



IVINS CITY, UTAH

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**



IVINS CITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by:

Ivins City Finance Department

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INTRODUCTORY SECTION

Ivins City

55 N. Main Street

Ivins, UT 84738

(435) 628-0606

www.ivins.com

An Equal Opportunity Employer



Mayor Chris Hart
City Council Members:
Ron Densley
George E. Elwell, Jr.
Cheyne McDonald
Lesley Mendenhall
Steven Roberts

City Manager Dale Coulam

December 17, 2015

To the Honorable Mayor, Members of the City Council,
Citizens of Ivins City

It is our great pleasure to present the Comprehensive Annual Financial Report (CAFR) for Ivins City for the year ended June 30, 2015.

Utah State law requires that all local governments publish, within six months of the close of each fiscal year, the 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. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of Ivins City for the fiscal year ended June 30, 2015.

This report consists of management's representations concerning the finances of Ivins City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of Ivins City has established comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of Ivins City's financial statements in conformity with generally accepted accounting principles. Since the cost of internal controls should not outweigh their benefits, Ivins City's framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects. Savage Esplin & Radmall, PC, a firm of certified public accountants, has audited Ivins City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of Ivins City, for the fiscal year ended June 30, 2015 are free from material misstatement. The independent audit involves 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 that based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Ivins City's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

The Comprehensive Annual Financial Report is presented in four sections:

1. **The Introductory Section**, which is unaudited, includes this letter of transmittal and the City's organizational chart.

2. ***The Financial Section***, which includes the Management Discussion and Analysis (MD&A), the basic financial statements, and the independent auditor’s report of 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 Continuing Disclosure Section***, which includes various schedules necessary to meet the continuing disclosure requirements of various bond issues which the City has undertaken.

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 City’s MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Ivins City was settled from 1922 to 1926 by settlers descended from Swiss immigrants.

The early settlers were sent to the “Santa Clara Bench”, as the town was then called, to farm using water brought via a canal from the Santa Clara River. Culinary water was obtained from a spring known as the Snow Canyon Springs, located in Snow Canyon State Park and now known as Johnson Arch Spring. Families supported themselves through the raising of agricultural crops and some grazed cattle on the Pine Valley Mountain and Pinto areas. The first survey of the original town site completed in the 1920’s was called the Santa Clara Bench Survey.

The City was named after Anthony W. Ivins, a prominent leader of the Church of Jesus Christ of Latter-Day Saints, which was the predominate religion practiced by the early settlers. The City slowly grew in population until it was designated a Class 3 City in 1998 by the State of Utah. In 2003, Utah State created new classifications of Cities and Ivins is now classified as a Fifth Class City. Utah State statues detail the functions to be performed by municipalities.

Ivins City is 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 vote. 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 framework established by the City Council. Department heads report to the City Manager and make monthly written and/or verbal reports to the Mayor and City Council.

Ivins City’s departments include Public Safety, Public Works, Building and Zoning, Parks and Recreation and Administration.

- **Public Safety**
 - **Law Enforcement**

The department currently has 12 full-time officers, 4 reserve officers, and a chief. Beginning July 1, 2012 Ivins City law enforcement began covering Santa Clara City under an interlocal agreement.
 - **Fire/Emergency Medical Services**

Ivins City fire department operates as primarily a volunteer department under the direction of a full-time chief.
 - **Emergency Medical Services**

Ivins City provides 24 hour 365 days a year ambulance service under a license from the State of Utah.

- **Animal Control**
Ivins City has 2 full time and 1 part time animal control officers. The City maintains a no kill animal shelter that is aided by the help of many individuals and group volunteers. Most of the food, and much of the medical required by the animal shelter, is donated. The shelter is also aided by two primary non-profit organizations: Friends of Ivins Animal Shelter (FIAS); and Ivins No Kill Animal Supporters (INKAS).
- **Public Works**
 - **Streets**
During this fiscal year the City has undertaken the improvements on 400 East and 200 East, along with completing the widening of Center Street. The planned road maintenance and needed upgrades of streets was completed. The council has also committed to continue providing an adequate maintenance budget going forward.
 - **Water**
Water is purchased by Ivins City from the Washington County Water Conservancy District, St George City and the Snow Canyon Compact. The City is responsible for maintaining the water distribution system inside the City and for billing and collection.
 - **Waste Water**
St George City provides waste water treatment for Ivins City. The City is responsible for maintaining the waste water system inside the City and for billing and collection. Over the past several years Ivins City began a project to control runoff water in the City. In some areas this includes surface drainage, such as curb and gutter, and in other areas includes subsurface pipes.
 - **Garbage**
Garbage service is provided by Republic Services under contract with the Washington County Solid Waste Special Services District. Ivins City is responsible for billing and collection.
 - **Engineering**
A few years ago, the City hired a full-time City Engineer. Since that time, many of our projects and have been designed and overseen by our engineer. The City Engineer is also working on review of all City capital facility plans for future growth and development.
- **Building & Zoning**
 - Responsible for building and zoning. Coordinates with the Planning Commission to oversee orderly growth. During the past fiscal year, 82 new home building permits were issued.
- **Parks & Recreation**
 - Maintains two large parks with several smaller neighborhood parks, City cemetery & landscape buffers. Also provides, directly or through contract, several recreational programs.
- **Administration**
 - **Administration**
The administration department includes all financial, utility and other records related to the operation of the City and provides customer support to the residents. This function also is responsible for utility billing and collections.
 - **Legal/HR**
Ivins City Manager also functions as the City attorney. He is assisted in Human Resources and payroll by full time HR Generalist.
 - **General Government**
General government is the operation of the City Council and general City functions.

Economic Outlook

Ivins City is experiencing residential growth at a sustainable pace with 82 new building permits this fiscal year compared to 90 and 125 in 2014 and 2013 respectively. There is increased interest and activity in the residential area and we believe this will continue to grow.

A Family Dollar Store is complete and open for business. This will bring welcomed sales tax to the City and provide the residents with a local shopping option.

A full service resort and spa, Sentierre, has been proposed for the land just south of the entrance to the Tuacahn Center. This facility will be a destination resort and will provide access to hiking, biking, and equestrian trails. Construction of the project is planned to begin in early 2016.



Rocky Vista University, an osteopathic medical school, has plans to build a second campus in Ivins adjacent to the Southern Utah Veteran's Home. The application for accreditation will be submitted in December 2015 and construction is planned to begin in early 2016.



Tuacahn Center for the Performing Arts has announced that they are fundraising for an addition and upgrade to their facility. The City will be acting as a conduit issuer for the bonds to finance this project.



SunTran bus service, which operates in St. George added a route through Ivins. The route includes stops at Tuacahn Center and the Southern Utah Veteran's Home. This provides residents with inexpensive connectivity to St. George and other parts of the county. This service will run Monday through Saturday with stops every 80 minutes. This service began in January 2015.

The census that was completed in 2010 reduced the estimated population of Ivins to 6,753 from the State estimate of 7,874 due to second homes. This impacted the amount of Sales Tax, Highway Tax, C&D Road Funds and State Liquor Allotments the City received during the current fiscal year. However, we have seen an increase in sales activity to the point that our revenues have rebounded to the level they were before the adjustment in population and we anticipate that this trend will continue.

Under Utah State law, without a Truth in Taxation hearing we cannot raise property taxes. We have not raised property taxes since our last Truth in Taxation hearing in 2005. We do anticipate, however, approximately 3% increase in property tax revenue over the next fiscal year due to new construction.

Long-Term Planning

Utah State law requires that a City must maintain a General Fund balance of at least 5% and may not exceed 25% of budgeted revenue. Currently Ivins City's General Fund balance is 17.7% of budgeted revenues. The fund balance has grown significantly in recent years due to foregoing some expenditures during the slower revenue years.

Ivins City has created Capital Facility Plans for each of the functional areas of the government. Those plans are constantly being reviewed in light of changes in revenues and funding sources. Currently, each of the plans is being updated and the completed plans will be made available for public comment and input before final action is taken by the council. As these plans are completed, impact fees will be established to generate revenues required for construction of infrastructure attributed to new growth.

Last year in the City completed reconstruction of roads requiring major repairs. Last fiscal year, Center Street was also widened to four lanes on the east end of the City, which completed that major corridor all the way into the center of the City, using mostly state approved funds.

The City owns sixteen acres along the Snow Canyon Parkway for another City park. The timing of this park will depend on growth in the area. The City has also been working with the Washington County Water Conservancy District to make improvements to the Ivins Reservoir for recreational uses. The council continues to investigate options, for additional recreation activities in the area.

Beginning July 1, 2012 the law enforcement departments of Ivins and Santa Clara were combined saving approximately \$200,000 annually to the City. The two Cities have also entered in to an agreement to share Justice Court facilities and services.

Financial Policies and Procedures

The following serves only as a general overview of established policies and procedures governing daily operation at Ivins City and affecting the outcome of these financial statements.

Balanced Budget

- Pursuant to §10-6-109, Utah Code Annotated, Ivins City will adopt a balanced General Fund budget by June 22.

Long-Range Planning

- Ivins City supports a financial planning process that assesses the long-term financial implications of current and proposed operating and capital budgets, budget policies, cash management and investment policies, programs and assumptions.

Asset Inventory

- Each department manager is responsible to take all reasonable measures available to prolong and assess the condition of major capital assets in their department on an annual basis.
- Methods of doing so may include such things as the procurement of insurance, regular testing of water and sewer systems, street and sidewalk replacement plans, procurement of secondary and tertiary water systems, etc.
- Ivins City Treasurer, under the direction of the City Manager, is responsible for the diversification of investments.

Revenue Policies

- Ivins City is dependent on a variety of revenue sources to cover expenditures. The burden of supporting City non-enterprise services will be equitably distributed and will protect the City from short-term fluctuations in any one revenue source.
- The City maintains timely collection systems and implements necessary enforcement strategies to collect revenues from available sources.
- The City actively supports economic development, recruitment, and retention efforts to provide for a solid revenue base.
- The City conservatively and accurately forecasts, such that actual revenues meet or exceed budgeted revenues.
- The City maintains a budgetary control system and prepares reports that compare actual revenues to budgeted amounts throughout the year.
- Fees and charges are based on the estimated cost of providing the associated service. Costs associated with the service include the use of human and capital resources and the depreciation of assets. The fee schedule is evaluated annually to extrapolate future trends.
- Ivins City is committed to minimizing the portion of operating expenditures that are funded by one-time growth revenues. To support this policy, the City analyzes current and historical operating trends annually.

Expenditure Policies

- Ivins City maintains a policy of full disclosure on financial reports and bond prospectus.
- The City pays all capital projects on a pay-as-you-go basis using current revenues when possible and practical. If a project or improvement cannot be financed with current revenue, debt will be considered.

- The City refrains from issuing debt for a period in excess of the expected useful life of the capital project.
- The City uses Special Assessment revenue or other self-supporting bonds instead of general obligation bonds, when feasible.
- The City will seek the refinancing of outstanding debt if it is determined that the City will benefit by reducing interest expense over the remaining life of the debt.
- The City will comply with State Law which limits total bond obligation to 12 percent of prior year's total assessed value for tax purposes of real and personal property, as determined by the most recent tax assessment.
- Ivins City will maintain a minimum unrestricted general fund balance of at least 5 percent (not to exceed 25 percent) of current year operating revenues. If existing reserves exceed the required level, such funds may be used to balance the budget or meet needs that may arise during the year.
- The City will use the funds from the reserve only in times of emergency or fiscal and economic hardship.
- Fund balance in excess of 5 percent may only be transferred to another fund with City Council approval of a budget amendment.

Investment and Cash Management Policy

- All unused cash is invested in a PTIF account or other approved financial institution. By so doing, the issues of safety, liquidity, and yield are addressed.
- Interest earned from investments of available cash is distributed to budgetary funds according to ownership of the investments and are reflected in the annual budget and financial statements.
- The City deposits all receipts according to the requirements of State law.
- Investments made by the City are in conformity with all requirements of the State of Utah Money Management Act and City Ordinance.

Financial Reporting Policy

- Ivins City's accounting system will maintain records in accordance with accounting standards and principles outlined in the Government Accounting Standards Board (GASB), Financial Accounting Standards Board (FASB) and the State of Utah.
- Financial reports are printed monthly and distributed to the City Manager and Department Heads. Financial reports are reviewed by the City Council at least quarterly.
- The City employs an independent accounting firm to perform an annual audit of the City's finances, and make the annual audit available to all required and interested parties. The audit shall be completed and submitted to the State of Utah within 180 days of the close of the fiscal year.
- Copies of the annual budget and financial statements are available at the City offices or on the City's website, www.ivins.com.
- The City will seek annually to qualify for the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting award.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Ivins City, Utah for its Comprehensive Annual Financial Report for the fiscal year ending June 30, 2014. This is the fifth consecutive year that the City has received the award. In order to be awarded the Certificate of Achievement the government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. The report satisfies both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certification.

We appreciate all who contributed in any way toward the presentation of this comprehensive annual financial report with a special thanks to David Whitehead, Washington County Treasurer and Kim Hafen, Washington County Clerk. Their assistance has enabled us to bring together the data necessary to complete the report. The presentation of this report would not have been possible without the efficient and dedicated service of the entire staff.

Most importantly, we express our sincere thanks and appreciation to Mayor Chris Hart, members of the City Council for the many hours they spend in helping to run the City organization and to maintain the quality of life enjoyed by the citizens of this great City and for their commitment to supporting excellence in our financial reporting.

Sincerely,



Wally Ritchie
Director of Finance



Dale Coulam
City Manager



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

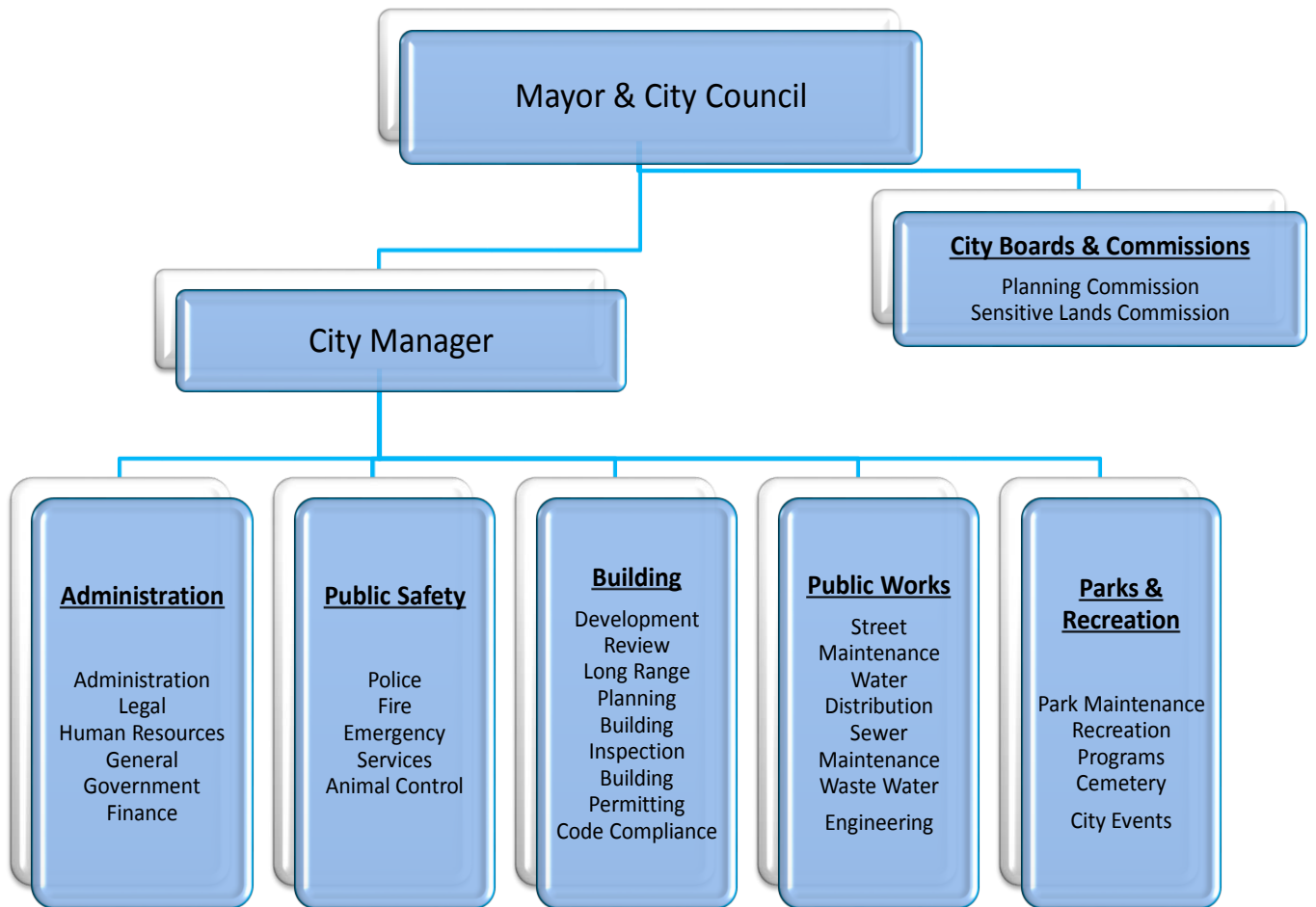
Presented to

**City of Ivins City
Utah**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



Officials of Ivins City, Utah

Mayor

Chris Hart

City Council

**George E. Ewell Jr.
Cheyne McDonald
Steve Roberts
Ron Densley
Lesley Mendenhall**

City Manager

Dale Coulam

City Attorney

Dale Coulam

City Recorder

Kari Jimenez

City Treasurer

Debbie Bannon

City Engineer

Chuck Gillette

Director of Finance

Wally Ritchie

Director of Public Safety

Robert Flowers

Public Works Director

Dave Glenn

Parks & Recreation Director

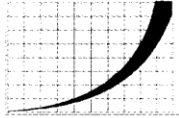
Benny Sorensen

Building & Zoning Administrator

Kevin Rudd



FINANCIAL SECTION



SAVAGE ESPLIN & RADMALL, PC

▪ *Certified Public Accountants* ▪

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Council
Ivins City, 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 Ivins City, Utah, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Ivins City, Utah, as of June 30, 2015, and the respective changes in financial position, and, where applicable cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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www.sercpas.com

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 18-24 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 inquires 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 Ivins City's financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedules of revenues, expenditures and changes in fund balance – budget and actual and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules of revenues, expenditures and changes in fund balance – budget and actual, 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 and the schedules of revenues, expenditures and changes in fund balance – budget and actual are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provided any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 15, 2015 on our consideration of Ivins City'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 Ivins City's internal control over financial reporting and compliance.



SAVAGE ESPLIN & RADMALL, PC

December 15, 2015

FYE 2015 MANAGEMENT'S DISCUSSION AND ANALYSIS

Prepared by Dale Coulam, City Manager and Wally Ritchie, Director of Finance

This narrative overview and analysis of the financial activities of Ivins City is presented for readers of Ivins City's financial statements for the fiscal year ended June 30, 2015. This section is intended to be read in conjunction with the City's financial statements, which follow this section.

Financial Highlights/Executive Summary

- The assets of Ivins City exceeded its liabilities at the close of fiscal year 2015 by \$37,209,790 (net position). Of this amount, \$3,028,520 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors (refer to table entitled IVINS CITY'S NET POSITION).
- As of the close of the 2015 fiscal year, Ivins City's governmental funds reported combined ending fund balances of \$2,555,314 with approximately 38% of this total amount, \$977,934 in the General Fund.
- At the end of the current fiscal year, the fund balance for the general fund was \$977,934, or 17.7% of total budgeted general fund expenditures. The maximum amount of general fund balance that may be maintained under Utah Statute being 25%.
- At the end of the current fiscal year, Ivins City's general fund expenditures exceeded general fund revenues including transfers by \$161,026. Decreasing fund balance from \$1,138,960 to \$977,934. This is primarily due to a transfer to the Capital Projects Fund of \$147,429 to correct a prior year deficit.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to Ivins City's basic financial statements. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the City's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the City government, reporting the City's operations in more *detail* than the government-wide statements:
 - The *government funds* statements tell how *general* government services like public safety, administration, building inspection, etc. were financed in the short term as well as what remains for future spending.
 - *Proprietary fund* statements offer short and long-term financial information about the activities the government operates *like businesses*. Ivins City, utilizing three proprietary funds, manages three business activities: water, sewer, and storm drain.
 - *Fiduciary fund* statements provide information about funds held in trust for the benefit of individuals. Ivins City utilizes a fiduciary fund for the maintenance of the cemetery. These funds are not reflected in the government-wide financial statements because the resources of this fund are not available to support the City's own programs.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

Government-wide Statements. The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net

position includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's *net position* and how they have changed. Net position (the difference between the City's assets and liabilities) is one way to measure the city's financial health, or *position*.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City, consideration should be given to additional non-financial factors, such as changes in the City's property tax base and the condition of the City's roads and other infrastructure.

The government-wide financial statements of the city are divided into two categories:

- *Governmental activities*-Most of the City's basic services are included here, such as public safety, public works, parks and general administration. Property taxes, sales taxes, franchise fees and state and federal grants finance most of these activities.
- *Business-type activities*-The City charges fees to customers to help it cover the costs of services it provides. The City's water, sewer, and storm drain activities are included here.

Fund Financial Statements. The fund financial statements provide more detailed information about the City's most significant *funds* - not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding (revenues) and spending (expenditures) for particular purposes.

- Some funds are required by State law and by bond covenants.
- The City Council establishes other funds to control and manage money for particular purposes (like the City's special impact fee funds used to track collection and expenditure of certain impact fees).

The City has two kinds of funds:

- *Governmental funds*-Most of the City's basic services are included in governmental funds, which focus on (1) how *cash* and *other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at the year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary funds*-Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the City's *enterprise funds* are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Ivins City, assets exceed liabilities by \$37,209,790 at the close of fiscal year 2015, an increase of \$1,833,485 from the close of fiscal year 2014.

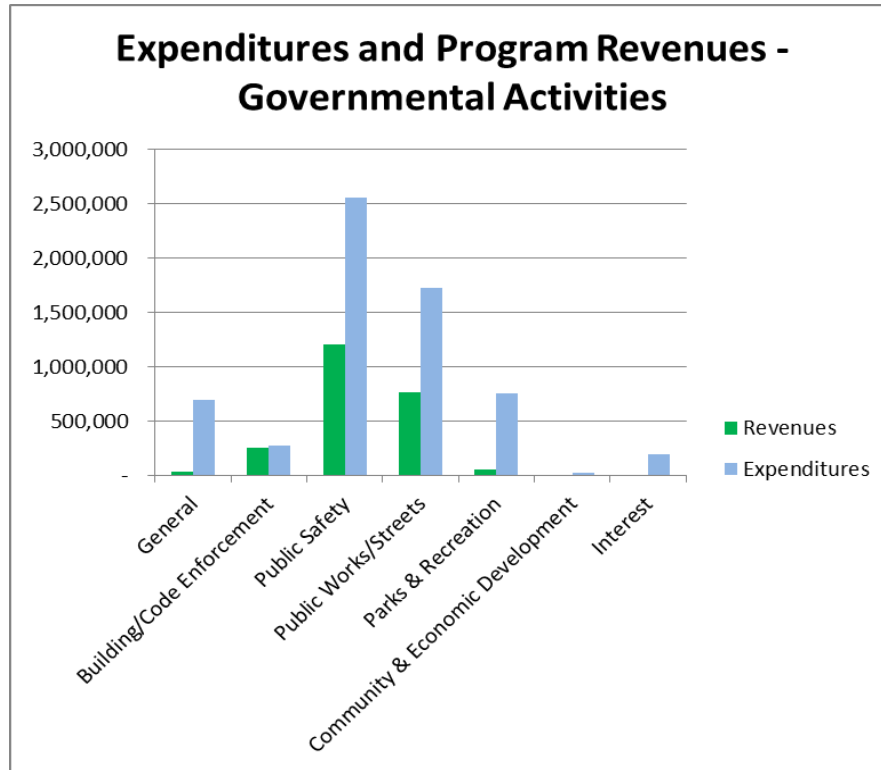
By far the largest portion of Ivins City's net position (81%) reflects its investment in capital assets (e.g. land, buildings, equipment, etc.) less any related debt used to acquire those assets that is still outstanding. Ivins City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Ivins City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Ivins City Net Position					
	Governmental Activities		Business-Type Activities		Total	
	6/30/2014	6/30/2015	6/30/2014	6/30/2015	6/30/2014	6/30/2015
Current & Other Assets	\$ 4,044,474	\$ 4,692,831	\$ 5,918,723	\$ 6,249,696	\$ 9,963,197	\$ 10,942,527
Capital Assets	22,048,138	22,294,508	16,514,109	17,025,580	38,562,247	39,320,088
Total Assets	26,092,612	26,987,340	22,432,832	23,275,276	48,525,444	50,262,616
Deferred Outflows of Resources		203,557		57,077		
Long-Term Liabilities Outstanding	6,858,482	6,439,119	3,227,268	3,079,673	10,085,750	9,518,792
Deferred Revenue	719,615	609,801			719,615	609,801
Other Liabilities	650,010	1,068,184	483,767	646,473	1,133,777	1,714,658
Total Liabilities	8,228,107	8,117,105	3,711,035	3,726,146	11,939,142	11,843,252
Deferred Inflows of Resources		1,425,558		44,652	-	1,470,210
Net Position					-	-
Net Investment in Capital Assets	15,330,960	16,022,387	13,370,965	14,030,935	28,701,925	30,053,322
Restricted Net Position	1,569,547	1,647,232	2,480,714	2,480,714	4,050,261	4,127,946
Unrestricted Net Position	17,388	(21,386)	2,606,729	3,049,906	2,624,117	3,028,520
Total Net Position, Restated	\$ 16,917,895	\$ 17,648,234	\$ 18,458,408	\$ 19,561,555	\$ 35,376,303	\$ 37,209,790

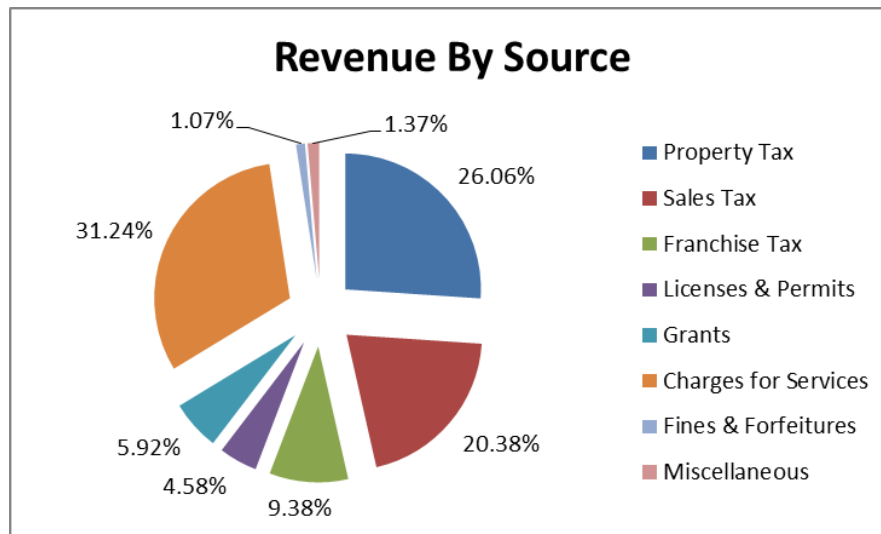
	Ivins City Change in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	6/30/2014	6/30/2015	6/30/2014	6/30/2015	6/30/2014	6/30/2015
Program Revenues						
Charges for Services	\$ 2,253,171	\$ 2,302,920	\$ 3,004,148	\$ 3,033,046	\$ 5,257,319	\$ 5,335,966
Operating Grants and Contributions			-		-	-
Capital Grants & Contributions	1,421,813	1,590,492	1,808,868	1,206,639	3,230,681	2,797,131
General Revenues					-	-
Property Tax	1,344,618	1,370,169			1,344,618	1,370,169
Other Taxes	1,475,476	1,564,457			1,475,476	1,564,457
Other	60,021	95,165	14,529	16,199	74,550	111,364
Total Revenue	6,555,099	6,923,204	4,827,545	4,255,883	11,382,644	11,179,088
Expenses						
General Government	447,032	692,614			447,032	692,614
Building/Code Enforcement	146,954	276,823				
Public Safety	2,558,918	2,558,756			2,558,918	2,558,756
Public Works/Streets	1,783,208	1,693,933			1,783,208	1,693,933
Parks and Recreation	612,313	755,842			612,313	755,842
Community Devel.	141,481	18,858			141,481	18,858
Interest on Long-Term Debt	205,870	196,039			205,870	196,039
Water			1,994,970	1,903,505	1,994,970	1,903,505
Waste Water			1,204,801	1,249,232	1,204,801	1,249,232
Total Expenses	5,895,776	6,192,866	3,199,771	3,152,736	8,948,593	9,068,780
Increase in Net Position Before Transfers	659,323	730,338	1,627,774	1,103,147	2,287,097	1,833,485
Transfers	-	-	-	-	-	-
GASB 68 Prior Year Adj	(946,610)		(263,388)		(1,209,998)	-
Increase (Decrease) in Net Position	(287,287)	730,338	1,364,386	1,103,147	1,077,099	1,833,485
Net Position, Beginning	17,205,182	16,917,895	17,094,022	18,458,408	34,299,204	35,376,303
Net Position, Ending Restated	\$ 16,917,895	\$ 17,648,233	\$ 18,458,408	\$ 19,561,555	\$ 35,376,303	\$ 37,209,788

Governmental activities. Governmental activities increased Ivins City’s net position by \$730,338. The GASB 68 pension reporting requirements resulted in a restatement of the beginning net position. The overall expenditures of the governmental activities increased by 1.6% compared to fiscal year 2014. The increase in governmental activities expenditures is largely due an increase in benefit costs.

The following graph shows the relationship of program revenues and the associated expenditures.

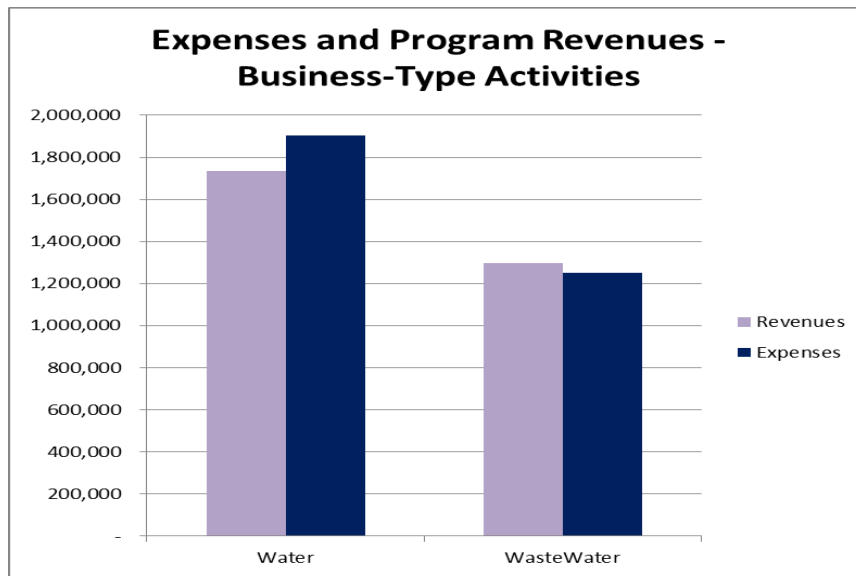


The following graph shows the source of the general fund revenues detailed in the financial statements.



At the end of the current fiscal year, Ivins City is able to report positive balances in all three categories of net position, for the government as a whole, as well as for its separate government and business-type activities.

Business-type activities. Business-type activities increased Ivins City’s net position by \$1,103,147. The utility rates are set at a rate to recover costs and provide for future repairs and maintenance. Both of the City’s utility funds maintain adequate fund balances. During 2013, the Sewer and Storm Drain funds were combined to create the Waste Water Fund.



Financial Analysis of the Government’s Funds

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

Government funds. The focus of Ivins City’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Ivins City’s financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Ivins City’s governmental funds reported a combined ending fund balance of \$2,555,314, a decrease of \$83,341 in comparison with the prior year. The City used impact fee funds to complete street and park projects during 2015. A portion of unrestricted general fund balance was used to correct a deficit of \$154,894 in the capital projects fund.

The general fund is the chief operating fund of Ivins City. At the end of the 2015 fiscal year, the fund balance of the general fund was \$977,934. As a measure of the general fund’s liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. The fund balance represents 17.7% of total budgeted general fund expenditures.

Other governmental funds (including special impact fee funds for Streets, Parks and Recreation, Public Safety) have a total fund balance of \$1,577,380 all of which is reserved for the procurement of impact fee and debt service related items.

Proprietary funds. Ivins City’s proprietary funds provides the detail for the information found in the government-wide financial statements as it is already on the accrual basis the adjustments that are made in the governmental funds do not need to be made to these funds.

Unrestricted net position for Water and Waste Water utilities at the end of the year totaled \$3,049,906.

General Fund Budgetary Highlights

FYE 2016 budget reflected an improving economy with growth related revenue continuing to be steady.

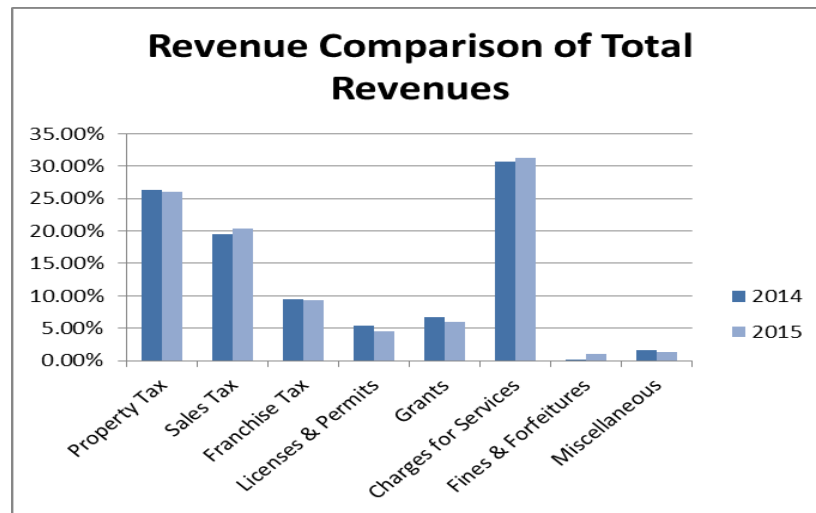
Adjusted revenues include the following:

Property Tax increase	\$15,964
Sales Tax increase	\$13,997
RAP Tax increase	\$55,000

The following significant expenditures are anticipated:

Highway 91 improvements	\$250,000
Fire Station expansion	\$205,489
Desert Rose Park	\$200,000
Ivins Reservoir	\$171,500

The following graph shows changes in revenue between 2014 and 2015 as a percent of total revenue.



During the year general fund expenditures exceeded revenues by \$57,888 before other financing sources and uses; and expenditures exceeded revenues \$161,026 after other financing sources and uses.

Capital Asset and Debt Administration

Capital assets. Ivins City's investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounts to \$39,320,088 (net of accumulated depreciation). This investment in capital assets includes water stock, land, buildings, improvements, infrastructure (roads, water lines, and sewer lines), autos and trucks, machinery and equipment, office and work in progress. More detail on capital assets can be found in the Note 5 Capital Assets on pages 46-47 of the financial statements.

	Ivins City Net Capital Assets					
	Governmental Activities		Business-Type Activities		Total	
	6/30/2014	6/30/2015	6/30/2014	6/30/2015	6/30/2014	6/30/2015
Construction in Progress	\$ 170,964	\$ 181,925	\$ -	\$ -	\$ 170,964	\$ 181,925
Land, Easements, Water Rights	1,838,898	1,838,898	1,446,937	1,446,937	3,285,835	3,285,835
Buildings	1,175,536	1,132,765	124,929	119,018	1,300,465	1,251,784
Improvements	484,065	589,641			484,065	589,641
Automobiles & Trucks	115,781	277,284	37,081	49,222	152,862	326,505
Machinery & Equipment	201,700	200,686	44,926	52,498	246,626	253,183
Parks	2,806,676	2,700,648			2,806,676	2,700,648
Infrastructure	15,254,519	15,372,662	14,860,236	15,357,905	30,114,755	30,730,567
Increase in Net Assets	\$ 22,048,138	\$ 22,294,509	\$ 16,514,109	\$ 17,025,580	\$ 38,562,247	\$ 39,320,088

FYE 2015 major programs and projects include:

- Storm Drain improvements
- 400 East street improvements
- 200 East street improvements
- Street maintenance program and work plan
- Tuacahn Detention Basin
- Ivins Reservoir improvements

Long-term debt. At year-end the City had \$9,377,880 in bonds and notes outstanding—a decrease of 6% over the last year—as shown in the table entitled *IVINS CITY'S LONG TERM DEBT*. More detailed information about the City's long-term liabilities is presented in Note 6 Long-Term Debt on pages 48-50 and Note 7 Capital Leases on page 51 of the financial statements.

	Ivins City Long Term Debt					
	Governmental Activities		Business-Type Activities		Total	
	6/30/2014	6/30/2015	6/30/2014	6/30/2015	6/30/2014	6/30/2015
Capital Leases	159,599	122,937	30,121	29,943	189,720	152,880
Revenue Bonds	6,620,000	6,205,000	3,175,000	3,020,000	9,795,000	9,225,000
	\$ 6,779,599	\$ 6,327,937	\$ 3,205,121	\$ 3,049,943	\$ 9,984,720	\$ 9,377,880

Economic Factors and Next Year's Budgets and Rates

- Property taxes have not been increased since 2005, however, with the dropping real estate values, rates have increased to maintain the equivalent amount of property tax revenue adjusted for growth.
- Population growth, as measured by building permit issuance, is estimated to be 3% for FYE 2016.
- The City is anticipating a number of storm water projects during the upcoming year as well as the potential of constructing the remainder of 400 E in conjunction with the development of Rocky vista University.

In the coming years, the City will also be required to fund several state and federal unfunded mandates that include:

- Storm Water Management Plan (SWMP): The Environmental Protection Agency (EPA) promulgated storm water regulations referred to as the National Pollution Discharge Elimination System (NPDES). This will require the City to develop a SWMP and implement a storm water utility fee to fund the SWMP.
- Arsenic Mandate: The EPA requires Cities to meet newly adopted arsenic mandates of 10 parts per million. The City will work with water providers to meet these requirements.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of Ivins City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Dale Coulam, Ivins City Manager, 55 North Main, Ivins City, Utah, 84738 or via e-mail dcoulam@ivins.com.



BASIC FINANCIAL STATEMENTS

IVINS CITY, UTAH
STATEMENT OF NET POSITION
June 30, 2015

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
Assets			
Cash & Cash Equivalents	\$ 2,558,487	\$ 2,472,876	\$ 5,031,363
Receivables (net of allowance)	864,212	322,260	1,186,472
Property Taxes Receivable	1,266,315		1,266,315
Prepays	-	-	-
Deferred Charges	55,816	25,568	81,384
Restricted Assets:			
Cash & Cash Equivalents	279,814	3,073,893	3,353,706
Net Pension Asset	18,187	5,100	23,287
Due From Other Governmental Units	(350,000)	350,000	-
Capital Assets (net of Accumulated Depreciation)			
Construction in Progress	181,925	-	181,925
Land & Water Rights	1,838,898	1,446,939	3,285,837
Buildings	1,132,765	119,018	1,251,784
Improvements	589,641		589,641
Distribution/Collection System		15,357,904	15,357,904
Machinery and Equipment	200,686	52,498	253,183
Autos and Trucks	277,283	49,222	326,505
Parks	2,700,648		2,700,648
Infrastructure	15,372,662		15,372,662
Total Assets	26,987,340	23,275,277	50,262,617
Deferred Outflows of Resources	203,557	57,077	260,634
Liabilities			
Accounts Payable and Other Current Liabilities	187,398	387,450	574,848
Interest Payable	24,500	18,922	43,422
Deferred Revenue	609,801		609,801
Noncurrent Liabilities:			
Due Within One Year	478,869	184,943	663,812
Due in More than One Year	5,960,251	2,894,730	8,854,981
Net Pension Liability	856,286	240,102	1,096,388
Total Liabilities	8,117,105	3,726,146	11,843,252
Deferred Inflows of Resources	1,425,558	44,652	1,470,210
Net Position			
Net Investment in Capital Assets	16,022,387	14,030,935	30,053,322
Restricted for:			
Debt Service	174,719	299,894	474,612
Capital Outlay	1,472,513	2,180,820	3,653,334
Unrestricted	(21,386)	3,049,906	3,028,520
Total Net Position	\$ 17,648,234	\$ 19,561,555	\$ 37,209,790

The accompanying notes are an integral part of the financial statements.

IVINS CITY, UTAH
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

Functions/Programs	Program Revenues				Net (Expense) Revenue and Change in Net Assets		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities					-		
General Government	\$ 692,614	\$ 36,356		\$ 210,074	\$ (446,184)		\$ (446,184)
Building/Code Enforcement	276,823	253,411			(23,412)		(23,412)
Public Safety	2,558,756	1,202,747		40,145	(1,315,865)		(1,315,865)
Public Works/Streets	1,693,933	762,155		946,779	15,001		15,001
Parks and Recreation	755,842	48,252		393,494	(314,096)		(314,096)
Community Development	18,858				(18,858)		(18,858)
Interest on Long-Term Debt	196,039				(196,039)		(196,039)
Total Governmental Activities	6,192,866	2,302,920	-	1,590,492	(2,299,454)	\$ -	(2,299,454)
Business-Type Activities							
Water	1,903,505	1,734,879		575,454		406,828	406,828
Waste Water	1,249,232	1,298,166		631,185		680,120	680,120
Total Business-Type Activities	3,152,736	3,033,046	-	1,206,639	-	1,086,948	1,086,948
Total Primary Government	\$ 9,345,603	\$ 5,335,966	\$ -	\$ 2,797,131	\$ (2,299,454)	\$ 1,086,948	\$ (1,212,506)
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					1,370,169		1,370,169
Sales and Use Taxes					1,071,462		1,071,462
Franchise Taxes					492,995		492,995
Unrestricted Investment Earnings					50,874	16,199	67,073
Lease Proceeds					21,095		21,095
Gain on the Sale of Assets					23,196		23,196
Transfers					-	-	-
Total General Revenues & Transfers					3,029,792	16,199	3,045,991
Changes in Net Assets					730,338	1,103,147	1,833,485
Net Position-Beginning, Restated					16,917,895	18,458,408	35,376,303
Net Position-Ending					\$ 17,648,233	\$ 19,561,555	\$ 37,209,788

The accompanying notes are an integral part of the financial statements.

IVINS CITY, UTAH
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	<u>Capital Projects</u>				General Capital Projects	Other Governmental Funds	Total Governmental Funds
	General Fund	Debt Service	Street Impact	Park Impact			
Assets:							
Cash & Cash Equivalents	\$ 867,611	\$ 74,755	\$ 367,863	\$ 847,239	\$ 401,019		\$ 2,558,487
Receivables	227,869	636,343	-	-			864,212
Property Taxes Receivable	1,266,315						1,266,315
Prepays	-						-
Restricted Cash	-	-			-	209,962	209,962
Total Assets	<u>\$ 2,361,795</u>	<u>\$ 711,098</u>	<u>\$ 367,863</u>	<u>\$ 847,239</u>	<u>\$ 401,019</u>	<u>\$ 209,962</u>	<u>\$ 4,898,976</u>
Liabilities and Fund Balances							
Liabilities:							
Accounts Payable	99,019	-	-	-	-		99,019
Accrued Liabilities	14,057						14,057
Customer Deposits	4,470						4,470
Deferred Revenue		609,801					609,801
LT Payable to the Water Fund				-	350,000		350,000
Total Liabilities	<u>117,546</u>	<u>609,801</u>	<u>-</u>	<u>-</u>	<u>350,000</u>	<u>-</u>	<u>1,077,347</u>
Deferred Inflows of Resources							
Deferred Revenue - Property Taxes	1,266,315						1,266,315
Fund Balances:							
Unspendable	-						-
Restricted for:							
Debt Service	-	101,297				3,570	104,866
Capital Improvements	-		367,863	847,239	51,019	206,392	1,472,513
Unassigned	977,934					0	977,934
Total Fund Balances	<u>977,934</u>	<u>101,297</u>	<u>367,863</u>	<u>847,239</u>	<u>51,019</u>	<u>209,962</u>	<u>2,555,314</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,361,795</u>	<u>\$ 711,098</u>	<u>\$ 367,863</u>	<u>\$ 847,239</u>	<u>\$ 401,019</u>	<u>\$ 209,962</u>	<u>\$ 4,898,976</u>

Amounts Reported for Governmental Activities in the Statement of Net Position are different because:

Capital Assets used in Governmental Activities are not financial resources and, therefore are not reported in the funds.	\$ 22,294,508
Accrued Interest Payable is not reported in the funds	(24,500)
Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net amount of these differences in the treatment of long-term debt and related items.	55,816
The Net Pension Asset, Net Pension Liability, Deferred Outflows Pertaining to Pensions, and Deferred Inflows Pertaining to Pensions are not reported in the funds. The net amount of these differences for pensions and related items.	(793,785)
Some Liabilities, including Bond Payable and Capital Leases, are not due and payable in the current period and therefore are not reported in the funds.	(6,439,119)
Net Position in Governmental Activities	<u>\$ 17,648,234</u>

The accompanying notes are an integral part of the financial statements.

IVINS CITY, UTAH
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

	<u>Capital Projects</u>					<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Debt Service</u>	<u>Street Impact</u>	<u>Park Impact</u>	<u>Capital Projects</u>		
Revenues:							
Property Taxes	\$ 1,370,169						\$ 1,370,169
Sales & Use Taxes	1,071,462						1,071,462
Franchise Taxes	492,995						492,995
Licenses & Permits	240,603						240,603
Intergovernmental Revenue	311,435						311,435
Charges for Services	1,642,228						1,642,228
Fines & Forfeitures	56,000						56,000
Historic Township SAA Assessment		105,799					105,799
Impact Fee Revenue			275,517	393,494		40,145	709,156
Grant Revenue					180,074	-	180,074
Interest Earnings	19,593	21,182	4,471	2,857	1,481	1,290	50,874
Miscellaneous Revenue	52,422	232			30,000		82,654
Total Revenues	<u>5,256,908</u>	<u>127,213</u>	<u>279,987</u>	<u>396,352</u>	<u>211,556</u>	<u>41,434</u>	<u>6,313,450</u>
Expenditures:							
Current:							
General Government	678,900	-			467	-	679,367
Building/Code Enforcement	297,757						297,757
Public Safety	2,598,300						2,598,300
Public Works/Streets	997,898						997,898
Parks, Recreation and Public Property	661,260						661,260
Community and Economic Development	14,521					-	14,521
Capital Outlay	6,314				511,375	-	517,689
Debt Service							
Principal	59,846	328,000				87,000	474,846
Interest		140,744				56,700	197,444
Cost of Issuance					2,000		2,000
Total Expenditures	<u>5,314,796</u>	<u>468,744</u>	<u>-</u>	<u>-</u>	<u>513,842</u>	<u>143,700</u>	<u>6,439,082</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(57,888)	(341,531)	279,987	396,352	(302,286)	(102,266)	(127,632)
Other Financing Sources (Uses)							
Bond Proceeds	21,095						21,095
Transfers In	-	196,350			508,200	143,700	848,250
Transfers Out	(147,429)		(486,021)	(214,800)	-	-	(848,250)
Sale of Assets	23,196						23,196
Total Other Financing Sources and Uses	<u>(103,138)</u>	<u>196,350</u>	<u>(486,021)</u>	<u>(214,800)</u>	<u>508,200</u>	<u>143,700</u>	<u>44,291</u>
Net Change in Fund Balance	(161,026)	(145,181)	(206,034)	181,552	205,913	41,434	(83,341)
Fund Balances, Beginning of the Year	1,138,960	246,478	573,896	665,688	(154,894)	168,527	2,638,655
Fund Balances, End of the Year	<u>\$ 977,934</u>	<u>\$ 101,297</u>	<u>\$ 367,863</u>	<u>\$ 847,239</u>	<u>\$ 51,019</u>	<u>\$ 209,962</u>	<u>\$ 2,555,314</u>

The accompanying notes are an integral part of the financial statements.

IVINS CITY, UTAH
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

Amounts Reported for Governmental Activities in the Statement of Activities are Different because:

Net Changes in Fund Balances-Total Governmental Fund	\$ (83,341)
Governmental Funds report Capital Outlays as Expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(290,402)
Governmental Funds do not report contributions of capital assets as revenue, unless the assets will be held for sale. However, in the Statement of Activities, the donation of Capital Assets is reported as revenue.	565,463
Repayment of Principal on Long-Term Debt is an Expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position	473,057
The issuance of long-term debt (e.g. bonds, leases provide current financial resources to governmental funds, however it has no effect on net assets. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net amount of these differences in the treatment of long-term debt and related items.	(49,093)
The Statement of Activities shows pension benefits and expenses from the adoption of GASB 68 that are not shown on the fund statements.	145,547
Increase of Accrued Compensated Absences decreases expenses in the Statement of Activities, but is not an expenditure in the Governmental Funds.	(32,298)
Accrued Interest for Long-Term Debt is not reported as an expenditure for the current period in the Governmental Funds, but is recorded in the Statement of Activities.	1,405
Change in Net Position of Governmental Activities	<u><u>\$ 730,338</u></u>

The accompanying notes are an integral part of the financial statements.

IVINS CITY, UTAH
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
General Property Tax	\$ 1,411,000	\$ 1,386,767	\$ 1,352,260	\$ (34,507)
Prior Year Delinquent Taxes	16,500	16,763	17,909	1,146
General Sales & Use Taxes	1,096,000	1,058,909	1,071,462	12,553
Franchise Taxes	574,000	509,043	492,995	(16,048)
Total Taxes	<u>3,097,500</u>	<u>2,971,482</u>	<u>2,934,626</u>	<u>(36,856)</u>
Licenses & Permits				
Business License & Permits	7,531	6,925	6,975	50
Non-Business License & Permits	342,207	272,052	233,628	(38,424)
Total Licenses & Permits	<u>349,738</u>	<u>278,977</u>	<u>240,603</u>	<u>(38,374)</u>
Intergovernmental Revenues:				
Federal & State Grants	10,000	29,099	17,118	(11,981)
Class "C" Roads	255,000	289,143	285,050	(4,093)
State Liquor Allotment	6,221	6,256	6,256	-
Wildland Fire Reimbursement	-	3,011	3,012	1
Total Intergovernmental Revenues	<u>271,221</u>	<u>327,509</u>	<u>311,435</u>	<u>(16,074)</u>
Charges for Services:				
Public Safety	1,200,015	1,178,300	1,085,871	(92,429)
Building & Zoning	26,800	20,830	21,087	
Parks & Recreation	33,850	43,137	48,252	5,115
Public Works	465,000	475,458	477,105	1,647
Other	12,300	13,086	9,913	(3,173)
Total Charges for Services	<u>1,737,965</u>	<u>1,730,811</u>	<u>1,642,228</u>	<u>(88,841)</u>
Fines and Forfeitures				
Court Fines and Forfeitures	20,000	54,798	56,000	1,202
Total Fines and Forfeitures	<u>20,000</u>	<u>54,798</u>	<u>56,000</u>	<u>1,202</u>
Miscellaneous				
Investment Earnings	16,777	17,688	19,593	1,905
Contributions	22,500	36,479	38,185	1,706
Other	16,900	12,643	14,236	1,593
Total Miscellaneous	<u>56,177</u>	<u>66,810</u>	<u>72,015</u>	<u>5,205</u>
Total Revenues	<u>5,532,601</u>	<u>5,430,387</u>	<u>5,256,908</u>	<u>(173,479)</u>

The accompanying notes are an integral part of the financial statements.

IVINS CITY, UTAH
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
General Government				
Administration	469,550	327,179	306,994	20,185
General Government	299,225	289,774	275,594	14,180
Legal/Human Resources	142,900	96,347	96,312	35
Total General Government	<u>911,675</u>	<u>713,300</u>	<u>678,900</u>	<u>34,400</u>
Public Safety				
Law Enforcement	1,936,359	1,920,175	1,884,393	35,782
Emergency Medical Service	320,500	376,094	368,327	7,767
Fire	255,500	187,958	170,288	17,670
Animal Shelter	208,050	200,856	199,973	883
Total Public Safety	<u>2,720,409</u>	<u>2,685,083</u>	<u>2,622,981</u>	<u>62,102</u>
Building Inspection/Code Enforcement	172,350	298,853	297,757	1,096
Public Works/Streets				
Sanitation	413,850	438,339	432,630	5,709
Streets	675,800	663,315	606,748	56,567
Total Public Works/Streets	<u>1,089,650</u>	<u>1,101,654</u>	<u>1,039,378</u>	<u>62,276</u>
Parks, Recreation and Public Property				
Recreation	281,550	210,796	206,058	4,738
Parks	325,450	391,080	366,352	24,728
Cemetery	89,350	107,686	88,850	18,836
Total Parks, Recreation and Public Property	<u>696,350</u>	<u>709,562</u>	<u>661,260</u>	<u>48,302</u>
Community and Economic Development	<u>150,000</u>	<u>15,476</u>	<u>14,521</u>	<u>955</u>
Total Expenditures	<u>5,740,434</u>	<u>5,523,928</u>	<u>5,314,796</u>	<u>209,132</u>
Excess (Deficiency) of Revenues Over (Under)	<u>(207,833)</u>	<u>(93,541)</u>	<u>(57,888)</u>	<u>35,653</u>
Other Financing Sources (Uses)				
Transfers In	276,880	22,800	-	(22,800)
Transfers Out	(70,048)	(206,212)	(147,429)	58,783
Lease Proceeds	-	21,095	21,095	-
Sale of Assets	-	23,196	23,196	(0)
Total Other Financing Sources and Uses	<u>206,832</u>	<u>(139,121)</u>	<u>(103,138)</u>	<u>35,983</u>
Net Change in Fund Balances	(1,001)	(232,662)	(161,026)	71,636
Fund Balances, Beginning of Year	<u>1,138,960</u>	<u>1,138,960</u>	<u>1,138,960</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 1,137,959</u>	<u>\$ 906,298</u>	<u>\$ 977,934</u>	<u>\$ 71,636</u>

The accompanying notes are an integral part of the financial statements.

IVINS CITY, UTAH
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2015

	<u>Water</u>	<u>Waste Water</u>	<u>Total</u>
Assets			
Current Assets:			
Cash & Cash Equivalents	\$ 1,225,109	\$ 1,247,767	\$ 2,472,876
Receivables (net of allowance)	186,191	136,069	322,260
Prepays	-		-
Due From Other Governmental Units	350,000		350,000
Total Current Assets	<u>1,761,300</u>	<u>1,383,835</u>	<u>3,145,136</u>
Noncurrent Assets:			
Restricted Cash	2,512,829	561,063	3,073,893
Deferred Charges		25,568	25,568
Net Pension Asset	3,285	1,815	5,100
Capital Assets:			
Construction in Progress			-
Land & Water Rights	1,434,177	12,760	1,446,937
Buildings	163,665	68,502	232,167
Distribution/Collection System	10,924,167	14,900,010	25,824,177
Machinery and Equipment	201,942	83,395	285,337
Autos and Trucks	115,649	289,319	404,968
Less: Accumulated Depreciation	(6,368,115)	(4,799,891)	(11,168,006)
Total Capital Assets (Net of Accumulated Depreciation)	<u>6,471,485</u>	<u>10,554,095</u>	<u>17,025,580</u>
Total Noncurrent Assets	<u>8,987,599</u>	<u>11,142,541</u>	<u>20,130,140</u>
Total Assets	<u>10,748,900</u>	<u>12,526,376</u>	<u>23,275,276</u>
Deferred Outflows of Resources	<u>36,762</u>	<u>20,315</u>	<u>57,077</u>
Liabilities			
Current Liabilities:			
Accounts Payable	130,441	47,547	177,988
Customer Deposits Payable	115,550		115,550
Accrued Liabilities	93,912	-	93,912
Accrued Interest		18,922	18,922
Current Portion of Compensated Absences	-		-
Current Portion of Lease Payable	8,890	21,053	29,943
Current Portion of Bonds Payable		155,000	155,000
Total Current Liabilities	<u>348,792</u>	<u>242,522</u>	<u>591,314</u>
Noncurrent Liabilities:			
Compensated Absences Payable	19,267	10,463	29,730
Lease Payable			-
Bonds Payable	-	2,865,000	2,865,000
Net Pension Liability	154,645	85,457	240,102
Total Noncurrent Liabilities	<u>173,913</u>	<u>2,960,919</u>	<u>3,134,832</u>
Total Liabilities	<u>522,705</u>	<u>3,203,441</u>	<u>3,726,146</u>
Deferred Inflows of Resources	<u>28,982</u>	<u>15,669</u>	<u>44,652</u>
Net Position			
Net Investment in Capital Assets	6,462,596	7,538,609	14,001,205
Restricted for:			
Debt Service	-	299,894	299,894
Capital Outlay	2,080,737	100,083	2,180,820
Unrestricted	1,690,642	1,388,994	3,079,636
Total Net Position	<u>10,233,975</u>	<u>9,327,580</u>	<u>19,561,555</u>

The accompanying notes are an integral part of the financial statements.

IVINS CITY, UTAH
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITIONS
PROPRIETARY FUNDS
For the year ended June 30, 2015

	<u>Water Fund</u>	<u>Waste Water Fund</u>	<u>Total Current Year</u>
Operating Revenues:			
Charges for Services	\$ 1,658,895	\$ 1,255,666	\$ 2,914,561
Penalties	26,545		26,545
Miscellaneous	11,377	500	11,877
Total Operating Revenues	<u>1,696,817</u>	<u>1,256,166</u>	<u>2,952,983</u>
Operating Expenses:			
Water Purchases	583,623		583,623
Sewer Treatment		260,760	260,760
Salaries and Wages	399,742	221,750	621,492
Employee Benefits	197,989	108,139	306,127
Operating Supplies and Materials	121,212	31,442	152,654
Professional and Technical Services	58,907	26,480	85,387
Conferences and Travel	10,964	4,880	15,844
Insurance	16,520	9,872	26,392
Miscellaneous	15,015	9,722	24,738
Utilities	15,638	8,439	24,078
Repairs and Maintenance	44,058	63,681	107,739
Depreciation	465,452	368,253	833,705
Total Operating Expenses	<u>1,929,120</u>	<u>1,113,418</u>	<u>3,042,538</u>
Operating Income (Loss)	<u>(232,303)</u>	<u>142,748</u>	<u>(89,555)</u>
Nonoperating Revenues (Expenses)			
Interest Income	12,486	3,713	16,199
Impact Fees	117,894	120,981	238,875
Connection Fees	38,063	42,000	80,063
Interest Expense	(670)	(136,077)	(136,748)
GASB 68 Pension Expense	(40,591)	(22,430)	(63,021)
GASB 68 Benefit Expense	66,877	22,694	89,571
Total Nonoperating Revenues (Expenses)	<u>194,058</u>	<u>30,881</u>	<u>224,939</u>
Income Before Contributions and Transfers	<u>(38,246)</u>	<u>173,629</u>	<u>135,383</u>
Contributions	457,560	413,929	871,489
Grants		96,275	96,275
Transfers In			-
Transfers Out	-	-	-
Change in Net Positions	419,314	683,833	1,103,147
Total Net Position, Beginning of Year, restated	<u>9,814,661</u>	<u>8,643,748</u>	<u>18,458,408</u>
Total Net Position, End of Year	<u>\$ 10,233,975</u>	<u>\$ 9,327,580</u>	<u>\$ 19,561,555</u>

The accompanying notes are an integral part of the financial statements.

IVINS CITY, UTAH
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended June 30, 2015

	<u>Water Fund</u>	<u>Waste Water Fund</u>	<u>Total Current Year</u>
Cash Flows from Operating Activities			
Cash received from customers, service fees	\$ 1,683,608	\$ 1,254,430	\$ 2,938,038
Cash received from customers, capacity fees and other	37,922	500	38,422
Cash Paid to Suppliers	(960,612)	(398,359)	(1,358,971)
Cash Paid to Employees	(592,890)	(327,147)	(920,037)
Net Cash Flows from Operating Activities	<u>168,028</u>	<u>529,424</u>	<u>697,452</u>
Cash Flows from Noncapital Financing Activities			
Transfers (to) from other funds	-	-	-
Net Cash Flows from Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities			
Principal payments on long-term debt	-	(155,000)	(155,000)
Capital Grants	473,356	579,434	1,052,790
Capital Lease Proceeds	13,724	(13,901)	(178)
Interest paid	(670)	(136,077)	(136,748)
Purchase of assets	(668,338)	(691,100)	(1,359,438)
Impact fees and connection fees	155,957	162,981	318,938
Net Cash from Capital and Related Financing Activities	<u>(25,972)</u>	<u>(253,663)</u>	<u>(279,635)</u>
Cash Flows from Investing Activities			
Inter-Fund Loan to Park Impact Fees Fund	100,000		100,000
Interest on investments	12,486	3,713	16,199
Net Cash Flow from Investing Activities	<u>112,486</u>	<u>3,713</u>	<u>116,199</u>
Net Change in Cash and Cash Equivalents	254,541	279,474	534,016
Cash and Cash Equivalents, Beginning of the Year (including \$2,480,714 of Restricted Cash)	<u>3,483,397</u>	<u>1,529,355</u>	<u>5,012,753</u>
Cash and Cash Equivalents, End of the Year (including \$3,073,892 of Restricted Cash)	<u>\$ 3,737,939</u>	<u>\$ 1,808,830</u>	<u>\$ 5,546,768</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:			
Net Operating Income (Loss)	(232,303)	142,748	(89,555)
Adjustments to reconcile net operating income (loss) to net cash flows from operating activities			
Depreciation/Amortization	465,452	382,515	847,966
Changes in operating assets and liabilities:			
(Increase) Decrease in Receivables	25,663	(1,236)	24,427
Increase (Decrease) in Interest Payable	-		-
Increase (Decrease) in Accrued Liabilities	(94,674)	2,656	(92,019)
Increase (Decrease) in Customer Deposits	(950)		(950)
Increase (Decrease) in Compensated Absences	4,841	2,742	7,583
Net Cash Flows from Operating Activities	<u>\$ 168,028</u>	<u>\$ 529,424</u>	<u>\$ 697,452</u>

The accompanying notes are an integral part of the financial statements.

**IVINS CITY, UTAH
STATEMENT OF NET ASSETS
AGENCY FUNDS
For the Year Ended June 30, 2015**

	Developer Cash Bonds		
	June 30, 2014	Change	June 30, 2015
Assets:			
Cash and Cash Equivalents	\$ 511,647	\$ 33,741	\$ 545,388
Total Assets	<u>511,647</u>	<u>33,741</u>	<u>545,388</u>
Liabilities:			
Due to Developers	511,647	33,741	545,388
Total Liabilities	<u>\$ 511,647</u>	<u>\$ 33,741</u>	<u>\$ 545,388</u>

The accompanying notes are an integral part of the financial statements.

NOTE 1. Summary of Significant Accounting Policies

General

Ivins City (the “City”) is organized as a Six Member Council form of government with a City Manager by ordinance. Ivins is located in the western part of Washington County, Utah.

The financial statements of Ivins City, Utah have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government’s accounting policies are described below.

Reporting Entity

A reporting entity consists of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards, and agencies that are not legally separate from the City. For Ivins City, this includes various services including police protection, recreation (including parks), planning and zoning, street maintenance and repair, sanitation, water distribution, sewer collection, storm drain collection, and general administrative services. The City Council controls the operation of each of these activities through the budgetary process. In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is whether or not the City exercises significant influence over the potential component unit. Significant influence or accountability is based primarily on operational or financial relationships with the City. The entire governing board of the Municipal Building Authority (MBA) is comprised of the Mayor and the Ivins City Council and all revenues are derived from the City therefore the Municipal Building Authority fund is shown in the financial statements as a blended component unit. The Municipal Building Authority does not prepare a separately issued financial statement. All revenues of the MBA are derived from Ivins City.

Government-Wide and Fund 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 primary government. For the most part, the effect of the inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function

NOTE 1. Summary of Significant Accounting Policies, Continued

or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Financial resources used to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than as an expenditure. Proceeds from long-term debt are recorded as a liability in the government-wide financial statements, rather than as an Other Financing Source. Amounts paid to reduce long-term debt of the City are reported as a reduction of a related liability, rather than as expenditures in the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

Debt Service Fund maintains funds to pay governmental long term debt; it also collects and remits funds to maintain the Historic Township Special Assessment Area.

NOTE 1. Summary of Significant Accounting Policies, Continued

Park Impact Fee Fund is a capital projects fund used to collect impact fees to pay for recreation projects required by new growth.

The Capital Projects Fund is used for major capital projects and large capital purchases for the general government.

The City reports the following major proprietary funds:

The Water Fund is used to account for the activities of the City's water production, treatment, and distribution operation.

The Waste Water Fund accounts for the activities of the City's sewer and storm drain systems; which provides services to residential and commercial users within the City.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 the enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise 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 non-operating revenues and expenses.

When both restricted and unrestricted assets are available for use, it is the City's policy to use restricted assets first, then unrestricted assets as they are needed. The City does reserve the right to be selective in the use of such restricted assets that best fit the City's needs.

Deposits and Investments

Cash and cash equivalents include cash on hand, demand deposits with banks and other financial institutions, deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts and short-term investments with original maturities of three months or less from the date of acquisition. The City's policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the state treasurer's pool, and other investments as allowed by the State of Utah's Money Management Act. All investments are carried at fair value with unrealized gains and losses recorded as adjustments to interest earnings. Fair market values are based on quoted market prices.

Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "due to" or "due from other funds." In the Water, Sewer, and Storm Drain funds, the City records utility revenues billed to customers when meters are read on a monthly basis. Unbilled service accounts receivable at June 30, 2015 were estimated based upon July billings and are included in the operating revenues and accounts receivable at year end. Due to the nature of the accounts receivable in the governmental and business-type activities of the City, management does not consider an allowance for uncollectible accounts receivable necessary or material. Therefore, no allowance for uncollectible accounts receivable is presented.

NOTE 1. Summary of Significant Accounting Policies, Continued

Inventories and prepaid items

The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. Inventories of the business-type activities are valued at the lower of FIFO cost or market. Market is considered as replacement cost. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets

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

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

Buildings and improvements	30-40 years
Machinery & equipment	5-10 years
Autos & trucks	5-7 years
Infrastructure	20-40 years
Parks	15-40 years

Compensated Absences

For governmental funds, amounts of vested or accumulated vacation 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 and comp time in the proprietary funds are recorded as an expense and a liability of that fund as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements. Accumulated unpaid vacation pay and comp time are accrued based upon the City's expected legal obligation as of the statement date. In accordance with Generally Accepted Accounting Principles, no liability or expense/expenditure is recorded for non-vesting accumulating rights to receive sick pay benefits.

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,

NOTE 1. Summary of Significant Accounting Policies, Continued

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

Estimates

Generally accepted accounting principles require management to make estimates and assumptions that affect assets and liabilities, contingent assets and liabilities, and revenues and expenditures. Actual results could differ from those estimates.

Encumbrances

Encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation is not employed by the City.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted sources are used before unrestricted sources to fund budget appropriations.

Contributions of Capital

Contributions of capital in the proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

Agency Fund

When real estate developers propose developments within the City of Ivins a development agreement is created which details improvements that must be made, including roads, water, sewer, waste water and other improvements specific to the project. To protect the City's interest a bond is required to insure the improvements are completed. These bonds are either surety bond or cash bonds. Cash bonds are held by the City until such the City Engineer confirms that improvements have been completed. When improvements are complete cash bonds are returned to the developer. The cash received on these cash bonds are held and accounted for in an Agency Fund.

NOTE 1. Summary of Significant Accounting Policies, Continued

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 at fair value.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period, and is, therefore, deferred until that time. A deferred loss on refunding results from the difference in carrying value of the refunded debt and reacquisition price.

Deferred inflows of resources represent an acquisition of net position that applies to a future period, and is, therefore, deferred until that time. Governmental funds report unavailable revenue from property taxes and special assessments as deferred inflows of resources until such time they can be recognized as revenue in the period that they become available.

NOTE 2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position:

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

Bonds Payable	\$ 6,205,000
Capital Leases	\$ 122,937
Compensated Absences Payable	<u>111,182</u>
Net adjustment to reduce fund balance-total governmental funds	<u>\$ 6,439,119</u>

NOTE 2. Reconciliation of Government-Wide and Fund Financial Statements, Continued

Explanation of differences between governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures, and changes in fund balance includes 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. The first element of this reconciliation states that capital outlays are reported in the governmental funds as expenditures while the government-wide statement of activities allocates these costs over the useful lives of the assets as depreciation. While shown in the reconciliation as the net difference, the elements of this difference are as follows:

Capital Outlay	\$ 1,186,404
Less:	
Subdividers Contributions	(565,463)
Other Contributions	
Construction in Progress Beginning of the Year	-
Disposition of Fixed Assets	-
Depreciation Expense	<u>(940,034)</u>
Net adjustment to increase net changes in fund balance-total governmental funds to arrive at changes in net assets of governmental funds	<u>\$ (319,093)</u>

NOTE 3. Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

Annual budgets are reported and adopted by the City Council on or before June 22 for the fiscal year commencing the following July 1 in accordance with State Law. The operating budget includes proposed expenditures and the proposed sources of financing for such expenditures. Prior to June 22, a public hearing is conducted to obtain taxpayer input. Budgets are adopted and control of budget appropriations is exercised, under State Law, at the department level. Budget amendments are required to increase expenditure budgets and are adopted, in a public hearing, before the end of the fiscal year. The budget was amended during the current fiscal year.

The General Fund budget is prepared using the modified accrual basis of accounting. Budgets for the proprietary fund types are prepared using the accrual basis of accounting.

Taxes

Property taxes are collected by the Washington County Treasurer and remitted to the City in monthly installments. Taxes are levied each October on the taxable value listed as of the prior January 1 for all real property located in the City. Taxable values are established by the County Assessor at 55 percent of the fair market value on primary residential property and 100 percent of the fair market value on non-primary

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 3. Stewardship, Compliance, and Accountability, Continued

residential property. A revaluation of all property is required to be completed no less than every five years. Taxes are due and payable on November 1 and delinquent after November 30 of each year, at which time they become liens if not paid.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly. An accrual has been made for all taxes received by the State for the period ending June 30th and thus due and payable to the City.

Franchise taxes are charged to various utility companies doing business within the City including telephone, cable television, gas utility, and electric utility companies. The fees are generally remitted on a monthly or quarterly basis. Again, an accrual has been made for all fees due and payable to the City as of June 30th.

NOTE 4. Deposits and Investments

Deposits and investments of the City at June 30, 2015 consist of the following:

Deposits:	
Cash on Hand	\$ 1,320
Cash in Banks	441,717
Investments:	
State Treasurer's Investments	8,475,137
	<u>\$ 8,918,174</u>

A reconciliation of cash and investments as shown on the statement of net position is as follows:

Cash & Cash Equivalents (net of negative cash balances)	\$ 4,961,511
Cash & Cash Equivalents-Agency Fund	545,388
Restricted Cash & Cash Equivalents	3,353,706
	<u>\$ 8,860,606</u>

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The City follows the requirements of the Utah Money Management Act (*Utah Code*, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of City funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

NOTE 4. Deposits and Investments, Continued

Deposits

Custodial Credit Risk

For deposits this is the risk that in the event of a bank failure, the government’s deposit may not be returned to it. The City does not have a formal policy for custodial credit risk. As of June 30, 2015, none of the cities money was exposed to custodial credit risk because it was uninsured and uncollateralized.

Investments

The Money Management Act defines the types of securities authorized as appropriate investment for the City and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as “first tier” by two nationally recognized statistical rating organizations, one of which must be Moody’s Investor Services or Standard & Poor’s, bankers’ acceptances; obligations of the United States Treasury including bills, notes, and bonds; bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; and the Utah State Public Treasurer’s Investment Fund.

The Utah State Treasurer’s Office operates the Public Treasurer’s Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer. The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act.

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. Financial statements for the PTIF funds can be obtained by contacting the Utah State Treasurer’s office. 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, 2015 the City had the following investments and maturities:

Investment Type	Fair Value	Investments Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
Utah Public Treasurers' Investment Fund	\$ 8,475,137	\$ 8,475,137	\$ -	\$ -	\$ -
Total Fair Value	\$ 8,475,137	\$ 8,475,137	\$ -	\$ -	\$ -

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 4. Deposits and Investments, Continued

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act.

At June 30, 2015 the City had the following investments and quality ratings:

	Fair Value	Quality Rating			
		AAA	AA	A	Unrated
Investment Type					
Utah Public Treasurers' Investment Fund	\$ 8,475,137	\$ -	\$ -	\$ -	\$ 8,475,137
Total Fair Value	<u>\$ 8,475,137</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,475,137</u>

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 5. Capital Assets

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

Governmental Activities:	Balance 6-30-2014	Additions	Deletions	Balance 6-30-2015
Capital Assets, not being Depreciated				
Land	\$ 1,838,898			1,838,898
Construction in Progress	170,964	10,962		181,925
Total Capital Assets, not being Depreciated	2,009,862	10,962	-	2,020,823
Capital Assets, being Depreciated				
Buildings	1,724,248			1,724,248
Improvements	612,124	135,096		747,220
Autos & Trucks	1,272,059	204,442	69,753	1,406,748
Machinery & Equipment	479,367	6,775		486,142
Office Equipment	90,627	30,904		121,532
Parks	3,725,988	5,045		3,731,033
Infrastructure	20,251,334	793,180		21,044,514
Total Capital Assets, being Depreciated	28,155,747	1,175,443	69,753	29,261,437
Less Accumulated Depreciation				
Buildings	(548,713)	(42,770)		(591,483)
Improvements	(128,058)	(29,521)		(157,579)
Autos & Trucks	(1,156,277)	(42,940)	69,753	(1,129,464)
Machinery & Equipment	(299,746)	(32,766)		(332,512)
Office Equipment	(68,548)	(5,928)		(74,476)
Parks	(919,313)	(111,072)		(1,030,385)
Infrastructure	(4,996,815)	(675,037)		(5,671,852)
Total Accumulated Depreciation	(8,117,470)	(940,034)	69,753	(8,987,751)
Total Capital Assets, being Depreciated, net	20,038,277	235,408	139,506	20,273,686
Governmental Activities Capital Assets, net	\$ 22,048,138	\$ 246,370	\$ 139,506	\$ 22,294,509

Depreciation Expense was charged to the Functions/Programs of the City as follows:

Governmental Activities	
General Government	\$ 24,145
Public Safety	60,672
Public Works	735,646
Parks	119,570
Total Depreciation Expense-Governmental Activities	\$ 940,034

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 5. Capital Assets, Continued

Business Type Assets	Balance 6-30-2014	Additions	Deletions	Balance 6-30-2015
Capital Assets, not being Depreciated				
Land	\$ 1,446,937			\$ 1,446,937
Construction in Progress	-			-
Total Capital Assets, not being Depreciated	1,446,937	-	-	1,446,937
Capital Assets, being Depreciated				
Buildings	232,167			232,167
Machinery & Equipment	265,022	20,315		285,337
Autos & Trucks	411,636	23,109	29,777	404,968
Distribution System	24,522,425	1,301,752		25,824,177
Total Capital Assets, being Depreciated	25,431,250	1,345,176	29,777	26,746,649
Less Accumulated Depreciation				
Buildings	(107,238)	(5,911)		(113,149)
Machinery & Equipment	(220,097)	(12,743)		(232,840)
Autos & Trucks	(374,555)	(10,968)	29,777	(355,746)
Distribution System	(9,662,189)	(804,083)		(10,466,272)
Total Accumulated Depreciation	(10,364,079)	(833,705)	29,777	(11,168,006)
Total Capital Assets, being Depreciated, net	15,067,172	511,471	-	15,578,643
Business Type Activities Capital Assets, net	\$ 16,514,109	\$ 511,471	\$ -	\$ 17,025,580
Depreciation Expense was charged to the Functions/Programs of the City as follows:				
Water		\$ 465,452		
Waste Water		368,253		
Total Depreciation Expense-Business-Type Activities		\$ 833,705		

NOTE 6. Deferred Property Taxes

In conjunction with the implementation of GASB pronouncement 33 “Accounting and Financial Reporting for Non-exchange Transactions” the City has accrued a property tax receivable and a deferred property tax revenue of \$1,266,315.

Property taxes recorded in the governmental funds are recorded using the modified accrual basis of accounting, wherein revenues are recognized when they are both measureable and available (expected to be received within 60 days). Property taxes attach as an enforceable lien on property as of the first day of January. Taxes are levied on January 1 and then due and payable at

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 6. Deferred Property Taxes, Continued

November 30. Since the property tax levied on January 1, 2015 was not expected to be received within 60 days after year ended June 30, 2015, the City was required to record a receivable and deferred revenue of the estimated amount of the total property tax levied on January 1, 2015.

NOTE 7. Long-Term Debt

The following is a summary of changes in long-term obligations for the year ended June 30, 2015:

Governmental Activities:	Balance 6-30-2014	Additions	Retirements	Balance 6-30-2015	Current Portion
MBA Lease Revenue Bonds	1,890,000		87,000	1,803,000	87,000
Sales Tax Revenue Bond	3,100,000		135,000	2,965,000	135,000
Excise Tax Revenue Bond	1,630,000	-	193,000	1,437,000	193,000
Capital Leases	159,599	21,395	58,057	122,937	13,869
Compensated Absences	84,692	180,706	154,216	111,182	50,000
Total Governmental Activities	\$ 6,864,291	\$ 202,101	\$ 627,273	\$ 6,439,119	\$ 478,869
Business-Type Activities	Balance 6-30-2014	Additions	Retirements	Balance 6-30-2015	Current Portion
Bonds Payable					
Storm Drain Revenue Bond	\$ 3,175,000	\$ -	\$ 155,000	\$ 3,020,000	\$ 155,000
Total Bonds	3,175,000	-	155,000	3,020,000	155,000
Other Long-Term Liabilities					
Capital Leases Payable	30,121	23,642	23,820	29,943	18,804
Compensated Absences	22,147	50,306	42,723	29,730	15,000
Total Business-Type Activities	3,227,268	73,948	221,543	3,079,673	188,804
Total Long-Term Liabilities	\$ 10,091,559	\$ 276,049	\$ 848,816	\$ 9,518,793	\$ 667,673

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 7. Long-Term Debt, Continued

Long-term debt for the primary government at June 30, 2015 is comprised of the following issues:

Revenue Bonds:

Governmental Activities:

MBA Lease Revenue Bonds, Series 2005, due in annual principal installments ranging from \$71,000 to \$139,000, bearing interest annually at 3.00% maturing April 1, 2031. Original Debt was \$2,500,000. \$ 1,803,000

Sales Tax Revenue bonds, Series 2010, due in annual principal installments ranging from \$125,000 to \$235,000, bearing interest semi-annually at an average interest rate of 3.25% maturing October 1, 2027. 43% of this bond will be repaid through a Special Assessment Area. Original Debt was \$3,500,000. 2,965,000

Excise Tax Revenue bonds, Series 2012, due in annual principal installments ranging from \$96,000 to \$116,000, bearing interest quarterly at an average interest rate of 2.5% maturing January 18, 2022. Original Debt was \$2,047,000. 1,437,000

Total Governmental Activities \$ 6,205,000

Business-Type Activities

Storm Water Revenue Bonds, Series 2007, due in annual principal installments ranging from \$120,000 to \$565,000, bearing interest semi-annually at 4.375% maturing April 1, 2028. Original Debt was \$3,970,000. 3,020,000

Total Business-Type Activities \$ 3,020,000

Leases Payable:

Governmental Activities

Toyota Tacoma Lease Payable in bi-annual installments through March 2017, at interest of 1.20%. 21,395

Ford Explorer Lease Payable in monthly installments through May 2016, at interest of 3.11%. 13,017

Street Sweeper Lease Payable in monthly installments through October 2017, at interest of 3.00% 88,525

Business-Type Activities

Ford Escape Lease Payable in bi-annual installments through December 2016 at interest of 1.08%. 17,779

Service Truck Lease Payable in monthly installments through May 2016, at interest of 3.11%. 12,164

Accrued Compensated Absences 140,912

Total Long-Term Debt 9,518,792

Less: Current Portions:

Governmental Activities (478,869)

Business-Type Activities (188,804)

Net Long-Term Debt \$ 8,851,119

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 7. Long-Term Debt, Continued

The annual requirements to amortize bonds payable at June 30, 2015 are as follows:

Revenue Bonds

Year Ending	Governmental Revenue Bonds		Storm Drain Revenue Bonds		
	June 30	Principal	Interest	Principal	Interest
2015		427,000	185,820	160,000	128,625
2016		440,000	173,530	165,000	121,516
2017		453,000	160,435	175,000	114,078
2018		466,000	146,449	180,000	106,313
2019		479,000	131,521	190,000	98,219
2020-2024		1,863,000	455,406	1,080,000	356,125
2025-2029		1,703,000	201,528	1,070,000	84,219
2030		374,000	7,848	-	-
Totals		\$ 6,205,000	\$ 1,462,537	\$ 3,020,000	\$ 1,009,094

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 8. Capital Leases

The City has entered into lease agreements, which are considered capital leases in accordance with Financial Accounting Standard Board statement number 13. The following is an annual schedule of future minimum lease payments with interest rates ranging from 2.0% to 4.75%, together with the present value of the net minimum lease payments:

Year Ending June 30,	Governmental Activities			Total Governmental
	Tacoma	Street Sweeper	Explorer	
2016	10,858	39,482	13,219	63,560
2017	10,858	39,482		50,341
2018	-	12,863		12,863
	-	-	-	-
Total Remaining Payments:	21,717	91,828	13,219	126,764
Less Amounts Representing Interest:	322	3,304	203	3,828
Present Value of Net Remaining Minimum Lease Payments:	\$ 21,395	\$ 88,524	\$ 13,017	\$ 122,936

A summary of the assets acquired through capital leases is as follows:

	Cost	Depreciation Expense	Accumulated Depreciation
Vehicles & Equipment	\$ 49,395	\$ 6,303	\$ (6,770)
Machinery & Equipment	182,790	26,113	(53,314)

Year Ending June 30,	Business-Type Activities		Total Business-Type
	Ford Escape	Service Truck	
2016	11,981	12,353	24,334
2017	5,991		5,991
2018	-		-
	-	-	-
Total Remaining Payments:	17,972	12,353	30,325
Less Amounts Representing Interest:	193	189	382
Present Value of Net Remaining Minimum Lease Payments:	\$ 17,779	\$ 12,164	\$ 29,942

A summary of the assets acquired through capital leases is as follows:

	Cost	Depreciation Expense	Accumulated Depreciation
Vehicles & Equipment	\$ 49,808	\$ 6,003	\$ (6,439)

NOTE 9. Equity Classifications

Equity is classified in the governmental financial statements as fund balance. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance. However, in governmental funds other than the general fund, if expenditures incurred for a specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund. The fund balance is displayed in several components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Nonspendable – classified by physical or other constraints (1) not in a spendable form (i.e. Inventories, prepaid amounts, long term amounts of loan and property held for resale) (2) legally or contractually required to be maintained intact (i.e. Permanent fund principal).
- c. Restricted net position - consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- d. Committed - classified by internal constraints by the highest level of decision making authority which in the case of Ivins City is the City Council. Committed fund balance is established, modified or rescinded by resolution of the City Council.
- e. Assigned – classified by internal constraints by local government intent. The budget officer (city manager) for the City of Ivins has been granted authority by resolution of the City council to assign fund balance to a specific purpose.
- f. Unassigned net position - All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

Equity is classified in government-wide and proprietary funds in the following components:

- a. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – consists of assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is separated by major categories.
- c. Unrestricted Net Position – Funds that have no restriction related to their used that has been imposed by external groups or by legal requirements.

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 9. Equity Classifications, Continued

At June 30, 2015, the City's restricted net position are as follows:

Restricted Funds	
Governmental	
Debt Service:	
Debt Service:	101,297
MBA 2005 Series Bond	73,422
Capital Outlay:	
Public Safety Impact Fees	206,392
Street Impact Fees	367,863
Parks Impact Fees	847,239
Capital Projects	51,019
Total Governmental Restricted	<u><u>\$ 1,647,232</u></u>
Business Type	
Debt Service:	
Storm Drain 2007 Series Bond	299,894
Capital Outlay:	
Water Impact Fees	2,080,737
Sewer Impact Fees	100,083
Total Business Type Restricted	<u><u>\$ 2,480,714</u></u>

NOTE 10. Interfund Transactions and Balances

Interfund transfers for the fiscal year ended June 30, 2015 are as follows:

		Transfers To					Total
		General Fund	Debt Service	Park Impact Fee	Capital Projects	Nonmajor Governmental	
Transfers From	General Fund	\$ -	\$ -	\$ -	\$ 147,429	\$ -	\$ 147,429
	Public Safety Impact Fund	-	-	-	-	-	-
	Streets Impact Fund	-	196,350	-	289,671	-	486,021
	Parks Impact Fund	-	-	-	71,100	143,700	214,800
	Water Fund	-	-	-	-	-	-
	Waste Water Fund	-	-	-	-	-	-
		<u>\$ -</u>	<u>\$ 196,350</u>	<u>\$ -</u>	<u>\$ 508,200</u>	<u>\$ 143,700</u>	<u>\$ 848,250</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) move unrestricted revenues collected in the general fund to finance various programs accounted for in the other funds in accordance with budgetary authorizations.

NOTE 10. Interfund Transactions and Balances, Continued

The Composition of interfund balances as of June 30, 2015, is as follows:

Receivable From Capital Projects Fund		
Water Fund	\$	350,000
Payable to Water Fund		
Capital Projects Fund	\$	350,000

The outstanding balance arises from the Capital Projects Fund borrowing money from the Water Fund to complete the Center Street Roundabout. The funds will be repaid to the water fund over a period not to exceed five years. The interest rate is set at the prevailing rate of the Utah Public Treasurers Investment Trust.

NOTE 11. Defined Benefit Pension Plan

All full-time employees of the City participate in the Utah State-Wide Local Government Retirement Systems (Systems).

Plan Description

Ivins City contributes to the Local Governmental Noncontributory Retirement System cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes established and amended by the state legislature.

The Systems are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Title 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor.

The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System, Public Safety Retirement System for employers with (without) Social Security coverage, and Firefighters Retirement System which are for employers with (without) Social Security coverage. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 S., Salt Lake City, UT 84102 or by calling 1-800-365-8772.

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 11. Defined Benefit Pension Plan, Continued

Funding Policy

In the Local Governmental Noncontributory Retirement System, Ivins City is required to contribute 18.74% of their annual covered salary. In the Public Safety Retirement System for employers in division A, Ivins City is required to contribute 34.04% of their annual covered salary for members in the noncontributory division. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

The required contributions and amounts received for the 2015 fiscal year and the two previous years are as follows:

Year	Employee Paid Contributions	Employer Paid for Employee Contributions	Employer Contributions	Salary Subject to Retirement Contributions
Noncontributory System:				
Local Governmental Division				
2014		\$	18,232	\$ 199,602
2013			5,354	62,548
2012	-	-	1,406	18,528
Noncontributory System:				
Local Governmental Division Tier 1				
2014		\$	255,643	\$ 1,391,413
2013	-	-	196,379	1,212,326
2012	-	-	168,012	1,225,359
Public Safety System				
Other Division A Contributory				
2014		\$	15,710	\$ 91,519
2013			7,950	71,624
Other Division A Noncontributory				
2014		\$	169,240	\$ 647,781
2013	-	-	137,538	539,804
2012	-	-	77,016	414,724
Firefighters System				
Division A				
2014		\$ 10,443	\$ 2,651	\$ 69,390
2013	-	16,003	2,828	130,227
2012	-	13,966	464	168,101
Year	Employee Paid Contributions	Employer Paid for Employee Contributions	Employer Contributions	Salary Subject to Retirement Contributions
Defined Contribution System				
457 Plan				
2014	\$ 19,874			
2013	8,030	-	-	-
2012	7,462	-	-	-
401(k) Plan				
2014	\$ 40,163	\$ 33,158		
2013	43,436	24,016	-	-
2012	67,555	28,435	-	-
Roth IRA Plan				
2014	\$ 4,130			
2013	860	-	-	-
2012	4,625	-	-	-

The contributions were equal to the required contributions for each year.

NOTE 12. Pension Plan

Summary of Significant Accounting Policies

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 at fair value.

General Information about the Pension Plan

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

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

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning 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 Utah Retirement Systems (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 Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 12. Pension Plan, Continued

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

Summary of Benefits by System

Summary of Benefits by System

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

* with actuarial reductions

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

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 12. Pension Plan, Continued

Contributions: As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates are as follows:

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

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2014, we reported a net pension asset of \$23,287 and a net pension liability of \$1,096,388.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	0.1514324 %	\$0	\$657,555
Public Safety System	0.3489498 %	\$0	\$438,833
Firefighters System	0.3525115 %	\$20,116	\$0
Tier 2 Public Employees System	0.0284079 %	\$861	\$0
Tier 2 Public Safety and Firefighter System	0.1561663 %	\$2,310	\$0
Total Net Pension Asset / Liability		<u>\$23,287</u>	<u>\$1,096,388</u>

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 12. Pension Plan, Continued

January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2014.

For the year ended December 31, 2014, we recognized pension expense of \$299,756. At December 31, 2014, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$75	\$68,014
Changes in assumptions	\$0	\$135,881
Net difference between projected and actual earnings on pension plan investments	\$27,288	\$0
Changes in proportion and differences between contributions and proportionate share of contributions	\$0	\$0
Contributions subsequent to the measurement date	\$233,271	\$0
Total	\$260,634	\$203,895

\$233,271 was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2014. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (inflows) of Resources
2015	(\$46,538)
2016	(\$46,538)
2017	(\$46,538)
2018	(\$28,991)
2019	(\$2,466)
Thereafter	(\$5,464)

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

Inflation	2.75 percent
Salary increases	3.50 – 10.50 percent, average, including inflation

NOTE 12. Pension Plan, Continued

Investment rate of return 7.50 percent, net of pension plan investment expense, including inflation

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

Retired Member Mortality

Class of Member

Educators

Men EDUM (90%)

Women EDUF (100%)

Public Safety and Firefighters

Men RP 2000mWC (100%)

Women EDUF (120%)

Local Government, Public Employees

Men RP 2000mWC (100%)

Women EDUF (120%)

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

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

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

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

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

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 12. Pension Plan, Continued

Asset class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
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	0 %	0.00 %	0.00 %
Totals	100 %		5.23 %
	Inflation		2.75 %
	Expected arithmetic nominal return		7.98 %

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

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

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

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of Net pension (asset) / liability	\$2,766,561	\$1,073,101	(\$321,692)

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

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 12. Pension Plan, Continued

Payables to the pension plan

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 IVINS CITY
 Utah Retirement Systems
 31-Dec-14
 Last 10 Fiscal Years *

	Noncontributory System	Public Safety System	Firefighters System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Proportion of the net pension liability (asset)	0.1514324 %	0.3489498 %	0.3525115 %	0.0284079 %	0.1561663 %
Proportionate share of the net pension liability (asset)	\$657,555	\$438,833	(\$20,116)	(\$861)	(\$2,310)
Covered employee payroll	\$1,286,315	\$633,435	\$95,498	\$139,562	\$64,332
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	51.1 %	69.3 %	-21.1 %	-0.6 %	-3.6 %
Plan fiduciary net position as a percentage of the total pension liability	90.2 %	90.5 %	103.5 %	103.5 %	120.5 %

* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The 10-year schedule will need to be built prospectively. The schedule above is only for the current year. Prior year numbers are available from your prior year note disclosure confirmation.

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 12. Pension Plan, Continued

SCHEDULE OF CONTRIBUTIONS
 IVINS CITY
 Utah Retirement Systems
 31-Dec-14
 Last 10 Fiscal Years *

	Noncontributory System	Public Safety System	Firefighters System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Contractually required contribution	\$238,009	\$171,877	\$3,143	\$11,720	\$7,037
Contributions in relation to the contractually required contribution	(\$238,009)	(\$171,877)	(\$3,143)	(\$11,720)	(\$7,037)
Contribution deficiency (excess)	-	-	-	-	-
Covered employee payroll	\$1,286,315	\$633,435	\$95,498	\$139,562	\$64,332
Contributions as a percentage of covered-employee payroll **	18.50 %	27.13 %	3.29 %	8.40 %	10.94 %

* Amounts presented were determined as of calendar year January 1 - December 31. Employers will be required to prospectively develop this table in future years to show 10-years of information. The schedule above is only for the current year. Prior year numbers are available from your prior year note disclosure confirmation.

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

NOTE 12. Pension Plan, Continued

Changes of Assumptions

If there were any changes to actuarial assumptions, they would be reported in this area.

Other information that is not required as part of RSI

This information below is not required as part of GASB 68 but is provided for informational purposes. The schedule below is a summary of the Defined Contribution Savings Plans for pay periods January 1 – December 31.

Defined Contribution System

	Employee Paid Contributions	Employer Paid Contributions
	<u> </u>	<u> </u>
401(k) Plan	\$44,123	\$34,926
457 Plan	\$17,386	\$0
Roth IRA Plan	\$4,130	\$0
Traditional IRA Plan	\$0	\$0
HRA Plan	\$0	\$0

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

NOTE 13. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Risk financing activities are accounted for in various operating funds, with unallocated or City-wide activities being accounted for in the general fund.

The City maintains insurance for general liability, auto liability, and employee dishonesty through the Utah Local Government Trust.

Worker’s compensation coverage is also carried through the Utah Local Government’s Insurance Trust.

NOTE 14. Waste Water Fund

During the current fiscal year it was determined that the sewer and storm drain funds should be combined. Both utility systems are maintained by the same employees and the systems are very similar in their construction and function.

NOTE 15. Contracts

A few of the more significant contracts are as follows:

The City has entered into an interlocal agreement (Snow Canyon Water Project Interlocal Compact) wherein the City reimburses their share of operating and maintenance cost to St. George City based upon Ivins' proportionate ownership/usage of water in the compact.

The City also has a solid waste collection and disposal contract with Washington County Special Service District No. 1 (the District). The contract provides for Redrock Waste System, a subcontractor, to collect and dispose of residential and commercial solid waste within the City. In connection with the agreement, the City is responsible for the monthly billing, collection, and payment of residential collections to the District.

The City has entered into an interlocal agreement with Santa Clara City to provide law enforcement coverage to that City. The combination of law enforcement agencies was completed on July 1, 2012. Therefore the results of operation are reported in this financial report for the entire year.

The City is committed to participate in the Regional Water Line Project. The City incurred \$269,195 in cost during the current audit period and their future ownership costs are expected to be \$2,979,600 or approximately \$229,200 annually for 13 years.

NOTE 16. Subsequent Events and Transactions

In August 2015, the City Council was approached and agreed to act as the Conduit Issuer for Tuacahn Center for the Arts Bonds. Ivins anticipates issuing its Industrial Facilities and Development Revenue Bonds (the "Bonds") to assist Tuacahn with the financing of certain projects. Under Section 11-17-5 of Utah Industrial Facilities and Development Act, Chapter 17, Title 11, Utah Code Annotated 1953, as amended, the purchasers of the Bonds may not have recourse against the general funds, taxing power, or general credit of Ivins.

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 17. Contingent Liabilities

Amounts received or receivable from granting 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.

NOTE 18. Prior Period Adjustment Related to Pensions

The Governmental Accounting Standards Board issued Statement No. 68, "Accounting and Financial Reporting for Pensions" resulting in the recognition of assets, liabilities, expenses, and deferred inflows and outflows related to pensions. Prior to this statement, most of this information was either disclosed in the notes to the financial statements or was available in a separate report issued by Utah Retirement Systems. The implementation of this statement resulted in a restatement of net position as of June 30, 2014 as follows:

	Governmental Activities
Net position, as previously reported	\$ 17,864,506
Net pension asset	881
Deferred outflows of resources related to pensions	148,681
Net pension liability	<u>(1,096,173)</u>
Net position, as restated	<u>\$ 16,917,895</u>

DEBT SERVICE FUNDS

Often governments set aside resources to meet current and future debt service requirements on general long-term debt.

Debt Service Fund – This fund is being used to accumulate funds to pay the current and future portion of the Series 2010 Sales Tax bond and the Series 2012 Excise Tax bond. We are also accumulating the receipts of the Historic Township Special Assessment Area.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Municipal Building Authority – This fund is used to account for the construction, financing, and operation of various assets that are leased to other funds of the City.

CAPITAL PROJECTS FUNDS

Capital projects funds are used when a specific revenue source is restricted, committed or assigned to expenditures for capital projects. Our impact funds are used to offset the cost of providing services to new construction.

Public Safety – For collection of impact fees and disbursement of funds for approved expenditures related to impact fees dealing with public safety.

Streets – For collection of impact fees and disbursement of funds for approved expenditures related to impact fees dealing with streets.

**IVINS CITY, UTAH
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2015**

	<u>Special Revenue Fund</u>	<u>Capital Projects Funds</u>	
	<u>Municipal Building Authority</u>	<u>Public Safety Impact Fee</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:			
Restricted Cash	\$ 3,570	\$ 206,392	\$ 209,962
Total Assets	<u>\$ 3,570</u>	<u>\$ 206,392</u>	<u>\$ 209,962</u>
Liabilities and Fund Balances			
Liabilities:			
Total Liabilities	-	-	-
Fund Balances:			
Committed for:			-
Debt Service			-
Restricted for:			-
Debt Service	\$ 3,570		\$ 3,570
Capital Improvements		206,392	206,392
Unassigned			-
Total Fund Balances	<u>3,570</u>	<u>206,392</u>	<u>209,962</u>
Total Liabilities and Fund Balances	<u>\$ 3,570</u>	<u>\$ 206,392</u>	<u>\$ 209,962</u>

IVINS CITY, UTAH
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

	<u>Special Revenue Fund</u>	<u>Capital Projects Funds</u>	
	<u>Municipal Building Authority</u>	<u>Public Safety Impact Fee</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:			
Interest Earnings	\$ 374	\$ 915	\$ 1,290
Impact Fee Revenues		40,145	40,145
Federal & State Grants			-
Miscellaneous Revenue			-
Total Revenue	<u>374</u>	<u>41,060</u>	<u>41,434</u>
Expenditures:			
Current:			
General Government			-
Public Safety			-
Community and Economic Development			-
Capital Outlay			-
Debt Service			-
Principal	87,000		87,000
Interest	56,700		56,700
Total Expenditures	<u>143,700</u>	<u>-</u>	<u>143,700</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures	(143,326)	41,060	(102,266)
Other Financing Sources (Uses)			
Transfers In	143,700		143,700
Transfers Out			-
Total Other Financing Sources and Uses	<u>143,700</u>	<u>-</u>	<u>143,700</u>
Net Changes in Fund Balances	374	41,060	41,434
Fund Balances, Beginning of Year	<u>3,196</u>	<u>165,332</u>	<u>168,527</u>
Fund Balances, End of Year	<u>\$ 3,570</u>	<u>\$ 206,392</u>	<u>\$ 209,962</u>

IVINS CITY, UTAH
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Investment Earnings	-	2,221	1,481	(740)
Total Revenue	-	2,221	1,481	(740)
Expenditures				
Capital Outlay	987,170	832,850	511,842	(321,008)
Total Expenditures	987,170	832,850	511,842	(321,008)
Deficiency of Revenues Under Expenditures	(987,170)	(830,629)	(510,360)	320,269
Other Financing Sources (Uses)				
Bond Proceeds	-	-	-	-
Grants	132,000	210,074	210,074	-
Cost of Issuance	-	(2,000)	(2,000)	-
Transfers In	597,548	777,449	508,200	(269,250)
Transfers Out	-	-	-	-
Total Financing Sources (Uses)	729,548	985,523	716,274	(269,250)
Net Change in Fund Balance	(257,622)	154,894	205,913	51,019
Fund Balance-Beginning	(154,894)	(154,894)	(154,894)	-
Fund Balance-Ending	<u>\$ (412,516)</u>	<u>\$ (0)</u>	<u>\$ 51,019</u>	<u>\$ 51,019</u>

IVINS CITY, UTAH
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Investment Earnings	30,000	21,045	21,182	137
Total Revenue	30,000	21,045	21,182	137
Expenditures				
Debt Service				
Principal	328,000	328,000	328,000	-
Interest	140,754	140,754	140,744	10
Total Expenditures	468,754	468,754	468,744	10
Deficiency of Revenues Under Expenditures	(438,754)	(447,709)	(447,562)	147
Other Financing Sources (Uses)				
Transfers In	196,350	196,350	196,350	-
Historic Township SAA Assessments	144,500	101,511	106,031	4,520
Total Financing Sources (Uses)	340,850	297,861	302,381	4,520
Net Change in Fund Balance	(97,904)	(149,848)	(145,181)	4,667
Fund Balance-Beginning	246,478	246,478	246,478	-
Fund Balance-Ending	<u>\$ 148,574</u>	<u>\$ 96,630</u>	<u>\$ 101,297</u>	<u>\$ 4,667</u>

IVINS CITY, UTAH
MUNICIPAL BUILDING AUTHORITY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Investment Earnings	450	360	374	14
Total Revenue	450	360	374	14
Expenditures				
Debt Service				
Principal	87,000	87,000	87,000	-
Interest	56,700	56,700	56,700	-
Total Expenditures	143,700	143,700	143,700	-
Deficiency of Revenues Under Expenditures	(143,250)	(143,340)	(143,326)	14
Other Financing Sources (Uses)				
Transfers In	143,700	143,700	143,700	-
Total Financing Sources (Uses)	143,700	143,700	143,700	-
Net Change in Fund Balance	450	360	374	14
Fund Balance-Beginning	3,196	3,196	3,196	-
Fund Balance-Ending	<u>\$ 3,646</u>	<u>\$ 3,556</u>	<u>\$ 3,570</u>	<u>\$ 14</u>

IVINS CITY, UTAH
PUBLIC SAFETY IMPACT FEE CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
BUDGET & ACTUAL
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Impact Fees	\$ 50,525	\$ 44,318	\$ 40,145	\$ (4,173)
Investment Earnings	600	840	915	75
Total Revenue	<u>51,125</u>	<u>45,158</u>	<u>41,060</u>	<u>(4,098)</u>
Expenditures				
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>51,125</u>	<u>45,158</u>	<u>41,060</u>	<u>(4,098)</u>
Other Financing Sources (Uses)				
Transfers Out	-	-	-	-
Total Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>51,125</u>	<u>45,158</u>	<u>41,060</u>	<u>(4,098)</u>
Fund Balance-Beginning	<u>165,332</u>	<u>165,332</u>	<u>165,332</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 216,457</u>	<u>\$ 210,490</u>	<u>\$ 206,392</u>	<u>\$ (4,098)</u>

IVINS CITY, UTAH
STREET IMPACT FEE CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Impact Fees	\$ 323,000	\$ 283,940	\$ 275,517	\$ (8,423)
Investment Earnings	3,500	4,485	4,471	(14)
Total Revenue	<u>326,500</u>	<u>288,425</u>	<u>279,987</u>	<u>(8,438)</u>
Expenditures				
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>326,500</u>	<u>288,425</u>	<u>279,987</u>	<u>(8,438)</u>
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	<u>(313,850)</u>	<u>(575,539)</u>	<u>(486,021)</u>	<u>(89,518)</u>
Total Financing Sources (Uses)	<u>(313,850)</u>	<u>(575,539)</u>	<u>(486,021)</u>	<u>89,518</u>
Net Change in Fund Balance	<u>12,650</u>	<u>(287,114)</u>	<u>(206,034)</u>	<u>81,080</u>
Fund Balance-Beginning	<u>573,896</u>	<u>573,896</u>	<u>573,896</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 586,546</u>	<u>\$ 286,782</u>	<u>\$ 367,863</u>	<u>\$ 81,080</u>

IVINS CITY, UTAH
PARKS IMPACT FEE CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue				
Impact Fees	\$ 510,000	\$ 412,390	\$ 393,494	(18,896)
Investment Earnings	2,500	2,601	2,857	256
Total Revenue	<u>512,500</u>	<u>414,991</u>	<u>396,352</u>	<u>(18,639)</u>
Expenditures				
Capital Outlay	-	-	-	-
Excess of Revenues Over Expenditures	<u>512,500</u>	<u>414,991</u>	<u>396,352</u>	<u>(18,639)</u>
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	<u>(553,700)</u>	<u>(335,748)</u>	<u>(214,800)</u>	<u>120,948</u>
Total Financing Sources (Uses)	<u>(553,700)</u>	<u>(335,748)</u>	<u>(214,800)</u>	<u>120,948</u>
Net Change in Fund Balance	(41,200)	79,243	181,552	102,309
Fund Balance-Beginning	<u>665,688</u>	<u>665,688</u>	<u>665,688</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 624,488</u>	<u>\$ 744,931</u>	<u>\$ 847,239</u>	<u>\$ 102,309</u>

IVINS CITY, UTAH
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
For the Year Ended June 30, 2015

	Developer Cash Bonds		
	June 30, 2014	Change	June 30, 2015
Assets:			
Cash and Cash Equivalents	\$ 511,647	\$ 33,741	\$ 545,388
Total Assets	511,647	33,741	545,388
Liabilities:			
Due to Developers	511,647	33,741	545,388
Total Liabilities	\$ 511,647	\$ 33,741	\$ 545,388



STATISTICAL SECTION

STATISTICAL SECTION

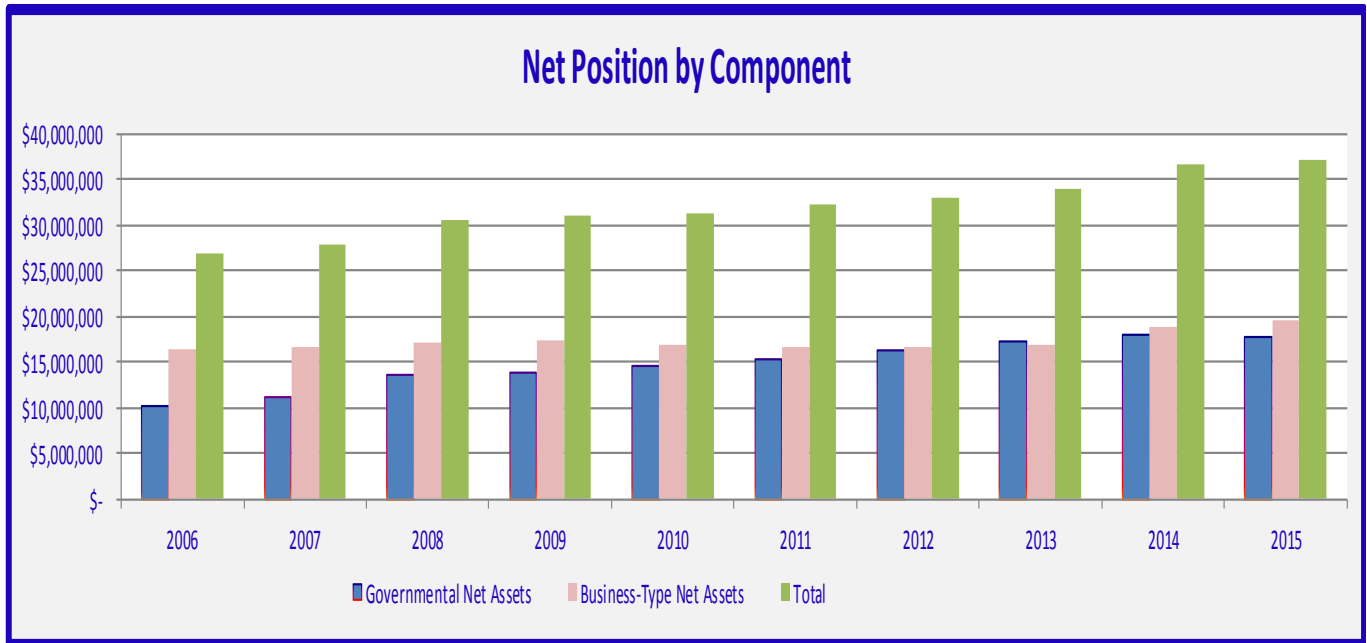
This part of the Ivins City Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in financial statements, note disclosures, and required supplemental information says about the government's overall financial health.

CONTENTS

	PAGE
Financial Trends	80
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	85
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	90
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future years.</i>	
Demographic and Economic Information	95
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operational Information	97
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

IVINS CITY
NET POSITION BY COMPONENT
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 8,373,560	\$ 9,394,657	\$ 12,157,338	\$ 12,772,333	\$ 13,649,573	\$ 13,154,314	\$ 14,569,214	\$ 14,613,390	\$ 15,330,960	\$ 16,022,387
Restricted	1,342,116	67	921,805	364,378	147,888	112,154	784,472	1,680,250	1,569,547	1,647,232
Unrestricted	548,370	1,803,305	427,413	581,721	642,583	2,123,922	834,166	911,541	963,998	(50,269)
Total Governmental Activities Net Assets	\$ 10,264,046	\$ 11,198,029	\$ 13,506,556	\$ 13,718,432	\$ 14,440,044	\$ 15,390,391	\$ 16,187,852	\$ 17,205,181	\$ 17,864,506	\$ 17,619,350
Business-Type Assets										
Invested in Capital Assets, Net of Related Debt	\$ 10,302,306	\$ 11,062,099	\$ 11,020,094	\$ 12,357,234	\$ 12,096,728	\$ 11,846,092	\$ 12,034,563	\$ 11,691,389	\$ 13,370,965	\$ 14,030,935
Restricted	4,876,849	4,065,113	1,668,458	1,668,458	3,757,125	2,954,775	2,424,442	2,180,820	2,480,714	2,480,714
Unrestricted	1,327,854	1,519,063	4,380,827	3,344,903	931,576	1,928,658	2,236,519	2,921,919	2,870,117	3,049,906
Total Business-Type Activities Net Assets	\$ 16,507,009	\$ 16,646,275	\$ 17,069,379	\$ 17,370,595	\$ 16,785,429	\$ 16,729,526	\$ 16,695,524	\$ 16,794,128	\$ 18,721,796	\$ 19,561,555
Primary Government										
Invested in Capital Assets, Net of Related Debt	\$ 18,675,866	\$ 20,456,756	\$ 23,177,432	\$ 25,129,567	\$ 25,746,301	\$ 25,000,407	\$ 26,603,777	\$ 26,304,779	\$ 28,701,925	\$ 30,053,322
Restricted	6,218,965	4,065,180	2,590,263	2,032,836	3,905,013	3,066,930	3,208,914	3,861,070	4,050,261	4,127,946
Unrestricted	1,876,224	3,322,368	4,808,240	3,926,624	1,574,159	4,052,580	3,070,685	3,833,460	3,834,115	2,999,637
Total Primary Government Net Assets	\$ 26,771,055	\$ 27,844,304	\$ 30,575,935	\$ 31,089,027	\$ 31,225,473	\$ 32,119,917	\$ 32,883,376	\$ 33,999,309	\$ 36,586,302	\$ 37,180,905

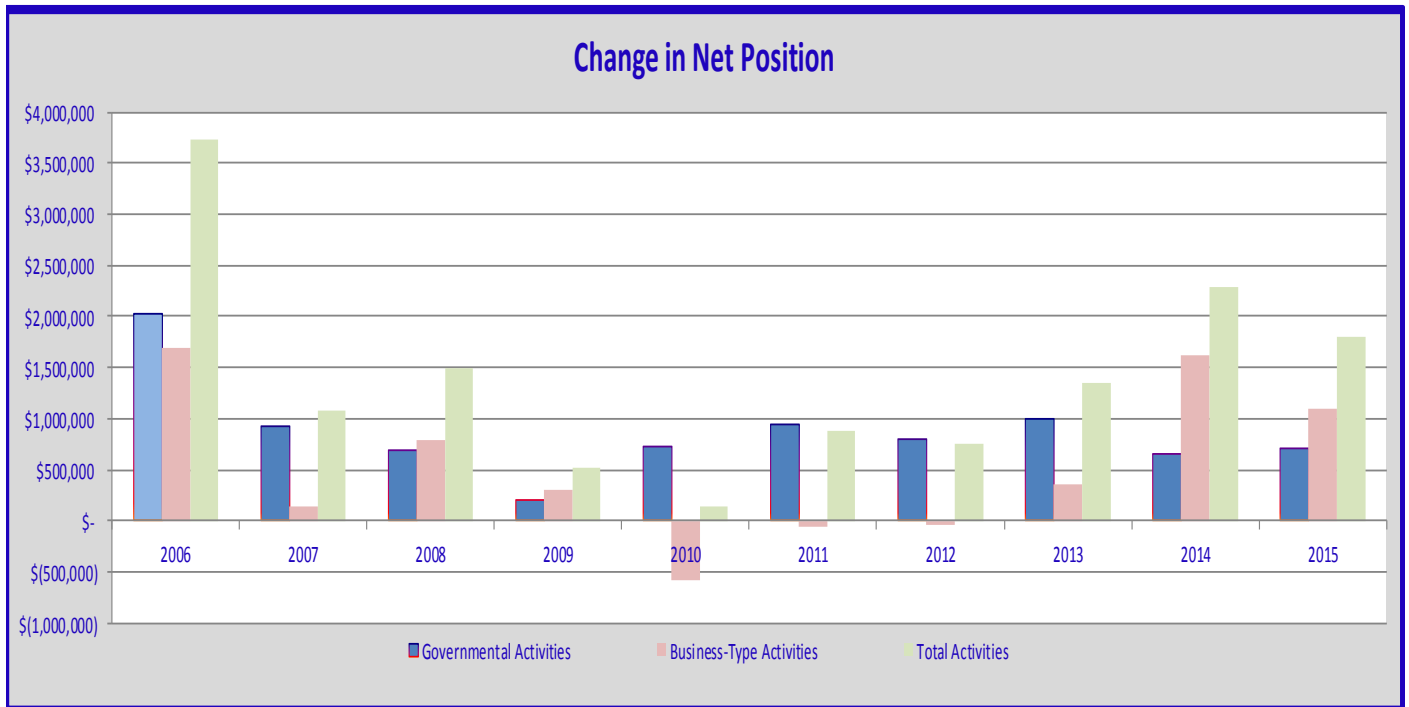


IVINS CITY
CHANGES IN NET POSITION
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
<u>Government Activities</u>										
General Government	\$ 856,897	\$ 1,001,721	\$ 724,098	\$ 693,947	\$ 684,036	\$ 675,812	\$ 708,303	\$ 718,361	\$ 447,032	\$ 692,614
Building	123,601	147,655	153,954	132,547	57,875	75,092	83,116	80,134	146,954	276,823
Public Safety	956,740	1,416,098	1,674,780	1,801,088	1,802,881	1,811,817	1,873,981	2,308,097	2,558,918	2,558,756
Public Works/Streets	624,731	1,311,345	1,007,098	1,037,321	983,093	1,174,831	1,350,051	1,495,076	1,783,208	1,722,816
Parks and Recreation	357,840	300,024	656,952	655,136	600,323	600,484	583,641	655,366	612,313	755,842
Community Development	122,459	195,743	160,936	150,829	185,457	117,886	123,879	134,094	141,481	18,858
Interest on Long-Term Debt	156,486	112,013	121,673	101,448	77,331	125,407	197,084	218,422	205,870	196,039
Total Governmental Activities Expense	\$ 3,198,754	\$ 4,484,599	\$ 4,499,491	\$ 4,572,316	\$ 4,390,996	\$ 4,581,329	\$ 4,920,053	\$ 5,609,550	\$ 5,895,776	\$ 6,221,749
<u>Business-Type Activities</u>										
Water	\$ 1,610,800	\$ 2,112,023	\$ 2,017,978	\$ 1,767,848	\$ 1,651,369	\$ 1,708,297	\$ 1,947,141	\$ 1,919,190	\$ 1,994,970	\$ 1,903,505
Waste Water	889,721	1,146,972	1,219,978	1,452,466	1,457,901	1,425,923	1,442,346	1,062,811	1,204,801	1,249,232
Total Business-Type Activities	\$ 2,500,521	\$ 3,258,995	\$ 3,237,956	\$ 3,220,314	\$ 3,109,270	\$ 3,134,220	\$ 3,389,487	\$ 2,982,001	\$ 3,199,771	\$ 3,152,736
Total Primary Governmental Expense	\$ 5,699,275	\$ 7,743,594	\$ 7,737,447	\$ 7,792,630	\$ 7,500,266	\$ 7,715,549	\$ 8,309,540	\$ 8,591,551	\$ 9,095,547	\$ 9,374,486
Program Revenues										
<u>Governmental Activities</u>										
Charges for Services										
General Government	\$ 14,762	\$ 18,434	\$ 24,515	\$ 17,685	\$ 33,939	\$ 64,832	\$ 35,641	\$ 54,889	\$ 49,007	\$ 36,356
Building/Zoning	499,425	366,425	218,699	145,537	100,858	150,010	176,067	277,666	292,898	253,411
Public Safety	120,630	122,080	141,512	249,473	211,957	226,503	267,839	932,289	1,423,494	1,202,747
Public Works/Streets	786,634	687,661	630,948	577,694	492,861	571,517	803,408	638,796	443,954	762,155
Parks and Recreation	568,320	327,096	297,277	231,837	222,563	319,455	29,001	28,660	43,818	48,252
Operating Grants & Contributions	271,554	594,363	33,762	-	-	-	-	-	-	-
Capital Grants & Contributions	1,189,085	678,794	339,466	626,257	927,914	867,399	1,408,437	1,571,562	1,421,813	1,590,492
Total Governmental Activities Program Revenues	\$ 3,450,410	\$ 2,794,853	\$ 1,686,178	\$ 1,848,483	\$ 1,990,092	\$ 2,199,715	\$ 2,720,393	\$ 3,503,862	\$ 3,674,984	\$ 3,893,413
<u>Business-Type Activities</u>										
Charges for Services										
Water	\$ 1,214,048	\$ 1,353,168	\$ 1,510,009	\$ 1,539,291	\$ 1,580,465	\$ 1,606,432	\$ 1,689,330	\$ 1,763,365	\$ 1,748,534	\$ 1,734,879
Waste Water	698,403	780,931	1,203,168	1,264,259	1,321,272	1,364,337	1,402,530	1,264,855	1,255,614	1,298,166
Operating Grants & Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants & Contributions	2,230,074	1,243,958	1,981,244	1,047,000	235,455	452,759	584,062	576,754	1,808,868	1,206,639
Total Business Type Activities Program Revenues	\$ 4,142,525	\$ 3,378,057	\$ 4,694,421	\$ 3,850,550	\$ 3,137,192	\$ 3,423,528	\$ 3,675,922	\$ 3,604,974	\$ 4,813,016	\$ 4,239,684
Total Primary Government Program Revenue	\$ 7,592,935	\$ 6,172,910	\$ 6,380,599	\$ 5,699,033	\$ 5,127,284	\$ 5,623,243	\$ 6,396,315	\$ 7,108,836	\$ 8,488,000	\$ 8,133,097
Net (Expenses) Revenue										
Government Activities	251,656	(1,689,746)	(2,813,313)	(2,723,833)	(2,400,904)	(2,381,614)	(2,199,660)	(2,105,688)	(2,220,792)	(2,328,337)
Business Type Activities	1,642,004	119,062	1,456,465	630,236	27,922	289,308	286,435	622,973	1,613,245	1,086,948
Total Primary Government Net Expenses	\$ 1,893,660	\$ (1,570,684)	\$ (1,356,848)	\$ (2,093,597)	\$ (2,372,982)	\$ (2,092,306)	\$ (1,913,225)	\$ (1,482,715)	\$ (607,547)	\$ (1,241,389)

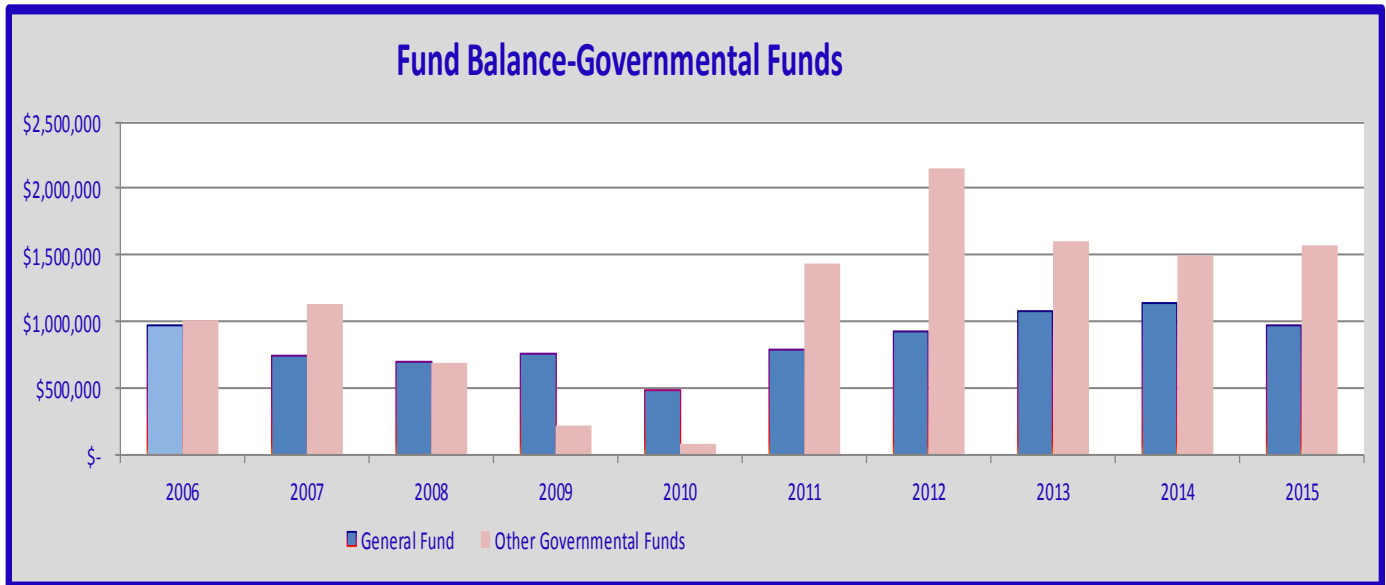
IVINS CITY
CHANGES IN NET POSITION (Cont)
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Assets										
Governmental Activities										
Property Tax levied for General Purposes	\$ 660,013	\$ 1,017,980	\$ 1,122,784	\$ 1,141,205	\$ 1,221,168	\$ 1,261,212	\$ 1,310,484	\$ 1,352,740	\$ 1,344,618	\$ 1,370,169
Sales and Use Tax	639,771	788,343	883,929	897,287	846,001	874,174	875,379	940,122	991,673	1,071,462
Franchise Tax	344,508	377,035	396,640	406,226	402,372	419,465	422,390	457,079	483,804	492,995
Unrestricted Earnings Investment	256,333	206,292	170,440	54,328	12,893	19,041	45,473	60,269	52,812	50,874
Miscellaneous	993									21,095
Gain (Loss) on Disposal of Capital Assets	(220,496)	4,263	5,850			378,234		5,724	7,209	23,196
Transfers	99,500	229,816	932,402	436,662	640,082	379,836	343,394	280,954	-	-
Total Governmental Activities	\$ 1,780,622	\$ 2,623,729	\$ 3,512,045	\$ 2,935,708	\$ 3,122,516	\$ 3,331,962	\$ 2,997,119	\$ 3,096,888	\$ 2,880,115	\$ 3,029,792
Business Type Activities										
Unrestricted Investment Earnings	\$ 156,415	\$ 250,020	\$ 270,199	\$ 107,643	\$ 26,993	\$ 29,524	\$ 22,958	\$ 17,983	\$ 14,529	\$ 16,199
Transfers	(99,500)	(229,816)	(932,402)	(436,662)	(640,082)	(379,836)	(343,394)	(280,954)	-	-
Total Business Type Activities	\$ 56,915	\$ 20,204	\$ (662,203)	\$ (329,019)	\$ (613,089)	\$ (350,312)	\$ (320,436)	\$ (262,971)	\$ 14,529	\$ 16,199
Total Changes in Net Assets										
Governmental Activities	\$ 2,032,277	\$ 933,983	\$ 698,734	\$ 211,875	\$ 721,612	\$ 950,348	\$ 797,459	\$ 991,200	\$ 659,323	\$ 701,455
Business Type Activities	1,698,920	139,267	794,262	301,217	(585,167)	(61,004)	(34,000)	360,002	1,627,774	1,103,147
Total Changes in Net Assets - Primary Government	\$ 3,731,197	\$ 1,073,250	\$ 1,492,996	\$ 513,092	\$ 136,445	\$ 889,344	\$ 763,459	\$ 1,351,202	\$ 2,287,098	\$ 1,804,602



IVINS CITY
FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Unspendable							\$ 32,355	\$ 83,042	\$ 48,472	\$ -
Restricted	5	67	423,682	423,685	-	-	-	-	-	-
Unassigned	979,412	748,295	268,452	331,023	480,391	784,561	897,648	989,503	1,090,167	977,934
Total General Fund	\$ 979,417	\$ 748,362	\$ 692,134	\$ 754,708	\$ 480,391	\$ 784,561	\$ 929,983	\$ 1,072,544	\$ 1,138,640	\$ 977,934
All Other Governmental Funds										
Restricted										
Special Revenue Fund	1,342,111	1,133,803	110,962	105,818	147,929	112,154	340,361	385,845	246,478	101,297
Capital Projects	(333,921)		(86,452)	(92,130)	(91,885)	1,608,571	1,862,647	1,294,404	1,323,070	1,545,936
Unassigned			661,988	205,065	28,681	(282,604)	(45,411)	(70,312)	(69,852)	(69,852)
Total All Other Governmental Funds	\$ 1,008,190	\$ 1,133,803	\$ 686,498	\$ 218,753	\$ 84,725	\$ 1,438,121	\$ 2,157,597	\$ 1,609,937	\$ 1,499,695	\$ 1,577,380
Total Governmental Funds	\$ 1,987,607	\$ 1,882,165	\$ 1,378,632	\$ 973,461	\$ 565,116	\$ 2,222,682	\$ 3,087,580	\$ 2,682,482	\$ 2,638,335	\$ 2,555,314

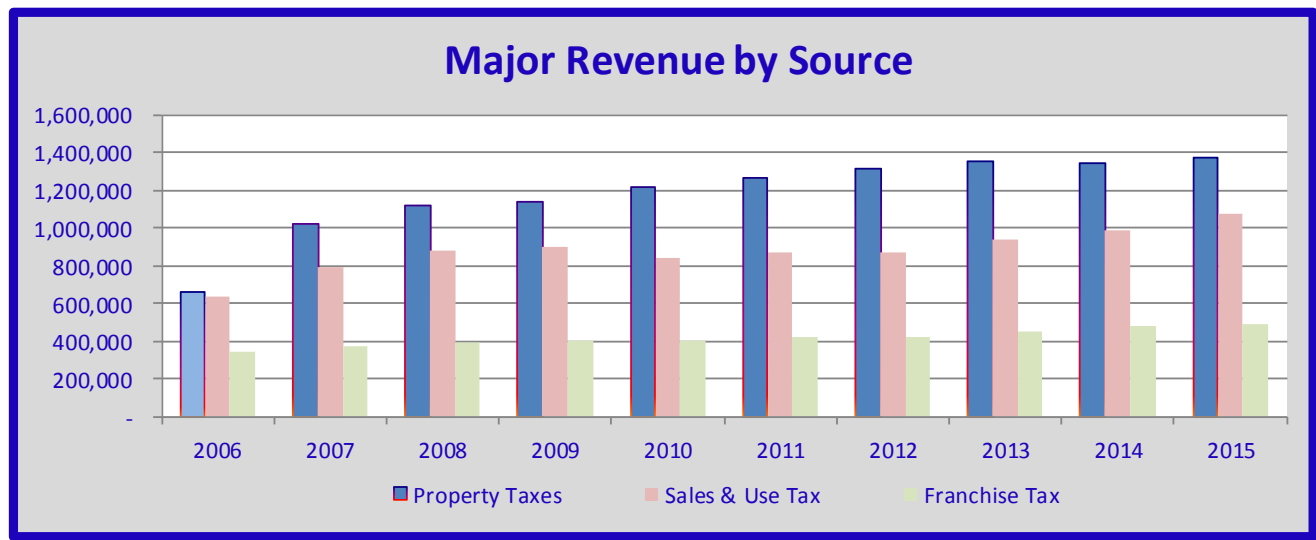


IVINS CITY
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Property Taxes	\$ 660,013	\$ 1,017,980	\$ 1,122,784	\$ 1,141,205	\$ 1,221,168	\$ 1,261,212	\$ 1,310,484	\$ 1,352,740	\$ 1,344,618	\$ 1,370,169
Sales & Use Taxes	639,771	788,343	883,929	897,287	846,001	874,174	875,379	940,122	991,673	1,071,462
Franchise Taxes	344,508	377,035	396,640	406,226	402,372	419,465	422,390	457,079	483,804	492,995
Licenses & Permits	452,848	346,570	206,045	127,180	100,819	145,092	178,433	266,131	278,104	240,603
Intergovernmental	268,048	624,808	373,228	314,190	411,099	426,846	351,741	457,317	343,911	311,435
Charges for Services	398,922	412,431	491,767	613,823	599,446	591,245	584,357	1,338,010	1,560,635	1,642,228
Fines & Forfeitures	40,262	66,651	82,206	88,867	62,809	51,017	48,309	44,552	6,368	56,000
Special Assessment Revenue	-	-	29,528	54,971	-	38,077	462,586	123,439	85,869	105,799
Impact Fee Revenue	1,017,073	489,867	475,526	321,525	269,088	467,209	830,294	990,806	800,377	709,156
Grant Revenue	-	-	-	158,612	186,371	304,922	-	-	-	180,074
Interest Earnings	256,333	206,292	170,440	54,328	13,157	19,041	45,473	60,269	52,812	50,874
Miscellaneous Revenue	80,666	206,178	33,730	15,860	29,752	77,753	57,918	47,152	64,153	82,654
Total Revenues	\$ 4,158,444	\$ 4,536,155	\$ 4,265,823	\$ 4,194,074	\$ 4,142,082	\$ 4,676,052	\$ 5,167,364	\$ 6,077,616	\$ 6,012,324	\$ 6,313,450
Expenditures										
Current Operating										
General Government	\$ 841,755	\$ 996,228	\$ 709,502	\$ 673,465	\$ 660,992	\$ 651,955	\$ 671,069	\$ 667,988	\$ 410,118	\$ 679,367
Building/Zoning	123,601	147,655	153,954	132,547	57,875	74,390	83,100	80,121	146,690	297,757
Public Safety	1,005,623	1,514,850	1,753,430	1,773,138	1,820,262	1,717,099	1,739,895	2,240,076	2,487,053	2,598,300
Public Works/Streets	1,174,050	943,255	595,031	569,648	564,233	714,516	876,550	910,717	1,093,985	997,898
Parks, Recreation and Public Property	327,499	542,111	622,438	529,312	465,759	465,595	457,497	527,956	494,199	661,260
Community & Economic Development	2,836,929	195,743	161,091	150,527	185,151	118,725	123,883	133,081	139,960	14,521
Capital Outlay			1,173,198	677,769	970,495	3,171,317	2,244,185	1,593,337	614,323	517,689
Debt Service										
Principle Retirement	312,000	396,000	413,000	426,000	380,000	266,000	260,000	395,000	466,846	474,846
Interest and Fiscal Charges	72,944	135,569	120,113	103,500	85,739	123,555	188,655	219,116	208,505	197,444
Cost of Issuance	47,097					36,000	48,027	2,000	2,000	2,000
Total Expenditures	\$ 6,741,498	\$ 4,871,411	\$ 5,701,757	\$ 5,035,906	\$ 5,190,506	\$ 7,339,153	\$ 6,692,861	\$ 6,769,392	\$ 6,063,679	\$ 6,441,082
Excess (Deficiency) of Revenues	\$ (2,583,054)	\$ (335,255)	\$ (1,435,934)	\$ (841,832)	\$ (1,048,424)	\$ (2,663,101)	\$ (1,525,497)	\$ (691,776)	\$ (51,355)	\$ (127,632)
Other Financing Sources										
Transfers In	1,293,114	1,498,561	1,682,978	954,425	1,560,999	1,099,524	654,049	1,199,380	564,622	848,250
Transfers Out	(1,193,614)	(1,268,745)	(750,576)	(517,763)	(920,917)	(719,689)	(310,655)	(918,427)	(564,622)	(848,250)
Sale of Assets						440,831	5,724	7,209	23,196	
Bond Proceeds	2,500,000					3,500,000	2,047,000			21,095
Bond Retired										
Cain (loss) of Bond Refunding										
Total Other Sources	2,599,500	229,816	932,402	436,662	640,082	4,320,667	2,390,394	286,678	7,209	44,291
Net Change in Fund Balance	16,446	(105,439)	(503,532)	(405,170)	(408,342)	1,657,566	864,897	(405,099)	(44,147)	(83,341)
Fund Balance Beginning of the Year	1,971,159	1,987,606	1,882,163	1,378,631	973,461	565,117	2,222,683	3,087,580	2,682,482	2,638,655
Fund Balance End of Year	1,987,607	1,882,165	1,378,631	973,461	565,117	2,222,683	3,087,580	2,682,482	2,638,655	2,555,314
Debt Service as a percent of Non-Capital Expenditures	14.29%	11.89%	12.29%	12.02%	13.28%	10.46%	21.04%	13.08%	13.89%	12.83%

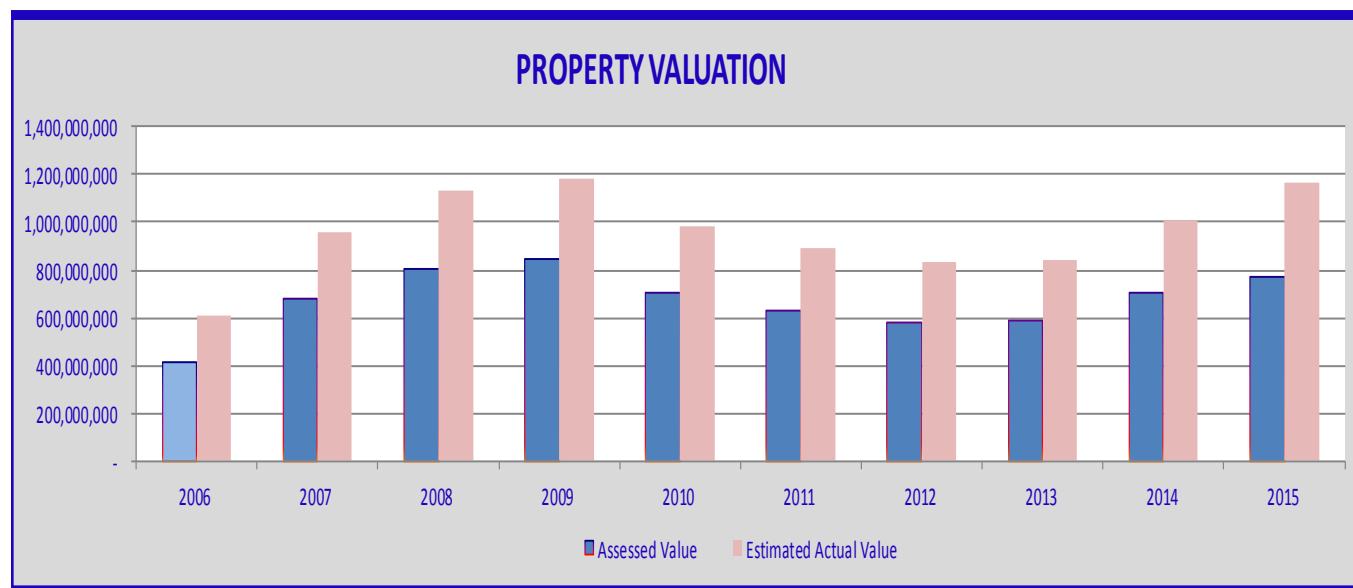
IVINS CITY
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 Last Ten Fiscal Years

Fiscal Year	Property Taxes	Sales & Use Tax	Franchise Tax	Total Tax Revenue
2006	660,013	639,771	344,508	1,644,292
2007	1,017,980	788,343	377,035	2,183,358
2008	1,122,784	883,929	396,640	2,403,353
2009	1,141,205	897,287	406,226	2,444,718
2010	1,221,168	846,001	402,372	2,469,541
2011	1,261,212	874,174	419,465	2,554,851
2012	1,310,484	875,379	422,390	2,608,253
2013	1,352,740	940,122	457,079	2,749,940
2014	1,344,618	991,673	483,804	2,820,095
2015	1,370,169	1,071,462	492,995	2,934,626



IVINS CITY
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year	Real Property					Personal Property	Motor Vehicles	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Agricultural	Unimproved Land	Centrally Assessed						
2006	274,431,800	13,097,235	279,920	116,918,640	3,583,588	5,475,336	3,853,422	417,639,941	0.0936	605,575,827	0.689657549
2007	411,759,015	18,001,335	219,285	201,009,620	4,430,261	6,145,156	41,316,984	682,881,656	0.1370	959,471,416	0.711726941
2008	495,265,076	22,149,492	246,442	242,386,375	4,473,460	6,588,427	35,446,169	806,555,441	1.3890	1,134,781,114	0.710758604
2009	544,607,060	24,478,430	248,385	228,173,840	4,901,661	7,577,167	34,841,296	844,827,839	1.7360	1,183,474,411	0.713853913
2010	457,166,475	20,198,710	277,870	182,097,755	5,160,931	6,977,802	32,563,667	704,443,210	1.911	987,221,455	0.713561488
2011	429,475,580	22,091,935	281,000	135,481,845	5,941,832	6,117,166	33,204,897	632,594,255	2.097	893,676,364	0.707856088
2012	423,948,325	22,207,375	281,400	121,923,720	5,885,301	4,254,563	4,965,533	583,466,217	2.125	831,822,854	0.701430857
2013	437,170,510	26,161,700	282,905	109,042,750	5,928,209	4,768,422	5,071,600	588,426,096	1.981	837,732,515	0.702403315
2014	561,912,400	21,216,400	275,330	106,774,995	6,333,727	3,907,652	5,156,533	705,577,037	1.862	1,006,711,000	0.700873475
2015	751,120,695	-	-	-	7,114,084	3,754,894	5,156,533	767,146,206	1.783	1,169,678,615	0.655860675



Source: Washington County Clerk and Utah Property Tax Division.
Note: Property tax in the county is assessed annually. The county assesses primary residences at approximately 55% of actual value with all other properties assessed at 100%. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates listed are per \$1,000 of assessed value.

IVINS CITY
 PROPERTY TAX RATES
 DIRECT & OVERLAPPING GOVERNMENTS
 Last Ten Fiscal Years

Fiscal Year	Direct		Overlapping Rates					Washington County School District	Total Direct & Overlapping Rates
	Ivins City		Washington County						
	General	General	Water Conservancy District	Library Operation	Genral Obligation Bonds	Southwest Mosquito Abatement & Control	General		
2006	1.4130	0.9600	1.0000	0.2690	0.3150	0.0350	6.1310	10.1230	
2007	1.4130	0.7710	0.7880	0.2160	0.2350	0.0280	5.6000	9.0510	
2008	1.3700	0.8850	0.6910	0.1950	0.1860	0.0250	5.6550	9.0070	
2009	1.3890	0.9850	0.6760	0.1940	0.2000	0.0250	5.6370	9.1060	
2010	1.7360	1.2930	0.8320	0.1940	0.2000	0.0310	6.9190	11.2050	
2011	1.9900	1.4070	0.9640	0.2800	0.2840	0.0370	7.8040	12.7660	
2012	2.1250	1.1800	0.0000	0.3040	0.1680	0.4580	8.2010	12.4360	
2013	1.9810	1.9910	0.8780	0.0000	0.0000	0.0490	7.5440	12.4430	
2014	1.8620	1.8430	0.8160	0.0000	0.0000	0.0460	7.2210	11.7880	
2015	1.7830	1.2270	0.7750	0.0000	0.0000	0.0440	7.4950	11.3240	

Note: Overlapping rates are those of local and county governments that apply to property owners within Ivins City. All overlapping rates may not apply to all Ivins City property owners. Tax rates listed are per \$1,000 of assessed value.

IVINS CITY
 PRINCIPAL PROPERTY TAXPAYERS
 June 30, 2013

Taxpayer	2015			2006		
	Total Assessed Value	Rank	Percentage of Total Assessed Value	Total Assessed Value	Rank	Percentage of Total Assessed Value
Pivotal Mark ILC	\$ 9,430,080	1	1.23%	\$ 6,871,357	2	1.65%
Marten, RT	\$ 9,176,634	2	1.20%	\$ 2,587,511	8	0.62%
Fitness Ridge	\$ 5,238,620	3	0.74%			
Kingsbury Development LLC	\$ 4,913,001	4	0.70%			
Pivotal Mark IILC	\$ 4,559,029	5	0.65%			
Parkway Partners	\$ 4,277,233	6	0.61%	\$ 3,057,831	6	0.73%
SR Freesh-Metro Limited Partnership	\$ 4,173,156	7	0.59%	\$ 3,267,050	5	0.78%
Pacificorp	\$ 3,923,779	8	0.56%			
Archuleta, George & Dianna L	\$ 3,559,358	9	0.50%	\$ 3,443,332	4	0.82%
DG Group LLC	\$ 3,034,248	10	0.43%			
Weston Hafen Family Partnership				\$ 9,454,141	1	2.26%
Alan & Kay Blood LC				\$ 4,148,993	3	0.99%
SRFMLimited Partnership				\$ 2,766,917	7	0.66%
Parkway Partners II				\$ 2,255,284	9	0.54%
Quality Dev LLC				\$ 2,191,893	10	0.52%
Total	\$ 52,285,139		7.20%	\$ 40,044,309		9.59%

Source: Washington County Treasurer

IVINS CITY
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collections within the Current Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy	Amount	Amount	% of Levy
2006	576,944	537,383	93.14%	25,855	563,238	97.62%
2007	897,848	828,494	92.28%	43,510	872,004	97.12%
2008	1,047,450	969,149	92.52%	57,277	1,026,426	97.99%
2009	1,114,547	974,003	87.39%	115,417	1,089,420	97.75%
2010	1,154,269	1,032,581	89.46%	69,913	1,102,494	95.51%
2011	1,180,612	1,119,575	94.83%	38,726	1,158,301	98.11%
2012	1,212,661	1,151,243	94.94%	20,560	1,171,802	96.63%
2013	1,274,741	1,200,586	94.18%		1,200,586	94.18%
2014	1,153,683	1,207,222	104.64%		1,207,222	104.64%
2015	1,202,621	1,241,612	103.24%		1,241,612	103.24%

Source: Washington County Treasurer

IVINS CITY
RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-Type Activities				Percentage of		
	General Obligation Bonds	Excise Tax Bonds	Revenue Bonds	Special Assessment Bonds	Capital Leases	Water Bonds	Sewer Bonds	Storm Drain Bonds	Capital Leases	Total Primary Government	Personal Income	Per Capita
2006	898,000	447,000	2,500,000	171,000		76,000	736,819			4,828,819	2.79%	667
2007	727,000	345,000	2,431,000	117,000		63,000	694,820			4,377,820	2.23%	554
2008	550,000	237,000	2,360,000	60,000	259,462	50,000	652,034	3,970,000	20,760	8,159,256	4.24%	984
2009	372,000	122,000	2,287,000		156,412	37,000	608,417	3,850,000		7,432,829	4.08%	855
2010	189,000		2,212,000		48,911	24,000	563,913	3,725,000	36,300	6,799,124	2.90%	782
2011			5,635,000			11,000	518,481	3,595,000	27,865	9,787,346	5.19%	1,449
2012			7,422,000					3,460,000	19,018	10,901,018	5.50%	1,573
2013			7,027,000		191,443			3,320,000	30,756	10,569,199	4.92%	1,474
2014			6,620,000		159,597			3,175,000	30,121	9,984,718		
2015			6,205,000		122,937			3,020,000	35,806	9,383,743		

IVINS CITY
 RATIO OF GENERAL BONDED DEBT OUTSTANDING
 Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Reserved for Debt Service	Total	Percentage of Personal Income	Per Capita
2006	898,000	203,825	1,101,825	0.56%	152
2007	727,000	203,825	930,825	0.48%	118
2008	550,000	203,825	753,825	0.41%	91
2009	372,000	203,825	575,825	0.25%	66
2010	189,000		189,000	0.10%	22
2011					
2012					
2013					
2014					
2015					

IVINS CITY
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 As of June 30, 2013

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Washington County	\$ 16,344,881	6.49%	\$ 1,060,783
Washington County School District	214,541,603	6.49%	13,923,750
Washington County Water Conservancy District	3,561,000	6.49%	231,109
Sub-Total Overlapping Debt	234,447,484		15,215,642
Ivins City Direct Debt	6,363,743		6,363,743
Total Direct and Overlapping Debt	\$ 240,811,227		\$ 21,579,385

Note: The estimated percentage is based on relative assessed value.

IVINS CITY
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	50,116,793	81,945,799	96,786,653	101,379,341	84,533,185	75,911,311	70,015,946	70,611,132	84,669,244	92,057,545
Total Net Debt Applicable to Limit	1,710,819	1,484,820	1,252,034	1,017,417	776,913	529,481	-	-	-	-
Legal Margin	\$ 48,405,974	\$ 80,460,979	\$ 95,534,619	\$ 100,361,924	\$ 83,756,272	\$ 75,381,830	\$ 70,015,946	\$ 70,611,132	\$ 84,669,244	\$ 92,057,545
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	3.41%	1.81%	1.29%	1.00%	0.92%	0.70%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for FY 2015

Assessed Value	767,146,206
Add Back: Exempt Real Property	-
Total Assessed Value	<u>767,146,206</u>
Debt Limit	
General Obligation 4%	30,685,848
Water & Sewer 8%	61,371,696
Total Debt Limit	<u>92,057,545</u>
Debt Applicable to Limit:	
General Obligation Bonds	-
Less:	
Set Aside for Repayment	-
Total Net Debt Applicable to Limit	<u>-</u>
Legal Debt Margin	<u>\$ 92,057,545</u>

IVINS CITY
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years

Sales Tax Bond								
Fiscal Year	Gross Revenue	Operating Transfers	Expenses Net of Depreciation	Net Available Revenue	Principle	Interest	Total	Coverage
2006				-	-	-	-	n/a
2007				-	-	-	-	n/a
2008				-	-	-	-	n/a
2009				-	-	-	-	n/a
2010				-	-	-	-	n/a
2011	702,883			702,883	-	50,586	50,586	13.89
2012	707,797			707,797	135,000	112,664	247,664	2.86
2013	940,122			940,122	130,000	109,117	239,117	3.93
2014	991,673			991,673	135,000	105,604	240,604	4.12
2015	1,033,861			1,033,861	135,000	101,804	236,804	4.37

Excise Tax Bond								
Fiscal Year	Gross Revenue	Operating Transfers	Expenses Net of Depreciation	Net Available Revenue	Principle	Interest	Total	Coverage
2006				-	-	-	-	n/a
2007				-	-	-	-	n/a
2008				-	-	-	-	n/a
2009				-	-	-	-	n/a
2010				-	-	-	-	n/a
2011				-	-	-	-	n/a
2012	281,155			281,155	46,000	11,941	57,941	4.85
2013	278,888			278,888	183,000	48,319	231,319	1.21
2014	284,340			284,340	188,000	43,681	231,681	1.23
2015	285,050			285,050	193,000	38,941	231,941	1.23

Municipal Building Authority Revenue Bond								
Fiscal Year	Gross Revenue	Operating Transfers	Expenses Net of Depreciation	Net Available Revenue	Principle	Interest	Total	Coverage
2006				-			-	n/a
2007	144,000			144,000	69,000	75,000	144,000	1.00
2008	144,000			144,000	71,000	72,930	143,930	1.00
2009	143,800			143,800	73,000	70,800	143,800	1.00
2010	143,310			143,310	75,000	68,610	143,610	1.00
2011	143,360			143,360	77,000	66,360	143,360	1.00
2012	143,050			143,050	79,000	64,050	143,050	1.00
2013	143,680			143,680	82,000	61,680	143,680	1.00
2014	143,680			143,680	84,000	59,220	143,220	1.00
2015	143,733			143,733	87,000	56,700	143,700	1.00

Storm Drain Revenue Bond								
Fiscal Year	Gross Revenue	Operating Transfers	Expenses Net of Depreciation	Net Available Revenue	Principle	Interest	Total	Coverage
2006				-	-	-	-	n/a
2007	181,722	161,022	115,465	227,279	-	-	-	n/a
2008	537,871	(137,743)	230,837	169,291	-	72,852	72,852	2.32
2009	467,583	(137,584)	225,801	104,198	120,000	171,063	291,063	0.36
2010	443,902	(126,635)	158,249	159,018	125,000	165,703	290,703	0.55
2011	474,390	303,791	290,257	487,924	130,000	159,414	289,414	1.69
2012	527,831	(42,923)	325,897	159,011	135,000	153,590	288,590	0.55
2013	566,740	(35,119)	251,137	280,484	140,000	148,313	288,313	0.97
2014	452,347	(27,310)	15,072	409,965	145,000	141,828	286,828	1.43
2015	466,094	-	172,838	293,256	155,000	135,516	290,516	1.01

IVINS CITY
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Fiscal Year	Population	Per Capita Income	Personal Income	Unemployment Rate
2006	7,239	23,913	173,106,207	3.00%
2007	7,902	24,869	196,514,838	2.90%
2008	8,289	23,216	192,437,424	4.20%
2009	8,692	20,966	182,236,472	7.50%
2010	8,699	26,933	234,279,394	7.20%
2011	6,753	27,920	188,543,760	8.70%
2012	6,930	28,597	198,177,210	7.60%
2013	7,171	29,928	214,613,688	5.40%
2014	7,391	30,780	227,494,980	4.00%
2015	7,665	31,620	242,367,300	4.00%

Note: Population is estimated based on utility service.

Source: Per capita income and unemployment rate were obtained from the Utah Department of Workforce Services.

IVINS CITY
 PRINCIPAL EMPLOYERS
 Last Ten Fiscal Years

Employer	2015		2006	
	Employees	Rank	Employees	Rank
Tuacahn Center for the Arts	250-499	1		
Movara	100-249	2		
Red Mountain Spa	100-249	3		
Avalon Care Center	100-249	4		
Ivins City	50-99	5	Not Available	
Vista at Entrada Inc.	50-99	6		
Red Mountain Elementary	50-99	7		
Christensen Drywall	20-49	8		
Rhine Construction	20-49	9		
Whitaker Studio, Inc.	20-49	10		

Source: Utah Division of Workforce Services

Utah Workforce Services does not provide specific numbers of employees, only ranges so percent of total employment is not reported. Additionally, employment data is not maintained by the State back to 2001.

IVINS CITY
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 Last Ten Fiscal Years

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Administration	2.7	3.1	2.7	2.4	2.2	2.2	1.5	1.9	2.7	3.1
Legal/HR	1.0	1.3	2.0	2.1	2.0	2.0	2.1	2.2	0.9	0.3
Total General Government	3.7	4.4	4.7	4.5	4.2	4.2	3.6	4.1	3.6	3.4
Building/Zoning	1.9	1.7	2.1	2.0	1.2	0.9	0.9	0.9	1.7	3.1
Public Safety										
Law Enforcement	8.3	7.9	11.0	11.9	10.9	11.5	11.4	18.8	19.4	19.3
EMS								6.2	8.6	9.8
Animal Control	1.0	2.8	1.6	1.7	2.1	2.3	2.4	1.8	2.1	3.0
Fire	0.7	1.5	6.0	10.2	10.7	10.3	8.2	2.6	1.6	1.3
Public Safety	10.0	12.2	18.6	23.8	23.7	24.1	22.0	29.4	31.7	33.4
Community Development	1.7	1.9	1.9	1.7	1.8	1.3	0.9	1.3	1.5	0.4
Public Works										
Streets	2.1	2.5	2.3	1.9	1.9	1.8	1.6	1.7	2.3	2.3
Water	5.4	6.7	5.4	5.3	6.7	6.5	5.8	6.2	6.3	6.8
Waste Water	2.3	3.7	4.2	4.0	3.5	3.4	3.1	3.5	3.5	3.8
Total Public Works	9.8	12.9	11.9	11.2	12.1	11.7	10.5	11.4	12.1	12.9
Parks & Recreation										
Parks	3.0	3.3	2.0	1.6	1.4	2.3	2.2	3.6	2.0	3.3
Recreation	-	0.6	3.0	2.5	2.2	1.6	1.1	0.3	1.5	1.4
Cemetery	0.6	0.5	0.7	0.9	0.9	0.9	0.8	0.9	0.8	1.3
Total Parks & Recreation	3.6	4.4	5.7	5.0	4.5	4.8	4.1	4.7	4.3	6.0
Total Primary Government	30.7	37.5	44.9	48.2	47.5	47.0	41.8	51.9	54.9	59.2

Note: Full Time Equivalent was calculated by taking total hours paid from the payroll and dividing by the fulltime equivalent hours of 2,080 per year.

At the beginning of Fiscal Year 2013, Law Enforcement combined forces with Santa Clara and became the Santa Clara Ivins police department. All revenue and expenditures of the combined police force are represented in Ivins City's financial statements. A percentage of expenditures is reimbursed by Santa Clara.

Also at the beginning of Fiscal Year 2013, Emergency Medical Services were separated from the Fire Department and became a standalone department with in Public Safety.

IVINS CITY
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

<u>Function</u>	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Building/Zoning										
Residential Building Permits	186	91	63	43	33	58	86	125	90	82
Residential Value	\$ 39,865,540	\$ 24,976,900	\$ 20,741,000	\$ 10,166,911	\$ 7,629,975	\$ 15,016,055	\$ 18,149,200	\$ 25,893,300	\$ 23,226,000	\$ 19,846,575
Addition Building Permits	38	50	42	22	12	35	72	61	21	20
Additions Value	\$ 1,247,825	\$ 883,580	\$ 843,440	\$ 532,360	\$ 214,300	\$ 227,040	\$ 945,319	\$ 844,462	\$ 809,200	\$ 633,820
Commercial Building Permits	6	0	1	2	0	0	1	0	0	1
Commercial Value	\$ 25,121,080	\$ -	\$ 50,000	\$ 2,216,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 800,000
Other Building Permits	2	0	1	2	0	0	0	0	88	116
Other Value	\$ 2,001,500	\$ -	\$ 643,188	\$ 4,650,000	\$ -	\$ -	\$ -	\$ -	\$ 2,215,152	\$ 2,338,545
Law Enforcement										
Patrol Officers	9	9	9	8	9	8	8	14	14	14
Training Hours	1,202	1,235	964	1,235	730	1,601	1,651	1,417	1,536	4,687
Citation	1,683	1,621	2,140	946	862	1,370	1,443	2,119	1,536	1,454
Calls for Service	2,131	2,327	2,581	2,145	1,584	2,072	2,262	3,149	3,954	3,949
Response Time (minutes)	7.0	6.0	6.5	8.0	6.5	5.2	4.5	9.0	8.3	7.2
Arrests	-	111	249	253	146	206	108	308	974	894
Fire Department										
Structure Fires	7	5	7	6	4	11	7	4	15	15
Automobile Accidents	35	35	40	25	17	29	26	12		41
Calls for Service	89	89	83	107	-	495	471	511	832	826
Training Hours	3,854	5,233	2,747	1,296	1,156	1,836	1,669	613	1,288	1,244
# of Full-Time Firemen	1	3	3	3	3	3	3	1	1	1
# of Volunteer Firemen	73	68	66	50	62	45	45	45	20	26
Ambulance										
Structure Fires				3-5		0-Jan	7	4	15	25
Automobile Accidents			33	166	187	0	26	12		58
Calls for Service	230	210	300	225	0	0	471	511	610	551
Training Hours		36	165.25	2302.85	395.6	208.3	1669.5	614	465	925
# of Full-Time Paramedics								1	1	1
# of Part-Time EMT			19	19	19	20	20	20	19	20
# of Part-Time Paramedics		3	3	5	5	5	5	5	10	21

IVINS CITY
OPERATING INDICATORS BY FUNCTION (Cont)
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Parks, Recreation and Trails										
Developed Acreage					40	39.95	39.95	39.95	39.95	39.95
Developed Acreage/1000 Population					5	5.92	5.92	5.92	5.92	5.21
Undeveloped Acreage					41	51.00	51.00	51.00	51.00	51.00
Youth in Recreation Programs										
Sports	314	409	408	407	411	412	417	359	529	471
Fitness	263	725	526	515	367	421	419	213	114	120
Education	32	124	102	44	-	-	-	-	60	48
Public Works										
Water Gallons Billed (in thousands)	384,414	503,732	369,577	490,056	487,001	467,276	501,401	505,011	511,417	515,203
Water Connections	2,208	2,318	2,669	2,629	2,709	2,755	2,825	3,015	3,034	3,132
Sewer Connections	2,038	2,140	2,548	2,450	2,530	2,597	2,676	2,757	2,951	3,052
Storm Drain Services			2,806	2,772	2,862	2,912	2,996	3,123	3,243	3,353
Garbage Services	2,335	2,549	2,750	2,740	2,830	2,887	2,970	3,090	3,171	3,279

Note: Police, Fire and Ambulance have evolved over the last several years to full-time departments. Prior to 2002 law enforcement in the city was provided by Washington County. The City began an ambulance service in 2008. Ivins City created a recreation department on a full-time basis in 2006. Law Enforcement combined with Santa Clara and EMS was separated from Fire at the beginning of FY 2013.

Note: Information gather through police dispatch logs, accounting records, building permit files and utility records. All information is internally generated.



FEDERAL & STATE REPORTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and
Members of the City Council
Ivins City, 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 Ivins City, Utah as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Ivins City's basic financial statements, and have issued our report thereon dated December 15, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ivins City'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 Ivins City's internal control. Accordingly, we do not express an opinion on the effectiveness of the Ivins City'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 timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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

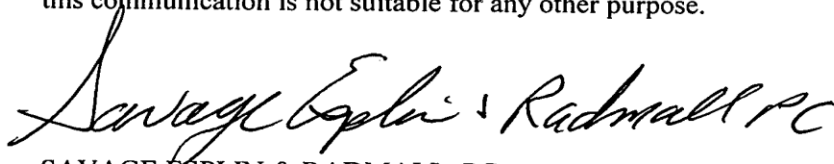
As part of obtaining reasonable assurance about whether Ivins City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and recommendations as items 2015-1.

Ivins City's Response to Findings

Ivins City's response to the findings identified in our audit was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Savage Esplin & Radmall PC". The signature is written in a cursive, flowing style.

SAVAGE ESPLIN & RADMALL, PC
December 15, 2015

**INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH THE
STATE COMPLIANCE AUDIT GUIDE ON COMPLIANCE WITH
GENERAL STATE COMPLIANCE REQUIREMENTS AND ON INTERNAL
CONTROL OVER COMPLIANCE**

The Honorable Mayor and
Members of the City Council
Ivins City, Utah

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

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

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

- Budgetary Compliance
- Fund Balance
- Utah Retirement Systems
- Transfers from Utility Enterprise Funds
- Locally Generated Taxes
- Government Records Access Management (GRAMA)
- Open and Public Meetings Act

The City did not have any State funding classified as a major program during the year ended June 30, 2015.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on Ivins 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 or its major state programs 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 and for each major state program. However, our audit does not provide a legal

determination on the City's compliance.

Opinion on General State Compliance Requirements

In our opinion, Ivins City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the City for the year ended June 30, 2015.

Other Matters

The results of our procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide*.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the compliance requirements that could have a direct and material effect on the City or on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance with general state compliance requirements and for each major state program and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 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.

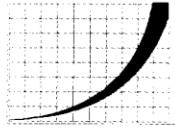
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses significant deficiencies. We did not identify any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

Purpose of Report

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.



SAVAGE ESPLIN & RADMALL, PC
December 15, 2015



SAVAGE ESPLIN & RADMALL, PC

▪ *Certified Public Accountants* ▪
Findings and Recommendations
For the Fiscal Year Ended June 30, 2015

The Honorable Mayor, Members
of the City Council and City Staff
Ivins City, Utah

In planning and performing our audit of the financial statements of the Ivins City, Utah, as of and for the year ended June 30, 2015 we encountered no findings we are required to report to you or other appropriate oversight entities.

Material Weaknesses:

None

Significant Deficiencies:

None

Compliance Findings and Recommendations:

None

Other Matters:

2015-1 Finding – Review Year-end Balances

Journal entries were needed to adjust receivables, fixed assets, long-term debt, accrued liabilities, and pension activity.

Recommendation:

We recommend personnel review year-end balances per the general ledger and compare to source documents and make the required adjusting journal entries.

This report is intended solely for the information and use of the Mayor, City Council, management, and various federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this restriction is not intended to limit distribution of this report, which is a matter of public record.

It has been a pleasure to be of service to the City. We express our thanks to those who assisted us during the audit. If we can be of further assistance please contact us at any time.

SAVAGE ESPLIN & RADMALL, PC
December 15, 2015

20 North Main, Suite 402 • St. George, Utah 84770 • Phone: 435.673.6195 • Fax: 435.673.6833

Ivins City
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An Equal Opportunity Employer



Mayor Chris Hart
City Council Members:
Ron Densley
George E. Elwell, Jr.
Cheyne McDonald
Lesley Mendenhall
Steven Roberts

City Manager/Attorney:
Dale Coulam

December 15, 2015

Savage Esplin & Radmall, PC
20 South Main, Suite 402
St George, Utah 84770

Mr. Esplin:

This letter is written in response to the Findings and Recommendations as part of the annual audit for Ivins City for the fiscal year ending June 30, 2015.

2015-01 Finding – Review Year-end Balances

Journal entries were needed to adjust receivables, fixed assets, long-term debt, accrued liabilities, and pension activity.

Staff of Ivins City will review journal entries throughout the year and review the year-end balances per the general ledger. Staff will compare the balances to the source documents and make the required adjusting journal entries.

We appreciate the audit work and resulting recommendations. The City will work diligently to address these findings.

Dale Coulam-City Manager

Wally Ritchie-Director of Finance