

CITY OF ST. GEORGE, UT
COMPREHENSIVE ANNUAL FINANCIAL
REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015



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Prepared by Tiffany M. LaJoice, CPA
Finance Manager

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TABLE OF CONTENTS

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	5
City Officials.....	11
Organizational Chart.....	12

FINANCIAL SECTION

Independent Auditor’s Report.....	13
Management’s Discussion and Analysis	17
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	34
Statement of Activities.....	35
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	36
Statement of Revenues, Expenditures, and Changes in	
Fund Balances - Governmental Funds	37
Reconciliation of the Statement of Revenues, Expenditures, and	
Changes in Fund Balances of Governmental Funds to the	
Statement of Activities.....	38
Statement of Revenues, Expenditures, and Changes in Fund	
Balances - Budget and Actual - General Fund.....	39
Statement of Net Position - Proprietary Funds	41
Statement of Revenues, Expenses, and Changes in	
Fund Net Position - Proprietary Funds	42
Statement of Cash Flows - Proprietary Funds	43
Statement of Net Position - Fiduciary Funds.....	44
Statement of Changes in Net Position - Fiduciary Funds	45
Notes to Financial Statements.....	46
Required Supplementary Information	
Schedule of Proportionate Share of the Net Pension Liability	83
Schedule of Contributions.....	84
Notes to Required Supplementary Information	85
Supplemental Information	
Combining Balance Sheet – Non-major Governmental Funds	87
Combining Statement of Revenues, Expenditures, and Changes	
in Fund Balances – Non-major Governmental Funds.....	91
Schedules of Revenues, Expenditures, and Changes in Fund Balances	
Budget and Actual:	

Dixie Center Operations - Special Revenue Fund -.....	95
Airport PFC Fees - Special Revenue Fund -.....	96
Economic Development - Special Revenue Fund -	97
Transportation Improvement - Special Revenue Fund -.....	98
CDBG Grant Fund - Special Revenue Fund.....	99
Museum Permanent Acquisitions - Special Revenue Fund.....	100
RAP Tax - Special Revenue Fund	101
Johnson Dino Track Preservation - Special Revenue Fund.....	102
Housing Program - Special Revenue Fund.....	103
Community Resource Center - Special Revenue Fund.....	104
Ft. Pierce CDA Fund - Special Revenue Fund	105
Ft. Pierce CDA #2 Fund - Special Revenue Fund	106
Ft. Pierce EDA Fund - Special Revenue Fund	107
Economic Dev Agency #1 - Special Revenue Fund.....	108
Dixie Center EDA - Special Revenue Fund	109
SunTran Public Transit - Special Revenue Fund.....	110
Special Assessments - Debt Service Fund.....	111
Recreation G.O. Bonds - Debt Service Fund.....	112
Replacement Airport - Debt Service Fund.....	113
Downtown Redevelopment - Capital Projects Fund.....	114
Park Impact - Capital Projects Fund	115
Streets Impact - Capital Projects Fund.....	116
Capital Equipment - Capital Projects Fund	117
Drainage Impact - Capital Projects Fund.....	118
Fire Impact - Capital Projects Fund.....	119
Police Impact - Capital Projects Fund	120
Street Bond - Capital Projects Fund.....	121
2010 Flood Restoration - Capital Projects Fund.....	122
2012 Flood Restoration - Capital Projects Fund.....	123
Combining Statement of Net Position – Non-major Proprietary Funds	124
Combining Statement of Revenues, Expenses, and Changes in Fund	
Net Position – Non-major Proprietary Funds.....	125
Combining Statement of Cash Flows - Nonmajor Proprietary Funds	126
Capital Assets Used in the Operation of Governmental Funds:	
Schedule by Source.....	127
Schedule by Function and Activity.....	128
Schedule of Changes by Function and Activity.....	129

STATISTICAL SECTION:

Electric Fund - Statistical Analysis.....	131
Water Fund - Statistical Analysis	132
Net Position by Component - Last Ten Fiscal Years.....	133
Changes in Net Position - Last Ten Fiscal Years	134
Governmental Activities Tax Revenue by Source- Last Ten Fiscal Years	136
Fund Balances of Governmental Funds - Last Ten Fiscal Years.....	137

Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years....	138
Sales Tax Payers by Sector - FY 2014 and FY 2005.....	139
Principal Taxable Properties - FY 2015 and FY 2006.....	140
Assessed Value and Est. Actual Value of Property - Last Ten Fiscal Years....	141
Property Tax Rates Direct & Overlapping Governments - Last Ten Fiscal Years	142
Property Tax Levies and Collections - Last Ten Fiscal Years.....	143
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	144
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	145
Direct and Overlapping Governmental Activities Debt.....	146
Legal Debt Margin Information - Last Ten Fiscal Years	147
Revenue Bond Pledged Revenue Coverage - Last Ten Fiscal Years	148
Demographic and Economic Statistics - Last Ten Fiscal Years	149
Principal Employers - FY 2015 and FY 2006	150
Full-Time Government Employees by Function - Last Ten Fiscal Years	151

SINGLE AUDIT SECTION:

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	153
Schedule of Expenditures of Federal Awards.....	155
Notes to the Schedule of Expenditures of Federal Awards	156
Schedule of Expenditures of Passenger Facility Charges.....	157
Schedule of Findings & Questioned Costs	158
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133 and the <i>Passenger Facility Charge Audit Guide for Public Agencies</i>	160
Independent Auditor's Report on Compliance and on Internal Controls over Compliance in Accordance with the <i>State of Utah Legal Compliance Audit Guide</i>	162
Schedule of Expenditures of State Awards.....	166
Schedule of Findings and Recommendations.....	167
Response to Findings and Recommendations.....	169
Summary Schedule of Prior Audit Findings.....	170

CONTINUING DISCLOSURE SECTION:

Franchise Tax Revenue Bonds - Series 2014	171
General Obligation Parks & Rec Bonds - Series 2010 & 2014	176
Sewer Revenue Bonds - Series 2004	178
Water Utility Revenue Bonds	186
Washington County/St. George Interlocal Agency - Series 1997A	189
Electric Utility Revenue Bonds	190

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INTRODUCTORY SECTION



December 8, 2015

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, 2015, 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 Position that provides the total net position 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, 2015, 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 HintonBurdick, 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, 2015, 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, 2015, 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 676 residential units. It represents an increase of 17.3% which compares with a decrease of 12.7% for the fiscal year ended June 30, 2014. The total valuation of building permits increased by 6.4% for the fiscal year in comparison with a decrease of 29.5% in the fiscal year ended June 30, 2014. The building and

construction portion of our economy is continuing to make a rebound from the down times of the recessionary years and we are cautiously optimistic about maintaining positive growth.

The City of St. George 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”.

“The past fiscal year saw continued growth in the local economy. The following are some of the highlights from 2014-2015: (1) construction started on the All Abilities Park scheduled for completion late summer or early fall; (2) Parks division planted over 500 trees again this year, awarded Trees USA designation again; (3) Seegmiller Farm completed and opened in March; (4) Silkwood and Royal Oaks Parks completed; (5) additional Pickleball Courts were added at Bloomington Park and design is underway for 12 more courts at Little Valley complex; (6) Parks Planning division played an integral part in design and construction management of the Red Hills Community Garden in partnership with the Washington County Water Conservancy District; (7) the Cremation Garden at Tonaquint Cemetery is under construction; (8) opened up a new section at Tonaquint Cemetery; (9) Leisure Services was recognized as a national finalist for Excellency in Parks and Recreation by the National Recreation and Parks Association; (10) finished the Commons Building east of the City Offices where Police, Information Technology division, and Leisure Services/Recreation Administration are now located; (11) construction/renovation of the Electric Theater started and will be completed by June 30, 2015; (12) the largest marathon ever held with 7,694 people registered and 5,826 finishing; (13) the City was successful in securing another 3-year contract for the National Junior College softball championship; (14) held the largest High School softball tournament with 92 teams, the most in the past 10 years; (15) the Fire Department was successful in obtaining a grant from the Firehouse Subs Public Safety Foundation for a UTV for off-highway rescue with a medical rescue slide and a stokes basket; (16) completed Mall Drive bridge along with connecting roadways; (17) traffic signals designed and out to bid for Mall Drive/3000 East, River Road/St. James Lane, and River Road/Brigham Road; (18) completed improvements on Little Valley and Horseman’s Park’s roads; (19) started construction improvements on Indian Hills Drive; (20) worked with the State UDOT in completing Bluff Street/Red Hills Parkway project; (21) completed our fourth year of operation at the St. George Municipal Replacement Airport; (22) second daily flight to Denver implemented with 80% of seats filled; (23) Fleet Division again certified as an A.S.E. Blue Seal shop – only 10% of fleets in the Country hold this certification; (24) the City operates the fourth largest City/County fleet operation in the State; (25) Support Services maintains 67 buildings with over 706,000 square feet; (26) opened Switchpoint which is recognized as a national leader in providing housing and services for the homeless in the community; (27) SunTran provided over 450,000 passenger trips this year; (28) implemented a new route to Ivins and Bloomington for our transit system.” (City Manager’s fiscal year 2016 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. States Insurance Company administers the liability policy above our self-insured retention. Property is covered by a blanket all risk policy with limits of up to \$331,552,274. Traveler’s Insurance administers the property insurance policies above the \$25,000 that the City provides as self-insurance.

The City has established an “Incident Report Form” to facilitate the timely reporting of employee, third party, or property related incidents that could result in financial expenditures.

PENSION BENEFITS PROVIDED

During the fiscal year ended June 30, 2015, 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,

HintonBurdick, PLLC. Our thanks also to the Administrative Services Director, City Treasurer, 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,

Handwritten signature of Gary S. Esplin in black ink.

Gary S. Esplin
City Manager

Handwritten signature of Tiffany M LaJoice in black ink.

Tiffany M LaJoice, CPA
Finance Manager

*City of
St. George*
City Officials



*Mayor
Jonathan T. Pike*



Councilmember Gil Almquist



Councilmember Jimmie Hughes



Councilmember Michele Randall



Councilmember Joe Bowcutt



Councilmember Bette O. Arial

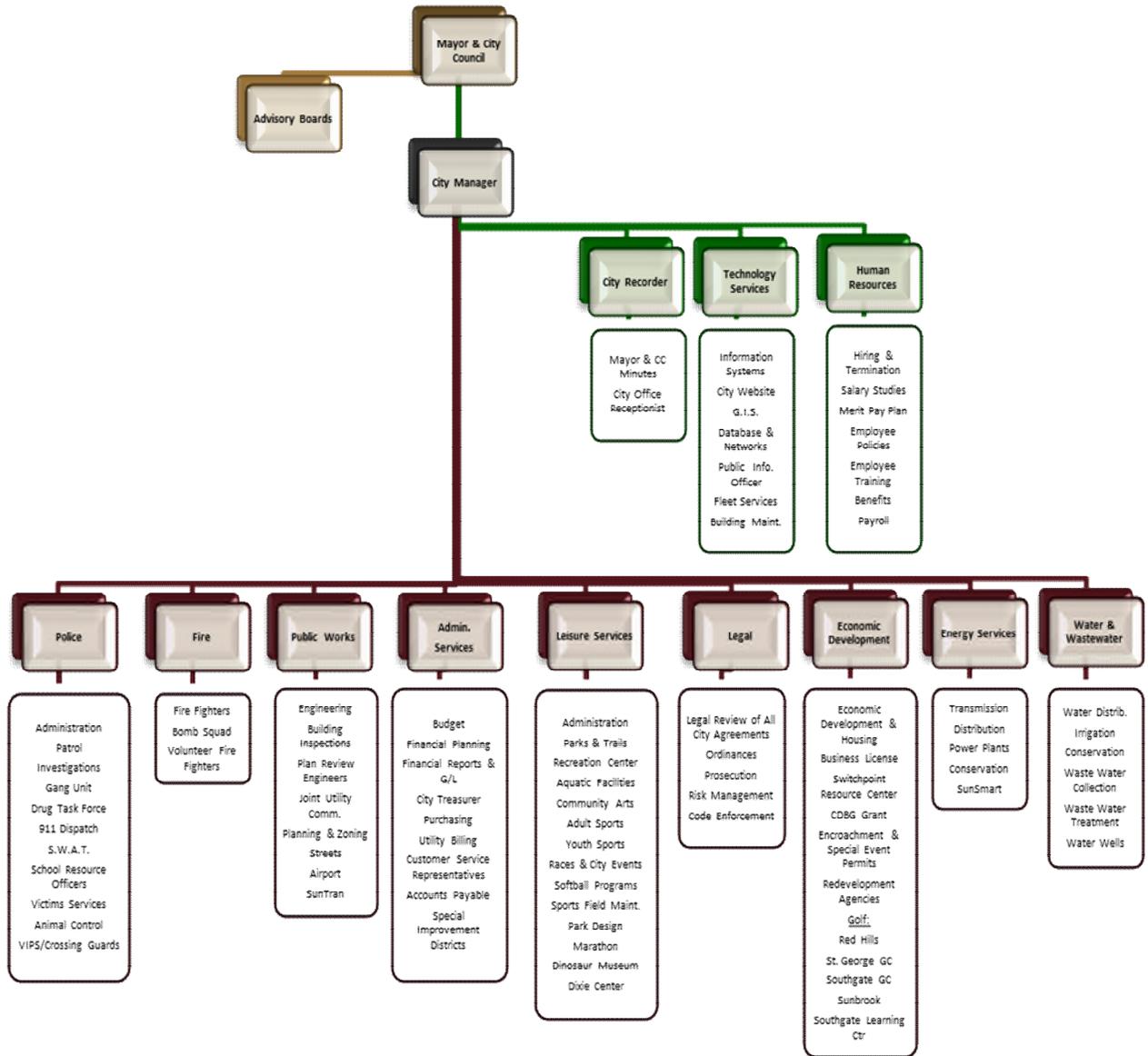


City Manager Gary S. Esplin

*Shawn Guzman
Christina Fernandez
Aaron Olsen
Marlon Stratton
Robert Stoker
Laurie Mangum
Scott Taylor
Cameron Cutler
Matthew Loo
Kent Perkins
Deanna Brklacich
Marc Mortensen
Judith Mayfield
Tiffany M. LaJoice*

*City Attorney
City Recorder
City Treasurer
Chief of Police
Fire Chief
Energy Services Director
Water Services Director
Public Works Director
Economic Development Director
Leisure Services Director
Administrative Services Director
Manager of Support Services
Human Resources Director
Finance Manager*

City of St. George - Organizational Chart



FINANCIAL SECTION

Independent Auditors' Report

The Honorable Mayor and
City Council
St. George, Utah

Report on the Financial Statements

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 St. George City, Utah, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 St. George City, Utah, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in the Notes to the Financial Statements, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions, and the Notes to the Required Supplementary Information 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise St. George City, Utah's basic financial statements. The introductory section, combining and individual non-major fund financial statements, additional supplementary information, continuing disclosure section and statistical section listed in the table of contents 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards and the schedule of expenditures of passenger facility charges are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other

records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards and the schedule of expenditures of passenger facility charges are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory, statistical and continuing disclosure 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2015, on our consideration of the St. George City, Utah'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. George City, Utah's internal control over financial reporting and compliance.



HintonBurdick, PLLC
St. George, Utah
December 8, 2015

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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, 2015. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages 5-10 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of St. George exceeded its liabilities at the close of the most recent fiscal year by \$582,641,267 (*net position*). Of this amount, \$67,716,600 represents unrestricted net position, which may be used to meet the city's ongoing obligations to citizens and creditors.
- The City of St. George's total net position increased by \$16,418,590 as the economy continued to slowly improve. This is net of an adjustment to reduce prior net position of \$14,137,787 as a result of recording net pension asset and liability amounts for GASB 68.
- At the close of the current fiscal year, the City of St. George's governmental funds reported fund balances of \$42,644,821, an increase of \$694,057 in comparison with the prior year and after a negative adjustment of \$4,728,675 for the golf fund merger. This is an increase of 1.65%
- At the end of the current fiscal year, unrestricted fund balance for the general fund was \$4,637,620, a decrease of \$1,049,318 or 18.5%. This decrease is greater than the prior year because of the golf fund merger. Without the merger, the city would have transferred funds to the general capital projects funds, which did not occur in the current fiscal year.
- The unrestricted fund balance represents 9.11% of total general fund expenditures for the fiscal year ended June 30, 2015. It also represents 7.63% of total budgeted expenditures for the next fiscal year ended June 30, 2016. State law allows for a maximum fund balance of 25% so the City is well within any legal restrictions.
- The City of St. George's total outstanding long-term liabilities decreased by \$5,451,651. An increase of \$717,337 in general long-term liabilities as a result of the G.O. bond refunding, premium on refunding and the recording of the net pension liability per GASB 68 and a decrease of \$6,188,988 in business-type long term liabilities, even after GASB 68.

Overview of the Financial Statements

The discussion and analysis provided here are 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 consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide 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 position* presents financial information on all of the City of St. George's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of St. George is improving or deteriorating.

The *statement of activities* presents information showing how the City of St. George's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in a future fiscal period (e.g., uncollected taxes and earned but unused vacation leave).

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 governmental activities of the City of St. George include general government, public safety, highways & public improvements, parks, recreation and public property, and community and economic development. Interest on general long-term debt is also reported as a separate line item in the governmental activities category. The business-type activities of the City of St. George include utility funds for electric, water, regional wastewater treatment, local wastewater collection, drainage, and solid waste. In addition business-type activities are also reported for the municipal building authority.

The government-wide financial statements can be found on pages 34 & 35 of this report.

Fund Financial Statements.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of St. George can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of St. George maintains thirty-two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the replacement airport capital projects fund, and the public works capital projects fund which are considered to be major funds. Data from the other twenty-nine governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City of St. George adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. In addition, budget comparison statements are also provided for each of the individual nonmajor governmental funds in the supplemental data section of this report.

The basic governmental fund financial statements can be found on pages 36-40 of 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 maintains seven different enterprise funds to account for its Electric Utility, Water Utility, Regional Wastewater Treatment Utility, Refuse Collection, Municipal Building Authority, Drainage Utility, and Wastewater Collection Utility. An *Internal Service fund* is used as an accounting device to accumulate and allocate costs internally among the City of St. George's various functions. The City of St. George uses an internal service fund to account for the management of its retained risks. This fund has been included in the *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric Utility, the Water Utility, and the Regional Wastewater Treatment Utility, which are considered to be major funds of the City of St. George. The internal service fund is presented as separate information on the proprietary fund statements. Individual fund data for the nonmajor proprietary funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found on pages 41-43 of this report.

Fiduciary Funds. Fiduciary funds are used to account for the resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds *are not* available to support the City of St. George's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City of St. George maintains as a fiduciary fund, the *Pension Trust fund*. This fund is used to report resources held in trust for retirees and beneficiaries covered by the secondary retirement system at the International City Managers Retirement Corporation.

The fiduciary fund financial statements can be found on pages 44-45 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on page 46-82 of this report.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds and nonmajor proprietary funds are presented immediately following the basic financial statements. Combining and individual fund statements and schedules can be found on page 87-94 of this report. Information on the General Fixed Assets of the city is also included in the supplemental data section and can be found on pages 127-129 of this report.

Government-Wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City of St. George, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$582,641,267, at the close of the June 30, 2015 fiscal year.

CITY OF ST. GEORGE'S Net Position

	Governmental Activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Current & other assets	\$ 61,555,368	\$ 61,111,981	\$ 74,565,259	\$ 65,306,970	\$ 136,120,627	\$ 126,418,951
Capital assets	360,318,341	342,505,107	242,064,143	259,335,528	602,382,484	601,840,635
Deferred outflows	2,376,573		1,487,632	786,828	3,864,205	786,828
Total assets & deferred outflows	<u>424,250,282</u>	<u>403,617,088</u>	<u>318,117,034</u>	<u>325,429,326</u>	<u>742,367,316</u>	<u>729,046,414</u>
Long-term liabilities	55,087,653	54,370,316	70,433,168	76,602,156	125,520,821	130,972,472
Other liabilities & deferred inflows	21,659,862	20,324,886	12,545,366	12,526,378	34,205,228	32,851,264
Total liabilities & deferred inflows	<u>76,747,515</u>	<u>74,695,202</u>	<u>82,978,534</u>	<u>89,128,534</u>	<u>159,726,049</u>	<u>163,823,736</u>
Net position:						
Net investment in capital assets	314,849,110	287,652,507	180,042,672	190,317,190	494,891,782	477,969,697
Restricted	17,278,885	16,566,466	2,754,000	6,627,182	20,032,885	23,193,648
Unrestricted	15,374,772	24,702,914	52,341,828	40,356,418	67,716,600	65,059,332
Total Net Position	<u>\$ 347,502,767</u>	<u>\$ 328,921,887</u>	<u>\$ 235,138,500</u>	<u>\$ 237,300,790</u>	<u>\$ 582,641,267</u>	<u>\$ 566,222,677</u>

By far, the largest portion of the City of St. George's net position (84.9%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City of St. George uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City of St. George's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of St. George's net position (3.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$67,716,600 is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City of St. George is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

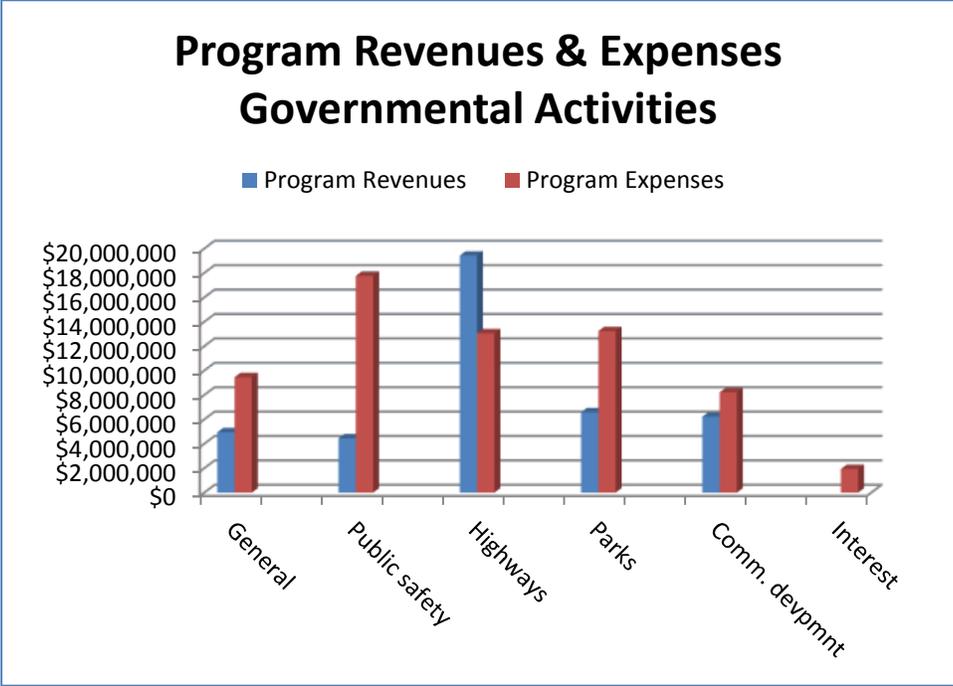
Overall, the City of St. George's overall net position increased by \$16,418,590 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

CITY OF ST. GEORGE'S Changes in Net Position

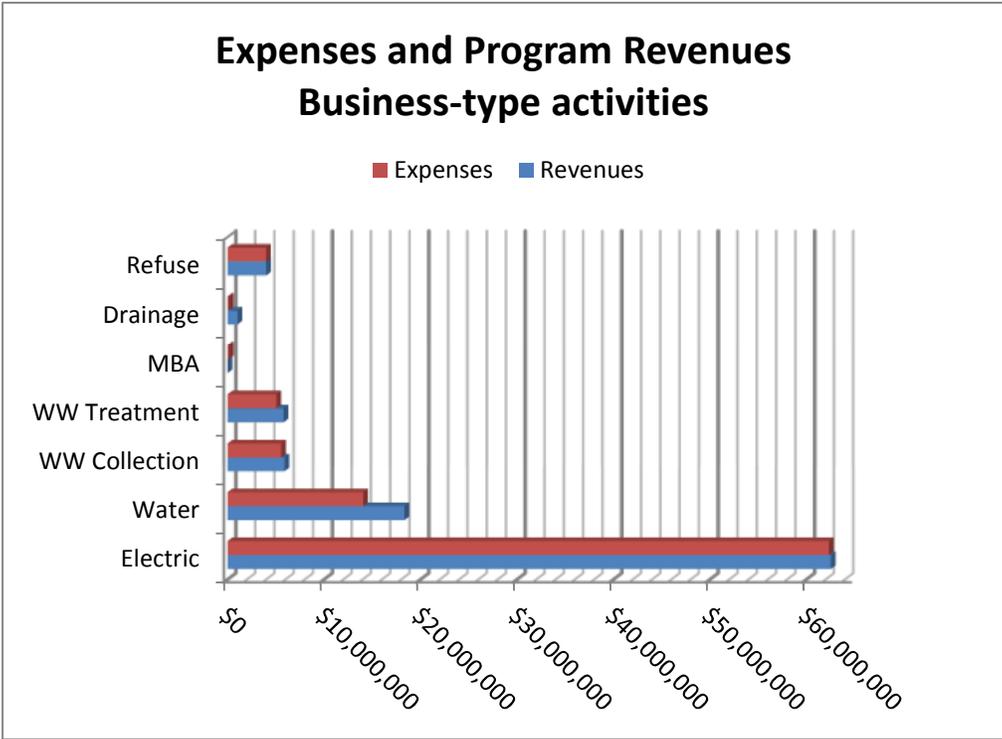
	Governmental Activities		Business-type Activities	
	2015	2014	2015	2014
Revenues:				
Program revenues:				
Charges for services	\$ 19,307,739	\$ 14,526,789	\$ 97,644,394	\$ 101,624,106
Operating grants & contributions	9,920,707	9,704,914	18,286	56,641
Capital grants & contributions	12,385,557	13,710,651	-	-
General revenues:				
Property taxes	13,617,736	13,568,980		
Other taxes	28,298,000	26,781,448		
Investment income	179,240	205,302	242,005	268,574
Other revenues	3,609,839	1,976,986	269,588	1,960,976
Total revenues	<u>87,318,818</u>	<u>80,475,070</u>	<u>98,174,273</u>	<u>103,910,297</u>
Expenses:				
General government	9,458,496	7,477,928		
Public safety	17,761,966	17,841,026		
Highway/public improvements	13,051,480	14,359,827		
Parks & recreation	13,237,166	13,620,302		
Community & Econ development	8,213,784	2,423,094		
Interest on long-term debt	<u>1,931,400</u>	<u>2,347,762</u>		
Electric utility			62,341,983	64,044,497
Water utility			14,060,436	14,393,831
Wastewater treatment			5,061,261	5,139,525
Wastewater collection			5,566,145	5,466,850
Golf courses				4,394,364
Municipal building authority			125,245	129,652
Drainage utility			121,623	95,427
Refuse collection			4,005,731	3,797,029
Total expenses	<u>63,654,292</u>	<u>58,069,939</u>	<u>91,282,424</u>	<u>97,461,175</u>
Increase in net position before transfers	23,664,526	22,405,131	6,891,849	6,449,122
Transfers	334,000	(2,581)	(334,000)	2,581
Increase in net position	<u>23,998,526</u>	<u>22,402,550</u>	<u>6,557,849</u>	<u>6,451,703</u>
Restatement of net position-WCIA debt		(1,330,607)		
Restatement of net position-Golf merger	5,252,557		(5,252,557)	
Restatement of net position-GASB 68	(10,670,202)		(3,467,583)	
Net position beginning	328,921,886	307,849,943	237,300,791	230,849,088
Net position ending	<u>\$ 347,502,767</u>	<u>\$ 328,921,886</u>	<u>\$ 235,138,500</u>	<u>\$ 237,300,791</u>

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$18,580,881 from the prior fiscal year for an ending balance of \$347,502,767. This was after the restatement for merging the golf fund into the general fund and for GASB 68.

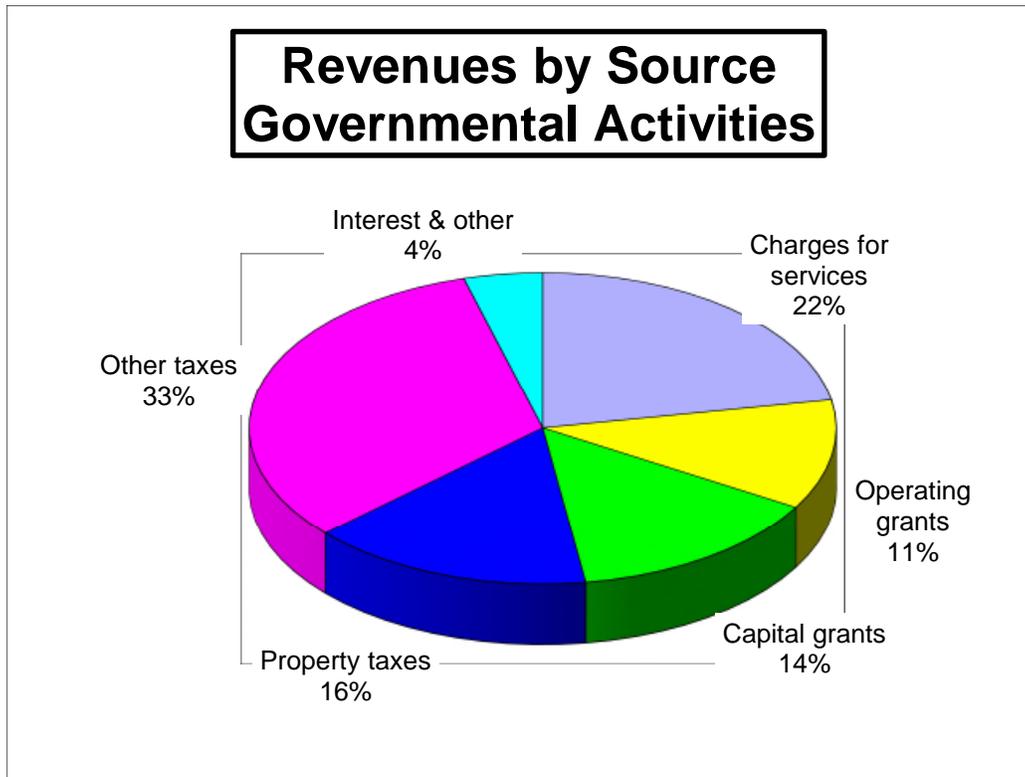
Business-type Activities. During the current fiscal year, net position for business-type activities decreased \$2,162,291 from the prior fiscal year for an ending balance of \$235,138,500. This was after the restatement for merging the golf fund into the general fund and for GASB 68.



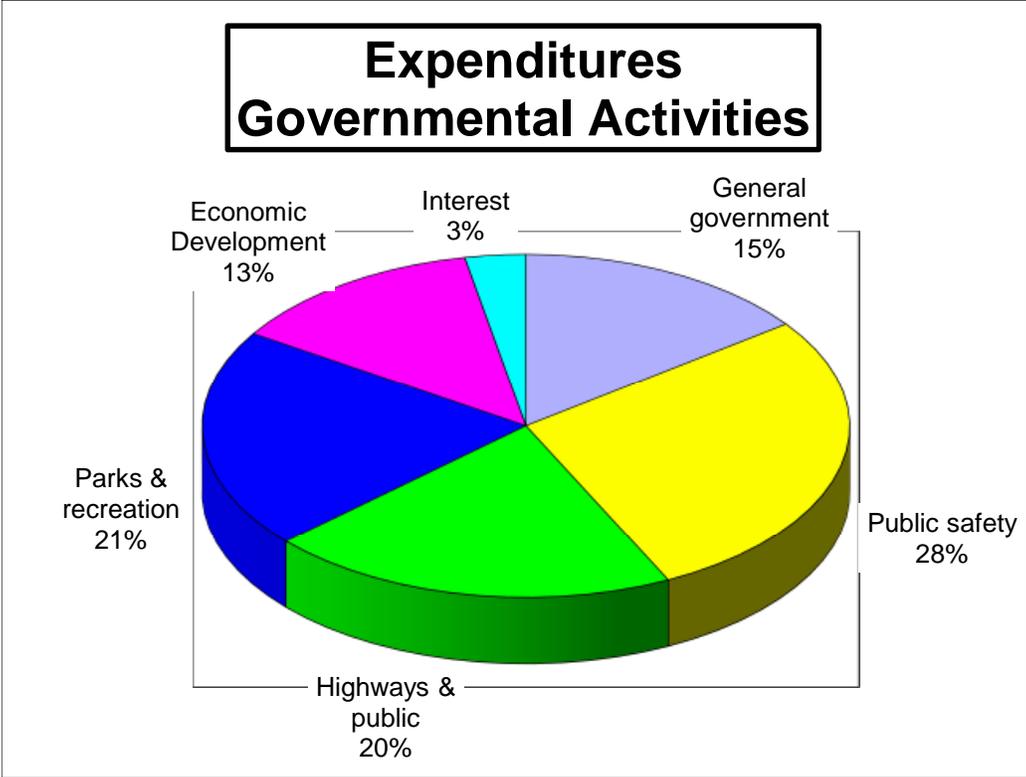
Overall governmental revenues increased in comparison with the prior fiscal year by 8.92%. Approximately 5.0% of the increase is golf course revenue that was classified as business-type in the prior fiscal year and another 3.0% of the increase was gain on sale of assets. Sales taxes increased by 7.1% as the economy continued to improve.



The following graph displays the total governmental revenues by source as reflected on the government-wide statement of activities. Charges for services increased to 22% of overall governmental revenues, due to the golf fund merger. The other categories changed by only 1-3% each, remaining fairly consistent when compared to prior years.



Overall governmental expenditures as reflected on the government-wide statement of activities increased by 9.7% when compared with the last fiscal year. Economic Development increased by the largest percentage of 239.0% due to the golf fund merger. General Government increased by 26.5% while Highways decreased by 9.1% and Parks and Recreation decreased by 2.8%. Public Safety remained basically flat from year to year as a percentage of total expenditures. The following graph shows the relationship of governmental expenditures for the current fiscal year as a percentage of total expenditures.



Overall business-type activity revenues decreased by 3.9% from the prior fiscal year. The Golf fund was merged into the general fund, which decreased business-type revenues by \$3,550,340. The Electric Utility saw a decrease of 0.4 % in charges for services. The total dollar decrease in revenues was \$231,758. The Water Utility also saw a decrease of 0.2% with a total dollar decrease in water revenues of \$39,717. The graph presented earlier displaying expenses and program revenues for business-type activities reflects that all of the business-type activities produced either a breakeven or surplus earnings for the fiscal year.

Financial Analysis of Governmental Funds

As noted earlier, the City of St. George uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of St. George’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 of St. George’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not been yet limited to use for a particular purpose by either an external party, the City of St. George itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City of St. George’s city council.

At June 30, 2015, the City of St. George's governmental funds reported combined fund balances of \$42,644,821, an increase of \$694,058 in comparison with the prior year, after the merger of the golf fund into the general fund. The fund balance had a net increase of 1.6%.

The General Fund is the chief operating fund of the City of St. George. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$4,637,620 while total fund balance was \$5,991,830. The Fund had a decrease of \$1,049,318 in unassigned fund balance and a decrease of \$855,712 in total fund balance. The City has followed the practice for several years of maintaining a General Fund balance in the 11% to 12% range. In prior years to maintain this level, any surplus in the General Fund was transferred to the Capital Projects and Economic Development Funds of the City. If necessary, these funds can be transferred back to the General Fund without any restrictions other than a public hearing and approval by the City Council. Unassigned fund balance in the General Fund represents 9.11% of total general fund expenditures for the fiscal year ended June 30, 2015 and 7.63% of total budgeted expenditures for the next fiscal year ended June 30, 2016. Total fund balance represents 9.86% of budgeted expenditures for the next fiscal year.

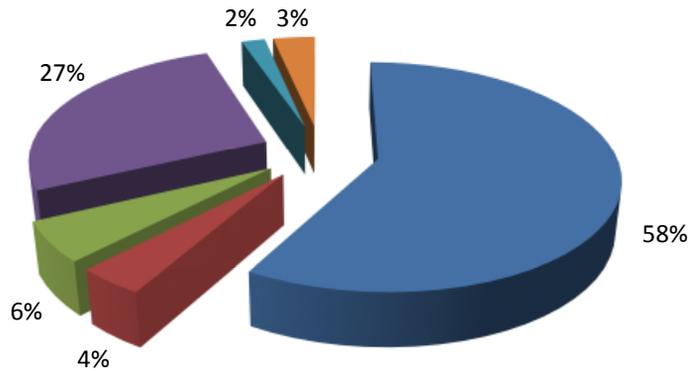
Total fund balance in all *governmental funds* increased by \$694,058 (1.6%) during the fiscal year. The largest increases in fund balance were seen in the Replacement Airport Capital Project Fund increased \$5,440,927 as the project is now complete and the federal grants from the FAA continue to reimburse for those costs which were fronted by the City; the Recreation Bond Debt Service Fund increased \$760,997 and the Transportation Improvement Fund increased \$455,714. The largest decreases in fund balance were seen in the Capital Equipment Fund with a decrease of \$2,326,661; the Public Works Capital Projects Funds with a decrease of \$1,859,753 and the General Fund with a net decrease of \$855,712. All three funds still have a positive fund balance at the end of the fiscal year; General Fund Balance was \$5,991,830, Capital Equipment Fund Balance was \$14,611,893; and Public Works Capital Projects Fund Balance was \$157,513.

General Fund

The following graphs display the total revenues in the General Fund by source for the fiscal years ended June 30, 2015 and June 30, 2014. The percentages change with the merger of the golf fund into the general fund.

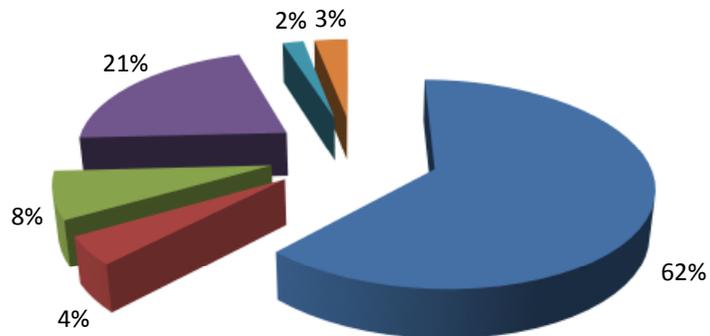
GENERAL FUND REVENUES Fiscal Year Ended June 30, 2015

■ Taxes ■ Lic & Permits ■ Intergovernmental
■ Charges for Services ■ Fines ■ Int & other



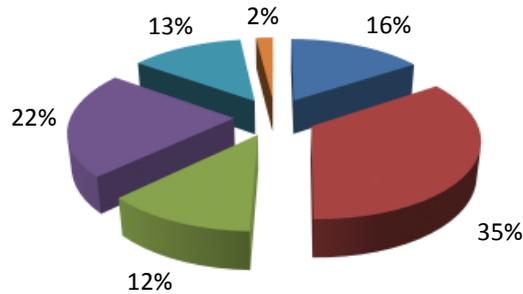
GENERAL FUND REVENUES Fiscal Year Ended June 30, 2014

■ Taxes ■ Lic & Permits ■ Intergovernmental
■ Charges for Services ■ Fines ■ Int & other



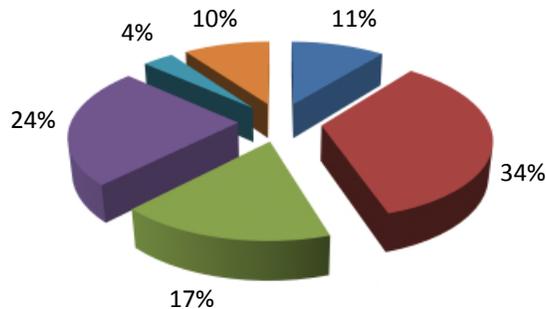
GENERAL FUND EXPENDITURES Fiscal Year Ended June 30, 2015

■ General Gov ■ Public Safety ■ Highways etal
■ Parks etal ■ Comm Devlpmnt ■ Trans & other



GENERAL FUND EXPENDITURES Fiscal Year Ended June 30, 2014

■ General Gov ■ Public Safety ■ Highways etal
■ Parks etal ■ Comm Devlpmnt ■ Trans & other



These presentations show that the General Fund expenditures had the largest percentage change in community development, highways and transfers. The increase in community development was due to the golf fund merger. The decrease in highways was due to fleet services expenditures being moved to general government in the current fiscal year. The decrease in Transfers & other expenditures was due to the golf fund merger and fewer transfers from the general fund to the General Capital Projects and other funds.

During the fiscal year, the General Fund budget was amended from an original budget expenditure total of \$55,994,898 to a final budget of \$56,925,511. These increases were made to respond to higher revenues than originally estimated. However, when the final expenditures for the fiscal

year were completed they represented a decrease of \$4,040,779 from the original budget as some projects which had been projected with the budget increases were not able to be completed within the fiscal year.

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, 2015, amounts to \$602,382,484 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, infrastructure (streets, sidewalks, etc.), and machinery and equipment. Total capital assets increased by \$541,848. This was the result of business-type net capital assets decreasing by \$17,271,385 while governmental-type net fixed assets increased by \$17,813,234.

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

\$2,855,930 was spent for remodeling the Electric Theater in downtown St George. This theater will be a mixed use facility for events and artist studios.

\$1,260,879 was spent for the All Abilities Park.

\$634,308 was spent for continuing construction of the Hela Seegmiller historical park and farm in the Little Valley area of the City.

\$486,429 was spent for the Royal Oaks Park Phase 2.

\$3,181,027 was spent for the construction of the Mall Drive Bridge in the eastern part of the City to alleviate traffic congestion within that area of the City. The bridge is being funded with the issuance of the 2013 Franchise Tax bonds and was completed during the fiscal year.

\$500,000 was spent for the City's participation (with the Utah State Department of Transportation) in the Mile Post #8 interchange on I-15.

\$884,782 was spent for improvements to Little Valley Road.

\$1,163,334 was spent in the SunTran mass transit fund for the purchase of 3 new buses.

\$1,930,508 was spent in the Water Utility enterprise fund for various distribution and irrigation system improvements as well as the construction of a water storage tank.

\$847,431 was spent in the Electric Utility enterprise fund for various distribution system and generation improvements.

\$880,331 was spent in the Regional Wastewater Treatment enterprise fund for various system improvements.

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

	Governmental Activities		Business-type Activities	
	2015	2014	2015	2014
Land	\$ 95,005,703	\$ 86,371,849		
Buildings	24,636,367	21,805,887		
Improvements	46,102,946	43,780,598		
Infrastructure	181,892,495	180,101,009		
Machinery & equipment	12,680,830	10,445,764		
Plant, prop. & equipment			\$ 242,064,143	\$ 259,335,528
Totals	<u>\$ 360,318,341</u>	<u>\$ 342,505,107</u>	<u>\$ 242,064,143</u>	<u>\$ 259,335,528</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, 2015, the City has total bonded debt outstanding of \$108,420,480. Of this amount \$12,620,000 is considered to be general obligation debt and backed by the full faith and credit of the City and the remainder of \$95,800,480 is debt which is secured solely by specific revenue sources.

CITY OF ST. GEORGE'S OUTSTANDING BONDED DEBT

	Governmental Activities		Business-type Activities	
	2015	2014	2015	2014
General obligation bonds	\$ 12,620,000	\$ 13,155,000		
Sales tax revenue bonds	8,590,000	12,130,000		
Excise revenue bonds	-	-		
Franchise tax revenue bonds	7,755,000	8,150,000		
WCIA Capital lease bonds	3,784,480	4,387,160		
Federal subsidy excise bonds	8,852,000	9,133,000		
Revenue bonds			\$ 66,819,000	\$ 75,880,522
Total outstanding debt	<u>\$ 41,601,480</u>	<u>\$ 46,955,160</u>	<u>\$ 66,819,000</u>	<u>\$ 75,880,522</u>

The City's total debt decreased by \$14,415,202 during the fiscal year. The only new debt issued was a refunding of the GO Bonds and the prior amount was defeased.

City Bond Ratings

During the current fiscal year, several bond issues of the City of St. George were reviewed by the rating agencies Moody's, Fitch and Standard & Poors (S&P). The ratings were reaffirmed and the outlook remained stable. The releases from the ratings agencies, as it applies to these reviews, have been posted to the Electronic Municipal Market Access (EMMA) website as is required by

the continuing disclosure undertaking agreed to by the City of St. George. The following chart details the current ratings for outstanding debt obligations of the City of St. George which have been rated by the various rating agencies.

	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>
2004 General Obligation bonds	Aa3	AA	
2010 General Obligation bonds		AA	
2009 Sales Tax Revenue bonds		AA	AA
2011 Water Revenue refunding bonds		A+	A+
2012 Water Revenue refunding bonds		A+	
2014 Franchise Tax Revenue bonds		AA	
2005 Electric Revenue bonds	Baa1		
2008 Electric Revenue bonds	Baa1		

The City of St. George has complied with and will continue to comply with all continuing disclosure requirements for the various bond issues where continuing disclosure is required. This report contains a fourth section which contains the required continuing disclosure schedules.

State statutes limit the amount of general obligation debt a governmental entity may issue to 4% of its total fair market value of taxable value. The current limitation for the City of St. George is \$346,419,181, 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 fair market value of taxable value. The current limitation for these water, sewer and electrical projects is thus \$346,419,181, which again significantly exceeds the outstanding business-type activity debt. Thus the total debt limit is \$692,838,361 while the total outstanding debt less resources restricted for debt service is \$77,079,760. Thus resulting debt margin is \$615,758,601. The statistical section has additional information on debt margin and demonstrates the calculation of this margin for the current fiscal year.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The unemployment rate for Washington County (of which St. George is the largest City) was 4.0% for the month ended September 2015 compared with a state unemployment rate of 3.6% and a national rate of 5.1%. This compares with a county rate of 3.8% in 2014. (Source: Utah Dept of Workforce Services)

The General Fund budget for the fiscal year-ending June 30, 2016 is \$60,747,566 which represents an 8.4% increase from the original adopted budget for the fiscal year ended June 30, 2015. This optimism is a result of the increases which we have seen in sales and property taxes and also the rebounding building trades as more building permits continue to be issued than the prior year.

In both business-type and governmental-activities, the fees remained consistent. As new facilities were opened, new fees were approved. There is no property tax rate increase reflected in the June 30, 2016 fiscal year budget.

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 Manager, 175 E. 200 N. St. George, UT 84770

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CITY OF ST. GEORGE, UTAH
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash	\$ 37,313,250	\$ 52,483,095	\$ 89,796,344
Restricted cash		1,949,168	1,949,168
Accounts receivable (net of allowance for doubtful accounts)	28,968,486	10,903,888	39,872,375
Inventory	175,147	2,667,332	2,842,479
Net pension assets	253,113	82,256	335,369
Notes receivable	49,935	998	50,933
Internal Balances	(5,533,363)	5,533,363	-
Bond discounts		931,341	931,341
Prepaid expenses	328,800	13,818	342,618
Capital assets (net of depreciation)			
Land	95,005,703		95,005,703
Buildings	24,636,367		24,636,367
Improvements	46,102,946		46,102,946
Infrastructure	181,892,495		181,892,495
Machinery & equipment	12,680,830		12,680,830
Plant, property, and equipment		242,064,143	242,064,143
Total assets	\$ 421,873,709	\$ 316,629,401	\$ 738,503,110
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	2,376,573	772,334	3,148,907
Deferred charges on bond refunding		715,298	715,298
Total deferred outflows	2,376,573	1,487,632	3,864,205
LIABILITIES:			
Accrued liabilities	\$ 3,746,811	\$ 10,357,493	\$ 14,104,303
Construction bonds held	361,857		361,857
Deposits payable		1,601,673	1,601,673
Deferred compensation	1,690,880		1,690,880
Interest payable	312,575		312,575
Unearned revenues	854,779		854,779
Net pension liability	9,930,997	3,227,356	13,158,353
Notes payable:			
Due within one year	263,136	10,000	273,136
Due in more than one year	651,264	58,800	710,064
Bonds payable:			
Due within one year	4,535,000	4,352,000	8,887,000
Due in more than one year	33,282,000	62,467,000	95,749,000
Capital leases:			
Due within one year	598,608		598,608
Due in more than one year	4,019,927	-	4,019,927
Bond premiums	1,806,721	318,012	2,124,733
Total liabilities	62,054,555	82,392,333	144,446,889
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,803,814	586,200	2,390,014
Unavailable revenues - city cache cards	530,851		530,851
Unavailable rev. - 2015 prop. tax levy	12,358,294		12,358,294
Total deferred inflows	14,692,959	586,200	15,279,159
NET POSITION:			
Net investment in capital assets	314,849,110	180,042,672	494,891,782
Restricted for:			
Unspent bond/impact fees for const.		804,760	804,760
Debt service	1,603,057	1,949,240	3,552,297
Public safety programs	151,174		151,174
Transportation programs	4,261,965		4,261,965
Housing & community development	1,060,228		1,060,228
Park construction & development	3,447,081		3,447,081
Community & economic development	6,755,380		6,755,380
Unrestricted	15,374,771	52,341,828	67,716,600
Total Net Position	\$ 347,502,767	\$ 235,138,501	\$ 582,641,267

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, 2015

	Program Revenues				Total	
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions		Net Governmental Activities
Governmental activities:						
General government	\$ 9,458,496	\$ 4,940,995	\$ -	\$ -	(4,517,501)	\$ (4,517,501)
Public Safety	17,761,966	3,419,874	1,025,875	-	(13,316,214)	(13,316,214)
Highways & public improvements	13,051,480	1,460,587	6,167,675	11,798,496	6,375,278	6,375,278
Parks, recreation & public property	13,237,166	3,664,687	2,631,201	287,061	(6,654,217)	(6,654,217)
Community & economic development	8,213,784	5,821,597	95,955	300,000	(1,996,232)	(1,996,232)
Interest on long-term debt	1,931,400				(1,931,400)	(1,931,400)
Total governmental activities	63,654,291	19,307,739	9,920,707	12,385,557	(22,040,286)	(22,040,286)
Business-type activities:						
Electric	62,341,983	62,547,626	5,792		211,436	211,436
Water	14,060,436	18,341,833	12,494		4,293,892	4,293,892
Regional wastewater treatment	5,061,261	5,795,549			734,287	734,287
Wastewater collection	5,566,145	5,907,943			341,798	341,798
Municipal bldg authority	125,245	-			(125,245)	(125,245)
Drainage Utility	121,623	1,040,328			918,705	918,705
Solid waste	4,005,731	4,011,114			5,384	5,384
Total business-type activities	91,282,423	97,644,394	18,286	-	6,380,255	6,380,255
General Revenues:						
Taxes:						
Property taxes levied for general purposes					9,773,172	9,773,172
Contributions from other governments					2,319,621	2,319,621
Property taxes levied for debt service					1,524,940	1,524,940
Franchise taxes					6,683,679	6,683,679
General sales taxes, highway sales taxes & RAP sales taxes					21,614,321	21,614,321
Business licenses					752,058	752,058
Investment income					179,240	421,246
Lease payments					(27,305)	(27,305)
Gain on sale of assets					2,409,539	2,427,173
Rents & concessions					211,260	319,565
Miscellaneous					264,286	407,935
Interfund utility services					(553,602)	(1,300,361)
Interfund Transfers					887,603	1,300,362
Total general revenues & transfers					46,038,812	46,216,406
Change in net position					23,998,526	30,556,375
Restatement for merger of Golf into General Fund					5,252,557	-
Restatement for pension accounting per GASB 68					(10,670,202)	(14,137,785)
Net position - beginning					328,921,886	566,222,677
Net position - ending					\$ 347,502,767	\$ 582,641,267

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, 2015

ASSETS	<u>General</u>	<u>Replacement Airport Capital Proj. Fund</u>	<u>Public Works Capital Proj. Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash	\$ 3,879,391	\$ -	\$ 345,082	\$ 32,278,540	\$ 36,503,013
Accounts receivable	11,921,484	10,000,000	782,248	6,264,754	28,968,486
Prepaid items	10,800			318,000	328,800
Inventory	175,147				175,147
Notes receivable	49,935				49,935
Due from other funds	903,021			2,194,197	3,097,218
Total assets	\$ 16,939,778	\$ 10,000,000	\$ 1,127,330	\$ 41,055,491	\$ 69,122,599

LIABILITIES

Liabilities:

Construction bonds held	361,857			\$ -	\$ 361,857
Due to other funds	-	5,554,536		3,076,044	8,630,581
Deferred Impact Fee credits			693,438		693,438
All Abilities Park donations				152,599	152,599
Accounts Payable & Accrued liabilities	1,705,240	-	267,637	1,768,539	3,741,415
Total liabilities	2,067,096	5,554,536	961,075	4,997,183	13,579,890

DEFERRED INFLOWS OF RESOURCES

Unavailable revenues - 2015 property tax levy	8,350,000			4,008,294	12,358,294
Unavailable revenues			8,742		8,742
Unavailable revenues - city cache cards	530,851				530,851
Total deferred inflows of resources	8,880,851		8,742	4,008,294	12,897,887

FUND BALANCES (deficits):

Nonspendable:

Inventories & prepaids	185,947				185,947
Noncurrent receivables	952,956				952,956

Restricted for:

Public safety programs	151,174				151,174
Cemetery perpetual care	64,134				64,134
Transportation programs				4,261,965	4,261,965
Housing & community development				1,060,228	1,060,228
Parks construction & development				3,357,482	3,357,482
Community & Economic Development				721,698	721,698
Debt service fund				1,603,057	1,603,057
Capital projects fund				2,076,986	2,076,986

Assigned to:

Community & Economic Development				6,033,682	6,033,682
Parks construction & development				89,598	89,598
Capital projects fund			157,513	15,156,510	15,314,023

Unassigned:

	4,637,620	4,445,464		(2,311,193)	6,771,891
Total fund balances (deficits)	5,991,830	4,445,464	157,513	32,050,015	42,644,821

Total liabilities, deferred inflows and fund balances \$ 16,939,778 \$ 10,000,000 \$ 1,127,330 \$ 41,055,491

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.	360,318,341
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.	(47,160,111)
Pension assets, net liability, and deferred inflows & outflows are not due and payable in the current period and therefore are not reported in the funds.	(9,105,125)
Fund balance in Self-Insurance internal service fund	804,842

\$ 347,502,767

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, 2015

	General	Replacement Airport Capital Proj. Fund	Public Works Capital Proj. Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues:					
Taxes & special assessments	\$ 32,562,266	\$ -	\$ -	\$ 7,881,721	\$ 40,443,986
Contributions from other governments				3,522,686	3,522,686
Licenses and permits	2,192,850			-	2,192,850
Intergovernmental	3,161,024	10,275,000	691	2,746,679	16,183,394
Charges for services	14,973,363			473,121	15,446,484
Fines & forfeitures	1,055,589			-	1,055,589
Investment income	80,582	-	3,517	91,527	175,626
Rents & concessions	14,374			196,886	211,260
Miscellaneous	90,061				90,061
Contributions from other sources	156,513		825,136	523,574	1,505,224
Capital development fees	-			3,544,812	3,544,812
Total revenues	54,286,621	10,275,000	829,344	18,981,006	84,371,972
Expenditures:					
Current:					
General government	8,153,294			106,039	8,259,332
Public safety	18,037,076			2,275	18,039,351
Highways & public improvements	6,440,788	7,290	1,889,367	1,533,997	9,871,442
Parks, recreation & public property	11,472,635			872,755	12,345,390
Community & economic development	6,801,017			1,673,390	8,474,407
Capital outlay	-	27,007	5,552,096	8,668,160	14,247,263
Debt service					
Capital leases	27,305			75,000	102,305
Principal	-	4,494,310	74,140	12,788,680	17,357,130
Interest & admin charges	-	305,466	4,448	1,625,255	1,935,170
Total expenditures	50,932,114	4,834,073	7,520,052	27,345,551	90,631,790
Excess (deficiency) of revenues over expenditures	3,354,507	5,440,927	(6,690,707)	(8,364,546)	(6,259,819)
Other financing sources (uses):					
Transfers in	1,510,285	-	4,830,954	4,489,964	10,831,204
Transfers out	(476,202)	-		(8,766,483)	(9,242,685)
Payments to other taxing agencies				-	-
Inferfund utility services	(545,803)			(7,799)	(553,602)
Proceeds from sale of capital assets	30,175			2,379,364	2,409,539
Contributions from other governments					-
Proceeds of bonds and/or notes				7,830,000	7,830,000
Premium on refunding bonds				408,095	408,095
Total other financing sources (uses)	518,456	-	4,830,954	6,333,142	11,682,552
Net change in fund balances	3,872,963	5,440,927	(1,859,753)	(2,031,404)	5,422,733
Fund balances (deficit) beginning of year,	6,847,542	(995,463)	2,017,266	34,081,418	41,950,763
Restate beginning fund balance for merger of Golf Fund into the General Fund	(4,728,675)				(4,728,675)
Fund balances (deficit), end of year	\$ 5,991,830	\$ 4,445,464	\$ 157,513	\$ 32,050,014	\$ 42,644,821

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, 2015

Net change in fund balances - total governmental funds \$ 5,422,733

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 & deletions exceeded depreciation in the current period. 6,697,767

Issuance of debt principal is a revenue in the governmental funds, but increases long-term liabilities in the statement of net position. (7,830,000)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 18,219,451

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 position reduces interest expense in the government-wide statement of activities (159,994)

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. 169,709

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. (217,121)

GASB 68 changed the accounting for pension costs and the recording of net assets, net pension liability, the related deferred inflows/outflows. These items are recorded in the government-wide statements but not the individual governmental funds. 1,565,074

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. 130,907

Change in net position of governmental activities \$ 23,998,526

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, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Taxes:				
General property taxes	\$ 8,300,000	\$ 8,300,000	\$ 7,943,434	\$ (356,566)
Prior year's delinquent taxes	300,000	300,000	262,218	(37,782)
Fee-In-Lieu of Property taxes	1,300,000	1,300,000	1,252,676	(47,324)
General sales & use taxes	15,650,000	16,150,000	16,420,259	270,259
Franchise taxes	6,900,000	6,900,000	6,683,679	(216,321)
Total taxes	32,450,000	32,950,000	32,562,266	(387,734)
Licenses & permits:				
Business licenses & permits	763,000	763,000	752,058	(10,942)
Non-business licenses & permits	1,432,000	1,432,000	1,440,792	8,792
Total licenses & permits	2,195,000	2,195,000	2,192,850	(2,150)
Intergovernmental revenues:				
Federal grants	325,000	384,504	359,334	(25,170)
State grants	139,876	205,792	191,664	(14,128)
Class "C" roads	2,500,000	2,500,000	2,508,368	8,368
State liquor allotment	105,000	105,000	101,658	(3,342)
Total intergovernmental revenues	3,069,876	3,195,296	3,161,024	(34,272)
Charges for services:				
Enterprise funds	4,380,000	4,380,000	4,380,000	-
Public safety	2,491,596	2,531,596	2,364,285	(167,311)
Parks & public property	380,000	380,000	352,220	(27,780)
Cemetery	275,250	275,250	349,813	74,563
Recreation	2,501,500	2,507,500	2,512,295	4,795
Airport	873,000	873,000	964,126	91,126
Golf Courses	4,228,300	4,228,300	4,028,585	(199,715)
Reuse Center	36,500	36,500	22,039	(14,461)
Total charges for services	15,166,146	15,212,146	14,973,363	(238,783)
Fines & forfeitures:				
Court fines & bail forfeitures	950,000	950,000	1,055,589	105,589
Miscellaneous:				
Interest	80,000	80,000	80,582	582
Rents & concessions	30,000	30,000	14,374	(15,626)
Other	75,500	75,500	90,061	14,561
Total miscellaneous	185,500	185,500	185,017	(483)
Total revenues	54,016,522	54,687,942	54,130,108	(557,834)
Other Financing Sources :				
Sales of capital assets	30,000	30,000	30,175	175
Contributions from others	120,000	240,752	156,513	(84,239)
Appropriated fund balance	6,300	58,436	-	(58,436)
Interfund utility services	-	458,099	545,803	87,704
Transfers from other funds	1,852,375	1,480,581	964,482	(516,099)
Total Other Financing Sources :	2,008,675	2,267,868	1,696,974	(570,894)
Total revenues & Other Financing Sources	\$ 56,025,197	\$ 56,955,810	\$ 55,827,082	\$ (1,128,728)

(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, 2015

EXPENDITURES:	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
General government:				
City Council	\$ 579,600	\$ 629,600	\$ 610,297	\$ 19,303
City Manager	266,526	266,526	247,898	18,628
Human Resources	369,572	369,572	349,225	20,347
Administrative Services	472,264	472,264	466,131	6,133
Finance	1,445,145	1,518,245	1,452,508	65,737
Technology Services	1,355,048	1,355,048	1,219,774	135,274
Fleet Maintenance	1,137,777	1,142,988	1,078,544	64,444
Building Maintenance	1,502,979	1,567,979	1,527,515	40,464
Legal	1,273,314	1,273,314	1,201,401	71,913
Elections	-	-	-	-
Total general government	8,402,225	8,595,536	8,153,294	442,242
Public Safety:				
Police	12,092,848	12,142,512	11,837,865	304,647
Drug Task Force	237,960	327,897	250,745	77,152
Dispatch Center	2,661,656	2,661,656	2,359,037	302,619
Fire	3,866,027	3,884,206	3,589,429	294,777
Total public safety	18,858,491	19,016,271	18,037,076	979,195
Highways & public improvements:				
Public Works Administration	294,066	294,066	251,040	43,026
Streets	4,767,028	4,892,028	4,512,472	379,556
Engineering	672,682	672,682	576,105	96,577
Airport	1,013,829	1,184,872	1,101,171	83,701
Total highways & improvements	6,747,605	7,043,648	6,440,788	602,860
Parks, Recreation & Public Property:				
Parks and open spaces	5,761,435	5,880,158	5,700,852	179,306
Recreation & cultural arts	5,807,420	5,926,281	5,183,602	742,679
Cemetery	626,423	678,559	588,181	90,378
Total parks, recreation & public property	12,195,278	12,484,998	11,472,635	1,012,363
Golf Courses - Economic development	4,711,246	4,787,151	4,642,180	144,971
Community development	2,089,924	2,134,924	2,158,837	(23,913)
Total economic & community development	6,801,170	6,922,075	6,801,017	121,058
Debt service: Capital leases	27,305	27,305	27,305	(0)
Total expenditures	53,032,074	54,089,833	50,932,114	3,157,719
OTHER FINANCING USES				
Interfund Utility Services	477,500	477,500	545,803	(68,303)
Contributions to other funds	2,485,324	2,358,178	476,202	1,881,976
TOTAL EXPENDITURES & OTHER USES	55,994,898	56,925,511	51,954,119	4,971,392
Net change in fund balance	30,299	30,299	3,872,963	\$ 3,842,664
Fund Balance at beginning of year	6,847,542	6,847,542	6,847,542	
Restate beginning fund balance for merger of Golf Fund into General Fund	(4,728,675)	(4,728,675)	(4,728,675)	
Fund Balance at end of year	\$ 2,149,166	\$ 2,149,166	\$ 5,991,830	

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

CITY OF ST. GEORGE, UTAH

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

JUNE 30, 2015

ASSETS	Business-type Activities - Enterprise Funds				TOTALS 2015	Governmental Activities Internal Service Fund
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWTR TREATMENT	Non-Major Enterprise Funds		
Current assets:						
Cash	\$ 14,022,841	\$ 3,363,633	\$ 32,823,285	\$ 2,273,335	\$ 52,483,095	\$ 810,237
Restricted cash		1,949,168	-		1,949,168	
Accts. receivable (net of allowance for uncollectibles of \$1,945,526)	6,953,410	2,555,490	195,955	1,199,034	10,903,888	
Inventory	1,748,388	918,944			2,667,332	
Net pension assets	37,647	26,240	10,987	7,382	82,256	
Prepaid expenses				13,818	13,818	
Due from other funds			5,554,536		5,554,536	
Note receivable				998	998	
Bond discounts & insurance	882,347	48,994	-		931,341	
Total current assets	23,644,633	8,862,469	38,584,763	3,494,567	74,586,432	810,237
Capital assets						
net of accumulated depreciation	78,979,093	96,100,832	53,319,519	13,664,698	242,064,143	-
Deferred Outflow of Resources						
Deferred outflows related to pensions	353,476	246,380	103,168	69,310	772,334	
Deferred charge on bond refunding	715,298				715,298	
Total deferred outflows	1,068,774	246,380	103,168	69,310	1,487,632	
TOTAL ASSETS & DEFERRED OUTFLOWS	103,692,501	105,209,682	92,007,450	17,228,575	318,138,207	810,237
LIABILITIES						
Current liabilities:						
Accounts payable & accrued liabilities	7,839,778	1,737,191	302,605	477,919	10,357,493	5,395
Bonds payable - short term	2,085,000	2,158,000	-	109,000	4,352,000	
Due to other funds - short term		-	-	21,174	21,174	
Note payable - short term		10,000			10,000	
Net pension liability	1,477,072	1,029,547	431,107	289,630	3,227,356	
Deposits payable	1,051,732	371,235		178,705	1,601,673	
Total current liabilities	12,453,582	5,305,973	733,712	1,076,428	19,569,695	5,395
Long-term liabilities:						
Bonds payable - long term	54,195,000	7,971,000	-	301,000	62,467,000	
Bond premiums	179,978	138,033	-		318,012	
Note payable - long term		58,800			58,800	
Capital leases - long term					-	
Total long-term liabilities	54,374,978	8,167,833	-	301,000	62,843,812	-
Total liabilities	66,828,561	13,473,807	733,712	1,377,428	82,413,507	5,395
DEFERRED INFLOWS						
Deferred inflows related to pensions	268,288	187,001	78,304	52,607	586,200	
TOTAL LIABILITIES & DEFERRED INFLOWS	67,096,849	13,660,808	812,016	1,430,035	82,999,707	5,395
NET POSITION						
Net Investment in capital assets	25,486,462	87,981,993	53,319,519	13,254,698	180,042,672	-
Restricted	72	1,949,168	-	804,760	2,754,000	-
Unrestricted	11,109,118	1,617,713	37,875,915	1,739,082	52,341,828	804,842
Total net position	\$ 36,595,652	\$ 91,548,874	\$ 91,195,434	\$ 15,798,540	\$ 235,138,501	\$ 804,842

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 POSITION

PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds				TOTALS 2015	Governmental
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWTR TREATMENT	Non-Major Enterprise Funds		Activities Internal Service Fund
OPERATING REVENUES:						
Charges for services	\$ 61,638,828	\$ 17,812,897	\$ 4,569,518	\$ 10,599,109	\$ 94,620,352	\$ 560,995
Other operating revenues	1,750,051	1,073,386	1,226,031	360,276	4,409,744	
Total operating revenues	63,388,878	18,886,283	5,795,549	10,959,386	99,030,096	\$ 560,995
OPERATING EXPENSES:						
Electricity purchased	39,634,354		356,950		39,991,304	
Natural gas purchased	4,886,601				4,886,601	
Water purchased		4,698,464			4,698,464	
Salary and wages	3,849,209	2,380,802	1,052,250	721,809	8,004,070	
Supplies	684,564	-	-	25,644	710,208	
Service vehicle expense	135,028	202,264	78,532	118,345	534,170	
Equipment rental	-	37,290	21,351	-	58,641	
Depreciation	6,281,507	2,656,232	1,552,766	458,951	10,949,456	
Payroll tax & employee benefits	1,303,755	974,248	408,843	298,882	2,985,728	
Office & dept. supplies	65,289	291,016	21,344	69,215	446,864	
Professional services	319,105	253,878	154,780	20,840	748,604	
R. & M. - equipment	505,666	1,228,917	517,502	144,889	2,396,974	
R. & M. - buildings and grounds	47,824	33,131	14,688	52,236	147,879	
Insurance & surety bonds	150,921	162,108	56,506	18,318	387,852	
Travel	68,173	38,660	8,038	10,784	125,654	319
Miscellaneous	2,858	228			3,091	
Interest expense	30,444				30,444	
Subscriptions & memberships	58,663	30,114	1,941	1,287	92,006	
Lease payments					-	
Claims paid			153			154,321
Insurance premiums						279,066
Contract labor				7,030,023	7,030,023	
Billing & administration	1,700,000	1,100,000	750,000	830,000	4,380,000	
Total operating expenses	59,723,963	14,087,352	4,995,645	9,801,222	88,608,181	433,706
Operating income	3,664,916	4,798,931	799,904	1,158,164	10,421,915	127,289
NON-OPERATING REVENUES (EXPENSES)						
Interest income	45,582	16,990	169,238	10,196	242,006	3,618
Rent	-	-	6,000	102,305	108,305	
Miscellaneous income	66,465	12,551	42,033	22,600	143,649	-
Gain on sale of assets	14,844	2,790		-	17,634	
Federal grants	5,792	12,494			18,286	
Interfund utility services	(51,956)	(749,164)	(30,979)	-	(832,099)	
Interest charges	(2,618,020)	26,915	(65,617)	(17,522)	(2,674,243)	
Total non-operating revenue (expense)	(2,537,293)	(677,424)	120,675	117,579	(2,976,462)	3,618
Income before transfers	1,127,623	4,121,508	920,579	1,275,743	7,445,453	130,907
Transfers (to) from other funds	(789,296)	204,715	30,979	(334,000)	(887,602)	
Additions to contributed capital					-	
Change in Net position	338,327	4,326,223	951,558	941,743	6,557,850	130,907
Restate beginning net position for pensions	(1,587,017)	(1,106,180)	(463,197)	(311,189)	(3,467,583)	
Total net position - beginning	37,844,342	88,328,831	90,707,073	15,167,987	232,048,233	673,935
Total net position - ending	\$ 36,595,652	\$ 91,548,874	\$ 91,195,434	\$ 15,798,541	\$ 235,138,500	\$ 804,842

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, 2015

	Business-type Activities - Enterprise Funds				TOTALS 2015	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	\$ 63,686,213	\$ 19,418,818	\$ 5,882,431	10,966,486	\$ 99,953,948	\$ -
Receipts from interfund services provided					(66,765,492)	560,995
Payments to suppliers	(48,687,959)	(7,853,816)	(1,916,066)	(8,307,651)	(10,989,798)	
Payments to employees	(5,152,964)	(3,355,050)	(1,461,093)	(1,020,690)		(444,700)
Payments for interfund services used						(444,700)
Net cash provided (used) by operating activities	9,845,290	8,209,951	2,505,272	1,638,145	22,198,657	116,295
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Rents received		-	6,000	124,905	130,905	
Miscellaneous non-operating income	66,465	12,551	42,033	-	143,649	
Interfund receivable/payable activity			6,165,927	(14,526)	6,151,401	
Federal operating grant	5,792	12,494			18,286	
Interfund utility services	(51,956)	(749,164)	(30,979)	-	(832,099)	
Economic development transfer	(789,296)	204,715	30,979	(334,000)	(887,602)	
Net increase (decrease) in pension benefits for effect of GASB 68	(232,780)	(162,252)	(67,941)	(45,644)	(275,837)	
Net cash provided (used) by noncapital and related financing activities	(1,001,775)	(681,656)	6,146,019	(269,265)	4,448,703	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from capital debt			-		-	
Purchases of capital assets	(1,410,437)	(2,419,656)	(822,561)	(140,863)	(4,793,517)	
Principal paid on capital debt	(1,995,000)	(3,308,000)	(2,674,522)	(104,000)	(8,081,522)	
Interest on capital debt net of disc/premiums	(2,587,850)	(172,046)	(35,267)	(10,613)	(2,805,776)	
Gain (loss) on sale of fixed assets	14,844	2,790			17,634	
Amortization of deferred loss on bond refunding	71,530				71,530	
Net cash provided (used) by capital and related financing activities	(5,906,913)	(5,896,912)	(3,532,350)	(255,476)	(15,591,651)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	45,582	16,990	169,238	10,196	242,006	3,618
Net increase (decrease) in cash and cash equivalents	2,982,184	1,648,374	5,288,179	1,123,599	11,042,335	119,913
Cash and equivalents including restricted cash of \$3,809,087 at beginning of year	11,040,659	3,664,426	27,535,108	1,149,737	43,389,930	690,323
Cash and equivalents including restricted cash of \$1,949,168 at end of year	\$ 14,022,843	\$ 5,312,800	\$ 32,823,287	\$ 2,273,336	\$ 54,432,265	\$ 810,236
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss)	3,664,916	4,798,931	799,904	1,158,164	10,421,915	127,289
Adjustments to reconcile net income from operations to net cash provided by operating activities:						
Depreciation	6,281,507	2,656,232	1,552,766	458,951	10,949,456	
Changes in assets & liabilities:						
Decrease (increase) in receivables	305,122	565,789	86,882	(97)	957,696	
Decrease (increase) in inventory	52,036	(233,623)			(181,587)	
Decrease (increase) in note receivable				-	-	
Decrease (increase) in prepaid exp.				-	-	
Increase (decrease) in deposits	(7,788)	(33,254)		7,197	(33,845)	
Increase (decrease) in accruals	(450,504)	455,876	65,720	13,930	85,022	(10,993)
Total adjustments	6,180,373	3,411,020	1,705,368	479,981	11,776,742	(10,993)
Net cash provided by operating activities:	\$ 9,845,289	\$ 8,209,951	\$ 2,505,272	\$ 1,638,145	\$ 22,198,657	\$ 116,296

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

**CITY OF ST. GEORGE, UTAH
STATEMENT OF NET POSITION
FIDUCIARY FUNDS**

JUNE 30, 2015

	PENSION TRUST *****
ASSETS	
Restricted cash and investments	\$ 15,625,534
Total Assets	15,625,534
LIABILITIES	
Liabilities:	
Accrued liabilities	-
Total liabilities	-
NET POSITION	
Held in trust for pension benefits and other purposes	\$ 15,625,534

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

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

		PENSION TRUST

ADDITIONS		
Retirement contributions	\$	33,832
Life insurance contributions		-
Certificate sales		-
Net increase in fair value of investments		347,782
Citizen donations		-
		-
Total additions		381,614
DEDUCTIONS		
Administrative & general		1,501
Life insurance premiums		-
Retirement withdrawals		1,214,352
		1,214,352
Total deductions		1,215,853
Change in net position		(834,240)
Net position - beginning of year		16,459,774
		16,459,774
Net position - end of year	\$	15,625,534

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, 2015

I. Summary of significant accounting policies

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

B. Reporting entity

The City of St. George is a municipal corporation governed by an elected mayor and a five-member governing council. Day to day operations are managed by a professional city manager. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are in substance, part of the City's primary government operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the City.

Blended component unit. The Downtown Redevelopment Agency and the various other Economic Development Agencies (EDA) and Community Development Agencies (CDA) serve all of the citizens of the City and is governed by a board comprised of the City's elected Mayor and Council. The tax rates, budgets, and bond issuance authorizations are approved by the City board and the City is legally obligated to provide resources in case there are deficiencies in debt service payments and resources are not available from any other remedies. The agencies are reported as *special revenue funds* and do not issue separate financial statements.

C. Basis of presentation - government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while the business-type activities column incorporates data from the City's enterprise funds. 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.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the General Fund for billing and administration in the enterprise funds where the amounts are reasonably equivalent in value to the inter-fund services provided and other charges. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of presentation - fund financial statements

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *replacement airport capital projects fund* accounts for the acquisition and construction of the replacement airport.

The *public works capital projects fund* accounts for the acquisition and construction of major public works (i.e., highways, streets, infrastructure, etc.) funded by governmental resources other than specific funds with restricted resources as to their use.

The City reports the following major enterprise funds:

The *electric utility fund* accounts for activities and operations of the City's electric distribution operations. It also includes some generation of electricity by the City itself.

The *water utility fund* accounts for the activities and operations of the City's water distribution operations.

The *wastewater treatment fund* accounts for the activities and operations of the regional wastewater treatment plant and regional collector lines which also serves Washington City, Ivins and Santa Clara with the City being the operator.

The City also reports the following fund types:

An *internal service fund* accounts 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.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service fund) are eliminated so that only the net amount is included as internal balances in the governmental column. Similarly, balances between the funds included in business-type activities (i.e., enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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 governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. 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 revenues to be available if they are collected within 60 days of the end of the current fiscal period. For grants and similar revenues this time line is 150 days. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisition of capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest 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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 150 days of year-end). All other revenue items are considered to be measureable and available only when the cash is received by the City.

The proprietary and pension trust are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

F. Budgetary information

1. Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all City funds. In the *General Fund* control is maintained at the function level (i.e., general government, public safety, highways & improvements, parks & public property, etc.). All appropriations lapse at year-end.

The appropriated budget is prepared by fund, function, and department. The City Manager may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level as stated above.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances (those for which performance under the contract is expected in the next year) are re-appropriated as a part of the subsequent year's budget.

Although Utah State law requires the initial preparation and adoption 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.

2. Excess of expenditures over appropriations

For the year ended June 30, 2015, expenditures in the General Fund were all within budget at the legal level of budgetary control (i.e., fund level).

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash and cash equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of twelve months or less from the date of acquisition. City policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the Utah 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 conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the Pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The Pool is subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC.

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, Refuse Collection, and Drainage Utility funds, the City records utility revenues billed to customers when meters are read on a monthly basis. Unbilled service accounts receivable at June 30, 2015 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 (which reduces operating revenues per GAAP in the financial statements) equal to 1/2 of 1% of revenues in the Electric, Water, Wastewater Collection, Refuse Collection, and Drainage utility enterprise funds.

3. Inventories and prepaid items

Inventories of materials and supplies in the Electric and Water funds, consisting principally of materials used in the repair of the transmission and distribution 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/fleet division and merchandise for sale at the golf courses, which are expended on a consumption basis. This inventory is likewise accounted for on a FIFO basis.

Certain payments to vendors for both goods and services reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

4. *Capital assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of three years.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to determine the historical cost of these assets through a review of all prior accounting and purchasing records available at the time that GASB 34 was implemented. As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the items or increase the estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the City are 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 & equipment	7 to 30 years

5. *Deferred outflows/inflows of resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/

expenditure) until then. At June 30, 2015 the City had a deferred outflows for deferred charge/loss on bond refunding of the 2005 Electric Revenue bonds that will be recognized over the life of the refunding bonds. Also at June 30, 2015 the City had a deferred outflow related to pensions for differences between projected and actual earnings on pension plan investments and for contributions subsequent to the pension fund measurement date of December 31, 2014. The deferral amount will be calculated annually by the Utah Retirement System.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category, deferred inflows related to pensions and unavailable revenues. The deferred inflows related to pensions are differences between expected and actual experience, changes in assumptions, and net differences between projected and actual earnings on plan investments. These items will be recognized in pension expense over the next 6 years. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: 1) The sale of City Cache Cards, which can be used in future periods at various recreational facilities within the City. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. 2) Property tax rates for the fiscal year ending June 30, 2016, are adopted in connection with the adoption of the 2016 budget in June 2015. Thus they become a valid levy/lein at that time. Accordingly, the estimated amount to be collected in the 2016 fiscal year is recorded as a receivable and a deferred inflow in the governmental funds for the fiscal year ended June 30, 2015. The amounts for the various funds are identified further on in these footnotes.

6. *Net position flow assumption*

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

7. *Fund balance flow assumptions*

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow

assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last

8. *Fund balance policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

H. Revenues and expenditures/expenses

1. *Program revenues*

Amounts reported as *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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. *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.

Property tax increments received in Redevelopment Agencies (RDA), Economic Development Agencies (EDA), and Community Development Agencies (CDA) are shown as Contributions from Other Governments in compliance with the Utah State Auditor's Office.

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 franchise taxes due and payable to the City at June 30th.

3. *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 position 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.

4. *Proprietary funds operating and nonoperating revenues and expenses*

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 of all of the City's enterprise funds are charges to customers for sales and services. The electric, water, wastewater collection, wastewater treatment, and drainage utility funds also recognize as operating revenue the portion of connection and impact fees intended to recover the cost of connecting new customers to the system. 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.

5. *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 position. Bond premiums and discounts 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.

6. *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.

I. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported as fair value.

J. New pronouncements

For the year ended June 30, 2015, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension assets and liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits. Implementation of these new Statements resulted in a restatement of beginning net position in the City's government-wide and proprietary fund financial statements (see Note 5).

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 position

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.” The details of this \$360,318,340 are as follows:

Land	\$ 95,005,703
Buildings	41,362,502
Less: Accumulated depreciation–buildings	(16,726,135)
Improvements	76,917,578
Less: Accumulated depreciation-improvements	(30,814,632)
Infrastructure	246,988,880
Less: Accumulated depreciation-infrastructure	(65,096,386)
Machinery & Equipment	39,677,869
Less: Accumulated depreciation-machinery & equip	<u>(26,997,039)</u>
Net adjustment to increase fund balance-total governmental funds to arrive at net position-governmental activities	<u>\$360,318,340</u>

Another element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of the \$47,160,111 difference are as follows:

Notes payable	\$ 914,400
Bonds payable	37,817,000
Add: Issuance premium (to be amortized over life of debt)	1,806,721
Capital leases	4,618,535
Compensated absences	1,690,880
Interest payable on long-term debt	<u>312,575</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position-governmental activities	<u>\$47,160,111</u>

Another element of that reconciliation explains that “pension assets, net liability, and deferred inflows & outflows are not due and payable in the current period and therefore are not reported in the funds”. The details of this \$9,105,125 are as follows:

Net pension liability	\$9,930,997
Deferred inflows related to pensions	1,803,814
Net pension assets	(253,113)
Deferred outflows related to pensions	<u>(2,376,573)</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position-governmental activities	<u>\$9,105,125</u>

The final element of that reconciliation explains that “internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position”. The details of this \$804,842 difference are as follows:

Net position of self-insurance internal services fund	<u>\$804,842</u>
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B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of 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 position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.” The details of this \$6,697,767 difference are as follows:

Capital outlay	\$16,258,382
Sale of capital assets, net of accumulated depreciation	(27,388)
Depreciation expense	<u>(9,533,227)</u>
Net adjustment to increase net changes in fund balance-governmental funds to arrive at changes in net position of governmental activities	<u>\$ 6,697,767</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statements of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this \$10,389,451 difference are as follows:

Principal repayments:	
General obligation debt	\$ 8,760,000
Sales tax revenue bonds	3,540,000
Excise tax revenue bonds	281,000
Notes payable	4,854,050
Capital leases	<u>784,401</u>
Total principal repayments	18,219,451
Debt issued:	
2014 General obligation Revenue bonds	<u>\$7,830,000</u>
Total debt issued	<u>(7,830,000)</u>

Net adjustment to increase changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	<u>\$10,389,451</u>
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Another element of that reconciliation states that “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 position reduces interest expense in the government-wide statement of activities.” The details of this \$160,016 difference are as follows:

Amortization of bond premiums on general obligation bonds	\$ 248,079
Bond premium on 2014 G.O. Tax revenue bonds	<u>(408,095)</u>
Net bond premiums	<u>\$ (160,016)</u>

Another element of that reconciliation states that “accrued interest for long-term debt is not reported as an expenditure for the current period while it is recorded as an expenditure in the government-wide statement of activities.” The increase in accrued interest during the current fiscal year was:

\$169,709

Another element of that reconciliation states that “compensated absences expense reported in the government-wide statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.” The decrease in this amount for the current fiscal year was:

\$ (217,121)

The final element of that reconciliation states that “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 in the government-wide statement of activities.”

\$130,907

III. Stewardship, compliance and accountability

A. Excess of expenditures over appropriations

For the fiscal year ended June 30, 2015, all fund expenditures were less than appropriations.

B. Deficit fund equity

At June 30, 2015 the RAP Tax Special Revenue Fund, the Community Resource Center Special Revenue Fund, the Dixie Center Area EDA Special Revenue Fund, the Street Bond Capital Projects Fund, and the 2010 Flood Restoration Fund all had a deficit fund balance/position. It is anticipated that the deficits will be eliminated this year through increased revenues or spending cuts.

IV. Detailed Notes for All Funds

A. Cash deposits with financial institutions

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 does not have a deposit policy for custodial credit risk. As of June 30, 2015, the City's book balance was \$91,754,585. The bank balance was \$93,352,761 and \$92,512,244 of that amount was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging or financial institution's trust department or agent, but not in the City's name.

At June 30, 2015, the City had the following cash & investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percentage</u>
U.S. Treasuries	\$ 1,887,171	1.76%
State Treasurer's investment pool	85,117,628	79.27%
Bank certificates of deposit	480,490	0.45%
Bank demand deposits (checking & saving)	4,260,296	3.97%
Insurance company contracts (pension plan)	<u>15,625,534</u>	<u>14.55%</u>
Total fair value	<u>\$107,371,119</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, 2015, the weighted average of maturities was 62.82 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 Money Management 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, 2015, no investments exceeded this policy.

B. Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectible accounts) line for certain funds and aggregated columns. Below is the detail of receivables for the governmental funds in the aggregate.

<u>Receivables</u>	<u>General</u>	<u>Replacement Capital Project Fund</u>	<u>Public Works Capital Project Fund</u>	<u>Other Government Funds</u>	<u>Total</u>
Accounts	\$ 229,549		\$782,248	\$102,701	\$1,114,498
FY 2015 Property taxes	179,618			74,802	254,420
FY 2016 Property taxes	8,350,000			4,008,294	12,358,294*
Grants	132,505	\$10,000,000		867,742	11,000,247
Sales taxes	2,889,918			1,005,618	3,895,536
Special assessments				100,685	100,685
Transit room taxes				104,912	104,912
Franchise taxes	138,894				138,894
Total receivable	<u>\$11,921,484</u>	<u>\$10,000,000</u>	<u>\$782,248</u>	<u>\$6,264,754</u>	<u>\$28,968,486</u>

** The 2015 Property taxes are levied in June 2015 for the fiscal year 2016 and thus are shown as receivable but also reflected as deferred inflows on the statement of net position.*

Below is the detail of receivables for the proprietary funds in the aggregate.

Receivables	Electric	Water	Wastewater Treatment	Other Proprietary Funds	Total
Accounts	\$ 8,285,262	\$ 3,025,601	\$ 195,955	\$ 1,425,335	\$ 12,932,153
Grants		-			-
Gross receivables	\$ 8,285,262	\$ 3,025,601	\$ 195,955	\$ 1,425,335	\$ 12,932,153
Less: Allowance	(1,331,852)	(470,111)		(226,302)	(2,028,265)
Net Receivables	<u>\$ 6,953,410</u>	<u>\$ 2,555,490</u>	<u>\$ 195,955</u>	<u>\$ 1,199,033</u>	<u>\$ 10,903,888</u>

C. 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.

D. Capital assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 94,808,963	\$ 196,740	\$ -	\$ 95,005,703
Capital assets being depreciated:				
Buildings	38,096,875	3,265,626		41,362,501
Improvements	72,584,765	4,332,813		76,917,578
Infrastructure	241,171,105	5,817,775		246,988,880
Equipment, etc	37,192,482	2,645,398	160,010	39,677,870
Total capital assets being depreciated	389,045,227	16,061,612	160,010	404,946,829
Less accum. depreciation for:				
Buildings	15,581,594	1,144,540		16,726,134
Improvements	28,378,755	2,435,877		30,814,632
Infrastructure	61,070,096	4,026,289		65,096,385
Equipment, etc	25,203,192	1,926,521	132,674	26,997,039
Total accum. depreciation	130,233,637	9,533,227	132,674	139,634,190
Total capital assets being depreciated, net	258,811,590	6,528,385	27,336	265,312,639
Governmental activities capital assets, net	<u>\$ 353,620,553</u>	<u>\$ 6,725,125</u>	<u>\$ 27,336</u>	<u>\$ 360,318,342</u>

During the current fiscal year 2015, the following assets were reclassified from the Golf Enterprise fund to the General Fund. These reclassifications are reflected in the beginning balances for both the governmental activities and business-type activities.

	<u>Cost</u>	<u>Accumulated Depreciation</u>
Land	\$7,666,382	\$ 0
Buildings	1,597,908	888,514
Improvements	3,141,036	1,944,861
Equipment	6,159,422	4,615,926

In addition, we corrected the category of \$770,733 worth of assets that were listed as improvements but were better classified as land or non-depreciable assets.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 22,895,541	\$ -	\$ -	\$ 22,895,541
Capital assets being depreciated:				
Buildings and Systems	336,376,012	3,634,524		340,010,536
Improvements	15,125,524	130,693		15,256,217
Machinery & Equipment	17,716,021	1,028,301	142,238	18,602,084
Total capital assets being depreciated	369,217,557	4,793,518	142,238	373,868,837
Less accum. Depreciation for:				
Buildings and Systems	123,148,475	9,725,083		132,873,558
Improvements	6,730,833	666,658		7,397,491
Machinery & Equipment	14,013,710	557,715	142,238	14,429,187
Total accum. Depreciation	143,893,018	10,949,456	142,238	154,700,236
Total capital assets being depreciated, net	225,324,539	(6,155,938)	-	219,168,601
Governmental activities capital assets, net	<u>\$ 248,220,080</u>	<u>\$ (6,155,938)</u>	<u>\$ -</u>	<u>\$ 242,064,142</u>

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

Governmental activities:	
General government	\$ 1,128,359
Public safety	931,208
Highways, streets, etc.	4,869,726
Parks, recreations, etc.	2,155,047

Community development	<u>448,887</u>
Total depreciation expense - governmental activities	<u>\$ 9,533,227</u>

Business-type activities:	
Municipal building authority	\$ 98,336
Water utility	2,656,232
Wastewater collection	360,615
Electric utility	6,281,507
Regional wastewater treatment	<u>1,552,766</u>
Total depreciation expense - business-type activities	<u>\$10,949,456</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, 2015, interfund balances due to or from other funds was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	CDBG Fund	\$ 155,201
General Fund	Rap Tax Fund	72,204
General Fund	Community Resource Center	444,900
General Fund	Dixie Center Area EDA Fund	57,055
General Fund	SunTran Public Transit	125,071
General Fund	Sales Tax Bond Cap. Proj. Fund	27,417
General Fund	Refuse Collection Fund	21,174
Wastewater Treatment Fund	Replacement Airport Fund	5,554,536
Capital Equip Capital Proj. Fund	2010 Flood Reconst. Fund	2,194,197

The Wastewater Treatment fund receivable from the Replacement Airport Fund is a bridge loan to cover the time period before the remaining federal grants come in to fully fund the replacement airport. The balance will be repaid in fiscal year 2016 once the final federal grant installment is received. An interfund note has been approved by the Mayor and Council for this activity. Interest is charged monthly at the rate earned by the City on its investment in the Utah State Treasurer's Investment Pool. Payments are applied against the note in any month in which the Replacement Airport fund has a positive cash balance. The note is increased for any month in which the Replacement Airport fund has a negative cash balance.

The other interfund payables represent negative cash balances in the respective funds and are being covered by the other receivable funds. It is anticipated that these are temporary in nature and will be repaid during the 2016 fiscal year.

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, 2015 were as follows:

<u>Fund Transferring Out</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>
General Fund	Dixie Center Operations	\$ 267,000
	Capital Projects Capital Equip	209,202
General Fund - Highways etc.	Public Works Cap. Projects	600,000
Economic Development Fund	Airport Debt Serv Fund	22,311
	General Fund	250,000
Transportation Improvement	SunTran Public Transit Fund	500,000
	Public Works Capital Proj.	2,248,996
	Street Bond Cap. Proj. Fund	1,813,000
	General Fund	85,000
Capital Equipment Fund	General Fund	238,452
Park Impact Fund	General Fund	75,000
	Capital Equip Fund	300,000
Drainage Impact Fund	Public Works Capital Proj.	418,256
Drainage Utility Fund	Public Works Capital Proj.	209,001
	General Fund	85,000
CDBG Special Revenue Fund	General Fund	60,113
Ft. Pierce EDA #2 Fund	Housing Program Fund	93,305*
	General Fund	16,500
	Street Bond Cap Proj Fund	121,000
Ft. Pierce EDA #1 Fund	Housing Program Fund	57,348*
	General Fund	10,500
Dixie Center EDA Fund	General Fund	13,000
	Street Bond Cap Proj Fund	269,000
Ft. Pierce CDA #1 Fund	General Fund	30,000
	Street Bond Cap Proj Fund	830,000
Perpetual Care Fund	General Fund	100,917
Wastewater Collection Utility	Public Works Capital Proj.	40,000
Street Impact Fund	Public Works Capital Proj.	<u>1,314,701</u>
	Total Interfund Transfers	<u>\$10,277,602</u>
Total Interfund Transfers - Governmental Funds		\$9,943,601
Total Interfund Transfers - Enterprise Funds		334,001

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 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 Olene 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.*

In addition, the City has some water and electric utility accounts which do not pay for the water and/or electricity used at certain city facilities. The amount of non-billed services provided are as follows:

<u>Fund Receiving Services:</u>	<u>Water Utility</u>	<u>Electric Utility</u>
General Fund	\$498,984	\$ 46,819
Community Resource Center	4,184	
Downtown RDA Fund	323	480
SunTran Transit Fund	211	
Capital Equip. Capital Proj Fund	2,601	
Electric Utility Fund	2,025	49,931
Water Utility Fund	5,142	744,022
Wastewater Treatment Fund	30,979	
Totals	<u>\$544,449</u>	<u>\$841,252</u>

F. Long-term debt

General Obligation Bonds

The City has issued general obligation bonds to provide funds for the acquisition and construction of major parks and recreation capital facilities throughout the City. In a special election in 1996, the citizens authorized the issuance of up to \$18 million in general obligation bonds. In January of 1997, the first installment of such bonds were issued for \$12 million. In January of 1999, the balance of \$6 million was issued. In fiscal year 2004, the City advance refunded \$10,880,000 of the 1997 G.O. bonds due after August 1, 2007. These bonds totaled \$11,645,000. In December of 2006 the City advance refunded \$4,925,000 of the 1999 G.O. bonds due after August 1, 2012. These bonds totaled \$5,140,000. On July 30, 2010, the City issued the Series 2010 General Obligation Refunding Bonds in a total amount of \$5,395,000. On July 15, 2014, the City issued the Series 2014 G.O. Recreation Bonds to refund the 2004 G.O. bonds in the amount of \$7,830,000. 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 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. The 2014 G.O. Refunding bonds totaling \$7,830,000 were issued with annual installments of \$695,000 to \$1,445,000 thru August 1, 2021.

In the current fiscal year, the City issued the 2014 G.O. Refunding bonds to pay and cancel the 2004 G.O. Refunding bonds. The total bonds issued were \$7,830,000. The proceeds of these bonds were then used to redeem the 2004 G.O. Refunding bonds on the due date of August 1, 2014 totaling \$7,455,000. The issue was made to take advantage of lower interest rates. The total cash flows over the life of the new debt is \$8,756,558 in comparison with \$9,794,213. This represents a net present value savings of \$795,233 after costs of issue.

General obligation bonds currently outstanding at June 30, 2015 are as follows:

Governmental activities:

	<u>Interest rates</u>	<u>Amount</u>
2010 G.O. Parks & Recreation	2.25% to 4.00%	\$ 4,790,000
2014 G.O. Parks & Recreation	2% to 3%	<u>7,830,000</u>
		<u>\$12,620,000</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 \$2,750,000 to \$2,980,000 per year from November 1, 2009 thru November 1, 2017. They have an interest rate of 3.0% to 5.053%.

Governmental activities:

	<u>Interest rates</u>	<u>Amount</u>
2009 Sales Tax Revenue bonds	3.084% to 5.053%	<u>\$8,590,000</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 2014, the City issued Franchise Tax revenue bonds which are secured by the collection of franchise taxes on various utilities which provide services in the City. The revenues are recorded as revenues in the General Fund. Such bonds were originally issued for \$8,150,000 and were used for the construction of major capital asset facilities throughout the City. The bonds are repaid in annual installments of \$405,000 to \$745,000 thru December 1, 2028. They have an interest rate of 3.0% to 5.0%. At June 30, 2015, the debt balance is as follows:

Governmental activities:

	<u>Interest rates</u>	<u>Amount</u>
2014 Franchise Tax Revenue Bonds	3.0% to 5.0%	<u>\$7,755,000</u>
Total City reflected General Obligation Debt		<u>\$28,965,000</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>
2016	\$4,240	\$1,026	\$ 5,266
2017	4,445	873	5,318
2018	4,665	707	5,372
2019	1,785	602	2,387
2020	1,900	537	2,437
2021-2025	9,150	1,536	10,686
2026-2029	<u>2,780</u>	<u>264</u>	<u>3,044</u>
Totals	<u>\$28,965</u>	<u>\$5,545</u>	<u>\$34,510</u>

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 \$295,000 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, 2015 the balance of this bond issue is \$2,129,000. 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 1, 2024 of \$5,794,000. The federal subsidy rate on the bonds is 45% of the interest paid by the issuer (ie: the City). At June 30, 2015, 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>
2016	\$ 295	\$ 698	\$ 298	\$ 695
2017	311	674	289	696
2018	327	649	281	695
2019	345	623	271	696
2020	362	595	262	695
2021-2024	<u>7,212</u>	<u>2,073</u>	<u>929</u>	<u>8,356</u>
	<u>\$ 8,852</u>	<u>\$5,312</u>	<u>\$2,330</u>	<u>\$11,833</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.

Notes Payable

In fiscal year 2014, the City entered into a trust deed note agreement to purchase the community resource center for \$1,200,000. It is being repaid at an interest rate of 6%, with annual payments on July 1st of each year through July 1, 2017.

Annual debt service requirements to maturity for this note are as follows:

(in thousands of dollars)

<u>Year Ended</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$263	\$ 55	\$ 318
2017	298	39	337
2018	<u>353</u>	<u>21</u>	<u>374</u>
Totals	<u>\$914</u>	<u>\$115</u>	<u>\$1,029</u>

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, 2015 by issue are as follows: (in thousands)

<u>Bond Desc.</u>	<u>Original</u> <u>Issue</u>	<u>Annual</u> <u>principal</u>	<u>Interest</u> <u>rates</u>	<u>Final Due</u> <u>Date</u>	<u>Amount</u>
1998A MBA	\$6,270	\$90 to \$100	4.6% to 4.7%	9/1/17	\$285
2000 Woodward	<u>350</u>	\$19 to \$23	2.5%	4/1/21	<u>125</u>
Total Municipal Bldg	<u>6,620</u>				<u>410</u>
2013 Water	\$ 3,637	\$1178 to \$1191	1.26%	7/1/16	\$2,369
2011 Water	6,120	\$745 to \$830	2.25% to 3%	6/1/20	3,930
2012 Water	<u>3,830</u>	\$235 to \$405	2% to 3%	7/1/25	<u>3,830</u>
Total Water Utility	<u>13,587</u>				<u>10,129</u>
2008 Electric Revenue	\$50,000	\$1100 to \$3190	4.25% to 5%	6/1/38	\$45,175
2013 Electric Revenue	<u>11,280</u>	\$985 to \$1250	2.65%	6/1/25	<u>11,105</u>
Total Electric Utility	<u>61,280</u>				<u>56,280</u>
Total Business-type Activities	<u>\$81,487</u>				<u>\$66,819</u>

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

Year Ended			
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 4,352	\$ 2,791	\$ 7,143
2017	4,551	2,674	7,225
2018	3,465	2,549	6,014
2019	3,491	2,429	5,920
2020	3,607	2,306	5,913
2021-2025	15,508	9,739	25,247
2026-2030	10,210	6,933	17,143
2031-2035	12,515	4,219	16,734
2036-2038	<u>9,120</u>	<u>927</u>	<u>10,047</u>
Totals	<u>\$66,819</u>	<u>\$34,567</u>	<u>\$101,386</u>

In the fiscal year 2015, the City paid the annual installment for 2015 and also called and paid off at par the maturities for fiscal year 2016 and fiscal year 2017 totaling \$1,825,000 for the 2004 Sewer Revenue Refunding Bonds.

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, 2015, 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
2004 Water Revenue bonds	21,035,000
2003 Water Revenue bonds	3,470,000
2004 G O Parks & Recreation bonds	7,455,000

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2015 was as follows: (in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Governmental activities:					
Bonds payable:					
G.O. Bonds	\$ 13,155	\$ 7,830	\$ (8,365)	\$ 12,620	\$ 1,085
Sales Tax Bonds	12,130		(3,540)	8,590	2,750
Franchise Tax Bonds	8,150		(395)	7,755	405
Federal Subsidy bonds	9,133	-	(281)	8,852	295
Total bonds payable	42,568	7,830	(12,581)	37,817	4,535
McArthur note	74	-	(74)	-	-
SITLA Note Payable	4,494	-	(4,494)	-	-
Ekins Note payable	1,200		(286)	914	263
WCIA lease	4,387	-	(603)	3,784	411
Capital leases *	1,016	-	(182)	834	187
Interest payable	482	-	(170)	312	
Unamortized premiums	1,647	408	(248)	1,807	
Vacation payable *	1,473	218	-	1,691	
Governmental activity long-term liabilities	<u>\$ 57,341</u>	<u>\$ 8,456</u>	<u>\$ (18,638)</u>	<u>\$ 47,159</u>	<u>\$ 5,396</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 74,891	\$ -	\$ (8,072)	\$ 66,819	\$ 4,352
WCWCA note	78		(10)	68	10
Unamortized premiums	617		(299)	318	
Total business-type long-term liabilities	<u>\$ 75,586</u>	<u>\$ -</u>	<u>\$ (8,381)</u>	<u>\$ 67,205</u>	<u>\$ 4,362</u>

* For Governmental activities, the beginning balances were adjusted for the golf fund merger into the general fund. Capital leases were increased by \$1,016,000 and vacation payable was increased by \$118,000. For business-type activities, the capital leases were decreased by \$1,016,000, so there are no remaining business-type capital leases.

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 in prior years. With the merger of the

golf course fund into the general fund, these now become general long-term governmental liabilities. 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 \$1,229,289. Accumulated depreciation on this equipment totals \$204,882.

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, 2015.

<u>Fiscal year ended</u>	<u>Golf Carts</u>
June 30, 2016	\$213,514
June 30, 2017	213,514
June 30, 2018	213,514
June 30, 2019	<u>262,000</u>
Total payments	902,542
Less amount representing interest	<u>(68,488)</u>
Present value of lease payments	<u>\$834,054</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 seven members, three appointed by the Board of Washington County commissioners, three members appointed by the St. George City council and one member elected by the six 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, 2016	\$ 516
June 30, 2017	654
June 30, 2018	469
June 30, 2019	433
June 30, 2020	439
2021-2024	<u>1,751</u>
Total remaining minimum lease payments	4,262
Less amount representing interest	<u>(478)</u>
Present value of net remaining minimum lease payments	<u>\$3,784</u>

For the fiscal year ended June 30, 2015 expenditures were payments for O&M of \$719,478 and debt service payments of \$700,043.

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 POSITION

	<u>MBA</u>
Assets:	
Cash and investments	\$ 30,264
Other assets (prepaid & deferred bond costs)	13,817
Capital assets	10,770,124
Less depreciation	(1,676,866)
Total assets	<u>9,137,339</u>
Liabilities	
Accrued liabilities	5,159
Due to other funds	-
Noncurrent liabilities	410,000
Total liabilities	<u>415,159</u>
Net position:	
Net investment in capital assets	8,683,257
Restricted	-
Unrestricted	38,923
Total net position	<u>\$ 8,722,180</u>

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

	<u>MBA</u>
Charges for services	\$ -
Depreciation expense	(98,336)
Other operating expenses	(9,387)
Operating income (loss)	<u>(107,723)</u>
Nonoperating revenues (expenses)	
Interest Income	1
Rental Income	102,305
Contributions from other governments	22,600
Interest Expense	(17,522)
Income (loss) before transfers	<u>(339)</u>
Transfers to other funds	-
Change in net position	<u>(339)</u>
Beginning net position	8,722,519
Ending net position	<u>\$ 8,722,180</u>

CONDENSED STATEMENT OF CASH FLOWS

	<u>MBA</u>
Net cash provided (used) by:	
Operating activities	\$ (10,816)
Noncapital financing activities	124,905
Capital and related financing activities	(114,613)
Investing activities	1
Net increase (decrease)	<u>(523)</u>
Beginning cash & cash equivalents	30,786
Ending cash & cash equivalents	<u>\$ 30,263</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. States Insurance Company administers the liability policy above our self-insured retention. Property is covered by a blanket all risk policy with limits of up to \$331,552,274. Traveler's Insurance administers the property insurance policy above what the City provides as self-insurance.

	<u>06/30/15</u>	<u>06/30/14</u>
Unpaid claims, beginning of fiscal year	\$ 16,389	\$32,351
Incurred claims	143,327	172,169
Claim payments	<u>(154,321)</u>	<u>(188,131)</u>
Unpaid claims, ending of fiscal year	<u>\$ 5,395</u>	<u>\$ 16,389</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 45 other governmental entities that provide for the purchase and transmission of electrical services, is a member of the Utah Association of Municipal Power System (UAMPS), a Joint and Cooperative Agency. 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). UAMPS' purpose includes the planning, financing, development, acquisition, construction, operation and maintenance of various projects for the generation, supply, transmission and management of electric energy for the benefit of the Members. The City's electrical utility fund purchased power totaling \$6,943,759 from UAMPS during the fiscal year ended June 30, 2015.

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, 2015, 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 November 9, 2015, the City Council authorized the issuance of Recreation Arts and Parks (RAP) Tax Bonds, in the aggregate principal amount of \$7,898,000.
- 2) On August 27, 2015, the City Council approved 20 annual contributions of \$25,000 to Tuacahn Center for the Arts for expansion and upgrades to their facilities. The funding source will be the RAP Taxes collected and/or General Fund revenues.
- 3) The City engaged McKinstry in a \$2.1 million Energy Efficiency Study and Improvement Project. The project will be funded by the Electric Utility Fund and as savings are realized, the General Fund will reimburse the Electric Utility Fund.
- 4) In connection with the Utah Department of Transportation (UDOT) improvements to Interstate 15, the City verbally agreed to participate in the costs of the Mall Drive underpass. The project has not been started and no liability has been recorded as of June 30, 2015.

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 \$520,217
- 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) No outstanding bonds or loans

4) The actual amount expended for:

A) acquisition of property	\$0
B) site improvements or preparation costs	\$0
C) installation of public utilities or other public improvements	\$0
D) administrative costs of the agency	\$24,850
E) debt service payments	\$884,790

G. Employee retirement systems and pension plans

Defined Benefit Pension Plan

General Information about the Pension Plan

Plan description: Eligible plan participants are provided with pensions through the Utah Retirement Systems (URS). The Utah Retirement Systems (Systems) are comprised of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System); Public Employees Contributory Retirement System (Contributory System); Firefighters Retirement System (Firefighters System); are multiple employer, cost sharing, public employees, retirement systems.
- The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer retirement system;
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); and the Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) are multiple employer, cost sharing, public employees, retirement systems.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees hired on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Systems are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board (Board), whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to

establish and amend benefit terms. URS issues a publicly available financial report that can be obtained by writing to the Utah Retirement Systems, 560 E 200 S, Salt Lake City, UT 84102 or by visiting the website: www.urs.org.

Benefits provided: URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

Summary of Benefits by System

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Contributory System	Highest 5 years	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975; 2.00% per year July 1975 to present	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending on the employer
Firefighters System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* with actuarial reductions

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contributions: As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where

applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

Contribution rates are as follows:

Utah Retirement Systems	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates
Contributory System			
11 - Local Governmental Division Tier 1	N/A	6.000 %	14.460 %
111 - Local Governmental Division Tier 2	N/A	N/A	14.830 %
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	N/A	18.470 %
Public Safety Retirement System			
43 - Other Division A Noncontributory Tier 1	N/A	N/A	34.040 %
122 - Other Division A Contributory Tier 2	N/A	N/A	22.550 %
Firefighters System			
31 - Division A Tier 1	N/A	15.050 %	3.820 %
132 - Division B Tier 2	N/A	N/A	10.800 %

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred

Inflows of Resources Related to Pensions At December 31, 2014, we reported a net pension asset of \$335,369 and a net pension liability of \$13,158,353.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	2.0631449 %	\$ -	\$8,958,661
Contributory System	0.2677362 %	-	77,227
Public Safety System	3.2780860 %	-	4,122,465
Firefighters System	5.1530814 %	294,055	-
Tier 2 Public Employees System	0.6395860 %	19,382	-
Tier 2 Public Safety and Firefighter System	1.4825609 %	21,932	-
Total Net Pension Asset/Liability		<u>\$335,369</u>	<u>\$13,158,353</u>

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2014.

For the year ended December 31, 2014, we recognized pension expense of \$3,635,005. At December 31, 2014, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 716	\$ 769,024
Changes in assumptions	-	1,620,990
Net difference between projected and actual earnings on pension plan investments	333,652	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	<u>2,814,540</u>	<u>-</u>
Total	<u>\$3,148,908</u>	<u>\$2,390,014</u>

The \$2,814,540 that was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2014. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Deferred Outflows (inflows) of Resources</u>
2015	(\$534,298)
2016	(524,855)
2017	(520,998)
2018	(352,597)
2019	(37,197)
Thereafter	(85,705)

Actuarial assumptions: The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	3.50 – 10.50 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Active member mortality rates are a function of the member's gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the table below.

Retired Member Mortality

Class of Member

Educators

Men EDUM (90%)

Women EDUF (100%)

Public Safety and Firefighters

Men RP 2000mWC (100%)

Women EDUF (120%)

Local Government, Public Employees

Men RP 2000mWC (100%)

Women EDUF (120%)

EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage

EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage

RP 2000mWC = RP 2000 Combined mortality table for males with white collar adjustments multiplied by given percentage

The actuarial assumptions used in the January 1, 2014, valuation were based on the results of an actuarial experience study for the five year period of January 1, 2008 – December 31, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset class</u>	<u>Target Asset Allocation</u>	<u>Expected Return Arithmetic Basis</u>	
		<u>Real Return Arithmetic Basis</u>	<u>Long-term expected portfolio real rate of return</u>
Equity securities	40 %	7.06 %	2.82 %
Debt securities	20 %	0.80 %	0.16 %
Real assets	13 %	5.10 %	0.66 %
Private equity	9 %	11.30 %	1.02 %
Absolute return	18 %	3.15 %	0.57 %
Cash and cash equivalents	<u>0 %</u>	0.00 %	<u>0.00 %</u>
Totals	100 %		5.23 %
	Inflation		<u>2.75 %</u>
	Expected arithmetic nominal return		7.98 %

The 7.50% assumed investment rate of return is comprised of an inflation rate of 2.75%, a real return rate of 4.75% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions for all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease <u>(6.50%)</u>	Discount Rate <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
Proportionate share of Net pension (asset)/liability	\$33,322,834	\$12,822,984	(\$4,088,306)

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

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 equal to the difference between the required contribution rates to the state retirement system and 18.47% which is the total contribution rate paid to the state for employees in the non-contributory Tier 1 system. Thus the rate for any eligible employee will be different depending upon which system they are in with the state retirement systems. It is primarily those in the non-contributory Tier 2 system. The contributions to the plan totaled \$33,831 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.

H. Restatement Adjustment

As mentioned in Note 1 to the financial statements, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. GASB Statement Nos. 68 and 71 established standards for measuring and recognizing net pension assets and liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pension benefits provided through defined benefit pension plans. In addition, the Golf Enterprise Fund was merged into the General Fund during the fiscal year. These adjustments resulted in a restatement of beginning net position as follows:

	Governmental <u>Activities</u>	Business-type <u>Activities</u>
Beginning Net Position	\$ 328,921,886	\$ 237,300,791
Restatement for GASB 68	(10,670,202)	(3,467,583)
Restatement of Golf Merger	<u>5,252,557</u>	<u>(5,252,557)</u>
Restated Beginning Net Position	\$ 323,504,241	\$ 228,580,651

***REQUIRED SUPPLEMENTARY
INFORMATION***

St. George City
Schedule of the Proportionate Share of the Net Pension Liability
12/31/2014
Last 10 Fiscal Years*

	Noncontributory System		Contributory Retirement System		Public Safety System		Firefighters System		Tier 2 Public Employees System		Tier 2 Public Safety and Firefighter System	
	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014
Proportion of the net pension liability (asset)	2.0631449%		0.2677362%		3.2780860%		5.1530814%		0.6395860%			1.4825609%
Proportionate share of the net pension liability (asset)	\$ 8,958,661	\$ 77,227	\$ 4,122,465	\$ (294,055)	\$ (19,382)	\$ (21,932)						
Covered employee payroll	\$ 17,083,129	\$ 143,153	\$ 4,828,212	\$ 1,358,468	\$ 3,138,898	\$ 612,651						
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	52.4%	53.9%	85.4%	-21.6%	-0.6%	-3.6%						
Plan fiduciary net position as a percentage of the total pension liability	90.2%	94.0%	90.5%	103.5%	103.5%	120.5%						

Note: The City implemented GASB 68 in fiscal year 2015. Information prior to 2015 is not available.

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

St. George City
Schedule of Contributions
12/31/2014
Last 10 Fiscal Years*

	Noncontributory System		Contributory Retirement System		Public Safety System		Firefighters System		Tier 2 Public Employees System		Tier 2 Public Safety and Firefighter System	
	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	
Contractually required contribution	\$ 3,242,686	\$ 19,866	\$ 1,614,638	\$ 45,939	\$ 263,876	\$ 66,803						
Contributions in relation to the contractually required contribution	(3,242,686)	(19,866)	(1,614,638)	(45,939)	(263,876)	(66,803)						
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
Covered employee payroll	\$ 17,083,129	\$ 143,153	\$ 4,828,212	\$ 1,358,468	\$ 3,138,898	\$ 612,651						
Contributions as a percentage of covered-employee payroll	18.98%	13.88%	33.44%	3.38%	8.41%	10.90%						

Note: The City implemented GASB 68 in fiscal year 2015. Information prior to 2015 is not available.

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

** Contributions as a percentage of covered-employee payroll may be different than the Board certified rate due to rounding or other administrative issues.

St. George City
Notes to the Required Supplementary Information
12/31/2014

Other information that is not required as part of RSI

The information below is not required as part of GASB 68 but provided for informational purposes. The schedule below is a summary of the Defined Contribution Savings Plans for pay periods January I – December 31.

51 Defined Contribution System

December 31, 2014

	Employee Paid Contributions	Employer Paid Contributions
401(k) Plan	\$ 293,251	\$ 529,010
457 Plan	\$ 153,194	\$ 240,949
Roth IRA Plan	\$ 88,257	-
Traditional IRA Plan	\$ -	-
HRA Plan	\$ -	-

* The employer paid 401(k) contributions include the totals paid for employees enrolled in the Tier 2 Defined Contribution 401(k) Plan.

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SUPPLEMENTAL DATA

City of St. George, UT
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2015

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>Rap Tax Fund</u>	<u>Johnson Farm Dinosaur Tracks</u>
Cash and investments	\$ 382,370	\$ 498,437	\$ 5,490,171	\$ 1,395,658	\$ -	\$ 44,399	\$ -	\$ 45,200
Receivables:								
Accounts	160,633	20,009		912,784	52,492		92,834	
Prepaid expenses					318,000			
Due from other funds				-				
Total assets	\$ 543,003	\$ 518,445	\$ 5,490,171	\$ 2,308,442	\$ 370,492	\$ 44,399	\$ 92,834	\$ 45,200
Liabilities:								
Accounts payable & Accrd Liab.	\$ 755	\$ -	\$ 129,700	\$ -	\$ 35,842	\$ -	\$ 73,963	\$ -
All Abilities Park donations								
Deferred Impact Fee Credit								
Due to other funds					155,201		72,204	
Total liabilities	755		129,700	-	191,042	-	146,167	-
Deferred Inflows of Resources:								
Unavailable revenues - 2016 Property Tax Levy	-	-	-	-	-	-	-	-
Fund balances:								
Restricted for:								
Public safety programs								
Transportation programs		518,445		2,308,442				
Housing & comm. Devlpmt								
Parks construction & devlpmt								
Comm. & Economic Devpmnt	542,248				179,449			
Debt service funds								
Capital project funds								
Assigned to:								
Comm. & Economic Devpmnt			5,360,471					
Parks construction & devlpmt						44,399		45,200
Capital project funds								
Unassigned							(53,333)	
Total fund balances	542,248	518,445	5,360,471	2,308,442	179,449	44,399	(53,333)	45,200
Total liabilities, deferred inflows and fund balances	\$ 543,003	\$ 518,445	\$ 5,490,171	\$ 2,308,442	\$ 370,492	\$ 44,399	\$ 92,834	\$ 45,200

(continued)

City of St. George, UT
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2015
 (continued)

Special Revenue Funds

Assets	Affordable Housing Program	Community Resource Center	Ft. Pierce CDA Fund	Ft. Pierce CDA#2 Fund	Ft Pierce EDA Fund	Econ Devlpmt Agency #1	Dixie Center Area EDA Fund	SunTran Public Transit
Cash and investments	\$ 1,060,228	\$ -	\$ 129,998	\$ 13,224	\$ 80,287	\$ 386,692	\$ -	\$ 100
Receivables:								
Accounts		170,034	1,199,319	46,534	467,091	286,566	260,621	352,280
Prepaid expenses								
Due from other funds								
Total assets	\$ 1,060,228	\$ 170,034	\$ 1,329,317	\$ 59,758	\$ 547,378	\$ 673,259	\$ 260,621	\$ 352,380
Liabilities:								
Accounts payable & Accrd Liab.	\$ -	\$ 25,124	\$ -	\$ -	\$ -	\$ -	\$ 3,216	\$ 6,868
All Abilities Park donations								
Deferred Impact Fee Credit								
Due to other funds		444,900	-	-	-		57,055	125,071
Total liabilities	-	470,024	-	-	-	-	60,271	131,939
Deferred Inflows of Resources:								
Unavailable revenues -								
2016 Property Tax Levy			1,165,500	46,000	440,000	285,000	253,500	
	-	-	1,165,500	46,000	440,000	285,000	253,500	-
Fund balances:								
Restricted for:								
Public safety programs								
Transportation programs								220,441
Housing & comm. Devlpmt	1,060,228							
Parks construction & devlpmt								
Comm. & Economic Devpmnt								
Debt service funds								
Capital project funds								
Assigned to:								
Comm. & Economic Devpmnt			163,817	13,758	107,378	388,259		
Parks construction & devlpmt								
Capital project funds								
Unassigned		(299,991)					(53,150)	
Total fund balances	1,060,228	(299,991)	163,817	13,758	107,378	388,259	(53,150)	220,441
Total liabilities, deferred inflows and fund balances	\$ 1,060,228	\$ 170,034	\$ 1,329,317	\$ 59,758	\$ 547,378	\$ 673,259	\$ 260,621	\$ 352,380

(continued)

City of St. George, UT
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2015
 (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
Assets								
Cash and investments	\$ 102,999	\$ 1,003,379	\$ 396,495	\$ 366,473	\$ 3,633,672	\$ 1,214,637	\$ 13,783,220	\$ 1,706,285
Receivables:								
Accounts	100,684	1,473,294		349,672	-		-	-
Prepaid expenses								
Due from other funds				-	-	-	2,194,197	-
Total assets	\$ 203,683	\$ 2,476,673	\$ 396,495	\$ 716,145	\$ 3,633,672	\$ 1,214,637	\$ 15,977,417	\$ 1,706,285
Liabilities:								
Accounts payable & Accrd Liab.	\$ -	\$ 500	\$ -	\$ 445	\$ 276,190	\$ -	\$ 1,212,924	\$ -
All Abilities Park donations							152,599	
Deferred Impact Fee Credit								
Due to other funds				-	-	-		-
Total liabilities	-	500	-	445	276,190	-	1,365,524	-
Deferred Inflows of Resources:								
Unavailable revenues -								
2016 Property Tax Levy		1,473,294		345,000				
	-	1,473,294	-	345,000	-	-	-	-
Fund balances:								
Restricted for:								
Public safety programs								
Transportation programs						1,214,637		
Housing & comm. Devlpmt								
Parks construction & devlpmt					3,357,482			
Comm. & Economic Devpmnt				-	-	-		-
Debt service funds	203,683	1,002,879	396,495					
Capital project funds				370,701				1,706,285
Assigned to:								
Comm. & Economic Devpmnt								
Parks construction & devlpmt								
Capital project funds							14,611,893	
Unassigned								
Total fund balances	203,683	1,002,879	396,495	370,701	3,357,482	1,214,637	14,611,893	1,706,285
Total liabilities, deferred inflows and fund balances	\$ 203,683	\$ 2,476,673	\$ 396,495	\$ 716,145	\$ 3,633,672	\$ 1,214,637	\$ 15,977,417	\$ 1,706,285

(continued)

City of St. George, UT
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2015
 (continued)

Capital Projects Funds

Assets	Fire Dept Impact	Police Impact	Street Bonds Capital Proj.	2010 Flood Reconstruction	2012 Flood Reconstruction	Totals
Cash and investments	\$ 475,816	\$ 59,452	\$ -	\$ -	\$ 9,349	\$ 32,278,540
Receivables:						
Accounts	-	-		319,908	-	6,264,754
Prepaid expenses						318,000
Due from other funds	-	-		-	-	2,194,197
Total assets	\$ 475,816	\$ 59,452	\$ -	\$ 319,908	\$ 9,349	\$ 41,055,491
Liabilities:						
Accounts payable & Accrd Liab.	\$ -	\$ -	\$ -	\$ 3,013	\$ -	\$ 1,768,539
All Abilities Park donations						152,599
Deferred Impact Fee Credit						-
Due to other funds	-		27,417	2,194,197	-	3,076,044
Total liabilities	-	-	27,417	2,197,209	-	4,997,183
Deferred Inflows of Resources:						
Unavailable revenues - 2016 Property Tax Levy						-
						4,008,294
	-	-	-	-	-	4,008,294
Fund balances (deficits):						
Restricted for:						
Public safety programs						-
Transportation programs						4,261,965
Housing & comm. Devlpmnt						1,060,228
Parks construction & devlpmnt						3,357,482
Comm. & Economic Devpmnt	-	-	-	-	-	721,698
Debt service funds	-	-	-	-	-	1,603,057
Capital project funds						2,076,986
Assigned to:						
Comm. & Economic Devpmnt						6,033,682
Parks construction & devlpmnt						89,598
Capital project funds	475,816	59,452			9,349	15,156,510
Unassigned			(27,417)	(1,877,302)		(2,311,193)
Total fund balances (deficits)	475,816	59,452	(27,417)	(1,877,302)	9,349	32,050,015
Total liabilities, deferred inflows and fund balances	\$ 475,816	\$ 59,452	\$ -	\$ 319,908	\$ 9,349	\$ 41,055,491

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, 2015

Special Revenue Funds

	Dixie Center Operations	Airport PFC Fees	Economic Development	Transportation Improvement	CDBG Grant Fund	Museum Acquis Fund	Rap Tax Fund	Johnson Farm Dinosaur Tracks
Revenues:								
Taxes & fees	\$ 585,077	\$ 262,796	\$ -	\$ 5,088,555	\$ -	\$ -	\$ 105,507	\$ -
Contributions from other governments	503,065							
Intergovernmental					395,955			
Investment income	1,629	1,603	23,850	15,024	-	169		224
Capital development fees								
Charges for services								-
Rents & royalties			175,000					
Other					138,053	27,150		
Total revenues	1,089,771	264,400	198,850	5,103,579	534,008	27,319	105,507	224
Expenditures:								
Current:								
General government					1,530			
Public Safety								
Highways & improvements		569		869				
Parks, recreation etc	719,478					569		1,410
Community & Econ Developmnt			50,830		344,380			
Operating Lease payments								
Debt service:								
Principal on long-term debt	602,680							
Interest on long-term debt	97,363							
Capital outlay:			129,994			20,000	158,840	17,357
Total expenditures	1,419,520	569	180,824	869	345,909	20,569	158,840	18,767
Excess (deficiency) of revenues over expenditures	(329,750)	263,831	18,026	5,102,710	188,099	6,751	(53,333)	(18,543)
Other financing sources (uses):								
Transfers in	267,000							
Transfers out								
Payments to other taxing agencies			(272,311)	(4,646,997)	(60,113)			
Proceeds of bonds sold (net)								
Interfund utility services								
Property sales								
Total other financing sources (uses)	267,000	-	(272,311)	(4,646,997)	(60,113)	-	-	-
Net change in fund balances	(62,750)	263,831	(254,285)	455,714	127,986	6,751	(53,333)	(18,543)
Fund balances, beginning of year	604,998	254,614	5,614,756	1,852,728	51,463	37,648	-	63,743
Fund balances, end of year	\$542,248	\$518,445	\$5,360,471	\$2,308,442	\$179,449	\$44,399	(\$53,333)	\$45,200

(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, 2015
(continued)

Special Revenue Funds								
	Affordable Housing Program	Community Resource Center	Ft. Pierce CDA Fund	Ft. Pierce CDA#2 Fund	Ft Pierce EDA Fund	Econ Devlpmnt Agency #1	Dixie Center Area EDA Fund	SunTran Public Transp
Revenues:								
Taxes & fees	\$ -	\$ -	\$ 163,134	\$ 1,974	\$ 66,946	\$ 41,147	\$ 41,644	\$ -
Contributions from other governments			973,689	11,780	399,577	245,591	248,556	
Intergovernmental		340,688						1,729,051
Investment income	3,914	-	2,179	5	819	1,497	482	
Capital development fees								
Charges for services								427,303
Rents & royalties								
Other								1,300
Total revenues	3,914	340,688	1,139,003	13,758	467,343	288,235	290,682	2,157,655
Expenditures:								
Current:								
General government			568	-	569	568	51,330	
Public Safety								
Highways & improvements								1,419,768
Parks, recreation etc								
Community & Econ Developmnt	4,028	640,679	455,798	-	133,382	44,294		
Operating Lease payments								
Debt service:								
Principal on long-term debt								
Interest on long-term debt								
Capital outlay:							15,184	1,304,953
Total expenditures	4,028	640,679	456,366	-	133,951	44,861	66,514	2,724,721
Excess (deficiency) of revenues over expenditures	(113)	(299,991)	682,637	13,758	333,392	243,373	224,168	(567,067)
Other financing sources (uses):								
Transfers in	150,653	4184						500,211
Transfers out			(860,000)	-	(230,805)	(67,848)	(282,000)	
Payments to other taxing agencies						-		
Proceeds of bonds sold (net)								
Interfund utility services		(4,184)						(211)
Property sales	-	-						
Total other financing sources (uses)	150,653	-	(860,000)	-	(230,805)	(67,848)	(282,000)	500,000
Net change in fund balances	150,540	(299,991)	(177,363)	13,758	102,587	175,525	(57,832)	(67,067)
Fund balances, beginning of year	909,688	-	341,180	-	4,791	212,734	4,682	287,508
Fund balances, end of year	\$1,060,228	(\$299,991)	\$163,817	\$13,758	\$107,378	\$388,259	(\$53,150)	\$220,441

(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, 2015
(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	\$ -	\$ 1,451,150	\$ -	\$ 73,790	\$ -	\$ -	\$ -	\$ -
Contributions from other governments			700,000	440,427				
Intergovernmental			283,315	-	-	-	-	-
Investment income	-	213	2,202	2,110	16,317	9,021		8,324
Capital development fees				-	1,787,448	975,434		408,711
Charges for services							45,818	
Rents & royalties				-	-	-	21,886	-
Other				33,839	-	36,172	287,061	-
Total revenues	-	1,451,363	985,517	550,166	1,803,765	1,020,626	354,764	417,034
Expenditures:								
Current:								
General government	21,830			24,849			4,797	
Public Safety								
Highways & improvements			10,105			79,318		1,139
Parks, recreation etc		133,593			17,707			
Community & Econ Developmnt				-				
Operating Lease payments								
Debt service:								
Principal on long-term debt	-	8,365,000	281,000	870,000				
Interest on long-term debt	-	429,869	720,509	14,790				
Capital outlay:	-	-	-		1,895,090		5,126,742	-
Total expenditures	21,830	8,928,462	1,011,613	909,639	1,912,797	79,318	5,131,539	1,139
Excess (deficiency) of revenues over expenditures	(21,830)	(7,477,099)	(26,096)	(359,473)	(109,032)	941,309	(4,776,775)	415,896
Other financing sources (uses):								
Transfers in			22,311	803	-	-	511,803	
Transfers out					(375,000)	(1,314,701)	(238,452)	(418,256)
Payments to other taxing agencies								
Proceeds of bonds sold (net)		8,238,095						
Interfund utility services				(803)	-	-	(2,601)	-
Property sales					200,000		2,179,364	
Total other financing sources (uses)	-	8,238,095	22,311	-	(175,000)	(1,314,701)	2,450,114	(418,256)
Net change in fund balances	(21,830)	760,997	(3,785)	(359,473)	(284,032)	(373,393)	(2,326,661)	(2,360)
Fund balances, beginning of year	225,513	241,882	400,280	730,174	3,641,514	1,588,030	16,938,554	1,708,645
Fund balances, end of year	\$203,683	\$1,002,879	\$396,495	\$370,701	\$3,357,482	\$1,214,637	\$14,611,893	\$1,706,285

(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, 2015
(continued)

Capital Projects Funds						
	Fire Dept Impact	Police Impact	Street Bonds Cap. Proj.	2010 Flood Reconstruction	2012 Flood Reconstruction	Total
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,881,721
Contributions from other governments						3,522,686
Intergovernmental	-	-	-	(2,331)	-	2,746,679
Investment income	1,507	190	249	-	-	91,527
Capital development fees	263,797	109,423	-	-	-	3,544,812
Charges for services						473,121
Rents & royalties	-	-	-	-	-	196,886
Other	-	-	-	-	-	523,574
Total revenues	265,304	109,613	249	(2,331)	-	18,981,006
Expenditures:						
Current:						
General government						106,039
Public Safety	1,137	1,138				2,275
Highways & improvements			3,471	9,757	9,003	1,533,997
Parks, recreation etc						872,755
Community & Econ Developmnt						1,673,390
Operating Lease payments		75,000				75,000
Debt service:						
Principal on long-term debt			2,670,000			12,788,680
Interest on long-term debt			362,725			1,625,255
Capital outlay:	-			-	-	8,668,160
Total expenditures	1,137	76,138	3,036,196	9,757	9,003	27,345,551
Excess (deficiency) of revenues over expenditures	264,167	33,475	(3,035,946)	(12,088)	(9,003)	(8,364,546)
Other financing sources (uses):						
Transfers in	-	-	3,033,000	-		4,489,964
Transfers out	-	-	-	-		(8,766,483)
Payments to other taxing agencies						-
Proceeds of bonds sold (net)						8,238,095
Interfund utility services	-	-				(7,799)
Property sales						2,379,364
Total other financing sources (uses)	-	-	3,033,000	-	-	6,333,142
Net change in fund balances	264,167	33,475	(2,946)	(12,088)	(9,003)	(2,031,404)
Fund balances, beginning of year	211,649	25,977	(24,471)	(1,865,214)	18,352	34,081,418
Fund balances, end of year	\$475,816	\$59,452	(\$27,417)	(\$1,877,302)	\$9,349	\$32,050,014

**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, 2015

	<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 fee:	\$ 515,000	\$ 515,000	\$ 585,077	\$ 70,077
Interest income	1,000	1,000	1,629	629
Contributions from other government:	510,448	510,448	503,065	(7,383)
Total revenues	1,026,448	1,026,448	1,089,771	63,323
EXPENDITURES:				
Current:				
Parks, recreation, etc.	730,298	730,298	719,478	10,820
Debt service:				
Principal	602,680	602,680	602,680	-
Interest	122,315	122,315	97,363	24,952
Capital outlay:			-	-
Total expenditures	1,455,293	1,455,293	1,419,520	35,773
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(428,845)	(428,845)	(329,750)	99,095
OTHER FINANCING SOURCES (USES):				
Appropriated Fund Balance	161,845	161,845	-	(161,845)
Transfers from other funds	267,000	267,000	267,000	-
Total other financing sources(uses)	428,845	428,845	267,000	(161,845)
NET CHANGE IN FUND BALANCE	-	-	(62,750)	\$ (62,750)
Fund balance at beginning of year	604,998	604,998	604,998	
Fund balance at end of year	\$ 604,998	\$ 604,998	\$ 542,248	

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, 2015

	<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	\$ 210,000	\$ 210,000	\$ 262,796	\$ 52,796
Interest income	1,000	1,000	1,603	603
Total revenues	211,000	211,000	264,400	53,400
EXPENDITURES:				
Current:				
Highways & public improvements	1,000	1,000	569	432
Capital projects:				
Improvements	220,000	220,000		220,000
Property purchases			-	-
Equipment purchases	-			-
Total expenditures	221,000	221,000	569	220,432
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(10,000)	(10,000)	263,831	273,831
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	-	-		-
Appropriated Fund Balance	10,000	10,000	-	(10,000)
Total other financing sources (uses):	10,000	10,000	-	(10,000)
NET CHANGE IN FUND BALANCE	-	-	263,831	\$263,831
Fund balance at beginning of year	254,614	254,614	254,614	
Fund balance at end of year	\$ 254,614	\$ 254,614	\$ 518,445	

**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, 2015

	<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:				
Interest income	\$ 20,000	\$ 20,000	\$ 23,850	\$ 3,850
Rent	175,000	175,000	175,000	(0)
Intergovernmental revenue:				
Total revenues	<u>195,000</u>	<u>195,000</u>	<u>198,850</u>	<u>3,850</u>
EXPENDITURES:				
Current:				
Community & Economic Development	43,000	53,000	50,830	2,170
Capital projects:				
Land purchases				
Improvements		130,000	129,994	7
Total expenditures	<u>43,000</u>	<u>183,000</u>	<u>180,824</u>	<u>2,176</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>152,000</u>	<u>12,000</u>	<u>18,026</u>	<u>6,026</u>
OTHER FINANCING SOURCES (USES):				
Appropriated Fund Balance	124,589	710,994	-	(710,994)
Transfers to other funds	(276,589)	(722,994)	(272,311)	450,683
Total other financing sources(uses)	<u>(152,000)</u>	<u>(12,000)</u>	<u>(272,311)</u>	<u>(260,311)</u>
NET CHANGE IN FUND BALANCE	-	-	(254,285)	<u>\$ (254,285)</u>
Fund balance at beginning of year	<u>5,614,756</u>	<u>5,614,756</u>	<u>5,614,756</u>	
Fund balance at end of year	<u>\$ 5,614,756</u>	<u>\$ 5,614,756</u>	<u>\$ 5,360,471</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, 2015

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Highway sales taxes	\$ 4,807,000	\$ 4,807,000	\$ 5,088,555	\$ 281,555
Interest income	20,000	20,000	15,024	(4,976)
Total revenues	4,827,000	4,827,000	5,103,579	276,579
EXPENDITURES:				
Current:				
Highways and public improvements	20,000	20,000	869	19,132
Capital projects:				
Improvements	50,000	50,000	-	50,000
Total expenditures	70,000	70,000	869	69,132
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,757,000	4,757,000	5,102,710	345,710
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(5,410,000)	(5,660,000)	(4,646,997)	1,013,003
Transfers to other funds	507,142	507,142		(507,142)
Appropriated Fund Balance	145,858	395,858		(395,858)
Contributions from private sources	-	-		-
Total other financing sources(uses)	(4,757,000)	(4,757,000)	(4,646,997)	110,003
NET CHANGE IN FUND BALANCE	-	-	455,714	\$ 455,714
Fund balance at beginning of year	1,852,728	1,852,728	1,852,728	
Fund balance at end of year	\$ 1,852,728	\$ 1,852,728	\$ 2,308,442	

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, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental revenues	\$ 450,000	\$ 460,000	\$ 395,955	\$ (64,045)
Other income	50,000	50,000	138,053	88,053
Interest income	100	100	-	(100)
Total revenues	500,100	510,100	534,008	23,908
EXPENDITURES:				
Current:				
General government	15,000	15,000	1,530	13,470
Community & economic development	410,000	420,000	344,380	75,620
Capital projects:	-	-	-	-
Purchase of property	-	-	-	-
Total expenditures	425,000	435,000	345,909	89,091
Excess (Deficiency) of expenditures over revenues	75,100	75,100	188,099	112,999
OTHER FINANCING SOURCES (USES):				
Proceeds of note payable	-	-	-	-
Transfer to other funds	(75,000)	(75,000)	(60,113)	14,887
NET CHANGE IN FUND BALANCE	100	100	127,986	\$ 127,886
Fund balance at beginning of year	51,463	51,463	51,463	
Fund balance at end of year	\$ 51,563	\$ 51,563	\$ 179,449	

**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, 2015

	<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	\$ 29,000	\$ 29,000	\$ 27,150	\$ (1,850)
Interest income	200	200	169	(31)
Total revenues	29,200	29,200	27,319	(1,881)
EXPENDITURES:				
Current:				
General government				
Parks, recreation, etc.	550	1,050	569	482
Capital projects:				
Art purchases	20,000	20,000	20,000	-
Total expenditures	20,550	21,050	20,569	482
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,650	8,150	6,751	(1,400)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources(uses)	-	-	-	-
NET CHANGE IN FUND BALANCE	8,650	8,150	6,751	\$ (1,400)
Fund balance at beginning of year	37,648	37,648	37,648	
Fund balance at end of year	\$ 46,298	\$ 45,798	\$ 44,399	

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
RAP sales taxes	\$ -	\$ -	\$ 105,507	\$ 105,507
Interest income	-	-	-	-
Contributions from other governments	-	-	-	-
Total revenues	-	-	105,507	105,507
EXPENDITURES:				
Current:				
Parks, recreation, etc.	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay:	-	408,000	158,840	249,160
Total expenditures	-	408,000	158,840	249,160
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(408,000)	(53,333)	354,667
OTHER FINANCING SOURCES (USES):				
Proceeds from property sales	-	-	-	-
Transfers from other funds	-	408,000	-	(408,000)
Total other financing sources(uses)	-	408,000	-	(408,000)
NET CHANGE IN FUND BALANCE	-	-	(53,333)	\$ (53,333)
Fund balance at beginning of year	-	-	-	
Fund balance at end of year	\$ -	\$ -	\$ (53,333)	

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, 2015

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Admission fees	\$ -	\$ -	\$ -	\$ -
Other revenues	-	-	-	-
Investment income	300	300	224	(76)
	<u>300</u>	<u>300</u>	<u>224</u>	<u>(76)</u>
EXPENDITURES:				
Current				
Parks, recreation, etc.	2,050	2,050	1,410	640
Capital projects:				
Improvements		17,357	17,357	-
	<u>2,050</u>	<u>19,407</u>	<u>18,767</u>	<u>640</u>
Excess (Deficiency) of expenditures over revenues	<u>(1,750)</u>	<u>(19,107)</u>	<u>(18,543)</u>	<u>564</u>
OTHER FINANCING SOURCES:				
Contributions from private sources		-		-
Transfers from other funds	-	-		-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,750)	(19,107)	(18,543)	\$ 564
Fund balance at beginning of year	<u>63,743</u>	<u>63,743</u>	<u>63,743</u>	
Fund balance at end of year	<u>\$ 61,993</u>	<u>\$ 44,636</u>	<u>\$ 45,200</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, 2015

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Interest income	5,000	5,000	3,914	(1,086)
Total revenues	5,000	5,000	3,914	(1,086)
EXPENDITURES:				
Current:				
Community and economic improvements	40,000	16,000	4,028	11,973
Land Purchases	-	-	-	-
Building Construction	460,000	484,000	-	484,000
Total expenditures	500,000	500,000	4,028	495,973
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(495,000)	(495,000)	(113)	494,887
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	205,000	205,000	150,653	(54,347)
Sale of property	-	-	-	-
Total other financing sources (uses):	205,000	205,000	150,653	(54,347)
NET CHANGE IN FUND BALANCE	(290,000)	(290,000)	150,540	\$ 440,540
Fund balance at beginning of year	909,688	909,688	909,688	
Fund balance at end of year	\$ 619,688	\$ 619,688	\$ 1,060,228	

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Federal Grants	\$ -	\$ 2,129,560	\$ 340,688	\$ (1,788,872)
State Grants	-	196,700		(196,700)
Private Grants	-	107,000		(107,000)
Total revenues	-	2,433,260	340,688	(2,092,572)
EXPENDITURES:				
Current:				
Community & Economic Development	-	2,433,260	640,679	1,792,581
Capital outlay:				
Total expenditures	-	2,433,260	640,679	1,792,581
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	-	-	(299,991)	(299,991)
OTHER FINANCING SOURCES (USES):				
Transfers from other funds			4,184	4,184
Intefund Utility services			(4,184)	(4,184)
Total other financing sources(uses)	-	-	-	-
NET CHANGE IN FUND BALANCE				
	-	-	(299,991)	\$ (299,991)
Fund balance at beginning of year				
Fund balance at end of year	\$ -	\$ -	\$ (299,991)	

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, 2015

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Economic development taxes	\$ 1,800,000	\$ 1,800,000	\$ 163,134	\$ (1,636,866)
Contributions from other governments			973,689	973,689
Interest income	3,000	3,000	2,179	(821)
Total revenues	1,803,000	1,803,000	1,139,003	(663,997)
EXPENDITURES:				
Current:				
General government	1,000	1,000	568	433
Community & Economic development	734,760	734,760	455,798	278,962
Capital Outlay:				
Improvements	-	-	-	-
Total expenditures	735,760	735,760	456,366	279,395
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,067,240	1,067,240	682,637	(384,603)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(880,000)	(880,000)	(860,000)	20,000
Total other financing sources (uses):	(880,000)	(880,000)	(860,000)	20,000
NET CHANGE IN FUND BALANCE	187,240	187,240	(177,363)	\$ (364,603)
Fund balance at beginning of year	341,180	341,180	341,180	
Fund balance at end of year	\$ 528,420	\$ 528,420	\$ 163,817	

CITY OF ST. GEORGE, UTAH

FT. PIERCE CDA #2 - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Economic development taxes	\$ -	\$ 30,000	\$ 1,974	\$ (28,026)
Contributions from other governments	-	-	11,780	11,780
Interest income	-	-	5	5
Total revenues	-	30,000	13,758	(16,242)
EXPENDITURES:				
Current:				
General government	-	4,000	-	4,000
Community & Economic development	-	26,000	-	26,000
Capital Outlay:				
Improvements	-	-	-	-
Total expenditures	-	30,000	-	30,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	13,758	13,758
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	-	-	-	-
Total other financing sources (uses):	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	13,758	\$ 13,758
Fund balance at beginning of year	-	-	-	
Fund balance at end of year	\$ -	\$ -	\$ 13,758	

**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, 2015

	<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:				
Economic development taxes	\$ 850,000	\$ 850,000	\$ 66,946	\$ (783,054)
Contributions from other government:			399,577	399,577
Interest income	1,000	1,000	819	(181)
	<u>851,000</u>	<u>851,000</u>	<u>467,343</u>	<u>(383,657)</u>
EXPENDITURES:				
Current:				
Professional & technical services	1,000	1,000	569	432
Community & economic development	195,000	195,000	133,382	61,618
Housing programs				-
Total expenditures	<u>196,000</u>	<u>196,000</u>	<u>133,951</u>	<u>62,049</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>655,000</u>	<u>655,000</u>	<u>333,392</u>	<u>(321,608)</u>
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	<u>(262,750)</u>	<u>(262,750)</u>	<u>(230,805)</u>	<u>31,945</u>
Total other financing sources (uses)	<u>(262,750)</u>	<u>(262,750)</u>	<u>(230,805)</u>	<u>31,945</u>
NET CHANGE IN FUND BALANCE	392,250	392,250	102,587	<u>\$ (289,663)</u>
Fund balance at beginning of year	<u>4,791</u>	<u>4,791</u>	<u>4,791</u>	
Fund balance at end of year	<u>\$ 397,041</u>	<u>\$ 397,041</u>	<u>\$ 107,378</u>	

**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, 2015

	<u>BUDGETED AMOUNTS</u>		<u>VARIANCE WITH FINAL BUDGET</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>POSITIVE (NEGATIVE)</u>
REVENUES:				
Economic development taxes	\$ 500,000	\$ 500,000	\$ 41,147	\$ (458,853)
Contributions from other governments			245,591	245,591
Interest income	1,500	1,500	1,497	(3)
Total revenues	501,500	501,500	288,235	(213,265)
EXPENDITURES:				
Current:				
General government	1,000	1,000	568	433
Community & economic development	63,000	63,000	44,294	18,706
Housing programs	218,822	218,822	-	218,822
Total expenditures	282,822	282,822	44,861	237,961
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	218,678	218,678	243,373	24,695
OTHER FINANCING SOURCES (USES):				
Payments to other taxing agencies	-	-	-	-
Transfers to other funds	(88,125)	(88,125)	(67,848)	20,277
Total other financing sources (uses):	(88,125)	(88,125)	(67,848)	20,277
NET CHANGE IN FUND BALANCE	130,553	130,553	175,525	\$ 44,972
Fund balance at beginning of year	212,734	212,734	212,734	
Fund balance at end of year	\$ 343,287	\$ 343,287	\$ 388,259	

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, 2015

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Economic development taxes	\$ 750,000	\$ 824,000	\$ 41,644	\$ (782,356)
Contributions from other governments			248,556	248,556
Interest income	1,000	1,000	482	(518)
Total revenues	751,000	825,000	290,682	(534,318)
EXPENDITURES:				
Current:				
Professional & technical fees	1,000	55,000	51,330	3,670
Community & economic development				
Capital outlay:	-	20,000	15,184	4,816
Total expenditures	1,000	75,000	66,514	8,486
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	750,000	750,000	224,168	(525,832)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(336,000)	(336,000)	(282,000)	54,000
Transfers from other funds			-	-
Total other financing sources (uses):	(336,000)	(336,000)	(282,000)	54,000
NET CHANGE IN FUND BALANCE	414,000	414,000	(57,832)	\$ (471,832)
Fund balance at beginning of year	4,682	4,682	4,682	
Fund balance at end of year	\$ 418,682	\$ 418,682	\$ (53,150)	

**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, 2015

	<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	\$ 262,000	\$ 262,000	\$ 360,047	\$ 98,047
Advertising fees	110,000	110,000	67,257	(42,744)
Intergovernmental revenues	1,729,156	1,851,716	1,729,051	(122,665)
Other revenues	132,968	132,968	1,300	(131,668)
Total revenues	<u>2,234,124</u>	<u>2,356,684</u>	<u>2,157,655</u>	<u>(199,029)</u>
EXPENDITURES:				
Current:				
Highways & public improvements	1,464,772	1,464,772	1,419,768	45,004
Capital projects:				
Equipment & improvements	1,305,000	1,458,200	1,304,953	153,247
Total expenditures	<u>2,769,772</u>	<u>2,922,972</u>	<u>2,724,721</u>	<u>198,251</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(535,648)</u>	<u>(566,288)</u>	<u>(567,067)</u>	<u>(779)</u>
OTHER FINANCING SOURCES (USES):				
Interfund utility services	(500)	(500)	(211)	289
Transfers from other funds	500,500	500,500	500,211	(289)
Total other financing sources(uses)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	<u>(35,648)</u>	<u>(66,288)</u>	<u>(67,067)</u>	<u>\$ (779)</u>
Fund balance at beginning of year	<u>287,508</u>	<u>287,508</u>	<u>287,508</u>	
Fund balance at end of year	<u>\$ 251,860</u>	<u>\$ 221,220</u>	<u>\$ 220,441</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, 2015

	<u>BUDGETED AMOUNTS</u>		<u>VARIANCE WITH FINAL BUDGET</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>POSITIVE (NEGATIVE)</u>
REVENUES:				
Special assessments collected	\$ 25,000	\$ 25,000	\$ -	\$ (25,000)
Miscellaneous revenues				
Interest income	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
EXPENDITURES:				
General:				
General government	5,600	25,600	21,830	3,770
Debt service:				
Principal	-	-	-	-
Interest & other charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>5,600</u>	<u>25,600</u>	<u>21,830</u>	<u>3,770</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,400</u>	<u>4,400</u>	<u>(21,830)</u>	<u>(26,230)</u>
OTHER FINANCING SOURCES (USES):				
Transfers to other funds				
Appropriated fund balance	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Total other financing sources (uses):	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
NET CHANGE IN FUND BALANCE	<u>24,400</u>	<u>24,400</u>	<u>(21,830)</u>	<u>(\$46,230)</u>
Fund balance at beginning of year	<u>225,513</u>	<u>225,513</u>	<u>225,513</u>	
Fund balance at end of year	<u>\$ 249,913</u>	<u>\$ 249,913</u>	<u>\$ 203,683</u>	

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Current property taxes	\$ 1,451,150	\$ 1,451,150	\$ 1,451,150	\$ -
Interest income	300	300	213	(87)
Total revenues	1,451,450	1,451,450	1,451,363	(87)
EXPENDITURES:				
General:				
Parks, recreation, etc.	3,500	139,756	133,593	6,163
Debt service:				
Principal	910,000	8,365,000	8,365,000	
Interest & other charges	541,150	488,170	429,869	58,301
Total expenditures	1,454,650	8,992,926	8,928,462	64,464
Excess (deficiency) of revenues over (under) expenditures	(3,200)	(7,541,476)	(7,477,099)	64,377
OTHER FINANCING SOURCES (USES):				
Proceeds of refunding bonds		7,830,000	7,830,000	-
Premiums on refunding bonds		466,394	408,095	(58,299)
Total other financing sources (uses):	-	8,296,394	8,238,095	(58,299)
NET CHANGE IN FUND BALANCE	(3,200)	754,918	760,997	\$6,079
Fund balance at beginning of year	241,882	241,882	241,882	
Fund balance at end of year	\$ 238,682	\$ 996,800	\$ 1,002,879	

**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, 2015

	<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:				
Tax rebates on bonds	\$ 279,036	\$ 279,036	\$ 283,315	\$ 4,279
Contributions from other governments	700,000	700,000	700,000	-
Interest income	2,000	2,000	2,202	202
Total revenues	<u>981,036</u>	<u>981,036</u>	<u>985,517</u>	<u>4,481</u>
EXPENDITURES:				
General:				
Highways and public improvements	2,500	11,000	10,105	896
Debt service:				
Principal	281,000	281,000	281,000	-
Interest & other charges	720,509	720,509	720,509	1
Total expenditures	<u>1,004,009</u>	<u>1,012,509</u>	<u>1,011,613</u>	<u>896</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,973)</u>	<u>(31,473)</u>	<u>(26,096)</u>	<u>5,377</u>
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	26,589	26,589	22,311	(4,278)
Loss on bond refunding			-	-
Total other financing sources (uses):	<u>26,589</u>	<u>26,589</u>	<u>22,311</u>	<u>(4,278)</u>
NET CHANGE IN FUND BALANCE	3,616	(4,884)	(3,785)	<u>\$1,099</u>
Fund balance at beginning of year	<u>400,280</u>	<u>400,280</u>	<u>400,280</u>	
Fund balance at end of year	<u>\$ 403,896</u>	<u>\$ 395,396</u>	<u>\$ 396,495</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, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Redevelopment taxes	\$ 750,000	\$ 750,000	\$ 73,790	\$ (676,210)
Contributions from other governments	-	-	440,427	440,427
Miscellaneous	60,000	60,000	33,839	(26,161)
Interest income	3,500	3,500	2,110	(1,390)
Total revenues	813,500	813,500	550,166	(263,334)
EXPENDITURES:				
Current:				
General government	65,500	65,500	24,849	40,651
Capital projects:				
Improvements	5,000	5,000	-	5,000
Land purchases				-
Equipment purchases				-
Debt service:				
Bond principal	870,000	870,000	870,000	-
Interest	14,790	14,790	14,790	-
Lease payments	-	-	-	-
Total expenditures	955,290	955,290	909,639	45,651
Excess (deficiency) revenues over (under) expenditures:	(141,790)	(141,790)	(359,473)	(217,683)
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	250	250	803	553
Interfund utility services	(250)	(250)	(803)	(553)
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCE	(141,790)	(141,790)	(359,473)	\$ (217,683)
Fund balance at beginning of year	730,174	730,174	730,174	
Fund balance at end of year	\$ 588,384	\$ 588,384	\$ 370,701	

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, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Capital development fees	\$ 1,755,000	\$ 1,928,800	\$ 1,787,448	\$ (141,352)
Intergovernmental	-	-	-	-
Interest income	10,000	10,000	16,317	6,317
Total revenues	1,765,000	1,938,800	1,803,765	(135,035)
EXPENDITURES:				
Current:				
Parks, recreation, etc	20,000	20,000	17,707	2,293
Capital projects:				
Improvements	3,383,496	3,757,296	1,895,090	1,862,206
Property purchases	150,000	150,000	-	150,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	3,553,496	3,927,296	1,912,797	2,014,499
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,788,496)	(1,988,496)	(109,032)	1,879,464
OTHER FINANCING SOURCES (USES):				
Sale of property	-	200,000	200,000	-
Transfers from other funds	-	-	-	-
Transfers to other funds	(375,000)	(426,700)	(375,000)	(51,700)
Total other financing sources (uses):	(375,000)	(226,700)	(175,000)	(51,700)
NET CHANGE IN FUND BALANCE	(2,163,496)	(2,215,196)	(284,032)	\$1,827,764
Fund balance at beginning of year	3,641,514	3,641,514	3,641,514	
Fund balance at end of year	\$ 1,478,018	\$ 1,426,318	\$ 3,357,482	

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, 2015

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Capital development fees	\$ 1,140,000	\$ 1,170,000	\$ 975,434	\$ (194,566)
Interest income	10,000	10,000	9,021	(979)
Other		38,343	36,172	(2,171)
Total revenues	1,150,000	1,218,343	1,020,626	(197,717)
EXPENDITURES:				
Current:				
Highways and public improvements	15,000	93,250	79,318	13,932
Capital projects:				
Improvements	50,000	50,000	-	50,000
Total expenditures	65,000	143,250	79,318	63,932
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,085,000	1,075,093	941,309	(133,784)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(2,572,715)	(2,852,715)	(1,314,701)	1,538,014
Total other financing sources (uses):	(2,572,715)	(2,852,715)	(1,314,701)	1,538,014
NET CHANGE IN FUND BALANCE	(1,487,715)	(1,777,622)	(373,393)	\$ 1,404,229
Fund balance at beginning of year	1,588,030	1,588,030	1,588,030	
Fund balance at end of year	\$ 100,315	\$ (189,592)	\$ 1,214,637	

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, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	46,000	46,000	45,818	(182)
Rents & royalties	24,000	24,000	21,886	(2,114)
Miscellaneous revenues	300,000	559,645	287,061	(272,584)
Total revenues	370,000	629,645	354,764	(274,881)
EXPENDITURES:				
Current:				
General government	20,000	20,000	4,797	15,203
Capital projects:				
Improvements	4,510,372	5,311,717	5,126,742	184,975
Property purchases	-	-	-	-
Total expenditures	4,530,372	5,331,717	5,131,539	200,178
Excess (Deficiency) of expenditures over revenues	(4,160,372)	(4,702,072)	(4,776,775)	(74,703)
OTHER FINANCING SOURCES:				
Transfers from other funds	2,519,074	2,443,628	511,803	(1,931,825)
Transfers to other funds	(1,232,500)	(1,251,300)	(238,452)	1,012,848
Interfund utility services	(750)	(750)	(2,601)	(1,851)
Sale of property	2,000,000	2,000,000	2,179,364	179,364
Total other financing sources (uses):	3,285,824	3,191,578	2,450,114	(741,464)
NET CHANGE IN FUND BALANCE	(874,548)	(1,510,494)	(2,326,661)	(816,167)
Fund balance at beginning of year	16,938,554	16,938,554	16,938,554	
Fund balance at end of year	<u>\$ 16,064,006</u>	<u>\$ 15,428,060</u>	<u>\$ 14,611,893</u>	

CITY OF ST. GEORGE, UTAH

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Capital development fees	\$ 500,000	\$ 500,000	\$ 408,711	\$ (91,289)
Interest income	10,000	10,000	8,324	(1,676)
Total revenues	510,000	510,000	417,034	(92,966)
EXPENDITURES:				
Current:				
Highways & public improvements	15,000	15,000	1,139	13,861
Capital projects:				
Land purchases	-	-	-	-
Improvements	-	-	-	-
Total expenditures	15,000	15,000	1,139	13,861
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	495,000	495,000	415,896	(79,104)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(1,542,000)	(1,752,000)	(418,256)	1,333,744
Transfers from other funds			-	-
Total other financing sources(uses)	(1,542,000)	(1,752,000)	(418,256)	1,333,744
NET CHANGE IN FUND BALANCE	(1,047,000)	(1,257,000)	(2,360)	\$ 1,254,640
Fund balance at beginning of year	1,708,645	1,708,645	1,708,645	
Fund balance at end of year	\$ 661,645	\$ 451,645	\$ 1,706,285	

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, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Capital development fees	\$ 225,000	\$ 225,000	\$ 263,797	\$ 38,797
Interest income	-	-	1,507	1,507
Total revenues	225,000	225,000	265,304	40,304
EXPENDITURES:				
Current:				
Public safety	4,000	4,000	1,137	2,863
Capital Projects:				
Building Construction	-	-	-	-
Total expenditures	4,000	4,000	1,137	2,863
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	221,000	221,000	264,167	43,167
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources (uses):	-	-	-	-
NET CHANGE IN FUND BALANCE	221,000	221,000	264,167	\$ 43,167
Fund balance at beginning of year	211,649	211,649	211,649	
Fund balance at end of year	\$ 432,649	\$ 432,649	\$ 475,816	

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, 2015

	<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:				
Capital development fees	\$ 80,000	\$ 80,000	\$ 109,423	\$ 29,423
Interest income	-	-	190	190
Total revenues	80,000	80,000	109,613	29,613
EXPENDITURES:				
Current:				
Public safety	2,500	2,500	1,138	1,362
Lease payments	75,000	75,000	75,000	-
Total expenditures	77,500	77,500	76,138	1,362
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,500	2,500	33,475	30,975
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources (uses):	-	-	-	-
NET CHANGE IN FUND BALANCE	2,500	2,500	33,475	\$ 30,975
Fund balance (deficit) at beginning of year	25,977	25,977	25,977	
Fund balance at end of year	<u>\$ 28,477</u>	<u>\$ 28,477</u>	<u>\$ 59,452</u>	

CITY OF ST. GEORGE, UTAH

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Interest earnings	\$ 100	\$ 100	\$ 249	\$ 149
Property sales	-	-	-	-
Sundry revenues	-	-	-	-
Total revenues	100	100	249	149
EXPENDITURES:				
Current:				
Highways & public improvements	4,000	4,000	3,471	530
Debt Service:				
Principal payments	2,670,000	2,670,000	2,670,000	-
Interest payments	362,725	362,725	362,725	-
Total expenditures	3,036,725	3,036,725	3,036,196	530
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,036,625)	(3,036,625)	(3,035,946)	679
OTHER FINANCING SOURCES (USES):				
Operating transfers in	7,040,368	7,040,368	3,033,000	(4,007,368)
Transfers to other funds	(507,142)	(507,142)	-	507,142
Total other financing sources (uses)	6,533,226	6,533,226	3,033,000	(3,500,226)
NET CHANGE IN FUND BALANCE	3,496,601	3,496,601	(2,946)	\$ (3,499,547)
Fund balance (deficit) at beginning of year	(24,471)	(24,471)	(24,471)	
Fund balance (deficit) at end of year	<u>\$3,472,130</u>	<u>\$3,472,130</u>	<u>(\$27,417)</u>	

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, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental revenues	\$ -	\$ 17,000	\$ (2,331)	\$ (19,331)
Interest income			-	-
Total revenues	-	17,000	(2,331)	(19,331)
EXPENDITURES:				
Professional & technical fees	4,000	4,000	9,757	(5,757)
Highways and public improvements	-	17,000		17,000
Total expenditures	4,000	21,000	9,757	11,243
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,000)	(4,000)	(12,088)	(8,088)
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	2,000,000	2,000,000		(2,000,000)
Sale of bonds	-	-		-
Total other financing sources (uses):	2,000,000	2,000,000	-	(2,000,000)
NET CHANGE IN FUND BALANCE	1,996,000	1,996,000	(12,088)	\$ (2,008,088)
Fund balance (deficit) at beginning of year	(1,865,214)	(1,865,214)	(1,865,214)	
Fund balance (deficit) at end of year	\$ 130,786	\$ 130,786	\$ (1,877,302)	

CITY OF ST. GEORGE, UTAH

2012 FLOOD RESTORATION - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental	\$ 87,000	\$ 87,000	\$ -	\$ (87,000)
Interest income				
Other income				
Total revenues	87,000	87,000	-	(87,000)
EXPENDITURES:				
Current:				
Highways and public improvements	121,000	121,000	9,003	111,997
Capital projects:				
Improvements	-	-	-	-
Property purchases				
Total expenditures	121,000	121,000	9,003	111,997
Excess (Deficiency) of expenditures over revenues	(34,000)	(34,000)	(9,003)	24,997
OTHER FINANCING SOURCES:				
Transfers from other funds	30,000	30,000	-	(30,000)
NET CHANGE IN FUND BALANCE	(4,000)	(4,000)	(9,003)	\$ (5,003)
Fund balance at beginning of year	18,352	18,352	18,352	
Fund balance at end of year	\$ 14,352	\$ 14,352	\$ 9,349	

City of St. George, UT
NonMajor Proprietary Funds
Combining Statement of Net Position
June 30, 2015

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>Total Non-Major</u>
Cash and investments	\$ -	\$ 30,264	\$ 1,055,793	\$ 1,187,279	\$ 2,273,335
Accounts Receivable - net of uncollectible reserve	414,614		174,026	610,394	1,199,034
Notes Receivable			998	998	998
Furniture, Fixtures, & equip		10,770,124		12,436,495	23,206,619
Less accumulated depreciation		(1,676,866)		(7,865,055)	(9,541,921)
Net pension assets				7,382	7,382
Prepaid expenses		13,818			13,818
Total assets	<u>414,614</u>	<u>9,137,339</u>	<u>1,229,819</u>	<u>6,377,494</u>	<u>17,159,265</u>
<u>Deferred Outflows</u>					
Deferred Outflows related to pensions				69,310	69,310
Total deferred outflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,310</u>	<u>69,310</u>
<u>Liabilities</u>					
Liabilities:					
Accrued liabilities	\$ 315,229	\$ 5,159	\$ 81,271	\$ 76,260	\$ 477,919
Bonds payable - short term		109,000			109,000
Due to other funds	21,174				21,174
Customer guarantee deposits	64,226		26,957	87,522	178,705
Net pension liability				289,630	289,630
Bonds payable - long term		301,000			301,000
Total liabilities	<u>400,629</u>	<u>415,159</u>	<u>108,229</u>	<u>453,412</u>	<u>1,377,428</u>
<u>Deferred Inflows</u>					
Deferred Inflows related to pensions				52,607	52,607
Total deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,607</u>	<u>52,607</u>
<u>Net Position</u>					
Net investment in capital assets		8,792,257	-	4,571,441	13,363,698
Restricted for impact fee construction				804,760	804,760
Unrestricted	13,985	(70,077)	1,121,590	564,584	1,630,082
Total Net Position	<u>\$ 13,985</u>	<u>\$ 8,722,180</u>	<u>\$ 1,121,590</u>	<u>\$ 5,940,785</u>	<u>\$ 15,798,540</u>

City of St. George, UT
 NonMajor Proprietary Funds
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2015

Business-type Activities
 Enterprise Funds

	<u>Refuse Collection</u>	<u>Municipal Building Authority</u>	<u>Drainage Utility</u>	<u>Wastewater Collection</u>	<u>Total Non-Major</u>
OPERATING REVENUES:					
Charges for services	\$ 4,011,114		\$ 1,040,328	\$ 5,547,667	10,599,109
Other operating revenues				360,276	360,276
Total operating revenues	4,011,114	-	1,040,328	5,907,943	10,959,386
OPERATING EXPENSES:					
Salary and wages				721,809	721,809
Supplies				25,644	25,644
Service vehicle expense				118,345	118,345
Equipment rental				-	-
Depreciation		98,336		360,615	458,951
Payroll tax & employee benefits				298,882	298,882
Office & dept. supplies	21,975		5,699	41,541	69,215
Professional services	569	9,387	569	10,316	20,840
R. & M. - equipment				144,889	144,889
R. & M. - buildings and grounds			35,356	16,880	52,236
Insurance & surety bonds				18,318	18,318
Travel				10,784	10,784
Subscriptions & memberships				1,287	1,287
Contract labor	3,733,187			3,296,836	7,030,023
Billing & administration	250,000		80,000	500,000	830,000
Total operating expenses	4,005,731	107,723	121,623	5,566,145	9,801,222
Operating income (loss)	5,384	(107,723)	918,705	341,798	1,158,164
NON-OPERATING REVENUES (EXPENSES)					
Interest income		1	4,477	5,718	10,196
Rent		102,305			102,305
Contributions from other governments		22,600		-	22,600
Gain on lease renewal					-
Interfund Utility Services					-
Interest charges		(17,522)			(17,522)
Total non-operating revenue (expense)	-	107,384	4,477	5,718	117,579
Income before transfers	5,384	(339)	923,182	347,516	1,275,743
Transfers (to) from other funds		-	(294,000)	(40,000)	(334,000)
Changes in Net Position	5,384	(339)	629,182	307,516	941,743
Restatement of beginning net position for pension				(311,189)	(311,189)
Total Net Position - beginning of year	8,601	8,722,519	492,408	5,944,458	15,167,986
Total Net Position - end of year	\$ 13,985	\$ 8,722,180	\$ 1,121,590	\$ 5,940,785	\$ 15,798,540

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Business-type Activities - Enterprise Funds

	<u>REFUSE COLLECTION</u>	<u>MUNICIPAL BUILDING AUTHORITY</u>	<u>DRAINAGE UTILITY</u>	<u>WASTEWATER COLLECTION</u>	<u>TOTAL NON-MAJOR</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 4,010,554	\$ -	\$ 1,041,799	\$ 5,914,133	\$ 10,966,486
Payments to suppliers	(3,996,028)	(10,816)	(120,975)	(4,179,832)	(8,307,651)
Payments to employees	-			(1,020,690)	(1,020,690)
Net cash provided by operating activities	<u>14,526</u>	<u>(10,816)</u>	<u>920,824</u>	<u>713,611</u>	<u>1,638,145</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Rents received		124,905			124,905
Miscellaneous non-operating income				-	-
Interfund receivable/payable activity	(14,526)				(14,526)
Interfund utility services					-
Economic development transfer			(294,000)	(40,000)	(334,000)
Net increase (decrease) in pension benefits for effect of GASB 68				(45,644)	(45,644)
Net cash provided (used) by noncapital and related financing activities	<u>(14,526)</u>	<u>124,905</u>	<u>(294,000)</u>	<u>(85,644)</u>	<u>(269,265)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets				(140,863)	(140,863)
Principal paid on capital debt		(104,000)			(104,000)
Interest on capital debt net of disc/premiums		(10,613)			(10,613)
Principal paid on leases					-
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(114,613)</u>	<u>-</u>	<u>(140,863)</u>	<u>(255,476)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	-	1	4,477	5,718	10,196
Net increase (decrease) in cash and cash equivalents	<u>-</u>	<u>(523)</u>	<u>631,300</u>	<u>492,822</u>	<u>1,123,599</u>
Cash and equivalents at beginning of year	<u>-</u>	<u>30,786</u>	<u>424,493</u>	<u>694,458</u>	<u>1,149,737</u>
Cash and equivalents at end of year	<u>\$ -</u>	<u>\$ 30,263</u>	<u>\$ 1,055,793</u>	<u>\$ 1,187,280</u>	<u>\$ 2,273,336</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 5,384	\$ (107,723)	\$ 918,705	\$ 341,798	\$ 1,158,164
Adjustments to reconcile net income from operations to net cash provided by operating activities:					
Depreciation	-	98,336	-	360,615	458,951
Changes in assets & liabilities:					
Decrease (increase) in receivables	(3,690)		454	3,139	(97)
Decrease (increase) in prepaids					-
Decrease (increase) in note receivable					-
Increase (decrease) in deposits	3,130		1,016	3,051	7,197
Increase (decrease) in accruals	9,702	(1,428)	648	5,008	13,930
Total adjustments	<u>9,142</u>	<u>96,908</u>	<u>2,118</u>	<u>371,813</u>	<u>479,981</u>
Net cash provided by operating activities:	<u>\$ 14,526</u>	<u>\$ (10,815)</u>	<u>\$ 920,823</u>	<u>\$ 713,611</u>	<u>\$ 1,638,145</u>

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

JUNE 30, 2015

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$	95,005,703
Buildings		41,362,502
Improvements		76,917,578
Infrastructure assets		246,988,880
Equipment		39,677,869
Total Governmental Funds Capital Assets	\$	499,952,532

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

Capital Projects Funds:		
General Fund	\$	109,768,981
Golf Courses		18,661,178
RAP Tax Fund		158,840
CDBG Grant Fund		1,503,091
Dinosaur Museum Funds		88,977
Economic Development Fund		2,630,851
Downtown Redevelopment revenues		11,707,681
WCIA - (Dixie Center interlocal agency)		10,207,697
Recreation General Obligation bonds		17,991,801
Capital equipment fund		42,330,240
Public Works Capital projects fund		67,911,170
Replacement Airport capital projects fund		147,339,372
Industrial Park fund		2,401,462
Sewer Impact fund		245,866
Park Impact fund		24,785,423
Fire Impact fund		3,235,128
Drainage Impact fund		1,181,915
Special Assessment fund		23,602,452
Street Impact fund		1,696,659
Dixie Center EDA fund		1,323,531
Transportation improvement fund		5,028,784
SunTran Public Transit fund		5,542,832
Art Permanent Collection Fund		173,930
Police Seizures Fund		105,706
Airport PFC fund		22,049
Housing Improvement Fund		306,916
Total Governmental Funds Capital Assets	\$	499,952,532

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

JUNE 30, 2015

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVEMENTS	INFRASTRUCTURE	EQUIPMENT
GENERAL GOVERNMENT:						
Gen. government bldgs.	\$ 29,401,302	\$ 18,066,468	\$ 9,980,974	\$ 1,353,860	\$ -	\$ -
WCIA (Dixie Center)	10,255,803	1,774,067	8,481,736	-	-	-
Downtown Redevelopment	13,794,620	2,657,192	2,823,172	8,314,256	-	-
Community development (Industrial Park)	1,626,676	162,489	-	1,464,187	-	-
Community development (Golf Courses)	18,771,913	8,422,114	1,597,908	2,496,038	-	6,255,853
Administration	2,173,765	-	-	-	-	2,173,765
Total general government	76,024,079	31,082,330	22,883,790	13,628,341	-	8,429,618
PUBLIC SAFETY:						
Police protection	10,072,640	-	82,589	179,911	-	9,810,140
Fire protection	9,845,967	613,048	4,281,206	86,490	-	4,865,223
Total public safety	19,918,607	613,048	4,363,795	266,401	-	14,675,363
PUBLIC WORKS:						
PARKS, RECREATION, & PUBLIC PROPERTY:	329,068,868	55,960,915	6,093,386	8,944,816	246,843,728	11,226,023
Total governmental fund capital assets allocated to function	74,940,978	7,349,410	8,021,531	54,078,020	145,152	5,346,865
Total governmental fund capital assets allocated to function	\$ 499,952,532	\$ 95,005,703	\$ 41,362,502	\$ 76,917,578	\$ 246,988,880	\$ 39,677,869

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, 2015

FUNCTION AND ACTIVITY	GOVERNMENTAL FUNDS CAPITAL ASSETS JULY 1, 2014	ADDITIONS	DELETIONS	GOVERNMENTAL FUNDS CAPITAL ASSETS JUNE 30, 2015
GENERAL GOVERNMENT:				
Gen. government bldgs.	\$ 26,715,046	\$ 3,483,643	-	\$ 30,198,689
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
Golf Courses	18,564,747	207,136	-	18,771,883
Administration	2,035,761	-	-	2,035,761
	<u>72,332,800</u>	<u>3,690,779</u>	<u>-</u>	<u>76,023,579</u>
PUBLIC SAFETY:				
Police protection	9,754,607	440,426	122,393	10,072,640
Fire protection	9,784,928	61,539	-	9,846,467
	<u>19,539,535</u>	<u>501,965</u>	<u>122,393</u>	<u>19,919,107</u>
PUBLIC WORKS: PARKS, RECREATION, & PUBLIC PROPERTY:				
	321,760,637	7,328,996	20,765	329,068,868
	70,221,219	4,736,611	16,852	74,940,978
TOTAL GOVERNMENTAL FUND CAPITAL ASSETS	<u>\$483,854,191</u>	<u>\$16,258,351</u>	<u>\$160,010</u>	<u>\$499,952,532</u>

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STATISTICAL SECTION

CITY OF ST. GEORGE, UTAH
ELECTRIC FUND
STATISTICAL ANALYSIS
June 30, 2015

	Year Ended June 30,	
	<u>2015</u>	<u>2014</u>
Production Cost Analysis:		
Kilowatt hours generated	78,164,172	84,459,495
Kilowatt hours purchased	722,094,498	729,333,315
Total Kilowatt Hours	800,258,670	813,792,810
Total Operating Costs *	\$ 62,341,983	\$ 61,606,164
Cost per Kilowatt Hour	\$ 0.07790	\$ 0.07570

* Includes interest charges

Summary of Kilowatt Hours and Costs for
previous period

<u>YEAR</u>	<u>KILOWATT HOURS</u>	<u>COST PER KILOWATT HOUR</u>
2004	557,424,755	\$ 0.06934
2005	559,546,333	\$ 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
2013	809,847,387	\$ 0.07308
2014	813,792,810	\$ 0.07570
2015	800,258,670	\$ 0.07790

	<u>2015</u>	<u>2014</u>
Average Revenue Analysis:		
Kilowatt Hours billed	716,440,346	734,595,938
Unbilled Hours-line loss, street lights	83,818,324	79,196,872
Total Kilowatt Hours	800,258,670	813,792,810
Total Revenue Billed	\$ 61,638,828	\$ 61,386,968
Number of Customers	29,819	29,711
Average monthly billing	\$ 172.26	\$ 172.18
	2,002 KWh	2,060 KWh

CITY OF ST. GEORGE, UTAH
WATER FUND
STATISTICAL ANALYSIS
June 30, 2015

	Year Ended June 30,	
	<u>2015</u>	<u>2014</u>
Production Cost Analysis:		
Number of gallons billed	10,112,741,688	10,093,884,407
Expense of operations *	\$ 14,060,437	\$ 14,393,831
Cost per billed gallon	\$ 0.001390	\$ 0.001426

* Includes interest charges

	<u>2015</u>	<u>2014</u>
Average Revenue Analysis:		
Number of metered customers	24,622	24,201
Water usage billed	\$ 17,812,897	\$ 17,641,536
Average monthly billing metered customer	\$ 60.29	\$ 60.75

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

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Net Investment in capital assets	\$ 89,565	\$ 109,818	\$ 129,100	\$ 184,237	\$ 220,811	\$ 249,625	\$ 260,036	\$ 275,793	\$ 287,652	\$ 314,849
Restricted	7,308	4,549	2,487	1,884	1,508	1,334	1,109	894	16,567	17,279
Unrestricted	43,111	43,165	58,600	38,253	23,226	18,456	21,658	31,162	24,703	15,375
Total governmental activities net position	\$ 139,984	\$ 157,532	\$ 190,187	\$ 224,374	\$ 245,545	\$ 269,415	\$ 282,803	\$ 307,849	\$ 328,922	\$ 347,503
Business-type activities:										
Net Investment in capital assets	\$ 119,982	\$ 133,387	\$ 154,740	\$ 141,070	\$ 163,547	\$ 167,225	\$ 185,172	\$ 191,725	\$ 190,317	\$ 180,043
Restricted	4,857	7,642	12,945	30,571	6,068	6,068	6,072	6,150	6,627	2,754
Unrestricted	34,767	33,596	30,382	33,265	42,700	39,951	38,202	32,975	40,357	52,341
Total business-type activities net position	\$ 159,606	\$ 174,625	\$ 198,067	\$ 204,906	\$ 212,315	\$ 213,244	\$ 229,446	\$ 230,850	\$ 237,301	\$ 235,138
Primary government:										
Net Investment in capital assets	\$ 209,547	\$ 243,205	\$ 283,840	\$ 325,307	\$ 384,358	\$ 416,850	\$ 445,208	\$ 467,518	\$ 477,969	\$ 494,892
Restricted	12,165	12,191	15,432	32,455	7,576	7,402	7,181	7,044	23,194	20,033
Unrestricted	77,878	76,761	88,982	71,518	65,926	58,407	59,860	64,137	65,060	67,716
Total primary government net position	\$ 299,590	\$ 332,157	\$ 388,254	\$ 429,280	\$ 457,860	\$ 482,659	\$ 512,249	\$ 538,699	\$ 566,223	\$ 582,641

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

** 2014 Restricted net position reclassified per GASB requirements

** 2015 Golf Fund was moved from Business-type activities to Governmental activities as a result of merging into the General Fund & net position was restated per GASB 68

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

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXPENSES:										
Governmental activities:										
General government	\$ 5,004	\$ 4,433	\$ 5,935	\$ 8,877	\$ 9,338	\$ 7,352	\$ 7,251	\$ 6,959	\$ 7,478	\$ 9,458
Public safety	11,497	13,824	14,885	14,726	14,178	15,229	16,638	16,761	17,841	17,762
Highways & public improvements	14,096	14,814	14,887	17,516	13,200	11,959	17,579	14,277	14,360	13,052
Parks, recreation, & public property	11,087	13,525	14,607	11,175	11,032	11,293	12,344	14,306	13,620	13,237
Community & economic development *	2,058	2,359	2,544	1,700	1,470	2,000	2,824	2,429	2,423	8,214
Interest on long-term debt	1,411	1,480	1,776	2,800	2,914	3,525	3,134	2,656	2,348	1,931
Total governmental activities expenses:	45,153	50,435	54,634	56,794	52,132	51,358	59,770	57,388	58,070	63,654
Business-type activities:										
Energy services	44,254	48,304	48,734	54,554	56,351	59,600	60,266	62,095	64,044	62,342
Water services	13,161	15,383	15,756	15,026	14,563	14,779	15,678	14,513	14,394	14,060
Regional wastewater treatment	4,174	4,878	5,015	5,058	5,059	5,114	5,292	4,894	5,140	5,061
Wastewater collection	7,250	7,876	7,599	8,043	7,774	7,729	7,775	5,273	5,467	5,566
Golf courses *	4,637	5,224	5,181	4,989	4,299	4,252	4,586	4,448	4,394	-
Municipal building authority	371	352	265	250	165	149	142	137	130	125
Solid waste	2,812	3,104	3,075	3,178	3,279	3,391	3,493	3,612	3,797	4,006
Drainage utility	1	6	16	4	143	122	111	122	95	122
Total business-type activities expenses:	76,660	85,127	85,641	91,102	91,633	95,136	97,343	95,094	97,461	91,282
Total primary government expenses	\$ 121,813	\$ 135,562	\$ 140,275	\$ 147,896	\$ 143,765	\$ 146,494	\$ 157,113	\$ 152,482	\$ 155,531	\$ 154,936

PROGRAM REVENUES:

Governmental activities:										
Charges for services:										
General government	\$ 3,063	\$ 3,496	\$ 3,872	\$ 3,871	\$ 4,158	\$ 4,257	\$ 4,255	\$ 4,384	\$ 4,792	\$ 4,941
Public safety	2,338	2,815	2,810	2,874	3,100	3,142	3,062	3,140	3,261	3,420
Highways & public improvements	570	680	627	549	488	733	1,110	1,070	1,116	1,460
Parks, recreation, & public property	2,733	2,501	2,587	2,514	2,855	2,915	2,989	3,172	3,418	3,664
Community & economic development *	3,685	3,238	2,019	1,105	808	885	1,271	1,826	1,940	5,822
Operating grants & contributions	9,000	8,043	9,601	7,324	7,663	8,150	8,772	8,766	9,705	9,921
Capital grants & contributions	5,457	8,355	22,538	31,062	20,794	19,868	12,857	17,318	13,711	12,386
Total governmental activities program revenues	26,846	29,128	44,054	49,299	39,866	39,950	34,316	39,676	37,943	41,614
Business-type activities:										
Charges for services:										
Energy services	48,604	52,688	54,091	54,102	53,859	54,109	55,662	58,818	62,779	62,547
Water services	15,682	15,167	15,506	14,745	14,772	13,825	15,073	17,454	18,382	18,342
Regional wastewater treatment	9,763	9,297	8,283	8,232	8,403	8,536	8,917	5,697	5,823	5,796
Wastewater collection	7,256	7,966	7,967	7,866	7,900	7,963	8,176	6,060	6,267	5,908

Golf courses *	4,340	4,597	4,750	4,013	3,763	3,283	3,520	3,568	3,550	-
Municipal building authority										-
Solid waste	2,812	2,969	3,078	3,095	3,246	3,407	3,503	3,622	3,805	4,011
Drainage utility	869	906	955	973	983	992	992	1,006	1,018	1,040
Operating grants & contributions			9,571	7	560	165	34	348	57	18
Capital grants & contributions	5,500	-	-	-	-	-	17,515	-	-	-
Total business-type activities program revenues	94,826	93,590	104,201	93,033	93,486	92,280	113,392	96,573	101,681	97,662
Total primary government program revenues	\$ 121,672	\$ 122,718	\$ 148,255	\$ 142,332	\$ 133,352	\$ 132,230	\$ 147,708	\$ 136,249	\$ 139,624	\$ 139,276

Net (expense) / revenue	\$ (18,307)	\$ (21,307)	\$ (10,580)	\$ (7,495)	\$ (12,266)	\$ (11,408)	\$ (25,454)	\$ (17,712)	\$ (20,127)	\$ (22,040)
Governmental activities	18,166	8,463	18,560	1,931	1,853	(2,856)	16,049	1,479	4,220	6,380
Business-type activities	\$ (141)	\$ (12,844)	\$ 7,980	\$ (5,564)	\$ (10,413)	\$ (14,264)	\$ (9,405)	\$ (16,233)	\$ (15,907)	\$ (15,660)
Total primary government net expense										

GENERAL REVENUES AND OTHER CHANGES IN NET POSITION

Governmental activities:										
Taxes										
Property taxes for general purposes	6,520	7,532	8,887	9,158	10,118	10,315	10,514	11,064	12,076	12,093
Property taxes for debt service	2,054	2,329	2,446	2,050	2,155	2,392	1,900	1,939	1,493	1,525
Franchise taxes	5,839	6,035	6,541	6,319	6,087	6,165	6,180	6,624	6,609	6,684
General sales & highway sales taxes	19,317	20,447	19,768	16,678	15,477	15,806	17,194	18,913	20,172	21,614
Business licenses	532	639	628	630	712	683	694	749	761	752
Investment income	1,889	2,458	2,312	1,211	470	258	239	163	205	179
Lease payments	(97)	(193)	(175)	(175)	(164)	(106)	(103)	(105)	(101)	(27)
Gain on sale of assets	388	1,333	2,187	28	812	435	66	1,329	897	2,410
Rents and concessions	35	33	30	25	34	52	237	262	219	211
Miscellaneous	195	45	327	143	189	93	61	446	201	264
Transfers	670	(1,703)	283	(291)	(2,454)	(814)	1,873	1,375	(2)	334
Total governmental activities	37,342	38,955	43,234	35,776	33,436	35,279	38,855	42,759	42,530	46,039
Business-type activities:										
Investment income	1,828	1,992	1,976	1,562	378	149	181	163	269	242
Lease payments	839	2,448	2,448	2,597	2,294	2,563	1,458	1,356	1,360	-
Miscellaneous	2,483	413	740	459	429	259	388	348	601	270
Transfers	(670)	1,703	(283)	291	2,454	814	(1,873)	(1,375)	2	(334)
Total business-type activities	4,480	6,556	4,881	4,909	5,555	3,785	154	492	2,232	178
Total primary government	\$ 41,822	\$ 45,511	\$ 48,115	\$ 40,685	\$ 38,991	\$ 39,064	\$ 39,009	\$ 43,251	\$ 44,762	\$ 46,217

CHANGE IN NET POSITION

Governmental activities	\$ 19,035	\$ 17,648	\$ 32,654	\$ 28,281	\$ 21,170	\$ 23,871	\$ 13,401	\$ 25,047	\$ 22,403	\$ 23,999
Business-type activities	22,646	15,019	23,441	6,840	7,408	929	16,203	1,971	6,452	6,558
Total primary government	\$ 41,681	\$ 32,667	\$ 56,095	\$ 35,121	\$ 28,578	\$ 24,800	\$ 29,604	\$ 27,018	\$ 28,855	\$ 30,557

* 2015 Golf Fund was moved from Business-type activities to Governmental activities as a result of merging into the General Fund

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

Fiscal Year	General		Debt Serv Property Tax	General, Highway, & RAP Sales Tax *		Franchise Tax	Total
	Property Tax			Property Tax			
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
2013	11,064		1,939	18,913		6,624	38,540
2014	12,076		1,493	20,172		6,609	40,350
2015	12,093		1,525	21,614		6,684	41,916

* Recreation Arts and Parks (RAP) Sales Tax approved in April of 2015. Only 2 months revenue received in FY 2015

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund										
Reserved for police seizures	\$ 67	\$ 103	\$ 119	\$ 70	\$ 83	\$ 106	\$ 158	\$ 265	\$ 229	\$ 151
Reserved for notes receivable	714	1,501	1,618	1,626	1,621	1,621	1,617	570	663	953
Reserved for perpetual care	181	236	318	148	161	141	112	122	127	64
Unreserved	3,905	3,009	2,852	2,912	2,891	3,776	3,808	5,871	5,829	4,824
Total general fund	\$ 4,867	\$ 4,849	\$ 4,907	\$ 4,756	\$ 4,756	\$ 5,644	\$ 5,695	\$ 6,828	\$ 6,848	\$ 5,992
All other governmental funds										
Restricted for:										
Special revenue funds	8,336	10,343	10,224	6,476	5,627	7,829	9,974	8,948		
Transportation programs									3,983	4,262
Housing & comm. Devlpmt									910	1,060
Parks const. & devlpmt									3,641	3,357
Community & econ. Devlpmt									656	722
Debt service funds	3,694	3,045	23,520	1,884	1,507	1,334	1,109	894	868	1,603
Capital projects funds	34,347	30,456	23,743	28,608	15,199	8,083	6,632	16,016	2,439	2,077
Assigned to:										
Community & econ. Devlpmt									6,178	6,034
Parks const. & devlpmt									101	90
Capital projects funds									19,212	15,314
Unassigned: (deficit)									(2,885)	2,134
Total all other governmental funds	\$ 46,377	\$ 43,844	\$ 57,487	\$ 36,968	\$ 22,333	\$ 17,246	\$ 17,715	\$ 25,858	\$ 35,103	\$ 36,653

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES:										
Taxes & special assessments	\$ 35,693	\$ 37,306	\$ 38,668	\$ 35,155	\$ 34,689	\$ 35,591	\$ 37,450	\$ 39,541	\$ 38,743	\$ 40,444
Licenses & permits	3,545	3,190	2,271	1,622	1,393	1,424	1,755	2,200	2,244	2,193
Intergovernmental	7,476	7,165	23,004	35,906	23,089	23,559	16,704	20,214	17,262	16,184
Charges for services *	7,137	8,001	8,236	7,762	8,473	8,849	9,376	9,815	10,810	15,446
Fines & forfeitures	928	1,018	851	856	1,035	1,081	995	954	961	1,055
Investment income	1,868	2,431	2,283	1,202	467	256	238	161	203	175
Rents & concessions	35	33	30	26	34	52	237	262	219	211
Miscellaneous	195	145	329	143	195	94	62	475	559	90
Contributions from other sources	300	66	71	138	96	139	94	109	1,009	1,505
Capital development fees	4,121	3,144	3,283	1,551	1,324	1,479	2,372	3,381	3,698	3,545
Total revenues	61,298	62,499	79,026	84,361	70,795	72,524	69,283	77,112	75,708	80,848
EXPENDITURES:										
General government	7,300	8,271	8,688	8,239	7,614	5,794	5,704	5,496	5,539	8,259
Public safety	12,023	13,933	15,283	14,043	13,647	14,709	16,636	16,818	17,344	18,040
Highways & public improvements	9,505	8,070	8,289	12,761	6,852	9,491	14,970	11,681	11,780	9,871
Parks, recreation, & public property	8,068	8,610	9,885	8,770	8,422	9,638	10,906	11,704	12,842	12,345
Community & economic development *	1,967	2,155	3,025	2,879	3,325	1,968	2,792	2,394	2,262	8,474
Capital outlay	16,946	22,955	51,536	57,264	50,496	30,425	11,512	12,345	19,903	14,247
Debt service										
Capital leases	197	193	175	175	164	106	103	104	101	102
Principal	1,188	6,849	1,814	26,666	5,733	10,411	7,482	9,822	9,265	17,357
Interest & other admin charges	1,462	1,411	1,301	2,558	2,207	2,697	4,904	2,897	2,552	1,935
Total expenditures	58,656	72,447	99,996	133,355	98,460	85,239	75,009	73,261	81,588	90,630
Excess of revenues over (under) expend.	2,642	(9,948)	(20,970)	(48,994)	(27,665)	(12,715)	(5,726)	3,851	(5,880)	(9,782)
OTHER FINANCING SOURCES (USES):										
Transfers in	13,795	13,364	21,312	16,816	26,264	10,958	16,068	18,659	15,460	10,831
Transfers out	(11,768)	(14,458)	(20,380)	(16,264)	(28,168)	(11,214)	(13,648)	(16,736)	(14,403)	(9,243)
Payments to other taxing agencies									(160)	-
Interfund utility services									(459)	(554)
Contributions from private sources	393	947	846	65	808	808	868	1,028		
Contributions from other governments	785	1,040	5,951	572	3,087	1,859	663	1,145	3,423	3,523
Proceeds from sale of capital assets	388	1,333	2,186	28	812	434	67	1,329	897	2,409
Loss on bond refinancing		(93)	-	-	-	-	-	-	-	-
Premiums on bonds sold						275			1,037	408
Issuance of notes/bonds/ or leases	343	5,265	24,755	27,107	10,227	5,395	2,228	-	9,350	7,830
Total other financing sources (uses)	3,936	7,398	34,670	28,324	13,030	8,515	6,246	5,425	15,145	15,204
Net change in fund balance	\$ 6,578	\$ (2,550)	\$ 13,700	\$ (20,670)	\$ (14,635)	\$ (4,200)	\$ 520	\$ 9,276	\$ 9,265	\$ 5,422
Debt service as a percentage of non-capital expenditures	6.83%	17.08%	6.79%	38.64%	16.90%	24.11%	19.67%	21.05%	19.32%	25.39%
			(1)	(2)	(2)	(2)	(2)	(2)	(2)	(3)

(1) 2007 Sales Tax bonds refunded
 (2) 2006 GO Tax bonds refunded
 (3) 2004 GO Parks bonds refunded

* Golf Fund was moved from Business-type activities to Governmental activities as a result of merging into the General Fund in FY 2015

CITY OF ST. GEORGE, UTAH
 SALES TAX PAYERS BY SECTOR
 JUNE 30, 2015
 (amounts expressed in thousands)

CALENDAR YEAR 2014				CALENDAR YEAR 2005			
Ranking	Category	Direct Point of Sales Dollars	Percent of Sales	Ranking	Category	Direct Point of Sales Dollars	Percent of Sales
1	Retail - Gen Merchandise	\$ 316,487,141	18.15%	2	Retail - Gen Merchandise	\$ 242,775,713	15.01%
2	Retail - Motor vehicles & Parts Dealers	269,758,535	15.47%	1	Retail - Motor vehicles & Parts Dealers	255,440,485	15.79%
3	Food services & drinking places	167,961,825	9.63%	5	Food services & drinking places	108,164,443	6.69%
4	Retail - Bldg, Material, Garden Equip & Sup	129,674,368	7.44%	3	Retail - Bldg, Material, Garden Equip & Sup	189,285,500	11.70%
5	Retail - Food & Beverage stores	123,287,515	7.07%	6	Retail - Food & Beverage stores	94,675,357	5.85%
6	Wholesale - Durable goods	83,736,379	4.80%	4	Wholesale - Durable goods	138,785,809	8.58%
7	Retail - Clothing & clothing accessories	80,931,120	4.64%	7	Retail - Clothing & clothing accessories	65,930,174	4.08%
8	Accommodations	59,032,169	3.38%	11	Accommodations	40,162,379	2.48%
9	Other services - except public admin.	53,591,448	3.07%	12	Other services - except public admin.	39,885,386	2.47%
10	Public administration	51,750,000	2.97%	13	Public administration	39,004,000	2.41%
11	Retail - Furniture & home furnishing stores	51,694,513	2.96%	8	Retail - Furniture & home furnishing stores	65,860,534	4.07%
12	Manufacturing	48,123,020	2.76%	9	Manufacturing	49,367,499	3.05%
13	Retail - Sporting Goods, Hobbies, Books	45,964,150	2.64%	16	Retail - Sporting Goods, Hobbies, Books	29,280,428	1.81%
14	Retail - Miscellaneous retail trade	42,882,493	2.46%	14	Retail - Miscellaneous retail trade	35,666,347	2.21%
15	Information	42,337,011	2.43%	18	Information	18,072,254	1.12%
16	Retail - Gasoline stations	27,705,454	1.59%	17	Retail - Gasoline stations	28,591,162	1.77%
17	Construction	26,180,610	1.50%	10	Construction	44,367,553	2.74%
18	Real estate rental and leasing	19,162,133	1.10%	15	Real estate rental and leasing	33,866,961	2.09%
19	Retail - Electronics & Appliances	14,413,381	0.83%	20	Retail - Electronics & Appliances	14,201,668	0.88%
20	Arts, Entertainment and recreation	13,872,582	0.80%	24	Arts, Entertainment and recreation	8,356,487	0.52%
21	Professional, Scientific & technical services	13,715,489	0.79%	19	Professional, Scientific & technical services	15,385,632	0.95%
22	Wholesale trade - Nondurable goods	13,537,284	0.78%	22	Wholesale trade - Nondurable goods	8,912,925	0.55%
23	Retail - Health & personal care stores	12,811,639	0.73%	23	Retail - Health & personal care stores	8,500,665	0.53%
24	Prior-period payments & refunds	9,210,532	0.53%	21	Prior-period payments & refunds	9,444,490	0.58%
25	Health care & social assistance	6,114,966	0.35%	27	Health care & social assistance	4,223,825	0.26%
26	Nonstore Retailers	5,914,657	0.34%	26	Nonstore Retailers	5,365,958	0.33%
27	Admin & support & Waste Mngmt services	4,103,672	0.24%	25	Admin & support & Waste Mngmt services	7,441,006	0.46%
28	Occasional/Nonclassifiable	2,786,372	0.16%	35	Occasional/Nonclassifiable	200,000	0.01%
29	Educational Services	2,113,938	0.12%	29	Educational Services	3,360,231	0.21%
30	Transportation & warehousing	1,733,307	0.10%	28	Transportation & warehousing	3,950,000	0.24%
31	Finance & insurance	1,500,000	0.09%	31	Finance & insurance	2,318,509	0.14%
32	Wholesale trade - Electronic markets	818,422	0.05%	30	Wholesale trade - Electronic markets	2,350,000	0.15%
33	Mining, quarrying & Oil & Gas extraction	773,898	0.04%	32	Mining, quarrying & Oil & Gas extraction	2,301,000	0.14%
34	Management of companies & enterprises	251,000	0.01%	33	Management of companies & enterprises	1,100,000	0.07%
35	Agriculture, Forestry, Fishing & hunting	70,000	0.00%	34	Agriculture, Forestry, Fishing & hunting	700,000	0.04%
		<u>\$ 1,744,001,023</u>				<u>\$ 1,617,294,380</u>	

Source: Utah State Tax Commission statistical reports for calendar year ended December 31, 2014 and December 31, 2005.

CITY OF ST. GEORGE, UTAH
 PRINCIPAL TAXABLE PROPERTIES
 JUNE 30, 2015

2015

2006

NAME	TYPE OF BUSINESS	TAXABLE VALUE	% OF TOTAL	NAME	TYPE OF BUSINESS	TAXABLE VALUE	% OF TOTAL
IHC HEALTH SERVICES INC	MEDICAL PROVIDER	\$ 41,745,300	0.74%	QWEST CORP	TELECOMMUNICATIONS	\$ 30,261,215	0.91%
FAMILY DOLLAR UTAH DC LLC	DISTRIBUTION CENTER	32,512,200	0.58%	GENERAL GROWTH PROPERTIES	LAND DEVELOPMENT	28,483,915	0.86%
FAMILY DOLLAR SERVICES	RETAIL LOCATIONS	28,961,184	0.52%	IHC HOSPITALS INC	MEDICAL PROVIDER	21,895,005	0.66%
QUESTAR GAS	NATURAL GAS PROVIDER	24,866,475	0.44%	SUNSET CORNER PROPERTIES	PROPERTY INVESTMENTS	19,343,875	0.58%
DIXIE ESCALANTE RURAL ELECTRIC	ELECTRICAL COOPERATIVE	24,794,997	0.44%	SKYWEST AIRLINES	REGIONAL AIRLINE CARRIER	17,493,274	0.53%
GENERAL GROWTH PROPERTIES	LAND DEVELOPMENT	24,013,300	0.43%	WELLS DAIRY INC	ICE CREAM MANUFACTURING FACILITY	16,568,734	0.50%
SKYWEST AIRLINES	REGIONAL AIRLINE CARRIER	19,294,219	0.34%	ST GEORGE 730 L C	PROPERTY INVESTMENTS	16,163,950	0.49%
QWEST CORP	TELECOMMUNICATIONS	16,881,508	0.30%	RIMROCK MARKETPLACE	PROPERTY INVESTMENTS	15,874,586	0.48%
WORLDMARK THE CLUB	PROPERTY INVESTMENTS	16,065,800	0.29%	ZION FACTORY STORES	REGIONAL SHOPPING MALL	15,572,078	0.47%
S W A C EAST LLC	PROPERTY INVESTMENTS	15,560,700	0.28%	DIXIE ESCALANTE RURAL ELECTRIC	ELECTRICAL COOPERATIVE	15,183,416	0.46%
		<u>\$ 244,695,683</u>	<u>4.35%</u>			<u>\$ 196,840,048</u>	<u>5.93%</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					
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%
2013	2,265,799	1,424,548	1,380,905	118,030		-	5,189,282	7,216,601	71.91%
2014	2,523,549	1,585,348	1,382,212	131,115		-	5,622,224	7,859,544	71.53%
2015	2,894,332	1,676,407	1,428,077	128,654		-	6,127,470	8,660,480	70.75%

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	Amount	% of Levy
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%	
2013	9,950	9,010	90.55%	473	9,483	95.31%	
2014*	10,171	9,499	93.39%	704	10,203	100.31%	
2015*	10,652	9,823	92.22%	673	10,496	98.54%	

*Source: Washington County Financial Statements with Report of Certified Public Accountants

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 Incremental Bonds	Excise Tax Bonds	Special Assessment Bonds	Capital Leases	Sewer Bonds	Water Bonds	Electric Bonds	MBA Bonds	Golf Course Bonds	Capital Leases	Capital Leases	Capital Leases	Capital Leases	Capital Leases			
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	64,845	3,101	407	702	-	-	-	-	171,873	2,022	
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	1,828	
2012	14,760	18,099	1,470	317	-	4,795	19,289	60,965	710	-	800	-	-	-	-	121,205	1,460	
2013	13,995	15,160	750	-	-	3,755	16,617	59,235	612	-	632	-	-	-	-	110,756	1,334	
2014	13,155	12,130	8,150	-	-	2,675	13,427	58,275	514	-	1,016	-	-	-	-	109,342	1,286	
2015 *	12,620	8,590	7,755	-	834	-	10,129	56,280	410	-	-	-	-	-	-	96,618	1,104	

* The Golf Course Fund was merged into the General Fund in FY 2015. Related capital leases were reclassified to governmental activities.

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

Fiscal year	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of		Per Capita
				Property		
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
2013	13,995	-	13,995	0.2697%		169
2014	13,155	-	13,155	0.2340%		155
2015	12,620	-	12,620	0.2060%		144

CITY OF ST. GEORGE, UTAH
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF JUNE 30, 2015
 (amounts expressed in thousands)

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable</u>	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
Washington County	\$ 15,300	55.32%	\$ 8,464
Washington County School District	210,160	55.32%	116,261
Washington County Water Conservancy	2,180	55.32%	1,206
sub-total overlapping debt	<u>227,640</u>		<u>125,930</u>
City of St. George direct debt - GO Bonds	12,620		12,620
City of St. George direct debt - WCIA	3,784		3,784
Total direct & overlapping debt	<u>\$ 244,044</u>		<u>\$ 142,334</u>

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

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 503,555	\$ 669,296	\$ 823,545	\$ 896,826	\$ 721,366	\$ 652,656	\$ 628,110	\$ 577,328	\$ 628,764	\$ 692,838
Total net debt applicable to limit	81,933	74,318	71,218	64,594	64,594	56,112	34,066	89,383	74,367	77,080
Legal debt margin	<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>	<u>\$ 487,945</u>	<u>\$ 554,397</u>	<u>\$ 615,758</u>

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

Legal Debt Margin Calculation for Fiscal Year 2015

Fair market value of taxable property	\$ 8,660,479,516
Debt limit:	
General obligation 4%	\$ 346,419,181
Water, Sewer & electric 4%	346,419,181
Total debt limit	<u>\$ 692,838,361</u>
Debt applicable to limit:	
General obligation bonds	\$ 12,620,000
less: amt set aside for repayment of debt	
Water, sewer, and electric bonds	66,409,000
less: amt set aside for repayment of debt	(1,949,240)
Total net debt applicable to limit	<u>77,079,760</u>
Legal debt margin	<u>\$ 615,758,601</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	Available Revenues	Debt Service Principal	Debt Service Interest	Water Charges and other	Less: Operating Expenses	Net Available Revenues	Debt Service Principal	Debt Service Interest	Coverage
2006	\$ 10,790	\$ 2,706	\$ 8,084	\$ 2,917	\$ 484	\$ 16,116	\$ 8,651	\$ 7,465	\$ 840	\$ 2,354	2.34
2007	10,217	3,216	7,001	2,922	415	15,443	10,670	4,773	1,880	2,323	1.14
2008	9,355	3,308	6,047	2,131	374	17,628	10,846	6,782	2,410	2,027	1.53
2009	8,726	3,294	5,432	1,931	330	17,016	10,188	6,828	2,515	1,925	1.54
2010	8,547	3,312	5,235	1,999	281	16,891	9,794	7,097	2,610	1,810	1.61
2011	8,536	3,304	5,232	2,079	227	16,259	10,109	6,150	2,665	1,855	1.36
2012	8,917	3,531	5,386	2,169	166	16,441	11,986	4,455	2,605	1,273	1.15
2013	5,697	3,273	2,424	1,040	205	18,765	11,897	6,868	1,566	628	3.13
2014	5,823	3,439	2,384	1,080	143	20,154	12,530	7,624	3,200	433	2.10
2015	6,012	3,473	2,539	2,675	66	18,931	12,180	6,751	3,308	196	1.93

Energy Services Revenue Bonds

Fiscal Year	Energy Services Revenue Bonds					
	Energy Charges and other	Less: Operating Expenses	Available Revenues	Debt Service Principal	Debt Service Interest	Coverage
2006	\$ 51,039	\$ 40,748	\$ 10,291	\$ 570	\$ 529	9.36
2007	53,623	47,601	6,022	600	703	4.62
2008	55,241	48,052	7,189	620	682	5.52 **
2009	55,201	49,921	5,280	645	693	3.95 **
2010	54,876	51,691	3,185	665	670	2.39
2011	54,440	50,294	4,146	1,570	3,045	0.90
2012	55,940	50,913	5,027	1,645	2,984	1.09
2013	59,362	52,805	6,557	1,730	2,912	1.41
2014	63,598	55,959	7,639	1,830	2,788	1.65
2015	63,521	53,494	10,027	1,995	2,633	2.17

* Sewer bonds were paid off in total so there was future year principal of \$1,825,000 paid this year
 ** interest capitalized during construction period

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

Fiscal Year	Population	(1)		Median Age	(2)		Unemployment Rate
		Personal Income (amts expressed in millions)	Per Capita Personal Income		School Enrollment	Rate	
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	27,184		25,775	7.3%	
2010	83,500	not available	26,933	32.5	25,202	9.6%	
2011	82,000	not available	27,920		not available	10.1%	
2012	83,000	not available	28,597		not available	7.1%	
2013	83,000	not available	27,159		not available	5.4%	
2014	85,000	not available	not available		not available	3.8%	
2015	87,500	not available	not available		not available	4.0%	

(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

2015

2006

<u>Employer</u>	<u>Employees</u>	<u>Industry</u>	<u>Employer</u>	<u>Employees</u>	<u>Industry</u>
Intermountain Health Care (1)	3,000-3,999	Health Care	Washington County School District (1)	2,000-2,999	Public Education
Washington County School District (1)	2,000-2,999	Public Education	Intermountain Health Care	1,000-1,999	Health Care
Dixie State University	1,000-1,999	Higher Education	Dixie College	500-999	Higher Education
Wal-Mart (1)	1,000-1,999	Supercenters	City of St. George	500-999	Local Government
City of St. George	500-999	Local Government	Federal Government	250-499	Federal Government
Skywest Airlines	500-999	Air Transportation	Skywest Airlines	250-499	Air Transportation
United States Government	250-499	Federal Government	Washington County	250-499	Local Government
Washington County	250-499	Local Government			

(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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government	50	51	52	50	64	64	65	74	80	78
Community & development services (2) (3)	39	39	29	27	21	21	21	20	42	46
Public Safety										
Police										
Officers	93	97	103	103	103	103	104	104	106	108
Reserves	4	4								
Civilians	37	39	39	39	40	40	46	47	46	46
Fire										
Firefighters & officers	22	22	23	23	31	31	31	31	31	32
Volunteers firefighters	64	64	64	64	64	64	64	64	64	64
Civilians	1	1	1	1	1	1	1	1	1	1
Highways & streets										
Engineering & Administration (3)	22	25	22	17	14	14	15	15	31	33
Maintenance	31	32	32	32	32	32	32	33	33	32
Fleet maintenance (1)	12	13	13	13	0	0	0	0	0	0
Culture & recreation										
Recreation	12	14	14	14	14	14	14	14	14	16
Parks & design	39	41	42	42	42	42	42	53	58	58
Building maintenance	7	11	10	9	10	10	10	0	0	0
Dixie Center	9	9	12	12	12	12	11	11	12	12
Administration & others	8	8	6	6	6	6	6	6	4	6
Water services	54	54	49	49	49	49	49	49	49	49
Wastewater collections	19	19	19	17	17	17	17	17	17	17
Energy services	53	56	51	52	52	52	53	54	54	55
Golf courses (2)	33	33	34	31	31	31	32	32	0	0
Wastewater treatment	21	21	19	20	20	20	20	21	21	21
Public transit	15	15	14	14	15	15	16	16	21	22
Total	645	668	648	635	638	638	649	662	684	696

(1) moved to General government in 2011 fiscal year

(2) Golf moved to General Fund in 2015 fiscal year

(3) Reorganization of departments moved several divisions

Note: 2016 based upon number of approved positions in fiscal year 2016 approved budget

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SINGLE AUDIT SECTION

**Independent Auditors' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

The Honorable Mayor and
City Council
St. George, Utah

We have audited, in accordance with the 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, 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, 2015, and the related notes to the financial statements, which collectively comprise St. George City, Utah's basic financial statements, and have issued our report thereon dated December 8, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered St. George City, Utah's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. George City, Utah's internal control. Accordingly, we do not express an opinion on the effectiveness of St. George City, Utah's internal control.

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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. George City, Utah's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HintonBurdick, PLLC
St. George, Utah
December 8, 2015

ST. GEORGE CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Grantor Agency	Federal CFDA Number	Other Identification Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Community Development Block Grants/ Entitlement Grants Program	14.218	B-1X-MC-49-0012	\$ 395,955
U.S. Department of Interior			
Water Conservation Field Services Grant Program	15.530	R14AP00021	12,494
U.S. Department of Justice			
Passed through the State of Utah:			
Crime Victim Assistance	16.575	14VOCA65	43,000
Edward Byrne Memorial Justice Assistance Grant Program	16.738	201X-DJ-BX-XXXX	4,842
Regional Fugitive Task Force	16.xxx	VFAST	9,141
Drug Enforcement Administration:			
Equitable Sharing Program	16.922		40,292
Total U.S. Department of Justice			<u>97,275</u>
U.S. Department of Transportation			
Federal Transportation Administration:			
Federal Transit-Capital Investment Grants (1)	20.500	UT-04-0024	324,742
Federal Transit-Formula Grants (1)	20.507	UT-90-X069	1,404,309
Passed through the State of Utah:			
State and Community Highway Safety (2)	20.600	PT140107	28,673
National Priority Safety Programs (2)	20.616	2HVE150401	8,601
Federal Aviation Administration:			
Passed through the State of Utah:			
Airport Improvement Program	20.106	3-49-0060-XX	10,295,861
Small Community Air Service Development Program	20.930	WAG2012-SCASDP-28	73,656
Total U.S. Department of Transportation			<u>12,135,842</u>
U.S. Department of Health and Human Services			
Passed through the State of Utah:			
Temporary Assistance for Needy Families (TANF)	93.558		256,202
Community Service Block Grant Program (CSBG)	93.569	FY15-CSBG	4,487
Total U.S. Department of Health and Human Services			<u>260,689</u>
Executive Office of the President,			
Office of National Drug Control Policy			
High Intensity Drug Trafficking Area (HIDTA)	95.001	G1XRM0015A	155,620
U.S. Department of Homeland Security			
Federal Emergency Management Agency:			
Passed through the State of Utah:			
Hazard Mitigation Grant Program	97.039	DR-4011-UT-6-R	691
Total expenditures of federal awards			<u>\$ 13,058,566</u>

(1) Programs 20.500 and 20.507 are included in a cluster.

(2) Programs 20.600 and 20.616 are included in a cluster.

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, 2015

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of St. George City and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Sub-recipients

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

CDBG (14.218)

Learning Center for Families	\$35,842
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ST. GEORGE CITY
SCHEDULE OF EXPENDITURES OF PASSENGER FACILITY CHARGES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>September 30</u>	<u>December 31</u>	<u>March 31</u>	<u>June 30</u>	<u>Total</u>
06-04-U-0X-SGU	\$ -	\$ 569	\$ -	\$ -	\$ 569

**ST. GEORGE CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes no

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness identified? yes no
- Significant deficiencies identified? yes no

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
14.218	Community Development Block Grants/ Entitlement Grants
20.106	Airport Improvement Program
20.500, 20.507	Federal Transit—Capital Investment Grants, Federal Transit—Formula Grants

Dollar threshold used to distinguish between type A and type B programs: \$ 391,757

Auditee qualified as low-risk auditee? yes no

**ST. GEORGE CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

Section II – Financial Statement Findings

No matters reported

Section III – Federal Award Findings and Questioned Costs

No matters or questioned costs reported

Section IV – Passenger Facility Charge Program Findings and Questioned Costs

No matters or questioned costs reported

**Independent Auditors' Report on Compliance for
Each Major Program and on Internal Control Over
Compliance Required by OMB Circular A-133 and the
*Passenger Facility Charge Audit Guide for Public Agencies***

The Honorable Mayor and
City Council
St. George, Utah

Report on Compliance for Each Major Federal Program and Passenger Facility Charge Program

We have audited the City of St. George, Utah's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide), that could have a direct and material effect on each of the City of St. George, Utah's major federal programs and on its passenger facility charge program for the year ended June 30, 2015. The City of St. George, Utah's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and its passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of St. George, Utah's major federal programs and passenger facility charge program based on our audit of the types of compliance requirements referred to above. 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the Guide. Those standards, OMB Circular A-133 and the Guide 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 and on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the City of St. George, Utah'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 on compliance for each major federal program and the passenger facility charge program. However, our audit does not provide a legal determination of the City of St. George, Utah's compliance.

Opinion on Each Major Federal Program and Passenger Facility Charge Program

In our opinion, the City of St. George, Utah, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and on its passenger facility charge program for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of the City of St. George, Utah is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of St. George, Utah's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and on its passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and passenger facility charge program to test and report on internal control over compliance in accordance with OMB Circular A-133 and the Guide, 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 the City of St. George, Utah's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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 or passenger facility charge 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 or passenger facility charge program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the Guide. Accordingly, this report is not suitable for any other purpose.


HintonBurdick, PLLC
St. George, Utah
December 8, 2015



Independent Auditor's Report In Accordance With The *State Compliance Audit Guide* On:

- **Compliance With General State Compliance Requirements**
- **Compliance For Each Major State Program**
- **Internal Control Over Compliance**
- **Schedule Of Expenditures Of State Awards**

The Honorable Mayor and
City Council
St. George, Utah

Report On Compliance with General State Compliance Requirements and for Each Major State Program

We have audited St. George City, Utah's compliance with the applicable general state and major state program compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on St. George City, Utah or each of its major state programs for the year ended June 30, 2015.

General state compliance requirements were tested for the year ended June 30, 2015 in the following areas:

- Budgetary Compliance
- Fund Balance
- Utah Retirement Systems
- Enterprise Fund Transfers, Reimbursements, Loans, and Services
- Tax Levy Revenue Recognition
- Restricted Taxes
- Open and Public Meeting Act
- Cash Management
- Impact Fees
- Government Records Access Management Act (GRAMA)
- Conflicts of Interest
- Nepotism

St. George City, Utah received state funding from the following programs classified as major programs for the year ended June 30, 2015:

- B&C Road Funds

Management's Responsibility

Management is responsible for compliance with the general state requirements referred to above and the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on St. George City, Utah's compliance based on our audit of the compliance requirements referred to above. 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 the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on St. George City, Utah or its major state programs occurred. An audit includes examining, on a test basis, evidence St. George City, Utah'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 on compliance with general state compliance requirements and for each major state program. However, our audit does not provide a legal determination of St. George City, Utah's compliance.

Opinion on General State Compliance Requirements and Each Major State Program

In our opinion, St. George City, Utah complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on St. George City, Utah or on each of its major state programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in the accompanying Schedule of Findings and Recommendations as items 2015-001 and 2015-002. Our opinion on compliance is not modified with respect to these matters.

St. George City, Utah's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Recommendations. St. George City, Utah's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of St. George City, Utah is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered St. George City, Utah's internal control over compliance with the compliance requirements that could have a direct and material effect on St. George City, Utah or on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and for each major state program and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, 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, Utah's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state or major state program compliance requirement 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 general state or major state program compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state or major state program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We noted matters involving internal control over compliance which we are submitting for your consideration. These matters are described in the accompanying schedule of findings and recommendations as items 2015-001 and 2015-002.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Awards as Required by the *State Compliance Audit Guide*

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, 2015, and the related notes to the financial statements, which collectively comprise St. George City, Utah's basic financial statements. We issued our report thereon dated December 8, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the *State Compliance Audit Guide* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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 schedule of expenditures of state awards is fairly stated in all material respects in relation to the financial statements as a whole.

Hinton Burdick, PLLC

HintonBurdick, PLLC
St. George, Utah
December 8, 2015

**ST. GEORGE CITY
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

Grant Name	Award/Contract # (if applicable)	Year of Last Audit	Expenditures
<u>UTAH DEPARTMENT OF WORKPLACE SERVICES</u>			
Child Care Services	CCDF Match Partnership Apr-June 2015		\$ 6,676
Child Care Services	Child Care Grant		6,000
SUBTOTAL			\$ 12,676
<u>UTAH DEPARTMENT OF HERITAGE AND ARTS</u>			
Arts & Museums Division	State Art Museum		\$ 9,000
Arts & Museums Division	State - local historic preservation		2,100
SUBTOTAL			\$ 11,100
<u>UTAH DEPARTMENT OF PUBLIC SAFETY</u>			
Highway Safety	State DUI OT Grant July-Sept 2014 Hwy SF		9,316
Highway Safety	State of UT - State Task Force Grant (STFG) 15F16 (CCJJ)		51,162
Highway Safety	Digital Cameras UHP		10,000
Highway Safety	Asset Forfeiture Grant 15N16 (CCJJ)		52,427
Highway Safety	WCDFTF Drug Task Force		44,982
SUBTOTAL			\$ 167,887
<u>OTHER</u>			191,664
B& C Road Funds		2015	\$ 2,508,368
Liquor Fund Allotment			101,658
OTHER			\$ 2,610,027
TOTAL GRANT, CONTRACT, AND LOAN FUND EXPENDITURES			\$ 2,801,691

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

December 8, 2015

St. George City Officials
St. George, Utah 84770

Mayor, City Council and Management of St. George City:

During our audit of the funds of St. George City for the fiscal year 2014 - 2015, we noted two instances of non-compliance with state law. We do not believe these items to be material; however, we are required to communicate them to you. We recommend that appropriate action be taken to bring the City in full compliance with state laws.

2015-001 Finding – Deficit Fund Balance:

UCA 10-6-117- (3) states that for any fund that has a deficit unassigned/unrestricted fund balance in the year under audit; the subsequent year’s budget should contain an appropriation to retire the deficit to an amount equal to or greater than 5% of the fund’s total actual revenue of the year under audit. The Resource Center Special Revenue Fund reported a deficit fund balance of \$299,991 at June 30, 2015. The fiscal year 2016 budget reports budgeted revenues of \$776,127 and budgeted expenditures of \$803,551. These budgeted amounts are not sufficient to reduce the deficit fund balance to an amount equal to or greater than 5% of the fund’s total revenue for fiscal year 2015.

Recommendation

We recommend that the City operate within the confines of State law by budgeting amounts to reduce the deficit fund balance in the Resource Center Special Revenue Fund.

2015-002 Finding – Utah Public Notice Website:

UCA 52-4-203 (4)(e) requires that within three days of City Council meeting minutes being approved, the minutes be posted to the Utah Public Notice Website. We noted the March 5, 2015 meeting minutes were approved May 7, 2015 but were not posted until May 11, 2015. The June 4, 2015 meeting minutes were approved on August 6, 2015 but were not posted until August 14, 2015.

Recommendation

We recommend that the City operate within the confines of State law ensuring that the minutes of City Council meetings are posted to the Utah Public Notice Website within three days of their approval.

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,

A handwritten signature in cursive script that reads "Hinton Burdick, PLLC".

HintonBurdick, PLLC

December 8, 2015



December 8, 2015

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

From: Tiffany M. LaJoice, CPA
Finance Manager

Subject: Schedule of Findings and Recommendations
Fiscal year audit ended June 30, 2015

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 funds to ensure fund balances positive and within allowable state limits. We will continue to monitor and work to reduce the deficit fund balance to comply with State law.
2. We have made changes to our process so that all future City Council meeting minutes are posted to the Utah Public Notice Website within 3 business days of approval.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2014

The June 30, 2014 audit included findings on budgetary compliance and interfund transfers. These findings were addressed in the current fiscal year and we will continue to monitor to do our best to avoid these findings again in the 2016 fiscal year .

CONTINUING DISCLOSURE SECTION

CITY OF ST. GEORGE, UT
 Continuing Disclosure - Franchise Tax Revenue Bonds, Series 2014
 Fiscal Year Ended June 30, 2015

<u>Fiscal Year</u>	<u>Revenues from Electric Suppliers</u>	<u>Revenues from Natural Gas Suppliers</u>	<u>Total Revenues from Pledged Taxes</u>	<u>Percent Change from Prior Year</u>
2015	\$ 4,273,371	\$ 930,885	\$ 5,204,256	1.88%
2014	4,136,934	971,495	5,108,429	1.35%
2013	4,178,110	862,119	5,040,229	10.63% (1)
2012	3,732,321	823,597	4,555,918	0.73%
2011	3,629,411	893,485	4,522,896	1.89%
2010	3,612,106	826,836	4,438,942	-0.81%
2009	3,594,251	880,749	4,475,000	-1.72%
2008	3,684,271	868,839	4,553,110	9.81%
2007	3,440,774	705,578	4,146,352	0.11%
2006	3,174,155	967,817	4,141,972	17.04%

(1) The increase in Revenues from Pledged Taxes in 2013 is in part a result of the City's 7% user rate increase on all users with the City's electric system effective July 1, 2012

Source: The City

CITY OF ST. GEORGE, UT
 Continuing Disclosure - Franchise Tax Revenue Bonds, Series 2014
 Fiscal Year Ended June 30, 2015

Debt Service Coverage Actual and Projected

<u>Fiscal Year</u>	<u>Total Pledged Taxes (1)</u>	<u>Series 2014 Bonds Debt Service</u>	<u>Coverage</u>
2015	\$ 5,204,256	\$ 762,825	6.82
2016	5,256,299	762,800	6.89
2017	5,308,862	758,425	7.00
2018	5,361,950	761,425	7.04
2019	5,415,570	761,350	7.11
2020	5,469,725	762,975	7.17
2021	5,524,423	758,475	7.28
2022	5,579,667	762,725	7.32
2023	5,635,464	760,600	7.41
2024	5,691,818	762,100	7.47
2025	5,748,736	762,100	7.54
2026	5,806,224	760,600	7.63
2027	5,864,286	762,475	7.69
2028	5,922,929	759,500	7.80
2029	5,982,158	761,763	7.85

(1) Projections based on actual fiscal year 2015 Pledged Taxes of \$5,204,256 and assuming an annual increase of 1%

CITY OF ST. GEORGE, UT
Balance Sheet - General Fund
(This summary has not been audited)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
ASSETS					
Cash	\$ 3,879,391	\$ 4,796,318	\$ 4,528,595	\$ 1,954,945	\$ 1,746,858
Accounts receivable	11,921,484	11,831,981	11,480,435	3,428,067	3,070,277
Prepaid items	10,800	40,990	39,774	38,420	7,718
Inventory	175,147	101,231	112,346	98,415	113,172
Notes receivable	49,935	49,935	70,000	1,616,708	1,621,140
Due from other funds	903,021	612,809	500,000	500,000	500,000
Total assets	\$ 16,939,778	\$ 17,433,264	\$ 16,731,150	\$ 7,636,555	\$ 7,059,165
LIABILITIES					
Liabilities:					
Construction bonds held	\$ 361,857	\$ 689,412	\$ 682,700	\$ 189,430	\$ 178,065
Due to other funds	-	-	-		
Accrued liabilities	1,705,240	1,534,650	1,161,319	1,697,360	1,187,915
Deferred revenues				54,489	49,409
Total liabilities	2,067,097	2,224,062	1,844,019	1,941,279	1,415,389
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property tax levy	8,350,000	8,300,000	8,000,000		
Unavailable revenues - city cache cards	530,851	61,660	59,450		
Total deferred inflows of resources	8,880,851	8,361,660	8,059,450	-	-
Fund Balances (deficits):					
Nonspendable:					
Inventories & prepaids	185,947	142,221	152,119	136,834	120,891
Noncurrent receivables	952,956	662,744	570,000	2,116,708	2,121,140
Restricted for:					
Public safety programs	151,174	228,710	264,774	157,928	105,866
Cemetery perpetual care	64,133	126,929	121,665	112,320	141,068
Reserved for police seizures					
Reserved for notes receivable					
Unassigned:	4,637,620	5,686,938	5,719,123	3,171,486	3,154,811
Total fund balances (deficits)	5,991,830	6,847,542	6,827,681	5,695,276	5,643,776
Total liabilities, deferred inflows and fund balances	\$ 16,939,778	\$ 17,433,264	\$ 16,731,150	\$ 7,636,555	\$ 7,059,165

(1) Accounting changes required under GASB 63 relating to the reporting of deferred inflows and outflows and net position were put into effect with the City's fiscal year beginning July 1, 2012. This information was not required in prior years.

(Source: Information extracted from the City's audited financial statements for the fiscal years 2010-2014. This summary itself is not audited.)

CITY OF ST. GEORGE, UTAH
Statement of Net Position
Governmental Activities
(This summary has not been audited)

	2015	2014	2013	2012	2011
ASSETS:					
Cash	\$ 37,313,250	\$ 37,546,416	\$ 31,148,104	\$ 10,193,257	\$ 17,442,032
Accounts receivable (net of allowance for doubtful accounts)	28,968,486	30,827,047	30,787,149	16,808,142	6,552,468
Inventory	175,147	101,231	112,346	98,415	113,173
Net pension assets	253,113				
Notes receivable	49,935	49,935	70,000	1,616,708	1,621,140
Internal Balances	(5,533,363)	(7,453,638)	(14,415,780)	500,000	500,000
Prepaid expenses	328,800	40,989	39,773	38,420	7,718
Capital assets (net of depreciation)					
Land	95,005,703	86,371,849	86,553,089	87,143,915	86,217,371
Buildings	24,636,367	21,805,887	19,153,011	19,236,991	20,116,726
Improvements	46,102,946	43,780,598	44,136,826	43,498,930	44,409,692
Infrastructure	181,892,495	180,101,009	169,417,163	164,764,337	159,379,610
Machinery & equipment	12,680,830	10,445,764	9,904,498	9,594,371	9,056,947
Total assets	<u>\$ 421,873,709</u>	<u>\$ 403,617,087</u>	<u>\$ 376,906,179</u>	<u>\$ 353,493,486</u>	<u>\$ 345,416,877</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	2,376,573				
Total deferred outflows	<u>\$ 2,376,573</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES:					
Accrued liabilities	\$ 3,746,811	\$ 4,476,131	\$ 1,937,294	\$ 4,912,219	\$ 2,271,018
Construction bonds held	361,857	689,413	682,700	189,429	178,065
Deferred compensation	1,690,880	1,355,320	1,232,176	1,222,513	1,244,808
Interest payable	312,575	482,284	582,672	751,600	2,479,691
Unearned revenues	854,779	137,088	59,450	163,870	272,523
Net pension liability	9,930,997				
Notes payable:					
Due within one year	263,136	4,070,552	4,551,420	2,613,000	2,613,270
Due in more than one year	651,264	1,697,899	4,566,189	11,789,464	12,712,893
Bonds payable:					
Due within one year	4,535,000	5,126,000	4,885,000	4,987,000	4,793,000
Due in more than one year	33,282,000	37,442,000	34,418,000	39,303,000	44,261,000
Capital leases:					
Due within one year	598,608	309,380	289,440	256,000	256,080
Due in more than one year	4,019,927	4,077,780	3,348,220	3,651,540	3,961,500
Bond premiums	1,806,721	1,646,705	730,224	850,863	971,502
Total liabilities	<u>62,054,555</u>	<u>61,510,552</u>	<u>57,282,785</u>	<u>70,690,498</u>	<u>76,015,350</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	1,803,814				
Unavailable rev. - city cache cards	530,851				
Unavailable rev. - Property tax levy	12,358,294	13,184,650	11,773,450	-	-
Total deferred inflows	<u>14,692,959</u>	<u>13,184,650</u>	<u>11,773,450</u>	<u>-</u>	<u>-</u>
NET POSITION:					
Net investment in capital assets	314,849,110	287,652,507	275,793,422	260,036,077	247,131,410
Restricted for:					
Unspent bond/impact fees for const.					
Debt service	1,603,057	867,676	894,095	1,108,756	1,334,328
Unrestricted	31,050,599	40,401,703	31,162,428	21,658,155	20,935,789
Total Net Position	<u>\$ 347,502,768</u>	<u>\$ 328,921,885</u>	<u>\$ 307,849,944</u>	<u>\$ 282,802,988</u>	<u>\$ 269,401,527</u>

(1) Accounting changes required under GASB 63 relating to the reporting of deferred inflows and outflows and net position were put into effect with the City's fiscal year beginning July 1, 2012. This information was not required in prior years.

(Source: Information extracted from the City's audited financial statements for the fiscal years 2011-2015. This summary itself is not audited.)

CITY OF ST. GEORGE, UT
Statement of Revenues, Expenditures and Changes in Fund Balances
Total Governmental Funds
(This summary has not been audited)

	Fiscal Year Ended June 30				
	2015	2014	2013	2012	2011
Revenues:					
Taxes & special assessments	\$ 40,443,986	\$ 38,743,090	\$ 39,541,270	\$ 37,449,795	\$35,590,522
Contributions from other governments	3,522,686	3,433,033			
Licenses and permits	2,192,850	2,243,650	2,200,214	1,755,314	1,423,821
Intergovernmental	16,183,394	17,262,508	20,213,530	16,704,043	23,559,000
Charges for services	15,446,484	10,810,277	9,814,766	9,376,063	8,849,343
Fines & forfeitures	1,055,589	960,326	953,653	995,256	1,081,108
Investment income	175,626	203,222	161,133	237,574	256,109
Rents & concessions	211,260	219,143	261,639	236,640	51,985
Miscellaneous	90,061	558,658	474,878	62,591	93,392
Contributions from other sources	1,505,224	1,008,807	109,441	93,701	139,335
Capital development fees	3,544,812	3,698,378	3,381,482	2,372,041	1,479,092
Total revenues	84,371,972	79,141,092	77,112,006	69,283,018	72,523,707
Expenditures:					
Current:					
General government	8,259,332	5,539,004	5,496,246	5,703,689	5,794,084
Public safety	18,039,351	17,344,449	16,817,989	16,635,602	14,708,957
Highways & public improvements	9,871,442	11,779,644	11,680,913	14,970,065	9,490,489
Parks, recreation & public property	12,345,390	12,841,969	11,703,703	10,906,528	9,637,969
Community & economic development	8,474,407	2,262,219	2,393,630	2,792,178	1,968,337
Capital outlay	14,247,263	19,902,648	12,345,190	11,512,584	30,424,645
Debt service					
Capital leases	102,305	100,905	104,505	102,768	105,993
Principal	17,357,130	9,264,799	9,821,735	7,481,779	10,411,398
Interest & admin charges	1,935,170	2,552,383	2,896,991	4,903,890	2,697,287
Total expenditures	90,631,790	81,588,020	73,260,902	75,009,083	85,239,159
Excess (deficiency) of revenues over expenditures	(6,259,818)	(2,446,928)	3,851,104	(5,726,065)	(12,715,452)
Other financing sources (uses):					
Transfers in	10,831,204	15,459,739	18,659,261	16,068,531	10,958,001
Transfers out	(9,242,685)	(14,403,095)	(16,736,518)	(13,647,697)	(11,214,569)
Payments to other taxing agencies	-	(160,000)			
Unbilled utility services	(553,602)	(459,224)			
Contributions from private sources			1,028,150	867,991	808,551
Proceeds from sale of capital assets	2,409,539	896,977	1,329,377	66,534	434,470
Contributions from other governments	-	(10,000)	1,144,922	662,698	1,859,172
Proceeds of bonds and/or notes	7,830,000	9,350,000		2,228,000	5,395,000
Premium on refunding bonds	408,095	1,037,120			275,233
Total other financing sources (uses)	11,682,551	11,711,517	5,425,192	6,246,057	8,515,858
Net change in fund balances	5,422,733	9,264,589	9,276,296	519,992	(4,199,594)
Restatement for Golf Fund Merger	(4,728,675)				
Fund balances, beginning of year,	47,950,763	32,686,172	23,409,876	22,889,885	27,089,480
Fund balances (deficit), end of year	\$ 48,644,821	\$ 41,950,761	\$ 32,686,172	\$ 23,409,877	\$ 22,889,886

Source: Information extracted from the City's audited financial statements. This summary has not been audited.

City of St. George, UT
Continuing Disclosure - Series 2010 & Series 2014 General Obligation Parks & Rec Bonds
Fiscal Year Ended June 30, 2015

Comparative Property Tax Rates Within Washington County

<u>Tax Levying Entity</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Hurricane	0.002432	0.002690	0.002723	0.002754	0.002523
Ivins	0.001862	0.001981	0.002125	0.002097	0.001990
LaVerkin	0.002532	0.002750	0.002805	0.002776	0.002676
St. George City	0.001662	0.001784	0.001889	0.001857	0.001750
Washington City	0.001505	0.001621	0.001711	0.001681	0.001625

(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>
2010	Parks and Recreation	5,395,000	August 1, 2023	4,790,000
2014	Parks and Recreation	7,830,000	August 1, 2025	7,830,000

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>
2009	Sales tax rev.	22,485,000	Nov. 1, 2017	\$ 8,590,000

Outstanding Revenue Indebtedness

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Current Balance Outstanding</u>
2011	Water Refunding	\$6,120,000	June 1, 2020	\$ 3,930,000
2004	Sewer **	\$7,015,000	July 1, 2016	\$ -0-
2013	Electric Revenue	\$11,280,000	June 1, 2025	\$ 11,105,000
2008	Electric Revenue	\$50,000,000	June 1, 2038	\$ 45,175,000
2009A	Build America Bonds	\$3,504,000	December 1, 2021	\$ 2,129,000
2009B	Recovery Zone Bonds	\$6,723,000	June 1, 2024	\$ 6,723,000
2012	Water	\$3,830,000	July 1, 2025	\$ 3,830,000
2013	Water	\$3,637,000	July 1, 2016	\$ 2,369,000
2014	Franchise Tax bonds	\$8,150,000	Dec 1, 2028	\$ 7,755,000

** Paid off early in FY2015

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	\$ 285,000
2000	MBA Woodward	\$350,000	April 1, 2021	\$ 125,000

Debt Ratios

Direct General Obligation Debt is .206% of 2015 Taxable Value.

Total Direct and Overlapping General Obligation Debt is 1.64 of 2015 Taxable Value

Per Capita Direct General Obligation Debt is \$144 based on the estimated population of 87,500.

Per Capita Direct and Overlapping General Obligation Debt is \$1,627 based on estimated population.

City of St. George, UT
 Continuing Disclosure - 2004 Sewer Revenue Bonds
 Fiscal Year Ended June 30, 2015

Table 1 - Sewer Fees by Fiscal Year per Entity

Entity	-----Fiscal Year Ended June 30-----				
	2015	2014	2013 (1)	2012	2011
City of St. George	\$ 3,296,836	\$ 3,235,059	\$ 3,183,915	\$ 5,791,457	\$ 5,727,765
Washington City	831,277	816,957	865,852	1,422,272	1,353,479
City of Santa Clara	180,645	177,555	173,522	330,488	325,983
Town of Ivins	260,760	255,923	227,025	471,375	463,729
	<u>\$ 4,569,518</u>	<u>\$ 4,485,494</u>	<u>\$ 4,450,314</u>	<u>\$ 8,015,592</u>	<u>\$ 7,870,956</u>

(1) Rates were reduced during the 2013 fiscal year

(Source: The City)

Table 2 - Sewer Connections by Fiscal Year per Entity

Entity	-----Fiscal Year Ended June 30-----				
	2015	2014	2013	2012	2011
City of St. George	36,630	35,945	35,654	33,750	33,379
Washington City	9,236	9,077	9,621	8,288	7,887
City of Santa Clara	2,007	1,973	1,928	1,926	1,900
Town of Ivins	2,897	2,844	2,523	2,747	2,702
	<u>50,770</u>	<u>49,839</u>	<u>49,726</u>	<u>46,711</u>	<u>45,868</u>

City of St. George, UT
Continuing Disclosure - 2004 Sewer Revenue Bonds
Fiscal Year Ended June 30, 2015

Enterprise Fund - Wastewater Collection
Balance Sheet

	-----Fiscal Year Ended June 30-----				
	2015	2014	2013	2012	2011
Assets:					
Current Assets:					
Cash	\$ 1,187,279	\$ 694,458	\$ 1,985,459	\$ 1,307,087	\$ 899,443
Accts Rec./Due from other funds	611,392	614,531	651,919	57,366	58,364
Net pension assets	7,382				
Total current assets	1,806,053	1,308,989	2,637,378	1,364,453	957,807
Property Plant & Equipment	12,436,496	12,295,632	11,958,183	11,919,131	11,531,005
Accumulated depreciation	(7,865,055)	(7,504,439)	(7,122,268)	(6,700,059)	(6,293,894)
Net property, plant & equipment	4,571,441	4,791,193	4,835,915	5,219,072	5,237,111
Deferred outflows related to pensions	69,310				
Total Assets	\$ 6,446,804	\$ 6,100,182	\$ 7,473,293	\$ 6,583,525	\$ 6,194,918
Liabilities and fund equity:					
Current Liabilities:					
Accrued liabilities	\$ 76,260	\$ 71,252	\$ 60,619	\$ 50,814	\$ 73,620
Customer guarantee deposits	87,522	84,471	81,260		
Net pension liability	289,630				
Total current liabilities	453,412	155,723	141,879	50,814	73,620
Deferred inflows related to pensions	52,607				
Total Liabilities	506,019	155,723	141,879	50,814	73,620
Fund Equity:					
Contributed capital:					
Subdivisions	580,629	580,629	580,629	580,629	580,629
Government agencies	1,471,195	1,471,195	1,471,195	1,471,195	1,471,195
Total contributions	2,051,824	2,051,824	2,051,824	2,051,824	2,051,824
Retained Earnings:					
Unreserved/unrestricted	3,888,961	3,892,635	5,279,590	4,480,887	4,069,474
Total retained earnings	3,888,961	3,892,635	5,279,590	4,480,887	4,069,474
Total fund equity	5,940,785	5,944,459	7,331,414	6,532,711	6,121,298
Total liabilities and equity	\$ 6,446,804	\$ 6,100,182	\$ 7,473,293	\$ 6,583,525	\$ 6,194,918

City of St. George, UT
Continuing Disclosure - 2004 Sewer Revenue Bonds
Fiscal Year Ended June 30, 2015

Enterprise Fund - Wastewater Treatment
Balance Sheet

	-----Fiscal Year Ended June 30-----				
	2015	2014	2013	2012	2011
Assets:					
Current Assets:					
Cash	\$ 32,823,285	\$ 26,616,380	\$ 16,099,676	\$ 34,965,963	\$ 32,350,548
Restricted cash	-	918,725	1,480,993	2,300,767	2,334,681
Accounts receivable	195,955	282,837	322,111	241,095	389,072
Bond discounts & insurance	-	30,350	40,467	89,679	240,542
Net pension assets	10,987				
Due from other funds	5,554,536	11,720,463	18,478,173	-	-
Total current assets	38,584,763	39,568,755	36,421,420	37,597,504	35,314,843
Property Plant & Equipment	75,386,424	74,563,864	74,068,713	72,100,666	71,146,346
Accumulated depreciation	(22,066,905)	(20,514,139)	(18,956,695)	(17,454,541)	(15,971,354)
Net property, plant & equipment	53,319,519	54,049,725	55,112,018	54,646,125	55,174,992
Deferred outflows related to pensions	103,168				
Total Assets	\$ 92,007,450	\$ 93,618,480	\$ 91,533,438	\$ 92,243,629	\$ 90,489,835
Liabilities and fund equity:					
Current Liabilities:					
Accrued liabilities	\$ 302,605	\$ 236,885	\$ 238,162	\$ 783,109	\$ 644,891
Bonds payable - short term	-	850,000	1,080,000	-	-
Net pension liability	431,107				
Total current liabilities	733,712	1,086,885	1,318,162	783,109	644,891
Bonds payable - long term	-	1,824,522	2,674,522	4,868,154	7,110,785
Deferred inflows related to pensions	78,304				
Total Liabilities	812,016	2,911,407	3,992,684	5,651,263	7,755,676
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	-	918,725	1,480,993	2,300,767	2,334,681
Unreserved/unrestricted	88,433,866	87,026,780	83,298,193	81,530,031	77,637,910
Total retained earnings	88,433,866	87,945,505	84,779,186	83,830,798	79,972,591
Total fund equity	91,195,434	90,707,073	87,540,754	86,592,366	82,734,159
Total liabilities and equity	\$ 92,007,450	\$ 93,618,480	\$ 91,533,438	\$ 92,243,629	\$ 90,489,835

City of St. George, UT
Continuing Disclosure - 2004 Sewer Revenue Bonds
Fiscal Year Ended June 30, 2015

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

	-----Fiscal Year Ended June 30-----				
	2015	2014	2013 (1)	2012	2011
Operating revenues:					
Charges for services	\$ 5,547,667	\$ 5,439,051	\$ 5,331,420	\$ 7,685,742	\$ 7,706,792
Impact and connection fees					
Other operating revenues	360,276	795,851	728,199	489,887	256,617
Total operating revenues	5,907,943	6,234,902	6,059,619	8,175,629	7,963,409
Operating expenses:					
Salary & Wages	721,809	680,411	612,710	631,730	622,646
Deprecation	360,615	382,171	422,209	406,165	447,778
Bad debts		-	-	-	-
Payroll tax & employee benefits	298,882	326,085	277,508	276,261	269,190
Office & department supplies	68,472	58,580	67,374	45,949	51,292
Professional services	10,316	9,874	10,676	14,519	8,547
Repair & maintenance - equipment	263,234	238,821	242,865	133,162	123,668
Repair & maintenance - bldg & grounds	16,880	12,022	2,904	969	6,852
Insurance & surety bonds	18,318	18,018	18,743	18,428	16,618
Travel	10,784	5,809	4,982	6,019	4,684
Contract labor	3,296,836	3,235,059	3,162,855	5,791,457	5,727,765
Billing and administration	500,000	500,000	450,000	450,000	450,000
Total operating expenses	5,566,146	5,466,850	5,272,826	7,774,659	7,729,040
Operating income (loss)	341,797	768,052	786,793	400,970	234,369
Non-operating revenues (expenses)					
Interest income	5,718	3,774	11,907	4,173	2,189
Miscellaneous income	-	-	-	6,270	647
Total non-operating revenue (expense)	5,718	3,774	11,907	10,443	2,836
Net Income	347,515	771,826	798,700	411,413	237,205
Transfers to other funds	(40,000)	(2,158,780)	-	-	-
Restatement for GASB 68	(311,189)				
Retained earnings at beginning of year	3,892,635	5,279,589	4,480,889	4,069,476	3,832,271
Retained earnings at end of year	3,888,961	3,892,635	5,279,589	4,480,889	4,069,476

(1) Rates were reduced in 2013

City of St. George, UT
Continuing Disclosure - 2004 Sewer Revenue Bonds
Fiscal Year Ended June 30, 2015

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

	-----Fiscal Year Ended June 30-----				
	2015	2014	2013 (1)	2012	2011
Operating revenues:					
Charges for services	\$ 4,569,518	\$ 4,473,387	\$ 4,450,314	\$ 8,015,592	\$ 7,870,955
Impact and connection fees	-	-	-	-	-
Other operating revenues	1,226,031	1,349,301	1,247,041	901,186	664,951
Total operating revenues	5,795,549	5,822,688	5,697,355	8,916,778	8,535,906
Operating expenses:					
Salary & Wages	1,052,250	982,424	938,319	1,025,748	929,639
Supplies	356,950	434,384	435,052	405,723	409,983
Equipment rental	21,351	449	1,010	986	2,684
Deprecation	1,552,766	1,557,444	1,502,153	1,483,187	1,471,464
Payroll tax & employee benefits	408,843	447,612	395,433	416,748	394,731
Office & department supplies	23,439	73,418	91,004	43,853	50,379
Professional services	154,780	115,270	141,755	213,054	166,092
Repair & maintenance - equipment	596,034	559,485	543,083	699,312	606,895
Repair & maintenance - bldg & grounds	14,688	14,799	15,494	15,303	24,514
Insurance & surety bonds	56,506	56,088	56,967	54,039	58,897
Travel	8,038	5,331	4,913	5,849	10,023
Billing and administration	750,000	750,000	650,000	650,000	650,000
Total operating expenses	4,995,645	4,996,704	4,775,183	5,013,802	4,775,301
Operating income (loss)	799,904	825,984	922,172	3,902,976	3,760,605
Non-operating revenues (expenses)					
Interest income	169,238	222,300	113,851	132,962	101,043
Miscellaneous income	48,033	70,376	62,136	100,895	72,613
Interest charges	(65,617)	(142,821)	(118,496)	(278,626)	(338,977)
Total non-operating revenue (expense)	151,654	149,855	57,491	(44,769)	(165,321)
Net Income	951,558	975,839	979,663	3,858,207	3,595,284
Restatement of retained earnings for GASB	(463,197)		(31,277)	-	-
Tranfers (to) from other funds		2,190,481	-	-	-
Retained earnings at beginning of year	87,945,505	84,779,185	83,830,799	79,972,592	76,377,308
Retained earnings at end of year	\$ 88,433,866	\$ 87,945,505	\$ 84,779,185	\$ 83,830,799	\$ 79,972,592

(1) Rates were reduced in 2013

City of St. George, UT
Continuing Disclosure - 2004 Sewer Revenue Bonds
Fiscal Year Ended June 30, 2015

Balance Sheet- General Fund

	Fiscal Year Ended June 30				
	2015	2014	2013	2012	2011
Assets and other debits:					
Cash	\$ 3,879,391	\$ 4,796,318	\$ 4,528,595	\$ 1,954,945	\$ 1,746,858
Accounts receivable (net of allowance)	3,571,485	3,531,981	3,480,435	3,428,067	3,070,277
Inventory	175,147	101,231	112,346	98,415	113,173
Due from other funds	903,021	612,809	500,000	500,000	500,000
Prepaid items	10,800	40,989	39,773	38,420	7,718
Notes receivable	49,935	49,935	70,000	1,616,708	1,621,140
Total assets and other debits	\$ 8,589,779	\$ 9,133,263	\$ 8,731,149	\$ 7,636,555	\$ 7,059,166
Liabilities:					
Accrued liabilities	\$ 1,705,240	\$ 1,534,650	\$ 1,161,319	\$ 1,697,360	\$ 1,187,916
Construction bonds held	361,857	689,413	682,700	189,429	178,065
Due to other funds	-	-	-	-	-
Deferred revenues *	530,851	61,660	59,450	54,489	49,409
Total liabilities	2,597,948	2,285,723	1,903,469	1,941,278	1,415,390
Fund equity and other credits:					
Fund Balances:					
Reserved by statute	215,308	355,640	386,439	270,248	246,934
Reserved for notes receivable	952,956	662,744	570,000	1,616,708	1,621,140
Unreserved - undesignated	4,823,567	5,829,156	5,871,241	3,808,321	3,775,702
Total fund equity and other credits	5,991,831	6,847,540	6,827,680	5,695,277	5,643,776
Total Liabilities, Equity, and other credits	\$ 8,589,779	\$ 9,133,263	\$ 8,731,149	\$ 7,636,555	\$ 7,059,166

* Increase in deferral due to Golf fund merger into General Fund in FY2015

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, 2011 through June 30, 2015. The summary has not been audited

	-----Fiscal Year Ended June 30-----				
	2011	2012	2013	2014	2015
REVENUES:					
Taxes and special assessments	\$ 26,964,263	\$ 28,381,246	\$ 30,609,031	\$ 31,407,011	\$ 32,562,266
Licenses and permits	1,423,821	1,755,314	2,200,214	2,243,650	2,192,850
Intergovernmental	3,170,062	3,359,693	3,485,640	3,775,612	3,161,024
Charges for services *	8,808,926	9,283,576	9,772,606	10,556,676	14,973,363
Fines and forfeitures	1,081,108	995,256	953,653	960,326	1,055,589
Miscellaneous	82,590	57,315	73,143	69,093	90,061
Interest income	164,324	126,859	64,097	89,423	80,582
Rents and concessions	30,213	39,857	61,846	23,408	14,374
Proceeds from sale of property	-	-	-	-	-
Total revenues	41,725,307	43,999,116	47,220,230	49,125,199	54,130,109
EXPENDITURES:					
General government *	5,601,325	5,471,034	5,287,619	5,411,993	8,153,294
Public safety	14,707,869	16,623,981	16,812,718	17,340,330	18,037,076
Highways and public improvements	6,687,773	7,336,466	7,701,982	8,666,064	6,440,787
Parks, recreation and public prop.	8,888,809	10,237,209	11,092,834	12,239,611	11,472,635
Community and economic development	1,110,749	1,875,605	1,761,570	1,816,774	6,801,017
Capital projects	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital leases	55,993	52,768	44,505	35,905	27,305
Total expenditures	37,052,518	41,597,063	42,701,228	45,510,677	50,932,114
Excess (deficiency of Revenues over Expenditures)	4,672,789	2,402,053	4,519,002	3,614,522	3,197,995
OTHER FINANCING SOURCES (USES):					
Proceeds of bond sales/capital leases	-	-	-	-	-
Contributions from other entities	139,335	93,701	109,441	119,478	156,513
Operating transfers out	(4,667,000)	(2,967,000)	(3,967,000)	(4,467,000)	(476,202)
Operating transfers in	708,823	469,906	393,281	1,175,470	1,510,285
Interfund utility services	-	-	-	(458,099)	(545,803)
Proceeds from sale of fixed assets	33,408	52,839	77,681	35,491	30,175
Total other financing sources (uses)	(3,785,434)	(2,350,554)	(3,386,597)	(3,594,660)	674,968
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	887,355	51,499	1,132,405	19,862	3,872,963
Restatement for Golf Fund Merger	-	-	-	-	(4,728,675)
Unappropriated Fund Balances at the beginning of the year	4,756,421	5,643,776	5,695,275	6,827,680	6,847,542 **
Fund Balances at the end of year	\$ 5,643,776	\$ 5,695,275	\$ 6,827,680	\$ 6,847,542	\$ 5,991,830

** (includes balance in perpetual care fund)

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

* Changes mainly due to merger of Golf Fund into General Fund in FY2015

City of St. George, UT
 Continuing Disclosure - 2004 Sewer Revenue Bonds
 Fiscal Year Ended June 30, 2015

Historical Summaries of Taxable Values of Property

Set by County Assessor Locally Assessed	2014		2013		2012		2011		2010		2009	
	Taxable Value	% of T.V.										
Residential Real Estate - primary use	\$ 734,470,635	11.99%	\$ 657,010,220	11.69%	\$ 629,159,720	12.12%	\$ 649,837,685	12.62%	\$ 735,200,585	13.86%	\$ 974,395,000	16.21%
Residential Real Estate - Not primary use	708,305,285	11.56%	677,935,670	12.06%	660,439,255	12.73%	696,161,185	13.51%	748,823,220	14.12%	961,345,275	15.99%
Commercial and Industrial Real Estate	640,040,545	10.45%	638,982,240	11.37%	636,932,725	12.27%	650,218,530	12.62%	667,116,860	12.58%	672,900,265	11.19%
Agricultural Real Estate - Improved - Not F.A.A.	26,342,300	0.43%	28,057,900	0.50%	32,500,720	0.63%	30,721,225	0.60%	33,203,970	0.63%	31,983,445	0.53%
Real Estate - Under FAA-Agricultural	1,913,365	0.03%	2,025,410	0.04%	1,893,115	0.04%	1,864,400	0.04%	1,834,700	0.03%	2,038,570	0.03%
Unimproved Real Estate - Not F.A.A.	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total Real Estate	2,111,072,130	34.45%	2,004,011,440	35.64%	1,960,925,535	37.79%	2,028,803,025	39.38%	2,186,179,335	41.21%	2,642,662,555	43.96%
Residential Buildings - Primary use	2,159,862,075	35.25%	1,866,538,850	33.20%	1,636,639,635	31.54%	1,599,314,270	31.05%	1,667,707,345	31.44%	1,853,174,015	30.83%
Residential Buildings - Not primary use	968,101,690	15.80%	907,412,450	16.14%	764,108,950	14.72%	723,334,215	14.04%	646,007,400	12.18%	630,678,410	10.49%
Commercial and Industrial Buildings	757,364,260	12.36%	710,851,415	12.64%	707,397,505	13.63%	675,867,485	13.12%	680,038,085	12.82%	759,143,395	12.63%
Agricultural Buildings	2,416,350	0.04%	2,295,150	0.04%	2,180,650	0.04%	2,215,700	0.04%	2,118,080	0.04%	2,332,680	0.04%
Total Buildings	3,887,744,375	63.45%	3,487,097,865	62.02%	3,110,326,740	59.94%	3,000,731,670	58.25%	2,995,870,920	56.48%	3,245,328,500	53.99%
Total Real Property	5,998,816,505	97.90%	5,491,109,305	97.67%	5,071,252,275	97.73%	5,029,534,695	97.64%	5,182,050,255	97.69%	5,887,991,055	97.95%
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	5,998,816,505	97.90%	5,491,109,305	97.67%	5,071,252,275	97.73%	5,029,534,695	97.64%	5,182,050,255	97.69%	5,887,991,055	97.95%
Total Centrally Assessed	128,653,781	2.10%	131,115,013	2.33%	118,029,935	2.27%	121,753,283	2.36%	122,477,787	2.31%	123,394,584	2.05%
Total Taxable Value	\$ 6,127,470,286	100.00%	\$ 5,622,224,318	100.00%	\$ 5,189,282,210	100.00%	\$ 5,151,287,978	100.00%	\$ 5,304,528,042	100.00%	\$ 6,011,385,639	100.00%

(Source: Washington County Information Technology)

Memo: Total Market Value is \$8,660,479,516

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

FISCAL YEAR ENDING '630	WATER SALES REVENUES	OTHER REVENUES	INTEREST INCOME(2)	TOTAL REVENUES	O & M EXPENSE	NET REVENUES	2001		2003 Refunding		2004 Bond		2011		2012		TOTAL DEBT SERVICE (3)	TOTAL DEBT SERVICE COVERAGE
							Refunding Debt Service	Refunding Debt Service	Bond Debt Service	Debt Service	Refunding Debt Service	Refunding Debt Service	Refunding Debt Service	Refunding Debt Service				
2006	\$ 11,613,585	\$ 4,069,040	\$ 433,269	\$ 16,115,894	\$ 8,651,459	\$ 7,464,435	\$ 448,170	\$ -	\$ 1,271,288	\$ 1,474,200	\$ 3,193,658							2.94
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	2,152,844	9,376	16,440,905	11,985,732	4,455,173	857,900	-	1,259,175	1,760,925	3,878,000							1.15
2013	16,447,677	2,305,708	11,226	18,764,611	11,896,822	6,867,789	-	-	1,254,300	672,000	2,194,178							3.13
2014	17,641,536	2,507,224	4,968	20,153,728	12,529,566	7,624,162	110,894	1,097,250	1,097,250	1,466,500	3,632,907							2.10
2015	17,812,897	1,101,221	16,990	18,931,108	12,180,284	6,750,824	1,175,297	-	-	1,470,000	3,503,997							1.93

(1) Other Revenues consist of impact fees and connection fees.

(2) Interest Income consists of interest earnings on various funds and accounts of the System.

(3) Total debt service may differ from statement of cash flows because of amortization of bond discounts and/or premiums which reduce interest expense

**WATER UTILITY ENTERPRISE FUND
BALANCE SHEET**

Fiscal Year Ended June 30

	2015	2014	2013	2012	2011	2010	2009
ASSETS							
-							
Current Assets:							
Cash	\$ 3,363,633	\$ 774,065	\$ (1,890,465)	\$ (1,556,925)	\$ (539,510)	\$ 842,799	\$ 945,796
Restricted Cash	1,949,168	2,890,362	2,738,218	2,477,884	3,228,193	3,213,913	3,325,629
Accts. Receivable	2,555,490	3,121,279	2,946,122	281,551	81,965	205,880	220,971
Inventory	918,944	685,321	628,371	597,605	587,902	525,895	578,079
Net pension assets *	26,240						
Bond Discounts	48,994	140,900	213,172	570,127	645,535	544,309	602,090
Prepaid Expenses	-	-	-	1,024	1,160	1,115	-
Total Current Assets	8,862,469	7,611,927	4,635,418	2,371,266	4,005,245	5,333,911	5,672,565
Property, Plant & Equipment							
Improvements	142,051,451	139,652,500	138,363,645	136,800,086	134,032,864	130,907,373	128,148,411
Less Accum. Depr.	(45,950,619)	(43,315,092)	(40,719,330)	(38,148,872)	(35,314,692)	(32,338,002)	(29,388,823)
Net prop. plant & equip.	96,100,832	96,337,408	97,644,315	98,651,214	98,718,172	98,569,371	98,759,588
Deferred Outflow of Resources							
Deferred outflow related to pensions	246,380						
TOTAL ASSETS	\$ 105,209,681	\$ 103,949,335	\$ 102,279,733	\$ 101,022,480	\$ 102,723,417	\$ 103,903,282	\$ 104,432,153
LIABILITIES & FUND EQUITY							
-							
Current Liabilities:							
Accrued Liabilities	\$ 1,737,191	\$ 1,281,315	\$ 1,318,662	\$ 1,667,591	\$ 2,027,052	\$ 1,947,501	\$ 2,014,549
Net pension liability *	1,029,547						
Deposits payable	371,235	404,489	366,747	-	-	-	-
Total Current Liabilities	3,137,973	1,685,804	1,685,409	1,667,591	2,027,052	1,947,501	2,014,549
Long-Term Liabilities:							
Bonds Payable	10,129,000	13,505,800	16,705,800	19,387,513	39,507,513	42,172,513	44,782,513
Bond premiums	138,033	428,900	940,426	1,561,501	2,060,766	2,192,485	2,400,743
Notes payable	68,800	-	-	-	-	-	-
Deferred gain on bond redemption	-	-	-	-	-	-	-
Total long-term liabilities	10,335,833	13,934,700	17,646,226	20,949,014	41,568,279	44,364,998	47,183,256
Deferred Inflow of Resources							
Deferred inflow related to pensions*	187,001						
TOTAL LIABILITIES	13,660,807	15,620,504	19,331,635	22,616,605	43,595,331	46,312,499	49,197,805
FUND EQUITY							
-							
Contributed Capital:							
Subdivisions	278,131	278,131	278,131	278,131	278,131	278,131	278,131
Government Agencies	19,130,652	19,130,652	19,130,652	19,130,652	1,615,652	1,615,652	1,615,652
Total Contributions	19,408,783	19,408,783	19,408,783	19,408,783	1,893,783	1,893,783	1,893,783
Retained Earnings:							
Reserved for bond retirement	1,949,168	2,890,362	2,738,218	2,477,884	3,228,193	3,213,913	3,325,629
Unreserved	70,190,923	66,029,686	60,801,097	56,519,208	54,006,110	52,483,087	50,014,936
Total retained earnings	72,140,091	68,920,048	63,539,315	58,997,092	57,234,303	55,697,000	53,340,565
TOTAL FUND EQUITY	91,548,874	88,328,831	82,948,098	78,405,875	59,128,086	57,590,783	55,234,348
TOTAL LIABILITIES & EQUITY	\$ 105,209,681	\$ 103,949,335	\$ 102,279,733	\$ 101,022,480	\$ 102,723,417	\$ 103,903,282	\$ 104,432,153

* GASB 68 was implemented in Fiscal Year 2015.

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

	2015	2014	2013	2012	2011	2010	2009
Operating Revenues:							
Charges for services	\$ 17,812,897	\$ 17,641,536	\$ 16,447,677	\$ 14,278,685	\$ 13,235,565	\$ 14,073,096	\$ 14,076,339
Impact fees & Other	1,073,386	1,210,011	1,006,109	793,830	589,265	698,906	669,037
Total operating revenues	18,886,283	18,851,547	17,453,786	15,072,515	13,824,830	14,772,002	14,745,376
Operating Expenses:							
Water purchased	4,698,464	5,208,121	5,278,321	5,739,150	4,530,742	4,446,403	4,393,712
Salary and Wages	2,380,802	2,332,350	2,372,355	2,392,746	2,133,783	2,181,140	2,324,846
Service vehicle expense	202,264	249,043	236,296	210,813	185,811	150,495	168,442
Equipment rental	37,290	39,676	60,845	35,191	38,717	34,045	33,610
Depreciation	2,656,232	2,595,762	2,570,458	2,834,180	2,976,691	2,949,178	2,926,406
Bad debts	-	-	-	-	-	-	69,791
Payroll tax & benefits	974,248	1,082,995	1,031,893	996,896	911,802	939,302	1,007,254
Office supplies	291,016	375,642	323,292	339,037	250,818	165,832	180,868
Professional services	253,878	238,374	348,740	268,883	193,648	250,012	170,836
R & M - equipment & building	1,262,048	1,256,086	1,072,706	882,999	788,861	548,533	811,191
Insurance & surety bonds	162,108	80,358	137,478	81,059	66,653	57,284	78,243
Travel	38,660	23,160	25,037	29,238	17,318	12,435	34,810
Miscellaneous	228	87	468	63	598	366	1,304
Subscriptions	30,114	28,996	34,388	34,657	15,207	33,005	14,205
Billing & administration	1,100,000	1,050,000	975,000	975,000	975,000	975,000	875,000
Total operating expenses	14,087,352	14,560,650	14,467,277	14,819,912	13,085,649	12,743,030	13,090,518
Operating income	4,798,931	4,290,897	2,986,509	252,603	739,181	2,028,972	1,654,858
Non-operating Rev. (Exp.):							
Interest income	16,990	4,968	11,226	9,376	12,438	20,469	66,297
Rent	-	1,223,250	1,218,500	1,324,688	2,422,091	2,094,739	2,091,284
Miscellaneous	27,835	73,963	81,099	34,326	20,767	3,360	76,937
Gain on bond refunding	-	-	-	414,872	-	-	-
Interest charges	26,915	166,820	(45,553)	(1,273,076)	(1,692,704)	(1,820,070)	(1,935,346)
Total Non-operating	71,740	1,469,001	1,265,272	510,186	762,592	298,498	299,172
Net Income (loss)	4,870,671	5,759,898	4,251,781	762,789	1,501,773	2,327,470	1,954,030
Transfers (to) from other funds	(544,449)	(379,165)	500,000	1,000,000	35,528	28,963	(23,994)
GASB 65 Restatement			(209,555)				
GASB 68 Restatement	(1,106,180)						
Retained earnings at July 1	68,920,048	63,539,315	58,997,089	57,234,300	55,696,999	53,340,566	51,410,530
Retained earnings at June 30	\$ 72,140,090	\$ 68,920,048	\$ 63,539,315	\$ 58,997,089	\$ 57,234,300	\$ 55,696,999	\$ 53,340,566

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>
2005	\$309,938
2006	380,119
2007	407,141
2008	402,262
2009	352,890
2010	381,032
2011	409,090
2012	443,140
2013	477,023
2014	529,977
2015	585,077

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>
2010	\$ 11,931,941	(7.33%)
2011	12,177,820	2.06%
2012	13,275,622	9.01%
2013	14,501,038	9.23%
2014	15,412,412	6.28%
2015	16,420,259	6.54%

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 - ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2015

TABLE I - SYSTEM RATES

	<u>Customer Charge</u> (per month)	<u>Energy Charge</u> (per kWh)	<u>Demand Charge</u> (per kW)	<u>Average Monthly Bill</u>
Residential Service				
0-800 kWh (per kWh)	\$ 15.65	\$ 0.075053		\$ 85.86
Over 800 kWh (per kWh)		0.081320		
Commercial Service				
Small General Service	13.55			159.25
0-1,500 kWh (per kWh)		\$ 0.083995		
Next 8,500 kWh (per kWh)		0.091592		
Over 10,000 kWh (per kWh)		0.106037		
0-10 kW (per kW)			\$ -	
Over 10 kW (per kW)			9.70	
Large General Service	70.68			2,976.70
0-10,000 kWh (per kWh)		\$ 0.061311		
Over 10,000 kWh (per kWh)		0.046224		
0-5 kW (per kW)			-	
Over 5 kW (per kW)			13.47	
Agricultural Service	13.55			
0-1,500 kWh (per kWh)		\$ 0.083995		
Next 8,500 kWh (per kWh)		0.091592		
Over 10,000 kWh (per kWh)		0.106037		

TABLE II - AVERAGE REVENUE FROM RATES

	<u>Average Revenue</u> \$ per kWh	<u>Average Monthly Bills</u>	
		<u>Summer</u> May-Oct	<u>Winter</u> Nov-Apr
Residential Service	\$ 0.09405	\$ 101.96	\$ 72.59
Small Commercial (includes demand)	0.10829	184.49	137.72
Large Commercial (includes demand)	0.08804	3,265.85	2,698.55

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2015

TABLE III - Summary of Kilowatt Hours and Production Costs

<u>Year</u>	<u>kWh</u>	<u>Cost per kWh</u>
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
2013	809,847,387	0.07308
2014	813,792,810	0.07570
2015	800,258,670	0.07790

TABLE IV - Ten Largest Customers of the System

<u>Name</u>	<u>Type of Business</u>	<u>kWh</u>	<u>% of City's kWh Billed</u>
Tonaquint Data Center Inc.	Data center	14,210,100	1.9834%
Dixie State University	State University	12,832,080	1.7911%
IHC Dixie Regional Medical Center (300 E Campus)	Hospital	7,816,200	1.0910%
IHC Dixie Regional Medical Center (River Rd Campus)	Hospital	6,828,600	0.9531%
Quality Park Products	Manufacturing	6,091,200	0.8502%
Costco Wholesale	Large box store	5,336,480	0.7449%
Dixie Medical Center (River Rd Campus)	Hospital	3,908,400	0.5455%
Harmon's City Inc	Grocery store	3,581,400	0.4999%
Dixie Medical Center (River Rd Campus)	Hospital	3,215,840	0.4489%
Dixie Medical Center (River Rd Campus)	Hospital	3,103,200	0.4331%
Washington Co Water Conservancy District	Water agency	3,045,600	0.4251%
Lowes Home Improvement	Large box store	2,564,000	0.3579%
Albertson's Inc #329	Grocery store	2,254,200	0.3146%
Smith's Management Corp #189	Grocery store	2,146,240	0.2996%
		<u>62,723,440</u>	<u>8.7549%</u>

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2015

TABLE V Historical and Projected Operating Results

	BUDGETED											
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Sources of Funds:												
Service Charges/User Fees	\$ 51,029,054	\$ 51,811,239	\$ 52,140,945	\$ 51,663,285	\$ 54,450,360	\$ 57,489,697	\$ 61,386,968	\$ 61,638,828	\$ 63,271,780	\$ 63,567,713	\$ 63,841,321	\$ 64,252,841
Other operating revenues	819,906	1,017,219	874,678	1,129,740	50,308	45,534	28,117	16,039		50,000	50,000	50,000
Impact fees	2,241,959	1,273,488	843,653	1,315,694	1,161,102	1,282,873	2,014,057	1,734,012	1,500,000	1,500,000	1,500,000	1,500,000
Total sources of funds	54,090,919	54,101,946	53,859,276	54,108,719	55,661,770	58,818,104	63,429,142	63,388,879	64,771,780	65,117,713	65,391,321	65,802,841
Uses of Funds:												
Electricity purchased	35,466,629	37,868,364	39,785,534	38,833,578	37,491,445	40,599,715	40,704,258	39,634,354	39,610,875	42,100,000	43,000,000	43,000,000
Natural gas purchased	2,249,351	3,498,003	4,074,512	3,499,843	5,126,432	4,127,857	5,728,887	4,886,601	4,825,437	5,000,000	5,000,000	5,000,000
Operating costs	10,335,589	8,555,109	7,831,263	7,960,352	8,294,744	8,077,844	9,526,131	8,973,457	9,380,924	9,800,500	10,192,520	10,600,221
Total O & M Expenses	48,051,569	49,921,476	51,691,309	50,293,773	50,912,621	52,805,416	55,959,276	53,494,412	53,817,236	56,900,500	58,192,520	58,600,221
Net Operating Revenues	6,039,350	4,180,470	2,167,967	3,814,946	4,749,149	6,012,688	7,469,866	9,894,467	10,954,544	8,217,213	7,198,801	7,202,620
Non-operating Revenues (Expenses)												
Interest income	565,997	906,871	143,515	22,604	17,933	17,816	35,634	45,582	30,000	50,000	50,000	50,000
Other income	583,922	191,987	873,196	308,040	259,919	526,132	133,453	87,101	200,000	200,000	200,000	200,000
Total Non-operating	1,149,919	1,098,858	1,016,711	330,644	277,852	543,948	169,087	132,683	230,000	250,000	250,000	250,000
Net Revenues for DS payments	7,189,269	5,279,328	3,184,678	4,145,590	5,027,001	6,556,636	7,638,953	10,027,150	11,184,544	8,467,213	7,448,801	7,452,620
Outstanding Bonds:												
Series 2005 Bonds ***	1,302,244	1,337,629	1,335,054	1,334,454	1,334,466	1,333,466	1,095,526	855,750				
Series 2008 Bonds (see below)	-	-	-	3,280,495	3,294,411	3,308,042	3,337,625	3,345,125	3,350,500	3,353,750	3,346,250	3,346,250
Series 2013 Bonds							184,496	427,727	1,279,282	1,278,180	1,276,415	1,278,988
Total debt service payments	1,302,244	1,337,629	1,335,054	4,614,949	4,628,877	4,641,508	4,617,647	4,628,602	4,629,782	4,631,930	4,622,665	4,625,238
Projected Debt Service Coverage	5.52	3.95	2.39	0.90	1.09	1.41	1.65	2.17	2.42	1.83	1.61	1.61
In fiscal years 2009 and 2010 interest was capitalized		2,354,199	2,448,625									

*** 2005 Bonds refunded with 2013 issue in December 2013

*** Impact fees increase in 2015 of 33%

*** Rate increase in Feb. 2014 of 8%

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2015

TABLE VI Statement of Net Position

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
ASSETS					
Current assets:					
Cash	\$ 14,022,841	\$ 11,040,659	\$ 8,037,550	\$ 1,356,079	\$ 6,220,551
Restricted cash	-	-	-	-	-
Accts. receivable (net of allowance for uncollectibles)	6,953,410	7,258,532	8,619,364	11,120,725	9,768,023
Inventory	1,748,388	1,800,424	1,726,901	1,784,537	1,840,282
Net pension assets *	37,647	-	-	-	-
Bond discounts & insurance	882,347	1,707,526	1,103,776	1,480,036	1,545,906
Prepaid expenses				1,023	1,160
Total current assets	23,644,633	21,807,141	19,487,591	15,742,400	19,375,922
Capital assets net of accumulated depreciation					
	78,979,093	83,850,163	89,082,356	93,446,020	98,743,093
Deferred outflow of resources					
Deferred outflow related to pension *	353,476	-	-	-	-
Deferred charge on bond refunding	715,298	-	-	-	-
Total deferred outflows	1,068,774	-	-	-	-
TOTAL ASSETS	103,692,500	105,657,304	108,569,947	109,188,420	118,119,015
LIABILITIES					
Current liabilities:					
Accrued liabilities	9,924,778	8,290,282	8,984,007	4,387,896	7,410,426
Net pension liability *	1,477,072	-	-	-	-
Deposits payable	1,051,732	1,059,520	1,011,133	1,414,371	1,312,898
Total current liabilities	12,453,582	9,349,802	9,995,140	5,802,267	8,723,324
Long-term liabilities:					
Bonds payable - long term	54,195,000	58,275,000	59,235,000	60,965,000	62,610,000
Bond premiums	179,978	188,159	559,669	597,800	635,931
Total long-term liabilities	54,374,978	58,463,159	59,794,669	61,562,800	63,245,931
Deferred inflow related to pensions *	268,288	-	-	-	-
TOTAL LIABILITIES	67,096,848	67,812,961	69,789,809	67,365,067	71,969,255
NET POSITION					
Invested in capital assets, net of related debt	25,486,462	28,302,702	30,391,463	33,363,255	37,043,067
Restricted	-	-	-	-	-
Unrestricted	11,109,190	9,541,640	8,388,675	8,460,098	9,106,690
TOTAL NET POSITION	\$ 36,595,652	\$ 37,844,342	\$ 38,780,138	\$ 41,823,353	\$ 46,149,757

* GASB 68 implemented in Fiscal Year 2015

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2015

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
OPERATING REVENUES:					
Charges for services	\$ 61,638,828	\$ 61,386,968	\$ 57,489,697	\$ 54,450,360	\$ 51,663,285
Other operating revenues & impact fees	1,750,051	2,042,174	1,328,407	1,211,410	2,445,434
Total operating revenues	63,388,879	63,429,142	58,818,104	55,661,770	54,108,719
OPERATING EXPENSES:					
Electricity purchased	39,634,354	40,704,258	40,599,715	37,491,445	38,833,578
Natural gas purchased	4,886,601	5,728,887	4,127,857	5,126,432	3,499,843
Salary and wages	3,849,209	3,393,217	3,291,114	3,449,695	3,207,560
Supplies	684,564	985,176	762,296	776,745	888,178
Service vehicle expense	135,028	177,276	169,898	173,538	141,120
Equipment rental	-	-	-	-	-
Depreciation	6,281,507	6,298,295	6,377,950	6,369,528	6,261,468
Payroll tax & employee benefits	1,303,755	1,363,270	1,259,135	1,270,853	1,213,615
Office & dept. supplies	65,289	55,616	67,386	63,095	82,995
Professional services	319,105	401,565	267,432	312,825	350,185
R. & M. - equipment	505,666	485,760	372,948	526,818	393,528
R. & M. - buildings and grounds	47,824	32,595	25,382	18,542	18,089
Insurance & surety bonds	150,921	161,165	218,745	160,603	141,315
Travel	68,173	56,077	51,229	50,303	44,520
Miscellaneous	2,858	913	555	2,606	1,469
Interest expense	30,444	29,593	28,588	25,127	24,235
Subscriptions & memberships	58,663	82,501	63,136	63,995	53,544
Billing & administration	1,700,000	1,650,000	1,500,000	1,400,000	1,400,000
Total operating expenses	59,723,961	61,606,164	59,183,366	57,282,150	56,555,242
Operating income (loss)	3,664,918	1,822,978	(365,262)	(1,620,380)	(2,446,523)
NON-OPERATING REVENUES (EXPENSES)					
Interest income	45,582	35,634	17,816	17,933	22,604
Federal grants	5,792	24,039	295,887	-	144,464
Miscellaneous income	81,307	109,414	230,245	259,919	163,576
Unbilled utility services	(51,956)	(53,854)	-	-	-
Interest charges	(2,618,020)	(2,438,333)	(2,911,508)	(2,983,877)	(3,044,949)
Total non-operating revenue (expense)	(2,537,295)	(2,323,100)	(2,367,560)	(2,706,025)	(2,714,305)
Income before transfers	1,127,623	(500,122)	(2,732,822)	(4,326,405)	(5,160,828)
Contributions	-	-	-	-	-
Transfers to/from other funds	(789,296)	(435,674)	-	-	-
Change in Net Position	338,327	(935,796)	(2,732,822)	(4,326,405)	(5,160,828)
Restatement of Net position for GASB 62			(310,392)		
Restatement of Net position for GASB 68	(1,587,017)				
Total net position - beginning	37,844,342	38,780,139	41,823,353	46,149,756	51,310,584
Total net position - ending	\$ 36,595,652	\$ 37,844,343	\$ 38,780,139	\$ 41,823,351	\$ 46,149,756

Management's Discussion of Operations

ENERGY RESOURCES

The City saw a 2.22% increase in energy sales and a 4.4% change in peak demand throughout the year (2015 budget year peak 187.82 Mw). 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. The following is a list of the current City Energy Services.

CURRENT SOURCES

Colorado River Storage Project Contract (Hydro) Expires 2024	19 MW for summer 29 MW for winter
<ul style="list-style-type: none">• Western Replacement Power	10-20 MW
Utah Associated Municipal Power (UAMPS)	
<ul style="list-style-type: none">• Pool – Contract Sales	5-20 MW
Deseret Generation and Transmission (DGT) – Contract	
<ul style="list-style-type: none">• Bonanza 1 – Coal – Expires 2023	60-70 MW
City Owned Generation	
<ul style="list-style-type: none">• Red Rock – Diesel	14 MW
<ul style="list-style-type: none">• Bloomington – Diesel	11 MW
<ul style="list-style-type: none">• Millcreek #1– Natural Gas	40 MW
<ul style="list-style-type: none">• Millcreek #2- Natural Gas	40 MW
Long Term Purchase Contacts	
<ul style="list-style-type: none">• Jordanelle Hydro (Heber sale) – 50 Year Contract	4 MW
Short Term Market Purchases/Sales (1-3 year contracts)	
<ul style="list-style-type: none">• Powerex	5-15 MW
<ul style="list-style-type: none">• Morgan Stanley	5-15 MW
<ul style="list-style-type: none">• Cargill	5-15 MW
<ul style="list-style-type: none">• City of Burbank	5-15 MW
<ul style="list-style-type: none">• UMPA	5-15 MW
<ul style="list-style-type: none">• Black Hills	5-15 MW
<ul style="list-style-type: none">• NV Energy	5-15 MW
<ul style="list-style-type: none">• Constellation	5-15 MW
<ul style="list-style-type: none">• Western System Power Pool	5-15 MW
Renewable Resources	
<ul style="list-style-type: none">• SunSmart Solar	250 KW
<ul style="list-style-type: none">• Net Metering (Solar)	1200 KW

NATURAL GAS

- BP Long term gas hedge 20-60% of requirements into 2023.
- Kern River Pipeline Firm Capacity – 3,500Dth/day.
- Questar – firm pipeline capacity – 3,500 Dth/day.

FORECAST

The City utilized forecasted and actual data developed by the Energy Services Department (ESD) to determine the energy needs throughout the 2015 budget year. 20 years of actual annual energy requirements data is used to assist in forecasting the next budget year energy requirements from a growth view point. The ESD projected the energy requirements for the 2015 budget year to be relatively flat as exhibited historically over the past 3 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. While Table V shows that debt service coverage is projected to be sufficient over the next few years, the City is continually in the process of reviewing rates and impact fees and strengthens these projections.

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.

Although ESD 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 ESD 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, 2015, approximately 52.5% of the System’s electric sales revenues and 52.9% of energy sold through the System were attributable to commercial establishments. This compares with 51.99% of revenues and 52.27% of energy in the prior fiscal year. The commercial base in the City has contributed to relatively constant growth in electric energy sales through the System. The System peak 187.82 MW

increased this fiscal year due to a small amount of growth in customers and weather differences. 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 1 to 2% and energy sales will continue to grow at an average of 2 to 3%.

FINANCIAL

The City represents that the ESD has operated with positive cash flows in fiscal years 2002 through 2010. For fiscal years 2010, 2011 and 2012 the ESD realized net losses in operations. These losses primarily can be attributed to the economy, rising costs in power purchased/transmission, and low wholesale market values. The ESD had projected more energy sales and higher market values for wholesale surplus sales than were realized. The ESD has maintained a small surplus as a hedge to the market and potential growth. Cash reserves were used to accommodate the operating losses for these years. At the beginning of the fiscal year 2013, a rate of 8% was approved as cash reserves reached a level to trigger the increase.

Fiscal year 2015 resulted in having an operating income of \$3,664,916.

The City continues to set financial policies to assure positive margins in the ESD for the forecasted future years. Rate increases are being studied for the future budget years 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.