Mayor
Chris Hart

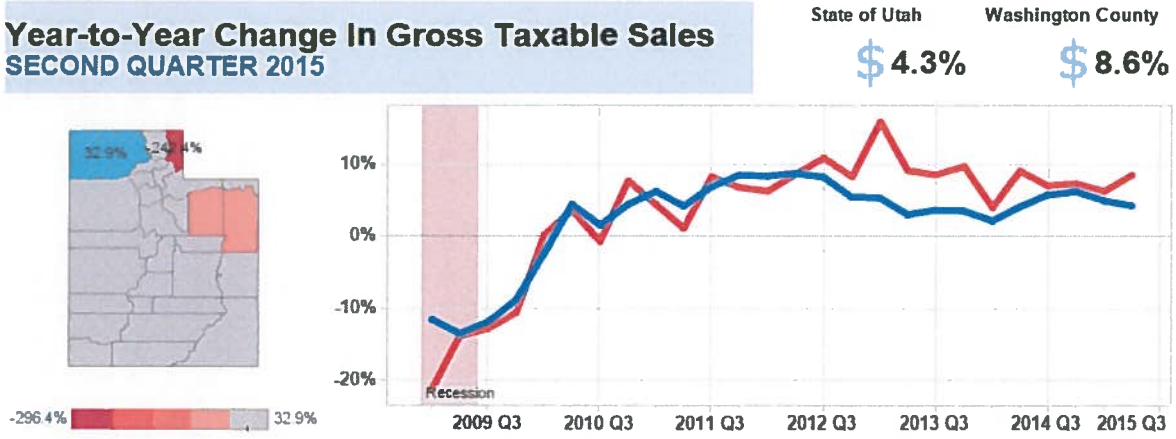
City Manager / Attorney
Dale Coulam

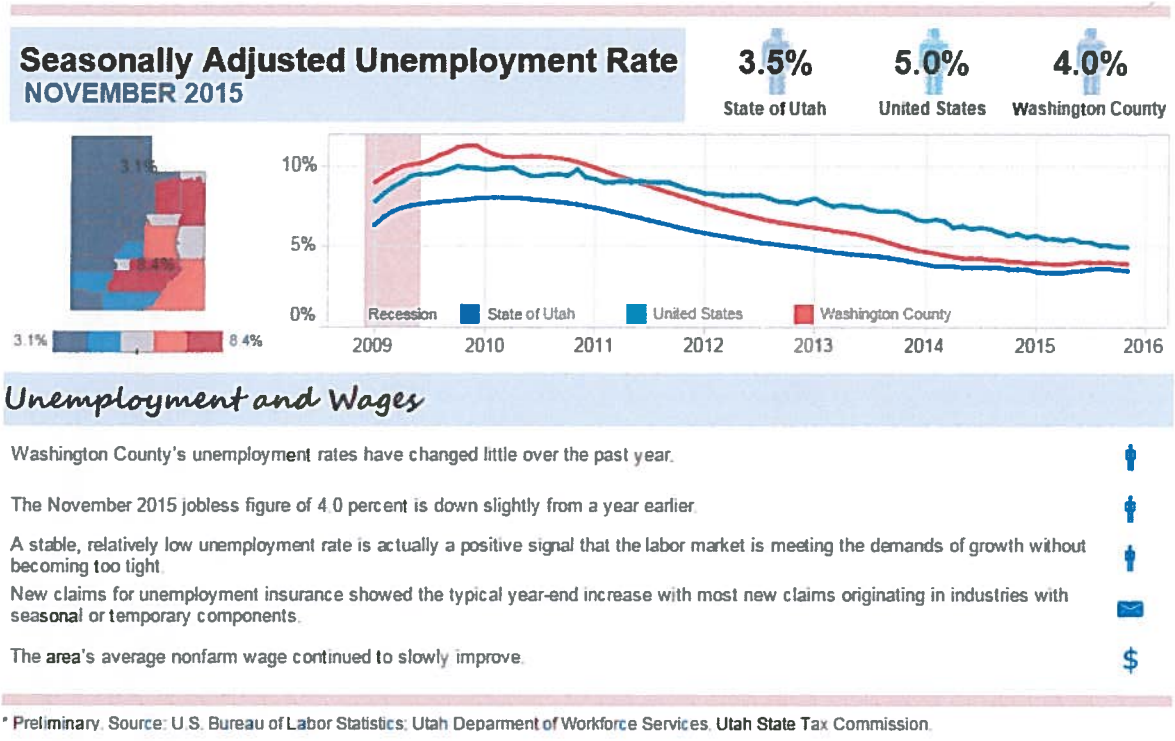
City Council
Ron Densley
Jenny Johnson
Cheyne McDonald
Dennis Mehr
Steven Roberts

This memorandum includes the FY 2015 - 2016 Interim Statement of Actual and Estimated Revenues and Expenditures through the First Quarter (Q2) ending December 31, 2015. 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. Growth has been steady during the first half of FY 2016 and the upcoming months look positive, with moderate growth anticipated for the national, state, and local economies. 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. The county is well positioned within the state to have steady growth and a measure of consistency in the economy during the remainder of the fiscal year.





Low unemployment rates put pressure on wage growth, which helps to increase taxable sales. 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. Low unemployment rates and continued job growth are putting pressure on wage growth. The county's unemployment rate has held steady at 4.0%., continuing the rate we have seen for the last year. Construction starts project to modest, sustainable growth. First quarter gross taxable sales produced a strong 8.6% year-to-year gain. Statewide local sales taxes are up 4.8% for the fiscal year. 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 stabilized building related revenue. The city issued 83 new home building permits last fiscal year and has issued 47 through the 2nd Quarter of FY 2016, slightly ahead of projections. 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 meeting the revenue expectations for the year to date. The city has seen a consistent, sustainable trend in building permits. There have been no major expenditures to date in these funds. The updates for the Streets, Parks, and Public Safety Impact Fee Facilities Plans and Impact Fee Analyses will be done later in the year. The city has received a CIB matching grant to cover up to $125,000 of these studies.

The Capital Projects Fund has a number of projects planned for the year. The projects include: Tuacahn Roundabout & Statue, Highway 91 Improvements, Fire Station Expansion, and a variety of Parks & Trails Improvements. These projects will take place during the course of the year, with many utilizing impact fees to cover the costs.

The Enterprise Funds are running as expected and operating revenues are stable. The Storm Water Impact Fee Facilities Plans (IFFP) and Impact Fee Analysis is nearing completion. The updated plans for the Sewer and Secondary Water are currently being prepared by the consultants. 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) and is anticipated to begin construction this upcoming spring. Encanto has begun work on their site and are expected to pull building permits in the near future. Rocky Vista University has announced plans to come to Ivins and should begin work on their project in the next few months as well. 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. The following information reflects the adopted 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, 2015.

GOVERNMENT TYPE FUNDS

	General Fund	Impact Fee Funds	Capital Projects Fund
Revenues to Date (12/31/2015)	$ 3,326,015	$ 428,214	$ 15,755
Expenditures to Date (12/31/2015)	$ 2,690,687	$ 318	$ 326,879
Net Revenues over/(under) Expenditures	$ 635,328	$ 427,896	($ 311,124)

GENERAL FUND

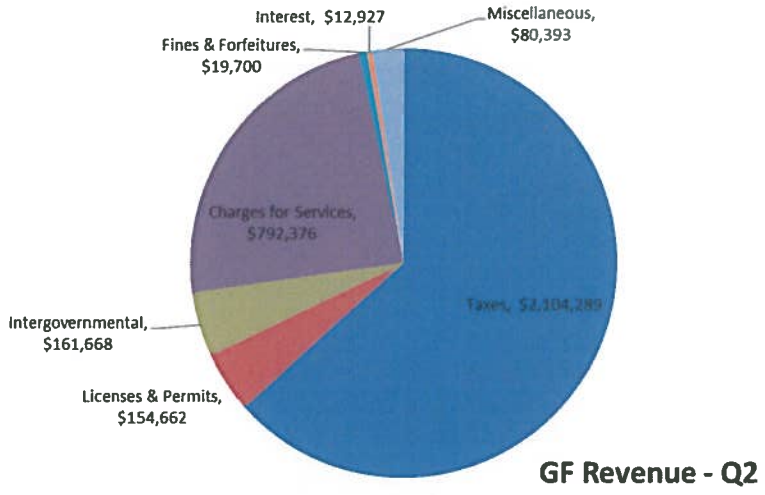
For the period ending December 31, 2015, the General Fund realized $3,326,015 in revenues and $2,690,687 in expenditures; net revenues over / (under) expenditures totals $635,328. Total revenues sum to 59.9% of budget; whereas, total expenditures sum to 48.4% of budget. The largest budgeted revenue source 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:

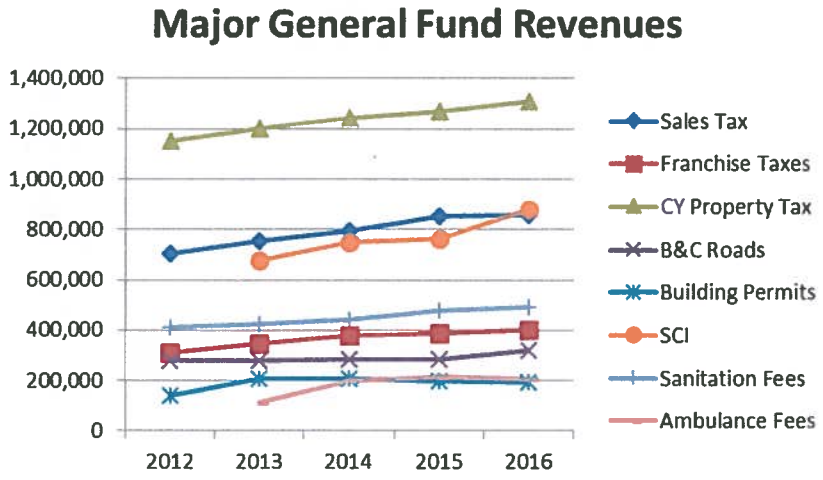
1) Taxes which include property taxes, sales & use taxes, and franchise taxes. Current Year Property and Sales Taxes account for 71% of this revenue category with property tax revenue being received during the 2nd and 3rd quarters of the year.
2) Licenses & Permits include business and animal licenses 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	$ 2,104,289	$ 3,059,232	68.78%
Licenses & Permits	$ 154,662	$ 266,888	57.95%
Intergovernmental	$ 161,668	$ 344,748	46.89%
Charges for Services	$ 792,376	$ 1,706,504	46.43%
Fines & Forfeitures	$ 19,700	$ 57,000	34.56%
Interest	$ 12,927	$ 17,830	72.50%
Miscellaneous	$ 80,393	$ 81,111	99.11%
Contributions & Transfers	$ -	$ 21,000	0.00%
Total	$ 3,326,015	$ 5,554,313	59.88%



GF Revenue - Q2

The majority of the General Fund revenues meet expectations through the second quarter. B&C Road revenue from the state will see an increase during the second half of the fiscal year due to the legislature enacting transportation funding bills. This money must be used for road repair and maintenance. The majority of the Current Year Property Tax was received in December and January.



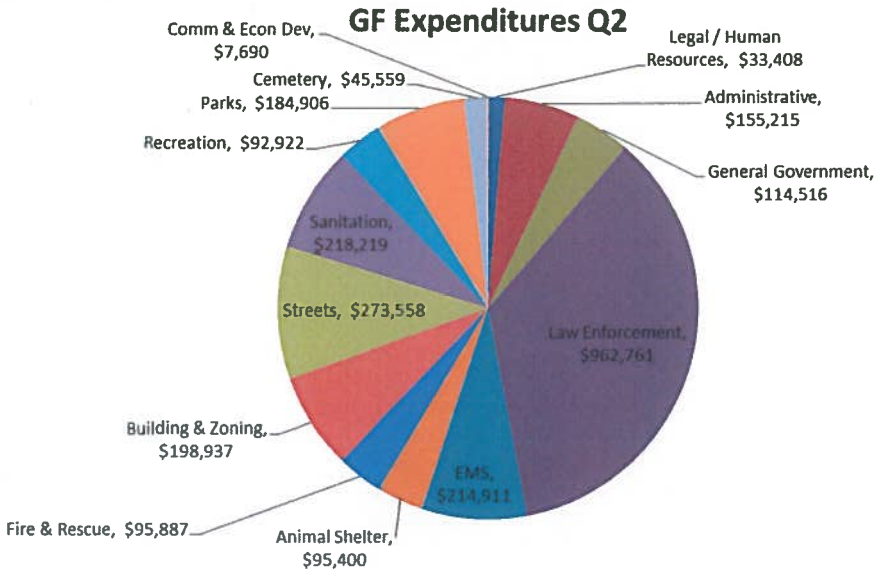
The local and state economies drive most of the large revenue sources, leaving the city little influence over them. The forecast of continued growth should enable the city to meet the budgeted revenue for this year and allow for projected to growth related increases in future budgets. The revenue from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

3rd Quarter Revenue Projections: Generally, revenues are stable and meeting expectations. This should continue and revenues will be monitored for any unexpected changes. The city has seen moderate growth in development related revenue and sales taxes during the first half of the fiscal year and anticipate that trend to continue.

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. The Community & Economic Development Department has been phased out. There are some wages showing for this department that will be reallocated during the 3rd quarter. All departments are making a concerted effort to provide services, monitor expenditures, and stay within budget. All other 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. The Building and Zoning department is 14% over budget for this point of the year due to the purchase of a new vehicle. This is offset by the financing of the vehicle and the budget will be adjusted at the end of the year. Each department is expected to come in under or meet their budgeted expenditures during the year.

Department	Q2	Budget	% Spent
Legal / Human Resources	$ 33,408	$ 102,290	32.66%
Administrative	$ 155,215	$ 287,792	53.93%
General Government	$ 114,516	$ 202,443	56.57%
Law Enforcement	$ 962,761	$ 1,924,881	50.02%
EMS	$ 214,911	$ 422,479	50.87%
Animal Shelter	$ 95,400	$ 187,454	50.89%
Fire & Rescue	$ 95,887	$ 199,943	47.96%
Building & Zoning	$ 198,937	$ 309,751	64.22%
Streets	$ 273,558	$ 686,568	39.84%
Sanitation	$ 218,219	$ 416,350	52.41%
Recreation	$ 92,922	$ 214,294	43.36%
Parks	$ 184,906	$ 386,445	47.85%
Cemetery	$ 45,559	$ 93,317	48.82%
Community & Economic Development	$ 4,487	$ -	0.00%
Transfers	$ -	$ 120,305	0.00%
Total	$ 2,690,687	$ 5,554,312	48.44%



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, 2015 actual Impact Fee revenues are $428,214. 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, Impact Fee Studies, 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	$ 25,877	$ 40,364	64.11%
Streets	$ 154,579	$ 259,470	59.57%
Parks	$ 247,759	$ 425,146	58.28%
Total	$ 428,214	$ 724,980	59.07%

CAPITAL PROJECTS FUND

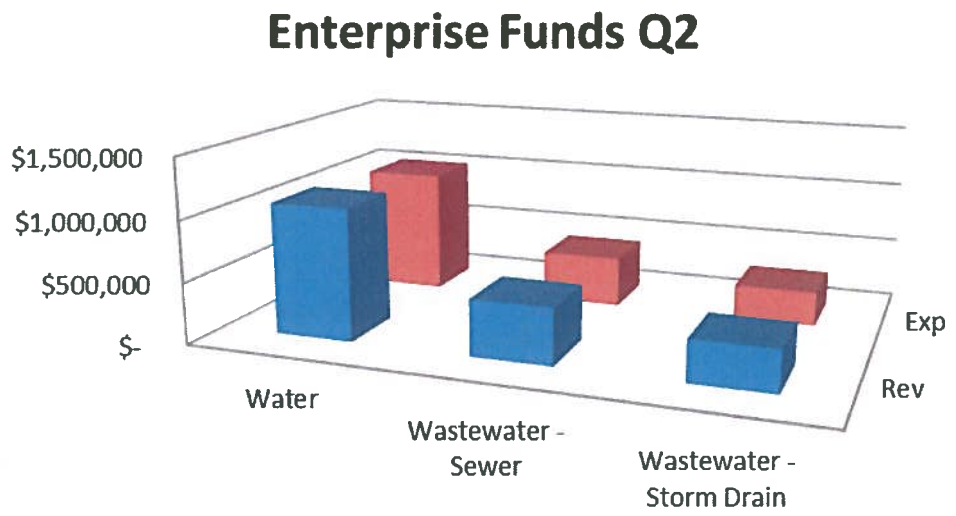
The Capital Projects Fund is used for the acquisition, repair or construction of major capital facilities such as buildings, streets, sidewalks, trails, and parks that are assets of the city. The revenues through December 31, 2015 are $15,755 and expenditures are $326,879. The revenue is from a developer contribution with expenditures being made for a Bike Path project, Tuacahn Roundabout, Parks Projects, Highway 91, and 200 E. Improvements. The revenues in the fund come from grants and transfers. Revenues and Expenses have met expectations through the second quarter.

Department	Q2	Budget	% Spent
Bike Path	$ 18,109	$ -	100.00%
Tuacahn Centerpiece / Roundabout	$ 4,963	$ 60,000	8.27%
Highway 91	$ 1,568	$ 250,000	0.63%
Fire Station Remodel	$ -	$ 205,489	0.00%
Park & Trail Improvements	$ 88,662	$ 564,500	15.71%
Unity Park / Skate Park	$ -	$ 50,000	0.00%
200 E Improvements	$ 213,576	$ -	100.00%
Animal Shelter	$ -	$ 15,000	0.00%
Total	$ 326,879	$ 1,144,989	28.55%

3rd Quarter Projections: The city will continue to work on projects as they come forward. Transfers to cover the related expenditures will be made later in the fiscal year.

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, 2015 the revenues and expenditures for the Enterprise Funds are:



	Water	Wastewater - Sewer	Wastewater - Storm Drain
Rev	$1,076,077	$458,664	$336,699
Exp	$1,022,524	$412,238	$279,819

WATER FUND

For the period ending December 31, 2015, the Water Fund realized $1,076,077 in revenues and $1,022,524 in expenditures; net revenues over / (under) expenditures totals $53,553. With 50% of the fiscal year complete, total revenues sum to 30.0% of budget; whereas, total expenses sum to 52.9% of budget. The budgeted expenses include $2,250,000 in capital outlay for a new water tank and irrigation system. Some work has been completed on the irrigation system and the engineering for the water tank is in the process of being done.

Operating revenue is $984,877 and operating expenses are $856,087. These represent 53.1% and 51.4% 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 meeting expectations at this time. 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, 2015, the Sewer Fund realized $458,664 in revenues and $412,238 in expenditures; net revenues over / (under) expenditures totals $46,426. With 50% of the fiscal year complete, total revenues sum to 52.1% of budget; whereas, total expenditures sum to 47.9% of budget. Operating revenue is $430,465 and operating expenses are $386,517. These represent 51.4% and 47.8% of revenues and expenses, respectively. Both revenues and expenses will be monitored closely throughout the year.

STORM WATER

The Storm Water Fund realized $336,699 in revenues and $279,819 in expenditures; net revenues over / (under) expenditures totals $56,881. With 50% of the fiscal year complete, total revenues sum to 60.2% of budget; whereas, total expenditures sum to 41.2% of budget.

Operating revenue is $238,488 and operating expenses are $162,743. These represent 49.4% and 50.5% 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 will be undertaken during the year.

Projections and Summary

Revenues and expenditures should meet budget 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	$ 1,076,077	$ 1,022,524	$ 53,553
Wastewater - Sewer	$ 458,664	$ 412,238	$ 46,426
Wastewater - Storm Drain	$ 336,699	$ 279,819	$ 56,881
Total	$ 1,871,441	$ 1,714,581	$ 156,859

I hope that this interim statement helps to facilitate an understanding of the City's financial standing as of period ending December 31, 2015. 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, 2015

Revenue

	Actual	Budget	% Earned
Taxes	$ 2,104,289	$ 3,059,232	68.78%
Licenses & Permits	$ 154,662	$ 266,888	57.95%
Intergovernmental	$ 161,668	$ 344,748	46.89%
Charges for Services	$ 792,376	$ 1,706,504	46.43%
Fines & Forfeitures	$ 19,700	$ 57,000	34.56%
Interest	$ 12,927	$ 17,830	72.50%
Miscellaneous	$ 80,393	$ 81,111	99.11%
Contributions & Transfers	$ -	$ 21,000	0.00%
Total Revenue	**$ 3,326,015**	**$ 5,554,313**	**59.88%**

Expenditures

	Actual	Budget	% Spent
Legal / Human Resources	$ 33,408	$ 102,290	32.66%
Administrative	$ 155,215	$ 287,792	53.93%
General Government	$ 114,516	$ 202,443	56.57%
Law Enforcement	$ 962,761	$ 1,924,882	50.02%
EMS	$ 214,911	$ 422,479	50.87%
Animal Shelter	$ 95,400	$ 187,454	50.89%
Fire & Rescue	$ 95,887	$ 199,943	47.96%
Building & Zoning	$ 198,937	$ 309,751	64.22%
Streets	$ 273,558	$ 686,568	39.84%
Sanitation	$ 218,219	$ 416,350	52.41%
Recreation	$ 92,922	$ 214,294	43.36%
Parks	$ 184,906	$ 386,445	47.85%
Cemetery	$ 45,559	$ 93,317	48.82%
Community & Economic Development	$ 4,487	$ -	
Transfers	$ -	$ 120,305	0.00%
Total Expenditures	**$2,690,687**	**$ 5,554,313**	**48.44%**
Revenue Over / (Under) Expenditures	**$ 635,329**	**$ -**	

Ivins City
Water Fund
For Period Ending December 31, 2015

Revenue

	Actual	Budget	% Earned
Operating Income	$ 984,877	$ 1,853,641	53.13%
Non - Operating Income	$ 91,200	$ 181,076	50.37%
Total Revenue	**$ 1,076,077**	**$ 2,034,717**	**52.89%**

Expenses

	Actual	Budget	% Spent
Operating Expense	$ 856,087	$ 1,665,768	51.39%
Non - Operating Expense	$ 166,437	$ 2,810,103	5.92%
Total Expenses	**$ 1,022,524**	**$ 4,475,871**	**22.85%**
Operating Revenue Over/(Under) Expenses	**$ 128,790**	**$ 187,873**	
Total Income / (Expense)	**$ 53,553**	**$ (2,441,154)**	

Ivins City
Sewer Fund
For Period Ending December 31, 2015

Revenue

	Actual	Budget	% Earned
Operating Income	$ 430,465	$ 837,393	51.41%
Non - Operating Income	$ 28,199	$ 42,801	65.88%
Total Revenue	**$ 458,664**	**$ 880,194**	**52.11%**

Expenses

	Actual	Budget	% Spent
Operating Expense	$ 386,517	$ 808,958	47.78%
Non - Operating Expense	$ 25,721	$ 51,500	49.94%
Total Expenses	**$ 412,238**	**$ 860,458**	**47.91%**
Operating Revenue Over/(Under) Expenses	**$ 43,947**	**$ 28,435**	
Total Income / (Expense)	**$ 46,426**	**$ 19,736**	

Ivins City
Storm Water
For Period Ending December 31, 2015

Revenue

	Actual	Budget	% Earned
Operating Income	$ 238,488	$ 483,283	49.35%
Non - Operating Income	$ 98,211	$ 76,168	128.94%
Total Revenue	**$ 336,699**	**$ 559,451**	**60.18%**

Expenses

	Actual	Budget	% Spent
Operating Expense	$ 162,743	$ 322,318	50.49%
Non - Operating Expense	$ 117,076	$ 356,560	32.83%
Total Expenses	**$ 279,819**	**$ 678,878**	**41.22%**
Operating Revenue Over/(Under) Expenses	**$ 75,745**	**$ 160,965**	
Total Income / (Expense)	**$ 56,881**	**$ (119,427)**	

Ivins City
Building & Zoning Activity
For Period Ending December 31, 2015

Building Permits

Month	New Home	Value	Additions	Value	Commercial	Value	Other	Value
October	7	$730,025	2	$63,000			10	$237,438
November	10	$1,532,705	0	$0			11	$296,342
December	10	$2,372,265	4	$177,000	1	$1,900,000	8	$96,299
Total	27	$4,634,995	6	$240,000	1	$1,900,000	29	$630,079
YTD	47	$9,824,420	13	$607,000	1	$1,900,000	67	$1,086,941

Subdivision Approvals

Name	Approved	
Taviawk XI - K	8/4/15	1 lot
Taviawk IX - K	9/15/15	1 lot
Cantera Cliffs	10/13/15	14 lots
Posovi II - F	10/13/15	1 lot
Taviawk XI - L	11/17/15	1 lot
Taviawk IX - M	11/17/15	1 lot