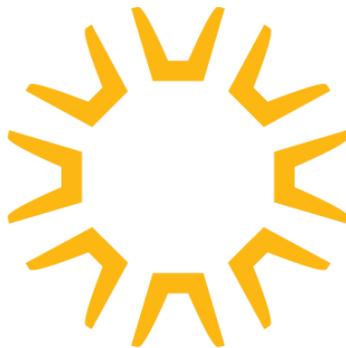


CITY OF ST. GEORGE, UT
COMPREHENSIVE ANNUAL FINANCIAL
REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2016



St. George

THE BRIGHTER SIDE

CITY OF ST. GEORGE, UT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2016



Prepared by Tiffany M. LaJoyce, CPA
Finance Manager

CITY OF ST. GEORGE, UT
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2016

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INTRODUCTORY SECTION



December 19, 2016

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, 2016, 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, 2016, 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, 2016, 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, 2016, 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.

During the fiscal year there were building permits issued for 725 residential units. This is an increase of 7.2% which compares with an increase of 17.3% for the fiscal year ended June 30, 2015. The total valuation of building permits increased by 85.7% for the fiscal year in comparison with an increase of 6.4% in the fiscal year ended June 30, 2015, due mainly to a large permit for a new hospital building. Without the hospital, the increase for the current year would be 5.1%. The building and construction portion of our economy is continuing to rebound from 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 Small 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 2015-2016: (1) the BluCan Curbside Recycling program was implemented with 84% of residences participating, 22,000 accounts; (2) Paymentus utility payment program implemented allowing \$1.25 previous charge to be eliminated and facilitated other customer friendly programs; (3) Business Licensing division was combined with Development Services

improving customer service; (4) 2015 saw our Police Officers respond to 31,032 calls for service and Victim Services provided 11,433 services to victims; (5) Animal Services unit operates on a no-kill philosophy and held a 100% save rate in 2015; (6) the City's Communication Center handled 188,401 phone calls with almost 25% or 40,772 through 911 lines; (7) City Fire Dept. purchased a 107-foot aerial quint pumper for \$1.1 million dollars; (8) the City has a staff at the Fire Dept. of 111 which includes 32 full-time, 70 reserves, and 9 part-time firefighters at eight fire stations; (9) remodel of Recreation Center completed; (10) received the Utah Recreation and Parks Association award for the Flying Fish Special Needs swim program; (11) awarded the National Gold Medal for Excellence in Parks and Recreation by the National Parks and Recreation Association and American Academy for Parks and Recreation Administration; (12) the St. George Regional Airport saw continued growth with a 12% growth in passengers over the last year; (13) new traffic signals were installed at River Road/Brigham Road, River Road/St. James Lane, Mall Drive/3000 East, and Dixie Drive/1600 South; (14) City Fleet Services division once again was certified as an A.S.E. Blue Seal Certified shop for the 9th year - only 10% of fleets in the Country receive this certification; (15) construction started on \$2.5 million addition to the fleet maintenance facility; (16) completed the restoration of the Electric Theatre which included construction of additional art facilities; (17) CNN's survey listed the St. George Marathon in the top seven "favorite destination marathons in the nation"; (18) planted more than 500 trees again this past year and received recognition as Tree City USA for the 23rd time; (19) completed a 30-court horseshoe pitching complex; (20) Phase 1 of the St. James Community Park completed; (21) completion of the All Abilities Park to provide park amenities for everyone; (22) Seegmiller Historical Park reached substantial completion in 2015 providing a look-back to the history of the settlement of the area; (23) 12 new pickleball courts added to existing 12 courts, creating a world-class complex in the Little Valley area; (24) completion of the City's first cremation garden at the Tonaquint Cemetery; and (25) purchased 35 police vehicles." (City Manager's fiscal year 2017 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. Utah Local Governments Trust administers the liability policy above our self-insured retention. Property is covered by a blanket all risk policy with limits of up to \$232,572,000 and Power Generation Property Coverage of \$109,035,000. Utah Local Governments Trust 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, 2016, 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 Administrative Services 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,



Gary S. Esplin
City Manager



Tiffany M. LaJoice, CPA
Finance Manager

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*City of
St. George*
City Officials



*Mayor
Jonathan T. Pike*



Councilmember Ed Baca



Councilmember Jimmie Hughes



Councilmember Michele Randall



Councilmember Joe Bowcutt



Councilmember Bette O. Arial

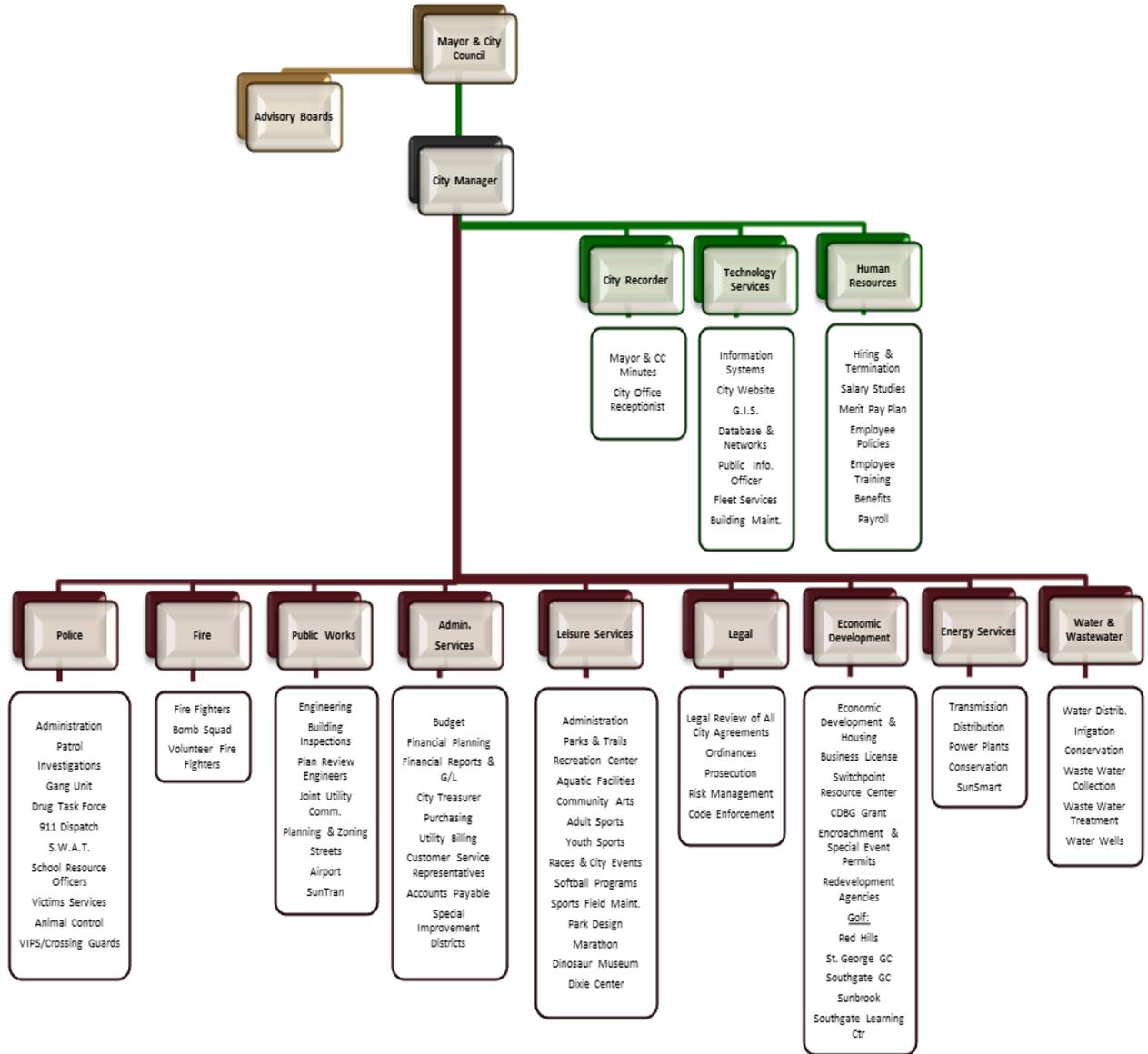


City Manager Gary S. Esplin

*Shawn Guzman
Christina Fernandez
Laura Woolsey
Marlon Stratton
Robert Stoker
Laurie Mangum
Scott Taylor
Cameron Cutler
Kent Perkins
Deanna Brklacich
Marc Mortensen
Sharon Hokanson
Tiffany M. LaJoice*

*City Attorney
City Recorder
City Treasurer
Chief of Police
Fire Chief
Energy Services Director
Water Services Director
Public Works 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, 2016, 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, 2016, 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.

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 Title 2 U.S. *Code of Federal Regulations* (CFR) part 200, *Uniform Administrative Requirements for Federal Awards*, 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 19, 2016, 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.

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

HintonBurdick, PLLC
St. George, Utah
December 19, 2016

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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, 2016. 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 5-9 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 \$608,042,534 (*net position*). Of this amount, \$73,352,985 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 \$25,401,267 which is about \$5 million less than last year before the GASB 68 restatement. This is resulting from a decrease in capital grants of about \$7.8 million and increased governmental expenditures of \$3.2 million, net of increased RAP taxes of about \$3 million and increases to gain on sale of assets and investment income of \$1.1 million. The business-type activities also had increased net revenue of \$665,000.
- At the close of the current fiscal year, the City of St. George's governmental funds reported fund balances of \$51,223,628, an increase of \$8,578,807 in comparison with the prior year. This is an increase of 20.12%.
- At the end of the current fiscal year, unrestricted fund balance for the general fund was \$6,301,389, an increase of \$1,663,769 or 35.88%. The unrestricted fund balance represents 11.3% of total general fund expenditures for the fiscal year ended June 30, 2016. It also represents 9.50% of total budgeted expenditures for the next fiscal year ended June 30, 2017. 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 increased by \$8,181,920. An increase of \$5,186,011 in general long-term liabilities as a result of the Franchise RAP (Recreation, Arts, and Parks) Tax bonds and an increase in net pension liability and an increase of \$2,995,909 in business-type long term liabilities as a result of refunding the Electric bonds and an increase in the net pension liability.

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 and 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 and the public works capital projects fund which are considered to be major funds. Data from the other thirty 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 46-84 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 89-96 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 130-132 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 \$608,042,534, at the close of the June 30, 2016 fiscal year.

CITY OF ST. GEORGE'S Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current & other assets	\$ 70,518,869	\$ 61,555,368	\$ 82,431,178	\$ 74,565,259	\$ 152,950,047	\$ 136,120,627
Capital assets	371,955,494	360,318,341	240,009,679	242,064,143	611,965,173	602,382,484
Deferred outflows	7,297,275	2,376,573	2,322,107	1,487,632	9,619,382	3,864,205
Total assets & deferred outflows	449,771,638	424,250,282	324,762,964	318,117,034	774,534,602	742,367,316
Long-term liabilities	60,273,664	55,087,653	73,429,077	70,433,168	133,702,741	125,520,821
Other liabilities & deferred inflows	22,435,600	21,659,862	10,353,725	12,545,366	32,789,325	34,205,228
Total liabilities & deferred inflows	82,709,264	76,747,515	83,782,802	82,978,534	166,492,066	159,726,049
Net position:						
Net investment in capital assets	325,030,619	314,849,110	180,843,084	180,042,672	505,873,703	494,891,782
Restricted	26,053,545	17,278,885	2,620,008	2,754,000	28,673,553	20,032,885
Unrestricted	15,978,209	15,374,772	57,517,070	52,341,828	73,495,279	67,716,600
Total Net Position	\$ 367,062,373	\$ 347,502,767	\$ 240,980,162	\$ 235,138,500	\$ 608,042,535	\$ 582,641,267

By far, the largest portion of the City of St. George's net position (83.2%) 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 (4.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$73,495,279 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 and for business-type activities. As in the prior year, there are a few special revenue funds that have negative fund balances, as discussed in the footnotes.

The City of St. George's overall net position increased by \$25,401,267 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

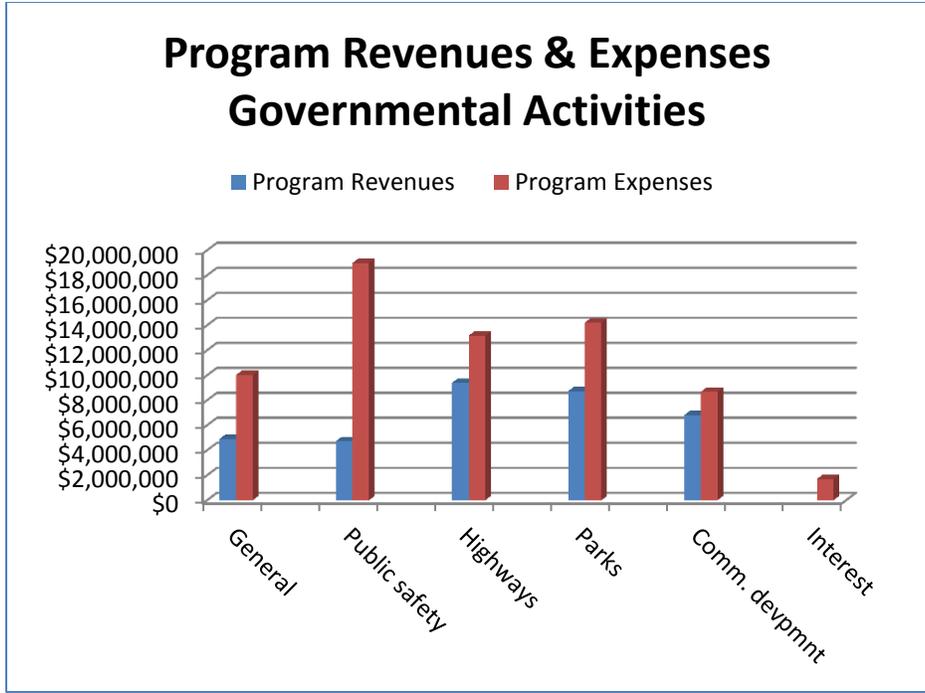
CITY OF ST. GEORGE'S Changes in Net Position

	Governmental Activities		Business-type Activities	
	2016	2015	2016	2015
Revenues:				
Program revenues:				
Charges for services	\$ 20,128,510	\$ 19,307,739	\$ 99,054,089	\$ 97,644,394
Operating grants & contributions	11,093,633	9,920,707	65,109	18,286
Capital grants & contributions	3,386,062	12,385,557	-	-
General revenues:				
Property taxes	13,604,272	13,617,736		
Other taxes	31,424,292	28,298,000		
Investment income	326,755	179,240	418,963	242,005
Other revenues	4,470,570	3,609,839	327,617	269,588
Total revenues	<u>84,434,094</u>	<u>87,318,818</u>	<u>99,865,778</u>	<u>98,174,273</u>
Expenses:				
General government	10,029,130	9,458,496		
Public safety	18,986,397	17,761,966		
Highway/public improvements	13,173,124	13,051,480		
Parks & recreation	14,221,213	13,237,166		
Community & Econ development	8,685,789	8,213,784		
Interest on long-term debt	<u>1,728,684</u>	<u>1,931,400</u>		
Electric utility			61,548,648	62,341,983
Water utility			14,868,297	14,060,436
Wastewater treatment			5,454,595	5,061,261
Wastewater collection			5,540,568	5,566,145
Golf courses				
Municipal building authority			120,709	125,245
Drainage utility			99,061	121,623
Refuse collection			4,442,390	4,005,731
Total expenses	<u>66,824,337</u>	<u>63,654,292</u>	<u>92,074,268</u>	<u>91,282,424</u>
Increase in net position before transfers	17,609,757	23,664,526	7,791,510	6,891,849
Transfers	<u>1,949,849</u>	<u>334,000</u>	<u>(1,949,849)</u>	<u>(334,000)</u>
Increase in net position	19,559,606	23,998,526	5,841,661	6,557,849
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	<u>347,502,767</u>	<u>328,921,886</u>	<u>235,138,500</u>	<u>237,300,791</u>
Net position ending	<u>\$ 367,062,373</u>	<u>\$ 347,502,767</u>	<u>\$ 240,980,161</u>	<u>\$ 235,138,500</u>

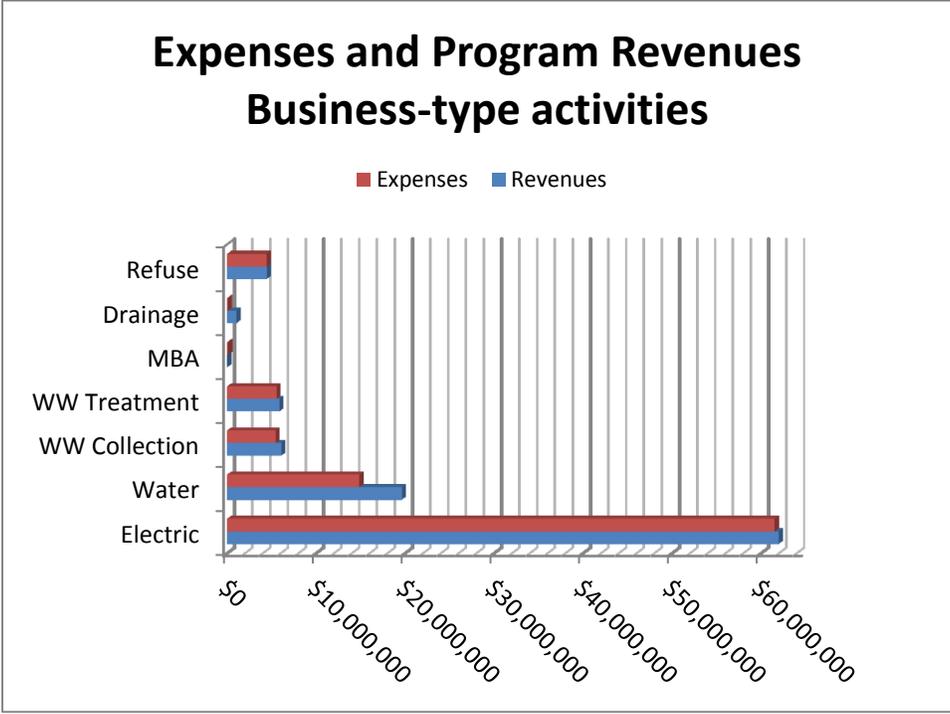
Governmental Activities. During the current fiscal year, net position for governmental activities increased \$19,559,606 from the prior fiscal year for an ending balance of \$367,062,373.

Business-type Activities. During the current fiscal year, net position for business-type activities increased \$5,841,661 from the prior fiscal year for an ending balance of \$240,980,161.

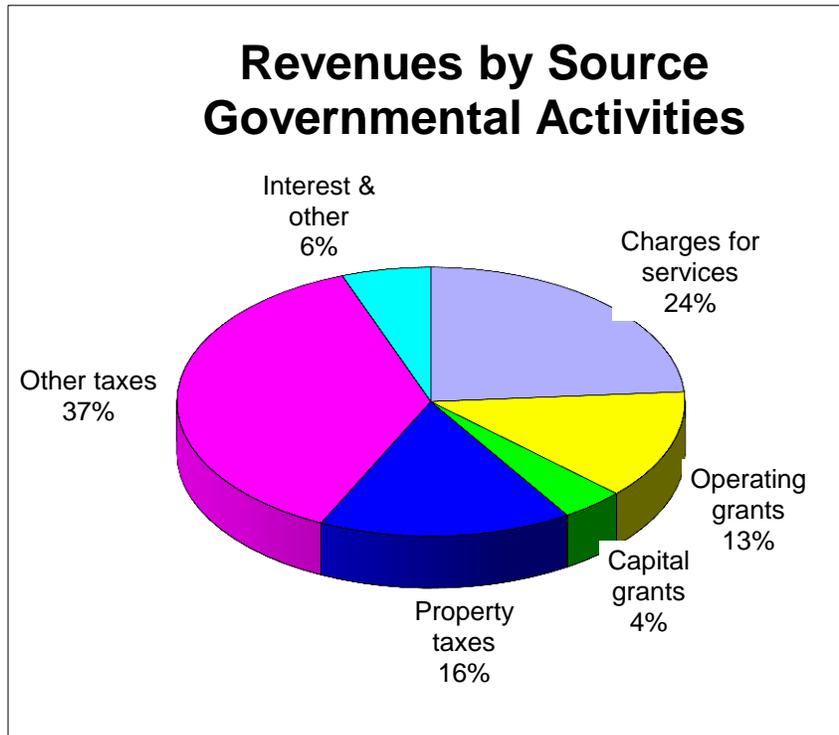
Overall governmental revenues decreased in comparison with the prior fiscal year by 1.45%. A major reason for this is the decrease in grant revenue of about \$7.8 million, or a decrease of 35.09% compared to grant revenue in the prior fiscal year. Sales taxes, highway taxes and RAP taxes increased by 13.39% as the economy continued to improve. Also, the RAP Taxes were approved as of April 1, 2015, so prior year RAP taxes only included a few months.



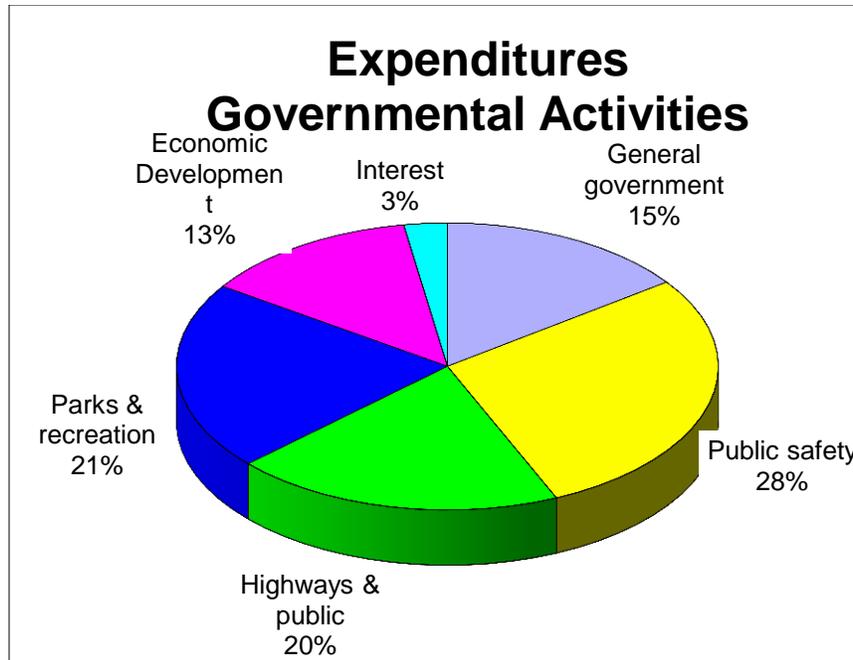
For business-type activities, revenue increased by 1.51% while expenses increased by 0.87%. There were no significant rate increases in the business-type activities during the fiscal year, but the City did adopt the BluCan curbside recycling program, at a fee of \$3.12 per month per participating residential account. The program began in February 2016.



The following graph displays the total governmental revenues by source as reflected on the government-wide statement of activities. Capital grants decreased to 4%, because the final replacement airport grant from the FAA was received in Fiscal Year 2015. 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 4.94% when compared with the last fiscal year. Parks & Recreation increased by the largest percentage of 7.43%, but other expenditures increased by comparable percentages: General Government 6.03%, Public Safety 6.89%, and Economic Development 5.75%. Highways increased by the smallest percentage of 0.93%. Interest expense decreased by 11.71%. 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 increased by 1.51% from the prior fiscal year. The Electric Utility had a decrease of 0.88% or \$549,494 in charges for services and a decrease of 1.27% in expenses. The Water Utility had an increase of 7.04% or \$1,291,791 in charges for services with an increase in expenses of 5.75%. The Refuse Utility had an increase in both revenues and expenses with the February 1, 2016 implementation of curbside recycling. 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.

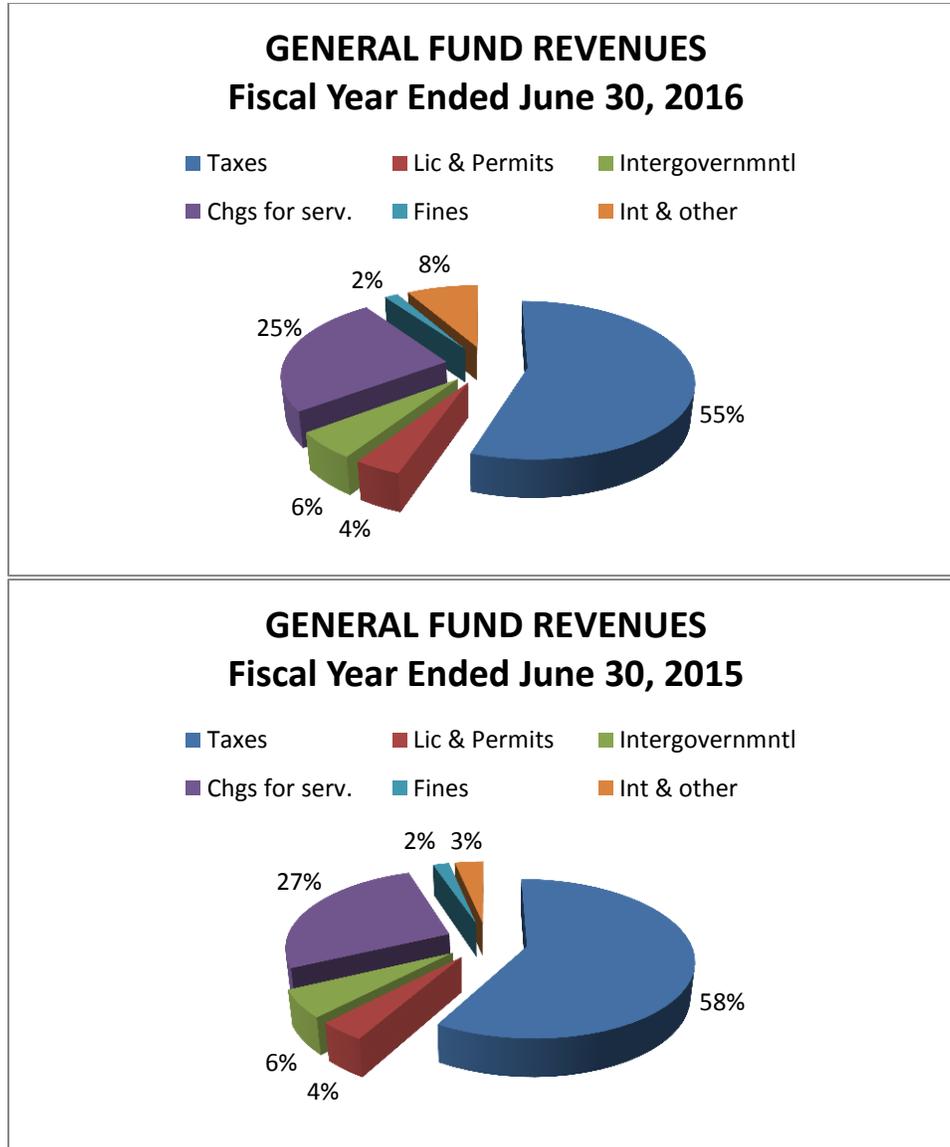
At June 30, 2016, the City of St. George's governmental funds reported combined fund balances of \$51,223,628, an increase of \$8,578,807 in comparison with the prior year. The fund balance had a net increase of 20.12%.

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 \$6,301,389 while total fund balance was \$7,131,649. The Fund had an increase of \$1,663,769 in unassigned fund balance and an increase of \$1,139,819 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 11.3% of total general fund expenditures for the fiscal year ended June 30, 2016 and 9.5% of total budgeted expenditures for the next fiscal year ended June 30, 2017. Total fund balance represents 10.75% of budgeted expenditures for the next fiscal year.

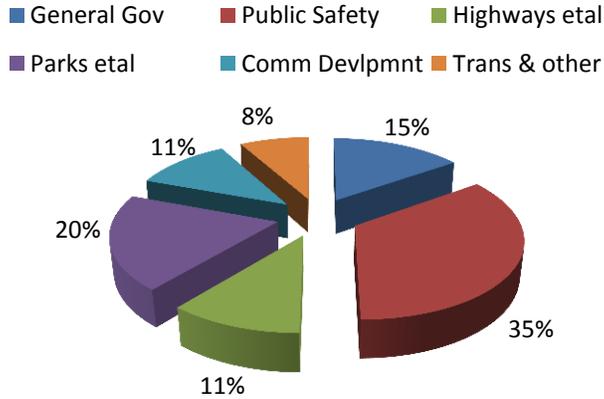
Total fund balance in all *governmental funds* increased by \$8,578,807 (20.12%) during the fiscal year. The largest increases in fund balance were seen in the RAP Tax Fund increased \$6,235,286 as new franchise tax bonds were issued; the Economic Development Fund increased \$2,155,299; the 2010 Flood Fund increased \$1,953,714 and the Street Bonds Capital Project Fund increased \$1,574,938. The largest decreases in fund balance were seen in the Replacement Airport Fund with a decrease of \$4,095,562; the Drainage Impact Fund with a decrease of \$992,817; the Recreation Bond Debt Service Fund with a decrease of \$943,775 and the Dixie Center EDA Fund with a decrease of \$782,167. All but the Dixie Center EDA Fund still have a positive fund balance at the end of the fiscal year; Replacement Airport Fund Balance was \$349,902, Drainage Impact Fund Balance was \$713,468 and the Recreation Bond Debt Service Fund Balance was \$59,104. Two funds had deficit fund balances as of the end of the fiscal year. The Dixie Center EDA Fund had a deficit fund balance of \$835,317 and The Community Resource Center had a deficit fund balance of \$91,080. The City discusses this deficit in footnote III.B. on page 58.

General Fund

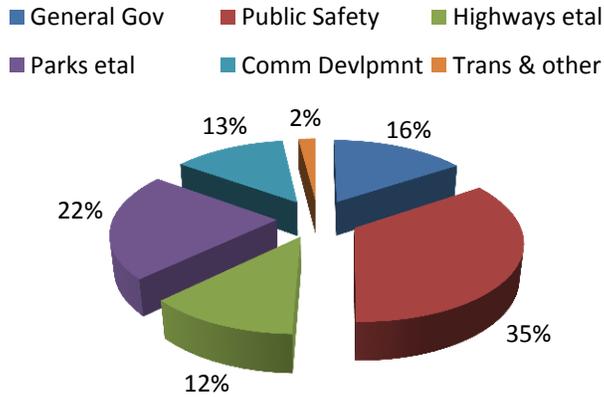
The following graphs display the total revenues in the General Fund by source for the fiscal years ended June 30, 2016 and June 30, 2015.



GENERAL FUND EXPENDITURES Fiscal Year Ended June 30, 2016



GENERAL FUND EXPENDITURES Fiscal Year Ended June 30, 2015



The General Fund revenues by function remained fairly consistent from the prior fiscal year, with the exception of Interest & Other, which increased due to a large transfer from the Capital Equipment Capital Projects Fund. The other function percentages changed by less than 3% each. The General Fund expenditures by function also remained fairly consistent from the prior fiscal year, with the exception of Transfers & Other. In the current fiscal year, a large transfer was made from the General Fund to the Capital Equipment Capital Projects Fund. In the prior year, no transfer was made due to the Golf Fund merger into the General Fund. The other function percentage changed by less than 2% each.

During the fiscal year, the General Fund budget was amended from an original budget expenditure total of \$60,747,567 to a final budget of \$64,449,783. 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 \$76,658 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, 2016, amounts to \$611,965,173 (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 \$9,582,689. This was the result of business-type net capital assets decreasing by \$2,054,464 while governmental-type net fixed assets increased by \$11,637,153.

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

\$1,355,086 was spent for 35 new police vehicles and 1 police utility vehicle.

\$896,962 was spent for 1 new fire ladder truck. This represents partial payments toward the construction of the vehicle. The remaining payments will be made in the next fiscal year when the vehicle is completed.

\$931,032 was spent in the Dixie Center EDA for erosion protection in the EDA area along the Virgin River.

\$850,771 was spent for land purchases.

\$2,922,152 was spent for continuing construction of the All Abilities Park.

\$571,780 was spent for Millcreek Park.

\$1,819,388 was spent for the Little Valley Soccer Fields and Pickleball Courts.

\$1,724,655 was spent for improvements to the Washington Fields Storm Drain.

\$1,171,255 was spent, in participation with UDOT, for the Red Hills Parkway and Red Cliffs Drive Connection Drainage and Roadway. This underpass will alleviate traffic congestion within that area of the City.

\$1,248,726 was spent, in participation with UDOT, on the Indian Hills Drive road and drainage improvement project.

\$1,962,140 was spent for the River Road Bridge and Widening project.

\$2,369,286 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.

\$1,072,881 was spent in the Wastewater Collection Fund for new equipment and various system improvements.

\$3,681,759 was spent in the Electric Utility enterprise fund for various distribution system and generation improvements as well as construction of the Red Rock Control Building and upgrades to city buildings for energy efficiency.

\$621,876 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	
	2016	2015	2016	2015
Land	\$ 95,816,959	\$ 95,005,703		
Buildings	24,747,111	24,636,367		
Improvements	49,834,491	46,102,946		
Infrastructure	187,069,131	181,892,495		
Machinery & equipment	14,487,801	12,680,830		
Plant, prop. & equipment			\$ 240,009,679	\$ 242,064,143
Totals	<u>\$ 371,955,493</u>	<u>\$ 360,318,341</u>	<u>\$ 240,009,679</u>	<u>\$ 242,064,143</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, 2016, the City has total bonded debt outstanding of \$105,220,220. Of this amount \$11,535,000 is considered to be general obligation debt and backed by the full faith and credit of the City and the remainder of \$93,685,220 is debt which is secured solely by specific revenue sources.

CITY OF ST. GEORGE'S OUTSTANDING BONDED DEBT

	Governmental Activities		Business-type Activities	
	2016	2015	2016	2015
General obligation bonds	\$ 11,535,000	\$ 12,620,000		
Sales tax revenue bonds	5,840,000	8,590,000		
Franchise tax revenue bonds	14,451,000	7,755,000		
WCIA Capital lease bonds	3,254,220	3,784,480		
Federal subsidy excise bonds	8,557,000	8,852,000		
Revenue bonds			\$ 61,583,000	\$ 66,819,000
Total outstanding debt	<u>\$ 43,637,220</u>	<u>\$ 41,601,480</u>	<u>\$ 61,583,000</u>	<u>\$ 66,819,000</u>

The City's total debt decreased by \$3,200,260 during the fiscal year. The City issued additional franchise tax revenue bonds for the RAP Taxes and refunded two electric revenue 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	
2014 General Obligation bonds		AA	
2009 Sales Tax Revenue bonds		AA	AA
2014 Franchise Tax Revenue bonds		AA	
2011 Water Revenue refunding bonds		A+	A+
2012 Water Revenue refunding bonds		A+	
2005 Electric Revenue bonds	Baa1		
2008 Electric Revenue bonds	Baa1		
2016 Electric Revenue refunding bonds	A2	AA	

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 \$372,126,252, 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 \$372,126,252, which again significantly exceeds the outstanding business-type activity debt. Thus the total debt limit is \$744,252,505 while the total outstanding debt less resources restricted for debt service is \$71,001,824. The resulting debt margin is \$673,250,681. 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 3.7% for the month ended August 2016 compared with a state unemployment rate of 3.7% and a national rate of 4.9%. This compares with a county rate of 4.0% in 2015. (Source: Utah Dept of Workforce Services)

The General Fund budget for the fiscal year-ending June 30, 2017 is \$66,322,409 which represents an increase of 9.2% from the original adopted budget for the fiscal year ended June 30, 2016. The increases are anticipated based on trends in sales and property taxes and the increases in building permits compared to prior years.

In both business-type and governmental-activities, the fees remained consistent, but there was a small rate increase to water rates effective July 1, 2016. As new facilities were opened, new fees were approved. There is no property tax rate increase reflected in the June 30, 2017 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, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash	\$ 49,973,343	\$ 61,020,676	\$ 110,994,019
Restricted cash		1,815,176	1,815,176
Accounts receivable (net of allowance for doubtful accounts)	20,203,364	11,543,177	31,746,541
Inventory	160,764	2,704,948	2,865,712
Net pension assets	86,427	29,254	115,681
Notes receivable	-	998	998
Internal Balances	14,396	(14,396)	0
Bond discounts		5,324,436	5,324,436
Prepaid expenses	80,575	6,909	87,484
Capital assets (net of depreciation)			
Land	95,816,959		95,816,959
Buildings	24,747,111		24,747,111
Improvements	49,834,491		49,834,491
Infrastructure	187,069,131		187,069,131
Machinery & equipment	14,487,801		14,487,801
Plant, property, and equipment		240,009,679	240,009,679
Total assets	\$ 442,474,362	\$ 322,440,857	\$ 764,915,219
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	7,297,275	2,322,107	9,619,382
Deferred charges on bond refunding		-	-
Total deferred outflows	7,297,275	2,322,107	9,619,382
LIABILITIES:			
Accrued liabilities	\$ 4,829,969	\$ 8,092,062	\$ 12,922,031
Construction bonds held	285,674		285,674
Deposits payable		1,635,890	1,635,890
Deferred compensation	1,863,348		1,863,348
Interest payable	311,102		311,102
Unearned revenues	436,899	11,000	447,899
Net pension liability	13,659,892	4,413,046	18,072,938
Notes payable:			
Due within one year	358,004	10,000	368,004
Due in more than one year	413,260	48,800	462,060
Bonds payable:			
Due within one year	5,505,000	4,630,000	10,135,000
Due in more than one year	34,878,000	56,953,000	91,831,000
Capital leases:			
Due within one year	629,964		629,964
Due in more than one year	3,270,902		3,270,902
Bond premiums	1,558,642	7,374,231	8,932,873
Total liabilities	68,000,656	83,168,029	151,168,685
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,893,676	614,773	2,508,449
Unavailable revenue- city cache cards	522,094		522,094
Unavailable revenue- property tax levy	12,292,838		12,292,838
Total deferred inflows	14,708,608	614,773	15,323,381
NET POSITION:			
Net investment in capital assets	325,030,619	180,843,084	505,873,704
Restricted for:			
Unspent bond/impact fees for const.		947,054	947,054
Debt service	662,953	1,815,248	2,478,201
Public safety programs	133,401		133,401
Transportation programs	5,286,037		5,286,037
Housing & community development	1,151,529		1,151,529
Park construction & development	9,195,914		9,195,914
Community & economic development	9,623,712		9,623,712
Unrestricted	15,978,209	57,374,776	73,352,985
Total Net Position	\$ 367,062,373	\$ 240,980,162	\$ 608,042,535

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, 2016

	Program Revenues				Total	
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions		Net Governmental Activities
Governmental activities:						
General government	\$ 10,029,130	\$ 4,887,219	\$ 24,532	\$ -	\$ (5,117,379)	\$ (5,117,379)
Public Safety	18,986,397	3,461,928	1,266,728	-	(14,257,739)	(14,257,739)
Highways & public improvements	13,173,124	1,662,793	5,717,817	2,021,527	(3,770,987)	(3,770,987)
Parks, recreation & public property	14,221,213	3,786,949	3,591,764	1,364,535	(5,477,965)	(5,477,965)
Community & economic development	8,685,789	6,329,622	492,791	-	(1,863,376)	(1,863,376)
Interest on long-term debt	1,728,684	-	-	-	(1,728,684)	(1,728,684)
Total governmental activities	66,824,337	20,128,510	11,093,633	3,386,062	(32,216,130)	(32,216,130)
Business-type activities:						
Electric	61,548,648	61,973,953	24,179	-	449,484	449,484
Water	14,868,297	19,599,462	34,162	-	4,765,327	4,765,327
Regional wastewater treatment	5,454,595	6,091,922	6,768	-	644,095	644,095
Wastewater collection	5,540,568	5,869,924	-	-	329,356	329,356
Municipal bldg authority	120,709	-	-	-	(120,709)	(120,709)
Drainage Utility	99,061	1,058,901	-	-	959,840	959,840
Solid waste	4,442,390	4,459,928	-	-	17,538	17,538
Total business-type activities	92,074,267	99,054,089	65,109	-	7,044,929	7,044,929

General Revenues:

Taxes:

Property taxes levied for general purposes	9,941,304	9,941,304
Contributions from other governments	2,145,527	2,145,527
Property taxes levied for debt service	1,517,441	1,517,441
Franchise taxes	6,916,858	6,916,858
General sales taxes, highway sales taxes & RAP sales taxes	24,507,434	24,507,434
Business licenses	780,925	780,925
Investment income	326,755	418,963
Lease payments	(98,395)	745,719
Gain on sale of assets	3,253,805	(98,395)
Rents & concessions	245,252	9,348
Miscellaneous	288,981	103,895
Interfund utility services	442,998	214,374
Interfund Transfers	1,506,851	(0)
Total general revenues & transfers	51,775,737	(1,203,269)
Change in net position	19,559,606	5,841,661
Net position - beginning	347,502,767	235,138,500
Net position - ending	\$ 367,062,373	\$ 240,980,161
		\$ 608,042,534

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, 2016

	<u>General</u>	<u>Public Works Capital Proj. Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$ 5,538,761	\$ 910,244	\$ 42,653,504	\$ 49,102,509
Accounts receivable	12,692,739	1,157,792	6,352,833	20,203,364
Prepaid items	44,951		35,624	80,575
Inventory	160,764			160,764
Notes receivable	-			-
Due from other funds	385,935		1,415,366	1,801,301
Total assets	\$ 18,823,149	\$ 2,068,036	\$ 50,457,327	\$ 71,348,513
LIABILITIES				
Liabilities:				
Construction bonds held	285,674		\$ -	\$ 285,674
Due to other funds	-		1,786,905	1,786,905
Deferred Impact Fee credits		428,157		428,157
All Abilities Park donations			-	-
Accounts Payable & Accrued liabilities	2,183,732	1,438,491	1,178,253	4,800,475
Total liabilities	2,469,406	1,866,648	2,965,157	7,301,211
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property tax levy	8,700,000		3,592,838	12,292,838
Unavailable revenues		8,742		8,742
Unavailable revenues - city cache cards	522,094			522,094
Total deferred inflows of resources	9,222,094	8,742	3,592,838	12,823,674
FUND BALANCES (deficits):				
Nonspendable:				
Inventories & prepaids	205,715			205,715
Noncurrent receivables	385,935			385,935
Restricted for:				
Public safety programs	133,401			133,401
Cemetery perpetual care	105,209			105,209
Transportation programs			5,286,037	5,286,037
Housing & community development			1,151,529	1,151,529
Parks construction & development			9,091,277	9,091,277
Community & Economic Development			1,371,018	1,371,018
Debt service fund			662,953	662,953
Capital projects fund			713,468	713,468
Assigned to:				
Community & Economic Development			8,252,693	8,252,693
Parks construction & development			104,637	104,637
Capital projects fund		192,646	16,218,282	16,410,928
Unassigned:	6,301,389		1,047,438	7,348,828
Total fund balances (deficits)	7,131,649	192,646	43,899,332	51,223,628
Total liabilities, deferred inflows and fund balances	\$ 18,823,149	\$ 2,068,036	\$ 50,457,327	
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.				371,955,494
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.				(48,788,222)
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.				(8,169,866)
Fund balance in Self-Insurance internal service fund				841,340
				\$ 367,062,373

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, 2016**

	<u>General</u>	<u>Public Works Capital Proj. Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes & special assessments	\$ 34,234,284	\$ -	\$9,591,613	\$ 43,825,898
Contributions from other governments			4,008,657	4,008,657
Licenses and permits	2,391,741		-	2,391,741
Intergovernmental	3,402,797		2,548,337	5,951,134
Charges for services	15,649,184		502,197	16,151,381
Fines & forfeitures	981,419		-	981,419
Investment income	115,867	8,713	197,023	321,603
Rents & concessions	52,721		192,531	245,252
Miscellaneous	60,230			60,230
Contributions from other sources	168,787	1,148,817	1,675,714	2,993,317
Capital development fees	-		3,661,948	3,661,948
Total revenues	57,057,031	1,157,530	22,378,021	80,592,582
Expenditures:				
Current:				
General government	9,265,373		60,838	9,326,211
Public safety	21,119,789		1,858	21,121,647
Highways & public improvements	6,640,612	1,283,937	1,907,174	9,831,723
Parks, recreation & public property	11,884,977		908,809	12,793,787
Community & economic development	6,831,831		1,522,630	8,354,461
Capital outlay	-	8,114,215	8,584,383	16,698,598
Debt service				
Capital leases	28,395		70,000	98,395
Principal	-	-	5,800,396	5,800,396
Interest & admin charges	-	-	1,594,330	1,594,330
Total expenditures	55,770,977	9,398,153	20,450,418	85,619,548
Excess (deficiency) of revenues over expenditures	1,286,053	(8,240,623)	1,927,604	(5,026,966)
Other financing sources (uses):				
Transfers in	4,656,789	8,275,757	20,138,878	33,071,424
Transfers out	(4,462,332)		(25,566,245)	(30,028,577)
Payments to other taxing agencies			(358,000)	(358,000)
Inferfund utility services	(437,600)		(5,398)	(442,998)
Proceeds from sale of capital assets	96,909		3,169,016	3,265,925
Contributions from other governments				-
Proceeds of bonds and/or notes			8,098,000	8,098,000
Total other financing sources (uses)	(146,234)	8,275,757	5,476,251	13,605,774
Net change in fund balances	1,139,820	35,134	7,403,855	8,578,808
Fund balances (deficit) beginning of year,	5,991,830	157,513	36,495,478	42,644,821
Fund balances (deficit), end of year	\$ 7,131,650	\$ 192,647	\$ 43,899,333	\$ 51,223,629

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, 2016

Net change in fund balances - total governmental funds \$ 8,578,808

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. 11,637,153

Issuance of debt principal is a revenue in the governmental funds, but increases long-term liabilities in the statement of net position. (8,098,000)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 6,392,804

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 248,079

Accrued Interest for Long-term debt is not reported as an expenditure for the current period while it is recorded in the statement of activities. 1,473

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. (172,467)

GASB 68 changed the accounting for pension costs and the recording of net assets, net pension liability, and the related deferred inflows/outflows. These items are recorded in the government-wide statements but not the individual governmental funds. 935,258

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. 36,498

Change in net position of governmental activities \$ 19,559,606

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, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Taxes:				
General property taxes	\$ 8,350,000	\$ 8,350,000	\$ 8,318,292	\$ (31,708)
Prior year's delinquent taxes	350,000	350,000	263,918	(86,082)
Fee-In-Lieu of Property taxes	1,300,000	1,300,000	1,069,878	(230,122)
General sales & use taxes	16,950,000	17,600,000	17,665,339	65,339
Franchise taxes	7,000,000	7,000,000	6,916,858	(83,142)
Total taxes	33,950,000	34,600,000	34,234,284	(365,716)
Licenses & permits:				
Business licenses & permits	784,500	784,500	780,925	(3,575)
Non-business licenses & permits	1,532,000	1,632,000	1,610,816	(21,184)
Total licenses & permits	2,316,500	2,416,500	2,391,741	(24,759)
Intergovernmental revenues:				
Federal grants	194,000	240,543	277,244	36,701
State grants	140,000	651,268	467,474	(183,794)
Class "C" roads	2,810,000	2,810,000	2,556,452	(253,548)
State liquor allotment	104,000	104,000	101,627	(2,373)
Total intergovernmental revenues	3,248,000	3,805,811	3,402,797	(403,014)
Charges for services:				
Enterprise funds	4,380,000	4,380,000	4,380,000	-
Public safety	2,400,330	2,426,830	2,480,510	53,680
Parks & public property	330,000	450,000	483,534	33,534
Cemetery	340,000	420,000	395,895	(24,105)
Recreation	2,585,575	2,614,575	2,515,110	(99,465)
Airport	939,562	1,061,562	1,139,345	77,783
Golf Courses	4,194,500	4,211,175	4,235,272	24,097
Reuse Center	32,500	32,500	19,519	(12,981)
Total charges for services	15,202,467	15,596,642	15,649,184	52,542
Fines & forfeitures:				
Court fines & bail forfeitures	1,046,000	1,046,000	981,419	(64,581)
Miscellaneous:				
Interest	85,000	100,000	115,867	15,867
Rents & concessions	30,000	60,000	52,721	(7,279)
Other	75,500	75,500	60,230	(15,270)
Total miscellaneous	190,500	235,500	228,818	(6,682)
Total revenues	55,953,467	57,700,453	56,888,244	(812,209)
Other Financing Sources :				
Sales of capital assets	30,000	80,000	96,909	16,909
Contributions from others	135,000	157,500	168,787	11,287
Interfund utility services	-	458,099	437,600	(20,499)
Proceeds from interfund loan	-	1,355,900	-	(1,355,900)
Transfers from other funds	4,658,500	4,727,231	4,219,189	(508,042)
Total Other Financing Sources :	4,823,500	6,778,730	4,922,485	(1,856,245)
Total revenues & Other Financing Sources	\$ 60,776,967	\$ 64,479,183	\$ 61,810,729	\$ (2,668,454)

(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, 2016

EXPENDITURES:	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
General government:				
City Council	\$ 569,800	\$ 616,700	\$ 559,972	\$ 56,728
City Manager	270,803	270,803	263,073	7,730
Human Resources	412,350	441,350	396,319	45,031
Finance	2,007,015	1,977,015	1,895,401	81,614
Technology Services	1,386,412	1,386,412	1,352,688	33,724
Fleet Maintenance	2,892,190	2,060,190	1,529,027	531,163
Building Maintenance	1,895,754	1,895,754	1,878,546	17,208
Legal	1,480,391	1,480,391	1,331,517	148,874
Elections	69,000	69,000	58,830	10,170
Total general government	10,983,715	10,197,615	9,265,373	932,242
Public Safety:				
Police	12,438,315	13,921,793	13,400,394	521,399
Drug Task Force	208,133	234,633	214,245	20,388
Dispatch Center	2,739,282	3,259,282	2,781,141	478,141
Fire	5,031,584	5,111,584	4,724,010	387,574
Total public safety	20,417,314	22,527,292	21,119,789	1,407,503
Highways & public improvements:				
Public Works Administration	302,305	302,305	196,087	106,218
Streets	5,046,072	5,026,072	4,747,707	278,365
Engineering	737,188	737,188	698,612	38,576
Airport	1,010,599	1,048,599	998,206	50,393
Total highways & improvements	7,096,164	7,114,164	6,640,612	473,552
Parks, Recreation & Public Property:				
Parks and open spaces	6,205,010	6,195,700	6,024,622	171,078
Recreation & cultural arts	5,705,471	5,720,971	5,272,408	448,563
Cemetery	582,064	582,064	587,947	(5,883)
Total parks, recreation & public property	12,492,545	12,498,735	11,884,977	613,758
Golf Courses - Economic development	4,727,595	4,744,270	4,717,242	27,028
Community development	2,353,312	2,433,312	2,114,588	318,724
Total economic & community developmnt	7,080,907	7,177,582	6,831,831	345,751
Debt service: Capital leases	28,395	28,395	28,395	-
Total expenditures	58,099,040	59,543,783	55,770,977	3,772,806
OTHER FINANCING USES				
Interfund Utility Services	549,000	549,000	437,600	111,400
Contributions to other funds	2,099,527	4,357,000	4,462,332	(105,332)
TOTAL EXPENDITURES & OTHER USES	60,747,567	64,449,783	60,670,909	3,778,874
Net change in fund balance	29,400	29,400	1,139,820	\$ 1,110,420
Fund Balance at beginning of year	5,991,830	5,991,830	5,991,830	
Fund Balance at end of year	\$ 6,021,230	\$ 6,021,230	\$ 7,131,650	

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, 2016

ASSETS	Business-type Activities - Enterprise Funds					Governmental
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWTR TREATMENT	Non-Major Enterprise Funds	TOTALS 2016	Activities Internal Service Fund
Current assets:						
Cash	\$ 13,534,592	\$ 6,080,797	\$ 39,960,615	\$ 1,444,672	\$ 61,020,676	\$ 870,834
Restricted cash		1,815,176	-		1,815,176	
Accts. receivable (net of allowance for uncollectibles of \$2,303,129)	7,165,382	2,763,868	303,327	1,310,600	11,543,177	
Inventory	2,085,935	619,014			2,704,948	
Net pension assets	13,224	9,455	4,007	2,568	29,254	
Prepaid expenses				6,909	6,909	
Due from other funds				-	-	
Note receivable				998	998	
Bond discounts & insurance	5,285,481	38,955	-		5,324,436	
Total current assets	28,084,613	11,327,265	40,267,948	2,765,748	82,445,574	870,834
Capital assets net of accumulated depreciation	77,115,107	96,180,745	52,561,176	14,152,651	240,009,679	-
Deferred Outflow of Resources						
Deferred outflows related to pensions	1,069,741	735,588	305,972	210,806	2,322,107	
Deferred charge on bond refunding	-				-	
Total deferred outflows	1,069,741	735,588	305,972	210,806	2,322,107	
TOTAL ASSETS & DEFERRED OUTFLOWS	106,269,461	108,243,598	93,135,096	17,129,204	324,777,360	870,834
LIABILITIES						
Current liabilities:						
Accounts payable & accrued liabilities	5,302,641	1,761,865	460,018	567,538	8,092,062	29,494
Bonds payable - short term	2,239,000	2,276,000	-	115,000	4,630,000	
Due to other funds - short term		-	-	14,396	14,396	
Note payable - short term		10,000			10,000	
Net pension liability	2,023,422	1,405,048	587,261	397,315	4,413,046	
Deposits payable	1,065,263	381,205		189,422	1,635,890	
Total current liabilities	10,630,325	5,834,118	1,047,279	1,283,672	18,795,394	29,494
Long-term liabilities:						
Bonds payable - long term	51,072,000	5,695,000	-	186,000	56,953,000	
Bond premiums	7,257,655	116,576	-		7,374,231	
Note payable - long term		48,800			48,800	
Deposit for future capital improvements	11,000			-	11,000	
Total long-term liabilities	58,340,655	5,860,376	-	186,000	64,387,031	-
Total liabilities	68,970,980	11,694,494	1,047,279	1,469,672	83,182,425	29,494
DEFERRED INFLOWS						
Deferred inflows related to pensions	281,454	196,050	82,067	55,202	614,773	
TOTAL LIABILITIES & DEFERRED INFLOWS	69,252,434	11,890,544	1,129,346	1,524,874	83,797,198	29,494
NET POSITION						
Net Investment in capital assets	24,070,933	90,359,324	52,561,176	13,851,651	180,843,084	-
Restricted	72	1,815,176	-	947,054	2,762,302	-
Unrestricted	12,946,022	4,178,554	39,444,574	805,625	57,374,776	841,340
Total net position	\$ 37,017,027	\$ 96,353,054	\$ 92,005,750	\$ 15,604,331	\$ 240,980,162	\$ 841,340

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, 2016

	Business-type Activities - Enterprise Funds				TOTALS 2016	Governmental
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWTR TREATMENT	Non-Major Enterprise Funds		Activities Internal Service Fund
OPERATING REVENUES:						
Charges for services	\$ 61,163,385	\$ 19,036,132	\$ 4,673,394	\$ 11,167,582	\$ 96,040,492	\$ 507,219
Other operating revenues	1,800,601	1,023,108	1,418,528	221,171	4,463,408	
Total operating revenues	62,963,986	20,059,240	6,091,922	11,388,753	100,503,900	\$ 507,219
OPERATING EXPENSES:						
Electricity purchased	35,957,027		411,687		36,368,714	
Natural gas purchased	6,137,399				6,137,399	
Water purchased		5,029,845			5,029,845	
Salary and wages	4,146,575	2,555,079	1,149,050	690,018	8,540,721	
Supplies	705,421	-	-	23,044	728,465	
Service vehicle expense	170,771	164,491	41,903	83,698	460,863	
Equipment rental	-	45,041	56,163	2,640	103,844	
Depreciation	6,089,037	2,741,614	1,569,803	458,618	10,859,072	
Payroll tax & employee benefits	1,530,331	1,082,851	476,293	308,067	3,397,542	
Office & dept. supplies	61,567	291,492	1,647	71,742	426,447	
Professional services	1,592,365	166,969	192,002	41,487	1,992,822	
R. & M. - equipment	601,055	1,328,384	711,896	144,814	2,786,149	
R. & M. - buildings and grounds	20,566	9,929	27,625	12,280	70,399	
Insurance & surety bonds	144,402	80,577	55,219	16,100	296,298	
Travel	102,566	30,069	9,653	7,691	149,980	690
Miscellaneous	3,092	186			3,283	
Interest expense	30,404				30,404	
Subscriptions & memberships	74,494	35,365	1,652	1,771	113,282	
Lease payments					-	
Claims paid						189,453
Insurance premiums						285,734
Contract labor				7,497,888	7,497,888	
Billing & administration	1,700,000	1,100,000	750,000	830,000	4,380,000	
Total operating expenses	59,067,070	14,661,892	5,454,595	10,189,857	89,373,414	475,877
Operating income	3,896,916	5,397,348	637,327	1,198,896	11,130,486	31,342
NON-OPERATING REVENUES (EXPENSES)						
Interest income	77,438	49,301	268,379	23,845	418,963	5,157
Rent	-	-	5,500	98,395	103,895	
Miscellaneous income	54,139	36,606	101,504	22,125	214,374	-
Gain (loss) on sale of assets	18,210	(12,972)		4,110	9,348	
Contributions from others	24,179		6,768		30,947	
Federal grants	-	34,162			34,162	
Interfund utility services	(55,072)	(921,591)	(30,150)	-	(1,006,813)	
Interest charges	(2,481,578)	(206,406)	-	(12,870)	(2,700,854)	
Total non-operating revenue (expense)	(2,362,684)	(1,020,900)	352,002	135,605	(2,895,977)	5,157
Income before transfers	1,534,232	4,376,448	989,329	1,334,500	8,234,509	36,498
Transfers (to) from other funds	(1,112,857)	427,732	(179,013)	(1,528,710)	(2,392,847)	
Additions to contributed capital					-	
Change in Net position	421,375	4,804,180	810,316	(194,210)	5,841,662	36,498
Total net position - beginning	36,595,652	91,548,874	91,195,434	15,798,541	235,138,501	804,842
Total net position - ending	\$ 37,017,027	\$ 96,353,054	\$ 92,005,750	\$ 15,604,331	\$ 240,980,163	\$ 841,340

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, 2016

	Business-type Activities - Enterprise Funds				TOTALS 2016	Governmental
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWR TREATMENT	Non-Major Enterprise Funds		Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 62,765,545	\$ 19,860,831	\$ 5,984,550	11,287,904	\$ 99,898,830	\$ -
Receipts from interfund services provided						507,219
Payments to suppliers	(50,175,812)	(7,957,743)	(2,102,035)	(8,643,535)	(68,879,126)	
Payments to employees	(5,676,905)	(3,637,930)	(1,625,343)	(998,085)	(11,938,263)	
Payments for interfund services used						(451,779)
Net cash provided (used) by operating activities	6,912,828	8,265,158	2,257,172	1,646,284	19,081,442	55,440
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Rents received		-	5,500	120,520	126,020	
Miscellaneous non-operating income	54,139	36,606	101,504	-	214,374	
Interfund receivable/payable activity			5,554,536	(6,778)	5,547,758	
Federal operating grant	-	34,162			34,162	
Interfund utility services	(55,072)	(921,591)	(30,150)	-	(1,006,813)	
Economic development transfer	(1,112,857)	427,732	(179,013)	(1,528,710)	(2,392,847)	
Net increase (decrease) in pension benefits for effect of GASB 68	(128,326)	(87,873)	(35,907)	(26,402)	(278,508)	
Net cash provided (used) by noncapital and related financing activities	(1,242,116)	(510,964)	5,416,471	(1,441,370)	2,244,145	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from bond refunding	55,133,500		-		55,133,500	
Purchases of capital assets	(4,225,051)	(2,967,620)	(811,460)	(946,571)	(8,950,702)	
Principal paid on capital debt	(53,930,000)	(2,168,000)		(109,000)	(56,207,000)	
Interest on capital debt net of disc/premiums	(3,972,537)	(71,731)		(5,961)	(4,050,229)	
Gain (loss) on sale of fixed assets	18,210	(12,972)		4,110	9,348	
Amortization of deferred loss on bond refunding	715,298				715,298	
Contributions from others	24,179		6,768		30,947	
Net cash provided (used) by capital and related financing activities	(6,236,401)	(5,220,323)	(804,692)	(1,057,422)	(13,318,838)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	77,438	49,301	268,379	23,845	418,963	5,157
Net increase (decrease) in cash and cash equivalents	(488,251)	2,583,172	7,137,330	(828,663)	8,403,588	60,597
Cash and equivalents including restricted cash of \$1,949,168 at beginning of year	14,022,843	5,312,800	32,823,287	2,273,336	54,432,266	810,237
Cash and equivalents including restricted cash of \$1,815,176 at end of year	\$ 13,534,592	\$ 7,895,972	\$ 39,960,617	\$ 1,444,673	\$ 62,835,854	\$ 870,834
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss)	3,896,916	5,397,348	637,327	1,198,896	11,130,486	31,342
Adjustments to reconcile net income from operations to net cash provided by operating activities:						
Depreciation	6,089,037	2,741,614	1,569,803	458,618	10,859,072	
Changes in assets & liabilities:						
Decrease (increase) in receivables	(211,972)	(208,378)	(107,372)	(111,565)	(639,286)	
Decrease (increase) in inventory	(337,547)	299,930			(37,616)	
Decrease (increase) in note receivable				-	-	
Decrease (increase) in prepaid exp.				-	-	
Increase (decrease) in deposits	13,531	9,970		10,717	34,218	
Increase (decrease) in accruals	(2,537,137)	24,674	157,413	89,620	(2,265,430)	24,099
Total adjustments	3,015,912	2,867,810	1,619,845	447,390	7,950,957	24,099
Net cash provided by operating activities:	\$ 6,912,828	\$ 8,265,158	\$ 2,257,172	\$ 1,646,286	\$ 19,081,443	\$ 55,441

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, 2016

	PENSION TRUST *****
ASSETS	
Restricted cash and investments	\$ 14,898,466
Total Assets	14,898,466
LIABILITIES	
Liabilities:	
Accrued liabilities	-
Total liabilities	-
NET POSITION	
Held in trust for pension benefits and other purposes	\$ 14,898,466

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, 2016

	PENSION TRUST

ADDITIONS	
Retirement contributions	\$ 55,709
Life insurance contributions	-
Certificate sales	-
Net increase in fair value of investments	(190,014)
Citizen donations	-
	-
Total additions	(134,305)
DEDUCTIONS	
Administrative & general	804
Life insurance premiums	-
Retirement withdrawals	591,959
	591,959
Total deductions	592,763
Change in net position	(727,068)
Net position - beginning of year	15,625,534
Net position - end of year	\$ 14,898,466

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, 2016

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 interfund 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 interfund 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 *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 owner-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 timeline 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 and improvements, parks and 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, 2016, 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, 2016 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, 2016 the City had a deferred outflows for deferred charge/loss on bond refunding of the 2016 & 2016 B Electric Revenue bonds that will be recognized over the life of the refunding bonds. Also at June 30, 2016 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, 2015. 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 earned. 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 5 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 cardholder uses the facilities. 2) Property tax rates for the fiscal year ending June 30, 2017, are adopted in connection with the adoption of the 2017 budget in June 2016. Thus they become a valid levy/lein at that time. Accordingly, the estimated amount to be collected in the 2017 fiscal year is recorded as a receivable and a deferred inflow in the governmental funds for the fiscal year ended June 30, 2016. 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 reporting 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, and wastewater treatment 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.

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 \$371,955,494 are as follows:

Land	\$ 95,816,959
Buildings	42,620,664
Less: Accumulated depreciation-buildings	(17,873,553)
Improvements	83,222,697
Less: Accumulated depreciation-improvements	(33,388,206)
Infrastructure	256,268,912

Less: Accumulated depreciation-infrastructure	(69,199,781)
Machinery & Equipment	42,414,103
Less: Accumulated depreciation-machinery & equip	<u>(27,926,301)</u>
Net adjustment to increase fund balance-total governmental funds to arrive at net position-governmental activities	<u>\$371,955,494</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 \$48,788,222 difference are as follows:

Notes payable	\$ 771,264
Bonds payable	40,383,000
Add: Issuance premium (to be amortized over life of debt)	1,558,642
Capital leases	3,900,866
Compensated absences	1,863,348
Interest payable on long-term debt	<u>311,102</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position-governmental activities	<u>\$48,788,222</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 \$8,169,866 are as follows:

Net pension liability	\$13,659,892
Deferred inflows related to pensions	1,893,676
Net pension assets	(86,427)
Deferred outflows related to pensions	<u>(7,297,275)</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position-governmental activities	<u>\$8,169,866</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 \$841,340 difference are as follows:

Net position of self-insurance internal services fund	<u>\$841,340</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 \$11,637,153 difference are as follows:

Capital outlay	\$21,543,500
Sale of capital assets, net of accumulated depreciation	(61,881)
Depreciation expense	<u>(9,844,466)</u>
Net adjustment to increase net changes in fund balance-governmental funds to arrive at changes in net position of governmental activities	<u>\$11,637,153</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 \$1,705,196 difference are as follows:

Principal repayments:	
General obligation debt	\$2,287,000
Sales tax revenue bonds	2,750,000
Excise tax revenue bonds	295,000
Notes payable	343,136
Capital leases	<u>717,668</u>
Total principal repayments	6,392,804
Debt issued:	
2015 General obligation revenue bonds	\$7,898,000
Notes payable	<u>200,000</u>
Total debt issued	<u>(8,098,000)</u>
Net adjustment to increase changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	<u>\$1,705,196</u>

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 amortization of bond premiums on general obligation bonds during the current fiscal year was: \$ 248,079

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: \$ 1,473

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: \$ (172,467)

Another element of that reconciliation states that “GASB 68 changed the accounting for pension costs and the recording of net assets, net pension liability, and the related deferred inflows/outflows. These items are recorded in the government-wide statements but not the individual governmental funds.” The details of this \$935,258 difference are as follows:

Change to Net Pension Asset	\$ (166,686)
Change to Deferred Outflows Related to Pensions	4,920,702
Change to Net Pension Liability	(3,728,895)
Change to Deferred Inflows Related to Pensions	<u>(89,862)</u>
Net adjustment to increase net changes in fund balance-governmental funds to arrive at changes in net position of governmental activities	<u>\$ 935,259</u>

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.” \$36,498

III. Stewardship, compliance and accountability

A. Excess of expenditures over appropriations

For the fiscal year ended June 30, 2016, all fund expenditures were less than appropriations.

B. Deficit fund equity

At June 30, 2016 the Community Resource Center Special Revenue Fund and the Dixie Center Area EDA Special Revenue Fund had a deficit fund balance. It is anticipated that the deficits in the Community Resource Center Special Revenue Fund will be eliminated in the subsequent fiscal year through increased revenue and/or transfers from other funds. The Dixie Center Area EDA Special Revenue Fund has a positive cash balance, yet the deficit fund balance will be eliminated in subsequent years through increased revenues, sales of property within the EDA, and/or transfers from other funds.

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, 2016, the City's book balance was \$112,809,194. The bank balance was \$115,048,845 and \$114,269,466 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, 2016, the City had the following cash & investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percentage</u>
U.S. Treasuries	\$ 4,019,342	3.15%
State Treasurer's investment pool	107,855,574	84.46%
Bank certificates of deposit	483,426	0.38%
Bank demand deposits (checking & saving)	450,852	0.35%
Insurance company contracts (pension plan)	14,898,466	11.67%
	<u>\$ 127,707,660</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, 2016, the weighted average of maturities was 63.07 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, 2016, no investments exceeded this policy.

State Treasurer’s Investment Pool

The Public Treasurers Investment Fund (PTIF) is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Section 51-7, *Utah Code Annotated, 1953*, as amended. The Act established the Money Management Council, which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gain or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains and losses – net of administration fees, of the PTIF are allocated based upon the participant’s average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

As of June 30, 2016, the City had the following investments, ratings, and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating (1)</u>	<u>Weighted Average Maturity (2)</u>
U.S. Treasury Obligations	\$ 4,019,341	AAA	18.10
State of Utah Public Treasurer’s Investment Fund	<u>107,855,574</u>	N/A	53.38
Total Fair Value	<u>\$111,874,915</u>		

- (1) Ratings are provided where applicable to indicate associated Credit Risk. N/A indicates Not Applicable.
- (2) Interest Rate Risk is estimated using the weighted average days to maturity.

Fair value measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2016:

- U.S. Treasury obligations of \$4,019,341 are valued using quoted market prices (Level 1 inputs).
- PTIF of \$107,855,574 are valued using amortized cost (Level 2 inputs).

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.

	General	Public Works Capital Project Fund	Other Government Funds	Total
Receivables				
Accounts	\$ 407,366	\$1,157,792	\$235,657	\$1,800,816
FY 2016 Property taxes	197,471		4,441	201,912
FY 2017 Property taxes	8,700,000		3,592,838	12,292,838*
Grants	139,374		1,230,662	1,343,035
Sales taxes	3,109,459		1,091,391	4,200,850
Special assessments			100,989	100,989
Transit room taxes			123,855	123,855
Franchise taxes	139,069			139,069
Total receivable	<u>\$12,692,739</u>	<u>\$1,157,792</u>	<u>\$6,379,833</u>	<u>\$20,203,364</u>

* *The 2016 Property taxes are levied in June 2016 for the fiscal year 2017 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	\$ 8,665,139	\$ 3,300,557	\$ 303,327	\$ 1,577,283	\$ 13,846,306
Grants		-			-
Gross receivables	\$ 8,665,139	\$ 3,300,557	\$ 303,327	\$ 1,577,283	\$ 13,846,306
Less: Allowance	(1,499,757)	(536,689)		(266,683)	(2,303,129)
Net Receivables	<u>\$ 7,165,382</u>	<u>\$ 2,763,868</u>	<u>\$ 303,327</u>	<u>\$ 1,310,600</u>	<u>\$ 11,543,177</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, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 95,005,703	\$ 862,778	\$ 51,522	\$ 95,816,959
Capital assets being depreciated:				
Buildings	41,362,501	1,258,163		42,620,664
Improvements	76,917,578	6,305,119		83,222,697
Infrastructure	246,988,880	9,280,032		256,268,912
Equipment, etc	39,677,870	3,837,858	1,101,675	42,414,053
Total capital assets being depreciated	404,946,829	20,681,172	1,101,675	424,526,326
Less accum. depreciation for:				
Buildings	16,726,134	1,147,419		17,873,553
Improvements	30,814,632	2,573,574		33,388,206
Infrastructure	65,096,385	4,103,396		69,199,781
Equipment, etc	26,997,039	2,020,077	1,090,864	27,926,252
Total accum. depreciation	139,634,190	9,844,466	1,090,864	148,387,792
Total capital assets being depreciated, net	265,312,639	10,836,706	10,811	276,138,534
Governmental activities capital assets, net	<u>\$ 360,318,342</u>	<u>\$ 11,699,484</u>	<u>\$ 62,333</u>	<u>\$ 371,955,493</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land*	\$ 22,826,437	\$ -	\$ -	\$ 22,826,437
Capital assets being depreciated:				
Buildings and Systems*	340,079,640	4,807,471	44,000	344,843,111
Improvements	15,256,217	3,069,957		18,326,174
Machinery & Equipment	18,602,084	1,199,585	518,899	19,282,770
Total capital assets being depreciated	373,868,837	9,077,013	562,899	382,452,055
Less accum. Depreciation for:				
Buildings and Systems	132,873,558	9,264,521	2,640	142,135,439
Improvements	7,397,491	921,678		8,319,169
Machinery & Equipment	14,429,187	672,873	287,855	14,814,205
Total accum. Depreciation	154,700,236	10,859,072	290,495	165,268,813
Total capital assets being depreciated, net	219,168,601	(1,782,059)	272,404	217,183,242
Business-type activities capital assets, net	\$ 241,995,038	\$ (1,782,059)	\$ 272,404	\$ 240,009,679

* Beginning adjustment of \$69,104 to Land (decreased) and Buildings (increased).

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

Governmental activities:	
General government	\$ 1,141,495
Public safety	899,451
Highways, streets, etc.	5,034,380
Parks, recreations, etc.	2,328,028
Community development	441,113
Total depreciation expense - governmental activities	<u>\$ 9,844,467</u>
Business-type activities:	
Municipal building authority	\$ 98,336
Water utility	2,741,614
Wastewater collection	360,282
Electric utility	6,089,037
Regional wastewater treatment	1,569,803
Total depreciation expense - business-type activities	<u>\$10,859,072</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, 2016, interfund balances due to or from other funds was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Community Resource Center	\$ 371,539
General Fund	Refuse Collection Fund	14,396
Capital Equip Capital Proj. Fund	2010 Flood Reconst. Fund	415,366
Economic Development Fund	Dixie Center Area EDA	1,000,000

The 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 2017 fiscal year, except the interfund loan between the Economic Development Fund and the Dixie Center Area EDA. This loan for \$1,000,000 will be repaid with interest by June 30, 2023 as the EDA receives future tax increments.

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, 2016 were as follows:

<u>Fund Transferring Out</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>
General Fund	Dixie Center Operations	\$ 267,000
	Airport PFC Charges Fund	11,515
	Capital Projects Capital Equip	4,183,817
General Fund - Highways etc.	Public Works Cap. Projects	600,000
Recreation Bond Debt Service	Capital Projects Capital Equip	940,000
Economic Development Fund	Airport Debt Serv Fund	20,244
	General Fund	438,247
Transportation Improvement	SunTran Public Transit Fund	500,000
	Public Works Capital Proj.	2,817,809
	Street Bond Cap. Proj. Fund	2,319,500
	General Fund	85,000
Airport PFC Charges Fund	General Fund	15,450
Capital Projects Capital Equip	General Fund	3,230,468
	2010 Flood Fund	637,763
Park Impact Fund	General Fund	104,116
	Capital Equip Fund	1,000,000
Drainage Impact Fund	Public Works Capital Proj.	1,503,831

Drainage Utility Fund	Public Works Capital Proj.	548,374
	General Fund	85,000
	2010 Flood Fund	895,335
CDBG Special Revenue Fund	General Fund	62,560
	Community Resource Center	121,929
Ft. Pierce EDA #2 Fund	Housing Program Fund	80,319*
	General Fund	21,000
Ft. Pierce EDA #1 Fund	Housing Program Fund	62,536*
	General Fund	10,500
Dixie Center EDA Fund	General Fund	16,500
	Street Bond Cap Proj Fund	350,000
Ft. Pierce CDA #1 Fund	General Fund	35,000
	Street Bond Cap Proj Fund	360,000
Ft. Pierce CDA #2 Fund	General Fund	2,000
Downtown Redevelopment Fd	Capital Projects Capital Equip	687,295
Housing Program Fund	Community Resource Center	106,723
Perpetual Care Fund	General Fund	50,000
RAP Tax Fund	General Fund	63,347
	Capital Projects Capital Equip	100,000
Street Bond Cap Proj Fund	Transportation Improvement	507,142
	Public Works Capital Proj.	1,993,987
Replacement Airport Fund	Economic Development Fund	2,481,223
	Street Bond Cap Proj Fund	4,080,000
Water Fund	2010 Flood Fund	34,081
Electric Fund	2010 Flood Fund	177,896
Regional Wastewater Treatment	Public Works Capital Proj.	209,163
Street Impact Fund	Public Works Capital Proj.	<u>811,754</u>
	Total Interfund Transfers	\$32,628,424
Total Interfund Transfers - Governmental Funds		\$30,678,577
Total Interfund Transfers - Enterprise Funds		1,949,849

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	\$400,287	\$ 37,312
Community Resource Center	2,519	
Downtown RDA Fund	131	430
SunTran Transit Fund	260	
Capital Equip. Capital Proj Fund	2,058	
Electric Utility Fund	2,834	52,238
Water Utility Fund	21,538	900,052
Wastewater Treatment Fund	30,150	
Totals	<u>\$459,777</u>	<u>\$990,032</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.

General obligation bonds currently outstanding at June 30, 2016 are as follows:

Governmental activities:

	<u>Interest rates</u>	<u>Amount</u>
2010 G.O. Parks & Recreation	2.5% to 4.00%	\$ 4,645,000
2014 G.O. Parks & Recreation	2% to 3%	<u>6,890,000</u>
		<u>\$11,535,000</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 \$2,860,000 to \$2,980,000 per year from November 1, 2009 thru November 1, 2017. They have an interest rate of 3.084% to 5.053%.

Governmental activities:

	<u>Interest rates</u>	<u>Amount</u>
2009 Sales Tax Revenue bonds	3.084% to 5.053%	<u>\$5,840,000</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 franchise tax 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 \$415,000 to \$745,000 thru December 1, 2028. They have an interest rate of 4.0% to 5.0%. At June 30, 2016, the debt balance is as follows:

Governmental activities:

	<u>Interest rates</u>	<u>Amount</u>
2014 Franchise Tax Revenue Bonds	4.0% to 5.0%	<u>\$7,350,000</u>

In 2015, the City issued Franchise Tax revenue bonds which are secured by the collection of RAP (Recreation, Arts & Park) Taxes, which is a 0.10% sales tax to be collected by the county and distributed to the cities based on sales tax revenue and population. The bonds were originally issued for \$7,898,000 and will be used for the construction of recreation, art or park facilities throughout the City. The bonds are repaid in annual installments of \$749,000 to \$845,000 thru June 1, 2025. They have an interest rate of 0.80% to 2.30%.

	<u>Interest rates</u>	<u>Amount</u>
2015 Franchise Tax Revenue Bonds	0.80% to 2.3%	<u>\$7,101,000</u>
Total City reflected General Obligation Debt		<u>\$31,826,000</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>
2017	\$ 5,194	\$ 988	\$ 6,182
2018	5,420	816	6,236
2019	2,548	704	3,252
2020	2,672	629	3,301
2021	2,798	549	3,347
2022-2026	11,059	1,362	12,421
2027-2029	<u>2,135</u>	<u>149</u>	<u>2,284</u>
Totals	<u>\$31,826</u>	<u>\$5,197</u>	<u>\$37,023</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 \$311,000 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, 2016 the balance of this bond issue is \$1,834,000. 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, 2016, 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>
2017	\$ 311	\$ 674	\$ 289	\$ 696
2018	327	649	281	695
2019	345	622	271	696
2020	362	595	262	695
2021	381	566	252	695
2022-2024	<u>6,831</u>	<u>1,507</u>	<u>677</u>	<u>7,661</u>
	<u>\$ 8,557</u>	<u>\$4,613</u>	<u>\$2,032</u>	<u>\$11,138</u>

The City has entered into an inter-local agreement with Washington County for the sharing of TRCC (tourism, recreation, culture, and convention) 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 for the full term of the bonds.

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>
2017	\$298	\$ 39	\$ 337
2018	<u>353</u>	<u>21</u>	<u>374</u>
Totals	<u>\$651</u>	<u>\$ 60</u>	<u>\$ 711</u>

In fiscal year 2016, the City entered into a promissory note agreement to purchase property on St. George Blvd for \$200,000. It is being repaid at 0% interest rate, with annual payments of \$60,000 on January 2nd of each year through January 2, 2018. The outstanding balance on this note as of June 30, 2016 is \$120,000.

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, 2016 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	\$95 to \$100	4.7%	9/1/17	\$ 195
2000 Woodward	<u>350</u>	\$20 to \$23	2.5%	4/1/21	<u>106</u>
Total Municipal Bldg	<u>6,620</u>				<u>301</u>
2013 Water	\$ 3,637	\$1191	1.26%	7/1/16	\$ 1,191
2011 Water	6,120	\$760 to \$830	2.75% to 3%	6/1/20	3,185
2012 Water	<u>3,830</u>	\$325 to \$405	2% to 3%	7/1/25	<u>3,595</u>
Total Water Utility	<u>13,587</u>				<u>7,971</u>
2008 Electric Revenue	\$50,000	\$1150 to \$1200	5%	6/1/18	\$2,350
2013 Electric Revenue	11,280	\$985 to \$1250	2.65%	6/1/25	0
2016 Electric Refund	40,625	\$1270 to \$2990	2% to 5%	6/1/38	40,625
2016B Electric Refund	<u>10,336</u>	\$1089 to \$1233	0.95% to 2.46%	6/1/25	<u>10,336</u>
Total Electric Utility	<u>112,241</u>				<u>53,311</u>
Total Business-type Activities	<u>\$132,448</u>				<u>\$61,583</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>
2017	\$ 4,630	\$ 2,502	\$ 7,132
2018	3,527	2,189	5,716
2019	3,548	2,084	5,632
2020	3,614	2,013	5,627
2021	2,892	1,899	4,791
2022-2026	14,607	7,903	22,510
2027-2031	10,090	5,299	15,389
2033-2036	12,790	2,612	15,402
2037-2038	<u>5,885</u>	<u>277</u>	<u>6,162</u>
Totals	<u>\$61,583</u>	<u>\$26,778</u>	<u>\$88,361</u>

In the fiscal year 2016, the City refunded a portion of the 2008 Electric Revenue Bonds. The principal of \$41,725,000 that was due from 2019 to 2038 was refunded to take advantage of lower interest rates. The City also refunded the 2013 Electric Revenue Bonds of \$10,120,000 to take advantage of lower interest rates. The premiums, discounts, and gain on refunding as a result of these refundings are being amortized over the remaining term of the bonds, however the prepaid refunding interest of \$4,172,500 will be amortized equally over the next two fiscal years.

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, 2016, 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
2008 Electric Revenue bonds (partial)	41,725,000
2013 Electric Revenue bonds	10,120,000

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2016 was as follows: (in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Governmental activities:					
Bonds payable:					
G.O. Bonds	\$ 12,620	\$ -	\$ (1,085)	\$ 11,535	\$ 1,170
Sales Tax Bonds	8,590	-	(2,750)	5,840	2,860
Franchise Tax Bonds	7,755	7,898	(1,202)	14,451	1,164
Federal Subsidy bonds	8,852	-	(295)	8,557	311
Total bonds payable	37,817	7,898	(5,332)	40,383	5,505
Ekins Note payable	914	-	(263)	651	298
Bentley Note payable	-	200	(80)	120	60
WCIA lease	3,784	-	(530)	3,254	437
Capital leases	834	-	(187)	647	193
Interest payable	312	-	(25)	287	
Unamortized premiums	1,807	-	(248)	1,559	
Vacation payable	1,691	172	-	1,863	
Governmental activity long-term liabilities	<u>\$ 47,159</u>	<u>\$ 8,270</u>	<u>\$ (6,665)</u>	<u>\$ 48,764</u>	<u>\$ 6,493</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 66,819	\$ 50,961	\$ (56,197)	\$ 61,583	\$ 4,630
WCWCA note	68		(10)	58	10
Unamortized premiums	318	7,137	(81)	7,374	
Total business-type long-term liabilities	<u>\$ 67,205</u>	<u>\$ 58,098</u>	<u>\$ (56,288)</u>	<u>\$ 69,015</u>	<u>\$ 4,640</u>

G. Leases payable

The City has entered into a lease agreement as lessee for financing the acquisition of golf carts, mowers, and tractors in the golf course fund 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 \$409,763.

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, 2016.

<u>Fiscal year ended</u>	<u>Golf Carts</u>
June 30, 2017	\$213,514
June 30, 2018	213,514
June 30, 2019	<u>262,000</u>
Total payments	689,028
Less amount representing interest	(42,382)
Present value of lease payments	<u>\$646,646</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, 2017	\$ 535
June 30, 2018	469
June 30, 2019	433
June 30, 2020	439
June 30, 2021	442
2022-2024	<u>1,309</u>
Total remaining minimum lease payments	3,627
Less amount representing interest	<u>(373)</u>
Present value of net remaining minimum lease payments	<u>\$3,254</u>

For the fiscal year ended June 30, 2016 expenditures were payments for O&M of \$746,951 and debt service payments of \$630,406.

H. Segment information

The City Municipal Building Authority issued revenue bonds for the construction of the police department building, the Museum & Opera House and the expansion of the Sunbrook golf course. 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	\$ 24,820
	Other assets (prepaid & deferred bond costs)	6,909
	Capital assets	10,770,124
	Less depreciation	<u>(1,775,202)</u>
	Total assets	<u>9,026,651</u>
Liabilities:	Accrued liabilities	3,624
	Due to other funds	-
	Noncurrent liabilities	<u>301,000</u>
	Total liabilities	304,624
Net position:	Net investment in capital assets	8,693,922
	Restricted	-
	Unrestricted	<u>28,105</u>
	Total net position	<u>\$ 8,722,027</u>

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

	<u>MBA</u>
Charges for services	\$ -
Depreciation expense	(98,336)
Other operating expenses	(9,503)
Operating income (loss)	<u>(107,839)</u>
Nonoperating revenues (expenses)	
Interest Income	36
Rental Income	98,395
Contributions from other governments	22,125
Interest Expense	(12,870)
Income (loss) before transfers	<u>(153)</u>
Transfers to other funds	-
Change in net position	<u>(153)</u>
Beginning net position	8,722,180
Ending net position	<u>\$ 8,722,027</u>

CONDENSED STATEMENT OF CASH FLOWS

	<u>MBA</u>
Net cash provided (used) by:	
Operating activities	\$ (11,038)
Noncapital financing activities	120,520
Capital and related financing activities	(114,961)
Investing activities	36
Net increase (decrease)	<u>(5,443)</u>
Beginning cash & cash equivalents	30,263
Ending cash & cash equivalents	<u>\$ 24,820</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. Utah Local Governments Trust administers the liability policy above our self-insured retention. Property is covered by a blanket all risk policy with limits of up to \$232,572,000 and Power Generation Property Coverage of \$109,035,000. Utah Local Governments Trust administers the property insurance policy above what the City provides as self-insurance.

	<u>06/30/16</u>	<u>06/30/15</u>
Unpaid claims, beginning of fiscal year	\$ 5,395	\$ 16,389
Incurred claims	213,552	143,327
Claim payments	(189,453)	(154,321)
Unpaid claims, ending of fiscal year	<u>\$ 29,494</u>	<u>\$ 5,395</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 \$6,840,556 from UAMPS during the fiscal year ended June 30, 2016.

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, 2016, there had been twenty-five series of Industrial Revenue Bonds issued. The aggregate principal amount payable could not be determined; however, their original issue amounts totaled \$77.8 million.

E. Commitments/subsequent events

- 1) On July 1, 2016, the operations of the Community Resource Center were transferred to the Friends of Switchpoint (FOS). The City maintains ownership and expenses related to the building, including note payments and insurance, but all other expenses are being handled by FOS. The Department of Workforce Services (DWS) Grants were transferred to FOS effective November 1, 2016.
- 2) The City received a grant in the amount of \$497,179 from the FAA to purchase snow removal equipment.
- 3) The City purchased land for the Tonaquint Cemetery, land for a Little Valley fire station, a Hotel and Building through the Redevelopment Agency, and leased 3 new fire trucks to be delivered by September 28, 2017.
- 4) On November 10, 2016, the rating agency Fitch upgraded the 2009 Sales Tax Revenue Bonds from AA to AAA.
- 5) The City paid off the 2000 Woodward Bonds through the Municipal Building Authority.
- 6) In November, the SkyWest Airlines began a daily round-trip flight between St. George and Phoenix, adding to the other SkyWest destinations of Salt Lake City and Denver. The City has agreed to subsidize SkyWest up to \$250,000 in Fiscal Year 2017 to help fund this new route.
- 7) In December 2016, the City plans to complete several energy efficiency upgrades for city facilities, through a contract with McKinstry Essention, LLC. The approximately \$2.1 million in upgrades have been paid for and capitalized by the Electric Utility Enterprise Fund, but at the completion of the project the ownership will transfer to the General Fund and the General Fund will begin repayment through an interfund loan. The loan has a repayment period of 10 years, with interest accruing at the PTIF rates, and will be repaid by those general fund departments which received the upgrades and through realized cost savings on utility bills.

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 \$322,009.
- 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 improvement or preparation costs | \$0 |
| c) Installation of public utilities or other public improvements | \$0 |
| d) Administrative costs of the agency | \$25,400 |
| e) Debt service payments | \$0 |

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.

Summary of Benefits by System URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

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 25 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:

<u>Utah Retirement Systems</u>	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates	Employer rate for 401(k) Plan
Contributory System				
11 - Local Governmental Division Tier 1	6.00%	N/A	14.46 %	N/A
111 - Local Governmental Division Tier 2	N/A	N/A	16.67 %	1.78 %
Noncontributory System				
15 - Local Governmental Division Tier 1	N/A	N/A	18.47 %	N/A
Public Safety Retirement System				
Contributory				
122 - Tier 2 DB Hybrid Public Safety	N/A	N/A	22.50 %	1.33 %
Noncontributory				
43 - Other Division A with 2.5% COLA	N/A	N/A	34.04 %	N/A
Firefighters System				
31 - Other Division A Tier 1	N/A	15.05 %	3.99 %	N/A
132 - Tier 2 DB Hybrid Firefighters	N/A	N/A	10.75 %	1.33 %
Tier 2 DC Only				
211 - Local Government	N/A	N/A	6.69 %	10.00 %
222 - Public Safety	N/A	N/A	11.83 %	12.00 %

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For the fiscal year ended June 30, 2016, the employer and employee contributions to the Systems were as follows:

System	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 3,156,743	N/A
Contributory System	22,825	-
Public Safety System	1,643,084	-
Firefighters System	56,406	-
Tier 2 Public Employees System	723,439	-
Tier 2 Public Safety and Firefighter	209,328	-
Tier 2 DC Only System	38,067	N/A
Tier 2 DC Public Safety and Firefighter System	<u>6,649</u>	<u>N/A</u>
Total Contributions	<u>\$ 5,856,540</u>	<u>\$ -</u>

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 System are used to finance the unfunded liabilities in the Tier 1 Systems.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions At June 30, 2016, we reported a net pension asset of \$115,681 and a net pension liability of \$18,072,937.

	Proportionate <u>Share</u>	Net Pension <u>Asset</u>	Net Pension <u>Liability</u>
Noncontributory System	2.1017576 %	\$ -	\$11,892,767
Contributory System	0.3633464 %	-	255,380
Public Safety System	3.3076262 %	-	5,924,790
Firefighters System	5.1075179 %	92,507	-
Tier 2 Public Employees System	0.6541921 %	1,428	-
Tier 2 Public Safety and Firefighter System	1.4884215 %	<u>21,746</u>	<u>-</u>
Total Net Pension Asset/Liability		<u>\$115,681</u>	<u>\$18,072,937</u>

The net pension asset and liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2015 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2016 we recognized pension expense of \$4,635,441.

At June 30, 2016 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	\$ 3,776	\$ 1,283,893
Changes in assumptions	-	1,224,557
Net difference between projected and actual earnings on pension plan investments	6,453,967	-
Changes in proportion and differences between contributions and proportionate share of contributions	176,569	-
Contributions subsequent to the measurement date	<u>2,985,070</u>	<u>-</u>
Total	<u>\$9,619,382</u>	<u>\$2,508,450</u>

The \$2,985,070 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, 2015.

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>
2016	\$864,615
2017	863,895
2018	1,033,211
2019	1,465,105
2020	(43,782)
Thereafter	(57,181)

Actuarial assumptions: The total pension liability in the December 31, 2015, 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

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for the five year period ending 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>Expected Return Arithmetic Basis</u>		
	<u>Target Asset Allocation</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 from 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>
System			
Noncontributory System	\$25,128,235	\$11,892,767	\$843,803
Contributory System	449,748	255,380	92,199
Public Safety System	12,546,207	5,924,790	533,736
Firefighters System	1,259,198	(92,507)	(1,190,368)
Tier 2 Public Employees System	261,888	(1,428)	(200,997)
Tier 2 Public Safety and Firefighter	<u>36,966</u>	<u>(21,746)</u>	<u>(66,833)</u>
Total	<u>\$39,682,242</u>	<u>\$17,957,256</u>	<u>\$11,540</u>

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

Defined Contribution Savings Plans

The Defined Contributions Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding provisions is available in the separately issued URS financial report.

The City of St. George participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plan for fiscal year ended June 30, 2016, were as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>401(k) Plan</i>			
Employer Contributions	\$679,511	\$596,174	\$465,549
Employee Contributions	275,836	316,838	248,840
<i>457 Plan</i>			
Employer Contributions	242,553	234,171	242,016
Employee Contributions	189,854	151,490	123,852
<i>Roth IRA Plan</i>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	86,477	92,356	88,336

Other 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 \$55,709 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.

***REQUIRED SUPPLEMENTARY
INFORMATION***

St. George City
Schedule of the Proportionate Share of the Net Pension Liability
12/31/2015
Last 10 Fiscal Years ⁽¹⁾

	<u>Noncontributory System</u>	<u>Contributory Retirement System</u>	<u>Public Safety System</u>	<u>Firefighters System</u>	<u>Tier 2 Public Employees System</u>	<u>Tier 2 Public Safety and Firefighter System</u>
	<u>2015</u>	<u>2015</u>	<u>2015</u>	<u>2015</u>	<u>2015</u>	<u>2015</u>
Proportion of the net pension liability (asset)	2.1017576%	0.3633464%	3.3076262%	5.1075179%	0.6541921%	1.4884215%
Proportionate share of the net pension liability (asset)	\$ 11,892,767	\$ 255,380	\$ 5,924,790	\$ (92,507)	\$ (1,428)	\$ (21,746)
Covered employee payroll	\$ 17,163,225	\$ 154,817	\$ 4,868,481	\$ 1,373,759	\$ 4,226,355	\$ 885,739
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	69.29%	164.96%	121.70%	-6.73%	-0.03%	-2.46%
Plan fiduciary net position as a percentage of the total pension liability	87.8%	85.7%	87.1%	101.0%	100.2%	110.7%
	<u>Noncontributory System</u>	<u>Contributory Retirement System</u>	<u>Public Safety System</u>	<u>Firefighters System</u>	<u>Tier 2 Public Employees System</u>	<u>Tier 2 Public Safety and Firefighter System</u>
	<u>2014</u>	<u>2014</u>	<u>2014</u>	<u>2014</u>	<u>2014</u>	<u>2014</u>
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%

⁽¹⁾ 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
12/31/2015
Last 10 Fiscal Years ⁽¹⁾

	As of the fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contribution as a percentage of covered employee payroll
Noncontributory System	2014	\$ 2,900,223	\$ 2,900,223	\$ -	\$ 16,826,568	17.24%
	2015	3,144,902	3,144,902	-	17,080,311	18.41%
	2016	3,156,743	3,156,743	-	17,120,902	18.44%
Contributory System	2014	\$ 20,967	\$ 20,967	\$ -	\$ 157,883	13.28%
	2015	21,533	21,533	-	148,915	14.46%
	2016	22,825	22,825	-	157,848	14.46%
Public Safety System	2014	\$ 1,483,963	\$ 1,483,963	\$ -	\$ 4,721,896	31.43%
	2015	1,606,988	1,606,988	-	4,725,064	34.01%
	2016	1,643,084	1,643,084	-	4,830,387	34.02%
Firefighters System	2014	\$ 41,126	\$ 41,126	\$ -	\$ 1,389,379	2.96%
	2015	51,585	51,585	-	1,350,399	3.82%
	2016	56,406	56,406	-	1,413,693	3.99%
Tier 2 Public Employees System *	2014	\$ 343,002	\$ 343,002	\$ -	\$ 2,450,807	14.00%
	2015	557,105	557,105	-	3,728,341	14.94%
	2016	723,439	723,439	-	4,852,041	14.91%
Tier 2 Public Safety and Firefighter System *	2014	\$ 94,985	\$ 94,985	\$ -	\$ 502,683	18.90%
	2015	141,299	141,299	-	718,712	19.66%
	2016	209,328	209,328	-	1,075,287	19.47%
Tier 2 Public Employees DC Only System *	2014	\$ 7,518	\$ 7,518	\$ -	\$ 122,329	6.15%
	2015	23,414	23,414	-	283,985	8.24%
	2016	38,067	38,067	-	569,005	6.69%
Tier 2 Public Safety and Firefighter DC System *	2014	\$ 4,771	\$ 4,771	\$ -	\$ 42,307	11.28%
	2015	5,620	5,620	-	47,506	11.83%
	2016	6,649	6,649	-	55,568	11.97%

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

⁽¹⁾ 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
for the fiscal year ended June 30, 2016

Changes in Assumptions:

The following assumption changes were adopted from the most recent actuarial experience study. There was a decrease in the wage inflation assumption for all employee groups from 3.75% to 3.50%. Also there was a modification to the rate of salary increases for most groups. The payroll growth assumption was decreased from 3.5% to 3.25%. There was an improvement in the post retirement mortality assumption for female educators and minor adjustments to the pre retirement mortality assumption.

There were additional changes to certain demographic assumptions that generally resulted in: (1) more members are anticipated to terminate employment prior to retirement, (2) slightly fewer members are expected to become disabled, and (3) members are expected to retire at a slightly later age.

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SUPPLEMENTAL DATA

City of St. George, UT
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2016

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	\$ 1,080,669	\$ 786,524	\$ 6,516,165	\$ 1,616,412	\$ 76,268	\$ 66,784	\$ 6,403,179	\$ 42,858		
Receivables:										
Accounts	200,484	24,183		993,546	113,019		97,845			
Prepaid expenses					-					
Due from other funds			1,000,000							
Total assets	\$ 1,281,154	\$ 810,707	\$ 7,516,165	\$ 2,609,957	\$ 189,287	\$ 66,784	\$ 6,501,025	\$ 42,858		
Liabilities:										
Accounts payable & Accrd Liab.	\$ 37	\$ -	\$ 395	\$ 10,312	\$ 99,385	\$ 5,000	\$ 319,073	\$ 5		
All Abilities Park donations										
Deferred Impact Fee Credit										
Due to other funds					-		-			
Total liabilities	37		395	10,312	99,385	5,000	319,073	5		
Deferred Inflows of Resources:										
Unavailable revenues -										
2016 Property Tax Levy	-	-	-	-	-	-	-	-	-	-
Fund balances:										
Restricted for:										
Public safety programs										
Transportation programs		810,707		2,599,646						
Housing & comm. Devlpmnt										
Parks construction & devlpmnt							6,181,952			
Comm. & Economic Devpmnt	1,281,116				89,902					
Debt service funds										
Capital project funds										
Assigned to:										
Comm. & Economic Devpmnt			7,515,770							
Parks construction & devlpmnt							61,784		42,853	
Capital project funds										
Unassigned										
Total fund balances	1,281,116	810,707	7,515,770	2,599,646	89,902	61,784	6,181,952	42,853		
Total liabilities, deferred inflows and fund balances	\$ 1,281,154	\$ 810,707	\$ 7,516,165	\$ 2,609,957	\$ 189,287	\$ 66,784	\$ 6,501,025	\$ 42,858		

(continued)

City of St. George, UT
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2016
 (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	\$ 1,151,529	\$ (0)	\$ 67,261	\$ 26,854	\$ 408,770	\$ 230,354	\$ 55,596	\$ 103,201
Receivables:								
Accounts		301,687	697,657	130,835	400,526	329,735	611,652	235,546
Prepaid expenses								
Due from other funds								
Total assets	\$ 1,151,529	\$ 301,687	\$ 764,918	\$ 157,689	\$ 809,296	\$ 560,088	\$ 667,247	\$ 338,747
Liabilities:								
Accounts payable & Accrd Liab.	\$ -	\$ 21,228	\$ -	\$ -	\$ -	\$ -	\$ 58	\$ 8,652
All Abilities Park donations								
Deferred Impact Fee Credit								
Due to other funds		371,539	-	-	-		1,000,000	-
Total liabilities	-	392,766	-	-	-	-	1,000,058	8,652
Deferred Inflows of Resources:								
Unavailable revenues -								
2016 Property Tax Levy			697,500	129,968	400,000	327,600	502,507	
	-	-	697,500	129,968	400,000	327,600	502,507	-
Fund balances:								
Restricted for:								
Public safety programs								
Transportation programs								330,095
Housing & comm. Devlpmt	1,151,529							
Parks construction & devlpmt								
Comm. & Economic Devpmnt								
Debt service funds								
Capital project funds								
Assigned to:								
Comm. & Economic Devpmnt			67,418	27,721	409,296	232,488		
Parks construction & devlpmt								
Capital project funds								
Unassigned		(91,080)					(835,317)	
Total fund balances	1,151,529	(91,080)	67,418	27,721	409,296	232,488	(835,317)	330,095
Total liabilities, deferred inflows and fund balances	\$ 1,151,529	\$ 301,687	\$ 764,918	\$ 157,689	\$ 809,296	\$ 560,088	\$ 667,247	\$ 338,747

(continued)

City of St. George, UT
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2016
 (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	\$ 102,003	\$ 59,604	\$ 400,857	\$ -	\$ 2,980,063	\$ 1,545,590	\$ 15,514,050	\$ 705,914
Receivables:								
Accounts	100,989	1,535,263		-	72,000		-	15,250
Prepaid expenses							35,624	
Due from other funds				-	-	-	415,366	-
Total assets	\$ 202,992	\$ 1,594,867	\$ 400,857	\$ -	\$ 3,052,063	\$ 1,545,590	\$ 15,965,040	\$ 721,164
Liabilities:								
Accounts payable & Accrd Liab.	\$ -	\$ 500	\$ -	\$ -	\$ 142,739	\$ -	\$ 562,333	\$ 7,696
All Abilities Park donations							-	
Deferred Impact Fee Credit								
Due to other funds				-	-	-		-
Total liabilities	-	500	-	-	142,739	-	562,333	7,696
Deferred Inflows of Resources:								
Unavailable revenues -								
2016 Property Tax Levy		1,535,263						
	-	1,535,263	-	-	-	-	-	-
Fund balances:								
Restricted for:								
Public safety programs								
Transportation programs						1,545,590		
Housing & comm. Devlpmnt								
Parks construction & devlpmnt					2,909,325			
Comm. & Economic Devpmnt				-	-	-		-
Debt service funds	202,992	59,104	400,857	-	-	-		-
Capital project funds				-				713,468
Assigned to:								
Comm. & Economic Devpmnt								
Parks construction & devlpmnt								
Capital project funds							15,402,707	
Unassigned								
Total fund balances	202,992	59,104	400,857	-	2,909,325	1,545,590	15,402,707	713,468
Total liabilities, deferred inflows and fund balances	\$ 202,992	\$ 1,594,867	\$ 400,857	\$ -	\$ 3,052,063	\$ 1,545,590	\$ 15,965,040	\$ 721,164

(continued)

City of St. George, UT
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2016
 (continued)

Capital Projects Funds							
Assets	Fire Dept Impact	Police Impact	Street Bonds Capital Proj.	2010 Flood Reconstruction	2012 Flood Reconstruction	Replacement Airport	Totals
Cash and investments	\$ 716,476	\$ 90,434	\$ 1,547,521	\$ -	\$ 8,665	\$ 349,902	\$ 42,653,504
Receivables:							
Accounts	-	-		492,618	-	-	6,352,833
Prepaid expenses							35,624
Due from other funds	-	-		-	-	-	1,415,366
Total assets	\$ 716,476	\$ 90,434	\$ 1,547,521	\$ 492,618	\$ 8,665	\$ 349,902	\$ 50,457,327
Liabilities:							
Accounts payable & Accrd Liab.	\$ -	\$ -	\$ -	\$ 840	\$ -	\$ -	\$ 1,178,253
All Abilities Park donations							-
Deferred Impact Fee Credit							-
Due to other funds	-		0	415,366	-	-	1,786,905
Total liabilities	-	-	-	416,206	-	-	2,965,157
Deferred Inflows of Resources:							
Unavailable revenues - 2016 Property Tax Levy							-
							3,592,838
	-	-	-	-	-	-	3,592,838
Fund balances (deficits):							
Restricted for:							
Public safety programs							-
Transportation programs							5,286,037
Housing & comm. Devlpmnt							1,151,529
Parks construction & devlpmnt							9,091,277
Comm. & Economic Devpmnt	-	-	-	-	-	-	1,371,018
Debt service funds	-	-	-	-	-	-	662,953
Capital project funds							713,468
Assigned to:							
Comm. & Economic Devpmnt							8,252,693
Parks construction & devlpmnt							104,637
Capital project funds	716,476	90,434			8,665	-	16,218,282
Unassigned			1,547,521	76,412		349,902	1,047,438
Total fund balances (deficits)	716,476	90,434	1,547,521	76,412	8,665	349,902	43,899,332
Total liabilities, deferred inflows and fund balances	\$ 716,476	\$ 90,434	\$ 1,547,521	\$ 492,618	\$ 8,665	\$ 349,902	\$ 50,457,327

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, 2016

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	\$ 661,250	\$ 293,731	\$ -	\$ 5,566,775	\$ -	\$ -	\$ 1,275,319	\$ -
Contributions from other governments	1,163,130							
Intergovernmental					483,709			
Investment income	5,723	4,518	36,904	29,864	828	403	34,677	301
Capital development fees								
Charges for services								332
Rents & royalties			175,000					
Other	19,121			70,757	138,873	29,666		
Total revenues	1,849,225	298,249	211,904	5,667,396	623,411	30,070	1,309,996	633
Expenditures:								
Current:								
General government					2,184			
Public Safety								
Highways & improvements		2,053		136,175				
Parks, recreation etc	746,951					684	125,118	2,980
Community & Econ Developmnt			79,336		108,900			
Operating Lease payments								
Debt service:								
Principal on long-term debt	530,260				263,136		797,000	
Interest on long-term debt	100,146				54,864		67,857	
Capital outlay:								
			-	24,850	99,385	12,000	1,819,388	
Total expenditures	1,377,357	2,053	79,336	161,025	528,469	12,684	2,809,363	2,980
Excess (deficiency) of revenues over expenditures	471,868	296,196	132,567	5,506,371	94,941	17,385	(1,499,367)	(2,347)
Other financing sources (uses):								
Transfers in	267,000	11,515	2,481,223	507,142				
Transfers out		(15,450)	(458,491)	(5,722,309)	(184,489)		(163,347)	
Payments to other taxing agencies								
Proceeds of bonds sold (net)					-		7,898,000	
Interfund utility services								
Property sales								
Total other financing sources (uses)	267,000	(3,935)	2,022,732	(5,215,167)	(184,489)	-	7,734,653	-
Net change in fund balances	738,868	292,261	2,155,299	291,204	(89,547)	17,385	6,235,286	(2,347)
Fund balances, beginning of year	542,248	518,445	5,360,471	2,308,442	179,449	44,399	(53,333)	45,200
Fund balances, end of year	\$1,281,116	\$810,706	\$7,515,770	\$2,599,646	\$89,902	\$61,784	\$6,181,953	\$42,853

(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, 2016
(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 Transit
Revenues:								
Taxes & fees	\$ -	\$ -	\$ 114,448	\$ 5,404	\$ 55,059	\$ 42,869	\$ 59,316	\$ -
Contributions from other governments			720,329	34,015	346,536	269,814	481,722	
Intergovernmental		641,268						901,185
Investment income	7,478	-	1,834	193	2,327	3,557	-	
Capital development fees								
Charges for services								458,031
Rents & royalties								
Other		106,790						2,064
Total revenues	7,478	748,058	836,611	39,612	403,922	316,239	541,038	1,361,280
Expenditures:								
Current:								
General government			684	684	684	684	24,440	
Public Safety								
Highways & improvements								1,524,146
Parks, recreation etc								
Community & Econ Developmnt	895	732,919	537,325	22,966	-	40,289		
Operating Lease payments								
Debt service:								
Principal on long-term debt							1,233	
Interest on long-term debt								
Capital outlay:		34,880					931,032	239,601
Total expenditures	895	767,799	538,009	23,650	684	40,974	956,705	1,763,747
Excess (deficiency) of revenues over expenditures	6,583	(19,741)	298,601	15,963	403,238	275,266	(415,667)	(402,467)
Other financing sources (uses):								
Transfers in	142,855	231,170						500,260
Transfers out	(106,723)		(395,000)	(2,000)	(101,319)	(73,036)	(366,500)	
Payments to other taxing agencies						(358,000)		
Proceeds of bonds sold (net)								
Interfund utility services		(2,519)						(260)
Property sales	48,585	-						12,120
Total other financing sources (uses)	84,717	228,651	(395,000)	(2,000)	(101,319)	(431,036)	(366,500)	512,120
Net change in fund balances	91,300	208,911	(96,399)	13,963	301,919	(155,770)	(782,167)	109,653
Fund balances, beginning of year	1,060,228	(299,991)	163,817	13,758	107,378	388,259	(53,150)	220,441
Fund balances, end of year	\$1,151,528	(\$91,080)	\$67,418	\$27,721	\$409,297	\$232,489	(\$835,317)	\$330,094

(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, 2016
(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	\$ -	\$ 1,473,294	\$ -	\$ 44,147	\$ -	\$ -	\$ -	\$ -
Contributions from other governments			700,000	277,861				15,250
Intergovernmental			277,465		72,000			
Investment income	1,362	227	3,497	4,078	26,857	13,733		13,679
Capital development fees					1,658,161	1,137,157		527,860
Charges for services							43,834	
Rents & royalties							17,531	
Other				15,908			1,292,535	
Total revenues	1,362	1,473,521	980,962	341,995	1,757,018	1,150,891	1,353,900	556,789
Expenditures:								
Current:								
General government	2,053			25,400			4,024	
Public Safety								
Highways & improvements			3,953			8,183		45,775
Parks, recreation etc		4,003			29,073			
Community & Econ Developmnt				-				
Operating Lease payments								
Debt service:								
Principal on long-term debt	-	1,085,000	295,000	-			80,000	
Interest on long-term debt	-	388,294	697,891	-				
Capital outlay:					1,071,988		4,343,790	-
Total expenditures	2,053	1,477,297	996,844	25,400	1,101,060	8,183	4,427,814	45,775
Excess (deficiency) of revenues over expenditures	(691)	(3,775)	(15,881)	316,595	655,958	1,142,708	(3,073,915)	511,014
Other financing sources (uses):								
Transfers in			20,244	561	-		6,913,170	
Transfers out		(940,000)		(687,295)	(1,104,116)	(811,755)	(3,868,231)	(1,503,831)
Payments to other taxing agencies								
Proceeds of bonds sold (net)			-				200,000	
Interfund utility services				(561)			(2,058)	
Property sales							621,847	
Total other financing sources (uses)	-	(940,000)	20,244	(687,295)	(1,104,116)	(811,755)	3,864,728	(1,503,831)
Net change in fund balances	(691)	(943,775)	4,363	(370,701)	(448,158)	330,954	790,814	(992,817)
Fund balances, beginning of year	203,683	1,002,879	396,495	370,701	3,357,482	1,214,637	14,611,893	1,706,285
Fund balances, end of year	\$202,992	\$59,104	\$400,858	\$0	\$2,909,324	\$1,545,591	\$15,402,707	\$713,468

(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, 2016
(continued)

Capital Projects Funds							
	Fire Dept Impact	Police Impact	Street Bonds Cap. Proj.	2010 Flood Reconstruction	2012 Flood Reconstruction	Replacement Airport	Total
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,591,613
Contributions from other governments							4,008,657
Intergovernmental				172,710			2,548,337
Investment income	4,190	539	252				197,023
Capital development fees	237,399	101,371					3,661,948
Charges for services							502,197
Rents & royalties							192,531
Other							1,675,714
Total revenues	241,589	101,910	252	172,710	-	-	22,378,021
Expenditures:							
Current:							
General government							60,838
Public Safety	929	929					1,858
Highways & improvements			4,134	173,234	684	8,837	1,907,174
Parks, recreation etc							908,809
Community & Econ Developmnt							1,522,630
Operating Lease payments		70,000					70,000
Debt service:							
Principal on long-term debt			2,750,000				5,800,396
Interest on long-term debt			279,550			4,496	1,594,330
Capital outlay:	-					7,468	8,584,383
Total expenditures	929	70,929	3,033,684	173,234	684	20,802	20,450,418
Excess (deficiency) of revenues over expenditures	240,661	30,981	(3,033,433)	(524)	(684)	(20,802)	1,927,604
Other financing sources (uses):							
Transfers in			7,109,500	1,954,237			20,138,878
Transfers out			(2,501,129)			(6,561,223)	(25,566,245)
Payments to other taxing agencies							(358,000)
Proceeds of bonds sold (net)							8,098,000
Interfund utility services							(5,398)
Property sales						2,486,463	3,169,016
Total other financing sources (uses)	-	-	4,608,371	1,954,237	-	(4,074,760)	5,476,251
Net change in fund balances	240,661	30,981	1,574,938	1,953,714	(684)	(4,095,562)	7,403,855
Fund balances, beginning of year	475,816	59,452	(27,417)	(1,877,302)	9,349	4,445,464	36,495,478
Fund balances, end of year	\$716,477	\$90,433	\$1,547,521	\$76,412	\$8,665	\$349,902	\$43,899,333

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, 2016

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Business license innkeeper fees	\$ 550,000	\$ 550,000	\$ 661,250	\$ 111,250
Interest income	1,500	1,500	5,723	4,223
Contributions from other governments	525,854	525,854	1,163,130	637,276
Other	-	-	19,121	19,121
Total revenues	1,077,354	1,077,354	1,849,225	771,871
EXPENDITURES:				
Current:				
Parks, recreation, etc.	748,854	748,854	746,951	1,903
Debt service:				
Principal	411,200	411,200	530,260	(119,060)
Interest	104,409	104,409	100,146	4,263
Capital outlay:			-	-
Total expenditures	1,264,463	1,264,463	1,377,357	(112,894)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(187,109)	(187,109)	471,868	658,977
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	267,000	267,000	267,000	-
Total other financing sources(uses)	267,000	267,000	267,000	-
NET CHANGE IN FUND BALANCE	79,891	79,891	738,868	\$ 658,977
Fund balance at beginning of year	542,248	542,248	542,248	
Fund balance at end of year	\$ 622,139	\$ 622,139	\$1,281,116	

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, 2016

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Passenger facility charges	\$ 222,000	\$ 222,000	\$ 293,731	\$ 71,731
Interest income	1,600	1,600	4,518	2,918
Total revenues	223,600	223,600	298,249	74,649
EXPENDITURES:				
Current:				
Highways & public improvements	1,000	2,500	2,053	447
Capital projects:				
Improvements	-	-	-	-
Property purchases	-	-	-	-
Equipment purchases	-	-	-	-
Total expenditures	1,000	2,500	2,053	447
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	222,600	221,100	296,196	75,096
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-	-	11,515	11,515
Transfers to other funds	-	(16,000)	(15,450)	550
Total other financing sources (uses):	-	(16,000)	(3,935)	12,065
NET CHANGE IN FUND BALANCE	222,600	205,100	292,261	\$87,161
Fund balance at beginning of year	518,445	518,445	518,445	
Fund balance at end of year	\$ 741,045	\$ 723,545	\$ 810,706	

**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, 2016

	<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	\$ 22,000	\$ 22,000	\$ 36,904	\$ 14,904
Rent	175,000	175,000	175,000	(0)
Intergovernmental revenues				
Total revenues	<u>197,000</u>	<u>197,000</u>	<u>211,904</u>	<u>14,904</u>
EXPENDITURES:				
Current:				
Community & Economic Developmnt	82,000	132,000	79,336	52,664
Capital projects:				
Land purchases				
Improvements	10,000	55,860	-	55,860
Total expenditures	<u>92,000</u>	<u>187,860</u>	<u>79,336</u>	<u>108,524</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>105,000</u>	<u>9,140</u>	<u>132,567</u>	<u>123,427</u>
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	450,000	45,860	2,481,223	2,435,363
Loans to other funds	-	(1,000,000)		1,000,000
Transfers to other funds	(475,901)	(475,901)	(458,491)	17,410
Total other financing sources(uses)	<u>(25,901)</u>	<u>(1,430,041)</u>	<u>2,022,732</u>	<u>3,452,773</u>
NET CHANGE IN FUND BALANCE	79,099	(1,420,901)	2,155,299	<u>\$ 3,576,200</u>
Fund balance at beginning of year	<u>5,360,471</u>	<u>5,360,471</u>	<u>5,360,471</u>	
Fund balance at end of year	<u>\$ 5,439,570</u>	<u>\$ 3,939,570</u>	<u>\$ 7,515,770</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, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Highway sales taxes	\$ 5,000,000	\$ 5,000,000	\$ 5,566,775	\$ 566,775
Interest income	20,000	20,000	29,864	9,864
Total revenues	5,020,000	5,020,000	5,596,639	576,639
EXPENDITURES:				
Current:				
Highways and public improvements	185,000	185,000	136,175	48,825
Capital projects:				
Improvements	50,000	50,000	24,850	25,150
Total expenditures	235,000	235,000	161,025	73,975
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,785,000	4,785,000	5,435,614	650,614
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(6,014,500)	(6,014,500)	(5,722,309)	292,191
Transfers from other funds	507,142	507,142	507,142	-
Contributions from private sources	80,000	80,000	70,757	(9,243)
Total other financing sources(uses)	(5,427,358)	(5,427,358)	(5,144,410)	282,948
NET CHANGE IN FUND BALANCE	(642,358)	(642,358)	291,204	\$ 933,562
Fund balance at beginning of year	2,308,442	2,308,442	2,308,442	
Fund balance at end of year	\$ 1,666,084	\$ 1,666,084	\$ 2,599,646	

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, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental revenues	\$ 463,000	\$ 463,000	\$ 483,709	\$ 20,709
Other income	80,000	140,000	138,873	(1,127)
Interest income	100	100	828	728
Total revenues	543,100	603,100	623,411	20,311
EXPENDITURES:				
Current:				
General government	-	-	2,184	(2,184)
Community & economic development	80,000	216,000	108,900	107,100
Capital projects:				
Purchase of property	-	-	99,385	(99,385)
Debt service:				
Principal	263,136	263,136	263,136	-
Interest	54,864	54,864	54,864	-
Total expenditures	398,000	534,000	528,469	5,531
Excess (Deficiency) of expenditures over revenues	145,100	69,100	94,941	25,841
OTHER FINANCING SOURCES (USES):				
Proceeds of note payable	-	-	-	-
Transfer to other funds	(65,000)	(209,000)	(184,489)	24,511
NET CHANGE IN FUND BALANCE	80,100	(139,900)	(89,547)	\$ 50,353
Fund balance at beginning of year	179,449	179,449	179,449	
Fund balance at end of year	\$ 259,549	\$ 39,549	\$ 89,902	

**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, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Fees and donations	\$ 30,020	\$ 30,020	\$ 29,666	\$ (354)
Interest income	150	150	403	253
Total revenues	30,170	30,170	30,070	(100)
EXPENDITURES:				
Current:				
General government				
Parks, recreation, etc.	750	750	684	66
Capital projects:				
Art purchases	20,000	20,000	12,000	8,000
Total expenditures	20,750	20,750	12,684	8,066
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9,420	9,420	17,385	7,965
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	-	-	-	-
Total other financing sources(uses)	-	-	-	-
NET CHANGE IN FUND BALANCE	9,420	9,420	17,385	\$ 7,965
Fund balance at beginning of year	44,399	44,399	44,399	
Fund balance at end of year	\$ 53,819	\$ 53,819	\$ 61,784	

**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, 2016

	<u>BUDGETED AMOUNTS</u>		<u>VARIANCE WITH FINAL BUDGET</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>POSITIVE (NEGATIVE)</u>
REVENUES:				
RAP sales taxes	\$1,400,000	\$1,400,000	\$ 1,275,319	\$ (124,681)
Interest income	1,000	1,000	34,677	33,677
Contributions from other governments	-	-	-	-
Total revenues	<u>1,401,000</u>	<u>1,401,000</u>	<u>1,309,996</u>	<u>(91,004)</u>
EXPENDITURES:				
Current:				
Parks, recreation, etc.	1,000	203,582	125,118	78,464
Debt service:				
Principal	-	797,000	797,000	-
Interest	-	67,857	67,857	(0)
Capital outlay:	1,400,000	7,831,160	1,819,388	6,011,772
Total expenditures	<u>1,401,000</u>	<u>8,899,599</u>	<u>2,809,363</u>	<u>6,090,236</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(7,498,599)</u>	<u>(1,499,367)</u>	<u>5,999,232</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from property sales				-
Proceeds from sale of bonds	450,000	7,898,000	7,898,000	-
Transfers from other funds	-	-	-	-
Transfers to other funds	(450,000)	(185,000)	(163,347)	
Total other financing sources(uses)	<u>-</u>	<u>7,713,000</u>	<u>7,734,653</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>214,401</u>	<u>6,235,286</u>	<u>\$ 5,999,232</u>
Fund balance at beginning of year	<u>(53,333)</u>	<u>(53,333)</u>	<u>(53,333)</u>	
Fund balance at end of year	<u>\$ (53,333)</u>	<u>\$ 161,068</u>	<u>\$ 6,181,953</u>	

CITY OF ST. GEORGE, UTAH

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Admission fees	\$ -	\$ -	\$ 332	\$ 332
Other revenues	-	-	-	-
Investment income	250	250	301	51
	<u>250</u>	<u>250</u>	<u>633</u>	<u>383</u>
EXPENDITURES:				
Current				
Parks, recreation, etc.	2,150	2,150	2,980	(830)
Capital projects:				
Improvements		2,000	-	2,000
	<u>2,150</u>	<u>4,150</u>	<u>2,980</u>	<u>1,170</u>
Excess (Deficiency) of expenditures over revenues	<u>(1,900)</u>	<u>(3,900)</u>	<u>(2,347)</u>	<u>1,553</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	(1,900)	(3,900)	(2,347)	\$ <u>1,553</u>
Fund balance at beginning of year	<u>45,200</u>	<u>45,200</u>	<u>45,200</u>	
Fund balance at end of year	<u>\$ 43,300</u>	<u>\$ 41,300</u>	<u>\$ 42,853</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, 2016

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Interest income	5,000	5,000	7,478	2,478
Total revenues	5,000	5,000	7,478	2,478
EXPENDITURES:				
Current:				
Community and economic improvements	40,000	20,000	895	19,105
Land Purchases	-	-	-	-
Building Construction	500,000	520,000	-	520,000
Total expenditures	540,000	540,000	895	539,105
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(535,000)	(535,000)	6,583	541,583
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	180,000	180,000	142,855	(37,145)
Sale of property			48,585	48,585
Transfers to other funds	-	(156,000)	(106,723)	49,277
Total other financing sources (uses):	180,000	24,000	84,717	60,717
NET CHANGE IN FUND BALANCE	(355,000)	(511,000)	91,300	\$ 602,300
Fund balance at beginning of year	1,060,228	1,060,228	1,060,228	
Fund balance at end of year	\$ 705,228	\$ 549,228	\$ 1,151,528	

**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, 2016

	<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:				
Federal Grants	\$ 646,127	\$ 806,228	\$ 561,268	\$ (244,960)
State Grants	-	-	80,000	80,000
Private Grants	125,000	228,000	106,790	(121,210)
Total revenues	771,127	1,034,228	748,058	(286,170)
EXPENDITURES:				
Current:				
Community & Economic Development	803,551	963,652	732,919	230,733
Capital outlay:			34,880	(34,880)
Total expenditures	803,551	963,652	767,799	195,853
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(32,424)	70,576	(19,741)	(90,317)
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	5,000	305,000	231,170	(73,830)
Intefund Utility services			(2,519)	(2,519)
Total other financing sources(uses)	5,000	305,000	228,651	(76,349)
NET CHANGE IN FUND BALANCE	(27,424)	375,576	208,911	\$ (166,665)
Fund balance at beginning of year	(299,991)	(299,991)	(299,991)	
Fund balance at end of year	\$ (327,415)	\$ 75,585	\$ (91,080)	

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, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Economic development taxes	\$ 1,850,000	\$ 1,850,000	\$ 114,448	\$ (1,735,552)
Contributions from other governments			720,329	720,329
Interest income	3,000	3,000	1,834	(1,166)
Total revenues	1,853,000	1,853,000	836,611	(1,016,389)
EXPENDITURES:				
Current:				
General government	1,000	1,000	684	316
Community & Economic development	755,155	755,155	537,325	217,830
Capital Outlay:				
Improvements	-	-	-	-
Total expenditures	756,155	756,155	538,009	218,146
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,096,845	1,096,845	298,601	(798,244)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(895,000)	(895,000)	(395,000)	500,000
Total other financing sources (uses):	(895,000)	(895,000)	(395,000)	500,000
NET CHANGE IN FUND BALANCE	201,845	201,845	(96,399)	\$ (298,244)
Fund balance at beginning of year	163,817	163,817	163,817	
Fund balance at end of year	\$ 365,662	\$ 365,662	\$ 67,418	

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, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Economic development taxes	\$ 100,000	\$ 100,000	\$ 5,404	\$ (94,596)
Contributions from other governments	-	-	34,015	34,015
Interest income	-	-	193	193
Total revenues	100,000	100,000	39,612	(60,388)
EXPENDITURES:				
Current:				
General government	1,000	1,000	684	316
Community & Economic development	44,034	44,034	22,966	21,068
Capital Outlay:				
Improvements	-	-	-	-
Total expenditures	45,034	45,034	23,650	21,384
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	54,966	54,966	15,963	(39,003)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(2,000)	(2,000)	(2,000)	-
Total other financing sources (uses):	(2,000)	(2,000)	(2,000)	-
NET CHANGE IN FUND BALANCE	52,966	52,966	13,963	\$ (39,003)
Fund balance at beginning of year	13,758	13,758	13,758	
Fund balance at end of year	\$ 66,724	\$ 66,724	\$ 27,721	

**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, 2016

	<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	\$ 800,000	\$ 800,000	\$ 55,059	\$ (744,941)
Contributions from other governments			346,536	346,536
Interest income	1,000	1,000	2,327	1,327
Total revenues	801,000	801,000	403,922	(397,078)
EXPENDITURES:				
Current:				
Professional & technical services	1,000	1,000	684	316
Community & economic development	-	-	-	-
Housing programs				-
Total expenditures	1,000	1,000	684	316
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	800,000	800,000	403,238	(396,762)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(141,000)	(141,000)	(101,319)	39,681
Total other financing sources (uses):	(141,000)	(141,000)	(101,319)	39,681
NET CHANGE IN FUND BALANCE	659,000	659,000	301,919	\$ (357,081)
Fund balance at beginning of year	107,378	107,378	107,378	
Fund balance at end of year	\$ 766,378	\$ 766,378	\$ 409,297	

**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, 2016

	<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	\$ 42,869	\$ (457,131)
Contributions from other governments			269,814	269,814
Interest income	1,500	1,500	3,557	2,057
Total revenues	501,500	501,500	316,239	(185,261)
EXPENDITURES:				
Current:				
General government	1,000	1,000	684	316
Community & economic development	40,000	40,000	40,289	(289)
Housing programs	187,395	-	-	-
Total expenditures	228,395	41,000	40,974	26
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	273,105	460,500	275,266	(185,234)
OTHER FINANCING SOURCES (USES):				
Payments to other taxing agencies	-	(387,395)	(358,000)	29,395
Transfers to other funds	(70,500)	(70,500)	(73,036)	(2,536)
Total other financing sources (uses):	(70,500)	(457,895)	(431,036)	26,859
NET CHANGE IN FUND BALANCE	202,605	2,605	(155,770)	\$ (158,375)
Fund balance at beginning of year	388,259	388,259	388,259	
Fund balance at end of year	\$ 590,864	\$ 390,864	\$ 232,489	

**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, 2016

	<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	\$ 650,000	\$ 650,000	\$ 59,316	\$ (590,684)
Contributions from other governments	\$ -	\$ 120,000	481,722	361,722
Interest income	500	500	-	(500)
Total revenues	650,500	770,500	541,038	(229,462)
EXPENDITURES:				
Current:				
Professional & technical fees	10,000	10,000	24,440	(14,440)
Community & economic development				
Debt service:				
Interest			1,233	
Capital outlay:	-	1,120,000	931,032	188,968
Total expenditures	10,000	1,130,000	956,705	174,528
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	640,500	(359,500)	(415,667)	(54,934)
OTHER FINANCING SOURCES (USES):				
Proceeds from interfund loan	-	1,000,000		(1,000,000)
Transfers to other funds	(366,500)	(366,500)	(366,500)	-
Transfers from other funds			-	-
Total other financing sources (uses):	(366,500)	633,500	(366,500)	(1,000,000)
NET CHANGE IN FUND BALANCE	274,000	274,000	(782,167)	\$ (1,054,934)
Fund balance at beginning of year	(53,150)	(53,150)	(53,150)	
Fund balance at end of year	\$ 220,850	\$ 220,850	\$ (835,317)	

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, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Transit fares	\$ 309,062	\$ 309,062	\$ 329,661	\$ 20,599
Advertising fees	144,000	144,000	128,370	(15,630)
Intergovernmental revenues	1,037,697	1,037,697	901,185	(136,512)
Other revenues	-	-	2,064	2,064
Total revenues	1,490,759	1,490,759	1,361,280	(129,479)
EXPENDITURES:				
Current:				
Highways & public improvements	1,732,011	1,732,011	1,524,146	207,865
Capital projects:				
Equipment & improvements	250,294	250,294	239,601	10,693
Total expenditures	1,982,305	1,982,305	1,763,747	218,558
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(491,546)	(491,546)	(402,467)	89,079
OTHER FINANCING SOURCES (USES):				
Interfund utility services	(500)	(500)	(260)	240
Proceeds from property sales	-	-	12,120	12,120
Transfers from other funds	500,500	500,500	500,260	(240)
Total other financing sources(uses)	500,000	500,000	512,120	12,120
NET CHANGE IN FUND BALANCE	8,454	8,454	109,653	\$ 101,199
Fund balance at beginning of year	220,441	220,441	220,441	
Fund balance at end of year	\$ 228,895	\$ 228,895	\$ 330,094	

**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, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Special assessments collected	\$ -	\$ -	\$ -	\$ -
Miscellaneous revenues				
Interest income	5,000	5,000	1,362	(3,638)
Total revenues	5,000	5,000	1,362	(3,638)
EXPENDITURES:				
General:				
General government	12,000	12,000	2,053	9,947
Debt service:				
Principal	-	-	-	-
Interest & other charges	-	-	-	-
Total expenditures	12,000	12,000	2,053	9,947
Excess (deficiency) of revenues over (under) expenditures	(7,000)	(7,000)	(691)	6,309
OTHER FINANCING SOURCES (USES):				
Transfers to other funds			-	0
Total other financing sources (uses):	-	-	-	-
NET CHANGE IN FUND BALANCE	(7,000)	(7,000)	(691)	\$6,309
Fund balance at beginning of year	203,683	203,683	203,683	
Fund balance at end of year	<u>\$ 196,683</u>	<u>\$ 196,683</u>	<u>\$ 202,992</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, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Current property taxes	\$ 1,473,294	\$ 1,473,294	\$ 1,473,294	\$ -
Interest income	300	300	227	(73)
Total revenues	1,473,594	1,473,594	1,473,521	(73)
EXPENDITURES:				
General:				
Parks, recreation, etc.	10,000	10,000	4,003	5,997
Debt service:				
Principal	1,085,000	1,085,000	1,085,000	
Interest & other charges	388,294	388,294	388,294	0
Total expenditures	1,483,294	1,483,294	1,477,297	5,997
Excess (deficiency) of revenues over (under) expenditures	(9,700)	(9,700)	(3,775)	5,925
OTHER FINANCING SOURCES (USES):				
Proceeds of refunding bonds		-	-	-
Transfers to other funds	(980,000)	(980,000)	(940,000)	(40,000)
Premiums on refunding bonds		-	-	-
Total other financing sources (uses):	(980,000)	(980,000)	(940,000)	(40,000)
NET CHANGE IN FUND BALANCE	(989,700)	(989,700)	(943,775)	(\$34,075)
Fund balance at beginning of year	1,002,879	1,002,879	1,002,879	
Fund balance at end of year	\$ 13,179	\$ 13,179	\$ 59,104	

**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, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Tax rebates on bonds	\$ 271,809	\$ 271,809	\$ 277,465	\$ 5,656
Contributions from other governments	700,000	700,000	700,000	-
Interest income	2,000	2,000	3,497	1,497
Total revenues	973,809	973,809	980,962	7,153
EXPENDITURES:				
General:				
Highways and public improvements	5,000	5,000	3,953	1,047
Debt service:				
Principal	295,000	295,000	295,000	-
Interest & other charges	697,891	697,891	697,891	0
Total expenditures	997,891	997,891	996,844	1,047
Excess (deficiency) of revenues over (under) expenditures	(24,082)	(24,082)	(15,881)	8,201
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	25,901	25,901	20,244	(5,657)
Loss on bond refunding			-	-
Total other financing sources (uses):	25,901	25,901	20,244	(5,657)
NET CHANGE IN FUND BALANCE	1,819	1,819	4,363	\$2,544
Fund balance at beginning of year	396,495	396,495	396,495	
Fund balance at end of year	\$ 398,314	\$ 398,314	\$ 400,858	

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, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Redevelopment taxes	\$ 500,000	\$ 500,000	\$ 44,147	\$ (455,853)
Contributions from other governments	-	-	277,861	277,861
Miscellaneous	15,000	15,000	15,908	908
Interest income	2,500	2,500	4,078	1,578
Total revenues	517,500	517,500	341,995	(175,505)
EXPENDITURES:				
Current:				
General government	28,300	28,300	25,400	2,900
Capital projects:				
Improvements	5,000	5,000	-	5,000
Land purchases				-
Equipment purchases				-
Debt service:				
Bond principal	-	-	-	-
Interest	-	-	-	-
Lease payments	-	-	-	-
Total expenditures	33,300	33,300	25,400	7,900
Excess (deficiency) revenues over (under) expenditures:	484,200	484,200	316,595	(167,605)
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	250	250	561	311
Transfers to other funds	(602,437)	(682,437)	(687,295)	(4,858)
Interfund utility services	(250)	(250)	(561)	(311)
Total other financing sources (uses)	(602,437)	(682,437)	(687,295)	(4,858)
NET CHANGE IN FUND BALANCE	(118,237)	(198,237)	(370,701)	\$ (172,464)
Fund balance at beginning of year	370,701	370,701	370,701	
Fund balance at end of year	\$ 252,464	\$ 172,464	\$ 0	

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, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Capital development fees	\$ 1,700,000	\$ 1,700,000	\$ 1,658,161	\$ (41,839)
Intergovernmental	100,000	196,000	72,000	(124,000)
Interest income	13,500	13,500	26,857	13,357
Total revenues	1,813,500	1,909,500	1,757,018	(152,482)
EXPENDITURES:				
Current:				
Parks, recreation, etc	30,000	30,000	29,073	927
Capital projects:				
Improvements	3,016,687	3,217,857	1,071,988	2,145,869
Property purchases	350,000	350,000	-	350,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	3,396,687	3,597,857	1,101,060	2,496,797
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,583,187)	(1,688,357)	655,958	2,344,315
OTHER FINANCING SOURCES (USES):				
Sale of property	-	-	-	-
Transfers from other funds	-	-	-	-
Transfers to other funds	(1,082,500)	(1,104,330)	(1,104,116)	(214)
Total other financing sources (uses):	(1,082,500)	(1,104,330)	(1,104,116)	(214)
NET CHANGE IN FUND BALANCE	(2,665,687)	(2,792,687)	(448,158)	\$2,344,101
Fund balance at beginning of year	3,357,482	3,357,482	3,357,482	
Fund balance at end of year	\$ 691,795	\$ 564,795	\$ 2,909,324	

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, 2016

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Capital development fees	\$ 900,000	\$ 900,000	\$ 1,137,157	\$ 237,157
Interest income	7,000	7,000	13,733	6,733
Other		-	-	-
Total revenues	907,000	907,000	1,150,891	243,891
EXPENDITURES:				
Current:				
Highways and public improvements	15,000	15,000	8,183	6,817
Capital projects:				
Improvements	50,000	50,000	-	50,000
Total expenditures	65,000	65,000	8,183	56,817
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	842,000	842,000	1,142,708	300,708
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(1,930,000)	(1,930,000)	(811,755)	1,118,246
Total other financing sources (uses):	(1,930,000)	(1,930,000)	(811,755)	1,118,246
NET CHANGE IN FUND BALANCE	(1,088,000)	(1,088,000)	330,954	\$ 1,418,954
Fund balance at beginning of year	1,214,637	1,214,637	1,214,637	
Fund balance at end of year	\$ 126,637	\$ 126,637	\$ 1,545,591	

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, 2016

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	46,000	46,000	43,834	(2,166)
Rents & royalties	24,000	24,000	17,531	(6,469)
Miscellaneous revenues	600,000	600,000	1,292,535	692,535
Total revenues	670,000	670,000	1,353,900	683,900
EXPENDITURES:				
Current:				
General government	20,000	20,000	4,024	15,976
Capital projects:				
Improvements	3,055,550	5,305,628	4,343,790	961,838
Property purchases	-	-	-	-
Debt service:				
Notes payable payments	-	80,000	80,000	-
Total expenditures	3,075,550	5,405,628	4,427,814	977,814
Excess (Deficiency) of expenditures over revenues	(2,405,550)	(4,735,628)	(3,073,915)	1,661,713
OTHER FINANCING SOURCES:				
Transfers from other funds	4,415,714	6,853,187	6,913,170	59,983
Transfers to other funds	(3,814,500)	(4,218,500)	(3,868,231)	350,269
Interfund utility services	(750)	(750)	(2,058)	(1,308)
Loans to other funds	-	(1,355,900)	-	1,355,900
Debt Proceeds	-	545,000	200,000	(345,000)
Sale of property	-	624,500	621,847	(2,653)
Total other financing sources (uses):	600,464	2,447,537	3,864,728	1,417,191
NET CHANGE IN FUND BALANCE	(1,805,086)	(2,288,091)	790,814	3,078,905
Fund balance at beginning of year	14,611,893	14,611,893	14,611,893	
Fund balance at end of year	\$ 12,806,807	\$ 12,323,802	\$ 15,402,707	

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, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Capital development fees	\$ 400,000	\$ 610,000	\$ 527,860	\$ (82,140)
Contributions from other governments	20,000	20,000	15,250	(4,750)
Interest income	8,000	8,000	13,679	5,679
Total revenues	428,000	638,000	556,789	(81,211)
EXPENDITURES:				
Current:				
Highways & public improvements	55,000	55,000	45,775	9,225
Capital projects:				
Land purchases	-	-	-	-
Improvements	-	-	-	-
Total expenditures	55,000	55,000	45,775	9,225
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	373,000	583,000	511,014	(71,986)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(600,000)	(810,000)	(1,503,831)	(693,831)
Transfers from other funds			-	-
Total other financing sources(uses)	(600,000)	(810,000)	(1,503,831)	(693,831)
NET CHANGE IN FUND BALANCE	(227,000)	(227,000)	(992,817)	\$ (765,817)
Fund balance at beginning of year	1,706,285	1,706,285	1,706,285	
Fund balance at end of year	\$1,479,285	\$1,479,285	\$ 713,468	

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, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Capital development fees	\$ 215,000	\$ 215,000	\$ 237,399	\$ 22,399
Interest income	1,800	1,800	4,190	2,390
Total revenues	216,800	216,800	241,589	24,789
EXPENDITURES:				
Current:				
Public safety	2,500	2,500	929	1,571
Capital Projects:				
Building Construction	-	-	-	-
Total expenditures	2,500	2,500	929	1,571
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	214,300	214,300	240,661	26,361
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources (uses):	-	-	-	-
NET CHANGE IN FUND BALANCE	214,300	214,300	240,661	\$ 26,361
Fund balance at beginning of year	475,816	475,816	475,816	
Fund balance at end of year	\$ 690,116	\$ 690,116	\$ 716,477	

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, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Capital development fees	\$ 90,000	\$ 90,000	\$ 101,371	\$ 11,371
Interest income	200	200	539	339
Total revenues	90,200	90,200	101,910	11,710
EXPENDITURES:				
Current:				
Public safety	2,500	2,500	929	1,571
Lease payments	70,000	70,000	70,000	0
Total expenditures	72,500	72,500	70,929	1,571
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	17,700	17,700	30,981	13,281
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources (uses):	-	-	-	-
NET CHANGE IN FUND BALANCE	17,700	17,700	30,981	\$ 13,281
Fund balance (deficit) at beginning of year	59,452	59,452	59,452	
Fund balance at end of year	<u>\$ 77,152</u>	<u>\$ 77,152</u>	<u>\$ 90,433</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, 2016

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Interest earnings	\$ 2,000	\$ 2,000	\$ 252	\$ (1,748)
Property sales	-	-	-	-
Sundry revenues	-	-	-	-
Total revenues	2,000	2,000	252	(1,748)
EXPENDITURES:				
Current:				
Highways & public improvements	4,000	4,000	4,134	(134)
Debt Service:				
Principal payments	2,750,000	2,750,000	2,750,000	-
Interest payments	279,550	279,550	279,550	-
Capital Outlay:				
Improvements	-	2,454,140	-	2,454,140
Total expenditures	3,033,550	5,487,690	3,033,684	2,454,006
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,031,550)	(5,485,690)	(3,033,433)	2,452,257
OTHER FINANCING SOURCES (USES):				
Operating transfers in	3,029,500	9,629,500	7,109,500	(2,520,000)
Transfers to other funds	(3,107,142)	(3,153,002)	(2,501,129)	651,873
Total other financing sources (uses)	(77,642)	6,476,498	4,608,371	(1,868,127)
NET CHANGE IN FUND BALANCE	(3,109,192)	990,808	1,574,938	\$ 584,130
Fund balance (deficit) at beginning of year	(27,417)	(27,417)	(27,417)	
Fund balance (deficit) at end of year	(\$3,136,609)	\$963,391	\$1,547,521	

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, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental revenues	\$ 144,000	\$ 144,000	\$ 172,710	\$ 28,710
Interest income			-	-
Total revenues	144,000	144,000	172,710	28,710
EXPENDITURES:				
Highways and public improvements	174,500	174,500	173,234	1,266
Total expenditures	174,500	174,500	173,234	1,266
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(30,500)	(30,500)	(524)	29,976
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	2,000,000	2,000,000	1,954,237	(45,763)
Sale of bonds	-	-	-	-
Total other financing sources (uses):	2,000,000	2,000,000	1,954,237	(45,763)
NET CHANGE IN FUND BALANCE	1,969,500	1,969,500	1,953,714	\$ (15,786)
Fund balance (deficit) at beginning of year	(1,877,302)	(1,877,302)	(1,877,302)	
Fund balance (deficit) at end of year	\$ 92,198	\$ 92,198	\$ 76,412	

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, 2016

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental	\$ 88,158	\$ 88,158	\$ -	\$ (88,158)
Interest income				
Other income				
Total revenues	88,158	88,158	-	(88,158)
EXPENDITURES:				
Current:				
Highways and public improvements	91,000	91,000	684	90,316
Capital projects:				
Improvements	-	-	-	-
Property purchases				
Total expenditures	91,000	91,000	684	90,316
Excess (Deficiency) of expenditures over revenues	(2,842)	(2,842)	(684)	2,158
OTHER FINANCING SOURCES:				
Transfers from other funds	30,000	30,000	-	(30,000)
NET CHANGE IN FUND BALANCE	27,158	27,158	(684)	\$ (27,842)
Fund balance at beginning of year	9,349	9,349	9,349	
Fund balance at end of year	\$ 36,507	\$ 36,507	\$ 8,665	

CITY OF ST. GEORGE, UTAH

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-
Other income	-	-	-	-
Total revenues	0	0	0	0
EXPENDITURES:				
Current:				
General government	1,500	1,500	8,837	(7,337)
Capital projects:				
Improvements	42,591	42,591	7,468	35,123
Property purchases	-	-	-	-
Debt Service:				
Interest	-	-	4,496	(4,496)
Total expenditures	44,091	44,091	20,802	23,289
Excess (Deficiency) of expenditures over revenues	(44,091)	(44,091)	(20,802)	23,289
OTHER FINANCING SOURCES:				
Sale of property	-	2,500,000	2,486,463	(13,537)
Transfers to other funds	-	(6,600,000)	(6,561,223)	38,777
Total other financing sources (uses):	-	(4,100,000)	(4,074,760)	25,240
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(44,091)	(4,144,091)	(4,095,562)	48,529
Fund balance at beginning of year	4,445,464	4,445,464	4,445,464	
Fund balance at end of year	\$ 4,401,373	\$ 301,373	\$ 349,902	

City of St. George, UT
NonMajor Proprietary Funds
Combining Statement of Net Position
June 30, 2016

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	\$ -	\$ 24,820	\$ 507,845	\$ 912,007	\$ 1,444,672
Accounts Receivable - net of uncollectible reserve	512,526		177,483	620,590	1,310,600
Notes Receivable				998	998
Furniture, Fixtures, & equip		10,770,124		13,298,860	24,068,983
Less accumulated depreciation		(1,775,202)		(8,141,130)	(9,916,332)
Net pension assets				2,568	2,568
Prepaid expenses		6,909			6,909
Total assets	512,526	9,026,651	685,329	6,693,893	16,918,398
Deferred Outflows					
Deferred Outflows related to pensions				210,806	210,806
Total deferred outflows				210,806	210,806
Liabilities					
Liabilities:					
Accrued liabilities	\$ 389,874	\$ 3,624	\$ 94,336	\$ 79,705	\$ 567,538
Bonds payable - short term		115,000			115,000
Due to other funds	14,396				14,396
Customer guarantee deposits	76,733		26,572	86,117	189,422
Net pension liability				397,315	397,315
Bonds payable - long term		186,000			186,000
Total liabilities	481,003	304,624	120,908	563,137	1,469,672
Deferred Inflows					
Deferred Inflows related to pensions				55,202	55,202
Total deferred inflows				55,202	55,202
Net Position					
Net investment in capital assets		8,693,922	-	5,157,729	13,851,651
Restricted for impact fee construction				947,054	947,054
Unrestricted	31,524	28,105	564,420	181,576	805,625
Total Net Position	\$ 31,524	\$ 8,722,027	\$ 564,420	\$ 6,286,360	\$ 15,604,331

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, 2016

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	\$ 4,459,928		\$ 1,058,901	\$ 5,648,753	11,167,582
Other operating revenues				221,171	221,171
Total operating revenues	4,459,928	-	1,058,901	5,869,924	11,388,753
OPERATING EXPENSES:					
Salary and wages				690,018	690,018
Supplies				23,044	23,044
Service vehicle expense				83,698	83,698
Equipment rental				2,640	2,640
Depreciation		98,336		360,282	458,618
Payroll tax & employee benefits				308,067	308,067
Office & dept. supplies	23,589		5,803	42,350	71,742
Professional services	9,073	9,503	13,258	9,652	41,487
R. & M. - equipment				144,814	144,814
R. & M. - buildings and grounds			-	12,280	12,280
Insurance & surety bonds				16,100	16,100
Travel				7,691	7,691
Subscriptions & memberships				1,771	1,771
Contract labor	4,159,728			3,338,160	7,497,888
Billing & administration	250,000		80,000	500,000	830,000
Total operating expenses	4,442,390	107,839	99,061	5,540,568	10,189,857
Operating income (loss)	17,538	(107,839)	959,840	329,356	1,198,896
NON-OPERATING REVENUES (EXPENSES)					
Interest income		36	11,700	12,109	23,845
Rent		98,395			98,395
Contributions from other governments		22,125		-	22,125
Gain on sale of assets				4,110	4,110
Interfund Utility Services					-
Interest charges		(12,870)			(12,870)
Total non-operating revenue (expense)	-	107,686	11,700	16,219	135,605
Income before transfers	17,538	(153)	971,540	345,575	1,334,500
Transfers (to) from other funds		-	(1,528,710)	(0)	(1,528,710)
Changes in Net Position	17,538	(153)	(557,170)	345,575	(194,210)
Restatement of beginning net position for pension				-	-
Total Net Position - beginning of year	13,985	8,722,180	1,121,590	5,940,785	15,798,540
Total Net Position - end of year	\$ 31,523	\$ 8,722,027	\$ 564,420	\$ 6,286,360	\$ 15,604,330

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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	\$ 4,374,523	\$ -	\$ 1,055,059	\$ 5,858,323	\$ 11,287,904
Payments to suppliers	(4,367,745)	(11,038)	(85,996)	(4,178,756)	(8,643,535)
Payments to employees	-			(998,085)	(998,085)
Net cash provided by operating activities	<u>6,778</u>	<u>(11,038)</u>	<u>969,063</u>	<u>681,482</u>	<u>1,646,284</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Rents received		120,520			120,520
Miscellaneous non-operating income				-	-
Interfund receivable/payable activity	(6,778)				(6,778)
Interfund utility services					-
Economic development transfer			(1,528,710)	(0)	(1,528,710)
Net increase (decrease) in pension benefits for effect of GASB 68				(26,402)	(26,402)
Net cash provided (used) by noncapital and related financing activities	<u>(6,778)</u>	<u>120,520</u>	<u>(1,528,710)</u>	<u>(26,402)</u>	<u>(1,441,370)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets				(946,571)	(946,571)
Principal paid on capital debt		(109,000)			(109,000)
Interest on capital debt net of disc/premiums		(5,961)			(5,961)
Gain on sale of fixed assets				4,110	4,110
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(114,961)</u>	<u>-</u>	<u>(942,461)</u>	<u>(1,057,422)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	-	36	11,700	12,109	23,845
Net increase (decrease) in cash and cash equivalents	<u>-</u>	<u>(5,444)</u>	<u>(547,947)</u>	<u>(275,272)</u>	<u>(828,663)</u>
Cash and equivalents at beginning of year	-	30,263	1,055,793	1,187,280	2,273,336
Cash and equivalents at end of year	<u>\$ -</u>	<u>\$ 24,819</u>	<u>\$ 507,846</u>	<u>\$ 912,008</u>	<u>\$ 1,444,673</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 17,538	\$ (107,839)	\$ 959,840	\$ 329,356	\$ 1,198,896
Adjustments to reconcile net income from operations to net cash provided by operating activities:					
Depreciation	-	98,336	-	360,282	458,618
Changes in assets & liabilities:					
Decrease (increase) in receivables	(97,912)		(3,457)	(10,196)	(111,565)
Decrease (increase) in prepaids					-
Decrease (increase) in note receivable					-
Increase (decrease) in deposits	12,507		(385)	(1,405)	10,717
Increase (decrease) in accruals	74,645	(1,535)	13,065	3,445	89,620
Total adjustments	<u>(10,760)</u>	<u>96,801</u>	<u>9,223</u>	<u>352,126</u>	<u>447,390</u>
Net cash provided by operating activities:	<u>\$ 6,778</u>	<u>\$ (11,038)</u>	<u>\$ 969,063</u>	<u>\$ 681,483</u>	<u>\$ 1,646,286</u>

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

JUNE 30, 2016

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$	95,816,959
Buildings		42,620,664
Improvements		83,222,697
Infrastructure assets		256,268,912
Equipment		42,414,103
		42,414,103
Total Governmental Funds Capital Assets	\$	520,343,336

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

Capital Projects Funds:		
General Fund	\$	113,647,395
Golf Courses		18,849,129
RAP Tax Fund		1,978,228
CDBG Grant Fund		1,602,476
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		46,674,031
Public Works Capital projects fund		76,025,385
Replacement Airport capital projects fund		147,346,840
Industrial Park fund		2,401,462
Sewer Impact fund		245,866
Park Impact fund		25,857,411
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		2,254,563
Community Resource Center fund		34,880
Transportation improvement fund		5,053,634
SunTran Public Transit fund		5,451,296
Art Permanent Collection Fund		185,930
Police Seizures Fund		114,206
Airport PFC fund		22,049
Housing Improvement Fund		255,394
		255,394
Total Governmental Funds Capital Assets	\$	520,343,336

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

JUNE 30, 2016

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVEMENTS	INFRASTRUCTURE	EQUIPMENT
GENERAL GOVERNMENT:						
Gen. government bldgs.	\$ 30,029,977	\$ 18,018,384	\$ 10,757,232	\$ 1,254,361	\$ -	\$ -
WCIA (Dixie Center)	10,255,803	1,774,067	8,481,736	-	-	-
Downtown Redevelopment	14,775,801	3,507,970	2,857,514	8,410,317	-	-
Community development (Industrial Park)	1,626,676	162,489	-	1,464,187	-	-
Community development (Golf Courses)	18,959,863	8,418,676	1,597,908	2,499,476	-	6,443,803
Administration	2,395,616	-	-	-	-	2,395,616
Total general government	78,043,736	31,881,586	23,694,390	13,628,341	-	8,839,419
PUBLIC SAFETY:						
Police protection	11,063,159	-	82,589	179,911	-	10,800,659
Fire protection	10,858,386	613,048	4,281,206	150,578	-	5,813,554
Total public safety	21,921,545	613,048	4,363,795	330,489	-	16,614,213
PUBLIC WORKS: PARKS, RECREATION, & PUBLIC PROPERTY:						
	338,504,276	55,960,915	6,228,369	8,957,626	256,123,760	11,233,606
	81,873,778	7,361,410	8,334,110	60,306,241	145,152	5,726,865
Total governmental fund capital assets allocated to function	\$ 520,343,335	\$ 95,816,959	\$ 42,620,664	\$ 83,222,697	\$ 256,268,912	\$ 42,414,103

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, 2016

FUNCTION AND ACTIVITY	GOVERNMENTAL FUNDS CAPITAL ASSETS JULY 1, 2015	ADDITIONS	DELETIONS	GOVERNMENTAL FUNDS CAPITAL ASSETS JUNE 30, 2016
GENERAL GOVERNMENT:				
Gen. government bldgs.	\$ 28,557,624	\$ 1,523,875	\$ 51,522	\$ 30,029,977
WCIA - Dixie Center	10,255,803	-	-	10,255,803
Downtown Redevelopment	14,775,801	-	-	14,775,801
Industrial Park	1,626,676	-	-	1,626,676
Golf Courses	18,771,913	187,950	-	18,959,863
Administration	2,035,761	388,119	28,264	2,395,616
	76,023,578	2,099,944	79,786	78,043,736
PUBLIC SAFETY:				
Police protection	10,072,640	1,680,500	689,981	11,063,159
Fire protection	9,846,467	1,011,919	-	10,858,386
	19,919,107	2,692,419	689,981	21,921,545
PUBLIC WORKS: PARKS, RECREATION, & PUBLIC PROPERTY:				
	329,068,868	9,818,838	383,430	338,504,276
	74,940,978	6,932,800	-	81,873,778
TOTAL GOVERNMENTAL FUND CAPITAL ASSETS	\$499,952,531	\$21,544,001	\$1,153,197	\$520,343,335

STATISTICAL SECTION

CITY OF ST. GEORGE, UTAH
ELECTRIC FUND
STATISTICAL ANALYSIS
June 30, 2016

	Year Ended June 30,	
	<u>2016</u>	<u>2015</u>
Production Cost Analysis:		
Kilowatt hours generated	127,834,701	78,164,172
Kilowatt hours purchased	605,315,099	722,094,498
Total Kilowatt Hours	733,149,800	800,258,670
Total Operating Costs *	\$ 61,548,648	\$ 62,341,983
Cost per Kilowatt Hour	\$ 0.08395	\$ 0.07790

* 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>
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
2016	733,149,800	\$ 0.08395

	<u>2016</u>	<u>2015</u>
Average Revenue Analysis:		
Kilowatt Hours billed	647,998,867	716,440,346
Unbilled Hours-line loss, street lights	85,150,933	83,818,324
Total Kilowatt Hours	733,149,800	800,258,670
Total Revenue Billed	\$ 61,163,385	\$ 61,638,828
Number of Customers	29,180	29,819
Average monthly billing	\$ 174.67	\$ 172.26
	1,851 KWh	2,002 KWh

CITY OF ST. GEORGE, UTAH
WATER FUND
STATISTICAL ANALYSIS
June 30, 2016

	Year Ended June 30,	
	<u>2016</u>	<u>2015</u>
Production Cost Analysis:		
Number of gallons billed	10,296,281,498	10,112,741,688
Expense of operations *	\$ 14,868,298	\$ 14,060,437
Cost per billed gallon	\$ 0.001444	\$ 0.001390

* Includes interest charges

	<u>2016</u>	<u>2015</u>
Average Revenue Analysis:		
Number of metered customers	25,198	24,622
Water usage billed	\$ 19,036,132	\$ 17,812,897
Average monthly billing metered customer	\$ 62.96	\$ 60.29

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

	FISCAL YEAR									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Net Investment in capital assets	\$ 109,818	\$ 129,100	\$ 184,237	\$ 220,811	\$ 249,625	\$ 260,036	\$ 275,793	\$ 287,652	\$ 314,849	\$ 325,031
Restricted	4,549	2,487	1,884	1,508	1,334	1,109	894	16,567	17,279	26,054
Unrestricted	43,165	58,600	38,253	23,226	18,456	21,658	31,162	24,703	15,375	15,978
Total governmental activities net position	\$ 157,532	\$ 190,187	\$ 224,374	\$ 245,545	\$ 269,415	\$ 282,803	\$ 307,849	\$ 328,922	\$ 347,503	\$ 367,063
Business-type activities:										
Net Investment in capital assets	\$ 133,387	\$ 154,740	\$ 141,070	\$ 163,547	\$ 167,225	\$ 185,172	\$ 191,725	\$ 190,317	\$ 180,043	\$ 180,843
Restricted	7,642	12,945	30,571	6,068	6,068	6,072	6,150	6,627	2,754	2,762
Unrestricted	33,596	30,382	33,265	42,700	39,951	38,202	32,975	40,357	52,341	57,375
Total business-type activities net position	\$ 174,625	\$ 198,067	\$ 204,906	\$ 212,315	\$ 213,244	\$ 229,446	\$ 230,850	\$ 237,301	\$ 235,138	\$ 240,980
Primary government:										
Net Investment in capital assets	\$ 243,205	\$ 283,840	\$ 325,307	\$ 384,358	\$ 416,850	\$ 445,208	\$ 467,518	\$ 477,969	\$ 494,892	\$ 505,874
Restricted	12,191	15,432	32,455	7,576	7,402	7,181	7,044	23,194	20,033	28,816
Unrestricted	76,761	88,982	71,518	65,926	58,407	59,860	64,137	65,060	67,716	73,353
Total primary government net position	\$ 332,157	\$ 388,254	\$ 429,280	\$ 457,860	\$ 482,659	\$ 512,249	\$ 538,699	\$ 566,223	\$ 582,641	\$ 608,043

** 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EXPENSES:										
Governmental activities:										
General government	\$ 4,433	\$ 5,935	\$ 8,877	\$ 9,338	\$ 7,352	\$ 7,251	\$ 6,959	\$ 7,478	\$ 9,458	\$ 10,029
Public safety	13,824	14,885	14,726	14,178	15,229	16,638	16,761	17,841	17,762	18,987
Highways & public improvements	14,814	14,887	17,516	13,200	11,959	17,579	14,277	14,360	13,052	13,173
Parks, recreation, & public property	13,525	14,607	11,175	11,032	11,293	12,344	14,306	13,620	13,237	14,221
Community & economic development *	2,359	2,544	1,700	1,470	2,000	2,824	2,429	2,423	8,214	8,686
Interest on long-term debt	1,480	1,776	2,800	2,914	3,525	3,134	2,656	2,348	1,931	1,728
Total governmental activities expenses:	50,435	54,634	56,794	52,132	51,358	59,770	57,388	58,070	63,654	66,824
Business-type activities:										
Energy services	48,304	48,734	54,554	56,351	59,600	60,266	62,095	64,044	62,342	61,549
Water services	15,383	15,756	15,026	14,563	14,779	15,678	14,513	14,394	14,060	14,868
Regional wastewater treatment	4,878	5,015	5,058	5,059	5,114	5,292	4,894	5,140	5,061	5,455
Wastewater collection	7,876	7,599	8,043	7,774	7,729	7,775	5,273	5,467	5,566	5,540
Golf courses *	5,224	5,181	4,989	4,299	4,252	4,586	4,448	4,394	-	-
Municipal building authority	352	265	250	165	149	142	137	130	125	121
Solid waste	3,104	3,075	3,178	3,279	3,391	3,493	3,612	3,797	4,006	4,442
Drainage utility	6	16	4	143	122	111	122	95	122	99
Total business-type activities expenses:	85,127	85,641	91,102	91,633	95,136	97,343	95,094	97,461	91,282	92,074
Total primary government expenses:	\$ 135,562	\$ 140,275	\$ 147,896	\$ 143,765	\$ 146,494	\$ 157,113	\$ 152,482	\$ 155,531	\$ 154,936	\$ 158,898

PROGRAM REVENUES:

Governmental activities:										
Charges for services:										
General government	\$ 3,496	\$ 3,872	\$ 3,871	\$ 4,158	\$ 4,257	\$ 4,255	\$ 4,384	\$ 4,792	\$ 4,941	\$ 4,887
Public safety	2,815	2,810	2,874	3,100	3,142	3,062	3,140	3,261	3,420	3,462
Highways & public improvements	680	627	549	488	733	1,110	1,070	1,116	1,460	1,663
Parks, recreation, & public property	2,501	2,587	2,514	2,855	2,915	2,989	3,172	3,418	3,664	3,787
Community & economic development *	3,238	2,019	1,105	808	885	1,271	1,826	1,940	5,822	6,329
Operating grants & contributions	8,043	9,601	7,324	7,663	8,150	8,772	8,766	9,705	9,921	11,094
Capital grants & contributions	8,355	22,538	31,062	20,794	19,868	12,857	17,318	13,711	12,386	3,386
Total governmental activities program revenues	29,128	44,054	49,299	39,866	39,950	34,316	39,676	37,943	41,614	34,608
Business-type activities:										
Charges for services:										
Energy services	52,688	54,091	54,102	53,859	54,109	55,662	58,818	62,779	62,547	61,974
Water services	15,167	15,506	14,745	14,772	13,825	15,073	17,454	18,382	18,342	19,599
Regional wastewater treatment	9,297	8,283	8,232	8,403	8,536	8,917	5,697	5,823	5,796	6,092
Wastewater collection	7,966	7,967	7,866	7,900	7,963	8,176	6,060	6,267	5,908	5,870
Golf courses *	4,597	4,750	4,013	3,763	3,283	3,520	3,568	3,550	-	-
Municipal building authority										

Solid waste	2,969	3,078	3,095	3,246	3,407	3,503	3,622	3,805	4,011	4,460
Drainage utility	906	955	973	983	992	992	1,006	1,018	1,040	1,059
Operating grants & contributions	-	9,571	7	560	165	34	348	57	18	65
Capital grants & contributions	-	-	-	-	-	17,515	-	-	-	-
Total business-type activities program revenues	93,590	104,201	93,033	93,486	92,280	113,392	96,573	101,681	97,662	99,119
Total primary government program revenues	\$ 122,718	\$ 148,255	\$ 142,332	\$ 133,352	\$ 132,230	\$ 147,708	\$ 136,249	\$ 139,624	\$ 139,276	\$ 133,727

Net (expense) / revenue	\$ (21,307)	\$ (10,580)	\$ (7,495)	\$ (12,266)	\$ (11,408)	\$ (25,454)	\$ (17,712)	\$ (20,127)	\$ (22,040)	\$ (32,216)
Governmental activities	8,463	18,560	1,931	1,853	(2,856)	16,049	1,479	4,220	6,380	7,045
Business-type activities	\$ (12,844)	\$ 7,980	\$ (5,564)	\$ (10,413)	\$ (14,264)	\$ (9,405)	\$ (16,233)	\$ (15,907)	\$ (15,660)	\$ (25,171)

GENERAL REVENUES AND OTHER CHANGES IN NET POSITION

Governmental activities:										
Taxes										
Property taxes for general purposes	\$ 7,532	\$ 8,887	\$ 9,158	\$ 10,118	\$ 10,315	\$ 10,514	\$ 11,064	\$ 12,076	\$ 12,093	\$ 12,087
Property taxes for debt service	2,329	2,446	2,050	2,155	2,392	1,900	1,939	1,493	1,525	1,517
Franchise taxes	6,035	6,541	6,319	6,087	6,165	6,180	6,624	6,609	6,684	6,917
General, highway & RAP sales taxes	20,447	19,768	16,678	15,477	15,806	17,194	18,913	20,172	21,614	24,507

Business licenses	639	628	630	712	683	694	749	761	752	781
Investment income	2,458	2,312	1,211	470	258	239	163	205	179	327
Lease payments	(193)	(175)	(175)	(164)	(106)	(103)	(105)	(101)	(27)	(98)
Gain on sale of assets	1,333	2,187	28	812	435	66	1,329	897	2,410	3,254
Rents and concessions	33	30	25	34	52	237	262	219	211	245
Miscellaneous	45	327	143	189	93	61	446	201	264	289
Transfers	(1,703)	283	(291)	(2,454)	(814)	1,873	1,375	(2)	334	1,950
Total governmental activities	38,955	43,234	35,776	33,436	35,279	38,855	42,759	42,530	46,039	51,776

Business-type activities:										
Investment income	1,992	1,976	1,562	378	149	181	163	269	242	419
Lease payments	2,448	2,448	2,597	2,294	2,563	1,458	1,356	1,360	-	-
Miscellaneous	413	740	459	429	259	388	348	601	270	328
Transfers	1,703	(283)	291	2,454	814	(1,873)	(1,375)	2	(334)	(1,950)
Total business-type activities	6,556	4,881	4,909	5,555	3,785	154	492	2,232	178	(1,203)
Total primary government	\$ 45,511	\$ 48,115	\$ 40,685	\$ 38,991	\$ 39,064	\$ 39,009	\$ 43,251	\$ 44,762	\$ 46,217	\$ 50,573

CHANGE IN NET POSITION

Governmental activities	\$ 17,648	\$ 32,654	\$ 28,281	\$ 21,170	\$ 23,871	\$ 13,401	\$ 25,047	\$ 22,403	\$ 23,999	\$ 19,560
Business-type activities	15,019	23,441	6,840	7,408	929	16,203	1,971	6,452	6,558	5,842
Total primary government	\$ 32,667	\$ 56,095	\$ 35,121	\$ 28,578	\$ 24,800	\$ 29,604	\$ 27,018	\$ 28,855	\$ 30,557	\$ 25,402

* 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		Total
	Property Tax			Highway. & RAP Sales Tax *	Franchise Tax	
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	
2016	12,087	1,517	24,507	6,917	45,028	

* 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General fund										
Reserved for police seizures	\$ 103	\$ 119	\$ 70	\$ 83	\$ 106	\$ 158	\$ 265	\$ 229	\$ 151	\$ 133
Reserved for notes receivable	1,501	1,618	1,626	1,621	1,621	1,617	570	663	953	386
Reserved for perpetual care	236	318	148	161	141	112	122	127	64	105
Unreserved	3,009	2,852	2,912	2,891	3,776	3,808	5,871	5,829	4,824	6,507
Total general fund	\$ 4,849	\$ 4,907	\$ 4,756	\$ 4,756	\$ 5,644	\$ 5,695	\$ 6,828	\$ 6,848	\$ 5,992	\$ 7,131
All other governmental funds										
Restricted for:										
Special revenue funds	10,343	10,224	6,476	5,627	7,829	9,974	8,948			
Transportation programs								3,983	4,262	5,286
Housing & comm. Devlpmt								910	1,060	1,151
Parks const. & devlpmt								3,641	3,357	9,091
Community & econ. Devlpmt								656	722	1,371
Debt service funds	3,045	23,520	1,884	1,507	1,334	1,109	894	868	1,603	663
Capital projects funds	30,456	23,743	28,608	15,199	8,083	6,632	16,016	2,439	2,077	714
Assigned to:										
Community & econ. Devlpmt								6,178	6,034	8,253
Parks const. & devlpmt								101	90	105
Capital projects funds								19,212	15,314	16,411
Unassigned: (deficit)								(2,885)	2,134	1,047
Total all other governmental funds	\$ 43,844	\$ 57,487	\$ 36,968	\$ 22,333	\$ 17,246	\$ 17,715	\$ 25,858	\$ 35,103	\$ 36,653	\$ 44,092

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES:										
Taxes & special assessments	\$ 37,306	\$ 38,668	\$ 35,155	\$ 34,689	\$ 35,591	\$ 37,450	\$ 39,541	\$ 38,743	\$ 40,444	\$ 43,826
Licenses & permits	3,190	2,271	1,622	1,393	1,424	1,755	2,200	2,244	2,193	2,392
Intergovernmental	7,165	23,004	35,906	23,089	23,559	16,704	20,214	17,262	16,184	5,951
Charges for services *	8,001	8,236	7,762	8,473	8,849	9,376	9,815	10,810	15,446	16,151
Fines & forfeitures	1,018	851	856	1,035	1,081	995	954	961	1,055	981
Investment income	2,431	2,283	1,202	467	256	238	161	203	175	322
Rents & concessions	33	30	26	34	52	237	262	219	211	245
Miscellaneous	145	329	143	195	94	62	475	559	90	60
Contributions from other sources	66	71	138	96	139	94	109	1,009	1,505	2,993
Capital development fees	3,144	3,283	1,551	1,324	1,479	2,372	3,381	3,698	3,545	3,662
Total revenues	62,499	79,026	84,361	70,795	72,524	69,283	77,112	75,708	80,848	76,583
EXPENDITURES:										
General government	8,271	8,688	8,239	7,614	5,794	5,704	5,496	5,539	8,259	9,326
Public safety	13,933	15,283	14,043	13,647	14,709	16,636	16,818	17,344	18,040	21,122
Highways & public improvements	8,070	8,289	12,761	6,852	9,491	14,970	11,681	11,780	9,871	9,832
Parks, recreation, & public property	8,610	9,885	8,770	8,422	9,638	10,906	11,704	12,842	12,345	12,794
Community & economic development *	2,155	3,025	2,879	3,325	1,968	2,792	2,394	2,262	8,474	8,354
Capital outlay	22,955	51,536	57,264	50,496	30,425	11,512	12,345	19,903	14,247	16,699
Debt service										
Capital leases	193	175	175	164	106	103	104	101	102	98
Principal	6,849	1,814	26,666	5,733	10,411	7,482	9,822	9,265	17,357	5,800
Interest & other admin charges	1,411	1,301	2,558	2,207	2,697	4,904	2,897	2,552	1,935	1,594
Total expenditures	72,447	99,996	133,355	98,460	85,239	75,009	73,261	81,588	90,630	85,619
Excess of revenues over (under) expend.	(9,948)	(20,970)	(48,994)	(27,665)	(12,715)	(5,726)	3,851	(5,880)	(9,782)	(9,036)
OTHER FINANCING SOURCES (USES):										
Transfers in	13,364	21,312	16,816	26,264	10,958	16,068	18,659	15,460	10,831	33,071
Transfers out	(14,458)	(20,380)	(16,264)	(28,168)	(11,214)	(13,648)	(16,736)	(14,403)	(9,243)	(30,028)
Payments to other taxing agencies								(160)	-	(358)
Interfund utility services								(459)	(554)	(443)
Contributions from private sources	947	846	65	808	808	868	1,028			
Contributions from other governments	1,040	5,951	572	3,087	1,859	663	1,145	3,423	3,523	4,009
Proceeds from sale of capital assets	1,333	2,186	28	812	434	67	1,329	897	2,409	3,266
Loss on bond refinancing	(93)	-	-	-	-	-	-	-	-	-
Premiums on bonds sold					275			1,037	408	
Issuance of notes/bonds/ or leases	5,265	24,755	27,107	10,227	5,395	2,228	-	9,350	7,830	8,098
Total other financing sources (uses)	7,398	34,670	28,324	13,030	8,515	6,246	5,425	15,145	15,204	17,615
Net change in fund balance	\$ (2,550)	\$ 13,700	\$ (20,670)	\$ (14,635)	\$ (4,200)	\$ 520	\$ 9,276	\$ 9,265	\$ 5,422	\$ 8,579
Debt service as a percentage of non-capital expenditures	17.08%	6.79%	38.64%	16.90%	24.11%	19.67%	21.05%	19.32%	25.39%	10.87%
				(1)	(2)	(2)	(2)	(2)	(3)	(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, 2016
 (amounts expressed in thousands)

CALENDAR YEAR 2015				CALENDAR YEAR 2006			
Ranking	Category	Direct Point of Sales Dollars	Percent of Sales	Ranking	Category	Direct Point of Sales Dollars	Percent of Sales
1	Retail - General Merchandise	334,694,723	17.85%	2	Retail - General Merchandise	\$ 264,069,497	14.97%
2	Retail - Motor Vehicles & Parts Dealers	323,061,151	17.23%	1	Retail - Motor Vehicles & Parts Dealers	285,545,150	16.19%
3	Food Services & Drinking Places	179,880,532	9.60%	5	Food Services & Drinking Places	122,518,228	6.95%
4	Retail - Food & Beverage Stores	134,997,674	7.20%	6	Retail - Food & Beverage Stores	102,493,146	5.81%
5	Retail - Bldg, Material, Garden Equip & Sup	133,097,073	7.10%	3	Retail - Bldg, Material, Garden Equip & Sup	177,261,406	10.05%
6	Wholesale - Durable Goods	93,052,494	4.96%	4	Wholesale - Durable Goods	153,634,893	8.71%
7	Retail - Clothing & Clothing Accessories	84,965,657	4.53%	8	Retail - Clothing & Clothing Accessories	70,441,734	3.99%
8	Accommodations	62,139,637	3.31%	12	Accommodations	45,012,096	2.55%
9	Other Services - Except Public Admin.	55,868,008	2.98%	11	Other Services - Except Public Admin.	45,238,666	2.57%
10	Retail - Furniture & Home Furnishing Stores	54,324,073	2.90%	7	Retail - Furniture & Home Furnishing Stores	72,814,042	4.13%
11	Public Administration	52,500,000	2.80%	14	Public Administration	42,500,000	2.41%
12	Retail - Sporting Goods, Hobbies, Books	49,239,842	2.63%	16	Retail - Sporting Goods, Hobbies, Books	38,636,613	2.19%
13	Retail - Miscellaneous Retail Trade	45,841,176	2.45%	15	Retail - Miscellaneous Retail Trade	39,845,439	2.26%
14	Manufacturing	43,752,479	2.33%	9	Manufacturing	49,324,448	2.80%
15	Information	40,263,097	2.15%	19	Information	19,373,539	1.10%
16	Retail - Gasoline Stations	30,459,950	1.62%	17	Retail - Gasoline Stations	23,122,952	1.31%
17	Construction	24,183,374	1.29%	10	Construction	46,623,127	2.64%
18	Real Estate Rental and Leasing	20,077,247	1.07%	13	Real Estate Rental and Leasing	43,632,530	2.47%
19	Arts, Entertainment and Recreation	16,186,502	0.86%	23	Arts, Entertainment and Recreation	10,376,194	0.59%
20	Professional, Scientific & Technical Services	15,452,961	0.82%	20	Professional, Scientific & Technical Services	17,855,915	1.01%
21	Retail - Electronics & Appliances	15,267,273	0.81%	21	Retail - Electronics & Appliances	14,716,173	0.83%
22	Retail - Health & Personal Care Stores	13,302,116	0.71%	24	Retail - Health & Personal Care Stores	10,028,391	0.57%
23	Prior-Period Payments & Refunds	13,131,203	0.70%	18	Prior-Period Payments & Refunds	22,907,213	1.30%
24	Wholesale Trade - Nondurable Goods	11,278,141	0.60%	22	Wholesale Trade - Nondurable Goods	12,187,187	0.69%
25	Health Care & Social Assistance	6,657,691	0.36%	27	Health Care & Social Assistance	5,247,126	0.30%
26	Nonstore Retailers	5,977,603	0.32%	26	Nonstore Retailers	5,967,388	0.34%
27	Admin & support & Waste Mngmt Services	4,976,867	0.27%	25	Admin & support & Waste Mngmt Services	8,892,843	0.50%
28	Occasional/Nonclassifiable	2,899,001	0.15%	34	Occasional/Nonclassifiable	200,000	0.01%
29	Educational Services	1,868,243	0.10%	28	Educational Services	3,607,474	0.20%
30	Transportation & Warehousing	1,705,711	0.09%	32	Transportation & Warehousing	1,956,842	0.11%
31	Finance & Insurance	1,491,028	0.08%	31	Finance & Insurance	2,205,286	0.13%
32	Mining, Quarrying & Oil & Gas Extraction	900,000	0.05%	29	Mining, Quarrying & Oil & Gas Extraction	2,650,000	0.15%
33	Wholesale Trade - Electronic Markets	818,708	0.04%	30	Wholesale Trade - Electronic Markets	2,350,000	0.13%
34	Management of Companies & Enterprises	251,000	0.01%	33	Management of Companies & Enterprises	600,000	0.03%
35	Agriculture, Forestry, Fishing & Hunting	80,000	0.00%	35	Agriculture, Forestry, Fishing & Hunting	(214,000)	-0.01%
		<u>\$ 1,874,642,235</u>				<u>\$ 1,763,621,538</u>	

Source: Utah State Tax Commission statistical reports for calendar year ended December 31, 2015 and December 31, 2006.

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					
2007	\$ 2,820,877	\$ 1,256,276	\$ 1,334,676	\$ -	\$ 5,501,614	\$ 8,021,906	68.58%	
2008	3,397,861	1,735,621	1,497,991	-	6,761,645	9,594,120	70.48%	
2009	3,418,978	2,015,720	1,656,614	-	7,326,282	10,425,903	70.27%	
2010	2,827,569	1,592,024	1,468,398	-	6,011,386	8,549,831	70.31%	
2011	2,402,908	1,394,831	1,384,311	-	5,304,528	7,497,089	70.75%	
2012	2,249,152	1,419,495	1,360,888	-	5,151,288	7,190,342	71.64%	
2013	2,265,799	1,424,548	1,380,905	-	5,189,282	7,216,601	71.91%	
2014	2,523,549	1,585,348	1,382,212	-	5,622,224	7,859,544	71.53%	
2015	2,894,332	1,676,407	1,428,077	-	6,127,470	8,660,480	70.75%	
2016	3,118,047	1,782,738	1,545,426	-	6,580,700	9,303,156	70.74%	

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

Fiscal Year	City of St. George										Overlapping Governments										Direct & Overlapping Rates																	
	Operating					Debt					Total					Washington County						Washington Co School District																
	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate		Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate							
2007	0.001126	0.000210	0.001336	0.000216	0.000514	0.000235	0.000257	0.001222	0.004085	0.001515	0.005600	0.000816	0.000874	0.001026	0.000191	0.001217	0.000195	0.000464	0.000186	0.000421	0.001266	0.004344	0.001311	0.005655	0.000716	0.001015	0.000191	0.001206	0.000194	0.000564	0.000200	0.000421	0.001379	0.004326	0.001311	0.005637	0.000701	0.008923
2010	0.001295	0.000209	0.001504	0.000239	0.000695	0.000246	0.000507	0.001687	0.005608	0.001311	0.006919	0.000863	0.010973	0.001295	0.000242	0.001750	0.000280	0.000816	0.000284	0.000591	0.001971	0.006493	0.001311	0.007804	0.001001	0.001508	0.000258	0.001857	0.000301	0.000873	0.000292	0.000627	0.002093	0.006916	0.001311	0.008227	0.001032	0.013209
2013	0.001625	0.000264	0.001889	0.000304	0.000882	0.000298	0.000626	0.002110	0.006890	0.001311	0.008201	0.000963	0.013163	0.001533	0.000251	0.001784	0.000304	0.000763	0.000298	0.000626	0.001991	0.006233	0.001311	0.007544	0.000927	0.001425	0.000237	0.001662	0.000269	0.000779	0.000247	0.000548	0.001843	0.005802	0.001419	0.007221	0.000862	0.012246
2016	0.001375	0.000224	0.001599	0.000257	0.000743	0.000227	0.000521	0.001748	0.005759	0.001736	0.007495	0.000819	0.011661																									

(1) Washington County Water Conservancy District and Southwest Mosquito Special Service District

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
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%
2016*	10,574	9,801	92.69%	607		10,408	98.43%

*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	Course Bonds	Golf Bonds	Capital Leases	Leases	Leases	Leases	Leases	Leases		
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
2016	11,535	5,840	14,451	-	646	-	7,971	53,311	301	-	-	-	-	-	-	-	-	94,055	1,057

* 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	
				Property	Per Capita
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
2016	11,535	-	11,535	0.1753%	130

CITY OF ST. GEORGE, UTAH
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF JUNE 30, 2016
 (amounts expressed in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Washington County	\$ 12,575	54.85%	\$ 6,897
Washington County School District	216,965	54.85%	119,005
Washington County Water Conservancy	1,140	54.85%	625
sub-total overlapping debt	<u>230,680</u>		<u>126,528</u>
City of St. George direct debt - GO Bonds	11,535		11,535
City of St. George direct debt - WCIA	3,254		3,254
Total direct & overlapping debt	<u>\$ 245,469</u>		<u>\$ 141,317</u>

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

	FISCAL YEAR									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$669,296	\$823,545	\$896,826	\$721,366	\$652,656	\$628,110	\$577,328	\$628,764	\$692,838	\$744,253
Total net debt applicable to limit	74,318	71,218	64,594	64,594	56,112	34,066	89,383	74,367	77,080	71,002
Legal debt margin	<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>	<u>\$673,251</u>

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

Legal Debt Margin Calculation for Fiscal Year 2016

Fair market value of taxable property	\$ 9,303,156,307
Debt limit:	
General obligation 4%	\$ 372,126,252
Water, Sewer & electric 4%	372,126,252
Total debt limit	<u>\$ 744,252,505</u>
Debt applicable to limit:	
General obligation bonds	\$ 11,535,000
less: amt set aside for repayment of debt	
Water, sewer, and electric bonds	61,282,000
less: amt set aside for repayment of debt	
Total net debt applicable to limit	<u>(1,815,176)</u>
Legal debt margin	<u>\$ 71,001,824</u> <u>\$ 673,250,681</u>

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

Fiscal Year	Water Revenue Bonds					Energy Services Revenue Bonds					
	Water Charges and other	Less: Operating Expenses	Net Available Revenues	Debt Service Principal	Debt Service Interest	Energy Charges and other	Less: Operating Expenses	Net Available Revenues	Debt Service Principal	Debt Service Interest	Coverage
2007	\$ 15,443	\$ 10,670	\$ 4,773	\$ 1,880	\$ 2,323	\$ 53,623	\$ 47,601	\$ 6,022	\$ 600	\$ 703	4.62
2008	17,628	10,846	6,782	2,410	2,027	55,241	48,052	7,189	620	682	5.52 **
2009	17,016	10,188	6,828	2,515	1,925	55,201	49,921	5,280	645	693	3.95 **
2010	16,891	9,794	7,097	2,610	1,810	54,876	51,691	3,185	665	670	2.39
2011	16,259	10,109	6,150	2,665	1,855	54,440	50,294	4,146	1,570	3,088	0.89
2012	16,441	11,986	4,455	2,605	1,273	55,940	50,913	5,027	1,645	3,028	1.08
2013	18,765	11,897	6,868	1,566	628	59,362	52,805	6,557	1,730	2,955	1.40
2014	20,154	12,530	7,624	3,190	406	63,598	55,959	7,639	1,830	2,788	1.65
2015	18,931	12,180	6,751	3,298	300	63,521	53,494	10,027	1,995	2,633	2.17
2016	20,179	12,855	7,324	2,158	232	63,138	53,033	10,105	2,085	1,502	2.82

** interest capitalized during construction period

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

Fiscal Year	(1)		Median Age	(2)		Unemployment Rate
	Personal Income (amts expressed in millions)	Per Capita Personal Income		School Enrollment		
2007	75,000	3,558.0	31	24,352	2.9%	
2008	83,364	3,658.0		25,295	4.9%	
2009	85,000	3,595.0		25,775	7.3%	
2010	83,500	not available	32.5	25,202	9.6%	
2011	82,000	not available		not available	10.1%	
2012	83,000	not available		not available	7.1%	
2013	83,000	not available		not available	5.4%	
2014	85,000	not available		not available	3.8%	
2015	87,500	not available		not available	4.0%	
2016	89,000	not available		not available	4.1%	

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

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

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

2016			2007		
Employer	Employees	Industry	Employer	Employees	Industry
Washington County School District (1)	3,000-3,999	Public Education	Washington County School District (1)	2,000-2,999	Public Education
Intermountain Health Care	2,000-2,999	Health Care	Intermountain Health Care	1,000-1,999	Health Care
Wal-Mart (1)	1000-1999	Warehouse Clubs/Supercenter	Dixie College	500-999	Higher Education
Dixie State University	1000-1999	Higher Education	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	500-9999	Federal 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									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General government	51	52	50	64	64	65	74	80	78	81.5
Community & development services (2) (3)	39	29	27	21	21	21	20	42	46	37
Public Safety										
Police										
Officers	97	103	103	103	103	104	104	106	108	110
Reserves	4									
Civilians	39	39	39	40	40	46	47	46	46	47
Fire										
Firefighters & officers	22	23	23	31	31	31	31	31	32	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)	25	22	17	14	14	15	15	31	33	37
Maintenance	32	32	32	32	32	32	33	33	32	34
Fleet maintenance (1)	13	13	13	0	0	0	0	0	0	0
Culture & recreation										
Recreation	14	14	14	14	14	14	14	14	16	16
Parks & design	41	42	42	42	42	42	53	58	58	59
Building maintenance	11	10	9	10	10	10	0	0	0	0
Dixie Center	9	12	12	12	12	11	11	12	12	12
Administration & others	8	6	6	6	6	6	6	4	6	6
Water services	54	49	49	49	49	49	49	49	49	52
Wastewater collections	19	19	17	17	17	17	17	17	17	16
Energy services	56	51	52	52	52	53	54	54	55	58
Golf courses (2)	33	34	31	31	31	32	32	0	0	0
Wastewater treatment	21	19	20	20	20	20	21	21	21	22
Public transit	15	14	14	15	15	16	16	21	22	22.5
Total	668	648	635	638	638	649	662	684	696	707

- (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: 2017 based upon number of approved positions in fiscal year 2017 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, 2016, 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 19, 2016.

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 19, 2016

ST. GEORGE CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Other Identification Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Agriculture				
Passed through Five County Association of Governments:				
Emergency Food Assistance Program (Administrative Costs)	10.568	16-0151	\$ 28,958	\$ -
U.S. Department of Housing and Urban Development				
Community Development Block Grants/ Entitlement Grants Program				
	14.218	B-1X-MC-49-001X	483,709	13,080
U.S. Department of Interior				
Water Conservation Field Services Grant Program				
	15.530	R14AP00021, R15AP00076	34,162	-
Passed through the State of Utah:				
Outdoor Recreation Acquisition, Development and Planning	15.916	49-00385	72,000	-
Total U.S. Department of Interior			106,162	-
U.S. Department of Justice				
Passed through the State of Utah:				
Crime Victim Assistance	16.575	15VOCA66	46,746	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0811	18,626	-
Regional Fugitive Task Force	16.xxx	VFAST	2,366	-
Drug Enforcement Administration:				
Equitable Sharing Program	16.922	XX-DEA-XXXXXXX	24,987	15,000
Total U.S. Department of Justice			92,725	15,000
U.S. Department of Transportation				
Federal Transportation Administration:				
Federal Transit-Formula Grants	20.507	UT-90-X069	901,185	-
Passed through the State of Utah:				
State and Community Highway Safety	20.600	PT140107, DD1X0802	20,294	-
National Priority Safety Programs	20.616	2HVE150401	12,737	-
Total Highway Safety Cluster (20.600, 20.616)			33,031	-
Total U.S. Department of Transportation			934,216	-
U.S. Department of Treasury				
Treasury Forfeiture Fund Program	21.000	SLOT	5,434	-
U.S. Department of Health and Human Services				
Passed through the State of Utah:				
Temporary Assistance for Needy Families (TANF)	93.558	151474, 151491, 151492	497,270	-
Temporary Assistance for Needy Families (TANF) (RRH)	93.558	15DWS0177	35,040	-
Total U.S. Department of Health and Human Services			532,310	-
Executive Office of the President, Office of National Drug Control Policy				
High Intensity Drug Trafficking Area (HIDTA)	95.001	G1XRM0015A	171,040	-
U.S. Department of Homeland Security				
Federal Emergency Management Agency:				
Passed through the State of Utah:				
Disaster Grants-Public Assistance	97.036	FEMA-UT-DR-1955	128,803	-
Passed through Washington County, Utah:				
Disaster Grants-Public Assistance	97.036	FEMA-UT-DR-1955	43,907	-
Total U.S. Department of Homeland Security			172,710	-
Total expenditures of federal awards			\$ 2,527,264	\$ 28,080

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, 2016

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (schedule) 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

ST. GEORGE CITY
SCHEDULE OF EXPENDITURES OF PASSENGER FACILITY CHARGES
FOR THE YEAR ENDED JUNE 30, 2016

	<u>September 30</u>	<u>December 31</u>	<u>March 31</u>	<u>June 30</u>	<u>Total</u>
15-06-C-00-SGU	\$ -	\$ 2,053	\$ -	\$ 15,450	\$ 17,503

**ST. GEORGE CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___yes x no
- Significant deficiencies identified that are not considered to be material weaknesses? ___yes x no

Noncompliance material to financial statements noted? ___yes x no

Federal Awards

Internal control over major programs:

- Material weakness identified? ___yes x no
- Significant deficiencies identified? ___yes x 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 2 CFR 200.516(a)? ___yes x no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
20.507	Federal Transit—Formula Grants

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? x yes ___no

**ST. GEORGE CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

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 the Uniform Guidance 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 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, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements of the Guide. Those standards, the Uniform Guidance 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, 2016.

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 the Uniform Guidance 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 the Uniform Guidance and the Guide. Accordingly, this report is not suitable for any other purpose.


HintonBurdick, PLLC
St. George, Utah
December 19, 2016

Independent Auditors' Report as Required by the State *Compliance Audit Guide* On:

- **Compliance with General State Compliance Requirements**
- **Internal Control Over Compliance**

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 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 the City for the year ended June 30, 2016.

General state compliance requirements were tested for the year ended June 30, 2016 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
- Treasurer's Bond
- Cash Management
- Impact Fees

Management's Responsibility

Management is responsible for compliance with the general state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on the City'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 the City occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with general state compliance requirements. However, our audit does not provide a legal determination of the City's compliance.

Opinion on General State Compliance Requirements

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 for the year ended June 30, 2016.

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 2016-001. 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 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 the City's internal control over compliance with the compliance requirements that could have a direct and material effect on the City to determine the auditing procedures in the circumstances for the purpose of expressing an opinion on compliance with general state 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 the City'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.

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.



HintonBurdick, PLLC
St. George, Utah
December 19, 2016

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

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 fiscal year 2016, 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 Dixie Center Area EDA Special Revenue Fund reported a deficit fund balance of \$835,317 at June 30, 2016. The fiscal year 2016 budget reports budgeted revenues of \$751,011 and budgeted expenditures of \$377,500. 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 2016.

Recommendation

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

2016-001 Finding – Expenditures in Excess of Appropriations:

UCA 10-6-123 states the City may not make or incur expenditures or encumbrances in excess of total budget appropriations. We noted the Dixie Center Operations Special Revenue Fund incurred expenditures in excess of budget appropriations in the amount of \$112,894.

Recommendation

We recommend that the City operate within the confines of State law by limiting expenditures to the approved budgeted amounts.

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 black ink that reads "Hinton Burdick, PLLC". The signature is written in a cursive, flowing style.

HintonBurdick, PLLC

December 19, 2016



December 19, 2016

To: Mayor, City Council and City Manager

From: Tiffany M. LaJoice, CPA
Finance Manager

Subject: Schedule of Findings and Recommendations
Fiscal year audit ended June 30, 2016

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.

- 2015-001 We agree with the auditor's comments regarding the deficit fund balance in the Dixie Center Area EDA Fund. The Dixie Center Area EDA was amended in fiscal year 2015, to extend the district an additional six years to fund infrastructure improvements. The improvements were completed in fiscal year 2016 and were funded by an interfund loan of \$1 million. Accordingly, the cash position in the fund is positive, however, the fund balance is anticipated to remain in a deficit position until revenues under the extension period are realized. We will continue to monitor all funds to ensure fund balances are positive and within allowable state limits. If fund balances approach zero, we will review with management and determine if revenues will be received prior to the end of the fiscal year to keep the fund balance positive. If revenues will not be adequate to eliminate any deficit, management will consider transfers from other funds to comply with State law.
- 2016-001 We appreciate and understand the auditor's comments regarding the Dixie Center Operations S.R. Fund and we would like to explain the excess in expenditures. The Dixie Center is jointly owned by the City and Washington County. The excess expenditures occurred when Washington County used reserve funds to make a final principal payment on the outstanding bond, prior to the original debt service due date. Because the payment was made using reserve funds, the City had no cash requirement and recorded an expenditure for the principal amount and revenue of contributions from others to balance the entry. The City had no control over the timing of this payment, or we would have increased our budget to allow for the extra payment. In the future, we will monitor budgets closely to ensure that expenditures do not exceed budgeted amounts.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2015

The June 30, 2015 audit included findings on deficit fund balances and Utah public notice website. The deficit fund balance finding is addressed in the current year response on page 169, however the Utah public notice website finding has been addressed in the current fiscal year. We will continue to monitor to do our best to avoid these findings again in the 2017 fiscal year .

CONTINUING DISCLOSURE SECTION

CITY OF ST. GEORGE, UT
 Continuing Disclosure - Franchise Tax Revenue Bonds, Series 2014
 Fiscal Year Ended June 30, 2016

<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>
2016	\$ 4,539,711	\$ 963,912	\$ 5,503,623	5.75%
2015	4,273,371	930,885	5,204,256	1.88%
2014	4,136,934	971,495	5,108,429	1.35% (1)
2013	4,178,110	862,119	5,040,229	10.63%
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%

(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, 2016

Debt Service Coverage Actual and Projected

<u>Fiscal</u> <u>Year</u>	<u>Total</u> <u>Pledged Taxes (1)</u>	<u>Series 2014</u> <u>Bonds Debt Service</u>	<u>Coverage</u>
2016	\$ 5,503,623	\$ 762,800	7.22
2017	5,558,659	758,425	7.33
2018	5,614,246	761,425	7.37
2019	5,670,388	761,350	7.45
2020	5,727,092	762,975	7.51
2021	5,784,363	758,475	7.63
2022	5,842,207	762,725	7.66
2023	5,900,629	760,600	7.76
2024	5,959,635	762,100	7.82
2025	6,019,231	762,100	7.90
2026	6,079,424	760,600	7.99
2027	6,140,218	762,475	8.05
2028	6,201,620	759,500	8.17
2029	6,263,636	761,763	8.22

(1) Projections based on actual fiscal year 2016 Pledged Taxes of \$5,503,623 and assuming an annual increase of 1%

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
ASSETS					
Cash	\$ 5,538,761	\$ 3,879,391	\$ 4,796,318	\$ 4,528,595	\$ 1,954,945
Accounts receivable	12,692,738	11,921,484	11,831,981	11,480,435	3,428,067
Prepaid items	44,951	10,800	40,990	39,774	38,420
Inventory	160,764	175,147	101,231	112,346	98,415
Notes receivable	-	49,935	49,935	70,000	1,616,708
Due from other funds	385,935	903,021	612,809	500,000	500,000
Total assets	\$ 18,823,149	\$ 16,939,778	\$ 17,433,264	\$ 16,731,150	\$ 7,636,555
LIABILITIES					
Construction bonds held	\$ 285,674	\$ 361,857	\$ 689,412	\$ 682,700	\$ 189,430
Due to other funds	-	-	-	-	-
Accrued liabilities	2,183,732	1,705,240	1,534,650	1,161,319	1,697,360
Deferred revenues					54,489
Total liabilities	2,469,406	2,067,097	2,224,062	1,844,019	1,941,279
DEFERRED INFLOWS OF RESOURCES (1)					
Unavailable revenues - property tax levy	8,700,000	8,350,000	8,300,000	8,000,000	
Unavailable revenues - city cache cards	522,094	530,851	61,660	59,450	
Total deferred inflows of resources	9,222,094	8,880,851	8,361,660	8,059,450	-
FUND BALANCES (DEFICITS)					
Nonspendable:					
Inventories & prepaids	205,715	185,947	142,221	152,119	136,834
Noncurrent receivables	385,935	952,956	662,744	570,000	2,116,708
Restricted for:					
Public safety programs	133,401	151,174	228,710	264,774	157,928
Cemetery perpetual care	105,209	64,133	126,929	121,665	112,320
Reserved for police seizures					
Reserved for notes receivable					
Unassigned:	6,301,389	4,637,620	5,686,938	5,719,123	3,171,486
Total fund balances (deficits)	7,131,649	5,991,830	6,847,542	6,827,681	5,695,276
Total liabilities, deferred inflows and fund balances	\$ 18,823,149	\$ 16,939,778	\$ 17,433,264	\$ 16,731,150	\$ 7,636,555

(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 2012-2016. This summary itself is not audited.)

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

	2016	2015	2014	2013	2012
ASSETS					
Cash	\$ 49,973,343	\$ 37,313,250	\$ 37,546,416	\$ 31,148,104	\$ 10,193,257
Accounts receivable (net of allowance for doubtful accounts)	20,203,364	28,968,486	30,827,047	30,787,149	16,808,142
Inventory	160,764	175,147	101,231	112,346	98,415
Net pension assets	86,427	253,113			
Notes receivable	-	49,935	49,935	70,000	1,616,708
Internal Balances	14,396	(5,533,363)	(7,453,638)	(14,415,780)	500,000
Prepaid expenses	80,575	328,800	40,989	39,773	38,420
Capital assets (net of depreciation)					
Land	95,816,959	95,005,703	86,371,849	86,553,089	87,143,915
Buildings	24,747,111	24,636,367	21,805,887	19,153,011	19,236,991
Improvements	49,834,491	46,102,946	43,780,598	44,136,826	43,498,930
Infrastructure	187,069,131	181,892,495	180,101,009	169,417,163	164,764,337
Machinery & equipment	14,487,801	12,680,830	10,445,764	9,904,498	9,594,371
Total assets	<u>\$ 442,474,362</u>	<u>\$ 421,873,709</u>	<u>\$ 403,617,087</u>	<u>\$ 376,906,179</u>	<u>\$ 353,493,486</u>
DEFERRED OUTFLOWS OF RESOURCES (1)					
Deferred outflows related to pensions	7,297,275	2,376,573			
Total deferred outflows	<u>\$ 7,297,275</u>	<u>\$ 2,376,573</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES					
Accrued liabilities	\$ 4,829,969	\$ 3,746,811	\$ 4,476,131	\$ 1,937,294	\$ 4,912,219
Construction bonds held	285,674	361,857	689,413	682,700	189,429
Deferred compensation	1,863,348	1,690,880	1,355,320	1,232,176	1,222,513
Interest payable	311,102	312,575	482,284	582,672	751,600
Unearned revenues	436,899	854,779	137,088	59,450	163,870
Net pension liability	13,659,892	9,930,997			
Notes payable:					
Due within one year	358,004	263,136	4,070,552	4,551,420	2,613,000
Due in more than one year	413,260	651,264	1,697,899	4,566,189	11,789,464
Bonds payable:					
Due within one year	5,505,000	4,535,000	5,126,000	4,885,000	4,987,000
Due in more than one year	34,878,000	33,282,000	37,442,000	34,418,000	39,303,000
Capital leases:					
Due within one year	629,964	598,608	309,380	289,440	256,000
Due in more than one year	3,270,902	4,019,927	4,077,780	3,348,220	3,651,540
Bond premiums	1,558,642	1,806,721	1,646,705	730,224	850,863
Total liabilities	<u>68,000,656</u>	<u>62,054,555</u>	<u>61,510,552</u>	<u>57,282,785</u>	<u>70,690,498</u>
DEFERRED INFLOWS OF RESOURCES (1)					
Deferred inflows related to pensions	1,893,676	1,803,814			
Unavailable rev. - city cache cards	522,094	530,851			
Unavailable rev. - property tax levy	12,292,838	12,358,294	13,184,650	11,773,450	-
Total deferred inflows	<u>14,708,608</u>	<u>14,692,959</u>	<u>13,184,650</u>	<u>11,773,450</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	325,030,619	314,849,110	287,652,507	275,793,422	260,036,077
Restricted for:					
Unspent bond/impact fees for const.	12,157,245				
Debt service	662,953	1,603,057	867,676	894,095	1,108,756
Unrestricted	29,211,557	31,050,599	40,401,703	31,162,428	21,658,155
Total Net Position	<u>\$ 367,062,373</u>	<u>\$ 347,502,768</u>	<u>\$ 328,921,885</u>	<u>\$ 307,849,944</u>	<u>\$ 282,802,988</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				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues:					
Taxes & special assessments	\$ 43,825,898	\$ 40,443,986	\$ 38,743,090	\$ 39,541,270	\$ 37,449,795
Contributions from other governments	4,008,657	3,522,686	3,433,033		
Licenses and permits	2,391,741	2,192,850	2,243,650	2,200,214	1,755,314
Intergovernmental	5,951,134	16,183,394	17,262,508	20,213,530	16,704,043
Charges for services	16,151,381	15,446,484	10,810,277	9,814,766	9,376,063
Fines & forfeitures	981,419	1,055,589	960,326	953,653	995,256
Investment income	321,603	175,626	203,222	161,133	237,574
Rents & concessions	245,252	211,260	219,143	261,639	236,640
Miscellaneous	60,232	90,061	558,658	474,878	62,591
Contributions from other sources	2,993,317	1,505,224	1,008,807	109,441	93,701
Capital Development Fees	3,661,948	3,544,812	3,698,378	3,381,482	2,372,041
Total revenues	80,592,582	84,371,972	79,141,092	77,112,006	69,283,018
Expenditures:					
Current:					
General government	9,326,211	8,259,332	5,539,004	5,496,246	5,703,689
Public safety	21,121,647	18,039,351	17,344,449	16,817,989	16,635,602
Highways & public improvements	9,831,723	9,871,442	11,779,644	11,680,913	14,970,065
Parks, recreation & public property	12,793,787	12,345,390	12,841,969	11,703,703	10,906,528
Community & economic development	8,354,461	8,474,407	2,262,219	2,393,630	2,792,178
Capital outlay	16,698,598	14,247,263	19,902,648	12,345,190	11,512,584
Debt service					
Capital leases	98,395	102,305	100,905	104,505	102,768
Principal	5,800,396	17,357,130	9,264,799	9,821,735	7,481,779
Interest & admin charges	1,594,330	1,935,170	2,552,383	2,896,991	4,903,890
Total expenditures	85,619,548	90,631,790	81,588,020	73,260,902	75,009,083
Excess (deficiency) of revenues over expenditures	(5,026,966)	(6,259,818)	(2,446,928)	3,851,104	(5,726,065)
Other financing sources (uses):					
Transfers in	33,071,424	10,831,204	15,459,739	18,659,261	16,068,531
Transfers out	(30,028,577)	(9,242,685)	(14,403,095)	(16,736,518)	(13,647,697)
Payments to other taxing agencies	(358,000)	-	(160,000)		
Unbilled utility services	(442,998)	(553,602)	(459,224)		
Contributions from private sources				1,028,150	867,991
Proceeds from sale of capital assets	3,265,925	2,409,539	896,977	1,329,377	66,534
Contributions from other governments	-	-	(10,000)	1,144,922	662,698
Proceeds of bonds and/or notes	8,098,000	7,830,000	9,350,000		2,228,000
Premium on refunding bonds	-	408,095	1,037,120		
Total other financing sources (uses)	13,605,774	11,682,551	11,711,517	5,425,192	6,246,057
Net change in fund balances	8,578,808	5,422,733	9,264,589	9,276,296	519,992
Restatement for Golf Fund Merger		(4,728,675)			
Fund balances, beginning of year,	42,644,821	41,950,763	32,686,172	23,409,876	22,889,885
Fund balances (deficit), end of year	\$ 51,223,629	\$ 42,644,821	\$ 41,950,761	\$ 32,686,172	\$ 23,409,877

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, 2016

Comparative Property Tax Rates Within Washington County

<u>Tax Levying Entity</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Hurricane	0.002793	0.002432	0.002690	0.002723	0.002754
Ivins	0.001783	0.001862	0.001981	0.002125	0.002097
LaVerkin	0.002353	0.002532	0.002750	0.002805	0.002776
St. George City	0.001599	0.001662	0.001784	0.001889	0.001857
Washington City	0.001446	0.001505	0.001621	0.001711	0.001681

(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	\$ 4,645,000
2014	Parks and Recreation	\$ 7,830,000	August 1, 2025	\$ 6,890,000

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 Revenue	\$ 22,485,000	November 1, 2017	\$ 5,840,000

Outstanding Revenue Bond 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	\$ 3,185,000
2013	Electric Revenue **	\$ 11,280,000	June 1, 2025	\$ -
2008	Electric Revenue *	\$ 50,000,000	June 1, 1938	\$ 2,350,000
2009A	Build America Bonds	\$ 3,504,000	December 1, 2021	\$ 1,834,000
2009B	Recovery Zone Bonds	\$ 6,723,000	June 1, 2024	\$ 6,723,000
2012	Water Revenue	\$ 3,830,000	July 1, 2025	\$ 3,595,000
2013	Water Revenue	\$ 3,637,000	July 1, 2016	\$ 1,191,000
2014	Franchise Tax Bonds	\$ 8,150,000	December 1, 2028	\$ 7,350,000
2015	Franchise Tax Bonds	\$ 7,898,000	June 1, 2025	\$ 7,101,000
2016	Electric Refunding	\$ 40,625,000	June 1, 1938	\$ 40,625,000
2016B	Electric Refunding	\$ 10,336,000	June 1, 2025	\$ 10,336,000

* Partially refunded with 2016 Electric Refunding

** Refunded with 2016B Electric Refunding

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	\$ 195,000
2000	MBA Woodward	\$ 350,000	April 1, 2021	\$ 106,000

Debt Ratios

Direct General Obligation Debt is 0.1753% of 2016 Taxable Value

Total Direct and Overlapping General Obligation Debt is 1.52% of 2015 Taxable Value

Per Captia Direct General Obligation Debt is \$130 based on the estimated population of 89,000.

Per Capita Direct and Overlapping General Obligation Debt is \$1,588 based on estimated population.

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

FISCAL YEAR ENDING 6/30	WATER SALES REVENUES	OTHER REVENUES (1)	INTEREST INCOME (2)	TOTAL REVENUES	O & M EXPENSE	NET REVENUES	2001		2003		2004		2011		2012		TOTAL DEBT SERVICE (3)	TOTAL DEBT SERVICE COVERAGE
							Refunding Debt	Service	Refunding Debt	Service	Bond Debt	Service	Refunding Debt	Service	Refunding Debt	Service		
2007	\$12,823,814	\$2,343,208	\$275,516	\$15,442,538	\$10,869,861	\$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	188,900	78,978	-	-	-	-	2,194,178	3.13
2014	17,641,536	2,507,224	4,968	20,153,728	12,529,566	7,624,162	-	133,485	1,071,275	1,433,500	858,000	99,413	99,413	99,413	99,413	99,413	3,595,673	2.12
2015	17,812,897	1,101,221	16,990	18,931,108	12,180,284	6,750,824	-	1,205,208	-	1,435,000	858,700	858,700	99,413	99,413	99,413	99,413	3,598,321	1.88
2016	19,036,132	1,093,876	49,301	20,179,309	12,854,841	7,324,468	-	1,200,428	-	-	857,275	332,063	332,063	332,063	332,063	332,063	2,389,766	3.06

(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

	2016	2015	2014	2013	2012	2011	2010
ASSETS							
Current Assets:							
Cash	\$ 6,080,797	\$ 3,363,633	\$ 774,065	\$ (1,890,465)	\$ (1,556,925)	\$ (539,510)	\$ 842,799
Restricted Cash	1,815,176	1,949,168	2,890,362	2,738,218	2,477,884	3,228,193	3,213,913
Accts. Receivable	2,763,868	2,555,490	3,121,279	2,946,122	281,551	81,965	205,880
Inventory	619,014	918,944	685,321	628,371	597,605	587,902	525,895
Net pension assets *	9,455	26,240					
Bond Discounts	38,955	48,994	140,900	213,172	570,127	645,535	544,309
Prepaid Expenses	-	-	-	-	1,024	1,160	1,115
Total Current Assets	11,327,265	8,862,469	7,611,927	4,635,418	2,371,266	4,005,245	5,333,911
Property, Plant & Equipment							
Improvements	144,825,655	142,051,451	139,652,500	138,363,645	136,800,086	134,032,864	130,907,373
Less Accum. Depr.	(48,644,910)	(45,950,619)	(43,315,092)	(40,719,330)	(38,148,872)	(35,314,692)	(32,338,002)
Net prop. plant & equip.	96,180,745	96,100,832	96,337,408	97,644,315	98,651,214	98,718,172	98,569,371
Deferred Outflow of Resources							
Deferred outflow related to pensions *	735,588	246,380					
TOTAL ASSETS	\$ 108,243,598	\$ 105,209,681	\$ 103,949,335	\$ 102,279,733	\$ 101,022,480	\$ 102,723,417	\$ 103,903,282
LIABILITIES & FUND EQUITY							
Current Liabilities:							
Accrued Liabilities	\$ 1,761,865	\$ 1,737,191	\$ 1,281,315	\$ 1,318,662	\$ 1,667,591	\$ 2,027,052	\$ 1,947,501
Net pension liability *	1,405,048	1,029,547					
Deposits payable	381,205	371,235	404,489	366,747	-	-	-
Total Current Liabilities	3,548,118	3,137,973	1,685,804	1,685,409	1,667,591	2,027,052	1,947,501
Long-Term Liabilities:							
Bonds Payable	7,971,000	10,129,000	13,505,800	16,705,800	19,387,513	39,507,513	42,172,513
Bond premiums	116,576	138,033	428,900	940,426	1,561,501	2,060,766	2,192,485
Notes payable	58,800	68,800	-	-	-	-	-
Deferred gain on bond redemption	-	-	-	-	-	-	-
Total long-term liabilities	8,146,376	10,335,833	13,934,700	17,646,226	20,949,014	41,568,279	44,364,998
Deferred Inflow of Resources							
Deferred inflow related to pensions*	196,050	187,001					
TOTAL LIABILITIES	11,890,544	13,660,807	15,620,504	19,331,635	22,616,605	43,595,331	46,312,499
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	19,130,652	1,615,652	1,615,652
Total Contributions	19,408,783	19,408,783	19,408,783	19,408,783	19,408,783	1,893,783	1,893,783
Retained Earnings:							
Reserved for bond retirement	1,815,176	1,949,168	2,890,362	2,738,218	2,477,884	3,228,193	3,213,913
Unreserved	75,129,095	70,190,923	66,029,686	60,801,097	56,519,208	54,006,110	52,483,087
Total retained earnings	76,944,271	72,140,091	68,920,048	63,539,315	58,997,092	57,234,303	55,697,000
TOTAL FUND EQUITY	96,353,054	91,548,874	88,328,831	82,948,098	78,405,875	59,128,086	57,590,783
TOTAL LIABILITIES & EQUITY	\$ 108,243,598	\$ 105,209,681	\$ 103,949,335	\$ 102,279,733	\$ 101,022,480	\$ 102,723,417	\$ 103,903,282

* 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

	2016	2015	2014	2013	2012	2011	2010
Operating Revenues:							
Charges for services	\$ 19,036,132	\$ 17,812,897	\$ 17,641,536	\$ 16,447,677	\$ 14,278,685	\$ 13,235,565	\$ 14,073,096
Impact fees & Other	1,023,108	1,073,386	1,210,011	1,006,109	793,830	589,265	698,906
Total operating revenues	20,059,240	18,886,283	18,851,547	17,453,786	15,072,515	13,824,830	14,772,002
Operating Expenses:							
Water purchased	5,029,845	4,698,464	5,208,121	5,278,321	5,739,150	4,530,742	4,446,403
Salary and Wages	2,555,079	2,380,802	2,332,350	2,372,355	2,392,746	2,133,783	2,181,140
Service vehicle expense	164,491	202,264	249,043	236,296	210,813	185,811	150,495
Equipment rental	45,041	37,290	39,676	60,845	35,191	38,717	34,045
Depreciation	2,741,614	2,656,232	2,595,762	2,570,458	2,834,180	2,976,691	2,949,178
Bad debts	-	-	-	-	-	-	-
Payroll tax & benefits	1,082,851	974,248	1,082,995	1,031,893	996,896	911,802	939,302
Office supplies	291,492	291,016	375,642	323,292	339,037	250,818	165,832
Professional services	166,969	253,878	238,374	348,740	268,883	193,648	250,012
R & M - equipment & building	1,338,313	1,262,048	1,256,086	1,072,706	882,999	788,861	548,533
Insurance & surety bonds	80,577	162,108	80,358	137,478	81,059	66,653	57,284
Travel	30,069	38,660	23,160	25,037	29,238	17,318	12,435
Miscellaneous	186	228	87	468	63	598	366
Subscriptions	35,365	30,114	28,996	34,388	34,657	15,207	33,005
Billing & administration	1,100,000	1,100,000	1,050,000	975,000	975,000	975,000	975,000
Total operating expenses	14,661,892	14,087,352	14,560,650	14,467,277	14,819,912	13,085,649	12,743,030
Operating income	5,397,348	4,798,931	4,290,897	2,986,509	252,603	739,181	2,028,972
Non-operating Rev. (Exp.):							
Interest income	49,301	16,990	4,968	11,226	9,376	12,438	20,469
Rent	-	-	1,223,250	1,218,500	1,324,688	2,422,091	2,094,739
Miscellaneous	36,606	27,835	73,963	81,099	34,326	20,767	3,360
Gain on bond refunding	-	-	-	-	414,872	-	-
Gain on sale of assets	(12,972)	-	-	-	-	-	-
Federal grants	34,162	-	-	-	-	-	-
Interfund utility services	(921,591)	-	-	-	-	-	-
Interest charges	(206,406)	26,915	166,820	(45,553)	(1,273,076)	(1,692,704)	(1,820,070)
Total Non-operating	(1,020,900)	71,740	1,469,001	1,265,272	510,186	762,592	298,498
Net Income (loss)	4,376,448	4,870,671	5,759,898	4,251,781	762,789	1,501,773	2,327,470
Transfers (to) from other funds	427,732	(544,449)	(379,165)	500,000	1,000,000	35,528	28,963
GASB 65 Restatement				(209,555)			
GASB 68 Restatement		(1,106,180)					
Retained earnings at July 1	72,140,090	68,920,048	63,539,315	58,997,089	57,234,300	55,696,999	53,340,566
Retained earnings at June 30	\$ 76,944,270	\$ 72,140,090	\$ 68,920,048	\$ 63,539,315	\$ 58,997,089	\$ 57,234,300	\$ 55,696,999

Source: City's Comprehensive Annual Financial Reports

Pursuant to the Continuing Disclosure Agreement for the above referenced bonds.

Sublease Rentals

The following table shows the revenues produced from the imposition of the Innkeepers Tax for the last ten fiscal years:

<u>Fiscal Year Ended June 30</u>	<u>Innkeepers Tax Revenue</u>
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
2016	661,250

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

<u>Fiscal Year June 30</u>	<u>Sales Tax Revenues</u>	<u>Percent Increase from prior year</u>
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%
2016	17,655,339	7.52%

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, 2016

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	\$ 0.09388	\$ 102.01	\$ 75.85
Small Commercial (includes demand)	0.10867	184.79	142.64
Large Commercial (includes demand)	0.08828	3,319.62	2,919.64

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2016

TABLE III - Summary of Kilowatt Hours and Production Costs

<u>Year</u>	<u>kWh</u>	<u>Cost per kWh</u>
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
2016	733,149,800	0.08395

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	16,275,900	2.5117%
Dixie State University	State University	11,830,050	1.8256%
IHC Dixie Regional Medical Center (300 E Campus)	Hospital	7,617,000	1.1755%
IHC Dixie Regional Medical Center (River Rd Campus)	Hospital	6,951,600	1.0728%
Quality Park Products	Manufacturing	5,924,000	0.9142%
Costco Wholesale	Large box store	5,550,560	0.8566%
Dixie Medical Center (River Rd Campus)	Hospital	4,003,680	0.6179%
Dixie Medical Center (River Rd Campus)	Hospital	3,940,200	0.6081%
Harmon's City Inc	Grocery store	3,560,280	0.5494%
Dixie Medical Center (River Rd Campus)	Hospital	3,352,800	0.5174%
Washington Co Water Conservancy District	Water agency	2,926,240	0.4516%
Lowes Home Improvement	Large box store	2,514,400	0.3880%
Berry's Manufacturing Inc	Manufacturing	2,369,780	0.3657%
		<u>76,816,490</u>	<u>11.8544%</u>

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2016

TABLE V Historical and Projected Operating Results

	2009	2010	2011	2012	2013	2014 *	2015 **	BUDGETED						
								2016	2017	2018	2019	2020		
Sources of Funds:														
Service Charges/User Fees	\$ 51,811,239	\$ 52,140,945	\$ 51,663,285	\$ 54,450,360	\$ 57,489,697	\$ 61,386,968	\$ 61,638,828	\$ 61,163,385	\$ 63,225,614	\$ 63,841,321	\$ 64,252,841	\$ 65,705,339	\$ 65,705,339	\$ 65,705,339
Other operating revenues	1,017,219	874,678	1,129,740	50,308	45,534	28,117	16,039	108,475	50,000	50,000	50,000	50,000	50,000	50,000
Impact fees	1,273,488	843,653	1,315,694	1,161,102	1,282,873	2,014,057	1,734,012	1,692,126	1,800,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total sources of funds	54,101,946	53,859,276	54,108,719	55,661,770	58,818,104	63,429,142	63,388,879	62,963,986	65,075,614	65,891,321	66,302,841	67,755,339	67,755,339	67,755,339
Uses of Funds:														
Electricity purchased	37,868,364	39,785,534	38,833,578	37,491,445	40,599,715	40,704,258	39,634,354	35,957,027	38,689,445	39,425,972	40,177,082	40,914,055	40,914,055	40,914,055
Natural gas purchased	3,498,003	4,074,512	3,499,843	5,126,432	4,127,857	5,728,887	4,886,601	6,137,399	4,759,815	4,854,059	4,950,169	5,077,191	5,077,191	5,077,191
Operating costs	8,555,109	7,831,263	7,960,352	8,294,744	8,077,844	9,526,131	8,973,457	10,938,679	9,800,500	10,192,520	10,600,221	11,024,230	11,024,230	11,024,230
Total O & M Expenses	49,921,476	51,691,309	50,293,773	50,912,621	52,805,416	55,959,276	53,494,412	53,033,105	53,249,760	54,472,551	55,727,472	57,015,476	57,015,476	57,015,476
Net Operating Revenues	4,180,470	2,167,967	3,814,946	4,749,149	6,012,688	7,469,866	9,894,467	9,930,881	11,825,854	11,418,770	10,575,369	10,739,863	10,739,863	10,739,863
Non-operating Revenues (Expenses)														
Interest income	906,871	143,515	22,604	17,933	17,816	35,634	45,582	77,438	30,450	50,000	50,000	50,000	50,000	50,000
Other income	191,987	873,196	308,040	259,919	526,132	133,453	87,101	96,528	203,000	200,000	200,000	200,000	200,000	200,000
Total Non-operating	1,098,858	1,016,711	330,644	277,852	543,948	169,087	132,683	173,966	233,450	250,000	250,000	250,000	250,000	250,000
Net Revenues for DS payments	5,279,328	3,184,678	4,145,590	5,027,001	6,556,636	7,638,953	10,027,150	10,104,847	12,059,304	11,668,770	10,825,369	10,989,863	10,989,863	10,989,863
Outstanding Bonds:														
Series 2005 Bonds (2)	1,337,629	1,335,054	1,334,454	1,334,466	1,333,466	1,095,526	855,750							
Series 2008 Bonds (1) (3)	-	-	3,323,625	3,338,625	3,351,625	3,337,625	3,345,125	2,307,375	1,267,500	1,260,000	-	-	-	-
Series 2013 Bonds (4)						184,496	427,727	1,279,282						
Series 2016 Refunding Bonds									2,012,595	1,806,819	3,076,819	3,081,419	3,081,419	3,081,419
Series 2016B Refunding Bonds									1,259,366	1,257,021	1,259,954	1,256,610	1,256,610	1,256,610
Total debt service payments	1,337,629	1,335,054	4,658,079	4,673,091	4,685,091	4,617,647	4,628,602	3,586,657	4,539,461	4,323,840	4,336,773	4,338,029	4,338,029	4,338,029
Projected Debt Service Coverage	3.95	2.39	0.89	1.08	1.40	1.65	2.17	2.82	2.66	2.70	2.50	2.53	2.53	2.53

(1) In fiscal years 2009 and 2010 interest was capitalized

(2) 2005 Bonds refunded with 2013 issue in December 2013

(3) 2008 Bonds were partially refunded with 2016 issue in April 2016

(4) 2013 Bonds refunded with 2016B issue in June 2016

* Rate increase in Feb. 2014 of 8%

** Impact fees increase in 2015 of 33%

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

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2016

TABLE VI Statement of Net Position

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
ASSETS					
Current assets:					
Cash	\$ 13,534,592	\$ 14,022,841	\$ 11,040,659	\$ 8,037,550	\$ 1,356,079
Restricted cash	-	-	-	-	-
Accts. receivable (net of allowance for uncollectibles)	7,165,382	6,953,410	7,258,532	8,619,364	11,120,725
Inventory	2,085,935	1,748,388	1,800,424	1,726,901	1,784,537
Net pension assets *	13,224	37,647	-	-	-
Bond discounts & insurance	5,285,481	882,347	1,707,526	1,103,776	1,480,036
Prepaid expenses					1,023
Total current assets	28,084,614	23,644,633	21,807,141	19,487,591	15,742,400
Capital assets net of accumulated depreciation					
	77,115,107	78,979,093	83,850,163	89,082,356	93,446,020
Deferred outflow of resources					
Deferred outflow related to pension *	1,069,741	353,476	-	-	-
Deferred charge on bond refunding	-	715,298	-	-	-
Total deferred outflows	1,069,741	1,068,774	-	-	-
TOTAL ASSETS	106,269,462	103,692,500	105,657,304	108,569,947	109,188,420
LIABILITIES					
Current liabilities:					
Accrued liabilities	7,541,641	9,924,778	8,290,282	8,984,007	4,387,896
Net pension liability *	2,023,422	1,477,072	-	-	-
Deposits payable	1,076,263	1,051,732	1,059,520	1,011,133	1,414,371
Total current liabilities	10,641,326	12,453,582	9,349,802	9,995,140	5,802,267
Long-term liabilities:					
Bonds payable - long term	51,072,000	54,195,000	58,275,000	59,235,000	60,965,000
Bond premiums	7,257,655	179,978	188,159	559,669	597,800
Total long-term liabilities	58,329,655	54,374,978	58,463,159	59,794,669	61,562,800
Deferred inflow related to pensions *	281,454	268,288	-	-	-
TOTAL LIABILITIES	69,252,435	67,096,848	67,812,961	69,789,809	67,365,067
NET POSITION					
Invested in capital assets, net of related debt	24,070,933	25,486,462	28,302,702	30,391,463	33,363,255
Restricted	72	-	-	-	-
Unrestricted	12,946,022	11,109,190	9,541,640	8,388,675	8,460,098
TOTAL NET POSITION	\$ 37,017,027	\$ 36,595,652	\$ 37,844,342	\$ 38,780,138	\$ 41,823,353

* GASB 68 implemented in Fiscal Year 2015

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2016

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
OPERATING REVENUES:					
Charges for services	\$ 61,163,385	\$ 61,638,828	\$ 61,386,968	\$ 57,489,697	\$ 54,450,360
Other operating revenues & impact fees	1,800,601	1,750,051	2,042,174	1,328,407	1,211,410
Total operating revenues	62,963,986	63,388,879	63,429,142	58,818,104	55,661,770
OPERATING EXPENSES:					
Electricity purchased	35,957,027	39,634,354	40,704,258	40,599,715	37,491,445
Natural gas purchased	6,137,399	4,886,601	5,728,887	4,127,857	5,126,432
Salary and wages	4,146,575	3,849,209	3,393,217	3,291,114	3,449,695
Supplies	705,421	684,564	985,176	762,296	776,745
Service vehicle expense	170,771	135,028	177,276	169,898	173,538
Equipment rental	-	-	-	-	-
Depreciation	6,089,037	6,281,507	6,298,295	6,377,950	6,369,528
Payroll tax & employee benefits	1,530,331	1,303,755	1,363,270	1,259,135	1,270,853
Office & dept. supplies	61,567	65,289	55,616	67,386	63,095
Professional services	1,592,365	319,105	401,565	267,432	312,825
R. & M. - equipment	601,055	505,666	485,760	372,948	526,818
R. & M. - buildings and grounds	20,566	47,824	32,595	25,382	18,542
Insurance & surety bonds	144,402	150,921	161,165	218,745	160,603
Travel	102,566	68,173	56,077	51,229	50,303
Miscellaneous	3,090	2,858	913	555	2,606
Interest expense	30,404	30,444	29,593	28,588	25,127
Subscriptions & memberships	74,494	58,663	82,501	63,136	63,995
Billing & administration	1,700,000	1,700,000	1,650,000	1,500,000	1,400,000
Total operating expenses	59,067,070	59,723,961	61,606,164	59,183,366	57,282,150
Operating income (loss)	3,896,916	3,664,918	1,822,978	(365,262)	(1,620,380)
NON-OPERATING REVENUES (EXPENSES)					
Interest income	77,438	45,582	35,634	17,816	17,933
Federal grants	-	5,792	24,039	295,887	-
Miscellaneous income	54,139	81,307	109,414	230,245	259,919
Gain on sale of assets	18,210	-	-	-	-
Unbilled utility services	(55,072)	(51,956)	(53,854)	-	-
Interest charges	(2,481,578)	(2,618,020)	(2,438,333)	(2,911,508)	(2,983,877)
Total non-operating revenue (expense)	(2,386,863)	(2,537,295)	(2,323,100)	(2,367,560)	(2,706,025)
Income before transfers	1,510,053	1,127,623	(500,122)	(2,732,822)	(4,326,405)
Contributions	24,179	-	-	-	-
Transfers to/from other funds	(1,112,857)	(789,296)	(435,674)	-	-
Change in Net Position	421,375	338,327	(935,796)	(2,732,822)	(4,326,405)
Restatement of Net position for GASB 62				(310,392)	
Restatement of Net position for GASB 68		(1,587,017)			
Total net position - beginning	36,595,652	37,844,342	38,780,139	41,823,353	46,149,756
Total net position - ending	\$ 37,017,027	\$ 36,595,652	\$ 37,844,343	\$ 38,780,139	\$ 41,823,351

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2016

TABLE VIII - ANNUAL OPERATING STATISTICS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Electric Revenues by Classes:					
Residential	\$ 26,609,556	\$ 25,264,880	\$ 24,693,942	\$ 24,249,721	\$ 22,004,053
Commercial and Industrial	30,449,924	29,456,681	28,391,398	27,626,081	25,691,639
Other	1,425,437	1,372,269	1,522,702	1,493,244	1,402,662
Wholesale	1,073,461	3,382,902	4,044,660	3,284,909	4,352,748
Total Electric Revenues	<u>\$ 59,558,378</u>	<u>\$ 59,476,732</u>	<u>\$ 58,652,702</u>	<u>\$ 56,653,955</u>	<u>\$ 53,451,102</u>
Number of Metered Customers:					
Residential	24,409	24,113	23,798	23,362	22,859
Commercial and Industrial	4,771	4,746	4,698	4,642	4,555
Other	-	-	-	-	-
Total Metered Customers	<u>29,180</u>	<u>28,859</u>	<u>28,496</u>	<u>28,004</u>	<u>27,414</u>
Energy Generated & Purchased:					
System Generated - MW	127,835	78,164	84,459	76,328	103,337
Purchased Power	605,315	722,094	729,333	733,519	729,732
Total Energy Available (MWh)	<u>733,150</u>	<u>800,258</u>	<u>813,792</u>	<u>809,847</u>	<u>833,069</u>
Losses, System Use & Unbilled	(85,151)	(83,818)	(79,197)	(54,469)	(71,584)
Total Energy Generated & Purchased (MWh)	<u>647,999</u>	<u>716,440</u>	<u>734,595</u>	<u>755,378</u>	<u>761,485</u>
Electric Energy Sales:					
Residential	283,448	267,623	276,867	275,880	274,548
Commercial and Industrial	328,857	318,292	322,811	321,702	317,678
Other	16,111	15,947	17,978	18,060	18,447
Wholesale	19,583	114,578	116,939	139,736	150,812
Total Energy Sales (MWh)	<u>647,999</u>	<u>716,440</u>	<u>734,595</u>	<u>755,378</u>	<u>761,485</u>

Management's Discussion of Operations

ENERGY RESOURCES

The City saw a 2.22% increase in energy sales and a .9% change in peak demand throughout the year (2016 budget year peak 189.51 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 10-20 MW
• Western Replacement Power	
Utah Associated Municipal Power (UAMPS)	
• Pool – Contract Sales	5-20 MW
Deseret Generation and Transmission (DGT) – Contract	
• Bonanza 1 – Coal – Expires 2023	60-70 MW
City Owned Generation	
• Red Rock – Diesel	14 MW
• Bloomington – Diesel	11 MW
• Millcreek #1– Natural Gas	40 MW
• Millcreek #2- Natural Gas	40 MW
Long Term Purchase Contacts	
• Jordanelle Hydro (Heber sale) – 50 Year Contract	4 MW
Short Term Market Purchases/Sales (Hourly/Real time)	
• Powerex	5-15 MW
• Morgan Stanley	5-15 MW
• Cargill	5-15 MW
• City of Burbank	5-15 MW
• UMPA	5-15 MW
• Black Hills	5-15 MW
• NV Energy	5-15 MW
• Constellation	5-15 MW
• Western System Power Pool	5-15 MW
Renewable Resources	
• SunSmart Solar	250 KW
• Net Metering (Solar)	1500 KW

NATURAL GAS

- BP Long term gas hedge 20-60% of requirements into 2025.
- 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 2016 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 2016 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 2.25% 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, 2016, approximately

52.08% of the System's electric sales revenues and 52.33% of energy sold through the System were attributable to commercial establishments. This compares with 52.5% of revenues and 52.9% 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 189.51 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 2016 resulted in having an operating income of \$3,896,916.

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.