

IVINS CITY, UTAH

Our Home Beneath the Big Red Mountain

ANNUAL FINANCIAL REPORT TO THE COMMUNITY

Fiscal Year Ending June 30, 2010



To the Mayor, City Council and Residents of Ivins City:

The City Manager and Director of Finance are proud to present the first Annual Financial Report to the Community also known as a Popular Annual Financial Report (PAFR) for the fiscal year (FY) ended June 30, 2010. This report provides an overview of the City's financial condition and a brief analysis of where the City revenues come from and where those dollars are spent.

Most of the information in this report is drawn from the financial information appearing in the FY 2009-2010 Comprehensive Annual Financial Report (CAFR). The CAFR is a more detailed and complete financial presentation prepared in conformance with Generally Accepted Accounting Principles (GAAP) and was audited by the City's independent auditors, receiving an unqualified opinion.

We hope you will find this information to be interesting and informative. We welcome your comments and suggestions for future reports. Both the CAFR and this document are available for viewing at the City Hall and on the City's website at <http://www.ivins.com/>.

City Overview

Profile of the Government

Ivins City was settled from 1922 to 1926 by settlers descended from Swiss immigrants.

The early settlers were sent to the "Santa Clara Bench", as the town was then called, to farm using water brought via a canal from the Santa Clara River. Culinary water was obtained from a spring known as the Snow Canyon Springs, located in Snow Canyon State Park and now known as Johnson Arch Spring. Families supported themselves through the raising of agricultural crops and some grazed cattle on the Pine Valley Mountain and Pinto areas.

The first survey of the original town site completed in the 1920's was called the Santa Clara Bench Survey.

The Church of Jesus Christ of Latter-day Saints subscribed for a considerable amount of land and water stock, when the project of building a canal on the Santa Clara bench was started. The Church paid in cash, which was so very important in purchasing the needed materials such as cement, flume materials, and other expenses. Apostle Anthony W. Ivins was the investigating authority sent down from Salt Lake City by the General Authorities, and his report was very favorable to the Church Officials. After the town was settled and the Chapel built, it was dedicated

in November 1926 by President Anthony W. Ivins. At that time he was second counselor to President Heber J. Grant. A meeting was held with President Ivins being the principle speaker. Leo Reber wrote, "I see him now, forty years later, as he spoke to us and related how he had come down to Santa Clara with his father [in 1861], when [nine] years of age, bringing the original Swiss Company that President Brigham Young had called to come to Dixie... He said he remembered...after everything had been unloaded, and his father was turning the wagons around to leave, he said to his Father, "Father, how are those people going to live?" His Father answered him thus, "I don't know my son, but the Lord will provide for them." (Life History of Leo Frei Reber, 1966, page 21, 26-27).



It was decided that this town should have a name other than Santa Clara bench. Several names were submitted by the new settlers, however, the name chosen was sent in by Edward H. Snow, President of the St. George Stake. He suggested the new settlement be named after President Anthony W. Ivins, who had endeared himself to the people in this part of the country through his missionary work with the Indians. A short time after this, President Ivins met with the people and when they asked him if he objected to the town being named Ivins, he said, "No, as long as they spell it Ivins, instead of Ivens." At that time he contributed one hundred dollars in cash toward a new chapel and promised to send them a bell. This he did, and the bell still hangs in the belfry of the old church. (History of the Town of Ivins, by Myrtle L. Gubler, 1914-1966, page 3-4).

The City slowly grew in population until it was designated a Class 3 city in 1998 by the State of Utah.

State statutes detail the functions to be performed by municipalities. Ivins City is governed by a Mayor and five City Council members elected at large for staggered four year terms. The mayor presides over all meetings but casts no vote in the City Council except in the case of a tie vote. The City Manager is responsible for the day-to-day operations of the City as its Chief Operating Officer. Department heads are full-time employees of the City and are responsible for day-to-day operations

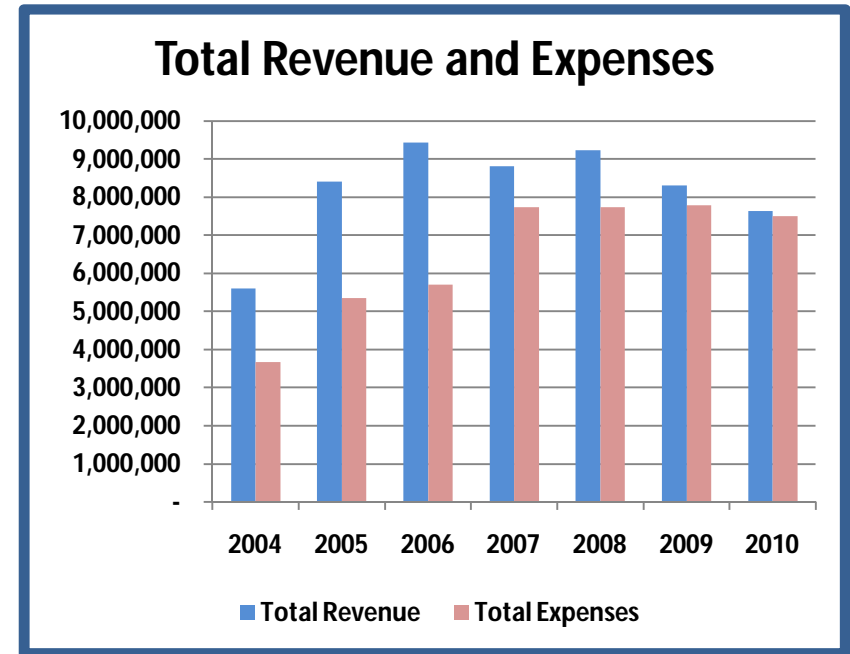
within the framework established by the City Council. They report to the City Manager and make monthly written and/or verbal reports to the Mayor and City Council.

Financial Highlights

Highlights of Ivins City financial activities for the FY ending June 30, 2010 include:

- The assets of Ivins City exceeded its liabilities at the close of fiscal year 2010 by \$31,225,473 (net assets). Of this amount, \$1,574,159 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors (refer to table entitled IVINS CITY'S NET ASSETS).
- As of the close of the 2010 fiscal year, Ivins City's governmental funds reported combined ending fund balances of \$565,116 with approximately 85% of this total amount (\$480,391) in the General Fund.
- At the end of the current fiscal year, the unreserved fund balance for the general fund was \$480,391, or 13% of total general fund expenditures. Utah State statute requires a city to have unreserved balance of at least 5% and no more than 18% of general fund expenditures.
- At the end of the current fiscal year, Ivins City's general fund expenditures exceeded general fund revenues including transfers by \$274,316 due to one-time transfers to resolve negative balances in Debt Service and Street Impact Fee Funds.

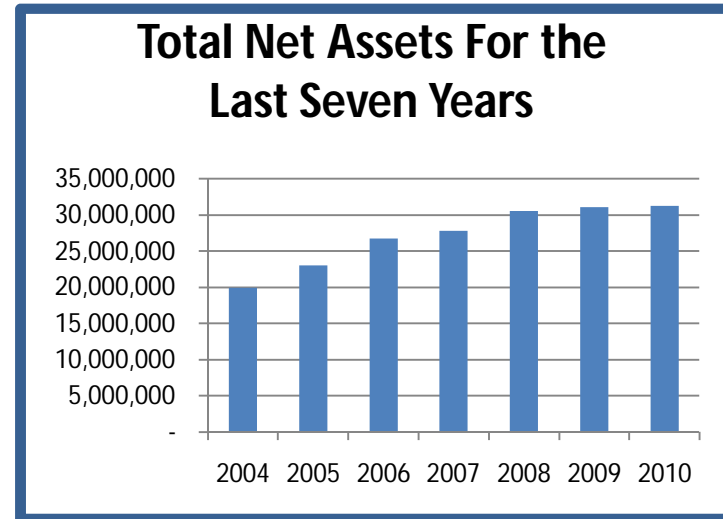
The following chart shows the trends of total revenues and total expenditures for the past seven years.



STATEMENT OF NET ASSETS

The Statement of Net Assets presents information on all the City's assets and liabilities, with the difference between the two reported as net assets. Over time increases or decreases in net assets may serve as a useful indicator of whether the City's financial position is improving or deteriorating.

	<u>2010</u>	<u>2009</u>
Assets		
Current and Other Assets	\$ 5,982,211	\$ 7,200,923
Capital Assets, Net Depreciation	<u>32,750,958</u>	<u>32,562,454</u>
Total Assets	<u>38,733,169</u>	<u>39,763,377</u>
Liabilities		
Current and Other Liabilities	1,202,089	1,837,158
Long Term Liabilities	<u>6,352,575</u>	<u>6,837,192</u>
Total Liabilities	<u>7,554,664</u>	<u>8,674,350</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	25,954,309	25,129,567
Restricted Net Assets	3,929,001	2,032,836
Unrestricted Net Assets	<u>1,347,264</u>	<u>3,926,624</u>
Total Net Assets	<u>\$ 31,230,574</u>	<u>\$ 31,089,027</u>



*Detailed financial reports can be found in the City's FY 2009-2010 CAFR available on the City's website at <http://www.ivins.com> or at City Hall.

The Chart shows that the City's net assets have increased steadily since 2004. The greatest increases relate to assets contributed to the City by developers, such as streets, sewer and water lines resulting in greater growth in Net Assets during times of population increase.

STATEMENT OF ACTIVITIES

The Statement of Activities provides a record of the money received by the City and spent during the year. Explanations of specific Resources and Services are provided in the following pages.

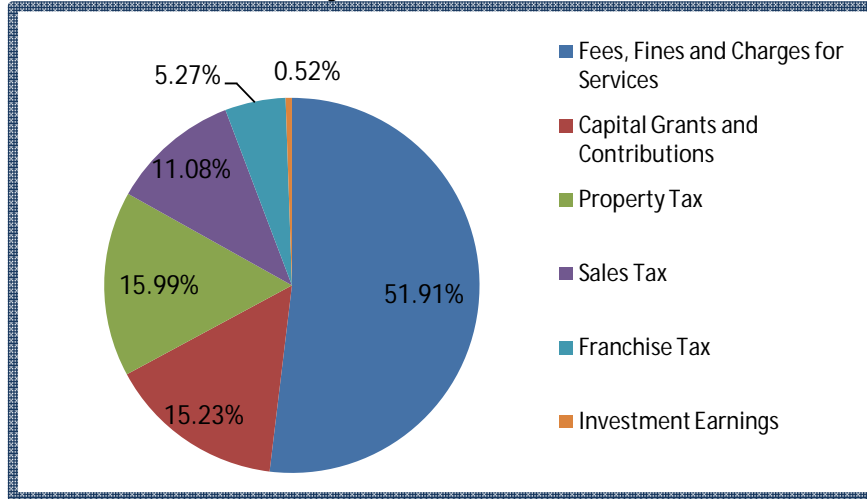
	<u>2010</u>	<u>2009</u>
Revenues:		
Program Revenues		
Fees, Fines and Charges for Services	\$ 3,963,652	\$ 4,026,650
Capital Grants and Contributions	<u>1,163,369</u>	<u>1,672,383</u>
	<u>5,127,021</u>	<u>5,699,033</u>
 General Revenues		
Property Tax	1,221,168	1,141,205
Sales Tax	846,001	897,287
Franchise Tax	402,372	406,226
Investment Earnings	<u>40,150</u>	<u>161,971</u>
	<u>2,509,691</u>	<u>2,606,689</u>
Total Revenues	<u>7,636,711</u>	<u>8,305,722</u>
 Expenses:		
General Government	684,041	693,599
Building/Code Enforcement **	59,126	
Public Safety	1,801,626	1,933,846
Public Works	983,093	1,037,384
Parks & Recreation	600,323	655,194
Community Development	185,457	150,845
Interest on Long Term Debt	77,330	101,448
Water	1,646,269	1,767,848
Sewer	903,547	847,240
Storm Drain	<u>554,353</u>	<u>605,226</u>
Total Expenses	<u>7,495,165</u>	<u>7,792,630</u>
Change in Net Assets	141,546	513,092
Net Assets Beginning of the Year	<u>31,089,028</u>	<u>30,575,935</u>
Net Assets End of the Year	<u>\$ 31,230,574</u>	<u>\$ 31,089,027</u>

*Detailed financial reports can be found in the City's FY 2009-2010 CAFR available on the City's website at <http://www.ivins.com> or at City Hall.

**Building and Code Enforcement was reported as a separate function beginning in 2010, previously it was included in Public Safety.

REVENUES

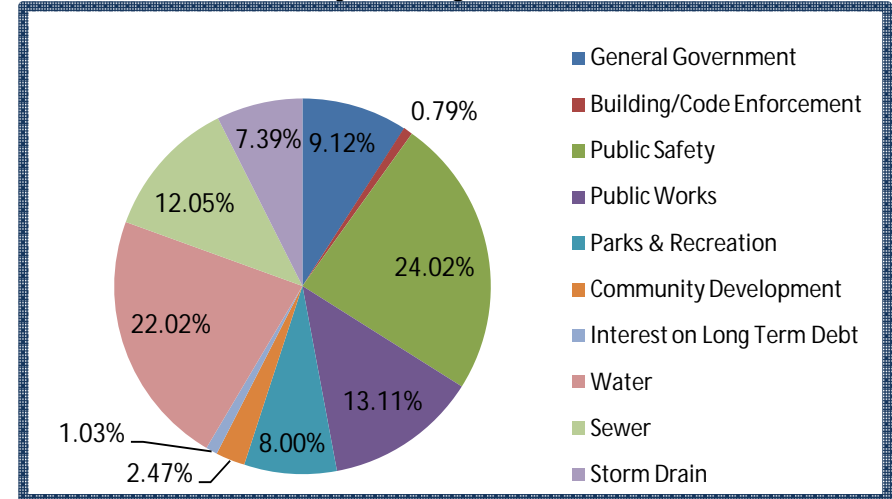
Where the money comes from...



- Fees, fines and charges for services – payments received directly by the City for services performed. This includes fees such as utility payments, business license, development services, code enforcement, parks, recreation and cemetery.
- Capital grants and contributions – monies and assets received from parties outside the City and are generally restricted to one or more specific programs. This includes State Police Grants, Class C Road Funds and sub-divider contributions.
- Property taxes – the City property tax rate is \$1.736 per \$1,000 of assessed valuation. Properties in the City are value by the county assessor.
- Sales taxes—taxes collected are distributed in part directly where the taxes are collected and partially through a pooling based on population. The majority of our sales tax revenue comes from the state pool.
- Franchise taxes—the City receives a tax on utilities and phone services provided within the City boundaries.
- Investment earnings—the City invests idle funds primarily with the State Treasurer on which interest is paid.

EXPENSES

Where the money goes...



- General government—includes expenses for the administrative offices including the City Council, City Manager, City Attorney, Finance, Human Resources , City Recorder and expenses related to the City Hall.
- Building/Code Enforcement—includes building services related to construction and enforcement of the City's rules and regulations.
- Public safety—includes police, fire/rescue and animal control.
- Parks & Recreation—includes maintenance of parks including the cemetery and recreation and community programs.
- Community development—includes the services of planning and engineering for City improvements.
- Interest on long term Debt—indirect expense of interest paid on general long term debt incurred by governmental functions.
- Water—costs associated with maintaining culinary and secondary water systems. Including purchasing water from Washington County Water Conservancy District.
- Sewer—costs associated with maintaining and constructing sewer systems and cost of having sewage and treatment by St George City.
- Storm Drain—costs of maintenance and constructing drainage system.

Officials of Ivins City, Utah



Chris Hart, Mayor



George Elwell Jr.
Council Member



Barbara Rusick
Council Member



Steve Jolley
Council Member



Cheyne McDonald
Council Member



Steve Roberts
Council Member



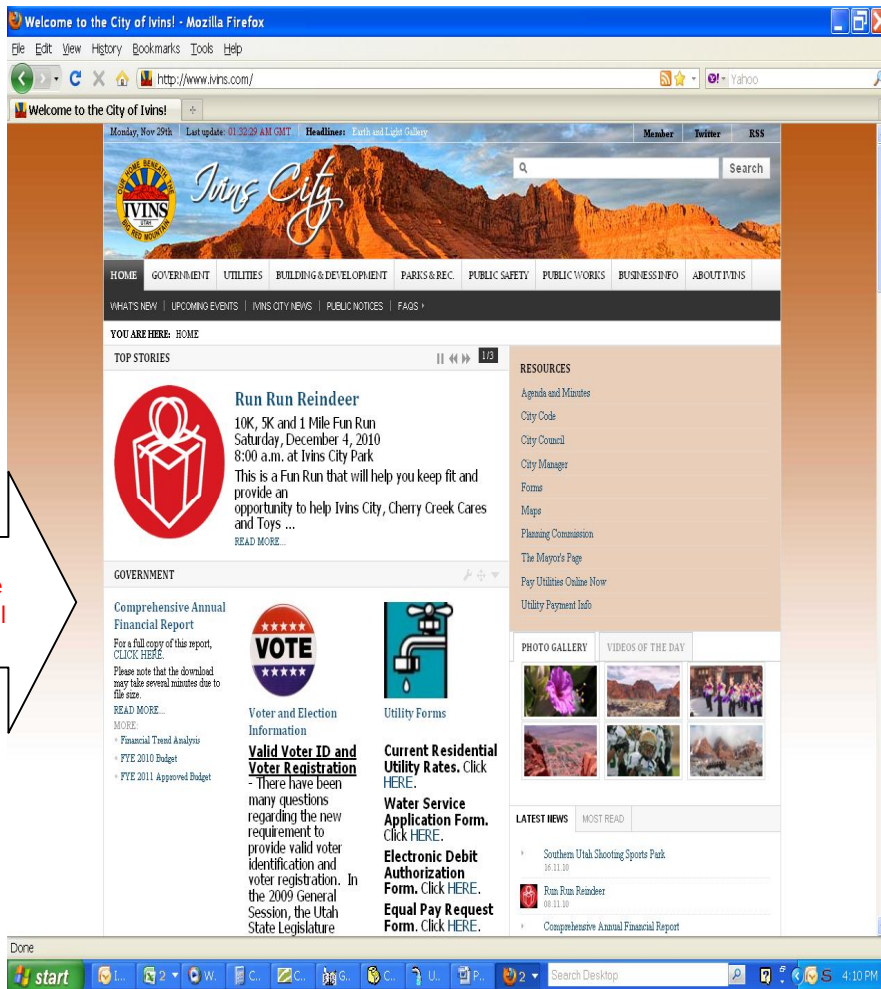
Judy Gubler
City Manager

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

Dale Coulam
Kari Jimenez
Tami Moody
Chuck Gillette
Alan Rae
Robert Flowers
Dave Glenn
Benny Sorensen
Kevin Rudd

Visit the Ivins City Website at

<http://www.ivins.com/>



Comprehensive
Annual Financial
Report (CAFR)

The City's website includes information about:

Mayor and Council Members
City Permits and Forms
Council and Planning Commission Meetings
City Newsletter
Department Contact Information
Job Opportunities
Animal Adoptions

Financial Information:

Budgets
Annual Financial Statements (CAFR)
Annual Report to the Community (PAFR)
Financial Trends