Mayor
Chris Hart

City Manager / Attorney
Dale Coulam

City Council
Ron Densley
George E. Elwell, Jr.
Cheyne McDonald
Lesley Mendenhall
Steven Roberts

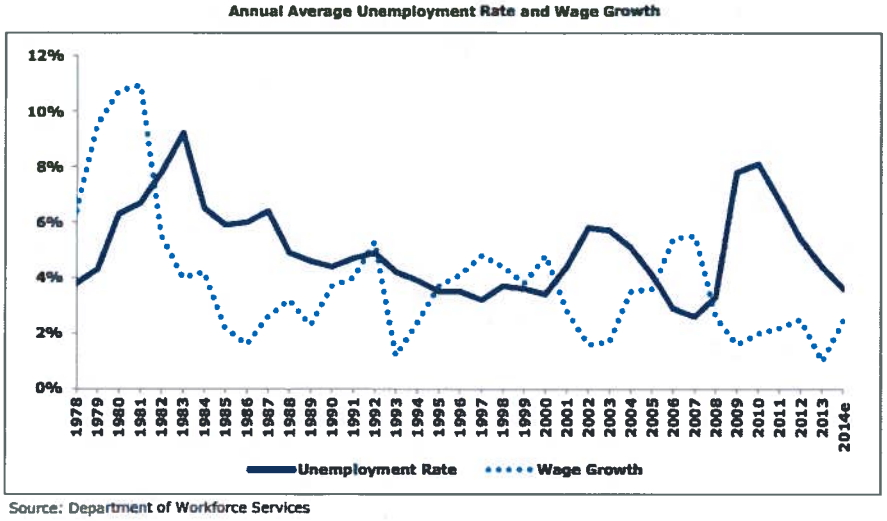
This memorandum includes the FY 2014 - 2015 Interim Statement of Actual and Estimated Revenues and Expenditures through the Second Quarter (Q2) ending December 31, 2014. The Interim Financial Report incorporates an overview of the financial state of the City along with revenue and expenditure summaries for the Government Type Funds (General Fund, Impact Fee Funds, and Capital Projects Fund), and Enterprise Funds (Water and Wastewater).

OVERVIEW

Ivins City is financially stable and well positioned to provide services to the residents in the future. The recovery and growth have slowed somewhat during 2014, the upcoming year looks positive with moderate growth anticipated for the national, state, and local economies. The 2015 Economic Report to the Governor, a collaborative endeavor of the David Eccles School of Business and Governor's Office of Management and Budget, includes the following statement:

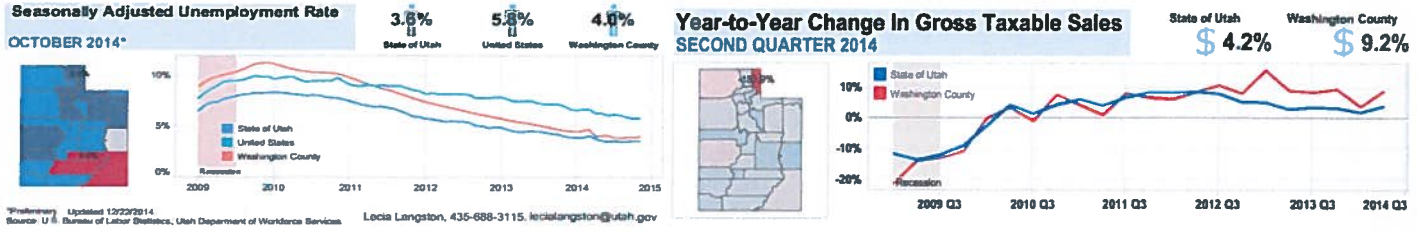
> *Overall, 2014 was a good year for Utah's economy. Barring any major disruptions to the global and national economies, the state can look forward to continuing moderate growth and improving economic conditions in 2015. While short-term threats to this outlook have origins far from the region, over the long term, care must be taken to invest in Utah's future. Issues such as preserving quality of life, environment, infrastructure and education are all areas that require a proactive policy stance in order to maintain desirable levels of growth in the future.*

The city benefits from the stability and growth on both the state and local level. The current budget and council direction strive to meet the ongoing issues of providing high quality services to the residents. Low unemployment rates put pressure on wage growth, which helps to increase taxable sales.



Source: Department of Workforce Services

Washington County's economic indicators continue to paint a favorable economic picture. Unemployment is down, jobs are growing, construction is steady, and sales are improving. Second quarter 2014 brought Washington County solid job growth rates. By October 2014, the county's unemployment rate held steady at 4.0%., down more than a percentage point from last year. Construction starts are lower than last year, but project to modest, sustainable growth. First-quarter gross taxable sales produced a strong 9.2% year-to-year gain. The current economic climate for Ivins and the County support continued moderate, manageable growth.



The city, in the General Fund, has seen stable, moderate growth in tax revenue, consistency in B & C Road Money, and declining building related revenue. The city issued 99 new home building permits last fiscal year and has issued 39 through the 2nd Quarter of FY 2015. As of the beginning of FY 2015, there were 559 improved lots available for building within the city. Revenue in the General Fund is meeting expectations through the second quarter of the fiscal year.

The Impact Fee Funds (Public Safety, Street, and Park Funds) are below the revenue expectations for the first half of the year. The city has seen a drop in building permits issued that directly affects this revenue. There have been no expenditures to date in these funds. The Transportation Master Plan and Impact Fee Facilities Plan update has begun in cooperation with the Dixie Metropolitan Planning Organization. The updates for Parks and Public Safety will be done later in the year.

The Capital Projects Fund has seen a number of projects completed. The Blue Sky Solar Project, Center Street Widening, Center Street Light Bollard, and the new Ambulance have been finished during the first two quarters of the year. The City received the grant money and in turn paid the associated expenses for the solar project and ambulance.

The Enterprise Funds are running as expected. The city has completed work on 200 N. Storm Drain Improvements, Additional Inlets on Puerto, Emergency Drainage Mitigation – 500 E. Center, and the Central Ivins Storm Drain (Highway 91NRCS culverts) work. A contract has been awarded for the Storm Water Impact Fee Facilities Plans (IFFP) and Impact Fee Analyses. The updated plans for the Sewer Funds will be undertaken later in the year. The slowdown in development activity has resulted in reduced impact fee revenue. There are funds to cover the planned projects, bond payments, and updated IFFP.

There are a few potential positive developments that will benefit the city. The Sentierre Resort and Sanctuary Spa has received a Conditional Use Permit (CUP) for a luxury resort destination adjacent to Tuacahn and Snow Canyon. Encanto has begun work on their site, and Family Dollar has also received a CUP for a store on the corner of 200 E and 400 S. All of these projects will bring added property and sales tax to the city. Sentierre and Encanto will also bring additional room tax. The SunTran bus service will have a ribbon cutting on January 21st with the service beginning the next day. SunTran bus passes will be available for purchase at the city offices. All of these items should bring more activity and recognition to the area. The city staff is proactively looking to control expenditures and operate more efficiently. The city should be able to meet its obligations and maintain established service levels with current revenues.

This memorandum is a summary overview of the financial condition of the city. A budget amendment was presented to council and approved to address various line items and reduce the overall city budget. The following information reflects the amended budget for Ivins City. The accompanying attachments provide greater detail into the Governmental and Enterprise Funds operations and include the financial standing of Ivins City as of December 31, 2014.

GOVERNMENT TYPE FUNDS

	General Fund	Impact Fee Funds	Capital Projects Fund
Revenues to Date (12/31/2014)	$ 2,966,146	$ 328,254	$ 181,556
Expenditures to Date (09/30/2014)	$ 2,558,013	$ 0	$ 384,657
Net Revenues over/(under) Expenditures	$ 408,133	$ 328,254	($ 203,101)

GENERAL FUND

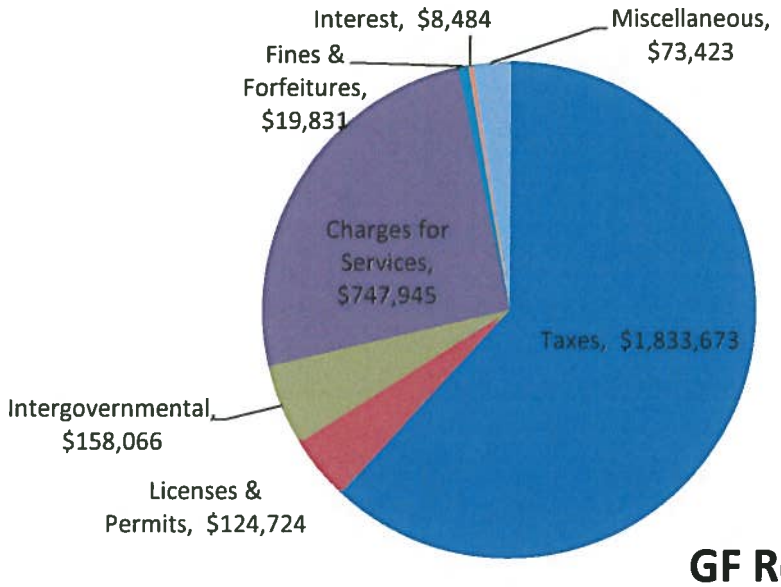
For the period ending December 31, 2014, the General Fund realized $2,966,146 in revenues and $2,558,013 in expenditures; net revenues over / (under) expenditures totals $408,133. Total revenues sum to 55.1% of budget; whereas, total expenditures sum to 47.5% of budget. The largest budgeted revenue source for the General Fund is Property Tax. This revenue is received primarily in December and January.

Revenues

General Fund revenues are separated into eight (8) categories:

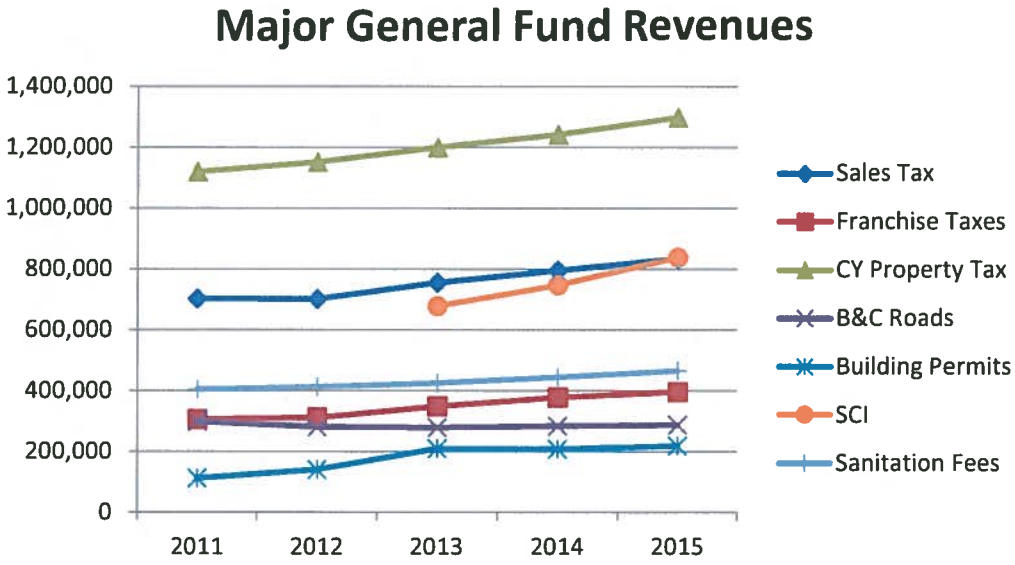
1) Taxes which include property taxes, sales & use taxes, and franchise taxes. Current Year Property and Sales Taxes account for 72% of this revenue category with property tax revenue being received during the 2nd and 3rd quarters of the year.
2) Licenses & Permits include business and animal licenses and building permits. Business license renewals are due during the 2nd quarter of the year.
3) Intergovernmental include state and federal grants, B&C road money, and state liquor funds.
4) Charges for Services include administrative fees for the City along with refuse collection fees, ambulance fees, SRO reimbursement, and the Santa Clara portion of SCI operating costs.
5) Fines & Forfeitures include court fines, ACE penalties, and animal control fees.
6) Interest includes all applicable interest earned from General Fund monies.
7) Miscellaneous includes donations, recreation program fees, animal shelter donations, gain on sale of assets, and lease proceeds.
8) Contributions and Transfers capture the pass through revenue from the Perpetual Care and Habitat Funds.

Category	Q2	Budget	% Earned
Taxes	$ 1,833,673	$ 2,948,562	62.19%
Licenses & Permits	$ 124,724	$ 291,121	42.84%
Intergovernmental	$ 158,066	$ 306,905	51.50%
Charges for Services	$ 747,945	$ 1,695,188	44.12%
Fines & Forfeitures	$ 19,831	$ 16,382	121.05%
Interest	$ 8,484	$ 17,098	49.62%
Miscellaneous	$ 73,423	$ 86,833	84.56%
Contributions & Transfers	$ -	$ 19,000	0.00%
Total	$ 2,966,146	$ 5,381,089	55.12%



GF Revenue - Q2

The majority of the General Fund revenues meet or exceed expectations through the second quarter. There are two major concerns. The concern in the near term is with Building Permits and Development Fees. The growth in this area has slowed and it affects not only General Fund Revenue, but also the Impact Fee Funds and the Enterprise Funds. The long term concern is B&C Road revenue from the state. This revenue stream has been flat for the last few years, with no signs of any major increase. The legislature is considering transportation funding bills that hopefully will send more dollars to the municipalities for road repair and maintenance. The majority of the Current Year Property Tax was received in December with another significant receipt expected in January.



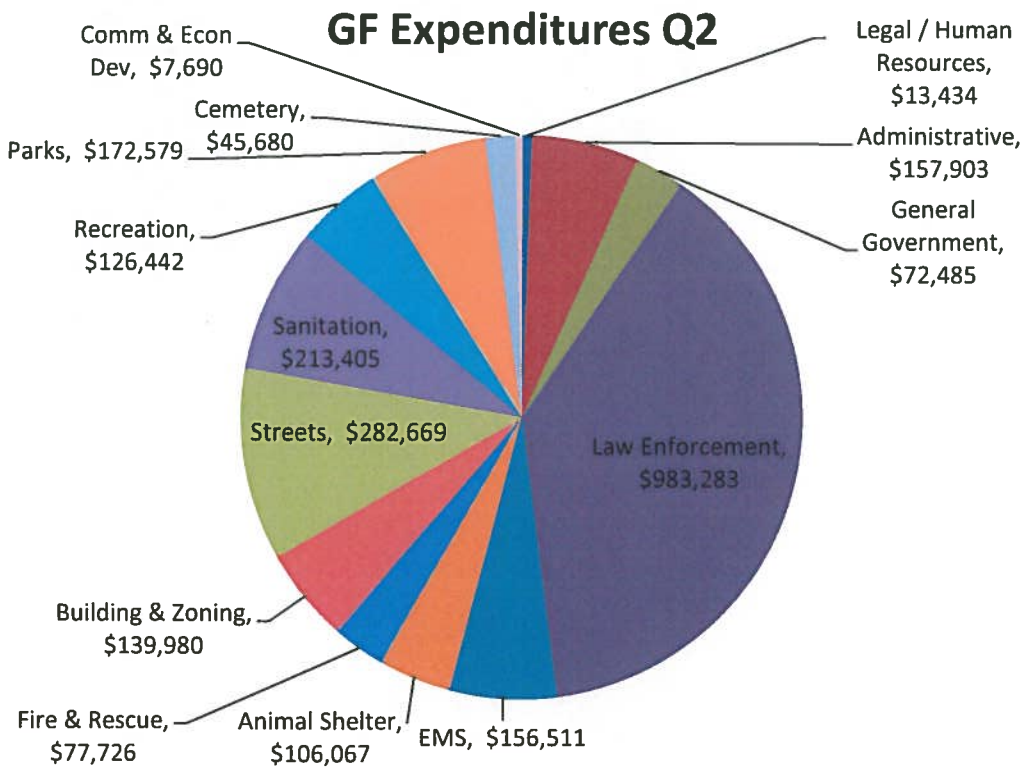
The local and state economies drive most of the large revenue sources, leaving the city little influence over them. The forecast of continued growth should enable the city to meet the budgeted revenue for this year and allow for projected to growth related increases in future budgets. The revenue from Santa Clara for their portion of SCI is directly tied to operating expenditures in Law Enforcement and determined by population and households.

3nd Quarter Revenue Projections: Generally, revenues are stable and meeting expectations. This should continue and revenues will be monitored for any unexpected changes. Development related revenues will be monitored closely throughout the year for a continued slowdown.

Expenditures

The Legal/HR, Administration, General Government, Public Safety (Law Enforcement, EMS, Animal Shelter, Fire), Building & Zoning, Public Works (Streets, Sanitation), Parks (Parks, Recreation, Cemetery) and Community & Economic Development Departments make up the General Fund. All departments are making a concerted effort to provide services, monitor expenditures, and stay within budget. All departments are within their expected expenditure range. The departments that have exceeded 50% of the budget have done so because of one time expenditures or the timing of payments. No unexpected items have been added. Each department is expected to come in under or meet their budgeted expenditures during the year.

Department	Q2	Budget	% Spent
Legal / Human Resources	$ 13,434	$ 23,999	55.98%
Administrative	$ 157,903	$ 314,982	50.13%
General Government	$ 72,485	$ 244,651	29.63%
Law Enforcement	$ 983,283	$ 1,956,544	50.26%
EMS	$ 156,511	$ 344,783	45.39%
Animal Shelter	$ 106,067	$ 199,484	53.17%
Fire & Rescue	$ 77,726	$ 202,508	38.38%
Building & Zoning	$ 139,980	$ 316,333	44.25%
Streets	$ 282,669	$ 667,735	42.33%
Sanitation	$ 213,405	$ 412,850	51.69%
Recreation	$ 126,442	$ 217,989	58.00%
Parks	$ 172,579	$ 345,979	49.88%
Cemetery	$ 45,680	$ 92,474	49.40%
Community & Economic Development	$ 9,848	$ 38,278	25.73%
Transfers	$ -	$ 2,500	0.00%
Total	$ 2,558,013	$ 5,381,089	47.54%



3rd Quarter Expenditure Projections: Q3 expenditures are projected to come in line within budget projections. Line items will be monitored carefully. Any expenditure amount overruns will need to be covered through line item reductions within each department.

IMPACT FEE FUNDS

The Impact Fee Funds consist of the Public Safety, Streets, and Parks Funds. For the period ending December 31, 2014 actual revenues are $328,254. There have been no expenditures to date in any of these funds. The only planned expenditures this year are for transfers to the Debt Service Fund for bond payments and Capital Projects Fund for impact fee eligible projects. These transfers will be made later in the year as payments are made or projects completed.

Category	Q2	Budget	% Earned
Public Safety	$ 18,478	$ 51,125	36.14%
Streets	$ 119,594	$ 521,350	22.94%
Parks	$ 190,183	$ 553,700	34.35%
Total	$ 328,254	$ 1,126,175	29.15%

CAPITAL PROJECTS FUND

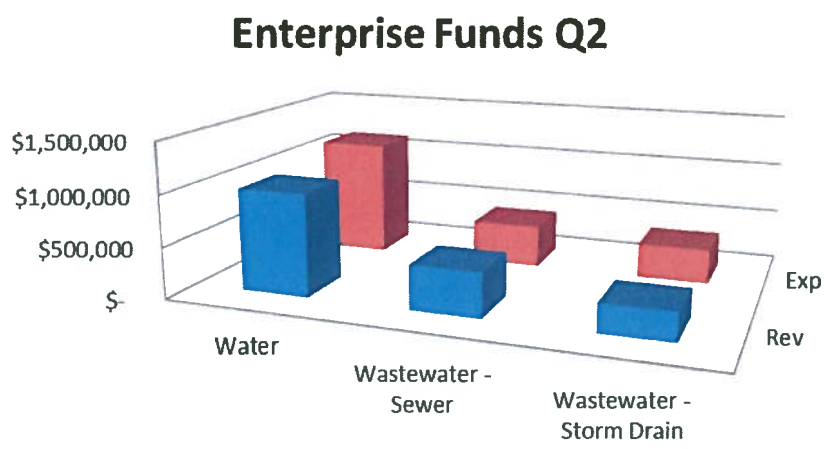
The Capital Projects Fund is used for the acquisition, repair or construction of major capital facilities such as buildings, streets, sidewalks, trails, and parks that are assets of the city. The revenues through December 31, 2014 are $181,556 and expenditures are $384,657. The revenue is from the Blue Sky Solar Grant and the Ambulance Grant with expenditures being made for the Solar Project, Center Street Widening, Center Street Bollard Lighting, and the new Ambulance. The revenues in the fund come from grants, transfers, and carryover fund balance. Revenues and Expenses have met expectations for the first quarter.

Department	Q2	Budget	% Spent
Bike Path	$ 1,300	$ 22,500	5.78%
Center Street Widening	$ 91,399	$ 90,000	101.55%
Blue Sky Solar Project	$ 50,074	$ 50,074	100.00%
Tuacahn Centerpiece / Roundabout	$ -	$ 94,000	0.00%
Highway 91 Design	$ -	$ 41,000	0.00%
Ambulance	$ 133,022	$ 132,000	100.77%
Cemetery Improvements	$ -	$ 10,000	0.00%
Park Master Plan	$ -	$ 5,000	0.00%
Park & Trail Improvements	$ 1,453	$ 190,000	0.76%
Road Projects - Bollard Lighting	$ 107,409	$ 113,000	95.05%
400 E Improvements	$ -	$ 62,500	0.00%
Unity Park / Skate Park	$ -	$ 255,000	0.00%
200 E Improvements	$ -	$ 112,500	0.00%
Animal Shelter	$ -	$ 7,500	0.00%
Total	$ 384,657	$ 1,185,074	32.46%

3rd Quarter Projections: Q3 activity should include working on the 200 E and 400 E Improvements and the Highway 91 Design.

ENTERPRISE FUNDS

The city has two (2) Enterprise Funds: Water and Waste Water. The Waste Water Fund includes both Sewer and Storm Water. The Sewer and Storm Water fund revenue is fairly predictable because there is no variable component to the fees. The fees for those funds are a set amount with no portion attributed to usage. The Water Fund revenue can vary because of usage. The city is seeing similar usage during the second quarter compared to last year. For the period ending December 31, 2014 the revenues and expenditures for the Enterprise Funds are:



	Water	Wastewater - Sewer	Wastewater - Storm Drain
Rev	$993,222	$428,581	$271,887
Exp	$1,140,513	$411,283	$334,160

WATER FUND

For the period ending December 31, 2014, the Water Fund realized $993,222 in revenues and $1,140,513 in expenditures; net revenues over / (under) expenditures totals ($147,291). With 50% of the fiscal year complete, total revenues sum to 47.9% of budget; whereas, total expenses sum to 23.5% of budget. The budgeted expenses include $2,550,000 in capital outlay for a new water tank and irrigation system. Some work has been completed on the irrigation system, but it is doubtful that the water tank will be undertaken this year.

Operating revenue is $937,346 and operating expenses are $905,630. These represent 52.0% and 54.6% of revenues and expenses, respectively. Typically, operating revenues are higher during the first and fourth quarters of the fiscal year because of usage related to outdoor watering and the weather. The operating expenditures are in line with expectations at this time. Both revenues and expenses will be monitored closely throughout the year.

Non – Operating revenues are below expectations at this time due to reduced impact fee collections. The non – operating expenses are consistent with the budget projections. The revenues will be monitored for changes.

WASTE WATER FUND

SEWER

For the period ending December 31, 2014, the Sewer Fund realized $428,581 in revenues and $411,283 in expenditures; net revenues over / (under) expenditures totals $17,298. With 50% of the fiscal year complete, total revenues sum to 43.4% of budget; whereas, total expenditures sum to 47.8% of budget. Operating revenue is $410,408 and operating expenses are $370,982. These represent 46.3% and 48.0% of revenues and expenses, respectively. Both revenues and expenses will be monitored closely throughout the year.

STORM WATER

The Storm Water Fund realized $271,887 in revenues and $334,160 in expenditures; net revenues over / (under) expenditures totals ($62,273). With 50% of the fiscal year complete, total revenues sum to 46.2% of budget; whereas, total expenditures sum to 50.8% of budget.

Operating revenue is $231,293 and operating expenses are $158,303. These represent 49.1% and 51.9% of revenues and expenses, respectively. Both revenues and expenses will be monitored closely throughout the year.

The revenues for these two (2) funds are relatively stable because of the flat fees charged for the services. The major threats to the revenues are lack of payment by the residents and lack of growth. Impact Fee Facilities Plans and the associated fee analysis are planned for both Sewer and Storm Water this year. A number of Storm Water improvements were undertaken and paid for during the 2nd quarter.

Projections and Summary

Revenues and expenditures should meet expectations in the 3rd quarter for the Enterprise Funds. The expenditures in each fund will be closely monitored. Revenues, particularly those tied to usage, will be reviewed regularly.

Department	Q2 Revenue	Q2 Expenditure	Rev v. Exp
Water	$ 993,222	$ 1,140,513	$ (147,290)
Wastewater - Sewer	$ 428,581	$ 411,283	$ 17,298
Wastewater - Storm Drain	$ 271,887	$ 334,160	$ (62,273)
Total	$ 1,693,690	$ 1,885,955	$ (192,266)

I hope that this interim statement helps to facilitate an understanding of the City's financial standing as of period ending December 31, 2014. Please review the attached documents for further information about the 2nd quarter. Please feel free to contact me with any questions, concerns, or clarifications that you have.

Respectfully,

Wally Ritchie
Director of Finance

Ivins City
General Fund
For Period Ending December 31, 2014

Revenue

	Actual	Budget	% Earned
Taxes	$1,833,673	$2,948,562	62.19%
Licenses & Permits	$ 124,724	$ 291,121	42.84%
Intergovernmental	$ 158,066	$ 306,905	51.50%
Charges for Services	$ 747,945	$1,695,188	44.12%
Fines & Forfeitures	$ 19,831	$ 16,382	121.05%
Interest	$ 8,484	$ 17,098	49.62%
Miscellaneous	$ 73,423	$ 86,833	84.56%
Contributions & Transfers	$ -	$ 19,000	0.00%
Total Revenue	**$2,966,146**	**$5,381,089**	**55.12%**

Expenditures

	Actual	Budget	% Spent
Legal / Human Resources	$ 13,434	$ 23,999	55.98%
Administrative	$ 157,903	$ 314,982	50.13%
General Government	$ 72,485	$ 244,651	29.63%
Law Enforcement	$ 983,283	$1,956,544	50.26%
EMS	$ 156,511	$ 344,783	45.39%
Animal Shelter	$ 106,067	$ 199,484	53.17%
Fire & Rescue	$ 77,726	$ 202,508	38.38%
Building & Zoning	$ 139,980	$ 316,333	44.25%
Streets	$ 282,669	$ 667,735	42.33%
Sanitation	$ 213,405	$ 412,850	51.69%
Recreation	$ 126,442	$ 217,989	58.00%
Parks	$ 172,579	$ 345,979	49.88%
Cemetery	$ 45,680	$ 92,474	49.40%
Community & Economic Development	$ 9,848	$ 38,278	25.73%
Transfers	$ -	$ 2,500	0.00%
Total Expenditures	**$2,558,013**	**$5,381,089**	**47.54%**
Revenue Over / (Under) Expenditures	**$ 408,133**	**$ -**	

Ivins City
Water Fund
For Period Ending December 31, 2014

Revenue

	Actual	Budget	% Earned
Operating Income	$ 937,346	$ 1,803,264	51.98%
Non - Operating Income	$ 55,877	$ 272,321	20.52%
Total Revenue	**$ 993,222**	**$ 2,075,585**	**47.85%**

Expenditures

	Actual	Budget	% Spent
Operating Expense	$ 905,630	$ 1,659,753	54.56%
Non - Operating Expense	$ 234,883	$ 3,187,590	7.37%
Total Expenditures	**$ 1,140,513**	**$ 4,847,343**	**23.53%**
Operating Revenue Over/(Under) Expenditures	**$ 31,716**	**$ 143,511**	
Total Income / (Expense)	**$ (147,290)**	**$ (2,771,758)**	

Ivins City
Sewer Fund
For Period Ending December 31, 2014

Revenue

	Actual	Budget	% Earned
Operating Income	$ 410,408	$ 885,963	46.32%
Non - Operating Income	$ 18,173	$ 102,786	17.68%
Total Revenue	**$ 428,581**	**$ 988,749**	**43.35%**

Expenditures

	Actual	Budget	% Spent
Operating Expense	$ 370,982	$ 772,925	48.00%
Non - Operating Expense	$ 40,301	$ 87,895	45.85%
Total Expenditures	**$ 411,283**	**$ 860,820**	**47.78%**
Operating Revenue Over/(Under) Expenditures	**$ 39,426**	**$ 113,038**	
Total Income / (Expense)	**$ 17,298**	**$ 127,929**	

Ivins City
Storm Water
For Period Ending December 31, 2014

Revenue

	Actual	Budget	% Earned
Operating Income	$ 231,293	$ 470,966	49.11%
Non - Operating Income	$ 40,593	$ 117,950	34.42%
Total Revenue	**$ 271,887**	**$ 588,916**	**46.17%**

Expenditures

	Actual	Budget	% Spent
Operating Expense	$ 158,303	$ 304,826	51.93%
Non - Operating Expense	$ 175,857	$ 353,576	49.74%
Total Expenditures	**$ 334,160**	**$ 658,402**	**50.75%**
Operating Revenue Over/(Under) Expenditures	**$ 72,990**	**$ 166,140**	
Total Income / (Expense)	**$ (62,273)**	**$ (69,486)**	

Ivins City
Building & Zoning Activity
For Period Ending December 31, 2014

Building Permits

Month	New Home	Value	Additions	Value	Other	Value
Oct	6	$1,077,000	1	$5,000	3	$70,000
November	1	$201,000	0	$0	6	$87,700
December	8	$1,791,000	0	$0	14	$801,417
Total	15	$3,069,000	1	$5,000	23	$959,117
YTD	39	$10,080,000	5	$161,000	47	$1,107,960

Subdivision Approvals

Name	Approved	Name	Approved
Palisades Ph 3	11/18/14	**Cliffrose Phase 1**	7/1/14
Palisades Ph 4	12/2/14	**Posovi Ph 3-A**	7/15/14
Cliffrose Ph 2	12/16/14	**Taviawk Ph 11-H**	8/19/14
		Red Stone	8/19/14