Basic Financial Statements
For the fiscal year ended June 30, 2026
Ivins City, Utah

Prepared by Ivins City Director of Finance, Cade Visser

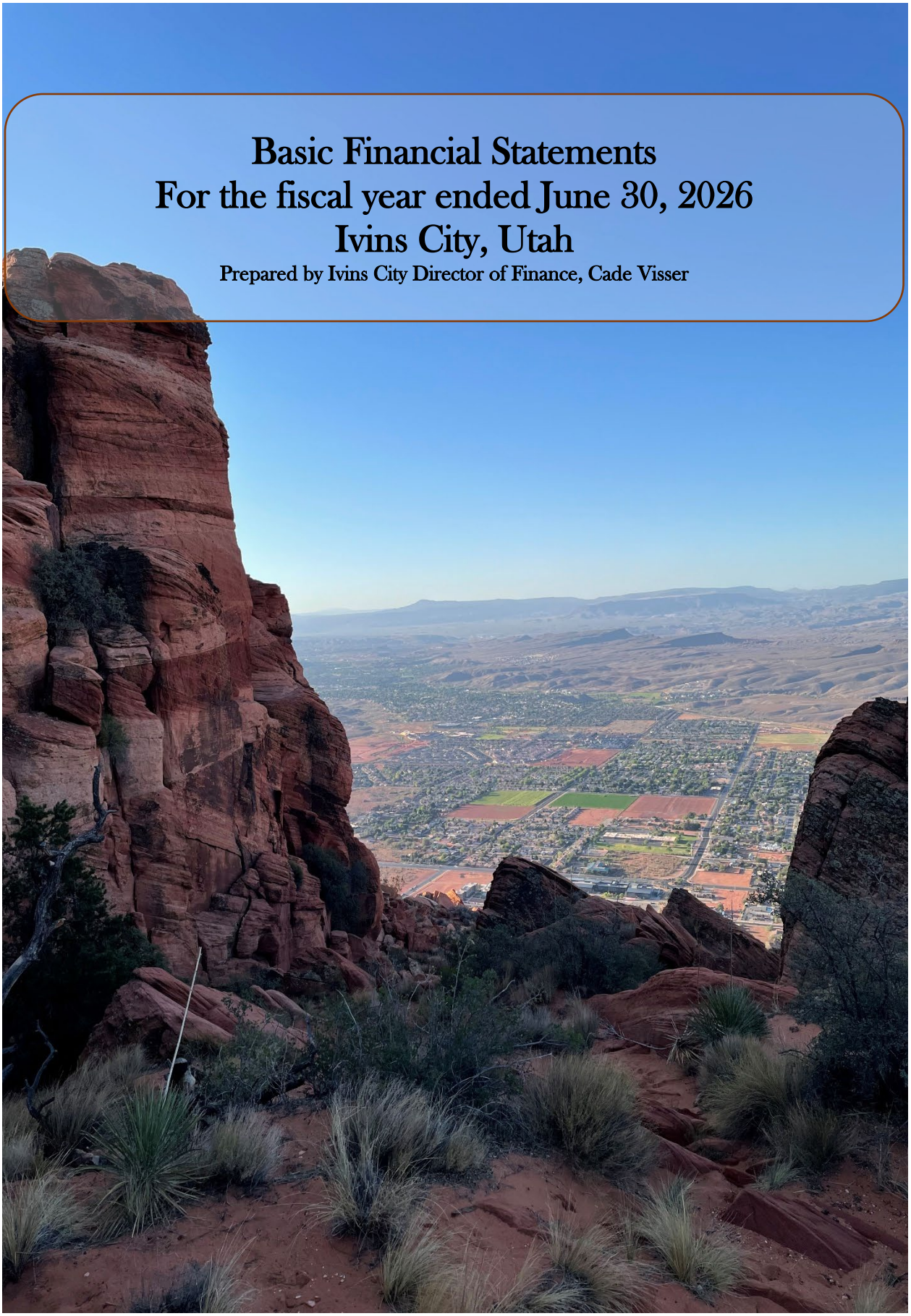


TABLE OF CONTENTS

Letter of Transmittal 3
Independent Auditor's Report 9
Management's Discussion and Analysis 11
Basic Financial Statements:
Government-wide Financial Statements:
Statement of Net Position 18
Statement of Activities 19
Fund Financial Statements:
Balance Sheet – Governmental Funds 21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities 24
Statement of Net Position – Proprietary Funds 25
Statement of Revenues, Expenditures, and Changes in Fund Net Position – Proprietary Funds. 26
Statement of Cash Flows – Proprietary Funds 27
Notes to the Financial Statements 29

Required Supplemental Information:
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – General Fund 56
Schedule of the Proportional Share of the Net Pension Liability 58
Schedule of Contributions 59
Supplementary Information
Balance Sheet – Non-Major Governmental Funds 60
Statement of Revenues, Expenditures, and Changes in Fund Balances Non-Major Governmental Funds 61

Report on Compliance and on Internal Control over Financial Reporting 62
Report on Compliance with State Fiscal Laws 64
Findings & Recommendations 65

Ivins City
85 N. Main Street
Ivins, UT 84738
(435) 628-0606
www.ivinsutah.gov

Mayor Kevin Smith
City Council Members:
Mike Scott
Sharon Gillespie
Sharon Barton
Dillon Hurt
Wayne Pennington

City Manager Chuck Gillette

October 27, 2026

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

It is our pleasure to present the basic financial statements for Ivins City for the year ended June 30, 2026.

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 an independent firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the basic financial statements of Ivins City for the fiscal year ended June 30, 2026.

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 a comprehensive internal control framework that is designed 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, 2026 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, there was a reasonable basis for rendering an unmodified opinion that Ivins City's financial statements for the fiscal year ended June 30, 2026, 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.

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 agricultural crops and 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.

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 15 full-time officers, 3 sergeants, a captain, 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 provides 24 hour 365 days a year ambulance service under a license from the State of Utah. The Fire / EMS department combined with Santa Clara City on January 1, 2018, with the employees and equipment moving to Santa Clara.
  - **Animal Control**
    Ivins City has a shelter manager with 2 full time 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 a primary non-profit organization: Ivins No Kill Animal Supporters (INKAS).

- **Public Works**
  - **Streets**
    The planned road maintenance and needed upgrades of streets were completed with the addition of a new round about on Snow Canyon Parkway. The council has also committed to continue providing an adequate maintenance budget going forward with the creation of the special revenue Transportation fund.

- **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. The implementation of the advanced metering infrastructure (AMI) project was started in FY26 with the completion in FY27. This AMI system will allow for residents more detailed insight on their water usage for more transparency and ability to detect leaks earlier than normal.
- **Wastewater**
  St George City provides wastewater treatment for Ivins City. The City is responsible for maintaining the wastewater 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. The City completed an update to the Sewer master plan that came with it an increase in sewer rates and impact fees. These increases are to help fund in the next few fiscal years the completion of an upsizing of the Tuacahn sewer trunkline and a lift station on the west side of the City.
- **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**
  The City employs a full-time City Engineer. Many of the City's projects are engineered by our City Engineer and they are heavily involved in planning out the City's infrastructure.

- **Building & Zoning**
  - Responsible for building and zoning. Coordinates with the Planning Commission to oversee orderly growth.

- **Parks & Recreation**
  - Maintains two large parks with several smaller neighborhood parks, City cemetery & 60 acres of trails and landscape buffers. They also provide, directly or through contract, several recreational programs. The City received a grant covering 90%+ of the cost to add new trails to help cover any gaps in the City's trail network. The City's portion of these trails were funded through the RAP tax.

- **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**
    The City employs a full-time Attorney. The City Manager is also the HR Director and is assisted in Human Resources and payroll by a full-time HR Manager.
  - **General Government**
    General government is the operation of the City Council and general City functions. This budget also includes the expenditures for Fire/EMS service.

Economic Outlook

The City's budget for fiscal year 2027 was forecasted based on continued economic growth from the ongoing completion of Black Desert Resort. With golf, restaurants, lodging, and merchandise the City anticipated Sales and Use tax revenue to increase year over year.

While the City's growth has been strongly financed by residential growth, the tax revenues from commercial projects will strengthen the City's position by diversifying its revenue sources with the completion of Black Desert Resort.

Ivins City continues to experience residential growth. Although the pace has slowed down since FY22, the City's Property tax revenue base has continued to grow to assist the City. A $860,000 property tax increase in FY26 was approved for future capital needs and add staff to maintain the level of service for City services.

Overall, there's still a great deal of uncertainty about the economy. A call for a recession by national analysts have been ongoing for the past few years but one has yet come to fruition. Interest rates remain high, which have materially bolstered the City's financial reserves but inflation continues to linger affecting the costs of services.

Long-Term Planning

Utah State law requires that a City must maintain a General Fund balance of at least 5% and may not exceed 35% of General Fund revenues. At year end, Ivins City's Unassigned General Fund balance, or savings, is 32% of budgeted revenues for a total of $4,430,039. The total General Fund balance at year end was $5,023,930.

Ivins City has created Capital Facility Plans for each of the functional areas of the government (Streets, Water, Sewer, Storm Drain, Parks, Public Safety). Those plans are reviewed every year after the financial statements have been audited, considering changes in revenues and funding sources. As these plans are completed, impact fees will be established to generate revenues required for construction of infrastructure attributed to new growth. A water rate and impact fee study, along with a Streets impact fee study is currently being worked on and should be finalized by the end of FY27.

A 5-year plan is 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 with planning and budgeting for the future.

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 30.

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 for taking 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 Director of Finance, is responsible for the diversification of investments. The City currently has all funds either in an operating account or invested with the State in the Public Treasurers Investment Fund.

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 conservatively 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 on a monthly basis.
- 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 4 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 35 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 more than 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 monthly and 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.ivinsutah.gov.

Acknowledgements

We appreciate all who contributed in any way toward the presentation of this financial 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 the Mayor and members of the City Council, for the many hours they spend in helping to run the City and maintain the quality of life enjoyed by the citizens and for their commitment to supporting excellence in our financial reporting.

Sincerely,

Cade Visser

Cade Visser
Director of Finance

Chuck Gillette
City Manager

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Ivins City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, as of June 30, 2026, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ivins City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ivins City's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Ivins City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ivins City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that required supplementary information, such as the management's discussion and analysis, budgetary comparison schedules, and pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Ivins City's basic financial statements. The non-major fund statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2026 on our consideration of Ivins City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ivins City's internal control over financial reporting and compliance.



Larson & Company, PC

Spanish Fork, Utah
October 27, 2026

As management of Ivins City (the City), we offer readers of the City's financial statements this narrative overview and analysis of financial activities of the City for the fiscal year ended June 30, 2026.

FINANCIAL HIGHLIGHTS

*Total net position for the City as a whole increased by $9,619,834

*Total unrestricted net position for the City as a whole decreased by $1,191,722

*Total net position for governmental activities increased by $3,099,688

*Total net position for business-type activities increased by $6,520,146

BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements of Ivins City. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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.

Fund financial 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.

Governmental 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 fund, the debt service fund, and the capital projects fund.

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 funds . 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 wastewater utilities.

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 to the financial statements are reported later in this report; see Table of Contents.

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

FINANCIAL ANALYSIS

Ivins City's Net Position

	Governmental Activities		Business-type Activities			
	Current Year	Previous Year	Current Year	Previous Year	Total Current Year	Total Previous Year
Current and other assets	$ 20,907,292	23,595,237	17,829,495	17,365,014	38,736,787	40,960,251
Net capital assets	39,364,526	34,303,358	39,441,770	34,019,968	78,806,296	68,323,326
Total assets	**60,271,818**	**57,898,595**	**57,271,265**	**51,384,982**	**117,543,083**	**109,283,577**
Deferred outflows of resources	746,632	917,815	248,878	305,938	995,510	1,223,753
Total assets and deferred outflows	**61,018,450**	**58,816,410**	**57,520,143**	**51,690,920**	**118,538,593**	**110,507,330**
Long-term debt outstanding	3,053,389	3,365,853	1,279,281	1,608,706	4,332,671	4,974,559
Other liabilities	4,841,941	6,169,563	869,619	1,414,687	5,711,560	7,584,250
Total liabilities	**7,895,330**	**9,535,415**	**2,148,901**	**3,023,393**	**10,044,231**	**12,558,808**
Deferred inflows of resources	4,159,960	3,417,523	188,349	4,780	4,348,309	3,422,303
Total liabilities and deferred inflows	**12,055,290**	**12,952,938**	**2,337,250**	**3,028,173**	**14,392,540**	**15,981,111**
Net position:						
Net investment in capital assets	36,311,137	30,937,505	38,162,488	32,411,262	74,473,625	63,348,767
Restricted	6,122,414	6,824,814	5,546,018	5,156,920	11,668,432	11,981,734
Unrestricted	6,529,609	8,101,153	11,474,387	11,094,565	18,003,996	19,195,718
Total net position	**$ 48,963,160**	**45,863,472**	**55,182,893**	**48,662,747**	**104,146,053**	**94,526,219**

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 $104,146,053, an increase of $9,619,834 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 is $18,003,996 which represents a decrease of $1,191,722 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.

FINANCIAL ANALYSIS (continued)

Ivins City's Change in Net Position

	Governmental Activities		Business-type Activities			
	Current Year	Previous Year	Current Year	Previous Year	Total Current Year	Total Previous Year
Program revenues:						
Charges for services	$ 4,215,557	3,635,768	7,174,467	6,053,756	11,390,025	9,689,524
Operating grants	1,084,400	1,325,755	-	-	1,084,400	1,325,755
Capital grants	707,636	1,777,522	5,716,816	4,695,524	6,424,452	6,473,046
General revenues:						
Property taxes	3,774,137	2,286,760	-	-	3,774,137	2,286,760
Sales tax	3,348,268	2,621,302	-	-	3,348,268	2,621,302
Other taxes	1,510,164	1,292,829	-	-	1,510,164	1,292,829
Other revenues	1,036,201	1,220,597	677,138	555,222	1,713,339	1,775,819
Total revenues	**15,676,364**	**14,160,532**	**13,568,421**	**11,304,501**	**29,244,785**	**25,465,033**
Expenses:						
General government	2,972,376	2,766,018	-	-	2,972,376	2,766,018
Building/Code Enforcement	694,400	591,390	-	-	694,400	591,390
Public safety	5,039,085	3,593,421	-	-	5,039,085	3,593,421
Highways and improvements	404,992	1,431,133	-	-	404,992	1,431,133
Parks and recreation	3,389,718	2,359,696	-	-	3,389,718	2,359,696
Interest on long-term debt	76,106	88,511	-	-	76,106	88,511
Water	-	-	4,131,131	3,050,554	4,131,131	3,050,554
Wastewater	-	-	2,917,144	2,530,111	2,917,144	2,530,111
Total expenses	**12,576,676**	**10,830,169**	**7,048,275**	**5,580,665**	**19,624,951**	**16,410,833**
Change in net position	**3,099,688**	**3,330,364**	**6,520,146**	**5,723,836**	**9,619,834**	**9,054,200**
Net position - beginning	45,863,472	38,417,800	48,662,747	39,545,985	94,526,219	77,963,785
Net position - ending	**$ 48,963,162**	**41,748,163**	**55,182,893**	**45,269,822**	**104,146,053**	**87,017,985**

For the City as a whole, total revenues increased by $3,779,752 compared to the previous year, while total expenses increased by $3,214,118. The total net change of $9,619,834 is, in private sector terms, the net income for the year which is $565,634 more than the previous year.

Governmental activities revenues of $15,676,364 is an increase of $1,515,832 from the previous year. This increase is primarily due to an increase in property tax resulting from an approved tax increase, and increased sales tax revenue. Total grant revenue, operating and capital, decreased by $1,311,240. Governmental activities expenses of $12,576,676 is an increase of $1,746,507 from the previous year. While highways and improvement expenses decreased during the year, all other departments' expenses increased. The main increase in governmental expenses results from the purchase of new park land.

Business-type activities revenue of $13,568,421 is an increase of $2,263,920 from the previous year. Service revenues increased by $1,120,711 and capital grants increased by $1,021,292. Business-type activities expenses of $7,048,275 is an increase of $1,467,610 from the previous year.

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 $5,023,930 reflects an increase of $242,721 from the previous year. Total revenues increased by $1,342,264. Tax revenues, including property taxes, sales taxes, and others taxes, increased by $1,011,445. Licenses and permits decreased by $83,344. Intergovernmental revenues increased by $285,937. Charges for services increased by $357,114. Revenues from sale of capital assets decreased by $18,169. Interest revenues decreased by $243,741. All other revenues increased by $33,022.

Total expenditures increased by $876,977. General government expenditures increased by $253,102; code enforcement expenditures decreased by $116,882; public safety expenditures increased by $514,356; streets and highways expenditures decreased by $144,485; and parks and recreation expenditures increased by $418,716. The transfer out of $1,785,226 was comprised of $797,8697 to capital projects, $221,240 to debt service, and $766,117 to non-major governmental funds.

Water Fund

The change in net position (net income) was $3,206,877, which included capital contributions of $2,487,250. The amount of $3,861,076 is restricted for construction. Unrestricted net position amounts to $7,460,626.

Wastewater

The change in net position (net income) was $3,313,269. Restricted amounts were $296,046 for debt service, and $1,388,897 for construction. Unrestricted net position amounts to $4,013,760.

GENERAL FUND BUDGETARY HIGHLIGHTS

Revenues for the current year, exclusive of transfers and fund balance appropriations, were originally budgeted in the amount of $12,720,912. This amount was amended in the final budget to $13,667,032. Actual revenues, excluding transfers, amounted to $13,917,891.

Expenditures for the current year, excluding transfers, were originally budgeted in the amount of $12,124,496. This amount was amended in the final budget to $12,298,685. Actual expenditures amounted to $11,889,944.

Net transfers out for the year were originally budgeted in the amount of $571,590. The final budget for transfers out was for the amount of $1,156,590. Actual net transfers out were made in the amount of $1,785,226.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Ivins City's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities			
	Current Year	Previous Year	Current Year	Previous Year	Total Current Year	Total Previous Year
Net Capital Assets:						
Land and water rights	$ 2,315,928	953,152	1,575,920	1,575,920	3,891,849	2,529,073
Buildings	5,612,947	5,799,640	626,425	648,350	6,239,371	6,447,990
Improvements other than buildings	1,138,302	954,698	-	-	1,138,302	954,698
Automobiles & Trucks	514,429	398,878	181,197	152,425	695,625	551,304
Machinery and equipment	594,080	293,189	710,037	821,577	1,304,117	1,114,766
Office equipment	44,323	38,634	-	-	44,323	38,634
Parks	5,242,231	5,556,438	-	-	5,242,231	5,556,438
Infrastructure	23,149,292	19,977,093	-	-	23,149,292	19,977,093
Water system	-	-	14,607,243	11,558,395	14,607,243	11,558,395
Wastewater system	-	-	21,740,948	19,263,301	21,740,948	19,263,301
Work in progress	752,994	331,636	-	-	752,994	331,636
Totals	**$ 39,364,526**	**34,303,358**	**39,441,770**	**34,019,968**	**78,806,296**	**68,323,326**

The total amount of capital assets, net of depreciation, of $78,806,296 is an increase of $10,482,970 from the previous year.

Governmental activities capital assets, net of depreciation, of $39,364,526 is an increase of $5,061,168 from the previous year.

Business-type activities capital assets, net of depreciation, of $39,441,770 is an increase of $5,421,801 from the previous year.

Additional information regarding capital assets may be found in the notes to financial statements.

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Ivins City's Outstanding Debts

	Current Year	Previous Year
Governmental activities:		
2024 Rav 4 Lease	$ 26,389	31,853
2016 Sales Tax Refunding	1,041,000	1,240,000
2020 MBA Lease Revenue	1,986,000	2,094,000
Total governmental	**$ 3,053,389**	**3,365,853**
Business-type activities:		
2016 Storm Water Revenue	$ 1,230,000	1,520,000
Total business-type	**$ 1,230,000**	**1,520,000**
Total outstanding debt	**$ 4,283,389**	**4,885,853**

Additional information regarding the long-term liabilities may be found in the notes to financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

No significant economic changes that would affect the City are expected for the next year. Budgets have been set on essentially the same factors as the current year being reported.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Ivins City's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Cade Visser, Ivins City Finance Director, 85 North Main, Ivins City, Utah, 84738 or via e-mail cvisser@ivinsutah.gov.

Ivins City
STATEMENT OF NET POSITION
June 30, 2026

	Governmental Activities	Business-type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Assets:			
Current assets:			
Cash and cash equivalents	$ 6,258,204	11,544,977	17,803,181
Accounts receivable, net	4,832,931	718,119	5,551,051
Total current assets	11,091,135	12,263,096	23,354,231
Non-current assets:			
Restricted cash and cash equivalents	9,762,646	5,548,562	15,311,208
Net pension asset	53,511	17,837	71,348
Capital assets:			
Not being depreciated	3,068,922	1,575,920	4,644,843
Net of accumulated depreciation	36,295,604	37,865,850	74,161,453
Total non-current assets	49,180,683	45,008,169	94,188,852
Total assets	60,271,818	57,271,265	117,543,083
Deferred outflows of resources - pensions	746,632	248,878	995,510
Total assets and deferred outflows of resources	**$ 61,018,450**	**57,520,143**	**118,538,593**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:			
Liabilities:			
Current liabilities:			
Accounts payable	$ 559,829	654,533	1,214,362
Accrued liabilities	19,334	-	19,334
Customer deposits	-	25,950	25,950
Developer deposits	3,657,029	-	3,657,029
Unearned revenue	82,103	-	82,103
Accrued interest payable	2,316	12,300	14,616
Long-term debt outstanding, current portion	206,808	300,000	506,808
Total current liabilities	4,527,419	992,783	5,520,202
Non-current liabilities:			
Compensated absences	227,512	78,899	306,411
Net pension liability	293,818	97,938	391,756
Long-term debt outstanding, non-current portion	2,846,582	979,281	3,825,863
Total non-current liabilities	3,367,911	1,156,118	4,524,030
Total liabilities	7,895,330	2,148,901	10,044,231
Deferred inflows of resources - property taxes	3,594,913	-	3,594,913
Deferred inflows of resources - pensions	565,047	188,349	753,396
Total liabilities and deferred inflows of resources	**12,055,290**	**2,337,250**	**14,392,540**
NET POSITION:			
Net investment in capital assets	36,311,137	38,162,488	74,473,625
Restricted for:			
Construction	5,692,304	5,249,973	10,942,277
Debt service	100,742	296,046	396,787
Cemetery	329,368	-	329,368
Unrestricted	6,529,609	11,474,387	18,003,996
Total net position	**48,963,160**	**55,182,893**	**104,146,053**
Total liabilities, deferred inflows of resources and net position	**$ 61,018,450**	**57,520,143**	**118,538,593**

Ivins City
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2026

FUNCTIONS/PROGRAMS:	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue (To Next Page)
Primary government:					
Governmental activities:					
General government	$ 2,972,376	91,933	-	-	(2,880,443)
Building/Code enforcement	694,400	611,130	-	-	(83,270)
Public safety	5,039,085	2,321,913	412,212	100,492	(2,204,469)
Public works and streets	404,992	1,124,907	672,189	184,702	1,576,806
Parks, recreation and public property	3,389,718	65,675	-	422,442	(2,901,601)
Interest on long-term debt	76,106	-	-	-	(76,106)
Total governmental activities	**12,576,676**	**4,215,557**	**1,084,400**	**707,636**	**(6,569,082)**
Business-type activities:					
Water	4,131,131	4,107,575	-	2,758,096	2,734,541
Wastewater	2,917,144	3,066,892	-	2,958,720	3,108,468
Total business-type activities	**7,048,275**	**7,174,467**	**-**	**5,716,816**	**5,843,008**
Total primary government	**$ 19,624,951**	**11,390,025**	**1,084,400**	**6,424,452**	**(726,074)**

(continued on next page)

Ivins City
STATEMENT OF ACTIVITIES (continued)
For the Year Ended June 30, 2026

	Governmental Activities	Business-type Activities	Total
CHANGES IN NET POSITION:			
Net (expense) revenue (from previous page)	**$ (6,569,082)**	**5,843,008**	**(726,074)**
General revenues:			
Property taxes	3,774,137	-	3,774,137
Sales tax	3,348,268	-	3,348,268
Other taxes	1,510,164	-	1,510,164
Unrestricted investment earnings	701,592	677,138	1,378,730
Special assessments	19,873	-	19,873
Miscellaneous	314,735	-	314,735
Total general revenues	9,668,770	677,138	10,345,908
Change in net position	**3,099,688**	**6,520,146**	**9,619,834**
Net position - beginning	45,863,472	48,662,747	94,526,219
Net position - ending	**$ 48,963,160**	**55,182,893**	**104,146,053**

Ivins City
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2026

	General Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 3,722,371		2,535,833	-	6,258,204
Accounts receivable, net of allowances	4,565,031	139,758	-	128,142	4,832,931
Restricted cash and cash equivalents	4,250,920	36,168	3,728,303	1,747,255	9,762,646
TOTAL ASSETS	**$ 12,538,323**	**175,926**	**6,264,136**	**1,875,397**	**20,853,781**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
Liabilities:					
Accounts payable	$ 243,116	-	147,714	169,000	559,829
Accrued liabilities	19,334	-	-	-	19,334
Developer deposits	3,657,029	-	-	-	3,657,029
Unearned revenue	-	82,103	-	-	82,103
Total liabilities	3,919,479	82,103	147,714	169,000	4,318,295
Deferred inflows of resources - property taxes	3,594,913	-	-	-	3,594,913
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**7,514,392**	**82,103**	**147,714**	**169,000**	**7,913,208**
FUND BALANCES:					
Restricted for:					
Construction	264,523	-	3,728,303	1,699,478	5,692,304
Debt service	-	93,824	-	6,918	100,742
Cemetery	329,368	-	-	-	329,368
Assigned for:					
Construction	-	-	2,388,120	-	2,388,120
Unassigned	4,430,039	-	-	-	4,430,039
TOTAL FUND BALANCES	**5,023,930**	**93,824**	**6,116,422**	**1,706,397**	**12,940,573**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 12,538,323**	**175,926**	**6,264,136**	**1,875,397**	**20,853,781**

Ivins City

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended June 30, 2026

	General Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
Property	$ 3,774,137	-	-	-	3,774,137
Sales	3,348,268	-	-	-	3,348,268
Other taxes	812,010	-	-	698,154	1,510,164
License and permits	506,285	-	-	-	506,285
Intergovernmental revenues	1,084,400	-	-	-	1,084,400
Charges for services	3,669,168	-	-	39,035	3,708,203
Fines and forfeitures	1,070	-	-	-	1,070
Impact fees	-	-	707,636	-	707,636
Special assessments	-	19,873	-	-	19,873
Interest	460,481	3,198	203,759	34,155	701,592
Miscellaneous revenue	262,073	416	-	52,247	314,735
Total revenues	**13,917,891**	**23,487**	**911,395**	**823,591**	**15,676,364**
Expenditures:					
Current:					
General government	2,780,597	-	17,381	-	2,797,978
Building/Code enforcement	694,400	-	-	-	694,400
Public safety	4,387,444	-	838,679	-	5,226,123
Public works and streets	2,269,163	-	2,782,486	225,568	5,277,216
Parks, recreation and public property	1,750,867	-	1,404,072	306,837	3,461,776
Debt service:					
Principal	5,463	199,000	-	108,000	312,463
Interest	2,010	22,199	-	52,350	76,559
Total expenditures	**11,889,944**	**221,199**	**5,042,617**	**692,755**	**17,846,515**
Excess (deficiency) of revenues over (under) expenditures	**2,027,947**	**(197,712)**	**(4,131,223)**	**130,836**	**(2,170,151)**
Other financing sources and (uses):					
Transfers in	-	221,240	797,869	766,117	1,785,226
Transfers out	(1,785,226)	-	-	-	(1,785,226)
Total other financing sources and (uses)	**(1,785,226)**	**221,240**	**797,869**	**766,117**	**-**
Net change in fund balances	**242,721**	**23,528**	**(3,333,354)**	**896,953**	**(2,170,151)**
Fund balances - beginning of year	4,781,209	70,296	9,449,776	809,444	15,110,724
Fund balance - end of year	**$ 5,023,930**	**93,824**	**6,116,422**	**1,706,397**	**12,940,573**

Ivins City
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2026

Total Fund Balance for Governmental Funds	**$ 12,940,573**
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	63,222,352
Less accumulated depreciation	(23,857,826)
Net capital assets	39,364,526
Net pension asset and deferred outflows of resources - pensions, consumptions of net position that apply to future periods, are not shown in the fund statements.	800,143
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	(3,053,389)
Interest accrued but not yet paid on long-term debt	(2,316)
Compensated absences	(227,512)
Net pension liability	(293,818)
Deferred inflows of resources - pensions	(565,047)
Total Net Position of Governmental Activities	**$ 48,963,160**

Ivins City

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, 2026

Net Change in Fund Balances - Total Governmental Funds	**$ (2,170,151)**
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	7,119,623
Depreciation expense	(2,058,455)
Net	5,061,168
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.	(73,640)
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	312,463
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	453
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	(30,605)
Change in Net Position of Governmental Activities	**$ 3,099,688**

Ivins City
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2026

	Water Fund	Wastewater Fund	Total Proprietary Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Assets:			
Current assets:			
Cash and cash equivalents	$ 7,542,051	4,002,926	11,544,977
Accounts receivable, net	457,464	260,655	718,119
Total current assets	7,999,515	4,263,581	12,263,096
Non-current assets:			
Restricted cash and cash equivalents	3,861,076	1,687,487	5,548,562
Net pension asset	10,702	7,135	17,837
Capital assets:			
Not being depreciated	1,474,795	101,125	1,575,920
Net of accumulated depreciation	15,572,039	22,293,810	37,865,850
Total non-current assets	20,918,612	24,089,557	45,008,169
Total assets	28,918,127	28,353,138	57,271,265
Deferred outflows of resources - pensions	149,327	99,551	248,878
Total assets and deferred outflows of resources	**$ 29,067,454**	**28,452,689**	**57,520,143**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:			
Liabilities:			
Current liabilities:			
Accounts payable	$ 453,063	201,469	654,533
Customer security deposits	25,950	-	25,950
Accrued interest payable	-	12,300	12,300
Long-term debt outstanding, current portion	-	300,000	300,000
Total current liabilities	479,013	513,769	992,783
Non-current liabilities:			
Compensated absences	48,132	30,767	78,899
Net pension liability	58,763	39,175	97,938
Long-term debt outstanding, non-current portion	-	979,281	979,281
Total non-current liabilities	106,895	1,049,223	1,156,118
Total liabilities	585,908	1,562,993	2,148,901
Deferred inflows of resources - pensions	113,009	75,340	188,349
Total liabilities and deferred inflows of resources	**698,917**	**1,638,333**	**2,337,250**
NET POSITION:			
Net investment in capital assets	17,046,835	21,115,654	38,162,488
Restricted for:			
Debt service	-	296,046	296,046
Construction	3,861,076	1,388,897	5,249,973
Unrestricted	7,460,626	4,013,760	11,474,387
Total net position	**28,368,537**	**26,814,357**	**55,182,893**
Total liabilities, deferred inflows of resources and net position	**$ 29,067,454**	**28,452,689**	**57,520,143**

Ivins City

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS

For the Year Ended June 30, 2026

	Water Fund	Wastewater Fund	Total Proprietary Funds
Operating income:			
Charges for sales and service	$ 3,935,251	3,007,613	6,942,864
Connection fees	43,100	41,000	84,100
Other operating income	129,224	18,279	147,503
Total operating income	**4,107,575**	**3,066,892**	**7,174,467**
Operating expenses:			
Purchased product	1,676,756	980,983	2,657,740
Personnel services	1,036,482	775,356	1,811,838
Utilities	78,203	41,106	119,308
Repair and maintenance	138,034	96,695	234,729
Professional and technical	117,551	124,685	242,236
Other supplies and expenses	240,851	80,891	321,742
Insurance expense	30,822	18,581	49,403
Depreciation expense	812,432	784,423	1,596,855
Total operating expense	**4,131,131**	**2,902,719**	**7,033,850**
Net operating income (loss)	**(23,555)**	**164,172**	**140,617**
Non-operating income (expense):			
Impact fees	270,846	189,170	460,016
Interest income	472,336	204,802	677,138
Gain (loss) on sale of capital assets	-	-	-
Interest on long-term debt	-	(14,425)	(14,425)
Total non-operating income (expense)	**743,182**	**379,547**	**1,122,729**
Income (loss) before transfers and capital contributions	**719,627**	**543,719**	**1,263,346**
Capital contributions	2,487,250	2,769,550	5,256,800
Change in net position	**3,206,877**	**3,313,269**	**6,520,146**
Net position - beginning	25,161,660	23,501,087	48,662,747
Net position - ending	**$ 28,368,537**	**26,814,357**	**55,182,893**

Ivins City
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2026

	Water Fund	Wastewater Fund	Total Proprietary Funds
Cash flows from operating activities:			
Cash received from customers - service	$ 4,073,564	3,230,094	7,303,658
Cash paid to suppliers	(2,134,254)	(1,843,679)	(3,977,933)
Cash paid to employees	(1,016,708)	(762,080)	(1,778,788)
Net cash provided (used) in operating activities	**922,602**	**624,336**	**1,546,938**
Cash flows from noncapital financing activities:			
Change in customer deposits	350	-	350
Net cash provided (used) in noncapital financing activities	**350**	**-**	**350**
Cash flows from capital and related financing activities:			
Cash received from capital contributions	2,487,250	2,769,550	5,256,800
Cash received from impact fees	270,846	189,170	460,016
Cash payments for capital assets	(3,793,891)	(3,224,765)	(7,018,656)
Cash payments for long-term debt principal	-	(329,425)	(329,425)
Cash payments for long-term debt interest	-	(17,325)	(17,325)
Net cash provided (used) in capital and related financing activities	**(1,035,795)**	**(612,795)**	**(1,648,590)**
Cash flows from investing activities:			
Cash received from interest earned	472,336	204,802	677,138
Net cash provided (used) in investing activities	**472,336**	**204,802**	**677,138**
Net increase (decrease) in cash	**359,493**	**216,343**	**575,836**
Cash balance, beginning	11,043,633	5,474,070	16,517,703
Cash balance, ending	**$ 11,403,126**	**5,690,413**	**17,093,539**
Cash reported on the statement of net position:			
Cash and cash equivalents	$ 7,542,051	4,002,926	11,544,977
Non-current restricted cash	3,861,076	1,687,487	5,548,562
Total cash and cash equivalents	**$ 11,403,126**	**5,690,413**	**17,093,539**

Ivins City
STATEMENT OF CASH FLOWS (continued)
For the Year Ended June 30, 2026

Reconciliation of Operating Income to Net Cash Provided (Used) in Operating Activities:

	Water Fund	Wastewater Fund	Total Proprietary Funds
Net operating income (expense)	**$ (23,555)**	**164,172**	**140,617**
Adjustments to reconcile operating income or (loss) to net cash provided (used)in operating activities:			
Depreciation and amortization	812,432	784,423	1,596,855
Changes in assets and liabilities:			
(Increase) decrease in receivables	(34,011)	163,202	129,191
(Increase) decrease in net pension asset	(10,702)	(7,135)	(17,837)
(Increase) decrease in deferred outflows	34,236	22,824	57,060
Increase (decrease) in payables	147,962	(500,738)	(352,776)
Increase (decrease) in compensated absences	5,049	3,459	8,508
Increase (decrease) in net pension liabilities	(118,949)	(79,300)	(198,249)
Increase (decrease) in deferred inflows	110,141	73,428	183,569
Net cash provided (used) in operating activities	**$ 922,602**	**624,336**	**1,546,938**

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.

Recognition of Public Infrastructure Districts

The City recognizes the existence of the Black Desert Public Infrastructure District (the "PID") within the boundaries of the City. While the City is the creating entity on behalf of the developers, the PID is not considered a component unit of the City based on guidance, requirements, or compliance under GASB statements no. 14, 39, and 61.

1-B. Government-wide and fund financial statements

Government-wide Financial Statements

The government-wide financial statements, consisting of the statement of net position and the statement of changes in net position 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.

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.

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. 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. Assets, Liabilities, and Net Position or Equity (continued)

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

All 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. Donated capital assets are recorded at estimated fair market value at the date of donation. 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:

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

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

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.

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 mounts 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.

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

1-E-9. Fund Equity (continued)

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

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 unassigned 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 unassigned General Fund balance greater than 35% 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 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, 2026, consist of the following:

	Fair Value
Cash on hand	$ 1,320
Demand deposits - checking	1,343,585
Bond reserve bank trust accounts	298,590
Deposits - PTIF	31,470,894
Total cash	**$ 33,114,389**

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

Cash and cash equivalents (current)	$ 17,803,181
Restricted cash and cash equivalents (non-current)	15,311,208
Total cash and cash equivalents	**$ 33,114,389**

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

3-A. Deposits and investments (continued)

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 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.

At June 30, 2026, the City's bank balance of demand and bank trust deposits total $2,075,451 and the book balance is $1,380,358. Of these deposits, $750,000 is covered by FDIC insurance; $630,358 is uninsured and uncollateralized.

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, 2026, the City’s investments had the following recurring fair value measurements:

Security Type Category	Level 1	Level 2	Level 3	Other	Total
PTIF	$ -	31,470,894	-	-	31,470,894
Total Investments	**$ -**	**31,470,894**	**-**	**-**	**31,470,894**

3-A. Deposits and investments (continued)

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 & custodial credit risk
Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does have a formal policy for custodial credit risk. All investments other than bank deposits or funds invested in the state treasurers fund are to be held by a third party with securities delivered on a delivery vs. purchase basis. As of June 30, 2025, the City kept all investments with custodian counterparty Wells Fargo Bank, NA and all investments which was/were held by the counterparty's trust department or agent are registered in the City's name.

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. City of Ivins's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio.

At June 30, 2025, City of Ivins does not hold more than 10 percent of total investments in any single security concentration other than U. S. Government Treasuries and Agencies.

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.

	General Fund	Debt Service Fund	Non-Major Governmental Funds	Water Fund	Wastewater Fund	Total
Property taxes	$ 3,594,913	-	-	-	-	3,594,913
Intergovernmental	727,452	-	128,142	-	-	855,594
Customers	242,667	-	-	457,464	260,655	960,786
Special assessments	-	139,758	-	-	-	139,758
Total receivables	**$ 4,565,031**	**139,758**	**128,142**	**457,464**	**260,655**	**5,551,051**

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	$ 953,152	1,362,776	-	2,315,928
Construction in progress	331,636	748,203	326,845	752,994
Total capital assets, not being depreciated	**1,284,789**	**2,110,979**	**326,845**	**3,068,922**
Capital assets, being depreciated:				
Buildings	7,241,003	-	-	7,241,003
Improvements other than buildings	1,779,128	278,220	-	2,057,348
Autos and trucks	1,656,370	372,964	-	2,029,334
Machinery and equipment	1,418,247	372,846	-	1,791,094
Office equipment	124,800	18,117	-	142,917
Parks and trails	8,306,952	-	-	8,306,952
Infrastructure	34,291,440	4,293,342	-	38,584,782
Total capital assets, being depreciated	**54,817,940**	**5,335,489**	**-**	**60,153,429**
Less accumulated depreciation for:				
Buildings	1,441,363	186,693	-	1,628,056
Improvements other than buildings	824,430	94,616	-	919,045
Autos and trucks	1,257,492	257,414	-	1,514,905
Machinery and equipment	1,125,058	71,956	-	1,197,014
Office equipment	86,166	12,427	-	98,594
Parks and trails	2,750,514	314,207	-	3,064,721
Infrastructure	14,314,348	1,121,143	-	15,435,490
Total accumulated depreciation	**21,799,371**	**2,058,455**	**-**	**23,857,826**
Total capital assets being depreciated, net	**33,018,569**	**3,277,035**	**-**	**36,295,604**
Governmental activities capital assets, net	**$ 34,303,358**	**5,388,013**	**326,845**	**39,364,526**

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

Governmental activities:	
General government	$ 205,409
Public safety	261,047
Highways and public improvements	1,217,202
Parks, recreation and public property	374,797
Total	**$ 2,058,455**

3-C. Capital Assets (continued)

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

Business-type activities	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land and water shares	$ 1,575,920	-	-	1,575,920
Total capital assets, not being depreciated	**1,575,920**	**-**	**-**	**1,575,920**
Capital assets, being depreciated:				
Buildings	872,733	-	-	872,733
Machinery and equipment	1,351,569	-	-	1,351,569
Autos and trucks	554,087	67,911	-	621,998
Water system	23,704,393	3,755,085	-	27,459,478
Wastewater system	28,969,126	3,195,660	-	32,164,786
Total capital assets, being depreciated	**55,451,907**	**7,018,656**	**-**	**62,470,563**
Less accumulated depreciation for:				
Buildings	224,383	21,925	-	246,308
Machinery and equipment	529,992	111,539	-	641,531
Autos and trucks	401,662	39,140	-	440,801
Water system	12,145,997	706,237	-	12,852,234
Wastewater system	9,705,825	718,014	-	10,423,839
Total accumulated depreciation	**23,007,859**	**1,596,855**	**-**	**24,604,713**
Total capital assets being depreciated, net	**32,444,048**	**5,421,801**	**-**	**37,865,850**
Business-type activities capital assets, net	**$ 34,019,968**	**5,421,801**	**-**	**39,441,770**

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

Business-type activities:	
Water	$ 812,432
Wastewater	784,423
Total	**$1,596,855**

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
Direct Borrowing:							
2024 Rav 4 Lease							
Matures 2029	$ 39,113	6.23	$ 31,853	-	5,463	26,389	5,808
Bonds:							
2016 Sales Tax Refunding							
Matures 2031	2,876,000	1.95	1,240,000	-	199,000	1,041,000	201,000
2020 MBA Lease Revenue							
Matures 2042	2,500,000	1.95	2,094,000	-	108,000	1,986,000	-
Total governmental activity long-term liabilities			**$ 3,365,853**	**-**	**312,463**	**3,053,389**	**206,808**

Debt service requirements to maturity for governmental activities are as follows:

	Principal	Interest	Total
2027	$ 206,808	20,005	226,813
2028	327,976	65,310	393,287
2029	332,606	57,860	390,465
2030	326,000	50,265	376,265
2031	334,000	43,221	377,221
2032 - 2036	643,000	159,425	802,425
2037 - 2041	727,000	74,950	801,950
2042	156,000	3,900	159,900
Total	**$ 3,053,389**	**474,936**	**3,528,326**

The City has outstanding bonds and other direct borrowings related to governmental activities totaling $3,053,389. The outstanding bonds and other direct borrowings are all secured with their respective revenues and/or property and equipment.

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
2016 Storm Water Revenue Matures 10/1/2036	$ 3,680,000	4.00	$ 1,520,000	-	290,000	1,230,000	300,000
Total business-type activity long-term liabilities			**$ 1,520,000**	**-**	**290,000**	**1,230,000**	**300,000**

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

	Principal	Interest	Total
2027	$ 300,000	43,200	343,200
2028	305,000	31,100	336,100
2029	60,000	23,800	83,800
2030	60,000	21,400	81,400
2031	65,000	18,900	83,900
2032 - 2036	360,000	53,400	413,400
2037	80,000	1,600	81,600
Total	**$ 1,230,000**	**193,400**	**1,423,400**

The City has outstanding bonds related to business-type activities totaling $1,230,000. The outstanding bonds are secured with their respective revenues.

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 $4,633,000 outstanding on the Industrial Revenue Bonds, as of June 30, 2026.

Other long-term liabilities:

	Beginning	Increase (Decrease)	Ending
Compensated absences:			
Governmental	$ 196,907	30,605	227,512
Business-type	70,391	8,508	78,899
Total	**$ 267,298**	**39,113**	**306,411**
Net pension liability:			
Governmental	$ 888,557	(594,739)	293,818
Business-type	296,187	(198,249)	97,938
Total	**$ 1,184,744**	**(792,988)**	**391,756**

3-D. Long-term debt (continued)

Lease Commitments:

The City has entered into lease agreements. These leases are included in the schedules on the previous two pages. Accumulated amortization (depreciation) on the equipment acquired under leases was $27,968 at June 30, 2025.

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

Asset:	Governmental Activities
2024 Rav 4	$ 39,113
Accumulated amortization	(11,145)
Net	**$ 27,968**

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

The following is the present value of future minimum lease payments under these leases as of June 30, 2026:

Fiscal Year	Governmental Activities
2027	7,473
2028	11,275
2029	11,275
Total minimum lease payments	30,023
Less amounts representing interest	(3,633)
Present value of minimum lease payments	**$ 26,389**

3-E. Interfund receivable, payables, and transfers

Interfund transfers:

	Transfers In	Transfers Out
General Fund	$ -	1,785,226
Debt Service Fund	221,240	-
Capital Projects Fund	797,869	-
Non-Major Funds	766,117	-
Total	**$1,785,226**	**1,785,226**

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 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, cost sharing, retirement system.

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

- Firefighters Retirement System (Firefighter System) is a multiple-employer, cost sharing, retirement system.

- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple-employer cost sharing public employer 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.

4-C. Pension Plans (continued)

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/general/publications.

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
Firefighters 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 4%
Tier 2 Public Employees System	Highest 5 Years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 Years	25 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years 2.00% per year July 2020 to present	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.

4-C. Pension Plans (continued)

Contribution rates are as follows:

Utah Retirement Systems	Employee Rate	Employer Contribution Rate	Employer 401(k) Plan Rate
Local Government Noncontributory System			
15 - Tier 1 DB System	-	15.97	-
111 - Tier 2 DB Hybrid System	0.81	14.19	-
211 - Tier 2 401(k) Option	-	4.19	10.00
Public Safety Other Div A 2.5% COLA Noncontributory System			
43 - Tier 1 DB System	-	33.04	-
122 - Tier 2 DB Hybrid System	4.73	24.83	-
222 - Tier 2 401(k) Option	-	10.83	14.00
Firefighters Other Division A Retirement System			
31 - Tier 1 DB System	15.05	1.61	-
132 - Tier 2 DB Hybrid System	4.73	14.08	-
232 - Tier 2 401(k) Option	-	0.08	14.00

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, 2026, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	$ 185,563	-
Public Safety System	148,987	-
Tier 2 Public Employees System	230,087	13,134
Tier 2 Public Safety and Firefighter	238,249	45,385
Tier 2 DC Only System	11,097	-
Tier 2 DC Public Safety and Firefighter System	8,653	-
Total Contributions	**$ 822,637**	**58,519**

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.

4-C. Pension Plans (continued)

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

At June 30, 2026, we reported a net pension asset of $71,348 and a net pension liability of $391,756.

	(Measurement Date): December 31, 2025			Proportionate	
	Net Pension Asset	Net Pension Liability	Proportionate Share	Share 12/31/2024	Change (Decrease)
Noncontributory System	$ 71,348	$ -	0.1458065%	0.1479025%	(0.0020960%)
Public Safety System	-	143,234	0.3573780%	0.3354030%	0.0219750%
Tier 2 Public Employees System	-	106,968	0.0433862%	0.0410937%	0.0022925%
Tier 2 Public Safety and Firefighter	-	141,555	0.1662557%	0.1640567%	0.0021990%
Total	**$ 71,348**	**$ 391,756**			

The net pension asset and liability was measured as of December 31, 2025, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2025 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, 2026, we recognize pension expense of $920,367.

At June 30, 2026, 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	$ 456,507	$ 4,159
Changes in assumptions	76,807	1,077
Net difference between projected and actual earnings on pension plan investments	-	738,805
Changes in proportion and differences between contributions and proportionate share of contributions	38,866	9,355
Contributions subsequent to the measurement date	423,329	-
Total	**$ 995,510**	**$ 753,396**

$423,329 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, 2025. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

4-C. Pension Plans (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2026	$ 344,411
2027	(283,898)
2028	(228,826)
2029	(210,823)
2030	31,114
Thereafter	166,808

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources:

For the year ended June 30, 2026, we recognize pension expense of $395,281.

At June 30, 2026, 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	$ 195,891	$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	395,120
Changes in proportion and differences between contributions and proportionate share of contributions	-	4,332
Contributions subsequent to the measurement date	90,550	-
Total	**$ 286,440**	**$ 399,451**

$90,550 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, 2025. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2026	$ 229,816
2027	(160,686)
2028	(141,505)
2029	(131,185)
2030	-
Thereafter	-

4-C. Pension Plans (continued)

Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources:

For the year ended June 30, 2026, we recognize pension expense of $253,358.

At June 30, 2026, 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	$ 35,134	$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	272,748
Changes in proportion and differences between contributions and proportionate share of contributions	6,487	-
Contributions subsequent to the measurement date	75,358	-
Total	**$ 116,980**	**$ 272,748**

$75,358 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, 2025. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2026	$ 86,797
2027	(129,541)
2028	(97,715)
2029	(90,668)
2030	-
Thereafter	-

4-C. Pension Plans (continued)

Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources:

For the year ended June 30, 2026, we recognize pension expense of $148,908.

At June 30, 2026, 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	$ 74,393	$ 532
Changes in assumptions	38,096	-
Net difference between projected and actual earnings on pension plan investments	-	38,817
Changes in proportion and differences between contributions and proportionate share of contributions	24,459	1,807
Contributions subsequent to the measurement date	129,033	-
Total	**$ 265,981**	**$ 41,156**

$129,033 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, 2025. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2026	$ 14,935
2027	1,802
2028	4,020
2029	4,266
2030	15,452
Thereafter	55,317

4-C. Pension Plans (continued)

Tier 2 Public Safety and Firefighter System Pension Expense, and Deferred Outflows and Inflows of Resources:

For the year ended June 30, 2026, we recognize pension expense of $122,820

At June 30, 2026, 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	$ 151,090	$ 3,627
Changes in assumptions	38,711	1,077
Net difference between projected and actual earnings on pension plan investments	-	32,120
Changes in proportion and differences between contributions and proportionate share of contributions	7,920	3,217
Contributions subsequent to the measurement date	128,389	-
Total	**$ 326,110**	**$ 40,040**

$128,389 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, 2025. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2026	$ 12,863
2027	4,527
2028	6,374
2029	6,764
2030	15,662
Thereafter	111,491

4-C. Pension Plans (continued)

Actuarial assumptions:

The total pension liability in the December 31, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary increases	3.50 - 9.50 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement scale using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2025, valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

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:

	Expected Return Arithmetic Basis		
Assets class	Target Asset Allocation	Real Return Arithmetic Basis	Long Term expected portfolio real rate of return
Equity securities	35%	6.68%	2.34%
Debt securities	20%	2.06%	0.41%
Real assets	18%	5.26%	0.95%
Private equity	12%	9.80%	1.18%
Absolute return	15%	3.96%	0.59%
Cash and cash equivalents	0%	0.49%	0.00%
Totals	**100.00%**		**5.47%**
Inflation			2.50%
Expected arithmetic nominal return			7.97%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

4-C. Pension Plans (continued)

Discount rate:

The discount rate used to measure the total pension liability was 6.95 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.

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 6.85 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 (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	$ 1,469,096	$ (71,348)	$ (1,380,845)
Public Safety System	1,331,196	143,234	(829,724)
Tier 2 Public Employees System	420,691	106,968	(137,835)
Tier 2 Public Safety and Firefighter	410,692	141,555	(69,805)
Total	**$ 3,631,675**	**$ 320,409**	**$ (2,418,209)**

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.

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

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

4-C. Pension Plans (continued)

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

	2026	2025	2024
401(k) Plan			
Employer Contributions	$ 41,450	$ 37,219	$ 68,940
Employee Contributions	40,148	25,947	20,599
Roth 401(k) Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	50	-	-
457 Plan			
Employer Contributions	-	-	-
Employee Contributions	32,840	29,125	23,799
Roth 457			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	95	-	-
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	15,876	16,255	16,162

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

The City has entered into an interlocal agreement with Santa Clara City for Ivins City to provide law enforcement coverage to Santa Clara City. The combination of law enforcement agencies was completed on July 1, 2012. In 2018, the City and Santa Clara City entered into an agreement for Santa Clara City to provide EMS and Fire coverage for Ivins City. 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 $193,943 in cost during the current audit period and their future ownership costs are expected to be $2,521,200, 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 the date of the audit report, which is the date the financial statements were available to be issued.

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.

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 unassigned fund balance at the end of each year.

Some of the more significant variances in original budget to final budget, and final budget to actual amounts, are described below:

Original Budget to Final Budget
The City increased budgeted taxes revenue by $228,886 due to the tax revenues being more than originally anticipated.

The City increased budgeted intergovernmental revenue by $257,664 due to the wildland fire grants being more than originally expected.

The City increased budgeted interest revenue by $208,744 due to the original budget being understated siginificantly.

Final Budget to Actual Amounts
General government expenditures were $220,419 less than the final budget, primarily due to fire and rescue expenditures being less than anticipated.

Actual expenditures for each department were less than the final budget.

Changes in Assumptions Related to Pensions

There were no changes in the actuarial assumptions or methods since the prior actuarial valuation.

Ivins City

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended June 30, 2026

	Original Budget	Final Budget	Variance Original to Final Budget	Actual	Variance Final Budget to Actual
Revenues					
Taxes	$ 7,598,760	7,827,646	228,886	7,934,415	106,769
Licenses and permits	514,000	488,496	(25,504)	506,285	17,789
Intergovernmental revenues	825,766	1,083,430	257,664	1,084,400	970
Charges for services	3,471,683	3,575,844	104,161	3,669,168	93,324
Fines and forfeitures	1,000	1,050	50	1,070	20
Interest	239,557	448,301	208,744	460,481	12,180
Miscellaneous revenue	70,146	242,265	172,119	262,073	19,808
Total revenues	**12,720,912**	**13,667,032**	**946,120**	**13,917,891**	**250,859**
Expenditures					
General government	2,722,010	3,001,016	279,006	2,780,597	220,419
Building/Code enforcement	726,388	718,224	(8,164)	694,400	23,824
Public safety	4,469,448	4,441,087	(28,361)	4,394,917	46,170
Public works and streets	2,429,951	2,387,336	(42,615)	2,269,163	118,173
Parks, recreation and public property	1,776,699	1,751,022	(25,677)	1,750,867	155
Total expenditures	**12,124,496**	**12,298,685**	**174,189**	**11,889,944**	**408,741**
Excess (deficiency) of revenues over (under) expenditures	**596,416**	**1,368,347**	**771,931**	**2,027,947**	**659,600**
Other financing sources and (uses)					
Transfers in (out)	(571,590)	(1,156,590)	(585,000)	(1,785,226)	(628,636)
Total other financing sources and (uses)	**(571,590)**	**(1,156,590)**	**(585,000)**	**(1,785,226)**	**(628,636)**
Net change in fund balances	**24,826**	**211,757**	**186,931**	**242,721**	**30,964**
Fund balances - beginning of year	4,781,209	4,781,209	-	4,781,209	-
Fund balances - end of year	**$ 4,806,035**	**4,992,966**	**186,931**	**5,023,930**	**30,964**

Ivins City

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

June 30, 2026

Last 10 Fiscal Years

	Measurement Date of December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
Noncontributory Retirement System	2016	0.1512086%	$ 970,944	$ 1,255,576	77.33%	87.30%
	2017	0.1397454%	$ 512,267	$ 1,102,368	55.54%	91.90%
	2018	0.1391147%	$ 1,024,402	$ 1,110,446	92.25%	87.00%
	2019	0.1300399%	$ 490,103	$ 1,019,301	48.08%	93.70%
	2020	0.1315743%	$ 67,490	$ 1,004,893	6.72%	99.20%
	2021	0.1342484%	$ (768,855)	$ 1,030,007	-74.65%	108.70%
	2022	0.1398110%	$ 239,461	$ 1,128,822	21.21%	97.50%
	2023	0.1361141%	$ 315,725	$ 1,152,555	27.39%	96.90%
	2024	0.1479025%	$ 469,016	$ 1,284,609	36.51%	96.02%
	2025	0.1458065%	$ (71,348)	$ 1,242,534	-5.74%	100.58%
Public Safety System	2016	0.3947426%	$ 801,042	$ 657,696	121.80%	86.50%
	2017	0.3554897%	$ 557,642	$ 592,474	94.12%	90.20%
	2018	0.3062241%	$ 787,788	$ 499,146	157.83%	84.70%
	2019	0.2659734%	$ 427,052	$ 448,038	95.32%	90.90%
	2020	0.2627614%	$ 218,155	$ 453,734	48.08%	95.50%
	2021	0.2791233%	$ (226,688)	$ 495,890	-45.71%	104.20%
	2022	0.2998011%	$ 387,665	$ 534,908	72.47%	93.60%
	2023	0.3228798%	$ 461,771	$ 549,776	83.99%	93.44%
	2024	0.3354030%	$ 518,969	$ 480,888	107.92%	93.30%
	2025	0.3573780%	$ 143,234	$ 434,701	32.95%	98.35%
Firefighters System	2016	0.1147079%	$ (904)	$ 31,812	-2.84%	100.40%
Tier 2 Public Employees Retirement System	2016	0.0482819%	$ 5,386	$ 395,951	1.36%	95.10%
	2017	0.0462752%	$ 4,080	$ 451,966	0.90%	97.40%
	2018	0.0434702%	$ 18,617	$ 507,203	3.67%	90.80%
	2019	0.0455433%	$ 10,243	$ 632,856	1.62%	96.50%
	2020	0.0483175%	$ 6,949	$ 772,508	0.90%	98.30%
	2021	0.0464721%	$ (19,669)	$ 862,236	-2.28%	103.80%
	2022	0.0438271%	$ 47,723	$ 957,310	4.99%	92.30%
	2023	0.0389754%	$ 75,861	$ 1,007,647	7.53%	89.58%
	2024	0.0410937%	$ 122,557	$ 1,216,878	10.07%	87.44%
	2025	0.0433862%	$ 106,968	$ 1,400,933	7.64%	91.60%
Tier 2 Public Safety and Firefighter System	2016	0.1203410%	$ (1,045)	$ 99,428	-1.05%	103.60%
	2017	0.1479603%	$ (1,712)	$ 156,096	-1.10%	103.00%
	2018	0.1737393%	$ 4,353	$ 231,621	1.88%	95.60%
	2019	0.1996096%	$ 18,776	$ 329,009	5.71%	89.60%
	2020	0.1630381%	$ 14,624	$ 326,253	4.48%	93.10%
	2021	0.1417074%	$ (7,162)	$ 338,875	-2.11%	102.80%
	2022	0.1604719%	$ 13,387	$ 493,733	2.71%	96.40%
	2023	0.1691875%	$ 63,732	$ 641,059	9.94%	89.10%
	2024	0.1640567%	$ 74,201	$ 748,869	9.91%	90.10%
	2025	0.1662557%	$ 141,555	$ 887,163	15.96%	86.94%

Ivins City

SCHEDULE OF CONTRIBUTIONS

June 30, 2026

Last 10 Fiscal Years

	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	2017	$ 211,093	$ 211,093	$ -	$ 1,150,205	18.35%
	2018	208,558	208,558	-	1,136,216	18.36%
	2019	201,560	201,560	-	1,098,415	18.35%
	2020	184,912	184,912	-	1,003,590	18.43%
	2021	187,991	187,991	-	1,018,661	18.45%
	2022	195,969	195,969	-	1,061,685	18.46%
	2023	199,786	199,786	-	1,112,497	17.96%
	2024	218,788	218,788	-	1,218,210	17.96%
	2025	226,808	226,808	-	1,337,171	16.96%
	2026	185,563	185,563	-	1,162,612	15.96%
Public Safety System	2017	184,841	184,841	-	651,285	28.38%
	2018	145,589	145,589	-	544,012	26.76%
	2019	114,900	114,900	-	486,494	23.62%
	2020	99,116	99,116	-	447,494	22.15%
	2021	109,175	109,175	-	480,166	22.74%
	2022	111,600	111,600	-	501,486	22.25%
	2023	129,922	129,922	-	562,506	23.10%
	2024	130,750	130,750	-	535,486	24.42%
	2025	142,111	142,111	-	423,706	33.54%
	2026	148,987	148,987	-	450,930	33.04%
Firefighters System	2017	93	93	-	2,388	3.89%
Tier 2 Public Employees Retirement System*	2017	56,977	56,977	-	382,140	14.91%
	2018	77,584	77,584	-	513,460	15.11%
	2019	88,461	88,461	-	569,824	15.52%
	2020	111,741	111,741	-	713,546	15.66%
	2021	125,319	125,319	-	793,156	15.80%
	2022	152,060	152,060	-	946,237	16.07%
	2023	154,901	154,901	-	967,528	16.01%
	2024	170,536	170,536	-	1,065,182	16.01%
	2025	200,611	200,611	-	1,320,678	15.19%
	2026	230,087	230,087	-	1,621,474	14.19%
Tier 2 Public Safety and Firefighter System*	2017	22,148	22,148	-	108,982	20.32%
	2018	39,684	39,684	-	188,184	21.09%
	2019	68,649	68,649	-	297,551	23.07%
	2020	78,355	78,355	-	338,760	23.13%
	2021	75,946	75,946	-	308,274	24.64%
	2022	110,838	110,838	-	425,652	26.04%
	2023	145,714	145,714	-	558,096	26.11%
	2024	177,054	177,054	-	686,335	25.80%
	2025	211,033	211,033	-	833,132	25.33%
	2026	238,249	238,249	-	959,520	24.83%
Tier 2 Public Employees DC Only System*	2017	4,519	4,519	-	67,541	6.69%
	2018	8,225	8,225	-	122,949	6.69%
	2019	5,422	5,422	-	81,050	6.69%
	2020	5,225	5,225	-	78,105	6.69%
	2021	5,330	5,330	-	79,665	6.69%
	2022	5,909	5,909	-	88,325	6.69%
	2023	12,491	12,491	-	201,796	6.19%
	2024	13,623	13,623	-	201,740	6.75%
	2025	12,252	12,252	-	105,575	11.60%
	2026	11,097	11,097	-	220,776	5.03%
Tier 2 Public Safety and Firefighter DC Only System*	2017	10,698	10,698	-	90,425	11.83%
	2018	12,232	12,232	-	103,402	11.83%
	2019	7,583	7,583	-	64,103	11.83%
	2020	6,952	6,952	-	58,769	11.83%
	2021	9,238	9,238	-	78,094	11.83%
	2022	5,701	5,701	-	48,191	11.83%
	2023	7,499	7,499	-	63,386	11.83%
	2024	7,978	7,978	-	66,855	11.93%
	2025	8,215	8,215	-	72,509	11.33%
	2026	8,653	8,653	-	79,901	10.83%

* Contributions in Tier 2, created July 1, 2011, include an amortization rate to help fund the unfunded liabililites in the Tier 1 systems. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative practices.

Ivins City
BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2026

	Special Revenue Funds				Total
	Municipal Building Authority	RAP Tax Fund	Transit Tax Fund	Habitat Impact Fees Fund	Non-Major Governmental Funds
ASSETS					
Cash and cash equivalents	$ -	-	-	-	-
Accounts receivable, net of allowances	-	60,062	68,080	-	128,142
Restricted cash and cash equivalents	6,918	398,840	1,318,550	22,947	1,747,255
TOTAL ASSETS	**$ 6,918**	**458,902**	**1,386,630**	**22,947**	**1,875,397**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
Liabilities:					
Accounts payable	$ -	30,375	115,678	22,947	169,000
Total liabilities	-	30,375	115,678	22,947	169,000
Deferred inflows of resources - property taxes	-	-	-	-	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**-**	**30,375**	**115,678**	**22,947**	**169,000**
FUND BALANCES:					
Restricted for:					
Construction	-	428,527	1,270,952	-	1,699,478
Debt service	6,918	-	-	-	6,918
TOTAL FUND BALANCES	**6,918**	**428,527**	**1,270,952**	**-**	**1,706,397**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 6,918**	**458,902**	**1,386,630**	**22,947**	**1,875,397**

Ivins City

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2026

	Special Revenue Funds				Total
	Municipal Building Authority	RAP Tax Fund	Transit Tax Fund	Habitat Impact Fees Fund	Non-Major Governmental Funds
Revenues:					
Taxes	$ -	268,911	429,243	-	698,154
Charges for services	-	-	39,035	-	39,035
Interest	2	14,931	19,223	-	34,155
Miscellaneous	-	52,247	-	-	52,247
Total revenues	**2**	**336,088**	**487,501**	**-**	**823,591**
Expenditures:					
Current:					
Public works and streets	-	-	225,568	-	225,568
Parks, recreation and public property	-	306,837	-	-	306,837
Debt service:					
Principal	108,000	-	-	-	108,000
Interest	52,350	-	-	-	52,350
Total expenditures	**160,350**	**306,837**	**225,568**	**-**	**692,755**
Excess (deficiency) of revenues over (under) expenditures	**(160,348)**	**29,251**	**261,933**	**-**	**130,836**
Other financing sources and (uses):					
Transfers in	160,650	-	605,467	-	766,117
Total other financing sources and (uses)	**160,650**	**-**	**605,467**	**-**	**766,117**
Net change in fund balances	**302**	**29,251**	**867,400**	**-**	**896,953**
Fund balances - beginning of year	6,617	399,276	403,551	-	809,444
Fund balance - end of year	**$ 6,918**	**428,527**	**1,270,952**	**-**	**1,706,397**

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 (Government Auditing Standards), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ivins City as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Ivins City's basic financial statements, and have issued our report thereon dated October 27, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ivins City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ivins City's internal control. Accordingly, we do not express an opinion on the effectiveness of Ivins City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions to prevent, or detect and correct misstatements on 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 Ivins City'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. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ivins 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 financial statements. 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 Ivins City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ivins City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Larson & Company, PC

Spanish Fork, Utah
October 27, 2026

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE *STATE COMPLIANCE AUDIT GUIDE*

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

Report on Compliance with State Requirements

Opinion on Each State Compliance Requirement

We have audited Ivins City's compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2026.

Budgetary Compliance	Fund Balance
Restricted Taxes and Other Related Resources	Fraud Risk Assessment
Governmental Fees	Component Units
Debt Limits	

State compliance requirements were tested for the year ended June 30, 2026 in the following areas:
In our opinion, Ivins City complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2026.

Basis for Opinion on Each State Requirement

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements outlined in the *State Compliance Audit Guide (*Guide*)*, issued by the Office of the Utah State Auditor. Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Ivins City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion for each state compliance requirement identified above. Our audit does not provide a legal determination of Ivins City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Ivins City's government programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Ivins City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Ivins City's compliance with the requirements referred to above as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Ivins City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Ivins City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide but not for the purpose of expressing an opinion on the effectiveness of Ivins City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 to detect and correct noncompliance with a state compliance requirement on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a 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 state 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of This 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 Guide. Accordingly, this report is not suitable for any other purpose. However, pursuant to Utah Code Title 63G, Chapter 2, this report is a matter of public record, and as such, its distribution is not limited.

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah
October 27, 2026

Summary of Current Year Findings

Financial Statement Findings

No findings noted during current year audit

State Compliance Findings

No findings noted during current year audit

Summary of Prior Year Findings

Financial Statement Findings

No findings noted

State Compliance Findings

No findings noted