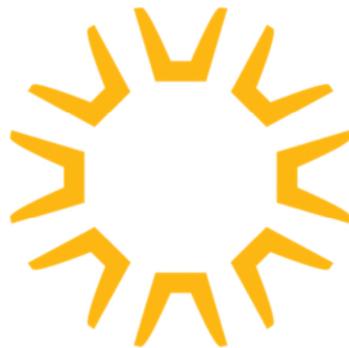


CITY OF ST. GEORGE, UT
COMPREHENSIVE ANNUAL FINANCIAL
REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2017



St. George

THE BRIGHTER SIDE

CITY OF ST. GEORGE, UT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2017



Prepared by Tiffany M. LaJoice, CPA
Finance Manager

CITY OF ST. GEORGE, UT
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2017

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INTRODUCTORY SECTION



December 21, 2017

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, 2017, 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, 2017, 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, 2017, 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, 2017, 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 Municipal Building Authority component unit is reported in the statements 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 ten 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 918 residential units. This is an increase of 26.6% which compares with an increase of 7.2% for the fiscal year ended June 30, 2016. The total valuation of building permits decreased by 15.0% for the fiscal year in comparison with an increase of 85.7% in the fiscal year ended June 30, 2016. The prior fiscal year included a large permit for a new hospital building and the current fiscal year includes large permits for 2 hotels and a skilled nursing facility. 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”; Fortune also ranks it as one of the “Great Places to Retire”; and Ironman and Ironman 70.3 ranked St. George in the top 10 in two categories, “Best Race Venue Experience” and “Best Host City Experience”.

“The past fiscal year saw continued growth in the local economy. The following are some of the highlights from 2016-2017: (1) achieved an upgrade on bond ratings for our Sales Tax and Water Revenue Bonds; (2) had over 10,000 customers register for the Paymentus utility payment program which allowed the \$1.25 charge to be eliminated and facilitated other customer friendly

programs; (3) completed a new City website; (4) opened a new Automotive Service Building to provide additional service opportunities; (5) 2016 saw our Police Officers respond to 32,923 calls for service and Victim Services provided 11,189 services to victims; (6) Animal Services unit operates on a no-kill philosophy and held a 100% save rate in 2016; (7) the City's Communication Center handled 194,772 phone calls with almost 21% or 41,280 through 911 lines; (8) City Fire Dept. took delivery of a 107-foot aerial quint pumper; (9) the City has a staff at the Fire Dept. of 33 full-time, 70 reserves, and 9 part-time firefighters at eight fire stations; (10) purchased property and began design on a new fire station in the Little Valley area; (11) completed two major Transportation Improvement Projects which were widening of River Road and Ft. Pierce Wash Bridge and the connection of Red Cliffs Dr. and Red Hills Parkway under I-15; (12) new traffic signals installed and/or approved for Dixie Dr./1600 S., 450 N./3050 E., and River Rd./Horseman's Park Dr.; (13) completed design and construction to begin on new clubhouse at Dixie Red Hills Golf course; (14) the St. George Regional Airport saw continued growth with a 12% growth in passengers over the last year and SkyWest started two new flights to Phoenix this year through American Airlines, bringing our daily commercial flights to eight per day serving Salt Lake City, Denver, and Phoenix; (15) City Fleet Services division once again was certified as an A.S.E. Blue Seal Certified shop for the 10 th year – only 10% of fleets in the Country receive this certification; (16) Thunder Junction All Abilities Park opened and is surpassing all expectations; (17) Leisure Services Dept. again recognized as the Outstanding Dept. by Utah Parks and Recreation Association; (18) Long-time Leisure Services Director Kent Perkins retires; (18) CNN's survey listed the St. George Marathon in the top seven "favorite destination marathons in the nation"; (19) planted more than 600 trees again this past year and received recognition of Tree City USA for the 24 th time; (20) opened four new parks: Seegmiller, St. James, Millcreek, and Thunder Junction; and completed 3.7 miles of additional trails; (21) Thunder Junction received recognition of the Most Innovative New Park in the State of Utah; (22) completed construction of additional soccer fields at the Little Valley sports complex; and (23) hosted the largest 4 th of July celebration in the City's history with over 40,000 people." (City Manager's fiscal year 2018 budget message)

CASH MANAGEMENT

The Utah Money Management Act (MM Act) governs the investment of all public funds held by public treasurers in the state. It establishes criteria for the investment of public funds with an emphasis on safety, liquidity, yield, matching strategy to fund objectives, and matching the term of investments to the availability of funds. The MM Act provides a limited list of approved investments, including qualified in-state and permitted out-of-state financial institutions, approved government agency securities, and investments in corporate securities carrying "top credit ratings."

The law requires all securities to be delivered versus payment to the Treasurer's safekeeping bank. It also requires diversification of investments. The City is currently complying with all of the provisions of the MM Act for all City operating funds. A significant portion of the City's funds are invested in the Utah Public Treasurer's Investment Fund (PTIF).

All deposits are held either by the City, its agent, or a financial institution's trust department in the City's name. All of the City's investments held during the year, and at year-end, are classified in the category of lowest credit risk as defined by the Government Accounting Standards Board.

RISK MANAGEMENT

The City, effective July 1, 1991, is self-insured up to \$250,000 for general liability, law enforcement liability, and auto liability. 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 \$1,000,000,000 per occurrence, excess of a per occurrence deductible of \$25,000 (subject to all perils, coverage, and with all trust members combine, coverages, extensions of coverage, or perils insured are subject to per occurrence and/or aggregate sub-limits. Utah Local Governments Trust administers the property insurance policy. Power Generation Property Coverage is \$114,249,627, excess of various deductibles and sub-limits.

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, 2017, 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. A separate system is a 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

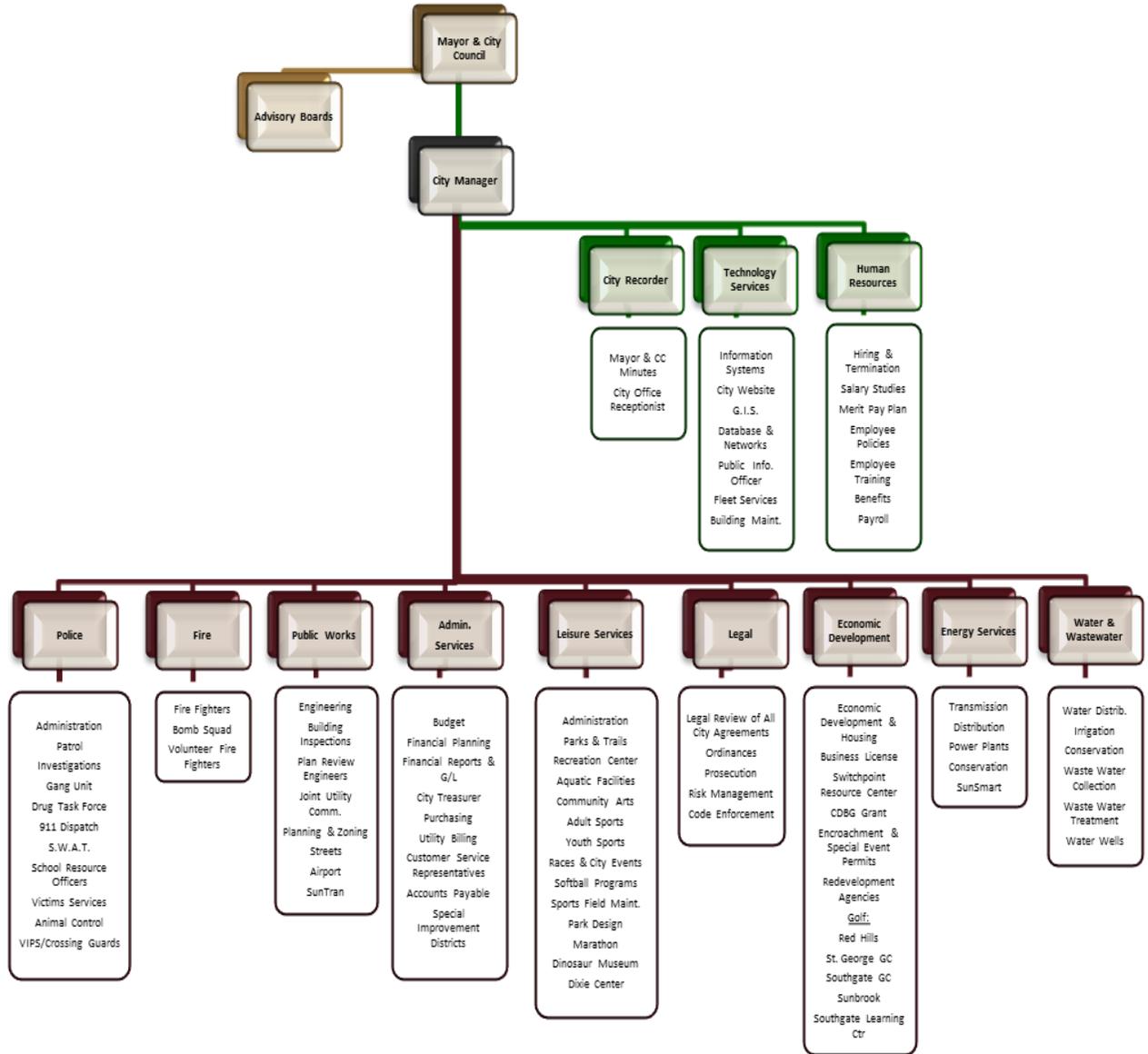


City Manager Gary S. Esplin

*Shawn Guzman
Christina Fernandez
Laura Woolsey
Marlon Stratton
Robert Stoker
Laurie Mangum
Scott Taylor
Cameron Cutler
Shane McAfee
Trevor Coombs
Marc Mortensen
Deanna Brklacich
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
Budget & Financial Planning Manager
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, 2017, 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, 2017, 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 21, 2017, 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 21, 2017

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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, 2017. 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 \$639,729,168 (*net position*). Of this amount, \$86,409,382 represents the 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 \$31,686,634 which is over \$6 million more than the prior year. The governmental fund type change in net position remained fairly consistent with the prior year. However, the business-type activities had an increase in charges for services of about \$7.6 million while expenditures only increased \$3.3 million. There was also an increase of about \$1 million for a prior period restatement.
- At the close of the current fiscal year, the City of St. George's governmental funds reported fund balances of \$54,738,612, an increase of \$3,514,984 in comparison with the prior year. This is an increase of 6.86%.
- At the end of the current fiscal year, unrestricted fund balance for the general fund was \$9,204,620, an increase of \$2,903,231 or 46.07%. The unrestricted fund balance represents 15.06% of total general fund expenditures for the fiscal year ended June 30, 2017. It also represents 13.74% of total budgeted expenditures for the next fiscal year ended June 30, 2018. State law allows for a maximum fund balance of 25% so the City is well within any legal restrictions.
- The City of St. George's total outstanding long-term liabilities decreased by \$11,702,952. A decrease of \$2,645,855 in general long-term liabilities as a result of debt payments and net of an increase in the net pension liability and a decrease of \$9,057,097 in business-type long term liabilities as a result of debt payments, a prior period correction to bond premiums and net of 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 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 32-33 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 34-38 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 39-41 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 42-43 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 44-84 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 \$639,729,168, at the close of the June 30, 2017 fiscal year.

CITY OF ST. GEORGE'S Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current & other assets	\$ 73,007,118	\$ 70,518,869	\$ 88,851,378	\$ 82,431,178	\$ 161,858,496	\$ 152,950,047
Capital assets	383,151,543	371,955,494	238,093,378	240,009,679	621,244,921	611,965,173
Deferred outflows	9,590,991	7,297,275	3,046,301	2,322,107	12,637,292	9,619,382
Total assets & deferred outflows	465,749,652	449,771,638	329,991,057	324,762,964	795,740,709	774,534,602
Long-term liabilities	57,627,809	60,273,664	64,371,980	73,429,077	121,999,789	133,702,741
Other liabilities & deferred inflows	22,953,730	22,435,600	11,058,020	10,353,725	34,011,750	32,789,325
Total liabilities & deferred inflows	80,581,539	82,709,264	75,430,000	83,782,802	156,011,539	166,492,066
Net position:						
Net investment in capital assets	341,492,876	325,030,619	183,196,487	180,843,084	524,689,363	505,873,703
Restricted	26,907,047	26,053,545	1,723,376	2,620,008	28,630,423	28,673,553
Unrestricted	16,768,189	15,978,209	69,641,193	57,517,070	86,409,382	73,495,279
Total Net Position	\$ 385,168,112	\$ 367,062,373	\$ 254,561,056	\$ 240,980,162	\$ 639,729,168	\$ 608,042,535

By far, the largest portion of the City of St. George's net position (82.0%) 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 (4.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$86,409,382 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 is one special revenue funds that has a negative fund balance, as discussed in the footnotes.

The City of St. George's overall net position increased by \$31,686,634 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

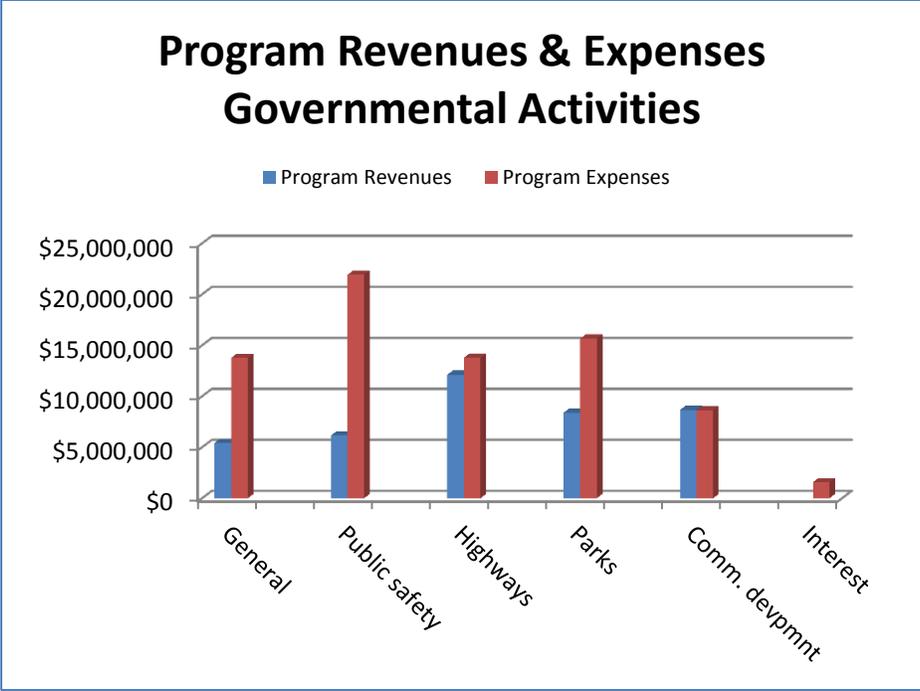
CITY OF ST. GEORGE'S Changes in Net Position

	Governmental Activities		Business-type Activities	
	2017	2016	2017	2016
Revenues:				
Program revenues:				
Charges for services	\$ 23,609,163	\$ 20,128,510	\$ 106,741,888	\$ 99,054,089
Operating grants & contributions	14,896,931	11,093,633	54,182	65,109
Capital grants & contributions	2,235,137	3,386,062	-	-
General revenues:				
Property taxes	14,641,362	13,604,272		
Other taxes	34,039,406	31,424,292		
Investment income	561,802	326,755	726,839	418,963
Other revenues	2,847,866	4,470,570	1,027,283	327,617
Total revenues	<u>92,831,667</u>	<u>84,434,094</u>	<u>108,550,192</u>	<u>99,865,778</u>
Expenses:				
General government	13,768,632	10,029,130		
Public safety	21,915,578	18,986,397		
Highway/public improvements	13,781,545	13,173,124		
Parks & recreation	15,658,824	14,221,213		
Community & Econ development	8,621,474	8,685,789		
Interest on long-term debt	<u>1,573,571</u>	<u>1,728,684</u>		
Electric utility			61,618,550	61,548,648
Water utility			16,425,068	14,868,297
Wastewater treatment			6,315,257	5,454,595
Wastewater collection			5,818,727	5,540,568
Municipal building authority			114,439	120,709
Drainage utility			92,642	99,061
Refuse collection			<u>5,034,047</u>	<u>4,442,390</u>
Total expenses	<u>75,319,624</u>	<u>66,824,337</u>	<u>95,418,730</u>	<u>92,074,268</u>
Increase in net position before transfers	17,512,043	17,609,757	13,131,462	7,791,510
Transfers	<u>593,694</u>	<u>1,949,849</u>	<u>(593,694)</u>	<u>(1,949,849)</u>
Increase in net position	18,105,737	19,559,606	12,537,768	5,841,661
Restatement of net position-Electric premium			1,043,125	
Net position beginning	<u>367,062,373</u>	<u>347,502,767</u>	<u>240,980,161</u>	<u>235,138,500</u>
Net position ending	<u>\$ 385,168,110</u>	<u>\$ 367,062,373</u>	<u>\$ 254,561,054</u>	<u>\$ 240,980,161</u>

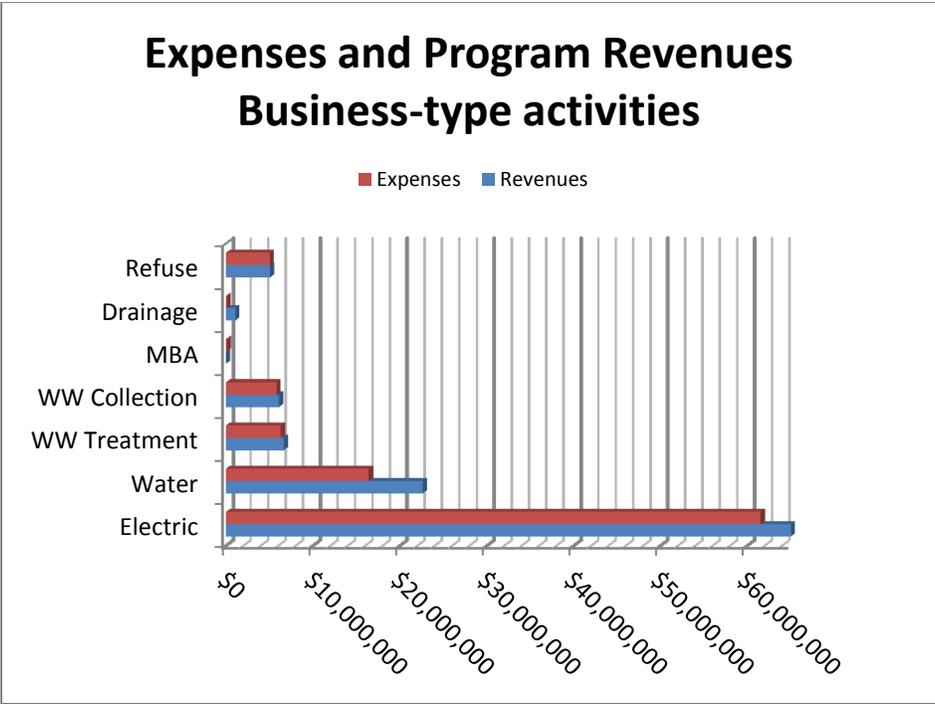
Governmental Activities. During the current fiscal year, net position for governmental activities increased \$18,105,737 from the prior fiscal year for an ending balance of \$385,168,110.

Business-type Activities. During the current fiscal year, net position for business-type activities increased \$13,580,893 from the prior fiscal year for an ending balance of \$254,561,054.

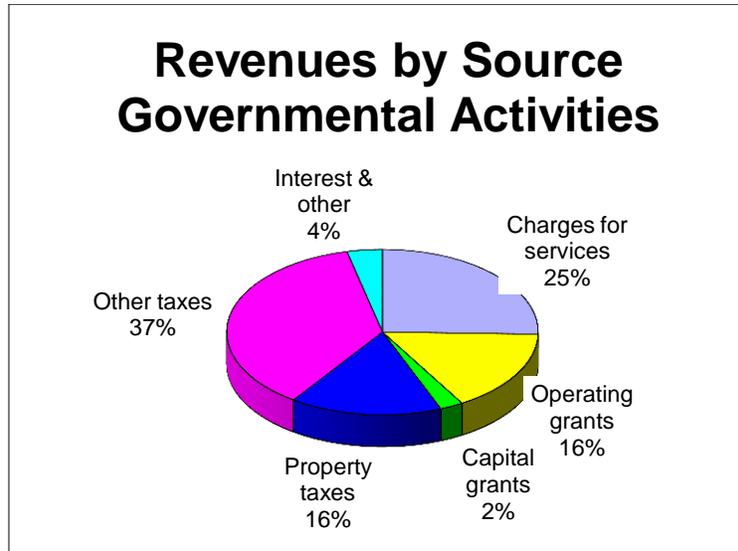
Overall governmental revenues increased in comparison with the prior fiscal year by 8.15%. Most revenue categories increased compared to the prior year. Property and other taxes increased by about 8%, operating grants increased by 34% and charges for services increased by 17%. These increases show continued growth in the economy. There were decreases in capital grants and other miscellaneous revenues.



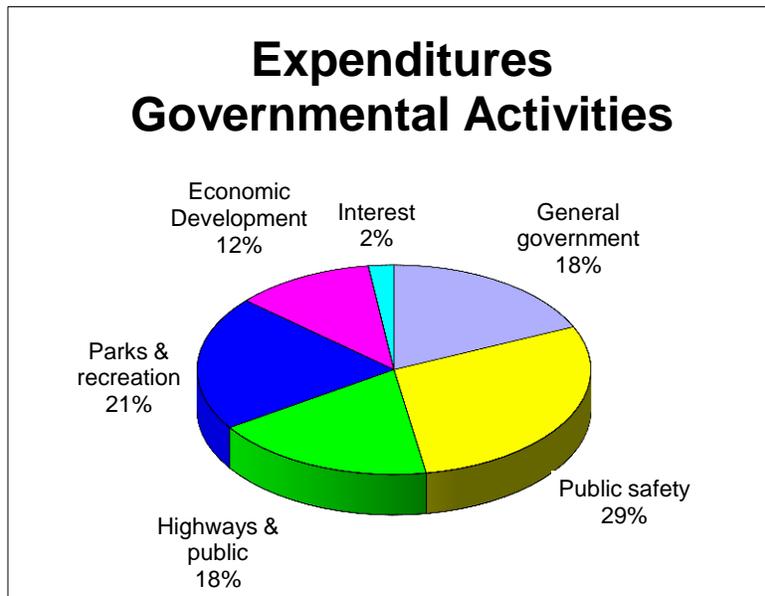
For business-type activities, revenue increased by 7.75% while expenses increased by 3.56%. There was a slight \$0.10 per 1000 gallons water increase by the Washington County Water Conservancy District that City of St. George passed on the water consumers.



The following graph displays the total governmental revenues by source as reflected on the government-wide statement of activities. All 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 12.71% when compared with the last fiscal year. General Government increased by the largest percentage of 37.29%, Public Safety increased by 15.43% and Parks & Recreation increased by 10.11%, and Highways increased by 4.62%. Economic Development decreased by 0.74% and Interest expense decreased by 8.97%. 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 7.75% from the prior fiscal year. The Electric Utility had an increase of 5.29% or \$3,280,039 in charges for services and expenses remained consistent. The Water Utility had an increase of 15.23% or \$2,990,413 in charges for services with an increase in expenses of 10.47%. The Wastewater Treatment Utility had an increase of 13.34% or \$783,323 in charges for services with an increase in expenses of 13.98%. 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, 2017, the City of St. George's governmental funds reported combined fund balances of \$54,738,612, an increase of \$3,514,984 in comparison with the prior year. The fund balance had a net increase of 6.86%.

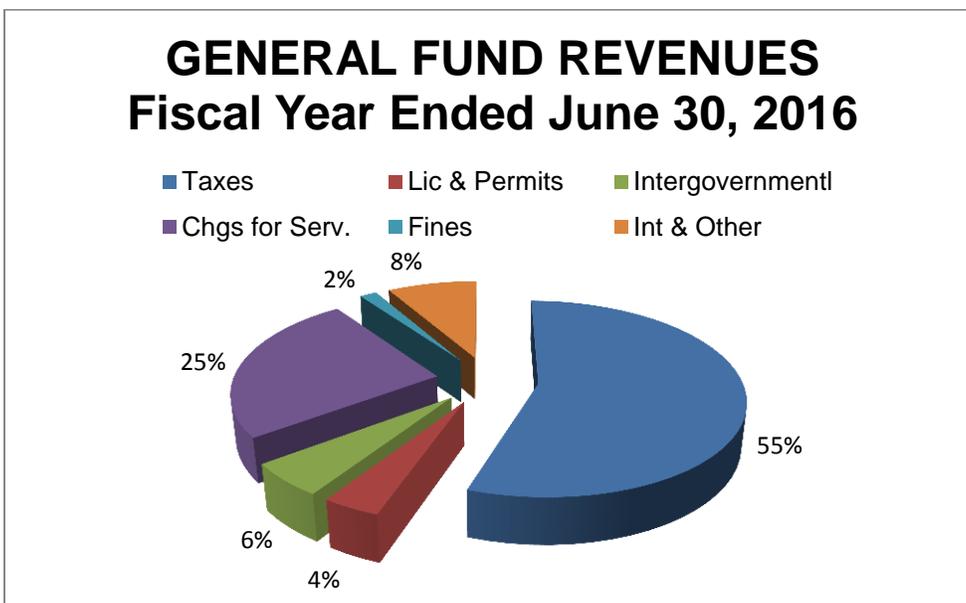
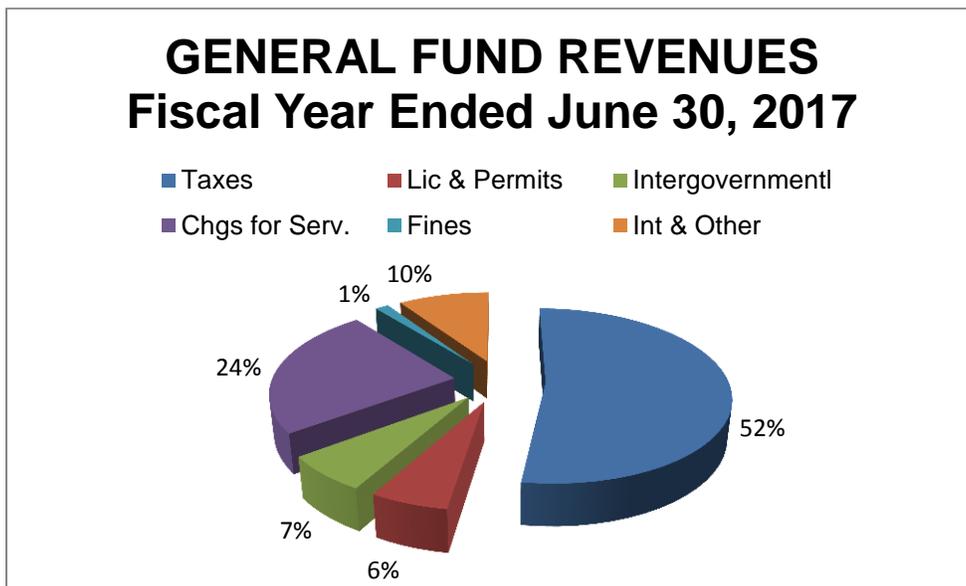
The General Fund is the chief operating fund of the City of St. George. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$9,204,620 while total fund balance was \$10,360,093. The Fund had an increase of \$2,903,231 in unassigned fund balance and an increase of \$3,228,444 in total fund balance. The City has followed the practice for several years of maintaining a General Fund balance of at least 11% to 12%. 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, which allows the City more flexibility with these funds. 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 15.06% of total general fund expenditures for the fiscal year ended June 30, 2017 and 13.74% of total budgeted expenditures for the next fiscal year ended June 30, 2018. Total fund balance represents 15.46% of budgeted expenditures for the next fiscal year.

Total fund balance in all *governmental funds* increased by \$3,514,984 (6.86%) during the fiscal year. The largest increases in fund balance were seen in the Park Impact Fund increased \$812,354; the Street Impact Fund increased \$714,510; the Transportation Improvement Fund increased \$592,950; and the Ft Pierce CDA increased \$590,755. The largest decreases in fund

balance were seen in the RAP Tax Fund with a decrease of \$2,084,334 and the Economic Development Fund decreased \$1,247,905. All of these funds still have a positive fund balance at the end of the fiscal year. One fund had a deficit fund balance as of the end of the fiscal year. The Dixie Center EDA Fund had a deficit fund balance of \$655,499. The City discusses this deficit in footnote III.B. on page 57.

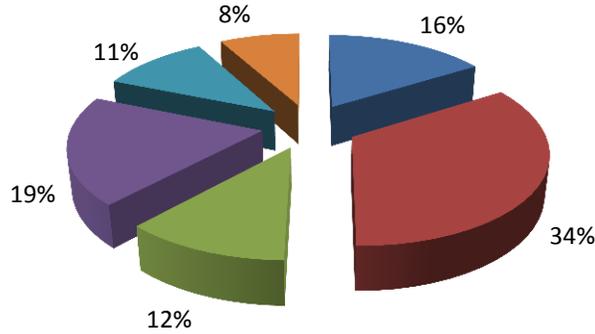
General Fund

The following graphs display the total revenues in the General Fund by source for the fiscal years ended June 30, 2017 and June 30, 2016.



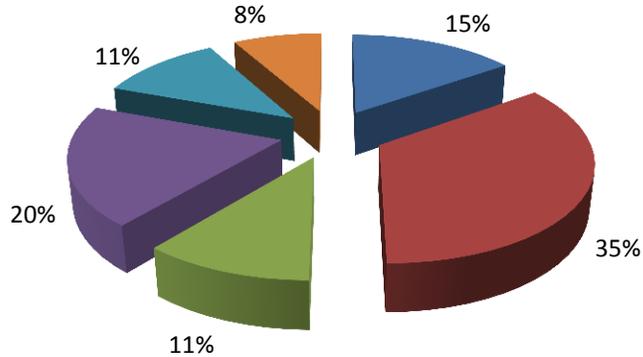
GENERAL FUND EXPENDITURES Fiscal Year Ended June 30, 2017

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



GENERAL FUND EXPENDITURES Fiscal Year Ended June 30, 2016

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



The General Fund revenues by function increased from the prior fiscal year, with the exception of Fines which decreased by less than 1%. The largest increases were in Licenses & Permits and Intergovernmental. The increase in Licenses and permits was due to a large permit for a hospital expansion and the increase in Intergovernmental was due to more federal grant and Class "C" Road revenue compared to the prior year. All function percentages changed by 3% or less each. The General Fund expenditures had the largest percentage change in general government and public safety. The increase in general government was due to expenditures for the fleet services building and the increase in public safety was due to the lease of three new fire trucks. The other function percentages changed by less than 2% each.

During the fiscal year, the General Fund budget was amended from an original budget expenditure total of \$66,322,409 to a final budget of \$70,001,021. 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 an increase of \$94,373 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, 2017, amounts to \$621,244,921 (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 \$9,279,748. This was the result of business-type net capital assets decreasing by \$1,916,301 while governmental-type net fixed assets increased by \$11,196,050.

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

\$2,024,590 was spent to lease three (3) new fire ladder trucks. The trucks were not received until after June 30, 2016.

\$2,061,533 was spent for the fleet maintenance facility. The costs were split between the General Fund (68% totaling \$1,401,864) and the Electric (12%), Water (11%), Wastewater Collection (6%), and Wastewater Treatment (3%).

\$517,573 was spent for snow removal equipment, funded thru a FAA grant and PFC funds.

\$856,476 was spent for land purchases for a cemetery, fire station and parks.

\$1,098,737 was spent for final construction of the All Abilities Park.

\$2,231,758 was spent to acquire a hotel and additional building in the downtown area.

\$2,001,967 was spent for the Little Valley Soccer Fields.

\$2,885,017 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.

\$1,562,884 was spent, in participation with UDOT, for the River Road Bridget and Widening.

\$744,950 was spent, in participation with UDOT, on the Indian Hills Drive road and drainage improvement project.

\$674,183 was spent for the Pioneer Park Detention Basin.

\$3,322,830 was spent in the Water Utility enterprise fund for various distribution and irrigation system improvements as well as the construction of a water storage tanks.

\$388,052 was spent in the Wastewater Collection enterprise fund for various system improvements and building expansion.

\$278,278 was spent in the Wastewater Collection enterprise fund for a Vacuum Sewer Cleaner.

\$3,345,899 was spent in the Electric Utility enterprise fund for various distribution system, transmission and generation improvements.

\$2,138,035 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	
	2017	2016	2017	2016
Land	\$ 95,073,081	\$ 95,816,959		
Buildings	25,597,239	24,747,111		
Improvements	54,919,815	49,834,491		
Infrastructure	190,977,246	187,069,131		
Machinery & equipment	16,584,162	14,487,801		
Plant, prop. & equipment			\$ 238,093,378	\$ 240,009,679
Totals	<u>\$ 383,151,543</u>	<u>\$ 371,955,493</u>	<u>\$ 238,093,378</u>	<u>\$ 240,009,679</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, 2017, the City has total bonded debt outstanding of \$94,562,190. Of this amount \$10,365,000 is considered to be general obligation debt and backed by the full faith and credit of the City and the remainder of \$84,197,190 is debt which is secured solely by specific revenue sources.

CITY OF ST. GEORGE'S OUTSTANDING BONDED DEBT

	Governmental Activities		Business-type Activities	
	2017	2016	2017	2016
General obligation bonds	\$ 10,365,000	\$ 11,535,000		
Sales tax revenue bonds	2,980,000	5,840,000		
Franchise tax revenue bonds	13,287,000	14,451,000		
WCIA Capital lease bonds	2,817,190	3,254,220		
Federal subsidy excise bonds	8,246,000	8,557,000		
Revenue bonds			\$ 56,867,000	\$ 61,583,000
Total outstanding debt	<u>\$ 37,695,190</u>	<u>\$ 43,637,220</u>	<u>\$ 56,867,000</u>	<u>\$ 61,583,000</u>

The City's total debt decreased by \$10,658,030 during the fiscal year.

City Bond Ratings

During the current fiscal year, two bond issues of the City of St. George were reviewed by the rating agency Fitch. The ratings were upgraded 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	AAA
2014 Franchise Tax Revenue bonds		AA	
2011 Water Revenue refunding bonds		A+	AA-
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 \$407,915,994, 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 \$407,915,994, which again significantly exceeds the outstanding business-type activity debt. Thus the total debt limit is \$815,831,988 while the total outstanding debt less resources restricted for debt service is \$66,545,357. The resulting debt margin is \$749,286,631. 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 3.6% for the month ended June 2017 compared with a state unemployment rate of 3.4% and a national rate of 4.4%. This compares with a county rate of 3.7% in 2016. (Source: Utah Dept of Workforce Services)

The General Fund budget for the fiscal year-ending June 30, 2018 is \$67,002,220 which represents an increase of 1.02% from the original adopted budget for the fiscal year ended June 30, 2017. The increases are anticipated based on trends in sales and property taxes 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, 2018 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

CITY OF ST. GEORGE, UTAH
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash	\$ 52,841,925	\$ 67,885,871	\$ 120,727,797
Restricted cash		2,963,287	2,963,287
Accounts receivable (net of allowance for doubtful accounts)	21,895,702	12,684,976	34,580,678
Inventory	197,293	2,455,820	2,653,113
Net pension assets	40,394	14,668	55,062
Notes receivable	-	998	998
Internal Balances	(2,021,806)	2,021,806	-
Bond discounts		823,951	823,951
Prepaid expenses	53,609	-	53,609
Capital assets (net of depreciation)			
Land	95,073,081		95,073,081
Buildings	25,597,239		25,597,239
Improvements	54,919,815		54,919,815
Infrastructure	190,977,246		190,977,246
Machinery & equipment	16,584,162		16,584,162
Plant, property, and equipment		238,093,378	238,093,378
Total assets	\$ 456,158,661	\$ 326,944,755	\$ 783,103,416
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	9,590,991	3,046,301	12,637,292
Deferred charges on bond refunding		-	-
Total deferred outflows	9,590,991	3,046,301	12,637,292
LIABILITIES:			
Accrued liabilities	\$ 3,470,242	\$ 8,541,176	\$ 12,011,417
Construction bonds held	316,185		316,185
Deposits payable		1,667,623	1,667,623
Deferred compensation	2,542,566		2,542,566
Interest payable	282,218		282,218
Unearned revenues	436,899	-	436,899
Net pension liability	16,251,360	5,234,139	21,485,499
Deferred water credit		232,251	232,251
Notes payable:			
Due within one year	413,260	10,000	423,260
Due in more than one year	-	38,800	38,800
Bonds payable:			
Due within one year	5,747,000	3,507,000	9,254,000
Due in more than one year	29,131,000	53,360,000	82,491,000
Capital leases:			
Due within one year	1,075,582		1,075,582
Due in more than one year	3,699,044		3,699,044
Bond premiums	1,310,563	1,989,790	3,300,353
Total liabilities	64,675,919	74,580,779	139,256,699
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	2,633,619	849,221	3,482,840
Unavailable revenue- city cache cards	329,817		329,817
Unavailable revenue- property tax levy	12,942,184		12,942,184
Total deferred inflows	15,905,620	849,221	16,754,841
NET POSITION:			
Net investment in capital assets	341,492,876	183,196,487	524,689,363
Restricted for:			
Unspent bond/impact fees for const.		1,136,733	1,136,733
Debt service	669,794	2,963,287	3,633,081
Public safety programs	374,253		374,253
Transportation programs	7,755,182		7,755,182
Housing & community development	912,492		912,492
Park construction & development	7,928,882		7,928,882
Community & economic development	9,667,398		9,667,398
Unrestricted	16,367,236	67,264,548	83,631,784
Total Net Position	\$ 385,168,112	\$ 254,561,056	\$ 639,729,168

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, 2017

	Expenses	Program Revenues			Net Governmental Activities	Business-type Activities	Total
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions			
Governmental activities:							
General government	\$ 13,768,632	\$ 5,404,779	\$ 15,880	\$ -	\$ (8,347,974)		\$ (8,347,974)
Public Safety	21,915,578	3,735,367	2,424,972	-	(15,755,237)		(15,755,237)
Highways & public improvements	13,781,545	1,808,543	8,499,212	1,801,406	(1,672,385)		(1,672,385)
Parks, recreation & public property	15,658,824	4,395,627	3,560,223	433,731	(7,269,243)		(7,269,243)
Community & economic development	8,621,474	8,264,847	396,644		40,018		40,018
Interest on long-term debt	1,573,571				(1,573,571)		(1,573,571)
Total governmental activities	75,319,624	23,609,163	14,896,931	2,235,137	(34,578,392)	-	(34,578,392)
Business-type activities:							
Electric	61,618,550	65,262,373	15,798		3,659,621		3,659,621
Water	16,425,068	22,589,988	34,049		6,198,968		6,198,968
Regional wastewater treatment	6,315,257	6,648,912	4,335		337,990		337,990
Wastewater collection	5,818,727	6,103,957			285,229		285,229
Municipal bldg authority	114,439	-			(114,439)		(114,439)
Drainage Utility	92,642	1,067,580			974,938		974,938
Solid waste	5,034,047	5,069,078			35,031		35,031
Total business-type activities	95,418,731	106,741,888	54,182	-	11,377,337	-	11,377,337
General Revenues:							
Taxes:							
Property taxes levied for general purposes					10,560,066		10,560,066
Contributions from other governments					2,546,033		2,546,033
Property taxes levied for debt service					1,535,263		1,535,263
Franchise taxes					7,080,049		7,080,049
General sales taxes, highway sales taxes & RAP sales taxes					26,959,357		26,959,357
Business licenses					775,900		775,900
Investment income					561,802	726,839	1,288,641
Lease payments					(104,818)		(104,818)
Gain on sale of assets					1,569,833	82,884	1,652,717
Rents & concessions					298,134	110,818	408,952
Insurance claim proceeds						263,100	263,100
Miscellaneous					308,818	570,485	879,303
Interfund utility services					411,098	(1)	411,097
Interfund Transfers					182,596	(593,693)	(411,097)
Total general revenues & transfers					52,684,131	1,160,433	53,844,564
Change in net position					18,105,739	12,537,770	30,643,509
Restatement of net position - Electric premium						1,043,125	1,043,125
Net position - beginning					367,062,373	240,980,161	608,042,534
Net position - ending					\$ 385,168,112	\$ 254,561,056	\$ 639,729,168

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, 2017

	General	Public Works Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 7,878,309	\$ 684,345	\$ 43,540,896	\$ 52,103,550
Accounts receivable	14,261,019	925,058	6,709,625	21,895,702
Prepaid items	53,609		-	53,609
Inventory	197,293			197,293
Notes receivable	-			-
Due from other funds	-		1,487,146	1,487,146
Total assets	\$ 22,390,231	\$ 1,609,403	\$ 51,737,667	\$ 75,737,301
LIABILITIES				
Construction bonds held	316,185		\$ -	\$ 316,185
Due to other funds	-		3,508,952	3,508,952
Deferred Impact Fee credits		428,157		428,157
All Abilities Park donations			-	-
Accounts Payable & Accrued liabilities	2,234,137	1,046,696	183,818	3,464,652
Total liabilities	2,550,321	1,474,854	3,692,771	7,717,946
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property tax levy	9,150,000		3,792,184	12,942,184
Unavailable revenues		8,742		8,742
Unavailable revenues - city cache cards	329,817			329,817
Total deferred inflows of resources	9,479,817	8,742	3,792,184	13,280,743
FUND BALANCES (deficits):				
Nonspendable:				
Inventories & prepaids	250,903			250,903
Noncurrent receivables	-			-
Restricted for:				
Public safety programs	374,253			374,253
Cemetery perpetual care	110,124			110,124
Transportation and airport programs	420,193		7,334,988	7,755,182
Housing & community development			912,492	912,492
Parks construction & development			7,819,297	7,819,297
Community & Economic Development			1,906,203	1,906,203
Debt service fund			669,794	669,794
Capital projects fund			3,311,416	3,311,416
Assigned to:				
Community & Economic Development			7,761,195	7,761,195
Parks construction & development			109,585	109,585
Capital projects fund		125,807	15,083,242	15,209,049
Unassigned:	9,204,620		(655,499)	8,549,120
Total fund balances (deficits)	10,360,093	125,807	44,252,712	54,738,612
Total liabilities, deferred inflows and fund balances	\$ 22,390,231	\$ 1,609,403	\$ 51,737,667	

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.	383,151,543
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.	(44,201,234)
Pension assets, net liability, and deferred inflows & outflows are not due and payable in the current period and therefore are not reported in the funds.	(9,253,594)
Fund balance in Self-Insurance internal service fund	732,785

\$ 385,168,112

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, 2017

	<u>General</u>	<u>Public Works Capital Projects Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes & special assessments	\$ 36,509,528	\$ -	\$10,765,490	\$ 47,275,018
Contributions from other governments			4,355,225	4,355,225
Licenses and permits	4,018,369		-	4,018,369
Intergovernmental	4,608,152	1	1,779,250	6,387,402
Charges for services	16,952,720		744,699	17,697,419
Fines & forfeitures	977,210		-	977,210
Investment income	213,661	1,159	341,424	556,244
Rents & concessions	58,734		239,400	298,134
Miscellaneous	193,162			193,162
Contributions from other sources	524,912	1,013,589	502,580	2,041,082
Capital development fees	-		7,074,705	7,074,705
Total revenues	64,056,448	1,014,749	25,802,772	90,873,969
Expenditures:				
Current:				
General government	10,712,282		11,568	10,723,851
Public safety	22,654,525		1,403	22,655,928
Highways & public improvements	7,739,481	1,092,117	1,864,124	10,695,722
Parks, recreation & public property	12,805,511		1,047,975	13,853,487
Community & economic development	7,172,514		949,057	8,121,571
Capital outlay	-	7,973,566	10,114,790	18,088,356
Debt service				
Capital leases	24,818		80,000	104,818
Principal	-	-	5,885,034	5,885,034
Interest & admin charges	-	-	1,486,869	1,486,869
Total expenditures	61,109,131	9,065,683	21,440,821	91,615,636
Excess (deficiency) of revenues over expenditures	2,947,316	(8,050,934)	4,361,952	(741,666)
Other financing sources (uses):				
Transfers in	3,515,716	7,984,095	8,795,176	20,294,987
Transfers out	(4,900,000)		(13,723,034)	(18,623,034)
Payments to other taxing agencies			(600,000)	(600,000)
Inferfund utility services	(407,651)		(3,447)	(411,098)
Proceeds from sale of capital assets	48,472		1,522,734	1,571,205
Contributions from other governments				-
Proceeds from interfund loans	2,024,590			2,024,590
Proceeds of bonds and/or notes			-	-
Total other financing sources (uses)	281,127	7,984,095	(4,008,571)	4,256,651
Net change in fund balances	3,228,443	(66,839)	353,380	3,514,984
Fund balances (deficit) beginning of year,	7,131,649	192,646	43,899,332	51,223,628
Fund balances (deficit), end of year	\$ 10,360,093	\$ 125,807	\$ 44,252,712	\$ 54,738,612

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, 2017**

Net change in fund balances - total governmental funds \$ 3,514,984

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. 11,196,049

Issuance of debt principal is a revenue in the governmental funds, but increases long-term liabilities in the statement of net position. (2,024,590)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 7,013,834

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. 28,884

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. (679,219)

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. (1,083,728)

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. (108,555)

Change in net position of governmental activities \$ 18,105,739

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, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Taxes:				
General property taxes	\$ 8,700,000	\$ 8,700,000	\$ 8,806,555	\$ 106,555
Prior year's delinquent taxes	350,000	350,000	250,792	(99,208)
Fee-In-Lieu of Property taxes	1,300,000	1,300,000	1,103,308	(196,692)
General sales & use taxes	18,200,000	18,800,000	19,268,824	468,824
Franchise taxes	7,100,000	7,100,000	7,080,049	(19,951)
Total taxes	35,650,000	36,250,000	36,509,528	259,528
Licenses & permits:				
Business licenses & permits	820,000	820,000	775,900	(44,100)
Non-business licenses & permits	1,632,000	3,132,000	3,242,469	110,469
Total licenses & permits	2,452,000	3,952,000	4,018,369	66,369
Intergovernmental revenues:				
Federal grants	1,272,000	1,316,404	1,138,209	(178,195)
State grants	238,000	324,710	236,160	(88,550)
Class "C" roads	3,100,000	3,100,000	3,125,427	25,427
State liquor allotment	105,000	105,000	108,356	3,356
Total intergovernmental revenues	4,715,000	4,846,114	4,608,152	(237,962)
Charges for services:				
Enterprise funds	4,755,000	4,755,000	4,755,000	-
Public safety	2,449,250	2,489,250	2,758,158	268,908
Parks & public property	448,000	598,000	567,901	(30,099)
Cemetery	483,700	483,700	392,975	(90,725)
Recreation	2,781,400	2,806,400	2,696,619	(109,781)
Airport	1,100,000	1,100,000	1,299,581	199,581
Golf Courses	4,315,530	4,369,130	4,454,477	85,347
Reuse Center	27,500	27,500	28,010	510
Total charges for services	16,360,380	16,628,980	16,952,720	323,740
Fines & forfeitures:				
Court fines & bail forfeitures	962,500	962,500	977,210	14,710
Miscellaneous:				
Interest	100,000	180,000	213,661	33,661
Rents & concessions	70,000	70,000	58,734	(11,266)
Other	75,500	189,427	193,162	3,735
Total miscellaneous	245,500	439,427	465,557	26,130
Total revenues	60,385,380	63,079,021	63,531,536	452,515
Other Financing Sources :				
Sales of capital assets	50,000	90,000	48,472	(41,528)
Contributions from others	126,000	419,573	524,912	105,339
Interfund utility services	598,900	598,900	407,651	(191,249)
Proceeds from interfund loan	2,032,253	2,032,253	2,024,590	(7,663)
Transfers from other funds	3,129,876	3,781,274	3,108,065	(673,209)
Total Other Financing Sources :	5,937,029	6,922,000	6,113,690	(808,310)
Total revenues & Other Financing Sources	\$ 66,322,409	\$ 70,001,021	\$ 69,645,226	\$ (355,795)

(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, 2017

EXPENDITURES:	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
General government:				
City Council	\$ 651,598	\$ 651,598	\$ 586,875	\$ 64,723
City Manager	282,911	282,911	273,879	9,032
Human Resources	407,325	407,325	382,447	24,878
Finance	2,116,036	2,116,036	1,991,391	124,645
Technology Services	1,734,802	1,734,802	1,605,117	129,685
Fleet Maintenance	2,100,974	2,704,470	2,615,264	89,206
Building Maintenance	1,663,265	1,958,765	1,785,477	173,288
Legal	1,588,015	1,588,015	1,471,733	116,282
Elections	2,000	2,000	100	1,900
Total general government	10,546,926	11,445,922	10,712,282	733,640
Public Safety:				
Police	13,127,112	13,176,516	13,025,670	150,846
Drug Task Force	187,783	187,783	130,885	56,898
Dispatch Center	2,883,949	3,047,561	2,947,509	100,052
Fire	7,168,155	7,168,155	6,550,460	617,695
Total public safety	23,366,999	23,580,015	22,654,525	925,490
Highways & public improvements:				
Public Works Administration	249,522	249,522	202,915	46,607
Streets	5,040,764	5,084,711	4,871,082	213,629
Engineering	783,977	783,977	722,055	61,922
Airport	2,188,819	2,188,819	1,943,430	245,389
Total highways & improvements	8,263,082	8,307,029	7,739,481	567,548
Parks, Recreation & Public Property:				
Parks and open spaces	6,757,376	6,757,376	6,709,073	48,303
Recreation & cultural arts	5,962,173	6,111,743	5,651,960	459,783
Cemetery	602,918	602,918	444,478	158,440
Total parks, recreation & public property	13,322,467	13,472,037	12,805,511	666,526
Golf Courses - Economic development	5,383,898	5,437,498	5,009,348	428,150
Community development	2,390,222	2,390,222	2,163,166	227,056
Total economic & community development	7,774,120	7,827,720	7,172,514	655,206
Debt service: Capital leases	29,400	29,400	24,818	4,582
Total expenditures	63,302,994	64,662,123	61,109,131	3,552,992
OTHER FINANCING USES				
Interfund Utility Services	598,900	598,900	407,651	191,249
Contributions to other funds	2,420,515	4,739,998	4,900,000	(160,002)
TOTAL EXPENDITURES & OTHER USES	66,322,409	70,001,021	66,416,782	3,584,239
Net change in fund balance	-	-	3,228,443	\$ 3,228,443
Fund Balance at beginning of year	7,131,649	7,131,649	7,131,649	
Fund Balance at end of year	\$ 7,131,649	\$ 7,131,649	\$ 10,360,093	

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, 2017

	Business-type Activities - Enterprise Funds					Governmental
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWATER TREATMENT	Non-Major Enterprise Funds	TOTALS 2017	Activities Internal Service Fund
ASSETS						
Current assets:						
Cash	\$ 16,250,010	\$ 9,762,237	\$ 40,433,648	\$ 1,439,977	\$ 67,885,871	\$ 738,375
Restricted cash	2,377,892	585,395	-	-	2,963,287	-
Accts. receivable (net of allowance for uncollectibles of \$2,566,532)	7,541,970	3,097,625	728,287	1,317,093	12,684,976	-
Inventory	1,816,072	639,747	-	-	2,455,820	-
Net pension assets	6,479	4,852	2,096	1,241	14,668	-
Prepaid expenses	-	-	-	-	-	-
Due from other funds	2,021,806	-	-	-	2,021,806	-
Note receivable	-	-	-	998	998	-
Bond discounts & insurance	795,035	28,916	-	-	823,951	-
Total current assets	30,809,265	14,118,772	41,164,031	2,759,309	88,851,378	738,375
Capital assets						
net of accumulated depreciation	72,154,204	98,266,587	53,114,522	14,558,065	238,093,378	-
Deferred Outflow of Resources						
Deferred outflows related to pensions	1,405,827	963,310	400,389	276,775	3,046,301	-
Deferred charge on bond refunding	-	-	-	-	-	-
Total deferred outflows	1,405,827	963,310	400,389	276,775	3,046,301	-
TOTAL ASSETS & DEFERRED OUTFLOWS	104,369,295	113,348,669	94,678,943	17,594,149	329,991,056	738,375
LIABILITIES						
Current liabilities:						
Accounts payable & accrued liabilities	5,227,726	2,223,881	433,099	656,469	8,541,176	5,590
Bonds payable - short term	2,297,000	1,110,000	-	100,000	3,507,000	-
Due to other funds - short term	-	-	-	-	-	-
Note payable - short term	-	10,000	-	-	10,000	-
Net pension liability	2,403,128	1,664,159	694,853	471,999	5,234,139	-
Deposits payable	1,058,218	422,468	-	186,937	1,667,623	-
Total current liabilities	10,986,072	5,430,509	1,127,952	1,415,405	18,959,938	5,590
Long-term liabilities:						
Bonds payable - long term	48,775,000	4,585,000	-	-	53,360,000	-
Bond premiums	1,894,671	95,119	-	-	1,989,790	-
Note payable - long term	-	38,800	-	-	38,800	-
Deferred water credit	-	232,251	-	-	232,251	-
Deposit for future capital improvements	-	-	-	-	-	-
Total long-term liabilities	50,669,671	4,951,170	-	-	55,620,841	-
Total liabilities	61,655,744	10,381,679	1,127,952	1,415,405	74,580,779	5,590
DEFERRED INFLOWS						
Deferred inflows related to pensions	389,872	270,034	112,788	76,527	849,221	-
TOTAL LIABILITIES & DEFERRED INFLOWS	62,045,616	10,651,713	1,240,740	1,491,932	75,430,000	5,590
NET POSITION						
Net Investment in capital assets	22,279,567	93,344,333	53,114,522	14,458,065	183,196,487	-
Restricted	2,377,892	585,395	-	1,136,733	4,100,021	-
Unrestricted	17,666,220	8,767,229	40,323,681	507,419	67,264,548	732,785
Total net position	\$ 42,323,680	\$ 102,696,956	\$ 93,438,203	\$ 16,102,217	\$ 254,561,056	\$ 732,785

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, 2017

	Business-type Activities - Enterprise Funds				TOTALS 2017	Governmental Activities Internal Service Fund
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWATER TREATMENT	Non-Major Enterprise Funds		
OPERATING REVENUES:						
Charges for services	\$ 61,377,703	\$ 21,574,731	\$ 4,868,247	\$ 11,990,316	\$ 99,810,997	\$ 381,343
Other operating revenues	4,951,575	1,422,621	1,780,665	250,299	8,405,159	
Total operating revenues	66,329,278	22,997,352	6,648,912	12,240,615	108,216,157	\$ 381,343
OPERATING EXPENSES:						
Electricity purchased	36,582,442		514,934		37,097,376	
Natural gas purchased	5,530,157				5,530,157	
Water purchased		5,979,683			5,979,683	
Salary and wages	4,421,440	2,777,179	1,200,753	745,904	9,145,277	
Supplies	563,156	-	-	21,734	584,890	
Service vehicle expense	151,258	189,946	61,342	99,927	502,473	
Equipment rental	-	38,340	21,975	-	60,315	
Depreciation	6,975,674	2,822,587	1,584,461	471,505	11,854,227	
Payroll tax & employee benefits	1,959,147	1,381,808	594,200	390,613	4,325,768	
Office & dept. supplies	71,792	349,132	82,346	70,610	573,879	
Professional services	515,313	106,816	314,630	25,670	962,428	
R. & M. - equipment	434,249	1,251,805	770,577	134,440	2,591,070	
R. & M. - buildings and grounds	26,336	12,840	305,289	5,548	350,013	
Insurance & surety bonds	184,248	76,389	50,909	11,835	323,381	
Travel	77,948	36,775	12,352	10,204	137,279	701
Miscellaneous	1,378	1,524			2,907	
Interest expense	30,669				30,669	
Subscriptions & memberships	80,191	45,281	1,490	1,726	128,688	
Lease payments					-	
Claims paid			-			320,923
Insurance premiums						173,836
Contract labor				8,208,555	8,208,555	
Billing & administration	1,900,000	1,200,000	800,000	855,000	4,755,000	
Total operating expenses	59,505,397	16,270,104	6,315,257	11,053,273	93,144,030	495,460
Operating income	6,823,882	6,727,248	333,655	1,187,342	15,072,126	(114,117)
NON-OPERATING REVENUES (EXPENSES)						
Interest income	177,515	109,972	410,672	28,681	726,839	5,562
Rent		-	6,000	104,818	110,818	
Miscellaneous income	381,739	14,458	66,046	108,240	570,483	
Gain (loss) on sale of assets	44,652	20,505		17,728	82,884	
Contributions from others	15,798		4,335		20,133	
Federal grants	-	29,049			29,049	
State grants		5,000			5,000	
Insurance claim proceeds			263,100		263,100	
Interfund utility services	(60,844)	(970,815)	(31,512)	-	(1,063,171)	
Interest charges	(2,113,153)	(154,965)	-	(6,583)	(2,274,701)	
Total non-operating revenue (expense)	(1,554,293)	(946,796)	718,641	252,883	(1,529,565)	5,562
Income before transfers	5,269,589	5,780,451	1,052,296	1,440,225	13,542,561	(108,555)
Transfers (to) from other funds	(1,006,061)	563,451	380,157	(942,339)	(1,004,792)	
Additions to contributed capital					-	
Change in Net position	4,263,528	6,343,902	1,432,453	497,886	12,537,769	(108,555)
Restate beginning net position for reoffering premium	1,043,125				1,043,125	
Total net position - beginning	37,017,027	96,353,054	92,005,750	15,604,331	240,980,162	841,340
Total net position - ending	\$ 42,323,680	\$ 102,696,956	\$ 93,438,203	\$ 16,102,217	\$ 254,561,056	\$ 732,785

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, 2017

	Business-type Activities - Enterprise Funds					Governmental
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWATER TREATMENT	Non-Major Enterprise Funds	TOTALS 2017	Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 65,945,645	\$ 22,704,859	\$ 6,223,951	12,231,636	\$ 107,106,091	\$ -
Receipts from interfund services provided						381,343
Payments to suppliers	(45,954,187)	(8,614,996)	(2,962,762)	(9,356,320)	(66,888,265)	
Payments to employees	(6,380,587)	(4,158,987)	(1,794,953)	(1,136,518)	(13,471,045)	
Payments for interfund services used						(519,363)
Net cash provided (used) by operating activities	<u>13,610,871</u>	<u>9,930,876</u>	<u>1,466,235</u>	<u>1,738,799</u>	<u>26,746,781</u>	<u>(138,020)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Rents received		-	6,000	212,533	218,533	
Miscellaneous non-operating income	381,739	14,458	66,046	524	570,483	
Interfund receivable/payable activity	(2,021,806)			(14,396)	(2,036,202)	
Federal and state operating grant	-	34,049			34,049	
Interfund utility services	(60,844)	(970,815)	(31,512)	-	(1,063,171)	
Economic development transfer	(1,006,061)	563,451	380,157	(942,340)	(1,004,793)	
Net increase (decrease) in deferred revenue	(11,000)				(11,000)	
Net increase (decrease) in pension benefits for effect of GASB 68	158,783	109,976	45,807	31,367	345,933	
Net cash provided (used) by noncapital and related financing activities	<u>(2,559,189)</u>	<u>(248,881)</u>	<u>466,498</u>	<u>(712,311)</u>	<u>(2,946,168)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from bond refunding						-
Purchases of capital assets	(3,915,599)	(4,921,988)	(2,137,809)	(876,920)	(11,852,316)	
Principal paid on capital debt	(2,239,000)	(2,286,000)		(201,000)	(4,726,000)	
Interest on capital debt net of disc/premiums	(2,260,512)	(166,383)		327	(2,426,568)	
Proceeds from sale of fixed assets	1,945,481	34,064		17,728	1,997,272	
Amortization of deferred loss on bond refunding	317,946				317,946	
Proceeds from insurance claims			263,100		263,100	
Contributions from others	15,798		4,335		20,133	
Net cash provided (used) by capital and related financing activities	<u>(6,135,887)</u>	<u>(7,340,307)</u>	<u>(1,870,374)</u>	<u>(1,059,866)</u>	<u>(16,406,434)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	177,515	109,972	410,672	28,681	726,839	5,562
Net increase (decrease) in cash and cash equivalents	5,093,310	2,451,660	473,031	(4,697)	8,013,304	(132,458)
Cash and equivalents including restricted cash of \$1,815,176 at beginning of year	13,534,592	7,895,972	39,960,617	1,444,673	62,835,854	870,834
Cash and equivalents including restricted cash of \$586,643 at end of year	<u>\$ 18,627,902</u>	<u>\$ 10,347,632</u>	<u>\$ 40,433,648</u>	<u>\$ 1,439,976</u>	<u>\$ 70,849,158</u>	<u>\$ 738,376</u>
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss)	6,823,882	6,727,248	333,655	1,187,342	15,072,126	(114,117)
Adjustments to reconcile net income from operations to net cash provided by operating activities:						
Depreciation	6,975,674	2,822,587	1,584,461	471,505	11,854,227	
Changes in assets & liabilities:						
Decrease (increase) in receivables	(376,588)	(333,757)	(424,961)	(6,493)	(1,141,799)	
Decrease (increase) in inventory	269,862	(20,734)			249,129	
Decrease (Increase) in note receivable					-	
Decrease (increase) in prepaid exp.					-	
Increase (decrease) in deposits	(7,045)	41,263		(2,485)	31,733	
Increase (decrease) in accruals	(74,914)	462,017	(26,919)	88,931	449,114	(23,903)
Increase (decrease) in deferred water credit		232,251			232,251	
Total adjustments	<u>6,786,989</u>	<u>3,203,628</u>	<u>1,132,580</u>	<u>551,457</u>	<u>11,674,654</u>	<u>(23,903)</u>
Net cash provided by operating activities:	<u>\$ 13,610,871</u>	<u>\$ 9,930,876</u>	<u>\$ 1,466,235</u>	<u>\$ 1,738,799</u>	<u>\$ 26,746,781</u>	<u>\$ (138,020)</u>

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, 2017

	PENSION TRUST *****
ASSETS	
Restricted cash and investments	\$ 16,142,072
Total Assets	16,142,072
LIABILITIES	
Liabilities:	
Accrued liabilities	-
Total liabilities	-
NET POSITION	
Held in trust for pension benefits and other purposes	\$ 16,142,072

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, 2017

	PENSION TRUST

ADDITIONS	
Retirement contributions	\$ 279,248
Life insurance contributions	-
Certificate sales	-
Net increase in fair value of investments	1,547,475
Citizen donations	-
	-
Total additions	1,826,723
DEDUCTIONS	
Administrative & general	492
Life insurance premiums	-
Retirement withdrawals	979,333
	979,333
Total deductions	979,825
Change in net position	846,899
Net position - beginning of year	15,295,174
	15,295,174
Net position - end of year	\$ 16,142,072

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, 2017

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

CITY OF ST. GEORGE, UT
Notes to the Financial Statements
June 30, 2017

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 serve 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.

CITY OF ST. GEORGE, UT
Notes to the Financial Statements
June 30, 2017

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

CITY OF ST. GEORGE, UT
Notes to the Financial Statements
June 30, 2017

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.

CITY OF ST. GEORGE, UT
Notes to the Financial Statements
June 30, 2017

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, 2017, 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, 2017 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.

CITY OF ST. GEORGE, UT
Notes to the Financial Statements
June 30, 2017

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

CITY OF ST. GEORGE, UT
Notes to the Financial Statements
June 30, 2017

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. Also at June 30, 2017 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, 2016. 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, 2018, are adopted in connection with the adoption of the 2018 budget in June 2017. Thus they become a valid levy/lein at that time. Accordingly, the estimated amount to be collected in the 2018 fiscal year is recorded as a receivable and a deferred inflow in the governmental funds for the fiscal year ended June 30, 2017. 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.

CITY OF ST. GEORGE, UT
Notes to the Financial Statements
June 30, 2017

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

CITY OF ST. GEORGE, UT
Notes to the Financial Statements
June 30, 2017

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.

CITY OF ST. GEORGE, UT
Notes to the Financial Statements
June 30, 2017

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.

CITY OF ST. GEORGE, UT
Notes to the Financial Statements
June 30, 2017

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 \$383,151,543 are as follows:

Land	\$ 95,073,081
Buildings	44,768,876
Less: Accumulated depreciation–buildings	(19,171,637)
Improvements	91,058,040
Less: Accumulated depreciation-improvements	(36,138,225)
Infrastructure	264,287,364
Less: Accumulated depreciation-infrastructure	(73,310,118)
Machinery & Equipment	46,460,819
Less: Accumulated depreciation-machinery & equip	<u>(29,876,657)</u>
Net adjustment to increase fund balance-total governmental funds to arrive at net position-governmental activities	<u>\$338,151,543</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 \$44,201,234 difference are as follows:

Notes payable	\$ 413,260
Bonds payable	34,878,000
Add: Issuance premium (to be amortized over life of debt)	1,310,563
Capital leases	4,774,626
Compensated absences	2,542,567
Interest payable on long-term debt	<u>282,218</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position-governmental activities	<u>\$44,201,234</u>

Another element of that reconciliation explains that “pension assets, net liability, and deferred inflows & outflows are not due and payable in the current period and therefore are not reported in the funds”. The details of this \$9,253,594 are as follows:

Net pension liability	\$16,251,360
Deferred inflows related to pensions	2,633,619
Net pension assets	(40,394)
Deferred outflows related to pensions	<u>(9,590,991)</u>

CITY OF ST. GEORGE, UT
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June 30, 2017

Net adjustment to reduce fund balance-total governmental funds to arrive at net position-governmental activities	<u>\$9,253,594</u>
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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 \$732,785 difference are as follows:

Net position of self-insurance internal services fund	<u>\$732,785</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 \$11,196,049 difference are as follows:

Capital outlay	\$24,435,182
Sale of capital assets, net of accumulated depreciation	(2,815,432)
Depreciation expense	<u>(10,423,701)</u>
 Net adjustment to increase net changes in fund balance-governmental funds to arrive at changes in net position of governmental activities	 <u>\$11,196,049</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 \$4,989,244 difference are as follows:

Principal repayments:	
General obligation debt	\$2,334,000
Sales tax revenue bonds	2,860,000

CITY OF ST. GEORGE, UT
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June 30, 2017

Excise tax revenue bonds	311,000
Notes payable	358,004
Capital leases	<u>1,150,830</u>
Total principal repayments	7,013,834
Debt issued:	
Capital Lease	<u>\$2,024,590</u>
Total debt issued	<u>(2,024,590)</u>
Net adjustment to increase changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	<u>\$4,989,244</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: \$ 28,884

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: \$ (679,219)

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 \$1,083,828 difference are as follows:

Change to Net Pension Asset	\$ (46,033)
Change to Deferred Outflows Related to Pensions	2,293,716
Change to Net Pension Liability	(2,591,468)
Change to Deferred Inflows Related to Pensions	<u>(739,943)</u>
Net adjustment to decrease net changes in fund balance-governmental funds to arrive at changes in net position of governmental activities	<u>\$ (1,083,728)</u>

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Notes to the Financial Statements
June 30, 2017

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.” \$ (108,555)

III. Stewardship, compliance and accountability

A. Excess of expenditures over appropriations

For the fiscal year ended June 30, 2017, the Fire Department Impact Fund expenditures exceeded appropriations by \$68,691.

B. Deficit fund equity

At June 30, 2017 the Dixie Center Area EDA Special Revenue Fund had a deficit fund balance, but a positive cash balance. 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, 2017, the City’s book balance was \$123,691,084. The bank balance was \$125,525,277 and \$124,714,469 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, 2017, the City had the following cash & investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percentage</u>
U.S. Treasuries	\$ 2,592,316	1.85%
State Treasurer's investment pool	116,882,868	83.59%
Bank certificates of deposit	-	0.00%
Bank demand deposits (checking & saving)	4,215,900	3.01%
Insurance company contracts (pension plan)	16,142,072	11.54%
	<u>\$ 139,833,156</u>	<u>100.00%</u>

CITY OF ST. GEORGE, UT
Notes to the Financial Statements
June 30, 2017

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, 2017, the weighted average of maturities was 51.39 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, 2017, no investments exceeded this policy.

CITY OF ST. GEORGE, UT
Notes to the Financial Statements
June 30, 2017

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, 2017, 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	\$ 2,592,316	AAA	19.13
State of Utah Public Treasurer's Investment Fund	<u>116,882,868</u>	N/A	54.71
Total Fair Value	<u>\$119,475,184</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, 2017:

- U.S. Treasury obligations of \$2,592,316 are valued using quoted market prices (Level 1 inputs).
- PTIF of \$116,882,868 are valued using amortized cost (Level 2 inputs).

CITY OF ST. GEORGE, UT
Notes to the Financial Statements
June 30, 2017

B. Receivables

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

<u>Receivables</u>	<u>General</u>	Public Works Capital <u>Project Fund</u>	Other Government <u>Funds</u>	<u>Total</u>
Accounts	\$ 679,459	\$925,058	\$110,478	\$1,714,995
FY 2017 Property taxes	204,615		315,568	520,183
FY 2018 Property taxes	9,150,000		3,792,184	12,942,184*
Grants	587,839		904,960	1,492,799
Sales taxes	3,485,553		1,350,288	4,835,841
Special assessments			102,347	102,347
Transit room taxes			133,800	133,800
Franchise taxes	<u>153,553</u>			<u>153,553</u>
Total receivable	<u>\$14,261,019</u>	<u>\$925,058</u>	<u>\$6,709,625</u>	<u>\$21,895,702</u>

** The 2017 Property taxes are levied in June 2017 for the fiscal year 2018 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.

<u>Receivables</u>	<u>Electric</u>	<u>Water</u>	Wastewater <u>Treatment</u>	Other Proprietary <u>Funds</u>	<u>Total</u>
Accounts	\$ 9,170,606	\$ 3,747,819	\$ 728,287	\$ 1,604,796	\$ 15,251,508
Grants		-			-
Gross receivables	<u>\$ 9,170,606</u>	<u>\$ 3,747,819</u>	<u>\$ 728,287</u>	<u>\$ 1,604,796</u>	<u>\$ 15,251,508</u>
Less: Allowance	<u>(1,628,636)</u>	<u>(650,194)</u>		<u>(287,702)</u>	<u>(2,566,532)</u>
Net Receivables	<u>\$ 7,541,970</u>	<u>\$ 3,097,625</u>	<u>\$ 728,287</u>	<u>\$ 1,317,094</u>	<u>\$ 12,684,976</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.

CITY OF ST. GEORGE, UT
Notes to the Financial Statements
June 30, 2017

D. Capital assets

Capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 95,816,959	\$ 2,072,164	\$ 2,816,042	\$ 95,073,081
Capital assets being depreciated:				
Buildings	42,620,664	2,148,211		44,768,875
Improvements	83,222,697	7,835,343		91,058,040
Infrastructure	256,268,912	8,018,452		264,287,364
Equipment, etc	42,414,053	4,361,012	314,246	46,460,819
Total capital assets being depreciated	424,526,326	22,363,018	314,246	446,575,098
Less accum. depreciation for:				
Buildings	17,873,553	1,298,083		19,171,636
Improvements	33,388,206	2,750,019		36,138,225
Infrastructure	69,199,781	4,110,337		73,310,118
Equipment, etc	27,926,252	2,265,261	314,856	29,876,657
Total accum. depreciation	148,387,792	10,423,700	314,856	158,496,636
Total capital assets being depreciated, net	276,138,534	11,939,318	(610)	288,078,462
Governmental activities capital assets, net	<u>\$ 371,955,493</u>	<u>\$ 14,011,482</u>	<u>\$ 2,815,432</u>	<u>\$ 383,151,543</u>

CITY OF ST. GEORGE, UT
Notes to the Financial Statements
June 30, 2017

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 22,826,437	\$ 456,577	\$ -	\$ 23,283,014
Capital assets being depreciated:				
Buildings and Systems	344,843,111	7,317,636		352,160,747
Improvements	18,326,174	2,692,174	1,900,830	19,117,518
Machinery & Equipment	19,282,770	1,462,064	262,216	20,482,618
Total capital assets being depreciated	382,452,055	11,471,874	2,163,046	391,760,883
Less accum. Depreciation for:				
Buildings and Systems	142,135,439	10,377,001		152,512,440
Improvements	8,319,169	710,891		9,030,060
Machinery & Equipment	14,814,205	766,335	172,520	15,408,020
Total accum. Depreciation	165,268,813	11,854,227	172,520	176,950,520
Total capital assets being depreciated, net	217,183,242	(382,353)	1,990,526	214,810,363
Business-type activities capital assets, net	<u>\$ 240,009,679</u>	<u>\$ 74,224</u>	<u>\$ 1,990,526</u>	<u>\$ 238,093,377</u>

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

Governmental activities:	
General government	\$ 1,298,968
Public safety	1,067,350
Highways, streets, etc.	5,044,265
Parks, recreations, etc.	2,558,140
Community development	454,977
Total depreciation expense - governmental activities	<u>\$10,423,700</u>
Business-type activities:	
Municipal building authority	\$ 98,336
Water utility	2,822,587
Wastewater collection	373,169
Electric utility	6,975,674
Regional wastewater treatment	1,584,461
Total depreciation expense - business-type activities	<u>\$11,854,227</u>

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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, 2017, interfund balances due to or from other funds was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Equip Capital Proj. Fund	2010 Flood Reconst. Fund	\$399,809
Capital Equip Capital Proj. Fund	2012 Flood Reconst. Fund	87,337
Economic Development Fund	Dixie Center Area EDA	1,000,000
Electric Utility Fund	Capital Equip. Cap. Proj. Fund	2,021,806

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 2018 fiscal year, except the following two interfund loans. The interfund loan between the Economic Development Fund and the Dixie Center Area EDA of \$1,000,000 will be repaid with interest by June 30, 2023 as the EDA receives future tax increments. The interfund loan between the Electric Utility Fund and the Capital Equipment Capital Projects Fund of \$2,021,806 will be repaid with interest by June 30, 2030. This loan was for improvements to city facilities that will improve efficiency and decrease utility costs. The loan will be repaid as these costs savings are realized over the next 13 years.

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, 2017 were as follows:

<u>Fund Transferring Out</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>
General Fund	Capital Projects Capital Equip	\$ 4,900,000
General Fund - Highways etc.	Public Works Cap. Projects	600,000
Economic Development Fund	Airport Debt Serv Fund	19,969
	General Fund	250,000
Transportation Improvement	SunTran Public Transit Fund	500,000
	Public Works Capital Proj.	3,068,362
	Street Bond Cap. Proj. Fund	1,925,000
	General Fund	85,000
Airport PFC Charges Fund	General Fund	106,933
Capital Projects Capital Equip	General Fund	1,971,494

CITY OF ST. GEORGE, UT
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June 30, 2017

Park Impact Fund	General Fund	82,500
Drainage Impact Fund	Public Works Capital Proj.	864,049
Drainage Utility Fund	Public Works Capital Proj.	857,339
	General Fund	85,000
CDBG Special Revenue Fund	Wastewater Treatment Fund	348,645
Ft. Pierce EDA #2 Fund	Housing Program Fund	119,430*
	General Fund	21,000
Ft. Pierce EDA #1 Fund	Housing Program Fund	70,843*
	General Fund	10,500
Dixie Center EDA Fund	General Fund	11,000
	Street Bond Cap Proj Fund	350,000
Ft. Pierce CDA #1 Fund	General Fund	35,000
	Street Bond Cap Proj Fund	750,000
Ft. Pierce CDA #2 Fund	General Fund	2,000
Housing Program Fund	Community Resource Center	156,488
Perpetual Care Fund	General Fund	67,161
RAP Tax Fund	General Fund	380,477
Street Bond Cap Proj Fund	Public Works Capital Proj.	306,013
Street Impact Fund	Public Works Capital Proj.	<u>2,288,332</u>
	Total Interfund Transfers	\$20,232,534
Total Interfund Transfers - Governmental Funds		\$18,941,550
Total Interfund Transfers - Enterprise Funds		1,290,984

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	\$367,541	\$ 40,110
Community Resource Center	3,172	
SunTran Transit Fund	274	
Electric Utility Fund	2,689	58,154
Water Utility Fund	2,175	968,640

CITY OF ST. GEORGE, UT
Notes to the Financial Statements
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Wastewater Treatment Fund	<u>31,512</u>	
Totals	<u>\$407,363</u>	<u>\$1,066,904</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, 2017 are as follows:

Governmental activities:

	<u>Interest rates</u>	<u>Amount</u>
2010 G.O. Parks & Recreation	2.5% to 4.00%	\$ 4,525,000
2014 G.O. Parks & Recreation	2% to 3%	<u>5,840,000</u>
		<u>\$10,365,000</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>\$2,980,000</u>

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Notes to the Financial Statements
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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, 2017, 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>\$6,935,000</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>\$6,352,000</u>

Total City reflected General Obligation Debt	<u>\$26,632,000</u>
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Annual debt service requirements to maturity for the above reflected general obligation debt is as follows:

	(In thousands of dollars)		
Year ended	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
June 30			
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	2,686	464	3,150
2023-2027	9,053	980	10,033
2028-2029	<u>1,455</u>	<u>67</u>	<u>1,522</u>
Totals	<u>\$26,632</u>	<u>\$4,209</u>	<u>\$30,841</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

CITY OF ST. GEORGE, UT
Notes to the Financial Statements
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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, 2017 the balance of this bond issue is \$1,523,000. 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, 2017, the balance of this bond issue is the original issue amount of \$6,723,000. *These bonds were refunded on November 2, 2017 with the Excise Tax Revenue & Refunding Bonds, Series 2017.*

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>
2018	\$ 327	\$ 649	\$ 281	\$ 695
2019	345	622	271	696
2020	362	595	262	695
2021	381	566	252	695
2022	399	535	240	694
2023-2024	<u>6,432</u>	<u>972</u>	<u>437</u>	<u>6,967</u>
	<u>\$ 8,246</u>	<u>\$3,939</u>	<u>\$1,743</u>	<u>\$10,442</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)

Year Ended	Principal	Interest	Totals
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2018	<u>\$353</u>	<u>\$ 21</u>	<u>\$ 374</u>
Totals	<u>\$353</u>	<u>\$ 21</u>	<u>\$ 374</u>

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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, 2017 is \$60,000.

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, 2017 by issue are as follows: (in thousands)

<u>Bond Desc.</u>	<u>Original Issue</u>	<u>Annual Principal</u>	<u>Interest Rates</u>	<u>Final Due Date</u>	<u>Amount</u>
1998A MBA	\$ 6,270	\$100	4.7%	9/1/17	\$ 100
2000 Woodward	<u>350</u>	\$20 to \$23	2.5%	4/1/21	<u>0</u>
Total Municipal Bldg	<u>6,620</u>				<u>100</u>
2013 Water	\$ 3,637	\$1191	1.26%	7/1/16	\$ 0
2011 Water	6,120	\$785 to \$830	2.75% to 3%	6/1/20	2,425
2012 Water	<u>3,830</u>	\$325 to \$405	2% to 3%	7/1/25	<u>3,270</u>
Total Water Utility	<u>13,587</u>				<u>5,695</u>
2008 Electric Revenue	\$50,000	\$1200	5%	6/1/18	\$1,200
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>9,247</u>
Total Electric Utility	<u>100,961</u>				<u>51,072</u>
Total Business-type Activities		<u>\$121,168</u>			<u>\$56,867</u>

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

<u>Year Ended</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2018	\$ 3,507	\$ 2,187	\$ 5,694
2019	3,527	2,082	5,609
2020	3,592	2,012	5,604
2021	2,869	1,898	4,767
2022	2,952	1,802	4,754
2023-2027	13,485	7,354	20,839
2028-2032	10,590	4,795	15,385
2033-2037	13,355	2,048	15,403
2038	<u>2,990</u>	<u>94</u>	<u>3,084</u>
Totals	<u>\$56,867</u>	<u>\$24,272</u>	<u>\$81,139</u>

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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, 2017, 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

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Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2017 was as follows: (in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Governmental activities:					
Bonds payable:					
G.O. Bonds	\$ 11,535	\$ -	\$ (1,170)	\$ 10,365	\$ 1,250
Sales Tax Bonds	5,840	-	(2,860)	2,980	2,980
Franchise Tax Bonds	14,451	-	(1,164)	13,287	1,190
Federal Subsidy bonds	8,557	-	(311)	8,246	327
Total bonds payable	40,383	-	(5,505)	34,878	5,747
Ekins Note payable	651	-	(298)	353	353
Bentley Note payable	120	-	(60)	60	60
WCIA lease	3,254	-	(437)	2,817	384
Capital leases	647	2,025	(714)	1,958	691
Interest payable *	311	-	(29)	282	
Unamortized premiums	1,559	-	(248)	1,311	
Vacation payable	1,863	679	-	2,542	
Governmental activity long-term liabilities	<u>\$ 48,788</u>	<u>\$ 2,704</u>	<u>\$ (7,291)</u>	<u>\$ 44,201</u>	<u>\$ 7,235</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 61,583	\$ -	\$ (4,716)	\$ 56,867	\$ 3,507
WCWCA note	58	-	(10)	48	10
Unamortized premium *	2,159	-	(169)	1,990	
Total business-type long-term liabilities	<u>\$ 63,800</u>	<u>\$ -</u>	<u>\$ (4,895)</u>	<u>\$ 58,905</u>	<u>\$ 3,517</u>

* The June 30, 2016 balance for governmental interest payable was reported as \$287 in the footnotes, but \$311 on the financial statements. The correct balance was \$311, so the beginning balance on this table was corrected. The beginning balance for unamortized premiums for business-type activities was corrected for a prior period adjustment.

CITY OF ST. GEORGE, UT
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G. Leases payable

Capital Leases

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. The value of the equipment is \$1,229,289. Accumulated depreciation on this equipment totals \$614,645.

During the current fiscal year, the City entered into a lease agreement as lessee for financing the acquisition of three (3) new fire trucks. The lease qualifies as a capital lease for accounting purposes (title transfers at the end of the lease term for a nominal \$1 payment) and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception and is being depreciated. The value of the fire trucks is \$2,024,590. Accumulated depreciation on these trucks is \$0.

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, 2017.

<u>Fiscal year ended</u>	<u>Golf Carts</u>	<u>Fire Trucks</u>
June 30, 2018	\$213,514	\$520,526
June 30, 2019	262,000	520,526
June 30, 2020	<u>0</u>	<u>520,525</u>
Total payments	475,514	1,561,577
Less amount representing interest	<u>(22,142)</u>	<u>(57,513)</u>
Present value of lease payments	<u>\$453,372</u>	<u>\$1,504,064</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.

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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, 2018	\$ 469
June 30, 2019	433
June 30, 2020	439
June 30, 2021	442
June 30, 2022	432
2023-2024	<u>879</u>
Total remaining minimum lease payments	3,094
Less amount representing interest	<u>(277)</u>
Present value of net remaining minimum lease payments	<u>\$2,817</u>

For the fiscal year ended June 30, 2017 expenditures were payments for O&M of \$783,533 and debt service payments of \$525,723.

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

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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		MBA
Assets:	Cash and investments	\$ 25,221
	Other assets (prepaid & deferred bond costs)	-
	Capital assets	10,770,124
	Less depreciation	(1,873,538)
	Total assets	8,921,807
Liabilities:	Accrued liabilities	1,567
	Due to other funds	-
	Noncurrent liabilities	100,000
	Total liabilities	101,567
Net position:	Net investment in capital assets	8,796,586
	Restricted	-
	Unrestricted	23,654
	Total net position	\$ 8,820,240

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION		MBA
Charges for services		\$ -
Depreciation expense		(98,336)
Other operating expenses		(9,520)
Operating income (loss)		(107,856)
Nonoperating revenues (expenses)		
Interest Income		119
Rental Income		104,818
Contributions from other governments		107,715
Interest Expense		(6,583)
Income (loss) before transfers		98,213
Transfers to other funds		-
Change in net position		98,213
Beginning net position		8,722,027
Ending net position		\$ 8,820,240

CONDENSED STATEMENT OF CASH FLOWS		MBA
Net cash provided (used) by:		
Operating activities		\$ (11,577)
Noncapital financing activities		212,533
Capital and related financing activities		(200,673)
Investing activities		119
Net increase (decrease)		402
Beginning cash & cash equivalents		24,819
Ending cash & cash equivalents		\$ 25,221

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June 30, 2017

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. 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 \$1,000,000,000 per occurrence, excess of a per occurrence deductible of \$25,000 (subject to all perils, coverage, and with all trust members combine, coverages, extensions of coverage, or perils insured are subject to per occurrence and/or aggregate sub-limits. Utah Local Governments Trust administers the property insurance policy. Power Generation Property Coverage is \$114,249,627, excess of various deductibles and sub-limits.

	<u>06/30/17</u>	<u>06/30/16</u>
Unpaid claims, beginning of fiscal year	\$ 29,494	\$ 5,395
Incurred claims	285,839	213,552
Claim payments	<u>(320,923)</u>	<u>(189,453)</u>
Unpaid claims, ending of fiscal year	<u>\$ 5,590</u>	<u>\$ 29,494</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,

CITY OF ST. GEORGE, UT
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supply, transmission and management of electric energy for the benefit of the Members. The City's electrical utility fund purchased power totaling \$7,653,234 from UAMPS during the fiscal year ended June 30, 2017.

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, 2017, 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 10, 2017, Standard & Poors changed the rating for the National Public Finance Guarantee Corp. This relates to the St. George Utah Municipal Building Authority Lease Revenue Bonds.
- 2) On July 11, 2017, the City issued Industrial Revenue Bonds of \$10,000,000 as private-sector financing. These bonds are secured by property and improvements and are payable solely by Ram-Pro, LLC.
- 3) The City entered into a new capital lease on August 1, 2017 for 262 golf carts. The previous lease was cancelled.
- 4) The City entered into a contract to sell land and buildings on Tonaquint Drive to Washington County School District for \$3,300,000 in October of 2017. The City will receive a down payment upon closing and financed the remaining payments at 0% interest over the subsequent 2 years.
- 5) In November of 2017, the City refunded the Excise Tax Revenue Bonds, Series 2009A & B, the Build America Bonds. The bonds were refunded to take advantage of interest savings, to remove a balloon payment that would have been due in 2024, and to generate additional proceeds to be used at the airport. The new Excise Tax Revenue and Refunding Bonds, Series 2017 were rated AA- by Standard & Poors and will mature in 2034.

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June 30, 2017

- 6) In November of 2017, the City settled a case that had been ongoing since 2014, paying \$273,184 for property damage, medical injury and loss of income. The City could not estimate that the case would settle or the amount, so no liability was recorded as of June 30, 2017.

F. 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.
- 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) is a multiple employer cost sharing public employee retirement system;
 - Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple employer, cost sharing, public employee 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.

CITY OF ST. GEORGE, UT
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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 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:

CITY OF ST. GEORGE, UT
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Utah Retirement Systems

	<u>Employee</u>	<u>Employer</u>	<u>Employer 401(k)</u>
Contributory System:			
11 Local Government Div – Tier 1	6.00%	14.46%	N/A
111 Local Government Div – Tier 2	N/A	14.91	1.78
Noncontributory System			
15 Local Government Div – Tier 1	N/A	18.47	N/A
Public Safety System			
Contributory			
122 Tier 2 DB Hybrid Public Safety	N/A	22.50	1.33
Noncontributory			
43 Other Div A with 2.5% COLA	N/A	34.04	N/A
Firefighters Retirement System			
31 Other Division A	15.05	3.89	N/A
132 Tier 2 DB Hybrid Firefighters	N/A	10.75	1.33
Tier 2 DC Only			
211 Local Government	N/A	6.69	10.00
222 Public Safety	N/A	11.83	12.00
232 Firefighters	N/A	0.08	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, 2017, the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 3,294,978	N/A
Contributory System	19,010	-
Public Safety System	1,793,707	-
Firefighters System	58,903	-
Tier 2 Public Employees System	938,253	-
Tier 2 Public Safety and Firefighter	259,182	-
Tier 2 DC Only System	59,981	N/A
Tier 2 DC Public Safety and Firefighter System	11,877	N/A
Total Contributions	<u>\$ 6,435,891</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.

CITY OF ST. GEORGE, UT
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Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions At June 30, 2017, we reported a net pension asset of \$55,064 and a net pension liability of \$21,485,497.

	<u>(Measurement Date): December 31, 2016</u>			<u>Proportionate Share</u>	<u>Change</u>
	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>	<u>Proportionate Share</u>	<u>Dec 31, 2015</u>	<u>(Decrease)</u>
Noncontributory System	\$0	\$13,909,433	2.1661654%	2.1017576%	0.0644078%
Contributory System	\$0	\$217,715	0.6635399%	0.3633464%	0.3001935%
Public Safety System	\$0	\$7,280,653	3.5878081%	3.3076262%	0.2801819%
Firefighters System	\$41,997	\$0	5.3272443%	5.1075179%	0.2197264%
Tier 2 Public Employees System	\$0	\$77,696	0.6965131%	0.6541921%	0.0423210%
Tier 2 Public Safety and Firefighter	<u>\$13,067</u>	<u>\$0</u>	<u>1.5052599%</u>	<u>1.4884215%</u>	<u>0.0168384%</u>
	<u>\$55,064</u>	<u>\$21,485,497</u>			

The net pension asset and liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2016 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, 2017 we recognized pension expense of \$7,863,797.

At June 30, 2017 we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 311,786	\$ 1,126,391
Changes in assumptions	3,415,070	849,211
Net difference between projected and actual earnings on pension plan investments	5,093,098	\$1,496,399
Changes in proportion and differences between contributions and proportionate share of contributions	659,439	10,839
Contributions subsequent to the measurement date	<u>3,157,900</u>	<u>0</u>
Total	<u>\$12,637,293</u>	<u>\$3,482,840</u>

The \$3,157,900 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, 2016.

CITY OF ST. GEORGE, UT
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June 30, 2017

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>
2017	\$1,803,246
2018	1,987,067
2019	2,280,287
2020	(138,466)
2021	(6,302)
Thereafter	70,723

Actuarial assumptions: The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary increases	3.35 – 10.35 percent, average, including inflation
Investment rate of return	7.20 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, 2016 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 and is applied consistently to each defined benefit pension plan. 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:

CITY OF ST. GEORGE, UT
Notes to the Financial Statements
June 30, 2017

<u>Asset class</u>	<u>Target Asset Allocation</u>	<u>Expected Return Arithmetic Basis</u> Real Return Arithmetic Basis	<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>2.60 %</u>
		Expected arithmetic nominal return	7.83 %

The 7.20% assumed investment rate of return is comprised of an inflation rate of 2.60%, a real return rate of 4.60% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 7.20 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. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced to 7.20 percent from 7.50 percent from the prior measurement period.

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 7.20 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 (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease	Discount Rate	1% Increase
System	<u>(6.20%)</u>	<u>(7.20%)</u>	<u>(8.20%)</u>
Noncontributory System	\$28,811,150	\$13,909,433	\$1,474,766
Contributory System	524,115	217,715	(40,396)
Public Safety System	15,142,109	7,280,653	890,363
Firefighters System	1,518,718	(41,997)	(1,308,361)
Tier 2 Public Employees System	528,847	77,696	(265,518)
Tier 2 Public Safety and Firefighter	<u>91,418</u>	<u>(13,067)</u>	<u>(93,360)</u>
Total	<u>\$46,616,357</u>	<u>\$21,430,433</u>	<u>\$ 657,494</u>

CITY OF ST. GEORGE, UT
Notes to the Financial Statements
June 30, 2017

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, were as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<i>401(k) Plan</i>			
Employer Contributions	\$846,227	\$679,511	\$596,174
Employee Contributions	290,309	275,836	316,838
 <i>457 Plan</i>			
Employer Contributions	267,289	242,553	234,171
Employee Contributions	201,478	189,854	151,490
 <i>Roth IRA Plan</i>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	107,281	86,477	92,356

Other Defined Contribution Plans

The City also provides pension benefits for its full-time employees through defined contribution plans administered by ICMA Retirement Corporation. In defined contribution plans, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to contribute from the date of employment. All of the assets and income of the plans are held in trust for the exclusive benefit of the participants or their beneficiaries. Because these are defined contribution plans, all amounts are vested and there is no unfunded liability. The City of St. George has adopted Governmental Accounting Standards Board Statement 32 (GASB No. 32), "Accounting

CITY OF ST. GEORGE, UT
Notes to the Financial Statements
June 30, 2017

and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans”. This has resulted in the reporting of the Plans as a Trust Fund.

ICMA 401(a) Plan

In previous years, the City provided a 401(a) benefit thru ICMA for full-time employees, except public safety employees. The contribution rates were equal to the difference between the required contribution rates to the state retirement system and a maximum rate established by the City Council. On July 1, 2012, the Tier 1 Noncontributory URS rate matched this maximum, so no further ICMA contributions were made. The Tier 2 employees still received contributions thru June 30, 2014. After that date, the only employees receiving employer contributions to ICMA 401(a) are certain exempt employees who have opted out of URS and a small number of Tier 2 firefighters.

Employer Contributions	\$187,247
Trust Ending Balance	\$15,623,095

ICMA 457 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.

Employee Contributions	\$92,001
Trust Ending Balance	\$518,976

G. Tax Abatements

The Redevelopment Agency of the City of St. George (the “RDA”) was created by the City Council in accordance with the provision of the Utah Neighborhood Development Act, UCA 17A-2-1201, 17A-2-1202, and 17A-2-1203, and continues to operate under Title 17C of Utah Code (UCA 17C), now referred to as the “Limited Purpose Local Government Entities - Community Reinvestment Agency Act” (collectively the “Act”). The Act allows the RDA to create geographically defined Project Areas and currently the RDA has five active Project Areas.

The Act allows the RDA to receive and use tax increment revenues to promote economic development. The RDA promotes economic development by funding economic incentives to attract new businesses, foster business relocation and/or expansion, and promote job creation with above-average-area wages and benefits, by entering into agreements with qualified businesses.

CITY OF ST. GEORGE, UT
Notes to the Financial Statements
June 30, 2017

The RDA has entered into various economic incentive agreements to rebate property taxes to businesses. The incentive agreements provide specific criteria which must be met before the RDA will make a property tax rebate payment. The agreements also include ongoing requirements of the businesses for the agreements to remain active or terminate. The RDA has not made any commitments to rebate or reduce any other taxes or fees to businesses as part of the incentive agreements. The RDA and City are not subject to any tax abatement agreements entered into by other governmental entities.

The RDA has chosen to disclose information about its incentive agreements individually by Project Area. During the fiscal year ended June 30, 2017, the RDA refunded property taxes totaling \$69,116 under this program:

Fort Pierce EDA #1

- A 60 percent property tax abatement to a manufacturing facility to promote business relocation; investment in property, plant and equipment; and job creation. The abatement amounted to \$37,337.

Fort Pierce EDA #2

- An 80 percent property tax abatement to a manufacturing facility to promote business relocation; investment in plant equipment; and job creation. The abatement amounted to \$31,779.

H. Prior Period Adjustment

Beginning net position for the Electric Utility Fund was restated for a prior period adjustment to correct the recording of the 2016 Electric Revenue Refunding Bonds. The adjustment decreased bond discounts by \$4,172,500; decreased bond premiums by \$5,215,625; and increased net position by \$1,042,125.

***REQUIRED SUPPLEMENTARY
INFORMATION***

St. George City
Schedule of the Proportionate Share of the Net Pension Liability
12/31/2016
Last 10 Fiscal Years ⁽¹⁾

As of calendar yer ended December 30,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability
Noncontributory System					
2014	2.0631449%	\$ 8,958,661	\$ 17,083,129	52.44%	90.2%
2015	2.1017576%	\$ 11,892,767	\$ 17,163,225	69.29%	87.8%
2016	2.1661654%	\$ 13,909,433	\$ 17,818,954	78.06%	87.3%
Contributory Retirement System					
2014	0.2677362%	\$ 77,227	\$ 143,153	53.95%	94.0%
2015	0.3633464%	\$ 255,380	\$ 154,817	164.96%	85.7%
2016	0.6635399%	\$ 217,715	\$ 159,209	136.75%	92.9%
Public Safety System					
2014	3.2780860%	\$ 4,122,465	\$ 4,828,212	85.38%	90.5%
2015	3.3076262%	\$ 5,924,790	\$ 4,868,481	121.70%	87.1%
2016	3.5878081%	\$ 7,280,653	\$ 5,276,801	137.97%	86.5%
Firefighters System					
2014	5.1530814%	\$ (294,055)	\$ 1,358,468	-21.65%	103.5%
2015	5.1075179%	\$ (92,507)	\$ 1,373,759	-6.73%	101.0%
2016	5.3272443%	\$ (41,997)	\$ 1,496,770	-2.81%	100.4%
Tier 2 Public Employees System					
2014	0.6395860%	\$ (19,382)	\$ 3,138,898	-0.62%	103.5%
2015	0.6541921%	\$ (1,428)	\$ 4,226,355	-0.03%	100.2%
2016	0.6965131%	\$ 77,696	\$ 5,711,965	1.36%	95.1%
Tier 2 Public Safety and Firefighter System					
2014	1.4825609%	\$ (21,932)	\$ 612,651	-3.58%	120.5%
2015	1.4884215%	\$ (21,746)	\$ 885,739	-2.46%	110.7%
2016	1.5052599%	\$ (13,067)	\$ 1,243,690	-1.05%	103.6%

⁽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
12/31/2016
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%
	2017	3,294,978	3,294,978	-	18,006,187	18.30%
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%
	2017	19,010	19,010	-	131,468	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%
	2017	1,793,707	1,793,707	-	5,363,215	33.44%
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%
	2017	58,903	58,903	-	1,512,950	3.89%
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%
	2017	938,253	938,253	-	6,289,468	14.92%
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%
	2017	259,182	259,182	-	1,331,815	19.46%
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%
	2017	59,981	59,981	-	896,570	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%
	2017	11,877	11,877	-	100,396	11.83%

* 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

St. George City
Notes to the Required Supplementary Information
for the fiscal year ended June 30, 2017

Changes in Assumptions:

The following actuarial assumption changes were adopted January 1, 2016. The assumed investment return assumption was decreased from 7.50% to 7.20% and the assumed inflation rate was decreased from 2.75% to 2.60%. With the decrease in the assumed rate of inflation, both the payroll growth and wage inflation assumptions were decreased by 0.15% from the prior year's assumption.

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SUPPLEMENTAL DATA

City of St. George, UT
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2017

Special Revenue Funds

Assets	Dixie Center Operations	Airport PFC Fees	Economic Development	Transportation Improvement	CDBG Grant Fund	Museum Acquis. Fund	Rap Tax Fund	Johnson Farm Dinosaur Tracks
Cash and investments	\$ 1,660,470	\$ 1,062,481	\$ 5,267,865	\$ 2,070,523	\$ 10,599	\$ 67,401	\$ 3,872,608	\$ 42,187
Receivables:								
Accounts	193,654	31,817		1,122,568	51,480		227,720	
Prepaid expenses					-			
Due from other funds			1,000,000					
Total assets	\$ 1,854,124	\$ 1,094,298	\$ 6,267,865	\$ 3,193,090	\$ 62,079	\$ 67,401	\$ 4,100,328	\$ 42,187
Liabilities:								
Accounts payable & Accrd Liab.	\$ -	\$ -	\$ -	\$ 495	\$ 10,000	\$ -	\$ 2,710	\$ 3
All Abilities Park donations								
Deferred Impact Fee Credit								
Due to other funds					-		-	
Total liabilities	-	-	-	495	10,000	-	2,710	3
Deferred Inflows of Resources:								
Unavailable revenues - 2017 Property Tax Levy	-	-	-	-	-	-	-	-
Fund balances:								
Restricted for:								
Public safety programs								
Transportation programs		1,094,298		3,192,595				
Housing & comm. Devlpmt								
Parks construction & devlpmt							4,097,618	
Comm. & Economic Devpmnt	1,854,124				52,079			
Debt service funds								
Capital project funds								
Assigned to:								
Comm. & Economic Devpmnt			6,267,865					
Parks construction & devlpmt						67,401		42,184
Capital project funds								
Unassigned								
Total fund balances	1,854,124	1,094,298	6,267,865	3,192,595	52,079	67,401	4,097,618	42,184
Total liabilities, deferred inflows and fund balances	\$ 1,854,124	\$ 1,094,298	\$ 6,267,865	\$ 3,193,090	\$ 62,079	\$ 67,401	\$ 4,100,328	\$ 42,187

(continued)

City of St. George, UT
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2017
 (continued)

Special Revenue Funds									
Assets	Affordable <u>Housing Program</u>	Community <u>Resource Center</u>	Ft. Pierce <u>CDA Fund</u>	Ft. Pierce <u>CDA#2 Fund</u>	Ft Pierce <u>EDA Fund</u>	Econ Devlpmnt <u>Agency #1</u>	Dixie Center <u>Area EDA Fund</u>	Central <u>Business</u>	
Cash and investments	\$ 912,492	\$ 2,601	\$ 576,880	\$ 56,883	\$ 301,678	\$ 249,884	\$ 308,389	\$ 70,850	
Receivables:									
Accounts		-	1,181,293	33,641	619,529	255,744	432,889		
Prepaid expenses									
Due from other funds									
Total assets	\$ 912,492	\$ 2,601	\$ 1,758,173	\$ 90,524	\$ 921,208	\$ 505,627	\$ 741,279	\$ 70,850	
Liabilities:									
Accounts payable & Accrd Liab.	\$ -	\$ 2,501	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,402	
All Abilities Park donations									
Deferred Impact Fee Credit									
Due to other funds		-	-	-	-		1,000,000		
Total liabilities	-	2,501	-	-	-	-	1,000,000	42,402	
Deferred Inflows of Resources:									
Unavailable revenues -									
2017 Property Tax Levy			1,100,000	26,250	450,000	234,500	396,778		
	-	-	1,100,000	26,250	450,000	234,500	396,778		
Fund balances:									
Restricted for:									
Public safety programs									
Transportation programs									
Housing & comm. Devlpmnt	912,492								
Parks construction & devlpmnt									
Comm. & Economic Devpmnt									
Debt service funds									
Capital project funds									
Assigned to:									
Comm. & Economic Devpmnt		100	658,173	64,274	471,208	271,127		28,448	
Parks construction & devlpmnt									
Capital project funds									
Unassigned							(655,499)		
Total fund balances	912,492	100	658,173	64,274	471,208	271,127	(655,499)	28,448	
Total liabilities, deferred inflows and fund balances	\$ 912,492	\$ 2,601	\$ 1,758,173	\$ 90,524	\$ 921,208	\$ 505,627	\$ 741,279	\$ 70,850	

(continued)

City of St. George, UT
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2017
 (continued)

	Special Rev	Debt Service			Capital Projects Funds			
	SunTran Public Transit	Special Assessments	Recreation Bond D.S.	Airport Bond D.S.	Park Impact	Street Impact	Capital Equipment	Drainage Impact
Assets								
Cash and investments	\$ 138,463	\$ 101,918	\$ 58,308	\$ 407,221	\$ 3,694,020	\$ 2,260,100	\$ 16,544,176	\$ 709,903
Receivables:								
Accounts	255,590	102,347	1,584,656		50,000		3,162	-
Prepaid expenses							-	
Due from other funds					-	-	487,146	-
Total assets	\$ 394,053	\$ 204,265	\$ 1,642,964	\$ 407,221	\$ 3,744,020	\$ 2,260,100	\$ 17,034,485	\$ 709,903
Liabilities:								
Accounts payable & Accrd Liab.	\$ 6,911	\$ -	\$ -	\$ -	\$ 22,341	\$ -	\$ 5,625	\$ 481
All Abilities Park donations							-	
Deferred Impact Fee Credit								
Due to other funds	-				-		2,021,806	-
Total liabilities	6,911	-	-	-	22,341	-	2,027,431	481
Deferred Inflows of Resources:								
Unavailable revenues -								
2017 Property Tax Levy			1,584,656					
	-	-	1,584,656	-	-	-	-	-
Fund balances:								
Restricted for:								
Public safety programs								
Transportation programs	387,142					2,260,100		
Housing & comm. Devlpmnt								
Parks construction & devlpmnt					3,721,679			
Comm. & Economic Devpmnt								
Debt service funds		204,265	58,308	407,221				
Capital project funds								709,422
Assigned to:								
Comm. & Economic Devpmnt								
Parks construction & devlpmnt								
Capital project funds							15,007,053	
Unassigned								
Total fund balances	387,142	204,265	58,308	407,221	3,721,679	2,260,100	15,007,053	709,422
Total liabilities, deferred inflows and fund balances	\$ 394,053	\$ 204,265	\$ 1,642,964	\$ 407,221	\$ 3,744,020	\$ 2,260,100	\$ 17,034,485	\$ 709,903

(continued)

City of St. George, UT
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2017
 (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	\$ 1,184,310	\$ 261,122	\$ 1,246,911	\$ -	\$ -	\$ 400,653	\$ 43,540,896
Receivables:							
Accounts	-	-		473,602	89,733	200	6,709,625
Prepaid expenses							-
Due from other funds	-	-		-	-	-	1,487,146
Total assets	\$ 1,184,310	\$ 261,122	\$ 1,246,911	\$ 473,602	\$ 89,733	\$ 400,853	\$ 51,737,667
Liabilities:							
Accounts payable & Accrd Liab.	\$ 90,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,818
All Abilities Park donations							-
Deferred Impact Fee Credit							-
Due to other funds	-		-	399,809	87,337	-	3,508,952
Total liabilities	90,350	-	-	399,809	87,337	-	3,692,771
Deferred Inflows of Resources:							
Unavailable revenues - 2017 Property Tax Levy							-
							3,792,184
	-	-	-	-	-	-	3,792,184
Fund balances (deficits):							
Restricted for:							
Public safety programs							-
Transportation programs						400,853	7,334,988
Housing & comm. Devlpmt							912,492
Parks construction & devlpmt							7,819,297
Comm. & Economic Devpmnt							1,906,203
Debt service funds							669,794
Capital project funds	1,093,960	261,122	1,246,911				3,311,416
Assigned to:							
Comm. & Economic Devpmnt							7,761,195
Parks construction & devlpmt							109,585
Capital project funds				73,793	2,395		15,083,242
Unassigned							(655,499)
Total fund balances (deficits)	1,093,960	261,122	1,246,911	73,793	2,395	400,853	44,252,712
Total liabilities, deferred inflows and fund balances	\$ 1,184,310	\$ 261,122	\$ 1,246,911	\$ 473,602	\$ 89,733	\$ 400,853	\$ 51,737,667

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, 2017

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	\$ 758,615	\$ 383,041	\$ -	\$ 6,164,179	\$ -	\$ -	\$ 1,526,355	\$ -
Contributions from other governments	1,109,191							
Intergovernmental					390,828			
Investment income	14,457	9,887	71,765	47,399	1,560	676	59,476	434
Capital development fees								
Charges for services								-
Rents & royalties			175,000					
Other	-			-	115,654	22,506		
Total revenues	1,882,264	392,927	246,765	6,211,577	508,042	23,182	1,585,831	434
Expenditures:								
Current:								
General government					1,052			
Public Safety								
Highways & improvements		2,403		40,266				
Parks, recreation etc	783,533					351	252,078	1,103
Community & Econ Developmnt			283,204		196,168			
Operating Lease payments								
Debt service:								
Principal on long-term debt	437,030				-		749,000	
Interest on long-term debt	88,693				-		115,355	
Capital outlay:			2,231,758	-	-	17,215	2,173,255	
Total expenditures	1,309,256	2,403	2,514,962	40,266	197,220	17,566	3,289,688	1,103
Excess (deficiency) of revenues over expenditures	573,008	390,524	(2,268,198)	6,171,312	310,822	5,617	(1,703,857)	(669)
Other financing sources (uses):								
Transfers in	-	-	-	-				
Transfers out		(106,933)	(269,969)	(5,578,362)	(348,645)		(380,477)	
Payments to other taxing agencies								
Proceeds of bonds sold (net)					-		-	
Interfund utility services								
Property sales			1,290,261					
Total other financing sources (uses)	-	(106,933)	1,020,292	(5,578,362)	(348,645)	-	(380,477)	-
Net change in fund balances	573,008	283,592	(1,247,905)	592,950	(37,823)	5,617	(2,084,334)	(669)
Fund balances, beginning of year	1,281,116	810,707	7,515,770	2,599,646	89,902	61,784	6,181,952	42,853
Fund balances, end of year	\$1,854,124	\$1,094,298	\$6,267,865	\$3,192,595	\$52,079	\$67,401	\$4,097,618	\$42,184

(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, 2017
(continued)

Special Revenue Funds

	Affordable Housing Program	Community Resource Center	Ft. Pierce CDA Fund	Ft. Pierce CDA#2 Fund	Ft Pierce EDA Fund	Econ Dvlpmnt Agency #1	Dixie Center Area EDA Fund	Central Business
Revenues:								
Taxes & fees	\$ -	\$ -	\$ 185,093	\$ 9,584	\$ 80,735	\$ 47,890	\$ 74,737	\$ -
Contributions from other governments			1,183,937	61,302	516,416	306,326	478,052	
Intergovernmental		94,506						
Investment income	8,800	-	7,765	487	6,231	4,144	4,069	227
Capital development fees								
Charges for services								268,436
Rents & royalties								
Other		-						
Total revenues	8,800	94,506	1,376,796	71,373	603,382	358,359	556,858	268,663
Expenditures:								
Current:								
General government			1,041	1,041	1,041	1,041	1,041	
Public Safety								
Highways & improvements								
Parks, recreation etc								
Community & Econ Developmnt	542	159,813	-	31,779	-	37,337		240,214
Operating Lease payments								
Debt service:								
Principal on long-term debt	298,004							
Interest on long-term debt	39,076						15,000	
Capital outlay:								-
Total expenditures	337,622	159,813	1,041	32,820	1,041	38,377	16,041	240,214
Excess (deficiency) of revenues over expenditures	(328,822)	(65,307)	1,375,755	38,553	602,341	319,982	540,818	28,448
Other financing sources (uses):								
Transfers in	190,273	159,661						
Transfers out	(156,488)		(785,000)	(2,000)	(140,430)	(81,343)	(361,000)	
Payments to other taxing agencies					(400,000)	(200,000)		
Proceeds of bonds sold (net)								
Interfund utility services		(3,173)						
Property sales	56,000	-						
Total other financing sources (uses)	89,785	156,488	(785,000)	(2,000)	(540,430)	(281,343)	(361,000)	-
Net change in fund balances	(239,036)	91,180	590,755	36,553	61,911	38,639	179,818	28,448
Fund balances, beginning of year	1,151,529	(91,080)	67,418	27,721	409,296	232,488	(835,317)	-
Fund balances, end of year	\$912,492	\$100	\$658,173	\$64,274	\$471,208	\$271,127	(\$655,499)	\$28,448

(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, 2017
(continued)

	Special Rev	Debt Service			Capital Projects Funds			
	SunTran Public Transit	Special Assessments	Recreation Bond D.S.	Airport Bond D.S.	Park Impact	Street Impact	Capital Equipment	Drainage Impact
Revenues:								
Taxes	\$ -	\$ -	\$ 1,535,263	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions from other governments				700,000				-
Intergovernmental	862,679			269,421	74,000		-	
Investment income		1,624	806	5,397	35,145	30,685		11,811
Capital development fees					2,342,034	2,991,465		851,507
Charges for services	431,995						44,268	
Rents & royalties							14,400	
Other	4,689					-	359,731	
Total revenues	1,299,362	1,624	1,536,069	974,818	2,451,179	3,022,150	418,399	863,318
Expenditures:								
Current:								
General government		351					4,962	
Public Safety								
Highways & improvements	1,692,130			3,303		19,308		3,314
Parks, recreation etc			1,603		9,308			
Community & Econ Developmnt								
Operating Lease payments								
Debt service:								
Principal on long-term debt		-	1,170,000	311,000			60,000	
Interest on long-term debt		-	365,263	674,120			25,200	
Capital outlay:	51,558				1,547,017		3,823,497	-
Total expenditures	1,743,688	351	1,536,865	988,423	1,556,325	19,308	3,913,658	3,314
Excess (deficiency) of revenues over expenditures	(444,326)	1,273	(796)	(13,605)	894,854	3,002,842	(3,495,259)	860,004
Other financing sources (uses):								
Transfers in	500,274			19,969	-		4,900,000	
Transfers out				-	(82,500)	(2,288,332)	(1,971,494)	(864,049)
Payments to other taxing agencies								
Proceeds of bonds sold (net)				-			-	
Interfund utility services	(274)						-	
Property sales	1,373						171,100	
Total other financing sources (uses)	501,373	-	-	19,969	(82,500)	(2,288,332)	3,099,606	(864,049)
Net change in fund balances	57,047	1,273	(796)	6,364	812,354	714,510	(395,654)	(4,046)
Fund balances, beginning of year	330,095	202,992	59,104	400,857	2,909,325	1,545,590	15,402,707	713,468
Fund balances, end of year	\$387,142	\$204,265	\$58,308	\$407,221	\$3,721,679	\$2,260,100	\$15,007,053	\$709,422

(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, 2017
(continued)

	Capital Projects Funds						
	Fire Dept Impact	Police Impact	Street Bonds Cap. Proj.	2010 Flood Reconstruction	2012 Flood Reconstruction	Replacement Airport	Total
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,765,490
Contributions from other governments							4,355,225
Intergovernmental				(1,917)	89,733		1,779,250
Investment income	8,693	1,673	7,167			1,046	341,424
Capital development fees	639,983	249,717					7,074,705
Charges for services							744,699
Rents & royalties						50,000	239,400
Other							502,580
Total revenues	648,675	251,390	7,167	(1,917)	89,733	51,046	25,802,772
Expenditures:							
Current:							
General government							11,567
Public Safety	701	701					1,403
Highways & improvements			2,601	701	96,002	4,095	1,864,124
Parks, recreation etc							1,047,975
Community & Econ Developmnt							949,057
Operating Lease payments		80,000					80,000
Debt service:							
Principal on long-term debt			2,860,000				5,885,034
Interest on long-term debt			164,163			-	1,486,869
Capital outlay:	270,490						10,114,790
Total expenditures	271,191	80,702	3,026,764	701	96,002	4,095	21,440,820
Excess (deficiency) of revenues over expenditures	377,484	170,688	(3,019,597)	(2,618)	(6,269)	46,951	4,361,953
Other financing sources (uses):							
Transfers in			3,025,000	-			8,795,176
Transfers out			(306,013)			-	(13,723,034)
Payments to other taxing agencies							(600,000)
Proceeds of bonds sold (net)							-
Interfund utility services							(3,447)
Property sales						4,000	1,522,734
Total other financing sources (uses)	-	-	2,718,987	-	-	4,000	(4,008,571)
Net change in fund balances	377,484	170,688	(300,610)	(2,618)	(6,269)	50,951	353,381
Fund balances, beginning of year	716,476	90,434	1,547,521	76,412	8,665	349,902	43,899,332
Fund balances, end of year	\$1,093,960	\$261,122	\$1,246,911	\$73,793	\$2,395	\$400,853	\$44,252,713

**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, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Business license innkeeper fees	\$ 615,000	\$ 615,000	\$ 758,615	\$ 143,615
Interest income	1,000	1,000	14,457	13,457
Contributions from other governments	1,076,548	1,112,548	1,109,191	(3,357)
Other	-	-	-	-
Total revenues	<u>1,692,548</u>	<u>1,728,548</u>	<u>1,882,264</u>	<u>153,716</u>
EXPENDITURES:				
Current:				
Parks, recreation, etc.	788,707	795,707	783,533	12,174
Debt service:				
Principal	438,990	467,990	437,030	30,960
Interest	96,152	96,152	88,693	7,459
Capital outlay:			-	-
Total expenditures	<u>1,323,849</u>	<u>1,359,849</u>	<u>1,309,256</u>	<u>50,593</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>368,699</u>	<u>368,699</u>	<u>573,008</u>	<u>204,309</u>
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-	-	-	-
Total other financing sources(uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	368,699	368,699	573,008	<u>\$ 204,309</u>
Fund balance at beginning of year	<u>1,281,116</u>	<u>1,281,116</u>	<u>1,281,116</u>	
Fund balance at end of year	<u>\$ 1,649,815</u>	<u>\$ 1,649,815</u>	<u>\$ 1,854,124</u>	

**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, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Passenger facility charges	\$ 280,000	\$ 280,000	\$ 383,041	\$ 103,041
Interest income	4,000	4,000	9,887	5,887
Total revenues	284,000	284,000	392,927	108,927
EXPENDITURES:				
Current:				
Highways & public improvements	2,000	2,000	2,403	(403)
Capital projects:				
Improvements	-	-	-	-
Property purchases	-	-	-	-
Equipment purchases	-	-	-	-
Total expenditures	2,000	2,000	2,403	(403)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	282,000	282,000	390,524	108,524
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-	-	-	-
Transfers to other funds	(153,014)	(153,014)	(106,933)	46,081
Total other financing sources (uses):	(153,014)	(153,014)	(106,933)	46,081
NET CHANGE IN FUND BALANCE	128,986	128,986	283,592	\$154,606
Fund balance at beginning of year	810,707	810,707	810,707	
Fund balance at end of year	<u>\$ 939,693</u>	<u>\$ 939,693</u>	<u>\$ 1,094,298</u>	

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Interest income	\$ 30,000	\$ 30,000	\$ 71,765	\$ 41,765
Rent	175,000	175,000	175,000	(0)
Total revenues	205,000	205,000	246,765	41,765
EXPENDITURES:				
Current:				
Community & Economic Developmnt	332,000	432,000	283,204	148,796
Capital projects:				
Land purchases	-	2,250,000	2,231,758	18,242
Improvements	10,000	10,000	-	10,000
Total expenditures	342,000	2,692,000	2,514,962	177,038
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(137,000)	(2,487,000)	(2,268,198)	218,802
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-	-	-	-
Property Sales	-	-	1,290,261	1,290,261
Loans to other funds	-	-	-	-
Transfers to other funds	(669,679)	(669,679)	(269,969)	399,710
Total other financing sources(uses)	(669,679)	(669,679)	1,020,292	1,689,971
NET CHANGE IN FUND BALANCE	(806,679)	(3,156,679)	(1,247,905)	\$ 1,908,774
Fund balance at beginning of year	7,515,770	7,515,770	7,515,770	
Fund balance at end of year	\$ 6,709,091	\$ 4,359,091	\$ 6,267,865	

**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, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Highway sales taxes	\$ 5,750,000	\$ 6,100,000	\$ 6,164,179	\$ 64,179
Interest income	20,000	20,000	47,399	27,399
Total revenues	5,770,000	6,120,000	6,211,577	91,577
EXPENDITURES:				
Current:				
Highways and public improvements	40,000	40,000	40,266	(266)
Capital projects:				
Improvements	50,000	50,000	-	50,000
Total expenditures	90,000	90,000	40,266	49,734
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,680,000	6,030,000	6,171,312	141,312
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(7,270,000)	(7,620,000)	(5,578,362)	2,041,638
Transfers from other funds	-	-	-	-
Contributions from private sources	-	-	-	-
Total other financing sources(uses)	(7,270,000)	(7,620,000)	(5,578,362)	2,041,638
NET CHANGE IN FUND BALANCE	(1,590,000)	(1,590,000)	592,950	\$ 2,182,950
Fund balance at beginning of year	2,599,646	2,599,646	2,599,646	
Fund balance at end of year	<u>\$ 1,009,646</u>	<u>\$ 1,009,646</u>	<u>\$ 3,192,595</u>	

**CITY OF ST. GEORGE, UTAH
CDBG GRANT FUND - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL**

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Intergovernmental revenues	\$ 506,489	\$ 1,006,489	\$ 390,828	\$ (615,661)
Other income	30,000	30,000	115,654	85,654
Interest income	100	100	1,560	1,460
	<hr/>		<hr/>	
Total revenues	536,589	1,036,589	508,042	(528,547)
<hr/>				
EXPENDITURES:				
Current:				
General government	36,300	36,300	1,052	35,248
Community & economic development	95,000	95,000	196,168	(101,168)
Capital projects:				
Purchase of property	-	-	-	-
Debt service:				
Principal	298,004	298,004	-	298,004
Interest	39,076	39,076	-	39,076
	<hr/>		<hr/>	
Total expenditures	468,380	468,380	197,220	271,160
<hr/>				
Excess (Deficiency) of expenditures over revenues	68,209	568,209	310,822	(257,387)
<hr/>				
OTHER FINANCING SOURCES (USES):				
Proceeds of note payable	-	-	-	-
Transfer to other funds	(65,000)	(565,000)	(348,645)	216,355
	<hr/>		<hr/>	
NET CHANGE IN FUND BALANCE	3,209	3,209	(37,823)	\$ (41,032)
<hr/>				
Fund balance at beginning of year	89,902	89,902	89,902	
	<hr/>		<hr/>	
Fund balance at end of year	<u>\$ 93,111</u>	<u>\$ 93,111</u>	<u>\$ 52,079</u>	

**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, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
REVENUES:				
Fees and donations	\$ 28,000	\$ 28,000	\$ 22,506	\$ (5,494)
Interest income	500	500	676	176
Total revenues	28,500	28,500	23,182	(5,318)
EXPENDITURES:				
Current:				
General government				
Parks, recreation, etc.	700	700	351	349
Capital projects:				
Art purchases	20,000	20,000	17,215	2,785
Total expenditures	20,700	20,700	17,566	3,134
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,800	7,800	5,617	(2,184)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	-	-	-	-
Total other financing sources(uses)	-	-	-	-
NET CHANGE IN FUND BALANCE	7,800	7,800	5,617	\$ (2,184)
Fund balance at beginning of year	61,784	61,784	61,784	
Fund balance at end of year	\$ 69,584	\$ 69,584	\$ 67,401	

**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, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>		FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
RAP sales taxes	\$ 1,500,000	\$ 1,500,000	\$ 1,526,355	\$ 26,355
Interest income	30,000	30,000	59,476	29,476
Contributions from other governments	-	-	-	-
Total revenues	<u>1,530,000</u>	<u>1,530,000</u>	<u>1,585,831</u>	<u>55,831</u>
EXPENDITURES:				
Current:				
Parks, recreation, etc.	255,000	255,000	252,078	2,922
Debt service:				
Principal	749,000	749,000	749,000	-
Interest	115,355	115,355	115,355	1
Capital outlay:	<u>3,145,692</u>	<u>3,681,692</u>	<u>2,173,255</u>	<u>1,508,437</u>
Total expenditures	<u>4,265,047</u>	<u>4,801,047</u>	<u>3,289,688</u>	<u>1,511,359</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,735,047)</u>	<u>(3,271,047)</u>	<u>(1,703,857)</u>	<u>1,567,190</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from property sales				-
Proceeds from sale of bonds	-	-	-	-
Transfers from other funds	400,000	400,000	-	(400,000)
Transfers to other funds	<u>(400,000)</u>	<u>(400,000)</u>	<u>(380,477)</u>	<u>19,523</u>
Total other financing sources(uses)	<u>-</u>	<u>-</u>	<u>(380,477)</u>	<u>(380,477)</u>
NET CHANGE IN FUND BALANCE	<u>(2,735,047)</u>	<u>(3,271,047)</u>	<u>(2,084,334)</u>	<u>\$ 1,186,713</u>
Fund balance at beginning of year	<u>6,181,952</u>	<u>6,181,952</u>	<u>6,181,952</u>	
Fund balance at end of year	<u>\$ 3,446,905</u>	<u>\$ 2,910,905</u>	<u>\$ 4,097,618</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, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Admission fees	\$ -	\$ -	\$ -	\$ -
Other revenues	-	-	-	-
Investment income	250	250	434	184
	<u>250</u>	<u>250</u>	<u>434</u>	<u>184</u>
EXPENDITURES:				
Current				
Parks, recreation, etc.	2,150	2,150	1,103	1,047
Capital projects:				
Improvements	-	-	-	-
	<u>2,150</u>	<u>2,150</u>	<u>1,103</u>	<u>1,047</u>
Excess (Deficiency) of expenditures over revenues	<u>(1,900)</u>	<u>(1,900)</u>	<u>(669)</u>	<u>1,232</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)	(1,900)	(669)	\$ <u>1,232</u>
Fund balance at beginning of year	42,853	42,853	42,853	
Fund balance at end of year	\$ <u>40,953</u>	\$ <u>40,953</u>	\$ <u>42,184</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, 2017

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Interest income	5,000	5,000	8,800	3,800
	5,000	5,000	8,800	3,800
Total revenues	5,000	5,000	8,800	3,800
EXPENDITURES:				
Current:				
Community and economic improvement	36,000	16,000	542	15,458
Debt service:				
Principal	-	-	298,004	(298,004)
Interest	-	-	39,076	(39,076)
Capital Outlay:				
Land Purchases	-	-	-	-
Building Construction	500,000	360,000	-	360,000
	536,000	376,000	337,622	38,378
Total expenditures	536,000	376,000	337,622	38,378
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(531,000)	(371,000)	(328,822)	42,178
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	184,000	190,000	190,273	273
Sale of property	-	-	56,000	56,000
Transfers to other funds	-	(160,000)	(156,488)	3,512
Total other financing sources (uses):	184,000	30,000	89,785	59,785
NET CHANGE IN FUND BALANCE	(347,000)	(341,000)	(239,036)	\$ 101,964
Fund balance at beginning of year	1,151,529	1,151,529	1,151,529	
Fund balance at end of year	\$ 804,529	\$ 810,529	\$ 912,492	

**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, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES:				
Federal Grants	\$ 183,700	\$ 143,700	\$ 94,506	\$ (49,194)
State Grants	-	-	-	-
Private Grants	-	-	-	-
Total revenues	183,700	143,700	94,506	(49,194)
 EXPENDITURES:				
Current:				
Community & Economic Development	54,000	174,000	159,813	14,187
 Capital outlay:				
			-	
Total expenditures	54,000	174,000	159,813	14,187
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	129,700	(30,300)	(65,307)	(35,007)
 OTHER FINANCING SOURCES (USES):				
Transfers from other funds	3,000	163,000	159,661	(3,339)
Interfund Utility services	(3,000)	(3,000)	(3,173)	(173)
Total other financing sources(uses)	-	160,000	156,488	(3,512)
 NET CHANGE IN FUND BALANCE	 129,700	 129,700	 91,180	 \$ (38,520)
Fund balance at beginning of year	(91,080)	(91,080)	(91,080)	
Fund balance at end of year	\$ 38,620	\$ 38,620	\$ 100	

**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, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Economic development taxes	\$ 1,550,000	\$ 1,550,000	\$ 185,093	\$ (1,364,907)
Contributions from other governments			1,183,937	1,183,937
Interest income	3,000	3,000	7,765	4,765
Total revenues	<u>1,553,000</u>	<u>1,553,000</u>	<u>1,376,796</u>	<u>(176,204)</u>
EXPENDITURES:				
Current:				
General government	1,000	1,000	1,041	(41)
Community & Economic development	545,395	545,395	-	545,395
Capital Outlay:				
Improvements	-	-	-	-
Total expenditures	<u>546,395</u>	<u>546,395</u>	<u>1,041</u>	<u>545,354</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,006,605</u>	<u>1,006,605</u>	<u>1,375,755</u>	<u>369,150</u>
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(785,000)	(785,000)	(785,000)	-
Total other financing sources (uses):	<u>(785,000)</u>	<u>(785,000)</u>	<u>(785,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	221,605	221,605	590,755	<u>\$ 369,150</u>
Fund balance at beginning of year	<u>67,418</u>	<u>67,418</u>	<u>67,418</u>	
Fund balance at end of year	<u>\$ 289,023</u>	<u>\$ 289,023</u>	<u>\$ 658,173</u>	

**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, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Economic development taxes	\$ 333,250	\$ 333,250	\$ 9,584	\$ (323,666)
Contributions from other governments	-	-	61,302	61,302
Interest income	750	750	487	(263)
Total revenues	334,000	334,000	71,373	(262,627)
EXPENDITURES:				
Current:				
General government	1,000	1,000	1,041	(41)
Community & Economic development	67,210	67,210	31,779	35,431
Capital Outlay:				
Improvements	-	-	-	-
Total expenditures	68,210	68,210	32,820	35,390
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	265,790	265,790	38,553	(227,237)
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	263,790	263,790	36,553	\$ (227,237)
Fund balance at beginning of year	27,721	27,721	27,721	
Fund balance at end of year	<u>\$ 291,511</u>	<u>\$ 291,511</u>	<u>\$ 64,274</u>	

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Economic development taxes	\$ 800,000	\$ 800,000	\$ 80,735	\$ (719,265)
Contributions from other governments			516,416	516,416
Interest income	2,000	2,000	6,231	4,231
Total revenues	<u>802,000</u>	<u>802,000</u>	<u>603,382</u>	<u>(198,618)</u>
EXPENDITURES:				
Current:				
Professional & technical services	1,000	1,000	1,041	(41)
Community & economic development	-	-	-	-
Housing programs				-
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>1,041</u>	<u>(41)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>801,000</u>	<u>801,000</u>	<u>602,341</u>	<u>(198,659)</u>
OTHER FINANCING SOURCES (USES):				
Payments to other taxing agencies	(431,300)	(431,300)	(400,000)	31,300
Transfers to other funds	(141,000)	(141,000)	(140,430)	570
Total other financing sources (uses):	<u>(572,300)</u>	<u>(572,300)</u>	<u>(540,430)</u>	<u>31,870</u>
NET CHANGE IN FUND BALANCE	228,700	228,700	61,911	<u>\$ (166,789)</u>
Fund balance at beginning of year	<u>409,296</u>	<u>409,296</u>	<u>409,296</u>	
Fund balance at end of year	<u>\$ 637,996</u>	<u>\$ 637,996</u>	<u>\$ 471,208</u>	

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Economic development taxes	\$ 520,000	\$ 528,000	\$ 47,890	\$ (480,110)
Contributions from other governments	-	-	306,326	306,326
Interest income	1,500	1,500	4,144	2,644
Total revenues	521,500	529,500	358,359	(171,141)
EXPENDITURES:				
Current:				
General government	1,000	1,000	1,041	(41)
Community & economic development	36,000	38,000	37,337	663
Housing programs	-	-	-	-
Total expenditures	37,000	39,000	38,377	623
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	484,500	490,500	319,982	(170,518)
OTHER FINANCING SOURCES (USES):				
Payments to other taxing agencies	(203,785)	(203,785)	(200,000)	3,785
Transfers to other funds	(74,500)	(80,500)	(81,343)	(843)
Total other financing sources (uses):	(278,285)	(284,285)	(281,343)	2,942
NET CHANGE IN FUND BALANCE	206,215	206,215	38,639	\$ (167,576)
Fund balance at beginning of year	232,488	232,488	232,488	
Fund balance at end of year	\$ 438,703	\$ 438,703	\$ 271,127	

**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, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Economic development taxes	\$ 750,011	\$ 750,011	\$ 74,737	\$ (675,274)
Contributions from other governments	-	-	478,052	478,052
Interest income	1,000	1,000	4,069	3,069
Total revenues	751,011	751,011	556,858	(194,153)
 EXPENDITURES:				
Current:				
Professional & technical fees	1,000	1,000	1,041	(41)
Community & economic development				
Debt service:				
Interest	10,000	10,000	15,000	(5,000)
Capital outlay:	-	-	-	-
Total expenditures	11,000	11,000	16,041	(5,041)
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	740,011	740,011	540,818	(199,193)
 OTHER FINANCING SOURCES (USES):				
Proceeds from interfund loan	-	-	-	-
Transfers to other funds	(366,500)	(366,500)	(361,000)	5,500
Transfers from other funds	-	-	-	-
Total other financing sources (uses):	(366,500)	(366,500)	(361,000)	5,500
 NET CHANGE IN FUND BALANCE				
	373,511	373,511	179,818	<u>\$ (193,693)</u>
Fund balance at beginning of year	(835,317)	(835,317)	(835,317)	
Fund balance at end of year	\$ (461,806)	\$ (461,806)	\$ (655,499)	

**CITY OF ST. GEORGE, UT
CENTRAL BUSINESS DISTRICT RDA - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Interest income	\$ -	\$ -	\$ 227	\$ 227
Charges for services	-	350,700	268,436	(82,264)
Total revenues	-	350,700	268,663	(82,037)
EXPENDITURES:				
Current:				
Community & Economic Developmnt	-	350,700	240,214	110,486
Total expenditures	-	350,700	240,214	110,486
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	28,448	28,448
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	-	-	-	-
Total other financing sources(uses)	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	28,448	\$ 28,448
Fund balance at beginning of year	-	-	-	
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,448</u>	

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Transit fares	\$ 316,562	\$ 316,562	\$ 296,747	\$ (19,815)
Advertising fees	144,000	144,000	135,248	(8,752)
Intergovernmental revenues	844,421	844,421	862,679	18,258
Other revenues	500,500	-	4,689	4,689
Total revenues	1,805,483	1,304,983	1,299,362	(5,621)
EXPENDITURES:				
Current:				
Highways & public improvements	1,705,509	1,705,509	1,692,130	13,379
Capital projects:				
Equipment & improvements	65,000	65,000	51,558	13,442
Total expenditures	1,770,509	1,770,509	1,743,688	26,821
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	34,974	(465,526)	(444,326)	21,200
OTHER FINANCING SOURCES (USES):				
Interfund utility services	(500)	(500)	(274)	226
Proceeds from property sales	-	-	1,373	1,373
Transfers from other funds	-	500,500	500,274	(226)
Total other financing sources(uses)	(500)	500,000	501,373	1,373
NET CHANGE IN FUND BALANCE	34,474	34,474	57,047	\$ 22,573
Fund balance at beginning of year	330,095	330,095	330,095	
Fund balance at end of year	\$ 364,569	\$ 364,569	\$ 387,142	

**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, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Special assessments collected	\$ -	\$ -	\$ -	\$ -
Miscellaneous revenues				
Interest income	<u>5,000</u>	<u>5,000</u>	<u>1,624</u>	<u>(3,376)</u>
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>1,624</u>	<u>(3,376)</u>
EXPENDITURES:				
General:				
General government	12,500	12,500	351	12,149
Debt service:				
Principal	-	-	-	-
Interest & other charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>12,500</u>	<u>12,500</u>	<u>351</u>	<u>12,149</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,500)</u>	<u>(7,500)</u>	<u>1,273</u>	<u>8,773</u>
OTHER FINANCING SOURCES (USES):				
Transfers to other funds			-	0
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(7,500)</u>	<u>(7,500)</u>	<u>1,273</u>	<u><u>\$8,773</u></u>
Fund balance at beginning of year	<u>202,992</u>	<u>202,992</u>	<u>202,992</u>	
Fund balance at end of year	<u><u>\$ 195,492</u></u>	<u><u>\$ 195,492</u></u>	<u><u>\$ 204,265</u></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, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Current property taxes	\$1,535,263	\$1,535,263	\$1,535,263	\$ -
Interest income	300	300	806	506
Total revenues	1,535,563	1,535,563	1,536,069	506
EXPENDITURES:				
General:				
Parks, recreation, etc.	5,000	5,000	1,603	3,397
Debt service:				
Principal	1,170,000	1,170,000	1,170,000	
Interest & other charges	365,263	365,263	365,263	1
Total expenditures	1,540,263	1,540,263	1,536,865	3,398
Excess (deficiency) of revenues over (under) expenditures	(4,700)	(4,700)	(796)	3,904
OTHER FINANCING SOURCES (USES):				
Proceeds of refunding bonds	-	-	-	-
Transfers to other funds	-	-	-	-
Premiums on refunding bonds	-	-	-	-
Total other financing sources (uses):	-	-	-	-
NET CHANGE IN FUND BALANCE	(4,700)	(4,700)	(796)	\$3,904
Fund balance at beginning of year	59,104	59,104	59,104	
Fund balance at end of year	\$ 54,404	\$ 54,404	\$ 58,308	

**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, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Tax rebates on bonds	\$ 269,711	\$ 269,711	\$ 269,421	\$ (290)
Contributions from other governments	700,000	700,000	700,000	-
Interest income	2,500	2,500	5,397	2,897
Total revenues	<u>972,211</u>	<u>972,211</u>	<u>974,818</u>	<u>2,607</u>
EXPENDITURES:				
General:				
Highways and public improvements	5,000	5,000	3,303	1,697
Debt service:				
Principal	311,000	311,000	311,000	-
Interest & other charges	674,120	674,120	674,120	(0)
Total expenditures	<u>990,120</u>	<u>990,120</u>	<u>988,423</u>	<u>1,697</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,909)</u>	<u>(17,909)</u>	<u>(13,605)</u>	<u>4,304</u>
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	19,679	19,679	19,969	290
Loss on bond refunding			-	-
Total other financing sources (uses):	<u>19,679</u>	<u>19,679</u>	<u>19,969</u>	<u>290</u>
NET CHANGE IN FUND BALANCE	1,770	1,770	6,364	<u>\$4,594</u>
Fund balance at beginning of year	<u>400,857</u>	<u>400,857</u>	<u>400,857</u>	
Fund balance at end of year	<u>\$ 402,627</u>	<u>\$ 402,627</u>	<u>\$ 407,221</u>	

**CITY OF ST. GEORGE, UTAH
PARK IMPACT - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Capital development fees	\$ 1,700,000	\$ 1,700,000	\$ 2,342,034	\$ 642,034
Intergovernmental	-	-	74,000	74,000
Interest income	20,000	20,000	35,145	15,145
Total revenues	1,720,000	1,720,000	2,451,179	731,179
EXPENDITURES:				
Current:				
Parks, recreation, etc	50,000	50,000	9,308	40,692
Capital projects:				
Improvements	3,329,276	3,329,276	1,177,919	2,151,357
Property purchases	350,000	350,000	369,098	(19,098)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	3,729,276	3,729,276	1,556,325	2,172,951
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,009,276)	(2,009,276)	894,854	2,904,130
OTHER FINANCING SOURCES (USES):				
Sale of property	-	-	-	-
Transfers from other funds	-	-	-	-
Transfers to other funds	(82,500)	(82,500)	(82,500)	-
Total other financing sources (uses):	(82,500)	(82,500)	(82,500)	-
NET CHANGE IN FUND BALANCE	(2,091,776)	(2,091,776)	812,354	\$2,904,130
Fund balance at beginning of year	2,909,325	2,909,325	2,909,325	
Fund balance at end of year	\$ 817,549	\$ 817,549	\$ 3,721,679	

**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, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Capital development fees	\$ 1,100,000	\$ 1,800,000	\$ 2,991,465	\$ 1,191,465
Interest income	12,000	12,000	30,685	18,685
Other		-	-	-
Total revenues	<u>1,112,000</u>	<u>1,812,000</u>	<u>3,022,150</u>	<u>1,210,150</u>
EXPENDITURES:				
Current:				
Highways and public improvements	15,000	15,000	19,308	(4,308)
Capital projects:				
Improvements	50,000	50,000	-	50,000
Total expenditures	<u>65,000</u>	<u>65,000</u>	<u>19,308</u>	<u>45,692</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,047,000</u>	<u>1,747,000</u>	<u>3,002,842</u>	<u>1,255,842</u>
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(2,065,000)	(2,765,000)	(2,288,332)	476,668
Total other financing sources (uses):	<u>(2,065,000)</u>	<u>(2,765,000)</u>	<u>(2,288,332)</u>	<u>476,668</u>
NET CHANGE IN FUND BALANCE	(1,018,000)	(1,018,000)	714,510	<u>\$ 1,732,510</u>
Fund balance at beginning of year	<u>1,545,590</u>	<u>1,545,590</u>	<u>1,545,590</u>	
Fund balance at end of year	<u>\$ 527,590</u>	<u>\$ 527,590</u>	<u>\$ 2,260,100</u>	

**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, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	46,000	46,000	44,268	(1,732)
Rents & royalties	24,000	24,000	14,400	(9,600)
Miscellaneous revenues	-	-	359,731	359,731
Total revenues	70,000	70,000	418,399	348,399
EXPENDITURES:				
Current:				
General government	20,000	20,000	4,962	15,038
Capital projects:				
Improvements	1,155,831	4,070,681	3,823,497	247,184
Property purchases	-	-	-	-
Debt service:				
Notes payable payments	60,000	60,000	60,000	-
Interest payments	-	-	25,200	(25,200)
Total expenditures	1,235,831	4,150,681	3,913,658	237,023
Excess (Deficiency) of expenditures over revenues	(1,165,831)	(4,080,681)	(3,495,259)	585,422
OTHER FINANCING SOURCES:				
Transfers from other funds	2,242,190	4,561,673	4,900,000	338,327
Transfers to other funds	(1,855,862)	(2,507,260)	(1,971,494)	535,766
Interfund utility services	(3,000)	(3,000)	-	3,000
Loans to other funds	-	-	-	-
Debt Proceeds	-	-	-	-
Sale of property	-	-	171,100	171,100
Total other financing sources (uses):	383,328	2,051,413	3,099,606	1,048,193
NET CHANGE IN FUND BALANCE	(782,503)	(2,029,268)	(395,654)	1,633,614
Fund balance at beginning of year	15,402,707	15,402,707	15,402,707	
Fund balance at end of year	\$ 14,620,204	\$ 13,373,439	\$ 15,007,053	

**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, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Capital development fees	\$ 540,000	\$ 540,000	\$ 851,507	\$ 311,507
Contributions from other governments	-	-	-	-
Interest income	12,000	12,000	11,811	(189)
Total revenues	552,000	552,000	863,318	311,318
EXPENDITURES:				
Current:				
Highways & public improvements	15,000	15,000	3,314	11,686
Capital projects:				
Land purchases	-	-	-	-
Improvements	-	-	-	-
Total expenditures	15,000	15,000	3,314	11,686
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	537,000	537,000	860,004	323,004
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(1,050,000)	(1,050,000)	(864,049)	185,951
Transfers from other funds			-	-
Total other financing sources(uses)	(1,050,000)	(1,050,000)	(864,049)	185,951
NET CHANGE IN FUND BALANCE	(513,000)	(513,000)	(4,046)	\$ 508,954
Fund balance at beginning of year	713,468	713,468	713,468	
Fund balance at end of year	\$ 200,468	\$ 200,468	\$ 709,422	

**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, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Capital development fees	\$ 250,000	\$ 250,000	\$ 639,983	\$ 389,983
Interest income	4,000	4,000	8,693	4,693
Total revenues	<u>254,000</u>	<u>254,000</u>	<u>648,675</u>	<u>394,675</u>
EXPENDITURES:				
Current:				
Public safety	2,500	2,500	701	1,799
Capital Projects:				
Building Construction	200,000	200,000	270,490	(70,490)
Total expenditures	<u>202,500</u>	<u>202,500</u>	<u>271,191</u>	<u>(68,691)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>51,500</u>	<u>51,500</u>	<u>377,484</u>	<u>325,984</u>
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	51,500	51,500	377,484	<u>\$ 325,984</u>
Fund balance at beginning of year	<u>716,476</u>	<u>716,476</u>	<u>716,476</u>	
Fund balance at end of year	<u>\$ 767,976</u>	<u>\$ 767,976</u>	<u>\$ 1,093,960</u>	

**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, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Capital development fees	\$ 110,000	\$ 110,000	\$ 249,717	\$ 139,717
Interest income	500	500	1,673	1,173
Total revenues	110,500	110,500	251,390	140,890
EXPENDITURES:				
Current:				
Public safety	2,500	2,500	701	1,799
Lease payments	80,000	80,000	80,000	(0)
Total expenditures	82,500	82,500	80,702	1,798
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	28,000	28,000	170,688	142,688
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-	-		-
Appropriated fund balance	-	-		-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCE	28,000	28,000	170,688	\$ 142,688
Fund balance (deficit) at beginning of year	90,434	90,434	90,434	
Fund balance at end of year	\$ 118,434	\$ 118,434	\$ 261,122	

**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, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Interest earnings	\$ 500	\$ 500	\$ 7,167	\$ 6,667
Property sales	-	-	-	-
Sundry revenues	-	-	-	-
Total revenues	500	500	7,167	6,667
EXPENDITURES:				
Current:				
Highways & public improvements	4,000	4,000	2,601	1,399
Debt Service:				
Principal payments	2,860,000	2,860,000	2,860,000	-
Interest payments	164,162	164,162	164,163	(1)
Capital Outlay:				
Improvements	-	-	-	-
Total expenditures	3,028,162	3,028,162	3,026,764	1,398
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,027,662)	(3,027,662)	(3,019,597)	8,065
OTHER FINANCING SOURCES (USES):				
Operating transfers in	3,025,000	3,025,000	3,025,000	-
Transfers to other funds	(300,000)	(300,000)	(306,013)	(6,013)
Total other financing sources (uses)	2,725,000	2,725,000	2,718,987	(6,013)
NET CHANGE IN FUND BALANCE	(302,662)	(302,662)	(300,610)	\$ 2,052
Fund balance (deficit) at beginning of year	1,547,521	1,547,521	1,547,521	
Fund balance (deficit) at end of year	\$1,244,859	\$1,244,859	\$1,246,911	

**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, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Intergovernmental revenues	\$ -	\$ -	\$ (1,917)	\$ (1,917)
Interest income			-	-
Total revenues	<u>-</u>	<u>-</u>	<u>(1,917)</u>	<u>(1,917)</u>
EXPENDITURES:				
Highways and public improvements	5,000	5,000	701	4,299
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>701</u>	<u>4,299</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(5,000)</u>	<u>(5,000)</u>	<u>(2,618)</u>	<u>2,382</u>
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-	-	-	-
Sale of bonds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(5,000)</u>	<u>(5,000)</u>	<u>(2,618)</u>	<u>\$ 2,382</u>
Fund balance (deficit) at beginning of year	76,412	76,412	76,412	
Fund balance (deficit) at end of year	<u>\$ 71,412</u>	<u>\$ 71,412</u>	<u>\$ 73,793</u>	

**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, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Intergovernmental	\$ -	\$ 87,500	\$ 89,733	\$ 2,233
Interest income				
Other income				
Total revenues	-	87,500	89,733	2,233
EXPENDITURES:				
Current:				
Highways and public improvements	1,000	96,500	96,002	498
Capital projects:				
Improvements	-	-	-	-
Property purchases				
Total expenditures	1,000	96,500	96,002	498
Excess (Deficiency) of expenditures over revenues	(1,000)	(9,000)	(6,269)	2,731
OTHER FINANCING SOURCES:				
Transfers from other funds	-	30,000	-	(30,000)
NET CHANGE IN FUND BALANCE	(1,000)	21,000	(6,269)	\$ (27,269)
Fund balance at beginning of year	8,665	8,665	8,665	
Fund balance at end of year	\$ 7,665	\$ 29,665	\$ 2,395	

**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, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	1,046	1,046
Rents & royalties	-	-	50,000	50,000
	<u>0</u>	<u>0</u>	<u>51,046</u>	<u>51,046</u>
EXPENDITURES:				
Current:				
General government	7,800	7,800	4,095	3,705
Capital projects:				
Improvements	-	-	-	-
Property purchases	-	-	-	-
Debt Service:				
Interest	-	-	-	-
	<u>7,800</u>	<u>7,800</u>	<u>4,095</u>	<u>3,705</u>
Excess (Deficiency) of expenditures over revenues	(7,800)	(7,800)	46,951	54,751
OTHER FINANCING SOURCES:				
Sale of property	-	-	4,000	4,000
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>4,000</u>
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(7,800)	(7,800)	50,951	58,751
Fund balance at beginning of year	<u>349,902</u>	<u>349,902</u>	<u>349,902</u>	
Fund balance at end of year	<u>\$ 342,102</u>	<u>\$ 342,102</u>	<u>\$ 400,853</u>	

City of St. George, UT
 NonMajor Proprietary Funds
 Combining Statement of Net Position
 June 30, 2017

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>
Assets					
Cash and investments	\$ 29,964	\$ 25,221	\$ 543,778	\$ 841,014	\$ 1,439,977
Accounts Receivable - net of uncollectible reserv	514,577		176,872	625,644	1,317,093
Notes Receivable				998	998
Furniture, Fixtures, & equip		10,770,124		14,141,778	24,911,902
Less accumulated depreciation		(1,873,538)		(8,480,299)	(10,353,837)
Net pension assets				1,241	1,241
Prepaid expenses		-			-
Total assets	544,541	8,921,807	720,650	7,130,376	17,317,374
Deferred Outflows					
Deferred Outflows related to pensions				276,775	276,775
Total deferred outflows	-	-	-	276,775	276,775
Liabilities					
Liabilities:					
Accrued liabilities	\$ 401,128	\$ 1,567	\$ 85,760	\$ 168,014	\$ 656,469
Bonds payable - short term		100,000			100,000
Due to other funds	-		-		-
Customer guarantee deposits	75,641		26,000	85,296	186,937
Net pension liability				471,999	471,999
Bonds payable - long term		-			-
Total liabilities	476,769	101,567	111,760	725,309	1,415,405
Deferred Inflows					
Deferred Inflows related to pensions				76,527	76,527
Total deferred inflows	-	-	-	76,527	76,527
Net Position					
Net investment in capital assets		8,796,586	-	5,661,479	14,458,065
Restricted for impact fee construction				1,136,733	1,136,733
Unrestricted	67,772	23,654	608,890	(192,897)	507,419
Total Net Position	\$ 67,772	\$ 8,820,240	\$ 608,890	\$ 6,605,315	\$ 16,102,217

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, 2017

	Business-type Activities Enterprise Funds				
	Refuse Collection	Municipal Building Authority	Drainage Utility	Wastewater Collection	Total Non-Major
OPERATING REVENUES:					
Charges for services	\$ 5,069,078		\$ 1,067,580	\$ 5,853,658	11,990,316
Other operating revenues				250,299	250,299
Total operating revenues	5,069,078	-	1,067,580	6,103,957	12,240,615
OPERATING EXPENSES:					
Salary and wages				745,904	745,904
Supplies				21,734	21,734
Service vehicle expense				99,927	99,927
Equipment rental				-	-
Depreciation		98,336		373,169	471,505
Payroll tax & employee benefits				390,613	390,613
Office & dept. supplies	24,998		5,277	40,335	70,610
Professional services	701	9,520	7,365	8,083	25,670
R. & M. - equipment				134,440	134,440
R. & M. - buildings and grounds			-	5,548	5,548
Insurance & surety bonds				11,835	11,835
Travel				10,204	10,204
Subscriptions & memberships				1,726	1,726
Contract labor	4,733,347			3,475,208	8,208,555
Billing & administration	275,000		80,000	500,000	855,000
Total operating expenses	5,034,047	107,856	92,642	5,818,727	11,053,273
Operating income (loss)	35,031	(107,856)	974,938	285,229	1,187,342
NON-OPERATING REVENUES (EXPENSES)					
Interest income	1,217	119	11,871	15,474	28,681
Rent		104,818			104,818
Contributions from other governments		107,715		524	108,240
Gain on sale of assets				17,728	17,728
Interfund Utility Services					-
Interest charges		(6,583)			(6,583)
Total non-operating revenue (expense)	1,217	206,069	11,871	33,726	252,883
Income before transfers	36,248	98,213	986,809	318,955	1,440,225
Transfers (to) from other funds		-	(942,339)	(0)	(942,339)
Changes in Net Position	36,248	98,213	44,470	318,955	497,886
Total Net Position - beginning of year	31,524	8,722,027	564,420	6,286,360	15,604,331
Total Net Position - end of year	\$ 67,772	\$ 8,820,240	\$ 608,890	\$ 6,605,315	\$ 16,102,217

City of St. George, UT
 NonMajor Proprietary Funds
 Combining Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2017

	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	\$ 5,065,936	\$ -	\$ 1,067,618	\$ 6,098,082	\$ 12,231,636
Payments to suppliers	(5,022,793)	(11,577)	(101,218)	(4,220,732)	(9,356,320)
Payments to employees	-			(1,136,518)	(1,136,518)
Net cash provided by operating activities	<u>43,143</u>	<u>(11,577)</u>	<u>966,401</u>	<u>740,833</u>	<u>1,738,799</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Rents received		212,533			212,533
Miscellaneous non-operating income				524	524
Interfund receivable/payable activity	(14,396)				(14,396)
Interfund utility services					-
Economic development transfer		-	(942,340)	(0)	(942,340)
Net increase (decrease) in pension benefits for effect of GASB 68				31,367	31,367
Net cash provided (used) by noncapital and related financing activities	<u>(14,396)</u>	<u>212,533</u>	<u>(942,340)</u>	<u>31,891</u>	<u>(712,311)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets				(876,920)	(876,920)
Principal paid on capital debt		(201,000)			(201,000)
Interest on capital debt net of disc/premiums		327			327
Gain on sale of fixed assets				17,728	17,728
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(200,673)</u>	<u>-</u>	<u>(859,193)</u>	<u>(1,059,866)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	1,217	119	11,871	15,474	28,681
Net increase (decrease) in cash and cash equivalents	<u>29,964</u>	<u>402</u>	<u>35,931</u>	<u>(70,995)</u>	<u>(4,697)</u>
Cash and equivalents at beginning of year	-	24,819	507,846	912,008	1,444,673
Cash and equivalents at end of year	<u>\$ 29,964</u>	<u>\$ 25,221</u>	<u>\$ 543,777</u>	<u>\$ 841,013</u>	<u>\$ 1,439,976</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 35,031	\$ (107,856)	\$ 974,938	\$ 285,229	\$ 1,187,342
Adjustments to reconcile net income from operations to net cash provided by operating activities:					
Depreciation	-	98,336	-	373,169	471,505
Changes in assets & liabilities:					
Decrease (increase) in receivables	(2,050)		611	(5,054)	(6,493)
Decrease (increase) in prepaids					-
Decrease (increase) in note receivable					-
Increase (decrease) in deposits	(1,092)		(572)	(821)	(2,485)
Increase (decrease) in accruals	11,254	(2,057)	(8,576)	88,309	88,931
Total adjustments	<u>8,112</u>	<u>96,279</u>	<u>(8,537)</u>	<u>455,603</u>	<u>551,457</u>
Net cash provided by operating activities:	<u>\$ 43,143</u>	<u>\$ (11,577)</u>	<u>\$ 966,401</u>	<u>\$ 740,833</u>	<u>\$ 1,738,799</u>

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

JUNE 30, 2017

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$	95,073,081
Buildings		44,768,876
Improvements		91,058,040
Infrastructure assets		264,287,364
Equipment		<u>46,460,819</u>
Total Governmental Funds Capital Assets	\$	<u><u>541,648,180</u></u>

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

Capital Projects Funds:		
General Fund	\$	116,659,751
Golf Courses		19,157,499
RAP Tax Fund		4,151,484
CDBG Grant Fund		1,602,476
Dinosaur Museum Funds		88,977
Economic Development Fund		4,862,609
Downtown Redevelopment revenues		11,707,681
WCIA - (Dixie Center interlocal agency)		10,207,697
Recreation General Obligation bonds		17,991,801
Capital Equipment Fund		50,487,365
Public Works Capital Projects Fund		83,998,951
Replacement Airport Capital Projects Fund		147,346,840
Industrial Park Fund		2,401,462
Sewer Impact Fund		245,866
Park Impact Fund		27,404,427
Fire Impact Fund		3,505,618
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		5,480,854
Art Permanent Collection Fund		203,145
Police Seizures Fund		114,206
Airport PFC Fund		22,049
Housing Improvement Fund		<u>183,318</u>
Total Governmental Funds Capital Assets	\$	<u><u>541,648,180</u></u>

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

JUNE 30, 2017

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FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVEMENTS	INFRASTRUCTURE	EQUIPMENT
GENERAL GOVERNMENT:						
Gen. government bldgs.	\$ 29,720,550	\$ 16,248,863	\$ 11,825,269	\$ 1,646,418	-	-
WCIA (Dixie Center)	10,255,803	1,774,067	8,481,736	-	-	-
Downtown Redevelopment	16,200,187	3,670,085	3,813,914	8,716,188	-	-
Community development (Industrial Park)	1,626,676	162,489	-	1,464,187	-	-
Community development (Golf Courses)	19,315,190	8,418,676	1,597,908	2,556,432	-	6,742,174
Administration	2,871,074	-	-	-	-	2,871,074
Total general government	79,989,480	30,274,180	25,718,827	14,383,225	-	9,613,248
PUBLIC SAFETY:						
Police protection	11,375,594	-	82,589	353,048	-	10,939,957
Fire protection	13,291,647	793,188	4,371,556	180,578	-	7,946,325
Total public safety	24,667,241	793,188	4,454,145	533,626	-	18,886,282
PUBLIC WORKS:	347,174,433	55,960,915	6,228,369	8,965,270	264,142,212	11,877,667
PARKS, RECREATION, & PUBLIC PROPERTY:	89,817,026	8,044,798	8,367,535	67,175,919	145,152	6,083,622
Total governmental fund capital assets allocated to function	\$ 541,648,180	\$ 95,073,081	\$ 44,768,876	\$ 91,058,040	\$ 264,287,364	\$ 46,460,819

**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, 2017

FUNCTION AND ACTIVITY	GOVERNMENTAL FUNDS CAPITAL ASSETS			GOVERNMENTAL FUNDS CAPITAL ASSETS
	JUNE 30, 2016	ADDITIONS	DELETIONS	JUNE 30, 2017
GENERAL GOVERNMENT:				
Gen. government bldgs.	\$ 30,029,977	\$ 1,468,934	\$ 1,778,361	\$ 29,720,550
WCIA - Dixie Center	10,255,803	-	-	10,255,803
Downtown Redevelopment	14,775,801	2,451,904	1,027,518	16,200,187
Industrial Park	1,626,676	-	-	1,626,676
Golf Courses	18,959,863	355,327	-	19,315,190
Administration	2,395,616	494,855	19,397	2,871,074
	78,043,736	4,771,020	2,825,276	79,989,480
PUBLIC SAFETY:				
Police protection	11,063,159	461,035	148,600	11,375,594
Fire protection	10,858,386	2,433,261	-	13,291,647
	21,921,545	2,894,296	148,600	24,667,241
PUBLIC WORKS:				
PARKS, RECREATION, & PUBLIC PROPERTY:	338,504,276	8,816,456	146,299	347,174,433
	81,873,778	7,953,411	10,163	89,817,026
TOTAL GOVERNMENTAL FUND CAPITAL ASSETS	\$520,343,335	\$24,435,183	\$3,130,338	\$541,648,180

STATISTICAL SECTION

CITY OF ST. GEORGE, UTAH
ELECTRIC FUND
STATISTICAL ANALYSIS
June 30, 2017

	Year Ended June 30,	
	<u>2017</u>	<u>2016</u>
Production Cost Analysis:		
Kilowatt hours generated	94,607,373	127,834,701
Kilowatt hours purchased	626,091,486	605,315,099
Total Kilowatt Hours	720,698,859	733,149,800
Total Operating Costs *	\$ 61,618,550	\$ 61,548,648
Cost per Kilowatt Hour	\$ 0.08550	\$ 0.08395

* 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>
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
2017	720,698,859	

	<u>2017</u>	<u>2016</u>
Average Revenue Analysis:		
Kilowatt Hours billed	648,679,021	647,998,867
Unbilled Hours-line loss, street lights	72,019,838	85,150,933
Total Kilowatt Hours	720,698,859	733,149,800
Total Revenue Billed	\$ 61,377,703	\$ 61,163,385
Number of Customers	29,459	29,180
Average monthly billing	\$ 173.62	\$ 174.67
	1,835 KWh	1,851 KWh

CITY OF ST. GEORGE, UTAH
WATER FUND
STATISTICAL ANALYSIS
June 30, 2017

	Year Ended June 30,	
	<u>2017</u>	<u>2016</u>
Production Cost Analysis:		
Number of gallons billed	11,486,130,845	10,296,281,498
Expense of operations *	\$ 16,425,069	\$ 14,868,298
Cost per billed gallon	\$ 0.001430	\$ 0.001444

* Includes interest charges

	<u>2017</u>	<u>2016</u>
Average Revenue Analysis:		
Number of metered customers	26,100	25,198
Water usage billed	\$ 21,574,731	\$ 19,036,132
Average monthly billing metered customer	\$ 68.88	\$ 62.96

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

	FISCAL YEAR									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
Net Investment in capital assets	\$ 129,100	\$ 184,237	\$ 220,811	\$ 249,625	\$ 260,036	\$ 275,793	\$ 287,652	\$ 314,849	\$ 325,031	\$ 341,493
Restricted	2,487	1,884	1,508	1,334	1,109	894	16,567	17,279	26,054	27,308
Unrestricted	58,600	38,253	23,226	18,456	21,658	31,162	24,703	15,375	15,978	16,367
Total governmental activities net position	<u>\$ 190,187</u>	<u>\$ 224,374</u>	<u>\$ 245,545</u>	<u>\$ 269,415</u>	<u>\$ 282,803</u>	<u>\$ 307,849</u>	<u>\$ 328,922</u>	<u>\$ 347,503</u>	<u>\$ 367,063</u>	<u>\$ 385,168</u>
Business-type activities:										
Net Investment in capital assets	\$ 154,740	\$ 141,070	\$ 163,547	\$ 167,225	\$ 185,172	\$ 191,725	\$ 190,317	\$ 180,043	\$ 180,843	\$ 183,197
Restricted	12,945	30,571	6,068	6,068	6,072	6,150	6,627	2,754	2,762	1,723
Unrestricted	30,382	33,265	42,700	39,951	38,202	32,975	40,357	52,341	57,375	69,641
Total business-type activities net position	<u>\$ 198,067</u>	<u>\$ 204,906</u>	<u>\$ 212,315</u>	<u>\$ 213,244</u>	<u>\$ 229,446</u>	<u>\$ 230,850</u>	<u>\$ 237,301</u>	<u>\$ 235,138</u>	<u>\$ 240,980</u>	<u>\$ 254,561</u>
Primary government:										
Net Investment in capital assets	\$ 283,840	\$ 325,307	\$ 384,358	\$ 416,850	\$ 445,208	\$ 467,518	\$ 477,969	\$ 494,892	\$ 505,874	\$ 524,690
Restricted	15,432	32,455	7,576	7,402	7,181	7,044	23,194	20,033	28,816	29,031
Unrestricted	88,982	71,518	65,926	58,407	59,860	64,137	65,060	67,716	73,353	86,008
Total primary government net position	<u>\$ 388,254</u>	<u>\$ 429,280</u>	<u>\$ 457,860</u>	<u>\$ 482,659</u>	<u>\$ 512,249</u>	<u>\$ 538,699</u>	<u>\$ 566,223</u>	<u>\$ 582,641</u>	<u>\$ 608,043</u>	<u>\$ 639,729</u>

** 2009 Governmental activities net assets invested in capital 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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
EXPENSES:										
Governmental activities:										
General government	\$ 5,935	\$ 8,877	\$ 9,338	\$ 7,352	\$ 7,251	\$ 6,959	\$ 7,478	\$ 9,458	\$ 10,029	\$ 13,769
Public safety	14,885	14,726	14,178	15,229	16,638	16,761	17,841	17,762	18,987	21,915
Highways & public improvements	14,887	17,516	13,200	11,959	17,579	14,277	14,360	13,052	13,173	13,781
Parks, recreation, & public property	14,607	11,175	11,032	11,293	12,344	14,306	13,620	13,237	14,221	15,659
Community & economic development *	2,544	1,700	1,470	2,000	2,824	2,429	2,423	8,214	8,686	8,621
Interest on long-term debt	1,776	2,800	2,914	3,525	3,134	2,656	2,348	1,931	1,728	1,574
Total governmental activities expenses:	<u>54,634</u>	<u>56,794</u>	<u>52,132</u>	<u>51,358</u>	<u>59,770</u>	<u>57,388</u>	<u>58,070</u>	<u>63,654</u>	<u>66,824</u>	<u>75,319</u>
Business-type activities:										
Energy services	48,734	54,554	56,351	59,600	60,266	62,095	64,044	62,342	61,549	61,619
Water services	15,756	15,026	14,563	14,779	15,678	14,513	14,394	14,060	14,868	16,425
Regional wastewater treatment	5,015	5,058	5,059	5,114	5,292	4,894	5,140	5,061	5,455	6,315
Wastewater collection	7,599	8,043	7,774	7,729	7,775	5,273	5,467	5,566	5,540	5,818
Golf courses *	5,181	4,989	4,299	4,252	4,586	4,448	4,394	-	-	-
Municipal building authority	265	250	165	149	142	137	130	125	121	114
Solid waste	3,075	3,178	3,279	3,391	3,493	3,612	3,797	4,006	4,442	5,034
Drainage utility	16	4	143	122	111	122	95	122	99	93
Total business-type activities expenses:	<u>85,641</u>	<u>91,102</u>	<u>91,633</u>	<u>95,136</u>	<u>97,343</u>	<u>95,094</u>	<u>97,461</u>	<u>91,282</u>	<u>92,074</u>	<u>95,418</u>
Total primary government expenses	<u>\$ 140,275</u>	<u>\$ 147,896</u>	<u>\$ 143,765</u>	<u>\$ 146,494</u>	<u>\$ 157,113</u>	<u>\$ 152,482</u>	<u>\$ 155,531</u>	<u>\$ 154,936</u>	<u>\$ 158,898</u>	<u>\$ 170,737</u>
PROGRAM REVENUES:										
Governmental activities:										
Charges for services:										
General government	\$ 3,872	\$ 3,871	\$ 4,158	\$ 4,257	\$ 4,255	\$ 4,384	\$ 4,792	\$ 4,941	\$ 4,887	\$ 5,405
Public safety	2,810	2,874	3,100	3,142	3,062	3,140	3,261	3,420	3,462	3,735
Highways & public improvements	627	549	488	733	1,110	1,070	1,116	1,460	1,663	1,808
Parks, recreation, & public property	2,587	2,514	2,855	2,915	2,989	3,172	3,418	3,664	3,787	4,396
Community & economic development *	2,019	1,105	808	885	1,271	1,826	1,940	5,822	6,329	8,265
Operating grants & contributions	9,601	7,324	7,663	8,150	8,772	8,766	9,705	9,921	11,094	14,897
Capital grants & contributions	22,538	31,062	20,794	19,868	12,857	17,318	13,711	12,386	3,386	2,235
Total governmental activities program revenues	<u>44,054</u>	<u>49,299</u>	<u>39,866</u>	<u>39,950</u>	<u>34,316</u>	<u>39,676</u>	<u>37,943</u>	<u>41,614</u>	<u>34,608</u>	<u>40,741</u>
Business-type activities:										
Charges for services:										
Energy services	54,091	54,102	53,859	54,109	55,662	58,818	62,779	62,547	61,974	65,262
Water services	15,506	14,745	14,772	13,825	15,073	17,454	18,382	18,342	19,599	22,590
Regional wastewater treatment	8,283	8,232	8,403	8,536	8,917	5,697	5,823	5,796	6,092	6,649
Wastewater collection	7,967	7,866	7,900	7,963	8,176	6,060	6,267	5,908	5,870	6,104

Golf courses *	4,750	4,013	3,763	3,283	3,520	3,568	3,550	-	-	-
Municipal building authority								-	-	-
Solid waste	3,078	3,095	3,246	3,407	3,503	3,622	3,805	4,011	4,460	5,069
Drainage utility	955	973	983	992	992	1,006	1,018	1,040	1,059	1,067
Operating grants & contributions	9,571	7	560	165	34	348	57	18	65	54
Capital grants & contributions	-	-	-	-	17,515	-	-	-	-	-
Total business-type activities program revenues	104,201	93,033	93,486	92,280	113,392	96,573	101,681	97,662	99,119	106,795
Total primary government program revenues	\$ 148,255	\$ 142,332	\$ 133,352	\$ 132,230	\$ 147,708	\$ 136,249	\$ 139,624	\$ 139,276	\$ 133,727	\$ 147,536

Net (expense) / revenue										
Governmental activities	\$ (10,580)	\$ (7,495)	\$ (12,266)	\$ (11,408)	\$ (25,454)	\$ (17,712)	\$ (20,127)	\$ (22,040)	\$ (32,216)	\$ (34,578)
Business-type activities	18,560	1,931	1,853	(2,856)	16,049	1,479	4,220	6,380	7,045	11,377
Total primary government net expense	\$ 7,980	\$ (5,564)	\$ (10,413)	\$ (14,264)	\$ (9,405)	\$ (16,233)	\$ (15,907)	\$ (15,660)	\$ (25,171)	\$ (23,201)

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

Governmental activities:

Taxes

Property taxes for general purposes	\$ 8,887	\$ 9,158	\$ 10,118	\$ 10,315	\$ 10,514	\$ 11,064	\$ 12,076	\$ 12,093	\$ 12,087	\$ 13,106
Property taxes for debt service	2,446	2,050	2,155	2,392	1,900	1,939	1,493	1,525	1,517	1,535
Franchise taxes	6,541	6,319	6,087	6,165	6,180	6,624	6,609	6,684	6,917	7,080
General, highway & RAP sales taxes	19,768	16,678	15,477	15,806	17,194	18,913	20,172	21,614	24,507	26,959

Business licenses	628	630	712	683	694	749	761	752	781	776
Investment income	2,312	1,211	470	258	239	163	205	179	327	562
Lease payments	(175)	(175)	(164)	(106)	(103)	(105)	(101)	(27)	(98)	(105)
Gain on sale of assets	2,187	28	812	435	66	1,329	897	2,410	3,254	1,570
Rents and concessions	30	25	34	52	237	262	219	211	245	298
Miscellaneous	327	143	189	93	61	446	201	264	289	309
Transfers	283	(291)	(2,454)	(814)	1,873	1,375	(2)	334	1,950	594
Total governmental activities	43,234	35,776	33,436	35,279	38,855	42,759	42,530	46,039	51,776	52,684

Business-type activities:

Investment income	1,976	1,562	378	149	181	163	269	242	419	727
Lease payments	2,448	2,597	2,294	2,563	1,458	1,356	1,360	-	-	-
Miscellaneous	740	459	429	259	388	348	601	270	328	1,027
Transfers	(283)	291	2,454	814	(1,873)	(1,375)	2	(334)	(1,950)	(594)
Total business-type activities	4,881	4,909	5,555	3,785	154	492	2,232	178	(1,203)	1,160

Total primary government	\$ 48,115	\$ 40,685	\$ 38,991	\$ 39,064	\$ 39,009	\$ 43,251	\$ 44,762	\$ 46,217	\$ 50,573	\$ 53,844
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CHANGE IN NET POSITION

Governmental activities	\$ 32,654	\$ 28,281	\$ 21,170	\$ 23,871	\$ 13,401	\$ 25,047	\$ 22,403	\$ 23,999	\$ 19,560	\$ 18,106
Business-type activities	23,441	6,840	7,408	929	16,203	1,971	6,452	6,558	5,842	12,537
Total primary government	\$ 56,095	\$ 35,121	\$ 28,578	\$ 24,800	\$ 29,604	\$ 27,018	\$ 28,855	\$ 30,557	\$ 25,402	\$ 30,643

* 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)

<u>Fiscal</u> <u>Year</u>	<u>General</u> <u>Property Tax</u>	<u>Debt Serv</u> <u>Property Tax</u>	<u>General,</u> <u>Highway, &</u> <u>RAP Sales Tax *</u>	<u>Franchise</u> <u>Tax</u>	<u>Total</u>
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
2017	13,106	1,535	26,959	7,080	48,680

* 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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Reserved for police seizures	\$ 119	\$ 70	\$ 83	\$ 106	\$ 158	\$ 265	\$ 229	\$ 151	\$ 133	\$ 375
Reserved for notes receivable	1,618	1,626	1,621	1,621	1,617	570	663	953	386	
Reserved for perpetual care	318	148	161	141	112	122	127	64	105	110
Restricted for airport										420
Unreserved	2,852	2,912	2,891	3,776	3,808	5,871	5,829	4,824	6,507	9,455
Total general fund	<u>\$ 4,907</u>	<u>\$ 4,756</u>	<u>\$ 4,756</u>	<u>\$ 5,644</u>	<u>\$ 5,695</u>	<u>\$ 6,828</u>	<u>\$ 6,848</u>	<u>\$ 5,992</u>	<u>\$ 7,131</u>	<u>\$ 10,360</u>
All other governmental funds										
Restricted for:										
Special revenue funds	10,224	6,476	5,627	7,829	9,974	8,948				
Transportation programs							3,983	4,262	5,286	7,335
Housing & comm. Devlpmnt							910	1,060	1,151	912
Parks const. & devlpmnt							3,641	3,357	9,091	7,819
Community & econ. Devlpmnt							656	722	1,371	1,906
Debt service funds	23,520	1,884	1,507	1,334	1,109	894	868	1,603	663	670
Capital projects funds	23,743	28,608	15,199	8,083	6,632	16,016	2,439	2,077	714	3,311
Assigned to:										
Community & econ. Devlpmnt							6,178	6,034	8,253	7,761
Parks const. & devlpmnt							101	90	105	110
Capital projects funds							19,212	15,314	16,411	15,209
Unassigned: (deficit)							(2,885)	2,134	1,047	(655)
Total all other governmental funds	<u>\$ 57,487</u>	<u>\$ 36,968</u>	<u>\$ 22,333</u>	<u>\$ 17,246</u>	<u>\$ 17,715</u>	<u>\$ 25,858</u>	<u>\$ 35,103</u>	<u>\$ 36,653</u>	<u>\$ 44,092</u>	<u>\$ 44,378</u>

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

	FISCAL YEAR									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
REVENUES:										
Taxes & special assessments	\$ 38,668	\$ 35,155	\$ 34,689	\$ 35,591	\$ 37,450	\$ 39,541	\$ 38,743	\$ 40,444	\$ 43,826	\$ 47,275
Licenses & permits	2,271	1,622	1,393	1,424	1,755	2,200	2,244	2,193	2,392	4,018
Intergovernmental	23,004	35,906	23,089	23,559	16,704	20,214	17,262	16,184	5,951	6,388
Charges for services *	8,236	7,762	8,473	8,849	9,376	9,815	10,810	15,446	16,151	17,698
Fines & forfeitures	851	856	1,035	1,081	995	954	961	1,055	981	977
Investment income	2,283	1,202	467	256	238	161	203	175	322	556
Rents & concessions	30	26	34	52	237	262	219	211	245	298
Miscellaneous	329	143	195	94	62	475	559	90	60	193
Contributions from other sources	71	138	96	139	94	109	1,009	1,505	2,993	2,041
Capital development fees	3,283	1,551	1,324	1,479	2,372	3,381	3,698	3,545	3,662	7,075
Total revenues	79,026	84,361	70,795	72,524	69,283	77,112	75,708	80,848	76,583	86,519
EXPENDITURES:										
General government	8,688	8,239	7,614	5,794	5,704	5,496	5,539	8,259	9,326	10,724
Public safety	15,283	14,043	13,647	14,709	16,636	16,818	17,344	18,040	21,122	22,656
Highways & public improvements	8,289	12,761	6,852	9,491	14,970	11,681	11,780	9,871	9,832	10,696
Parks, recreation, & public property	9,885	8,770	8,422	9,638	10,906	11,704	12,842	12,345	12,794	13,853
Community & economic development *	3,025	2,879	3,325	1,968	2,792	2,394	2,262	8,474	8,354	8,122
Capital outlay	51,536	57,264	50,496	30,425	11,512	12,345	19,903	14,247	16,699	18,088
Debt service										
Capital leases	175	175	164	106	103	104	101	102	98	105
Principal	1,814	26,666	5,733	10,411	7,482	9,822	9,265	17,357	5,800	5,885
Interest & other admin charges	1,301	2,558	2,207	2,697	4,904	2,897	2,552	1,935	1,594	1,487
Total expenditures	99,996	133,355	98,460	85,239	75,009	73,261	81,588	90,630	85,619	91,616
Excess of revenues over (under) expend.	(20,970)	(48,994)	(27,665)	(12,715)	(5,726)	3,851	(5,880)	(9,782)	(9,036)	(5,097)
OTHER FINANCING SOURCES (USES):										
Transfers in	21,312	16,816	26,264	10,958	16,068	18,659	15,460	10,831	33,071	20,295
Transfers out	(20,380)	(16,264)	(28,168)	(11,214)	(13,648)	(16,736)	(14,403)	(9,243)	(30,028)	(18,623)
Payments to other taxing agencies							(160)		(358)	(600)
Interfund utility services							(459)	(554)	(443)	(411)
Contributions from private sources	846	65	808	808	868	1,028				
Contributions from other governments	5,951	572	3,087	1,859	663	1,145	3,423	3,523	4,009	4,355
Proceeds from sale of capital assets	2,186	28	812	434	67	1,329	897	2,409	3,266	1,571
Proceeds from interfund loans										2,025
Premiums on bonds sold				275			1,037	408		
Issuance of notes/bonds/ or leases	24,755	27,107	10,227	5,395	2,228	-	9,350	7,830	8,098	
Total other financing sources (uses)	34,670	28,324	13,030	8,515	6,246	5,425	15,145	15,204	17,615	8,612
Net change in fund balance	\$ 13,700	\$ (20,670)	\$ (14,635)	\$ (4,200)	\$ 520	\$ 9,276	\$ 9,265	\$ 5,422	\$ 8,579	\$ 3,515
Debt service as a percentage of non-capital expenditures	6.79%	38.64%	16.90%	24.11%	19.67%	21.05%	19.32%	25.39%	10.87%	10.17%
			(1)		(2)	(2)		(3)		

(1) 2007 Sales Tax bonds refunded

(2) 2006 GO Tax bonds refunded

(3) 2004 GO Parks bonds refunded

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

CITY OF ST. GEORGE, UTAH
SALES TAX PAYERS BY SECTOR
JUNE 30, 2017
(amounts expressed in thousands)

CALENDAR YEAR 2016				CALENDAR YEAR 2007			
Ranking	Category	Direct Point of Sales Dollars	Percent of Sales	Ranking	Category	Direct Point of Sales Dollars	Percent of Sales
1	Retail - General Merchandise	347,857,832	15.53%	2	Retail - General Merchandise	267,143,277	14.58%
2	Retail - Motor Vehicles & Parts Dealers	340,936,497	15.22%	1	Retail - Motor Vehicles & Parts Dealers	276,993,369	15.12%
3	Food Services & Drinking Places	196,399,167	8.77%	5	Food Services & Drinking Places	133,493,382	7.29%
4	Retail - Bldg, Material, Garden Equip & Sup	158,827,739	7.09%	3	Retail - Bldg, Material, Garden Equip & Sup	154,650,140	8.44%
5	Retail - Food & Beverage Stores	143,167,333	6.39%	6	Retail - Food & Beverage Stores	112,498,487	6.14%
6	Wholesale - Durable Goods	120,127,297	5.36%	4	Wholesale - Durable Goods	151,832,241	8.29%
7	Retail - Clothing & Clothing Accessories	87,308,029	3.90%	7	Retail - Clothing & Clothing Accessories	74,164,733	4.05%
8	Information	76,217,583	3.40%	13	Information	44,508,813	2.43%
9	Accommodations	74,683,892	3.33%	9	Accommodations	47,976,895	2.62%
10	Other Services - Except Public Admin.	62,950,680	2.81%	14	Other Services - Except Public Admin.	43,001,201	2.35%
11	Retail - Furniture & Home Furnishing Stores	55,507,471	2.48%	8	Retail - Furniture & Home Furnishing Stores	59,450,742	3.24%
12	Public Administration	53,750,000	2.40%	12	Public Administration	45,750,000	2.50%
13	Retail - Sporting Goods, Hobbies, Books	52,152,947	2.33%	17	Retail - Sporting Goods, Hobbies, Books	40,568,682	2.21%
14	Retail - Miscellaneous Retail Trade	51,558,030	2.30%	15	Retail - Miscellaneous Retail Trade	42,762,388	2.33%
15	Manufacturing	48,228,166	2.15%	18	Manufacturing	39,747,531	2.17%
16	Private Motor Vehicle Sales	43,500,000	1.94%	16	Private Motor Vehicle Sales	41,750,000	2.28%
17	Retail - Gasoline Stations	33,102,669	1.48%	19	Retail - Gasoline Stations	25,011,698	1.36%
18	Occasional /Nonclassifiable	33,086,046	1.48%	31	Occasional /Nonclassifiable	3,394,627	0.19%
19	Utilities	32,250,000	1.44%	20	Utilities	20,750,000	1.13%
20	Construction	31,647,356	1.41%	11	Construction	46,745,878	2.55%
21	Real Estate Rental and Leasing	29,127,488	1.30%	10	Real Estate Rental and Leasing	47,300,886	2.58%
22	Wholesale Trade - Nondurable Goods	23,381,559	1.04%	22	Wholesale Trade - Nondurable Goods	15,337,197	0.84%
23	Arts, Entertainment and Recreation	21,323,625	0.95%	25	Arts, Entertainment and Recreation	9,940,790	0.54%
24	Retail - Electronics & Appliances	20,707,971	0.92%	23	Retail - Electronics & Appliances	14,527,557	0.79%
25	Professional, Scientific & Technical Services	20,578,021	0.92%	21	Professional, Scientific & Technical Services	18,403,779	1.00%
26	Nonstore Retailers	18,558,529	0.83%	29	Nonstore Retailers	5,699,932	0.31%
27	Retail - Health & Personal Care Stores	17,645,352	0.79%	24	Retail - Health & Personal Care Stores	10,262,434	0.56%
28	Prior-Period Payments & Refunds	12,706,245	0.57%	26	Prior-Period Payments & Refunds	9,361,244	0.51%
29	Admin & support & Waste Mngmt Services	7,716,369	0.34%	27	Admin & support & Waste Mngmt Services	8,498,446	0.46%
30	Health Care & Social Assistance	6,938,068	0.31%	28	Health Care & Social Assistance	7,154,448	0.39%
31	Finance & Insurance	6,230,344	0.28%	33	Finance & Insurance	2,006,651	0.11%
32	Special Event Sales	3,860,201	0.17%	38	Special Event Sales	-	0.00%
33	Educational Services	2,741,978	0.12%	30	Educational Services	4,190,757	0.23%
34	Wholesale Trade - Electronic Markets	1,857,101	0.08%	32	Wholesale Trade - Electronic Markets	2,500,000	0.14%
35	Mining, Quarrying & Oil & Gas Extraction	1,500,000	0.07%	34	Mining, Quarrying & Oil & Gas Extraction	2,000,000	0.11%
36	Transportation & Warehousing	1,438,857	0.06%	35	Transportation & Warehousing	1,933,670	0.11%
37	Agriculture, Forestry, Fishing & Hunting	350,000	0.02%	36	Agriculture, Forestry, Fishing & Hunting	600,000	0.03%
38	Management of Companies & Enterprises	250,000	0.01%	37	Management of Companies & Enterprises	450,000	0.02%
		<u>\$ 2,240,170,442</u>				<u>\$ 1,832,361,875</u>	

Source: Utah State Tax Commission statistical reports for calendar year ended December 31, 2016 and December 31, 2007.

CITY OF ST. GEORGE, UTAH
 PRINCIPAL TAXABLE PROPERTIES
 JUNE 30, 2017

2017				2008			
NAME	TYPE OF BUSINESS	TAXABLE VALUE	% OF TOTAL	NAME	TYPE OF BUSINESS	TAXABLE VALUE	% OF TOTAL
PACIFICORP	ELECTRIC POWER COMPANY	\$ 76,913,679	1.06%	SKYWEST AIRLINES INC	REGIONAL AIRLINE CARRIER	\$ 150,764,259	2.23%
KERN RIVER GAS TRANSMISSION CO	GAS PIPELINE	71,105,769	0.98%	KERN RIVER GAS TRANSMISSION CO	GAS PIPELINE	106,270,775	1.57%
WAL-MART REAL ESTATE BUSINESS	PROPERTY INVESTMENTS	45,839,000	0.63%	PACIFICORP	ELECTRIC POWER COMPANY	63,832,930	0.94%
QUESTAR GAS	NATURAL GAS PROVIDER	45,603,911	0.63%	WAL-MART STORES INC	RETAIL STORE	39,723,125	0.59%
DIXIE ESCALANTE RURAL ELECTRIC	ELECTRICAL COOPERATIVE	42,117,733	0.58%	QWEST CORP	TELECOMMUNICATIONS	39,211,376	0.58%
FAMILY DOLLAR UTAH DC LLC	DISTRIBUTION CENTER	32,720,900	0.45%	CRIMSON VALLEY HOLDINGS LLC	PROPERTY INVESTMENTS	32,330,825	0.48%
IHC HEALTH SERVICES INC	MEDICAL PROVIDER	32,709,500	0.45%	SUNHILL HOMES LC	PROPERTY INVESTMENTS	31,320,950	0.46%
RCM ST GEORGE PROPERTIES LLC	PROPERTY INVESTMENTS	30,249,600	0.42%	GENERAL GROWTH PROPERTIES	PROPERTY INVESTMENTS	27,362,245	0.40%
SKYWEST AIRLINES INC	REGIONAL AIRLINE CARRIER	28,392,444	0.39%	WAL-MART DIST #07-6029	DISTRIBUTION CENTER	26,358,254	0.39%
WAL-MART STORES INC	RETAIL STORE	24,259,600	0.34%	UTAH STATE	GOVERNMENT	21,497,500	0.32%
		<u>\$ 429,912,136</u>	<u>5.95%</u>			<u>\$ 538,672,239</u>	<u>7.97%</u>

Source: Washington County Information Technology Services

CITY OF ST. GEORGE, UTAH
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF PROPERTY
 LAST TEN FISCAL YEARS
 (in thousands of dollars)

Fiscal Year Ended June 30	Real Property				Commercial Attached Personal Property	Less Adjustments to Taxable Value	Total Taxable Value	Estimated Actual Value	Taxable Value as a Percentage of Actual Value
	Primary Residential Property	Non-Primary Residential Property	Commercial & Other Property	State Assessed Property					
2008	\$ 3,397,861	\$ 1,735,621	\$ 1,497,991	\$ 130,172		\$ -	\$ 6,761,645	\$ 9,594,120	70.48%
2009	3,418,978	2,015,720	1,656,614	234,970		-	7,326,282	10,425,903	70.27%
2010	2,827,569	1,592,024	1,468,398	123,395		-	6,011,386	8,549,831	70.31%
2011	2,402,908	1,394,831	1,384,311	122,478		-	5,304,528	7,497,089	70.75%
2012	2,249,152	1,419,495	1,360,888	121,753		-	5,151,288	7,190,342	71.64%
2013	2,265,799	1,424,548	1,380,905	118,030		-	5,189,282	7,216,601	71.91%
2014	2,523,549	1,585,348	1,382,212	131,115		-	5,622,224	7,859,544	71.53%
2015	2,894,332	1,676,407	1,428,077	128,654		-	6,127,470	8,660,480	70.75%
2016	3,118,047	1,782,738	1,545,426	134,489		-	6,580,700	9,303,156	70.74%
2017	3,400,304	1,878,314	1,794,055	154,853		-	7,227,526	10,197,899	70.87%

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

Fiscal Year	City of St. George			Washington County					Overlapping Governments					Direct & Overlapping Rates
	Operating Rate	Debt Service Rate	Total City Rate	County Library Rate	County General Rate	County G.O. Bond Rate	Assess & Collect Rate	Total County Rate	Local School Fund Rate	State School Fund Rate	Total School Rate	(1) Special Districts		
2008	0.001026	0.000191	0.001217	0.000195	0.000464	0.000186	0.000421	0.001266	0.004344	0.001311	0.005655	0.000716	0.008854	
2009	0.001015	0.000191	0.001206	0.000194	0.000564	0.000200	0.000421	0.001379	0.004326	0.001311	0.005637	0.000701	0.008923	
2010	0.001295	0.000209	0.001504	0.000239	0.000695	0.000246	0.000507	0.001687	0.005608	0.001311	0.006919	0.000863	0.010973	
2011	0.001508	0.000242	0.001750	0.000280	0.000816	0.000284	0.000591	0.001971	0.006493	0.001311	0.007804	0.001001	0.012526	
2012	0.001599	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	
2014	0.001533	0.000251	0.001784	0.000304	0.000763	0.000298	0.000626	0.001991	0.006233	0.001311	0.007544	0.000927	0.012246	
2015	0.001425	0.000237	0.001662	0.000269	0.000779	0.000247	0.000548	0.001843	0.005802	0.001419	0.007221	0.000862	0.011588	
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	
2017	0.001317	0.000196	0.001513	0.000246	0.000710	0.000169	0.000496	0.001621	0.005597	0.001675	0.007272	0.000782	0.011188	

(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
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%
2017*	10,992	10,370	94.34%	540	10,910	99.25%

*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	Tax Increment	Excise Tax	Special Assessment	Capital Leases	Sewer Bonds	Water Bonds	Electric Bonds	MBA Bonds	Golf Course	Capital Leases		
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
2017	10,365	2,980	13,287	-	1,957	-	5,695	51,072	100	-	-	85,456	934

* 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	Per Capita
				Actual Taxable Value of Property	
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
2017	10,365	-	10,365	0.1434%	113

CITY OF ST. GEORGE, UTAH
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF JUNE 30, 2017
 (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	\$ 10,645	55.39%	\$ 5,896
Washington County School District	222,400	55.39%	123,187
Washington County Water Conservancy	580	55.39%	321
sub-total overlapping debt	<u>233,625</u>		<u>129,405</u>
City of St. George direct debt - GO Bonds	10,365		10,365
City of St. George direct debt - WCIA	2,817		2,817
 Total direct & overlapping debt	 <u><u>\$ 246,807</u></u>		 <u><u>\$ 142,587</u></u>

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

	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>
Debt limit	\$ 823,545	\$ 896,826	\$ 721,366	\$ 652,656	\$ 628,110	\$ 577,328	\$ 628,764	\$ 692,838	\$ 744,253	\$ 815,832
Total net debt applicable to limit	71,218	64,594	64,594	56,112	34,066	89,383	74,367	77,080	71,002	66,545
Legal debt margin	<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>	<u>\$ 749,287</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	<u>\$ 10,197,899,849</u>
Debt limit:	
General obligation 4%	\$ 407,915,994
Water, Sewer & electric 4%	407,915,994
Total debt limit	<u>\$ 815,831,988</u>
Debt applicable to limit:	
General obligation bonds	\$ 10,365,000
less: amt set aside for repayment of debt	
Water, sewer, and electric bonds	56,767,000
less: amt set aside for repayment of debt	(586,643)
Total net debt applicable to limit	<u>66,545,357</u>
Legal debt margin	<u>\$ 749,286,631</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		Coverage	Energy Charges and other	Less: Operating Expenses	Net Available Revenues	Debt Service		Coverage
				Principal	Interest					Principal	Interest	
2008	\$ 17,628	\$ 10,846	\$ 6,782	\$ 2,410	\$ 2,027	1.53	\$ 55,241	\$ 48,052	\$ 7,189	\$ 620	\$ 682	5.52 **
2009	17,016	10,188	6,828	2,515	1,925	1.54	55,201	49,921	5,280	645	693	3.95 **
2010	16,891	9,794	7,097	2,610	1,810	1.61	54,876	51,691	3,185	665	670	2.39
2011	16,259	10,109	6,150	2,665	1,855	1.36	54,440	50,294	4,146	1,570	3,088	0.89
2012	16,441	11,986	4,455	2,605	1,273	1.15	55,940	50,913	5,027	1,645	3,028	1.08
2013	18,765	11,897	6,868	1,566	628	3.13	59,362	52,805	6,557	1,730	2,955	1.40
2014	20,154	12,530	7,624	3,190	406	2.12	63,598	55,959	7,639	1,830	2,788	1.65
2015	18,931	12,180	6,751	3,298	300	1.88	63,521	53,494	10,027	1,995	2,633	2.17
2016	20,179	12,855	7,324	2,158	232	3.06	63,138	53,033	10,105	2,085	1,502	2.82
2017	23,176	14,418	8,758	2,276	193	3.55	66,949	52,590	14,359	2,239	2,300	3.16

** interest capitalized during construction period

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

Fiscal Year	Population	(1) Personal Income (amts expressed in millions)	(1) Per Capita Personal Income	Median Age	(2) School Enrollment	(3) Unemployment Rate
2008	83,364	3,476.6	26,283		25,125	4.9%
2009	85,000	3,588.4	26,472		25,760	7.3%
2010	83,500	3,438.2	25,081	32.5	25,202	9.6%
2011	82,000	3,508.1	25,340		25,671	10.1%
2012	83,000	3,705.6	26,180		27,116	7.1%
2013	83,000	3,927.5	27,159		27,287	5.4%
2014	85,000	4,184.2	28,343		28,266	3.8%
2015	87,500	4,555.5	29,999		28,355	4.0%
2016	89,000	4,914.7	31,616		29,383	4.1%
2017	91,500	5,276.0	32,924		31,754	3.6%

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(1) Source: Bureau of Economic Analysis, US Department of Commerce
 (information is for Washington County of which St. George is the largest city.)

(2) Source: Washington County School District October 1 Enrollment
 (information is for Washington County of which St. George is the largest city.)

(3) Source: Utah Department of Workforce Services
 (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

2017			2008		
<u>Employer</u>	<u>Employees</u>	<u>Industry</u>	<u>Employer</u>	<u>Employees</u>	<u>Industry</u>
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 (1)	3,000-3,999	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	500-999	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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	52	50	64	64	65	74	80	78	81.5	81.5
Community & development services (2) (3)	29	27	21	21	21	20	42	46	37	36
Public Safety										
Police										
Officers	103	103	103	103	104	104	106	108	110	111
Reserves										
Civilians	39	39	40	40	46	47	46	46	47	51
Fire										
Firefighters & officers	23	23	31	31	31	31	31	32	32	33
Volunteers firefighters	64	64	64	64	64	64	64	64	64	70
Civilians	1	1	1	1	1	1	1	1	1	1
Highways & streets										
Engineering & Administration (3)	22	17	14	14	15	15	31	33	37	37
Maintenance	32	32	32	32	32	33	33	32	34	34
Fleet maintenance (1)	13	13	0	0	0	0	0	0	0	0
Culture & recreation										
Recreation	14	14	14	14	14	14	14	16	16	18
Parks & design	42	42	42	42	42	53	58	58	59	61
Building maintenance	10	9	10	10	10	0	0	0	0	0
Dixie Center	12	12	12	12	11	11	12	12	12	13
Administration & others	6	6	6	6	6	6	4	6	6	5
Water services	49	49	49	49	49	49	49	49	52	52
Wastewater collections	19	17	17	17	17	17	17	17	16	16
Energy services	51	52	52	52	53	54	54	55	58	60
Golf courses (2)	34	31	31	31	32	32	0	0	0	0
Wastewater treatment	19	20	20	20	20	21	21	21	22	24
Public transit	14	14	15	15	16	16	21	22	22.5	22.5
Total	648	635	638	638	649	662	684	696	707	726

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- (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: 2018 based upon number of approved positions in fiscal year 2018 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, 2017, 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 21, 2017.

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 21, 2017

ST. GEORGE CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Other Identification Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Housing and Urban Development				
Community Development Block Grants/ Entitlement Grants Program	14.218	B-1X-MC-49-0012	\$ 390,828	\$ 79,343
Community Development Block Grants/ Entitlement Grants Program - program income	14.218	B-1X-MC-49-0012	154,335	33,675
Total 14.218			<u>545,163</u>	<u>113,018</u>
U.S. Department of Interior				
Water Conservation Field Services Grant Program Passed through the State of Utah:	15.530	R14AP00021, R15AP00076	29,049	-
Outdoor Recreation Acquisition, Development and Planning Total U.S. Department of Interior	15.916	49-00385	24,000	-
			<u>53,049</u>	<u>-</u>
U.S. Department of Justice				
Passed through the State of Utah:				
Crime Victim Assistance	16.575	16VOCA64	51,920	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	201X-DJ-BX-0XXX	48,224	-
Regional Fugitive Task Force	16.xxx	VFAST	2,709	-
Drug Enforcement Administration:				
Equitable Sharing Program	16.922	ATF	614	-
Total U.S. Department of Justice			<u>103,467</u>	<u>-</u>
U.S. Department of Transportation				
Federal Transportation Administration:				
Federal Transit-Formula Grants	20.507	UT-90-X069, UT-2016-011	862,679	-
Passed through the State of Utah:				
Airport Improvement Program	20.106	3-49-0060-23, 3-49-0060-26	823,616	-
Recreational Trails Program	20.219	161686	50,000	-
State and Community Highway Safety	20.600	PT140107, DD1X0802	3,990	-
National Priority Safety Programs	20.616	2HVE1X0401	8,918	-
Total Highway Safety Cluster (20.600, 20.616)			<u>12,908</u>	<u>-</u>
Total U.S. Department of Transportation			<u>1,749,203</u>	<u>-</u>
U.S. Department of Treasury				
Treasury Forfeiture Fund Program	21.000	SLOT	24,634	-
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	94,506	-
Child Care and Development Block Grant (CCDF)	93.575	17DWS0066	28,647	-
Total U.S. Department of Health and Human Services			<u>123,153</u>	<u>-</u>
Executive Office of the President, Office of National Drug Control Policy				
High Intensity Drug Trafficking Area (HIDTA)	95.001	G1XRM0015A	144,936	-
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	89,733	-
Total expenditures of federal awards			<u>\$ 2,833,338</u>	<u>\$ 113,018</u>

The accompanying notes are an integral part of this schedule.

ST. GEORGE CITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

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.

Note 2. Indirect Cost Rate

The City did not elect to use the 10% de minimis indirect cost rate for the year ended June 30, 2017.

Note 3. Federal Loans and Loan Guarantee Programs Outstanding

The City had no balances of loan and loan guarantee programs outstanding as of June 30, 2017.

ST. GEORGE CITY
SCHEDULE OF EXPENDITURES OF PASSENGER FACILITY CHARGES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>September 30</u>	<u>December 31</u>	<u>March 31</u>	<u>June 30</u>	<u>Total</u>
15-06-C-00-SGU	\$ -	\$ -	\$ 2,403	\$ 106,933	\$ 109,336

**ST. GEORGE CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

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? ___x_yes ___no

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

Any audit findings disclosed that are required to be
reported in accordance with 2 CFR 200.516(a)? ___x_yes ___no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
20.106	Airport Improvement Program
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, 2017**

Section II – Financial Statement Findings

No matters reported

Section III – Federal Award Findings and Questioned Costs

INTERNAL CONTROL OVER COMPLIANCE:

Material Weaknesses:

None noted

Significant Deficiencies:

2017-001 Federal Transit Administration (FTA) Procurement Requirements

Federal Program: Federal Transit—Formula Grants (20.507)
Federal Agency: U.S. Department of Transportation, FTA
Pass-through Entity: None

Criteria: As an FTA grantee, the City may use its own procurement procedures that reflect applicable state and local laws and regulations, provided that the process ensures competitive procurement and the procedures conform to applicable federal law.

Condition: As noted in the FTA’s most recent triennial review report for the City, there were multiple deficiencies identified relating to the FTA requirements for procurement. The City’s procurement policies and procedures are incomplete and do not address FTA-funded procurements conducted by decentralized departments. As a result, the City’s controls over FTA procurement requirements are insufficient.

Cause: The City’s administrative staffing levels appear to be insufficient to adequately address the many, demanding federal requirements relating to FTA-funded procurement. The City’s decentralized procurement process does not address FTA-funded procurements and is contributing to the deficiencies (i.e. other departments, such as the fleet department, making purchases with FTA funds).

ST. GEORGE CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

Section III – Federal Award Findings and Questioned Costs, Continued

Effect: Because the City’s controls over FTA procurement requirements are insufficient, the City may not be in compliance with federal requirements.

Recommendation: We recommend the City continue to work closely with the FTA in resolving the deficiencies identified. It’s our understanding that the City is considering adding an FTA compliance specialist. Given the magnitude of FTA federal requirements, including procurements requirements, we recommend the City add the FTA compliance specialist position. The City should address its deficiencies in the decentralized procurement process and make sure that any departments involved in FTA procurements have sufficient controls and processes to meet federal requirements.

COMPLIANCE AND QUESTIONED COSTS:

Compliance:

2017-002 Federal Aviation Administration (FAA) Reporting—Forms 5100-126 & 127

Federal Program: Airport Improvement Program (20.106)
Federal Agency: U.S. Department of Transportation, FAA
Pass-through Entity: State of Utah

Criteria: As part of the Airport Improvement Program (AIP), the City is required to submit to the FAA annually Form 5100-126, *Financial Government Payment Report*, and Form 5100-127, *Operating and Financial Summary*. These reports are due within 120 days of the City’s fiscal year end (an extension request is available).

Condition: The City did not timely file these reports for fiscal years 2015 through 2017. These reports were filed in December 2017.

Cause: Due to a change in the City’s finance director/manager position, there was miscommunication and the City was unaware of this reporting requirement.

Effect: The City was not in compliance with all of the AIP reporting requirements.

Recommendation: Now that the City is aware of these reporting requirements, we expect the City to timely file these reports in future years.

**ST. GEORGE CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

Section III – Federal Award Findings and Questioned Costs, Continued

Questioned Costs:

No question 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, 2017. 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, 2017.

Other Matters

The results of our auditing procedures disclosed an other instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2017-002. Our opinion on each major federal program is not modified with respect to this matter.

The City of St. George, Utah's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of St. George, Utah's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

We did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency (item 2017-001).

The City of St. George, Utah's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of St. George, Utah's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 21, 2017

**Independent Auditors' Report on Compliance and
Report on Internal Control Over Compliance
as Required by the *State Compliance Audit***

The Honorable Mayor and
City Council
St. George, Utah

Report On Compliance with General State Compliance Requirements

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, 2017.

General state compliance requirements were tested for the year ended June 30, 2017 in the following areas:

- Budgetary Compliance
- Fund Balance
- Utah Retirement Systems
- Restricted Taxes and Related Revenues
- Open and Public Meeting Act
- Treasurer's Bond

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, 2017.

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 state 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.

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

HintonBurdick, PLLC
St. George, Utah
December 21, 2017

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 2017, 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:

Criteria: Utah Code Section 10-6-117 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.

Condition: The Dixie Center Area EDA Special Revenue Fund reported a deficit fund balance of \$655,499 at June 30, 2017. The fiscal year 2018 budget reports budgeted revenues of \$856,311 and budgeted expenditures of \$856,311. These budgeted amounts are not sufficient to eliminate the deficit fund balance.

Cause: Expenditures made in prior years have caused the Fund to report deficit fund balance for several years. Sufficient revenues are not yet available to reduce or eliminate the deficit.

Effect: The City is not in compliance with State fund balance requirements.

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. Budgetary Compliance

Criteria: Utah Code Section 10-6-123 states a city may not make or incur expenditures in excess of total appropriations adopted in the budget.

Condition: Expenditures in the Fire Department Impact Fee Fund exceeded budgeted by \$68,691.

Cause: Purchases of capital assets caused the fund expenditures to exceed budgetary limits.

Effect: The City is not in compliance with State budgeting requirements.

Recommendation: We recommend that the City operate within the confines of State law by limiting expenditures or following proper procedures to adjust the fund budgets. We encourage the City to follow procedures to limit expenditures within authorized limits or amend its budget during the year when events arise causing certain funds to exceed the budget.

This letter is intended solely for the use of the mayor, city council and management.

It has been a pleasure to be of service to the City this past year. Observations we made during the audit evidence the fact that you are carefully trying to comply with federal and state laws and to fulfill your stewardship to the citizens of St. George. We wish to thank you for your diligent efforts.

If we can be of additional assistance in any way to further assist you in fulfilling your stewardship, please contact us at any time. We look forward to a continued pleasant professional relationship.

Sincerely,



HintonBurdick, PLLC
December 21, 2017



December 21, 2017

To: Mayor, City Council and City Manager

From: Tiffany M. LaJoice, CPA; Finance Manager
Trevor A. Coombs, Administrative Services Director

Subject: Schedule of Findings and Recommendations
Fiscal year audit ended June 30, 2017

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 Finding – Deficit Fund Balance

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 Finding – Budgetary Compliance

We agree with the auditor’s comments regarding the expenditures exceeding budgetary limits. We had prepared reasonable estimates and provided a budget for anticipated progress billings for professional services related to the City’s new Fire Station #9, yet the consultant submitted a single invoice which both exceeded the budgeted estimate by approximately \$70,000 and was also not received until June 23, 2017, which was too late to allow for a budget opening to be approved. We will continue to monitor the budgets closely in the future.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2016

The June 30, 2016 audit included findings on deficit fund balances budgetary compliance. Both findings were addressed in the current year response on page 172. We will continue to monitor to do our best to avoid these findings again in the 2017 fiscal year .

**ST. GEORGE CITY, UTAH
CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR 2017 AUDIT**

<p>Contact Person responsible for implementing the Corrective Action Plan</p>	<p>Tiffany M. LaJoice Finance Manager Telephone Number : 435-627-4702 Email Address: tiffany.lajoice@sgcity.org Mailing Address: 175 E 200 N St. George, Utah 84770</p>
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Audit Finding Reference	SIGNIFICANT DEFICIENCIES	ROOT CAUSE	RECOMMENDED ACTION POINTS AND ESTIMATED COMPLETION DATE
<p>2017-001</p>	<p><i>Criteria:</i> As an FTA grantee, the City may use its own procurement procedures that reflect applicable state and local laws and regulations, provided that the process ensures competitive procurement and the procedures conform to applicable federal law.</p> <p><i>Condition:</i> As noted in the FTA’s most recent triennial review report for the City, there were multiple deficiencies identified relating to the FTA requirements for procurement. The City’s procurement policies and procedures are incomplete and do not address FTA-funded procurements conducted by decentralized departments. As a result, the City’s controls over FTA procurement requirements are insufficient.</p> <p><i>Cause:</i> The City’s administrative staffing levels appear to be insufficient to adequately address the many, demanding federal requirements relating to FTA-funded procurement. The City’s decentralized procurement process does not address FTA-funded procurements and is contributing to the deficiencies (i.e. other departments, such as the fleet department, making purchases with FTA funds).</p> <p><i>Effect:</i> Because the City’s controls over FTA procurement requirements are insufficient, the City may not be in compliance with federal requirements.</p>	<ul style="list-style-type: none"> The City’s decentralized procurement process does not address FTA-funded procurements. 	<ul style="list-style-type: none"> Finance Manager, Administrative Services Director and other staff involved to review FTA triennial review and brainstorm possible solutions for procurement deficiencies. Estimated completion date: January 2018 Public Works Director and Suntran Manager will prepare and submit to the FTA Region 8 Office, a corrective action plan and schedule that addresses the steps the City will take to ensure it has the adequate technical capacity (resources, business policies, procedures, training, organizational structure) to manage the procurement and DBE requirements associated with the grant program. Estimated completion date: February 5, 2018. Work with Suntran employees and Finance Department staff to develop a purchasing policy to address expenditures of federal grants and compliance issues. Estimated completion date: June 2018 After approved by the FTA, implement the corrective action plan, which may include hiring an FTA compliance specialist, training purchasing staff on federal procurement and/or training fleet services staff on federal procurement. Estimated completion date: December 2018.

	<p>Recommendation: We recommend the City continue to work closely with the FTA in resolving the deficiencies identified. It's our understanding that the City is considering adding an FTA compliance specialist. Given the magnitude of FTA federal requirements, including procurements requirements, we recommend the City add the FTA compliance specialist position. The City should address its deficiencies in the decentralized procurement process and make sure that any departments involved in FTA procurements have sufficient controls and processes to meet federal requirements.</p>		
Audit Finding Reference	Compliance	ROOT CAUSE	RECOMMENDED ACTION POINTS AND ESTIMATED COMPLETION DATE
2017-002	<p>Criteria: As part of the Airport Improvement Program (AIP), the City is required to submit to the FAA annually Form 5100-126, Financial Government Payment Report, and Form 5100-127, Operating and Financial Summary. These reports are due within 120 days of the City's fiscal year end (an extension request is available).</p> <p>Condition: The City did not timely file these reports for fiscal years 2015 through 2017. These reports were filed in December 2017.</p> <p>Cause: Due to a change in the City's finance director/manager position, there was miscommunication and the City was unaware of this reporting requirement.</p> <p>Effect: The City was not in compliance with all of the AIP reporting requirements.</p> <p>Recommendation: Now that the City is aware of these reporting requirements, we expect the City to timely file these reports in future years.</p>	<ul style="list-style-type: none"> • Change in the City's finance manager position. 	<ul style="list-style-type: none"> • Modify Finance Manager's job duties to include annual FAA reporting requirements. Estimated completion date: December 2017 • Allow cross training of staff and develop a back-up system. Estimated completion date: June 2018

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CONTINUING DISCLOSURE SECTION

CITY OF ST. GEORGE, UT
 Continuing Disclosure - Franchise Tax Revenue Bonds, Series 2014
 Fiscal Year Ended June 30, 2017

<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>
2017	\$ 4,727,559	\$ 928,272	\$ 5,655,831	2.77%
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%
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%

(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, 2017

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>
2017	\$ 5,655,831	\$ 758,425	7.46
2018	5,712,389	761,425	7.50
2019	5,769,513	761,350	7.58
2020	5,827,208	762,975	7.64
2021	5,885,480	758,475	7.76
2022	5,944,335	762,725	7.79
2023	6,003,779	760,600	7.89
2024	6,063,816	762,100	7.96
2025	6,124,455	762,100	8.04
2026	6,185,699	760,600	8.13
2027	6,247,556	762,475	8.19
2028	6,310,032	759,500	8.31
2029	6,373,132	761,762	8.37

(1) Projections based on actual fiscal year 2017 Pledged Taxes of \$5,655,831 and assuming an annual increase of 1%

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
ASSETS					
Cash	\$ 7,878,309	\$ 5,538,761	\$ 3,879,391	\$ 4,796,318	\$ 4,528,595
Accounts receivable	14,261,020	12,692,738	11,921,484	11,831,981	11,480,435
Prepaid items	53,609	44,951	10,800	40,990	39,774
Inventory	197,293	160,764	175,147	101,231	112,346
Notes receivable	-	-	49,935	49,935	70,000
Due from other funds	-	385,935	903,021	612,809	500,000
Total assets	\$ 22,390,231	\$ 18,823,149	\$ 16,939,778	\$ 17,433,264	\$ 16,731,150
LIABILITIES					
Construction bonds held	\$ 316,185	\$ 285,674	\$ 361,857	\$ 689,412	\$ 682,700
Due to other funds	-	-	-	-	-
Accrued liabilities	2,234,137	2,183,732	1,705,240	1,534,650	1,161,319
Deferred revenues	-	-	-	-	-
Total liabilities	2,550,322	2,469,406	2,067,097	2,224,062	1,844,019
DEFERRED INFLOWS OF RESOURCES (1)					
Unavailable revenues - property tax levy	9,150,000	8,700,000	8,350,000	8,300,000	8,000,000
Unavailable revenues - city cache cards	329,817	522,094	530,851	61,660	59,450
Total deferred inflows of resources	9,479,817	9,222,094	8,880,851	8,361,660	8,059,450
FUND BALANCES (DEFICITS)					
Nonspendable:					
Inventories & prepaids	250,902	205,715	185,947	142,221	152,119
Noncurrent receivables	-	385,935	952,956	662,744	570,000
Restricted for:					
Public safety programs	374,253	133,401	151,174	228,710	264,774
Cemetery perpetual care	110,124	105,209	64,133	126,929	121,665
Reserved for airport	420,193	-	-	-	-
Reserved for notes receivable	-	-	-	-	-
Unassigned:	9,204,620	6,301,389	4,637,620	5,686,938	5,719,123
Total fund balances (deficits)	10,360,092	7,131,649	5,991,830	6,847,542	6,827,681
Total liabilities, deferred inflows and fund balances	\$ 22,390,231	\$ 18,823,149	\$ 16,939,778	\$ 17,433,264	\$ 16,731,150

(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 2013-2017. This summary itself is not audited.)

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

	2017	2016	2015	2014	2013
ASSETS					
Cash	\$ 52,841,925	\$ 49,973,343	\$ 37,313,250	\$ 37,546,416	\$ 31,148,104
Accounts receivable (net of allowance for doubtful accounts)	21,895,702	20,203,364	28,968,486	30,827,047	30,787,149
Inventory	197,293	160,764	175,147	101,231	112,346
Net pension assets	40,394	86,427	253,113		
Notes receivable	-	-	49,935	49,935	70,000
Internal Balances	(2,021,806)	14,396	(5,533,363)	(7,453,638)	(14,415,780)
Prepaid expenses	53,609	80,575	328,800	40,989	39,773
Capital assets (net of depreciation)					
Land	95,073,081	95,816,959	95,005,703	86,371,849	86,553,089
Buildings	25,597,239	24,747,111	24,636,367	21,805,887	19,153,011
Improvements	54,919,815	49,834,491	46,102,946	43,780,598	44,136,826
Infrastructure	190,977,246	187,069,131	181,892,495	180,101,009	169,417,163
Machinery & equipment	16,584,162	14,487,801	12,680,830	10,445,764	9,904,498
Total assets	<u>\$ 456,158,660</u>	<u>\$ 442,474,362</u>	<u>\$ 421,873,709</u>	<u>\$ 403,617,087</u>	<u>\$ 376,906,179</u>
DEFERRED OUTFLOWS OF RESOURCES (1)					
Deferred outflows related to pensions	9,590,991	7,297,275	2,376,573		
Total deferred outflows	<u>\$ 9,590,991</u>	<u>\$ 7,297,275</u>	<u>\$ 2,376,573</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES					
Accrued liabilities	\$ 3,470,242	\$ 4,829,969	\$ 3,746,811	\$ 4,476,131	\$ 1,937,294
Construction bonds held	316,185	285,674	361,857	689,413	682,700
Deferred compensation	2,542,566	1,863,348	1,690,880	1,355,320	1,232,176
Interest payable	282,218	311,102	312,575	482,284	582,672
Unearned revenues	436,899	436,899	854,779	137,088	59,450
Net pension liability	16,251,360	13,659,892	9,930,997		
Notes payable:					
Due within one year	413,260	358,004	263,136	4,070,552	4,551,420
Due in more than one year	-	413,260	651,264	1,697,899	4,566,189
Bonds payable:					
Due within one year	5,747,000	5,505,000	4,535,000	5,126,000	4,885,000
Due in more than one year	29,131,000	34,878,000	33,282,000	37,442,000	34,418,000
Capital leases:					
Due within one year	1,075,582	629,964	598,608	309,380	289,440
Due in more than one year	3,699,044	3,270,902	4,019,927	4,077,780	3,348,220
Bond premiums	1,310,563	1,558,642	1,806,721	1,646,705	730,224
Total liabilities	<u>64,675,919</u>	<u>68,000,656</u>	<u>62,054,555</u>	<u>61,510,552</u>	<u>57,282,785</u>
DEFERRED INFLOWS OF RESOURCES (1)					
Deferred inflows related to pensions	2,633,619	1,893,676	1,803,814		
Unavailable rev. - city cache cards	329,817	522,094	530,851		
Unavailable rev. - property tax levy	12,942,184	12,292,838	12,358,294	13,184,650	11,773,450
Total deferred inflows	<u>15,905,620</u>	<u>14,708,608</u>	<u>14,692,959</u>	<u>13,184,650</u>	<u>11,773,450</u>
NET POSITION					
Net investment in capital assets	341,492,876	325,030,619	314,849,110	287,652,507	275,793,422
Restricted for:					
Unspent bond/impact fees for const.	12,143,901	12,157,245			
Airport	420,193				
Debt service	669,794	662,953	1,603,057	867,676	894,095
Unrestricted	30,471,347	29,211,557	31,050,599	40,401,703	31,162,428
Total Net Position	<u>\$ 385,168,112</u>	<u>\$ 367,062,373</u>	<u>\$ 347,502,768</u>	<u>\$ 328,921,885</u>	<u>\$ 307,849,944</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 2013-2017. 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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues:					
Taxes & special assessments	\$ 47,275,018	\$ 43,825,898	\$ 40,443,986	\$ 38,743,090	\$ 39,541,270
Contributions from other governments	4,355,225	4,008,657	3,522,686	3,433,033	
Licenses and permits	4,018,369	2,391,741	2,192,850	2,243,650	2,200,214
Intergovernmental	6,387,402	5,951,134	16,183,394	17,262,508	20,213,530
Charges for services	17,697,419	16,151,381	15,446,484	10,810,277	9,814,766
Fines & forfeitures	977,210	981,419	1,055,589	960,326	953,653
Investment income	556,244	321,603	175,626	203,222	161,133
Rents & concessions	298,134	245,252	211,260	219,143	261,639
Miscellaneous	193,161	60,232	90,061	558,658	474,878
Contributions from other sources	2,041,082	2,993,317	1,505,224	1,008,807	109,441
Capital Development Fees	7,074,705	3,661,948	3,544,812	3,698,378	3,381,482
Total revenues	90,873,969	80,592,582	84,371,972	79,141,092	77,112,006
Expenditures:					
Current:					
General government	10,723,851	9,326,211	8,259,332	5,539,004	5,496,246
Public safety	22,655,928	21,121,647	18,039,351	17,344,449	16,817,989
Highways & public improvements	10,695,722	9,831,723	9,871,442	11,779,644	11,680,913
Parks, recreation & public property	13,853,487	12,793,787	12,345,390	12,841,969	11,703,703
Community & economic development	8,121,571	8,354,461	8,474,407	2,262,219	2,393,630
Capital outlay	18,088,356	16,698,598	14,247,263	19,902,648	12,345,190
Debt service					
Capital leases	104,818	98,395	102,305	100,905	104,505
Principal	5,885,034	5,800,396	17,357,130	9,264,799	9,821,735
Interest & admin charges	1,486,869	1,594,330	1,935,170	2,552,383	2,896,991
Total expenditures	91,615,636	85,619,548	90,631,790	81,588,020	73,260,902
Excess (deficiency) of revenues over expenditures	(741,667)	(5,026,966)	(6,259,818)	(2,446,928)	3,851,104
Other financing sources (uses):					
Transfers in	20,294,987	33,071,424	10,831,204	15,459,739	18,659,261
Transfers out	(18,623,034)	(30,028,577)	(9,242,685)	(14,403,095)	(16,736,518)
Payments to other taxing agencies	(600,000)	(358,000)	-	(160,000)	
Unbilled utility services	(411,098)	(442,998)	(553,602)	(459,224)	
Contributions from private sources					1,028,150
Proceeds from sale of capital assets	1,571,205	3,265,925	2,409,539	896,977	1,329,377
Contributions from other governments	-	-	-	(10,000)	1,144,922
Proceeds of bonds and/or notes	2,024,590	8,098,000	7,830,000	9,350,000	
Premium on refunding bonds	-	-	408,095	1,037,120	
Total other financing sources (uses)	4,256,650	13,605,774	11,682,551	11,711,517	5,425,192
Net change in fund balances	3,514,983	8,578,808	5,422,733	9,264,589	9,276,296
Restatement for Golf Fund Merger			(4,728,675)		
Fund balances, beginning of year,	51,223,629	42,644,821	41,950,763	32,686,172	23,409,876
Fund balances (deficit), end of year	\$ 54,738,612	\$ 51,223,629	\$ 42,644,821	\$ 41,950,761	\$ 32,686,172

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, 2017

Comparative Property Tax Rates Within Washington County

<u>Tax Levying Entity</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Hurricane	0.002707	0.002793	0.002432	0.002690	0.002723
Ivins	0.001727	0.001783	0.001862	0.001981	0.002125
LaVerkin	0.226100	0.002353	0.002532	0.002750	0.002805
St. George City	0.001513	0.001599	0.001662	0.001784	0.001889
Washington City	0.001397	0.001446	0.001505	0.001621	0.001711

(Source: Washington County Auditor)

City of St. George, UT
 Continuing Disclosure - Series 2010 & Series 2014 General Obligation Parks & Rec Bonds
 Continuing Disclosure - Series 2017 Series Excise Tax Bonds
 Fiscal Year Ended June 30, 2017

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	\$ 4,525,000
2014	Parks and Recreation	\$ 7,830,000	August 1, 2025	\$ 5,840,000

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	\$ 2,980,000

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	\$ 2,425,000
2008	Electric Revenue *	\$ 50,000,000	June 1, 1938	\$ 1,200,000
2009A	Build America Bonds	\$ 3,504,000	December 1, 2021	\$ 1,523,000
2009B	Recovery Zone Bonds	\$ 6,723,000	June 1, 2024	\$ 6,723,000
2012	Water Revenue	\$ 3,830,000	July 1, 2025	\$ 3,270,000
2013	Water Revenue	\$ 3,637,000	July 1, 2016	\$ -
2014	Franchise Tax Bonds	\$ 8,150,000	December 1, 2028	\$ 6,935,000
2015	Franchise Tax Bonds	\$ 7,898,000	June 1, 2025	\$ 6,352,000
2016	Electric Refunding	\$ 40,625,000	June 1, 1938	\$ 40,625,000
2016B	Electric Refunding	\$ 10,336,000	June 1, 2025	\$ 9,247,000

* Partially refunded with 2016 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	\$ 100,000
2000	MBA Woodward	\$ 350,000	April 1, 2021	\$ -

Debt Ratios

Direct General Obligation Debt is 0.1434% of 2017 Taxable Value.

Total Direct and Overlapping General Obligation Debt is 1.97% of 2017 Taxable Value.

Per Capita Direct General Obligation Debt is \$113 based on the estimated population of 91,500.

Per Capita Direct and Overlapping General Obligation Debt is \$1,558 based on estimated population.

**CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - SALES TAX REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2017**

Historical Revenues

The following table shows the amounts of Pledged Sales and Use Taxes received by the City in the last ten fiscal years.

<u>Fiscal Year Ending June 30</u>	<u>Pledged Sales and Use Taxes</u>	<u>% Change from Prior Year</u>
2017	\$ 19,268,824	9.08%
2016	17,665,339	7.58%
2015	16,420,259	6.54
2014	15,412,412	6.28
2013	14,501,038	9.23
2012	13,275,622	9.01
2011	12,177,820	2.06
2010	11,931,941	(7.33)
2009	12,875,518	(15.27)
2008	15,195,456	N/A

Source: City's Comprehensive Annual Financial Report

CITY OF ST. GEORGE, UT
 Continuing Disclosure - Excise Tax Revenue Bonds, Series 2017
 Fiscal Year Ended June 30, 2017

Total County TRCC Taxes

<u>Calendar Year</u>	<u>TRCC Taxes</u>	<u>% Change From Prior Year</u>
2016	\$ 3,407,391	8.28%
2015	3,146,736	8.90%
2014	2,889,543	11.36%
2013	2,594,799	7.91%
2012	2,404,620	8.40%
2011	2,218,239	10.22%
2010	2,012,488	3.26%
2009	1,948,917	-4.50%
2008	2,040,849	-2.13%
2007	2,085,345	N/A

(Source: Supplemental Continuing Disclosure Memorandum for Washington County/St. George Interlocal Agency, Utah and Washington County, Utah dated June 28, 2017.)

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

	2017	2016	2015	2014	2013
ASSETS AND DEFERRED OUTFLOWS					
Cash	\$ 120,727,797	\$ 110,994,019	\$ 89,796,344	\$ 77,129,658	\$ 53,680,383
Restricted cash	2,963,287	1,815,176	1,949,168	3,809,087	6,149,909
Accounts receivable (net of allowance for doubtful accounts)	34,580,678	31,746,541	39,872,375	42,688,632	43,918,708
Inventory	2,653,113	2,865,712	2,842,478	2,586,976	2,467,618
Net pension assets (2)	55,062	115,681	335,369	-	-
Notes receivable	998	998	50,933	50,933	77,986
Bond discounts (1)	823,951	1,151,936	931,341	1,112,675	1,426,337
Prepaid expenses	53,609	87,484	342,618	40,989	39,773
Capital assets (net of depreciation)					
Land	95,073,081	95,816,959	95,005,703	86,371,849	86,553,089
Buildings	25,597,239	24,747,111	24,636,367	21,805,887	19,153,011
Improvements	54,919,815	49,834,491	46,102,946	43,780,598	44,136,826
Infrastructure	190,977,245	187,069,131	181,892,495	180,101,009	169,417,163
Machinery & equipment	16,584,162	14,487,801	12,680,830	10,445,764	9,904,498
Plant, property, and equipment	238,093,378	240,009,679	242,064,143	259,335,528	266,370,231
Deferred outflows related to pensions (2)	12,637,292	9,619,382	3,148,907	-	-
Deferred charges on bond refunding			715,298	786,828	-
Total assets and deferred outflows	<u>\$ 795,740,707</u>	<u>\$ 770,362,101</u>	<u>\$ 742,367,315</u>	<u>\$ 730,046,413</u>	<u>\$ 703,295,532</u>
LIABILITIES AND DEFERRED INFLOWS					
Accrued liabilities	\$ 12,011,417	\$ 12,922,031	\$ 14,104,303	\$ 15,366,991	\$ 13,499,235
Construction bonds held	316,185	285,674	361,857	689,413	682,700
Deposits payable	1,667,623	1,635,890	1,601,673	1,635,518	1,539,015
Deferred compensation	2,542,566	1,863,348	1,690,880	1,355,320	1,232,176
Interest payable	282,218	311,102	312,575	482,284	582,672
Unearned revenues	436,899	447,899	854,779	137,088	59,450
Net pension liability (2)	21,485,499	18,072,938	13,158,353	-	-
Deferred water credit	232,251				
Notes payable:					
Due within one year	423,260	368,004	273,136	4,080,552	4,551,420
Due in more than one year	38,800	462,060	710,064	1,776,699	4,566,189
Bonds payable:					
Due within one year	9,254,000	10,135,000	8,887,000	11,383,000	11,048,000
Due in more than one year	82,491,000	91,831,000	95,749,000	106,065,522	108,562,322
Capital leases:					
Due within one year	1,075,582	629,964	598,608	513,524	465,465
Due in more than one year	3,699,044	3,270,902	4,019,927	4,889,411	3,804,090
Bond premiums (1)	3,300,353	3,717,248	2,124,733	2,263,764	2,230,319
Deferred inflows related to pensions (2)	3,482,840	2,508,449	2,390,014	-	-
Unavailable revenue-city cache cards	329,817	522,094	530,851	-	-
Unavailable revenue-property tax levy	12,942,184	12,292,838	12,358,294	13,184,650	11,773,450
Total liabilities and deferred inflows	<u>\$ 156,011,538</u>	<u>\$ 161,276,441</u>	<u>\$ 159,726,047</u>	<u>\$ 163,823,736</u>	<u>\$ 164,596,503</u>
NET POSITION					
Net investment in capital assets	\$ 524,689,363	\$ 506,916,829	\$ 494,891,782	\$ 477,969,697	\$ 467,517,820
Restricted for:					
Unspent bond/impact fees for const.	1,136,733	947,054	804,760	2,328,695	1,930,698
Debt service	3,633,081	2,478,201	3,552,297	5,166,163	5,113,306
Public safety programs	374,253	133,401	151,174	228,711	
Transportation programs	7,755,182	5,286,037	4,261,965	3,982,881	
Housing & community development	912,492	1,151,529	1,060,228	909,689	
Park construction & development	7,928,882	9,195,914	3,447,081	3,742,905	
Community & economic development	9,667,398	9,623,712	6,755,380	6,834,604	
Unrestricted	83,631,785	73,352,983	67,716,601	65,059,332	64,137,205
Total Net Position	<u>\$ 639,729,169</u>	<u>\$ 609,085,660</u>	<u>\$ 582,641,268</u>	<u>\$ 566,222,677</u>	<u>\$ 538,699,029</u>
Total liabilities, deferred inflows and net position	<u>\$ 795,740,707</u>	<u>\$ 770,362,101</u>	<u>\$ 742,367,315</u>	<u>\$ 730,046,413</u>	<u>\$ 703,295,532</u>

(1) 2016 balances were corrected for 2017 prior period adjustment to discounts and premiums and investment in capital assets.

(2) GASB 68 was implemented in Fiscal Year 2015.

(Source: Information extracted from the City's audited financial statements for the fiscal years 2013-2017. This summary itself is not audited.)

**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 Refunding Debt Service	2013 Refunding Debt Service	2003 Refunding Debt Service	2004 Bond Debt Service	2011 Refunding Debt Service	2012 Refunding Debt Service	TOTAL DEBT SERVICE (3)	TOTAL DEBT SERVICE COVERAGE
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	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	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	2,389,766	3.06
2017	21,574,731	1,491,633	109,972	23,176,336	14,418,332	8,758,004		1,198,503			853,650	416,463	2,468,616	3.55

(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

	2017	2016	2015	2014	2013	2012	2011
ASSETS							
Current Assets:							
Cash	\$ 9,762,237	\$ 6,080,797	\$ 3,363,633	\$ 774,065	\$ (1,890,465)	\$ (1,556,925)	\$ (539,510)
Restricted Cash	585,395	1,815,176	1,949,168	2,890,362	2,738,218	2,477,884	3,228,193
Accts. Receivable	3,097,625	2,763,868	2,555,490	3,121,279	2,946,122	281,551	81,965
Inventory	639,747	619,014	918,944	685,321	628,371	597,605	587,902
Net pension assets *	4,852	9,455	26,240				
Bond Discounts	28,916	38,955	48,994	140,900	213,172	570,127	645,535
Prepaid Expenses	-	-	-	-	-	1,024	1,160
Total Current Assets	14,118,772	11,327,265	8,862,469	7,611,927	4,635,418	2,371,266	4,005,245
Property, Plant & Equipment							
Improvements	149,641,175	144,825,655	142,051,451	139,652,500	138,363,645	136,800,086	134,032,864
Less Accum. Depr.	(51,374,588)	(48,644,910)	(45,950,619)	(43,315,092)	(40,719,330)	(38,148,872)	(35,314,692)
Net prop. plant & equip.	98,266,587	96,180,745	96,100,832	96,337,408	97,644,315	98,651,214	98,718,172
Deferred Outflow of Resources							
Deferred outflow related to pensions *	963,310	735,588	246,380				
TOTAL ASSETS	\$ 113,348,669	\$ 108,243,598	\$ 105,209,681	\$ 103,949,335	\$ 102,279,733	\$ 101,022,480	\$ 102,723,417
LIABILITIES & FUND EQUITY							
Current Liabilities:							
Accrued Liabilities	\$ 2,223,882	\$ 1,761,865	\$ 1,737,191	\$ 1,281,315	\$ 1,318,662	\$ 1,667,591	\$ 2,027,052
Net pension liability *	1,664,159	1,405,048	1,029,547				
Deposits payable	422,468	381,205	371,235	404,489	366,747	-	-
Total Current Liabilities	4,310,509	3,548,118	3,137,973	1,685,804	1,685,409	1,667,591	2,027,052
Long-Term Liabilities:							
Bonds Payable	5,695,000	7,971,000	10,129,000	13,505,800	16,705,800	19,387,513	39,507,513
Bond premiums	95,119	116,576	138,033	428,900	940,426	1,561,501	2,060,766
Notes payable	48,800	58,800	68,800	-	-	-	-
Deferred water credit	232,251	-	-	-	-	-	-
Total long-term liabilities	6,071,170	8,146,376	10,335,833	13,934,700	17,646,226	20,949,014	41,568,279
Deferred Inflow of Resources							
Deferred inflow related to pensions*	270,034	196,050	187,001				
TOTAL LIABILITIES	10,651,713	11,890,544	13,660,807	15,620,504	19,331,635	22,616,605	43,595,331
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	19,130,652	1,615,652
Total Contributions	19,408,783	19,408,783	19,408,783	19,408,783	19,408,783	19,408,783	1,893,783
Retained Earnings:							
Reserved for bond retirement	585,395	1,815,176	1,949,168	2,890,362	2,738,218	2,477,884	3,228,193
Unreserved	82,702,778	75,129,095	70,190,923	66,029,686	60,801,097	56,519,208	54,006,110
Total retained earnings	83,288,173	76,944,271	72,140,091	68,920,048	63,539,315	58,997,092	57,234,303
TOTAL FUND EQUITY	102,696,956	96,353,054	91,548,874	88,328,831	82,948,098	78,405,875	59,128,086
TOTAL LIABILITIES & EQUITY	\$ 113,348,669	\$ 108,243,598	\$ 105,209,681	\$ 103,949,335	\$ 102,279,733	\$ 101,022,480	\$ 102,723,417

* 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

	2017	2016	2015	2014	2013	2012	2011
Operating Revenues:							
Charges for services	\$ 21,574,731	\$ 19,036,132	\$ 17,812,897	\$ 17,641,536	\$ 16,447,677	\$ 14,278,685	\$ 13,235,565
Impact fees & Other	1,422,621	1,023,108	1,073,386	1,210,011	1,006,109	793,830	589,265
Total operating revenues	22,997,352	20,059,240	18,886,283	18,851,547	17,453,786	15,072,515	13,824,830
Operating Expenses:							
Water purchased	5,979,683	5,029,845	4,698,464	5,208,121	5,278,321	5,739,150	4,530,742
Salary and Wages	2,777,179	2,555,079	2,380,802	2,332,350	2,372,355	2,392,746	2,133,783
Service vehicle expense	189,946	164,491	202,264	249,043	236,296	210,813	185,811
Equipment rental	38,340	45,041	37,290	39,676	60,845	35,191	38,717
Depreciation	2,822,587	2,741,614	2,656,232	2,595,762	2,570,458	2,834,180	2,976,691
Bad debts	-	-	-	-	-	-	-
Payroll tax & benefits	1,381,808	1,082,851	974,248	1,082,995	1,031,893	996,896	911,802
Office supplies	349,132	291,492	291,016	375,642	323,292	339,037	250,818
Professional services	106,816	166,969	253,878	238,374	348,740	268,883	193,648
R & M - equipment & building	1,264,645	1,338,313	1,262,048	1,256,086	1,072,706	882,999	788,861
Insurance & surety bonds	76,389	80,577	162,108	80,358	137,478	81,059	66,653
Travel	36,775	30,069	38,660	23,160	25,037	29,238	17,318
Miscellaneous	1,524	186	228	87	468	63	598
Subscriptions	45,280	35,365	30,114	28,996	34,388	34,657	15,207
Billing & administration	1,200,000	1,100,000	1,100,000	1,050,000	975,000	975,000	975,000
Total operating expenses	16,270,104	14,661,892	14,087,352	14,560,650	14,467,277	14,819,912	13,085,649
Operating income	6,727,248	5,397,348	4,798,931	4,290,897	2,986,509	252,603	739,181
Non-operating Rev. (Exp.):							
Interest income	109,972	49,301	16,990	4,968	11,226	9,376	12,438
Rent	-	-	-	1,223,250	1,218,500	1,324,688	2,422,091
Miscellaneous	14,458	36,606	27,835	73,963	81,099	34,326	20,767
Gain on bond refunding	-	-	-	-	-	414,872	-
Gain on sale of assets	20,505	(12,972)	-	-	-	-	-
Federal and state grants	34,049	34,162	-	-	-	-	-
Interfund utility services	(970,815)	(921,591)	-	-	-	-	-
Interest charges	(154,965)	(206,406)	26,915	166,820	(45,553)	(1,273,076)	(1,692,704)
Total Non-operating	(946,796)	(1,020,900)	71,740	1,469,001	1,265,272	510,186	762,592
Net Income (loss)	5,780,452	4,376,448	4,870,671	5,759,898	4,251,781	762,789	1,501,773
Transfers (to) from other funds	563,451	427,732	(544,449)	(379,165)	500,000	1,000,000	35,528
GASB 65 Restatement					(209,555)		
GASB 68 Restatement			(1,106,180)				
Retained earnings at July 1	76,944,270	72,140,090	68,920,048	63,539,315	58,997,089	57,234,300	55,696,999
Retained earnings at June 30	\$ 83,288,173	\$ 76,944,270	\$ 72,140,090	\$ 68,920,048	\$ 63,539,315	\$ 58,997,089	\$ 57,234,300

Source: City's Comprehensive Annual Financial Reports

Water Revenue Refunding Bonds, Series 2011 and 2012

WATER TREATMENT

The City had a water treatment facility at Quail Creek reservoir until approximately 2006. At that time, the facility was turned over to the Washington County Water Conservancy District (WCWCD), who now manages and maintains the facility. The City purchases treated water from WCWCD.

WATER STORAGE FACILITIES

The System currently includes the following water storage facilities:

<u>Storage Facility</u>	<u>Type of Facility</u>	<u>Storage Capacity</u>
Country Club Tank	Steel Tank	900,000
Bloomington Area Tank (BAT)	Steel Tank	5,100,000
Bloomington Hills Upper Tank	Steel Tank	2,200,000
Quail Creek WTP #1	Concrete Tank	9,100,000
Quail Creek WTP #2	Steel Tank	8,900,000
Quail Creek WTP #3	Concrete Tank	10,000,000
Southgate Tank	Steel Tank	900,000
Main Street Tank	Steel Tank	1,900,000
Green Tank	Steel Tank	1,600,000
GAP Tank	Steel Tank	1,900,000
Old Concrete Tank	Concrete Tank	1,100,000
Middleton Tank	Steel Tank	2,200,000
Industrial Tank	Hypalon Tank	2,000,000
Snow Canyon Tank 1	Concrete Tank	2,600,000
Snow Canyon Tank 2	Concrete Tank	2,600,000
Gunlock Tank	Steel Tank	3,000,000
T-Bone Mesa Tank	Steel Tank	3,000,000
Stone Cliff Tank	Steel Tank	300,000
Ledges East Tank	Concrete Tank	3,000,000
Airport Tank	Concrete Tank	2,000,000
East Bloomington Tank	Concrete Tank	4,000,000
Stone Cliffs Upper Tank	Concrete Tank	<u>350,000</u>
	Total Storage Capacity	68,650,000

Total approximate storage capacity of all storage facilities: 68,650,000 gallons.

WATER IMPACT FEES – Culinary Water

<u>Meter Size</u>	<u>Impact Fees</u>
3/4" meter	\$1,211.00
1" meter	2,616.00
1 1/2" meter	8,683.00
2" meter	13,975.00
3" meter	31,486.00
4" meter	55,706.00
6" meter	125,944.00

WATER RATES

<u>Gallons</u>	<u>3/4" Meter Monthly Fee</u>	<u>Charge Per Gallon</u>
Under 5,000	\$24.72	Included in monthly fee
5,000-9,999	5.40	1.08
10,000-14,999	6.00	1.20
15,000-19,999	6.50	1.30
20,000-24,999	7.05	1.41
25,000-29,999	7.60	1.52
30,000-34,999	8.15	1.63
35,000-39,999	9.75	1.95
40,000-45,000	12.50	2.50
Over 45,000	-	2.97

<u>Gallons</u>	<u>1" Meter Monthly Fee</u>	<u>Charge Per Gallon</u>
Under 10,000	52.03	Included in monthly fee
10,000-19,999	14.00	1.40
20,000-29,999	15.50	1.55
30,000-39,999	16.60	1.66
40,000-49,999	17.90	1.79
50,000- 59,999	19.20	1.92
60,000-69,999	20.50	2.05
70,000-105,000	24.60	2.46
Over 105,000	-	2.97

<u>Gallons</u>	<u>1 1/2" Meter Monthly Fee</u>	<u>Charge Per Gallon</u>
Under 20,000	\$96.80	Included in monthly fee
20,000-39,999	28.00	1.40
40,000-59,999	31.00	1.55
60,000-79,999	33.20	1.66
80,000-99,999	35.80	1.79
100,000-119,999	38.40	1.92
120,000-139,999	41.00	2.05
140,000-179,999	49.20	2.46
Over 180,000	-	2.97

<u>Gallons</u>	<u>2" Meter Monthly Fee</u>	<u>Charge Per Gallon</u>
Under 40,000	\$186.34	Included in monthly fee
40,000-79,999	56.00	1.40
80,000-119,999	62.00	1.55
120,000-159,999	66.40	1.66
160,000-199,999	71.60	1.79
200,000-239,999	76.80	1.92
240,000-279,999	82.00	2.05
280,000-359,999	98.40	2.46
Over 360,000	-	2.97

<u>Gallons</u>	<u>3" Meter Monthly Fee</u>	<u>Charge Per Gallon</u>
Under 80,000	\$332.15	Included in monthly fee
80,000-129,999	70.00	1.40
130,000-179,999	77.50	1.55
180,000-229,999	83.00	1.66
230,000-299,999	125.30	1.79
300,000-399,999	192.00	1.92
400,000-559,999	328.00	2.05
560,000-719,999	393.60	2.46
Over 720,000	-	2.97

<u>Gallons</u>	<u>4" Meter Monthly Fee</u>	<u>Charge Per Gallon</u>
Under 160,000	\$699.38	Included in monthly fee
160,000-219,999	84.00	1.40
220,000- 299,999	124.00	1.55
300,000-399,999	166.00	1.66
400,000- 579,999	322.20	1.79
580,000-739,999	307.20	1.92
740,000- 1,119,999	779.00	2.05
1,120,000-1,439,999	787.20	2.46
Over 1,440,000	-	2.97

<u>Gallons</u>	<u>6" Meter Monthly Fee</u>	<u>Charge Per Gallon</u>
Under 320,000	\$1,439.90	Included in monthly fee
320,000-399,999	112.00	1.40
400,000-559,999	248.00	1.55
560,000-719,999	265.60	1.66
720,000-1 ,039,999	572.80	1.79
1,040,000-1,539,999	960.00	1.92
1,540,000-2,239,999	1,435.00	2.05
2,240,000-2,919,999	1,672.80	2.46
Over 2,920,000	-	2.97

WATER METERS

<u>Year (as of June)</u>	<u>Water Meters</u>
2013	21,949
2014	24,201
2015	24,622
2016	25,198
2017	26,100

PLANNED CAPITAL IMPROVEMENTS

The City's current capital improvement plan for the System includes improvements to water treatment plants, water pipes, water tanks, wells and pump stations at an estimated total cost of:

<u>Estimated Total Cost</u>	<u>Fiscal Year</u>
\$9,675,000	2018
9,203,900	2019
6,218,998	2020
4,017,298	2021
2,995,398	2022

The City does not currently expect to issue any Additional Bonds pursuant to the General Indenture during the next five years.

CITY OF ST. GEORGE, UT
 Continuing Disclosure - 1997A Washington County/St. George Interlocal Agency
 June 30, 2017

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>
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
2017	758,615

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>
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	17,665,339	7.52%
2017	19,268,824	9.08%

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 2010 General Obligation Parks and Recreation bonds

Historical Summaries of taxable value

See Statistical section of CAFR

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2017

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		\$ 88.92
Over 800 kWh (per kWh)		0.081320		
Commercial Service				
Small General Service	13.55			162.31
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			2,983.94
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	\$ 0.09349	\$ 102.48	\$ 73.74
Small Commercial (includes demand)	0.10757	185.13	139.36
Large Commercial (includes demand)	0.08733	3,156.05	2,637.40

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2017

TABLE III - Summary of Kilowatt Hours and Production Costs

<u>Year</u>	<u>kWh</u>	<u>Cost per kWh</u>
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
2017	720,698,859	0.08558

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	16,476,600	2.5400%
Dixie State University	State University	14,135,100	2.1791%
IHC Dixie Regional Medical Center (300 E Campus)	Hospital	7,685,400	1.1848%
IHC Dixie Regional Medical Center (River Rd Campus)	Hospital	7,498,200	1.1559%
Quality Park Products	Manufacturing	6,279,200	0.9680%
Costco Wholesale	Large box store	5,528,800	0.8523%
Dixie Medical Center (River Rd Campus)	Hospital	4,605,600	0.7100%
Dixie Medical Center (River Rd Campus)	Hospital	4,097,400	0.6317%
Dixie Medical Center (River Rd Campus)	Hospital	3,720,000	0.5735%
Harmon's City Inc	Grocery store	3,595,800	0.5543%
Washington Co Water Conservancy District	Water agency	3,569,120	0.5502%
Lowes Home Improvement	Large box store	2,590,080	0.3993%
Ram Manufacturing Co Inc	Manufacturing	2,458,640	0.3790%
		82,239,940	12.6780%

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2017

TABLE V Historical and Projected Operating Results

	2010	2011	2012	2013	2014 *	2015 **	2016	2017	BUDGETED 2018	2019	2020	2021
Sources of Funds:												
Service Charges/User Fees	\$ 52,140,945	\$ 51,663,285	\$ 54,450,360	\$ 57,489,697	\$ 61,386,968	\$ 61,638,828	\$ 61,163,385	\$ 61,377,703	\$ 63,480,633	\$ 65,330,238	\$ 65,983,540	\$ 66,643,376
Other operating revenues	874,678	1,129,740	50,308	45,534	28,117	16,039	108,475	53,613	50,000	50,000	50,000	50,000
Impact fees	843,653	1,315,694	1,161,102	1,282,873	2,014,057	1,734,012	1,692,126	4,897,962	3,000,000	2,000,000	2,000,000	2,000,000
Total sources of funds	53,859,276	54,108,719	55,661,770	58,818,104	63,429,142	63,388,879	62,963,986	66,329,278	66,530,633	67,380,238	68,033,540	68,693,376
Uses of Funds:												
Electricity purchased	39,785,534	38,833,578	37,491,445	40,599,715	40,704,258	39,634,354	35,957,027	36,582,442	36,193,075	37,007,776	39,637,857	41,457,979
Natural gas purchased	4,074,512	3,499,843	5,126,432	4,127,857	5,728,887	4,886,601	6,137,399	5,530,157	5,466,965	6,114,654	6,297,757	6,534,004
Operating costs	7,831,263	7,960,352	8,294,744	8,077,844	9,526,131	8,973,457	10,938,679	10,477,968	11,883,269	12,043,200	12,645,360	13,277,628
Total O & M Expenses	51,691,309	50,293,773	50,912,621	52,805,416	55,959,276	53,494,412	53,033,105	52,590,567	53,543,309	55,165,630	58,580,974	61,269,611
Net Operating Revenues	2,167,967	3,814,946	4,749,149	6,012,688	7,469,866	9,894,467	9,930,881	13,738,711	12,987,324	12,214,608	9,452,566	7,423,765
Non-operating Revenues (Expenses)												
Interest income	143,515	22,604	17,933	17,816	35,634	45,582	77,438	177,515	80,000	80,000	80,000	80,000
Other income	873,196	308,040	259,919	526,132	133,453	87,101	96,528	442,189	189,000	189,000	189,000	189,000
Total Non-operating	1,016,711	330,644	277,852	543,948	169,087	132,683	173,966	619,704	269,000	269,000	269,000	269,000
Net Revenues for DS payments	3,184,678	4,145,590	5,027,001	6,556,636	7,638,953	10,027,150	10,104,847	14,358,415	13,256,324	12,483,608	9,721,566	7,692,765
Outstanding Bonds:												
Series 2005 Bonds (2)	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	3,091,419
Series 2016B Refunding Bonds								1,259,366	1,257,021	1,259,954	1,256,610	1,262,902
Total debt service payments	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	4,354,321
Projected Debt Service Coverage	2.39	0.89	1.08	1.40	1.65	2.17	2.82	3.16	3.07	2.88	2.24	1.77

(1) In fiscal years 2009 and 2010 interest was capitalized
2,354,199 2,448,625

(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, 2017

TABLE VI Statement of Net Position

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
ASSETS					
Current assets:					
Cash	\$ 18,626,655	\$ 13,534,592	\$ 14,022,841	\$ 11,040,659	\$ 8,037,550
Restricted cash	1,248	-	-	-	-
Accts. receivable (net of allowance for uncollectibles)	7,541,970	7,165,382	6,953,410	7,258,532	8,619,364
Inventory	1,816,071	2,085,935	1,748,388	1,800,424	1,726,901
Net pension assets *	6,479	13,224	37,647	-	-
Bond discounts & insurance **	795,035	1,112,981	882,347	1,707,526	1,103,776
Due from other funds	2,021,806	-	-	-	-
Total current assets	30,809,264	23,912,114	23,644,633	21,807,141	19,487,591
Capital assets					
net of accumulated depreciation	72,154,204	77,115,107	78,979,093	83,850,163	89,082,356
Deferred outflow of resources					
Deferred outflow related to pension *	1,405,827	1,069,741	353,476	-	-
Deferred charge on bond refunding	-	-	715,298	-	-
Total deferred outflows	1,405,827	1,069,741	1,068,774	-	-
TOTAL ASSETS	104,369,295	102,096,962	103,692,500	105,657,304	108,569,947
LIABILITIES					
Current liabilities:					
Accrued liabilities	7,524,726	7,541,641	9,924,778	8,290,282	8,984,007
Net pension liability *	2,403,128	2,023,422	1,477,072	-	-
Deposits payable	1,058,218	1,076,263	1,051,732	1,059,520	1,011,133
Total current liabilities	10,986,072	10,641,326	12,453,582	9,349,802	9,995,140
Long-term liabilities:					
Bonds payable - long term	48,775,000	51,072,000	54,195,000	58,275,000	59,235,000
Bond premiums **	1,894,671	2,042,030	179,978	188,159	559,669
Total long-term liabilities	50,669,671	53,114,030	54,374,978	58,463,159	59,794,669
Deferred inflow related to pensions *	389,872	281,454	268,288	-	-
TOTAL LIABILITIES	62,045,615	64,036,810	67,096,848	67,812,961	69,789,809
NET POSITION					
Invested in capital assets, net of related debt	22,279,567	24,070,933	25,486,462	28,302,702	30,391,463
Restricted	1,248	72	-	-	-
Unrestricted **	20,042,865	13,989,147	11,109,190	9,541,640	8,388,675
TOTAL NET POSITION	\$ 42,323,680	\$ 38,060,152	\$ 36,595,652	\$ 37,844,342	\$ 38,780,138

* GASB 68 implemented in Fiscal Year 2015

** 2016 balances were corrected for 2017 prior period adjustment to discounts and premiums

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2017

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
OPERATING REVENUES:					
Charges for services	\$ 61,377,703	\$ 61,163,385	\$ 61,638,828	\$ 61,386,968	\$ 57,489,697
Other operating revenues & impact fees	4,951,575	1,800,601	1,750,051	2,042,174	1,328,407
Total operating revenues	66,329,278	62,963,986	63,388,879	63,429,142	58,818,104
OPERATING EXPENSES:					
Electricity purchased	36,582,442	35,957,027	39,634,354	40,704,258	40,599,715
Natural gas purchased	5,530,157	6,137,399	4,886,601	5,728,887	4,127,857
Salary and wages	4,421,440	4,146,575	3,849,209	3,393,217	3,291,114
Supplies	563,156	705,421	684,564	985,176	762,296
Service vehicle expense	151,258	170,771	135,028	177,276	169,898
Equipment rental	-	-	-	-	-
Depreciation	6,975,674	6,089,037	6,281,507	6,298,295	6,377,950
Payroll tax & employee benefits	1,959,147	1,530,331	1,303,755	1,363,270	1,259,135
Office & dept. supplies	71,792	61,567	65,289	55,616	67,386
Professional services *	515,313	549,240	319,105	401,565	267,432
R. & M. - equipment	434,249	601,055	505,666	485,760	372,948
R. & M. - buildings and grounds	26,336	20,566	47,824	32,595	25,382
Insurance & surety bonds	184,248	144,402	150,921	161,165	218,745
Travel	77,948	102,566	68,173	56,077	51,229
Miscellaneous	1,376	3,090	2,858	913	555
Interest expense	30,669	30,404	30,444	29,593	28,588
Subscriptions & memberships	80,191	74,494	58,663	82,501	63,136
Billing & administration	1,900,000	1,700,000	1,700,000	1,650,000	1,500,000
Total operating expenses	59,505,396	58,023,945	59,723,961	61,606,164	59,183,366
Operating income (loss)	6,823,882	4,940,041	3,664,918	1,822,978	(365,262)
NON-OPERATING REVENUES (EXPENSES)					
Interest income	177,515	77,438	45,582	35,634	17,816
Federal grants	-	-	5,792	24,039	295,887
Miscellaneous income	381,739	54,139	81,307	109,414	230,245
Gain on sale of assets	44,652	18,210			
Unbilled utility services	(60,844)	(55,072)	(51,956)	(53,854)	-
Interest charges	(2,113,153)	(2,481,578)	(2,618,020)	(2,438,333)	(2,911,508)
Total non-operating revenue (expense)	(1,570,091)	(2,386,863)	(2,537,295)	(2,323,100)	(2,367,560)
Income before transfers	5,253,791	2,553,178	1,127,623	(500,122)	(2,732,822)
Contributions	15,798	24,179	-	-	-
Transfers to/from other funds	(1,006,061)	(1,112,857)	(789,296)	(435,674)	-
Change in Net Position	4,263,528	1,464,500	338,327	(935,796)	(2,732,822)
Restatement of Net position for GASB 62					(310,392)
Restatement of Net position for GASB 68			(1,587,017)		
Total net position - beginning	38,060,152	36,595,652	37,844,342	38,780,139	41,823,353
Total net position - ending	\$ 42,323,680	\$ 38,060,152	\$ 36,595,652	\$ 37,844,343	\$ 38,780,139

* Professional services amount in 2016 was corrected for 2017 prior period adjustment.

CITY OF ST. GEORGE, UT
CONTINUING DISCLOSURE - ELECTRIC REVENUE BONDS
FISCAL YEAR ENDED JUNE 30, 2017

TABLE VIII - ANNUAL OPERATING STATISTICS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Electric Revenues by Classes:</u>					
Residential	\$ 26,582,563	\$ 26,609,556	\$ 25,264,880	\$ 24,693,942	\$ 24,249,721
Commercial and Industrial	30,577,849	30,449,924	29,456,681	28,391,398	27,626,081
Other	1,304,181	1,425,437	1,372,269	1,522,702	1,493,244
Wholesale	823,326	1,073,461	3,382,902	4,044,660	3,284,909
Total Electric Revenues	<u>\$ 59,287,919</u>	<u>\$ 59,558,378</u>	<u>\$ 59,476,732</u>	<u>\$ 58,652,702</u>	<u>\$ 56,653,955</u>
<u>Number of Metered Customers:</u>					
Residential	24,664	24,409	24,113	23,798	23,362
Commercial and Industrial	4,795	4,771	4,746	4,698	4,642
Other	-	-	-	-	-
Total Metered Customers	<u>29,459</u>	<u>29,180</u>	<u>28,859</u>	<u>28,496</u>	<u>28,004</u>
<u>Energy Generated & Purchased:</u>					
System Generated - MW	94,607	127,835	78,164	84,459	76,328
Purchased Power	626,091	605,315	722,094	729,333	733,519
Total Energy Available (MWh)	<u>720,698</u>	<u>733,150</u>	<u>800,258</u>	<u>813,792</u>	<u>809,847</u>
Losses, System Use & Unbilled	(72,019)	(85,151)	(83,818)	(79,197)	(54,469)
Total Energy Generated & Purchased (MWh)	<u>648,679</u>	<u>647,999</u>	<u>716,440</u>	<u>734,595</u>	<u>755,378</u>
<u>Electric Energy Sales:</u>					
Residential	284,328	283,448	267,623	276,867	275,880
Commercial and Industrial	333,950	328,857	318,292	322,811	321,702
Other	16,992	16,111	15,947	17,978	18,060
Wholesale	13,409	19,583	114,578	116,939	139,736
Total Energy Sales (MWh)	<u>648,679</u>	<u>647,999</u>	<u>716,440</u>	<u>734,595</u>	<u>755,378</u>

Management's Discussion of Operations

ENERGY RESOURCES

The City saw a .18% increase in energy sales and a 6% change in peak demand throughout the year (2017 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 2057	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)	2000 KW

NATURAL GAS

- BP Long term gas hedge 20-60% of requirements into 2027.
- 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 2017 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 2017 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.

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, 2017, 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 52.09% of revenues and 52.6% 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 6% 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 2017 resulted in having an operating income of \$6,823,882.

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.