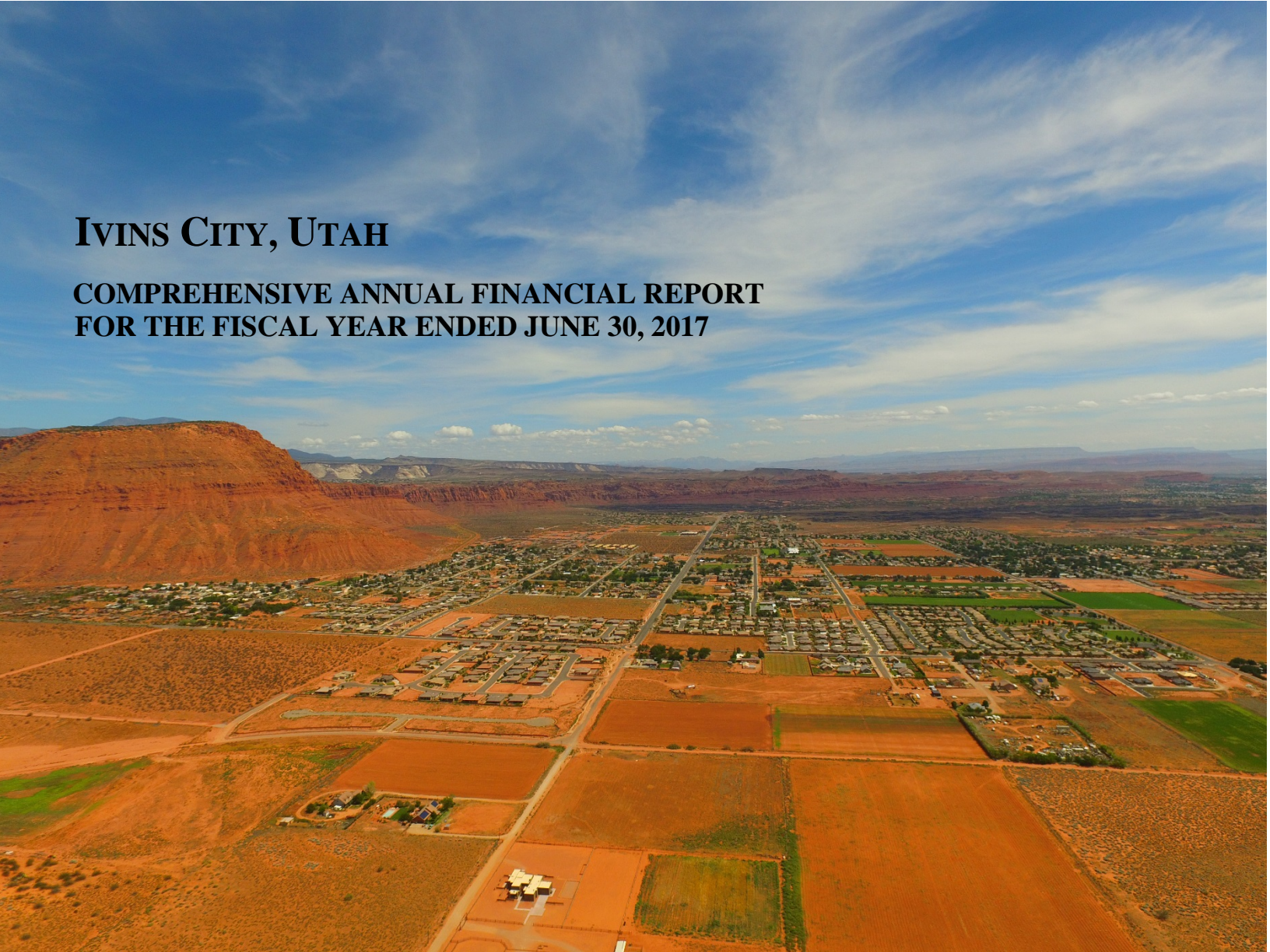


IVINS CITY, UTAH

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017



IVINS CITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017



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
Jenny Johnson.
Cheyne McDonald
Dennis Mehr
Steven Roberts

City Manager Dale Coulam

November 17, 2017

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, 2017.

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, 2017.

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. Larson & Company, 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, 2016 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, 2017, 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 statutes 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 14 full-time 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 1 full time and 2 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 Old Highway 91 in partnership with UDOT and Santa Clara City. 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 and recycling pickup is provided by Dixie Waste Services. Both are 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, 135 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 robust pace with 135 new building permits this fiscal year compared to 114 and 90 in 2016 and 2015 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. Grading work is underway and construction of the project is planned to begin in late 2018.



Rocky Vista University, an osteopathic medical school, completed a campus in Ivins adjacent to the Southern Utah Veteran's Home. The application for accreditation was approved in December 2015 and the school opened in the fall of 2017.



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. The project began construction in the winter of 2016 and is completed.



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 City approved a RV Resort along Highway 91 during 2017. This will bring visitors to the area and provide transient room tax for the City.

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 24.9% 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.

A 5-year plan was created during the year. It will be updated annually and includes projects and staffing that the City looks to undertake during the given year. This plan was created to assist will planning and budgeting for the future.

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. Desert Rose Park was worked on during the year and will be completed in 2018. This park includes a playground, pickleball courts, pavilion, and restrooms. The City has also been working with the Washington County Water Conservancy District to make improvements to Fire Lake Park at 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, 2016. This is the seventh 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**

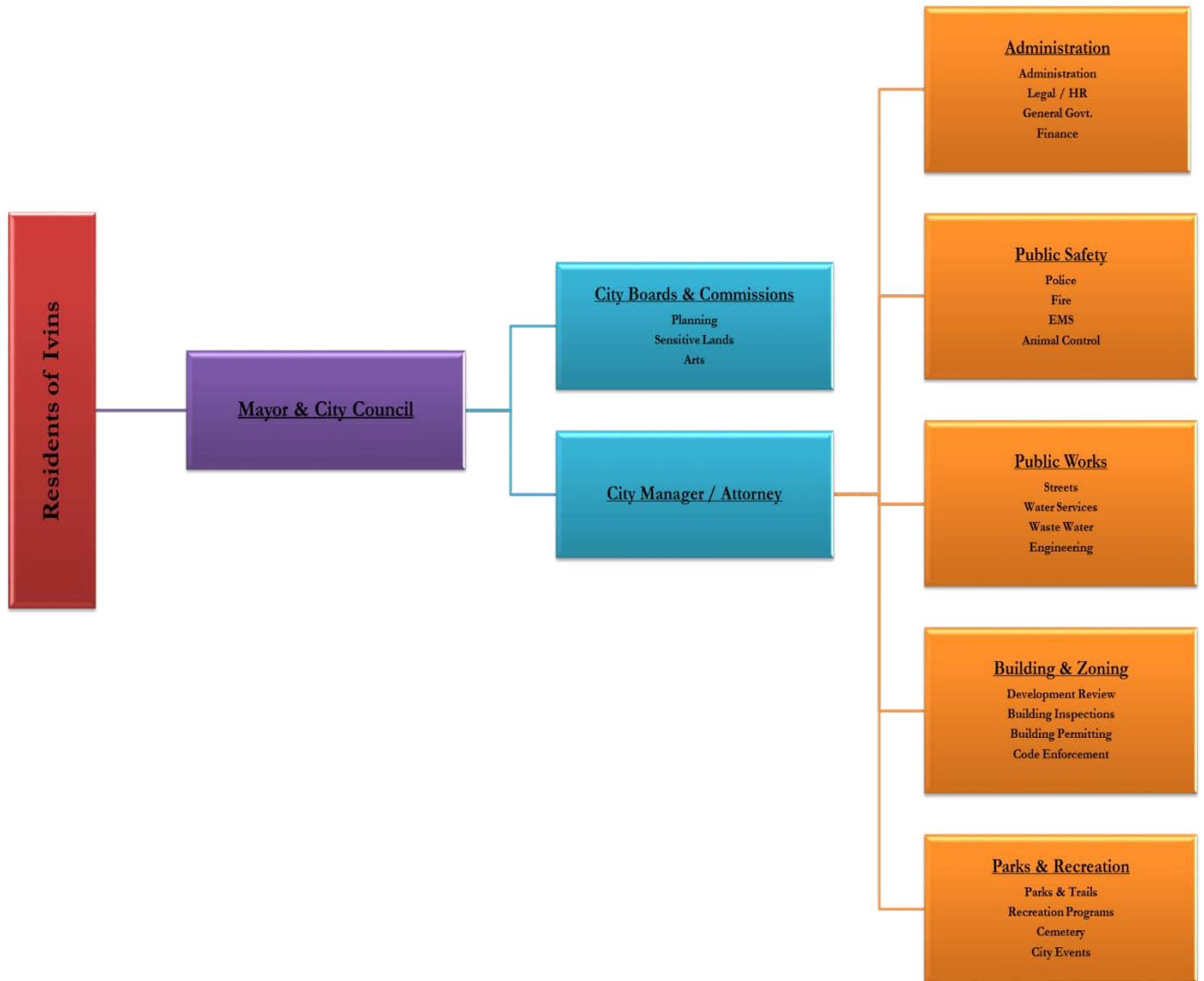
Presented to

**City of Ivins City
Utah**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



Officials of Ivins City, Utah

Mayor

Chris Hart

City Council

**Ron Densley
Jenny Johnson
Cheyne McDonald
Dennis Mehr
Steve Roberts**

City Manager

Dale Coulam

**City Attorney
City Recorder
City Treasurer
City Engineer
Director of Finance
Director of Public Safety
Public Works Director
Parks & Recreation Director
Building & Zoning Administrator**

**Dale Coulam
Kari Jimenez
Debbie Bannon
Chuck Gillette
Wally Ritchie
Bob Flowers
Chuck Gillette
Benny Sorensen
Mike Rodriguez**





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 (the City) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ivins City, Utah, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and other required supplementary information related to pensions on pages 18-26 and 63-68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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 provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2017, on our consideration of the 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 the City's internal control over financial reporting and compliance.



Larson & Company, PC

Spanish Fork, Utah
November 16, 2017

FYE 2017 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, 2017. 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 2017 by \$43,530,158 (net position), an increase of \$4,054,006. Of this amount, \$3,475,681 (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 2017 fiscal year, Ivins City's governmental funds reported combined ending fund balances of \$3,787,758 with approximately 42% of this total amount, \$1,600,387 in the General Fund.
- At the end of the current fiscal year, the fund balance for the general fund was \$1,600,387, or 24.9% of total budgeted general fund revenues. 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 revenues exceeded general fund expenditures including transfers by \$377,612. Increasing fund balance from \$1,222,774 to \$1,600,387.

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 comprise three components: (1) government wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

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 *statement of net position* presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- The *statement of activities* presents information showing how the City's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.
- Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The statement of activities is presented on two pages. The first page reports the extent to which each function or program is self-supporting through fees and intergovernmental aid. The second page identifies the general revenues of the City available to cover any remaining costs of the functions or programs.

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. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City also uses fund accounting to ensure and demonstrate compliance with finance-related

legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

- *Government funds.* These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

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

The City maintains three major governmental funds, the general, debt service, and capital projects funds.

The City adopts an annual appropriated budget for all its funds. A budgetary comparison schedule has been provided to demonstrate legal compliance with the adopted budget for the general fund.

The basic governmental fund financial statements can be found later in this report; see Table of Contents.

- *Proprietary fund.* The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses two enterprise funds to account for the operations of the water and waste water, which includes sewer and storm drain operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The enterprise funds are considered major funds of the City.

The proprietary fund financial statements can be found later in this report; see Table of Contents.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes follow the financial statements in this report.

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City.

Government-wide Financial Analysis

Ivins City's Net Position

	Governmental Activities		Business-type Activities		Total Current Year	Total Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
Current and other assets	\$ 5,835,257	5,385,806	7,196,677	8,620,585	13,031,935	14,006,391
Net capital assets	23,621,963	22,402,424	20,269,732	16,996,869	43,891,695	39,399,293
Deferred outflows of resources	799,206	654,973	205,990	169,931	1,005,196	824,904
Total assets and deferred outflows	\$ 30,256,426	28,443,203	27,672,400	25,787,385	57,928,826	54,230,588
Long-term debt outstanding	\$ 5,689,105	5,855,124	3,869,107	4,129,491	9,558,212	9,984,615
Other liabilities	2,259,953	2,270,156	933,934	959,184	3,193,887	3,229,340
Deferred inflows of resources	1,578,494	1,493,625	68,075	46,856	1,646,569	1,540,481
Total liabilities and deferred inflows	9,527,552	9,618,905	4,871,116	5,135,531	14,398,668	14,754,436
Net position:						
Net investment in capital assets	17,932,858	16,547,300	16,400,625	12,867,379	34,333,483	29,414,679
Restricted	2,000,079	1,881,649	3,720,914	4,748,115	5,720,994	6,629,764
Unrestricted	795,937	395,350	2,679,744	3,036,361	3,475,681	3,431,711
Total net position	\$ 20,728,874	18,824,299	22,801,284	20,651,855	43,530,158	39,476,152

As noted earlier, net position may serve over time as a useful indicator of financial position. Total assets and deferred outflows of resources exceeded total liabilities and deferred inflow of resources at the close of the year by \$43,530,158, an increase of \$4,054,006 from the previous year. This change is equivalent to the net income for the year, in private sector terms.

Total unrestricted net position at the end of the year are \$3,475,681 which represents an increase of \$43,970 from the previous year. Unrestricted net position are those resources available to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

The amount of current and other assets represent the amounts of cash and receivables on hand at the end of each year. Other liabilities are the amounts of current and other liabilities due, at year end, for goods and services acquired.

Changes in capital assets are the result of the difference, in the current year, of the cost of acquisition of capital assets and any depreciation charges on capital assets. Change in long-term debt is the difference in the amount of debt issued and that which has been paid during the year.

Ivins City's Change in Net Position

	Governmental Activities		Business-type Activities		Total Current Year	Total Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
Program revenues:						
Charges for services	\$ 2,370,009	2,273,331	3,507,755	3,214,408	5,877,764	5,487,739
Operating grants	405,213	334,910	-	-	405,213	334,910
Capital grants	2,309,414	1,717,873	2,212,640	1,183,543	4,522,054	2,901,416
General revenues:						
Property taxes	1,483,779	1,402,204	-	-	1,483,779	1,402,204
Sales tax	1,250,612	1,151,342	-	-	1,250,612	1,151,342
Other taxes	609,888	591,902	-	-	609,888	591,902
Other revenues	342,781	276,970	49,968	27,643	392,749	304,613
Total revenues	8,771,697	7,748,532	5,770,362	4,425,594	14,542,059	12,174,126
Expenses:						
General government	625,443	666,238	-	-	625,443	666,238
Building/Code Enforcement	318,637	361,040	-	-	318,637	361,040
Public safety	2,943,537	2,784,857	-	-	2,943,537	2,784,857
Highways and improvements	1,888,451	1,832,155	-	-	1,888,451	1,832,155
Parks and recreation	918,595	734,869	-	-	918,595	734,869
Interest on long-term debt	172,457	193,309	-	-	172,457	193,309
Water	-	-	2,310,287	2,031,836	2,310,287	2,031,836
Wastewater	-	-	1,310,646	1,303,458	1,310,646	1,303,458
Total expenses	6,867,120	6,572,468	3,620,933	3,335,294	10,488,053	9,907,762
Change in net position	\$ 1,904,577	1,176,064	2,149,429	1,090,300	4,054,006	2,266,364
Total net position	\$ 20,728,874	18,824,299	22,801,28	20,651,855	43,530,158	39,476,152

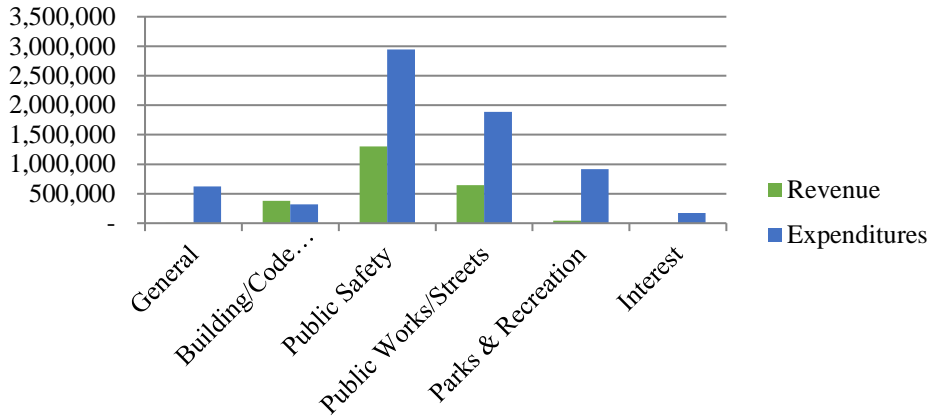
For the City as a whole, total revenues increased by \$2,367,933 compared to the previous year, while total expenses increased by \$580,291. The total net change of \$4,054,006 is, in private sector terms, the net income for the year which is \$1,787,642 more than the previous year.

Governmental activities revenues of \$8,771,697 is an increase of \$1,023,165 from the previous year. All significant items of revenue increased. Total grant revenue, operating and capital, increased by \$661,844. Governmental activities expenses of \$6,867,120 is an increase of \$294,652 from the previous year. While public safety, highways, and parks and recreation expenses increased, general government, building/code enforcement, and long-term debt interest expenses decreased.

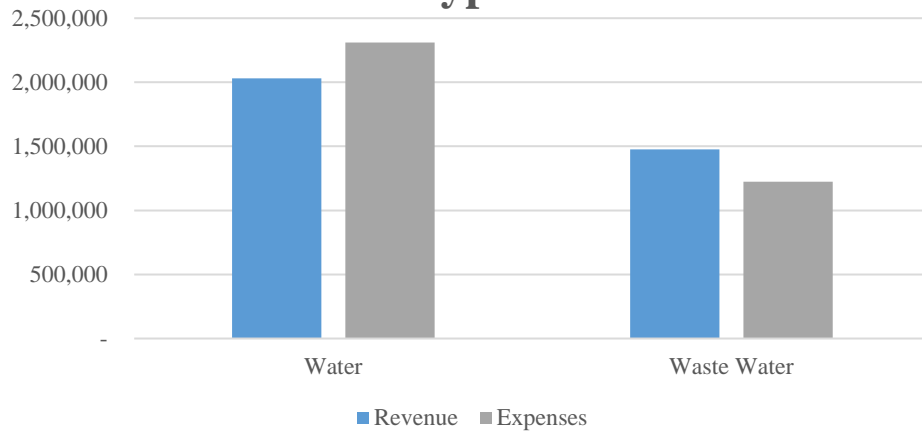
Business-type activities revenue of \$5,770,362 is an increase of \$1,344,768 from the previous year. Service revenues increased by \$293,347 and capital grants increased by \$1,029,097. Business-type activities expenses of \$3,620,933 is an increase of \$285,639 from the previous year. This is due to an overall increase in operation expenses.

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

Expenditures and Program Revenues - Governmental Activities



Expenses and Program Revenues - Business-Type Activities



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.

Balances and Transactions of Individual Funds

Some of the more significant changes in fund balances and fund net position and any restrictions on those amounts is described below:

General Fund

The fund balance of \$1,600,387 reflects an increase of \$377,612 from the previous year. Total revenues increased by \$393,658. Tax revenues, including property taxes and sales taxes increased by \$198,831. All other revenues increased by a total of \$194,827.

Total expenditures increased by \$208,224. General government expenditures increased by \$22,240; code enforcement expenditures decreased by \$42,403; public safety expenditures increased by \$178,921; streets and highways expenditures decreased by \$28,203; and parks and recreation expenditures increased by

\$87,769. The transfer of \$321,985 to the capital projects fund comprised the total transferred from the general fund to other funds.

Water Fund

The change in net position (net income) was \$1,104,053, which included capital grants of \$1,143,627. The amount of \$1,429,888 is restricted for construction. Unrestricted net position amounts to \$1,154,166.

Wastewater

The change in net position (net income) was \$1,045,376. Restricted amounts were \$298,698 for debt service, and \$1,992,329 for construction. Unrestricted net position amounts to \$1,525,579.

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 \$3,787,758, an increase of \$632,778 in comparison with the prior year. The City used impact fee funds to complete street and park projects during 2017.

The general fund is the chief operating fund of Ivins City. At the end of the 2017 fiscal year, the fund balance of the general fund was \$1,600,387. 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 24.9% of total budgeted general fund revenues.

Other governmental funds (including special impact fee funds for Streets, Parks and Recreation, Public Safety) have a total fund balance of \$2,187,371 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 \$2,938,116.

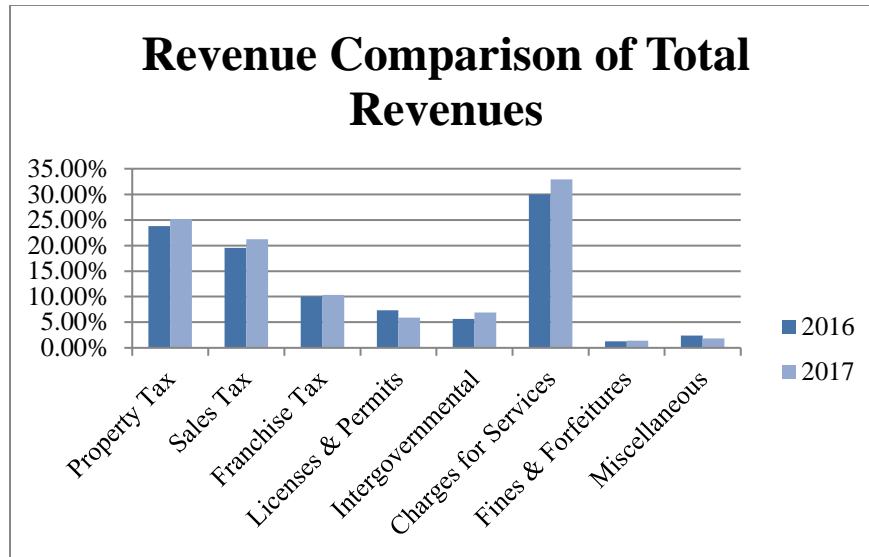
General Fund Budgetary Highlights

Revenues for the current year, exclusive of transfers and fund balance appropriations, were originally budgeted in the amount of \$5,977,691. This amount was amended in the final budget to \$6,266,564. Actual revenues, excluding transfers, amounted to \$6,287,409.

Expenditures for the current year, excluding transfers, were originally budgeted in the amount of \$5,785,516. This amount was amended in the final budget to \$6,108,009. Actual expenditures amounted to \$5,751,742.

Net transfers out for the year were originally budgeted in the amount of \$203,676. The final budget for transfers out was for the amount of \$321,985. Actual net transfers out were made in the amount of \$321,985.

The following graph shows changes in revenue between 2016 and 2017 as a percent of total revenue.



During the year general fund revenues exceeded expenditures by \$350,234 before other financing sources and uses; and revenues exceeded expenditures by \$244,840 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, 2017, amounts to \$43,891,695 (net of accumulated depreciation), an increase of \$4,492,403 from the previous year. 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 3-C Capital Assets on pages 47-49 of the financial statements.

Ivins City's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total Current Year	Total Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
Net Capital Assets:						
Land and water rights	\$ 1,856,912	1,838,898	1,446,937	1,446,937	3,303,849	3,285,835
Buildings	1,048,078	1,090,870	107,196	113,107	1,155,274	1,203,977
Improvements other than buildings	1,170,246	576,154	-	-	1,170,246	576,154
Automobiles & Trucks	363,020	276,869	23,343	36,217	386,363	313,086
Machinery and equipment	157,642	168,961	59,556	42,612	217,198	211,573
Office equipment	31,212	36,967	-	-	31,212	36,967
Parks	2,903,061	2,781,747	-	-	2,903,061	2,781,747
Infrastructure	16,086,814	15,383,226	-	-	16,086,814	15,383,226
Water system	-	-	7,601,040	4,892,504	7,601,040	4,892,504
Wastewater system	-	-	11,031,660	10,465,492	11,031,660	10,465,492
Work in progress	4,978	248,732	-	-	4,978	248,732
Totals	\$ 23,621,963	22,402,423	20,269,732	16,996,869	43,891,695	39,399,293

FYE 2017 major programs and projects include:

- Storm Drain improvements
- Water Tank construction
- Old Highway 91 improvements
- Street maintenance program and work plan
- Detention Basin improvements
- Ivins Reservoir improvements

Long-term debt. At year-end, the City had \$9,558,212 in bonds and notes outstanding—a decrease of 4.3% over the last year—as shown in the table entitled *IVINS CITY'S OUTSTANDING DEBT*. More detailed information about the City's long-term liabilities is presented in Note 3-D Long-Term Debt on pages 49-51 of the financial statements.

Ivins City's Outstanding Debt - Revenue Bonds

	<u>Current Year</u>	<u>Previous Year</u>
Governmental activities:		
2015 Toyota Tacoma Lease	\$ -	10,761
2010 Sales Tax Revenue	-	2,825,000
2012 Street Sweeper Lease	9,457	48,026
2016 Ford Escape Lease	6,148	18,336
2017 Washington County	150,000	-
2017 Equipment Lease	140,500	-
2012 Excise Bond	1,036,000	1,239,000
2005 MBA Lease Revenue	1,622,000	1,714,000
2016 Sales Tax Refunding	2,725,000	-
Total governmental	<u>\$ 5,689,105</u>	<u>5,855,124</u>
Business-type activities:		
2015 Ford Escape Water	\$ -	2,979
2015 Ford Escape Sewer	-	2,979
2016 Storm Water Revenue	3,465,000	3,680,000
2016 Storm Water Revenue Premiums	404,107	443,532
Total business-type	<u>\$ 3,869,107</u>	<u>4,129,490</u>
Total outstanding debt	<u>\$ 9,558,212</u>	<u>9,984,614</u>

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 2017.
- The City will be conducting rate studies during FYE 2018 that are anticipated to take effect beginning July 2018.
- The City is anticipating a number of storm water and detention basin projects during the upcoming year as well as the potential of road construction and maintenance projects.

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, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,962,939	2,938,116	4,901,055
Accounts receivable, net	2,077,896	385,947	2,463,843
Interfund balances	(150,000)	150,000	-
Other current assets	-	653	653
Total current assets	3,890,835	3,474,717	7,365,552
Non-current assets:			
Restricted cash and cash equivalents	1,944,306	3,721,128	5,665,434
Capital assets:			
Not being depreciated	1,861,890	1,446,937	3,308,827
Net of accumulated depreciation	21,760,073	18,822,795	40,582,868
Net pension assets	116	833	949
Total non-current assets	25,566,385	23,991,693	49,558,078
Total assets	29,457,220	27,466,410	56,923,630
Deferred outflows of resources - pensions	799,206	205,990	1,005,196
Total assets and deferred outflows of resources	\$ 30,256,426	27,672,400	57,928,826
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 288,937	125,882	414,819
Accrued liabilities	11,244	236,848	248,092
Customer deposits	3,340	142,480	145,820
Unearned Revenue	418,289	-	418,289
Accrued interest payable	18,959	18,922	37,881
Long-term debt outstanding, current portion	613,560	220,000	833,560
Total current liabilities	1,354,329	744,132	2,098,460
Non-current liabilities:			
Compensated absences	118,111	33,505	151,615
Long-term debt outstanding, non-current portion	5,075,545	3,649,107	8,724,653
Net pension liability	1,401,073	376,298	1,777,371
Total non-current liabilities	6,594,729	4,058,910	10,653,639
Total liabilities	7,949,058	4,803,041	12,752,099
Deferred inflows of resources - property taxes	1,325,573	-	1,325,573
Deferred inflows of resources - pensions	252,921	68,075	320,996
Total liabilities and deferred inflows of resources	9,527,552	4,871,116	14,398,668
NET POSITION:			
Net investment in capital assets	17,932,858	16,400,625	34,333,483
Restricted for:			
Debt service	203,348	298,698	502,046
Construction	1,796,731	3,422,217	5,218,948
Unrestricted	795,937	2,679,744	3,475,681
Total net position	20,728,874	22,801,284	43,530,158
Total liabilities, deferred inflows of resources and net position	\$ 30,256,426	27,672,400	57,928,826

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

IVINS CITY, UTAH
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
<u>FUNCTIONS/PROGRAMS:</u>					
Primary government:					
Governmental activities:					
General government	\$ 625,443	782	-	-	(624,660)
Building/Code enforcement	318,637	380,535	-	-	61,898
Public safety	2,943,537	1,302,185	42,476	62,908	(1,535,967)
Public works and streets	1,888,451	644,456	362,737	1,517,824	636,566
Parks, recreation and public property	918,595	42,050	-	728,682	(147,863)
Interest on long-term debt	172,457	-	-	-	(172,457)
Total governmental activities	6,867,120	2,370,009	405,213	2,309,414	(1,782,483)
Business-type activities:					
Water	2,310,287	2,031,617	-	1,354,646	1,075,976
Wastewater	1,310,646	1,476,138	-	857,994	1,023,486
Total business-type activities	3,620,933	3,507,755	-	2,212,640	2,099,462
Total primary government	\$ 10,488,053	5,877,764	405,213	4,522,054	316,978

	Governmental Activities	Business-type Activities	Total
CHANGES IN NET POSITION:			
Net (expense) revenue	\$ (1,782,483)	2,099,462	316,978
General revenues:			
Property taxes	1,483,779	-	1,483,779
Sales tax	1,250,612	-	1,250,612
Other taxes	609,888	-	609,888
Unrestricted investment earnings	99,956	49,968	149,924
Gain (loss) on sales of capital assets	19,305	-	19,305
Special assessments	115,915	-	115,915
Miscellaneous	107,605	-	107,605
Total general revenues	3,687,060	49,968	3,737,028
Change in net position	1,904,577	2,149,429	4,054,006
Net position - beginning restated	18,824,297	20,651,855	39,476,153
Net position - ending	\$ 20,728,874	\$ 22,801,284	43,530,158

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

IVINS CITY, UTAH
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

	General Fund	Debt Service Fund	Capital Projects Fund	Non-Major Municipal Building Authority	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,501,691	33,020	428,228	-	1,962,939
Accounts receivable, net of allowances	1,621,143	441,042	15,711	-	2,077,896
Restricted cash and cash equivalents	-	-	1,796,731	147,576	1,944,306
TOTAL ASSETS	\$ 3,122,834	474,062	2,240,670	147,576	5,985,141
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
Liabilities:					
Accounts payable	\$ 182,291	-	106,647	-	288,937
Accrued liabilities	11,244	-	-	-	11,244
Customer deposits	3,340	-	-	-	3,340
Unearned revenue	-	418,289	-	-	418,289
Due to other funds	-	-	150,000	-	150,000
Total liabilities	196,874	418,289	256,647	-	871,810
Deferred inflows of resources - property taxes	1,325,573	-	-	-	1,325,573
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,522,447	418,289	256,647	-	2,197,383
FUND BALANCES:					
Restricted for:					
Construction	-	-	1,796,731	-	1,796,731
Debt service	-	55,773	-	147,576	203,348
Assigned for:					
Construction	-	-	187,292	-	187,292
Unassigned	1,600,387	-	-	-	1,600,387
TOTAL FUND BALANCES	1,600,387	55,773	1,984,023	147,576	3,787,758
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 3,122,834	474,062	2,240,670	147,576	5,985,141

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

IVINS CITY, UTAH
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Municipal Building Authority</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes:					
Property	\$ 1,483,779	-	-	-	1,483,779
Sales	1,250,612	-	-	-	1,250,612
Other taxes	609,888	-	-	-	609,888
Licenses and permits	348,623	-	-	-	348,623
Intergovernmental revenues	405,213	-	176,176	-	581,389
Charges for services	1,938,516	-	-	-	1,938,516
Fines and forfeitures	82,870	-	-	-	82,870
Interest	60,544	14,147	24,406	858	99,956
Miscellaneous revenue	107,364	241	-	-	107,605
Impact fees	-	-	839,529	-	839,529
Special assessments	-	115,915	-	-	115,915
Total revenues	<u>6,287,409</u>	<u>130,303</u>	<u>1,040,111</u>	<u>858</u>	<u>7,458,682</u>
Expenditures:					
Current:					
General government	646,494	-	18,861	-	665,355
Building/Code enforcement	318,637	-	-	-	318,637
Public safety	2,905,215	-	16,845	-	2,922,060
Public works and streets	1,115,887	-	122,670	-	1,238,557
Parks, recreation and public property	702,702	-	658,141	-	1,360,843
Capital outlay	-	-	-	-	-
Debt service					
Principal	61,519	3,179,000	-	92,000	3,332,519
Interest	1,287	125,155	-	51,420	177,862
Total expenditures	<u>5,751,742</u>	<u>3,304,155</u>	<u>816,516</u>	<u>143,420</u>	<u>10,015,833</u>
Excess (deficiency) of revenues over (under) expenditures	<u>535,667</u>	<u>(3,173,852)</u>	<u>223,595</u>	<u>(142,562)</u>	<u>(2,557,151)</u>
Other financing sources and (uses):					
Debt proceeds	140,500	2,876,000	150,000	-	3,166,500
Sale of capital assets	23,430	-	-	-	23,430
Transfers in	-	353,000	171,985	286,020	811,005
Transfers out	(321,985)	-	(489,020)	-	(811,005)
Total other financing sources and (uses)	<u>(158,055)</u>	<u>3,229,000</u>	<u>(167,035)</u>	<u>286,020</u>	<u>3,189,930</u>
Net change in fund balances	377,612	55,148	56,559	143,458	632,778
Fund balances - beginning of year	1,222,774	625	1,927,464	4,117	3,154,980
Fund balances - end of year	<u>\$ 1,600,387</u>	<u>55,773</u>	<u>1,984,023</u>	<u>147,576</u>	<u>3,787,758</u>

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

IVINS CITY, UTAH
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT
OF NET POSITION
For the Year Ended June 30, 2017

Total Fund Balance for Governmental Funds	<u>\$ 3,787,758</u>
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds:	
Capital assets, at cost	34,578,072
Less accumulated depreciation	<u>(10,956,109)</u>
Net capital assets	<u>23,621,963</u>
Net pension assets are not financial resources and, therefore, are not reported in the funds.	<u>116</u>
Deferred outflows of resources - pensions, a consumption of net position that applies to future periods, is not shown in the funds statements.	<u>799,206</u>
Long-term liabilities, for funds other than enterprise funds, are recorded in the government-wide statements but not in the fund statements.	
General long-term debt	<u>(5,689,105)</u>
Interest accrued but not yet paid on long-term debt	<u>(18,959)</u>
Compensated absences	<u>(118,111)</u>
Net pension liability	<u>(1,401,073)</u>
Deferred inflows of resources - pensions	<u>(252,921)</u>
Total Net Position of Governmental Activities	<u><u>\$ 20,728,874</u></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, 2017

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 632,778</u>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with a material cost are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expenses.	
Capital outlays	1,001,759
Depreciation expense	(1,071,804)
Developer Contributions	1,293,710
Net	<u>1,223,665</u>
The statement of activities show pension benefits, pension expenses, and non-employer contributions related to GASB 68 that are not shown in the fund statements.	<u>(120,128)</u>
Cost of retired assets sold is not reported in government fund statements, while it is reported in the statement of activities.	
Book cost of assets retired	<u>(4,125)</u>
Debt proceeds are reported as financing sources in government funds. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities.	
Debt issued - bonds and capital leases	<u>(3,166,500)</u>
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Long-term debt principal repayments	<u>3,332,519</u>
Accrued interest for long-term debt is not reported as expenditure for the current period, while it is recorded in the statement of activities.	
Change in accrued interest	<u>5,406</u>
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.	
Change in compensated absence liability	<u>962</u>
Change in Net Position of Governmental Activities	<u>\$ 1,904,577</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, 2017

	Water Fund	Wastewater Fund	Total Proprietary Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,350,458	1,587,658	2,938,116
Accounts receivable, net	254,886	131,061	385,947
Due from other funds	150,000	-	150,000
Other current assets	653	-	653
Total current assets	1,755,998	1,718,719	3,474,717
Non-current assets:			
Restricted cash and cash equivalents	1,429,888	2,291,240	3,721,128
Capital assets:			
Not being depreciated	1,434,177	12,760	1,446,937
Net of accumulated depreciation	7,740,308	11,082,487	18,822,795
Net pension assets	511	322	833
Total non-current assets	10,604,884	13,386,809	23,991,693
Total assets	12,360,882	15,105,528	27,466,410
Deferred outflows of resources - pensions	133,555	72,435	205,990
Total assets and deferred outflows of resources	\$ 12,494,438	15,177,963	27,672,400
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 47,600	78,281	125,882
Accrued liabilities	236,848	-	236,848
Customer security deposits	142,480	-	142,480
Accrued interest payable	-	18,922	18,922
Long-term debt outstanding, current portion	-	220,000	220,000
Total current liabilities	426,928	317,203	744,132
Non-current liabilities:			
Compensated absences	21,814	11,690	33,505
Long-term debt outstanding, non-current portion	-	3,649,107	3,649,107
Net pension liability	243,173	133,125	376,298
Total non-current liabilities	264,988	3,793,922	4,058,910
Total liabilities	691,916	4,111,125	4,803,041
Deferred inflows of resources - pensions	43,982	24,092	68,075
Total liabilities and deferred inflows of resources	735,898	4,135,218	4,871,116
NET POSITION:			
Net investment in capital assets	9,174,485	7,226,140	16,400,625
Restricted for:			
Debt service	-	298,698	298,698
Construction	1,429,888	1,992,329	3,422,217
Unrestricted	1,154,166	1,525,579	2,679,744
Total net position	\$ 11,758,539	11,042,745	22,801,284
Total liabilities, deferred inflows of resources and net position	\$ 12,494,438	15,177,963	27,672,400

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

IVINS CITY, UTAH
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2017

	Water Fund	Wastewater Fund	Total Proprietary Funds
Operating income:			
Charges for sales and service	\$ 1,905,967	1,342,982	3,248,950
Connection fees	56,615	64,050	120,665
Other operating income	69,035	69,105	138,140
Total operating income	2,031,617	1,476,138	3,507,755
Operating expenses:			
Purchased product	879,728	279,180	1,158,908
Personnel services	646,729	364,902	1,011,631
Utilities	33,007	18,783	51,790
Repair and maintenance	121,137	86,059	207,195
Professional and technical	50,403	31,950	82,352
Other supplies and expenses	69,178	39,577	108,755
Insurance expense	17,529	10,022	27,551
Depreciation expense	492,544	394,127	886,672
Total operating expense	2,310,255	1,224,600	3,534,855
Net operating income (loss)	(278,638)	251,538	(27,100)
Non-operating income (expense):			
Impact fees	211,019	173,795	384,814
Interest income	28,077	21,890	49,968
Interest on long-term debt	(32)	(86,046)	(86,078)
Total non-operating income (expense)	239,064	109,639	348,704
Income (loss) before transfers and capital contributions	(39,574)	361,177	321,604
Capital contributions	1,143,627	684,198	1,827,825
Change in net position	1,104,053	1,045,376	2,149,429
Net position - beginning	10,654,486	9,997,369	20,651,855
Net position - ending	\$ 11,758,539	11,042,745	22,801,284

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, 2017

	Water Fund	Wastewater Fund	Total Proprietary Funds
Cash flows from operating activities:			
Cash received from customers - service	\$ 2,020,134	1,482,900	3,503,034
Cash paid to suppliers	(1,210,688)	(523,158)	(1,733,847)
Cash paid to employees	(623,133)	(352,162)	(975,295)
Net cash provided (used) in operating activities	186,312	607,580	793,892
Cash flows from noncapital financing activities:			
Interfund balances	100,000	-	100,000
Change in customer deposits	21,730	-	21,730
Net cash provided (used) in noncapital financing activities	121,730	-	121,730
Cash flows from capital and related financing activities:			
Cash received from capital contributions	1,143,627	684,198	1,827,825
Cash received from impact fees	211,019	173,795	384,814
Cash payments for capital assets	(3,209,703)	(949,832)	(4,159,535)
Cash payments for long-term debt principal	(2,979)	(217,979)	(220,958)
Cash payments for long-term debt interest	(32)	(125,471)	(125,503)
Net cash provided (used) in capital and related financing activities	(1,858,068)	(435,289)	(2,293,357)
Cash flows from investing activities:			
Cash received from interest earned	28,077	21,890	49,968
Net cash provided (used) in investing activities	28,077	21,890	49,968
Net increase (decrease) in cash	(1,521,948)	194,181	(1,327,767)
Cash balance, beginning	4,302,294	3,684,717	7,987,011
Cash balance, ending	\$ 2,780,346	3,878,898	6,659,244
Cash reported on the statement of net position:			
Cash and cash equivalents	\$ 1,350,458	1,587,658	2,938,116
Non-current restricted cash	1,429,888	2,291,240	3,721,128
Total cash and cash equivalents	\$ 2,780,346	3,878,898	6,659,244
Reconciliation of Operating Income to Net Cash Provided (Used) in Operating Activities:			
	Water Fund	Wastewater Fund	Total Proprietary Funds
Net operating income (expense)	\$ (278,638)	\$ 251,538	(27,100)
Adjustments to reconcile operating income or (loss) to net cash provided (used) in operating activities:			
Depreciation and amortization	492,544	394,127	886,672
Changes in assets and liabilities:			
(Increase) decrease in receivables	(11,708)	6,762	(4,946)
(Increase) decrease in other current assets	225	-	225
(Increase) decrease in non-current assets	560	301	861
(Increase) decrease in deferred outflows	(23,438)	(12,621)	(36,059)
Increase (decrease) in payables	(39,707)	(57,588)	(97,295)
Increase (decrease) in compensated absences	4,238	2,316	6,554
Increase (decrease) in net pension liabilities	28,445	15,316	43,761
Increase (decrease) in deferred inflows	13,791	7,428	21,219
Net cash provided (used) in operating activities	\$ 186,312	607,580	793,892

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

IVINS CITY, UTAH
STATEMENT OF NET POSITION –
AGENCY FUND
For the Year Ended June 30, 2017

	Developer Cash Bonds		
	Previous Year	Change	Current Year
Assets:			
Cash and cash equivalents	\$ 559,923	386,671	946,594
Total assets	<u>559,923</u>	<u>386,671</u>	<u>946,594</u>
Liabilities:			
Due to developers	559,923	386,671	946,594
Total liabilities	<u>\$ 559,923</u>	<u>386,671</u>	<u>946,594</u>

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1-A. Reporting entity

Ivins City (the City), is a municipal corporation located in Washington County, Utah. The City operates under a Six Member Council form of government with a City Manager by ordinance.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The financial statements of the City 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.

1-B. Government-wide and fund financial statements

Government-wide Financial Statements

The government-wide financial statements, consisting of the statement of net assets and the statement of changes in net assets report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect expenses are not allocated. All expenses are included in the applicable function. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privilege 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*.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, if any, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statement.

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

1-C. Measurement focus, basis of accounting and financial statement presentation

The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP).

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting, generally including the reclassification of internal activity (between or within funds). However, internal eliminations do not include utility services provided to City departments or payments to the general fund by other funds for providing administrative and billing services for such funds. Reimbursements are reported as reductions to expenses. Proprietary and any fiduciary fund financial statements are also reported using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when the grantor eligibility requirements are met.

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. 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, sales taxes, intergovernmental revenues, 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, if any, receivable 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 government.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating income and expense reported in proprietary fund financial statements include those revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services, including administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Policy regarding use of restricted resources

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed. Restricted assets and liabilities payable from restricted assets current in nature are reported with current assets and current liabilities. *Restricted assets, non-current* reports assets restricted for acquisition or construction of non-current assets, or are restricted for liquidation of long-term debt.

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

1-D. Fund types and major funds

Governmental funds

The City reports the following major governmental funds:

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

The *debt service fund* accounts for the payment of the general long-term debt of the government.

The *capital projects fund* accounts for financial resources used for the acquisition or construction of the capital facilities of the City (other than those of the enterprise funds).

Proprietary funds

The City reports the following major proprietary funds:

The *water fund* is used to account for the activities of the culinary water distribution.

The *wastewater fund* is used to account for the operations of the sewer system.

1-E. Assets, Liabilities, and Net Position or Equity

1-E-1. Deposit and Investments

Investments are reported at fair value. Deposits are reported at cost, which approximates fair value. Investments of the City are accounts at the Utah Public Treasurers Investments Fund. Additional information is contained in Note 3.

1-E-2. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

1-E-3. Receivables and Payables

Accounts receivable other than property taxes and intergovernmental receivables are from customers primarily for utility services. Property tax and intergovernmental receivables are considered collectible.

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

1-E-3. Receivables and Payables (continued)

Customer accounts are reported net of an allowance for uncollectible accounts. The allowance amount is estimated using accounts receivable past due more than 90 days.

During the course of operations, there may be transactions occur between funds that are representative of lending/borrowing arrangements outstanding at year-end. These are reported as either *due to or due from other funds*.

Property taxes are assessed and collected for the City by Washington County and remitted to the City shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable on November 1, and are delinquent after November 30. All dates are in the year of levy.

1-E-4. Restricted Assets

In accordance with certain revenue bond covenants, resources may be required to be set aside for the repayment of such bonds, and, on occasion, for the repair and maintenance of the assets acquired with the bond proceeds. These resources are classified as restricted assets on the balance sheet because of their limited use. Most capital grant agreements mandate that grant proceeds be spent only on capital assets.

Unspent resources of this nature are also classified as restricted. The limited use resources described above involve a reported restriction of both cash and net assets.

Unspent proceeds of bonds issued to finance capital assets are also reported as restricted cash

1-E-5. Inventories and Prepaid items

Aviation fuel is the only inventory reported in governmental funds. Other inventories, which mainly consist of immaterial amounts of expendable supplies for consumption, are not reported. Such supplies are acquired as needed. Proprietary fund inventories, where material, are stated at the lower of cost or market, using the first-in, first-out basis.

Prepaid items record payments to vendors that benefit future reporting and are reported on the consumption basis. Both inventories and prepayments are similarly reported in government-wide and fund financial statements.

1-E-6. Capital Assets

Capital assets includes property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or at estimated historical cost if purchased or constructed.

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

1-E-6. Capital Assets (continued)

Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Infrastructure is depreciated.

The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend the assets' life is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. 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. Upon retirement or disposition of capital assets, the cost and related accumulated depreciation are removed from the respective accounts. Depreciation of capital assets is computed using the straight-line method over their estimated useful lives.

Property, plant, and equipment of the primary government, as well as the component units if any, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	30-40
Machinery and equipment	5-10
Autos and trucks	5-7
Infrastructure	20-40
Parks	15-40

1-E-7. Long-term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are deferred and amortized over the terms of the respective bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

1-E-8. 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.

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

1-E-9. Fund Equity

Government-wide Financial Statements

Equity is classified in the government-wide financial statements as net position and is displayed in three components:

Net investment in capital assets - 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.

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

Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Fund Financial Statements

In the fund financial statements governmental fund equity is classified as fund balance. Fund balance is further classified as Nonspendable, Restricted, Committed, Assigned or Unassigned. Descriptions of each follow:

Nonspendable fund balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. Fund balance amounts related to inventories, prepaid expenditures, and endowments are classified as nonspendable.

Restricted fund balance - This classification includes net fund resources that are subject to external constraints that have been placed on the use of the resources either a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of the government or b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - This classification includes amounts that can only be used for specific purposes established by formal action of the City Council, with is the City's highest level of decision making authority. Fund balance commitments can only be removed or changed by the same type of action (for example resolution) of the City Council. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance - This classification includes amounts that the City intends to be used for a specific purpose but are neither restricted nor committed. These are established by the City Council. This category includes the remaining positive fund balances for governmental funds other than the general fund.

Unassigned fund balance - Residual classification of the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Proprietary fund equity is classified the same as in the government-wide statements

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

1-E-10. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results may differ from those estimates.

1-E-11. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources related to pensions as required by GASB 68.

In addition to liabilities, the statement of net position will sometimes include a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. Property taxes to be collected in November were unavailable in the current fiscal year. Accordingly, these property taxes are deferred and will be recognized as an inflow of resources in the period that the amounts become available. The City also reports deferred inflows of resources related to pensions as required by GASB 68.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

2-A. Budgetary data

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the Mayor and City Council on or before June 22 for the following fiscal year beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the City Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund. The level of the City's budgetary control (the level at which the City's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible for operating within the budget for their department. All annual budgets lapse at fiscal year-end.

Utah State law prohibits the appropriation of unreserved General Fund balance to an amount less than 5% of the General Fund revenues. The 5% reserve that cannot be budgeted is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. Any unreserved General Fund balance greater than 25% of the current year's actual revenues must be appropriated within the following two years.

Once adopted, the budget may be amended by the City Council without hearing provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. A public hearing must be held if the budgeted expenditures will exceed budgeted revenues and any fund balance which is available

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

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

2-A. Budgetary data (continued)

for budgeting. With the consent of the Mayor, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

NOTE 3 - DETAILED NOTES

3-A. Deposits and investments

Cash and investments as of June 30, 2017 consist of the following:

	Fair Value
Cash on hand	\$ 3,684
Demand deposits - checking	154,702
Bond reserve bank trust accounts	1,626,193
Deposits - PTIF	9,728,291
Total cash	\$ 11,513,083

Cash and investments listed above are classified in the accompanying government-wide statement of net assets as follows:

Cash and cash equivalents (current)	\$ 4,901,055
Cash and cash equivalents - Agency Fund	946,594
Restricted cash and cash equivalents (non-current)	5,665,434
Total cash and cash equivalents	\$ 11,513,083

Cash equivalents and investments are carried at fair value in accordance with GASB Statement No. 72.

The Utah Money Management Act (UMMA) establishes specific requirements regarding deposits of public funds by public treasurers. UMMA requires that city funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by the Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations. Deposits in PTIF are

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

3-A. Deposits and investments (continued)

not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares. The City maintains monies not immediately needed for expenditure in PTIF accounts.

Deposit and Investment Risk

The City maintains no investment policy containing any specific provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration of credit risk other than that imposed by UMMA. The City's compliance with the provisions of UMMA addresses each of these risks.

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows: Level 1--Quoted prices for identical investments in active markets; Level 2--Observable inputs other than quoted market prices; and, Level 3--Unobservable inputs. At June 30, 2017, the City had \$9,728,291 invested in the PTIF, which uses a Level 2 fair value measurement.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. All deposits and investments of the City are available immediately.

Credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits. At June 30, 2017, the City's bank balance of demand and bank trust deposits total \$2,100,998 and the book balance is \$1,781,108. Of these deposits, \$500,000 is covered by FDIC insurance; \$1,600,998 is uninsured and uncollateralized. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. This risk is addressed through the policy of investing excess monies only in PTIF.

Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

3-B. Receivables

The allowance policy is described in Note 1-E-3. Receivables as of year-end for the City's funds are shown below. All receivables are deemed collectible.

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

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

	General Fund	Debt Service Fund	Capital Projects Fund	Water Fund	Wastewater Fund	Total
Property taxes	\$ 1,325,573	-	-	-	-	1,325,573
Customers	295,570	-	15,711	254,886	131,061	697,228
Special assessments	-	441,042	-	-	-	441,042
Total receivables	\$ 1,621,143	441,042	15,711	254,886	131,061	2,463,843

3-C. Capital Assets

Capital asset activity for the governmental activities was as follows:

Governmental activities	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land rights	\$ 1,838,898	18,014	-	1,856,912
Construction in progress	248,732	493	244,247	4,978
Total capital assets, not being depreciated	2,087,630	18,507	244,247	1,861,890
Capital assets, being depreciated:				
Buildings	1,725,123	-	-	1,725,123
Improvements other than buildings	769,958	631,569	-	1,401,527
Autos and trucks	1,460,027	190,545	68,546	1,582,026
Machinery and equipment	507,464	26,846	-	534,310
Office equipment	122,532	6,855	-	129,386
Parks	3,921,861	239,304	-	4,161,164
Infrastructure	21,756,555	1,426,090	-	23,182,645
Total capital assets, being depreciated	30,263,519	2,521,208	68,546	32,716,182
Less accumulated depreciation for:				
Buildings	634,253	42,792	-	677,045
Improvements other than buildings	193,804	37,477	-	231,281
Autos and trucks	1,183,158	100,269	64,421	1,219,006
Machinery and equipment	338,503	38,165	-	376,668
Office equipment	85,565	12,610	-	98,175
Parks	1,140,113	117,990	-	1,258,103
Infrastructure	6,373,329	722,502	-	7,095,831
Total accumulated depreciation	9,948,726	1,071,804	64,421	10,956,109
Total capital assets being depreciated, net	20,314,793	1,449,404	4,125	21,760,073
Governmental activities capital assets, net	\$ 22,402,423	1,467,912	248,372	23,621,963

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

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

3-C. Capital Assets (continued)

Depreciation expense was charged to functions/programs of the primary government governmental activities was follows:

Governmental activities:

General government	\$ 68,660
Public safety	93,127
Highways and public improvements	776,076
Parks, recreation and public property	133,942
Total	<u><u>\$ 1,071,804</u></u>

Capital asset activity for the business-type activities was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Land and water shares	\$ 1,446,937	-	-	1,446,937
Total capital assets, not being depreciated	<u>1,446,937</u>	-	-	<u>1,446,937</u>
Capital assets, being depreciated:				
Buildings	232,167	-	-	232,167
Machinery and equipment	291,657	34,633	-	326,291
Autos and trucks	394,968	-	-	394,968
Water system	11,400,583	3,179,268	-	14,579,851
Wastewater system	15,272,554	945,633	-	16,218,187
Total capital assets, being depreciated	<u>27,591,929</u>	<u>4,159,535</u>	-	<u>31,751,464</u>
Less accumulated depreciation for:				
Buildings	119,060	5,911	-	124,971
Machinery and equipment	249,045	17,690	-	266,735
Autos and trucks	358,751	12,874	-	371,625
Water system	6,508,079	470,732	-	6,978,811
Wastewater system	4,807,062	379,465	-	5,186,527
Total accumulated depreciation	<u>12,041,997</u>	<u>886,672</u>	-	<u>12,928,669</u>
Total capital assets being depreciated, net	<u>15,549,932</u>	<u>3,272,863</u>	-	<u>18,822,795</u>
Business-type activities capital assets, net	<u>\$ 16,996,869</u>	<u>3,272,863</u>	-	<u>20,269,732</u>

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

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

3-C. Capital Assets (continued)

Depreciation expense was charged to functions/programs of the primary government business-type activities as follows:

Business-type activities:

Water	\$ 492,544
Wastewater	394,127
Total	<u>\$ 886,672</u>

3-D. Long-term debt

Long-term debt activity for the governmental activities was as follows:

	Original Principal	% Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2015 Toyota Tacoma Lease							
Matured 2017	\$ 21,395	1.20	\$ 10,761	-	10,761	-	-
2010 Sales Tax Revenue							
Matured 2017	3,500,000	1.66	2,825,000	-	2,825,000	-	-
2012 Street Sweeper Lease							
Matures 2018	182,790	3.00	48,026	-	38,569	9,457	9,457
2016 Ford Escape Lease							
Matures 2018	24,377	1.18	18,336	-	12,188	6,148	6,148
2017 Washington County							
Matures 2018	150,000	-	-	150,000	-	150,000	75,000
2017 Equipment Lease							
Matures 2020	140,500	1.90	-	140,500	-	140,500	45,955
2012 Excise Bond							
Matures 2022	2,047,000	2.50	1,239,000	-	203,000	1,036,000	208,000
2005 MBA Lease Revenue							
Matures 2031	2,500,000	3.00	1,714,000	-	92,000	1,622,000	95,000
2016 Sales Tax Refunding							
Matures 2031	2,876,000	1.95	-	2,876,000	151,000	2,725,000	174,000
Total governmental activity							
long-term liabilities			<u>\$ 5,855,124</u>	<u>3,166,500</u>	<u>3,332,519</u>	<u>5,689,105</u>	<u>613,560</u>

Bond debt service requirements to maturity for governmental activities are as follows:

	Principal	Interest	Total
2018	\$ 613,560	126,803	740,363
2019	608,828	114,347	723,175
2020	545,718	101,688	647,405
2021	514,000	88,683	602,683
2022	465,000	76,277	541,277
2023-2027	1,569,000	263,869	1,832,869
2028-2031	1,373,000	73,544	1,446,544
Total	<u>\$ 5,689,105</u>	<u>845,211</u>	<u>6,534,316</u>

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

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

3-D. Long-term debt (continued)

Long-term debt activity for the business-type activities was as follows:

	Original Principal	% Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2015 Ford Escape Water Matured 12/18/2016 \$	11,821	1.08	\$ 2,979	-	2,979	-	-
2015 Ford Escape Sewer Matured 12/18/2016	11,821	1.08	2,979	-	2,979	-	-
2016 Storm Water Revenue Matures 10/1/2036	3,680,000	4.00	3,680,000	-	215,000	3,465,000	220,000
2016 Storm Water Revenue Premiums			443,532	-	39,425	404,107	-
Total business-type activity long-term liabilities			\$ 4,129,490	-	260,383	3,869,107	220,000

Bond debt service requirements to maturity for business-type activities are as follows:

	Principal	Interest	Total
2018	\$ 220,000	125,100	345,100
2019	220,000	119,600	339,600
2020	230,000	112,850	342,850
2021	240,000	105,800	345,800
2022	245,000	97,300	342,300
2023-2027	1,380,000	329,000	1,709,000
2028-2032	555,000	111,500	666,500
2033-2037	375,000	38,700	413,700
Total	\$ 3,465,000	1,039,850	4,504,850

Conduit Debt:

In September 2015, the City approved resolution 2015-24R, authorizing the issuance of Industrial Revenue Bonds not to exceed \$7,000,000 on behalf of Tuacahn Center for the Arts, a private enterprise. The issuance of such bonds allows the business to borrow money using tax exempt bonds. The City is not liable for repayment of the debt. Accordingly, the bonds are not reported as a liability in the City's financial statements. Based on the bank's debt service schedule, there was \$5,605,000 outstanding on the Industrial Revenue Bonds, as of June 30, 2017.

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

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

3-D. Long-term debt (continued)

Capital Lease Commitments:

The City has entered into lease agreements, which are considered capital leases in accordance with Financial Accounting Standard Board statement number 13. These capital leases are included in the schedules on the previous two pages. Accumulated amortization (depreciation) on the equipment acquired under leases was \$146,704 at June 30, 2017.

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

Asset:	Governmental Business-type	
	Activities	Activities
2012 Street Sweeper	\$ 182,790	-
2015 Toyota Tacoma	21,095	-
2015 Ford Escape	-	23,109
2016 Ford Escape	23,977	-
2017 Ford Explorer	28,000	-
2017 Ford Explorer	28,000	-
2017 Ford Explorer	28,000	-
2017 Ford Explorer	28,000	-
2017 Ford Explorer	28,000	-
Accumulated amortization	(136,690)	(10,014)
Net	\$ 231,172	13,095

Amortization of capital assets purchased under capital leases is included in depreciation.

The following is the present value of future minimum capital lease payments under these leases as of June 30, 2017:

Fiscal Year		
2018	\$ 64,312	5,990
2019	48,624	-
2020	48,624	-
Total minimum lease payments	161,560	5,990
Less amounts representing interest	(5,455)	(32)
Present value of minimum lease payments	\$ 156,105	5,958

Other long-term liabilities:

Compensated absences:	Increase		
	Beginning	(Decrease)	Ending
Governmental	\$ 119,073	(962)	118,111
Business-type	26,950	6,555	33,505
Total	\$ 146,023	5,593	151,616
Net pension liability:			
Governmental	\$ 1,226,025	175,048	1,401,073
Business-type	332,537	43,761	376,298
Total	\$ 1,558,562	218,809	1,777,371

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

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

3-E. Interfund receivable, payables, and transfers

Interfund receivables and payables:

	Due To	Due From
Capital Projects Fund	\$ -	150,000
Water Fund	150,000	-
Total	\$ 150,000	150,000

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.

Interfund transfers:

	Transfers In	Transfers Out
General Fund	\$ -	321,985
Debt Service Fund	353,000	-
Capital Projects Fund	171,985	489,020
Municipal Building Authority	286,020	-
Total	\$ 811,005	811,005

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 4 - OTHER INFORMATION

4-A. 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.

4-B. 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

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

4-B. Contingent liabilities (continued)

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.

4-C. Pension Plans

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) is a multiple employer,

The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer public retirement system;

Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer cost sharing public employee retirement system;

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

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 a 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.

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

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

4-C. Pension Plans (continued)

Benefits provided:

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

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percentage 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 an 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
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	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%

* with actuarial reductions

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

Contributions:

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

Contribution rates are as follows:

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

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

4-C. Pension Plans (continued)

Utah Retirement Systems	Employee Paid	Paid by Employer for Employee	Employer Contribution Rate	Employer Rate for 401(k) Plan
Contributory System				
111 - Local Government Div - Tier 2	N/A	N/A	14.91	1.78
Noncontributory System				
15 - Local Government Div - Tier 1	N/A	N/A	18.47	N/A
Public Safety System				
Contributory				
122 - Tier 2 DB Hybrid Public Safety	N/A	N/A	22.50	1.33
Noncontributory				
43 - Other Div A with 2.5% COLA	N/A	N/A	34.04	N/A
Firefighters Retirement System				
31 - Other Division A	15.05	N/A	3.89	N/A
132 - Tier 2 DB Hybrid Firefighters	N/A	N/A	10.75	1.33
Tier 2 DC Only				
211 - Local Government	N/A	N/A	6.69	10.00
222 - Public Safety	N/A	N/A	11.83	12.00
232 - Firefighters	N/A	N/A	0.08	12.00

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

For the fiscal year ended June 30, 2017, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 211,093	N/A
Public Safety System	184,841	-
Firefighters System	93	-
Tier 2 Public Employees System	56,977	-
Tier 2 Public Safety and Firefighter	22,148	-
Tier 2 DC Only System	4,519	N/A
Tier 2 DC Public Safety and Firefighter System	10,698	N/A
Total Contributions	\$ 490,369	-

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

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

At June 30, 2017, we reported a net pension asset of \$1,949 and a net pension liability of \$1,777,372.

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

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

4-C. Pension Plans (continued)

	(Measurement Date): December 31, 2016			Proportionate Share 12/31/2015	Change (Decrease)
	Net Pension Asset	Net Pension Liability	Proportionate Share		
Noncontributory System	\$ -	\$ 970,944	0.1512086%	0.1640461%	-0.0128375%
Public Safety System	-	801,042	0.3947426%	0.3518822%	0.0428604%
Firefighters System	904	-	0.1147079%	0.2519685%	-0.1372606%
Tier 2 Public Employees System	-	5,386	0.0482819%	0.0402451%	0.0080368%
Tier 2 Public Safety and Firefighter	1,045	-	0.1203410%	0.1096770%	0.0106640%
Total	\$ 1,949	\$ 1,777,372			

The net pension asset and liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2016 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2017, we recognize pension expense of \$639,670.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 21,862	\$ 97,859
Changes in assumptions	279,060	63,031
Net difference between projected and actual earnings on pension plan investments	394,051	116,030
Changes in proportion and differences between contributions and proportionate share of contributions	93,434	44,074
Contributions subsequent to the measurement date	216,788	-
Total	\$ 1,005,195	\$ 320,994

\$216,788 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, 2016. 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:

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

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

4-C. Pension Plans (continued)

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2017	\$ 140,174
2018	159,911
2019	177,174
2020	(16,576)
2021	1,400
Thereafter	5,329

Actuarial assumptions:

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

Inflation	2.60 Percent
Salary increases	3.35 - 10.35 percent, average, including inflation
Investment rate of return	7.20 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the January 1, 2016, valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2013.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Assets class</u>	<u>Expected Return Arithmetic Basis</u>		
	<u>Target Asset Allocation</u>	<u>Real Return Arithmetic Basis</u>	<u>Long Term expected portfolio real rate of return</u>
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100.00%		5.23%
Inflation			2.60%
Expected arithmetic nominal return			7.83%

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

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

4-C. Pension Plans (continued)

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

Discount rate:

The discount rate used to measure the total pension liability was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced to 7.20 percent from 7.50 percent from the prior measurement period.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate:

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

System	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Noncontributory System	\$ 2,011,155	\$ 970,944	\$ 102,946
Public Safety System	1,665,985	801,042	97,961
Firefighters System	32,702	(904)	(28,172)
Tier 2 Public Employees System	36,659	5,386	(18,406)
Tier 2 Public Safety and Firefighter	7,309	(1,045)	(7,464)
Total	\$ 3,753,810	\$ 1,775,423	\$ 146,865

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

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

4-C. Pension Plans (continued)

Pension plan fiduciary net position:

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

Defined Contribution Savings Plan:

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

Ivins City participates in the following Defined Contribution Savings Plans with the Utah Retirement Systems:

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

Employee and employer contributions to the Utah Retirement Contribution Savings Plans for fiscal year ended June 30, 2017, were as follows:

	2017	2016	2015
401(k) Plan			
Employer Contributions	\$ 49,937	\$ 36,754	\$ 34,937
Employee Contributions	32,203	32,588	40,163
457 Plan			
Employer Contributions	-	-	-
Employee Contributions	16,616	14,191	19,874
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	830	730	4,130

4-D. 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 accompanying notes are an integral part of the financial statements.

IVINS CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

4-D. Contracts (continued)

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 Republic Services, 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 \$229,672 in cost during the current audit period and their future ownership costs are expected to be \$2,750,400 or approximately \$229,200 annually for 12 years.

4-E. Rounding convention

A rounding convention to the nearest whole dollar has been applied throughout this report, therefore the precision displayed in any monetary amount is plus or minus \$1. These financial statements are computer generated and the rounding convention is applied to each amount displayed in a column, whether detail item or total. The maximum difference between any displayed number or total and its actual value will not be more than \$1.

4-F. Subsequent events

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through November 13, 2017, the date the financial statements were available to be issued.

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



**REQUIRED SUPPLEMENTARY
INFORMATION (UNAUDITED)**

Budgetary Comparison Schedules

The Budgetary Comparison Schedule presented in this section of the report is for the City's General Fund.

Budgeting and Budgetary Control

The budget for the General Fund is legally required and is prepared and adopted on the modified accrual basis of accounting.

Original budgets represent the revenue estimates and spending authority authorized by the City Council prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the Council through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

Current Year Excess of Expenditures over Appropriations

For the year ended June 30, 2017, expenditures within all departments were under the appropriated budget.

Changes in Assumptions Related to Pensions

Regarding the Schedule of the Proportionate Share of the Net Pension Liability and the Schedule of Contributions presented in this section, the following assumption changes were adopted from the most recent actuarial experience study:

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

IVINS CITY, UTAH
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2017

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 3,168,270	3,327,012	3,344,279	17,267
Licenses and permits	276,763	351,466	348,623	(2,843)
Intergovernmental revenues	332,102	402,501	405,213	2,712
Charges for services	2,015,172	1,938,107	1,938,516	409
Fines and forfeitures	73,672	79,034	82,870	3,836
Interest	28,913	59,559	60,544	985
Miscellaneous revenue	82,799	108,885	107,364	(1,521)
Total revenues	5,977,691	6,266,564	6,287,409	20,845
Expenditures				
General government	640,303	697,040	646,494	50,546
Building/Code enforcement	343,742	348,633	331,006	17,627
Public safety	2,862,718	3,046,683	2,905,215	141,468
Public works and streets	1,237,152	1,273,209	1,155,466	117,743
Parks, recreation and public property	701,601	742,444	713,561	28,883
Total expenditures	5,785,516	6,108,009	5,751,742	356,267
Excess (deficiency) of revenues over (under) expenditures	192,175	158,555	535,667	377,112
Other financing sources and (uses)				
Lease proceeds	-	140,000	140,500	500
Sale of fixed assets	11,500	23,430	23,430	-
Transfers in (out)	(203,676)	(321,985)	(321,985)	-
Total other financing sources and (uses)	(192,176)	(158,555)	(158,055)	(500)
Net change in fund balances	-	-	377,612	377,612
Fund balances - beginning of year	1,222,774	1,222,774	1,222,774	-
Fund balances - end of year	\$ 1,222,774	1,222,774	1,600,387	377,612

IVINS CITY, UTAH
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL – CAPITAL PROJECTS FUND
For the Year Ended June 30, 2017

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
Revenue				
Intergovernmental	50,000	326,074	176,176	(149,898)
Investment Earnings	\$ 8,500	21,922	24,406	2,484
Total Revenue	<u>58,500</u>	<u>347,996</u>	<u>200,582</u>	<u>(147,414)</u>
Expenditures				
Capital Outlay	<u>1,132,000</u>	<u>1,129,285</u>	<u>816,517</u>	<u>(312,768)</u>
Total Expenditures	<u>1,132,000</u>	<u>1,129,285</u>	<u>816,517</u>	<u>(312,768)</u>
Deficiency of Revenues Under Expenditures	<u>(1,073,500)</u>	<u>(781,289)</u>	<u>(615,935)</u>	<u>165,354</u>
Other Financing Sources (Uses)				
Bond Proceeds	-	-	150,000	150,000
Impact Fees	724,980	837,429	839,529	2,100
Cost of Issuance	(2,000)	(2,000)	-	2,000
Transfers In	40,000	171,985	171,985	-
Transfers Out	<u>(346,420)</u>	<u>(489,020)</u>	<u>(489,020)</u>	<u>-</u>
Total Financing Sources (Uses)	<u>416,560</u>	<u>518,394</u>	<u>672,494</u>	<u>154,100</u>
Net Change in Fund Balance	(656,940)	(262,895)	56,559	319,454
Fund Balance-Beginning	<u>1,927,464</u>	<u>1,927,464</u>	<u>1,927,464</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 1,270,524</u>	<u>1,664,569</u>	<u>1,984,023</u>	<u>319,454</u>

IVINS CITY, UTAH
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL – DEBT SERVICE FUND
For the Year Ended June 30, 2017

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
Revenue				
Investment Earnings	\$ 19,000	13,413	14,147	734
Total Revenue	19,000	13,413	14,147	734
Expenditures				
Debt Service				
Principal	349,000	354,000	3,230,000	(2,876,000)
Interest	131,926	74,156	74,155	1
Total Expenditures	480,926	428,156	3,304,155	(2,875,999)
Deficiency of Revenues Under Expenditures	(461,926)	(414,743)	(3,290,008)	(2,875,265)
Other Financing Sources (Uses)				
Bond Proceeds	-	-	2,876,000	2,876,000
Transfers In	366,676	353,000	353,000	-
Historic Township SAA Assessments	95,250	113,393	116,157	2,764
Total Financing Sources (Uses)	461,926	466,393	3,345,157	2,878,764
Net Change in Fund Balance	-	51,650	55,148	3,498
Fund Balance-Beginning	625	625	625	-
Fund Balance-Ending	\$ 625	52,275	55,773	3,498

IVINS CITY, UTAH
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL – MBA FUND
For the Year Ended June 30, 2017

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
Revenue				
Investment Earnings	\$ 400	794	858	64
Total Revenue	400	794	858	64
Expenditures				
Debt Service				
Principal	92,000	92,000	92,000	-
Interest	51,420	51,420	51,420	-
Total Expenditures	143,420	143,420	143,420	-
Deficiency of Revenues Under Expenditures	(143,020)	(142,626)	(142,562)	64
Other Financing Sources (Uses)				
Transfers In	143,420	286,020	286,020	-
Total Financing Sources (Uses)	143,420	286,020	286,020	-
Net Change in Fund Balance	400	143,394	143,458	64
Fund Balance-Beginning	4,117	4,117	4,117	-
Fund Balance-Ending	\$ 4,517	147,511	147,576	64

IVINS CITY, UTAH
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017
Last 10 Fiscal Years*

	2016	2015	2014
Noncontributory Retirement System			
Proportion of the net pension liability (asset)	0.1512086%	0.1640461%	0.1514324%
Proportionate share of the net pension liability (asset)	\$ 970,944	\$ 928,253	\$ 657,555
Covered employee payroll	\$ 1,255,576	\$ 1,377,490	\$ 1,286,315
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	77.33%	67.39%	51.10%
Plan fiduciary net position as a percentage of the total pension liability	87.30%	87.80%	90.20%
Public Safety System			
Proportion of the net pension liability (asset)	0.3947426%	0.3518822%	0.3489498%
Proportionate share of the net pension liability (asset)	\$ 801,042	\$ 630,309	\$ 438,833
Covered employee payroll	\$ 657,696	\$ 626,291	\$ 633,435
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	121.80%	100.64%	69.30%
Plan fiduciary net position as a percentage of the total pension liability	86.50%	87.10%	90.50%
Firefighters Retirement System			
Proportion of the net pension liability (asset)	0.1147079%	0.2519685%	0.3525115%
Proportionate share of the net pension liability (asset)	\$ (904)	\$ (4,564)	\$ (20,116)
Covered employee payroll	\$ 31,812	\$ 67,725	\$ 95,498
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-2.84%	-6.74%	-21.10%
Plan fiduciary net position as a percentage of the total pension liability	100.40%	101.00%	103.50%
Tier 2 Public Employees Retirement System			
Proportion of the net pension liability (asset)	0.0482819%	0.0402451%	0.0284079%
Proportionate share of the net pension liability (asset)	\$ 5,386	\$ (88)	\$ (861)
Covered employee payroll	\$ 395,951	\$ 260,033	\$ 139,562
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	1.36%	-0.03%	-0.06%
Plan fiduciary net position as a percentage of the total pension liability	95.10%	100.20%	103.50%
Tier 2 Public Safety and Firefighters Retirement			
Proportion of the net pension liability (asset)	0.1203410%	0.1096770%	0.1561663%
Proportionate share of the net pension liability (asset)	\$ (1,045)	\$ (1,602)	\$ (2,310)
Covered employee payroll	\$ 99,428	\$ 65,303	\$ 64,332
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-1.05%	-2.45%	-3.60%
Plan fiduciary net position as a percentage of the total pension liability	103.60%	110.70%	120.50%

* 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 last two years.

IVINS CITY, UTAH
SCHEDULE OF CONTRIBUTIONS
For the Year Ended June 30, 2017

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory Retirement System	2014	\$ 203,403	\$ 203,403	\$ -	\$1,183,501	17.19%
	2015	254,743	254,743	-	1,391,333	18.31%
	2016	236,400	236,400	-	1,290,304	18.32%
	2017	211,093	211,093	-	1,150,205	18.35%
Public Safety System	2014	139,962	139,962	-	592,082	23.64%
	2015	169,240	169,240	-	651,617	25.97%
	2016	167,825	167,825	-	604,667	27.76%
	2017	184,841	184,841	-	651,285	28.38%
Firefighters System	2014	3,563	3,563	-	120,768	2.95%
	2015	2,958	2,958	-	69,390	4.26%
	2016	2,668	2,668	-	66,866	3.89%
	2017	93	93	-	2,388	3.89%
Tier 2 Public Employees Retirement System**	2014	15,075	15,075	-	107,759	13.99%
	2015	29,724	29,724	-	197,272	15.07%
	2016	50,371	50,371	-	337,833	14.91%
	2017	56,977	56,977	-	382,140	14.91%
Tier 2 Public Safety and Firefighter System**	2014	26,747	26,747	-	128,284	20.85%
	2015	10,272	10,272	-	45,553	22.55%
	2016	21,196	21,196	-	94,200	22.50%
	2017	22,148	22,148	-	108,982	20.32%
Tier 2 Public Employees DC Only System**	2014	-	-	-	-	0.00%
	2015	-	-	-	-	0.00%
	2016	-	-	-	-	0.00%
	2017	4,519	4,519	-	67,541	6.69%
Tier 2 Public Safety and Firefighter DC Only System**	2014	3,046	3,046	-	30,175	10.09%
	2015	7,184	7,184	-	60,725	11.83%
	2016	5,671	5,671	-	47,940	11.83%
	2017	10,698	10,698	-	90,425	11.83%

* Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. The 10-year schedule will need to be built prospectively. The schedule above is only for the past 3 years.

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



STATISTICAL SECTION

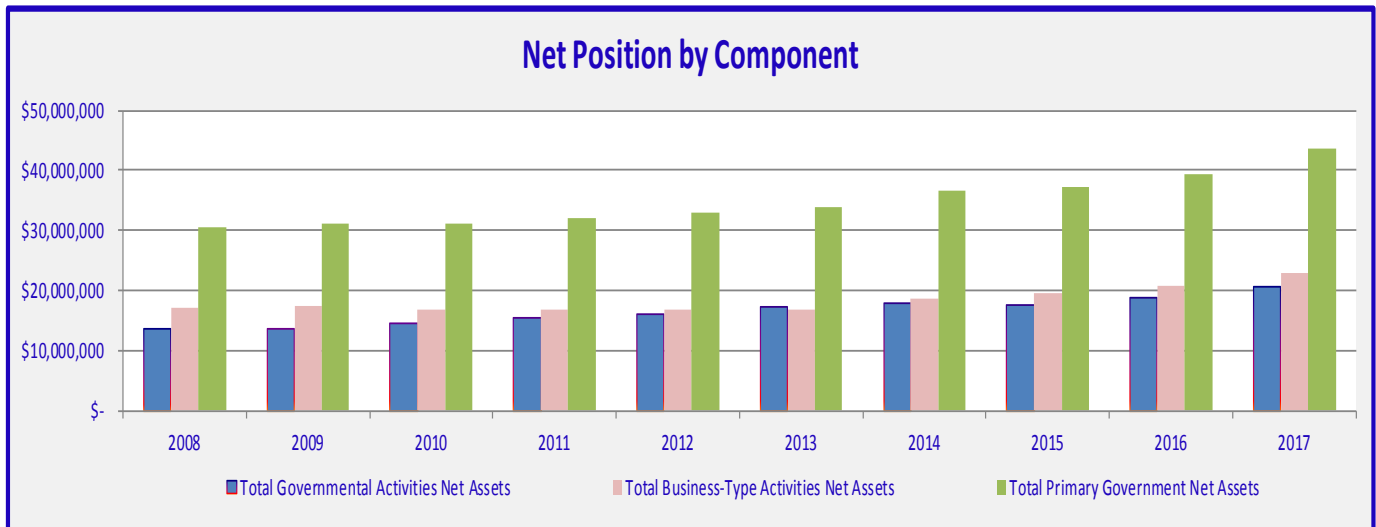
This part of the Ivins City Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in financial statements, note disclosures, and required supplemental information says about the government's overall financial health.

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	PAGE
Financial Trends	71
<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	76
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	81
<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	86
<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	88
<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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net Investment in Capital Assets	\$ 12,157,338	\$ 12,772,333	\$ 13,649,573	\$ 13,154,314	\$ 14,569,214	\$ 14,613,390	\$ 15,330,960	\$ 16,022,387	\$ 16,547,300	\$ 17,932,858
Restricted	921,805	364,378	147,888	112,154	784,472	1,680,250	1,569,547	1,647,232	1,881,649	2,000,079
Unrestricted	427,413	581,721	642,583	2,123,922	834,166	911,541	963,998	(21,386)	395,350	795,937
Total Governmental Activities Net Assets	\$ 13,506,556	\$ 13,718,432	\$ 14,440,044	\$ 15,390,391	\$ 16,187,852	\$ 17,205,181	\$ 17,864,506	\$ 17,648,234	\$ 18,824,299	\$ 20,728,874
Business-Type Assets										
Net Investment in Capital Assets	\$ 11,020,094	\$ 12,357,234	\$ 12,096,728	\$ 11,846,092	\$ 12,034,563	\$ 11,691,389	\$ 13,370,965	\$ 14,030,935	\$ 12,867,379	\$ 16,400,625
Restricted	1,668,458	1,668,458	3,757,125	2,954,775	2,424,442	2,180,820	2,480,714	2,480,714	4,748,115	3,720,914
Unrestricted	4,380,827	3,344,903	931,576	1,928,658	2,236,519	2,921,919	2,870,117	3,049,906	3,036,361	2,679,744
Total Business-Type Activities Net	\$ 17,069,379	\$ 17,370,595	\$ 16,785,429	\$ 16,729,526	\$ 16,695,524	\$ 16,794,128	\$ 18,721,796	\$ 19,561,555	\$ 20,651,855	\$ 22,801,284
Primary Government										
Net Investment in Capital Assets	\$ 23,177,432	\$ 25,129,567	\$ 25,746,301	\$ 25,000,407	\$ 26,603,777	\$ 26,304,779	\$ 28,701,925	\$ 30,053,322	\$ 29,414,679	\$ 34,333,483
Restricted	2,590,263	2,032,836	3,905,013	3,066,930	3,208,914	3,861,070	4,050,261	4,127,946	6,629,764	5,720,994
Unrestricted	4,808,240	3,926,624	1,574,159	4,052,580	3,070,685	3,833,460	3,834,115	3,028,520	3,431,711	3,475,681
Total Primary Government Net Assets	\$ 30,575,935	\$ 31,089,027	\$ 31,225,473	\$ 32,119,917	\$ 32,883,376	\$ 33,999,309	\$ 36,586,302	\$ 37,209,789	\$ 39,476,154	\$ 43,530,158

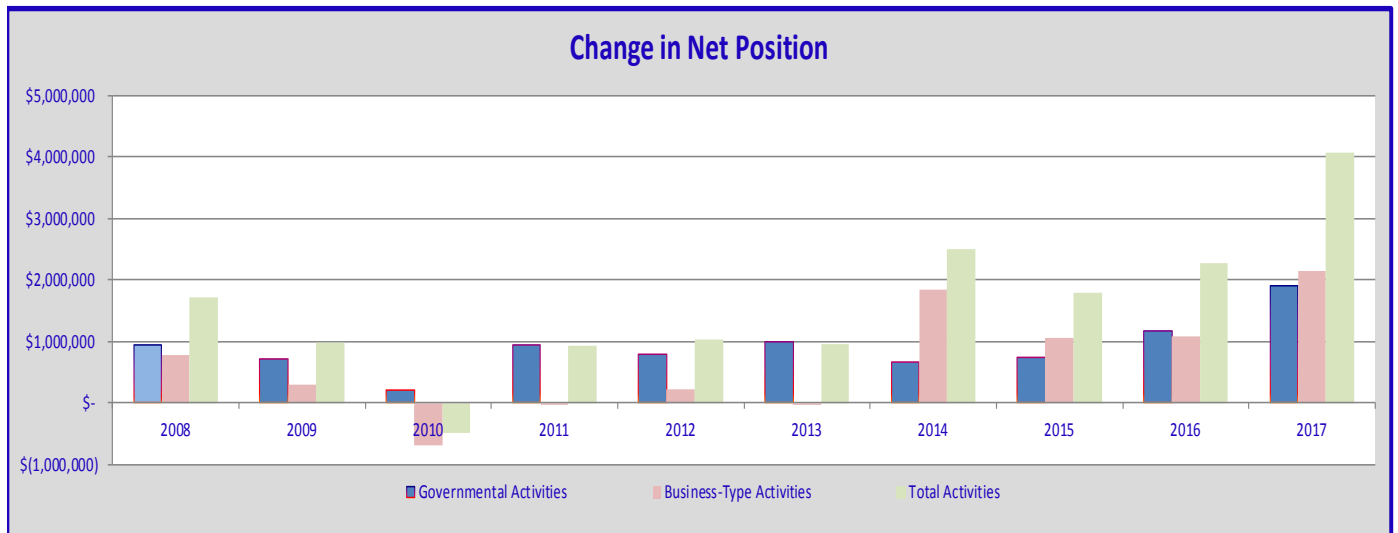


IVINS CITY
CHANGES IN NET POSITION
Last Ten Fiscal Years

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Government Activities										
General Government	\$ 724,098	\$ 693,947	\$ 684,036	\$ 675,812	\$ 708,303	\$ 718,361	\$ 447,032	\$ 692,614	\$ 666,238	\$ 625,443
Building	153,954	132,547	57,875	75,092	83,116	80,134	146,954	276,823	361,040	318,637
Public Safety	1,674,780	1,801,088	1,802,881	1,811,817	1,873,981	2,308,097	2,558,918	2,558,756	2,784,857	2,943,537
Public Works/Streets	1,007,098	1,037,321	983,093	1,174,831	1,350,051	1,495,076	1,783,208	1,693,933	1,832,155	1,888,451
Parks and Recreation	656,952	655,136	600,323	600,484	583,641	655,366	612,313	755,842	734,869	918,595
Community Development	160,936	150,829	185,457	117,886	123,879	134,094	141,481	18,858	-	-
Interest on Long-Term Debt	121,673	101,448	77,331	125,407	197,084	218,422	205,870	196,039	193,309	172,457
Total Governmental Activities Expense	\$ 4,499,491	\$ 4,572,316	\$ 4,390,996	\$ 4,581,329	\$ 4,920,053	\$ 5,609,550	\$ 5,895,776	\$ 6,192,866	\$ 6,572,468	\$ 6,867,120
Business-Type Activities										
Water	\$ 2,112,023	\$ 2,017,978	\$ 1,767,848	\$ 1,651,369	\$ 1,708,297	\$ 1,947,141	\$ 1,919,190	\$ 1,994,970	\$ 2,031,836	\$ 2,310,287
Waste Water	1,146,972	1,219,978	1,452,466	1,457,901	1,425,923	1,442,346	1,062,811	1,204,801	1,303,458	1,310,646
Total Business-Type Activities	\$ 3,258,995	\$ 3,237,956	\$ 3,220,314	\$ 3,109,270	\$ 3,134,220	\$ 3,389,487	\$ 2,982,001	\$ 3,199,771	\$ 3,335,294	\$ 3,620,933
Total Primary Governmental Expense	\$ 7,758,486	\$ 7,810,272	\$ 7,611,310	\$ 7,690,599	\$ 8,054,273	\$ 8,999,037	\$ 8,877,777	\$ 9,392,638	\$ 9,907,762	\$ 10,488,053
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	\$ 24,515	\$ 17,685	\$ 33,939	\$ 64,832	\$ 35,641	\$ 54,889	\$ 49,007	\$ 36,356	\$ 2,462	\$ 782
Building/Zoning	218,699	145,537	100,858	150,010	176,067	277,666	292,898	253,411	463,279	380,535
Public Safety	141,512	249,473	211,957	226,503	267,839	932,289	1,423,494	1,202,747	1,210,059	1,302,185
Public Works/Streets	630,948	577,694	492,861	571,517	803,408	638,796	443,954	762,155	552,530	644,456
Parks and Recreation	297,277	231,837	222,563	319,455	29,001	28,660	43,818	48,252	45,000	42,050
Operating Grants & Contributions	33,762	-	-	-	-	-	-	-	334,910	405,213
Capital Grants & Contributions	339,466	626,257	927,914	867,399	1,408,437	1,571,562	1,421,813	1,590,492	1,717,873	2,309,414
Total Governmental Activities Program Revenues	\$ 1,686,178	\$ 1,848,483	\$ 1,990,092	\$ 2,199,715	\$ 2,720,393	\$ 3,503,862	\$ 3,674,984	\$ 3,893,413	\$ 4,326,113	\$ 5,084,635
Business-Type Activities										
Charges for Services										
Water	\$ 1,510,009	\$ 1,539,291	\$ 1,580,465	\$ 1,606,432	\$ 1,689,330	\$ 1,763,365	\$ 1,748,534	\$ 1,734,879	\$ 1,859,792	\$ 2,031,617
Waste Water	1,203,168	1,264,259	1,321,272	1,364,337	1,402,530	1,264,855	1,255,614	1,298,166	1,354,616	1,476,138
Operating Grants & Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants & Contributions	1,981,244	1,047,000	235,455	452,759	584,062	576,754	1,808,868	1,206,639	1,183,543	2,212,640
Total Business Type Activities Program Revenues	\$ 4,694,421	\$ 3,850,550	\$ 3,137,192	\$ 3,423,528	\$ 3,675,922	\$ 3,604,974	\$ 4,813,016	\$ 4,239,684	\$ 4,397,951	\$ 5,720,395
Total Primary Government Program Revenue	\$ 6,380,599	\$ 5,699,033	\$ 5,127,284	\$ 5,623,243	\$ 6,396,315	\$ 7,108,836	\$ 8,488,000	\$ 8,133,097	\$ 8,724,064	\$ 10,805,030
Net (Expenses) Revenue										
Government Activities	(2,813,313)	(2,723,833)	(2,400,904)	(2,381,614)	(2,199,660)	(2,105,688)	(2,220,792)	(2,299,454)	(2,246,355)	(1,782,485)
Business Type Activities	1,435,426	612,594	(83,122)	314,258	541,702	215,487	1,831,015	1,039,913	1,062,657	2,099,462
Total Primary Government Net Expenses	\$ (1,377,887)	\$ (2,111,239)	\$ (2,484,026)	\$ (2,067,356)	\$ (1,657,958)	\$ (1,890,201)	\$ (389,776)	\$ (1,259,541)	\$ (1,183,698)	\$ 316,978

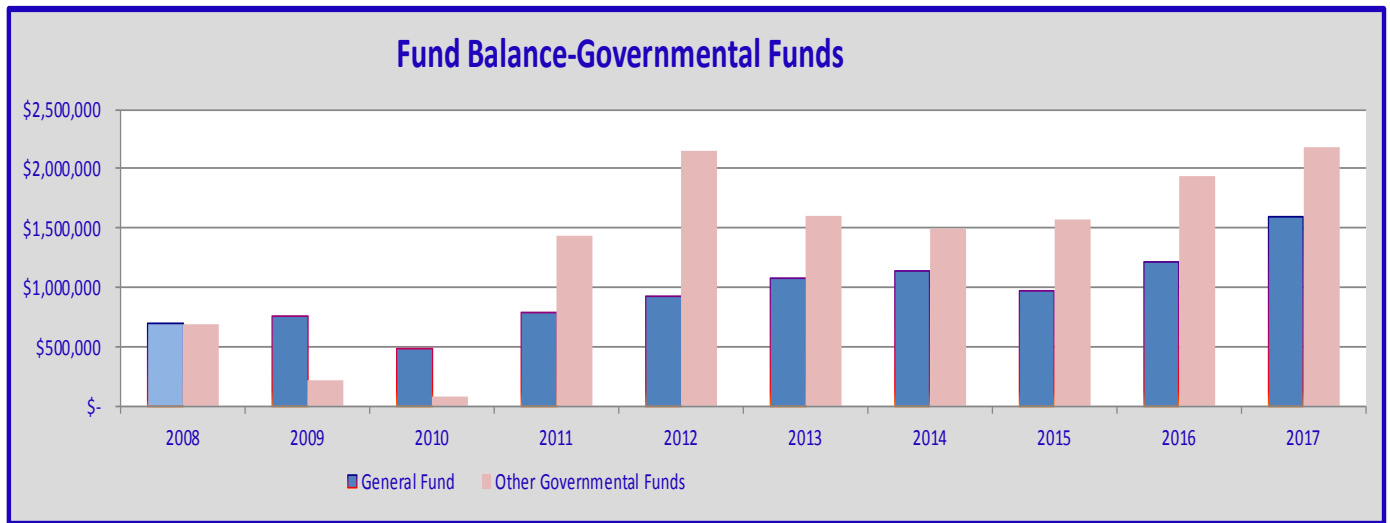
IVINS CITY
CHANGES IN NET POSITION (continued)
Last Ten Fiscal Years

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Tax levied for General Purposes	\$ 1,122,784	\$ 1,141,205	\$ 1,221,168	\$ 1,261,212	\$ 1,310,484	\$ 1,352,740	\$ 1,344,618	\$ 1,370,169	\$ 1,402,204	\$ 1,483,779
Sales and Use Tax	883,929	897,287	846,001	874,174	875,379	940,122	991,673	1,071,462	1,151,342	1,250,612
Other Taxes	396,640	406,226	402,372	419,465	422,390	457,079	483,804	492,995	591,902	609,888
Unrestricted Earnings Investment	170,440	54,328	12,893	19,041	45,473	60,269	52,812	50,874	63,392	99,956
Special Assessments	-	-	-	-	-	-	-	-	75,727	115,915
Miscellaneous	-	-	-	-	-	-	-	21,095	124,369	107,605
Gain (Loss) on Disposal of Capital Assets	5,850	-	-	378,234	-	5,724	7,209	23,196	13,482	19,305
Transfers	932,402	436,662	640,082	379,836	343,394	280,954	-	-	-	-
Total Governmental Activities	\$ 3,512,045	\$ 2,935,708	\$ 3,122,516	\$ 3,331,962	\$ 2,997,119	\$ 3,096,888	\$ 2,880,115	\$ 3,029,792	\$ 3,422,418	\$ 3,687,060
Business Type Activities										
Unrestricted Investment Earnings	\$ 270,199	\$ 107,643	\$ 26,993	\$ 29,524	\$ 22,958	\$ 17,983	\$ 14,529	\$ 16,199	\$ 26,013	\$ 49,968
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-	-	-	1,630	-
Transfers	(932,402)	(436,662)	(640,082)	(379,836)	(343,394)	(280,954)	-	-	-	-
Total Business Type Activities	\$ (662,203)	\$ (329,019)	\$ (613,089)	\$ (350,312)	\$ (320,436)	\$ (262,971)	\$ 14,529	\$ 16,199	\$ 27,643	\$ 49,968
Total Changes in Net Position										
Governmental Activities	\$ 933,983	\$ 698,734	\$ 211,875	\$ 950,348	\$ 797,459	\$ 991,200	\$ 659,323	\$ 730,338	\$ 1,176,063	\$ 1,904,577
Business Type Activities	773,223	283,575	(696,211)	(36,054)	221,266	(47,484)	1,845,545	1,056,112	1,090,300	2,149,429
Total Changes in Net Position - Primary Government	\$ 1,707,206	\$ 982,309	\$ (484,336)	\$ 914,294	\$ 1,018,726	\$ 943,716	\$ 2,504,868	\$ 1,786,450	\$ 2,266,363	\$ 4,054,006



**IVINS CITY
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Unspendable	\$ -	\$ -	\$ -	\$ -	\$ 32,335	\$ 83,042	\$ 48,472	\$ -	\$ -	\$ -
Restricted	423,682	423,685	-	-	-	-	-	-	-	-
Unassigned	268,452	331,023	480,391	784,561	897,648	989,503	1,090,167	977,934	1,222,774	1,600,387
Total General Fund	\$ 692,134	\$ 754,708	\$ 480,391	\$ 784,561	\$ 929,983	\$ 1,072,544	\$ 1,138,640	\$ 977,934	\$ 1,222,774	\$ 1,600,387
All Other Governmental Funds										
Restricted										
Debt Service	-	-	-	-	-	-	-	-	4,742	203,348
Capital Projects	686,498	218,753	85,725	1,438,121	2,157,597	1,609,937	1,499,696	1,577,381	1,927,464	1,796,731
Assigned	-	-	-	-	-	-	-	-	-	187,292
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 686,498	\$ 218,753	\$ 85,725	\$ 1,438,121	\$ 2,157,597	\$ 1,609,937	\$ 1,499,696	\$ 1,577,381	\$ 1,932,206	\$ 2,187,371
Total Governmental Funds	\$ 1,378,632	\$ 973,461	\$ 566,116	\$ 2,222,682	\$ 3,087,580	\$ 2,682,482	\$ 2,638,335	\$ 2,555,314	\$ 3,154,980	\$ 3,787,758

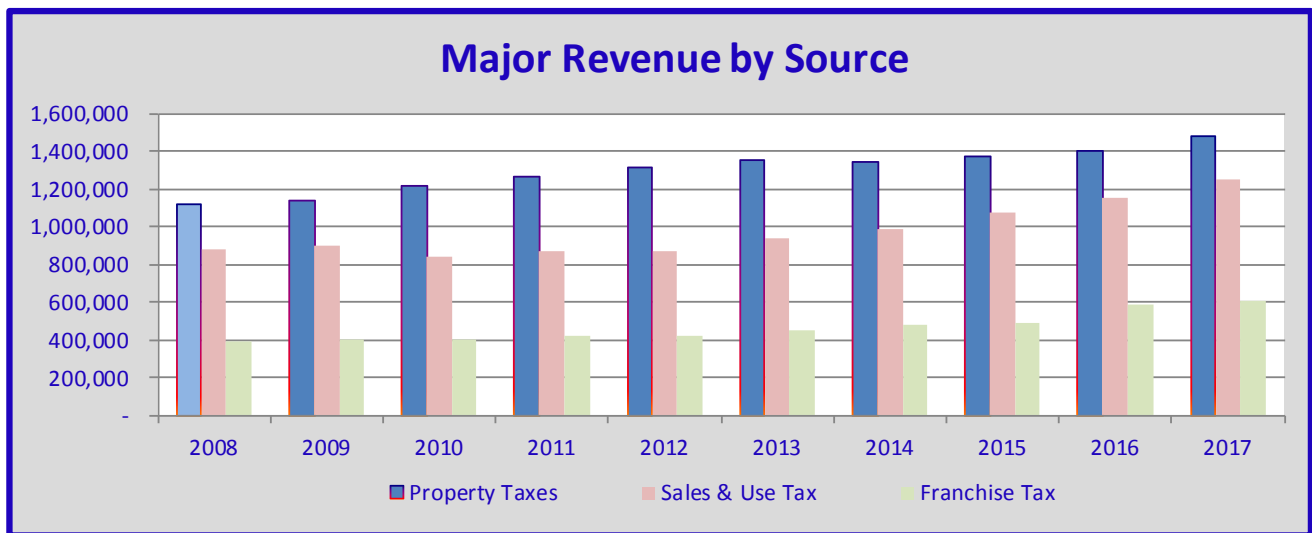


IVINS CITY
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Property Taxes	\$ 1,122,784	\$ 1,141,205	\$ 1,221,168	\$ 1,261,212	\$ 1,310,484	\$ 1,352,740	\$ 1,344,618	\$ 1,370,169	\$ 1,402,204	\$ 1,483,779
Sales & Use Taxes	883,929	897,287	846,001	874,174	875,379	940,122	991,673	1,071,462	1,151,342	1,250,612
Franchise Taxes	396,640	406,226	402,372	419,465	422,390	457,079	483,804	492,995	591,902	609,888
Licenses & Permits	206,045	127,180	100,819	145,092	178,433	266,131	278,104	240,603	431,925	348,623
Intergovernmental	373,228	314,190	411,099	426,846	351,741	457,317	343,911	311,435	334,910	581,389
Charges for Services	491,767	613,823	599,446	591,245	584,357	1,338,010	1,560,635	1,642,228	1,766,243	1,938,516
Fines & Forfeitures	82,206	88,867	62,809	51,017	48,309	44,552	6,368	56,000	75,163	82,870
Special Assessment Revenue	29,528	54,971	-	38,077	462,586	123,439	85,869	105,799	75,727	115,915
Impact Fee Revenue	475,526	321,525	269,088	467,209	830,294	990,806	800,377	709,156	1,392,747	839,529
Grant Revenue	-	158,612	186,371	304,922	-	-	-	180,074	-	-
Interest Earnings	170,440	54,328	13,157	19,041	45,473	60,269	52,812	50,874	63,392	99,956
Miscellaneous Revenue	33,730	15,860	29,752	77,753	57,918	47,152	64,153	82,654	124,369	107,605
Total Revenues	\$ 4,265,823	\$ 4,194,074	\$ 4,142,082	\$ 4,676,052	\$ 5,167,364	\$ 6,077,616	\$ 6,012,324	\$ 6,313,450	\$ 7,409,924	\$ 7,458,681
Expenditures										
Current Operating										
General Government	\$ 709,502	\$ 673,465	\$ 660,992	\$ 651,955	\$ 671,069	\$ 667,988	\$ 410,118	\$ 679,367	\$ 624,254	\$ 646,494
Building/Zoning	153,954	132,547	57,875	74,390	83,100	80,121	146,690	297,757	361,040	318,637
Public Safety	1,753,430	1,773,138	1,820,262	1,717,099	1,739,895	2,240,076	2,487,053	2,598,300	2,726,820	2,905,215
Public Works/Streets	595,031	569,648	564,233	714,516	876,550	910,717	1,093,985	997,898	1,089,826	1,115,887
Parks, Recreation and Public Property	622,438	529,312	465,759	465,595	457,497	527,956	494,199	661,260	614,933	702,702
Community & Economic Development	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	740,213	816,516
Debt Service										
Principle Retirement	413,000	426,000	380,000	266,000	260,000	395,000	466,846	474,846	497,190	3,332,519
Interest and Fiscal Charges	120,113	103,500	85,739	123,555	188,655	219,116	208,505	197,444	193,444	177,862
Cost of Issuance	-	-	-	36,000	48,027	2,000	2,000	2,000	-	-
Total Expenditures	\$ 5,701,757	\$ 5,035,906	\$ 5,190,506	\$ 7,339,153	\$ 6,692,861	\$ 6,769,392	\$ 6,063,679	\$ 6,441,082	\$ 6,847,720	\$ 10,015,833
Excess (Deficiency) of Revenues	\$ (1,435,934)	\$ (841,832)	\$ (1,048,424)	\$ (2,663,101)	\$ (1,525,497)	\$ (691,776)	\$ (51,355)	\$ (127,632)	\$ 562,204	\$ (2,557,152)
Other Financing Sources										
Transfers In	1,682,978	954,425	1,560,999	1,099,524	654,049	1,199,380	564,622	848,250	482,296	811,005
Transfers Out	(750,576)	(517,763)	(920,917)	(719,689)	(310,655)	(918,427)	(564,622)	(848,250)	(482,296)	(811,005)
Sale of Assets	-	-	-	440,831	-	5,724	7,209	23,196	13,482	23,430
Bond Proceeds	-	-	-	3,500,000	2,047,000	-	-	21,095	23,980	3,166,500
Total Other Sources	932,402	436,662	640,082	4,320,667	2,390,394	286,678	7,209	44,291	37,462	3,189,930
Net Change in Fund Balance	(503,532)	(405,170)	(408,342)	1,657,566	864,897	(405,099)	(44,147)	(83,341)	599,666	632,778
Fund Balance Beginning of the Year	1,882,163	1,378,631	973,461	565,117	2,222,683	1,817,584	1,773,438	2,638,655	2,555,314	3,154,980
Fund Balance End of Year	1,378,631	973,461	565,117	2,222,683	1,817,584	1,773,438	2,638,655	2,555,314	3,154,980	3,787,758
Debt Service as a percent of Non-Capital Expenditures	10.06%	14.42%	10.22%	7.52%	14.51%	25.29%	16.92%	12.83%	12.20%	39.76%

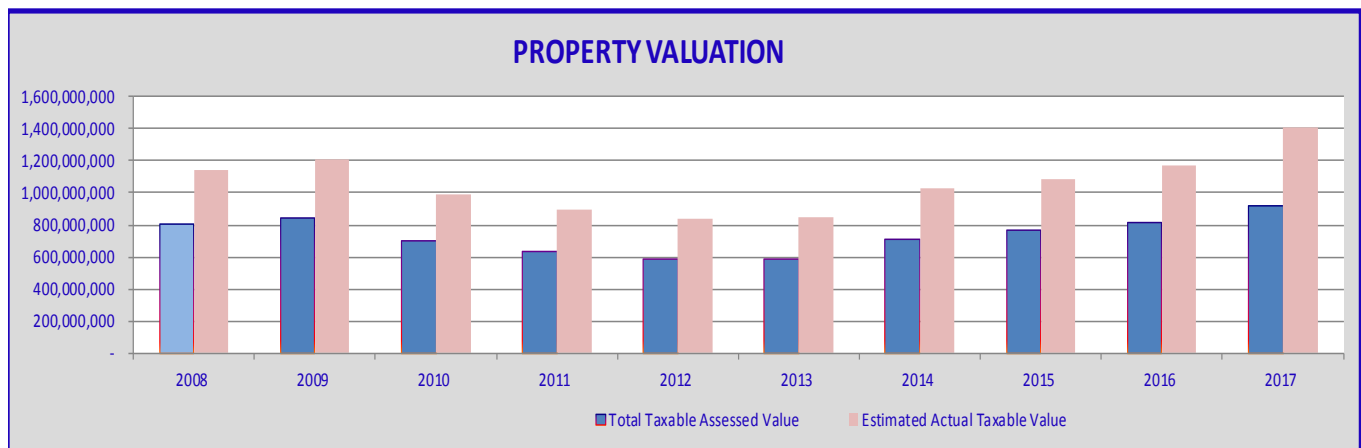
**IVINS CITY
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years**

Fiscal Year	Property Taxes	Sales & Use Tax	Franchise Tax	Total Tax Revenue
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	2,554,850
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
2016	1,402,204	1,151,342	591,902	3,145,448
2017	1,483,779	1,250,612	609,888	3,344,279



**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						
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	1,139,238,500	0.70797769
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	1,205,753,791	0.700663639
2010	457,166,475	20,198,710	277,870	182,097,755	5,160,931	6,977,802	32,563,667	704,443,210	1.9110	988,717,636	0.712481688
2011	429,475,580	22,091,935	281,000	135,481,845	5,941,832	6,117,166	33,204,897	632,594,255	2.0970	898,244,423	0.704256257
2012	423,948,325	22,207,375	281,400	121,923,720	5,885,301	4,254,563	4,965,533	583,466,217	2.1250	841,188,258	0.693621447
2013	437,170,510	26,161,700	282,905	109,042,750	5,928,209	4,768,422	5,071,600	588,426,096	1.9810	844,528,529	0.696750998
2014	561,912,400	21,216,400	275,330	106,774,995	6,333,727	3,907,652	5,156,533	705,577,037	1.8620	1,026,020,354	0.687683275
2015	605,966,150	25,565,945	263,305	115,260,950	7,132,108	3,661,903	5,204,467	763,054,828	1.7830	1,087,797,597	0.701467654
2016	654,674,845	28,361,800	275,475	118,586,500	7,378,227	3,619,090	5,675,267	818,571,204	1.7270	1,169,417,405	0.69998206
2017	906,390,090	-	-	-	7,717,241	3,619,090	5,675,267	923,401,688	1.6170	1,409,144,377	0.655292462



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		
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	
2016	1.7270	1.6210	0.7400	0.0000	0.0000	0.0420	7.2720	11.4020	
2017	1.6170	1.4690	0.7000	0.0000	0.0000	0.0400	6.7060	10.5320	

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, 2017**

Taxpayer	2017			2008		
	Total Assessed Value	Rank	Percentage of Total Assessed Value	Total Assessed Value	Rank	Percentage of Total Assessed Value
Marten, RT	\$ 19,569,370	1	2.39%	\$ 21,363,883	1	2.65%
Pivotal Mark LLC	\$ 11,367,400	2	1.39%	\$ 9,837,112	2	1.22%
Rocky Vista University LLC	\$ 8,546,400	3				0.00%
Kayenta Homesites Inc	\$ 8,142,780	4		\$ 5,584,931	4	0.69%
Fitness Ridge	\$ 6,270,000	5	0.82%			0.00%
Parkway Partners	\$ 5,359,500	6	0.70%			0.00%
Pivotal Mark II LC	\$ 4,453,500	7	0.58%			0.00%
Pacificorp	\$ 3,953,990	8	0.52%			0.00%
Kamas - Outback LLC	\$ 3,880,000	9		\$ 4,749,900	7	0.59%
Archuleta, George & Dianna L	\$ 3,762,800	10	0.49%	\$ 4,871,830	6	0.60%
Gunlock Ridge Holding	\$ -		0.00%	\$ 3,654,000	9	0.45%
Kingsbury Development LLC	\$ -		0.00%			0.00%
DG Group LLC	\$ -		0.00%			0.00%
Gardner Plumb LLC				\$ 7,100,625	3	0.88%
Her Family Matters LC				\$ 5,162,800	5	0.64%
Bowler, Edward				\$ 3,922,400	8	0.49%
Cowichan LLC				\$ 3,615,428	10	0.45%
Total	\$ 75,305,740		6.90%	\$ 69,862,909		8.66%

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
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%	12,163	1,212,749	95.14%
2014	1,258,274	1,241,841	98.69%	16,089	1,257,930	99.97%
2015	1,295,795	1,269,395	97.96%	15,677	1,285,072	99.17%
2016	1,311,907	1,302,010	99.25%		1,302,010	99.25%
2017	1,325,574	1,321,269	99.68%		1,321,269	99.68%

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
2008	550,000	237,000	2,360,000	60,000	259,462	50,000	652,034	3,970,000		8,138,496	4.23%	982
2009	372,000	122,000	2,287,000		156,412	37,000	608,417	3,850,000	20,760	7,453,589	4.09%	858
2010	189,000		2,212,000		48,911	24,000	563,913	3,725,000		6,762,824	2.89%	777
2011			5,635,000			11,000	518,481	3,595,000	36,300	9,795,781	5.20%	1,451
2012			7,422,000					3,460,000	27,865	10,909,865	5.51%	1,574
2013			7,027,000		191,443			3,320,000	19,018	10,557,461	4.92%	1,472
2014			6,620,000		159,597			3,175,000	30,756	9,985,353	4.39%	1,351
2015			6,205,000		122,937			3,020,000	30,121	9,378,058	3.87%	1,223
2016			5,778,000		77,123			3,680,000	5,958	9,541,081	3.69%	1,211
2017			5,689,105		231,172			3,465,000		9,385,277	3.41%	1,154

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
2008	550,000	203,825	753,825	0.32%	87
2009	372,000	203,825	575,825	0.31%	66
2010	189,000		189,000	0.10%	28
2011	189,000		189,000	0.09%	27
2012					
2013					
2014					
2015					
2016					
2017					

IVINS CITY
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2017

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Washington County	\$ 19,846,000	6.49%	\$ 1,288,005
Washington County School District	222,405,000	6.49%	14,434,085
Washington County Water Conservancy District	1,140,000	6.49%	73,986
Sub-Total Overlapping Debt	<u>243,391,000</u>		<u>15,796,076</u>
Ivins City Direct Debt	<u>5,689,105</u>		<u>5,689,105</u>
Total Direct and Overlapping Debt	<u>\$ 249,080,105</u>		<u>\$ 21,485,181</u>

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

**IVINS CITY
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	96,786,653	101,379,341	84,533,185	75,911,311	70,015,946	70,611,132	84,669,244	91,566,579	98,228,544	110,808,203
Total Net Debt Applicable to Limit	1,484,820	1,252,034	1,017,417	776,913	529,481	-	-	-	-	-
Legal Margin	\$ 95,301,833	\$ 100,127,307	\$ 83,515,768	\$ 75,134,398	\$ 69,486,465	\$ 70,611,132	\$ 84,669,244	\$ 91,566,579	\$ 98,228,544	\$ 110,808,203
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.53%	1.23%	1.20%	1.02%	0.76%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for FY 2017

Assessed Value	923,401,688
Add Back: Exempt Real Property	-
Total Assessed Value	<u>923,401,688</u>
Debt Limit	
General Obligation 4%	36,936,068
Water & Sewer 8%	73,872,135
Total Debt Limit	<u>110,808,203</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>\$ 110,808,203</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
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
2016	1,151,342			1,151,342	140,000	102,557	242,557	4.75
2017	1,250,612			1,250,612	151,000	49,002	200,002	6.25

Excise Tax Bond								
Fiscal Year	Gross Revenue	Operating Transfers	Expenses Net of Depreciation	Net Available Revenue	Principle	Interest	Total	Coverage
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
2016	294,328			294,328	198,000	34,081	232,081	1.27
2017	362,737			362,737	203,000	29,081	232,081	1.56

Municipal Building Authority Revenue Bond								
Fiscal Year	Gross Revenue	Operating Transfers	Expenses Net of Depreciation	Net Available Revenue	Principle	Interest	Total	Coverage
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
2016	143,090			143,090	89,000	54,090	143,090	1.00
2017	286,020			286,020	92,000	51,420	143,420	1.99

Storm Drain Revenue Bond								
Fiscal Year	Gross Revenue	Operating Transfers	Expenses Net of Depreciation	Net Available Revenue	Principle	Interest	Total	Coverage
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
2016	480,244	-	173,888	306,356	160,000	128,625	288,625	1.06
2017	1,342,982	-	749,540	593,442	215,000	122,139	337,139	1.76

**IVINS CITY
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years**

Fiscal Year	Population	Per Capita Income	Personal Income	Unemployment Rate
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%
2016	7,876	32,832	258,584,832	3.70%
2017	8,132	33,816	274,991,712	3.30%

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	2017		2008	
	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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Administration	2.7	2.4	2.2	2.2	1.5	1.9	2.7	3.1	3.0	2.9
Legal/HR	2.0	2.1	2.0	2.0	2.1	2.2	0.9	0.3	0.2	0.3
Total General Government	4.7	4.5	4.2	4.2	3.6	4.1	3.6	3.4	3.2	3.2
Building/Zoning	2.1	2.0	1.2	0.9	0.9	0.9	1.7	3.1	3.4	3.2
Public Safety										
Law Enforcement	11.0	11.9	10.9	11.5	11.4	18.8	19.4	19.3	19.4	20.3
EMS						6.2	8.6	9.8	10.4	9.5
Animal Control	1.6	1.7	2.1	2.3	2.4	1.8	2.1	3.0	2.8	2.4
Fire	6.0	10.2	10.7	10.3	8.2	2.6	1.6	1.3	1.7	1.5
Public Safety	18.6	23.8	23.7	24.1	22.0	29.4	31.7	33.4	34.3	33.7
Community Development	1.9	1.7	1.8	1.3	0.9	1.3	1.5	0.4	0.0	0.0
Public Works										
Streets	2.3	1.9	1.9	1.8	1.6	1.7	2.3	2.3	2.3	2.4
Water	5.4	5.3	6.7	6.5	5.8	6.2	6.3	6.8	6.8	7.2
Waste Water	4.2	4.0	3.5	3.4	3.1	3.5	3.5	3.8	3.9	4.1
Total Public Works	11.9	11.2	12.1	11.7	10.5	11.4	12.1	12.9	13.0	13.7
Parks & Recreation										
Parks	2.0	1.6	1.4	2.3	2.2	3.6	2.0	3.3	3.4	3.5
Recreation	3.0	2.5	2.2	1.6	1.1	0.3	1.5	1.4	1.3	1.2
Cemetery	0.7	0.9	0.9	0.9	0.8	0.9	0.8	1.3	1.2	1.2
Total Parks & Recreation	5.7	5.0	4.5	4.8	4.1	4.7	4.3	6.0	5.9	5.9
Total Primary Government	44.9	48.2	47.5	47.0	41.8	51.9	54.9	59.2	59.8	59.6

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>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Building/Zoning										
Residential Building Permits	63	43	33	58	86	125	90	82	114	135
Residential Value	\$ 20,741,000	\$ 10,166,911	\$ 7,629,975	\$ 15,016,055	\$ 18,149,200	\$ 25,893,300	\$ 23,226,000	\$ 19,846,575	\$ 26,806,170	\$ 34,322,950
Addition Building Permits	42	22	12	35	72	61	21	20	33	27
Additions Value	\$ 843,440	\$ 532,360	\$ 214,300	\$ 227,040	\$ 945,319	\$ 844,462	\$ 809,200	\$ 633,820	\$ 1,089,765	\$ 1,020,205
Commercial Building Permits	1	2	0	0	1	0	0	1	6	0
Commercial Value	\$ 50,000	\$ 2,216,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 800,000	\$ 22,496,684	\$ -
Other Building Permits	1	2	0	0	0	0	88	116	63	81
Other Value	\$ 643,188	\$ 4,650,000	\$ -	\$ -	\$ -	\$ -	\$ 2,215,152	\$ 2,338,545	\$ 1,435,271	\$ 2,100,451
Law Enforcement										
Patrol Officers	9	8	9	8	8	14	14	14	14	13
Training Hours	964	1,235	730	1,601	1,651	1,417	1,536	4,687	2,140	1,927
Citation	2,140	946	862	1,370	1,443	2,119	1,536	1,454	1,752	1,649
Calls for Service	2,581	2,145	1,584	2,072	2,262	3,149	3,954	3,949	4,065	4,191
Response Time (minutes)	7	8	7	5	4	9	8	7	6	7
Arrests	249	253	146	206	108	308	974	894	905	1,160
Fire Department										
Structure Fires	7	6	4	11	7	4	15	15	8	15
Automobile Accidents	40	25	17	29	26	12		41	47	53
Calls for Service	83	107	0	495	471	511	832	826	237	135
Training Hours	2,747	1,296	1,156	1,836	1,669	613	1,288	1,244	2,580	811
# of Full-Time Firemen	3	3	3	3	3	1	1	1	1	1
# of Volunteer Firemen	66	50	62	45	45	45	20	26	13	15
Ambulance										
Structure Fires	0	0	0	0	7	4	15	25	8	15
Automobile Accidents	33	166	187	0	26	12		58	47	53
Calls for Service	300	225	0	0	471	511	610	551	655	1,088
Training Hours	165	2,303	396	208	1,670	614	465	925	739	741
# of Full-Time Paramedics	0	0	0	0	0	1	1	1	1	1
# of Part-Time EMT	19	19	19	20	20	20	19	20	25	24
# of Part-Time Paramedics	3	5	5	5	5	5	10	21	17	10

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.

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Parks, Recreation and Trails										
Developed Acreage			39.95	39.95	39.95	39.95	39.95	39.95	39.95	41.95
Developed Acreage/1000 Population			4.59	5.92	5.92	5.92	5.92	5.21	5.07	5.16
Undeveloped Acreage			41.00	51.00	51.00	51.00	51.00	51.00	51.00	49.00
Youth in Recreation Programs										
Sports	408	407	411	412	417	359	529	471	484	429
Fitness	526	515	367	421	419	213	114	120	181	100
Education	102	44	-	-	-	-	60	48	50	50
Public Works										
Water Gallons Billed (in thousands)	369,577	490,056	487,001	467,276	501,401	505,011	511,417	515,203	518,316	555,336
Water Connections	2,669	2,629	2,709	2,755	2,825	3,015	3,034	3,132	3,216	3,328
Sewer Connections	2,548	2,450	2,530	2,597	2,676	2,757	2,951	3,052	3,097	3,232
Storm Drain Services	2,806	2,772	2,862	2,912	2,996	3,123	3,243	3,353	3,444	3,594
Garbage Services	2,750	2,740	2,830	2,887	2,970	3,090	3,171	3,279	3,368	3,568

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



FEDERAL & STATE REPORTS

FEDERAL AND STATE REPORTS

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**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 (herein referred to as the "City"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 16, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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 the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Larson & Company, PC

Spanish Fork, Utah
November 16, 2017



**INDEPENDENT AUDITOR'S REPORT AS REQUIRED BY 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

We have audited Ivins City's (herein referred to as the "City") compliance with the applicable general state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2017.

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

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit of the compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the City occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on General State Compliance Requirements

In our opinion, 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 the year ended June 30, 2017.

Other Matters

The results of our auditing 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, we considered the City's internal control over compliance with the compliance requirements that could have a direct and material effect on the City to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements 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 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 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 compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a general compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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.



Larson & Company, PC

Spanish Fork, Utah
November 16, 2017



November 16, 2017

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ivins City for the year ended June 30, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 6, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Ivins City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2017. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 16, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters


We applied certain limited procedures to the Management's Discussion and Analysis, the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund, and the schedules relating to pensions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of Ivins City, management of Ivins City, and other various Federal and State funding and auditing agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,


Larson & Company, PC
Spanish Fork, Utah

SCHEDULE OF FINDINGS – CURRENT YEAR

State Compliance Finding(s)

No findings related to state compliance were noted in current year.

Internal Control Finding(s)

No internal control findings were noted in the current year.

STATUS OF FINDINGS – PRIOR YEAR

State Compliance Finding(s)

No findings related to state compliance were noted in the prior year.

Internal Control Finding(s)

No internal control findings were noted in the prior year.