANT	5,183,150	0.22%
WELLS DAIRY INC.	ICE CREAM MANUFACTURER	18,589,161	0.25%	AH COOMBS LC	PROPERTY INVESTMENTS	5,172,565	0.22%
ST GEORGE 730 LC	LAND DEVELOPMENT	16,017,375	0.21%	DIXIE DEVELOPMENT CORP	PROPERTY INVESTMENTS	5,039,890	0.21%
INLAND WESTERN ST GEORGE LC	LAND DEVELOPMENT	15,463,900	0.21%	THETA INVESTMENT CO	PROPERTY INVESTMENTS	5,021,210	0.21%
		<u>\$ 258,838,532</u>	<u>3.46%</u>			<u>\$ 108,381,448</u>	<u>4.62%</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					
2000	1,058,816	454,420	677,753	10,196	(36,680)	2,228,943	3,141,008	70.96%
2001	1,162,428	482,240	690,864	2,404	(15,766)	2,389,676	3,387,224	70.55%
2002	1,237,988	520,897	807,263	1,165	(23,445)	2,628,265	3,705,599	70.93%
2003	1,370,760	577,959	864,775	1,212	(18,796)	2,898,793	4,109,661	70.54%
2004	1,459,050	616,981	887,775	1,155	(27,213)	3,039,187	4,320,220	70.35%
2005	1,616,411	681,916	937,422		(18,060)	3,317,031	4,716,445	70.33%
2006	2,068,273	877,977	1,037,878		(2,249)	4,072,530	5,932,597	68.65%
2007	2,820,877	1,256,276	1,334,676		-	5,501,614	8,021,906	68.58%
2008	3,397,861	1,735,621	1,497,991		-	6,761,645	9,594,120	70.48%
2009	3,418,978	2,015,720	1,656,614		-	7,326,282	10,425,903	70.27%

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				Total				(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	School Fund Rate	School Rate	School Rate	School Rate	
2000	0.001742	0.000349	0.002091		0.000295	0.000598		0.000398	0.001291	0.005108	0.001840	0.006948	0.006948	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	0.006905	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	0.006743	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	0.006732	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	0.006680	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	0.006675	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	0.006131	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	0.005600	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	0.005655	0.005655	0.000716	0.008854
2009	0.001015	0.000191	0.001206		0.000194	0.000564	0.000200	0.000421	0.001379	0.004326	0.001311	0.005637	0.005637	0.005637	0.000701	0.008923

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
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%
2009	9,016	7,714	85.56%	129	7,843	86.99%

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	Water Bonds	Electric Bonds	MBA Bonds	Golf Course Bonds	Capital Leases			
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	5,724		2,132	666	17,280					131,319	2,020	
2006	17,695	4,210	5,285	3,480	-	18,026	51,459	5,188		1,711	857	16,710					124,621	1,731	
2007	17,540	3,670	4,700	2,864	-	15,104	49,579	3,786		1,293	918	16,110					115,564	1,541	
2008	17,105	28,070	4,100	2,233	42	12,973	47,169	3,450		859	1,142	15,490					132,633	1,591	
2009	16,595	25,430	3,475	1,612	-	11,042	44,664	68,845		407	702						175,873	2,069	

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 Bonds		Less: Amounts Available in Debt Service Funds		Total	Percentage of Estimated Actual Taxable Value of Property		Per Capita
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			
2009	16,595	-	16,595	0.2265%	195			

CITY OF ST. GEORGE, UTAH
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF JUNE 30, 2009
 (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	\$ 25,305	54.76%	\$ 13,857
Washington County School District	250,472	54.76%	137,158
Washington County Water Conservancy	6,255	54.76%	3,425
Washington County/St George City (WCIA)	18,908	38.00%	7,185
sub-total overlapping debt	<u>300,940</u>		161,626
City of St. George direct debt	16,595		16,595
Total direct & overlapping debt	<u>\$ 317,535</u>		<u>\$ 178,221</u>

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

	FISCAL YEAR									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 281,783	\$ 294,557	\$ 306,841	\$ 336,740	\$ 371,978	\$ 410,848	\$ 503,555	\$ 669,296	\$ 823,545	\$ 896,826
Total net debt applicable to limit	80,385	77,254	71,093	64,969	97,894	85,060	81,933	74,318	71,218	64,594
Legal debt margin	<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>	<u>\$ 832,232</u>

Total net debt applicable to the limit
 as a percentage of debt limit

Legal Debt Margin Calculation for Fiscal Year 2009

Taxable value	\$ 7,473,550
Debt limit:	
General obligation 4%	\$ 298,942
Water & Sewer 8%	597,884
Total debt limit	<u>\$ 896,826</u>
Debt applicable to limit:	
General obligation bonds	\$ 16,595
less: amt set aside for repayment of debt	(1,884)
Water & sewer bonds	55,824
less: amt set aside for repayment of debt	(5,941)
Total net debt applicable to limit	<u>64,594</u>
Legal debt margin	<u>\$ 832,232</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			Net				Water			Net			
	Charges and other	Operating Expenses	Available Revenues	Principal	Interest	Debt Service	Coverage	Charges and other	Operating Expenses	Available Revenues	Principal	Interest	Debt Service	Coverage
2000	7,047	2,041	5,006	1,242	1,278	2,01	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	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	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	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	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	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	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	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	2.41	17,628	10,846	6,782	2,410	2,027	1.53	
2009	8,726	3,294	5,432	1,931	330	2,40	2.40	16,973	10,164	6,809	2,515	1,935	1.53	

Fiscal Year	Golf Course Revenue Bonds							Energy Services Revenue Bonds						
	Golf			Net				Energy			Net			
	Charges and other	Operating Expenses	Available Revenues	Principal	Interest	Debt Service	Coverage	Charges and other	Operating Expenses	Available Revenues	Principal	Interest	Debt Service	Coverage
2000	4,573	3,201	1,372	325	228	2,48	2.48	24,937	24,961	(24)	-	-	-	n/a
2001	4,105	3,405	700	342	204	1,28	1.28	28,224	35,156	(6,932)	-	-	-	n/a
2002	4,110	3,466	644	356	242	1,08	1.08	33,466	39,629	(6,163)	-	-	-	n/a
2003	4,286	3,578	708	282	139	1,68	1.68	36,430	34,562	1,868	-	-	-	n/a
2004	4,357	3,689	668	396	132	1,27	1.27	40,195	37,040	3,155	-	-	-	n/a
2005	3,994	3,993	1	-	98	0,01	0.01	44,637	36,630	8,007	-	-	-	n/a
2006	4,416	4,038	378	421	88	0,74	0.74	51,039	40,748	10,291	570	529	9,36	
2007	4,642	4,533	109	418	69	0,22	0.22	53,623	44,291	9,332	600	703	7,16	
2008	4,840	4,444	396	434	61	0,80	0.80	55,241	44,842	10,399	620	682	7,99	
2009	4,158	4,299	(141)	452	38			55,201	49,921	5,280	645	3,047	1,43	

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
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
2009	85,000	not available	not available		25,775	7.3

(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

2009		2000	
Employer	Employees	Employer	Employees
Washington County School District (1)	2,000-2,999	Washington County School District (1)	1,000-2000
Intermountain Health Care	2,000-2,999	Intermountain Health Care	500-700
Dixie College	500-999	Dixie College	500-700
City of St. George	500-999	Red Cliffs Mall	300-500
Skywest Airlines	500-999	City of St. George	300-400
Federal Government	500-999	Skywest Airlines	200-300
Washington County	250-499	Wal-Mart	200-300
			Industry
			Public Education
			Health Care
			Higher Education
			Shopping mall
			Local Government
			Air Transportation
			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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government	37	41	45	45	48	48	64	50	51	52
Community & development services	11	12	12	12	16	21	24	39	39	29
Public Safety										
Police										
Officers	68	71	74	76	80	83	89	93	97	103
Reserves	15	8	8	8	8	8	8	4	4	
Civilians	13	15	17	24	26	28	30	37	39	39
Fire										
Firefighters & officers	8	8	8	8	9	15	19	22	22	23
Volunteers firefighters	51	51	51	51	51	51	55	64	64	64
Civilians							1	1	1	1
Highways & streets										
Engineering & Administration	18	19	19	20	21	21	24	22	25	22
Maintenance	22	22	23	25	26	28	28	31	32	32
Fleet maintenance	7	9	10	10	10	11	11	12	13	13
Culture & recreation										
Recreation	8	10	10	10	10	12	14	12	14	14
Parks & design	22	21	22	25	25	29	34	39	41	42
Building maintenance	3	3	3	3	4	6	6	7	11	10
Dixie Center				6	8	8	9	9	9	12
Administration & others	10	10	10	10	10	9	9	8	8	6
Water services	25	29	32	33	44	48	52	54	54	49
Wastewater collections	12	12	14	15	17	16	17	19	19	19
Energy services	53	48	50	53	46	49	49	53	56	51
Golf courses	33	33	33	33	33	33	33	33	33	34
Wastewater treatment	20	20	20	17	18	18	18	21	21	19
Public transit					2	2	11	15	15	14
Total	436	442	461	484	512	544	605	645	668	648

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SINGLE AUDIT SECTION



MEMBERS:

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

**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, 2009, which collectively comprise the City of St. George, Utah's basic financial statements and have issued our report thereon dated October 6, 2009. 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.

Mayor and City Council
October 6, 2009
Page 2

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 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 6, 2009.

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 6, 2009

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ST. GEORGE CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Justice:			
Victims of Crime Act	16.575		\$34,250
Drug Enforcement & System Improvement Formula Grant Program	16.579		<u>121,511</u>
Total U.S. Department of Justice			<u>155,761</u>
U.S. Department of Transportation:			
Passed through Utah Dept. of Transportation:			
Federal Aviation Administration: Airport Improvements Program	20.106		30,913,863
Federal Highway Administration: Recreation Trail Program	20.219		192,288
Federal Transportation Administration: Urbanized Area Formula Program	20.507		567,642
Capital Program	20.500		<u>415,884</u>
Total U.S. Department of Transportation			<u>32,089,677</u>
Executive Office of the President, Office of National Drug Control Policy:			
High Intensity Drug Trafficking Area	07.000		<u>78,810</u>
U.S Department of Homeland Security:			
Federal Emergency Management Agency Public Assistant Grant Program	97.036		3,184
Staffing for Adequate Fire & Emergency Response (SAFER)	97.083		83,661
Emergency Management Performance Grant Program	97.042		<u>8,350</u>
Total U.S. Department of Homeland Security			<u>95,195</u>

U.S. Department of the Interior:

Water Conservation Grant Program	15.530	<u>6,937</u>
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U.S. Department of Energy:

State Energy Program	81.041	<u>3,518</u>
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**U.S. Department of Housing & Urban
Development:**

Community Development Block Grant/ Entitlement Grants Program	14.218	<u>1,094,786</u>
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Total Expenditures of Federal Awards		<u>\$33,524,684</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, 2009

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:

Five County Association of Governments	\$245,648
Dixie Care and Share	\$71,000

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ST. GEORGE CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

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

Dollar threshold used to distinguish between
type A and type B programs:

\$ 1,005,741

Auditee qualified as low-risk auditee?

yes

no

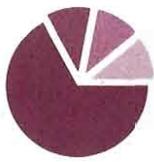
Section II – Financial Statement Findings

No findings were noted.

Section III – Federal Award Findings and Questioned Costs

No findings or questioned costs were noted.

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MEMBERS:

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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, 2009. St. George City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of St. George City's management. Our responsibility is to express an opinion on St. George City's compliance based on our audit.

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

In our opinion, St. George City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

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

October 6, 2009

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Independent Auditors' Report on State Legal Compliance

The Honorable Mayor
and City Council
St. George, Utah

MEMBERS:
KRIS J. BRAUNBERGER
DEAN R. BURDICK
ROBERT S. COX
BRENT R. HALL
KENNETH A. HINTON
MORRIS J. PEACOCK
PHILLIP S. PEINE
MICHAEL K. SPILKER
MARK E. TICHENOR

We have audited the basic financial statements of the City of St. George, Utah, for the year ended June 30, 2009, and have issued our report thereon dated October 6, 2009. 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, 2009. 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
Uniform Building Code Standards
Other General Compliance Issues
Impact Fees & Other Development Fees
Asset Forfeitures
Retirement System

Mayor and City Council
October 6, 2009
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 three 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, 2009.

 Hinton, Burdick, Hall & Spilker, PLLC

HINTON, BURDICK, HALL & SPILKER, PLLC
October 6, 2009

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MEMBERS:
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SCHEDULE OF FINDINGS AND RECOMMENDATIONS

October 6, 2009

St. George City Officials
St. George, Utah 84770

Dear Sirs:

During our audit of the funds of St. George City for the fiscal year 2008 - 2009, we found several 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 has several funds that had a deficit fund balance at June 30, 2009.

October 6, 2009

Page 2

Recommendation

We follow the recommendation of the State Auditor's office by suggesting the City budget in fiscal year 2009-2010 to eliminate the fund deficit in these funds.

3. Finding-Advertisement for B & C Road Project

Utah Code, Section 72-6-108 states an advertisement for bids on B and C Roads shall be published in a newspaper of general circulation in the county in which such work is to be performed at least once a week for three consecutive weeks. The Indian Hills Project was only advertised twice and it was in the same week.

Recommendation

We recognize that this instance of noncompliance is isolated. However, we recommend that the City's personnel always comply with the advertisement requirements for B & C Road Projects with a cost exceeding \$125,000.

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 6, 2009

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October 23, 2009

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, 2009

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. The other funds which had deficits are minor in amount and are a result of the slowdown in the economy. As things recover, it is expected that these funds will be replenished and if not, transfers or loans from other funds will be made to eliminate any deficits.

3. Our purchasing division and the department making the purchase will do a better job of monitoring and making sure that all requirements are complied with in the future.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2009

There were no findings or questioned costs reported in the June 30, 2008 fiscal year audit and thus no comments are necessary in this section.

CONTINUING DISCLOSURE SECTION

City of St. George, UT
 Continuing Disclosure - Excise Tax Revenue Bonds, Series 1996
 Fiscal Year Ended June 30, 2009

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 2004</u>	Fiscal <u>Year 2005</u>	Fiscal <u>Year 2006</u>	Fiscal <u>Year 2007</u>	Fiscal <u>Year 2008</u>
Motor Fuel Tax	\$ 239,925	\$ 241,597	\$240,432	\$254,696	\$250,716
Special Fuel Tax	86,163	93,964	102,194	111,410	114,602
Motor Vehicle Registration Fees	29,391	30,690	32,046	34,293	35,366
Proportional Registration Fees	11,830	12,122	12,421	14,772	14,202
Temporary Permits	360	336	313	401	523
Special Transportation Permits	5,962	6,609	7,333	7,780	8,093
Highway Use Permits	7,901	8,139	8,384	9,108	9,102
Motor Vehicle Control Fees	4,515	4,757	5,012	5,302	5,294
	<u>\$ 386,047</u>	<u>\$ 398,214</u>	<u>\$408,135</u>	<u>\$437,762</u>	<u>\$437,898</u>

Source: "Annual Statistical Summary", Utah Department of Transportation, December 2008

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>
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%
2009	2,291,988	127,804,942	1.79%

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

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	2,291,988	1		772,425	772,425	2.97
2010	2,360,748	2		772,569	772,569	3.06
2011	2,431,570	2		775,363	775,363	3.14
2012	2,504,517	2		768,975	768,975	3.26
2013	2,579,653	2		768,562	768,562	3.36
2014	2,657,042	2		766,406	766,406	3.47

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

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

Fiscal Year	Total Road Construction and Maintenance Expenditures	C" Road Fund Portion	Contribution from the City's General Fund	General Fund Monies as a % of Total
2008	\$ 4,266,739	\$ 2,291,988	\$ 1,974,751	46.28%
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%

(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, 2009

Comparative Property Tax Rates Within Washington County

<u>Tax Levying Entity</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Hurricane	0.00201	0.001965	0.002061	0.001821	0.001821
Ivins	0.001389	0.00137	0.001413	0.001413	0.001413
LaVerkin	0.001629	0.001197	0.001486	0.001893	0.001893
St. George City	0.001206	0.001217	0.001336	0.001644	0.001644
Washington City	0.001124	0.001089	0.001308	0.001252	0.001252

(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	\$ 490,000
2004	Parks and Recreation	11,645,000	August 1, 2021	10,980,000
2006	Parks and Recreation	5,140,000	August 1, 2023	5,125,000

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	\$2,945,000
2009	Sales tax rev.	22,485,000	Nov. 1, 2017	22,485,000

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	\$ 8,295,000
1994	Wastewater	\$4,000,000	June 15, 2014	\$ 1,284,000
2004	Excise Tax Revenue	\$5,000,000	December 1, 2013	\$ 3,475,000
1997B	Sewer	\$12,000,000	June 15, 2012	\$ 3,393,000
2001	Water Refunding	\$8,670,000	June 1, 2020	\$ 7,245,000
2004	Water	\$31,000,000	July 1, 2025	\$27,850,000
2004	Sewer	\$7,015,000	July 1, 2016	\$ 6,365,000
2004	Golf Refunding	\$407,000	April 1, 2010	\$ 407,000
2005	Electric Revenue	\$17,280,000	June 1, 2025	\$14,845,000
2008	Electric Revenue	\$50,000,000	June 1, 2038	\$50,000,000

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	\$2,870,000
2000	MBA Woodward	\$350,000	April 1, 2021	\$ 231,000

Outstanding Special Assessment Indebtedness

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Current Balance Outstanding</u>
1999	SID97-2	\$1,650,826	November 1, 2009	\$ 210,000
2000	SID98-1	\$400,126	December 15, 2009	\$ 51,000
2002	SID2000-1	\$228,000	June 1, 2012	\$ 81,000
2002	SID 99-4	\$1,109,000	November 1, 2012	\$ 444,000
2003	SID 99-1	\$989,000	February 1, 2013	\$ 396,000
2003	SID 99-3	\$1,077,000	June 1, 2013	\$ 430,000

Debt Ratios

Direct General Obligation Debt is .23% of 2008 Taxable Value.

Total Direct and Overlapping General Obligation Debt is 2.6% of 2008 Taxable Value

Per Capita Direct General Obligation Debt is \$195 based on the estimated population of 85,000.

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, 2009

Table 1 - Sewer Fees by Fiscal Year per Entity

Entity	-----Fiscal Year Ended June 30-----				
	2009	2008	2007	2006	2005
City of St. George	\$ 5,618,856	\$ 5,354,009	\$ 5,628,693	\$ 5,521,616	\$ 5,368,964
Washington City	1,189,794	1,218,104	1,221,440	988,265	845,250
City of Santa Clara	322,722	345,145	351,852	239,996	252,609
Town of Ivins	449,986	441,455	388,587	350,206	326,382
	<u>\$ 7,581,358</u>	<u>\$ 7,358,713</u>	<u>\$ 7,590,572</u>	<u>\$ 7,100,083</u>	<u>\$ 6,793,205</u>

(Source: The City)

Table 2 - Sewer Connections by Fiscal Year per Entity

Entity	-----Fiscal Year Ended June 30-----				
	2009	2008	2007	2006	2005
City of St. George	32,744	31,201	32,573	32,709	31,288
Washington City	6,933	7,099	7,068	5,759	4,926
City of Santa Clara	1,881	2,011	2,036	1,399	1,472
Town of Ivins	2,622	2,572	2,249	2,041	1,902
	<u>44,180</u>	<u>42,883</u>	<u>43,926</u>	<u>41,908</u>	<u>39,588</u>

City of St. George, UT
 Continuing Disclosure - 1997A Sewer Revenue Bonds
 Fiscal Year Ended June 30, 2009

Enterprise Fund - Wastewater Collection
 Balance Sheet

	-----Fiscal Year Ended June 30-----				
	2009	2008	2007	2006	2005
Assets:					
Current Assets:					
Cash	\$ (363,632)	\$ 525,940	\$ 963,747	\$ 1,168,396	\$ 2,186,740
Accts Rec./Due from other funds	294,865	410,267	506,902	657,639	781,482
Total current assets	(68,767)	936,207	1,470,649	1,826,035	2,968,222
Property Plant & Equipment	11,268,226	10,084,852	8,737,922	8,141,646	6,290,334
Accumulated depreciation	(5,389,316)	(4,927,561)	(4,511,847)	(4,138,073)	(3,912,993)
Net property, plant & equipment	5,878,910	5,157,291	4,226,075	4,003,573	2,377,341
Total Assets	\$ 5,810,143	\$ 6,093,498	\$ 5,696,724	\$ 5,829,608	\$ 5,345,563
Liabilities and fund equity:					
Current Liabilities:					
Accrued liabilities	\$ 74,888	\$ 195,932	\$ 207,730	\$ 525,154	\$ 46,722
Total current liabilities	74,888	195,932	207,730	525,154	46,722
Total Liabilities	74,888	195,932	207,730	525,154	46,722
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	3,683,431	3,845,742	3,437,170	3,252,630	3,247,017
Total retained earnings	3,683,431	3,845,742	3,437,170	3,252,630	3,247,017
Total fund equity	5,735,255	5,897,566	5,488,994	5,304,454	5,298,841
Total liabilities and equity	\$ 5,810,143	\$ 6,093,498	\$ 5,696,724	\$ 5,829,608	\$ 5,345,563

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2009

Enterprise Fund - Wastewater Treatment
Balance Sheet

	-----Fiscal Year Ended June 30-----				
	2009	2008	2007	2006	2005
Assets:					
Current Assets:					
Cash	\$ 27,870,765	\$ 26,003,300	\$ 15,498,092	\$ 16,445,296	\$ 14,487,835
Restricted cash	2,341,142	2,473,706	3,076,964	2,913,122	3,939,878
Accounts receivable	227,567	520,435	584,920	10,200	210,930
Bond discounts & insurance	542,268	693,131	843,994	1,029,257	1,214,521
Prepaid expenses	-	-	-	-	-
Total current assets	30,981,742	29,690,572	20,003,970	20,397,875	19,853,164
Property Plant & Equipment	69,436,387	68,130,495	64,346,318	60,677,176	51,114,818
Accumulated depreciation	(13,146,255)	(11,825,310)	(10,604,157)	(9,469,310)	(8,596,977)
Net property, plant & equipment	56,290,132	56,305,185	53,742,161	51,207,866	42,517,841
Total Assets	\$ 87,271,874	\$ 85,995,757	\$ 73,746,131	\$ 71,605,741	\$ 62,371,005
Liabilities and fund equity:					
Current Liabilities:					
Accrued liabilities	\$ 397,098	\$ 897,482	\$ 395,103	\$ 663,319	\$ 619,809
Due to other funds	-	-	-	-	-
Total current liabilities	397,098	897,482	395,103	663,319	619,809
Bonds payable	11,336,048	13,340,679	15,545,311	18,587,543	21,624,526
Total Liabilities	11,733,146	14,238,161	15,940,414	19,250,862	22,244,335
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	2,341,142	2,473,706	3,076,964	2,913,122	3,939,878
Unreserved/unrestricted	70,436,018	66,522,322	51,967,185	46,680,189	33,425,224
Total retained earnings	72,777,160	68,996,028	55,044,149	49,593,311	37,365,102
Total fund equity	75,538,728	71,757,596	57,805,717	52,354,879	40,126,670
Total liabilities and equity	\$ 87,271,874	\$ 85,995,757	\$ 73,746,131	\$ 71,605,741	\$ 62,371,005

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2009

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

	-----Fiscal Year Ended June 30-----				
	2009	2008	2007	2006	2005
Operating revenues:					
Charges for services	\$7,592,357	\$7,473,604	\$7,086,317	\$6,802,983	\$6,650,564
Impact and connection fees		-	-	-	-
Other operating revenues	273,158	493,044	880,112	453,342	595,177
Total operating revenues	7,865,515	7,966,648	7,966,429	7,256,325	7,245,741
Operating expenses:					
Salary & Wages	777,911	746,897	654,669	576,084	528,759
Deprecation	461,755	415,714	373,773	225,080	225,318
Bad debts	37,918	35,389	35,439	34,058	33,222
Payroll tax & employee benefits	350,400	337,351	284,352	244,854	232,898
Office & department supplies	70,227	50,387	135,296	102,748	88,741
Professional services	12,869	14,864	10,856	55,844	72,401
Repair & maintenance - equipment	138,128	95,177	120,656	65,130	40,378
Repair & maintenance - bldg & grounds	6,751	6,639	23,490	3,754	9,189
Insurance & surety bonds	19,083	30,048	89,093	36,519	50,163
Travel	28,919	12,443	19,836	8,271	11,418
Contract labor	5,618,856	5,354,009	5,628,693	5,522,889	5,368,964
Billing and administration	520,000	500,000	500,000	375,000	360,000
Total operating expenses	8,042,817	7,598,918	7,876,153	7,250,231	7,021,451
Operating income (loss)	(177,302)	367,730	90,276	6,094	224,290
Non-operating revenues (expenses)					
Interest income	14,991	54,660	53,163	80,439	63,929
Miscellaneous income	-	6,182	41,100	1,080	3,344
Total non-operating revenue (expense)	14,991	60,842	94,263	81,519	67,273
Net Income	(162,311)	428,572	184,539	87,613	291,563
Transfers to other funds	-	(20,000)	-	(82,000)	(433,772)
Retained earnings at beginning of year	3,845,742	3,437,170	3,252,631	3,247,018	3,389,227
Retained earnings at end of year	3,683,431	3,845,742	3,437,170	3,252,631	3,247,018

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2009

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

	-----Fiscal Year Ended June 30-----				
	2009	2008	2007	2006	2005
Operating revenues:					
Charges for services	\$ 7,693,995	\$ 7,358,714	\$ 7,590,572	\$ 7,100,084	\$ 6,793,204
Impact and connection fees	-	-	-	-	-
Other operating revenues	537,913	924,306	1,706,879	2,662,784	3,047,417
Total operating revenues	8,231,908	8,283,020	9,297,451	9,762,868	9,840,621
Operating expenses:					
Salary & Wages	963,028	966,345	894,364	782,939	783,770
Supplies	482,448	439,033	523,667	318,776	372,692
Equipment rental	2,681	2,582	2,155	1,505	3,780
Deprecation	1,320,946	1,221,153	1,134,846	872,333	874,877
Payroll tax & employee benefits	404,254	425,680	398,110	315,273	322,419
Office & department supplies	51,121	43,863	65,568	53,183	67,858
Professional services	285,770	185,618	163,267	200,418	181,420
Repair & maintenance - equipment	492,567	616,277	565,042	454,498	375,241
Repair & maintenance - bldg & grounds	5,922	15,860	13,974	16,012	3,295
Insurance & surety bonds	78,998	84,073	78,460	59,785	34,746
Travel	7,693	8,331	11,320	18,127	13,770
Billing and administration	520,000	520,000	500,000	485,000	432,000
Total operating expenses	4,615,428	4,528,815	4,350,773	3,577,849	3,465,868
Operating income (loss)	3,616,480	3,754,205	4,946,678	6,185,019	6,374,753
Non-operating revenues (expenses)					
Interest income	541,032	1,106,143	948,703	848,763	392,043
Miscellaneous income	65,678	77,830	82,717	5,790,853	253,714
Interest charges	(442,060)	(486,301)	(527,259)	(596,425)	(617,240)
Total non-operating revenue (expense)	164,650	697,672	504,161	6,043,191	28,517
Net Income	3,781,130	4,451,877	5,450,839	12,228,210	6,403,270
Transfers to other funds	-	-	-	-	(218,869)
Federal grants	-	9,500,000			
Retained earnings at beginning of year	68,996,030	55,044,153	49,593,314	37,365,104	31,180,703
Retained earnings at end of year	\$ 72,777,160	\$ 68,996,030	\$ 55,044,153	\$ 49,593,314	\$ 37,365,104

City of St. George, UT
 Continuing Disclosure - 1997A Sewer Revenue Bonds
 Fiscal Year Ended June 30, 2009

Balance Sheet- General Fund

	-----Fiscal Year Ended June 30-----				
	2009	2008	2007	2006	2005
Assets and other debits:					
Cash	\$ 1,581,337	\$ 1,567,343	\$ 889,350	\$ 2,636,637	\$ 2,544,357
Accounts receivable (net of allowance)	2,729,081	3,141,364	3,549,850	3,310,617	2,767,095
Inventory	97,671	93,322	76,772	57,398	51,861
Due from other funds	500,000	500,000	500,000	500,000	500,000
Prepaid items	436,078	487,500	88,773	38,062	44,273
Notes receivable	1,626,532	1,618,215	1,501,469	714,220	343,082
Total assets and other debits	\$ 6,970,699	\$ 7,407,744	\$ 6,606,214	\$ 7,256,934	\$ 6,250,668
Liabilities:					
Accrued liabilities	\$ 1,616,511	\$ 1,912,161	\$ 1,183,184	\$ 1,832,593	\$ 1,259,140
Construction bonds held	173,044	170,271	163,272	155,527	149,363
Due to other funds	388,645	388,645	388,645	388,645	388,645
Deferred revenues	36,179	29,491	22,198	13,102	-
Total liabilities	2,214,379	2,500,568	1,757,299	2,389,867	1,797,148
Fund equity and other credits:					
Fund Balances:					
Reserved by statute	217,799	396,718	338,785	247,923	229,502
Reserved for notes receivable	1,626,532	1,618,215	1,501,469	714,220	343,082
Unreserved - undesignated	2,911,989	2,892,242	3,008,661	3,904,924	3,880,936
Total fund equity and other credits	4,756,320	4,907,175	4,848,915	4,867,067	4,453,520
Total Liabilities, Equity, and other credits	\$ 6,970,699	\$ 7,407,743	\$ 6,606,214	\$ 7,256,934	\$ 6,250,668

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, 2005 through June 30, 2009. The summary has not been audited

	-----Fiscal Year Ended June 30-----				
	2005	2006	2007	2008	2009
REVENUES:					
Taxes and special assessments	\$23,357,920	\$26,466,660	\$28,352,697	\$29,348,208	\$27,037,298
Licenses and permits	3,656,186	3,544,685	3,190,123	2,270,555	1,622,432
Intergovernmental	4,547,551	3,257,244	2,947,720	2,931,939	2,718,261
Charges for services	6,176,457	7,136,562	8,001,581	8,235,888	7,761,910
Fines and forfeitures	987,030	928,299	1,017,869	850,868	856,218
Miscellaneous	68,251	183,860	169,837	139,055	65,690
Interest income	348,492	797,245	1,080,786	928,850	425,197
Rents and concessions	30,046	34,713	32,525	29,946	25,474
Proceeds from sale of property	-	-	-	-	-
Total revenues	39,171,933	42,349,268	44,793,138	44,735,309	40,512,480
EXPENDITURES:					
General government	4,153,719	4,894,699	5,816,649	6,419,183	5,991,205
Public safety	10,355,029	12,023,185	13,933,315	15,283,141	14,042,927
Highways and public improvements	10,020,742	9,505,136	8,069,622	8,289,325	7,344,458
Parks, recreation and public prop.	7,333,537	8,068,186	8,610,122	9,884,604	8,738,528
Community and economic development	1,638,479	1,967,056	2,150,028	2,135,149	1,661,199
Capital projects	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital leases	71,924	53,284	49,084	49,729	50,102
Total expenditures	33,573,430	36,511,546	38,628,820	42,061,131	37,828,419
Excess (deficiency of Revenues over Expenditures)	5,598,503	5,837,722	6,164,318	2,674,178	2,684,061
OTHER FINANCING SOURCES (USES):					
Proceeds of bond sales/capital leases	-	-	-	-	-
Contributions from other entities	74,123	300,031	65,916	71,503	137,703
Operating transfers out	(6,198,669)	(6,000,000)	(6,472,000)	(3,336,000)	(3,287,000)
Operating transfers in	564,624	172,000	162,659	531,753	266,087
Proceeds from sale of fixed assets	25,480	103,872	60,955	116,828	28,294
Total other financing sources (uses)	(5,534,442)	(5,424,097)	(6,182,470)	(2,615,916)	(2,854,916)
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	64,061	413,625	(18,152)	58,262	(170,855)
Residual equity transfer to PFC Spec Rev Fund	-	-	-	-	-
Unappropriated Fund Balances at the beginning of the year	4,389,458	4,453,443	4,867,068	4,848,915	4,907,176 **
Fund Balances at the end of year	\$ 4,453,519	\$ 4,867,068	\$ 4,848,916	\$ 4,907,177	\$ 4,736,321

** (includes balance in perpetual care fund)

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

City of St. George, UT
 Continuing Disclosure - 1997A Sewer Revenue Bonds
 Fiscal Year Ended June 30, 2009

Historical Summaries of Taxable Values of Property

Set by County Assessor Locally Assessed	2008		2007		2006		2005		2004		2003	
	Taxable Value	% of T.V.										
Residential Real Estate - primary use	\$ 1,174,033,245	16.02%	\$ 1,184,609,696	17.52%	\$ 815,711,565	14.83%	\$ 474,201,510	10.24%	\$ 382,106,770	10.02%	\$ 347,369,360	10.01%
Residential Real Estate - Not primary use	1,202,990,960	16.42%	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%
Commercial and Industrial Real Estate	639,417,870	8.73%	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%
Agricultural Real Estate - Improved - Not F.A.A.	43,928,820	0.60%	50,770,036	0.75%	42,272,440	0.77%	-	0.00%	-	0.00%	-	0.00%
Real Estate - Under FAA-Agricultural	2,113,915	0.03%	2,369,365	0.04%	1,859,735	0.03%	556,285	0.01%	616,345	0.02%	689,260	0.02%
Unimproved Real Estate - Not F.A.A.	-	0.00%	-	0.00%	-	0.00%	543,699,090	11.74%	438,747,895	11.50%	393,123,490	11.33%
Total Real Estate	3,062,484,810	41.80%	2,975,276,010	44.00%	2,162,094,215	39.30%	1,461,506,405	31.56%	1,209,231,895	31.70%	1,114,533,290	32.11%
Residential Buildings - Primary use	2,244,944,655	30.64%	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%
Residential Buildings - Not primary use	812,729,370	11.09%	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%
Commercial and Industrial Buildings	969,031,890	13.23%	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%
Agricultural Buildings	2,121,550	0.03%	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%
Total Buildings	4,028,827,465	54.99%	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%
Total Real Property	7,091,312,275	96.79%	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%
Fee in Lieu Property	-	0.00%	-	0.00%	-	0.00%	57,778,955	1.25%	50,106,273	1.31%	43,311,289	1.25%
Fee based property	-	0.00%	-	0.00%	-	0.00%	291,315,537	7.36%	261,753,538	8.09%	-	-
Mobile Homes - Primary residential use	-	0.00%	-	0.00%	-	0.00%	5,064,988	0.11%	5,283,331	0.14%	5,956,203	0.17%
Mobile Homes - other use	-	0.00%	-	0.00%	-	0.00%	3,732,128	0.08%	4,214,820	0.11%	4,460,143	0.13%
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%	-	0.00%	177,976,389	3.84%	159,211,151	4.17%	371,601,473	10.71%
Total Personal Property	-	0.00%	-	0.00%	-	0.00%	535,867,997	11.57%	480,569,113	12.60%	425,329,108	12.25%
Total Locally Assessed	7,091,312,275	96.79%	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%
Total Centrally Assessed	234,970,051	3.21%	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%
Total Taxable Value	\$ 7,326,282,326	100.00%	\$ 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%

(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 DEBT SERVICE	1993 BOND DEBT SERVICE	1995A BOND DEBT SERVICE	2003 Refunding BOND DEBT SERVICE	2004 Bond Debt SERVICE	TOTAL DEBT SERVICE	TOTAL DEBT SERVICE COVERAGE
2002	\$ 8,902,637	\$ 1,947,637	\$ 30,902	#####	\$ 3,979,626	\$ 6,901,550	\$ 450,130	\$ 1,403,429	\$ 943,200	\$ -	\$ -	\$ 2,796,759	2.47
2003	9,232,571	2,958,375	19,055	12,210,001	4,998,005	7,211,996	449,280	1,406,179	482,995	-	-	2,338,454	3.08
2004	10,316,867	4,322,025	86,846	14,725,738	5,241,917	9,483,821	452,405	-	479,995	386,292	548,649	1,867,341	5.08
2005	10,366,313	5,096,818	432,366	15,895,497	6,466,674	9,428,823	450,315	-	480,885	1,267,500	1,130,220	3,328,920	2.83
2006	11,613,585	4,069,040	433,269	16,115,894	8,651,459	7,464,435	448,170	-	-	1,271,288	1,474,200	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	2,485,400	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	-	-	1,264,850	2,632,314	4,437,164	1.53
2009	14,119,193	2,830,321	66,297	17,015,811	10,188,105	6,827,706	907,604	-	-	1,252,700	2,280,042	4,440,346	1.54

(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

	2009	2008	2007	2006	2005	2004	2003
ASSETS							
Current Assets:							
Cash	\$ 945,796	\$ 1,240,894	\$ 2,294,281	\$ 3,226,718	\$ 319,897	\$ -	\$ -
Restricted Cash	3,325,629	3,292,054	3,228,028	4,856,639	10,961,469	27,425,337	540,865
Accts. Receivable	122,899	605,381	210,587	250,829	15,130	173,619	8,905
Inventory	578,079	565,193	564,252	465,903	303,632	311,628	220,828
Bond Discounts	602,090	659,870	717,651	775,432	833,212	890,993	518,097
Prepaid Expenses	-	-	-	-	2,830	2,830	2,830
Total Current Assets	5,574,493	6,363,392	7,014,799	9,575,521	12,436,170	28,804,407	1,291,525
Property, Plant & Equipment							
Improvements	128,148,411	125,122,446	122,179,850	116,995,177	111,256,927	91,751,547	77,232,555
Less Accum. Depr	(29,388,823)	(26,462,417)	(23,579,090)	(20,959,586)	(18,592,366)	(16,623,004)	(14,964,337)
Net prop. plant & equip.	98,759,588	98,660,029	98,600,760	96,035,591	92,664,561	75,128,543	62,268,218
TOTAL ASSETS	\$ 104,334,081	\$ 105,023,421	\$ 105,615,559	\$ 105,611,112	\$ 105,100,731	\$ 103,932,950	\$ 63,559,743
LIABILITIES & FUND EQUITY							
Current Liabilities:							
Accrued Liabilities	\$ 1,873,622	\$ 1,941,395	\$ 1,858,206	\$ 1,781,911	\$ 3,536,847	\$ 2,863,701	\$ 1,208,315
Due to other funds	-	-	-	-	-	2,006,017	3,866,603
Total Current Liabilities	1,873,622	1,941,395	1,858,206	1,781,911	3,536,847	4,869,718	5,074,918
Long-Term Liabilities:							
Bonds Payable	44,782,513	47,168,713	49,578,713	51,458,713	52,298,713	54,413,713	23,858,713
Bond premiums	2,400,743	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
Deferred gain on bond redemption	-	-	-	-	-	-	-
Total long-term liabilities	47,183,256	49,777,714	52,395,972	54,484,230	55,653,093	58,077,608	25,118,880
TOTAL LIABILITIES	49,056,878	51,719,109	54,254,178	56,266,141	59,189,940	62,947,326	30,193,798
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	3,325,629	3,292,054	3,228,028	4,856,639	1,890,678	1,538,022	540,865
Unreserved	50,057,791	48,118,475	46,239,570	42,594,549	42,126,329	37,553,819	30,931,297
Total retained earnings	53,383,420	51,410,529	49,467,598	47,451,188	44,017,007	39,091,841	31,472,162
TOTAL FUND EQUITY	55,277,203	53,304,312	51,361,381	49,344,971	45,910,790	40,985,624	33,365,945
TOTAL LIABILITIES & EQUITY	\$ 104,334,081	\$ 105,023,421	\$ 105,615,559	\$ 105,611,112	\$ 105,100,730	\$ 103,932,950	\$ 63,559,743

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

	2009	2008	2007	2006	2005	2004	2003
Operating Revenues:							
Charges for services	\$14,119,193	\$14,377,769	\$12,823,814	\$11,613,585	\$10,366,313	\$10,316,867	\$9,232,571
Impact fees & Other	669,037	1,128,330	2,343,208	4,069,040	5,096,818	4,322,025	2,958,374
Total operating revenues	14,788,230	15,506,099	15,167,022	15,682,625	15,463,131	14,638,892	12,190,945
Operating Expenses:							
Water purchased	4,393,712	4,216,527	4,033,190	1,122,563	850,278	662,191	700,260
Salary and Wages	2,324,846	2,384,161	2,130,251	2,204,221	1,905,206	1,695,616	1,400,210
Service vehicle expense	168,442	201,065	149,139	136,520	109,189	92,046	80,488
Equipment rental	33,610	28,651	18,213	21,205	11,115	14,875	18,139
Depreciation	2,926,406	2,883,327	2,619,504	2,367,220	1,969,362	1,658,667	1,469,881
Bad debts	69,791	64,946	61,908	57,475	50,576	51,363	45,879
Payroll tax & benefits	1,007,254	1,053,418	942,704	886,429	802,391	690,897	552,031
Office supplies	180,868	387,679	2,096,072	2,963,452	112,863	130,669	764,625
Professional services	170,836	174,209	158,441	99,239	151,778	120,769	142,323
R & M - equipment	811,191	1,305,974	248,267	325,784	1,688,726	1,053,676	700,071
Insurance & surety bonds	78,243	84,251	81,961	93,822	109,619	152,772	62,438
Travel	34,810	38,947	34,600	65,468	25,715	36,222	26,285
Miscellaneous	1,304	816	1,222	2,067	1,510	655	(128)
Subscriptions	14,205	15,135	2,361	2,214	14,308	8,167	3,484
Billing & administration	890,000	890,000	711,530	671,000	633,400	532,000	501,900
Total operating expenses	13,105,518	13,729,106	13,289,363	11,018,679	8,436,036	6,900,585	6,467,886
Operating income	1,682,712	1,776,993	1,877,659	4,663,946	7,027,095	7,738,307	5,723,059
Non-operating Rev. (Exp.):							
Interest income	66,297	186,706	275,516	433,269	432,366	86,846	19,055
Rent	2,091,284	1,934,818	1,934,818	322,470	-	-	-
Miscellaneous	76,937	71,579	22,063	156,845	690	1,216,866	10,000
Loss on bond refunding	-	-	-	-	-	-	(565,492)
Interest charges	(1,935,346)	(2,027,164)	(2,093,642)	(2,142,352)	(2,019,046)	(1,422,341)	(1,324,162)
Total Non-operating	299,172	165,939	138,755	(1,229,768)	(1,585,990)	(118,629)	(1,860,599)
Net Income (loss)	1,981,884	1,942,932	2,016,414	3,434,178	5,441,105	7,619,678	3,862,460
Transfers to other funds	(8,994)	-	-	-	(515,939)	-	-
Retaining earnings at July 1	51,410,530	49,467,598	47,451,184	44,017,006	39,091,840	31,472,162	27,609,702
Retained earnings at June 30	\$53,383,420	\$51,410,530	\$49,467,598	\$47,451,184	\$44,017,006	\$39,091,840	\$31,472,162

Source: City's Comprehensive Annual Financial Reports

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 last ten fiscal years:

Fiscal Year <u>Ended June 30</u>	<u>Innkeepers Tax Revenue</u>
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
2009	352,890

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

Fiscal Year <u>June 30</u>	<u>Sales Tax Revenues</u>	<u>Percent Increase from prior year</u>
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%)
2009	12,875,517	(15.27%)

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, 2009

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		\$ 75.13
Commercial Service				
Small General Service	8.48			
0-500 kWh (per kWh)		0.1172		217.67
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			3,643.31
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	\$ 0.0773	\$ 84.94	\$ 65.33
Small Commercial (includes demand)	0.0921	239.35	196.00
Large Commercial (includes demand)	0.0720	4,085.39	3,201.23

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - 2005 ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2009

TABLE III - Summary of Kilowatt Hours and Production Costs

<u>Year</u>	<u>kWh</u>	<u>Cost per kWh</u>
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
2009	795,155,258	0.06779

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	15,001,875	1.9740%
IHC Dixie Regional Medical Center (River Rd campus)	Hospital	12,161,400	1.6002%
Dixie Medical Center (300 E campus)	Hospital	8,181,600	1.0766%
Quality Park Products	Manufacturing	7,829,600	1.0302%
Costco Wholesale	Large box store	5,303,040	0.6978%
Harmon's City Inc	Grocery store	3,912,240	0.5148%
Lowes Home Improvement	Large box store	2,858,080	0.3761%
Albertsons Inc. #329	Grocery store	2,395,200	0.3152%
LDS St. George Temple	Religious bldg.	2,265,900	0.2982%
Smith's Management Corporation	Grocery store	2,244,640	0.2954%
		<u>62,153,575</u>	<u>8.1783%</u>

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - 2005 ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2009

TABLE V Historical and Projected Operating Results

	HISTORICAL					PROJECTED					
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Sources of Funds:											
Service Charges/User Fees	\$37,695,191	\$39,754,876	\$44,196,505	\$48,831,532	\$51,029,054	\$51,811,239	\$57,319,605	\$60,705,128	\$63,637,515	\$65,426,155	\$67,364,625
Impact fees	2,446,567	4,498,132	4,408,012	3,856,965	3,061,865	2,290,707	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total sources of funds	40,141,758	44,253,008	48,604,517	52,688,497	54,090,919	54,101,946	59,819,605	63,205,128	66,137,515	67,926,155	69,864,625
Uses of Funds:											
Electricity purchased	31,583,859	30,317,925	32,530,927	36,099,643	35,466,629	37,868,364	42,581,165	44,430,945	45,887,160	48,034,672	49,457,856
Operating costs	5,456,514	6,311,798	8,217,167	11,501,334	12,584,940	12,053,112	8,694,937	9,042,735	9,404,444	9,780,622	10,171,846
Total O & M Expenses	37,040,373	36,629,723	40,748,094	47,600,977	48,051,569	49,921,476	51,276,102	53,473,680	55,291,604	57,815,294	59,629,702
Net Operating Revenues	3,101,385	7,623,285	7,856,423	5,087,520	6,039,350	4,180,470	8,543,503	9,731,448	10,845,911	10,110,861	10,234,923
Non-operating Revenues (Expenses)											
Interest income	28,412	62,608	454,638	689,072	565,997	906,871	724,116	264,913	306,314	407,873	286,882
Other income	24,452	321,333	1,979,362	245,233	583,922	191,987	850,000	850,000	850,000	850,000	850,000
Total Non-operating	52,864	383,941	2,434,000	934,305	1,149,919	1,098,858	1,574,116	1,114,913	1,156,314	1,257,873	1,136,882
Net Revenues for DS payments	3,154,249	8,007,226	10,290,423	6,021,825	7,189,269	5,279,328	10,117,619	10,846,361	12,002,225	11,368,734	11,371,805
Outstanding Bonds:											
Series 2005 Bonds	-	-	1,129,669	1,303,301	1,302,244	1,337,629	1,335,054	1,334,454	1,334,454	1,334,454	1,334,454
Series 2008 Bonds	-	-	-	-	-	2,354,199	2,448,625	3,321,125	3,336,125	3,349,125	3,335,125
Total debt service payments	-	-	1,129,669	1,303,301	1,302,244	3,691,828	3,783,679	4,655,579	4,670,579	4,683,579	4,669,579
Projected Debt Service Coverage	N/A	N/A	9.11	4.62	5.52	1.43	2.67	2.33	2.57	2.43	2.44

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - 2005 ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2009

TABLE VI Statement of Net Assets

ASSETS	2009	2008	2007	2006	2005
Current assets:					
Cash	\$ 7,439,768	\$ 4,705,962	\$ 15,209,435	\$ 8,908,066	\$ 9,710,617
Restricted cash	24,354,936	5,351,469	2,264	1,929	1,267,078
Accts. receivable (net of allowance for uncollectibles)	9,624,040	9,765,916	7,506,857	7,582,406	5,816,812
Inventory	1,877,049	1,866,622	2,430,768	1,871,667	1,260,040
Due from other funds					-
Note receivable					-
Bond discounts & insurance	1,677,658	304,364	322,268	340,172	358,076
Prepaid expenses	2,144	-	-	90,228	-
Total current assets	44,975,595	21,994,333	25,471,592	18,794,468	18,412,623
Capital assets net of accumulated depreciation	84,261,261	55,436,370	45,267,696	44,605,417	40,733,551
TOTAL ASSETS	129,236,856	77,430,703	70,739,288	63,399,885	59,146,174
LIABILITIES					
Current liabilities:					
Accrued liabilities	9,548,663	7,815,464	7,030,248	4,499,267	6,564,590
Capital leases	-	-	-	-	-
Due to other funds (short-term)					-
Deposits payable	1,345,694	1,472,154	1,422,701	1,302,527	1,167,359
Total current liabilities	10,894,357	9,287,618	8,452,949	5,801,794	7,731,949
Long-term liabilities:					
Bonds payable - long term	64,845,000	15,490,000	16,110,000	16,710,000	17,280,000
Bond premiums	712,193	514,717	544,994	575,271	605,549
Due to other funds (long-term)	-	-	-	-	-
Total long-term liabilities	65,557,193	16,004,717	16,654,994	17,285,271	17,885,549
Total liabilities	76,451,550	25,292,335	25,107,943	23,087,065	25,617,498
NET ASSETS					
Invested in capital assets, net of related debt	20,381,725	39,736,018	28,612,702	27,320,146	22,848,002
Restricted	24,354,936	5,351,469	2,264	1,929	1,267,078
Unrestricted	8,048,643	7,050,882	17,016,378	12,990,746	9,413,596
Total net assets	\$ 52,785,304	\$ 52,138,369	\$ 45,631,344	\$ 40,312,821	\$ 33,528,676

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - 2005 ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2009

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
OPERATING REVENUES:					
Charges for services	\$ 51,811,239	\$ 51,029,054	\$ 48,831,532	\$ 44,196,505	\$ 39,754,876
Other operating revenues	2,290,707	3,061,865	3,856,965	4,408,012	4,498,132
Total operating revenues	54,101,946	54,090,919	52,688,497	48,604,517	44,253,008
OPERATING EXPENSES:					
Electricity purchased	37,868,364	33,217,278	33,257,531	32,530,927	30,317,925
Natural gas purchased	3,498,003	2,249,351	2,842,112	1,503,365	
Salary and wages	3,353,755	3,336,321	3,133,149	2,925,315	2,482,803
Supplies	799,088	1,448,882	914,073	212,793	55,122
Service vehicle expense	144,937	173,493	162,693	173,404	141,003
Equipment rental	-	362	1,768	7,500	2,508
Depreciation	3,979,778	3,209,916	3,310,293	2,976,888	2,036,938
Bad debts	226,870	240,541	232,501	219,205	197,862
Payroll tax & employee benefits	1,252,170	1,291,785	1,214,349	1,072,626	968,694
Office & dept. supplies	72,384	106,281	104,220	87,417	72,197
Professional services	558,004	498,768	466,308	308,474	598,487
R. & M. - equipment	525,412	589,268	329,791	463,845	311,018
R. & M. - buildings and grounds	20,255	21,311	28,617	17,284	25,175
Insurance & surety bonds	122,585	118,084	226,821	92,839	79,355
Travel	53,715	71,528	72,852	58,536	75,220
Miscellaneous	9,312	1,759	1,714	5,065	3,055
Interest expense	55,560	65,911	61,925	37,041	316,730
Subscriptions & memberships	61,061	60,730	24,473	25,458	32,468
Billing & administration	1,300,000	1,350,000	1,215,787	1,007,000	950,100
Total operating expenses	53,901,253	48,051,569	47,600,977	43,724,982	38,666,660
Operating income (loss)	200,693	6,039,350	5,087,520	4,879,535	5,586,348
NON-OPERATING REVENUES (EXPENSES)					
Interest income	906,871	565,997	689,072	454,638	62,608
Rent	-	-	-	-	-
Miscellaneous income	191,987	583,922	245,233	1,979,362	321,333
Loss on bond refinancing	-	-	-	-	-
Interest charges	(652,616)	(682,244)	(703,301)	(529,391)	-
Total non-operating revenue (expense)	446,242	467,675	231,004	1,904,609	383,941
Income before transfers	646,935	6,507,025	5,318,524	6,784,144	5,970,289
Contributions	-	-	-	-	-
Transfers to/from other funds	-	-	-	-	-
Change in Net Assets	646,935	6,507,025	5,318,524	6,784,144	5,970,289
Total net assets - beginning	52,138,369	45,631,344	40,312,820	33,528,676	27,558,387
Total net assets - ending	\$ 52,785,304	\$ 52,138,369	\$ 45,631,344	\$ 40,312,820	\$ 33,528,676

Management's Discussion of Operations

The City saw levelized to no growth throughout the year, which corresponds with steady levels in energy demand and requirements (2008 system peak was 163 MW). The City continues to meet these requirements with a diverse Energy Portfolio to avoid volatility of any given source. The Energy Portfolio mix is as follows: coal as base load, hydro, gas and diesel as peaking resources. The Energy Services Department implemented the solar generation project SunSmart to complement the existing net metering program this fiscal year to promote solar and renewable energy resources. These programs have proven to be successful.

The following is a list of the current City Energy Services:

CURRENT SOURCES

Colorado River Storage Project Contract (Hydro) Expires 2024	19 MW for summer 29 MW for winter
<ul style="list-style-type: none">• Western Replacement Power• Western System Power Pool	10-20 MW 5-10 MW
Utah Associated Municipal Power (UAMPS)	
<ul style="list-style-type: none">• Pool – contact Sales	5-20 MW
Deseret Generation and Transmission	
<ul style="list-style-type: none">• Bonanza 1 – Coal• Contract Sales (other shafts)	50 MW 10-20 MW
City Owned Generation	
<ul style="list-style-type: none">• Red Rock – Diesel• Bloomington – Diesel• Millcreek #1– Natural Gas• Millcreek #2 – Natural Gas (under construction -2010)	14 MW 11 MW 40 MW 40MW
Long Term Purchase Contacts	
<ul style="list-style-type: none">• Jordanelle Hydro (Heber sale)	4 MW
Short Term Market Purchases/Sales (1-3 year contracts)	
<ul style="list-style-type: none">• Powerex• Morgan Stanley• Cargill• City of Burbank• UMPA• Black Hills	5-15 MW 5-15 MW 5-15 MW 5-15 MW 5-15 MW 5-15 MW
Renewable Resources	
<ul style="list-style-type: none">• SunSmart Solar• Net Metering	100 KW 75 KW

NATURAL GAS

- IGI/BP Long term gas hedge 35-50% of requirements

FUTURE SOURCES

- | | |
|--|----------|
| • Landfill Biomass Project | 1-5 MW |
| • DGT Bonanza 2 | 30 MW |
| • New Coal Contract (various plants under study) | 20-30 MW |
| • Millcreek #3 Natural Gas | 40 MW |

FORECAST

The City has utilized the information developed by the Energy Services Department for internal forecasting purposes. Even though the past year showed levelized or no growth in energy levels, the Department still projects that energy sales through the System will continue to show a steady annual increase as exhibited over the past 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 3% to 4%.

The Department has projected that all other operating expenses of the System will increase at a rate of approximately 4% per annum for the next five fiscal years. The Department believes that a projected rate of increase of 1 ½% for the next two years that has been used in the future cash flows is reasonable, based on the department's 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. Long-term power purchase contracts and the construction of a 40 MW gas generator for peaking power has helped 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 generator 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 new generation along with 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, 2009, approximately 53.62% of the System's electric sales revenues and 53.10% of energy sold through the System

were attributable to commercial establishments. The commercial base in the City has contributed to relatively constant growth in electric energy sales through the System. The System peak (163 MW) decreased this fiscal year due to weather and the economy, but the 10 year average results in the peak continuing to grow at an average of 4% and energy sales continuing to grow at an average of 3% to 4%.

FINANCIAL

The Energy Industry has become very volatile due to deregulation in 2000 and ever changing market conditions.

The City has taken a number of steps to maintain 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 Desert Generation and Transmission (DGT) and others to further stabilize its long-term power supply costs. Even though there have been no rate increases since 2005, the City represents that the System has operated with positive cash flows in fiscal years 2004, 2005, 2006, 2007 and 2008. While the City did see a decrease in the amount of net income this year, we still had a small positive net income. This reduction is primarily due to the economy and abnormal weather conditions, which resulted in less than expected energy sales/revenues. The City expects 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 acquiring of future resources will involve the consideration of climate change issues as well.

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