

CITY OF ST. GEORGE, UT
COMPREHENSIVE ANNUAL FINANCIAL
REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2010



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St George Replacement Airport (Nov. 2010) Photo by: Brad Kitchen

Prepared by Philip R. Peterson, CPA CGFM
Finance Director

CITY OF ST. GEORGE, UT
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2010

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INTRODUCTORY SECTION



CITY OF ST. GEORGE

175 East 200 North
St. George, Utah 84770

October 19, 2010

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, 2010, 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, 2010, 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, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and

disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of St. George's financial statements for the fiscal year ended June 30, 2010, 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.

“The City of St. George, once regarded as a retirement community, is quickly becoming a mecca for endurance sports, golf and softball. St. George hosts hundreds of sporting events each year, including the Huntsman World Senior Games, the NJCAA national fast pitch softball tournament, and the St. George Marathon, bringing hundreds of millions of dollars to the local economy.” (relocateamerica.com)

During the fiscal year there were building permits issued for 299 residential units. It represents an increase of 39.7% which compares with a 52% decline for the fiscal year ended June 30, 2009. The total valuation of building permits increased by 9.56% for the fiscal year in comparison with a 58% decline in the fiscal year ended June 30, 2009. Both are encouraging signs that things have begun to stabilize in the building trades.

“In fiscal year 2009-2010 the City completed or is in the process of completing numerous public improvement projects despite reductions in revenues on the local level. Some of these major projects include: (1) started construction on the new terminal building at the Replacement Airport; (2) finished the grading and drainage portion of the Replacement Airport; (3) paved the new runway and taxiway at the Replacement Airport site and roadways are being constructed on line for the opening in January, 2011; (4) started construction on the new transit building; (5) held the 2009 National Junior College World Series girls fast pitch tournament here; (6) in conjunction with Washington County, surrounding communities, and the State Sports Commission, held a successful 1st St. George Ironman Triathlon; (7) along with the State of

Utah, completed improvements at the Hilton Drive/Blackridge Drive intersection with a new, safer route; (8) rebuilt Blackridge Drive to eliminate structural damage; (9) designed, planned and constructed, with funds from UDOT, four new golf holes at Southgate to facilitate the new Dixie Drive Interchange; (10) completed 120 East (adjacent to the Flying J and the Bloomington roundabout) to better facilitate truck traffic at this intersection; (11) received a \$2,150,000 grant to build an 800 MHz public safety communications system; (12) established a downtown station for our Police motors and bicycle squad in the old Water Conservancy District building; (13) 2009 crime statistics show the lowest number in six years and accidents have been reduced to the lowest level in 13 years; (14) design was completed and construction started on the new fire station in the area of Sun River and the Atkinville Interchange; (15) constructed and dedicated a new pavilion at the Bluff Street Park with a generous donation from the Exchange Club; (16) conducted the largest St. George Marathon ever, with 5,887 finishers; (17) increased the number of participants in our races by over 29%; (18) completed a \$48 million addition of another gas powered jet turbine engine at the Millcreek generation facility; and (19) completed a new water tank at the Replacement Airport and installed water and sewer service to the airport site. (City Manager's 2011 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, 2010, 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 Gil Almquist



Council Member Gloria Shakespeare



Council Member Jon Pike



Council Member Benjamin Nickle



Council Member Gail Bunker



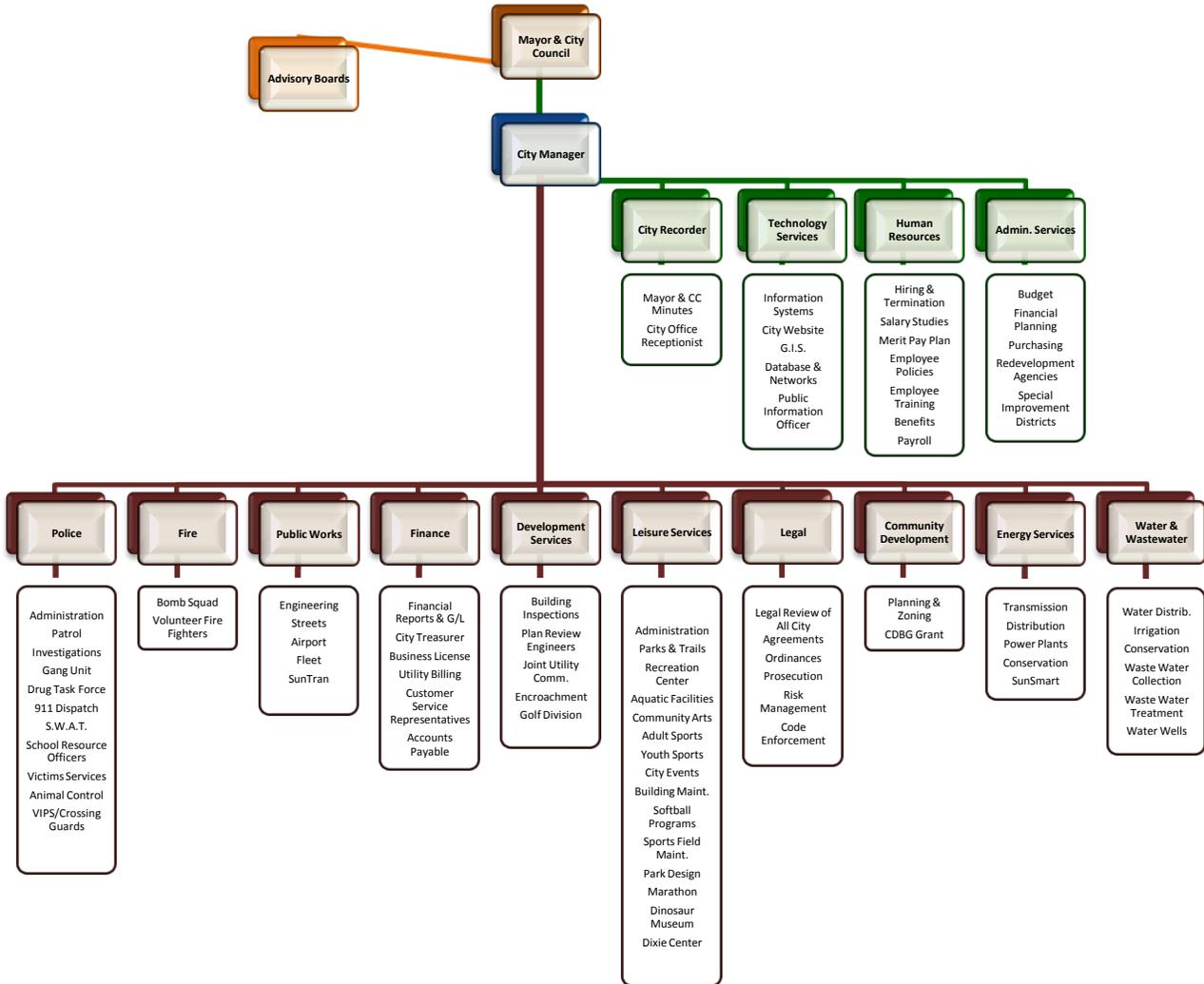
City Manager Gary S. Esplin

*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:

CHAD B. ATKINSON
KRIS J. BRAUNBERGER
DEAN R. BURDICK
ROBERT S. COX
TODD B. FELTNER
BRENT R. HALL
TODD R. HESS
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, 2010, 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, 2010, 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 8, 2010, 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 considered in assessing 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 required 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 8, 2010

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of St. George, we offer readers of the City of St. George's financial statements this narrative overview and analysis of the financial activities of the City of St. George for the fiscal year ended June 30, 2010. 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 8.15% to \$457,859,972.

Governmental net assets increased by 12.39% while Business-type net assets increased by 3.62%.

In the Governmental funds, the total increase is \$27,076,030 and is made up of increases in fixed assets net of related debt of \$42,478,573 while the assets other than fixed assets declined by \$15,402,543 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 made up of increases in fixed assets net of related debt of \$22,477,173 while other net assets decreased by \$15,068,256, with the majority of that being the spending of the remaining bond funds which were issued for the construction of the Millcreek Generation expansion project.

The total net assets are \$457,859,972 and are made up of \$384,357,904 in capital assets net of related debt and \$73,502,068 in other net assets.

In the General Fund, revenues exceeded expenditures by \$4,153,174. \$4,153,073 was then transferred to other funds including the Capital Equipment Capital Projects Fund to be used to fund additional capital projects and the Economic Development Special Revenue Fund to be used to facilitate economic development projects in the city. The total fund balance of the General Fund represents 11.65% of total budgeted expenditures for the next fiscal year ending 2011, which only was a small decrease from 11.71% for the prior fiscal year despite the downturn in the economy.

Total long-term liabilities of the City decreased by \$4,197,821. The only debt issued this year was the 2009A & 2009B Series Excise Tax Bonds totaling \$10,227,000 for construction activities at the replacement airport. 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 Capital Equipment 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 \$457,859,972.

By far the largest portion of the City of St. George's net assets (83.95%) 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>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Current and other assets	\$37,953	\$ 49,611	\$61,308	\$ 80,926
Capital assets	<u>295,890</u>	<u>249,560</u>	<u>280,802</u>	<u>266,406</u>
Total assets	<u>333,843</u>	<u>299,171</u>	<u>342,110</u>	<u>347,332</u>
Long-term debt outstanding	75,080	70,333	119,919	128,286
Other liabilities	<u>13,218</u>	<u>10,369</u>	<u>9,875</u>	<u>14,140</u>
Total liabilities	<u>88,298</u>	<u>80,702</u>	<u>129,794</u>	<u>142,426</u>

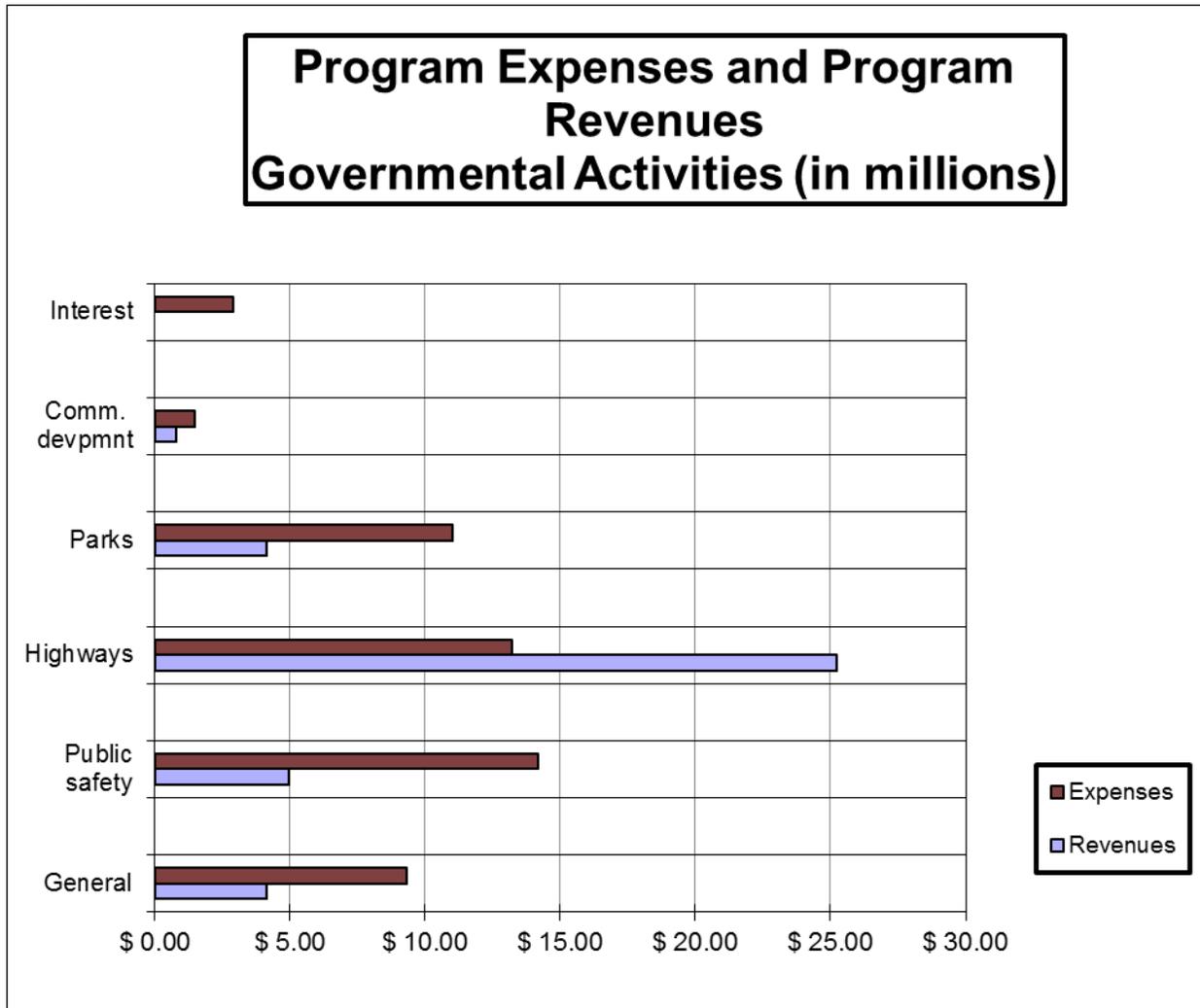
Net assets:				
Invested in capital assets,				
net of debt	220,811	178,332	163,547	141,070
Restricted	1,508	1,884	5,521	30,571
Unrestricted	<u>23,226</u>	<u>38,253</u>	<u>43,247</u>	<u>33,265</u>
Total net assets	<u>\$245,545</u>	<u>\$218,469</u>	<u>\$212,315</u>	<u>\$204,906</u>

CHANGES IN NET ASSETS (in thousands)

	Governmental Activities		Business-type Activities	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues:				
Program revenues:				
Charges for services	\$11,408	\$ 10,913	\$ 92,927	\$ 93,026
Operating grants & contributions	7,664	7,324	560	7
Capital grants & contributions	20,795	31,062	-	-
General revenues:				
Property taxes	12,273	11,209		
Other taxes	21,564	22,997		
Investment income	470	1,211	378	1,561
Other revenues	<u>1,584</u>	<u>650</u>	<u>2,723</u>	<u>3,056</u>
Total revenues	<u>75,758</u>	<u>85,366</u>	<u>96,588</u>	<u>97,650</u>
Expenses				
General government	9,338	8,877		
Public safety	14,178	14,726		
Highways/public improvements	13,200	17,516		
Parks & recreation	11,032	11,175		
Community & Econ development	1,470	1,700		
Interest on long-term debt	<u>2,914</u>	<u>2,800</u>		
Electric			56,351	54,554
Water			14,563	15,026
Wastewater collection			7,774	8,043
Wastewater treatment			5,059	5,057
Golf courses			4,299	4,990
Municipal building authority			165	250
Drainage utility			143	4
Refuse collection			<u>3,279</u>	<u>3,178</u>
Total expenses	<u>52,132</u>	<u>56,794</u>	<u>91,633</u>	<u>91,102</u>
Increase in net assets before transfers	23,626	28,572	4,955	6,548
Transfers	<u>(2,454)</u>	<u>(291)</u>	<u>2,454</u>	<u>291</u>
Increase in net assets	21,172	28,281	7,409	6,839
Net assets beginning **	<u>224,373</u>	<u>190,187</u>	<u>204,906</u>	<u>198,067</u>
Net assets ending	<u>\$245,545</u>	<u>\$218,468</u>	<u>\$ 212,315</u>	<u>\$204,906</u>

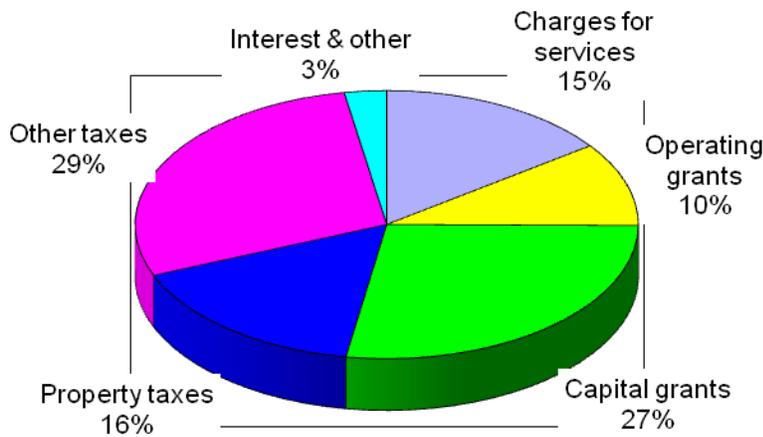
** - in prior periods fixed assets were over depreciated by \$5,905,173. This amount is reflected as a prior period adjustment in the statement of activities and for this summary increases the beginning net assets.

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



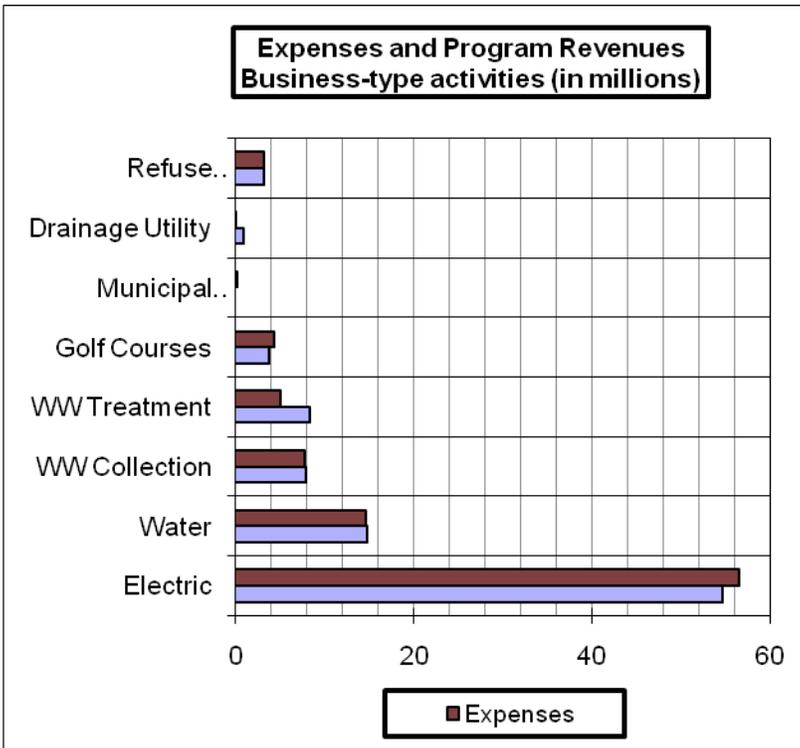
Overall governmental revenues were down in comparison with the prior fiscal year by 11.31%. The largest reason we were down was because of the large capital grants which were received for the acquisition of land and beginning construction phases of the new replacement airport in the prior fiscal year. As a result capital grants decreased from 36.95% to 27.47% of governmental revenues and were down over \$10 million. Charges for services rebounded some as a result of the slight pickup in the building trades and additional emphasis on recreation activities such as races and tournaments. The decline in sales tax revenues continued with a decline of 7.33% this year on top of a 15.63% decline in the prior fiscal year. Sales tax is the largest general fund revenue source. The following graph displays the total governmental revenues by source.

Revenues by Source Governmental Activities

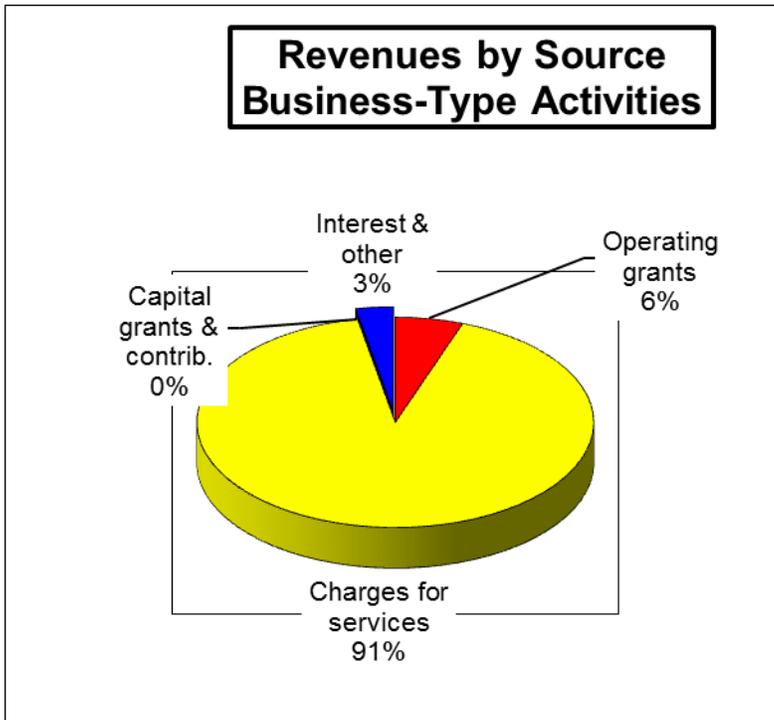


Overall governmental expenditures for all funds decreased by 8.1% when compared with last fiscal year. Highways/public improvements decreased from 30.8% to 25.1% as a result of the reduced land acquisition for the replacement airport. General government increased from 15.6% to 17.9% as a result of increased CDBG activity and the City participation in economic incentives through the Economic Development Fund at Ft. Pierce Industrial Park. Community & Development Services declined to 2.8% of expenditures compared to 3% in the prior fiscal year. Parks and Recreation also increased to 21.1% of expenditures compared with 19.7% in the prior fiscal year. Public Safety increased from 26% of expenditures in the prior fiscal year to 27.3% in the current year as the result of the policy decision of the Mayor and City Council to not reduce public safety levels.

Total net assets in business-type activities increased by \$7,351,917. Total assets decreased by \$5,222,863 with the spending of the remaining bond funds for the construction of the Millcreek generation expansion. Long-term debt decreased by \$8,419,908 as there were no revenue bond debt issues during the current fiscal year. 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. With the economic slowdown, accounts receivables are up 17% from the prior fiscal year, however, bad debt write-offs are still within management guidelines of ½ of 1% of sales. The following graphs again reflect the government-wide activities for business-type activities as displayed in the following tables.



As can be seen from the following chart, the majority of revenues in the business-type activities are charges for services at 91%.



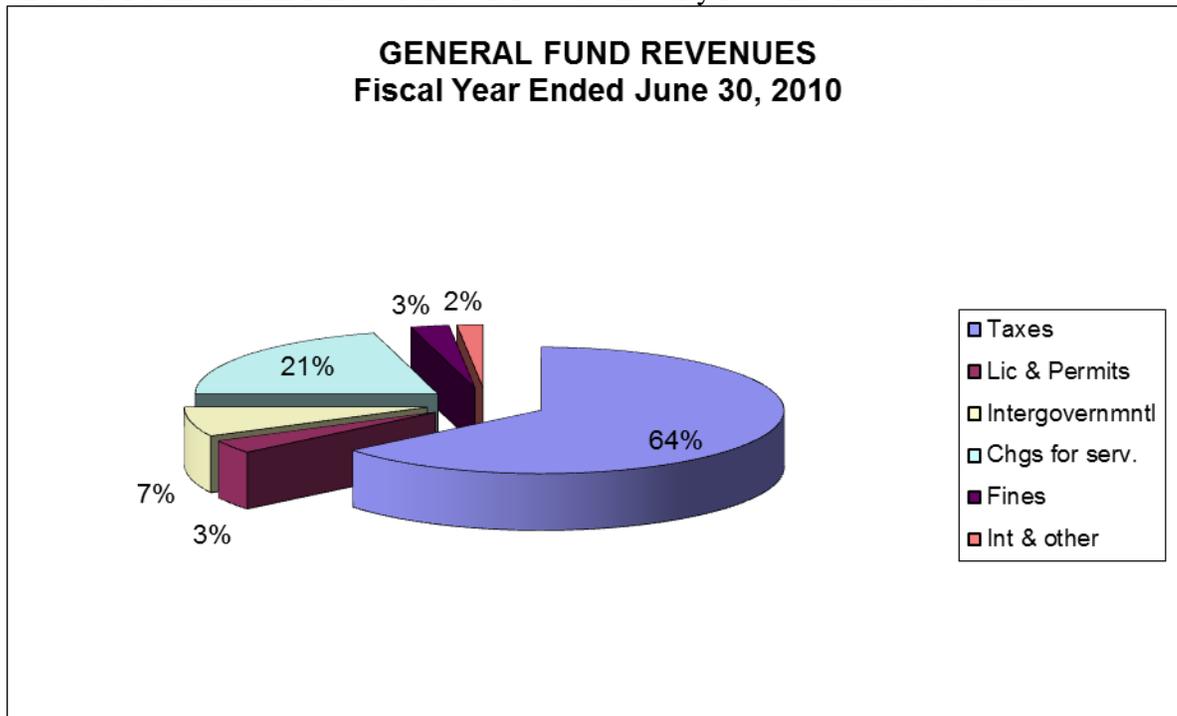
FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

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.

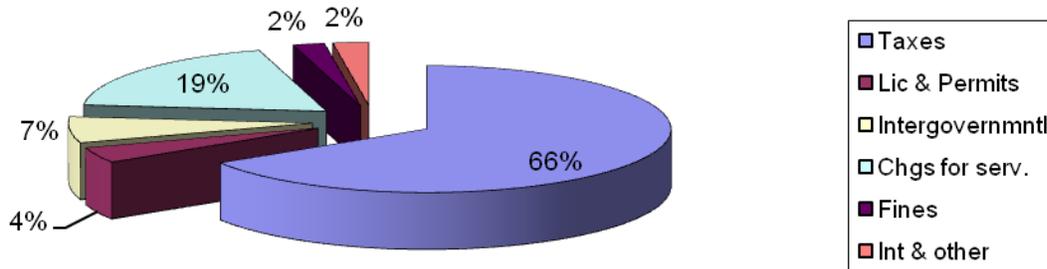
As of June 30, 2010, the City's governmental funds (General, Capital Projects, Debt Service, & Special Revenue) reported combined fund balances of \$27,089,479. This represents a decrease of \$14,634,516 (35.07%) from last year's ending balances. The main reason for this decrease is because of the continuing 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 over \$4 million during the year, this surplus was transferred to the Capital Equipment Capital Projects Fund and the Economic Development Fund for use in future capital and economic development projects. Thus the General Fund total fund balance increased by \$101. 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, 2011. State laws allows for a maximum fund balance of 18% so the City is well within those limits.



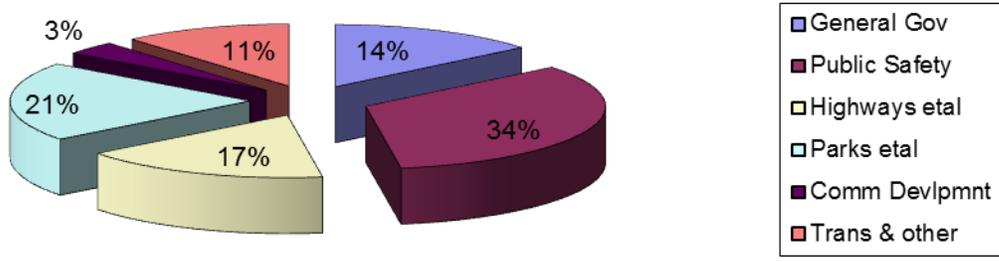
GENERAL FUND REVENUES
Fiscal Year Ended June 30, 2009



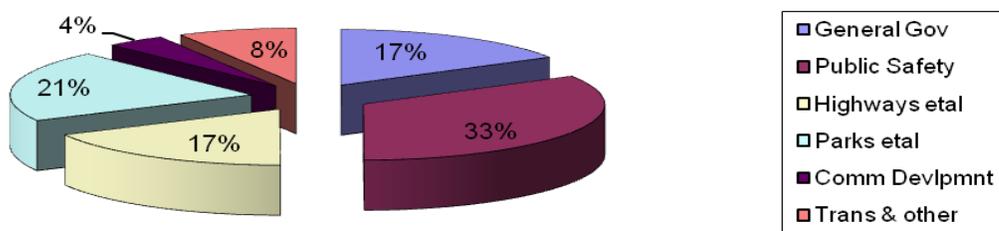
Taxes continue to be the largest source of revenue in the General Fund and represent 64% of total general fund revenues as compared to 66% in the prior fiscal year. The largest element of taxes is sales taxes as it has been for the last several years. It represents 45.6% of total tax revenues and represents 29.47% of total general fund revenues. This compares with 31.43% in the fiscal year ended June 30, 2009. Overall, tax revenues were down 3.22%. Sales taxes were down the largest amount with a decrease of 7.33% while franchise taxes were down 3.67%. Property taxes did show a slight increase of 3.89% over last year's revenues. Licenses and permits are down 14.13% from last year as the number of commercial building permits which have been issued is down in comparison to the last year. The number of residential permits issued this year represent an increase of over 39% from the prior year with 299 residential units being permitted as compared with 214 in 2009, 451 in 2008, and 1,024 in 2007. The total dollar valuation of building permits was up 9.56%. Intergovernmental revenues were up 12.57% as both federal grants and state liquor funds increased.

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 changed some from 2009 to 2010 as a percentage of General Fund expenditures. Community Development, Parks & Recreation, and Highways & Public Improvements remained constant in comparison as a percent of total expenditures with the prior year. With the surplus which the city was able to achieve and then transfer to capital projects and economic development, transfers increased from 8% of general fund expenditures to 11%. General governmental expenditures decreased from 17% of budget to 14% of budget to and represented the savings which were able to be transferred to the capital project and economic development funds. Again this fiscal year all employee wages and benefits were frozen and no merit, cost of living or other increases were made to salaries for the third year in a row.

**GENERAL FUND EXPENDITURES
Fiscal Year Ended June 30, 2010**



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



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 loss of \$1.5 million in comparison with a net income of \$.7 million in 2009. While total operating revenues remained basically flat, the City saw a large increase in power costs of 6%. 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 increased from \$1.9 million to \$2.3 million, as operating revenues remained basically level but salaries and wages and debt service interest were both reduced enough to show this increased profit margin. The Wastewater Treatment fund saw a small increase in revenues but increased repairs & maintenance and depreciation expenses, reduced the net income from \$3.7 million in 2009 to \$3.6 million in 2010.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the General Fund original budget was amended from an original budget expenditure total of \$40,698,487 to a final budget of \$44,164,884 (8.52%). These increases were made to respond to some better revenues than originally estimated and because of this and cost savings cuts, allow for a larger than anticipated transfer to the capital project and economic development funds. These transfer increases represented 90.22% of the budget increase. 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, 2010, amounts to \$576,692,876 (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 11.77% (a 6.37% increase for governmental activities and a 5.4% increase for business-type activities).

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

\$10,227,000 in Series A and Series B 2010 Excise Tax Revenue bonds were issued to provide funds for the continuing construction of the replacement airport.

\$43,471,721 for the continuing land acquisition and construction of the airport improvements, terminal building, and airport fire station at the new airport site.

\$574,448 was spent for construction of the administration building for the SunTran mass transit system within the city.

Considerable funds were expended for highway and street projects including: \$70,118 for planning and design of the Mall Drive bridge; \$170,604 for completion of road improvements in the northwest area of the city in the Bowler/Ence/Marsh subdivision; \$173,940 for completion of the Riverside Dr & River Road turn lane project; and \$505,759 for completion of the 120 East connection.

\$193,980 in Park Impact fees were used to complete the Dixie Downs Firehouse Park project. \$158,893

CITY OF ST. GEORGE'S OUTSTANDING DEBT

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
General obligation bonds	\$16,029,000	\$ 16,595,000		
Sales tax revenue bonds	23,660,000	25,430,000		
Excise Revenue bonds	2,830,000	3,475,000		
WCIA Capital lease bonds	4,680,000	5,118,340		
Federal Subsidy Excise bonds	10,019,000			
Special assessment debt with governmental commitment	<u>1,007,000</u>	<u>1,612,000</u>		
Revenue bonds			<u>\$116,289,035</u>	<u>\$124,177,035</u>
 Total outstanding debt	 <u>\$58,225,000</u>	 <u>\$50,618,340</u>	 <u>\$116,289,035</u>	 <u>\$124,177,035</u>

The City's total debt decreased by \$281,340 during the fiscal year. As mentioned above, the 2010 Series A and B Excise Tax bonds (federal subsidy bonds) were issued totaling \$10,227,000.

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

	<u>Moody's</u> <u>Investors</u> <u>Service</u>	<u>Standard</u> <u>& Poor's</u>	<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 \$240,455,426, 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 \$480,910,851, which again significantly exceeds the outstanding business-type activity debt. Thus the total debt limit is \$721,366,277 while the total outstanding debt less reserves restricted for debt service is \$61,473,747. The resulting debt margin is \$659,892,530. 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 9.6 % for the quarter ended June 2010 compared with a state unemployment rate of 7.4% and a national rate of 9.6% seasonally adjusted. This compares with a rate of 7.3% in 2009. (Source: Utah Dept of Workforce Services)

The General Fund budget for the fiscal year-ending June 30, 2011 reflects a decrease of 7.55% from the final budget for the fiscal year-ended June 30, 2010. Because of the continuing slow economy, the city is expecting revenues to remain level with the prior year and so therefore the continuing freeze on employee hiring, wage increases, and capital items is continuing.

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, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash	\$ 29,314,425	\$ 38,712,458	\$ 68,026,883
Restricted cash		6,068,165	6,068,165
Accounts receivable (net of allowance for doubtful accounts)	6,345,128	11,834,950	18,180,078
Inventory	92,317	2,508,293	2,600,611
Notes receivable	1,621,109	16,686	1,637,795
Internal Balances	500,000	(500,000)	
Bond discounts		2,664,305	2,664,305
Prepaid expenses	79,315	2,230	81,545
Capital assets (net of depreciation)			
Land	82,825,345		82,825,345
Buildings	18,886,037		18,886,037
Improvements	46,009,998		46,009,998
Infrastructure	139,130,642		139,130,642
Machinery & equipment	9,038,394		9,038,394
Plant, property, and equipment		280,802,460	280,802,460
Total assets	\$ 333,842,709	\$ 342,109,548	\$ 675,952,257
LIABILITIES:			
Accrued liabilities	\$ 9,660,732	\$ 8,578,596	\$ 18,239,328
Construction bonds held	176,206		176,206
Deposits payable		1,296,114	1,296,114
Deferred compensation	1,322,561		1,322,561
Interest payable	1,657,706		1,657,706
Unearned revenues	401,093		401,093
Notes payable:			
Due within one year	825,247		825,247
Due in more than one year	15,234,415		15,234,415
Bonds payable:			
Due within one year	4,543,000	6,486,000	11,029,000
Due in more than one year	49,002,000	109,803,035	158,805,035
Capital leases:			
Due within one year	461,900	272,000	733,900
Due in more than one year	4,217,580	270,922	4,488,502
Bond premiums	795,736	3,087,442	3,883,178
Total liabilities	88,298,177	129,794,108	218,092,285
NET ASSETS:			
Invested in capital assets, net of related debt	220,810,537	163,547,367	384,357,904
Restricted for:			
Unspent bond/impact fees for const.	-	546,926	546,926
Debt service	1,507,515	5,521,239	7,028,754
Unrestricted	23,226,481	42,699,908	65,926,389
Total Net Assets	\$ 245,544,533	\$ 212,315,440	\$ 457,859,972

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, 2010

	Program Revenues				Net Governmental Activities	Business-type Activities	Total
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions			
Governmental activities:							
General government	\$ 9,337,812	\$ 4,157,681	\$ -	\$ -	\$ (5,180,131)		\$ (5,180,131)
Public Safety	14,178,056	3,099,531	869,988	1,010,031	(9,198,506)		(9,198,506)
Highways & public improvements	13,199,906	488,232	4,980,929	19,782,157	12,051,412		12,051,412
Parks, recreation & public property	11,031,979	2,854,885	1,271,691	2,235	(6,903,168)		(6,903,168)
Community & economic development	1,469,827	808,025	540,864		(120,938)		(120,938)
Interest on long-term debt	2,914,230				(2,914,230)		(2,914,230)
Total governmental activities	52,131,810	11,408,353	7,663,471	20,794,423	(12,265,561)	-	(12,265,561)
Business-type activities:							
Electric	56,350,707	53,859,276	557,036		(1,934,395)		(1,934,395)
Water	14,563,100	14,772,003	3,360		212,263		212,263
Regional wastewater treatment	5,059,471	8,402,785			3,343,314		3,343,314
Wastewater collection	7,774,131	7,900,379			126,247		126,247
Golf courses	4,299,250	3,763,238			(536,012)		(536,012)
Municipal bldg authority	164,822	-			(164,822)		(164,822)
Drainage Utility	142,544	982,750			840,207		840,207
Solid waste	3,278,604	3,246,132			(32,472)		(32,472)
Total business-type activities	91,632,629	92,926,563	560,396	-	1,854,329		1,854,329
General Revenues:							
Taxes:							
Property taxes levied for general purposes					10,117,953		10,117,953
Property taxes levied for debt service					2,155,070		2,155,070
Franchise taxes					6,087,219		6,087,219
General sales taxes & highway sales taxes					15,477,024		15,477,024
Business licenses					712,348		712,348
Investment income					469,858	377,672	847,530
Lease payments					(164,361)		(164,361)
Gain on sale of assets					811,928		811,928
Rents & concessions					34,359	2,293,519	2,327,878
Miscellaneous					189,236	429,183	618,419
Transfers					(2,454,212)	2,454,212	-
Total general revenues & transfers					33,436,422	5,554,587	38,991,008
Change in net assets					21,170,861	7,408,915	28,579,776
Net assets - beginning					218,468,503	204,906,525	423,375,028
Prior period adjustment for over-depreciated fixed assets					5,905,169	-	5,905,169
Net assets - ending					\$ 245,544,533	\$ 212,315,440	\$ 457,859,973

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, 2010

ASSETS	General	Capital Equipment Cap. Projects Fund	Replacement Airport Capital Proj. Fund	Other Governmental Funds	Total Governmental Funds
Cash	\$ 2,651,528	\$ 19,754,250	\$ (11,817,242)	\$ 18,066,550	\$ 28,655,085
Accounts receivable	2,845,560	3,038	709,833	2,786,697	6,345,128
Prepaid items	72,758				72,758
Inventory	92,317				92,317
Notes receivable	1,621,109				1,621,109
Due from other funds	500,000		4,421	392,517	896,938
Total assets	\$ 7,783,272	\$ 19,757,288	\$ (11,102,989)	\$ 21,245,764	\$ 37,683,335

LIABILITIES AND FUND BALANCE

Liabilities:

Construction bonds held	\$ 176,206	\$ -	\$ -		\$ 176,206
Due to other funds	388,645			8,293	396,938
Accrued liabilities	2,419,677	2,150,936	4,429,490	619,516	9,619,619
Deferred revenues	42,322		-	358,770	401,093
Total liabilities	3,026,850	2,150,936	4,429,490	986,579	10,593,855

Fund Balance:

Reserved for Special revenue funds				5,626,801	5,626,801
Reserved for Debt service fund				1,507,515	1,507,515
Reserved for Capital projects fund		17,606,353	(15,532,479)	13,124,868	15,198,742
Reserved for Police Seizures	82,865				82,865
Reserved for Notes receivable	1,621,109				1,621,109
Reserved for Perpetual Care	161,540				161,540
Unreserved - undesignated	2,890,908				2,890,908
Total fund balance	4,756,422	17,606,353	(15,532,479)	20,259,183	27,089,479
Total liabilities and fund balance	\$ 7,783,272	\$ 19,757,288	\$ (11,102,989)	\$ 21,245,763	

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.	295,890,415
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.	(78,060,146)
Fund balance in Self-Insurance internal service fund	624,783

\$ 245,544,532

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, 2010

	<u>General</u>	<u>Capital Equipment Cap. Projects Fund</u>	<u>Replacement Airport Capital Proj. Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes & special assessments	\$ 26,166,847		\$ -	\$8,522,080	\$ 34,688,928
Licenses and permits	1,393,101			-	1,393,101
Intergovernmental	3,059,885	1,010,031	17,143,092	1,875,960	23,088,968
Charges for services	8,472,802			-	8,472,802
Fines & forfeitures	1,034,449			-	1,034,449
Investment income	208,978		7,191	250,503	466,672
Rents & concessions	24,871	9,488		-	34,359
Miscellaneous	129,308	39,928		26,244	195,480
Contributions from other sources	96,329				96,329
Capital development fees	-			1,324,275	1,324,275
Total revenues	40,586,571	1,059,447	17,150,283	11,999,062	70,795,363
Expenditures:					
Current:					
General government	5,752,407	11,940		1,849,230	7,613,577
Public safety	13,647,208			-	13,647,208
Highways & public improvements	6,852,007			-	6,852,007
Parks, recreation & public property	8,407,835			13,700	8,421,535
Community & economic development	1,425,660			1,898,903	3,324,562
Capital outlay	-	3,157,890	43,673,443	3,665,150	50,496,483
Debt service					
Capital leases	125,180			39,181	164,361
Principal	-	1,320,950		4,412,130	5,733,080
Interest & admin charges	-			2,206,865	2,206,865
Total expenditures	36,210,297	4,490,780	43,673,443	14,085,158	98,459,679
Excess (deficiency) of revenues over expenditures	4,376,274	(3,431,334)	(26,523,160)	(2,086,096)	(27,664,316)
Other financing sources (uses):					
Transfers in	240,430	3,153,073	13,333,406	9,537,502	26,264,411
Transfers out	(4,620,073)	(89,511)		(23,459,039)	(28,168,623)
Contributions from private sources				810,226	810,226
Proceeds from sale of capital assets	3,470			808,458	811,928
Contributions from other governments		1,866,639	-	1,218,220	3,084,858
Issuance of notes/bonds/leases			10,227,000	-	10,227,000
Total other financing sources (uses)	(4,376,173)	4,930,201	23,560,406	(11,084,634)	13,029,800
Net change in fund balances	101	1,498,867	(2,962,754)	(13,170,730)	(14,634,516)
Fund balances, beginning of year,	4,756,321	16,107,486	(12,569,726)	33,429,914	41,723,995
Fund balances, end of year	\$ 4,756,422	\$ 17,606,353	\$ (15,532,480)	\$ 20,259,184	\$ 27,089,479

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, 2010

Net change in fund balances - total governmental funds \$ (14,634,516)

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.	40,425,344
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	6,275,589
Bond premiums are revenues in the governmental funds in the year of issuance, but amortization of the liability in the government-wide statement of net assets reduces interest expense in the government-wide statement of activities	- 99,467
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.	(10,227,000)
Accrued Interest for Long-term debt is not reported as an expenditure for the current period while it is recorded in the statement of activities.	(679,263)
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.	951
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.	(89,713)
Change in net assets of governmental activities	<u>\$ 21,170,859</u>

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Taxes:				
General property taxes	\$ 7,720,000	\$ 8,100,000	\$ 7,875,222	\$ (224,778)
Prior year's delinquent taxes	100,000	300,000	272,465	(27,535)
General sales & use taxes	12,000,000	12,000,000	11,931,941	(68,059)
Franchise taxes	6,400,000	6,400,000	6,087,219	(312,781)
Total taxes	26,220,000	26,800,000	26,166,847	(633,153)
Licenses & permits:				
Business licenses & permits	660,000	710,000	712,348	2,348
Non-business licenses & permits	730,000	730,000	680,753	(49,247)
Total licenses & permits	1,390,000	1,440,000	1,393,101	(46,899)
Intergovernmental revenues:				
Federal grants	634,031	876,137	644,856	(231,281)
State grants	205,320	225,320	3,442	(221,878)
Class "C" roads	2,195,000	2,300,000	2,300,091	91
State liquor allotment	100,000	115,000	111,496	(3,504)
Total intergovernmental revenues	3,134,351	3,516,457	3,059,885	(456,572)
Charges for services:				
Enterprise funds	3,397,240	3,397,240	3,742,000	344,760
Public safety	2,036,757	2,036,757	2,065,081	28,324
Parks & public property	102,000	127,000	127,272	272
Cemetery	193,500	193,500	218,465	24,965
Recreation	1,798,529	1,935,029	1,975,714	40,685
Airport	400,000	400,000	314,072	(85,928)
Reuse Center	20,000	32,000	30,198	(1,802)
Total charges for services	7,948,026	8,121,526	8,472,802	351,276
Fines & forfeitures:				
Court fines & bail forfeitures	811,250	1,005,000	1,034,449	29,449
Miscellaneous:				
Interest	300,000	300,000	208,978	(91,022)
Rents & concessions	32,000	32,000	24,871	(7,129)
Other	60,100	112,141	129,308	17,167
Total miscellaneous	392,100	444,141	363,156	(80,985)
Total revenues	39,895,727	41,327,124	40,490,242	(836,882)
Other Financing Sources :				
Sales of capital assets	20,000	20,000	3,470	(16,530)
Contributions from others	80,000	115,000	96,329	(18,671)
Appropriated fund balance	-	2,000,000	-	(2,000,000)
Transfers from other funds	702,760	702,760	240,430	(462,330)
Total Other Financing Sources :	802,760	2,837,760	340,229	(2,497,531)
Total revenues & Other Financing Sources	\$ 40,698,487	\$ 44,164,884	\$ 40,830,471	\$ (3,334,413)

(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)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

EXPENDITURES:	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
General government:				
City Council	\$ 742,390	\$ 742,390	\$ 545,815	\$ 196,575
City Manager	239,052	239,052	235,157	3,895
Human Resources	356,816	356,816	345,973	10,843
Administrative Services	398,992	398,992	388,467	10,525
Finance	1,418,696	1,418,696	1,359,787	58,909
Technology Services	1,067,666	1,067,666	1,006,750	60,916
Legal	1,015,768	1,040,768	1,000,131	40,637
Elections	68,000	68,000	44,273	23,727
Economic Development Administration	828,818	828,818	826,054	2,764
Total general government	6,136,198	6,161,198	5,752,407	408,791
Public Safety:				
Police	9,496,823	9,751,929	9,448,990	302,939
Drug Task Force	164,355	164,355	64,223	100,132
Dispatch Center	1,962,169	1,962,169	1,793,745	168,424
Fire	3,169,934	3,169,934	2,340,250	829,684
Total public safety	14,793,281	15,048,387	13,647,208	1,401,179
Highways & public improvements:				
Flood Control	-	-	-	-
Public Works Administration	376,883	376,883	363,082	13,801
Streets	4,080,052	4,080,052	3,986,863	93,189
Fleet Maintenance	922,226	922,226	879,261	42,965
Engineering	1,192,646	1,192,646	1,116,926	75,720
Airport	539,276	539,276	505,875	33,401
Total highways & improvements	7,111,083	7,111,083	6,852,007	259,076
Parks, Recreation & Public Property:				
Building Maintenance	1,073,874	1,073,874	899,116	174,758
Parks and open spaces	3,540,734	3,585,734	3,365,258	220,476
Recreation & cultural arts	4,176,697	4,190,697	3,897,298	293,399
Cemetery	291,014	291,014	246,164	44,850
Total parks, recreation & public property	9,082,319	9,141,319	8,407,835	733,484
Community development	1,552,917	1,552,917	1,425,660	127,257
Debt service: Capital leases	125,180	125,180	125,180	-
Total expenditures	38,800,978	39,140,084	36,210,297	2,929,787
OTHER FINANCING USES				
Contributions to other funds	1,884,009	5,011,300	4,620,073	391,227
TOTAL EXPENDITURES & OTHER USES	40,684,987	44,151,384	40,830,370	3,321,014
Net change in fund balance	13,500	13,500	101	\$ (13,399)
Fund Balance at beginning of year	4,756,321	4,756,321	4,756,321	
Fund Balance at end of year	\$ 4,769,821	\$ 4,769,821	\$ 4,756,422	

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, 2010

ASSETS	Business-type Activities - Enterprise Funds				TOTALS 2010	Governmental Activities Internal Service Fund
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWTR TREATMENT	Non-Major Enterprise Funds		
Current assets:						
Cash	\$ 7,984,450	\$ 842,799	\$ 29,502,267	\$ 382,942	\$ 38,712,458	\$ 659,340
Restricted cash	-	3,213,913	2,307,326	546,926	6,068,165	
Accts. receivable (net of allowance for uncollectibles of \$1,242,222)	11,080,290	205,880	469,645	79,136	11,834,950	
Inventory	1,982,398	525,895			2,508,293	
Due from other funds						
Note receivable				16,686	16,686	
Bond discounts & insurance	1,611,782	544,309	391,405	116,810	2,664,305	
Prepaid expenses	1,115	1,115	-		2,230	6,557
Total current assets	22,660,035	5,333,910	32,670,643	1,142,500	61,807,088	665,897
Capital assets net of accumulated depreciation	100,208,668	98,569,372	56,069,324	25,955,097	280,802,460	-
TOTAL ASSETS	122,868,703	103,903,282	88,739,966	27,097,597	342,609,548	665,897
LIABILITIES						
Current liabilities:						
Accrued liabilities	5,407,943	1,947,501	337,674	885,478	8,578,596	41,113
Capital leases				542,922	542,922	
Due to other funds (short-term)						
Deposits payable	1,296,114				1,296,114	
Total current liabilities	6,704,056	1,947,501	337,674	1,428,400	10,417,631	41,113
Long-term liabilities:						
Bonds payable - long term	64,180,000	42,172,513	9,042,522	894,000	116,289,035	
Bond premiums	674,062	2,192,485	220,894		3,087,442	
Due to other funds (long-term)		-	-	500,000	500,000	
Total long-term liabilities	64,854,062	44,364,998	9,263,417	1,394,000	119,876,477	-
Total liabilities	71,558,119	46,312,499	9,601,090	2,822,400	130,294,108	41,113
NET ASSETS						
Invested in capital assets, net of related debt	36,966,387	54,748,682	47,197,312	24,634,985	163,547,367	-
Restricted	-	3,213,913	2,307,326	546,926	6,068,165	-
Unrestricted	14,344,197	(371,813)	29,634,238	(906,714)	42,699,908	624,783
Total net assets	\$ 51,310,584	\$ 57,590,783	\$ 79,138,876	\$ 24,275,197	\$ 212,315,440	\$ 624,783

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Business-type Activities - Enterprise Funds				TOTALS 2010	Governmental
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWTR TREATMENT	Non-Major Enterprise Funds		Activities Internal Service Fund
OPERATING REVENUES:						
Charges for services	\$ 52,140,945	\$ 14,073,096	\$ 7,790,169	\$ 15,620,194	\$ 89,624,404	\$ 415,681
Other operating revenues	1,718,331	698,906	612,617	272,305	3,302,159	
Total operating revenues	53,859,276	14,772,003	8,402,785	15,892,499	92,926,563	\$ 415,681
OPERATING EXPENSES:						
Electricity purchased	39,785,534		434,843		40,220,377	
Natural gas purchased	4,074,512				4,074,512	
Water purchased		4,446,403			4,446,403	
Salary and wages	3,349,379	2,181,140	986,605	2,042,303	8,559,426	
Supplies	515,160	-	-	348,134	863,294	
Service vehicle expense	152,988	150,495	43,645	103,962	451,089	
Equipment rental	-	34,045	1,899	26,196	62,140	
Depreciation	4,030,025	2,949,178	1,353,635	1,170,537	9,503,375	
Payroll tax & employee benefits	1,246,966	939,302	402,842	855,050	3,444,159	
Office & dept. supplies	69,547	165,832	32,107	134,017	401,502	
Professional services	264,740	250,012	282,606	544,457	1,341,814	544
R. & M. - equipment	586,685	543,856	527,602	49,883	1,708,026	
R. & M. - buildings and grounds	24,112	4,677	14,736	662,572	706,096	
Insurance & surety bonds	101,186	57,284	57,801	39,565	255,836	
Travel	40,163	12,435	6,697	6,535	65,830	
Miscellaneous	2,689	366			3,056	
Interest expense	23,716				23,716	
Subscriptions & memberships	53,933	33,005	1,170	2,753	90,861	
Lease payments					-	
Claims paid						238,897
Insurance premiums						269,139
Contract labor				8,762,967	8,762,967	
Billing & administration	1,400,000	975,000	520,000	847,000	3,742,000	
Total operating expenses	55,721,334	12,743,030	4,666,186	15,595,930	88,726,480	508,580
Operating income (loss)	(1,862,058)	2,028,973	3,736,600	296,569	4,200,083	(92,899)
NON-OPERATING REVENUES (EXPENSES)						
Interest income	143,515	20,469	194,257	19,432	377,672	3,186
Rent	-	2,094,739	6,000	192,780	2,293,519	
Miscellaneous income	316,160		56,578	56,445	429,183	-
Federal grants	557,036	3,360	-	-	560,396	
Loss on bond refinancing	-		(112,198)	-	(112,198)	
Interest charges	(629,373)	(1,820,070)	(281,087)	(63,420)	(2,793,950)	
Total non-operating revenue (expense)	387,338	298,499	(136,451)	205,237	754,623	3,186
Income before transfers	(1,474,720)	2,327,471	3,600,149	501,806	4,954,706	(89,713)
Transfers (to) from other funds		28,963		2,425,249	2,454,212	
Change in Net Assets	(1,474,720)	2,356,434	3,600,149	2,927,055	7,408,918	(89,713)
Total net assets - beginning	52,785,304	55,234,350	75,538,729	21,348,143	204,906,526	714,496
Total net assets - ending	\$ 51,310,584	\$ 57,590,784	\$ 79,138,878	\$ 24,275,198	\$ 212,315,444	\$ 624,783

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, 2010

	Business-type Activities - Enterprise Funds				TOTALS 2010	Governmental Activities Internal Service Fund
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWTR TREATMENT	Non-Major Enterprise Funds		
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 52,403,026	\$ 14,785,979	\$ 8,160,708	15,879,653	\$ 91,229,366	\$ -
Receipts from interfund services provided						415,681
Payments to suppliers	(51,323,709)	(6,630,493)	(1,831,666)	(11,465,242)	(71,251,110)	
Payments to employees	(4,596,345)	(3,120,442)	(1,389,446)	(2,897,353)	(12,003,585)	
Payments for interfund services used						(484,174)
Net cash provided (used) by operating activities	(3,517,027)	5,035,044	4,939,595	1,517,059	7,974,671	(68,493)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Rents received		2,094,739	6,000	192,780	2,293,519	
Miscellaneous non-operating income	316,160	28,963	56,578	56,445	429,183	
Economic development transfer				2,425,249	2,425,249	
Net cash provided (used) by noncapital and related financing activities	316,160	2,123,702	62,578	2,674,475	5,147,951	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from capital debt			-		-	
Purchases of capital assets	(19,977,433)	(2,758,962)	(1,132,827)	(30,129)	(23,899,351)	
Principal paid on capital debt	(665,000)	(2,610,000)	(1,999,000)	(2,614,000)	(7,888,000)	
Interest paid on capital debt	(629,373)	(1,820,070)	(281,087)	(63,420)	(2,793,950)	
Capital lease principal payments		-	-	(158,741)	(158,741)	
Loss on bond refinancing		-	(112,199)		(112,199)	
Premium on bonds issued	(38,131)	(208,258)	(73,632)		(320,021)	
Federal grants	557,036	3,360	-		560,396	
Net cash provided (used) by capital and related financing activities	(20,752,901)	(7,393,930)	(3,598,745)	(2,866,290)	(34,611,866)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	143,515	20,469	194,257	19,432	377,672	3,186
Net increase (decrease) in cash and cash equivalents	(23,810,253)	(214,715)	1,597,684	1,344,675	(21,082,608)	(65,308)
Cash and equivalents including restricted cash of \$30,296,328 at beginning of year	31,794,700	4,271,425	30,211,910	(414,805)	65,863,230	724,647
Cash and equivalents including restricted cash of \$6,068,165 at end of year	\$ 7,984,447	\$ 4,056,710	\$ 31,809,594	\$ 929,870	\$ 44,780,622	\$ 659,339
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss) (after transfers)	(1,862,058)	2,028,973	3,736,600	296,569	4,200,083	(92,899)
Adjustments to reconcile net income from operations to net cash provided by operating activities:						
Depreciation	4,030,025	2,949,178	1,353,635	1,170,537	9,503,375	
Changes in assets & liabilities:						
Decrease (increase) in receivables	(1,456,250)	15,091	(242,078)	(12,846)	(1,696,083)	
Decrease (increase) in inventory	(105,349)	52,184			(53,165)	
Decrease (increase) in discounts	65,876	57,781	150,863	11,044	285,564	
Decrease (increase) in prepaid exp.	1,029	(1,115)	-		(86)	(6,557)
Increase (decrease) in deposits	(49,580)				(49,580)	
Increase (decrease) in accruals	(4,140,720)	(67,048)	(59,424)	51,754	(4,215,438)	30,962
Total adjustments	(1,654,969)	3,006,071	1,202,996	1,220,489	3,774,587	24,405
Net cash provided by operating activities:	\$ (3,517,027)	\$ 5,035,044	\$ 4,939,595	\$ 1,517,058	\$ 7,974,670	\$ (68,494)

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, 2010

		PENSION TRUST *****
<u>ASSETS</u>		
Restricted cash and investments	\$	<u>13,752,592</u>
Total Assets		<u>13,752,592</u>
<u>LIABILITIES</u>		
Liabilities:		
Accrued liabilities		<u>-</u>
Total liabilities		<u>-</u>
 NET ASSETS		
Held in trust for pension benefits and other purposes	\$	<u><u>13,752,592</u></u>

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

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

		PENSION TRUST *****
ADDITIONS		
Retirement contributions	\$	911,800
Life insurance contributions		6,461
Certificate sales		-
Net increase in fair value of investments		1,198,795
Citizen donations		-
		<hr/>
Total additions		<u>2,117,056</u>
DEDUCTIONS		
Administrative & general		81
Life insurance premiums		6,461
Retirement withdrawals		1,049,566
		<hr/>
Total deductions		<u>1,056,108</u>
Change in net assets		1,060,948
Net assets - beginning of year		<u>12,691,644</u>
Net assets - end of year	\$	<u><u>13,752,592</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, 2010

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 expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than as expenditures 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 Capital Equipment Capital Project Fund, and the Replacement Airport Capital Project 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, 2010 were estimated based on July billings and are included in the operating revenues and accounts receivable at year-end. An allowance for uncollectible accounts is recorded as bad debt expense equal to 1/2 of 1% of revenues in the Electric, Water, Wastewater Collection, and Refuse Collection enterprise funds.

3. Inventories and prepaid items

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

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

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

4. Capital assets

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

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

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

5. Compensated absences

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

6. Long-term obligations

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

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

7. Restricted assets

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

II. Reconciliation of government-wide and fund financial statements

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

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

Capital related items:

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

Cost of capital assets	\$386,258,439
Accumulated depreciation	<u>(90,368,024)</u>
Total difference	\$ <u>295,890,415</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, 2010 were:

2009 Sales Tax Revenue Bonds	\$21,100,000
2005 Sales Tax Revenue Bonds	2,560,000

Excise tax bonds	2,830,000
Parks and recreation general obligation bonds	16,029,000
Special assessment bonds	1,007,000
2009 Airport TRCC Bonds	10,019,000
Capital lease	4,679,480
Note payable to McArthur	115,208
Note Payable to SITLA for new airport property	12,923,030
SIB Loan payable to UDOT for infrastructure	3,021,424
Interest payable on long-term debt	1,657,706
Unamortized premiums on bonds issued	795,736
Compensated absences	<u>1,322,561</u>
Total	\$ <u>78,060,145</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	\$47,594,446
Depreciation expense	<u>(7,169,102)</u>
Net difference as reported	\$ <u>40,425,344</u>

III. Stewardship, compliance, and accountability

A. Budgetary information

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

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

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

the means of financing them. Budgets are prepared for all City funds including proprietary funds.

- 2) Public hearings are conducted to obtain taxpayer comments.
- 3) Prior to June 22nd, the budget is legally enacted through passage of an ordinance.
- 4) The City Manager is authorized to transfer budgeted amounts within function levels; however, to transfer budgeted amounts between function levels requires City Council approval. Any revisions that alter the total expenditures of any fund must be approved through a public hearing by the City Council and can be made at any time during the fiscal year. The General Fund budget was increased by \$3,466,397 or 8.52% of the original budget. These increases were made to respond to the better revenues and additional cost cutting which the City did to further respond to the declining economy. 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. These cost saving steps resulted in a larger surplus than originally budgeted and the budget was amended to make additional transfers of this surplus to the capital equipment capital project fund and also the economic development fund. The amount of these transfers was \$3,127,291 or 90.22% of the total budget increase.
- 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, 2010, the Ft. Pierce EDA Fund expenditures exceeded appropriations by \$25,935.

D. Deficit fund equity

At June 30, 2010 the Future Airport Capital Project fund, the Dixie Center operations fund, the CDBG fund, the Refuse Collection 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, 2010, the City had the following cash & investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percentage</u>
U.S. Treasuries	\$5,496,240	6.26%
State Treasurer's investment pool	62,075,574	70.66%
Bank certificates of deposit	4,355,127	4.96%
Bank demand deposits (checking & saving)	2,168,107	2.47%
Insurance company contracts (pension plan)	<u>13,752,592</u>	<u>15.65%</u>
Total fair value	\$ <u>87,847,640</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, 2010, the weighted average of maturities was 81.51 days. Further information on the state treasurer's investment pool is available on the Utah State Treasurer's website at www.treasurer.state.ut.us or by telephone at 801-538-1042.

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, 2010, excluding the UPTIF, the City had no issuer in which the total investments exceeded five percent but less than the 20% allowed by policy:

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, 2010, \$85,898,564 (97.78%) of the City's portfolio balance of \$87,847,640 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, 2010, the unpaid principal and interest totaled \$1,621,109.

D. Capital assets

Capital asset activity for the year ended June 30, 2010 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	\$82,464,730	360,615	_____	82,825,345
Capital assets being depreciated:				
Buildings	28,875,650	699,770		29,575,420
Improvements	63,271,870	433,656		63,705,526
Infrastructure	142,160,227	44,636,598		186,796,825
Equipment, etc	<u>21,909,288</u>	<u>1,470,916</u>	<u>24,881</u>	<u>23,355,323</u>
Total capital assets being depreciated	<u>256,217,035</u>	<u>47,240,940</u>	<u>24,881</u>	<u>303,433,094</u>
Less accum. depreciation for:				
Buildings	9,737,094	952,289		10,689,383
Improvements	15,569,783	2,125,744		17,695,527
Infrastructure (1)	45,050,779	2,615,404		47,666,183
Equipment etc	<u>12,859,037</u>	<u>1,475,665</u>	<u>17,772</u>	<u>14,316,930</u>
Total accum. depreciation	<u>83,216,693</u>	<u>7,169,102</u>	<u>17,772</u>	<u>90,368,023</u>
Total capital assets being depreciated, net	<u>173,000,342</u>	<u>40,071,838</u>	<u>7,109</u>	<u>213,065,071</u>

Governmental activities
capital assets, net \$255,465,072 \$40,432,453 \$ 7,109 \$295,890,416

(1) During the current fiscal year it was found that infrastructure assets had been over-depreciated in prior years. This amount is reflected as a prior period adjustment on the government-wide statement of activities. It has no effect in the fund statements.

	<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	295,337,934	23,747,742		319,085,676
Improvements	17,894,651	48,956		17,943,607
Machinery & Equipment	<u>19,246,540</u>	<u>102,653</u>	_____	<u>19,349,193</u>
Total capital assets being depreciated	<u>332,479,125</u>	<u>23,899,351</u>	_____	<u>356,378,476</u>
Less accum. depreciation for:				
Buildings and systems	77,321,282	7,348,655		84,669,937
Improvements	5,144,848	698,152		5,843,000
Machinery & Equipment	<u>14,168,433</u>	<u>1,456,568</u>	_____	<u>15,625,001</u>
Total accum. depreciation	<u>96,634,563</u>	<u>9,503,375</u>	_____	<u>106,137,938</u>
Total capital assets being depreciated, net	<u>235,844,562</u>	<u>14,395,976</u>	_____	<u>250,240,538</u>
Business-type activities net capital assets	<u>\$266,406,484</u>	<u>14,395,976</u>	=====	<u>\$280,802,460</u>

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

Governmental activities:	
General government	\$1,120,665
Public safety	713,946
Highways, streets, etc.	3,434,990
Parks, recreations, etc.	1,862,951
Community development	<u>36,550</u>
Total depreciation expense - governmental activities	<u>\$7,169,102</u>

Business-type activities:	
Municipal building authority	\$ 98,336
Water utility	2,949,178
Wastewater collection	456,801
Electric utility	4,030,025
Golf courses	615,400

Regional wastewater treatment	<u>1,353,635</u>
Total depreciation expense - business-type activities	<u>\$ 9,503,375</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 prior fiscal year. During the fiscal year ended June 30, 2010, \$2,448,625 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, 2010, 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	3,872
Replacement Airport Fund	Street Bond Cap Proj Fund	4,421
General Fund	Golf Course Fund	<u>500,000</u>
		<u>\$896,938</u>

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, 2010 were as follows:

<u>Fund Transferring Out</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>	
General Fund	Dixie Center Operations	\$ 467,000	
	Economic Development	1,000,000	
	Capital Equip Cap. Projects	3,153,073	
	Public Works Cap. Projects	500,000	
	Economic Development Fund	Golf Course Fund	400,000
	Transportation Improvmnt	Municipal Bldg. Authority	2,105,911
		SunTran Public Transit Fund	350,000
		Public Works Capital Proj.	1,323,673
		Street Bond Cap. Proj. Fund	2,101,500
		Replacement Airport Fund	1,000,000
	General Fund	70,000	

<u>Fund Transferring Out</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>
	Special Assessment Const.	45,235
Airport PFC Fund	Replacement Airport	350,000
Capital Equipment Capital Projects	Park Impact Fund	89,511
Street Bond Capital Proj. Fund	Economic Development	895,203
	Replacement Airport Fund	11,983,406
	Dixie Center EDA Fund	808,458
	Public Works Capital Proj.	63,885
Park Impact Fund	General Fund	40,000
Drainage Impact Fund	Public Works Capital Proj.	4,278
Drainage Utility Fund	Public Works Capital Proj.	80,662
CDBG Special Revenue Fund	General Fund	60,430
	Water Utility	28,963
	SID Const. Fund	137,954
Ft. Pierce EDA Fund	Housing Program Fund	159,601
	General Fund	5,000
	Street Bond Cap Proj Fund	192,500
EDA #1 Fund	Housing Program Fund	70,269
	General Fund	5,000
	Street Bond Cap Proj Fund	204,000
Dixie Center EDA Fund	General Fund	5,000
	Street Bond Cap Proj Fund	371,000
Ft. Pierce CDA Fund	General Fund	5,000
	Street Bond Cap Proj Fund	160,000
Street Impact Fund	Public Works Capital Proj.	<u>512,773</u>
	Total Interfund Transfers	<u>\$ 28,749,285</u>
Total Interfund Transfers - Governmental Funds		26,133,749
Total Interfund Transfers - Enterprise Funds		2,615,536

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, 2010 are as follows:

Governmental activities:

	<u>Interest rates</u>	<u>Amount</u>
1999 G.O. Parks & Recreation	4.50% to 4.60%	\$ 370,000
2004 G.O. Parks & Recreation	2.50% to 5.00%	10,550,000
2006 G.O. Parks & Recreation	3.985%	<u>5,109,000</u>
		<u>\$16,029,000</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 \$400,000 to \$870,000 thru June 15, 2015. At June 30, 2010 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>\$2,560,000</u>

In the 2009 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 \$2,350,000 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>\$21,100,000</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 \$670,000 to \$750,000 thru December 1, 2013. At June 30, 2010, the debt balance was as follows:

Governmental activities:

	<u>Interest rates</u>	<u>Amount</u>
2004 Excise Tax Revenue bonds	3.50% to 4.38%	<u>\$2,830,000</u>
Total City reflected General Obligation Debt		<u>\$42,519,000</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>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
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	4,443	945	5,388
2016-2024	<u>20,828</u>	<u>3,061</u>	<u>23,889</u>
Totals	<u>\$42,519</u>	<u>\$ 9,351</u>	<u>\$51,870</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, 2010, the various issues outstanding are as follows:

(amounts in thousands)

<u>District</u>	<u>Original</u> <u>Issue</u>	<u>Annual</u> <u>principal</u>	<u>Interest</u> <u>rates</u>	<u>Final Due</u> <u>Date</u>	<u>Amount</u>
99-4	1,109	\$111	3.75% to 4%	11/1/12	333
99-1	989	\$99	3.85% to 4.1%	2/1/13	297
99-3	1,077	\$107 to \$108	4.05% to 4.35%	6/1/13	322
2000-1	228	\$27 to \$28	5.10% to 5.15%	6/1/12	<u>55</u>
Total special assessment debt					<u>\$1,007</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>
2011	\$ 345	\$ 41	\$ 386
2012	345	27	372
2013	<u>317</u>	<u>13</u>	<u>330</u>
Totals	<u>\$ 1,007</u>	<u>\$ 81</u>	<u>\$ 1,088</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, 2010, is \$100,700.

On December 15, 2009, the City issued additional bonds for the construction of the replacement airport. These bonds were issued in two series. The 2009A Excise Tax Revenue Bonds (Federally taxable-issuer subsidy Build America Bonds) totaled \$3,504,000 dollars and have an interest rate of 7.95% and are due June 1, 2010 thru December 1, 2021 in amounts ranging \$78,000 per year to \$208,000. The federal subsidy rate on the bonds is 35% of the interest paid by the issuer (ie: the City). The 2009B Excise Tax Revenue Bonds (Federally taxable-issuer subsidy Recovery Zone Bonds) totaled \$6,723,000 and have an interest rate of 7.95% and are due December 1, 2021 thru June 1, 2024 in amounts ranging from \$91,000 to a balloon payment on Jun 1, 2024 of \$5,794,000. The federal subsidy rate on the bonds is 45% of the interest paid by the issuer (ie: the City).

Annual debt service requirements to maturity for these bonds are as follows:
(in thousands of dollars)

Year Ended <u>June 30</u>	<u>Principal</u>	Gross <u>Interest</u>	Interest <u>Subsidy</u>	Net <u>Totals</u>
2011	\$157	\$793	\$331	\$619
2012	218	780	326	672
2013	246	762	320	688
2014	265	742	313	694
2015	281	721	306	696
2016-2024	<u>8,852</u>	<u>5,311</u>	<u>2,331</u>	<u>11,832</u>
	<u>\$10,019</u>	<u>\$9,109</u>	<u>\$3,927</u>	<u>\$15,201</u>

The City has entered into an inter-local agreement with Washington County for the sharing of TRCC (convention, resort, etal.) taxes which will be the revenue source for the repayment of these bonds. The agreement guarantees an allocation of \$700,000 annually from the county.

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, 2010 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	\$75 to \$100	4.3% to 4.7%	9/1/17	\$ 680
2000 Woodward	<u>350</u>	\$17 to \$23	2.5%	4/1/21	<u>214</u>
Total Municipal Bldg	<u>6,620</u>				<u>894</u>
1987B Water	\$1,274	due 1/1/13	0.00%	1/1/13	\$ 1,274
2003 Water	12,325	\$945 to \$1215	3.125% -5.25%	7/1/16	7,415
2001 Water	8,670	\$615 to \$1,650	4.3% to 5%	6/1/20	6,655
2004 Water	<u>31,000</u>	\$525 to \$2,425	4.0% to 5%	7/1/25	<u>26,720</u>
Total Water Utility	<u>53,269</u>				<u>42,064</u>
1993B Sewer	4,000	\$248 to \$275	3.5%	6/15/14	1,045
1997B Sewer	12,000	\$1131 to \$1172	1.0%	6/15/12	2,303
2004 Sewer	<u>7,015</u>	\$700 to \$935	4% to 5%	7/1/16	<u>5,695</u>
Total Wastewater Treatment	<u>23,015</u>				<u>9,043</u>
2005 Electric Rev	\$17,280	\$695 to \$3,305	3.5% to 5%	6/01/25	\$ 14,180
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>\$ 64,180</u>
Total Business-type activities	<u>\$150,184</u>				<u>\$116,181</u>

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

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
<u>June 30</u>			
2011	\$ 6,486	\$ 5,424	\$11,910
2012	6,751	5,182	11,933
2013	5,662	4,921	10,583
2014	6,008	4,734	10,742
2015	6,019	4,459	10,478
2016-2020	27,412	18,130	45,542

2021-2025	23,978	12,176	36,154
2026-2030	12,230	7,048	19,278
2031-2035	12,515	4,219	16,734
2036-2038	<u>9,120</u>	<u>927</u>	<u>10,047</u>
Totals	<u>\$ 116,181</u>	<u>\$67,220</u>	<u>\$183,401</u>

In prior years, the City defeased certain outstanding bonds by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the City's financial statements. At June 30, 2010, 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, 2010 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	\$16,595	\$ -	\$ (566)	\$16,029	\$ 621
Sales Tax Bonds	25,430	-	(1,770)	23,660	2,750
Excise Bonds	3,475	-	(645)	2,830	670
Federal Subsidy bonds	-	10,227	(208)	10,019	157
Special assessment debt with governmental commitment	<u>1,612</u>	<u>-</u>	<u>(605)</u>	<u>1,007</u>	<u>345</u>
Total bonds payable	47,112	10,227	(3,794)	53,545	4,543

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Due in <u>OneYr</u>
McArthur note	131	-	(16)	115	17
Wash. Co Schl Dist. Note	1,321	-	(1,321)	-	
SITLA Note payable	12,923	-	-	12,923	
UDOT SIB loan	3,727	-	(706)	3,021	808
WICA lease	5,118	-	(438)	4,680	462
Interest payable	978	1,294	(614)	1,658	
Unamortized premiums	895	-	(99)	796	
Vacation payable	<u>1,324</u>	<u>-</u>	<u>(1)</u>	<u>1,323</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$73,529</u>	<u>\$11,521</u>	<u>\$(6,989)</u>	<u>\$78,061</u>	<u>\$5,830</u>

Business-type activities:

Bonds payable:					
Revenue bonds	\$124,059	-	\$(7,878)	\$116,181	6,486
Capital leases	<u>702</u>	<u>-</u>	<u>(159)</u>	<u>543</u>	<u>272</u>
Total business-type long-term liabilities	<u>\$124,761</u>	<u>\$ -</u>	<u>\$(8,037)</u>	<u>\$116,724</u>	<u>\$6,758</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 \$1,734,283. Accumulated depreciation on this equipment totals \$1,039,320.

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, 2010.

<u>Fiscal year ended</u>	<u>Golf Carts</u>
June 30, 2011	\$304,630
June 30, 2012	113,172
June 30, 2013	<u>162,000</u>
Total payments	579,802
Less amount representing interest	<u>(36,880)</u>
Present value of lease payments	<u>\$ 542,922</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, 2011	\$ 674
June 30, 2012	452
June 30, 2013	453
June 30, 2014	459
June 30, 2015	466
2016-2020	2,381
2021-2023	<u>1,362</u>
Total remaining minimum lease payments	6,247
Less amount representing interest	<u>(1,567)</u>
Present value of net remaining minimum lease payments	<u>\$4,680</u>

For the fiscal year ended June 30, 2010 expenditures were payments for O&M of \$736,171 and debt service payments of \$665,758.

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	\$(2,694,472)	\$234,648
Other assets (prepaids & deferred bond costs)	39,500	77,310
Capital assets	17,513,090	10,770,124
Less depreciation	<u>(6,595,167)</u>	<u>(1,185,188)</u>
Total assets	<u>8,262,951</u>	<u>9,896,894</u>
Liabilities:		
Accrued liabilities	540,877	11,668
Due to other funds	500,000	-
Noncurrent liabilities	<u>542,922</u>	<u>894,000</u>
Total liabilities	<u>1,583,798</u>	<u>905,668</u>
Net assets:		
Invested in capital assets net of related debt	10,414,501	8,768,246
Restricted	-	-
Unrestricted	<u>(3,735,349)</u>	<u>222,980</u>
Total net assets	<u>\$6,679,153</u>	<u>\$8,991,225</u>

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

	<u>Golf Courses</u>	<u>MBA</u>
Charges for services	\$3,763,238	\$ -
Depreciation expense	(615,400)	(98,336)
Other operating expenses	<u>(3,673,518)</u>	<u>(13,398)</u>
Operating income(loss)	<u>(525,680)</u>	<u>(111,734)</u>
Nonoperating revenues (expenses)		
Interest income	-	114
Rental income	5,644	187,136
Miscellaneous income	36,706	-
Transfers from other funds	400,000	2,105,911

	<u>Golf Courses</u>	<u>MBA</u>
Interest expense	(10,332)	(53,088)
Change in net assets	(93,663)	2,128,340
Beginning net assets	<u>6,772,815</u>	<u>6,862,885</u>
Ending net assets	<u>\$ 6,679,152</u>	<u>\$8,991,225</u>

CONDENSED STATEMENT OF CASH FLOWS

	<u>Golf Courses</u>	<u>MBA</u>
Net cash provided (used) by:		
Operating activities	\$ (43,991)	\$ (35,313)
Noncapital financing activities	442,350	2,293,048
Capital and related financing activities	(576,073)	(2,260,088)
Investing activities	<u>-</u>	<u>114</u>
Net increase (decrease)	(177,715)	(2,240)
Beginning cash & cash equivalents	<u>(2,516,757)</u>	<u>236,887</u>
Ending cash & cash equivalents (deficit)	<u>\$(2,694,472)</u>	<u>\$234,647</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>6/30/10</u>	<u>6/30/09</u>
Unpaid claims beginning of fiscal year	\$ 10,151	\$ 24,053
Incurred claims	269,859	163,103
Claim payments	<u>(238,897)</u>	<u>(177,005)</u>
Unpaid claims, end of fiscal year	<u>\$ 41,113</u>	<u>\$ 10,151</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 \$5,726,091.61 during the fiscal year ended June 30, 2010.

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, 2010, there had been twenty-five series of Industrial Revenue Bonds issued. The aggregate principal amount payable could not be determined; however, their original issue amounts totaled \$77.8 million.

E. Commitments/subsequent events

- 1) On July 30, 2010, the City issued the Series 2010 General Obligation Refunding Bonds in a total amount of \$5,395,000. The bonds were issued to take advantage of lower interest rates. The bonds were used to pay and cancel the Series 1999 GO bonds on August 30, 2010 and also the Series 2006 GO bonds on August 30, 2010.
- 2) On July 28, 2010, Standard & Poor's in the course of rating the issuance of Series 2010 General Obligation Refunding Bonds, rated the Series 2010 GO bonds with a rating of 'AA-'. At that time Standard & Poor's also affirmed its 'AA-' rating on the City's previously issued GO debt.
- 3) 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. On October 14, 2010, the dedication was held for the completed project.

- 4) 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.
- 5) The replacement airport is on schedule to be open and operational in January 2011. In connection with the project, there are several contracts which have been awarded and are in various stages of completion. These include contracts for the construction of the terminal building, the fire & rescue (ARRF) building, and the final completion of grading, paving, and lighting.

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 \$899,918
- 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 \$2,560,000.
- 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 \$14,339
 - E) debt service payments \$499,855

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 13.49% 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, 7.65% to the Contributory, 11.66% to the Noncontributory, and 23.34% 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, 2010, 2009, and 2008 respectively were; for the Contributory System, \$44,460, \$44,409, and \$44,622; for the Noncontributory System, \$2,145,534, \$2,221,866, and \$2,210,468; for the Public Safety Noncontributory, \$1,132,733, \$1,107,653, and \$1,047,335; and for the Firefighters System, \$142,955, \$140,013, and \$133,144 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 2.40% for non-exempt employees covered by the Contributory, 4.39% for non-exempt employees covered by

the Non-contributory, 2.56% 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 \$911,800 which represents all required contributions. Because it is a defined contribution plan, all amounts are vested and there is no unfunded liability.

Deferred Compensation Plan

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

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SUPPLEMENTAL DATA

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City of St. George, UT
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2010

Special Revenue Funds

Assets	<u>Dixie Center Ops</u>	<u>Airport PFC Fees</u>	<u>Economic Development</u>	<u>Transportation Improvement</u>	<u>CDBG Grant Fund</u>	<u>Museum Acquis. Fund</u>	<u>Johnson Farm Dinosaur Tracks</u>	<u>Affordable Housing Program</u>	<u>Ft. Pierce CDA Fund</u>	<u>Ft Pierce EDA Fund</u>	<u>Econ Devlpmnt Agencv #1</u>	<u>Dixie Center Area EDA Fund</u>	<u>SunTran Public Transit</u>
Cash and investments	\$ (138,649)	\$ 152,390	\$ 1,361,282	\$ 1,831,286	\$ (16,735)	\$ 63,302	\$ 76,710	\$ 548,019	\$ 176,539	\$ 26,505	\$ 79,291	\$ 195,386	\$ 217,165
Receivables:													
Accounts	116,615			650,629	18,349				1,776	677	54,139	6,452	418,517
Due from other funds													
Total assets	\$ (22,034)	\$ 152,390	\$ 1,361,282	\$ 2,481,915	\$ 1,614	\$ 63,302	\$ 76,710	\$ 548,019	\$ 178,316	\$ 27,182	\$ 133,430	\$ 201,838	\$ 635,682
Liabilities and Fund Balances													
Liabilities:													
Accounts payable	\$ 16,320	\$ -	\$ -	\$ -	\$ 1,929	\$ -	\$ 1,952			\$ -	\$ -	\$ -	\$ 192,646
Deferred revenues													
Due to other funds													
Total liabilities	16,320		-	-	1,929	-	1,952	-	-	-	-	-	192,646
Fund balances:													
Reserved, reported in:													
Special revenue funds	(38,354)	152,390	1,361,282	2,481,915	(315)	63,302	74,758	548,019	178,316	27,182	133,430	201,838	443,036
Debt service funds													
Capital project funds													
Total fund balances	(38,354)	152,390	1,361,282	2,481,915	(315)	63,302	74,758	548,019	178,316	27,182	133,430	201,838	443,036
Total liabilities and fund balances	\$ (22,034)	\$ 152,390	\$ 1,361,282	\$ 2,481,915	\$ 1,614	\$ 63,302	\$ 76,710	\$ 548,019	\$ 178,316	\$ 27,182	\$ 133,430	\$ 201,838	\$ 635,682

(continued)

City of St. George, UT
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2010
 (continued)

Assets	Debt Service			Capital Projects Funds										Totals
	Special Assessments	Recreation Bond D.S.	Airport Bond D.S.	Downtown RDA	Park Impact	Street Impact	Special Assessment	Drainage Impact	Fire Dept Impact	Police Impact	Street Bonds Capital Proj.	Public Works Cap. Proj.	2005 Flood Reconstruction	
Cash and investments	\$ (127,306)	\$ 249,506	\$ 273,283	\$ 857,723	\$ 705,588	\$ 1,575,578	\$ -	\$ 2,077,366	\$ 1,291,050	\$ (26,225)	\$ 5,934,708	\$ 733,841	\$ (51,054)	\$ 18,066,550
Receivables:														
Accounts	1,082,157			19,351	36,216	-	-	-	-	-		221,544	160,273	2,786,697
Due from other funds	388,645			-	-	-	-	-	-	-		3,872	-	392,517
Total assets	\$ 1,343,497	\$ 249,506	\$ 273,283	\$ 877,074	\$ 741,804	\$ 1,575,578	\$ -	\$ 2,077,366	\$ 1,291,050	\$ (26,225)	\$ 5,934,708	\$ 959,257	\$ 109,219	\$ 21,245,764
Liabilities and Fund Balances														
Liabilities:														
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 14,473	\$ -	\$ -	\$ -	\$ 86,490	\$ -	\$ 1,700	\$ 278,827	\$ 25,181	\$ 619,516
Deferred revenues	358,770			-	-	-	-	-	-	-	-	-	-	358,770
Advances from other funds				-	-	-	-	-	-	-	8,293	-	-	8,293
Total liabilities	358,770	-	-	-	14,473	-	-	-	86,490	-	9,993	278,827	25,181	986,579
Fund balances:														
Reserved, reported in:														
Special revenue funds				-	-	-	-	-	-	-	-	-	-	5,626,801
Debt service funds	984,726	249,506	273,283	-	-	-	-	-	-	-	-	-	-	1,507,515
Capital project funds				877,074	727,332	1,575,578	-	2,077,366	1,204,560	(26,225)	5,924,715	680,430	84,038	13,124,868
Total fund balances	984,726	249,506	273,283	877,074	727,332	1,575,578	-	2,077,366	1,204,560	(26,225)	5,924,715	680,430	84,038	20,259,183
Total liabilities and fund balances	\$ 1,343,497	\$ 249,506	\$ 273,283	\$ 877,074	\$ 741,804	\$ 1,575,578	\$ -	\$ 2,077,366	\$ 1,291,050	\$ (26,225)	\$ 5,934,708	\$ 959,257	\$ 109,219	\$ 21,245,764

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, 2010

	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 Developmnt Agency #1	Dixie Center Area EDA Fund	SunTran Public Transit
Revenues:													
Taxes & fees	\$ 381,032	\$ 143,402	\$ -	\$ 3,545,084	\$ -	\$ 45,278	\$ 137,197	\$ -	\$ 587,366	\$ 798,004	\$ 351,344	\$ 233,552	\$ 138,586
Assessments													
Intergovernmental					540,864								1,220,964
Investment income	-	2,842	7,622	31,812	20	320	408	2,127	1,315	1,732	1,573	3,178	
Capital development fees													
Other					20,000		869						5,375
Total revenues	381,032	146,244	7,622	3,576,896	560,884	45,598	138,474	2,127	588,681	799,735	352,917	236,730	1,364,925
Expenditures:													
Current:													
General government	736,171	544	30,544	3,359	2,226	544	104,788		544	544	544	544	936,991
Public Safety													
Highways & improvements													
Parks, recreation etc							13,700						
Community & Econ Developmnt					331,083			8,060	301,343	436,791	13,168	808,458	
Lease payments	-												
Debt service:													
Principal on long-term debt	438,860												
Interest on long-term debt	226,898												
Capital outlay:													583,778
Total expenditures	1,401,929	544	30,544	3,359	333,310	14,244	104,788	8,060	301,887	437,334	13,712	809,001	1,520,768
Excess (deficiency) of revenues over expenditures	(1,020,896)	145,701	(22,922)	3,573,537	227,574	31,354	33,686	(5,933)	286,794	362,401	339,205	(572,271)	(155,843)
Other financing sources (uses):													
Transfers in	467,000		1,895,203	-				229,870				808,458	350,000
Transfers out		(350,000)	(2,505,911)	(4,890,408)	(227,347)				(165,000)	(357,101)	(279,269)	(376,000)	
Capital debt (notes & bonds)													
Loss on bond refunding													
Property sales			808,458										
Contributions from private sources							2,000						
Contributions from other governmr	518,220												
Capital Leases													
Notes payable													
Total other financing sources (uses)	985,220	(350,000)	197,749	(4,890,408)	(227,347)	-	2,000	229,870	(165,000)	(357,101)	(279,269)	432,458	350,000
Net change in fund balances	(35,677)	(204,299)	174,827	(1,316,871)	227	31,354	35,686	223,937	121,794	5,300	59,936	(139,813)	194,157
Fund balances, beginning of year	(2,677)	356,689	1,186,455	3,798,786	(542)	31,947	39,072	324,082	56,522	21,883	73,494	341,652	248,879
Fund balances, end of year	(\$38,354)	\$152,390	\$1,361,282	\$2,481,915	(\$315)	\$63,301	\$74,758	\$548,019	\$178,316	\$27,183	\$133,430	\$201,839	\$443,036

(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, 2010
(continued)

	Debt Service			Capital Projects Funds										Total
	Special Assessments	Recreation Bond D.S.	Airport Bond D.S.	Downtown RDA	Park Impact	Street Impact	Special Assessment	Drainage Impact	Fire Dept Impact	Police Impact	Street Bonds Cap. Proj.	Public Works Cap. Proj.	2005 Flood Reconstruction	
Revenues:														
Taxes	\$ -	\$ 1,255,152	\$ -	\$ 899,918	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,515,915
Assessments	6,165													6,165
Intergovernmental			155,862										(41,729)	1,875,960
Investment income	23,117	710	325	5,906	2,210	12,637		12,685	8,430		131,535			250,503
Capital development fees					753,472	319,677		140,932	75,831	34,363				1,324,275
Other														26,244
Total revenues	29,282	1,255,862	156,187	905,824	755,682	332,314		153,617	84,261	34,363	131,535		(41,729)	11,999,062
Expenditures:														
Current:														
General government	2,065	2,988	-	14,339	2,843	544	544	544	544	544	5,848	544	544	1,849,230
Public Safety														-
Highways & improvements														-
Parks, recreation etc														13,700
Community & Econ Developmnt														1,898,903
Lease payments										39,181				39,181
Debt service:														
Principal on long-term debt	605,000	566,000	208,000	385,000							1,385,000	824,270		4,412,130
Interest on long-term debt	69,602	689,152	374,905	114,855							722,733	8,721		2,206,865
Capital outlay:	-	-	-		174,790		170,604		125,322			2,610,656		3,665,150
Total expenditures	676,667	1,258,140	582,905	514,194	177,633	544	171,147	544	125,866	39,725	2,113,581	3,444,191	544	14,085,158
Excess (deficiency) of revenues over expenditures	(647,386)	(2,278)	(426,717)	391,630	578,049	331,771	(171,147)	153,073	(41,604)	(5,362)	(1,982,046)	(3,444,191)	(42,273)	(2,086,096)
Other financing sources (uses):														
Transfers in					89,511		183,188				3,029,000	2,485,272		9,537,502
Transfers out					(40,000)	(512,773)		(4,278)			(13,750,952)			(23,459,039)
Capital debt (notes & bonds)														-
Loss on bond refunding														-
Property sales														808,458
Contributions from private sources					235							807,991		810,226
Contributions from other governmnts			700,000											1,218,220
Capital leases														-
Notes payable														-
Total other financing sources (uses)	-	-	700,000	-	49,746	(512,773)	183,188	(4,278)	-	-	(10,721,952)	3,293,263	-	(11,084,634)
Net change in fund balances	(647,386)	(2,278)	273,283	391,630	627,795	(181,003)	12,041	148,796	(41,604)	(5,362)	(12,703,998)	(150,928)	(42,273)	(13,170,730)
Fund balances, beginning of year	1,632,111	251,785	-	485,445	99,537	1,756,581	(12,041)	1,928,570	1,246,165	(20,862)	18,628,713	831,358	126,310	33,429,914
Fund balances, end of year	\$984,725	\$249,507	\$273,283	\$877,075	\$727,332	\$1,575,578	(\$0)	\$2,077,366	\$1,204,561	(\$26,224)	\$5,924,715	\$680,430	\$84,037	\$20,259,184

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, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Business license innkeeper fees	\$ 385,000	\$ 385,000	\$ 381,032	\$ (3,968)
Interest income	-	-	-	-
Total revenues	385,000	385,000	381,032	(3,968)
EXPENDITURES:				
Current:				
General government	796,816	796,816	736,171	60,645
Rental payments	-	-	-	-
Debt service:				
Principal	438,860	438,860	438,860	-
Interest	231,627	231,627	226,898	4,729
Capital outlay:			-	-
Total expenditures	1,467,303	1,467,303	1,401,929	65,374
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,082,303)	(1,082,303)	(1,020,896)	61,407
OTHER FINANCING SOURCES (USES):				
Contributions from other governments	598,800	598,800	518,220	(80,580)
Appropriated fund balance	24,303	24,303	-	(24,303)
Transfers to other funds	(7,800)	(7,800)	-	7,800
Transfers from other funds	467,000	467,000	467,000	-
Total other financing sources(uses)	1,082,303	1,082,303	985,220	(97,083)
EXCESS OF REVENUES OVER EXPENDITURES & OTHER FINANCING SOURCES (USES):	-	-	(35,677)	\$ (35,677)
Fund balance at beginning of year	(2,677)	(2,677)	(2,677)	
Fund balance at end of year	\$ (2,677)	\$ (2,677)	\$ (38,354)	

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, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Passenger facility charges	\$ 150,000	\$ 150,000	\$ 143,402	\$ (6,598)
Interest income	5,000	5,000	2,842	(2,158)
Total revenues	155,000	155,000	146,244	(8,756)
EXPENDITURES:				
Current:				
General government	1,000	1,000	544	456
Capital projects:				
Improvements				
Property purchases	-	-	-	-
Equipment purchases	-	-	-	-
Total expenditures	1,000	1,000	544	456
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	154,000	154,000	145,701	-8,299
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(350,000)	(350,000)	(350,000)	-
Appropriated fund balance	196,000	196,000	-	(196,000)
Total other financing sources (uses):	(154,000)	(154,000)	(350,000)	(196,000)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	(204,299)	(\$204,299)
Fund balance at beginning of year	356,689	356,689	356,689	
Fund balance at end of year	<u>\$ 356,689</u>	<u>\$ 356,689</u>	<u>\$ 152,390</u>	

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, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Interest income	\$ 30,000	\$ 30,000	\$ 7,622	\$ (22,378)
Miscellaneous income				
Intergovernmental revenues				
Total revenues	30,000	30,000	7,622	(22,378)
EXPENDITURES:				
Current:				
General government	20,000	50,000	30,544	19,456
Capital projects:				
Improvements		-	-	-
Total expenditures	20,000	50,000	30,544	19,456
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,000	(20,000)	(22,922)	(2,922)
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	490,000	922,340		(922,340)
Sale of property		808,457	808,458	1
Transfers from other funds		1,895,203	1,895,203	-
Transfers to other funds	(500,000)	(3,606,000)	(2,505,911)	1,100,089
Total other financing sources(uses)	(10,000)	20,000	197,749	177,749
EXCESS OF REVENUES OVER EXPENDITURES & OTHER FINANCING SOURCES (USES):	-	-	174,827	\$ 174,827
Fund balance at beginning of year	1,186,455	1,186,455	1,186,455	
Fund balance at end of year	\$ 1,186,455	\$ 1,186,455	\$ 1,361,282	

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, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Highway sales taxes	\$ 3,500,000	\$ 3,500,000	\$ 3,545,084	\$ 45,084
Interest income	200,000	200,000	31,812	(168,188)
Total revenues	<u>3,700,000</u>	<u>3,700,000</u>	<u>3,576,896</u>	<u>(123,104)</u>
EXPENDITURES:				
Current:				
General government	10,000	39,000	3,359	35,641
Capital projects:				
Improvements	-	-	-	-
Total expenditures	<u>10,000</u>	<u>39,000</u>	<u>3,359</u>	<u>35,641</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,690,000</u>	<u>3,661,000</u>	<u>3,573,537</u>	<u>(87,463)</u>
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(5,297,000)	(5,343,000)	(4,890,408)	452,592
Contributions from private sources	-	-	-	-
Sale of bonds	-	-	-	-
Appropriated fund balance	1,607,000	1,682,000	-	(1,682,000)
Total other financing sources(uses)	<u>(3,690,000)</u>	<u>(3,661,000)</u>	<u>(4,890,408)</u>	<u>(1,229,408)</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	(1,316,871)	<u>\$ (1,316,871)</u>
Fund balance at beginning of year	<u>3,798,787</u>	<u>3,798,787</u>	<u>3,798,787</u>	
Fund balance at end of year	<u>\$ 3,798,787</u>	<u>\$ 3,798,787</u>	<u>\$ 2,481,916</u>	

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, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental revenues	\$ 676,549	\$ 676,549	\$ 540,864	\$ (135,685)
Other income		-	20,000	\$ 20,000
Interest income	500	500	20	(480)
Total revenues	677,049	677,049	560,884	(116,165)
EXPENDITURES:				
Current:				
General government	5000	5,000	2,226	2,774
Community & economic development	357,918	357,918	331,083	26,835
Capital projects:				
Improvements	-	-	-	-
Total expenditures	362,918	362,918	333,309	29,609
Excess (Deficiency) of expenditures over revenues	314,131	314,131	227,575	(86,556)
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	-	-	-	-
Bonds sold		-	-	-
Transfer to other funds	(313,631)	(313,631)	(227,347)	86,284
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	500	500	228	\$ (272)
Fund balance at beginning of year	(542)	(542)	(542)	
Fund balance at end of year	\$ (42)	\$ (42)	\$ (314)	

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, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Fees and donations	\$ 20,000	\$ 20,000	\$ 45,278	\$ 25,278
Interest income	500	500	320	(180)
Total revenues	20,500	20,500	45,598	25,098
EXPENDITURES:				
Current:				
General government	1,000	1,000	544	456
Parks, recreation, etc.	15,000	15,000	13,700	1,300
Capital projects:				
Improvements				-
Total expenditures	16,000	16,000	14,244	1,756
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,500	4,500	31,354	26,854
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources(uses)	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	4,500	4,500	31,354	\$ 26,854
Fund balance at beginning of year	31,947	31,947	31,947	
Fund balance at end of year	\$ 36,447	\$ 36,447	\$ 63,301	

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, 2010

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	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Admission fees	\$ 112,000	\$ 112,000	\$ 137,197	\$ 25,197
Other revenues	\$ -	\$ -	869	869
Investment income	500	500	408	(92)
	<u>112,500</u>	<u>112,500</u>	<u>138,474</u>	<u>25,974</u>
EXPENDITURES:				
Current				
General government	119,528	119,528	104,788	14,740
Capital projects:				
Improvements	43,000	43,000		43,000
	<u>162,528</u>	<u>162,528</u>	<u>104,788</u>	<u>57,740</u>
Excess (Deficiency) of expenditures over revenues	<u>(50,028)</u>	<u>(50,028)</u>	<u>33,686</u>	<u>83,714</u>
OTHER FINANCING SOURCES:				
Appropriated fund balance	50,028	50,028		(50,028)
Contributions from private sources	-	-	2,000	2,000
Transfers from other funds	-	-		-
	<u>50,028</u>	<u>50,028</u>	<u>2,000</u>	<u>(48,028)</u>
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	-	35,686	<u>\$ 35,686</u>
Fund balance at beginning of year	<u>39,072</u>	<u>39,072</u>	<u>39,072</u>	
Fund balance at end of year	<u>\$ 39,072</u>	<u>\$ 39,072</u>	<u>\$ 74,758</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, 2010

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Interest income	10,000	10,000	2,127	(7,873)
Total revenues	10,000	10,000	2,127	(7,873)
EXPENDITURES:				
Current:				
Community and economic improvements	15,000	15,000	8,060	6,940
Land Purchases	-	-	-	-
Building Construction	-	-	-	-
Total expenditures	15,000	15,000	8,060	6,940
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,000)	(5,000)	(5,933)	(933)
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	190,000	190,000	229,870	39,870
Appropriated fund balance	-	-	-	-
Total other financing sources (uses):	190,000	190,000	229,870	39,870
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	185,000	185,000	223,937	\$ 38,937
Fund balance at beginning of year	324,082	324,082	324,082	
Fund balance at end of year	\$ 509,082	\$ 509,082	\$ 548,019	

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, 2010

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Economic development taxes	\$ 700,000	\$ 795,000	\$ 587,366	\$ (207,634)
Interest income	1,500	1,500	1,315	(185)
Total revenues	<u>701,500</u>	<u>796,500</u>	<u>588,681</u>	<u>(207,819)</u>
EXPENDITURES:				
Current:				
General government	1,000	1,000	544	456
Community & Economic development	230,000	325,000	301,343	23,657
Capital Outlay:				
Improvements	10,000	10,000		10,000
Total expenditures	<u>241,000</u>	<u>336,000</u>	<u>301,887</u>	<u>34,113</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>460,500</u>	<u>460,500</u>	<u>286,794</u>	<u>(173,706)</u>
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(165,000)	(165,000)	(165,000)	
Appropriated fund balance			-	-
Total other financing sources (uses):	<u>(165,000)</u>	<u>(165,000)</u>	<u>(165,000)</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	295,500	295,500	121,794	<u>\$ (173,706)</u>
Fund balance at beginning of year	<u>56,522</u>	<u>56,522</u>	<u>56,522</u>	
Fund balance at end of year	<u>\$ 352,022</u>	<u>\$ 352,022</u>	<u>\$ 178,316</u>	

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, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Economic development taxes	\$ 800,000	\$ 996,000	\$ 798,004	\$ (197,996)
Interest income	3,500	3,500	1,732	(1,768)
Total revenues	803,500	999,500	799,735	(199,765)
EXPENDITURES:				
Current:				
Professional & technical services	1,000	1,000	544	456
Economic incentives	264,000	460,000	436,791	23,209
Housing programs	-	-	-	-
Total expenditures	265,000	461,000	437,334	23,666
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	538,500	538,500	362,401	(176,099)
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	-	-	-	-
Transfers to other funds	(307,500)	(307,500)	(357,101)	(49,601)
Total other financing sources (uses):	(307,500)	(307,500)	(357,101)	(49,601)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	231,000	231,000	5,300	\$ (225,700)
Fund balance at beginning of year	21,883	21,883	21,883	
Fund balance at end of year	\$ 252,883	\$ 252,883	\$ 27,183	

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, 2010

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Economic development taxes	\$ 400,000	\$ 400,000	\$ 351,344	\$ (48,656)
Interest income	10,000	10,000	1,573	(8,427)
Total revenues	410,000	410,000	352,917	(57,083)
EXPENDITURES:				
Current:				
General government	1,000	1,000	544	456
Economic incentives	11,500	11,500	13,168	(1,668)
Housing programs	-	-	-	-
Total expenditures	12,500	12,500	13,712	(1,212)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	397,500	397,500	339,205	(58,295)
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	-	-	-	-
Transfers to other funds	(289,000)	(289,000)	(279,269)	9,731
Total other financing sources (uses):	(289,000)	(289,000)	(279,269)	9,731
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	108,500	108,500	59,936	\$ (48,564)
Fund balance at beginning of year	73,494	73,494	73,494	
Fund balance at end of year	\$ 181,994	\$ 181,994	\$ 133,430	

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, 2010

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	<u>BUDGETED AMOUNTS</u>		<u>VARIANCE WITH FINAL BUDGET</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>POSITIVE (NEGATIVE)</u>
REVENUES:				
Economic development taxes	\$ 400,000	\$ 400,000	\$ 233,552	\$ (166,448)
Interest income	7,500	7,500	3,178	(4,322)
Total revenues	407,500	407,500	236,730	(170,770)
EXPENDITURES:				
Current:				
Professional & technical fees	1,000	1,000	544	456
Economic incentives	-	-		
Capital outlay:	808,457	808,457	808,458	(1)
Total expenditures	809,457	809,457	809,001	456
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(401,957)	(401,957)	(572,271)	(170,314)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(376,000)	(376,000)	(376,000)	-
Transfers from other funds	808,457	808,457	808,458	1
Total other financing sources (uses):	432,457	432,457	432,458	1
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	30,500	30,500	(139,813)	\$ (170,313)
Fund balance at beginning of year	341,652	341,652	341,652	
Fund balance at end of year	<u>\$ 372,152</u>	<u>\$ 372,152</u>	<u>\$ 201,839</u>	

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, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Transit fares	\$ 107,085	\$ 107,085	\$ 121,406	\$ 14,321
Intergovernmental revenues	1,990,085	1,990,085	1,220,964	(769,121)
Miscellaneous revenues	-	-	5,375	5,375
Advertising fees	30,000	30,000	17,180	(12,820)
Total revenues	2,127,170	2,127,170	1,364,925	(762,245)
EXPENDITURES:				
Current:				
General government	1,105,667	1,105,667	936,991	168,676
Highways & public improvements			-	-
Capital projects:				
Improvements	1,365,000	1,365,000	583,778	781,222
Total expenditures	2,470,667	2,470,667	1,520,769	949,898
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(343,497)	(343,497)	(155,843)	187,654
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(9,750)	(9,750)		9,750
Appropriated fund balance	3,247	3,247		(3,247)
Transfers from other funds	350,000	350,000	350,000	-
Total other financing sources(uses)	343,497	343,497	350,000	6,503
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	194,157	\$ 194,157
Fund balance at beginning of year	248,880	248,880	248,880	
Fund balance at end of year	\$ 248,880	\$ 248,880	\$ 443,037	

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, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Special assessments collected	\$ 190,000	\$ 190,000	\$ 6,165	\$ (183,835)
Miscellaneous revenues				
Interest income	40,000	40,000	23,117	(16,883)
Total revenues	230,000	230,000	29,282	(200,718)
EXPENDITURES:				
General:				
General government	17,000	17,000	2,065	14,935
Debt service:				
Principal	605,000	605,000	605,000	-
Interest & other charges	69,675	69,675	69,602	73
Total expenditures	691,675	691,675	676,667	15,008
Excess (deficiency) of revenues over (under) expenditures	(461,675)	(461,675)	(647,386)	(185,711)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds				
Sales of bonds				
Appropriated fund balance	461,675	461,675	-	(461,675)
Total other financing sources (uses):	461,675	461,675	-	(461,675)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	(647,386)	(\$647,386)
Fund balance at beginning of year	1,632,111	1,632,111	1,632,111	
Fund balance at end of year	<u>\$ 1,632,111</u>	<u>\$ 1,632,111</u>	<u>\$ 984,725</u>	

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Current property taxes	\$ 1,255,152	\$ 1,255,152	\$ 1,255,152	\$ -
Interest income	500	500	710	210
Total revenues	1,255,652	1,255,652	1,255,862	210
EXPENDITURES:				
General:				
General government	3,500	3,500	2,988	512
Debt service:				
Principal	566,000	566,000	566,000	
Interest & other charges	689,152	689,152	689,152	(0)
Total expenditures	1,258,652	1,258,652	1,258,140	512
Excess (deficiency) of revenues over (under) expenditures	(3,000)	(3,000)	(2,278)	722
OTHER FINANCING SOURCES (USES):				
Transfers to other funds		-	-	0
Sales of bonds		-	-	-
Appropriated fund balances	3,000	3,000	-	(3,000)
Loss on bond refunding			-	-
Total other financing sources (uses):	3,000	3,000	-	(3,000)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	(2,278)	(\$2,278)
Fund balance at beginning of year	251,785	251,785	251,785	
Fund balance at end of year	<u>\$ 251,785</u>	<u>\$ 251,785</u>	<u>\$ 249,507</u>	

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Tax rebates on bonds	\$ -	\$ 155,862	\$ 155,862	\$ -
Interest income	-	-	325	325
Total revenues	-	155,862	156,187	325
EXPENDITURES:				
General:				
General government	-	1,000	-	1,000
Debt service:				
Principal	-	208,000	208,000	-
Interest & other charges	-	374,905	374,905	-
Total expenditures	-	583,905	582,905	1,000
Excess (deficiency) of revenues over (under) expenditures	-	(428,043)	(426,718)	1,325
OTHER FINANCING SOURCES (USES):				
Transfers to other funds		(271,957)	-	271,957
Contributions from other governments		700,000	700,000	-
Appropriated fund balances	-	-	-	-
Loss on bond refunding			-	-
Total other financing sources (uses):	-	428,043	700,000	271,957
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	273,282	\$273,282
Fund balance at beginning of year	-	-	-	
Fund balance at end of year	\$ -	\$ -	\$ 273,282	

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, 2010

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	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Redevelopment taxes	\$ 900,000	\$ 950,000	\$ 899,918	\$ (50,082)
Miscellaneous				
Interest income	10,000	10,000	5,906	(4,094)
Total revenues	910,000	960,000	905,824	(54,176)
EXPENDITURES:				
Current:				
General government	13,000	21,000	14,339	6,661
Parks, recreation, etc.				-
Capital projects:				
Improvements	3,000	3,000	-	3,000
Land purchases	-	-	-	-
Debt service:				
Bond principal	385,000	385,000	385,000	-
Interest	114,855	114,855	114,855	-
Lease payments	-	-	-	-
Total expenditures	515,855	523,855	514,194	9,661
Excess (deficiency) revenues over (under) expenditures:	394,145	436,145	391,630	(44,515)
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	-	-	-	-
Transfers to other funds	-	(42,000)	-	42,000
Total other financing sources (uses)	-	(42,000)	-	42,000
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENDITURES	394,145	394,145	391,630	\$ (2,515)
Fund balance at beginning of year	485,444	485,444	485,444	
Fund balance at end of year	<u>\$ 879,589</u>	<u>\$ 879,589</u>	<u>\$ 877,074</u>	

CITY OF ST. GEORGE, UTAH

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Interest earnings	\$ 200,000	\$ 200,000	\$ 131,535	\$ (68,465)
Property sales	-	-	-	-
Sundry revenues	-	-	-	-
Total revenues	200,000	200,000	131,535	(68,465)
EXPENDITURES:				
Current:				
General government	600	600	5,848	(5,248)
Highways & public improvements			-	-
Debt Service:				
Principal payments	2,185,000	2,185,000	1,385,000	800,000
Interest payments	843,744	843,744	722,733	121,011
Total expenditures	3,029,344	3,029,344	2,113,581	915,763
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,829,344)	(2,829,344)	(1,982,046)	847,298
OTHER FINANCING SOURCES (USES):				
Operating transfers in	3,029,500	3,029,500	3,029,000	(500)
Transfers to other funds	(17,919,193)	(18,814,396)	(13,750,952)	5,063,444
Contributions from private sources		-	-	-
Contributions from other governments		-	-	-
Appropriated fund balance	17,719,037	18,614,240	-	(18,614,240)
Total other financing sources (uses)	2,829,344	2,829,344	(10,721,952)	(13,551,296)
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	-	(12,703,998)	\$ (12,703,998)
Fund balance at beginning of year	18,628,713	18,628,713	18,628,713	
Fund balance at end of year	<u>\$18,628,713</u>	<u>\$18,628,713</u>	<u>\$5,924,715</u>	

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, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Charges for services	\$ 500,000	\$ 544,000	\$ 753,472	\$ 209,472
Intergovernmental	1,500	1,500		(1,500)
Sale of property	-	-		-
Contributions from others				
Interest income	25,000	25,000	2,210	(22,790)
Total revenues	526,500	570,500	755,682	185,182
EXPENDITURES:				
Current:				
General government	11,250	11,250	2,843	8,407
Parks, recreation, etc			-	-
Capital projects:				
Improvements	1,139,177	1,047,572	174,790	872,782
Property purchases			-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	1,150,427	1,058,822	177,633	881,189
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(623,927)	(488,322)	578,049	1,066,371
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	380,777	256,000	89,511	(166,489)
Transfers to other funds	(40,000)	(40,000)	(40,000)	-
Contributions from private sources			235	235
Appropriated fund balance	283,150	272,322	-	(272,322)
Total other financing sources (uses):	623,927	488,322	49,746	(438,576)
EXCESS REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	627,795	\$627,795
F und balance at beginning of year	99,536	99,536	99,536	
Fund balance at end of year	\$ 99,536	\$ 99,536	\$ 727,331	

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, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Charges for services	\$ 450,000	\$ 450,000	\$ 319,677	\$ (130,323)
Interest income	25,000	25,000	12,637	(12,363)
Total revenues	<u>475,000</u>	<u>475,000</u>	<u>332,314</u>	<u>(142,686)</u>
EXPENDITURES:				
Current:				
General government	15,000	15,000	544	14,456
Capital projects:				
Improvements	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total expenditures	<u>115,000</u>	<u>115,000</u>	<u>544</u>	<u>114,456</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>360,000</u>	<u>360,000</u>	<u>331,771</u>	<u>(28,229)</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	1,740,000	1,740,000		(1,740,000)
Transfers to other funds	(2,100,000)	(2,100,000)	(512,773)	1,587,227
Total other financing sources (uses):	<u>(360,000)</u>	<u>(360,000)</u>	<u>(512,773)</u>	<u>(152,773)</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	(181,003)	<u>\$ (181,003)</u>
Fund balance at beginning of year	<u>1,756,581</u>	<u>1,756,581</u>	<u>1,756,581</u>	
Fund balance at end of year	<u>\$ 1,756,581</u>	<u>\$ 1,756,581</u>	<u>\$ 1,575,578</u>	

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, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Interest income			-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Professional & technical fees			543	(543)
Capital outlay	-	174,777	170,604	4,173
Total expenditures	-	174,777	171,147	3,630
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(174,777)	(171,147)	3,630
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-	174,777	183,188	8,411
Sale of bonds	-	-	-	-
Total other financing sources (uses):	-	174,777	183,188	8,411
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	12,041	\$ 12,041
Fund balance at beginning of year	(12,041)	(12,041)	(12,041)	
Fund balance at end of year	\$ (12,041)	\$ (12,041)	\$ 0	

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, 2010

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	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Charges for services	\$ 270,000	\$ 270,000	\$ 140,932	\$ (129,068)
Interest income	30,000	30,000	12,685	(17,315)
Total revenues	300,000	300,000	153,617	(146,383)
EXPENDITURES:				
Current:				
General government	15,000	15,000	544	14,456
Highways & public improvements			-	-
Capital projects:				
Land purchases	-	-	-	-
Improvements	-	-	-	-
Total expenditures	15,000	15,000	544	14,456
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	285,000	285,000	153,073	(131,927)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(2,200,000)	(2,200,000)	(4,278)	2,195,722
Transfers from other funds	-	-	-	-
Appropriated fund balance	1,915,000	1,915,000	-	(1,915,000)
Total other financing sources(uses)	(285,000)	(285,000)	(4,278)	280,722
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	148,795	\$ 148,795
Fund balance at beginning of year	1,928,570	1,928,570	1,928,570	
Fund balance at end of year	<u>\$ 1,928,570</u>	<u>\$ 1,928,570</u>	<u>\$ 2,077,365</u>	

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, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Charges for services	\$ 100,000	\$ 100,000	\$ 75,831	\$ (24,169)
Interest income	20,000	20,000	8,430	(11,570)
Total revenues	120,000	120,000	84,261	(35,739)
EXPENDITURES:				
Current:				
General government	1,000	1,000	544	456
Capital Projects:				
Land Purchases	-	-	-	-
Building Construction	1,200,000	1,200,000	125,322	1,074,678
Total expenditures	1,201,000	1,201,000	125,866	1,075,134
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,081,000)	(1,081,000)	(41,604)	1,039,396
OTHER FINANCING SOURCES (USES):				
Contributions from private sources	-	-	-	-
Appropriated fund balance	1,081,000	1,081,000	-	(1,081,000)
Total other financing sources (uses):	1,081,000	1,081,000	-	(1,081,000)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	-	-	(41,604)	\$ (41,604)
Fund balance at beginning of year	1,246,165	1,246,165	1,246,165	
Fund balance at end of year	\$ 1,246,165	\$ 1,246,165	\$ 1,204,561	

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, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Charges for services	\$ 60,000	\$ 60,000	\$ 34,363	\$ (25,637)
Interest income	500	500	-	(500)
Total revenues	60,500	60,500	34,363	(26,137)
EXPENDITURES:				
Current:				
General government	1,000	1,000	544	456
Lease payments	50,000	50,000	39,181	10,819
Total expenditures	51,000	51,000	39,725	11,275
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,500	9,500	(5,362)	(14,862)
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources (uses):	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	9,500	9,500	(5,362)	\$ (14,862)
Fund balance at beginning of year	(20,862)	(20,862)	(20,862)	
Fund balance at end of year	\$ (11,362)	\$ (11,362)	\$ (26,224)	

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, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Interest income	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Other income	-	-	-	-
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
EXPENDITURES:				
Current:				
General government	-	-	544	(544)
Capital projects:				
Improvements	12,421,318	12,421,318	2,610,656	9,810,662
Debt service:				
Principal payments	824,270	824,270	824,270	-
Interest expense	8,721	8,721	8,721	-
Total expenditures	<u>13,254,309</u>	<u>13,254,309</u>	<u>3,444,191</u>	<u>9,810,118</u>
Excess (Deficiency) of expenditures over revenues	<u>(13,244,309)</u>	<u>(13,244,309)</u>	<u>(3,444,191)</u>	<u>9,800,118</u>
OTHER FINANCING SOURCES:				
Transfers to other funds	-	-	-	-
Contributions from private sources	807,991	807,991	807,991	-
Issuance of long-term debt	-	-	-	-
Appropriated fund balance	3,205,318	3,205,318	-	(3,205,318)
Transfers from other funds	9,231,000	9,231,000	2,485,272	(6,745,728)
Total other Financing Sources	<u>13,244,309</u>	<u>13,244,309</u>	<u>3,293,263</u>	<u>(9,951,046)</u>
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	-	(150,928)	<u>\$ (150,928)</u>
Fund balance at beginning of year	<u>831,358</u>	<u>831,358</u>	<u>831,358</u>	
Fund balance at end of year	<u>\$ 831,358</u>	<u>\$ 831,358</u>	<u>\$ 680,430</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, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ (41,729)	\$ (41,729)
Interest income				
Other income				
Total revenues	0	0	(41,729)	(41,729)
EXPENDITURES:				
Current:				
General government			544	(544)
Capital projects:				
Improvements	-	-	-	-
Property purchases				
Total expenditures	-	-	544	(544)
Excess (Deficiency) of expenditures over revenues	-	-	(42,273)	(42,273)
OTHER FINANCING SOURCES:				
Transfers to other funds	(103,696)	(120,696)		120,696
Appropriated fund balance	103,696	120,696	-	(120,696)
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	-	(42,273)	\$ (42,273)
Fund balance at beginning of year	126,310	126,310	126,310	
Fund balance at end of year	\$ 126,310	\$ 126,310	\$ 84,037	

City of St. George, UT
NonMajor Proprietary Funds
Combining Statement of Net Assets
June 30, 2010

Business-type Activities
Enterprise Funds

<u>Assets</u>	<u>Refuse Collection</u>	<u>Municipal Building Authority</u>	<u>Drainage Utility</u>	<u>Wastewater Collection</u>	<u>Golf Courses</u>	<u>Total Non-Major</u>
Cash and investments	\$ 229,992	\$ 234,648	\$ 2,754,502	\$ (141,728)	\$ (2,694,472)	\$ 382,942
Restricted cash	-	-	-	546,926		546,926
Accounts Receivable				79,136		79,136
Notes Receivable				16,686		16,686
Furniture, Fixtures, & equip	-	10,770,124	-	11,298,355	17,513,090	39,581,568
Less depreciation	-	(1,185,188)	-	(5,846,117)	(6,595,167)	(13,626,471)
Other assets (prepaid & deferred bond costs)	-	77,310	-		39,500	116,810
Total assets	229,992	9,896,894	2,754,502	5,953,258	8,262,951	27,097,597
Liabilities						
Liabilities:						
Accrued liabilities	\$ 263,770	\$ 11,668	\$ -	\$ 69,164	540,877	885,478
Due to other funds					500,000	500,000
Leases payable					542,922	542,922
Bonds payable		894,000			-	894,000
Total liabilities	263,770	905,668	-	69,164	1,583,798	2,822,400
Net Assets						
Invested in capital assets, net of related debt	-	8,768,246	-	5,452,238	10,414,501	24,634,985
Restricted for impact fee construction				546,926	-	546,926
Unrestricted	(33,778)	222,980	2,754,502	(115,070)	(3,735,349)	(906,714)
Total Net Assets	\$ (33,778)	\$ 8,991,225	\$ 2,754,502	\$ 5,884,094	\$ 6,679,153	\$ 24,275,197

City of St. George, UT
 NonMajor Proprietary Funds
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
 For the Fiscal Year Ended June 30, 2010

Business-type Activities
 Enterprise Funds

	<u>Refuse Collection</u>	<u>Municipal Building Authority</u>	<u>Drainage Utility</u>	<u>Wastewater Collection</u>	<u>Golf Courses</u>	<u>Total Non-Major</u>
OPERATING REVENUES:						
Charges for services	\$ 3,246,132	\$ -	\$ 982,750	\$ 7,628,073	\$ 3,763,238	15,620,194
Other operating revenues				272,305		272,305
Total operating revenues	3,246,132	-	982,750	7,900,379	3,763,238	15,892,499
OPERATING EXPENSES:						
Salary and wages				656,092	1,386,211	2,042,303
Supplies				26,519	321,614	348,134
Service vehicle expense				70,062	33,899	103,962
Equipment rental				64	26,132	26,196
Depreciation		98,336		456,801	615,400	1,170,537
Payroll tax & employee benefits				291,060	563,990	855,050
Office & dept. supplies				11,096	122,921	134,017
Professional services	544	13,398	544	7,056	522,915	544,457
R. & M. - equipment				40,591	9,292	49,883
R. & M. - buildings and grounds			-	3,210	659,362	662,572
Insurance & surety bonds		-		14,113	25,452	39,565
Travel				6,171	364	6,535
Subscriptions & memberships				1,388	1,365	2,753
Contract labor	3,093,060			5,669,907		8,762,967
Claims paid						
Insurance premiums						
Billing & administration	185,000		142,000	520,000		847,000
Total operating expenses	3,278,604	111,734	142,544	7,774,131	4,288,918	15,595,930
Operating income (loss)	(32,472)	(111,734)	840,207	126,247	(525,680)	296,569
NON-OPERATING REVENUES (EXPENSES)						
Interest income		114	16,465	2,853		19,432
Rent		187,136			5,644	192,780
Miscellaneous income				19,739	36,706	56,445
Interest charges		(53,088)			(10,332)	(63,420)
Total non-operating revenue (expense)	-	134,163	16,465	22,592	32,017	205,237
Income before transfers	(32,472)	22,429	856,671	148,840	(493,663)	501,806
Transfers (to) from other funds	-	2,105,911	(80,662)	-	400,000	2,425,249
Changes in Net Assets	(32,472)	2,128,340	776,009	148,840	(93,663)	2,927,055
Total Net Assets - beginning of year	(1,306)	6,862,886	1,978,493	5,735,255	6,772,815	21,348,143
Total Net Assets - end of year	\$ (33,778)	\$ 8,991,226	\$ 2,754,502	\$ 5,884,095	\$ 6,679,152	\$ 24,275,198

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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	\$ 3,246,132	\$ -	\$ 982,750	\$ 8,099,421	\$ 3,551,350	\$ 15,879,653
Payments to suppliers	(3,266,342)	(35,313)	(142,544)	(6,375,902)	(1,645,141)	(11,465,242)
Payments to employees	-	-	-	(947,152)	(1,950,201)	(2,897,353)
Net cash provided by operating activities	(20,210)	(35,313)	840,207	776,366	(43,991)	1,517,059
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Rents received		187,136			5,644	192,780
Miscellaneous non-operating income				19,739	36,706	56,445
Economic development transfer		2,105,911	(80,662)	-	400,000	2,425,249
Net cash provided (used) by noncapital and related financing activities	-	2,293,048	(80,662)	19,739	442,350	2,674,475
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets				(30,129)		(30,129)
Principal paid on capital debt		(2,207,000)			(407,000)	(2,614,000)
Interest paid on capital debt		(53,088)			(10,332)	(63,420)
Capital lease principal payments					(158,741)	(158,741)
Net cash provided (used) by capital and related financing activities	-	(2,260,088)	-	(30,129)	(576,073)	(2,866,290)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	-	114	16,465	2,853	-	19,432
Net increase (decrease) in cash and cash equivalents	(20,210)	(2,240)	776,009	768,830	(177,715)	1,344,675
Cash and equivalents including restricted cash of \$274,621 at beginning of year	250,203	236,887	1,978,493	(363,630)	(2,516,757)	(414,804)
Cash and equivalents including restricted cash of \$546,926 at end of year	\$ 229,993	\$ 234,647	\$ 2,754,502	\$ 405,200	\$ (2,694,472)	\$ 929,871
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (32,472)	\$ (111,734)	\$ 840,207	\$ 126,247	\$ (525,680)	\$ 296,569
Adjustments to reconcile net income from operations to net cash provided by operating activities:						
Depreciation	-	98,336	-	456,801	615,400	1,170,537
Changes in assets & liabilities:						
Decrease (increase) in receivables				3,840		3,840
Decrease (increase) in interfund rec.				195,202		195,202
Decrease (increase) in discounts		11,044				11,044
Increase (decrease) in accruals	12,262	(32,960)	-	(5,724)	78,176	51,754
Increase (decrease) in due to other funds					(211,888)	(211,888)
Total adjustments	12,262	76,420	-	650,119	481,688	1,220,489
Net cash provided by operating activities:	\$ (20,210)	\$ (35,314)	\$ 840,207	\$ 776,367	\$ (43,992)	\$ 1,517,058

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

JUNE 30, 2010

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$	82,825,345
Buildings		29,575,420
Improvements		63,705,526
Infrastructure assets		186,796,825
Equipment		<u>23,355,323</u>
Total Governmental Funds Capital Assets	<u>\$</u>	<u>386,258,439</u>

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INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

Capital Projects Funds:		
General Fund	\$	101,458,889
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		28,518,076
Public Works Capital projects fund		33,778,818
Replacement Airport capital projects fund		124,676,051
Industrial Park fund		2,401,462
Sewer Impact fund		245,866
Park Impact fund		19,075,947
Fire Impact fund		1,598,847
Drainage Impact fund		1,069,844
Special Assessment fund		23,602,452
Street Impact fund		1,683,809
Dixie Center EDA fund		1,308,347
Transportation improvement fund		4,915,250
SunTran Public Transit fund		2,813,261
Art Permanent Collection Fund		13,730
Police Seizures Fund		79,731
Airport PFC fund		<u>22,049</u>
Total Governmental Funds Capital Assets	<u>\$</u>	<u>386,258,439</u>

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

JUNE 30, 2010

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVEMENTS	INFRASTRUCTURE	EQUIPMENT
GENERAL GOVERNMENT:						
Gen. government bldgs.	\$ 18,156,396	\$ 13,809,745	\$ 3,151,937	\$ 1,194,714	\$ -	\$ -
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	1,425,856	-	-	-	-	1,425,856
Total general government	44,599,498	18,226,753	13,973,732	10,973,157	-	1,425,856
PUBLIC SAFETY:						
Police protection	7,232,965	-	82,589	168,531	-	6,981,845
Fire protection	7,264,151	613,048	2,644,925	86,490	-	3,919,688
Total public safety	14,497,116	613,048	2,727,514	255,021	-	10,901,533
PUBLIC WORKS:	264,669,981	55,960,915	5,474,644	8,884,294	186,651,673	7,698,455
PARKS, RECREATION, & PUBLIC PROPERTY:	62,491,844	8,024,629	7,399,530	43,593,054	145,152	3,329,479
Total governmental fund capital assets allocated to function	\$ 386,258,439	\$ 82,825,345	\$ 29,575,420	\$ 63,705,526	\$ 186,796,825	\$ 23,355,323

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

FUNCTION AND ACTIVITY	GOVERNMENTAL FUNDS CAPITAL ASSETS		ADDITIONS	DELETIONS	GOVERNMENTAL FUNDS CAPITAL ASSETS	
	JULY 1, 2009				JUNE 30, 2010	
GENERAL GOVERNMENT:						
Gen. government bldgs.	\$	18,208,667	\$	20,641	\$	-
WCIA - Dixie Center		10,255,803		-		-
Downtown Redevelopment		13,061,855		-		-
Industrial Park		1,626,676		-		-
Administration		1,408,512		42,224		24,881
		<u>44,561,513</u>		<u>62,865</u>		<u>24,881</u>
						<u>44,599,497</u>
PUBLIC SAFETY:						
Police protection		5,814,271		1,418,693		-
Fire protection		7,138,831		125,322		-
		<u>12,953,102</u>		<u>1,544,015</u>		<u>-</u>
						<u>14,497,117</u>
PUBLIC WORKS:		219,257,213		45,412,768		-
PARKS, RECREATION, & PUBLIC PROPERTY:		61,909,937		581,907		-
						<u>264,669,981</u>
						<u>62,491,844</u>
TOTAL GOVERNMENTAL FUND CAPITAL ASSETS	<u>\$</u>	<u>338,681,765</u>	<u>\$</u>	<u>47,601,555</u>	<u>\$</u>	<u>24,881</u>
					<u>\$</u>	<u>386,258,439</u>

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STATISTICAL SECTION

CITY OF ST. GEORGE, UTAH

WATER FUND

STATISTICAL ANALYSIS

JUNE 30, 2010

	<u>Year Ended June 30,</u>	
	<u>2010</u>	<u>2009</u>
Production cost analysis:		
Number of gallons billed	9,686,438,431	10,987,719,358
Expense of operations *	\$14,631,517	\$15,025,863
Cost per billed gallon	\$.001511	\$.001367
Average Revenue Analysis:		
Number of metered customers	21,039	20,927
Water usage billed	\$14,141,513	\$14,076,339
Average monthly billing per metered customer	\$56.01	\$56.05

* 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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities:										
Invested in capital assets, net of related debt	\$ 46,857	\$ 54,034	\$ 57,354	\$ 64,316	\$ 77,190	\$ 89,565	\$ 109,818	\$ 129,100	\$ 184,237	\$ 220,811
Restricted	3,305	2,918	3,776	3,375	7,340	7,308	4,549	2,487	1,884	1,508
Unrestricted	28,515	29,767	33,832	40,960	36,417	43,111	43,165	58,600	38,253	23,226
Total governmental activities net assets	<u>\$ 78,677</u>	<u>\$ 86,719</u>	<u>\$ 94,962</u>	<u>\$ 108,651</u>	<u>\$ 120,947</u>	<u>\$ 139,984</u>	<u>\$ 157,532</u>	<u>\$ 190,187</u>	<u>\$ 224,374</u>	<u>\$ 245,545</u>
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	\$ 163,547
Restricted		6,163	6,737	30,873	16,168	4,857	7,642	12,945	30,571	6,068
Unrestricted	27,462	12,465	10,600	17,647	24,147	34,767	33,596	30,382	33,265	42,700
Total business-type activities net assets	<u>\$ 95,634</u>	<u>\$ 95,613</u>	<u>\$ 104,471</u>	<u>\$ 120,109</u>	<u>\$ 136,959</u>	<u>\$ 159,606</u>	<u>\$ 174,625</u>	<u>\$ 198,067</u>	<u>\$ 204,906</u>	<u>\$ 212,315</u>
Primary government:										
Invested in capital assets, net of related debt	\$ 115,029	\$ 131,019	\$ 144,488	\$ 135,905	\$ 173,834	\$ 209,547	\$ 243,205	\$ 283,840	\$ 325,307	\$ 384,358
Restricted	3,305	9,081	10,513	34,248	23,508	12,165	12,191	15,432	32,455	7,576
Unrestricted	55,977	42,232	44,432	58,607	60,564	77,878	76,761	88,982	71,518	65,926
Total primary government net assets	<u>\$ 174,311</u>	<u>\$ 182,332</u>	<u>\$ 199,433</u>	<u>\$ 228,760</u>	<u>\$ 257,906</u>	<u>\$ 299,590</u>	<u>\$ 332,157</u>	<u>\$ 388,254</u>	<u>\$ 429,280</u>	<u>\$ 457,860</u>

**

** 2009 Governmental activities net assets invested in capital assets restated for prior period over depreciation of fixed assets in fiscal year 2010

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

	FISCAL YEAR									
	<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>	<u>2010</u>
EXPENSES:										
Governmental activities:										
General government	\$ 3,954	\$ 4,462	\$ 5,129	\$ 3,491	\$ 2,205	\$ 5,004	\$ 4,433	\$ 5,935	\$ 8,877	\$ 9,338
Public safety	7,573	7,445	8,395	9,521	10,357	11,497	13,824	14,885	14,726	14,178
Highways & public improvements	8,989	7,927	8,076	10,419	17,231	14,096	14,814	14,887	17,516	13,200
Parks, recreation, & public property	6,552	5,792	6,453	9,592	12,167	11,087	13,525	14,607	11,175	11,032
Community & economic development	951	990	1,171	1,446	1,957	2,058	2,359	2,544	1,700	1,470
Interest on long-term debt	2,120	2,145	2,053	1,653	1,122	1,411	1,480	1,776	2,800	2,914
Total governmental activities expenses:	<u>30,139</u>	<u>28,761</u>	<u>31,277</u>	<u>36,122</u>	<u>45,039</u>	<u>45,153</u>	<u>50,435</u>	<u>54,634</u>	<u>56,794</u>	<u>52,132</u>
Business-type activities:										
Energy services	36,944	41,519	36,461	38,654	38,667	44,254	48,304	48,734	54,554	56,351
Water services	6,453	6,672	7,792	8,323	10,455	13,161	15,383	15,756	15,026	14,563
Wastewater collection	5,690	5,825	6,098	6,527	7,021	7,250	7,876	7,599	8,043	7,774
Regional wastewater treatment	4,239	4,222	4,257	4,006	4,083	4,174	4,878	5,015	5,058	5,059
Golf courses	3,965	4,104	4,077	4,206	4,624	4,637	5,224	5,181	4,989	4,299
Municipal building authority	531	518	488	440	435	371	352	265	250	165
Solid waste	2,039	2,125	2,229	2,379	2,560	2,812	3,104	3,075	3,178	3,279
Drainage utility	-	-	-	-	-	1	6	16	4	143
Total business-type activities expenses:	<u>59,861</u>	<u>64,985</u>	<u>61,402</u>	<u>64,535</u>	<u>67,845</u>	<u>76,660</u>	<u>85,127</u>	<u>85,641</u>	<u>91,102</u>	<u>91,633</u>
Total primary government expenses	<u>\$ 90,000</u>	<u>\$ 93,746</u>	<u>\$ 92,679</u>	<u>\$ 100,657</u>	<u>\$ 112,884</u>	<u>\$ 121,813</u>	<u>\$ 135,562</u>	<u>\$ 140,275</u>	<u>\$ 147,896</u>	<u>\$ 143,765</u>
PROGRAM REVENUES:										
Governmental activities:										
Charges for services:										
General government	\$ 2,190	\$ 2,325	\$ 2,437	\$ 2,568	\$ 3,054	\$ 3,063	\$ 3,496	\$ 3,872	\$ 3,871	\$ 4,158
Public safety	1,362	1,232	1,618	1,966	2,220	2,338	2,815	2,810	2,874	3,100
Highways & public improvements	182	212	221	293	319	570	680	627	549	488
Parks, recreation, & public property	1,233	1,347	1,463	2,071	2,114	2,733	2,501	2,587	2,514	2,855
Community & economic development	857	1,151	1,288	2,648	3,656	3,685	3,238	2,019	1,105	808
Operating grants & contributions	4,730	5,145	6,526	7,971	10,710	9,000	8,043	9,601	7,324	7,663
Capital grants & contributions	1,533	2,536	2,073	4,720	2,462	5,457	8,355	22,538	31,062	20,794
Total governmental activities program revenues	<u>12,087</u>	<u>13,948</u>	<u>15,626</u>	<u>22,237</u>	<u>24,535</u>	<u>26,846</u>	<u>29,128</u>	<u>44,054</u>	<u>49,299</u>	<u>39,866</u>
Business-type activities:										
Charges for services:										
Energy services	27,361	32,559	36,361	40,359	44,253	48,604	52,688	54,091	54,102	53,859
Water services	9,553	10,850	12,191	14,639	15,463	15,682	15,167	15,506	14,745	14,772
Wastewater collection	5,746	5,830	6,222	6,706	7,246	7,256	7,966	7,967	7,866	7,900
Regional wastewater treatment	6,561	7,002	7,676	8,710	9,841	9,763	9,297	8,283	8,232	8,403

Golf courses	3,992	4,057	4,219	4,242	3,957	4,340	4,597	4,750	4,013	3,763
Municipal building authority										
Solid waste	2,036	2,126	2,264	2,435	2,624	2,812	2,969	3,078	3,095	3,246
Drainage utility				819	837	869	906	955	973	983
Operating grants & contributions	15	13	19	695	791			9,571	7	560
Capital grants & contributions	674	69		1,072		5,500	-	-	-	-
Total business-type activities program revenues	55,938	62,506	68,952	79,677	85,012	94,826	93,590	104,201	93,033	93,486
Total primary government program revenues	\$ 68,025	\$ 76,454	\$ 84,578	\$ 101,914	\$ 109,547	\$ 121,672	\$ 122,718	\$ 148,255	\$ 142,332	\$ 133,352

Net (expense) / revenue										
Governmental activities	\$ (18,052)	\$ (14,813)	\$ (15,651)	\$ (13,885)	\$ (20,504)	\$ (18,307)	\$ (21,307)	\$ (10,580)	\$ (7,495)	\$ (12,266)
Business-type activities	(3,923)	(2,479)	7,550	15,142	17,167	18,166	8,463	18,560	1,931	1,853
Total primary government net expense	\$ (21,975)	\$ (17,292)	\$ (8,101)	\$ 1,257	\$ (3,337)	\$ (141)	\$ (12,844)	\$ 7,980	\$ (5,564)	\$ (10,413)

**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	\$ 10,118
Property taxes for debt service	1,613	1,622	1,666	1,779	1,660	2,054	2,329	2,446	2,050	2,155
Franchise taxes	2,780	3,246	3,525	3,887	5,086	5,839	6,035	6,541	6,319	6,087
General sales & highway sales taxes	10,974	12,134	11,942	13,584	16,035	19,317	20,447	19,768	16,678	15,477

Business licenses	347	358	378	409	468	532	639	628	630	712
Investment income	2,191	1,142	1,020	845	1,077	1,889	2,458	2,312	1,211	470
Lease payments	(576)	(621)	(348)	(373)	(466)	(97)	(193)	(175)	(175)	(164)
Gain on sale of assets	56	151	706	17	650	388	1,333	2,187	28	812
Rents and concessions	8	14	18	60	30	35	33	30	25	34
Miscellaneous	133	116	169	535	68	195	45	327	143	189
Transfers	(306)	(363)	(696)	208	1,864	670	(1,703)	283	(291)	(2,454)

Total governmental activities	22,019	22,855	23,894	27,496	32,799	37,342	38,955	43,234	35,776	33,436
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Business-type activities:

Investment income	2,031	794	378	395	958	1,828	1,992	1,976	1,562	378
Lease payments	595	624	666			839	2,448	2,448	2,597	2,294
Miscellaneous	(62)	677	(434)	309	590	2,483	413	740	459	429
Transfers	306	363	696	(208)	(1,864)	(670)	1,703	(283)	291	2,454

Total business-type activities	2,870	2,458	1,306	496	(316)	4,480	6,556	4,881	4,909	5,555
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Total primary government	\$ 24,889	\$ 25,313	\$ 25,200	\$ 27,992	\$ 32,483	\$ 41,822	\$ 45,511	\$ 48,115	\$ 40,685	\$ 38,991
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CHANGE IN NET ASSETS

Governmental activities	\$ 3,967	\$ 8,042	\$ 8,243	\$ 13,611	\$ 12,295	\$ 19,035	\$ 17,648	\$ 32,654	\$ 28,281	\$ 21,170
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Business-type activities	(1,053)	(21)	8,856	15,638	16,851	22,646	15,019	23,441	6,840	7,408
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Total primary government	\$ 2,914	\$ 8,021	\$ 17,099	\$ 29,249	\$ 29,146	\$ 41,681	\$ 32,667	\$ 56,095	\$ 35,121	\$ 28,578
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CITY OF ST. GEORGE, UTAH
 GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (amounts expressed in thousands)

<u>Fiscal</u> <u>Year</u>	<u>General</u> <u>Property Tax</u>	<u>Debt Serv</u> <u>Property Tax</u>	<u>General Sales &</u> <u>Highway Sales Tax</u>	<u>Franchise</u> <u>Tax</u>	<u>Total</u>
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
2010	10,118	2,155	6,087	15,477	33,837

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(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>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>	<u>2010</u>
General fund										
Reserved for police seizures	\$ 66	\$ 23	\$ 28	\$ 40	\$ 90	\$ 67	\$ 103	\$ 119	\$ 70	\$ 83
Reserved for notes receivable	664	498	950	595	343	714	1,501	1,618	1,626	1,621
Reserved for perpetual care	8	30	78	126	139	181	236	318	148	161
Unreserved	2,797	3,007	3,299	3,629	3,881	3,905	3,009	2,852	2,912	2,891
Total general fund	<u>\$ 3,535</u>	<u>\$ 3,558</u>	<u>\$ 4,355</u>	<u>\$ 4,390</u>	<u>\$ 4,453</u>	<u>\$ 4,867</u>	<u>\$ 4,849</u>	<u>\$ 4,907</u>	<u>\$ 4,756</u>	<u>\$ 4,756</u>
All other governmental funds										
Reserved										
Unreserved, reported in:										
Special revenue funds	5,953	5,390	4,915	6,848	6,144	8,336	10,343	10,224	6,476	5,627
Debt service funds	2,574	2,397	2,798	3,086	3,218	3,694	3,045	23,520	1,884	1,507
Capital projects funds	20,475	22,112	26,404	17,581	24,271	34,347	30,456	23,743	28,608	15,199
Total all other governmental funds	<u>\$ 29,002</u>	<u>\$ 29,899</u>	<u>\$ 34,117</u>	<u>\$ 27,515</u>	<u>\$ 33,633</u>	<u>\$ 46,377</u>	<u>\$ 43,844</u>	<u>\$ 57,487</u>	<u>\$ 36,968</u>	<u>\$ 22,333</u>

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

	FISCAL YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
REVENUES:										
Taxes & special assessments	\$ 21,013	\$ 22,837	\$ 23,845	\$ 27,674	\$ 30,274	\$ 35,693	\$ 37,306	\$ 38,668	\$ 35,155	\$ 34,689
Licenses & permits	1,169	1,448	1,619	2,861	3,656	3,545	3,190	2,271	1,622	1,393
Intergovernmental	2,555	2,383	3,526	4,501	10,197	7,476	7,165	23,004	35,906	23,089
Charges for services	3,753	4,000	4,425	5,071	6,176	7,137	8,001	8,236	7,762	8,473
Fines & forfeitures	863	740	863	1,076	987	928	1,018	851	856	1,035
Investment income	2,191	1,129	1,013	840	1,067	1,868	2,431	2,283	1,202	467
Rents & concessions	8	14	18	60	30	35	33	30	26	34
Miscellaneous	742	219	196	576	325	195	145	329	143	195
Contributions from other sources			318	2,350	558	300	66	71	138	96
Capital development fees	2,251	2,685	3,577	4,290	5,030	4,121	3,144	3,283	1,551	1,324
Total revenues	34,545	35,455	39,400	49,299	58,300	61,298	62,499	79,026	84,361	70,795
EXPENDITURES:										
General government	3,116	3,619	4,205	4,940	5,773	7,300	8,271	8,688	8,239	7,614
Public safety	7,009	7,197	8,301	9,269	10,355	12,023	13,933	15,283	14,043	13,647
Highways & public improvements	6,332	6,768	6,394	7,356	10,021	9,505	8,070	8,289	12,761	6,852
Parks, recreation, & public property	5,546	5,864	6,012	6,447	7,334	8,068	8,610	9,885	8,770	8,422
Community & economic development	875	918	1,045	1,230	1,638	1,967	2,155	3,025	2,879	3,325
Capital outlay	5,525	9,341	9,482	14,896	28,823	16,946	22,955	51,536	57,264	50,496
Debt service										
Capital leases	576	621	349	373	466	197	193	175	175	164
Principal	1,487	983	1,069	13,668	1,441	1,188	6,849	1,814	26,666	5,733
Interest & other admin charges	1,574	1,513	1,427	1,694	1,251	1,462	1,411	1,301	2,558	2,207
Total expenditures	32,040	36,824	38,284	59,873	67,102	58,656	72,447	99,996	133,355	98,460
Excess of revenues over (under) expend.	2,505	(1,369)	1,116	(10,574)	(8,802)	2,642	(9,948)	(20,970)	(48,994)	(27,665)
OTHER FINANCING SOURCES (USES):										
Transfers in	10,553	7,299	8,052	15,774	14,701	13,795	13,364	21,312	16,816	26,264
Transfers out	(10,813)	(7,045)	(8,048)	(14,698)	(11,797)	(11,768)	(14,458)	(20,380)	(16,264)	(28,168)
Contributions from private sources		321		69	128	393	947	846	65	808
Contributions from other governments						785	1,040	5,951	572	3,087
Proceeds from sale of capital assets	56	32	671	17	650	388	1,333	2,186	28	812
Loss on bond refinancing				(1,074)			(93)	-	-	-
Premiums on bonds sold				643						
Issuance of notes/bonds/ or leases	20	1,660	3,176	16,645	4,510	343	5,265	24,755	27,107	10,227
Total other financing sources (uses)	(184)	2,267	3,851	17,376	8,192	3,936	7,398	34,670	28,324	13,030
Net change in fund balance	\$ 2,321	\$ 898	\$ 4,967	\$ 6,802	\$ (610)	\$ 6,578	\$ (2,550)	\$ 13,700	\$ (20,670)	\$ (14,635)
Debt service as a percentage of non-capital expenditures										
	15.90%	12.79%	10.96%	53.81%	8.99%	7.33%	17.08%	6.79%	38.41%	16.90%

 1997 Parks & Rec GO Bonds refunded

 2007 Sales Tax bonds refunded

CITY OF ST. GEORGE, UTAH
SALES TAX PAYERS BY SECTOR
JUNE 30, 2010
(amounts expressed in thousands)

2010

2001

Ranking	Category	Direct Point of Sales Dollars	Percent of Sales	Ranking	Category	Direct Point of Sales Dollars	Percent of Sales
1	Retail - Gen Merchandise	\$ 417,074,099	22.30%	2	Retail - Gen Merchandise	\$ 142,791,246	16.04%
2	Retail - Motor vehicles	163,392,465	8.73%	1	Retail - Motor vehicles	152,322,743	17.11%
3	Retail - Eating & drinking	127,766,229	6.83%	7	Wholesale - Durable goods	55,105,262	6.19%
4	Retail - Food stores	124,406,376	6.65%	3	Retail - Food stores	92,081,896	10.34%
5	Retail - Miscellaneous	100,255,694	5.36%	5	Retail - Eating & drinking	69,439,065	7.80%
6	Wholesale - Durable goods	88,405,244	4.73%	4	Retail - Bldg & Gardening	75,520,694	8.48%
7	Retail - Bldg & Gardening	86,331,614	4.62%	6	Retail - Miscellaneous	58,396,986	6.56%
8	Retail - Apparel & Accessories	80,693,990	4.31%	10	Retail - Apparel & Accessories	37,578,633	4.22%
9	Services - Auto & repair	66,192,067	3.54%	11	Services - Auto & repair	35,657,616	4.00%
10	Retail - Furniture	50,976,077	2.73%	9	Retail - Furniture	46,246,961	5.19%
11	Public Administration	45,748,925	2.45%	19	Communications	5,197,270	0.58%
12	Communications	43,661,393	2.33%	12	Services - Hotel & Lodging	25,081,864	2.82%
13	Services - Hotel & Lodging	40,678,347	2.17%	n/a	Public Administration		
14	Services - Business	32,965,630	1.76%	14	Services - Business	12,771,653	1.43%
15	Manufacturing	27,738,132	1.48%	15	Construction	12,311,509	1.38%
16	Electric & Gas	25,741,806	1.38%	13	Manufacturing	14,231,877	1.60%
17	Private Motor Vehicle sales	23,744,938	1.27%	n/a	Private Motor Vehicle sales		
18	Services - Amusement & rec	22,312,236	1.19%	17	Wholesale - Nondurables	6,047,662	0.68%
19	Wholesale - Nondurables	20,963,265	1.12%	n/a	Electric & Gas		
20	Construction	16,585,332	0.89%	16	Services - Amusement & rec	11,582,175	1.30%
21	Finance, Ins. & Real Estate	9,126,098	0.49%	23	Prior-period payments & refunds	888,369	0.10%
22	Services - Health	7,416,971	0.40%	24	Finance, Ins. & Real Estate	880,978	0.10%
23	Services - Personal	7,178,201	0.38%	18	Services - Personal	5,824,195	0.65%
24	Services - Education	4,697,003	0.25%	20	Services - Health	3,987,833	0.45%
25	Transportation	4,134,841	0.22%	21	Services - Education	3,328,177	0.37%
26	Agric Forestry & Fishing	3,902,297	0.21%	22	Agric Forestry & Fishing	3,325,504	0.37%
27	Nondisclosable\Nonclassifiable	3,087,097	0.17%	25	Transportation	804,675	0.09%
28	Occasional Retail sales	1,436,519	0.08%	n/a	Mining		0.00%
29	Mining	1,220,598	0.07%	8	Nondisclosable\Nonclassifiable	52,973,487	5.95%
30	Prior-period payments & refunds	942,680	0.05%	n/a	Occasional Retail sales		
		<u>\$ 1,648,776,164</u>				<u>\$ 924,378,330</u>	

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Source: Utah State Tax Commission statistical reports for calendar year ended December 31, 2009 and December 31, 2001.

CITY OF ST. GEORGE, UTAH
 PRINCIPAL TAXABLE PROPERTIES
 JUNE 30, 2010
 (amounts expressed in thousands)

2010

2001

<u>NAME</u>	<u>TYPE OF BUSINESS</u>	<u>TAXABLE VALUE</u>	<u>% OF TOTAL</u>
IHC HEALTH SERVICES INC	MEDICAL PROVIDER	\$ 38,981,561	0.65%
GENERAL GROWTH PROPERTIES INC	LAND DEVELOPMENT	22,605,480	0.38%
SUBURBAN LAND RESERVE INC	LAND DEVELOPMENT	20,231,925	0.34%
LESTER WITTWER INVESTMENT CO LC	LAND DEVELOPMENT	17,862,090	0.30%
INLAND WESTERN ST GEORGE LC	LAND DEVELOPMENT	14,381,640	0.24%
TRAVELLER/STONE CLIFF LC	LAND DEVELOPMENT	14,201,955	0.24%
S W A C EAST LLC	LAND DEVELOPMENT	13,705,460	0.23%
RIMROCK MARKETPLACE II LC	LAND DEVELOPMENT	13,591,850	0.23%
WAL-MART REAL ESTATE BUSINESS TRUST	WAL-MART SUPERSTORE	12,528,280	0.21%
ZFS HOLDING 2005 LC	REGIONAL SHOPPING MALL	12,401,680	0.21%
SUNSET CORNER PROPERTIES LC	REGIONAL SHOPPING MALL	12,057,710	0.20%
MAINSTREET PARTNERS LC	PROFESSIONAL OFFICES	11,929,135	0.20%
		<u>\$ 204,478,766</u>	<u>3.40%</u>

<u>NAME</u>	<u>TYPE OF BUSINESS</u>	<u>TAXABLE VALUE</u>	<u>% OF TOTAL</u>
PRICE DEVELOPMENT	REGIONAL SHOPPING MALL	\$ 21,759,125	0.93%
ZION FACTORY STORES 1	STRIP SHOPPING MALL	21,071,800	0.90%
IHC HOSPITALS	MEDICAL PROVIDER	11,201,850	0.48%
LESTER WITTWER INVESTMENTS	PROPERTY INVESTMENTS	8,346,018	0.36%
HARMONS	GROCERY STORE COMPLEX	7,524,335	0.32%
A & M INVESTMENTS	PROPERTY INVESTMENTS	7,172,335	0.31%
SMITH'S FOOD KING	GROCERY STORE COMPLEX	5,684,640	0.24%
SUN RIVER DEVELOPMENT II	PROPERTY INVESTMENTS	5,204,530	0.22%
DEAN T. TERRY	HOLIDAY INN & RESTAURANT	5,183,150	0.22%
AH COOMBS LC	PROPERTY INVESTMENTS	5,172,565	0.22%
DIXIE DEVELOPMENT CORP	PROPERTY INVESTMENTS	5,039,890	0.21%
THETA INVESTMENT CO	PROPERTY INVESTMENTS	5,021,210	0.21%
		<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	State Assessed Property					
2001	\$ 1,162,428	\$ 482,240	\$ 690,864	\$ 67,506	\$ 2,404	\$ (15,766)	\$ 2,389,676	\$ 3,387,224	70.55%
2002	1,237,988	520,897	807,263	84,397	1,165	(23,445)	2,628,265	3,705,599	70.93%
2003	1,370,760	577,959	864,775	102,883	1,212	(18,796)	2,898,793	4,109,661	70.54%
2004	1,459,050	616,981	887,775	101,439	1,155	(27,213)	3,039,187	4,320,220	70.35%
2005	1,616,411	681,916	937,422	99,342		(18,060)	3,317,031	4,716,445	70.33%
2006	2,068,273	877,977	1,037,878	90,651		(2,249)	4,072,530	5,932,597	68.65%
2007	2,820,877	1,256,276	1,334,676	89,785		-	5,501,614	8,021,906	68.58%
2008	3,397,861	1,735,621	1,497,991	130,172		-	6,761,645	9,594,120	70.48%
2009	3,418,978	2,015,720	1,656,614	234,970		-	7,326,282	10,425,903	70.27%
2010	2,827,569	1,592,024	1,468,398	123,395		-	6,011,386	8,549,831	70.31%

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

Fiscal Year	City of St. George			Washington County					Washington Co School District			(1) Special Districts	Direct & Overlapping Rates
	Operating Rate	Debt Service Rate	Total City Rate	County Library Rate	County General Rate	County G.O. Bond Rate	Assess & Collect Rate	Total County Rate	Local School Fund Rate	State School Fund Rate	Total School Rate		
2001	0.001719	0.000345	0.002064	0.000320	0.000977		0.000380	0.001677	0.005085	0.001820	0.006905	0.000874	0.011520
2002	0.001658	0.000335	0.001993	0.000310	0.000929		0.000358	0.001597	0.004933	0.001810	0.006743	0.000815	0.011148
2003	0.001615	0.000324	0.001939	0.000419	0.000943		0.000341	0.001703	0.004925	0.001807	0.006732	0.000942	0.011316
2004	0.001603	0.000322	0.001925	0.000306	0.000729	0.000312	0.000348	0.001695	0.004880	0.001800	0.006680	0.000965	0.011265
2005	0.001535	0.000308	0.001843	0.000302	0.000720	0.000354	0.000345	0.001721	0.004875	0.001800	0.006675	0.000934	0.011173
2006	0.001369	0.000275	0.001644	0.000269	0.000640	0.000315	0.000320	0.001544	0.004411	0.001720	0.006131	0.001035	0.010354
2007	0.001126	0.000210	0.001336	0.000216	0.000514	0.000235	0.000257	0.001222	0.004085	0.001515	0.005600	0.000816	0.008974
2008	0.001026	0.000191	0.001217	0.000195	0.000464	0.000186	0.000421	0.001266	0.004344	0.001311	0.005655	0.000716	0.008854
2009	0.001015	0.000191	0.001206	0.000194	0.000564	0.000200	0.000421	0.001379	0.004326	0.001311	0.005637	0.000701	0.008923
2010	0.001313	0.000191	0.001504	0.000239	0.000695	0.000246	0.000507	0.001687	0.005608	0.001311	0.006919	0.000863	0.010973

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
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%
2010	9,170	7,875	85.88%	272	8,147	88.84%

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		
2001	17,580	794	2,595	3,361	122	33,020	26,584		8,351	2,990	485	95,882	1,918
2002	17,520	623	2,210	3,027	66	30,629	25,534		7,756	2,634	524	90,523	1,758
2003	17,425	442	1,810	5,613	6	28,170	23,859		7,146	2,528	363	87,362	1,616
2004	18,190	251	6,390	4,854	207	23,634	54,414		6,499	2,132	619	117,190	1,953
2005	18,015	4,210	5,850	4,080	121	20,942	52,299	17,280	5,724	2,132	666	131,319	2,020
2006	17,695	4,210	5,285	3,480	-	18,026	51,459	16,710	5,188	1,711	857	124,621	1,731
2007	17,540	3,670	4,700	2,864	-	15,104	49,579	16,110	3,786	1,293	918	115,564	1,541
2008	17,105	28,070	4,100	2,233	42	12,973	47,169	15,490	3,450	859	1,142	132,633	1,591
2009	16,595	25,430	3,475	1,612	-	11,042	44,664	68,845	3,101	407	702	175,873	2,069
2010	16,029	23,660	2,830	1,007	-	9,043	42,064	64,180	894	-	543	160,250	1,919

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

Fiscal year	General Obligation <u>Bonds</u>	Less: Amounts Available in Debt <u>Service Funds</u>	<u>Total</u>	Percentage of Estimated Actual Taxable Value of <u>Property</u>		Per <u>Capita</u>
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
2010	16,029	-	16,029	0.2666%		192

CITY OF ST. GEORGE, UTAH
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF JUNE 30, 2010
 (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	\$ 23,815	54.76%	\$ 13,041
Washington County School District	245,374	54.76%	134,367
Washington County Water Conservancy	4,045	54.76%	2,215
Washington County/St George City (WCIA)	<u>14,895</u>	38.00%	5,660
sub-total overlapping debt	288,129		155,283
City of St. George direct debt	16,029		16,029
 Total direct & overlapping debt	 <u><u>\$ 304,158</u></u>		 <u><u>\$ 171,312</u></u>

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

	FISCAL YEAR									
	<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>	<u>2010</u>
Debt limit	\$ 294,557	\$ 306,841	\$ 336,740	\$ 371,978	\$ 410,848	\$ 503,555	\$ 669,296	\$ 823,545	\$ 896,826	\$ 721,366
Total net debt applicable to limit	77,254	71,093	64,969	97,894	85,060	81,933	74,318	71,218	64,594	64,594
Legal debt margin	<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>	<u>\$ 656,772</u>
Total net debt applicable to the limit as a percentage of debt limit										

Legal Debt Margin Calculation for Fiscal Year 2010

Taxable value	\$ 6,011,386
Debt limit:	
General obligation 4%	\$ 240,455
Water & Sewer 8%	480,911
Total debt limit	<u>\$ 721,366</u>
Debt applicable to limit:	
General obligation bonds	\$ 16,029
less: amt set aside for repayment of debt	(250)
Water & sewer bonds	51,215
less: amt set aside for repayment of debt	(5,521)
Total net debt applicable to limit	<u>61,473</u>
Legal debt margin	<u>\$ 659,893</u>

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

Fiscal Year	Sewer Revenue Bonds (Regional Treatment Fund)						Water Revenue Bonds					
	Sewer Charges and other	Less: Operating Expenses	Net Available Revenues	Debt Service		Coverage	Water Charges and other	Less: Operating Expenses	Net Available Revenues	Debt Service		Coverage
				Principal	Interest					Principal	Interest	
2001	7,497	2,153	5,344	2,296	1,231	1.52	9,620	3,615	6,005	295	1,495	3.35
2002	7,474	2,187	5,287	2,391	1,158	1.49	10,881	3,980	6,901	1,050	1,301	2.94
2003	7,972	2,254	5,718	2,459	1,097	1.61	12,210	4,998	7,212	1,675	1,324	2.40
2004	8,871	2,363	6,508	4,536	662	1.25	14,726	5,242	9,484	445	1,422	5.08
2005	10,374	2,591	7,783	2,692	505	2.43	15,895	6,467	9,428	2,115	2,019	2.28
2006	10,790	2,706	8,084	2,917	484	2.38	16,116	8,651	7,465	840	2,142	2.50
2007	10,217	3,216	7,001	2,922	415	2.10	17,399	10,670	6,729	1,880	2,094	1.69
2008	9,355	3,308	6,047	2,131	374	2.41	17,628	10,846	6,782	2,410	2,027	1.53
2009	8,726	3,294	5,432	1,931	330	2.40	16,973	10,164	6,809	2,515	1,935	1.53
2010	8,547	3,312	5,235	1,999	281	2.30	16,959	9,862	7,097	2,610	1,820	1.60

Fiscal Year	Golf Course Revenue Bonds						Energy Services Revenue Bonds					
	Golf Charges and other	Less: Operating Expenses	Net Available Revenues	Debt Service		Coverage	Energy Charges and other	Less: Operating Expenses	Net Available Revenues	Debt Service		Coverage
				Principal	Interest					Principal	Interest	
2001	4,105	3,405	700	342	204	1.28	28,224	35,156	(6,932)	-	-	n/a
2002	4,110	3,466	644	356	242	1.08	33,466	39,629	(6,163)	-	-	n/a
2003	4,286	3,578	708	282	139	1.68	36,430	34,562	1,868	-	-	n/a
2004	4,357	3,689	668	396	132	1.27	40,195	37,040	3,155	-	-	n/a
2005	3,994	3,993	1	-	98	0.01	44,637	36,630	8,007	-	-	n/a
2006	4,416	4,038	378	421	88	0.74	51,039	40,748	10,291	570	529	9.36
2007	4,642	4,533	109	418	69	0.22	53,623	44,291	9,332	600	703	7.16
2008	4,840	4,444	396	434	61	0.80	55,241	44,842	10,399	620	682	7.99
2009	4,158	4,299	(141)	452	38		55,201	49,921	5,280	645	3,047	1.43
2010	3,806	3,674	132	407	10		55,102	51,917	3,185	665	3,023	1.05

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

<u>Fiscal Year</u>	<u>Population</u>	(1) Personal Income (amts expressed in millions)	(1) Per Capita Personal income	<u>Median Age</u>	(2) <u>School Enrollment</u>	(1) <u>Unemployment Rate</u>
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	3,512.1	25,886		25,295	4.9
2009	85,000	not available	not available		25,775	7.3
2010	83,500	not available	not available		25,202	9.6

(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

2010

2001

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

(1) County-wide

Source: Utah Department of Workforce Services

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

FUNCTION	FISCAL YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government	41	45	45	48	48	64	50	51	52	50
Community & development services	12	12	12	16	21	24	39	39	29	27
Public Safety										
Police										
Officers	71	74	76	80	83	89	93	97	103	103
Reserves	8	8	8	8	8	8	4	4		
Civilians	15	17	24	26	28	30	37	39	39	39
Fire										
Firefighters & officers	8	8	8	9	15	19	22	22	23	23
Volunteers firefighters	51	51	51	51	51	55	64	64	64	64
Civilians						1	1	1	1	1
Highways & streets										
Engineering & Administration	19	19	20	21	21	24	22	25	22	17
Maintenance	22	23	25	26	28	28	31	32	32	32
Fleet maintenance	9	10	10	10	11	11	12	13	13	13
Culture & recreation										
Recreation	10	10	10	10	12	14	12	14	14	14
Parks & design	21	22	25	25	29	34	39	41	42	42
Building maintenance	3	3	3	4	6	6	7	11	10	9
Dixie Center			6	8	8	9	9	9	12	12
Administration & others	10	10	10	10	9	9	8	8	6	6
Water services	29	32	33	44	48	52	54	54	49	49
Wastewater collections	12	14	15	17	16	17	19	19	19	17
Energy services	48	50	53	46	49	49	53	56	51	52
Golf courses	33	33	33	33	33	33	33	33	34	31
Wastewater treatment	20	20	17	18	18	18	21	21	19	20
Public transit				2	2	11	15	15	14	14
Total	442	461	484	512	544	605	645	668	648	635

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SINGLE AUDIT SECTION



**Independent Auditors' 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***

MEMBERS:

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

The Honorable Mayor and
 Members of the City Council
 St. George City, Utah

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of St. George City, Utah, as of and for the year ended June 30, 2010, which collectively comprise St. George City's basic financial statements, and have issued our report thereon dated October 8, 2010. We conducted our audit in accordance with generally accepted auditing standards 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 St. George City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 St. George City'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 in the accompanying schedule of findings and recommendations, dated October 8, 2010.

The City's response to the findings identified in our audit are described in the accompanying response to the findings and recommendations. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the City Council, Mayor, federal awarding agencies and pass-through entities and the Utah State Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Hinton, Burdick, Hall & Spilker, PLLC

HINTON, BURDICK, HALL & SPILKER, PLLC
October 8, 2010

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ST. GEORGE CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

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		\$76,309
Edward Byrne Memorial Justice Assistance Grant Program	16.738		49,786
ARRA--Edward Byrne Memorial Justice Assistance Grant Program	16.738		194,909
Edward Byrne Memorial Formula Grant Program	16.579		<u>115,396</u>
<i>Total U.S. Department of Justice</i>			<u>436,400</u>
U.S. Department of Transportation:			
Federal Aviation Administration: Airport Improvements Program	20.106		13,646,092
ARRA--Airport Improvements Program	20.106		3,497,000
Federal Transportation Administration: Federal Transit Formula Grant Program	20.507		541,751
ARRA--Federal Transit Formula Grant Program	20.507		355,716
Federal Transit Capital Investment Grants Program	20.500		<u>323,497</u>
<i>Total U.S. Department of Transportation</i>			<u>18,364,056</u>
Executive Office of the President, Office of National Drug Control Policy:			
High Intensity Drug Trafficking Area	07.000		<u>80,703</u>
U.S Department of Homeland Security:			
Federal Emergency Management Agency Staffing for Adequate Fire & Emergency			

Response (SAFER) Grant Program	97.083		45,803
Emergency Management Performance Grant Program	97.042		<u>11,000</u>
<i>Total U.S. Department of Homeland Security</i>			<u>56,803</u>
U.S. Department of the Interior:			
Water Conservation Field Services Grant Program	15.530		<u>3,360</u>
U.S. Department of Energy:			
ARRA--Energy Efficiency and Conservation Block Grant Program	81.128		<u>557,036</u>
U.S. Department of Housing & Urban Development:			
Community Development Block Grants/Entitlement Grants Program	14.218		412,087
ARRA--Community Development Block Grants/Entitlement Grants Program	14.218		<u>128,777</u>
<i>Total U.S. Department of Housing & Urban Development</i>			<u>540,864</u>
U.S. Department of Agriculture:			
Passed through Utah Dept. of Agriculture Competitive Redesign Consolidated Payments Grant Program	10.664	09-DG-11046000-617	<u>70,949</u>
U.S. Department of Commerce:			
Passed through Utah Dept. of Homeland Security: National Telecommunications and Information Administration: Public Safety Interoperable Communications Grant Program	11.555	2007-HLS-PSIC-004	<u>1,010,031</u>
Total Expenditures of Federal Awards			<u>\$21,120,202</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, 2010

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 (CDBG funds) to the following sub-recipients:

Five County Association of Governments	\$283,062
St. George Soup Kitchen	\$6,486

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**ST. GEORGE CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: unqualified

Internal control over financial reporting:

- Material weakness identified? ___yes x no
- Significant deficiencies identified that are not considered to be material weaknesses? ___yes x none reported
- Noncompliance material to financial statements noted? ___yes x no

Federal Awards

Internal control over major programs:

- Material weakness identified? ___yes x no
- Significant deficiencies identified? ___yes x none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? ___yes x no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
20.106	Airport Improvements Program
20.507	Federal Transit Formula Program
20.500	Federal Transit Capital Investment Program
11.555	Public Safety Interoperable Communications Program

ST. GEORGE CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

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

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

\$ 633,606

Auditee qualified as low-risk auditee?

 x yes no

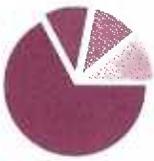
Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters or questioned costs were reported.

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MEMBERS:

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

**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 St. George City, Utah's compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of St. George City's major federal programs for the year ended June 30, 2010. 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. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

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 the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Hinton, Burdick, Hall & Spilker, PLLC

HINTON, BURDICK, HALL & SPILKER PLLC

October 8, 2010

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Independent Auditors' Report on State Legal Compliance

The Honorable Mayor and
Members of the City Council
St. George City, Utah

MEMBERS:

CHAD B. ATKINSON
KRIS J. BRAUNBERGER
DEAN R. BURDICK
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MARK E. TICHENOR

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, for the year ended June 30, 2010, and have issued our report thereon dated October 8, 2010. As part of our audit, we have audited St. George City's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended June 30, 2010. The City received the following major State assistance programs from the State of Utah:

B & C Road Funds (Department of Transportation)
Liquor Law Enforcement (State Tax Commission)

Our audit also included test-work on the City's compliance with the following general compliance requirements identified in the State of Utah Legal Compliance Audit Guide:

Public Debt
Cash Management
Purchasing Requirements
Budgetary Compliance
Truth in Taxation and Property Tax Limitations
Liquor Law Enforcement
B & C Road Funds
Other General Compliance Issues
Uniform Building Code Standards
Impact Fees & Other Development Fees
Asset Forfeitures
Utah Retirement System
Fund Balance

The management of St. George City 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 non-compliance 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.

Our audit does not provide a legal determination on the City's compliance with these requirements.

The results of our audit procedures disclosed immaterial instances of non-compliance with the requirements referred to above, which are described in the accompanying schedule of findings and recommendations. We considered these instances of non-compliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, St. George City, Utah, complied, in all material aspects, 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, 2010.

The City's written response to the findings identified in our audit is attached. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management of the City and is not intended to be and should not be used by anyone other than these specified parties. However, the report is a matter of public record and its distribution is not limited.

Hinton, Burdick, Hall & Spilker, PLLC

HINTON, BURDICK, HALL & SPILKER, PLLC
October 8, 2010

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MEMBERS:

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MARK E. TICHENOR

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

October 8, 2010

St. George City Officials
St. George, Utah 84770

Dear Sirs:

During our audit of the funds of St. George City for the fiscal year 2009 - 2010, 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, 2010.

October 8, 2010

Page 2

Recommendation

We follow the recommendation of the State Auditor's office by suggesting the City budget in fiscal year 2010-2011 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. 120 East Connection 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 8, 2010

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October 29, 2010

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, 2010

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, 2010

Unfortunately, the finds and recommendations which were commented on in the June 30, 2009 fiscal year are the exact same ones as found in the current fiscal year ended June 30, 2010. Every attempt is made to correct findings from prior fiscal years but sometimes such attempts are not always as successful as you work towards.

CONTINUING DISCLOSURE SECTION

City of St. George, UT
 Continuing Disclosure - Excise Tax Revenue Bonds, Series 1996
 Fiscal Year Ended June 30, 2010

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 2005</u>	Fiscal <u>Year 2006</u>	Fiscal <u>Year 2007</u>	Fiscal <u>Year 2008</u>	Fiscal <u>Year 2009</u>
Motor Fuel Tax	\$ 241,597	\$ 240,432	\$254,696	\$250,716	\$235,481
Special Fuel Tax	93,964	102,194	111,410	114,602	101,367
Motor Vehicle Registration Fees	30,690	32,046	34,293	35,366	34,917
Proportional Registration Fees	12,122	12,421	14,772	14,202	14,114
Temporary Permits	336	313	401	523	492
Special Transportation Permits	6,609	7,333	7,780	8,093	8,235
Highway Use Permits	8,139	8,384	9,108	9,102	9,194
Motor Vehicle Control Fees	4,757	5,012	5,302	5,294	4,552
	<u>\$ 398,214</u>	<u>\$ 408,135</u>	<u>\$437,762</u>	<u>\$437,898</u>	<u>\$408,352</u>

Source: "Annual Statistical Summary", Utah Department of Transportation, December 2009

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>
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%
2010	2,300,091	118,460,536	1.94%

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

City of St. George, UT
 Continuing Disclosure - Excise Tax Revenue Bonds, Series 1996
 Fiscal Year Ended June 30, 2010

TABLE 3 - CALCULATION OF ESTIMATED DEBT SERVICE COVERAGE

Bond Year	Project Class C Road Fund Allocation		1996 Bonds	2004 Bonds	Total D.S.	Coverage
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	2,300,091	2		772,569	772,569	2.98
2011	2,369,094	2		775,363	775,363	3.06
2012	2,440,167	2		768,975	768,975	3.17
2013	2,513,372	2		768,562	768,562	3.27
2014	2,588,773	2		766,406	766,406	3.38

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
2009	\$ 3,986,863	\$ 2,300,091	\$ 1,686,772	42.31%
2009	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%

(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, 2010

Comparative Property Tax Rates Within Washington County

<u>Tax Levying Entity</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Hurricane	0.002492	0.00201	0.001965	0.002061	0.001821
Ivins	0.001736	0.001389	0.00137	0.001413	0.001413
LaVerkin	0.001945	0.001629	0.001197	0.001486	0.001893
St. George City	0.001504	0.001206	0.001217	0.001336	0.001644
Washington City	0.001393	0.001124	0.001089	0.001308	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	\$ 370,000
2004	Parks and Recreation	11,645,000	August 1, 2021	10,550,000
2006	Parks and Recreation	5,140,000	August 1, 2023	5,109,000

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	\$2,560,000
2009	Sales tax rev.	22,485,000	Nov. 1, 2017	21,100,000

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	\$ 7,415,000
1994	Wastewater	\$4,000,000	June 15, 2014	\$ 1,045,000
2004	Excise Tax Revenue	\$5,000,000	December 1, 2013	\$ 2,830,000
1997B	Sewer	\$12,000,000	June 15, 2012	\$ 2,303,000
2001	Water Refunding	\$8,670,000	June 1, 2020	\$ 6,655,000
2004	Water	\$31,000,000	July 1, 2025	\$ 26,720,000
2004	Sewer	\$7,015,000	July 1, 2016	\$ 5,695,000
2005	Electric Revenue	\$17,280,000	June 1, 2025	\$ 14,180,000
2008	Electric Revenue	\$50,000,000	June 1, 2038	\$ 50,000,000
2009A	Build America Bonds	\$3,504,000	December 1, 2021	\$ 3,296,000
2009B	Recovery Zone Bonds	\$6,723,000	June 1, 2024	\$ 6,723,000

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	\$ 680,000
2000	MBA Woodward	\$350,000	April 1, 2021	\$ 214,000

Outstanding Special Assessment Indebtedness

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Current Balance Outstanding</u>
2002	SID2000-1	\$228,000	June 1, 2012	\$ 55,000
2002	SID 99-4	\$1,109,000	November 1, 2012	\$ 333,000
2003	SID 99-1	\$989,000	February 1, 2013	\$ 297,000
2003	SID 99-3	\$1,077,000	June 1, 2013	\$ 322,000

Debt Ratios

Direct General Obligation Debt is .27% of 2009 Taxable Value.

Total Direct and Overlapping General Obligation Debt is 5.01% of 2009 Taxable Value

Per Capita Direct General Obligation Debt is \$192 based on the estimated population of 83,500.

Per Capita Direct and Overlapping General Obligation Debt is \$3,643 based on estimated population.

City of St. George, UT
 Continuing Disclosure - 1997A Sewer Revenue Bonds
 Fiscal Year Ended June 30, 2010

Table 1 - Sewer Fees by Fiscal Year per Entity

Entity	-----Fiscal Year Ended June 30-----				
	2010	2009	2008	2007	2006
City of St. George	\$ 5,669,907	\$ 5,618,856	\$ 5,354,009	\$ 5,628,693	\$ 5,521,616
Washington City	1,338,761	1,189,794	1,218,104	1,221,440	988,265
City of Santa Clara	322,579	322,722	345,145	351,852	239,996
Town of Ivins	458,921	449,986	441,455	388,587	350,206
	<u>\$ 7,790,168</u>	<u>\$ 7,581,358</u>	<u>\$ 7,358,713</u>	<u>\$ 7,590,572</u>	<u>\$ 7,100,083</u>

(Source: The City)

Table 2 - Sewer Connections by Fiscal Year per Entity

Entity	-----Fiscal Year Ended June 30-----				
	2010	2009	2008	2007	2006
City of St. George	33,041	32,744	31,201	32,573	32,709
Washington City	7,802	6,933	7,099	7,068	5,759
City of Santa Clara	1,880	1,881	2,011	2,036	1,399
Town of Ivins	2,674	2,622	2,572	2,249	2,041
	<u>45,397</u>	<u>44,180</u>	<u>42,883</u>	<u>43,926</u>	<u>41,908</u>

City of St. George, UT
 Continuing Disclosure - 1997A Sewer Revenue Bonds
 Fiscal Year Ended June 30, 2010

Enterprise Fund - Wastewater Collection
 Balance Sheet

	-----Fiscal Year Ended June 30-----				
	2010	2009	2008	2007	2006
Assets:					
Current Assets:					
Cash	\$ 405,198	\$ (363,632)	\$ 525,940	\$ 963,747	\$ 1,168,396
Accts Rec./Due from other funds	95,822	294,865	410,267	506,902	657,639
Total current assets	501,020	(68,767)	936,207	1,470,649	1,826,035
Property Plant & Equipment	11,298,355	11,268,226	10,084,852	8,737,922	8,141,646
Accumulated depreciation	(5,846,117)	(5,389,316)	(4,927,561)	(4,511,847)	(4,138,073)
Net property, plant & equipment	5,452,238	5,878,910	5,157,291	4,226,075	4,003,573
Total Assets	\$ 5,953,258	\$ 5,810,143	\$ 6,093,498	\$ 5,696,724	\$ 5,829,608
Liabilities and fund equity:					
Current Liabilities:					
Accrued liabilities	\$ 69,164	\$ 74,888	\$ 195,932	\$ 207,730	\$ 525,154
Total current liabilities	69,164	74,888	195,932	207,730	525,154
Total Liabilities	69,164	74,888	195,932	207,730	525,154
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	3,832,270	3,683,431	3,845,742	3,437,170	3,252,630
Total retained earnings	3,832,270	3,683,431	3,845,742	3,437,170	3,252,630
Total fund equity	5,884,094	5,735,255	5,897,566	5,488,994	5,304,454
Total liabilities and equity	\$ 5,953,258	\$ 5,810,143	\$ 6,093,498	\$ 5,696,724	\$ 5,829,608

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2010

Enterprise Fund - Wastewater Treatment
Balance Sheet

	-----Fiscal Year Ended June 30-----				
	2010	2009	2008	2007	2006
Assets:					
Current Assets:					
Cash	\$29,502,267	\$27,870,765	\$26,003,300	\$15,498,092	\$16,445,296
Restricted cash	2,307,326	2,341,142	2,473,706	3,076,964	2,913,122
Accounts receivable	469,645	227,567	520,435	584,920	10,200
Bond discounts & insurance	391,405	542,268	693,131	843,994	1,029,257
Prepaid expenses	-	-	-	-	-
Total current assets	32,670,643	30,981,742	29,690,572	20,003,970	20,397,875
Property Plant & Equipment	70,569,214	69,436,387	68,130,495	64,346,318	60,677,176
Accumulated depreciation	(14,499,890)	(13,146,255)	(11,825,310)	(10,604,157)	(9,469,310)
Net property, plant & equipment	56,069,324	56,290,132	56,305,185	53,742,161	51,207,866
Total Assets	\$88,739,967	\$87,271,874	\$85,995,757	\$73,746,131	\$71,605,741
Liabilities and fund equity:					
Current Liabilities:					
Accrued liabilities	\$ 337,674	\$ 397,098	\$ 897,482	\$ 395,103	\$ 663,319
Due to other funds	-	-	-	-	-
Total current liabilities	337,674	397,098	897,482	395,103	663,319
Bonds payable	9,263,417	11,336,048	13,340,679	15,545,311	18,587,543
Total Liabilities	9,601,091	11,733,146	14,238,161	15,940,414	19,250,862
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	2,307,326	2,341,142	2,473,706	3,076,964	2,913,122
Unreserved/unrestricted	74,069,982	70,436,018	66,522,322	51,967,185	46,680,189
Total retained earnings	76,377,308	72,777,160	68,996,028	55,044,149	49,593,311
Total fund equity	79,138,876	75,538,728	71,757,596	57,805,717	52,354,879
Total liabilities and equity	\$88,739,967	\$87,271,874	\$85,995,757	\$73,746,131	\$71,605,741

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2010

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

	-----Fiscal Year Ended June 30-----				
	2010	2009	2008	2007	2006
Operating revenues:					
Charges for services	\$7,628,073	\$7,592,357	\$7,473,604	\$7,086,317	\$6,802,983
Impact and connection fees			-	-	-
Other operating revenues	272,305	273,158	493,044	880,112	453,342
Total operating revenues	7,900,378	7,865,515	7,966,648	7,966,429	7,256,325
Operating expenses:					
Salary & Wages	656,092	777,911	746,897	654,669	576,084
Deprecation	456,801	461,755	415,714	373,773	225,080
Bad debts	-	37,918	35,389	35,439	34,058
Payroll tax & employee benefits	291,060	350,400	337,351	284,352	244,854
Office & department supplies	39,067	70,227	50,387	135,296	102,748
Professional services	7,056	12,869	14,864	10,856	55,844
Repair & maintenance - equipment	110,653	138,128	95,177	120,656	65,130
Repair & maintenance - bldg & grounds	3,210	6,751	6,639	23,490	3,754
Insurance & surety bonds	14,113	19,083	30,048	89,093	36,519
Travel	6,171	28,919	12,443	19,836	8,271
Contract labor	5,669,907	5,618,856	5,354,009	5,628,693	5,522,889
Billing and administration	520,000	520,000	500,000	500,000	375,000
Total operating expenses	7,774,130	8,042,817	7,598,918	7,876,153	7,250,231
Operating income (loss)	126,248	(177,302)	367,730	90,276	6,094
Non-operating revenues (expenses)					
Interest income	2,853	14,991	54,660	53,163	80,439
Miscellaneous income	19,739	-	6,182	41,100	1,080
Total non-operating revenue (expense)	22,592	14,991	60,842	94,263	81,519
Net Income	148,840	(162,311)	428,572	184,539	87,613
Transfers to other funds	-	-	(20,000)	-	(82,000)
Retained earnings at beginning of year	3,683,431	3,845,742	3,437,170	3,252,631	3,247,018
Retained earnings at end of year	3,832,271	3,683,431	3,845,742	3,437,170	3,252,631

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2010

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

	-----Fiscal Year Ended June 30-----				
	2010	2009	2008	2007	2006
Operating revenues:					
Charges for services	\$ 7,790,169	\$ 7,693,995	\$ 7,358,714	\$ 7,590,572	\$ 7,100,084
Impact and connection fees	-	-	-	-	-
Other operating revenues	612,617	537,913	924,306	1,706,879	2,662,784
Total operating revenues	8,402,786	8,231,908	8,283,020	9,297,451	9,762,868
Operating expenses:					
Salary & Wages	986,605	963,028	966,345	894,364	782,939
Supplies	434,843	482,448	439,033	523,667	318,776
Equipment rental	1,899	2,681	2,582	2,155	1,505
Deprecation	1,353,635	1,320,946	1,221,153	1,134,846	872,333
Payroll tax & employee benefits	402,842	404,254	425,680	398,110	315,273
Office & department supplies	33,277	51,121	43,863	65,568	53,183
Professional services	282,606	285,770	185,618	163,267	200,418
Repair & maintenance - equipment	571,247	492,567	616,277	565,042	454,498
Repair & maintenance - bldg & grounds	14,736	5,922	15,860	13,974	16,012
Insurance & surety bonds	57,801	78,998	84,073	78,460	59,785
Travel	6,697	7,693	8,331	11,320	18,127
Billing and administration	520,000	520,000	520,000	500,000	485,000
Total operating expenses	4,666,188	4,615,428	4,528,815	4,350,773	3,577,849
Operating income (loss)	3,736,598	3,616,480	3,754,205	4,946,678	6,185,019
Non-operating revenues (expenses)					
Interest income	194,257	541,032	1,106,143	948,703	848,763
Miscellaneous income	62,578	65,678	77,830	82,717	5,790,853
Interest charges	(393,285)	(442,060)	(486,301)	(527,259)	(596,425)
Total non-operating revenue (expense)	(136,450)	164,650	697,672	504,161	6,043,191
Net Income	3,600,148	3,781,130	4,451,877	5,450,839	12,228,210
Transfers to other funds	-	-	-	-	-
Federal grants	-	-	9,500,000	-	-
Retained earnings at beginning of year	72,777,160	68,996,030	55,044,153	49,593,314	37,365,104
Retained earnings at end of year	\$76,377,308	\$72,777,160	\$ 68,996,030	\$ 55,044,153	\$ 49,593,314

City of St. George, UT
 Continuing Disclosure - 1997A Sewer Revenue Bonds
 Fiscal Year Ended June 30, 2010

Balance Sheet- General Fund

	-----Fiscal Year Ended June 30-----				
	2010	2009	2008	2007	2006
Assets and other debits:					
Cash	\$2,651,528	\$1,581,337	\$1,567,343	\$ 889,350	\$2,636,637
Accounts receivable (net of allowance)	2,845,560	2,729,081	3,141,364	3,549,850	3,310,617
Inventory	92,317	97,671	93,322	76,772	57,398
Due from other funds	500,000	500,000	500,000	500,000	500,000
Prepaid items	72,758	436,078	487,500	88,773	38,062
Notes receivable	1,621,109	1,626,532	1,618,215	1,501,469	714,220
Total assets and other debits	\$7,783,272	\$6,970,699	\$7,407,744	\$6,606,214	\$7,256,934
Liabilities:					
Accrued liabilities	\$2,419,677	\$1,616,511	\$1,912,161	\$1,183,184	\$1,832,593
Construction bonds held	176,206	173,044	170,271	163,272	155,527
Due to other funds	388,645	388,645	388,645	388,645	388,645
Deferred revenues	42,322	36,179	29,491	22,198	13,102
Total liabilities	3,026,850	2,214,379	2,500,568	1,757,299	2,389,867
Fund equity and other credits:					
Fund Balances:					
Reserved by statute	244,405	217,799	396,718	338,785	247,923
Reserved for notes receivable	1,621,109	1,626,532	1,618,215	1,501,469	714,220
Unreserved - undesignated	2,890,908	2,911,989	2,892,242	3,008,661	3,904,924
Total fund equity and other credits	4,756,422	4,756,320	4,907,175	4,848,915	4,867,067
Total Liabilities, Equity, and other credits	\$7,783,272	\$6,970,699	\$7,407,743	\$6,606,214	\$7,256,934

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-----				
	2006	2007	2008	2009	2010
REVENUES:					
Taxes and special assessments	\$ 26,466,660	\$ 28,352,697	\$ 29,348,208	\$ 27,037,298	\$ 26,166,847
Licenses and permits	3,544,685	3,190,123	2,270,555	1,622,432	1,393,101
Intergovernmental	3,257,244	2,947,720	2,931,939	2,718,261	3,059,885
Charges for services	7,136,562	8,001,581	8,235,888	7,761,910	8,472,802
Fines and forfeitures	928,299	1,017,869	850,868	856,218	1,034,449
Miscellaneous	183,860	169,837	139,055	65,690	129,308
Interest income	797,245	1,080,786	928,850	425,197	208,978
Rents and concessions	34,713	32,525	29,946	25,474	24,871
Proceeds from sale of property	-	-	-	-	-
Total revenues	42,349,268	44,793,138	44,735,309	40,512,480	40,490,241
EXPENDITURES:					
General government	4,894,699	5,816,649	6,419,183	5,991,205	5,752,407
Public safety	12,023,185	13,933,315	15,283,141	14,042,927	13,647,208
Highways and public improvements	9,505,136	8,069,622	8,289,325	7,344,458	6,852,007
Parks, recreation and public prop.	8,068,186	8,610,122	9,884,604	8,738,528	8,407,835
Community and economic development	1,967,056	2,150,028	2,135,149	1,661,199	1,425,660
Capital projects	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital leases	53,284	49,084	49,729	50,102	125,180
Total expenditures	36,511,546	38,628,820	42,061,131	37,828,419	36,210,297
Excess (deficiency of Revenues over Expenditures)	5,837,722	6,164,318	2,674,178	2,684,061	4,279,944
OTHER FINANCING SOURCES (USES):					
Proceeds of bond sales/capital leases	-	-	-	-	-
Contributions from other entities	300,031	65,916	71,503	137,703	96,329
Operating transfers out	(6,000,000)	(6,472,000)	(3,336,000)	(3,287,000)	(4,620,073)
Operating transfers in	172,000	162,659	531,753	286,087	240,430
Proceeds from sale of fixed assets	103,872	60,955	116,828	28,294	3,470
Total other financing sources (uses)	(5,424,097)	(6,182,470)	(2,615,916)	(2,834,916)	(4,279,844)
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	413,625	(18,152)	58,262	(150,855)	100
Residual equity transfer to PFC Spec Rev Fund	-	-	-	-	-
Unappropriated Fund Balances at the beginning of the year	4,453,443	4,867,068	4,848,915	4,907,176	4,756,321 **
Fund Balances at the end of year	\$ 4,867,068	\$ 4,848,916	\$ 4,907,177	\$ 4,756,321	\$ 4,756,421

** (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, 2010

Historical Summaries of Taxable Values of Property

Set by County Assessor Locally Assessed	2009		2008		2007		2006		2005		2004	
	Taxable Value	% of T.V.										
Residential Real Estate - primary use	\$ 974,395,000	16.21%	\$ 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%
Residential Real Estate - Not primary use	961,345,275	15.99%	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%
Commercial and Industrial Real Estate	672,900,265	11.19%	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%
Agricultural Real Estate - Improved - Not F.A.A.	31,983,445	0.53%	43,928,820	0.60%	50,770,036	0.75%	42,272,440	0.77%	-	0.00%	-	0.00%
Real Estate - Under FAA-Agricultural	2,038,570	0.03%	2,113,915	0.03%	2,369,365	0.04%	1,859,735	0.03%	556,285	0.01%	616,345	0.02%
Unimproved Real Estate - Not F.A.A.	-	0.00%	-	0.00%	-	0.00%	-	0.00%	543,699,090	11.74%	438,747,895	11.50%
Total Real Estate	2,642,662,555	43.96%	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%
Residential Buildings - Primary use	1,853,174,015	30.83%	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%
Residential Buildings - Not primary use	630,678,410	10.49%	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%
Commercial and Industrial Buildings	759,143,395	12.63%	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%
Agricultural Buildings	2,332,680	0.04%	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%
Total Buildings	3,245,328,500	53.99%	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%
Total Real Property	5,887,991,055	97.95%	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%
Fee in Lieu Property	-	0.00%	-	0.00%	-	0.00%	-	0.00%	57,778,955	1.25%	50,106,273	1.31%
Fee based property	-	0.00%	-	0.00%	-	0.00%	-	0.00%	291,315,537		261,753,538	
Mobile Homes - Primary residential use	-	0.00%	-	0.00%	-	0.00%	-	0.00%	5,064,988	0.11%	5,283,331	0.14%
Mobile Homes - other use	-	0.00%	-	0.00%	-	0.00%	-	0.00%	3,732,128	0.08%	4,214,820	0.11%
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%	-	0.00%	177,976,389	3.84%	159,211,151	4.17%
Total Personal Property	-	0.00%	-	0.00%	-	0.00%	-	0.00%	535,867,997	11.57%	480,569,113	12.60%
Total Locally Assessed	5,887,991,055	97.95%	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%
Total Centrally Assessed	123,394,584	2.05%	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%
Total Taxable Value	\$ 6,011,385,639	100.00%	\$ 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%

(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
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
2010	14,073,096	2,797,005	20,469	16,890,570	9,793,852	7,096,718	932,293	-	-	1,257,537	2,230,240	4,420,070	1.61

(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

	2010	2009	2008	2007	2006	2005	2004
ASSETS							
-							
Current Assets:							
Cash	\$ 842,799	\$ 945,796	\$ 1,240,894	\$ 2,294,281	\$ 3,226,718	\$ 319,897	\$ -
Restricted Cash	3,213,913	3,325,629	3,292,054	3,228,028	4,856,639	10,961,469	27,425,337
Accts. Receivable	205,880	220,971	605,381	210,587	250,829	15,130	173,619
Inventory	525,895	578,079	565,193	564,252	465,903	303,632	311,628
Bond Discounts	544,309	602,090	659,870	717,651	775,432	833,212	890,993
Prepaid Expenses	1,115	-	-	-	-	2,830	2,830
Total Current Assets	5,333,911	5,672,565	6,363,392	7,014,799	9,575,521	12,436,170	28,804,407
Property, Plant & Equipment							
Improvements	130,907,373	128,148,411	125,122,446	122,179,850	116,995,177	111,256,927	91,751,547
Less Accum. Depr.	(32,338,002)	(29,388,823)	(26,462,417)	(23,579,090)	(20,959,586)	(18,592,366)	(16,623,004)
Net prop. plant & equip.	98,569,371	98,759,588	98,660,029	98,600,760	96,035,591	92,664,561	75,128,543
TOTAL ASSETS	\$ 103,903,282	\$ 104,432,153	\$ 105,023,421	\$105,615,559	\$105,611,112	\$105,100,731	\$ 103,932,950
LIABILITIES & FUND EQUITY							
-							
Current Liabilities:							
Accrued Liabilities	\$ 1,947,501	\$ 2,014,549	\$ 1,941,395	\$ 1,858,206	\$ 1,781,911	\$ 3,536,847	\$ 2,863,701
Due to other funds	-	-	-	-	-	-	2,006,017
Total Current Liabilities	1,947,501	2,014,549	1,941,395	1,858,206	1,781,911	3,536,847	4,869,718
Long-Term Liabilities:							
Bonds Payable	42,172,513	44,782,513	47,168,713	49,578,713	51,458,713	52,298,713	54,413,713
Bond premiums	2,192,485	2,400,743	2,609,001	2,817,259	3,025,517	3,233,775	3,442,033
Capital leases	-	-	-	-	-	120,605	221,862
Deferred gain on bond redemption	-	-	-	-	-	-	-
Total long-term liabilities	44,364,998	47,183,256	49,777,714	52,395,972	54,484,230	55,653,093	58,077,608
TOTAL LIABILITIES	46,312,499	49,197,805	51,719,109	54,254,178	56,266,141	59,189,940	62,947,326
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	3,213,913	3,325,629	3,292,054	3,228,028	4,856,639	1,890,678	1,538,022
Unreserved	52,483,087	50,014,936	48,118,475	46,239,570	42,594,549	42,126,329	37,553,819
Total retained earnings	55,697,000	53,340,565	51,410,529	49,467,598	47,451,188	44,017,007	39,091,841
TOTAL FUND EQUITY	57,590,783	55,234,348	53,304,312	51,361,381	49,344,971	45,910,790	40,985,624
TOTAL LIABILITIES & EQUITY	\$ 103,903,282	\$ 104,432,153	\$ 105,023,421	\$105,615,559	\$105,611,112	\$105,100,730	\$ 103,932,950

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

	2010	2009	2008	2007	2006	2005	2004
Operating Revenues:							
Charges for services	\$ 14,073,096	\$ 14,076,339	\$ 14,377,769	\$ 12,823,814	\$ 11,613,585	\$ 10,366,313	\$ 10,316,867
Impact fees & Other	698,906	669,037	1,128,330	2,343,208	4,069,040	5,096,818	4,322,025
Total operating revenues	14,772,002	14,745,376	15,506,099	15,167,022	15,682,625	15,463,131	14,638,892
Operating Expenses:							
Water purchased	4,446,403	4,393,712	4,216,527	4,033,190	1,122,563	850,278	662,191
Salary and Wages	2,181,140	2,324,846	2,384,161	2,130,251	2,204,221	1,905,206	1,695,616
Service vehicle expense	150,495	168,442	201,065	149,139	136,520	109,189	92,046
Equipment rental	34,045	33,610	28,651	18,213	21,205	11,115	14,875
Depreciation	2,949,178	2,926,406	2,883,327	2,619,504	2,367,220	1,969,362	1,658,667
Bad debts	-	69,791	64,946	61,908	57,475	50,576	51,363
Payroll tax & benefits	939,302	1,007,254	1,053,418	942,704	886,429	802,391	690,897
Office supplies	165,832	180,868	387,679	2,096,072	2,963,452	112,863	130,669
Professional services	250,012	170,836	174,209	158,441	99,239	151,778	120,769
R & M - equipment	548,533	811,191	1,305,974	248,267	325,784	1,688,726	1,053,676
Insurance & surety bonds	57,284	78,243	84,251	81,961	93,822	109,619	152,772
Travel	12,435	34,810	38,947	34,600	65,468	25,715	36,222
Miscellaneous	366	1,304	816	1,222	2,067	1,510	655
Subscriptions	33,005	14,205	15,135	2,361	2,214	14,308	8,167
Billing & administration	975,000	875,000	890,000	711,530	671,000	633,400	532,000
Total operating expenses	12,743,030	13,090,518	13,729,106	13,289,363	11,018,679	8,436,036	6,900,585
Operating income	2,028,972	1,654,858	1,776,993	1,877,659	4,663,946	7,027,095	7,738,307
Non-operating Rev. (Exp.):							
Interest income	20,469	66,297	186,706	275,516	433,269	432,366	86,846
Rent	2,094,739	2,091,284	1,934,818	1,934,818	322,470	-	-
Miscellaneous	3,360	76,937	71,579	22,063	156,845	690	1,216,866
Loss on bond refunding	-	-	-	-	-	-	-
Interest charges	(1,820,070)	(1,935,346)	(2,027,164)	(2,093,642)	(2,142,352)	(2,019,046)	(1,422,341)
Total Non-operating	298,498	299,172	165,939	138,755	(1,229,768)	(1,585,990)	(118,629)
Net Income (loss)	2,327,470	1,954,030	1,942,932	2,016,414	3,434,178	5,441,105	7,619,678
Transfers (to) from other funds	28,963	(23,994)	-	-	-	(515,939)	-
Retaining earnings at July 1	53,340,566	51,410,530	49,467,598	47,451,184	44,017,006	39,091,840	31,472,162
Retained earnings at June 30	\$ 55,696,999	\$ 53,340,566	\$ 51,410,530	\$ 49,467,598	\$ 47,451,184	\$ 44,017,006	\$ 39,091,840

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:

<u>Fiscal Year Ended June 30</u>	<u>Innkeepers Tax Revenue</u>
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
2010	381,032

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

<u>Fiscal Year June 30</u>	<u>Sales Tax Revenues</u>	<u>Percent Increase from prior year</u>
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%)
2010	11,931,941	(7.33%)

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, 2010

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		\$ 74.16
Commercial Service				
Small General Service	8.48			
0-500 kWh (per kWh)		0.1172		213.65
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			3,453.24
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	\$ 0.0782	\$ 84.85	\$ 65.58
Small Commercial (includes demand)	0.0921	236.63	193.09
Large Commercial (includes demand)	0.0721	3,905.85	3,066.44

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - 2005 ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2010

TABLE III - Summary of Kilowatt Hours and Production Costs

<u>Year</u>	<u>kWh</u>	<u>Cost per kWh</u>
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
2010	850,437,074	0.06579

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>
IHC Dixie Regional Medical Center (River Rd campus)	Hospital	14,459,360	1.7789%
Dixie State College	College	12,622,530	1.5529%
Dixie Medical Center (300 E campus)	Hospital	7,828,800	0.9632%
Quality Park Products	Manufacturing	6,870,400	0.8453%
Costco Wholesale	Large box store	5,257,600	0.6468%
Harmon's City Inc	Grocery store	3,750,960	0.4615%
Tonaquint Data Center Inc.	Data center	3,636,300	0.4474%
Lowes Home Improvement	Large box store	2,758,880	0.3394%
Washington Co Water Conservancy District	Water agency	2,453,600	0.3019%
LDS St. George Temple	Religious bldg.	2,151,300	0.2647%
		<u>61,789,730</u>	7.6019%

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - 2005 ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2010

TABLE V Historical and Projected Operating Results

	2006	2007	2008	2009	2010	-----PROJECTED-----					2016
						2011	2012	2013	2014	2015	
Sources of Funds:											
Service Charges/User Fees	\$44,196,505	\$48,831,532	\$51,029,054	\$51,811,239	\$53,015,623	\$51,375,192	\$52,494,300	\$54,330,120	\$56,232,436	\$60,034,106	\$60,248,821
Impact fees	4,408,012	3,856,965	3,061,865	2,290,707	843,653	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total sources of funds	<u>48,604,517</u>	<u>52,688,497</u>	<u>54,090,919</u>	<u>54,101,946</u>	<u>53,859,276</u>	<u>53,875,192</u>	<u>54,994,300</u>	<u>56,830,120</u>	<u>58,732,436</u>	<u>62,534,106</u>	<u>62,748,821</u>
Uses of Funds:											
Electricity purchased	32,530,927	36,099,643	35,466,629	37,868,364	39,785,534	38,852,398	38,969,657	40,787,160	41,971,186	44,456,333	44,112,329
Operating costs	8,217,167	11,501,334	12,584,940	12,053,112	11,905,775	8,694,937	9,042,735	9,404,444	9,780,622	10,171,846	10,578,720
Total O & M Expenses	<u>40,748,094</u>	<u>47,600,977</u>	<u>48,051,569</u>	<u>49,921,476</u>	<u>51,691,309</u>	<u>47,547,335</u>	<u>48,012,392</u>	<u>50,191,604</u>	<u>51,751,808</u>	<u>54,628,179</u>	<u>54,691,049</u>
Net Operating Revenues	7,856,423	5,087,520	6,039,350	4,180,470	2,167,967	6,327,857	6,981,908	6,638,516	6,980,628	7,905,927	8,057,772
Non-operating Revenues (Expenses)											
Interest income	454,638	689,072	565,997	906,871	143,515	284,650	309,548	391,846	363,941	403,479	424,189
Other income	1,979,362	245,233	583,922	191,987	873,196	450,000	450,000	450,000	450,000	450,000	450,000
Total Non-operating	<u>2,434,000</u>	<u>934,305</u>	<u>1,149,919</u>	<u>1,098,858</u>	<u>1,016,711</u>	<u>734,650</u>	<u>759,548</u>	<u>841,846</u>	<u>813,941</u>	<u>853,479</u>	<u>874,189</u>
Net Revenues for DS payments	<u>10,290,423</u>	<u>6,021,825</u>	<u>7,189,269</u>	<u>5,279,328</u>	<u>3,184,678</u>	<u>7,062,507</u>	<u>7,741,456</u>	<u>7,480,362</u>	<u>7,794,569</u>	<u>8,759,406</u>	<u>8,931,961</u>
Outstanding Bonds:											
Series 2005 Bonds	1,129,669	1,303,301	1,302,244	1,337,629	1,335,054	1,334,454	1,334,466	1,333,466	1,337,041	1,338,781	1,338,031
Series 2008 Bonds	-	-	-	2,354,199	2,448,625	3,323,625	3,338,625	3,351,625	3,337,625	3,345,125	3,350,500
Total debt service payments	<u>1,129,669</u>	<u>1,303,301</u>	<u>1,302,244</u>	<u>3,691,828</u>	<u>3,783,679</u>	<u>4,658,079</u>	<u>4,673,091</u>	<u>4,685,091</u>	<u>4,674,666</u>	<u>4,683,906</u>	<u>4,688,531</u>
Projected Debt Service Coverage	9.11	4.62	5.52	1.43	0.84	1.52	1.66	1.60	1.67	1.87	1.91

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - 2005 ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2010

TABLE VI Statement of Net Assets

<u>ASSETS</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Current assets:					
Cash	\$ 7,984,450	\$ 7,439,768	\$ 4,705,962	\$ 15,209,435	\$ 8,908,066
Restricted cash	-	24,354,936	5,351,469	2,264	1,929
Accts. receivable (net of allowance for uncollectibles)	11,080,290	9,624,040	9,765,916	7,506,857	7,582,406
Inventory	1,982,398	1,877,049	1,866,622	2,430,768	1,871,667
Due from other funds					
Note receivable					
Bond discounts & insurance	1,611,782	1,677,658	304,364	322,268	340,172
Prepaid expenses	1,115	2,144	-	-	90,228
Total current assets	22,660,035	44,975,595	21,994,333	25,471,592	18,794,468
Capital assets net of accumulated depreciation	100,208,668	84,261,261	55,436,370	45,267,696	44,605,417
TOTAL ASSETS	122,868,703	129,236,856	77,430,703	70,739,288	63,399,885
LIABILITIES					
Current liabilities:					
Accrued liabilities	5,407,943	9,548,663	7,815,464	7,030,248	4,499,267
Capital leases	-	-	-	-	-
Due to other funds (short-term)					
Deposits payable	1,296,114	1,345,694	1,472,154	1,422,701	1,302,527
Total current liabilities	6,704,057	10,894,357	9,287,618	8,452,949	5,801,794
Long-term liabilities:					
Bonds payable - long term	64,180,000	64,845,000	15,490,000	16,110,000	16,710,000
Bond premiums	674,062	712,193	514,717	544,994	575,271
Due to other funds (long-term)	-	-	-	-	-
Total long-term liabilities	64,854,062	65,557,193	16,004,717	16,654,994	17,285,271
Total liabilities	71,558,119	76,451,550	25,292,335	25,107,943	23,087,065
NET ASSETS					
Invested in capital assets, net of related debt	36,966,387	20,381,725	39,736,018	28,612,702	27,320,146
Restricted	-	24,354,936	5,351,469	2,264	1,929
Unrestricted	14,344,197	8,048,643	7,050,882	17,016,378	12,990,746
Total net assets	\$ 51,310,584	\$ 52,785,304	\$ 52,138,369	\$ 45,631,344	\$ 40,312,821

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - 2005 ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2010

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
OPERATING REVENUES:					
Charges for services	\$ 52,140,945	\$ 51,811,239	\$ 51,029,054	\$ 48,831,532	\$ 44,196,505
Other operating revenues	1,718,331	2,290,707	3,061,865	3,856,965	4,408,012
Total operating revenues	53,859,276	54,101,946	54,090,919	52,688,497	48,604,517
OPERATING EXPENSES:					
Electricity purchased	39,785,534	37,868,364	33,217,278	33,257,531	32,530,927
Natural gas purchased	4,074,512	3,498,003	2,249,351	2,842,112	1,503,365
Salary and wages	3,349,379	3,353,755	3,336,321	3,133,149	2,925,315
Supplies	515,160	799,088	1,448,882	914,073	212,793
Service vehicle expense	152,988	144,937	173,493	162,693	173,404
Equipment rental	-	-	362	1,768	7,500
Depreciation	4,030,025	3,979,778	3,209,916	3,310,293	2,976,888
Bad debts	-	226,870	240,541	232,501	219,205
Payroll tax & employee benefits	1,246,966	1,252,170	1,291,785	1,214,349	1,072,626
Office & dept. supplies	69,547	72,384	106,281	104,220	87,417
Professional services	264,740	558,004	498,768	466,308	308,474
R. & M. - equipment	586,685	525,412	589,268	329,791	463,845
R. & M. - buildings and grounds	24,112	20,255	21,311	28,617	17,284
Insurance & surety bonds	101,186	122,585	118,084	226,821	92,839
Travel	40,163	53,715	71,528	72,852	58,536
Miscellaneous	2,689	9,312	1,759	1,714	5,065
Interest expense	23,716	55,560	65,911	61,925	37,041
Subscriptions & memberships	53,933	61,061	60,730	24,473	25,458
Billing & administration	1,400,000	1,300,000	1,350,000	1,215,787	1,007,000
Total operating expenses	55,721,335	53,901,253	48,051,569	47,600,977	43,724,982
Operating income (loss)	(1,862,059)	200,693	6,039,350	5,087,520	4,879,535
NON-OPERATING REVENUES (EXPENSES)					
Interest income	143,515	906,871	565,997	689,072	454,638
Federal grants	557,036	-	-	-	-
Miscellaneous income	316,160	191,987	583,922	245,233	1,979,362
Loss on bond refinancing	-	-	-	-	-
Interest charges	(629,373)	(652,616)	(682,244)	(703,301)	(529,391)
Total non-operating revenue (expense)	387,338	446,242	467,675	231,004	1,904,609
Income before transfers	(1,474,721)	646,935	6,507,025	5,318,524	6,784,144
Contributions	-	-	-	-	-
Transfers to/from other funds	-	-	-	-	-
Change in Net Assets	(1,474,721)	646,935	6,507,025	5,318,524	6,784,144
Total net assets - beginning	52,785,304	52,138,369	45,631,344	40,312,820	33,528,676
Total net assets - ending	\$ 51,310,583	\$ 52,785,304	\$ 52,138,369	\$ 45,631,344	\$ 40,312,820

Management's Discussion of Operations

The City saw a small (1%) decrease or no growth throughout the year in energy sales, which corresponds with steady levels in energy demand and requirements (2010 system peak was 169 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 expanded the solar generation project SunSmart to complement the existing net metering program this budget year to promote solar and renewable energy resources. These programs continue 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
• Western Replacement Power	10-20 MW
• Western System Power Pool	5-10 MW
Utah Associated Municipal Power (UAMPS)	
• Pool – contact Sales	5-20 MW
Deseret Generation and Transmission	
• Bonanza 1 – Coal	50 MW
• Contract Sales (other shafts)	10-20 MW
City Owned Generation	
• Red Rock – Diesel	14 MW
• Bloomington – Diesel	11 MW
• Millcreek #1– Natural Gas	40 MW
• Millcreek #2- Natural Gas (completed Construction-2010)	40 MW
Long Term Purchase Contacts	
• Jordanelle Hydro (Heber sale)	4 MW
Short Term Market Purchases/Sales (1-3 year contracts)	
• Powerex	5-15 MW
• Morgan Stanley	5-15 MW
• Cargill	5-15 MW
• City of Burbank	5-15 MW
• UMPA	5-15 MW
• Black Hills	5-15 MW
• NV Energy	5-15 MW
• Constellation	5-15 MW
Renewable Resources	
• SunSmart Solar	250 KW
• Net Metering	100 KW

NATURAL GAS

- BP Long term gas hedge 35-50% of requirements into 2015.

FUTURE SOURCES

- New Coal Contract (various plants under study) 10-30 MW

- Millcreek #3 Natural Gas or combined cycle
20-40 MW

FORECAST

The City has utilized the information developed by the Energy Services Department for internal forecasting purposes. Even Though the past year showed a decrease or no growth in energy levels, the Department still projects that energy sales through the System will continue to show small steady annual increases exhibited historically over the past ten fiscal years. In addition, the Department has included additional expected energy sales through the System from potential new commercial establishments that could be developed along with some residential growth, 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% to 3% 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 an additional 40 MW gas generator (Millcreek II) for peaking power has helped achieve this goal. The City continues to follow an established 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 such as the economy

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, 2010, approximately 53.44% of the System's electric sales revenues and 52.88% 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 (169 MW) increased this fiscal year due to some growth. An analysis of 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 continues to be very volatile due to deregulation in 2000 and ever changing market conditions.

Since 2002 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%, and increased 1 ½% across the board for the 2011 fiscal year. *Second*, the City raised impact fees for capital improvements resulting from new construction as follows: February 2002 – 51% and August 2006 – 54%. *Third*, the management structure of the City’s water and power departments was changed to separate management responsibility for the System from that of the water utility and a new Director of Energy Services was appointed. *Fourth*, the City has instituted various procedures to more actively manage its purchase power expense, including hiring additional power resources schedulers, and has renegotiated certain of its power purchase agreements and has entered into a long-term power purchase contract with Deseret Generation and Transmission (DGT) and others to further stabilize its long-term power supply costs. The City represents that the System has operated with positive cash flows in fiscal years 2004, 2005, 2006 2007,2008 and 2009. For 2010 fiscal year, the Energy Services Department realized a net loss in operations. This loss is primarily due to the economy and low market wholesale values. The City’s Energy Services Department had projected more energy sales and higher market values for wholesale surplus sales. The weather was mild throughout the year as well and this resulted in the City having more surplus than forecasted, being sold for a loss. The other operating revenues were less than forecast due to the slow-down in building permits and construction. The City Energy Department has adjusted the forward forecasts to account for the economic slow-down and wholsale market conditions. These conditions are expected to continue at least for the next two future years. The City Council also approved a 3% across the board energy rate increase for fiscal year 2011. 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.

