IVINS CITY

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Chris Hart

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This memorandum includes the FY 2018 - 2019 Interim Statement of Actual and Estimated Revenues and Expenditures through the Fourth Quarter (Q4) ending June 30, 2019. 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 continued in the fourth quarter of FY 2019 and the upcoming months look to continue that growth, although at a slightly slower pace for the local economy. 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 be stable. Unemployment is low and job growth has been strong, construction starts are increasing, and sales are rising. Low unemployment rates and continued job growth are putting pressure on wage growth. The county's unemployment rate continues to be low at 2.9%. Construction starts project to modest, sustainable growth. The most recent quarter's data (Q4 CY 2018) showed growth of 5.9% in gross taxable sales. The current economic climate for Ivins and the County support continued moderate, manageable growth.



The City's General Fund has seen stable tax revenues, consistency in B & C Road Funds, and strong building related revenue. The city issued 145 new home building permits last fiscal year and has issued 102 through the 4th Quarter of FY 2019, on pace to meet projections but slowing. Revenue in the General Fund is meeting expectations through the fourth quarter of the fiscal year. The majority of Property Tax was received in December with another large receipt in January of the fiscal year.

The Impact Fee Funds (Public Safety, Street, and Park Funds) are all meeting the revenue expectations for the year to date. The city has seen a consistent growth in building permits. The Unity Park bond payment was made from the park impact fees fund, other than that item no expenditures have been made from these funds. The Public Safety, Streets, and Parks Impact Fee Facilities Plans and Impact Fee Analyses are current.

The Capital Projects Fund has a number of projects planned for the year. The projects include: Fire Station Remodel, Fire Lake Park at Ivins Reservoir, Skate Park, Street Gap Fill and a variety of other Parks & Trails Improvements. These projects will take place during the course of the year, with many utilizing impact fees to cover the costs.

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 June 30, 2019.

GOVERNMENT TYPE FUNDS

	General Fund	Impact Fee Funds	Capital Projects Fund
Revenues to Date (6/30/2019)	$ 6,959,519	$ 964,759	$ 1,416,940
Expenditures to Date (6/30/2019)	$ 7,008,115	$ 1,533,118	$ 889,135
Net Revenues over/(under) Expenditures	($ 48,596)	($ 568,359)	$ 527,805

GENERAL FUND

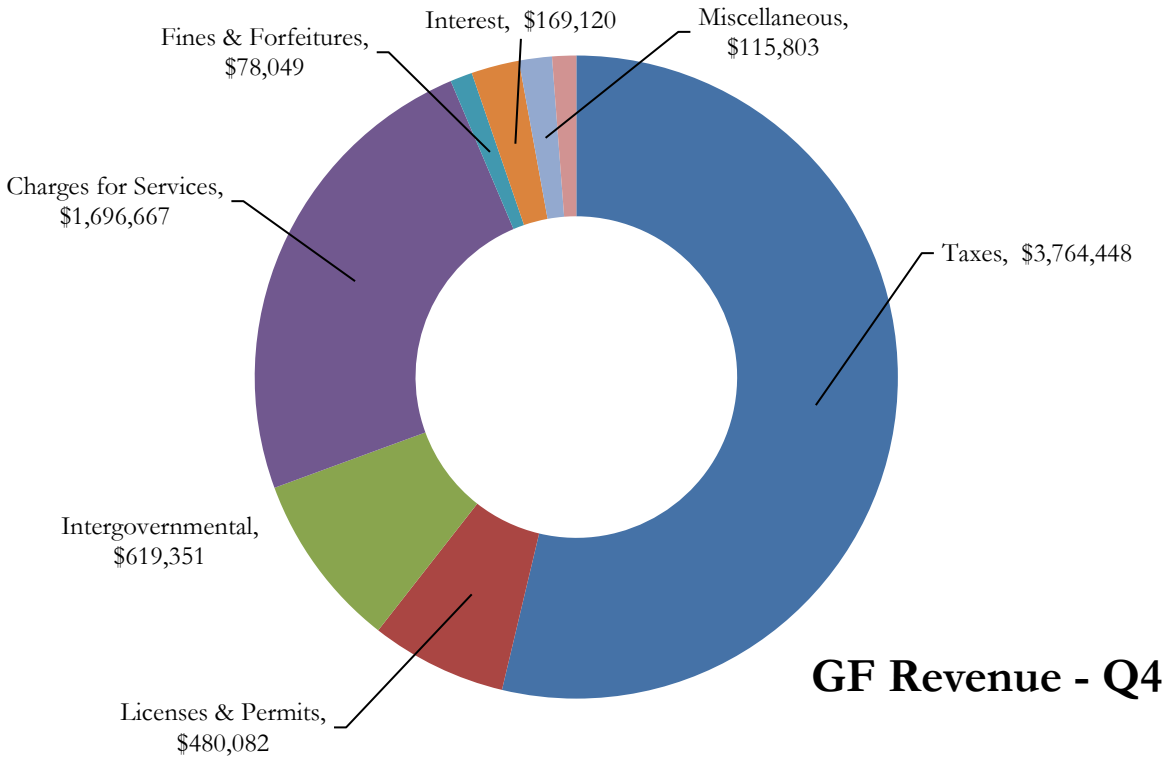
For the period ending June 30, 2019, the General Fund realized $6,959,519 in revenues and $7,008,115 in expenditures; net revenues over / (under) expenditures totals ($48,596). This is the normal financial position for this time of year as the City has received the majority of property tax revenue in the General Fund during December. We're 100% through this fiscal year and total revenues sum to 97.4% of budget; whereas, total expenditures sum to 98.1% 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 88.1% 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	Q4	Budget	% of Budget
Taxes	$ 3,764,448	$ 3,654,660	103.00%
Licenses & Permits	$ 480,082	$ 327,449	146.61%
Intergovernmental	$ 619,351	$ 447,579	138.38%
Charges for Services	$ 1,696,667	$ 1,967,713	86.23%
Fines & Forfeitures	$ 78,049	$ 89,550	87.16%
Interest	$ 169,120	$ 64,357	262.78%
Miscellaneous	$ 115,803	$ 291,650	39.71%
Contributions & Transfers	$ 84,596	$ 302,940	27.93%
Total	$ 7,008,115	$ 7,145,898	98.07%



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 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.

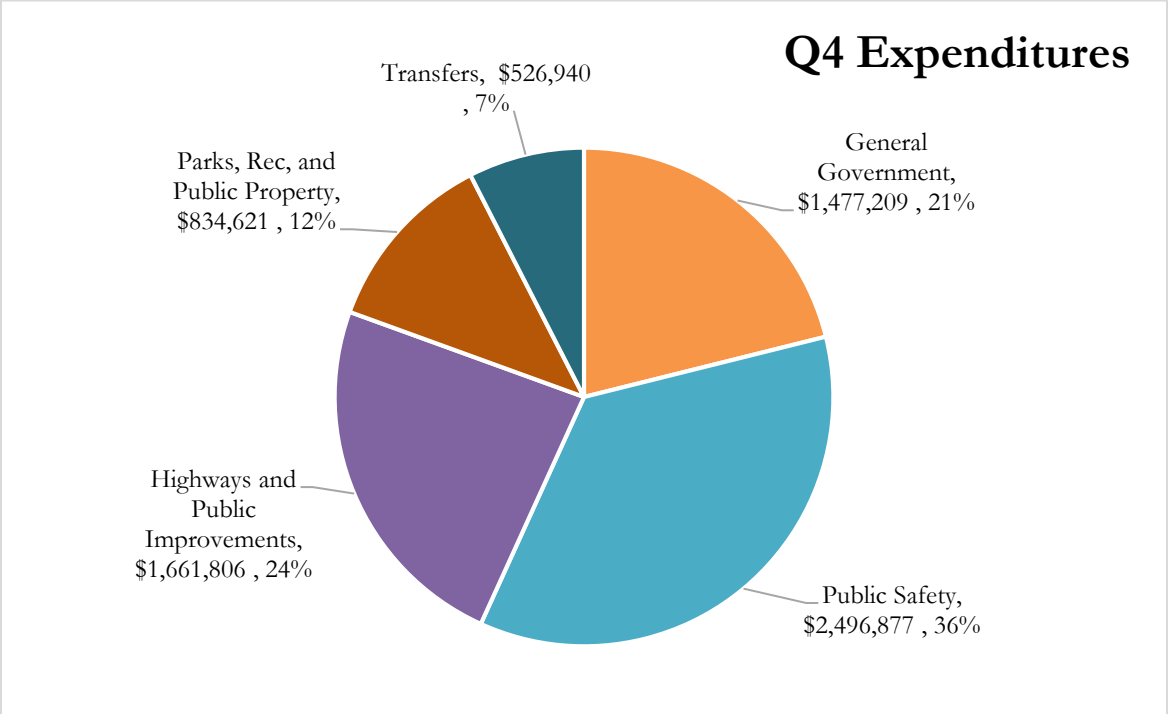
Revenue Projections: Generally, revenues are stable and meeting expectations. This should continue and revenues will be monitored for any unexpected changes. The city has seen moderate growth and expects to meet the budgeted revenue amount for the fiscal year.

Expenditures

The Legal/HR, Administration, General Government, Public Safety (Law Enforcement, Animal Shelter), Building & Zoning, Public Works (Streets, Sanitation) and Parks (Parks, Recreation, Cemetery) Departments make up the General Fund. All departments are making a concerted effort to provide services, monitor expenditures, and stay within budget. All departments have some expenditures that are due early in the fiscal year, such as insurance and surety bonds, that inflate the 1st quarter numbers. Journal entries were made in the 3rd quarter to move the fire truck lease payment to

General Government, where the SCI fire and ambulance costs are budgeted to. This puts the general government department well ahead of year-to-date projections and it's estimated that a shift in departmental budgets will be necessary closer to year end in order to keep appropriations within departmental budgets and comply with Utah state law.

Function	Department	Q4	Budget	% Spent
General Government	Legal / Human Resources	$ 115,130	$ 151,941	75.77%
	Administrative	$ 327,902	$ 335,705	97.68%
	General Government	$ 1,034,177	$ 1,037,953	99.64%
Public Safety	Law Enforcement	$ 2,302,207	$ 2,304,419	99.90%
	EMS	$ -	$ -	0.00%
	Animal Shelter	$ 194,670	$ 208,036	93.58%
	Fire & Rescue	$ -	$ -	0.00%
Highways and Public Improvements	Building & Zoning	$ 349,878	$ 360,826	96.97%
	Streets	$ 691,466	$ 709,130	97.51%
	Sanitation	$ 620,462	$ 630,778	98.36%
Parks, Rec, and Public Property	Recreation	$ 218,852	$ 238,485	91.77%
	Parks	$ 512,415	$ 513,745	99.74%
	Cemetery	$ 103,354	$ 127,940	80.78%
Transfers		$ 526,940	$ 526,940	100.00%
Total		$ 6,997,454	$ 7,145,898	97.92%



4th Quarter Expenditure Projections: Q4 expenditures are projected to come in line within budget projections, aside from the SCI fire & ambulance item mentioned above. Line items will be monitored carefully. Any expenditure amount overruns will need to be covered through line item reductions within each department. Each department director has been asked to monitor non-essential expenditures to help insure budgetary compliance.

IMPACT FEE FUNDS

The Impact Fee Funds consist of the Public Safety, Streets, and Parks Funds. For the period ending June 30, 2019 actual Impact Fee revenues are $964,759. The only planned expenditures this year are for debt service on bond payments and Capital Projects for impact fee eligible projects.

Category	Q4	Budget	% Earned
Public Safety	$ 26,486	$ 9,487	279.18%
Streets	$ 305,756	$ 182,664	167.39%
Parks	$ 632,517	$ 359,415	175.99%
Total	$ 964,759	$ 551,566	174.91%

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. There are no revenues through June 30, 2019 and expenditures are $890,742. The revenue for this fund will be from transfers, with expenditures being made for Cemetery Improvements, Fire Lake Park, Park Improvements, and various Street Projects. Revenues and Expenditures have met expectations through the 4th quarter.

Department	Q4	Budget	% Spent
Fire Station Remodel	$ -	$ 100,000	0.00%
Cemetery Improvements	$ 108,664	$ 131,488	82.64%
UNITY Park Skate Park	$ 732	$ 250,000	0.29%
Park & Trail Improvements	$ 689,811	$ 825,452	83.57%
Street Projects	$ 91,534	$ 365,000	25.08%
Entry Signs	$ -	$ 20,000	0.00%
Total	$ 890,742	$ 1,691,940	52.65%

4th 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 usage sees a higher percentage of revenue during the 1st and 4th quarters due to the weather. The city is seeing similar usage during the first quarter compared to last year. For the period ending June 30, 2019 the revenues and expenditures for the Enterprise Funds are:

FY 2019 Q4 Enterprise Funds

	Water Fund			Wastewater - Sewer			Wastewater - Storm Drain		
	YTD Actuals	Budget	% of Budget	YTD Actuals	Budget	% of Budget	YTD Actuals	Budget	% of Budget
Operating Revenues	2,102,086	2,184,030	96.2%	1,111,266	968,766	114.7%	633,664	526,925	120.3%
Operating Expenses	1,783,679	1,996,374	89.3%	852,392	928,617	91.8%	393,062	381,366	103.1%
Operating Income	318,407	187,656	169.7%	258,875	40,149	644.8%	240,602	145,559	165.3%
Non Operating Income	351,740	223,487	157.4%	103,565	61,765	167.7%	1,895,052	83,282	2275.5%
Non Operating Expenses	424,511	622,580	68.2%	253,558	663,600	38.2%	2,216,122	2,907,600	76.2%
Non Operating Income/(Expense)	(72,770)	(399,093)	18.2%	(149,993)	(601,835)	24.9%	(321,069)	(2,824,318)	11.4%
Change in Net Position	245,637	(211,437)	-116.2%	108,881	(561,686)	-19.4%	(80,467)	(2,678,759)	3.0%

WATER FUND

For the period ending June 30, 2019, the Water Fund realized $2,453,827 in revenues and $2,208,190 in expenditures; net revenues over / (under) expenditures totals $245,637. With 100% of the fiscal year complete, total revenues sum to 101.9% of budget; whereas, total expenses sum to 84.3% of budget.

Operating revenues total $2,102,086 and operating expenses are $1,783,679. These represent 85.7% and 80.8% of budgeted 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 June 30, 2019, the Sewer Fund realized $1,214,831 in revenues and $1,105,950 in expenditures; net revenues over / (under) expenditures totals $108,881. With 100% of the fiscal year complete, total revenues sum to 117.9% of budget; whereas, total expenditures sum to 69.5% of budget. Operating revenue is $1,111,266 and operating expenses are $852,392. These represent 91.5% and 77.1% of budgeted revenues and expenses, respectively. Both revenues and expenses will be monitored closely throughout the year.

STORM WATER

The Storm Water Fund realized $2,528,716 in revenues and $2,609,183 in expenditures; net revenues over / (under) expenditures totals ($80,467). With 100% of the fiscal year complete, total revenues sum to 414.4% of budget; whereas, total expenditures sum to 79.3% of budget. Revenues are much higher than budget due to an NRCS reimbursement received in October. There is $1.7 million budgeted for Storm Water projects this fiscal year.

Operating revenue is $633,664 and operating expenses are $393,062. These represent 25.1% and 15.1% of budgeted 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. A number of Storm Water improvements will be undertaken during the year.

Summary

I hope this report helps facilitate an understanding of the City's financial standing as of period ending June 30, 2019. Please review the attached documents for further information about the 4th quarter. Please feel free to contact me with any questions, concerns, or clarifications that you have.

Respectfully,

Lane Mecham
Director of Finance

ECONOMIC SNAPSHOT

Washington County

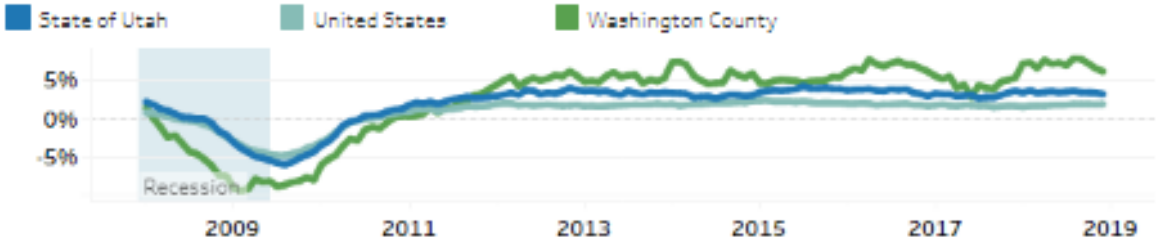
Updated 6/25/2019

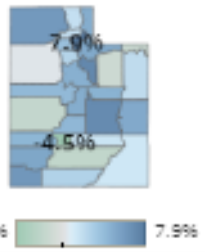
UTAH DEPARTMENT OF WORKFORCE SERVICES RESEARCH & ANALYSIS

Year-to-Year Change in Nonfarm Jobs

DECEMBER 2018* ▲ 4,005

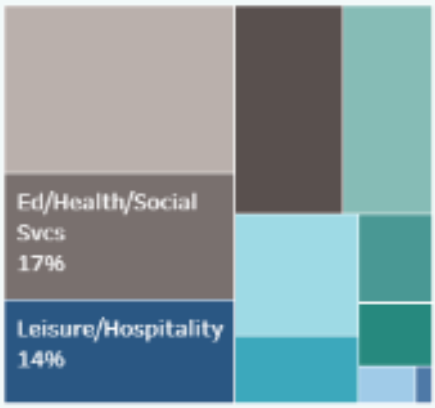
Washington County	State of Utah	United States
▲ 6.1%	▲ 3.1%	▲ 1.8%





60	Mining	29.0%
711	Construction	10.3%
-157	Manufacturing	-4.4%
817	Trade/Transport..	5.4%
-62	Information	-6.9%
86	Financial Activiti..	3.4%
935	Prof/Business S..	17.6%
519	Ed/Health/Socia..	4.6%
554	Leisure/Hospital..	6.3%
56	Other Services	3.0%
485	Government	5.3%

Employment Share 12 Months ending DECEMBER 2018**



How's the economy?

Although all of Washington County's economic indicators remain firmly in the "healthy" column, there are signs that perhaps the economy has peaked. The completion of a number of large nonresidential construction projects, a decline in residential permits, slower home sales and slower construction employment growth suggest that this prominent driver of economic expansion may have topped out for the moment. Somewhat slower sales also suggest a slowdown in the business cycle. However, currently strong employment growth has resulted in very low unemployment and a very tight labor market. Somewhat slower growth may be a welcome reprieve for employers s..

Jobs

In the final quarter of 2018, Washington County's nonfarm job creation rate took a step back from its previous blistering pace. However, employment expansion remained extremely healthy with 4,000 net, new jobs between December 2017 and December 2..

Part of this gain is only "on paper" thanks to improved distribution of state government employment at the county level. Without state government adjustments, the county's job growth measured about 3,700 positions—still a very robust improvement.

Construction, professional/business services, leisure/hospitality services, retail trade and healthcare/social services were among the major job producers.

There are a few minor chinks in Washington County job-growth armor. Manufacturing and information both lost employment. Also, there are signs that the rate of growth, particularly in the construction and leisure/hospitality services has peaked.

* Preliminary. Source: U.S. Bureau of Labor Statistics; Utah Department of Workforce Services.

jobs.utah.gov/wi/insights/county/washington.html

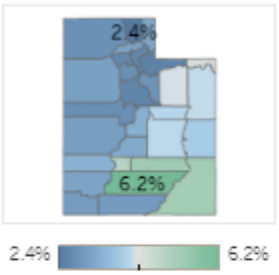
Lecia Langston, 435-688-3115, lecialangston@utah.gov

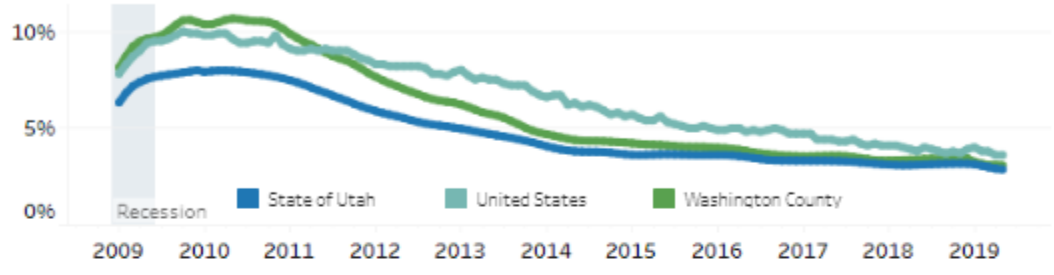
ECONOMIC SNAPSHOT *Washington County*

WORKFORCE SERVICES RESEARCH & ANALYSIS

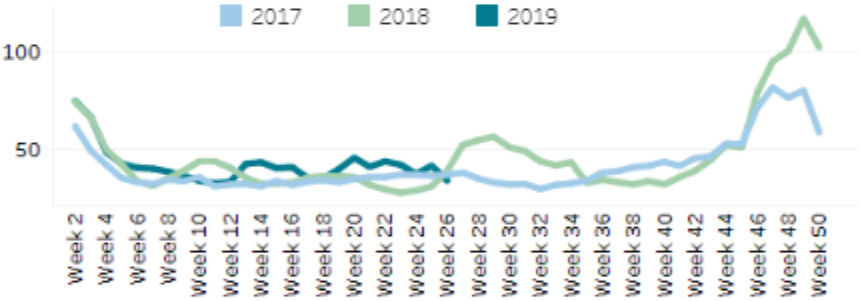
Seasonally Adjusted Unemployment Rate
MAY 2019

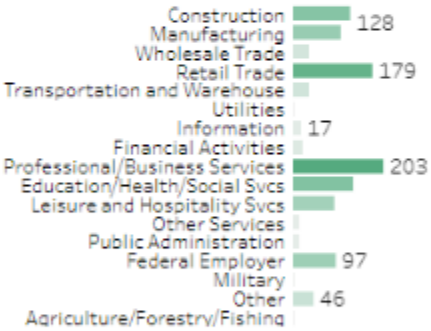
Washington County	State of Utah	United States
3.1%	2.9%	3.6%





Initial Claims for Unemployment Insurance
JUNE 22, 2019 YEAR-TO-DATE





Average Monthly Wage*
FOURTH QUARTER 2018

