



CITY OF ST. GEORGE, UT

**COMPREHENSIVE ANNUAL FINANCIAL
REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2012**

CITY OF ST. GEORGE, UT
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Prepared by Philip R. Peterson, CPA CGFM
Finance Director

CITY OF ST. GEORGE, UT
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2012

TABLE OF CONTENTS

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	5
City Officials.....	10
Organizational Chart.....	11

FINANCIAL SECTION

Independent Auditor’s Report.....	13
Management’s Discussion and Analysis	17
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	31
Statement of Activities.....	32
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	33
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	35
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund.....	36
Statement of Net Assets - Proprietary Funds.....	38
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	39
Statement of Cash Flows - Proprietary Funds	40
Statement of Fiduciary Net Assets - Fiduciary Funds	41
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	42
Notes to Financial Statements.....	43
Supplemental Information	
Combining Balance Sheet - Nonmajor Governmental Funds	71
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	75
Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual:	
Dixie Center Operations - Special Revenue Fund -	79
Airport PFC Fees - Special Revenue Fund -	80
Economic Development - Special Revenue Fund -	81
Transportation Improvement - Special Revenue Fund -	82

CDBG Grant Fund - Special Revenue Fund.....	83
Museum Permanent Acquisition -Special Revenue Fund -	84
Johnson Dino Track Preservation - Special Revenue Fund.....	85
Housing Program - Special Revenue Fund.....	86
Ft. Pierce CDA Fund - Special Revenue Fund	87
Ft. Pierce EDA Fund - Special Revenue Fund	88
Economic Dev Agency #1 - Special Revenue Fund.....	89
Dixie Center EDA - Special Revenue Fund	90
SunTran Public Transit - Special Revenue Fund.....	91
Special Assessments - Debt Service Fund -.....	92
Recreation G.O. Bonds - Debt Service Fund -.....	93
Replacement Airport – Debt Service Fund -	94
Downtown Redevelopment - Capital Projects Fund -	95
Park Impact - Capital Projects Fund -.....	96
Streets Impact - Capital Projects Fund -	97
Capital Equipment – Capital Projects Fund -	98
Drainage Impact - Capital Projects Fund -	99
Fire Impact - Capital Projects Fund -.....	100
Police Impact - Capital Projects Fund -	101
Street Bond – Capital Projects Fund -	102
2010 Flood Restoration - Capital Projects Fund -	103
2005 Flood Restoration – Capital Projects Fund -	104
Combining Balance Sheet - Nonmajor Proprietary Funds	105
Combining Statement of Revenues, Expenses, and Changes in Fund	
Balances - Nonmajor Proprietary Funds	106
Combining Statement of Cash Flows - Nonmajor Proprietary Funds	107
Capital Assets Used in the Operation of Governmental Funds:	
Schedule by Source.....	108
Schedule by Function and Activity.....	109
Schedule of Changes by Function and Activity.....	110

STATISTICAL SECTION:

Electric Fund - Statistical Analysis.....	111
Water Fund - Statistical Analysis	112
Net Assets by Component - Last Ten Fiscal Years	113
Changes in Net Assets - Last Ten Fiscal Years	115
Governmental Activities Tax Revenue by Source- Last Ten Fiscal Years	116
Fund Balances of Governmental Funds - Last Ten Fiscal Years.....	117
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years....	118
Sales Tax Payers by Sector - FY 2011 and FY 2002.....	119
Principal Taxable Properties - FY 2011 and FY 2002.....	120
Assessed Value and Est. Actual Value of Property - Last Ten Fiscal Years.....	121
Property Tax Rates Direct & Overlapping Governments - Last Ten Fiscal Years	122
Property Tax Levies and Collections - Last Ten Fiscal Years.....	123

Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	124
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	125
Direct and Overlapping Governmental Activities Debt.....	126
Legal Debt Margin Information - Last Ten Fiscal Years	127
Revenue Bond Pledged Revenue Coverage - Last Ten Fiscal Years	128
Demographic and Economic Statistics - Last Ten Fiscal Years	129
Principal Employers - FY 2011 and FY 2002	130
Full-Time Government Employees by Function - Last Ten Fiscal Years	131

SINGLE AUDIT SECTION:

Independent Auditor’s Report on Compliance With Laws and Regulations and on Internal Control over Financial Reporting Based on an Audit of Basic Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	133
Schedule of Expenditures of Federal Awards.....	136
Notes to the Schedule of Expenditures of Federal Awards	138
Schedule of Findings & Questioned Costs	139
Independent Auditor’s Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	141
Independent Auditor’s Report on State Legal Compliance	143
Schedule of Findings and Recommendations	145
Response to Findings and Recommendations.....	147
Summary Schedule of Prior Audit Findings.....	148

CONTINUING DISCLOSURE SECTION:

Excise Tax Revenue Bonds - Series 1996	149
General Obligation Parks & Rec Bonds - Series 1996	151
Sewer Revenue Bonds - Series 1997A	154
Water Utility Revenue Bonds	162
Washington County/St. George Interlocal Agency - Series 1997A	165
Electric Utility Revenue Bonds	166

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INTRODUCTORY SECTION



CITY OF ST. GEORGE

175 East 200 North
St. George, Utah 84770

October 20, 2012

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, 2012, is presented.

In addition to the fund financial information presented in the City's financial statements, this report 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, 2011, 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, 2012, 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, 2012, 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 its 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 2010 census showed a population of 72,897 which was an increase of 46.78% from the 2000 census.

“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 531 residential units. It represents an increase of 100% which compares with an 11.37% decrease for the fiscal year ended June 30, 2011. The total valuation of building permits increased by 46.58% for the fiscal year in comparison with a 1.25% decrease in the fiscal year ended June 30, 2011. The building and construction portion of our economy is beginning to make a rebound from the down times of the last few years and we are cautiously optimistic about things turning around.

The City and Washington County continue to rank well nationally in many economic and quality of life surveys. CNN Money.com ranked the city in the top 100 small cities as the “Best Places to Live 2010”; Forbes.com ranks the city in the top 25 cities for “Best Places for Business and Careers”; and Fortune also ranks it as one of the “Great Places to Retire”.

“2011-2012 marked the first full fiscal year with the new Airport in operation and the activity at the Airport increased significantly, with passenger enplanements increasing by 14% and more private hangars than the old airport had. Other projects completed include: (1) authorization by the Utah State Legislature for DXATC to purchase property for their future campus at the old airport site; (2) in

partnership with UDOT the Dixie Drive Interchange and Red Hills Parkway will be completed this summer at an approximate cost of \$100,000,000; (3) widening of Dixie Drive and Riverside Drive will be complete early this summer, completing another component of our Transportation Master Plan; (4) construction will start this spring on the widening of Mathis Bridge from two lanes to four; (5) major upgrades to our flood control system along the Virgin and Santa Clara Rivers will be complete soon, along with the repair and replacement of portions of our trail system damaged in the 2010 flood, with 75% of the cost coming from FEMA grants; (6) purchase of a new pumper truck for the Fire Department at a cost of \$650,000+; (7) completion of the Forest Park project in the Middleton area of the City; (8) a new major roadway adjacent to the Dixie Center will be complete by July at a cost of \$2,500,000; (9) a \$2,000,000 storm drain to the Virgin River will be complete by July; (10) completed a new water tank to serve Sun River and the South Block areas of the City; (11) completed water and sewer upgrades in the Dixie Downs area; and (12) completed a new headworks screen for the Wastewater Treatment Plant.” (City Manager’s 2013 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 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 \$315,271,498. Traveler’s Insurance administers the property insurance policies above the \$25,000 that the City provides as self-insurance. State’s Insurance provides liability coverage of up to \$10 million per occurrence after a \$250,000 self-insured retention.

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, 2012, 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



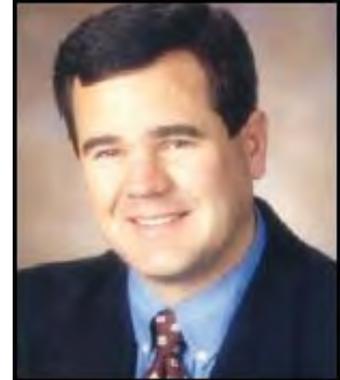
Mayor Daniel D. McArthur



Council Member Gil Almquist



Council Member Benjamin Nickle



Council Member Jon Pike



Council Member Jimmie Hughes



Council Member Gail Bunker



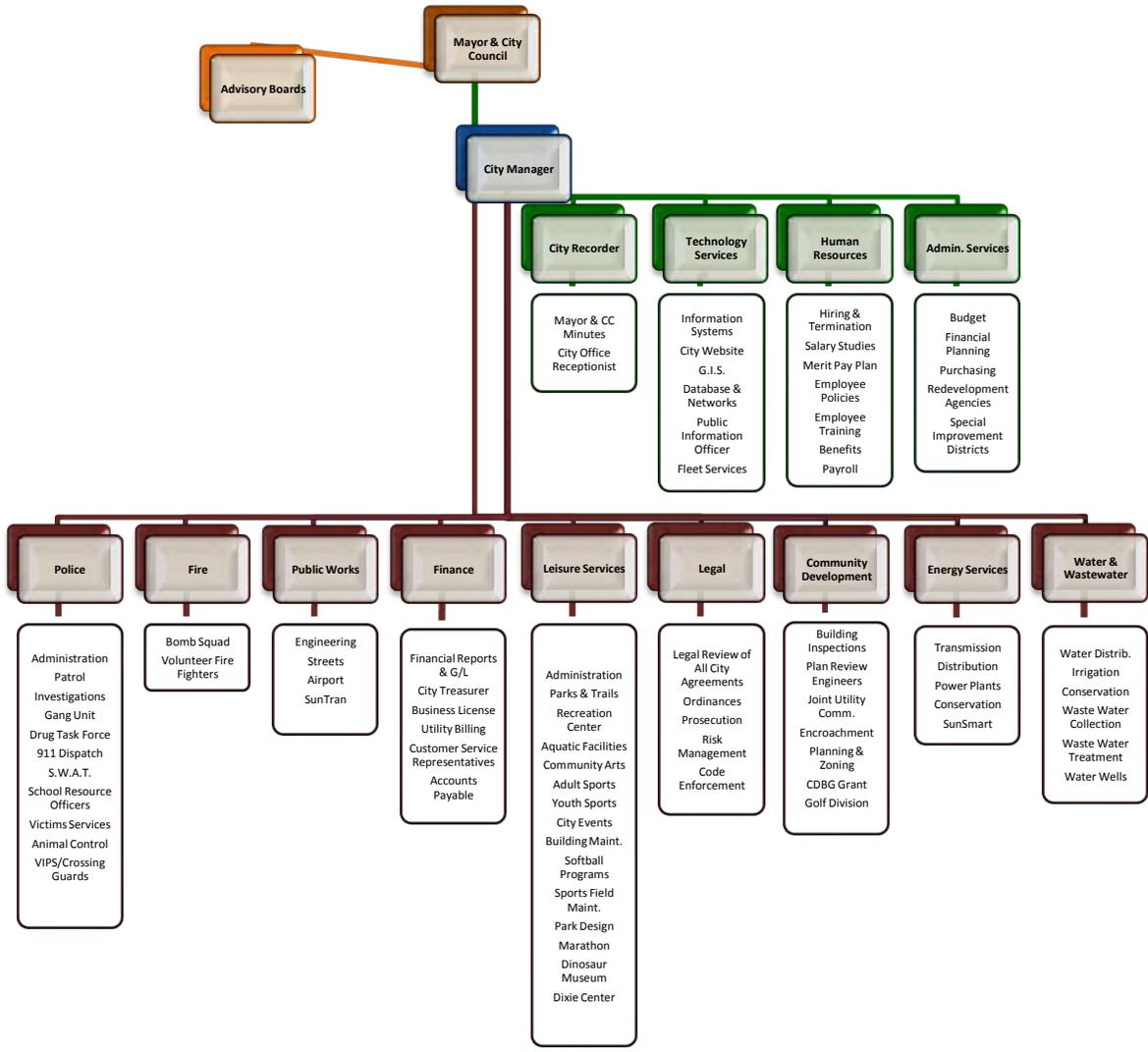
City Manager Gary S. Esplin

*Shawn Guzman
Gay Cragun
Tiffany LaJoice
Phillip Solomon
Barry Barnum
Marlon Stratton
Robert Stoker
Larry H. Bulloch
Matthew Loo
Kent Perkins
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
Community Development Director
Leisure Services 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, CPA
KRIS J. BRAUNBERGER, CPA
DEAN R. BURDICK, CPA
ROBERT S. COX, CPA
TODD B. FELTNER, CPA
K. MARK FROST, CPA

KENNETH A. HINTON, CPA
MORRIS J. PEACOCK, CPA
PHILLIP S. PEINE, CPA
MICHAEL K. SPILKER, CPA
KEVIN L. STEPHENS, CPA
MARK E. TICHENOR, CPA

**INDEPENDENT AUDITORS' REPORT
ON THE 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, 2012, 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, 2012, 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 04, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of St. George, Utah's financial statements as a whole. 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 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 financial statements. The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in

relation to the financial statements 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 do not express an opinion or provide any assurance on them.

 Hinton Burdick, PLLC

HintonBurdick, PLLC
October 04, 2012

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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, 2012. 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 6.14% to \$512,248,758.

Governmental net assets increased by 4.97% while Business-type net assets increased by 7.60%.

In the Governmental funds, the total increase is \$13,401,458 and is made up of increases in fixed assets net of related debt of \$12,904,669 while the assets other than fixed assets increased by \$496,789 as the improvement in the economy and the continuing freeze on hiring and wages as well as continuing to limit capital expenditures did allow us to increase our assets somewhat.

Business-type fund net asset increases were also made up of increases in fixed assets net of related debt of \$17,946,247 while other net assets decreased by \$1,744,848, with the majority of that being the refunding of the 2004 water bonds and \$17,515,000 of the liability being assumed by the Washington County Water Conservancy District. This refunding and the assumption by the District is discussed further in the fund notes on long-term debt and liabilities.

The total net assets are \$512,248,758 and are made up of \$445,207,752 in capital assets net of related debt and \$65,747,576 in other net assets.

In the General Fund, revenues exceeded expenditures by \$2,551,499. \$2,000,000 was then transferred to the Economic Development Special Revenue Fund to be used to facilitate economic development projects in the city and \$500,000 was transferred to the Capital Equipment Capital Projects Fund for future capital projects. The total fund balance of the General Fund represents 12.35% of total budgeted expenditures for the next fiscal year ending 2013, which was a slight decrease from 12.86% for the prior fiscal year.

Total liabilities of the City decreased by \$33,246,347. The debt issued this year included \$2,228,000 in Sales Tax Revenue refunding bonds used to call and cancel the Series 2005 Sales Tax Revenue bonds, and \$3,830,000 in Water refunding bonds to call and cancel the callable 2004 Series Water bonds. As mentioned above a total of \$21,035,000 in Series 2004 Water Bonds were redeemed with the Washington County Water Conservancy District issuing the remaining bonds necessary to redeem the callable bonds. Both issues were to take advantage of lower interest rates. 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 31 & 32 of this report.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

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

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

The major governmental funds (as determined by generally accepted accounting principles) are the

General Fund, the Public Works 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 \$512,270,072.

By far the largest portion of the City of St. George's net assets (86.91%) 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)

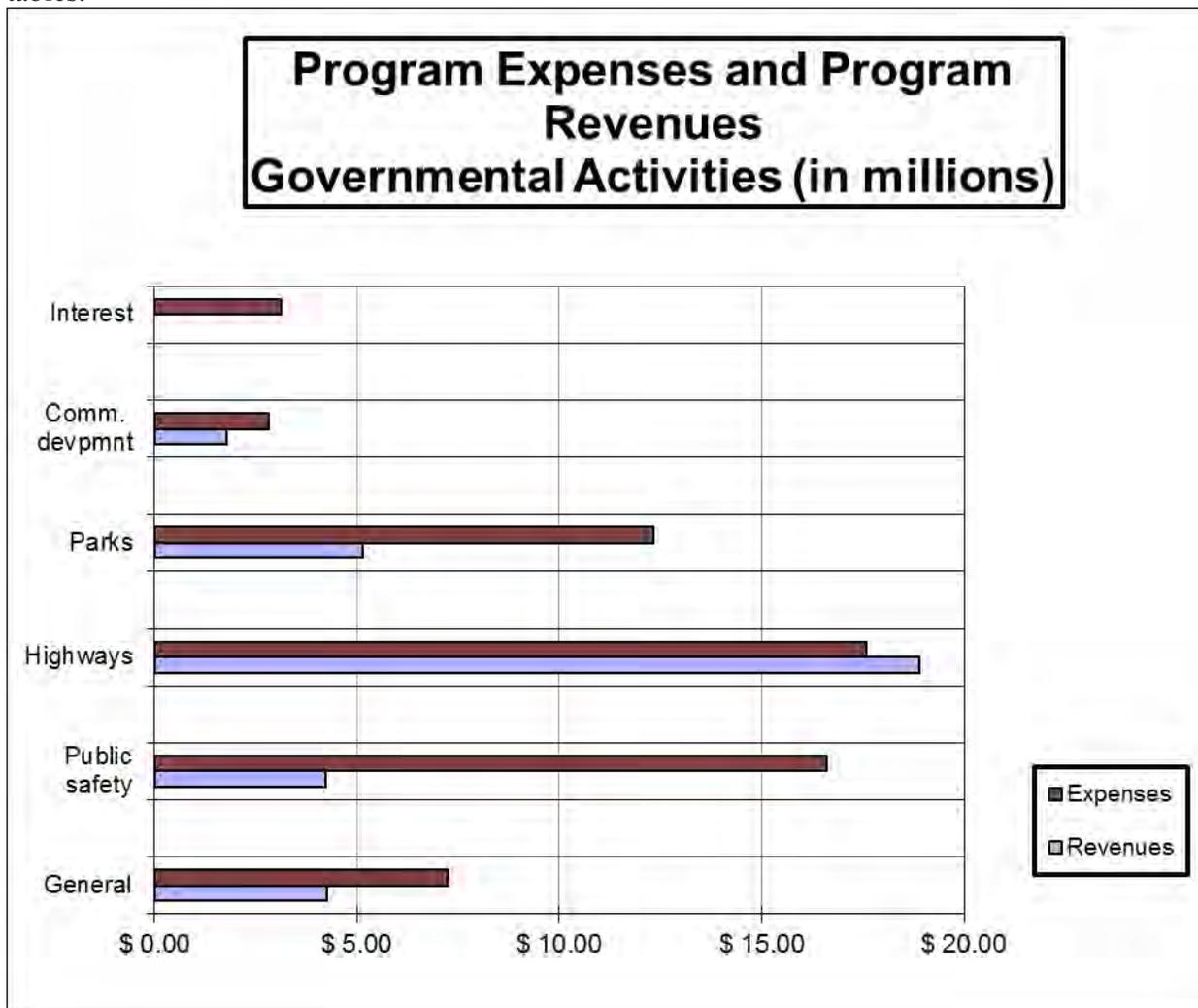
	Governmental Activities		Business-type Activities	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current and other assets	\$29,255	\$ 26,237	\$55,646	\$ 60,816
Capital assets	<u>324,260</u>	<u>319,180</u>	<u>271,826</u>	<u>278,376</u>
Total assets	<u>353,515</u>	<u>345,417</u>	<u>327,472</u>	<u>339,192</u>
Long-term debt outstanding	63,451	69,569	88,890	113,689
Other liabilities	<u>7,240</u>	<u>6,446</u>	<u>9,136</u>	<u>12,259</u>
Total liabilities	<u>70,691</u>	<u>76,015</u>	<u>98,026</u>	<u>125,948</u>
Net assets:				
Invested in capital assets, net of debt	260,057	247,131	185,172	167,225
Restricted	1,109	1,334	6,366	6,068
Unrestricted	<u>21,658</u>	<u>20,936</u>	<u>37,908</u>	<u>39,951</u>
Total net assets	<u>\$282,824</u>	<u>\$269,401</u>	<u>\$229,446</u>	<u>\$213,244</u>

CHANGES IN NET ASSETS (in thousands)

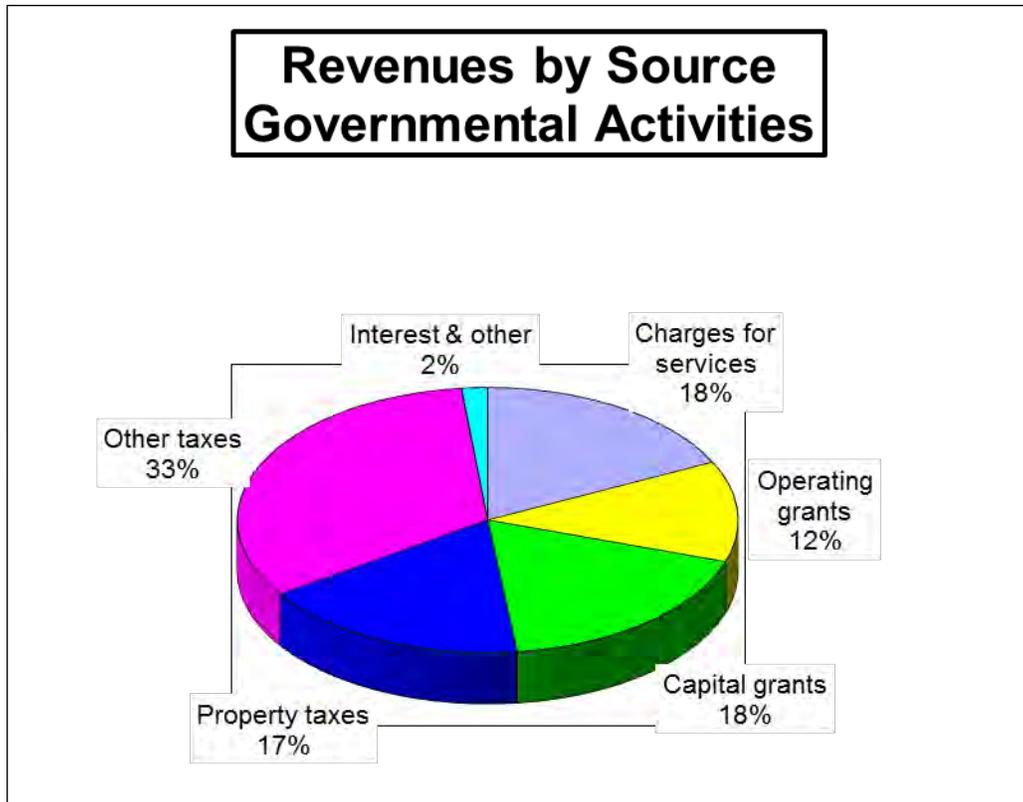
	Governmental Activities		Business-type Activities	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues:				
Program revenues:				
Charges for services	\$12,687	\$ 11,932	\$ 95,841	\$ 92,115
Operating grants & contributions	8,772	8,150	34	165
Capital grants & contributions	12,857	19,868	17,515	-
General revenues:				
Property taxes	12,414	12,707		
Other taxes	23,374	21,972		
Investment income	239	258	181	149
Other revenues	<u>956</u>	<u>1,156</u>	<u>1,846</u>	<u>2,822</u>
Total revenues	<u>71,299</u>	<u>76,043</u>	<u>115,417</u>	<u>95,251</u>
Expenses				
General government	7,251	7,352		
Public safety	16,617	15,229		
Highways/public improvements	17,579	11,973		
Parks & recreation	12,344	11,293		
Community & Econ development	2,823	2,000		
Interest on long-term debt	<u>3,134</u>	<u>3,525</u>		
Electric			60,266	59,600
Water			15,678	14,779
Wastewater collection			7,775	7,729

	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Wastewater treatment			5,292	5,114
Golf courses			4,586	4,252
Municipal building authority			142	149
Drainage utility			111	122
Refuse collection			<u>3,493</u>	<u>3,391</u>
Total expenses	<u>59,748</u>	<u>51,372</u>	<u>97,343</u>	<u>95,136</u>
Increase in net assets before transfers	11,551	24,671	18,074	115
Transfers	<u>1,872</u>	<u>(814)</u>	<u>(1,872)</u>	<u>814</u>
Increase in net assets	13,423	23,857	16,202	929
Net assets beginning	<u>269,401</u>	<u>245,544</u>	<u>213,244</u>	<u>212,315</u>
Net assets ending	<u>\$282,824</u>	<u>\$269,401</u>	<u>\$ 229,446</u>	<u>\$213,244</u>

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

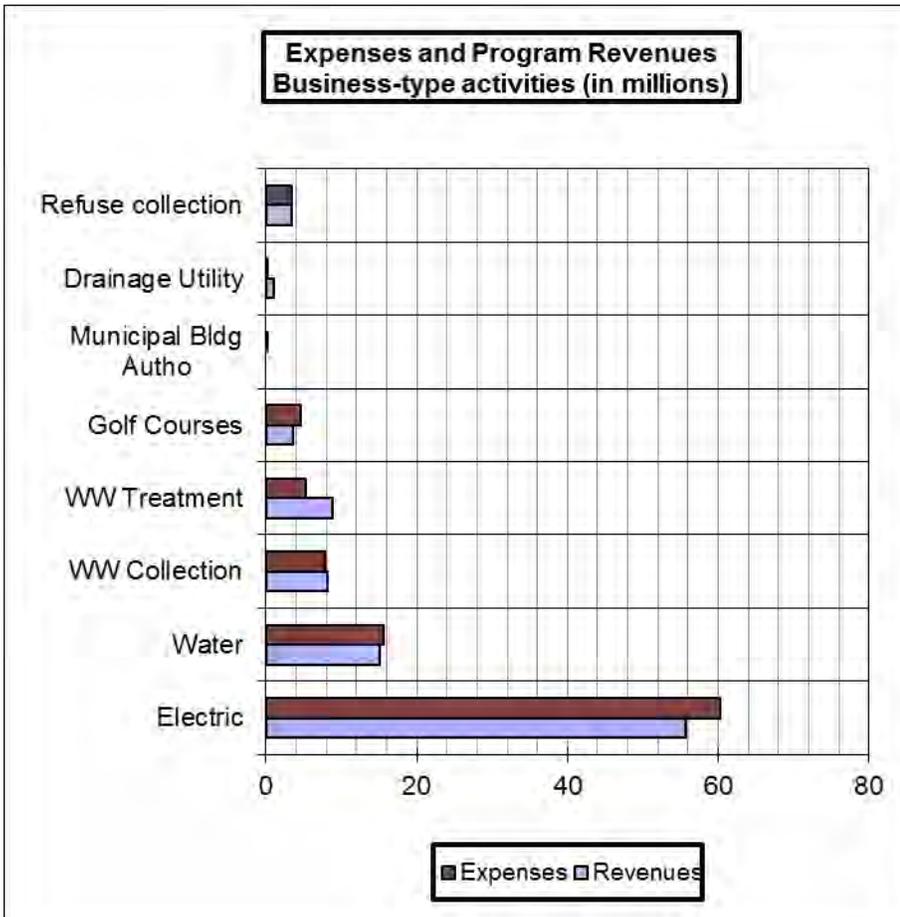


Overall governmental revenues were down in comparison with the prior fiscal year by 6.24%. The largest reason for this is a decline of 35.29% in capital grants and contributions. The two largest reasons for this decline were the public safety grant received last year for the 800 Mhz system of just over \$1 million and a decline of over \$5 million in grants for the replacement airport as that project was completed in the 2011 fiscal year. Charges for services rebounded as a result of the slight pickup in the building trades and additional emphasis on recreation activities such as races and tournaments. Sales taxes were able to continue its' recovery this year as we saw an increase of 8.78% compared with an increase of 2.06% in the prior fiscal year. Sales tax is the largest general fund revenue source. The following graph displays the total governmental revenues by source.



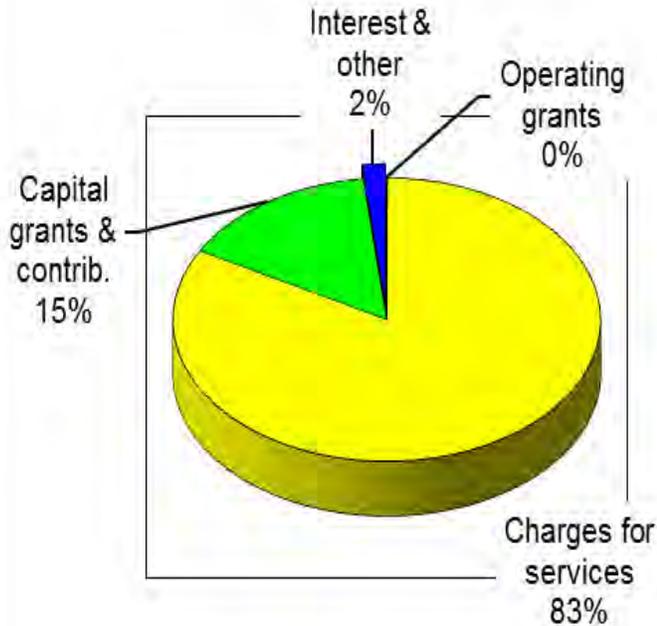
Overall governmental expenditures for all funds increased by 16.3% when compared with last fiscal year. Highways/public improvements increased by 46.82% as the result of costs related to the 2010 Flood and participation with the State of Utah on large highway projects. The most noticeable projects were the new interchange on I-15, the resulting extension of Dixie Drive and the rebuilding of Red Hills Parkway on the north end of the City. This resulted in a Highways/Public improvements amount representing 29.42% of total costs as compared with 23.31% in the prior fiscal year. General government decreased from 14.31% to 12.14% however the total dollars spent were almost equal to the prior fiscal year. Community & Development Services increased to 4.72% of expenditures compared to 3.89% in the prior fiscal year. Parks and Recreation decreased to 20.66% of expenditures compared with 21.98% in the prior fiscal year. Public Safety decreased from 29.64% of expenditures in the prior fiscal year to 27.81% in the current year.

Total net assets in business-type activities increased by \$16,201,402. However, without the capital contribution by the Washington County Water Conservancy District of \$17,515,000 as a result of their assumption of a large portion of the Water Utility debt, the business-type activities actually saw a decline of \$1,313,598 in net assets. The largest portion of this decline was in the Electric Utility Fund as the utility saw increasing costs which resulted in a net loss for the fiscal year. Effective July 1, 2012, a rate increase of approximately 8% overall was adopted by the Mayor and City Council for the fiscal year 2013 budget. 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 83%. However, again if the capital contribution from the Washington County Conservancy District is removed from the calculation, the percentage is 98%.

Revenues by Source Business-Type Activities



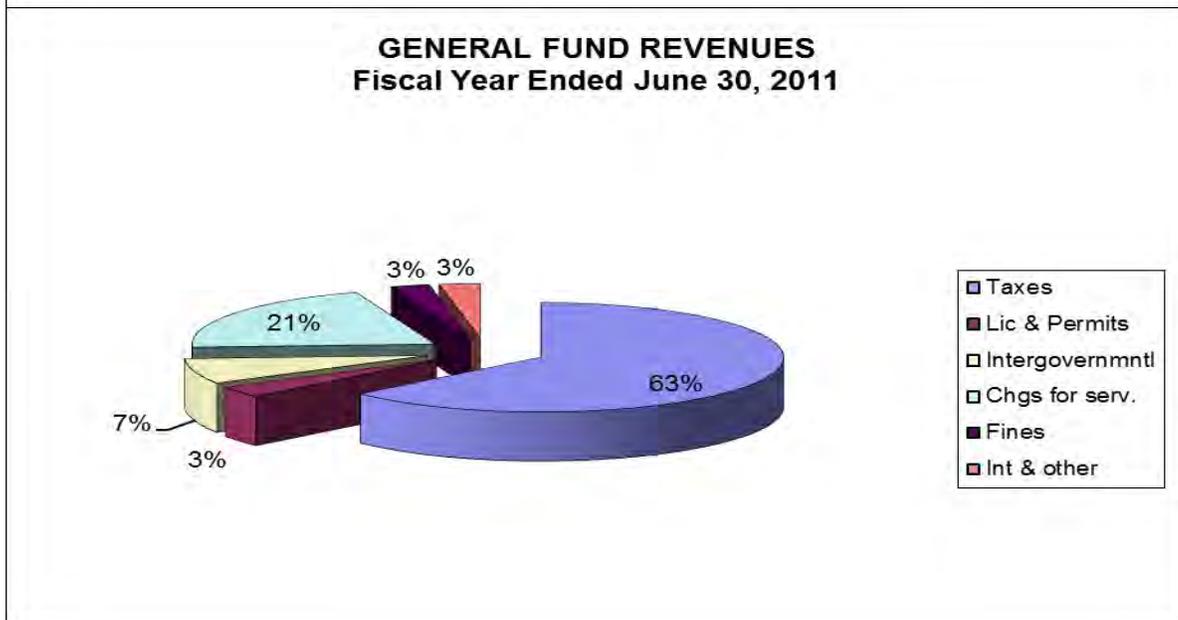
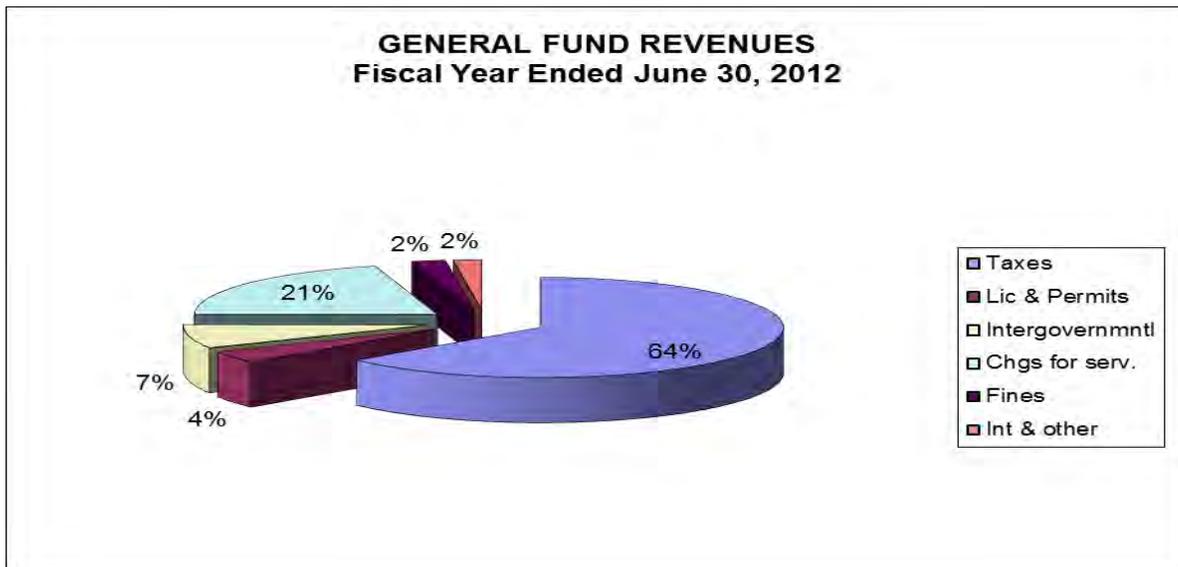
FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

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

As of June 30, 2012, the City's governmental funds (General, Capital Projects, Debt Service, & Special Revenue) reported combined fund balances of \$23,409,881. This represents an increase of \$519,996 (2.27%) from last year's ending balances. The main reason for this increase is the continuing construction phase at the replacement airport site. Several federal grants have been received to help with these costs. The FAA issued a letter of intent (LOI) to provide future grants to pay construction costs of the new airport. These grants will be received through 2016 resulting in a need to use current resources until grant funds are received. 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.

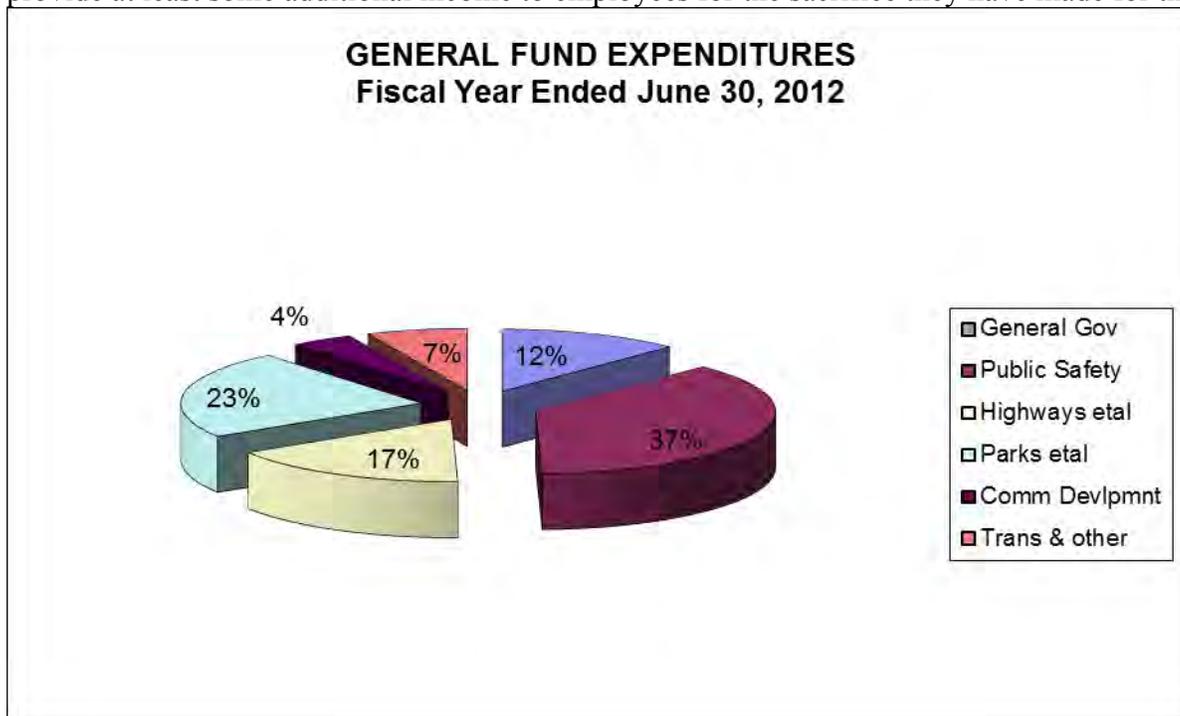
GENERAL FUND

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 \$2.5 million during the year, a large portion of this surplus was transferred to the Economic Development Fund and the Capital Equipment Capital Projects Fund for use in future capital and economic development projects. The General Fund total fund balance increased by \$51,499 after these transfers. An analysis of this total fund balance shows that it represents 12.35% of projected revenues for the new fiscal year which ends June 30, 2013. State law allows for a maximum fund balance of 18% so the City is well within those limits.

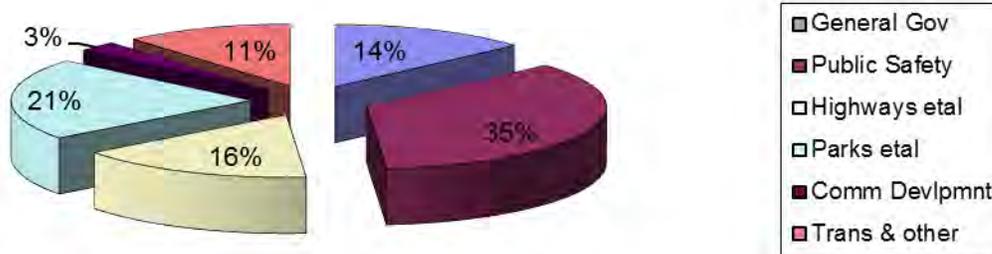


Taxes continue to be the largest source of revenue in the General Fund and represent 64% of total general fund revenues as compared to 63% in the prior fiscal year. The largest element of taxes is sales taxes as it has been for the past several years. It represents 46.78% of total tax revenues and 29.76% of total general fund revenues. This compares with 28.58% for the fiscal year ended June 30, 2011. Overall, tax revenues were up 5.25%. Sales taxes increased 9.01% while property taxes were up 5.12%. Licenses and permits are up 23.28% from last year. The number of residential permits issued this year represents an increase of 100% from the prior year with 531 residential units being permitted as compared with 265 in 2011, 299 in 2010, 214 in 2009, and 451 in 2008. The total dollar valuation of building permits was up 46.58%. Intergovernmental revenues were up 6% as both federal grants and Class “C” road funds increased while state grants decreased.

The following graphs display the expenditures in the General Fund by function for the past two fiscal years. As can be seen by reviewing these graphs, all major functions of the city remained basically unchanged from 2011 to 2012 as a percentage of General Fund expenditures. Again this fiscal year all employee wages and benefits were frozen and no merit, or cost of living increases were made to salaries for the fifth year in a row. The Mayor and Council did authorize and pay a year-end share of the savings during the fiscal year in order to provide at least some additional income to employees for the sacrifice they have made for the last several years.



**GENERAL FUND EXPENDITURES
Fiscal Year Ended June 30, 2011**



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 \$4.33 million in comparison with a net loss of \$5.16 million in 2011. While total operating revenues increased by 2.87%, the fund saw an increase in operating costs of only 1.29%. As mentioned earlier, the City has adopted a rate increase effective July 1, 2012 to continue to address the issue of losses in this fund. The Water Utility fund net income remained almost level at \$1.5 million as compared with the last fiscal year. A transfer of \$1million was made from the Airport Replacement Capital Project Fund to reimburse for the water tank at the new airport and an additional \$500,000 is budgeted to be transferred in the 2013 fiscal year to complete this repayment. As mentioned earlier, the refunding of the 2004 bonds and the assumption of the largest portion of the old bonds by the Washington County Water Conservancy District was also able to increase net assets in the Water Utility by \$17,515,000. The Wastewater Treatment fund showed an increase in net income of 7.31% for the year as increased building activity also increased the impact fees received by all of the various enterprise funds of the City.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the General Fund original budget was amended from an original budget expenditure total of \$43,896,055 to a final budget of \$47,228,793 (7.58%). These increases were made to respond to higher revenues than originally estimated. As a result of this and additional cost savings, it allowed for a transfer to the economic development fund and capital equipment capital projects fund. This transfer represented 75.01% of the budget increase.

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, 2012, amounts to \$596,085,570 (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 decrease in the City's investment in fixed assets for the current year was .25% (a 1.59% increase for governmental activities and a 2.35% decrease for business-type activities).

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

\$931,358 for completion of construction of airport improvements, terminal building, and airport fire station at the new airport site.

\$378,783 was spent for purchase of vehicles for the SunTran mass transit system within the city.

\$379,169 in Park Impact fees were used to complete the Forest Park project; \$271,110 was paid for Dixie Drive Interchange Trail; and \$101,289 for the Dixie Drive transportation enhancement project.

In the Public Works Capital Projects Fund \$1,972,744 was spent for the I-15 to Virgin River Drain; \$2,460,058 for the Mathis Bridge/Dixie Drive project; \$452,431 for the Riverside Drive Phase One project; \$682,886 for the Main Street Storm Drain project; \$952,740 for Red Hills Parkway; \$204,301 for 1450 South Improvement Project; and \$328,476 for the Highland Drive Flood Control project.

\$2,299,702 in the Water Utility for construction of wells, pipeline, and other improvements to the distribution system.

\$342,441 was spent in the Electric Utility for expansion and improvements to the distribution and transmission systems; and \$378,549 was spent to complete construction of the 2nd gas turbine unit at the Millcreek Generation station. A \$50 million revenue bond was issued in July of 2008 to fund that expansion. \$351,465 was spent for acquisition of new equipment to replace an aging fleet of vehicles and equipment.

CITY OF ST. GEORGE'S CAPITAL ASSETS

(net of depreciation)

	Governmental Activities		Business-type Activities	
	2012	2011	2012	2011
Land	\$ 87,143,915	\$ 86,217,371		
Buildings	19,236,991	20,116,726		
Improvements	43,498,930	44,409,692		
Infrastructure	164,764,337	159,379,610		
Machinery & equipment	9,615,685	9,056,946		
Plant, prop.& equipment			\$271,825,712	\$278,376,442
Total	<u>\$324,259,858</u>	<u>\$319,180,345</u>	<u>\$271,825,712</u>	<u>\$278,376,442</u>

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

Long-term debt - At June 30, 2012, the City had total bonded debt outstanding of \$130,147,035. Of this amount \$34,329,000 is considered to be general obligation debt and backed by the full faith and credit of the City; \$317,000 is special assessment debt for which the City is liable in the event of default by the property owners subject to the assessment; and the remainder of \$85,857,035 is debt which is secured solely by specific revenue sources (i.e., revenue bonds).

CITY OF ST. GEORGE'S OUTSTANDING DEBT

	<u>Governmental</u>		<u>Business-type</u>	
	<u>Activities</u>		<u>Activities</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
General obligation bonds	\$14,760,000	\$ 15,460,000		
Sales tax revenue bonds	18,099,000	20,910,000		
Excise Revenue bonds	1,470,000	2,160,000		
WCIA Capital lease bonds	3,907,540	4,217,580		
Federal Subsidy Excise bonds	9,644,000	9,862,000		
Special assessment debt with governmental commitment	<u>317,000</u>	<u>662,000</u>		
Revenue bonds			<u>\$85,857,035</u>	<u>\$109,883,035</u>
 Total outstanding debt	 <u>\$48,197,540</u>	 <u>\$53,271,580</u>	 <u>\$85,857,035</u>	 <u>\$109,883,035</u>

The City's total debt decreased by \$28,796,040 during the fiscal year as the only new debt issued was refunding debt for prior issues.

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>Standard</u>	<u>Fitch</u>
	<u>Investors</u>	<u>& Poor's</u>	
	<u>Service</u>		
1997 Recreation GO bonds	Aaa	AAA	AAA
1993 Water Revenue	Aaa	AAA	
Wastewater Revenue	Aaa	AAA	
2005 Electric Revenue	Aaa (underlying A3)		

The City's bond ratings were reviewed and reaffirmed by the rating agencies during this fiscal year.

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 \$209,369,829, 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 \$418,739,659, which again significantly exceeds the outstanding business-type activity debt. Thus the total debt limit is \$628,109,488 while the total outstanding debt less reserves restricted for debt service is \$34,163,384. The resulting debt margin is \$593,946,104. The statistical section has additional information on debt margin and demonstrates the calculation of this margin for the current fiscal year.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The unemployment rate for Washington County (of which St. George is the largest City) was 7.1 % for the quarter ended June 2012 compared with a state unemployment rate of 6.0% and a national rate of 8.2% seasonally adjusted. This compares with a rate of 9.7% in 2011. (Source: Utah Dept of Workforce Services)

The General Fund budget for the fiscal year-ending June 30, 2013 reflects a decrease of 2.35% from the final budget for the fiscal year-ended June 30, 2012. Because of the slowly improving economy, the city is expecting revenues to grow slightly from the prior year and so therefore is continuing the restrictions on employee hiring and wage increases. Some increases have been made in capital equipment expenditures in order to avoid future difficulties with maintenance costs because of an aging fleet.

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, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash	\$ 10,193,257	\$ 33,753,185	\$ 43,946,441
Restricted cash		6,072,081	6,072,081
Accounts receivable (net of allowance for doubtful accounts)	16,808,142	11,688,757	28,496,900
Inventory	98,415	2,382,141	2,480,556
Notes receivable	1,616,708	11,980	1,628,688
Internal Balances	500,000	(500,000)	
Bond discounts		2,236,351	2,236,351
Prepaid expenses	38,420	2,047	40,467
Capital assets (net of depreciation)			
Land	87,143,915		87,143,915
Buildings	19,236,991		19,236,991
Improvements	43,498,930		43,498,930
Infrastructure	164,764,337		164,764,337
Machinery & equipment	9,594,371		9,594,371
Plant, property, and equipment		271,825,712	271,825,712
Total assets	\$ 353,493,486	\$ 327,472,254	\$ 680,965,740
LIABILITIES:			
Accrued liabilities	\$ 4,912,219	\$ 7,721,723	\$ 12,633,942
Construction bonds held	189,429		189,429
Deposits payable		1,414,371	1,414,371
Deferred compensation	1,222,513		1,222,513
Interest payable	751,600		751,600
Unearned revenues	163,870		163,870
Notes payable:			
Due within one year	2,613,000		2,613,000
Due in more than one year	11,789,464		11,789,464
Bonds payable:			
Due within one year	4,987,000	4,433,000	9,420,000
Due in more than one year	39,303,000	81,424,035	120,727,035
Capital leases:			
Due within one year	256,000	162,000	418,000
Due in more than one year	3,651,540	638,421	4,289,961
Bond premiums	850,863	2,232,932	3,083,795
Total liabilities	70,690,500	98,026,482	168,716,982
NET ASSETS:			
Invested in capital assets, net of related debt	260,036,078	185,171,675	445,207,752
Restricted for:			
Unspent bond/impact fees for const.		1,293,430	1,293,430
Debt service	1,108,756	4,778,651	5,887,407
Unrestricted	21,658,153	38,202,016	59,860,169
Total Net Assets	\$ 282,802,987	\$ 229,445,772	\$ 512,248,758

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, 2012

	Program Revenues				Net Governmental Activities	Business-type Activities	Total
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions			
Governmental activities:							
General government	\$ 7,251,285	\$ 4,255,216	\$ -	\$ -	\$ (2,996,069)		\$ (2,996,069)
Public Safety	16,638,431	3,062,195	1,162,381	-	(12,413,853)		(12,413,853)
Highways & public improvements	17,578,779	1,110,369	5,163,272	12,639,344	1,334,206		1,334,206
Parks, recreation & public property	12,343,515	2,988,584	1,946,452	217,728	(7,190,751)		(7,190,751)
Community & economic development	2,823,461	1,270,780	499,909		(1,052,772)		(1,052,772)
Interest on long-term debt	3,134,135				(3,134,135)		(3,134,135)
Total governmental activities	59,769,606	12,687,143	8,772,014	12,857,072	(25,453,375)	-	(25,453,375)
Business-type activities:							
Electric	60,266,026	55,661,770				(4,604,256)	(4,604,256)
Water	15,678,114	15,072,515	34,326	17,515,000		16,943,728	16,943,728
Regional wastewater treatment	5,292,428	8,916,778				3,624,350	3,624,350
Wastewater collection	7,774,659	8,175,628				400,969	400,969
Golf courses	4,586,078	3,519,576				(1,066,502)	(1,066,502)
Municipal bldg authority	141,564	-				(141,564)	(141,564)
Drainage Utility	110,511	992,286				881,776	881,776
Solid waste	3,493,449	3,502,690				9,241	9,241
Total business-type activities	97,342,829	95,841,244	34,326	17,515,000		16,047,739	16,047,739

General Revenues:

Taxes:

Property taxes levied for general purposes	10,513,987		10,513,987
Property taxes levied for debt service	1,899,549		1,899,549
Franchise taxes	6,179,767		6,179,767
General sales taxes & highway sales taxes	17,193,924		17,193,924
Business licenses	694,513		694,513
Investment income	239,112	180,534	419,646
Lease payments	(102,768)		(102,768)
Gain on sale of assets	66,534		66,534
Rents & concessions	236,640	1,458,081	1,694,721
Miscellaneous	60,741	387,881	448,622
Transfers	1,872,834	(1,872,834)	0
Total general revenues & transfers	38,854,833	153,663	39,008,496
Change in net assets	13,401,458	16,201,402	29,602,860
Net assets - beginning	269,401,529	213,244,370	482,645,899
Net assets - ending	\$ 282,802,987	\$ 229,445,772	\$ 512,248,759

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, 2012

ASSETS	General	Replacement Airport Capital Proj. Fund	Public Works Capital Proj. Fund	Other Governmental Funds	Total Governmental Funds
Cash	\$ 1,954,945	\$ (23,645,974)	\$ 1,685,388	\$ 29,591,374	\$ 9,585,733
Accounts receivable	3,428,067	10,890,107	203,041	2,286,927	16,808,142
Prepaid items	38,420				38,420
Inventory	98,415				98,415
Notes receivable	1,616,708				1,616,708
Due from other funds	500,000			-	500,000
Total assets	\$ 7,636,555	\$ (12,755,867)	\$ 1,888,429	\$ 31,878,301	\$ 28,647,417

LIABILITIES AND FUND BALANCE

Liabilities:					
Construction bonds held	189,429		\$ -	\$ -	\$ 189,429
Due to other funds	-				-
Accrued liabilities	1,697,360	1,600	1,695,836	1,489,441	4,884,237
Deferred revenues	54,489			109,381	163,870
Total liabilities	1,941,279	1,600	1,695,836	1,598,822	5,237,536

Fund Balance:

Nonspendable:					
Inventories & prepaids	136,834				136,834
Noncurrent receivables	2,116,708				2,116,708
Restricted for:					
Public safety programs	157,928			-	157,928
Cemetery perpetual care	112,320				112,320
Transportation programs				8,732,265	8,732,265
Housing & community development				503,483	503,483
Parks construction & development				1,924,145	1,924,145
Special revenue funds				403,875	403,875
Debt service fund				1,108,756	1,108,756
Capital projects fund				2,854,022	2,854,022
Assigned to:					
Special revenue funds				4,665,661	4,665,661
Capital projects fund			192,593	15,476,201	15,668,794
Unassigned:	3,171,486	(12,757,467)		(5,388,929)	(14,974,910)
Total fund balance	5,695,276	(12,757,467)	192,593	30,279,479	23,409,881
Total liabilities and fund balance	\$ 7,636,555	\$ (12,755,867)	\$ 1,888,429	\$ 31,878,301	

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.	324,238,545
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.	(65,424,981)
Fund balance in Self-Insurance internal service fund	579,541

\$ 282,802,987

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, 2012

	<u>General</u>	<u>Replacement Airport Capital Proj. Fund</u>	<u>Public Works Capital Proj. Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes & special assessments	\$ 28,381,246	\$ -	\$ -	\$9,068,550	\$ 37,449,795
Licenses and permits	1,755,314			-	1,755,314
Intergovernmental	3,359,693	11,440,201		1,904,149	16,704,043
Charges for services	9,283,576			92,487	9,376,063
Fines & forfeitures	995,256			-	995,256
Investment income	126,859	1,853		108,862	237,574
Rents & concessions	39,857			196,783	236,640
Miscellaneous	57,315			5,277	62,591
Contributions from other sources	93,701				93,701
Capital development fees	-			2,372,041	2,372,041
Total revenues	44,092,816	11,442,053	-	13,748,149	69,283,018
Expenditures:					
Current:					
General government	5,471,034			232,656	5,703,689
Public safety	16,623,981			11,621	16,635,602
Highways & public improvements	7,336,466	62,387	1,432,089	6,139,122	14,970,065
Parks, recreation & public property	10,237,209			669,320	10,906,528
Community & economic development	1,875,605			916,573	2,792,178
Capital outlay	-	931,358	7,515,925	3,065,301	11,512,584
Debt service					
Capital leases	52,768			50,000	102,768
Principal	-	178,719	744,980	6,558,080	7,481,779
Interest & admin charges	-	2,546,940	63,011	2,293,939	4,903,890
Total expenditures	41,597,062	3,719,403	9,756,005	19,936,612	75,009,083
Excess (deficiency) of revenues over expenditures	2,495,754	7,722,650	(9,756,005)	(6,188,464)	(5,726,065)
Other financing sources (uses):					
Transfers in	469,906	309,219	8,704,750	6,584,656	16,068,531
Transfers out	(2,967,000)	(1,000,000)		(9,680,697)	(13,647,697)
Contributions from private sources			807,991	60,000	867,991
Proceeds from sale of capital assets	52,839			13,695	66,534
Contributions from other governments			226,500	436,198	662,698
Proceeds of refunding bonds				2,228,000	2,228,000
Premium on refunding bonds				-	-
Total other financing sources (uses)	(2,444,255)	(690,782)	9,739,241	(358,147)	6,246,057
Net change in fund balances	51,499	7,031,868	(16,765)	(6,546,611)	519,992
Fund balances, beginning of year,	5,643,776	(19,789,337)	209,358	36,826,088	22,889,885
Fund balances, end of year	\$ 5,695,275	\$ (12,757,469)	\$ 192,593	\$ 30,279,477	\$ 23,409,877

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, 2012

Net change in fund balances - total governmental funds **\$ 519,992**

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. **5,058,201**

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. **8,225,739**

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 **120,639**

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. **(2,228,000)**

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. **1,728,091**

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. **22,294**

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. **(45,498)**

Change in net assets of governmental activities **\$ 13,401,458**

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, 2012

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Taxes:				
General property taxes	\$ 8,050,000	\$ 8,550,000	\$ 8,445,530	\$ (104,470)
Prior year's delinquent taxes	400,000	400,000	480,327	80,327
General sales & use taxes	12,300,000	13,000,000	13,275,622	275,622
Franchise taxes	6,100,000	6,100,000	6,179,767	79,767
Total taxes	26,850,000	28,050,000	28,381,246	331,246
Licenses & permits:				
Business licenses & permits	662,400	662,400	694,513	32,113
Non-business licenses & permits	735,000	1,035,000	1,060,802	25,802
Total licenses & permits	1,397,400	1,697,400	1,755,314	57,914
Intergovernmental revenues:				
Federal grants	650,000	677,521	820,000	142,479
State grants	125,000	602,631	44,890	(557,741)
Class "C" roads	2,360,000	2,400,000	2,388,080	(11,920)
State liquor allotment	115,000	115,000	106,722	(8,278)
Total intergovernmental revenues	3,250,000	3,795,152	3,359,693	(435,459)
Charges for services:				
Enterprise funds	3,736,000	3,736,000	3,736,000	-
Public safety	2,018,500	2,038,500	2,066,939	28,439
Parks & public property	130,000	220,500	209,978	(10,522)
Cemetery	143,000	213,000	203,490	(9,510)
Recreation	2,141,700	2,269,625	2,163,164	(106,461)
Airport	750,000	755,700	860,077	104,377
Reuse Center	25,500	47,500	43,928	(3,572)
Total charges for services	8,944,700	9,280,825	9,283,576	2,751
Fines & forfeitures:				
Court fines & bail forfeitures	1,013,000	1,013,000	995,256	(17,744)
Miscellaneous:				
Interest	200,000	130,000	126,859	(3,141)
Rents & concessions	32,000	42,000	39,857	(2,143)
Other	60,500	78,500	57,315	(21,185)
Total miscellaneous	292,500	250,500	224,031	(26,470)
Total revenues	41,747,600	44,086,877	43,999,115	(87,762)
Other Financing Sources :				
Sales of capital assets	20,000	45,000	52,839	7,839
Contributions from others	100,000	105,000	93,701	(11,299)
Appropriated fund balance	-	922,607	-	(922,607)
Transfers from other funds	2,028,455	2,129,809	469,906	(1,659,903)
Total Other Financing Sources :	2,148,455	3,202,416	616,446	(2,585,970)
Total revenues & Other Financing Sources	\$ 43,896,055	\$ 47,289,293	\$ 44,615,561	\$ (2,673,732)

(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, 2012

EXPENDITURES:	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
General government:				
City Council	\$ 648,277	\$ 718,277	\$ 713,857	\$ 4,420
City Manager	254,500	256,726	239,318	17,408
Human Resources	368,226	379,085	363,641	15,444
Administrative Services	418,297	431,657	420,698	10,959
Finance	1,450,784	1,493,853	1,433,596	60,257
Technology Services	1,191,011	1,217,857	1,182,425	35,432
Legal	1,118,376	1,148,321	1,072,840	75,481
Elections	48,000	48,000	44,660	3,340
Total general government	5,497,471	5,693,776	5,471,034	222,743
Public Safety:				
Police	10,336,269	11,184,238	10,396,995	787,243
Drug Task Force	234,350	234,778	155,258	79,520
Dispatch Center	2,143,269	2,223,363	2,083,920	139,443
Fire	4,191,813	4,272,042	3,987,808	284,234
Total public safety	16,905,701	17,914,421	16,623,981	1,290,440
Highways & public improvements:				
Public Works Administration	260,770	265,772	260,683	5,089
Streets	4,441,759	4,523,513	4,565,449	(41,936)
Fleet Maintenance	1,124,805	1,158,488	1,104,431	54,057
Engineering	649,691	667,228	620,912	46,316
Airport	752,063	772,406	784,991	(12,585)
Total highways & improvements	7,229,088	7,387,407	7,336,466	50,941
Parks, Recreation & Public Property:				
Building Maintenance	1,186,959	1,256,298	1,181,976	74,322
Parks and open spaces	3,940,580	4,239,221	4,115,639	123,582
Recreation & cultural arts	4,449,722	4,589,815	4,614,376	(24,561)
Cemetery	328,620	335,333	325,218	10,115
Total parks, recreation & public property	9,905,881	10,420,667	10,237,209	183,458
Community development	1,815,562	1,895,754	1,875,605	20,149
Debt service: Capital leases	52,768	52,768	52,768	-
Total expenditures	41,406,471	43,364,793	41,597,062	1,767,731
OTHER FINANCING USES				
Contributions to other funds	2,592,584	3,967,000	2,967,000	1,000,000
TOTAL EXPENDITURES & OTHER USES	43,999,055	47,331,793	44,564,062	2,767,731
Net change in fund balance	(103,000)	(42,500)	51,499	\$ 93,999
Fund Balance at beginning of year	5,643,777	5,643,777	5,643,777	
Fund Balance at end of year	\$ 5,540,777	\$ 5,601,277	\$ 5,695,276	

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, 2012

	Business-type Activities - Enterprise Funds				TOTALS 2012	Governmental Activities Internal Service Fund
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWTR TREATMENT	Non-Major Enterprise Funds		
ASSETS						
Current assets:						
Cash	\$ 1,356,079	\$ (1,556,925)	\$ 34,965,963	\$ (1,011,933)	\$ 33,753,185	\$ 607,524
Restricted cash		2,477,884	2,300,767	1,293,430	6,072,081	
Accts. receivable (net of allowance for uncollectibles of \$1,460,524)	11,120,725	281,551	241,095	45,386	11,688,757	
Inventory	1,784,537	597,605			2,382,141	
Due from other funds						
Note receivable				11,980	11,980	
Bond discounts & insurance	1,480,036	570,127	89,679	96,509	2,236,351	
Prepaid expenses	1,024	1,024			2,047	
Total current assets	15,742,400	2,371,265	37,597,504	435,372	56,146,542	607,524
Capital assets net of accumulated depreciation	93,446,020	98,651,214	54,646,124	25,082,354	271,825,712	-
TOTAL ASSETS	109,188,420	101,022,480	92,243,629	25,517,726	327,972,254	607,524
LIABILITIES						
Current liabilities:						
Accrued liabilities	4,387,895	1,667,591	783,109	883,128	7,721,723	27,983
Capital leases				800,421	800,421	
Due to other funds (short-term)						
Deposits payable	1,414,371				1,414,371	
Total current liabilities	5,802,266	1,667,591	783,109	1,683,549	9,936,515	27,983
Long-term liabilities:						
Bonds payable - long term	60,965,000	19,387,513	4,794,522	710,000	85,857,035	
Bond premiums	597,800	1,561,501	73,631		2,232,932	
Due to other funds (long-term)		-	-	500,000	500,000	
Total long-term liabilities	61,562,800	20,949,014	4,868,154	1,210,000	88,589,968	-
Total liabilities	67,365,067	22,616,604	5,651,262	2,893,549	98,526,482	27,983
NET ASSETS						
Invested in capital assets, net of related debt	33,363,255	78,272,327	49,867,650	23,668,442	185,171,675	-
Restricted	-	2,477,884	2,300,767	1,293,430	6,072,081	-
Unrestricted	8,460,098	(2,344,336)	34,423,950	(2,337,695)	38,202,016	579,541
Total net assets	\$ 41,823,353	\$ 78,405,875	\$ 86,592,366	\$ 22,624,177	\$ 229,445,772	\$ 579,541

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, 2012

	Business-type Activities - Enterprise Funds				TOTALS 2012	Governmental Activities Internal Service Fund
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWTR TREATMENT	Non-Major Enterprise Funds		
OPERATING REVENUES:						
Charges for services	\$ 54,450,360	\$ 14,278,685	\$ 8,015,592	\$ 15,700,295	\$ 92,444,931	\$ 519,216
Other operating revenues	1,211,410	793,830	901,186	489,887	3,396,313	
Total operating revenues	55,661,770	15,072,515	8,916,778	16,190,181	95,841,244	\$ 519,216
OPERATING EXPENSES:						
Electricity purchased	37,491,445		405,723		37,897,168	
Natural gas purchased	5,126,432				5,126,432	
Water purchased		5,739,150			5,739,150	
Salary and wages	3,449,695	2,392,746	1,025,748	2,157,759	9,025,948	
Supplies	776,745	-	-	432,970	1,209,715	
Service vehicle expense	173,538	210,813	77,071	179,196	640,618	
Equipment rental	-	35,191	986	9,731	45,908	
Depreciation	6,369,528	2,834,180	1,483,187	1,045,957	11,732,851	
Payroll tax & employee benefits	1,270,853	996,896	416,748	864,527	3,549,024	
Office & dept. supplies	63,095	339,037	43,016	148,283	593,431	
Professional services	312,825	268,883	213,054	608,409	1,403,172	784
R. & M. - equipment	526,818	872,190	622,241	48,314	2,069,562	
R. & M. - buildings and grounds	18,542	10,809	15,303	723,411	768,064	
Insurance & surety bonds	160,603	81,059	54,039	48,365	344,066	
Travel	50,303	29,238	5,849	9,535	94,925	
Miscellaneous	2,606	63			2,669	
Interest expense	25,127				25,127	
Subscriptions & memberships	63,995	34,657	693	1,990	101,335	
Lease payments					-	
Claims paid			142			322,238
Insurance premiums						243,231
Contract labor				9,086,985	9,086,985	
Billing & administration	1,400,000	975,000	650,000	711,000	3,736,000	
Total operating expenses	57,282,149	14,819,910	5,013,802	16,076,431	93,192,292	566,253
Operating income (loss)	(1,620,379)	252,606	3,902,977	113,750	2,648,953	(47,037)
NON-OPERATING REVENUES (EXPENSES)						
Interest income	17,933	9,376	132,962	20,257	180,528	1,538
Rent	-	1,324,688	6,000	127,393	1,458,081	
Miscellaneous income	259,919		94,895	33,068	387,881	-
Federal grants		34,326			34,326	
Loss (gain) on bond refinancing	-	414,872	(112,198)	-	302,674	
Interest charges	(2,983,877)	(1,273,076)	(166,428)	(29,830)	(4,453,211)	
Total non-operating revenue (expense)	(2,706,025)	510,186	(44,769)	150,889	(2,089,720)	1,538
Income before transfers	(4,326,405)	762,792	3,858,207	264,639	559,233	(45,498)
Transfers (to) from other funds		1,000,000		(2,872,834)	(1,872,834)	
Additions to contributed capital		17,515,000			17,515,000	
Change in Net Assets	(4,326,405)	19,277,792	3,858,207	(2,608,195)	16,201,399	(45,498)
Total net assets - beginning	46,149,757	59,128,085	82,734,161	25,232,374	213,244,377	625,039
Total net assets - ending	\$ 41,823,352	\$ 78,405,877	\$ 86,592,368	\$ 22,624,179	\$ 229,445,776	\$ 579,541

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, 2012

	Business-type Activities - Enterprise Funds				TOTALS 2012	Governmental
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWTR TREATMENT	Non-Major Enterprise Funds		Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 54,309,068	\$ 14,873,065	\$ 9,064,755	16,191,179	\$ 94,438,067	\$ -
Receipts from interfund services provided						519,216
Payments to suppliers	(48,991,379)	(8,889,844)	(1,799,038)	(11,979,755)	(71,660,015)	
Payments to employees	(4,720,548)	(3,389,642)	(1,442,496)	(3,022,286)	(12,574,972)	
Payments for interfund services used						(543,961)
Net cash provided (used) by operating activities	597,141	2,593,579	5,823,221	1,189,139	10,203,080	(24,745)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Rents received		1,324,688	6,000	127,393	1,458,081	
Miscellaneous non-operating income	259,919		94,895	33,068	387,881	
Economic development transfer		1,000,000		(2,872,834)	(1,872,834)	
Net cash provided (used) by noncapital and related financing activities	259,919	2,324,688	100,895	(2,712,372)	(26,872)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from capital debt		3,830,000	-		3,830,000	
Purchases of capital assets	(1,072,455)	(2,767,222)	(954,319)	(388,126)	(5,182,122)	
Principal paid on capital debt	(1,645,000)	(23,950,000)	(2,169,000)	(92,000)	(27,856,000)	
Interest paid on capital debt	(2,983,877)	(1,273,076)	(166,428)	(29,830)	(4,453,211)	
Capital lease principal payments		-		(161,345)	(161,345)	
Capital contributions from other sources		17,515,000			17,515,000	
Gain (loss) on bond refinancing		414,872	(112,198)		302,674	
Premium on bonds issued	(38,131)	(499,265)	(73,632)		(611,028)	
Federal grants		34,326	-		34,326	
Net cash provided (used) by capital and related financing activities	(5,739,463)	(6,695,365)	(3,475,577)	(671,301)	(16,581,706)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	17,933	9,376	132,962	20,257	180,528	1,538
Net increase (decrease) in cash and cash equivalents	(4,864,470)	(1,767,722)	2,581,501	(2,174,277)	(6,224,969)	(23,207)
Cash and equivalents including restricted cash of \$6,366,417 at beginning of year	6,220,547	2,688,681	34,685,230	2,455,777	46,050,235	630,730
Cash and equivalents including restricted cash of \$6,072,081 at end of year	\$ 1,356,077	\$ 920,959	\$ 37,266,731	\$ 281,500	\$ 39,825,266	\$ 607,523
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss) (after transfers)	(1,620,379)	252,606	3,902,977	113,750	2,648,953	(47,037)
Adjustments to reconcile net income from operations to net cash provided by operating activities:						
Depreciation	6,369,528	2,834,180	1,483,187	1,045,957	11,732,851	
Changes in assets & liabilities:						
Decrease (increase) in receivables	(1,352,702)	(199,586)	147,977		(1,404,311)	
Decrease (increase) in inventory	55,745	(9,703)			46,042	
Decrease (increase) in discounts	65,876	75,408	150,863	11,045	303,192	
Decrease (increase) in note receivable				998	998	
Decrease (increase) in prepaid exp.	136	136	-	(1,788)	(1,516)	
Increase (decrease) in deposits	101,473				101,473	
Increase (decrease) in accruals	(3,022,531)	(359,461)	138,218	19,177	(3,224,597)	22,292
Total adjustments	2,217,525	2,340,974	1,920,245	1,075,389	7,554,132	22,292
Net cash provided by operating activities:	\$ 597,145	\$ 2,593,579	\$ 5,823,222	\$ 1,189,139	\$ 10,203,085	\$ (24,745)

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, 2012

	PENSION TRUST *****
ASSETS	
Restricted cash and investments	\$ 14,967,582
Total Assets	14,967,582
LIABILITIES	
Liabilities:	
Accrued liabilities	-
Total liabilities	-
NET ASSETS	
Held in trust for pension benefits and other purposes	\$ 14,967,582

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, 2012

		PENSION TRUST

ADDITIONS		
Retirement contributions	\$	484,565
Life insurance contributions		-
Certificate sales		-
Net increase in fair value of investments		76,802
Citizen donations		-
		-
Total additions		561,368
DEDUCTIONS		
Administrative & general		212
Life insurance premiums		-
Retirement withdrawals		1,109,303
		1,109,303
Total deductions		1,109,515
Change in net assets		(548,147)
Net assets - beginning of year		15,515,730
Net assets - end of year	\$	14,967,583

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, 2012

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. The other major governmental funds are the Replacement Airport Capital Project Fund and the Public Works Capital Projects Fund.

The City reports the following major proprietary funds:

The Electric Utility accounts for the activities of the City's electric distribution operations.

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

The Wastewater 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. When both committed, assigned, or unassigned resources are available for use, it is the City's policy to use committed resources first, followed by assigned resources and then unassigned resources as they are needed.

Equity is classified in the government-wide financial statements and in the proprietary fund financial statements as net assets and is displayed in three components as follows:

Invested in capital assets, net of related debt represents capital assets, net of accumulated depreciation and reduced by the outstanding balances of any long-term debt attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets are net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net assets are all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Equity is classified in the governmental fund financial statements as fund balance and is further classified as nonspendable, restricted, committed, assigned or unassigned as follows:

Nonspendable fund balance cannot be spent because it is either (1) not in spendable form, or (2) legally or contractually required to be maintained intact.

Restricted fund balance is fund balance with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Committed fund balance can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority,

the City Council. A resolution, ordinance or vote by the City Council is required to establish, modify or rescind a fund balance commitment.

Assigned fund balance is constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City Manager is authorized to assign amounts to a specific purpose in accordance with the City's budget policy.

Unassigned fund balance is a residual classification of the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose within the General Fund.

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, 2012 were estimated based on July billings and are included in the operating revenues and accounts receivable at year-end. An allowance for uncollectible accounts is recorded as bad debt expense equal to ½ of 1% of revenues in the Electric, Water, Wastewater Collection, and Refuse Collection enterprise funds. At June 30, 2012 this amount was \$1,460,524.

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	\$430,155,398
Accumulated depreciation	<u>(105,916,853)</u>
Total difference	\$ <u>324,238,545</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, 2012 were:

2009 Sales Tax Revenue Bonds	\$16,325,000
2011 Sales Tax Revenue Bonds	1,774,000
Excise tax bonds	1,470,000

Parks and recreation general obligation bonds	14,760,000
Special assessment bonds	317,000
2009 Airport TRCC Bonds	9,644,000
Capital lease	3,907,540
Note payable to McArthur	111,819
Note Payable to SITLA for new airport property	12,744,311
SIB Loan payable to UDOT for infrastructure	1,546,334
Interest payable on long-term debt	751,600
Unamortized premiums on bonds issued	850,863
Compensated absences	<u>1,222,513</u>
Total	<u>\$ 65,424,981</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	\$13,047,502
Depreciation expense	<u>(7,989,301)</u>
Net difference as reported	<u>\$ 5,058,201</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 \$3,332,738 or 7.58% 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 economic development fund. The amount of this transfer was 2,500,000 or 75.01% 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, 2012, the CDBG Grant Fund expenditures exceeded appropriations by \$8,445, the Ft Pierce EDA fund expenditures exceeded appropriations by \$11,461, and the Drainage Impact Fund expenditures exceeded appropriations by \$6,031.

D. Deficit fund equity

At June 30, 2012 the Future Airport Capital Project fund, the Refuse Collection Fund, the Fire Impact Fund, the 2010 Flood Restoration 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, 2012, the City had the following cash & investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percentage</u>
U.S. Treasuries	\$2,944,371	4.53%
State Treasurer's investment pool	45,973,249	70.74%
Bank certificates of deposit	471,539	.73%
Bank demand deposits (checking & saving)	629,369	.97%
Insurance company contracts (pension plan)	<u>14,967,582</u>	<u>23.03%</u>
Total fair value	\$ <u>64,986,110</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, 2012, the weighted average of maturities was 62.85 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, 2012, no investments exceeded this 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, 2012 \$49,182,548 (75.68%) of the City's portfolio balance of \$64,986,110 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, 2012, the unpaid principal and interest totaled \$1,616,708.

D. Capital assets

Capital asset activity for the year ended June 30, 2012 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	\$86,217,371	<u>926,544</u>	<u> </u>	87,143,915
Capital assets being depreciated:				
Buildings	31,762,686	157,366		31,920,052
Improvements	64,236,936	1,240,563		65,477,499
Infrastructure	210,052,019	8,648,147		218,700,166
Equipment, etc	<u>24,838,884</u>	<u>2,074,882</u>	<u> </u>	<u>26,913,766</u>
Total capital assets being depreciated	<u>330,890,525</u>	<u>12,120,958</u>	<u> </u>	<u>343,011,483</u>
Less accum. depreciation for:				
Buildings	11,645,961	1,037,100		12,683,061
Improvements	19,827,244	2,151,324		21,978,569
Infrastructure	50,672,408	3,263,420		53,935,828
Equipment etc	<u>15,781,938</u>	<u>1,537,457</u>	<u> </u>	<u>17,319,395</u>
Total accum. depreciation	<u>97,927,551</u>	<u>7,989,301</u>	<u> </u>	<u>105,916,853</u>
Total capital assets being depreciated, net	<u>232,962,974</u>	<u>4,131,657</u>	<u> </u>	<u>237,094,630</u>

Governmental activities capital assets, net	<u>\$319,180,345</u>	<u>\$ 5,058,201</u>	<u>\$</u>	<u>\$324,238,545</u>
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	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	<u>30,561,922</u>			<u>30,561,922</u>
Capital assets being depreciated:				
Buildings and systems	327,081,290	3,827,198		331,164,199
Improvements	17,965,741	62,638		18,028,379
Machinery & Equipment	<u>20,759,558</u>	<u>1,292,286</u>		<u>21,796,132</u>
Total capital assets being depreciated	<u>365,806,588</u>	<u>5,182,122</u>		<u>370,988,710</u>
Less accum. depreciation for:				
Buildings and systems	94,437,841	9,968,456		104,406,297
Improvements	6,533,180	683,410		7,216,590
Machinery & Equipment	<u>17,021,047</u>	<u>1,080,985</u>		<u>18,102,032</u>
Total accum. Depreciation	<u>117,992,068</u>	<u>11,732,851</u>		<u>129,724,919</u>
Total capital assets being depreciated, net	<u>247,814,520</u>	<u>(6,550,729)</u>		<u>241,263,791</u>
Business-type activities net capital assets	<u>\$278,376,442</u>	<u>(6,550,729)</u>		<u>\$271,825,713</u>

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

Governmental activities:	
General government	\$1,133,724
Public safety	883,227
Highways, streets, etc.	4,060,352
Parks, recreations, etc.	1,875,450
Community development	<u>36,550</u>
Total depreciation expense - governmental activities	<u>\$7,989,301</u>
Business-type activities:	
Municipal building authority	\$ 98,336
Water utility	2,834,180
Wastewater collection	406,165
Electric utility	6,369,528
Golf courses	541,456
Regional wastewater treatment	<u>1,483,187</u>
Total depreciation expense - business-type activities	<u>\$11,732,852</u>

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

E. Interfund receivables, payables, and transfers

At June 30, 2012, interfund balances due to or from other funds was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Golf Course Fund	\$ <u>500,000</u>

The General Fund receivable from the Golf Course Fund again is a working capital loan to help with cash flow in the golf course fund.

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, 2012 were as follows:

<u>Fund Transferring Out</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>
General Fund	Dixie Center Operations	\$ 467,000
	Cap. Equip. Captl. Projects	500,000
	Economic Development	2,000,000
	Public Works Cap. Projects	500,000
	Golf Course Fund	86,170
Economic Development Fund	SunTran Public Transit Fund	350,000
	Public Works Capital Proj.	1,390,436
Transportation Improvement	Street Bond Cap. Proj. Fund	1,862,000
	General Fund	70,000
Airport PFC Fund	Replacement Airport	140,000
Capital Equipment Fund	General Fund	120,000
	Public Works Capital Proj.	430,956
Street Bond Capital Proj. Fund	Replacement Airport	169,218
	Public Works Capital Proj.	3,077,303
Park Impact Fund	General Fund	40,000
Drainage Impact Fund	Public Works Capital Proj.	169,789
Drainage Utility Fund	Public Works Capital Proj.	2,874,004
	General Fund	85,000
CDBG Special Revenue Fund	General Fund	52,906
Ft. Pierce EDA Fund	Housing Program Fund	98,595*
	General Fund	17,000

<u>Fund Transferring Out</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>
Ft. Pierce EDA Fund	Street Bond Cap Proj Fund	162,500
EDA #1 Fund	Housing Program Fund	55,068*
	General Fund	9,600
	Street Bond Cap Proj Fund	210,000
Dixie Center EDA Fund	General Fund	9,000
	Street Bond Cap Proj Fund	371,000
Ft. Pierce CDA Fund	General Fund	18,400
	Street Bond Cap Proj Fund	425,000
Replacement Airport Fund	Water Utility Fund	1,000,000
2005 Flood Fund	2010 Flood Fund	83,493
Street Impact Fund	Public Works Capital Proj.	<u>262,263</u>
	Total Interfund Transfers	<u>\$ 17,106,701</u>
Total Interfund Transfers - Governmental Funds		14,147,697
Total Interfund Transfers - Enterprise Funds		2,959,004

These interfund transfers represent the participation by various funds in large capital projects throughout the City which are funded from multiple resources and from numerous funds and also to account for the payment of debt service with with similar circumstances.

*The transfers from the EDA funds to the Housing Program Fund are transfers of property tax increments received in the EDA funds but which are restricted as to use by the Olean Walker housing program within the State of Utah. The Housing Program Fund is thus accounted for as a special revenue fund because of the restrictions upon the funds use.

F. Long-term debt

General Obligation Bonds

- 1) 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. 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.

General obligation bonds are direct obligations of the City and pledge the full faith and credit of the City. The 2004 G O Refunding bonds totaling \$11,645,000 were issued with annual installments of \$620,000 to \$1,420,000 thru August 1, 2021. The 2010 G O Refunding bonds totaling \$5,395,000 were issued with annual installments of \$70,000 to \$1,805,000 thru August 1, 2023.

General obligation bonds currently outstanding at June 30, 2012 are as follows:

Governmental activities:

	<u>Interest rates</u>	<u>Amount</u>
2004 G.O. Parks & Recreation	4.00% to 5.00%	\$ 9,530,000
2010 G.O. Parks & Recreation	2% to 4%	<u>5,230,000</u>
		<u>\$14,760,000</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. During the current fiscal year, the City issued refunding bonds of \$2,228,000 to reduce interest costs on these bonds. The 2011 Sales Tax Revenue bonds are due in annual installments of \$449,000 to \$870,000 thru June 15, 2015. At June, 30, 2012 the outstanding balance of this issue was as follows:

Governmental activities:

	<u>Interest rates</u>	<u>Amount</u>
2011 Sales Tax Revenue bonds	1.70%	<u>\$1,774,000</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 \$2,490,000 to \$2,980,000 per year from November 1, 2009 thru November 1, 2017. They have an interest rate of 2.75% to 5.053%.

Governmental activities:

	<u>Interest rates</u>	<u>Amount</u>
2009 Sales Tax Revenue bonds	2.75% to 5.053%	<u>\$16,325,000</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 \$720,000 to \$750,000 thru December 1, 2013. At June 30, 2012, the debt balance was as follows:

Governmental activities:

	<u>Interest rates</u>	<u>Amount</u>
2004 Excise Tax Revenue bonds	4.38%	<u>\$1,470,000</u>
Total City reflected General Obligation Debt		<u>\$34,329,000</u>

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

(In thousands of dollars)

Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2013	\$ 4,424	\$ 1,222	\$ 5,646
2014	4,620	1,067	5,687
2015	4,450	919	5,369
2016	3,740	781	4,521
2017	3,945	617	4,562
2018-2024	<u>13,150</u>	<u>1,653</u>	<u>14,803</u>
Totals	<u>\$34,329</u>	<u>\$ 6,259</u>	<u>\$40,588</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, 2012, the various issues outstanding are as follows:

(amounts in thousands)

<u>District</u>	<u>Original Issue</u>	<u>Annual principal</u>	<u>Interest rates</u>	<u>Final Due Date</u>	<u>Amount</u>
99-4	1,109	\$111	4%	11/1/12	\$111
99-1	989	\$99	4.1%	2/1/13	99
99-3	1,077	\$107	4.35%	6/1/13	<u>107</u>
Total special assessment debt					<u>\$ 317</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>
2013	<u>\$ 317</u>	<u>\$ 13</u>	<u>\$ 330</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, 2012, is \$31,700.

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 from \$246,000 per year to \$381,000. The federal subsidy rate on the bonds is 35% of the interest paid by the issuer (ie: the City). At June 30, 2012 the balance of this bond issue is \$2,921,000. 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 June 11, 2024 of \$5,794,000. The federal subsidy rate on the bonds is 45% of the interest paid by the issuer (ie: the City). At June 30, 2012, the balance of this bond issue is the original issue amount of \$6,723,000.

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

Year Ended	Gross	Interest	Net	
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Subsidy</u>	<u>Totals</u>
2013	\$246	\$762	\$320	\$688
2014	265	742	313	694
2015	281	721	306	696
2016	295	698	296	697
2017	311	674	286	699
2018-2024	<u>8,246</u>	<u>3,939</u>	<u>1,670</u>	<u>10,515</u>
	<u>\$ 9,644</u>	<u>\$7,536</u>	<u>\$3,191</u>	<u>\$13,989</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, 2012 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	\$80 to \$100	4.5% to 4.7%	9/1/17	\$ 530
2000 Woodward	350	\$18 to \$23	2.5%	4/1/21	180
Total Municipal Bldg	<u>6,620</u>				<u>710</u>
1987B Water	\$1,274	due 1/1/13	0.00%	1/1/13	\$ 1,274
2003 Water	12,325	\$995 to \$1215	5.0% -5.25%	7/1/16	5,510
2011 Water	6,120	\$45 to \$830	2% to 3%	6/1/20	5,420
2012 Water	3,830	\$235 to \$405	2% to 3%	7/1/25	3,830
2004 Water	<u>31,000</u>	\$525 to \$1400	4.0% to 5%	7/1/14	<u>3,255</u>
Total Water Utility	<u>54,549</u>				<u>19,289</u>
1993B Sewer	4,000	\$265 to \$275	3.5%	6/15/14	540
2004 Sewer	<u>7,015</u>	\$775 to \$935	4% to 5%	7/1/16	<u>4,255</u>
Total Wastewater Treatment	<u>11,015</u>				<u>4,795</u>
2005 Electric Rev	\$17,280	\$755 to \$3,305	3.5% to 5%	6/01/25	\$ 12,765
2008 Electric Rev	<u>50,000</u>	\$975 to \$3,190	4.0% to 5%	6/01/38	<u>48,200</u>
Total Electric	<u>\$67,280</u>				<u>\$ 60,965</u>
Total Business-type activities	<u>\$139,464</u>				<u>\$ 85,759</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>			
2013	\$ 5,707	\$ 3,898	\$ 9,605
2014	6,053	3,628	9,681
2015	6,049	3,368	9,417
2016	5,084	3,122	8,206
2017	5,390	2,905	8,295
2018-2022	13,851	12,260	26,111
2023-2027	15,825	8,731	24,556
2028-2032	10,805	5,922	16,727
2033-2037	13,805	2,936	16,741
2038	<u>3,190</u>	<u>160</u>	<u>3,350</u>
Totals	<u>\$ 85,759</u>	<u>\$46,930</u>	<u>\$132,689</u>

In the current fiscal year, the City issued the 2012 Series Water Refunding Bonds and the Washington County Water Conservancy District issued additional bonds to pay and cancel the 2004 Series Water Bonds. The total bonds issued were \$3,830,000 by the City and \$16,530,000 by the Conservancy District. The proceeds of these bonds were then used to redeem the 2004 bonds on the due date of June 1, 2012 totaling \$21,035,000. The issue was made to take advantage of lower interest rates and to allow for the Conservancy District to directly bond for those bonds which it was scheduled to pay thru rental payments on the Quail Creek Water Treatment plant. The total cash flows over the life of the new debt is \$28,343,405 in comparison with \$31,096,675 for a savings of \$2,753,270. This represents a net present value savings of \$2,183,551 after costs of issue. The bonds which were defeased by the Conservancy District totaled \$17,575,000 and this amount was recorded in the City financial records as contributed capital during the current fiscal year.

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, 2012, 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, 2012 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	\$ 15,460	\$ -	\$(700)	\$14,760	\$ 765
Sales Tax Bonds	20,910	2,228	(5,039)	18,099	2,939
Excise Bonds	2,160	-	(690)	1,470	720
Federal Subsidy bonds	9,862	-	(218)	9,644	246
Special assessment debt with governmental commitment	<u>662</u>	<u>-</u>	<u>(345)</u>	<u>317</u>	<u>317</u>
Total bonds payable	49,054	2,228	(6,992)	44,290	4,987
McArthur note	112	-	(-)	112	18
SITLA Note payable	12,923	-	(179)	12,744	1,850
UDOT SIB loan	2,291	-	(745)	1,546	745
WICA lease	4,218	-	(310)	3,908	256
Interest payable	2,480	-	(1,728)	752	
Unamortized premiums	971	-	(120)	851	
Vacation payable	<u>1,245</u>	<u>-</u>	<u>(22)</u>	<u>1,223</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$73,294</u>	<u>\$ 2,228</u>	<u>\$(10,096)</u>	<u>\$65,426</u>	<u>\$7,856</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$109,775	\$3,830	\$(27,856)*	\$ 85,749	4,433
Capital leases	<u>962</u>	<u>-</u>	<u>(162)</u>	<u>800</u>	<u>162</u>
Total business-type long-term liabilities	<u>\$110,737</u>	<u>\$3,830</u>	<u>\$(28,018)</u>	<u>\$ 86,549</u>	<u>\$4,595</u>

* See note above for explanation of refunding of debt and assumption of water debt by the Washington County Water Conservancy District.

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 \$1,348,246. Accumulated depreciation on this equipment totals \$660,430.

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, 2012.

<u>Fiscal year ended</u>	<u>Golf Carts</u>
June 30, 2013	\$204,144
June 30, 2014	204,144
June 30, 2015	319,144
June 30, 2016	<u>164,000</u>
Total payments	891,432
Less amount representing interest	<u>(91,011)</u>
Present value of lease payments	<u>\$800,421</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, 2013	\$ 453
June 30, 2014	459
June 30, 2015	465
June 30, 2016	469
June 30, 2017	469
2018-2022	2,311
2023	<u>483</u>
Total remaining minimum lease payments	5,109
Less amount representing interest	<u>(1,201)</u>
Present value of net remaining minimum lease payments	<u>\$3,908</u>

For the fiscal year ended June 30, 2012 expenditures were payments for O&M of \$652,304 and debt service payments of \$453,936.

H. Segment information

The City Municipal Building Authority issued revenue bonds for the construction of 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 (Police Impact Fund and General Fund) for the repayment of principal and interest on the bonds. Summary financial information for the municipal building authority is presented below.

CONDENSED STATEMENT OF NET ASSETS

	<u>MBA</u>
Assets:	
Cash and investments	\$230,536
Other assets (prepaids & deferred bond costs)	55,221
Capital assets	10,770,124
Less depreciation	<u>(1,381,859)</u>
Total assets	<u>9,674,022</u>
Liabilities:	
Accrued liabilities	9,256
Due to other funds	-
Noncurrent liabilities	<u>710,000</u>
Total liabilities	<u>719,256</u>
Net assets:	
Invested in capital assets net of related debt	8,733,486
Restricted	-
Unrestricted	<u>221,280</u>
Total net assets	<u>\$8,954,766</u>

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

	<u>MBA</u>
Charges for services	\$ -
Depreciation expense	(98,336)
Other operating expenses	<u>(13,398)</u>
Operating income(loss)	<u>(111,734)</u>
Nonoperating revenues (expenses)	
Interest income	760
Rental income	124,693
Miscellaneous income	-
Interest expense	<u>(29,830)</u>
Change in net assets	<u>(16,111)</u>
Beginning net assets	<u>8,970,878</u>
Ending net assets	<u>\$8,954,767</u>

CONDENSED STATEMENT OF CASH FLOWS

	<u>MBA</u>
Net cash provided (used) by:	
Operating activities	\$ (3,584)
Noncapital financing activities	124,693
Capital and related financing activities	<u>(121,830)</u>
Investing activities	<u>760</u>
Net increase (decrease)	38
Beginning cash & cash equivalents	<u>230,498</u>
Ending cash & cash equivalents (deficit)	<u>\$230,536</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>6/30/12</u>	<u>6/30/11</u>
Unpaid claims beginning of fiscal year	\$ 5,691	\$ 41,113
Incurred claims	322,238	247,401
Claim payments	<u>(299,946)</u>	<u>(282,823)</u>
Unpaid claims, end of fiscal year	<u>\$ 27,983</u>	<u>\$ 5,691</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 \$5,595,935 during the fiscal year ended June 30, 2012.

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, 2012, 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 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.

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 \$571,818
- 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) 2011 Sales Tax Revenue bonds \$1,774,000
- 4) The actual amount expended for:
 - A) acquisition of property \$0
 - B) site improvements or preparation costs \$21,341
 - C) installation of public utilities or other public improvements \$0
 - D) administrative costs of the agency \$111,254
 - E) debt service payments \$509,858

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. During the current fiscal year, the City paid the following for the employees; 6.0% to the Contributory and 15.05% 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, 9.76% to the Contributory, 13.77% to the Noncontributory, 27.07% to the Public Safety Noncontributory Tier 1, 16.27% to the Public Safety Noncontributory Tier 2. and .50% to the Firefighter's system. 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, 2012, 2011, and 2010 respectively were; for the Contributory System, \$57,495, \$28,242, and \$44,460; for the Noncontributory System, \$2,510,230, \$2,366,650, and \$2,145,534; for the Public Safety Noncontributory, \$1,309,421, \$1,270,953, and \$1,132,733; and for the Firefighters System, \$218,348, \$204,343, and \$142,955 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 .69% for non-exempt employees covered by the Contributory, 2.68% for non-exempt employees covered by the Non-contributory, and 16.05% for department heads exempt from the State Systems. The contributions to the plan totaled \$484,565 which represents all required contributions. Because it is a defined contribution plan, all amounts are vested and there is no unfunded liability.

Deferred Compensation Plan

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

SUPPLEMENTAL DATA

City of St. George, UT
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2012

		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>	
Cash and investments	\$ 9,416	\$ 106,773	\$ 4,568,132	\$ 3,099,550	\$ (18,583)	\$ 22,917	\$ 74,615	
Receivables:								
Accounts Due from other funds	202,080	15,435		721,242	24,464			
Total assets	\$ 211,496	\$ 122,208	\$ 4,568,132	\$ 3,820,792	\$ 5,881	\$ 22,917	\$ 74,615	
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ 13,279	\$ -	\$ -	\$ -	\$ 2,513	\$ -	\$ 3	
Deferred revenues								
Due to other funds								
Total liabilities	13,279		-	-	2,513	-	3	
Fund balances:								
Restricted for:								
Public safety programs								
Transportation programs		122,208		3,820,792				
Housing & comm. Devlpmnt								
Parks construction & devlpmnt								
Special revenue funds	198,217				3,368			
Debt service funds								
Capital project funds								
Assigned to:								
Special revenue funds			4,568,132			22,917	74,612	
Capital project funds								
Unassigned								
Total fund balances	198,217	122,208	4,568,132	3,820,792	3,368	22,917	74,612	
Total liabilities and fund balances	\$ 211,496	\$ 122,208	\$ 4,568,132	\$ 3,820,792	\$ 5,881	\$ 22,917	\$ 74,615	

(continued)

City of St. George, UT
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2012
 (continued)

Assets	Special Revenue Funds					
	Affordable Housing Program	Ft. Pierce CDA Fund	Ft Pierce EDA Fund	Econ Devlpmnt Agency #1	Dixie Center Area EDA Fund	SunTran Public Transit
Cash and investments	\$ 504,183	\$ (167,337)	\$ (15,116)	\$ 120,385	\$ (15,571)	\$ 286,286
Receivables:						
Accounts		210,690	95,119	28,476	20,515	238,544
Due from other funds						
Total assets	\$ 504,183	\$ 43,354	\$ 80,003	\$ 148,860	\$ 4,944	\$ 524,830
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 700	\$ -	\$ 74,870	\$ -	\$ -	\$ 66,367
Deferred revenues						
Due to other funds						
Total liabilities	700	-	74,870	-	-	66,367
Fund balances:						
Restricted for:						
Public safety programs						
Transportation programs						458,463
Housing & comm. Devlpmnt	503,483					
Parks construction & devlpmnt						
Special revenue funds		43,354	5,133	148,860	4,944	
Debt service funds						
Capital project funds						
Assigned to:						
Special revenue funds						
Capital project funds						
Unassigned						
Total fund balances	503,483	43,354	5,133	148,860	4,944	458,463
Total liabilities and fund balances	\$ 504,183	\$ 43,354	\$ 80,003	\$ 148,860	\$ 4,944	\$ 524,830

(continued)

City of St. George, UT
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2012
(continued)

Assets	Debt Service			Capital Projects Funds				
	Special Assessments	Recreation Bond D.S.	Airport Bond D.S.	Downtown RDA	Park Impact	Street Impact	Capital Equipment	Drainage Impact
Cash and investments	\$ 216,805	\$ 248,749	\$ 381,418	\$ 525,605	\$ 2,116,564	\$ 2,222,195	\$ 15,766,505	\$ 2,263,211
Receivables:								
Accounts	371,165			111,799	157,728		89,668	-
Due from other funds				-	-	-		-
Total assets	\$ 587,970	\$ 248,749	\$ 381,418	\$ 637,404	\$ 2,274,292	\$ 2,222,195	\$ 15,766,173	\$ 2,263,211
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ 42,900	\$ 350,147	\$ 1,003	\$ 289,973	\$ 3,694
Deferred revenues	109,381			-	-	-		-
Due to other funds				-	-	-		-
Total liabilities	109,381	-	-	42,900	350,147	1,003	289,973	3,694
Fund balances:								
Restricted for:								
Public safety programs								
Transportation programs						2,221,192		
Housing & comm. Devlpmt								
Parks construction & devlpmt					1,924,145			
Special revenue funds				-	-	-		-
Debt service funds	478,589	248,749	381,418	-	-	-		-
Capital project funds				594,504				2,259,518
Assigned to:								
Special revenue funds								
Capital project funds							15,476,200	
Unassigned								
Total fund balances	478,589	248,749	381,418	594,504	1,924,145	2,221,192	15,476,200	2,259,518
Total liabilities and fund balances	\$ 587,970	\$ 248,749	\$ 381,418	\$ 637,404	\$ 2,274,292	\$ 2,222,195	\$ 15,766,173	\$ 2,263,211

(continued)

City of St. George, UT
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2012

Capital Projects Funds						
Assets	Fire Dept Impact	Police Impact	Street Bonds Capital Proj.	2010 Flood Reconstruction	2005 Flood Reconstruction	Totals
Cash and investments	\$ (199,666)	\$ (22,747)	\$ 2,109,609	\$ (4,522,524)	\$ 0	\$ 29,591,374
Receivables:						
Accounts	-	-			1	2,286,927
Due from other funds	-	-		-	-	-
Total assets	\$ (199,666)	\$ (22,747)	\$ 2,109,609	\$ (4,522,524)	\$ 1	\$ 31,878,301
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 955	\$ 954	\$ -	\$ 642,082	\$ -	\$ 1,489,441
Deferred revenues	-	-	-			109,381
Due to other funds	-	-		-	-	-
Total liabilities	955	954	-	642,082	-	1,598,822
Fund balances:						
Restricted for:						
Public safety programs						-
Transportation programs			2,109,609			8,732,265
Housing & comm. Devlpmnt						503,483
Parks construction & devlpmnt						1,924,145
Special revenue funds	-	-	-	-	-	403,875
Debt service funds	-	-	-	-	-	1,108,756
Capital project funds						2,854,022
Assigned to:						
Special revenue funds						4,665,661
Capital project funds					1	15,476,201
Unassigned	(200,621)	(23,701)		(5,164,607)		(5,388,929)
Total fund balances	(200,621)	(23,701)	2,109,609	(5,164,607)	1	30,279,479
Total liabilities and fund balances	\$ (199,666)	\$ (22,747)	\$ 2,109,609	\$ (4,522,524)	\$ 1	\$ 31,878,301

**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, 2012**

	Special Revenue Funds						
	Dixie Center Operations	Airport PFC Fees	Economic Development	Transportation Improvement	CDBG Grant Fund	Museum Acquis Fund	Johnson Farm Dinosaur Tracks
Revenues:							
Taxes & fees	\$ 443,140	\$ 208,580	\$ -	\$ 3,918,302	\$ -	\$ 32,716	\$ -
Assessments							
Intergovernmental					499,909		
Investment income		586	9,870	18,743	-	92	289
Capital development fees							
Charges for services							397
Rents & royalties			189,583				
Other					3,427		
Total revenues	443,140	209,165	199,453	3,937,045	503,335	32,808	686
Expenditures:							
Current:							
General government			34,934		3,124		
Public Safety							
Highways & improvements		544		544			
Parks, recreation etc	652,304					544	1,347
Community & Econ Developmnt					443,853		
Lease payments							
Debt service:							
Principal on long-term debt	256,080						
Interest on long-term debt	197,856						
Capital outlay:					-	30,000	
Total expenditures	1,106,240	544	34,934	544	446,978	30,544	1,347
Excess (deficiency) of revenues over expenditures	(663,101)	208,622	164,520	3,936,501	56,358	2,264	(661)
Other financing sources (uses):							
Transfers in	467,000		2,000,000				
Transfers out		(140,000)	(86,170)	(3,672,436)	(52,906)		
Proceeds of refunding bonds							
Premium on refunding bonds							
Property sales			13,695				
Contributions from private sources							
Contributions from other governmnts	436,198						
Total other financing sources (uses)	903,198	(140,000)	1,927,525	(3,672,436)	(52,906)	-	-
Net change in fund balances	240,098	68,622	2,092,045	264,065	3,452	2,264	(661)
Fund balances, beginning of year	(41,884)	53,586	2,476,087	3,556,726	(85)	20,652	75,272
Fund balances, end of year	\$198,214	\$122,208	\$4,568,132	\$3,820,791	\$3,367	\$22,916	\$74,611

(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, 2012
(continued)

	Special Revenue Funds					
	Affordable Housing Program	Ft. Pierce CDA Fund	Ft Pierce EDA Fund	Econ Devlpmt Agency #1	Dixie Center Area EDA Fund	SunTran Public Transit
Revenues:						
Taxes & fees	\$ -	\$ 526,192	\$ 492,974	\$ 275,340	\$ 293,625	\$ 164,400
Assessments						
Intergovernmental						782,319
Investment income	1,519	733	636	1,094	996	
Capital development fees						
Charges for services						
Rents & royalties						
Other						1,850
Total revenues	1,519	526,925	493,610	276,433	294,621	948,569
Expenditures:						
Current:						
General government		544	544	544	544	
Public Safety						
Highways & improvements						1,202,933
Parks, recreation etc						
Community & Econ Developmnt	31,247	118,704	306,917			
Lease payments						
Debt service:						
Principal on long-term debt						
Interest on long-term debt						
Capital outlay:	125,660	-				405,745
Total expenditures	156,907	119,248	307,461	544	544	1,608,678
Excess (deficiency) of revenues over expenditures	(155,388)	407,677	186,149	275,890	294,077	(660,109)
Other financing sources (uses):						
Transfers in	153,663					350,000
Transfers out		(443,400)	(278,095)	(274,668)	(380,000)	
Proceeds of refunding bonds						
Premium on refunding bonds						
Property sales						
Contributions from private sources						
Contributions from other governmnts						
Total other financing sources (uses)	153,663	(443,400)	(278,095)	(274,668)	(380,000)	350,000
Net change in fund balances	(1,725)	(35,723)	(91,946)	1,222	(85,923)	(310,109)
Fund balances, beginning of year	505,208	79,077	97,079	147,639	90,868	768,573
Fund balances, end of year	\$503,483	\$43,354	\$5,133	\$148,861	\$4,945	\$458,464

(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, 2012
(continued)

	Debt Service			Capital Projects Funds				
	Special Assessments	Recreation Bond D.S.	Airport Bond D.S.	Downtown RDA	Park Impact	Street Impact	Capital Equipment	Drainage Impact
Revenues:								
Taxes	\$ -	\$ 1,327,731	\$ 700,000	\$ 571,818	\$ -	\$ -	\$ -	\$ -
Assessments	113,733			-	-	-	86,940	-
Intergovernmental			326,335	-	157,728	-	-	-
Investment income	12,324	158	2,429	2,760	6,879	8,731	-	9,058
Capital development fees				-	1,423,314	518,225	-	239,733
Charges for services				51,976	-	-	40,114	-
Rents & royalties				-	-	-	7,200	-
Other				-	-	-	-	-
Total revenues	126,057	1,327,889	1,028,764	626,555	1,587,921	526,956	134,254	248,791
Expenditures:								
Current:								
General government	1,294			95,403			94,980	
Public Safety								
Highways & improvements			2,344			16,208		24,651
Parks, recreation etc		6,919			8,207			
Community & Econ Developmnt				15,851				
Lease payments								
Debt service:								
Principal on long-term debt	345,000	700,000	218,000	2,614,000				
Interest on long-term debt	27,298	627,731	779,696	55,858				
Capital outlay:	-	-	-	21,341	867,726	7,762	1,642,102	26,380
Total expenditures	373,591	1,334,650	1,000,040	2,802,452	875,933	23,971	1,737,081	51,031
Excess (deficiency) of revenues over expenditures	(247,534)	(6,761)	28,724	(2,175,897)	711,988	502,986	(1,602,828)	197,760
Other financing sources (uses):								
Transfers in							500,000	
Transfers out					(40,000)	(262,263)	(550,956)	(169,790)
Proceeds of refunding bonds				2,228,000				
Premium on refunding bonds								
Property sales								
Contributions from private sources							60,000	
Contributions from other governmnts								
Total other financing sources (uses)	-	-	-	2,228,000	(40,000)	(262,263)	9,044	(169,790)
Net change in fund balances	(247,534)	(6,761)	28,724	52,103	671,988	240,723	(1,593,783)	27,971
Fund balances, beginning of year	726,122	255,511	352,695	542,403	1,252,157	1,980,469	17,069,983	2,231,546
Fund balances, end of year	\$478,588	\$248,750	\$381,419	\$594,506	\$1,924,145	\$2,221,192	\$15,476,200	\$2,259,517

(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, 2012**

	<u>Capital Projects Funds</u>					
	Fire Dept impact	Police impact	Street Bonds Cap. Proj.	2010 Flood Reconstruction	2005 Flood Reconstruction	Total
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,954,817
Assessments	-	-	-	-	-	113,733
Intergovernmental	-	-	-	50,919	-	1,904,149
Investment income	-	-	31,965	-	-	108,862
Capital development fees	129,219	61,549	-	-	-	2,372,041
Charges for services	-	-	-	-	-	92,487
Rents & royalties	-	-	-	-	-	196,783
Other	-	-	-	-	-	5,277
Total revenues	129,219	61,549	31,965	50,919	-	13,748,149
Expenditures:						
Current:						
General government				747		232,656
Public Safety	5,813	5,808				11,621
Highways & improvements			3,594	4,888,306		6,139,122
Parks, recreation etc						669,320
Community & Econ Developmnt						916,573
Lease payments		50,000				50,000
Debt service:						
Principal on long-term debt			2,425,000			6,558,080
Interest on long-term debt			605,500			2,293,939
Capital outlay:	(61,414)					3,065,301
Total expenditures	(55,601)	55,808	3,034,094	4,889,053	-	19,936,612
Excess (deficiency) of revenues over expenditures	184,821	5,741	(3,002,129)	(4,838,134)	-	(6,188,464)
Other financing sources (uses):						
Transfers in	-	-	3,030,500	83,493		6,584,656
Transfers out	-	-	(3,246,521)	-	(83,493)	(9,680,697)
Proceeds of refunding bonds						2,228,000
Premium on refunding bonds	-	-				-
Property sales						13,695
Contributions from private sources						60,000
Contributions from other governmnts						436,198
Total other financing sources (uses)	-	-	(216,021)	83,493	(83,493)	(358,147)
Net change in fund balances	184,821	5,741	(3,218,150)	(4,754,641)	(83,493)	(6,546,611)
Fund balances, beginning of year	(385,441)	(29,441)	5,327,759	(409,966)	83,493	36,826,088
Fund balances, end of year	(\$200,620)	(\$23,700)	\$2,109,609	(\$5,164,607)	\$0	\$30,279,477

**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, 2012

	<u>BUDGETED AMOUNTS</u>		<u>VARIANCE WITH FINAL BUDGET</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>POSITIVE (NEGATIVE)</u>
REVENUES:				
Business license innkeeper fees	\$ 440,000	\$ 440,000	\$ 443,140	\$ 3,140
Interest income	-	-	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	440,000	440,000	443,140	3,140
EXPENDITURES:				
Current:				
Parks, recreation, etc.	748,041	748,041	652,304	95,737
Debt service:				
Principal	256,080	256,080	256,080	-
Interest	201,644	201,644	197,856	3,788
Capital outlay:	-	-	-	-
Total expenditures	1,205,765	1,205,765	1,106,240	99,525
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(765,765)	(765,765)	(663,101)	102,664
OTHER FINANCING SOURCES (USES):				
Contributions from other government	529,341	529,341	436,198	(93,143)
Proceeds from property sales	-	-	-	-
Transfers from other funds	467,000	467,000	467,000	-
Total other financing sources(uses)	996,341	996,341	903,198	(93,143)
EXCESS OF REVENUES OVER EXPENDITURES & OTHER FINANCING SOURCES (USES):	230,576	230,576	240,098	\$ 9,522
Fund balance at beginning of year	(41,884)	(41,884)	(41,884)	
Fund balance at end of year	\$ 188,692	\$ 188,692	\$ 198,214	

**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, 2012

	<u>BUDGETED AMOUNTS</u>		<u>VARIANCE WITH FINAL BUDGET</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>POSITIVE (NEGATIVE)</u>
REVENUES:				
Passenger facility charges	\$ 150,000	\$ 150,000	\$ 208,580	\$ 58,580
Interest income	1,000	1,000	586	(414)
Total revenues	<u>151,000</u>	<u>151,000</u>	<u>209,165</u>	<u>58,165</u>
EXPENDITURES:				
Current:				
Highways & public improvements	1,000	1,000	544	456
Capital projects:				
Improvements				
Property purchases			-	-
Equipment purchases	-			-
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>544</u>	<u>456</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>150,000</u>	<u>150,000</u>	<u>208,622</u>	<u>58,622</u>
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(140,000)	(140,000)	(140,000)	-
Appropriated fund balance			-	-
Total other financing sources (uses):	<u>(140,000)</u>	<u>(140,000)</u>	<u>(140,000)</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	10,000	10,000	68,622	<u>\$58,622</u>
Fund balance at beginning of year	<u>53,586</u>	<u>53,586</u>	<u>53,586</u>	
Fund balance at end of year	<u>\$ 63,586</u>	<u>\$ 63,586</u>	<u>\$ 122,208</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, 2012

	<u>BUDGETED AMOUNTS</u>		<u>VARIANCE WITH FINAL BUDGET</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>POSITIVE (NEGATIVE)</u>
REVENUES:				
Interest income	\$ 5,000	\$ 5,000	\$ 9,870	\$ 4,870
Rent	175,000	175,000	189,583	14,583
Intergovernmental revenues				
Total revenues	<u>180,000</u>	<u>180,000</u>	<u>199,453</u>	<u>19,453</u>
EXPENDITURES:				
Current:				
General government	50,000	50,000	34,934	15,066
Capital projects:				
Land purchases			-	-
Improvements				
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>34,934</u>	<u>15,066</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>130,000</u>	<u>130,000</u>	<u>164,520</u>	<u>34,520</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance		(2,457,000)		2,457,000
Sale of property			13,695	13,695
Transfers from other funds		2,500,000	2,000,000	(500,000)
Transfers to other funds		(93,000)	(86,170)	6,830
Total other financing sources(uses)	<u>-</u>	<u>(50,000)</u>	<u>1,927,525</u>	<u>1,977,525</u>
EXCESS OF REVENUES OVER EXPENDITURES & OTHER FINANCING SOURCES (USES):	<u>130,000</u>	<u>80,000</u>	<u>2,092,045</u>	<u>\$ 2,012,045</u>
Fund balance at beginning of year	<u>2,476,087</u>	<u>2,476,087</u>	<u>2,476,087</u>	
Fund balance at end of year	<u>\$ 2,606,087</u>	<u>\$ 2,556,087</u>	<u>\$ 4,568,132</u>	

**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, 2012

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Highway sales taxes	\$ 3,600,000	\$ 3,600,000	\$ 3,918,302	\$ 318,302
Interest income	15,000	15,000	18,743	3,743
Total revenues	3,615,000	3,615,000	3,937,045	322,045
EXPENDITURES:				
Current:				
Highways and public improvements	20,000	20,000	544	19,456
Capital projects:				
Improvements			-	-
Total expenditures	20,000	20,000	544	19,456
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,595,000	3,595,000	3,936,501	341,501
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(5,728,000)	(5,728,000)	(3,672,436)	2,055,565
Appropriated fund balance	-	-	-	-
Total other financing sources(uses)	(5,728,000)	(5,728,000)	(3,672,436)	2,055,565
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	(2,133,000)	(2,133,000)	264,065	\$ 2,397,065
Fund balance at beginning of year	3,556,726	3,556,726	3,556,726	
Fund balance at end of year	\$ 1,423,726	\$ 1,423,726	\$ 3,820,791	

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, 2012

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental revenues	\$ 603,357	\$ 603,357	\$ 499,909	\$ (103,448)
Other income			3,427	3,427
Interest income			-	-
Total revenues	603,357	603,357	503,335	(100,022)
EXPENDITURES:				
Current:				
General government	8,000	8,000	3,124	4,876
Community & economic development	430,533	430,533	443,853	(13,320)
Capital projects:				
Improvements	-	-	-	-
Total expenditures	438,533	438,533	446,978	(8,445)
Excess (Deficiency) of expenditures over revenues	164,824	164,824	56,358	(108,466)
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance			-	-
Bonds sold			-	-
Transfer to other funds	(164,824)	(164,824)	(52,906)	111,918
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	-	3,452	\$ 3,452
Fund balance at beginning of year	(85)	(85)	(85)	
Fund balance at end of year	\$ (85)	\$ (85)	\$ 3,367	

**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, 2012

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE (NEGATIVE)</u>
REVENUES:				
Fees and donations	\$ 23,000	\$ 23,000	\$ 32,716	\$ 9,716
Interest income	500	500	92	(408)
Total revenues	<u>23,500</u>	<u>23,500</u>	<u>32,808</u>	<u>9,308</u>
EXPENDITURES:				
Current:				
General government				
Parks, recreation, etc.	550	550	544	6
Capital projects:				
Improvements	100,000	100,000	30,000	70,000
Total expenditures	<u>100,550</u>	<u>100,550</u>	<u>30,544</u>	<u>70,006</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(77,050)</u>	<u>(77,050)</u>	<u>2,264</u>	<u>79,314</u>
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources(uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	<u>(77,050)</u>	<u>(77,050)</u>	<u>2,264</u>	<u>\$ 79,314</u>
Fund balance at beginning of year	<u>20,652</u>	<u>20,652</u>	<u>20,652</u>	
Fund balance at end of year	<u>\$ (56,398)</u>	<u>\$ (56,398)</u>	<u>\$ 22,916</u>	

CITY OF ST. GEORGE, UTAH

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Admission fees	\$ -	\$ -	\$ -	\$ -
Other revenues	-	-	397	397
Investment income	500	500	289	(211)
	<u>500</u>	<u>500</u>	<u>686</u>	<u>186</u>
EXPENDITURES:				
Current				
Parks, recreation, etc.	1,500	1,500	1,347	153
Capital projects:				
Improvements				-
	<u>1,500</u>	<u>1,500</u>	<u>1,347</u>	<u>153</u>
Excess (Deficiency) of expenditures over revenues	<u>(1,000)</u>	<u>(1,000)</u>	<u>(661)</u>	<u>339</u>
OTHER FINANCING SOURCES:				
Appropriated fund balance	-	-	-	-
Contributions from private sources	-	-	-	-
Transfers from other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	<u>(1,000)</u>	<u>(1,000)</u>	<u>(661)</u>	<u>\$ 339</u>
Fund balance at beginning of year	<u>75,272</u>	<u>75,272</u>	<u>75,272</u>	
Fund balance at end of year	<u>\$74,272</u>	<u>\$ 74,272</u>	<u>\$74,611</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, 2012

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Interest income	1,500	1,500	1,519	19
Total revenues	1,500	1,500	1,519	19
EXPENDITURES:				
Current:				
Community and economic improvements	40,000	40,000	31,247	8,753
Land Purchases	400,000	400,000	125,660	274,340
Building Construction	-	-	-	-
Total expenditures	440,000	440,000	156,907	283,093
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(438,500)	(438,500)	(155,388)	283,112
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	210,200	210,200	153,663	(56,537)
Appropriated fund balance	-	-	-	-
Total other financing sources (uses):	210,200	210,200	153,663	(56,537)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	(228,300)	(228,300)	(1,725)	\$ 226,575
Fund balance at beginning of year	505,208	505,208	505,208	
Fund balance at end of year	\$ 276,908	\$ 276,908	\$ 503,483	

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, 2012

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Economic development taxes	\$ 1,000,000	\$ 1,000,000	\$ 526,192	\$ (473,808)
Interest income	3,000	3,000	733	(2,267)
Total revenues	1,003,000	1,003,000	526,925	(476,075)
EXPENDITURES:				
Current:				
General government	1,000	1,000	544	456
Community & Economic development	123,865	123,865	118,704	5,161
Capital Outlay:				
Improvements	100,000	100,000		100,000
Total expenditures	224,865	224,865	119,248	105,617
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	778,135	778,135	407,677	(370,458)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(453,000)	(453,000)	(443,400)	9,600
Appropriated fund balance			-	-
Total other financing sources (uses):	(453,000)	(453,000)	(443,400)	9,600
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	325,135	325,135	(35,723)	\$ (360,858)
Fund balance at beginning of year	79,077	79,077	79,077	
Fund balance at end of year	\$ 404,212	\$ 404,212	\$ 43,354	

**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, 2012

	<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	\$ 900,000	\$ 900,000	\$ 492,974	\$ (407,026)
Interest income	1,000	1,000	636	(364)
Total revenues	901,000	901,000	493,610	(407,390)
EXPENDITURES:				
Current:				
Professional & technical services	1,000	1,000	544	456
Community & economic development	295,000	295,000	306,917	(11,917)
Housing programs				-
Total expenditures	296,000	296,000	307,461	(11,461)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	605,000	605,000	186,149	(418,851)
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance				-
Transfers to other funds	(414,500)	(414,500)	(278,095)	136,405
Total other financing sources (uses):	(414,500)	(414,500)	(278,095)	136,405
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	190,500	190,500	(91,946)	\$ (282,446)
Fund balance at beginning of year	97,079	97,079	97,079	
Fund balance at end of year	\$ 287,579	\$ 287,579	\$ 5,133	

**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, 2012

	<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	\$ 550,000	\$ 550,000	\$ 275,340	\$ (274,660)
Interest income	1,000	1,000	1,094	94
Total revenues	551,000	551,000	276,433	(274,567)
EXPENDITURES:				
Current:				
General government	1,000	1,000	544	456
Community & economic development	81,000	81,000	-	81,000
Housing programs	-	-	-	-
Total expenditures	82,000	82,000	544	81,456
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	469,000	469,000	275,890	(193,110)
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	-	-	-	-
Transfers to other funds	(292,485)	(292,485)	(274,668)	17,817
Total other financing sources (uses):	(292,485)	(292,485)	(274,668)	17,817
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	176,515	176,515	1,222	\$ (175,293)
Fund balance at beginning of year	147,639	147,639	147,639	
Fund balance at end of year	\$ 324,154	\$ 324,154	\$ 148,861	

**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, 2012

	<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	\$ 293,625	\$ (106,375)
Interest income	500	500	996	496
Total revenues	400,500	400,500	294,621	(105,879)
EXPENDITURES:				
Current:				
Professional & technical fees	1,000	1,000	544	456
Community & economic development				
Capital outlay:			-	-
Total expenditures	1,000	1,000	544	456
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	399,500	399,500	294,077	(105,423)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(371,425)	(371,425)	(380,000)	(8,575)
Transfers from other funds			-	-
Total other financing sources (uses):	(371,425)	(371,425)	(380,000)	(8,575)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	28,075	28,075	(85,923)	\$ (113,998)
Fund balance at beginning of year	90,868	90,868	90,868	
Fund balance at end of year	\$ 118,943	\$ 118,943	\$ 4,945	

**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, 2012

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE (NEGATIVE)</u>
REVENUES:				
Transit fares	\$ 142,000	\$ 142,000	\$ 161,900	\$ 19,900
Intergovernmental revenues	1,303,550	1,303,550	782,319	(521,231)
Advertising fees	6,600	6,600	4,350	(2,250)
Total revenues	<u>1,452,150</u>	<u>1,452,150</u>	<u>948,569</u>	<u>(503,581)</u>
EXPENDITURES:				
Current:				
Highways & public improvements	1,147,300	1,147,300	1,202,933	(55,633)
Capital projects:				
Improvements	850,000	850,000	405,745	444,255
Total expenditures	<u>1,997,300</u>	<u>1,997,300</u>	<u>1,608,678</u>	<u>388,622</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(545,150)</u>	<u>(545,150)</u>	<u>(660,109)</u>	<u>(114,959)</u>
OTHER FINANCING SOURCES (USES):				
Transfers to other funds				-
Appropriated fund balance				-
Transfers from other funds	350,000	350,000	350,000	-
Total other financing sources(uses)	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	<u>(195,150)</u>	<u>(195,150)</u>	<u>(310,109)</u>	<u>\$ (114,959)</u>
Fund balance at beginning of year	<u>768,573</u>	<u>768,573</u>	<u>768,573</u>	
Fund balance at end of year	<u>\$ 573,423</u>	<u>\$ 573,423</u>	<u>\$ 458,464</u>	

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE (NEGATIVE)</u>
REVENUES:				
Special assessments collected	\$ 160,000	\$ 160,000	\$ 113,733	\$ (46,267)
Miscellaneous revenues				
Interest income	5,000	5,000	12,324	7,324
Total revenues	165,000	165,000	126,057	(38,943)
EXPENDITURES:				
General:				
General government	12,000	12,000	1,294	10,706
Debt service:				
Principal	345,000	345,000	345,000	-
Interest & other charges	27,329	27,329	27,298	31
Total expenditures	384,329	384,329	373,591	10,738
Excess (deficiency) of revenues over (under) expenditures	(219,329)	(219,329)	(247,534)	(28,205)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds				
Sale of property	-	308,668	-	(308,668)
Total other financing sources (uses):	-	308,668	-	(308,668)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	(219,329)	89,339	(247,534)	(\$336,873)
Fund balance at beginning of year	726,122	726,122	726,122	
Fund balance at end of year	\$ 506,793	\$ 815,461	\$ 478,588	

**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, 2012

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE (NEGATIVE)</u>
REVENUES:				
Current property taxes	\$ 1,327,731	\$ 1,327,731	\$ 1,327,731	\$ -
Interest income	500	500	158	(342)
Total revenues	1,328,231	1,328,231	1,327,889	(342)
EXPENDITURES:				
General:				
Parks, recreation, etc.	3,500	9,200	6,919	2,281
Debt service:				
Principal	700,000	700,000	700,000	
Interest & other charges	627,731	627,731	627,731	(0)
Total expenditures	1,331,231	1,336,931	1,334,650	2,281
Excess (deficiency) of revenues over (under) expenditures	(3,000)	(8,700)	(6,761)	1,939
OTHER FINANCING SOURCES (USES):				
Transfers to other funds			-	
Appropriated fund balance		5,700	-	(5,700)
Loss on bond refunding			-	-
Total other financing sources (uses):	-	5,700	-	(5,700)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	(3,000)	(3,000)	(6,761)	(\$3,761)
Fund balance at beginning of year	255,511	255,511	255,511	
Fund balance at end of year	\$ 252,511	\$ 252,511	\$ 248,750	

**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, 2012

	<u>BUDGETED AMOUNTS</u>		<u>VARIANCE WITH FINAL BUDGET</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>POSITIVE (NEGATIVE)</u>
REVENUES:				
Tax rebates on bonds	\$ 326,342	\$ 326,342	\$ 326,335	\$ (7)
Interest income	500	500	2,429	1,929
Total revenues	<u>326,842</u>	<u>326,842</u>	<u>328,764</u>	<u>1,922</u>
EXPENDITURES:				
General:				
Highways and public improvements	2,500	2,500	2,344	156
Debt service:				
Principal	218,000	218,000	218,000	
Interest & other charges	779,696	779,696	779,696	
Total expenditures	<u>1,000,196</u>	<u>1,000,196</u>	<u>1,000,040</u>	<u>156</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(673,354)</u>	<u>(673,354)</u>	<u>(671,276)</u>	<u>2,078</u>
OTHER FINANCING SOURCES (USES):				
Transfers to other funds				
Contributions from other governments	700,000	700,000	700,000	-
Appropriated fund balances	-	-	-	-
Loss on bond refunding	-	-	-	-
Total other financing sources (uses):	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	<u>26,646</u>	<u>26,646</u>	<u>28,724</u>	<u>\$2,078</u>
Fund balance at beginning of year	<u>352,695</u>	<u>352,695</u>	<u>352,695</u>	
Fund balance at end of year	<u>\$ 379,341</u>	<u>\$ 379,341</u>	<u>\$ 381,419</u>	

CITY OF ST. GEORGE, UT

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Redevelopment taxes	\$ 1,250,000	\$ 1,250,000	\$ 571,818	\$ (678,182)
Miscellaneous		55,000	51,976	(3,024)
Interest income	2,500	2,500	2,760	260
Total revenues	1,252,500	1,307,500	626,555	(680,945)
EXPENDITURES:				
Current:				
General government	23,500	105,500	111,253	(5,753)
Capital projects:				
Improvements	5,000	25,000	21,341	3,659
Land purchases	-	-	-	-
Equipment purchases	-	18,000	-	18,000
Debt service:				
Bond principal	415,000	2,614,000	2,614,000	-
Interest	84,240	75,240	55,858	19,382
Lease payments	-	-	-	-
Total expenditures	527,740	2,837,740	2,802,452	35,288
Excess (deficiency) revenues over (under) expenditures:	724,760	(1,530,240)	(2,175,897)	(645,657)
OTHER FINANCING SOURCES (USES):				
Proceeds of refunding bonds		2,228,000	2,228,000	-
Appropriated fund balance		27,000	-	(27,000)
Total other financing sources (uses)	-	2,255,000	2,228,000	(27,000)
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENDITURES	724,760	724,760	52,103	\$ (672,657)
Fund balance at beginning of year	542,403	542,403	542,403	
Fund balance at end of year	\$ 1,267,163	\$ 1,267,163	\$ 594,506	

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, 2012

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Capital development fees	\$ 650,000	\$ 790,000	\$ 1,423,314	\$ 633,314
Intergovernmental	239,300	239,300	157,728	(81,572)
Interest income	2,000	2,000	6,879	4,879
Total revenues	891,300	1,031,300	1,587,921	556,621
EXPENDITURES:				
Current:				
Parks, recreation, etc	10,000	10,000	8,207	1,793
Capital projects:				
Improvements	1,283,060	1,499,260	867,726	631,534
Property purchases	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	1,293,060	1,509,260	875,933	633,327
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(401,760)	(477,960)	711,988	1,189,948
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	479,250	555,450	-	(555,450)
Transfers to other funds	(40,000)	(40,000)	(40,000)	-
Contributions from private sources	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources (uses):	439,250	515,450	(40,000)	(555,450)
EXCESS REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	37,490	37,490	671,988	\$634,498
Fund balance at beginning of year	1,252,157	1,252,157	1,252,157	
Fund balance at end of year	\$ 1,289,647	\$ 1,289,647	\$ 1,924,145	

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, 2012

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Capital development fees	\$ 280,000	\$ 235,330	\$ 518,225	\$ 282,895
Interest income	10,000	10,000	8,731	(1,269)
Total revenues	290,000	245,330	526,956	281,626
EXPENDITURES:				
Current:				
Highways and public improvements	15,000	15,000	16,208	(1,208)
Capital projects:				
Improvements	100,000	100,000	7,762	92,238
Total expenditures	115,000	115,000	23,971	91,029
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	175,000	130,330	502,986	372,656
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance				-
Transfers to other funds	(1,650,000)	(1,605,330)	(262,263)	1,343,067
Total other financing sources (uses):	(1,650,000)	(1,605,330)	(262,263)	1,343,067
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	(1,475,000)	(1,475,000)	240,723	\$ 1,715,723
Fund balance at beginning of year	1,980,469	1,980,469	1,980,469	
Fund balance at end of year	\$ 505,469	\$ 505,469	\$ 2,221,192	

CITY OF ST. GEORGE, UTAH

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 86,940	\$ 86,940
Charges for services	42,800	42,800	40,114	(2,686)
Rents & royalties	7,200	7,200	7,200	-
Total revenues	50,000	50,000	134,254	84,254
EXPENDITURES:				
Current:				
General government	8,000	10,500	94,980	(84,480)
Capital projects:				
Improvements	1,413,800	4,935,058	1,002,242	3,932,816
Property purchases		648,668	639,860	8,808
Total expenditures	1,421,800	5,594,226	1,737,082	3,857,144
Excess (Deficiency) of expenditures over revenues	(1,371,800)	(5,544,226)	(1,602,828)	3,941,398
OTHER FINANCING SOURCES:				
Transfers from other funds	2,125,584	997,000	500,000	(497,000)
Transfers to other funds	(2,926,171)	(3,103,725)	(550,956)	2,552,769
Appropriated fund balance		2,063,171		(2,063,171)
Contributions from private sources	44,320	44,320	60,000	15,680
Total other financing sources (uses):	(756,267)	766	9,044	8,278
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(2,128,067)	(5,543,460)	(1,593,784)	3,949,676
Fund balance at beginning of year	17,069,983	17,069,983	17,069,983	
Fund balance at end of year	\$ 14,941,916	\$ 11,526,523	\$ 15,476,199	

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, 2012

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Capital development fees	\$ 170,000	\$ 200,000	\$ 239,733	\$ 39,733
Interest income	6,000	6,000	9,058	3,058
Total revenues	176,000	206,000	248,791	42,791
EXPENDITURES:				
Current:				
Highways & public improvements	15,000	15,000	24,651	(9,651)
Capital projects:				
Land purchases	-	-	-	-
Improvements	-	30,000	26,380	3,620
Total expenditures	15,000	45,000	51,031	(6,031)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	161,000	161,000	197,761	36,761
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(2,100,000)	(2,100,000)	(169,790)	1,930,211
Transfers from other funds			-	-
Appropriated fund balance			-	-
Total other financing sources(uses)	(2,100,000)	(2,100,000)	(169,790)	1,930,211
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	(1,939,000)	(1,939,000)	27,971	\$ 1,966,971
Fund balance at beginning of year	2,231,546	2,231,546	2,231,546	
Fund balance at end of year	\$ 292,546	\$ 292,546	\$ 2,259,517	

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, 2012.

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Capital development fees	\$ 80,000	\$ 80,000	\$ 129,219	\$ 49,219
Interest income	5,000	5,000	-	(5,000)
Total revenues	85,000	85,000	129,219	44,219
EXPENDITURES:				
Current:				
Public safety	5,000	5,000	5,813	(813)
Capital Projects:				
Building Construction	-	-	(61,414)	61,414
Total expenditures	5,000	5,000	(55,601)	60,601
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	80,000	80,000	184,821	104,821
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):	80,000	80,000	184,821	\$ 104,821
Fund balance at beginning of year	(385,441)	(385,441)	(385,441)	
Fund balance at end of year	\$ (305,441)	\$ (305,441)	\$ (200,620)	

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, 2012

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Capital development fees	\$ 50,000	\$ 57,000	\$ 61,549	\$ 4,549
Interest income	-	-	-	-
Total revenues	50,000	57,000	61,549	4,549
EXPENDITURES:				
Current:				
General government	750	7,750	5,808	1,942
Lease payments	50,000	50,000	50,000	-
Total expenditures	50,750	57,750	55,808	1,942
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(750)	(750)	5,741	6,491
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):	(750)	(750)	5,741	\$ 6,491
Fund balance at beginning of year	(29,441)	(29,441)	(29,441)	
Fund balance at end of year	\$ (30,191)	\$ (30,191)	\$ (23,700)	

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, 2012

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Interest earnings	\$ 30,000	\$ 30,000	\$ 31,965	\$ 1,965
Property sales	-	-	-	-
Sundry revenues	-	-	-	-
Total revenues	30,000	30,000	31,965	1,965
EXPENDITURES:				
Current:				
Highways & public improvements	4,000	4,000	3,594	406
Debt Service:				
Principal payments	2,425,000	2,425,000	2,425,000	-
Interest payments	605,500	605,500	605,500	-
Total expenditures	3,034,500	3,034,500	3,034,094	406
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,004,500)	(3,004,500)	(3,002,129)	2,371
OTHER FINANCING SOURCES (USES):				
Operating transfers in	3,030,500	3,030,500	3,030,500	-
Transfers to other funds	(5,512,000)	(5,512,000)	(3,246,521)	2,265,479
Contributions from private sources	-	-	-	-
Contributions from other governments	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources (uses)	(2,481,500)	(2,481,500)	(216,021)	2,265,479
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(5,486,000)	(5,486,000)	(3,218,150)	\$ 2,267,850
Fund balance at beginning of year	5,327,759	5,327,759	5,327,759	
Fund balance at end of year	(\$158,241)	(\$158,241)	\$2,109,609	

CITY OF ST. GEORGE, UTAH

2010 FLOOD RESTORATION - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental revenues	\$ 5,187,046	\$ 5,187,046	\$ 50,919	\$ (5,136,127)
Interest income			-	-
Total revenues	5,187,046	5,187,046	50,919	(5,136,127)
EXPENDITURES:				
Professional & technical fees			747	(747)
Highways and public improvements	6,650,000	6,650,000	4,888,306	1,761,694
Total expenditures	6,650,000	6,650,000	4,889,053	1,760,947
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,462,954)	(1,462,954)	(4,838,134)	(3,375,180)
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	2,027,493	2,027,493	83,493	(1,944,000)
Sale of bonds	-	-	-	-
Total other financing sources (uses):	2,027,493	2,027,493	83,493	(1,944,000)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	564,539	564,539	(4,754,641)	\$ (5,319,180)
Fund balance at beginning of year	(409,966)	(409,966)	(409,966)	
Fund balance at end of year	\$ 154,573	\$ 154,573	\$ (5,164,607)	

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, 2012

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest income				
Other income				
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
Highways and public improvements			-	-
Capital projects:				
Improvements	-	-	-	-
Property purchases				
Total expenditures	-	-	-	-
Excess (Deficiency) of expenditures over revenues	-	-	-	-
OTHER FINANCING SOURCES:				
Transfers to other funds			(83,493)	(83,493)
Appropriated fund balance	(83,493)	(83,493)	-	83,493
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(83,493)	(83,493)	(83,493)	\$ -
Fund balance at beginning of year	83,493	83,493	83,493	
Fund balance at end of year	\$ -	\$ -	\$ -	

City of St. George, UT
NonMajor Proprietary Funds
Combining Statement of Net Assets
June 30, 2012

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	\$ 272,719	\$ 230,536	\$ 1,359,566	\$ 13,657	\$ (2,888,411)	\$ (1,011,933)
Restricted cash				1,293,430		1,293,430
Accounts Receivable				45,386		45,386
Notes Receivable				11,980		11,980
Furniture, Fixtures, & equip		10,770,124		11,919,131	18,210,034	40,899,289
Less depreciation		(1,381,859)		(6,700,059)	(7,735,017)	(15,816,936)
Prepaid expenses		55,221			41,288	96,509
Total assets	272,719	9,674,022	1,359,566	6,583,524	7,627,895	25,517,726
Liabilities						
Liabilities:						
Accrued liabilities	\$ 281,334	\$ 9,256	\$ 8,075	\$ 50,814	\$ 533,649	\$ 883,128
Due to other funds					500,000	500,000
Leases payable					800,421	800,421
Bonds payable		710,000				710,000
Total liabilities	281,334	719,256	8,075	50,814	1,834,070	2,893,549
Net Assets						
Invested in capital assets, net of related debt		8,733,486	-	5,219,072	9,715,885	23,668,442
Restricted for impact fee construction				1,293,430	-	1,293,430
Unrestricted	(8,615)	221,280	1,351,491	20,209	(3,922,060)	(2,337,695)
Total Net Assets	\$ (8,615)	\$ 8,954,766	\$ 1,351,491	\$ 6,532,711	\$ 5,793,825	\$ 22,624,177

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, 2012

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	\$ 3,502,690	\$ -	\$ 992,286	\$ 7,685,742	\$ 3,519,576	15,700,295
Other operating revenues				489,887		489,887
Total operating revenues	3,502,690	-	992,286	8,175,628	3,519,576	16,190,181
OPERATING EXPENSES:						
Salary and wages				631,730	1,526,028	2,157,759
Supplies				9,700	423,270	432,970
Service vehicle expense				95,458	83,738	179,196
Equipment rental				5,062	4,668	9,731
Depreciation		98,336		406,165	541,456	1,045,957
Payroll tax & employee benefits				276,261	588,266	864,527
Office & dept. supplies	12,378		3,520	35,215	97,171	148,283
Professional services	544	13,398	21,591	14,519	558,358	608,409
R. & M. - equipment				32,642	15,672	48,314
R. & M. - buildings and grounds			9,400	969	713,042	723,411
Insurance & surety bonds				18,428	29,937	48,365
Travel				6,019	3,516	9,535
Subscriptions & memberships				1,034	956	1,990
Contract labor	3,295,528			5,791,457		9,086,985
Billing & administration	185,000		76,000	450,000		711,000
Total operating expenses	3,493,449	111,734	110,511	7,774,659	4,586,078	16,076,431
Operating income (loss)	9,241	(111,734)	881,776	400,969	(1,066,502)	113,750
NON-OPERATING REVENUES (EXPENSES)						
Interest income		760	15,324	4,173		20,257
Rent		124,693			2,700	127,393
Miscellaneous income				6,270	26,798	33,068
Interest charges		(29,830)			-	(29,830)
Total non-operating revenue (expense)	-	95,623	15,324	10,443	29,498	150,889
Income before transfers	9,241	(16,111)	897,100	411,412	(1,037,004)	264,639
Transfers (to) from other funds			(2,959,004)	-	86,170	(2,872,834)
Changes in Net Assets	9,241	(16,111)	(2,061,904)	411,412	(950,834)	(2,608,195)
Total Net Assets - beginning of year	(17,857)	8,970,878	3,413,395	6,121,300	6,744,657	25,232,373
Total Net Assets - end of year	\$ (8,616)	\$ 8,954,767	\$ 1,351,491	\$ 6,532,712	\$ 5,793,823	\$ 22,624,178

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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	\$ 3,502,690	\$ -	\$ 992,286	\$ 8,176,626	\$ 3,519,576	\$ 16,191,179
Payments to suppliers	(3,480,945)	(3,584)	(109,097)	(6,483,310)	(1,902,818)	(11,979,755)
Payments to employees	-	-	-	(907,991)	(2,114,295)	(3,022,286)
Net cash provided by operating activities	<u>21,745</u>	<u>(3,584)</u>	<u>883,189</u>	<u>785,325</u>	<u>(497,536)</u>	<u>1,189,139</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Rents received		124,693			2,700	127,393
Miscellaneous non-operating income				6,270	26,798	33,068
Economic development transfer			(2,959,004)	-	86,170	(2,872,834)
Net cash provided (used) by noncapital and related financing activities	<u>-</u>	<u>124,693</u>	<u>(2,959,004)</u>	<u>6,270</u>	<u>115,668</u>	<u>(2,712,372)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets				(388,126)		(388,126)
Principal paid on capital debt		(92,000)				(92,000)
Interest paid on capital debt		(29,830)				(29,830)
Principal paid on capital leases					(161,345)	(161,345)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(121,830)</u>	<u>-</u>	<u>(388,126)</u>	<u>(161,345)</u>	<u>(671,301)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	-	760	15,324	4,173	-	20,257
Net increase (decrease) in cash and cash equivalents	<u>21,745</u>	<u>38</u>	<u>(2,060,491)</u>	<u>407,643</u>	<u>(543,213)</u>	<u>(2,174,277)</u>
Cash and equivalents including restricted cash of \$803,543 at beginning of year	250,974	230,498	3,420,057	899,446	(2,345,198)	2,455,777
Cash and equivalents including restricted cash of \$1,293,430 at end of year	<u>\$ 272,719</u>	<u>\$ 230,536</u>	<u>\$ 1,359,566</u>	<u>\$ 1,307,089</u>	<u>\$ (2,888,411)</u>	<u>\$ 281,500</u>
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 9,241	\$ (111,734)	\$ 881,776	\$ 400,969	\$ (1,066,502)	\$ 113,750
Adjustments to reconcile net income from operations to net cash provided by operating activities:						
Depreciation	-	98,336	-	406,165	541,456	1,045,957
Changes in assets & liabilities:						
Decrease (increase) in prepaids					(1,788)	(1,788)
Decrease (increase) in note receivable				998		998
Decrease (increase) in discounts		11,045				11,045
Increase (decrease) in accruals	12,504	(1,231)	1,413	(22,806)	29,297	19,177
Total adjustments	<u>12,504</u>	<u>108,150</u>	<u>1,413</u>	<u>384,357</u>	<u>568,965</u>	<u>1,075,389</u>
Net cash provided by operating activities:	<u>\$ 21,745</u>	<u>\$ (3,584)</u>	<u>\$ 883,189</u>	<u>\$ 785,326</u>	<u>\$ (497,537)</u>	<u>\$ 1,189,139</u>

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

JUNE 30, 2012

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$ 87,143,915
Buildings	31,920,052
Improvements	65,477,499
Infrastructure assets	218,700,166
Equipment	<u>26,913,766</u>
 Total Governmental Funds Capital Assets	 <u>\$ 430,155,398</u>

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

Capital Projects Funds:	
General Fund	\$ 103,465,865
Dinosaur Museum Funds	71,620
Economic Development Fund	2,497,570
Downtown Redevelopment revenues	11,660,451
WCIA - (Dixie Center interlocal agency)	10,207,697
Recreation General Obligation bonds	17,991,801
Capital equipment fund	32,165,973
Public Works Capital projects fund	41,757,900
Replacement Airport capital projects fund	147,236,548
Industrial Park fund	2,401,462
Sewer Impact fund	245,866
Park Impact fund	20,369,139
Fire Impact fund	3,235,128
Drainage Impact fund	1,069,844
Special Assessment fund	23,602,452
Street Impact fund	1,691,571
Dixie Center EDA fund	1,308,347
Transportation improvement fund	4,915,250
SunTran Public Transit fund	3,727,491
Art Permanent Collection Fund	118,630
Police Seizures Fund	85,827
Airport PFC fund	22,049
Housing Improvement Fund	<u>306,916</u>
 Total Governmental Funds Capital Assets	 <u>\$ 430,155,398</u>

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

JUNE 30, 2012

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVEMENTS	INFRASTRUCTURE	EQUIPMENT
GENERAL GOVERNMENT:						
Gen. government bldgs.	\$ 22,205,011	\$ 17,659,723	\$ 3,350,574	\$ 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	1,853,492	-	-	-	-	1,853,492
Total general government	49,075,749	22,076,731	14,172,369	10,973,157	-	1,853,492
PUBLIC SAFETY:						
Police protection	8,480,651	-	82,589	168,531	-	8,229,531
Fire protection	9,606,766	613,048	4,281,206	86,490	-	4,626,022
Total public safety	18,087,417	613,048	4,363,795	255,021	-	12,855,553
PUBLIC WORKS:	297,746,463	55,960,915	5,984,358	8,891,113	218,555,014	8,355,063
PARKS, RECREATION, & PUBLIC PROPERTY:	65,245,769	8,493,221	7,399,530	45,358,208	145,152	3,849,658
Total governmental fund capital assets allocated to function	\$ 430,155,398	\$ 87,143,915	\$ 31,920,052	\$ 65,477,499	\$ 218,700,166	\$ 26,913,766

**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, 2012

FUNCTION AND ACTIVITY	GOVERNMENTAL FUNDS CAPITAL ASSETS JULY 1, 2011		ADDITIONS	DELETIONS	GOVERNMENTAL FUNDS CAPITAL ASSETS JUNE 30, 2012	
GENERAL GOVERNMENT:						
Gen. government bldgs.	\$ 21,441,022	\$	763,989	\$	-	\$ 22,205,011
WCIA - Dixie Center	10,255,803		-		-	10,255,803
Downtown Redevelopment	13,134,767		-		-	13,134,767
Industrial Park	1,626,676		-		-	1,626,676
Administration	1,750,274		103,218		-	1,853,492
	48,208,542		867,207		-	49,075,749
PUBLIC SAFETY:						
Police protection	8,108,912		371,739		-	8,480,651
Fire protection	8,961,846		644,920		-	9,606,766
	17,070,758		1,016,659		-	18,087,417
PUBLIC WORKS: PARKS, RECREATION, & PUBLIC PROPERTY:	288,494,825		9,251,638		-	297,746,463
	63,333,771		1,911,998		-	65,245,769
TOTAL GOVERNMENTAL FUND CAPITAL ASSETS	\$ 417,107,896	\$	13,047,502	\$	-	\$ 430,155,398

STATISTICAL SECTION

CITY OF ST. GEORGE, UTAH

ELECTRIC FUND

STATISTICAL ANALYSIS

JUNE 30, 2012

	<u>Year Ended June 30,</u>	
	<u>2012</u>	<u>2011</u>
Production Cost Analysis:		
Kilowatt hours generated	103,336,662	53,196,590
Kilowatt hours purchased	<u>729,732,508</u>	<u>714,089,434</u>
Total Kilowatt Hours	<u>833,069,170</u>	<u>767,286,024</u>
Total Operating Costs	<u>\$57,282,149</u>	<u>\$53,338,723</u>
Cost per Kilowatt Hour	<u>\$.06864</u>	<u>\$.06952</u>

Summary of Kilowatt Hours and Costs for previous period

<u>YEAR</u>	<u>KILOWATT HOURS</u>	<u>COST PER KILOWATT HOUR</u>
2001	494,674,942	.07468
2002	503,732,000	.08242
2003	550,745,668	.06620
2004	557,424,755	.06934
2005	559,546,333	.06910
2006	611,224,083	.07154
2007	654,854,223	.07269
2008	663,553,033	.07242
2009	795,155,258	.06779
2010	850,437,074	.06579
2011	767,286,024	.06952
2012	833,069,170	.06864

	<u>2012</u>	<u>2011</u>
Average Revenue Analysis:		
Kilowatt Hours billed	761,485,913	727,143,532
Unbilled Hours-line loss, street lights	<u>71,583,257</u>	<u>40,142,492</u>
Total Kilowatt Hours	<u>833,069,170</u>	<u>767,286,024</u>
Total Revenue Billed	\$54,450,360	\$51,544,089
Number of Customers	27,503	27,618
Average monthly billing	\$164.98	\$155.53
	2,307 KWh	2,194 KWh

CITY OF ST. GEORGE, UTAH

WATER FUND

STATISTICAL ANALYSIS

JUNE 30, 2012

	<u>Year Ended June 30,</u>	
	<u>2012</u>	<u>2011</u>
Production cost analysis:		
Number of gallons billed	10,200,008,660	9,636,077,289
Expense of operations *	\$16,092,986	\$14,778,352
Cost per billed gallon	\$.001578	\$.001534
Average Revenue Analysis:		
Number of metered customers	21,641	21,401
Water usage billed	\$14,278,685	\$13,567,803
Average monthly billing per metered customer	\$54.98	\$52.83

* 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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
Invested in capital assets, net of related debt	\$ 57,354	\$ 64,316	\$ 77,190	\$ 89,565	\$ 109,818	\$ 129,100	\$ 184,237	\$ 220,811	\$ 249,625	\$ 260,036
Restricted	3,776	3,375	7,340	7,308	4,549	2,487	1,884	1,508	1,334	1,109
Unrestricted	33,832	40,960	36,417	43,111	43,165	58,600	38,253	23,226	18,456	21,658
Total governmental activities net assets	<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>	<u>\$ 269,415</u>	<u>\$ 282,803</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 87,134	\$ 71,589	\$ 96,644	\$ 119,982	\$ 133,387	\$ 154,740	\$ 141,070	\$ 163,547	\$ 167,225	\$ 185,172
Restricted	6,737	30,873	16,168	4,857	7,642	12,945	30,571	6,068	6,068	6,072
Unrestricted	10,600	17,647	24,147	34,767	33,596	30,382	33,265	42,700	39,951	38,202
Total business-type activities net assets	<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>	<u>\$ 213,244</u>	<u>\$ 229,446</u>
Primary government:										
Invested in capital assets, net of related debt	\$ 144,488	\$ 135,905	\$ 173,834	\$ 209,547	\$ 243,205	\$ 283,840	\$ 325,307	\$ 384,358	\$ 416,850	\$ 445,208
Restricted	10,513	34,248	23,508	12,165	12,191	15,432	32,455	7,576	7,402	7,181
Unrestricted	44,432	58,607	60,564	77,878	76,761	88,982	71,518	65,926	58,407	59,860
Total primary government net assets	<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>	<u>\$ 482,659</u>	<u>\$ 512,249</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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
EXPENSES:										
Governmental activities:										
General government	\$ 5,129	\$ 3,491	\$ 2,205	\$ 5,004	\$ 4,433	\$ 5,935	\$ 8,877	\$ 9,338	\$ 7,352	\$ 7,251
Public safety	8,395	9,521	10,357	11,497	13,824	14,885	14,726	14,178	15,229	16,638
Highways & public improvements	8,076	10,419	17,231	14,096	14,814	14,887	17,516	13,200	11,959	17,579
Parks, recreation, & public property	6,453	9,592	12,167	11,087	13,525	14,607	11,175	11,032	11,293	12,344
Community & economic development	1,171	1,446	1,957	2,058	2,359	2,544	1,700	1,470	2,000	2,824
Interest on long-term debt	2,053	1,653	1,122	1,411	1,480	1,776	2,800	2,914	3,525	3,134
Total governmental activities expenses:	<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>	<u>51,358</u>	<u>59,770</u>
Business-type activities:										
Energy services	36,461	38,654	38,667	44,254	48,304	48,734	54,554	56,351	59,600	60,266
Water services	7,792	8,323	10,455	13,161	15,383	15,756	15,026	14,563	14,779	15,678
Wastewater collection	6,098	6,527	7,021	7,250	7,876	7,599	8,043	7,774	7,729	7,775
Regional wastewater treatment	4,257	4,006	4,083	4,174	4,878	5,015	5,058	5,059	5,114	5,292
Golf courses	4,077	4,206	4,624	4,637	5,224	5,181	4,989	4,299	4,252	4,586
Municipal building authority	488	440	435	371	352	265	250	165	149	142
Solid waste	2,229	2,379	2,560	2,812	3,104	3,075	3,178	3,279	3,391	3,493
Drainage utility				1	6	16	4	143	122	111
Total business-type activities expenses:	<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>	<u>95,136</u>	<u>97,343</u>
Total primary government expenses	<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>	<u>\$ 146,494</u>	<u>\$ 157,113</u>
PROGRAM REVENUES:										
Governmental activities:										
Charges for services:										
General government	\$ 2,437	\$ 2,568	\$ 3,054	\$ 3,063	\$ 3,496	\$ 3,872	\$ 3,871	\$ 4,158	\$ 4,257	\$ 4,255
Public safety	1,618	1,966	2,220	2,338	2,815	2,810	2,874	3,100	3,142	3,062
Highways & public improvements	221	293	319	570	680	627	549	488	733	1,110
Parks, recreation, & public property	1,463	2,071	2,114	2,733	2,501	2,587	2,514	2,855	2,915	2,989
Community & economic development	1,288	2,648	3,656	3,685	3,238	2,019	1,105	808	885	1,271
Operating grants & contributions	6,526	7,971	10,710	9,000	8,043	9,601	7,324	7,663	8,150	8,772
Capital grants & contributions	2,073	4,720	2,462	5,457	8,355	22,538	31,062	20,794	19,868	12,857
Total governmental activities program revenues	<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>	<u>39,950</u>	<u>34,316</u>
Business-type activities:										
Charges for services:										
Energy services	36,361	40,359	44,253	48,604	52,688	54,091	54,102	53,859	54,109	55,662
Water services	12,191	14,639	15,463	15,682	15,167	15,506	14,745	14,772	13,825	15,073
Wastewater collection	6,222	6,706	7,246	7,256	7,966	7,967	7,866	7,900	7,963	8,176
Regional wastewater treatment	7,676	8,710	9,841	9,763	9,297	8,283	8,232	8,403	8,536	8,917

Golf courses	4,219	4,242	3,957	4,340	4,597	4,750	4,013	3,763	3,283	3,520
Municipal building authority										
Solid waste	2,264	2,435	2,624	2,812	2,969	3,078	3,095	3,246	3,407	3,503
Drainage utility		819	837	869	906	955	973	983	992	992
Operating grants & contributions	19	695	791			9,571	7	560	165	34
Capital grants & contributions		1,072		5,500	-	-	-	-	-	17,515
Total business-type activities program revenues	68,952	79,677	85,012	94,826	93,590	104,201	93,033	93,486	92,280	113,392
Total primary government program revenues	\$ 84,578	\$ 101,914	\$ 109,547	\$ 121,672	\$ 122,718	\$ 148,255	\$ 142,332	\$ 133,352	\$ 132,230	\$ 147,708

Net (expense) / revenue										
Governmental activities	\$ (15,651)	\$ (13,885)	\$ (20,504)	\$ (18,307)	\$ (21,307)	\$ (10,580)	\$ (7,495)	\$ (12,266)	\$ (11,408)	\$ (25,454)
Business-type activities	7,550	15,142	17,167	18,166	8,463	18,560	1,931	1,853	(2,856)	16,049
Total primary government net expense	\$ (8,101)	\$ 1,257	\$ (3,337)	\$ (141)	\$ (12,844)	\$ 7,980	\$ (5,564)	\$ (10,413)	\$ (14,264)	\$ (9,405)

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

Governmental activities:										
Taxes										
Property taxes for general purposes	\$ 5,514	\$ 6,545	\$ 6,327	\$ 6,520	\$ 7,532	\$ 8,887	\$ 9,158	\$ 10,118	\$ 10,315	\$ 10,514
Property taxes for debt service	1,666	1,779	1,660	2,054	2,329	2,446	2,050	2,155	2,392	1,900
Franchise taxes	3,525	3,887	5,086	5,839	6,035	6,541	6,319	6,087	6,165	6,180
General sales & highway sales taxes	11,942	13,584	16,035	19,317	20,447	19,768	16,678	15,477	15,806	17,194
Business licenses	378	409	468	532	639	628	630	712	683	694
Investment income	1,020	845	1,077	1,889	2,458	2,312	1,211	470	258	239
Lease payments	(348)	(373)	(466)	(97)	(193)	(175)	(175)	(164)	(106)	(103)
Gain on sale of assets	706	17	650	388	1,333	2,187	28	812	435	66
Rents and concessions	18	60	30	35	33	30	25	34	52	237
Miscellaneous	169	535	68	195	45	327	143	189	93	61
Transfers	(696)	208	1,864	670	(1,703)	283	(291)	(2,454)	(814)	1,873
Total governmental activities	23,894	27,496	32,799	37,342	38,955	43,234	35,776	33,436	35,279	38,855
Business-type activities:										
Investment income	378	395	958	1,828	1,992	1,976	1,562	378	149	181
Lease payments	666			839	2,448	2,448	2,597	2,294	2,563	1,458
Miscellaneous	(434)	309	590	2,483	413	740	459	429	259	388
Transfers	696	(208)	(1,864)	(670)	1,703	(283)	291	2,454	814	(1,873)
Total business-type activities	1,306	496	(316)	4,480	6,556	4,881	4,909	5,555	3,785	154
Total primary government	\$ 25,200	\$ 27,992	\$ 32,483	\$ 41,822	\$ 45,511	\$ 48,115	\$ 40,685	\$ 38,991	\$ 39,064	\$ 39,009

CHANGE IN NET ASSETS

Governmental activities	\$ 8,243	\$ 13,611	\$ 12,295	\$ 19,035	\$ 17,648	\$ 32,654	\$ 28,281	\$ 21,170	\$ 23,871	\$ 13,401
Business-type activities	8,856	15,638	16,851	22,646	15,019	23,441	6,840	7,408	929	16,203
Total primary government	\$ 17,099	\$ 29,249	\$ 29,146	\$ 41,681	\$ 32,667	\$ 56,095	\$ 35,121	\$ 28,578	\$ 24,800	\$ 29,604

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>
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	15,477	6,087	33,837
2011	10,315	2,392	15,806	6,165	34,678
2012	10,514	1,900	17,194	6,180	35,788

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General fund										
Reserved for police seizures	\$ 28	\$ 40	\$ 90	\$ 67	\$ 103	\$ 119	\$ 70	\$ 83	\$ 106	\$ 158
Reserved for notes receivable	950	595	343	714	1,501	1,618	1,626	1,621	1,621	1,617
Reserved for perpetual care	78	126	139	181	236	318	148	161	141	112
Unreserved	3,299	3,629	3,881	3,905	3,009	2,852	2,912	2,891	3,776	3,808
Total general fund	<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>	<u>\$ 5,644</u>	<u>\$ 5,695</u>
All other governmental funds										
Reserved										
Unreserved, reported in:										
Special revenue funds	4,915	6,848	6,144	8,336	10,343	10,224	6,476	5,627	7,829	9,974
Debt service funds	2,798	3,086	3,218	3,694	3,045	23,520	1,884	1,507	1,334	1,109
Capital projects funds	26,404	17,581	24,271	34,347	30,456	23,743	28,608	15,199	8,083	6,632
Total all other governmental funds	<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>	<u>\$ 17,246</u>	<u>\$ 17,715</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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	212
REVENUES:										
Taxes & special assessments	\$ 23,845	\$ 27,674	\$ 30,274	\$ 35,693	\$ 37,306	\$ 38,668	\$ 35,155	\$ 34,689	\$ 35,591	\$ 37,450
Licenses & permits	1,619	2,861	3,656	3,545	3,190	2,271	1,622	1,393	1,424	1,755
Intergovernmental	3,526	4,501	10,197	7,478	7,165	23,004	35,906	23,089	23,559	16,704
Charges for services	4,425	5,071	6,176	7,137	8,001	8,236	7,762	8,473	8,849	9,376
Fines & forfeitures	863	1,076	987	928	1,018	851	856	1,035	1,081	995
Investment income	1,013	840	1,067	1,868	2,431	2,283	1,202	467	256	238
Rents & concessions	18	60	30	35	33	30	26	34	52	237
Miscellaneous	196	576	325	195	145	329	143	195	94	62
Contributions from other sources	318	2,350	558	300	66	71	138	96	139	94
Capital development fees	3,577	4,290	5,030	4,121	3,144	3,283	1,551	1,324	1,479	2,372
Total revenues	39,400	49,299	58,300	61,298	62,499	79,026	84,361	70,795	72,524	69,283
EXPENDITURES:										
General government	4,205	4,940	5,773	7,300	8,271	8,688	8,239	7,614	5,794	5,704
Public safety	8,301	9,269	10,355	12,023	13,933	15,283	14,043	13,647	14,709	16,636
Highways & public improvements	6,394	7,356	10,021	9,505	8,070	8,289	12,761	6,852	9,491	14,970
Parks, recreation, & public property	6,012	6,447	7,334	8,068	8,610	9,885	8,770	8,422	9,638	10,906
Community & economic development	1,045	1,230	1,638	1,967	2,155	3,025	2,879	3,325	1,968	2,792
Capital outlay	9,482	14,896	28,823	16,946	22,955	51,536	57,264	50,496	30,425	11,512
Debt service										
Capital leases	349	373	466	197	193	175	175	164	106	103
Principal	1,069	13,668	1,441	1,188	6,849	1,814	26,666	5,733	10,411	7,482
Interest & other admin charges	1,427	1,694	1,251	1,462	1,411	1,301	2,558	2,207	2,697	4,904
Total expenditures	38,284	59,873	67,102	58,656	72,447	99,996	133,355	98,460	85,239	75,009
Excess of revenues over (under) expend.	1,116	(10,574)	(8,802)	2,642	(9,948)	(20,970)	(48,994)	(27,665)	(12,715)	(5,726)
OTHER FINANCING SOURCES (USES):										
Transfers in	8,052	15,774	14,701	13,795	13,364	21,312	16,816	26,264	10,958	16,068
Transfers out	(8,048)	(14,698)	(11,797)	(11,768)	(14,458)	(20,380)	(16,264)	(28,168)	(11,214)	(13,648)
Contributions from private sources		69	128	393	947	846	65	808	808	868
Contributions from other governments				785	1,040	5,951	572	3,087	1,859	663
Proceeds from sale of capital assets	671	17	650	388	1,333	2,186	28	812	434	67
Loss on bond refinancing		(1,074)			(93)	-	-	-	-	-
Premiums on bonds sold		643							275	
Issuance of notes/bonds/ or leases	3,176	16,645	4,510	343	5,265	24,755	27,107	10,227	5,395	2,228
Total other financing sources (uses)	3,851	17,376	8,192	3,936	7,398	34,670	28,324	13,030	8,515	6,246
Net change in fund balance	\$ 4,967	\$ 6,802	\$ (610)	\$ 6,578	\$ (2,550)	\$ 13,700	\$ (20,670)	\$ (14,635)	\$ (4,200)	\$ 520
Debt service as a percentage of non-capital expenditures	10.96%	53.81%	8.99%	7.33%	17.08%	6.79%	38.41%	16.90%	24.11%	19.16%
		(1)					(2)		(3)	(3)

118

(1) 1997 Parks & Rec GO Bonds refunded
 (2) 2007 Sales Tax bonds refunded
 (3) 2006 GO Tax bonds refunded

CITY OF ST. GEORGE, UTAH
SALES TAX PAYERS BY SECTOR
JUNE 30, 2012
(amounts expressed in thousands)

2012				2003			
Ranking	Category	Direct Point of Sales Dollars	Percent of Sales	Ranking	Category	Direct Point of Sales Dollars	Percent of Sales
1	Retail - Gen Merchandise	\$ 237,410,866	17.61%	2	Retail - Gen Merchandise	\$ 183,764,843	17.02%
2	Retail - Motor vehicles	160,816,476	11.93%	1	Retail - Motor vehicles	190,233,950	17.62%
3	Services - Hotel & Lodging	159,270,962	11.81%	13	Services - Hotel & Lodging	28,148,047	2.61%
4	Prior-period payments & refunds	125,826,234	9.33%	24	Prior-period payments & refunds	3,170,601	0.29%
5	Retail - Food stores	93,412,757	6.93%	4	Retail - Food stores	90,648,855	8.39%
6	Retail - Bldg & Gardening	78,426,881	5.82%	3	Retail - Bldg & Gardening	102,783,605	9.52%
7	Wholesale - Durable goods	65,753,848	4.88%	6	Wholesale - Durable goods	72,455,246	6.71%
8	Retail - Apparel & Accessories	63,106,875	4.68%	9	Retail - Apparel & Accessories	38,973,596	3.61%
9	Retail - Furniture	41,661,904	3.09%	8	Retail - Furniture	55,034,449	5.10%
10	Public Administration	40,000,000	2.97%		Public Administration		
11	Services - Personal	38,561,867	2.86%	17	Services - Personal	5,979,852	0.55%
12	Retail - Miscellaneous	36,527,428	2.71%	7	Retail - Miscellaneous	63,694,303	5.90%
13	Retail - Sporting Goods, Hobbies, Books	28,534,813	2.12%		Retail - Sporting Goods, Hobbies, Books		
14	Manufacturing	28,528,588	2.12%	12	Manufacturing	29,856,932	2.76%
15	Information	26,594,556	1.97%		Information		
16	Retail - Gasoline stations	21,854,402	1.62%		Retail - Gasoline stations		
17	Finance, Ins. & Real Estate	15,582,679	1.16%	25	Finance, Ins. & Real Estate	2,288,939	0.21%
18	Construction	13,871,858	1.03%	14	Construction	14,863,171	1.38%
19	Wholesale - Nondurables	13,428,955	1.00%	18	Wholesale - Nondurables	5,741,211	0.53%
20	Retail - Electronics & Appliances	11,208,551	0.83%		Retail - Electronics & Appliances		
21	Retail - Health & Personal Care	9,655,796	0.72%		Retail - Health & Personal Care		
22	Services - Amusement & rec	8,865,496	0.66%	15	Services - Amusement & rec	13,784,102	1.28%
23	Services - Professional Scientific & Tech	8,091,317	0.60%		Services - Professional Scientific & Tech		
24	Nonstore Retailers	6,083,966	0.45%		Nonstore Retailers		
25	Services - Health	4,315,080	0.32%	20	Services - Health	4,628,218	0.43%
26	Services - Admin & Support of Waste	3,635,025	0.27%		Services - Admin & Support of Waste		
27	Mining	2,950,000	0.22%		Mining		
28	Services - Education	2,159,706	0.16%	23	Services - Education	4,031,194	0.37%
29	Transportation	822,920	0.06%	26	Transportation	1,242,763	0.12%
30	Wholesale - Electronic markets	600,000	0.04%		Wholesale - Electronic markets		
31	Management of Companies & Entprses	253,000	0.02%		Management of Companies & Entprses		
32	Agric Forestry & Fishing	201,000	0.01%	21	Agric Forestry & Fishing	4,134,426	0.38%
33	Nondisclosable/Nonclassifiable	180,000	0.01%	22	Nondisclosable/Nonclassifiable	3,957,262	0.37%
34	Occasional Retail sales	7,000	0.00%	27	Occasional Retail sales	79,601	0.01%
	Retail - Eating & drinking		0.00%	5	Retail - Eating & drinking	79,399,298	7.35%
	Services - Auto & repair		0.00%	11	Services - Auto & repair	31,651,277	2.93%
	Electric & Gas		0.00%	10	Electric & Gas	34,222,652	3.17%
	Services - Business		0.00%	16	Services - Business	9,813,103	0.91%
	Communications		0.00%	19	Communications	5,315,464	0.49%
		<u>\$ 1,348,200,806</u>				<u>\$ 1,079,896,960</u>	

Source: Utah State Tax Commission statistical reports for calendar year ended December 31, 2011 and December 31, 2003.

NOTE: There are a number of new categories & consolidations of other categories which make this report not very comparative. In addition, the Electric & Gas and the Communications categories have been replaced with new taxes of their own and thus are not included in sales taxes any longer.

CITY OF ST. GEORGE, UTAH
 PRINCIPAL TAXABLE PROPERTIES
 JUNE 30, 2012
 (amounts expressed in thousands)

2012

2003

NAME	TYPE OF BUSINESS	TAXABLE VALUE	% OF TOTAL
IHC HEALTH SERVICES INC	MEDICAL PROVIDER	\$ 39,724,700	0.77%
BAJA BROADBAND	BROADBAND COMMUNICATIONS	23,114,117	0.45%
GENERAL GROWTH PROPERTIES	LAND DEVELOPMENT	22,538,100	0.44%
SKYWEST AIRLINES	REGIONAL AIRLINE	20,857,620	0.40%
SUBURBAN LAND RESERVE, INC	LAND DEVELOPMENT	17,380,105	0.34%
DIXIE ESCALANTE RURAL ELECTRIC	ELECTRICAL COOPERATIVE	16,907,144	0.33%
TRAVELLER/STONECLIFF LC	LAND DEVELOPMENT	16,670,785	0.32%
QUESTAR GAS	NATURAL GAS PROVIDER	15,409,146	0.30%
S W A C EAST LLC	LAND DEVELOPMENT	13,656,955	0.27%
RIMROCK MARKETPLACE II LC	LAND DEVELOPMENT	13,542,900	0.26%
		<u>\$ 199,801,572</u>	<u>3.88%</u>

NAME	TYPE OF BUSINESS	TAXABLE VALUE	% OF TOTAL
PRICE DEVELOPMENT	REGIONAL SHOPPING MALL	\$ 30,459,520	1.09%
WAL-MART INC	SUPER WAL-MART RETAIL STORE	13,753,260	0.49%
RIMROCK MARKETPLACE	PROPERTY INVESTMENTS	13,364,340	0.48%
IHC HOSPITALS	MEDICAL PROVIDER	12,571,010	0.45%
THE PLANTATIONS AT ST. GEORGE	PROPERTY INVESTMENTS	12,253,275	0.44%
ZION FACTORY STORES HOLDING	STRIP SHOPPING MALL	11,275,505	0.40%
COSTCO WHOLESALE	WHOLESALE SHOPPING CLUB	10,035,980	0.36%
ZION FACTORY STORES III	STRIP SHOPPING MALL	9,998,695	0.36%
LESTER WITTWER INVESTMENTS	PROPERTY INVESTMENTS	9,721,260	0.35%
TARGET CORP	SUPER TARGET RETAIL STORE	8,972,520	0.32%
		<u>\$ 132,405,365</u>	<u>4.74%</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					
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%
2011	2,402,908	1,394,831	1,384,311	122,478		-	5,304,528	7,497,089	70.75%
2012	2,249,152	1,419,495	1,360,888	121,753		-	5,151,288	7,190,342	71.64%

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

Fiscal Year	City of St. George			Washington County					Overlapping Governments Washington Co School District					Direct & Overlapping Rates
	Operating Rate	Debt Service Rate	Total City Rate	County Library Rate	County General Rate	County G.O. Bond	Assess & Collect Rate	Total County Rate	Local School Fund Rate	State School Fund Rate	Total School Rate	(1) Special Districts		
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	
2011	0.001559	0.000191	0.001750	0.000280	0.000816	0.000284	0.000591	0.001971	0.006493	0.001311	0.007804	0.001001	0.012526	
2012	0.001666	0.000191	0.001857	0.000301	0.000873	0.000292	0.000627	0.002093	0.006916	0.001311	0.008227	0.001032	0.013209	

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
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%
2011	9,446	8,034	85.05%	587	8,621	91.27%
2012	9,693	8,445	87.12%	480	8,925	92.08%

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 Bonds	Excise Tax Bonds	Special Assessment Bonds	Capital Leases	Sewer Bonds	Water Bonds	Electric Bonds	MBA Bonds	Golf Course Bonds	Capital Leases		
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
2011	15,460	20,910	2,160	662	-	6,964	39,399	62,610	802	-	962	149,929	2,054
2012	14,760	18,099	1,470	317	-	4,795	19,289	60,965	710	-	800	121,205	1,460

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>Total</u>	Percentage of Estimated Actual Taxable Value of <u>Property</u>	Per <u>Capita</u>
		<u>Service Funds</u>				
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	
2011	15,460	-	15,460	0.2843%	212	
2012	14,760	-	14,760	0.2820%	178	

CITY OF ST. GEORGE, UTAH
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2012
(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	\$ 20,420	53.66%	\$ 10,957
Washington County School District	239,184	53.66%	128,346
Washington County Water Conservancy	3,620	53.66%	1,942
Washington County/St George City (WCIA)	13,250	38.00%	5,035
sub-total overlapping debt	<u>276,474</u>		146,281
City of St. George direct debt	14,760		14,760
 Total direct & overlapping debt	 <u><u>\$ 291,234</u></u>		 <u><u>\$ 161,041</u></u>

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

	FISCAL YEAR									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt limit	\$336,740	\$371,978	\$410,848	\$503,555	\$669,296	\$823,545	\$896,826	\$721,366	\$652,656	\$ 628,110
Total net debt applicable to limit	64,969	97,894	85,060	81,933	74,318	71,218	64,594	64,594	56,112	34,066
Legal debt margin	<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>	<u>\$596,544</u>	<u>\$ 594,044</u>
Total net debt applicable to the limit as a percentage of debt limit										

Legal Debt Margin Calculation for Fiscal Year 2012

Taxable value	\$ 5,234,246
Debt limit:	
General obligation 4%	\$ 209,370
Water & Sewer 8%	418,740
Total debt limit	<u>\$ 628,110</u>
Debt applicable to limit:	
General obligation bonds	\$ 14,760
less: amt set aside for repayment of debt	
Water & sewer bonds	24,084
less: amt set aside for repayment of debt	<u>(4,778)</u>
Total net debt applicable to limit	<u>34,066</u>
Legal debt margin	<u>\$ 594,044</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	
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
2011	8,536	3,304	5,232	2,079	227	2.27	16,247	10,109	6,138	2,665	1,693	1.41
2012	8,917	3,531	5,386	2,169	166	2.31	15,073	11,986	3,087	2,605	1,273	0.80

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	
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
2011	3,283	3,654	(371)				54,295	50,294	4,001	1,570	3,045	0.87
2012	3,520	4,045	(525)				55,662	50,912	4,750	1,645	2,984	1.03

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	Median Age	(2) School Enrollment	(1) Unemployment Rate
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	3,223.6	25,439		23,189	2.4
2007	75,000	3,558.0	26,892	31	24,352	2.9
2008	83,364	3,658.0	26,964		25,295	4.9
2009	85,000	3,595.0	26,147		25,775	7.3
2010	83,500	not available	not available	32.5	25,202	9.6
2011	82,000	not available	not available		not available	10.1
2012	83,000	not available	19,754		not available	7.1

(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

<u>2012</u>			<u>2003</u>		
<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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government	48	48	64	50	51	52	50	64	64	65
Community & development services	16	21	24	39	39	29	27	21	21	21
Public Safety										
Police										
Officers	80	83	89	93	97	103	103	103	103	104
Reserves	8	8	8	4	4					
Civilians	26	28	30	37	39	39	39	40	40	46
Fire										
Firefighters & officers	9	15	19	22	22	23	23	31	31	31
Volunteers firefighters	51	51	55	64	64	64	64	64	64	64
Civilians			1	1	1	1	1	1	1	1
Highways & streets										
Engineering & Administration	21	21	24	22	25	22	17	14	14	15
Maintenance	26	28	28	31	32	32	32	32	32	32
Fleet maintenance (1)	10	11	11	12	13	13	13	0	0	0
Culture & recreation										
Recreation	10	12	14	12	14	14	14	14	14	14
Parks & design	25	29	34	39	41	42	42	42	42	42
Building maintenance	4	6	6	7	11	10	9	10	10	10
Dixie Center	8	8	9	9	9	12	12	12	12	11
Administration & others	10	9	9	8	8	6	6	6	6	6
Water services	44	48	52	54	54	49	49	49	49	49
Wastewater collections	17	16	17	19	19	19	17	17	17	17
Energy services	46	49	49	53	56	51	52	52	52	53
Golf courses	33	33	33	33	33	34	31	31	31	32
Wastewater treatment	18	18	18	21	21	19	20	20	20	20
Public transit	2	2	11	15	15	14	14	15	15	16
Total	512	544	605	645	668	648	635	638	638	649

131

(1) moved to General government in 2011 fiscal year

Note: 2013 based upon number of approved positions in fiscal year 2013 approved budget

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SINGLE AUDIT SECTION



MEMBERS:

CHAD B. ATKINSON, CPA
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DEAN R. BURDICK, CPA
ROBERT S. COX, CPA
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MARK E. TICHENOR, CPA

**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***

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, 2012, which collectively comprise St. George City's basic financial statements, and have issued our report thereon dated October 4, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of St. George City is responsible for establishing and maintaining effective 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *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 4, 2012.

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.



HintonBurdick, PLLC
October 4, 2012

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ST. GEORGE CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

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		\$40,458
Edward Byrne Memorial Justice Assistance Grant Program	16.738		25,209
Edward Byrne Memorial Formula Grant Program	16.579		<u>117,707</u>
<i>Total U.S. Department of Justice</i>			<u>183,374</u>
U.S. Department of Transportation:			
Federal Aviation Administration: Airport Improvements Program	20.106		11,415,076
Small Community Air Service Development Program	20.930		25,125
Federal Transportation Administration: Federal Transit Formula Grant Program	20.507		701,726
ARRA--Federal Transit Formula Grant Program	20.507		<u>80,593</u>
<i>Total U.S. Department of Transportation</i>			<u>12,222,520</u>
Executive Office of the President, Office of National Drug Control Policy:			
High Intensity Drug Trafficking Area	07.000		<u>122,020</u>
U.S. Department of Homeland Security:			
Federal Emergency Management Agency Staffing for Adequate Fire & Emergency Response (SAFER) Grant Program	97.083		483,912
Disaster Grants-Public Assistance Program	97.036		12,629

Emergency Management Performance Grant Program	97.042		<u>12,000</u>
<i>Total U.S. Department of Homeland Security</i>			<u>508,541</u>
U.S. Department of the Interior:			
Water Conservation Field Services Grant Program	15.530		34,326
Land & Water Conservation Fund Stateside Program	15.916		<u>157,728</u>
<i>Total U.S. Department of the Interior</i>			<u>192,054</u>
U.S. Department of Housing & Urban Development:			
Community Development Block Grants/Entitlement Grants Program	14.218		<u>499,909</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>86,940</u>
Total Expenditures of Federal Awards			<u>\$13,815,358</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, 2012

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	\$192,028
The Dove Center	\$75,000
The Family Support Center	\$153,000

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**ST. GEORGE CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

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

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

\$ 414,461

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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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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, 2012. St. George City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of St. George City's management. Our responsibility is to express an opinion on St. George City's compliance based on our audit.

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

CEDAR CITY • 239 SOUTH MAIN, STE. 100, CEDAR CITY, UT 84720
FLAGSTAFF • 612 NORTH BEAVER, FLAGSTAFF, AZ 86001
HURRICANE • 48 SOUTH 2500 WEST, STE. 200, HURRICANE, UT 84737
MESQUITE • 590 WEST MESQUITE BLVD., STE. 201, MESQUITE, NV 89027
RICHFIELD • 159 NORTH MAIN ST., RICHFIELD, UT 84701
ST. GEORGE • 63 SOUTH 300 EAST, STE. 100, ST. GEORGE, UT 84770

OFFICE 435.865.7666 FAX 435.867.6111
OFFICE 928.774.7181 FAX 928.774.0242
OFFICE 435.635.5665 FAX 435.635.0552
OFFICE 702.346.3462 FAX 702.346.3464
OFFICE 435.896.5491 FAX 435.896.5493
OFFICE 435.628.3663 FAX 435.628.3668

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, 2012.

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, PLLC

HintonBurdick, PLLC

October 04, 2012

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MEMBERS:

CHAD B. ATKINSON, CPA
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Independent Auditors' Report on Compliance
In Accordance With the *State of Utah Legal Compliance Audit Guide*

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

We have audited the City of St. George's compliance with general and major state program compliance requirements described in the *State of Utah Legal Compliance Audit Guide* for the year ended June 30, 2012. The general compliance requirements applicable to the City are identified as follows:

- | | |
|--------------------------------|---------------------------------|
| Public Debt | B & C Road Funds |
| Cash Management | Other General Issues |
| Purchasing Requirements | Uniform Building Code Standards |
| Budgetary Compliance | Impact Fees |
| Truth in Taxation and Property | Asset Forfeiture |
| Tax Limitations | URS Compliance |
| Liquor Law Enforcement | Fund Balance |

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)

Compliance with the requirements referred to above is the responsibility of the City's management. 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State of Utah Legal Compliance Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the requirements referred to above could have a material effect on the major assistance programs or general compliance requirements identified above. An audit includes examining, on a test basis, evidence about the 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 on the City's compliance with those requirements.

In our opinion, St. George City, Utah, complied, in all material respects, with the general compliance requirements identified above and the compliance requirements that are applicable to each of its major state programs for the year ended June 30, 2012. However, the results of our audit procedures disclosed other instances of non-compliance with those requirements, which are required to be reported in accordance with the *State of Utah Legal Compliance Audit Guide* and which are described in our accompanying schedule of findings and recommendations, dated October 4, 2012, as items 1, 2 and 3.

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

This report is intended solely for the information and use of the City's management, Office of the Utah State Auditor, and awarding and pass-through entities 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.



HintonBurdick, PLLC
October 4, 2012

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MEMBERS:

CHAD B. ATKINSON, CPA
 KRIS J. BRAUNBERGER, CPA
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SCHEDULE OF FINDINGS AND RECOMMENDATIONS

October 4, 2012

St. George City Officials
 St. George, Utah 84770

Dear Sirs:

During our audit of the funds of St. George City for the fiscal year 2011 - 2012, 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 or fund 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, 2012.

Recommendation

We follow the recommendation of the State Auditor’s office by suggesting the City budget in fiscal year 2012-2013 to eliminate the fund deficit in these funds.

October 4, 2012

Page 2

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. Documentation of the necessary advertisement for the Dixie Drive/Mathis Bridge Project was not found.

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,



HintonBurdick, PLLC

October 4, 2012

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CITY OF ST. GEORGE

175 East 200 North
St. George, Utah 84770

November 13, 2012

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, 2012

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, 2012

Unfortunately, the finds and recommendations which were commented on in the June 30, 2011 fiscal year are the exact same ones as found in the current fiscal year ended June 30, 2012. 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, 2012

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

TABLE 1

	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
Motor Fuel Tax	\$ 254,696	\$ 250,716	\$235,481	\$243,389	\$251,142
Special Fuel Tax	111,410	114,602	101,367	94,843	101,121
Motor Vehicle Registration Fees	34,293	35,366	34,917	33,447	35,110
Proportional Registration Fees	14,772	14,202	14,114	14,617	14,746
Temporary Permits	401	523	492	387	402
Special Transportation Permits	7,780	8,093	8,235	8,753	9,615
Highway Use Permits	9,108	9,102	9,194	9,375	9,728
Motor Vehicle Control Fees	5,302	5,294	4,552	4,091	4,552
	<u>\$ 437,762</u>	<u>\$ 437,898</u>	<u>\$408,352</u>	<u>\$408,902</u>	<u>\$426,416</u>

Source: "Annual Statistical Summary", Utah Department of Transportation, December 2011

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

TABLE 2 - C ROAD FUND DISTRIBUTION

Fiscal Year	St. George Allocations	Total B & C Road Fund Allocations	St. George Percentage
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%
2011	2,377,843	119,094,348	2.00%
2012	2,388,080	124,400,747	1.92%

(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, 2012

TABLE 3 - CALCULATION OF ESTIMATED DEBT SERVICE COVERAGE

Bond Year	Project Class C Road Fund Allocation		1996 Bonds	2004 Bonds	Total D.S.	Coverage
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	1		772,569	772,569	2.98
2011	2,377,843	2		775,363	775,363	3.07
2012	2,388,080	2		768,975	768,975	3.11
2013	2,459,722	2		768,562	768,562	3.20
2014	2,533,514	2		766,406	766,406	3.31
2015	2,609,519	2		766,406	766,406	3.40

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
2012	\$ 4,065,449	\$ 2,388,080	\$ 1,677,369	41.26%
2011	3,600,987	2,377,843	1,223,144	33.97%
2010	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%

(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, 2012

Comparative Property Tax Rates Within Washington County

<u>Tax Levying Entity</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Hurricane	0.002754	0.002523	0.002492	0.00201	0.001965
Ivins	'0.002097	'0.001990	0.001736	0.001389	0.00137
LaVerkin	0.002776	0.002676	0.001945	0.001629	0.001197
St. George City	'0.001857	'0.001750	0.001504	0.001206	0.001217
Washington City	0.001681	0.001625	0.001393	0.001124	0.001089

(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>
2004	Parks and Recreation	11,645,000	August 1, 2021	9,530,000
2010	Parks and Recreation	5,395,000	August 1, 2023	5,230,000

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>
2011	Sales tax rev.	\$2,228,000	June 15, 2015	\$1,774,000
2009	Sales tax rev.	22,485,000	Nov. 1, 2017	16,325,000

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	\$ 5,510,000
1994	Wastewater	\$4,000,000	June 15, 2014	\$ 540,000
2004	Excise Tax Revenue	\$5,000,000	December 1, 2013	\$ 1,470,000
2011	Water Refunding	\$6,120,000	June 1, 2020	\$ 5,420,000
2004	Water	\$31,000,000	July 1, 2014	\$ 3,255,000
2004	Sewer	\$7,015,000	July 1, 2016	\$ 4,255,000
2005	Electric Revenue	\$17,280,000	June 1, 2025	\$ 12,765,000
2008	Electric Revenue	\$50,000,000	June 1, 2038	\$ 48,200,000
2009A	Build America Bonds	\$3,504,000	December 1, 2021	\$ 3,139,000
2009B	Recovery Zone Bonds	\$6,723,000	June 1, 2024	\$ 6,723,000
2012	Water	\$3,830,000	July 1, 2025	\$ 3,830,000

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	\$ 530,000
2000	MBA Woodward	\$350,000	April 1, 2021	\$ 180,000

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	SID 99-4	\$1,109,000	November 1, 2012	\$ 111,000
2003	SID 99-1	\$989,000	February 1, 2013	\$ 99,000
2003	SID 99-3	\$1,077,000	June 1, 2013	\$ 107,000

Debt Ratios

Direct General Obligation Debt is .28% of 2011 Taxable Value.

Total Direct and Overlapping General Obligation Debt is 3.08% of 2011 Taxable Value

Per Capita Direct General Obligation Debt is \$178 based on the estimated population of 83,000.

Per Capita Direct and Overlapping General Obligation Debt is \$1,940 based on estimated population.

City of St. George, UT
 Continuing Disclosure - 1997A Sewer Revenue Bonds
 Fiscal Year Ended June 30, 2012

Table 1 - Sewer Fees by Fiscal Year per Entity

Entity	Fiscal Year Ended June 30				
	2012	2011	2010	2009	2008
City of St. George	\$ 5,791,457	\$ 5,727,765	\$ 5,669,907	\$ 5,618,856	\$ 5,354,009
Washington City	1,422,272	1,353,479	1,338,761	1,189,794	1,218,104
City of Santa Clara	330,488	325,983	322,579	322,722	345,145
Town of Ivins	471,375	463,729	458,921	449,986	441,455
	<u>\$ 8,015,592</u>	<u>\$ 7,870,956</u>	<u>\$ 7,790,168</u>	<u>\$ 7,581,358</u>	<u>\$ 7,358,713</u>

(Source: The City)

Table 2 - Sewer Connections by Fiscal Year per Entity

Entity	Fiscal Year Ended June 30				
	2012	2011	2010	2009	2008
City of St. George	33,750	33,379	33,041	32,744	31,201
Washington City	8,288	7,887	7,802	6,933	7,099
City of Santa Clara	1,926	1,900	1,880	1,881	2,011
Town of Ivins	2,747	2,702	2,674	2,622	2,572
	<u>46,711</u>	<u>45,868</u>	<u>45,397</u>	<u>44,180</u>	<u>42,883</u>

City of St. George, UT
 Continuing Disclosure - 1997A Sewer Revenue Bonds
 Fiscal Year Ended June 30, 2012

Enterprise Fund - Wastewater Collection
 Balance Sheet

	Fiscal Year Ended June 30				
	2012	2011	2010	2009	2008
Assets:					
Current Assets:					
Cash	\$ 1,307,087	\$ 899,443	\$ 405,198	\$ (363,632)	\$ 525,940
Accts Rec./Due from other funds	57,366	58,364	95,822	294,865	410,267
Total current assets	1,364,453	957,807	501,020	(68,767)	936,207
Property Plant & Equipment	11,919,131	11,531,005	11,298,355	11,268,226	10,084,852
Accumulated depreciation	(6,700,059)	(6,293,894)	(5,846,117)	(5,389,316)	(4,927,561)
Net property, plant & equipment	5,219,072	5,237,111	5,452,238	5,878,910	5,157,291
Total Assets	\$ 6,583,525	\$ 6,194,918	\$ 5,953,258	\$ 5,810,143	\$ 6,093,498
Liabilities and fund equity:					
Current Liabilities:					
Accrued liabilities	\$ 50,814	\$ 73,620	\$ 69,164	\$ 74,888	\$ 195,932
Total current liabilities	50,814	73,620	69,164	74,888	195,932
Total Liabilities	50,814	73,620	69,164	74,888	195,932
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	4,480,887	4,069,474	3,832,270	3,683,431	3,845,742
Total retained earnings	4,480,887	4,069,474	3,832,270	3,683,431	3,845,742
Total fund equity	6,532,711	6,121,298	5,884,094	5,735,255	5,897,566
Total liabilities and equity	\$ 6,583,525	\$ 6,194,918	\$ 5,953,258	\$ 5,810,143	\$ 6,093,498

City of St. George, UT
 Continuing Disclosure - 1997A Sewer Revenue Bonds
 Fiscal Year Ended June 30, 2012

Enterprise Fund - Wastewater Treatment
 Balance Sheet

	Fiscal Year Ended June 30				
	2012	2011	2010	2009	2008
Assets:					
Current Assets:					
Cash	\$ 34,965,963	\$ 32,350,548	\$ 29,502,267	\$ 27,870,765	\$ 26,003,300
Restricted cash	2,300,767	2,334,681	2,307,326	2,341,142	2,473,706
Accounts receivable	241,095	389,072	469,645	227,567	520,435
Bond discounts & insurance	89,679	240,542	391,405	542,268	693,131
Prepaid expenses	-	-	-	-	-
Total current assets	37,597,504	35,314,843	32,670,643	30,981,742	29,690,572
Property Plant & Equipment	72,100,666	71,146,346	70,569,214	69,436,387	68,130,495
Accumulated depreciation	(17,454,541)	(15,971,354)	(14,499,890)	(13,146,255)	(11,825,310)
Net property, plant & equipment	54,646,125	55,174,992	56,069,324	56,290,132	56,305,185
Total Assets	\$ 92,243,629	\$ 90,489,835	\$ 88,739,967	\$ 87,271,874	\$ 85,995,757
Liabilities and fund equity:					
Current Liabilities:					
Accrued liabilities	\$ 783,109	\$ 644,891	\$ 337,674	\$ 397,098	\$ 897,482
Due to other funds	-	-	-	-	-
Total current liabilities	783,109	644,891	337,674	397,098	897,482
Bonds payable	4,868,154	7,110,785	9,263,417	11,336,048	13,340,679
Total Liabilities	5,651,263	7,755,676	9,601,091	11,733,146	14,238,161
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	2,300,767	2,334,681	2,307,326	2,341,142	2,473,706
Unreserved/unrestricted	81,530,031	77,637,910	74,069,982	70,436,018	66,522,322
Total retained earnings	83,830,798	79,972,591	76,377,308	72,777,160	68,996,028
Total fund equity	86,592,366	82,734,159	79,138,876	75,538,728	71,757,596
Total liabilities and equity	\$ 92,243,629	\$ 90,489,835	\$ 88,739,967	\$ 87,271,874	\$ 85,995,757

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2012

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

	Fiscal Year Ended June 30				
	2012	2011	2010	2009	2008
Operating revenues:					
Charges for services	\$7,685,742	\$7,706,792	\$7,628,073	\$7,592,357	\$7,473,604
Impact and connection fees					-
Other operating revenues	489,887	256,617	272,305	273,158	493,044
Total operating revenues	8,175,629	7,963,409	7,900,378	7,865,515	7,966,648
Operating expenses:					
Salary & Wages	631,730	622,646	656,092	777,911	746,897
Deprecation	406,165	447,778	456,801	461,755	415,714
Bad debts	-	-	-	37,918	35,389
Payroll tax & employee benefits	276,261	269,190	291,060	350,400	337,351
Office & department supplies	45,949	51,292	39,067	70,227	50,387
Professional services	14,519	8,547	7,056	12,869	14,864
Repair & maintenance - equipment	133,162	123,668	110,653	138,128	95,177
Repair & maintenance - bldg & grounds	969	6,852	3,210	6,751	6,639
Insurance & surety bonds	18,428	16,618	14,113	19,083	30,048
Travel	6,019	4,684	6,171	28,919	12,443
Contract labor	5,791,457	5,727,765	5,669,907	5,618,856	5,354,009
Billing and administration	450,000	450,000	520,000	520,000	500,000
Total operating expenses	7,774,659	7,729,040	7,774,130	8,042,817	7,598,918
Operating income (loss)	400,970	234,369	126,248	(177,302)	367,730
Non-operating revenues (expenses)					
Interest income	4,173	2,189	2,853	14,991	54,660
Miscellaneous income	6,270	647	19,739	-	6,182
Total non-operating revenue (expense)	10,443	2,836	22,592	14,991	60,842
Net Income	411,413	237,205	148,840	(162,311)	428,572
Transfers to other funds	-	-	-	-	(20,000)
Retained earnings at beginning of year	4,069,476	3,832,271	3,683,431	3,845,742	3,437,170
Retained earnings at end of year	4,480,889	4,069,476	3,832,271	3,683,431	3,845,742

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2012

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

	Fiscal Year Ended June 30				
	2012	2011	2010	2009	2008
Operating revenues:					
Charges for services	\$ 8,015,592	\$ 7,870,955	\$ 7,790,169	\$ 7,693,995	\$ 7,358,714
Impact and connection fees	-	-	-	-	-
Other operating revenues	901,186	664,951	612,617	537,913	924,306
Total operating revenues	8,916,778	8,535,906	8,402,786	8,231,908	8,283,020
Operating expenses:					
Salary & Wages	1,025,748	929,639	986,605	963,028	966,345
Supplies	405,723	409,983	434,843	482,448	439,033
Equipment rental	986	2,684	1,899	2,681	2,582
Deprecation	1,483,187	1,471,464	1,353,635	1,320,946	1,221,153
Payroll tax & employee benefits	416,748	394,731	402,842	404,254	425,680
Office & department supplies	43,853	50,379	33,277	51,121	43,863
Professional services	213,054	166,092	282,606	285,770	185,618
Repair & maintenance - equipment	699,312	606,895	571,247	492,567	616,277
Repair & maintenance - bldg & grounds	15,303	24,514	14,736	5,922	15,860
Insurance & surety bonds	54,039	58,897	57,801	78,998	84,073
Travel	5,849	10,023	6,697	7,693	8,331
Billing and administration	650,000	650,000	520,000	520,000	520,000
Total operating expenses	5,013,802	4,775,301	4,666,188	4,615,428	4,528,815
Operating income (loss)	3,902,976	3,760,605	3,736,598	3,616,480	3,754,205
Non-operating revenues (expenses)					
Interest income	132,962	101,043	194,257	541,032	1,106,143
Miscellaneous income	100,895	72,613	62,578	65,678	77,830
Interest charges	(278,626)	(338,977)	(393,285)	(442,060)	(486,301)
Total non-operating revenue (expense)	(44,769)	(165,321)	(136,450)	164,650	697,672
Net Income	3,858,207	3,595,284	3,600,148	3,781,130	4,451,877
Transfers to other funds	-	-	-	-	-
Federal grants	-	-	-	-	9,500,000
Retained earnings at beginning of year	79,972,592	76,377,308	72,777,160	68,996,030	55,044,153
Retained earnings at end of year	\$ 83,830,799	\$ 79,972,592	\$ 76,377,308	\$ 72,777,160	\$ 68,996,030

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2012

Balance Sheet- General Fund

	Fiscal Year Ended June 30				
	2012	2011	2010	2009	2008
Assets and other debits:					
Cash	\$ 1,954,945	\$ 1,746,858	\$ 2,651,528	\$ 1,581,337	\$ 1,567,343
Accounts receivable (net of allowance)	3,428,067	3,070,277	2,845,560	2,729,081	3,141,364
Inventory	98,415	113,173	92,317	97,671	93,322
Due from other funds	500,000	500,000	500,000	500,000	500,000
Prepaid items	38,420	7,718	72,758	436,078	487,500
Notes receivable	1,616,708	1,621,140	1,621,109	1,626,532	1,618,215
Total assets and other debits	\$ 7,636,555	\$ 7,059,166	\$ 7,783,272	\$ 6,970,699	\$ 7,407,744
Liabilities:					
Accrued liabilities	\$ 1,697,360	\$ 1,187,916	\$ 2,419,677	\$ 1,616,511	\$ 1,912,161
Construction bonds held	189,429	178,065	176,206	173,044	170,271
Due to other funds	-	-	388,645	388,645	388,645
Deferred revenues	54,489	49,409	42,322	36,179	29,491
Total liabilities	1,941,278	1,415,390	3,026,850	2,214,379	2,500,568
Fund equity and other credits:					
Fund Balances:					
Reserved by statute	270,248	246,934	244,405	217,799	396,718
Reserved for notes receivable	1,616,708	1,621,140	1,621,109	1,626,532	1,618,215
Unreserved - undesignated	3,808,321	3,775,702	2,890,908	2,911,989	2,892,242
Total fund equity and other credits	5,695,277	5,643,776	4,756,422	4,756,320	4,907,175
Total Liabilities, Equity, and other credits	\$ 7,636,555	\$ 7,059,166	\$ 7,783,272	\$ 6,970,699	\$ 7,407,743

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2012

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, 2008 through June 30, 2012. The summary has not been audited

	Fiscal Year Ended June 30				
	2008	2009	2010	2011	2012
REVENUES:					
Taxes and special assessments	\$ 29,348,208	\$ 27,037,298	\$ 26,166,847	\$ 26,964,263	\$ 28,381,246
Licenses and permits	2,270,555	1,622,432	1,393,101	1,423,821	1,755,314
Intergovernmental	2,931,939	2,718,261	3,059,885	3,170,062	3,359,693
Charges for services	8,235,888	7,761,910	8,472,802	8,808,926	9,283,576
Fines and forfeitures	850,868	856,218	1,034,449	1,081,108	995,256
Miscellaneous	139,055	65,690	129,308	82,590	57,315
Interest income	928,850	425,197	208,978	164,324	126,859
Rents and concessions	29,946	25,474	24,871	30,213	39,857
Proceeds from sale of property	-	-	-	-	-
Total revenues	44,735,309	40,512,480	40,490,241	41,725,307	43,999,116
EXPENDITURES:					
General government	6,419,183	5,991,205	5,752,407	5,601,325	5,471,034
Public safety	15,283,141	14,042,927	13,647,208	14,707,869	16,623,981
Highways and public improvements	8,289,325	7,344,458	6,852,007	6,687,773	7,336,466
Parks, recreation and public prop.	9,884,604	8,738,528	8,407,835	8,888,809	10,237,209
Community and economic development	2,135,149	1,661,199	1,425,660	1,110,749	1,875,605
Capital projects	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital leases	49,729	50,102	125,180	55,993	52,768
Total expenditures	42,061,131	37,828,419	36,210,297	37,052,518	41,597,063
Excess (deficiency of Revenues over Expenditures)	2,674,178	2,684,061	4,279,944	4,672,789	2,402,053
OTHER FINANCING SOURCES (USES):					
Proceeds of bond sales/capital leases	-	-	-	-	-
Contributions from other entities	71,503	137,703	96,329	139,335	93,701
Operating transfers out	(3,336,000)	(3,287,000)	(4,620,073)	(4,667,000)	(2,967,000)
Operating transfers in	531,753	286,087	240,430	708,823	469,906
Proceeds from sale of fixed assets	116,828	28,294	3,470	33,408	52,839
Total other financing sources (uses)	(2,615,916)	(2,834,916)	(4,279,844)	(3,785,434)	(2,350,554)
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	58,262	(150,855)	100	887,355	51,499
Residual equity transfer to PFC Spec Rev Fund	-	-	-	-	-
Unappropriated Fund Balances at the beginning of the year	4,848,915	4,907,176	4,756,321	4,756,421	5,643,776 **
Fund Balances at the end of year	\$ 4,907,177	\$ 4,756,321	\$ 4,756,421	\$ 5,643,776	\$ 5,695,275

** (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	2011		2010		2009		2008		2007		2006	
	Taxable Value	% of T.V.										
Residential Real Estate - primary use	\$ 649,837,685	12.62%	\$ 735,200,585	13.86%	\$ 974,395,000	16.21%	\$ 1,174,033,245	16.02%	\$ 1,184,609,696	17.52%	\$ 815,711,565	14.83%
Residential Real Estate - Not primary use	696,161,185	13.51%	748,823,220	14.12%	961,345,275	15.99%	1,202,990,960	16.42%	1,148,362,981	16.98%	759,257,740	13.80%
Commercial and Industrial Real Estate	650,218,530	12.62%	667,116,880	12.58%	672,900,265	11.19%	639,417,870	8.73%	589,163,932	8.71%	542,992,735	9.87%
Agricultural Real Estate - Improved - Not F.A.A.	30,721,225	0.60%	33,203,970	0.63%	31,983,445	0.53%	43,928,820	0.60%	50,770,036	0.75%	42,272,440	0.77%
Real Estate - Under FAA-Agricultural	1,864,400	0.04%	1,834,700	0.03%	2,038,570	0.03%	2,113,915	0.03%	2,369,365	0.04%	1,859,735	0.03%
Unimproved Real Estate - Not F.A.A.	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total Real Estate	2,028,803,025	39.38%	2,186,179,335	41.21%	2,642,662,555	43.96%	3,062,484,810	41.80%	2,975,276,010	44.00%	2,162,094,215	39.30%
Residential Buildings - Primary use	1,599,314,270	31.05%	1,667,707,345	31.44%	1,853,174,015	30.83%	2,244,944,655	30.64%	2,213,250,891	32.73%	2,005,165,010	36.45%
Residential Buildings - Not primary use	723,334,215	14.04%	646,007,400	12.18%	630,678,410	10.49%	812,729,370	11.09%	587,257,794	8.69%	497,017,970	9.03%
Commercial and Industrial Buildings	675,867,485	13.12%	680,038,095	12.82%	759,143,395	12.63%	969,031,890	13.23%	853,832,236	12.63%	745,120,255	13.54%
Agricultural Buildings	2,215,700	0.04%	2,118,080	0.04%	2,332,680	0.04%	2,121,550	0.03%	1,856,423	0.03%	2,430,925	0.04%
Total Buildings	3,000,731,670	58.25%	2,995,870,920	56.48%	3,245,328,500	53.99%	4,028,827,465	54.99%	3,656,197,344	54.07%	3,249,734,160	59.07%
Total Real Property	5,029,534,695	97.64%	5,182,050,255	97.69%	5,887,991,055	97.95%	7,091,312,275	96.79%	6,631,473,354	98.07%	5,411,828,375	98.37%
Fee in Lieu Property	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Fee based property	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Mobile Homes - Primary residential use	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Mobile Homes - other use	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
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%	-	0.00%	-	0.00%
Total Personal Property	-	0.00%										
Total Locally Assessed	5,029,534,695	97.64%	5,182,050,255	97.69%	5,887,991,055	97.95%	7,091,312,275	96.79%	6,631,473,354	98.07%	5,411,828,375	98.37%
Total Centrally Assessed	121,753,283	2.36%	122,477,787	2.31%	123,394,584	2.05%	234,970,051	3.21%	130,171,738	1.93%	89,785,275	1.63%
Total Taxable Value	\$ 5,151,287,978	100.00%	\$ 5,304,528,042	100.00%	\$ 6,011,385,639	100.00%	\$ 7,326,282,326	100.00%	\$ 6,761,645,092	100.00%	\$ 5,501,613,650	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
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	11,613,565	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
2011	13,235,565	3,011,356	12,438	16,259,359	10,108,957	6,150,402	932,218	-	-	1,280,775	2,307,492	4,520,485	1.36
2012	14,278,685	2,118,518	9,376	16,406,579	11,985,732	4,420,847	857,900	-	-	1,259,175	1,760,925	3,878,000	1.14

(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

	2012	2011	2010	2009	2008	2007	2006
ASSETS							
-							
Current Assets:							
Cash	\$ (1,556,925)	\$ (539,510)	\$ 842,799	\$ 945,796	\$ 1,240,894	\$ 2,294,281	\$ 3,226,718
Restricted Cash	2,477,884	3,228,193	3,213,913	3,325,629	3,292,054	3,228,028	4,856,639
Accts. Receivable	281,551	81,965	205,880	220,971	605,381	210,587	250,829
Inventory	597,605	587,902	525,895	578,079	565,193	564,252	465,903
Bond Discounts	570,127	645,535	544,309	602,090	659,870	717,651	775,432
Prepaid Expenses	1,024	1,160	1,115	-	-	-	-
Total Current Assets	2,371,266	4,005,245	5,333,911	5,672,565	6,363,392	7,014,799	9,575,521
Property, Plant & Equipment							
Improvements	136,800,086	134,032,864	130,907,373	128,148,411	125,122,446	122,179,850	116,995,177
Less Accum. Depr.	(38,148,872)	(35,314,692)	(32,338,002)	(29,388,823)	(26,462,417)	(23,579,090)	(20,959,586)
Net prop. plant & equip.	98,651,214	98,718,172	98,569,371	98,759,588	98,660,029	98,600,760	96,035,591
TOTAL ASSETS	\$ 101,022,480	\$ 102,723,417	\$ 103,903,282	\$104,432,153	\$105,023,421	\$105,615,559	\$ 105,611,112
LIABILITIES & FUND EQUITY							
-							
Current Liabilities:							
Accrued Liabilities	\$ 1,667,591	\$ 2,027,052	\$ 1,947,501	\$ 2,014,549	\$ 1,941,395	\$ 1,858,206	\$ 1,781,911
Due to other funds	-	-	-	-	-	-	-
Total Current Liabilities	1,667,591	2,027,052	1,947,501	2,014,549	1,941,395	1,858,206	1,781,911
Long-Term Liabilities:							
Bonds Payable	19,387,513	39,507,513	42,172,513	44,782,513	47,168,713	49,578,713	51,458,713
Bond premiums	1,561,501	2,060,766	2,192,485	2,400,743	2,609,001	2,817,259	3,025,517
Capital leases	-	-	-	-	-	-	-
Deferred gain on bond redemption	-	-	-	-	-	-	-
Total long-term liabilities	20,949,014	41,568,279	44,364,998	47,183,256	49,777,714	52,395,972	54,484,230
TOTAL LIABILITIES	22,616,605	43,595,331	46,312,499	49,197,805	51,719,109	54,254,178	56,266,141
FUND EQUITY							
-							
Contributed Capital:							
Subdivisions	278,131	278,131	278,131	278,131	278,131	278,131	278,131
Government Agencies	19,130,652	1,615,652	1,615,652	1,615,652	1,615,652	1,615,652	1,615,652
Total Contributions	19,408,783	1,893,783	1,893,783	1,893,783	1,893,783	1,893,783	1,893,783
Retained Earnings:							
Reserved for bond retirement	2,477,884	3,228,193	3,213,913	3,325,629	3,292,054	3,228,028	4,856,639
Unreserved	56,519,208	54,006,110	52,483,087	50,014,936	48,118,475	46,239,570	42,594,549
Total retained earnings	58,997,092	57,234,303	55,697,000	53,340,565	51,410,529	49,467,598	47,451,188
TOTAL FUND EQUITY	78,405,875	59,128,086	57,590,783	55,234,348	53,304,312	51,361,381	49,344,971
TOTAL LIABILITIES & EQUITY	\$ 101,022,480	\$ 102,723,417	\$ 103,903,282	\$104,432,153	\$105,023,421	\$105,615,559	\$ 105,611,112

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

	2012	2011	2010	2009	2008	2007	2006
Operating Revenues:							
Charges for services	\$ 14,278,685	\$ 13,235,565	\$ 14,073,096	\$ 14,076,339	\$ 14,377,769	\$ 12,823,814	\$ 11,613,585
Impact fees & Other	793,830	589,265	698,906	669,037	1,128,330	2,343,208	4,069,040
Total operating revenues	15,072,515	13,824,830	14,772,002	14,745,376	15,506,099	15,167,022	15,682,625
Operating Expenses:							
Water purchased	5,739,150	4,530,742	4,446,403	4,393,712	4,216,527	4,033,190	1,122,563
Salary and Wages	2,392,746	2,133,783	2,181,140	2,324,846	2,384,161	2,130,251	2,204,221
Service vehicle expense	210,813	185,811	150,495	168,442	201,065	149,139	136,520
Equipment rental	35,191	38,717	34,045	33,610	28,651	18,213	21,205
Depreciation	2,834,180	2,976,691	2,949,178	2,926,406	2,883,327	2,619,504	2,367,220
Bad debts	-	-	-	69,791	64,946	61,908	57,475
Payroll tax & benefits	996,896	911,802	939,302	1,007,254	1,053,418	942,704	886,429
Office supplies	339,037	250,818	165,832	180,868	387,679	2,096,072	2,963,452
Professional services	268,883	193,648	250,012	170,836	174,209	158,441	99,239
R & M - equipment	882,999	788,861	548,533	811,191	1,305,974	248,267	325,784
Insurance & surety bonds	81,059	66,653	57,284	78,243	84,251	81,961	93,822
Travel	29,238	17,318	12,435	34,810	38,947	34,600	65,468
Miscellaneous	63	598	366	1,304	816	1,222	2,067
Subscriptions	34,657	15,207	33,005	14,205	15,135	2,361	2,214
Billing & administration	975,000	975,000	975,000	875,000	890,000	711,530	671,000
Total operating expenses	14,819,912	13,085,649	12,743,030	13,090,518	13,729,106	13,289,363	11,018,679
Operating income	252,603	739,181	2,028,972	1,654,858	1,776,993	1,877,659	4,663,946
Non-operating Rev. (Exp.):							
Interest income	9,376	12,438	20,469	66,297	186,706	275,516	433,269
Rent	1,324,688	2,422,091	2,094,739	2,091,284	1,934,818	1,934,818	322,470
Miscellaneous	34,326	20,767	3,360	76,937	71,579	22,063	156,845
Gain on bond refunding	414,872	-	-	-	-	-	-
Interest charges	(1,273,076)	(1,692,704)	(1,820,070)	(1,935,346)	(2,027,164)	(2,093,642)	(2,142,352)
Total Non-operating	510,186	762,592	298,498	299,172	165,939	138,755	(1,229,768)
Net Income (loss)	762,789	1,501,773	2,327,470	1,954,030	1,942,932	2,016,414	3,434,178
Transfers (to) from other funds	1,000,000	35,528	28,963	(23,994)	-	-	-
Retaining earnings at July 1	57,234,300	55,696,999	53,340,566	51,410,530	49,467,598	47,451,184	44,017,006
Retained earnings at June 30	\$ 58,997,089	\$ 57,234,300	\$ 55,696,999	\$ 53,340,566	\$ 51,410,530	\$ 49,467,598	\$ 47,451,184

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</u> <u>Ended June 30</u>	<u>Innkeepers Tax</u> <u>Revenue</u>
2003	\$258,106
2004	281,880
2005	309,938
2006	380,119
2007	407,141
2008	402,262
2009	352,890
2010	381,032
2011	409,090
2012	443,140

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

<u>Fiscal Year</u> <u>June 30</u>	<u>Sales Tax</u> <u>Revenues</u>	<u>Percent Increase</u> <u>from prior year</u>
2007	\$15,666,907	6.38%
2008	15,195,456	(3.01%)
2009	12,875,517	(15.27%)
2010	11,931,941	(7.33%)
2011	12,177,820	2.06%
2012	13,275,622	9.01%

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, 2012**

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		\$ 78.62
Commercial Service				
Small General Service	8.48			
0-500 kWh (per kWh)		0.1172		214.57
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			3,628.16
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	\$ 0.0801	\$ 84.67	\$ 67.70
Small Commercial (includes demand)	0.0960	231.99	191.31
Large Commercial (includes demand)	0.0735	3,932.15	3,209.62

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - 2005 ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2012

TABLE III - Summary of Kilowatt Hours and Production Costs

<u>Year</u>	<u>kWh</u>	<u>Cost per kWh</u>
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
2011	767,286,024	0.06952
2012	833,069,170	0.06864

TABLE IV - Ten Largest Customers of the System

<u>Name</u>	<u>Type of Business</u>	<u>kWh</u>	<u>% of City's Total kWh</u>
Dixie State College	College	14,241,780	2.3321%
Tonaquint Data Center Inc.	Data center	11,229,000	1.8388%
IHC Dixie Regional Medical Center (300 E Campus)	Hospital	7,865,400	1.2880%
Quality Park Products	Manufacturing	6,866,400	1.1244%
Costco Wholesale	Large box store	5,517,440	0.9035%
Dixie Medical Center (River Rd Campus)	Hospital	5,378,400	0.8807%
Washington Co Water Conservancy District	Water agency	4,326,080	0.7084%
Dixie Medical Center (River Rd Campus)	Hospital	3,772,800	0.6178%
Harmon's City Inc	Grocery store	3,770,040	0.6174%
Dixie Medical Center (River Rd Campus)	Hospital	3,349,440	0.5485%
Dixie Medical Center (River Rd Campus)	Hospital	2,895,000	0.4741%
Lowes Home Improvement	Large box store	2,639,200	0.4322%
Albertson's Inc #329	Grocery store	2,313,000	0.3788%
LDS St George Temple	Religious	2,152,800	0.3525%
		<u>76,316,780</u>	<u>12.4971%</u>

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - 2005 ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2012

TABLE V Historical and Projected Operating Results

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Sources of Funds:											
Service Charges/User Fees	\$48,831,532	\$51,029,054	\$51,811,239	\$53,016,623	\$52,793,025	\$54,450,360	\$56,680,773	\$59,992,368	\$62,039,600	\$64,158,376	\$66,101,465
Impact fees	3,856,965	3,061,865	2,290,707	843,653	1,316,694	1,211,410	750,000	1,000,000	1,000,000	1,000,000	1,000,000
Total sources of funds	52,688,497	54,090,919	54,101,946	53,859,276	54,108,719	55,661,770	57,430,773	60,992,368	63,039,600	65,158,376	67,101,465
Uses of Funds:											
Electricity purchased	36,099,643	35,466,629	37,868,364	39,785,534	38,833,578	37,491,445	38,935,181	38,626,615	39,244,603	41,162,637	42,876,580
Natural gas purchased	2,842,112	2,249,351	3,498,003	4,074,512	3,499,843	5,126,432	3,728,256	4,000,000	4,500,000	4,500,000	5,000,000
Operating costs	8,659,222	10,335,589	8,555,109	7,831,263	7,960,352	8,294,744	8,405,956	9,219,771	9,588,562	9,972,104	10,370,980
Total O & M Expenses	47,600,977	48,051,569	49,921,476	51,691,309	50,293,773	50,912,621	51,069,393	51,846,386	53,333,165	55,634,741	58,247,560
Net Operating Revenues	5,087,520	6,039,350	4,180,470	2,167,967	3,814,946	4,749,149	6,361,380	9,145,982	9,706,435	9,523,635	8,853,905
Non-operating Revenues (Expenses)											
Interest income	689,072	565,997	906,871	143,515	22,604	17,933	100,000	250,000	250,000	250,000	250,000
Other income	245,233	583,922	191,987	873,196	308,040	259,919	749,435	450,000	450,000	450,000	450,000
Total Non-operating	934,305	1,149,919	1,098,858	1,016,711	330,644	277,852	849,435	700,000	700,000	700,000	700,000
Net Revenues for DS payments	6,021,825	7,189,269	5,279,328	3,184,678	4,145,590	5,027,001	7,210,815	9,845,982	10,406,435	10,223,635	9,553,905
Outstanding Bonds:											
Series 2005 Bonds	1,303,301	1,302,244	1,337,629	1,336,054	1,670,000	1,645,000	1,333,466	1,337,041	1,338,781	1,338,031	1,334,900
Series 2008 Bonds	-	-	2,354,199	2,448,625	3,044,949	2,983,877	3,351,625	3,337,625	3,345,125	3,350,500	3,353,750
Total debt service payments	1,303,301	1,302,244	3,691,828	3,783,679	4,614,949	4,628,877	4,685,091	4,674,666	4,683,906	4,688,531	4,688,650
Projected Debt Service Coverage	4.62	5.52	1.43	0.84	0.90	1.09	1.54	2.11	2.22	2.18	2.04

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - 2005 ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2012

TABLE VI Statement of Net Assets

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
ASSETS					
Current assets:					
Cash	\$ 1,356,079	\$ 6,220,551	\$ 7,984,450	\$ 7,439,768	\$ 4,705,962
Restricted cash	-	-	-	24,354,936	5,351,469
Accts. receivable (net of allowance for uncollectibles)	11,120,725	9,768,023	11,080,290	9,624,040	9,765,916
Inventory	1,784,537	1,840,282	1,982,398	1,877,049	1,866,622
Bond discounts & insurance	1,480,036	1,545,906	1,611,782	1,677,658	304,364
Prepaid expenses	1,023	1,160	1,115	2,144	-
Total current assets	15,742,400	19,375,922	22,660,035	44,975,595	21,994,333
Capital assets net of accumulated depreciation	93,446,020	98,743,093	100,208,668	84,261,261	55,436,370
TOTAL ASSETS	109,188,420	118,119,015	122,868,703	129,236,856	77,430,703
LIABILITIES					
Current liabilities:					
Accrued liabilities	4,387,896	7,410,426	5,407,943	9,548,663	7,815,464
Deposits payable	1,414,371	1,312,898	1,296,114	1,345,694	1,472,154
Total current liabilities	5,802,267	8,723,324	6,704,057	10,894,357	9,287,618
Long-term liabilities:					
Bonds payable - long term	60,965,000	62,610,000	64,180,000	64,845,000	15,490,000
Bond premiums	597,800	635,931	674,062	712,193	514,717
Total long-term liabilities	61,562,800	63,245,931	64,854,062	65,557,193	16,004,717
Total liabilities	67,365,067	71,969,255	71,558,119	76,451,550	25,292,335
NET ASSETS					
Invested in capital assets, net of related debt	33,363,255	37,043,067	36,966,387	20,381,725	39,736,018
Restricted	-	-	-	24,354,936	5,351,469
Unrestricted	8,460,098	9,106,690	14,344,197	8,048,643	7,050,882
Total net assets	\$ 41,823,353	\$ 46,149,757	\$ 51,310,584	\$ 52,785,304	\$ 52,138,369

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - 2005 ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2012

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
OPERATING REVENUES:					
Charges for services	\$ 54,450,360	\$ 51,663,285	\$ 52,140,945	\$ 51,584,369	\$ 51,269,595
Other operating revenues	1,211,410	2,445,434	1,718,331	2,290,707	3,061,865
Total operating revenues	55,661,770	54,108,719	53,859,276	53,875,076	54,331,460
OPERATING EXPENSES:					
Electricity purchased	37,491,445	38,833,578	39,785,534	37,868,364	33,217,278
Natural gas purchased	5,126,432	3,499,843	4,074,512	3,498,003	2,249,351
Salary and wages	3,449,695	3,207,560	3,349,379	3,353,755	3,336,321
Supplies	776,745	888,178	515,160	799,088	1,448,882
Service vehicle expense	173,538	141,120	152,988	144,937	173,493
Equipment rental	-	-	-	-	362
Depreciation	6,369,528	6,261,468	4,030,025	3,979,778	3,209,916
Payroll tax & employee benefits	1,270,853	1,213,615	1,246,966	1,252,170	1,291,785
Office & dept. supplies	63,095	82,995	69,547	72,384	106,281
Professional services	312,825	350,185	264,740	558,004	498,768
R. & M. - equipment	526,818	393,528	586,685	525,412	589,268
R. & M. - buildings and grounds	18,542	18,089	24,112	20,255	21,311
Insurance & surety bonds	160,603	141,315	101,186	122,585	118,084
Travel	50,303	44,520	40,163	53,715	71,528
Miscellaneous	2,606	1,469	2,689	9,312	1,759
Interest expense	25,127	24,235	23,716	55,560	65,911
Subscriptions & memberships	63,995	53,544	53,933	61,061	60,730
Billing & administration	1,400,000	1,400,000	1,400,000	1,300,000	1,350,000
Total operating expenses	57,282,150	56,555,242	55,721,335	53,674,383	47,811,028
Operating income (loss)	(1,620,380)	(2,446,523)	(1,862,059)	200,693	6,520,432
NON-OPERATING REVENUES (EXPENSES)					
Interest income	17,933	22,604	143,515	906,871	565,997
Federal grants	-	144,464	557,036	-	-
Miscellaneous income	259,919	163,576	316,160	191,987	583,922
Loss on bond refinancing	-	-	-	-	-
Interest charges	(2,983,877)	(3,044,949)	(629,373)	(652,616)	(682,244)
Total non-operating revenue (expense)	(2,706,025)	(2,714,305)	387,338	446,242	467,675
Income before transfers	(4,326,405)	(5,160,828)	(1,474,721)	646,935	6,988,107
Contributions	-	-	-	-	-
Transfers to/from other funds	-	-	-	-	-
Change in Net Assets	(4,326,405)	(5,160,828)	(1,474,721)	646,935	6,988,107
Total net assets - beginning	46,149,756	51,310,584	52,785,304	52,138,369	45,631,344
Total net assets - ending	\$ 41,823,351	\$ 46,149,756	\$ 51,310,583	\$ 52,785,304	\$ 52,619,451

Management's Discussion of Operations

ENERGY RESOURCES

The City saw approximately a 3% increase in energy sales and a 4% change in peak demand throughout the year (2012 budget year peak 176Mw). The City's Energy portfolio did not change during the fiscal year. The portfolio mix continues to be diverse (coal, hydro, natural gas, diesel and solar) to avoid volatility of any given source. However, the small increase in energy sales still left the City with a significant amount of surplus energy. In addition, one of the City's energy contract sources (DGT-IPP) experienced a major failure during the year, which required the City to still pay for the capacity and buy the replacement energy from the market. 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 – Contract	
• Bonanza 1 – Coal – Expires 2019	50 MW
• Contract Sales (other shafts) – Expires 2024	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	40 MW
Long Term Purchase Contacts	
• Jordanelle Hydro (Heber sale) – 50 Year Contract	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	700 KW

NATURAL GAS

- BP Long term gas hedge 20-60% of requirements into 2021.
- Kern River Pipeline Firm Capacity-3500dthm/day

FORECAST

The City has utilized forecasted and actual data developed by the Energy Services Department (ESD) to determine the energy needs throughout the budget year. 10 years of actual annual energy requirements data is used to assist in forecasting the next budget year energy requirements from a growth view point. Even though the budget years data showed decreases in energy requirements or no growth, the ESD still projected the energy requirements for the 2012 budget year to increase at a small percentage (Approx. 3% to 4%) as exhibited historically over the past 10 years.

Once the energy requirement growth percentages are determined, all of the energy resource portfolio data along with other parameters (weather, market conditions and power plant availability) are entered into a complex Monte Carlo Risk Computer Model. The model runs through several iterations and produces a distribution of results, with the “Most Likely Scenario” falling somewhere in the middle of the worst and best result. The ESD then uses the “Most Likely Scenario” energy requirement result to forecast revenues and energy costs for the budget year.

The energy requirement costs and sales revenues from the model are then combined with all other operating expenses of the system (projected to increase 4% per annual for the next five fiscal years) and debt requirements to produce the projected operating results as shown on Table V. The forecasted 2013 budget year includes an 8% rate adjustment, and is reflected in future years out to 2017.

While prior to 2002 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 the City’s Millcreek Gas Generation Facility 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 the forecasted energy requirement 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. The City also during the 2012 budget year acquired firm transmission capacity on the Kern River Pipeline to reduce transmission 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 can 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, 2012, approximately 52.33% of the System's electric sales revenues and 52.02% 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 (176 MW) increased this fiscal year due to a small amount of growth in customers. Even though the past few years have resulted in a decrease in energy sales and level peak demand, an analysis of the past 10-years of actual peak and energy data indicate the peak will grow at an average of 3% and energy sales will continue to grow at an average of 3 to 4%.

FINANCIAL

The City represents that the ESD has operated with positive cash flows in fiscal years 2002 through 2009. For fiscal years 2010, 2011 and 2012 the ESD realized net losses in operations. These losses primarily can be attributed to the economy and low wholesale market values. The ESD had projected more energy sales and higher market values for wholesale surplus sales than was realized. The ESD has maintained a small surplus as a hedge to the market and potential growth. The weather was mild throughout the past three years as well and this resulted in the City having more surplus than forecasted, being sold for a loss.

Fiscal year 2012 also resulted in having an overall operating loss, even though the ESD adjusted the forecast to include a slight increase in energy sales. The operating loss can be attributed to actual energy sales being less than forecast, which left the City with a significant amount of pre-purchased surplus energy. In addition, one of the City's main base load power supply contracts (DGT) source had a major failure. The source was down for eight months. The City still was required to pay for the capacity even though the energy was not available. The City also had to replace the needed energy from the market. The City was forced to sell most of the energy surplus at a loss. The City also had to absorb some added transmission and ancillary costs that were not anticipated or forecasted. This added to the overall loss as well.

The City's ESD total net assets also decreased due to the reduction in cash reserves, which were used to offset the operating loss and to pay debt service.

The City expects to produce positive margins in the ESD for the forecasted future years. An 8% rate increase was approved by City Council for the 2013 budget year and has been included in the future forecast to assure positive cash flows. The City will continue to adhere to a strict risk policy in the management and procurement of energy resources to avoid market volatility.

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