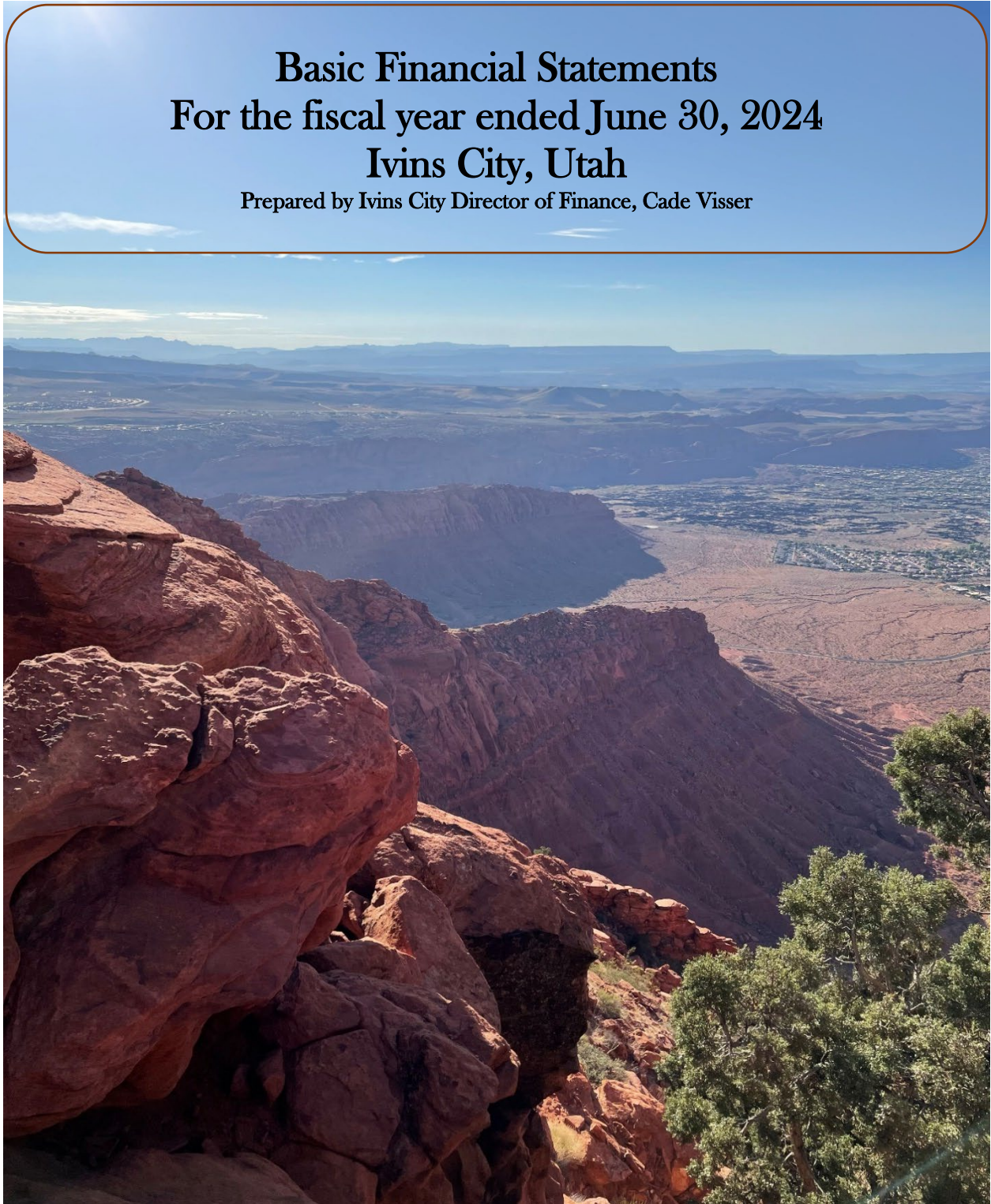


**Basic Financial Statements**  
**For the fiscal year ended June 30, 2024**  
**Ivins City, Utah**

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.....	19
Statement of Activities .....	20
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	22
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .	23
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities .....	25
Statement of Net Position – Proprietary Funds .....	26
Statement of Revenues, Expenditures, and Changes in Fund Net Position – Proprietary Funds .	27
Statement of Cash Flows – Proprietary Funds .....	28
Notes to the Financial Statements.....	30
Required Supplemental Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – General Fund.....	60
Schedule of the Proportional Share of the Net Pension Liability .....	61
Schedule of Contributions.....	62
Report on Compliance and on Internal Control over Financial Reporting.....	63
Report on Compliance with State Fiscal Laws.....	65
Findings & Recommendations .....	67

Ivins City  
85 N. Main Street  
Ivins, UT 84738  
(435) 628-0606  
[www.ivins.com](http://www.ivins.com)  
An Equal Opportunity Employer



**Mayor Chris Hart**  
**City Council Members:**  
**Mike Scott**  
**Kevin Smith**  
**Sharon Barton**  
**Sharon Gillespie**  
**Lance Anderson**

**City Manager Dale Coulam**

November 7, 2024

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, 2024.

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, 2024.

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, 2024 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, 2024, 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 12 full-time officers, a victim's advocate coordinator, 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 part-time shelter assistants. 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 was completed. The council has also committed to continue providing an adequate maintenance budget going forward. Expansion of HWY91 started late in FY23 with phase 1 and was completed in

FY24. Phase 2 of the expansion started at the end of FY24 and is expected to finish spring of 2025.

- **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. A new water and sewer vac truck was purchased in FY24.
- **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. A new water and sewer vac truck was purchased in FY24. The next few fiscal years should bring the completion of an upsizing of the Tuacahn 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. During the past fiscal year, 72 new home building permits were issued. FY23 there were 48 permits. Black Desert Resort made substantial progress on their hotel in preparation for the PGA event.
- **Parks & Recreation**
  - Maintains two large parks with several smaller neighborhood parks, City cemetery & landscape buffers. Also provides, 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**

After 12 years the Ivins City Manager relinquished his role as City Attorney and the City hired a full time City Attorney. The City Manager continues his role as HR Director and is assisted in Human Resources and payroll by a full time HR Generalist.
  - **General Government**

General government is the operation of the City Council and general City functions.

## **Economic Outlook**

The City's budget for fiscal year 2025 was forecasted based on significant economic growth from the opening of Black Desert Resort. With golf, restaurants, lodging, and merchandise the City anticipated Sales and Use tax revenue to increase year over year. The first few months of FY25 the Sales and Use tax revenue has increased from prior year disbursements and kept pace with budget.

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 and other commercial projects.

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 in keeping property taxes low.

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. In FY24 \$1.2 million of interest was earned which has helped the City maintain a pay as you go model for capital projects such as the cemetery expansion and phase 1 of HWY91.

## **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 is 33% of budgeted revenues for a total of \$4,000,000. The total General Fund balance at year end was \$4,647,399.

Currently, the City is finalizing a new General Plan. This will help guide the City in its financial planning and where resources need to be allocated.

Ivins City has created Capital Facility Plans for each of the functional areas of the government. Those plans are constantly being reviewed 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 storm drain rate and impact fee study was finalized and approved in FY24. Next up for the City to review and approve will be the Sewer rates and impact fees.

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 City Manager, is responsible for the diversification of investments. The City currently has all funds either in an operating account or invest 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 in excess of 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](http://www.ivinsutah.gov).

#### **Acknowledgements**

We appreciate all who contributed in any way toward the presentation of this annual comprehensive 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 Mayor Chris Hart 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 of this great City and for their commitment to supporting excellence in our financial reporting.

Sincerely,

*Cade Visser*

Cade Visser  
Director of Finance



Dale Coulam  
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, 2024, 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, 2024, 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 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 the management's discussion and analysis and other required supplementary 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.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024 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 31, 2024

Ivins City  
**Management's Discussion and Analysis**  
June 30, 2024

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, 2024.

## **FINANCIAL HIGHLIGHTS**

- \*Total net position for the City as a whole increased by \$9,054,200
- \*Total unrestricted net position for the City as a whole increased by \$1,915,030
- \*Total net position for governmental activities increased by \$3,330,364
- \*Total net position for business-type activities increased by \$5,723,836

## **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.

Ivins City  
**Management's Discussion and Analysis**  
June 30, 2024

**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.

Ivins City  
**Management's Discussion and Analysis**  
June 30, 2024

**FINANCIAL ANALYSIS**

**Ivins City's Net Position**

	Governmental Activities		Business-type Activities		Total Current Year	Total Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
Current and other assets	\$ 23,804,267	25,152,755	14,797,875	12,959,727	38,602,142	38,112,482
Net capital assets	32,691,559	30,308,518	32,937,067	29,983,828	65,628,625	60,292,346
<b>Total assets</b>	<b>56,495,826</b>	<b>55,461,272</b>	<b>47,734,942</b>	<b>42,943,556</b>	<b>104,230,768</b>	<b>98,404,828</b>
Deferred outflows of resources	850,726	617,729	304,979	205,910	1,155,705	823,639
<b>Total assets and deferred outflows</b>	<b>57,346,552</b>	<b>56,079,001</b>	<b>48,039,921</b>	<b>43,149,466</b>	<b>105,386,473</b>	<b>99,228,467</b>
Long-term debt outstanding	3,682,576	4,025,932	1,923,132	2,227,557	5,605,708	6,253,489
Other liabilities	9,665,917	10,977,058	843,622	1,372,086	10,509,539	12,349,144
<b>Total liabilities</b>	<b>13,348,493</b>	<b>15,002,990</b>	<b>2,766,753</b>	<b>3,599,643</b>	<b>16,115,246</b>	<b>18,602,633</b>
Deferred inflows of resources	2,249,896	2,658,212	3,346	3,838	2,253,242	2,662,050
<b>Total liabilities and deferred inflows</b>	<b>15,598,388</b>	<b>17,661,202</b>	<b>2,770,100</b>	<b>3,603,481</b>	<b>18,368,488</b>	<b>21,264,682</b>
Net position:						
Net investment in capital assets	29,008,983	26,282,586	31,013,935	27,756,272	60,022,918	54,038,858
Restricted	5,399,811	5,422,649	5,571,925	4,393,977	10,971,735	9,816,626
Unrestricted	7,339,370	6,712,565	8,683,962	7,395,737	16,023,332	14,108,302
<b>Total net position</b>	<b>\$ 41,748,163</b>	<b>38,417,800</b>	<b>45,269,822</b>	<b>39,545,985</b>	<b>87,017,985</b>	<b>77,963,785</b>

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 \$87,017,985, an increase of \$9,054,200 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 are \$16,023,332 which represents an increase of \$1,915,030 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.

Ivins City  
**Management's Discussion and Analysis**  
June 30, 2024

**FINANCIAL ANALYSIS (continued)**

**Ivins City's Change in Net Position**

	Governmental Activities		Business-type Activities		Total Current Year	Total Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
<b>Program revenues:</b>						
Charges for services	\$ 3,635,768	3,862,761	6,053,756	5,585,515	9,689,523	9,448,276
Operating grants	1,325,755	1,123,881	-	-	1,325,755	1,123,881
Capital grants	1,777,522	2,394,369	4,695,524	1,970,810	6,473,046	4,365,179
<b>General revenues:</b>						
Property taxes	2,286,760	2,101,994	-	-	2,286,760	2,101,994
Sales tax	2,621,302	2,546,379	-	-	2,621,302	2,546,379
Other taxes	1,292,829	1,191,619	-	-	1,292,829	1,191,619
Other revenues	1,220,597	824,120	555,222	381,772	1,775,818	1,205,892
<b>Total revenues</b>	<b>14,160,532</b>	<b>14,045,123</b>	<b>11,304,501</b>	<b>7,938,097</b>	<b>25,465,033</b>	<b>21,983,220</b>
<b>Expenses:</b>						
General government	2,766,018	2,199,216	-	-	2,766,018	2,199,216
Building/Code Enforcement	591,390	535,327	-	-	591,390	535,327
Public safety	3,593,421	3,289,203	-	-	3,593,421	3,289,203
Highways and improvements	1,431,133	2,535,299	-	-	1,431,133	2,535,299
Parks and recreation	2,359,696	1,335,785	-	-	2,359,696	1,335,785
Interest on long-term debt	88,511	96,379	-	-	88,511	96,379
Water	-	-	3,050,554	3,402,111	3,050,554	3,402,111
Wastewater	-	-	2,530,111	2,428,657	2,530,111	2,428,657
<b>Total expenses</b>	<b>10,830,169</b>	<b>9,991,209</b>	<b>5,580,665</b>	<b>5,830,768</b>	<b>16,410,833</b>	<b>15,821,977</b>
<b>Change in net position</b>	<b>3,330,364</b>	<b>4,053,914</b>	<b>5,723,836</b>	<b>2,107,330</b>	<b>9,054,200</b>	<b>6,161,243</b>
Net position - beginning	38,417,800	34,363,886	39,545,985	37,438,656	77,963,785	71,802,542
<b>Net position - ending</b>	<b>\$ 41,748,163</b>	<b>38,417,800</b>	<b>45,269,822</b>	<b>39,545,985</b>	<b>87,017,985</b>	<b>77,963,785</b>

For the City as a whole, total revenues increased by \$3,481,813 compared to the previous year, while total expenses increased by \$588,856. The total net change of \$9,054,200 is, in private sector terms, the net income for the year which is \$2,892,957 more than the previous year.

Governmental activities revenues of \$14,160,532 is an increase of \$115,409 from the previous year. This increase is primarily due to increases in tax revenues and interest income. Total grant revenue, operating and capital, decreased by \$414,973. Governmental activities expenses of \$10,830,169 is an increase of \$838,960 from the previous year. While highways and improvements expenses decreased during the year, all other departments' expenses increased.

Business-type activities revenue of \$11,304,501 is an increase of \$3,366,404 from the previous year. Service revenues increased by \$468,241 and capital grants increased by \$2,724,714. Business-type activities expenses of \$5,580,665 is a decrease of \$250,103 from the previous year. While water expenses decreased, wastewater expenses increased.

Ivins City  
**Management's Discussion and Analysis**  
June 30, 2024

## **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 \$4,647,440 reflects an increase of \$954,524 from the previous year. Total revenues increased by \$673,549. Tax revenues, including property taxes and sales taxes increased by \$360,899. Licenses and permits decreased by \$360,669. Intergovernmental revenues increased by \$201,874. Charges for services increased by \$134,116. Revenues from sale of capital assets increased by \$2,668. Interest revenues increased by \$337,675. All other revenues increased by \$3,014.

Total expenditures increased by \$1,187,312. General government expenditures increased by \$582,213; code enforcement expenditures increased by \$56,063; public safety expenditures increased by \$248,055; streets and highways expenditures increased by \$213,891; and parks and recreation expenditures increased by \$87,092. The transfer out of \$852,096 was comprised of \$496,546 to capital projects, \$195,000 to debt service, and \$160,550 to the MBA fund.

### *Water Fund*

The change in net position (net income) was \$4,536,112, which included capital contributions of \$2,805,575. The amount of \$3,396,960 is restricted for construction. Unrestricted net position amounts to \$6,082,837.

### *Wastewater*

The change in net position (net income) was \$1,187,725. Restricted amounts were \$296,046 for debt service, and \$1,878,919 for construction. Unrestricted net position amounts to \$2,601,125.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Revenues for the current year, exclusive of transfers and fund balance appropriations, were originally budgeted in the amount of \$11,210,730. This amount was amended in the final budget to \$11,497,451. Actual revenues, excluding transfers, amounted to \$12,069,914.

Expenditures for the current year, excluding transfers, were originally budgeted in the amount of \$10,066,409. This amount was amended in the final budget to \$10,503,725. Actual expenditures amounted to \$10,266,794.

Net transfers out for the year were originally budgeted in the amount of \$906,287. The final budget for transfers out was for the amount of \$642,246. Actual net transfers out were made in the amount of \$852,096.

Ivins City  
**Management's Discussion and Analysis**  
June 30, 2024

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Ivins City's Capital Assets (net of depreciation)**

	Governmental Activities		Business-type Activities		Total Current Year	Total Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
<b>Net Capital Assets:</b>						
Land and water rights	\$ 953,152	953,852	1,575,920	1,575,920	2,529,073	2,529,773
Buildings	5,894,803	6,077,137	670,275	692,200	6,565,078	6,769,337
Improvements other than buildings	1,027,873	1,117,646	-	-	1,027,873	1,117,646
Automobiles & Trucks	433,535	305,514	120,062	87,198	553,597	392,712
Machinery and equipment	357,913	531,649	932,793	447,202	1,290,706	978,851
Office equipment	44,338	43,685	-	-	44,338	43,685
Parks	3,558,951	3,736,780	-	-	3,558,951	3,736,780
Infrastructure	19,358,514	17,142,448	-	-	19,358,514	17,142,448
Water system	-	-	11,350,910	8,876,295	11,350,910	8,876,295
Wastewater system	-	-	18,286,697	18,305,013	18,286,697	18,305,013
Work in progress	62,479	399,805	-	-	62,479	399,805
<b>Totals</b>	<b>\$ 31,691,559</b>	<b>30,308,518</b>	<b>32,936,656</b>	<b>29,983,828</b>	<b>64,628,215</b>	<b>60,292,346</b>

The total amount of capital assets, net of depreciation, of \$64,628,215 is an increase of \$4,335,869 from the previous year.

Governmental activities capital assets, net of depreciation, of \$31,691,559 is an increase of \$1,383,041 from the previous year.

Business-type activities capital assets, net of depreciation, of \$32,936,656 is an increase of \$2,952,828 from the previous year.

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

Ivins City  
**Management's Discussion and Analysis**  
June 30, 2024

**CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)**

**Ivins City's Outstanding Debts**

	Current Year	Previous Year
<b>Governmental activities:</b>		
2017 Fire Truck Lease	\$ 46,576	91,932
2016 Sales Tax Refunding	1,437,000	1,632,000
2020 MBA Lease Revenue	2,199,000	2,302,000
<b>Total governmental</b>	<b>\$ 3,682,576</b>	<b>4,025,932</b>
<b>Business-type activities:</b>		
2016 Storm Water Revenue	\$ 1,795,000	2,060,000
<b>Total business-type</b>	<b>\$ 1,795,000</b>	<b>2,060,000</b>
<b>Total outstanding debt</b>	<b>\$ 5,477,576</b>	<b>6,085,932</b>

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 Dale Coulam, Ivins City Manager, 85 North Main, Ivins City, Utah, 84738 or via e-mail [dcoulam@ivinsutah.gov](mailto:dcoulam@ivinsutah.gov).



**BASIC FINANCIAL  
STATEMENTS**

Ivins City  
**STATEMENT OF NET POSITION**  
June 30, 2024

	Governmental Activities	Business-type Activities	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>			
Assets:			
Current assets:			
Cash and cash equivalents	\$ 8,172,744	8,564,677	16,737,421
Accounts receivable, net	3,244,455	660,665	3,905,120
<b>Total current assets</b>	<b>11,417,199</b>	<b>9,225,342</b>	<b>20,642,541</b>
Non-current assets:			
Restricted cash and cash equivalents	12,387,068	5,572,533	17,959,601
Capital assets:			
Not being depreciated	1,015,632	1,575,920	2,591,552
Net of accumulated depreciation	31,675,927	31,361,147	63,037,074
<b>Total non-current assets</b>	<b>45,078,627</b>	<b>38,509,600</b>	<b>83,588,226</b>
<b>Total assets</b>	<b>56,495,826</b>	<b>47,734,942</b>	<b>104,230,768</b>
Deferred outflows of resources - pensions	850,726	304,979	1,155,705
<b>Total assets and deferred outflows of resources</b>	<b>\$ 57,346,552</b>	<b>48,039,921</b>	<b>105,386,473</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:</b>			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 436,616	498,603	935,219
Accrued liabilities	16,438	-	16,438
Customer deposits	-	27,300	27,300
Developer deposits	7,086,977	-	7,086,977
Unearned Revenue	1,268,946	-	1,268,946
Accrued interest payable	3,066	17,950	21,016
Long-term debt outstanding, current portion	243,576	275,000	518,576
<b>Total current liabilities</b>	<b>9,055,620</b>	<b>818,853</b>	<b>9,874,473</b>
Non-current liabilities:			
Compensated absences	166,056	70,497	236,553
Net pension liability	687,817	229,272	917,089
Long-term debt outstanding, non-current portion	3,439,000	1,648,132	5,087,132
<b>Total non-current liabilities</b>	<b>4,292,873</b>	<b>1,947,900</b>	<b>6,240,773</b>
<b>Total liabilities</b>	<b>13,348,493</b>	<b>2,766,753</b>	<b>16,115,246</b>
Deferred inflows of resources - property taxes	2,240,017	-	2,240,017
Deferred inflows of resources - pensions	9,879	3,346	13,225
<b>Total liabilities and deferred inflows of resources</b>	<b>15,598,388</b>	<b>2,770,100</b>	<b>18,368,488</b>
<b>NET POSITION:</b>			
Net investment in capital assets	29,008,983	31,013,935	60,022,918
Restricted for:			
Debt service	65,260	296,046	361,306
Construction	5,334,551	5,275,879	10,610,430
Unrestricted	7,339,370	8,683,962	16,023,332
<b>Total net position</b>	<b>41,748,163</b>	<b>45,269,822</b>	<b>87,017,985</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 57,346,552</b>	<b>48,039,921</b>	<b>105,386,473</b>

Ivins City  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2024

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue (To Next Page)
<b><u>FUNCTIONS/PROGRAMS:</u></b>					
<b>Primary government:</b>					
Governmental activities:					
General government	\$ 2,766,018	30,133	-	-	(2,735,886)
Building/Code enforcement	591,390	848,959	-	-	257,569
Public safety	3,593,421	1,713,693	758,643	588,628	(532,457)
Public works and streets	1,431,133	978,958	567,112	800,938	915,875
Parks, recreation and public property	2,359,696	64,025	-	387,956	(1,907,715)
Interest on long-term debt	88,511	-	-	-	(88,511)
<b>Total governmental activities</b>	<b>10,830,169</b>	<b>3,635,768</b>	<b>1,325,755</b>	<b>1,777,522</b>	<b>(4,091,124)</b>
Business-type activities:					
Water	3,050,554	3,440,722	-	3,758,622	4,148,790
Wastewater	2,530,111	2,613,033	-	936,902	1,019,825
<b>Total business-type activities</b>	<b>5,580,665</b>	<b>6,053,756</b>	<b>-</b>	<b>4,695,524</b>	<b>5,168,615</b>
<b>Total primary government</b>	<b>\$ 16,410,833</b>	<b>9,689,523</b>	<b>1,325,755</b>	<b>6,473,046</b>	<b>1,077,491</b>

(continued on next page)

Ivins City  
**STATEMENT OF ACTIVITIES (continued)**  
For the Year Ended June 30, 2024

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>CHANGES IN NET POSITION:</b>			
<b>Net (expense) revenue (from previous page)</b>	<b>\$ (4,091,124)</b>	<b>5,168,615</b>	<b>1,077,491</b>
<b>General revenues:</b>			
Property taxes	2,286,760	-	2,286,760
Sales tax	2,621,302	-	2,621,302
Other taxes	1,292,829	-	1,292,829
Unrestricted investment earnings	1,144,613	649,470	1,794,083
Gain (loss) on sales of capital assets	(42,023)	(94,248)	(136,271)
Special assessments	26,338	-	26,338
Miscellaneous	91,668	-	91,668
Total general revenues	<u>7,421,488</u>	<u>555,222</u>	<u>7,976,709</u>
<b>Change in net position</b>	<b>3,330,364</b>	<b>5,723,836</b>	<b>9,054,200</b>
Net position - beginning	<u>38,417,800</u>	<u>39,545,985</u>	<u>77,963,785</u>
<b>Net position - ending</b>	<b><u>\$ 41,748,163</u></b>	<b><u>45,269,822</u></b>	<b><u>87,017,985</u></b>

Ivins City  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
June 30, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Non-Major Municipal Building Authority	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,645,017	10,387	4,517,340	-	8,172,744
Accounts receivable, net of allowances	3,077,208	167,248	-	-	3,244,455
Restricted cash and cash equivalents	7,693,345	-	4,687,152	6,572	12,387,068
<b>TOTAL ASSETS</b>	<b>\$ 14,415,569</b>	<b>177,635</b>	<b>9,204,492</b>	<b>6,572</b>	<b>23,804,267</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>					
<b>OF RESOURCES</b>					
Liabilities:					
Accounts payable	\$ 424,697	-	11,920	-	436,616
Accrued liabilities	16,438	-	-	-	16,438
Developer deposits	7,086,977	-	-	-	7,086,977
Unearned revenue	-	118,946	1,150,000	-	1,268,946
Total liabilities	7,528,112	118,946	1,161,920	-	8,808,978
Deferred inflows of resources - property taxes	2,240,017	-	-	-	2,240,017
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>9,768,129</b>	<b>118,946</b>	<b>1,161,920</b>	<b>-</b>	<b>11,048,995</b>
<b>FUND BALANCES:</b>					
Restricted for:					
Construction	647,399	-	4,687,152	-	5,334,551
Debt service	-	58,688	-	6,572	65,260
Assigned for:					
Construction	-	-	3,355,421	-	3,355,421
Unassigned	4,000,041	-	-	-	4,000,041
<b>TOTAL FUND BALANCES</b>	<b>4,647,440</b>	<b>58,688</b>	<b>8,042,572</b>	<b>6,572</b>	<b>12,755,273</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 14,415,569</b>	<b>177,635</b>	<b>9,204,492</b>	<b>6,572</b>	<b>23,804,267</b>

Ivins City  
**STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
 For the Year Ended June 30, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Non-Major Municipal Building Authority	Total Governmental Funds
<b>Revenues:</b>					
Taxes:					
Property	\$ 2,286,760	-	-	-	2,286,760
Sales	2,621,302	-	-	-	2,621,302
Other taxes	1,292,829	-	-	-	1,292,829
License and permits	791,114	-	-	-	791,114
Intergovernmental revenues	1,325,755	-	-	-	1,325,755
Charges for services	2,844,007	-	-	-	2,844,007
Fines and forfeitures	646	-	-	-	646
Impact fees	-	-	1,777,522	-	1,777,522
Special assessments	-	26,338	-	-	26,338
Interest	816,371	4,419	323,821	2	1,144,613
Miscellaneous revenue	91,129	539	-	-	91,668
<b>Total revenues</b>	<b>12,069,914</b>	<b>31,296</b>	<b>2,101,343</b>	<b>2</b>	<b>14,202,555</b>
<b>Expenditures:</b>					
Current:					
General government	2,592,093	-	-	-	2,592,093
Building/Code enforcement	591,390	-	-	-	591,390
Public safety	3,594,966	-	-	-	3,594,966
Public works and streets	2,256,193	-	2,021,514	-	4,277,706
Parks, recreation and public property	1,184,324	-	1,000,000	-	2,184,324
Debt service:					
Principal	45,356	195,000	-	103,000	343,356
Interest	2,473	29,517	-	57,550	89,540
<b>Total expenditures</b>	<b>10,266,794</b>	<b>224,517</b>	<b>3,021,514</b>	<b>160,550</b>	<b>13,673,375</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,803,120</b>	<b>(193,221)</b>	<b>(920,171)</b>	<b>(160,548)</b>	<b>529,180</b>
<b>Other financing sources and (uses):</b>					
Sale of capital assets	3,500	-	-	-	3,500
Transfers in	-	195,000	496,546	160,550	852,096
Transfers (out)	(852,096)	-	-	-	(852,096)
<b>Total other financing sources and (uses)</b>	<b>(848,596)</b>	<b>195,000</b>	<b>496,546</b>	<b>160,550</b>	<b>3,500</b>
<b>Net change in fund balances</b>	<b>954,524</b>	<b>1,779</b>	<b>(423,625)</b>	<b>2</b>	<b>532,680</b>
Fund balances - beginning of year	3,692,917	56,909	8,466,197	6,570	12,222,593
<b>Fund balance - end of year</b>	<b>\$ 4,647,440</b>	<b>58,688</b>	<b>8,042,572</b>	<b>6,572</b>	<b>12,755,273</b>

Ivins City  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF NET POSITION**  
 June 30, 2024

<b>Total Fund Balance for Governmental Funds</b>	<b><u>\$ 12,755,273</u></b>
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	52,600,876
Less accumulated depreciation	<u>(19,909,317)</u>
Net capital assets	<u>32,691,559</u>
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.	
	<u>850,726</u>
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	<u>(3,682,576)</u>
Interest accrued but not yet paid on long-term debt	<u>(3,066)</u>
Compensated absences	<u>(166,056)</u>
Net pension liability	<u>(687,817)</u>
Deferred inflows of resources - pensions	<u>(9,879)</u>
<b>Total Net Position of Governmental Activities</b>	<b><u><u>\$ 41,748,163</u></u></b>

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, 2024

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b><u>\$ 532,680</u></b>
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>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.</p>	
Capital outlays	4,113,295
Depreciation expense	<u>(1,684,731)</u>
Net	<u>2,428,564</u>
Book cost of assets retired	<u>(45,523)</u>
<p>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.</p>	
	<u>62,995</u>
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	
Long-term debt principal repayments	<u>343,356</u>
<p>Accrued interest for long-term debt is not reported as expenditure for the current period, while it is recorded in the statement of activities.</p>	
Change in accrued interest	<u>1,029</u>
<p>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.</p>	
Change in compensated absence liability	<u>7,263</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u><u>\$ 3,330,364</u></u></b>

Ivins City  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
June 30, 2024

	Water Fund	Wastewater Fund	Total Proprietary Funds
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>			
Assets:			
Current assets:			
Cash and cash equivalents	\$ 5,848,464	2,716,213	8,564,677
Accounts receivable, net	469,695	190,970	660,665
<b>Total current assets</b>	<b>6,318,159</b>	<b>2,907,183</b>	<b>9,225,342</b>
Non-current assets:			
Restricted cash and cash equivalents	3,396,960	2,175,573	5,572,533
Capital assets:			
Not being depreciated	1,474,795	101,125	1,575,920
Net of accumulated depreciation	12,451,201	18,909,946	31,361,147
<b>Total non-current assets</b>	<b>17,322,956</b>	<b>21,186,644</b>	<b>38,509,600</b>
<b>Total assets</b>	<b>23,641,115</b>	<b>24,093,827</b>	<b>47,734,942</b>
Deferred outflows of resources - pensions	185,379	119,601	304,979
<b>Total assets and deferred outflows of resources</b>	<b>\$ 23,826,494</b>	<b>24,213,428</b>	<b>48,039,921</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:</b>			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 210,824	287,779	498,603
Customer security deposits	27,300	-	27,300
Accrued interest payable	-	17,950	17,950
Long-term debt outstanding, current portion	-	275,000	275,000
<b>Total current liabilities</b>	<b>238,124</b>	<b>580,729</b>	<b>818,853</b>
Non-current liabilities:			
Compensated absences	43,018	27,479	70,497
Net pension liability	137,564	91,708	229,272
Long-term debt outstanding, non-current portion	-	1,648,132	1,648,132
<b>Total non-current liabilities</b>	<b>180,582</b>	<b>1,767,318</b>	<b>1,947,900</b>
<b>Total liabilities</b>	<b>418,706</b>	<b>2,348,047</b>	<b>2,766,753</b>
Deferred inflows of resources - pensions	1,995	1,351	3,346
<b>Total liabilities and deferred inflows of resources</b>	<b>420,701</b>	<b>2,349,399</b>	<b>2,770,100</b>
<b>NET POSITION:</b>			
Net investment in capital assets	13,925,996	17,087,940	31,013,935
Restricted for:			
Debt service	-	296,046	296,046
Construction	3,396,960	1,878,919	5,275,879
Unrestricted	6,082,837	2,601,125	8,683,962
<b>Total net position</b>	<b>23,405,792</b>	<b>21,864,029</b>	<b>45,269,822</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 23,826,494</b>	<b>24,213,428</b>	<b>48,039,921</b>

Ivins City  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN NET POSITION - PROPRIETARY FUNDS**  
For the Year Ended June 30, 2024

	Water Fund	Wastewater Fund	Total Proprietary Funds
<b>Operating income:</b>			
Charges for sales and service	\$ 3,297,948	2,562,601	5,860,549
Connection fees	51,500	50,000	101,500
Other operating income	91,274	432	91,706
<b>Total operating income</b>	<b>3,440,722</b>	<b>2,613,033</b>	<b>6,053,756</b>
<b>Operating expenses:</b>			
Purchased product	1,043,947	782,113	1,826,060
Personnel services	901,881	628,062	1,529,943
Utilities	71,574	38,958	110,532
Repair and maintenance	110,752	162,382	273,134
Professional and technical	69,231	90,578	159,808
Other supplies and expenses	128,118	67,973	196,091
Insurance expense	27,787	16,661	44,448
Depreciation expense	697,265	706,610	1,403,874
<b>Total operating expense</b>	<b>3,050,554</b>	<b>2,493,336</b>	<b>5,543,890</b>
<b>Net operating income (loss)</b>	<b>390,169</b>	<b>119,697</b>	<b>509,866</b>
<b>Non-operating income (expense):</b>			
Impact fees	953,047	298,912	1,251,959
Interest income	434,471	214,998	649,470
Gain (loss) on sale of capital assets	(47,150)	(47,098)	(94,248)
Interest on long-term debt	-	(36,775)	(36,775)
<b>Total non-operating income (expense)</b>	<b>1,340,368</b>	<b>430,038</b>	<b>1,770,406</b>
<b>Income (loss) before transfers and capital contributions</b>	<b>1,730,537</b>	<b>549,735</b>	<b>2,280,271</b>
Capital contributions	2,805,575	637,990	3,443,565
<b>Change in net position</b>	<b>4,536,112</b>	<b>1,187,725</b>	<b>5,723,836</b>
Net position - beginning	18,869,681	20,676,304	39,545,985
<b>Net position - ending</b>	<b>\$ 23,405,792</b>	<b>21,864,029</b>	<b>45,269,822</b>

Ivins City  
**STATEMENT OF CASH FLOWS**  
For the Year Ended June 30, 2024

	Water Fund	Wastewater Fund	Total Proprietary Funds
<b>Cash flows from operating activities:</b>			
Cash received from customers - service	\$ 3,420,574	2,543,866	5,964,440
Cash paid to suppliers	(1,631,869)	(1,557,415)	(3,189,283)
Cash paid to employees	(928,078)	(639,929)	(1,568,007)
<b>Net cash provided (used) in operating activities</b>	<b>860,628</b>	<b>346,522</b>	<b>1,207,149</b>
<b>Cash flows from noncapital financing activities:</b>			
Change in customer deposits	(8,100)	-	(8,100)
<b>Net cash provided (used) in noncapital financing activities</b>	<b>(8,100)</b>	<b>-</b>	<b>(8,100)</b>
<b>Cash flows from capital and related financing activities:</b>			
Cash received from capital contributions	2,805,575	637,990	3,443,565
Cash received from impact fees	953,047	298,912	1,251,959
Cash payments for capital assets	(3,641,061)	(810,300)	(4,451,361)
Cash payments for long-term debt principal	-	(304,425)	(304,425)
Cash payments for long-term debt interest	-	(39,425)	(39,425)
<b>Net cash provided (used) in capital and related financing activities</b>	<b>117,561</b>	<b>(217,248)</b>	<b>(99,687)</b>
<b>Cash flows from investing activities:</b>			
Cash received from interest earned	434,471	214,998	649,470
<b>Net cash provided (used) in investing activities</b>	<b>434,471</b>	<b>214,998</b>	<b>649,470</b>
<b>Net increase (decrease) in cash</b>	<b>1,404,560</b>	<b>344,272</b>	<b>1,748,832</b>
Cash balance, beginning	7,840,864	4,547,514	12,388,378
<b>Cash balance, ending</b>	<b>\$ 9,245,424</b>	<b>4,891,786</b>	<b>14,137,210</b>
<b>Cash reported on the statement of net position:</b>			
Cash and cash equivalents	\$ 5,848,464	2,716,213	8,564,677
Non-current restricted cash	3,396,960	2,175,573	5,572,533
<b>Total cash and cash equivalents</b>	<b>\$ 9,245,424</b>	<b>4,891,786</b>	<b>14,137,210</b>

Ivins City  
**STATEMENT OF CASH FLOWS (continued)**  
For the Year Ended June 30, 2024

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

	Water Fund	Wastewater Fund	Total Proprietary Funds
<b>Net operating income (expense)</b>	<b>\$ 390,169</b>	<b>\$ 119,697</b>	<b>509,866</b>
Adjustments to reconcile operating income or (loss) to net cash provided (used) in operating activities:			
Depreciation and amortization	697,265	706,610	1,403,874
Changes in assets and liabilities:			
(Increase) decrease in receivables	(20,148)	(69,167)	(89,316)
(Increase) decrease in deferred outflows	(61,833)	(37,237)	(99,069)
Increase (decrease) in payables	(180,460)	(398,751)	(579,211)
Increase (decrease) in compensated absences	1,616	2,669	4,284
Increase (decrease) in net pension liabilities	34,328	22,885	57,213
Increase (decrease) in deferred inflows	(308)	(184)	(492)
<b>Net cash provided (used) in operating activities</b>	<b>\$ 860,628</b>	<b>346,522</b>	<b>1,207,149</b>

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

**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 Mayor and five 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.

**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.

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

**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.

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

**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.

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

**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:

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

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

**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 amounts 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.

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

**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.

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2024

**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, 2024, consist of the following:

	Fair Value
Cash on hand	\$ 1,320
Demand deposits - checking	713,986
Bond reserve bank trust accounts	296,654
Deposits - PTIF	33,685,063
<b>Total cash</b>	<b>\$ 34,697,022</b>

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

Cash and cash equivalents (current)	\$ 16,737,421
Restricted cash and cash equivalents (non-current)	17,959,601
<b>Total cash and cash equivalents</b>	<b>\$ 34,697,022</b>

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

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2024

**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, 2024, the City's bank balance of demand and bank trust deposits total \$697,628 and the book balance is \$712,647. Of these deposits, \$267,097 is covered by FDIC insurance; \$430,531 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, 2024, the City's investments had the following recurring fair value measurements:

<b>Security Type Category</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Other</b>	<b>Total</b>
PTIF	\$ -	33,685,063	-	-	33,685,063
<b>Total Investments</b>	<b>\$ -</b>	<b>33,685,063</b>	<b>-</b>	<b>-</b>	<b>33,685,063</b>

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

**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, 2024, 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, 2024, 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	Water Fund	Wastewater Fund	Total
Property taxes	\$ 2,240,017	-	-	-	2,240,017
Intergovernmental	733,740	-	-	-	733,740
Customers	103,451	-	469,695	190,970	764,116
Special assessments	-	167,248	-	-	167,248
<b>Total receivables</b>	<b>\$3,077,208</b>	<b>167,248</b>	<b>469,695</b>	<b>190,970</b>	<b>3,905,120</b>

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

**3-C. Capital Assets**

Capital asset activity for the governmental activities was as follows:

<b>Governmental activities</b>	Beginning			Ending
	Balance	Additions	Retirements	Balance
<b>Capital assets, not being depreciated:</b>				
Land rights	\$ 953,852	-	700	953,152
Construction in progress	399,805	62,479	399,805	62,479
<b>Total capital assets, not being depreciated</b>	<b>1,353,657</b>	<b>62,479</b>	<b>400,505</b>	<b>1,015,632</b>
<b>Capital assets, being depreciated:</b>				
Buildings	7,153,820	-	-	7,153,820
Improvements other than buildings	1,773,136	-	4,759	1,768,378
Autos and trucks	1,254,406	248,211	70,275	1,432,342
Machinery and equipment	1,629,203	-	239,192	1,390,011
Office equipment	195,890	10,273	91,518	114,645
Parks	6,112,352	-	(1,048)	6,113,400
Infrastructure	29,420,511	3,192,136	-	32,612,648
<b>Total capital assets, being depreciated</b>	<b>47,539,318</b>	<b>3,450,621</b>	<b>404,695</b>	<b>50,585,244</b>
<b>Less accumulated depreciation for:</b>				
Buildings	1,076,683	182,334	-	1,259,017
Improvements other than buildings	655,490	84,348	(667)	740,505
Autos and trucks	948,892	112,760	62,845	998,807
Machinery and equipment	1,097,554	143,240	208,696	1,032,099
Office equipment	152,204	9,620	91,518	70,307
Parks	2,375,572	176,358	(2,519)	2,554,449
Infrastructure	12,278,063	976,070	-	13,254,134
<b>Total accumulated depreciation</b>	<b>18,584,458</b>	<b>1,684,731</b>	<b>359,872</b>	<b>19,909,317</b>
<b>Total capital assets being depreciated, net</b>	<b>28,954,860</b>	<b>1,765,890</b>	<b>44,823</b>	<b>30,675,927</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 30,308,518</b>	<b>1,828,369</b>	<b>445,328</b>	<b>31,691,559</b>

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

<b>Governmental activities:</b>	
General government	\$ 197,133
Public safety	210,012
Highways and public improvements	1,042,772
Parks, recreation and public property	234,814
<b>Total</b>	<b>\$ 1,684,731</b>

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

**3-C. Capital Assets (continued)**

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

<b>Business-type activities</b>	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land and water shares	\$ 1,575,920	-	-	1,575,920
<b>Total capital assets, not being depreciated</b>	<b>1,575,920</b>	<b>-</b>	<b>-</b>	<b>1,575,920</b>
Capital assets, being depreciated:				
Buildings	872,733	-	-	872,733
Machinery and equipment	891,888	634,679	174,998	1,351,569
Autos and trucks	554,178	63,937	128,419	489,697
Water system	19,676,865	3,114,755	-	22,791,620
Wastewater system	26,683,792	637,990	803	27,320,979
<b>Total capital assets, being depreciated</b>	<b>48,679,456</b>	<b>4,451,361</b>	<b>304,220</b>	<b>52,826,597</b>
Less accumulated depreciation for:				
Buildings	180,533	21,925	-	202,458
Machinery and equipment	444,686	60,231	86,142	418,776
Autos and trucks	466,980	25,995	123,340	369,635
Water system	10,800,570	640,140	-	11,440,710
Wastewater system	8,378,779	655,583	79	9,034,282
<b>Total accumulated depreciation</b>	<b>20,271,548</b>	<b>1,403,874</b>	<b>209,562</b>	<b>21,465,861</b>
<b>Total capital assets being depreciated, net</b>	<b>28,407,908</b>	<b>3,047,487</b>	<b>94,659</b>	<b>31,360,736</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 29,983,828</b>	<b>3,047,487</b>	<b>94,659</b>	<b>32,936,656</b>

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

<b>Business-type activities:</b>	
Water	\$ 697,265
Wastewater	706,610
<b>Total</b>	<b>\$1,403,874</b>

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

**3-D. Long-term debt**

Long-term debt activity for the governmental activities was as follows:

	Original Principal	%	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Direct Borrowing:</b>							
2017 Fire Truck Lease							
Matures 2025	\$ 301,500	2.69	\$ 91,932	-	45,356	46,576	46,576
<b>Bonds:</b>							
2016 Sales Tax Refunding							
Matures 2031	2,876,000	1.95	1,632,000	-	195,000	1,437,000	197,000
2020 MBA Lease Revenue							
Matures 2042	2,500,000	1.95	2,302,000	-	103,000	2,199,000	-
<b>Total governmental activity</b>							
<b>long-term liabilities</b>			<b>\$ 4,025,932</b>	<b>-</b>	<b>343,356</b>	<b>3,682,576</b>	<b>243,576</b>

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

	Principal	Interest	Total
2025	\$ 243,576	27,354	270,930
2026	304,000	77,215	381,215
2027	309,000	70,690	379,690
2028	318,000	64,012	382,012
2029	322,000	57,191	379,191
2030 - 2034	1,036,000	198,711	1,234,711
2035 - 2039	692,000	109,975	801,975
2040 - 2042	458,000	23,075	481,075
<b>Total</b>	<b>\$ 3,682,576</b>	<b>628,222</b>	<b>4,310,798</b>

The City has outstanding bonds and other direct borrowings related to governmental activities totaling \$3,682,576. The outstanding bonds and other direct borrowings are all secured with their respective revenues and/or property and equipment.

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2024

**3-D. Long-term debt (continued)**

Long-term debt activity for the business-type activities was as follows:

	Original Principal	%	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2016 Storm Water Revenue							
Matures 10/1/2036	\$ 3,680,000	4.00	\$ 2,060,000	-	265,000	1,795,000	275,000
<b>Total business-type activity long-term liabilities</b>			<b>\$ 2,060,000</b>	<b>-</b>	<b>265,000</b>	<b>1,795,000</b>	<b>275,000</b>

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

	Principal	Interest	Total
2025	\$ 275,000	66,300	341,300
2026	290,000	55,000	345,000
2027	300,000	43,200	343,200
2028	305,000	31,100	336,100
2029	60,000	23,800	83,800
2030 - 2034	330,000	81,000	411,000
2035 - 2037	235,000	14,300	249,300
<b>Total</b>	<b>\$ 1,795,000</b>	<b>314,700</b>	<b>2,109,700</b>

The City has outstanding bonds related to business-type activities totaling \$1,795,000. 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, 2024.

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

**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 \$402,342 at June 30, 2023.

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

	Governmental Activities
Asset:	
2017 Fire Truck	\$ 486,284
Accumulated amortization	(471,811)
<b>Net</b>	<b>\$ 14,473</b>

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, 2024:

<u>Fiscal Year</u>	Governmental Activities
2025	47,829
Total minimum lease payments	47,829
Less amounts representing interest	(1,253)
Present value of minimum lease payments	<b>\$ 46,576</b>

**Other long-term liabilities:**

	Beginning	Increase (Decrease)	Ending
<b>Compensated absences:</b>			
Governmental	\$ 173,319	(7,263)	166,056
Business-type	66,212	4,284	70,497
<b>Total</b>	<b>\$ 239,531</b>	<b>(2,978)</b>	<b>236,553</b>
 <b>Net pension liability:</b>			
Governmental	\$ 516,178	171,639	687,817
Business-type	172,059	57,213	229,272
<b>Total</b>	<b>\$ 688,237</b>	<b>228,852</b>	<b>917,089</b>

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

**3-E. Interfund receivable, payables, and transfers**

**Interfund transfers:**

	Transfers In	Transfers Out
General Fund	\$ -	852,096
Debt Service Fund	195,000	-
Capital Projects Fund	496,546	-
Municipal Building Authority	160,550	-
<b>Total</b>	<b>\$ 852,096</b>	<b>852,096</b>

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**

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.

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

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

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](http://www.urs.org/general/publications).

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2024

**4-C. Pension Plans (continued)**

**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
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.

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

**4-C. Pension Plans (continued)**

Contribution rates are as follows:

<b>Utah Retirement Systems</b>	Employee Paid	Employer Contribution Rate	Employer Rate for 401(k) Plan
<b>Contributory System</b>			
111 - Local Government Div - Tier 2	-	16.01	0.18
<b>Noncontributory System</b>			
15 - Local Government Div - Tier 1	-	17.97	-
<b>Public Safety System</b>			
<b>Contributory</b>			
122 - Tier 2 DB Hybrid Public Safety	2.59	25.83	-
<b>Noncontributory</b>			
43 - Other Div A with 2.5% COLA	-	34.04	-
<b>Firefighters Retirement System</b>			
31 - Other Division A	15.05	3.61	-
132 - Tier 2 DB Hybrid Firefighters	2.59	14.08	-
<b>Tier 2 DC Only</b>			
211 - Local Government	-	6.69	10.00
222 - Public Safety	-	11.83	14.00
232 - Firefighters	-	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, 2024, the employer and employee contributions to the Systems were as follows:

<b>System</b>	Employer Contributions	Employee Contributions
Noncontributory System	\$ 218,788	-
Public Safety System	130,750	-
Tier 2 Public Employees System	170,536	-
Tier 2 Public Safety and Firefighter	177,054	17,700
Tier 2 DC Only System	13,623	-
Tier 2 DC Public Safety and Firefighter System	7,978	-
<b>Total Contributions</b>	<b>\$ 718,729</b>	<b>17,700</b>

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.

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

**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, 2024, we reported a net pension asset of \$0 and a net pension liability of \$917,089.

	(Measurement Date): December 31, 2023			Proportionate Share 12/31/2022	Change (Decrease)
	Net Pension Asset	Net Pension Liability	Proportionate Share		
Noncontributory System	\$ -	\$ 315,725	0.1361141%	0.1398110%	(0.0036969%)
Public Safety System	-	461,771	0.3228798%	0.2998011%	0.0230787%
Tier 2 Public Employees System	-	75,861	0.0389754%	0.0438271%	(0.0048517%)
Tier 2 Public Safety and Firefighter	-	63,732	0.1691875%	0.1604719%	0.0087156%
<b>Total</b>	<b>\$ -</b>	<b>\$ 917,089</b>			

The net pension asset and liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2023 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, 2024, we recognize pension expense of \$613,059.

At June 30, 2024, 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	\$ 359,917	\$ 5,593
Changes in assumptions	225,177	1,368
Net difference between projected and actual earnings on pension plan investments	184,005	-
Changes in proportion and differences between contributions and proportionate share of contributions	27,480	6,264
Contributions subsequent to the measurement date	359,126	-
<b>Total</b>	<b>\$ 1,155,705</b>	<b>\$ 13,225</b>

\$359,126 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, 2023. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

**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:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2024	\$ 239,835
2025	159,759
2026	352,027
2027	(62,267)
2028	13,457
Thereafter	80,543

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

For the year ended June 30, 2024, we recognize pension expense of \$222,757.

At June 30, 2024, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 221,075	\$ -
Changes in assumptions	94,743	-
Net difference between projected and actual earnings on pension plan investments	102,671	-
Changes in proportion and differences between contributions and proportionate share of contributions	2,211	187
Contributions subsequent to the measurement date	106,820	-
<b>Total</b>	<b>\$ 527,519</b>	<b>\$ 187</b>

\$106,820 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, 2023. 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:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2024	\$ 140,272
2025	130,334
2026	193,029
2027	(43,122)
2028	-
Thereafter	-

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

**4-C. Pension Plans (continued)**

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

For the year ended June 30, 2024, we recognize pension expense of \$209,636.

At June 30, 2024, 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
	<u>of Resources</u>	<u>of Resources</u>
Difference between expected and actual experience	\$ 80,465	\$ -
Changes in assumptions	40,576	-
Net difference between projected and actual earnings on pension plan investments	66,098	-
Changes in proportion and differences between contributions and proportionate share of contributions	11,243	-
Contributions subsequent to the measurement date	65,815	-
<b>Total</b>	<b><u>\$ 264,198</u></b>	<b><u>\$ -</u></b>

\$65,815 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, 2023. 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:

	Net Deferred Outflows (Inflows) of Resources
<u>Year Ended December 31,</u>	<u>of Resources</u>
2024	\$ 86,453
2025	11,587
2026	129,097
2027	(28,754)
2028	-
Thereafter	-

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

**4-C. Pension Plans (continued)**

**Firefighters System Pension Expense, and Deferred Outflows and Inflows of Resources:**

For the year ended June 30, 2024, we recognize pension expense of \$410.

At June 30, 2023, 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
	<u>\$</u>	<u>\$</u>
Difference between expected and actual experience	-	-
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	-	-
<b>Total</b>	<u><u>\$</u></u> -	<u><u>\$</u></u> -

\$0 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, 2023. 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:

	Net Deferred Outflows (Inflows) of Resources
<u>Year Ended December 31,</u>	<u>\$</u>
2024	-
2025	-
2026	-
2027	-
2028	-
Thereafter	-

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

**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, 2024, we recognize pension expense of \$99,360.

At June 30, 2024, 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	\$ 24,298	\$ 1,242
Changes in assumptions	43,422	60
Net difference between projected and actual earnings on pension plan investments	8,566	-
Changes in proportion and differences between contributions and proportionate share of contributions	12,037	2,273
Contributions subsequent to the measurement date	93,925	-
<b>Total</b>	<b>\$ 182,248</b>	<b>\$ 3,575</b>

\$93,925 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, 2023. 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:

	Net Deferred Outflows (Inflows) of Resources
<u>Year Ended December 31,</u>	<u>of Resources</u>
2024	\$ 7,437
2025	10,459
2026	17,744
2027	5,934
2028	7,904
Thereafter	35,271

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

**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, 2024, we recognize pension expense of \$80,897.

At June 30, 2024, 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	\$ 34,080	\$ 4,351
Changes in assumptions	46,435	1,308
Net difference between projected and actual earnings on pension plan investments	6,669	-
Changes in proportion and differences between contributions and proportionate share of contributions	1,990	3,804
Contributions subsequent to the measurement date	92,566	-
<b>Total</b>	<b>\$ 181,739</b>	<b>\$ 9,463</b>

\$92,566 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, 2023. 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:

<u>Year Ended December 31,</u>	Net Deferred Outflows (Inflows) of Resources
2024	\$ 5,673
2025	7,379
2026	12,157
2027	3,675
2028	5,554
Thereafter	45,272

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

**4-C. Pension Plans (continued)**

**Actuarial assumptions:**

The total pension liability in the December 31, 2023, 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, 2023, 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:

<b>Assets class</b>	<b>Expected Return Arithmetic Basis</b>		
	Target Asset Allocation	Real Return Arithmetic Basis	Long Term expected portfolio real rate of return
Equity securities	35%	6.87%	2.40%
Debt securities	20%	1.54%	0.31%
Real assets	18%	5.43%	0.98%
Private equity	12%	9.80%	1.18%
Absolute return	15%	3.86%	0.58%
Cash and cash equivalents	0%	0.24%	0.00%
<b>Totals</b>	<b>100.00%</b>		<b>5.45%</b>
	Inflation		2.50%
	Expected arithmetic nominal return		7.95%

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.

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

**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:

<b>System</b>	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 1,638,598	\$ 315,725	\$ (792,091)
Public Safety System	1,448,911	461,771	(342,687)
Tier 2 Public Employees System	260,647	75,861	(67,441)
Tier 2 Public Safety and Firefighter	205,345	63,732	(49,562)
<b>Total</b>	<b>\$ 3,553,502</b>	<b>\$ 917,089</b>	<b>\$ (1,251,780)</b>

**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

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

**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:

	2024	2023	2022
401(k) Plan			
Employer Contributions	\$ 68,940	\$ 64,507	\$ 53,661
Employee Contributions	20,599	22,265	23,977
457 Plan			
Employer Contributions	-	-	-
Employee Contributions	23,799	23,081	18,151
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	16,162	13,199	1,560

**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.

Ivins City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

**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)**

Ivins City  
**Notes to Required Supplementary Information**  
June 30, 2024

**Budgetary Comparison Schedules**

The Budgetary Comparison Schedule presented in this section of the report is for the City's General Fund.

**Budgeting and Budgetary Control**

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 unreserved fund balance at the end of each year.

**Current Year Excess of Expenditures over Appropriations**

For the year ended June 30, 2024, Expenditures within all departments were under the appropriated budget.

**Changes in Assumptions Related to Pensions**

Changes include updates to the mortality improvement assumption, salary increase assumption, disability incidence assumption, assumed retirement rates, and assumed termination rates, as recommended with the January 1, 2023 actuarial experience study.

Ivins City  
**SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND**  
 For the Year Ended June 30, 2024

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
<b>Revenues</b>				
Taxes	\$ 5,968,632	5,953,556	6,200,891	247,335
Licenses and permits	694,773	630,218	791,114	160,896
Intergovernmental revenues	1,165,970	1,296,938	1,325,755	28,817
Charges for services	2,726,625	2,765,529	2,844,007	78,478
Fines and forfeitures	-	600	646	46
Interest	600,000	775,000	816,371	41,371
Miscellaneous revenue	54,730	75,610	91,129	15,519
<b>Total revenues</b>	<b>11,210,730</b>	<b>11,497,451</b>	<b>12,069,914</b>	<b>572,463</b>
<b>Expenditures</b>				
General government	2,585,527	2,790,745	2,639,922	150,823
Building/Code enforcement	574,907	621,800	591,390	30,410
Public safety	3,603,234	3,640,443	3,594,966	45,477
Public works and streets	2,162,780	2,260,870	2,256,193	4,677
Parks, recreation and public property	1,139,961	1,189,867	1,184,324	5,543
<b>Total expenditures</b>	<b>10,066,409</b>	<b>10,503,725</b>	<b>10,266,794</b>	<b>236,931</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,144,321</b>	<b>993,726</b>	<b>1,803,120</b>	<b>809,394</b>
<b>Other financing sources and (uses)</b>				
Sale of capital assets	-	4,000	3,500	(500)
Transfers in (out)	(906,287)	(642,246)	(852,096)	(209,850)
<b>Total other financing sources and (uses)</b>	<b>(906,287)</b>	<b>(638,246)</b>	<b>(848,596)</b>	<b>210,350</b>
<b>Net change in fund balances</b>	<b>238,034</b>	<b>355,480</b>	<b>954,524</b>	<b>599,044</b>
Fund balances - beginning of year	3,692,917	3,692,917	3,692,917	-
<b>Fund balances - end of year</b>	<b>\$ 3,930,951</b>	<b>4,048,397</b>	<b>4,647,440</b>	<b>599,044</b>

Ivins City  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
 June 30, 2024  
 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)
<b>Noncontributory Retirement System</b>	2015	0.1640461%	\$ 928,253	\$ 1,377,490	67.39%	87.80%
	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%
	<b>Public Safety System</b>	2015	0.3518822%	\$ 630,309	\$ 626,291	100.64%
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%
<b>Firefighters System</b>		2015	0.2519685%	\$ (4,564)	\$ 67,725	-6.74%
	2016	0.1147079%	\$ (904)	\$ 31,812	-2.84%	100.40%
<b>Tier 2 Public Employees Retirement System**</b>	2015	0.0402451%	\$ (88)	\$ 260,033	-0.03%	100.20%
	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%
	<b>Tier 2 Public Safety and Firefighter System**</b>	2015	0.1096770%	\$ (1,602)	\$ 65,303	-2.45%
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%

\* Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. The 10-year schedule will need to be built prospectively.

\*\* Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative practices.

Ivins City  
**SCHEDULE OF CONTRIBUTIONS**  
 June 30, 2024  
 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
<b>Noncontributory Retirement System</b>	2015	\$ 254,743	\$ 254,743	\$ -	\$ 1,391,333	18.31%
	2016	236,400	236,400	-	1,290,304	18.32%
	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	17.96%
<b>Public Safety System</b>	2015	169,240	169,240	-	651,617	25.97%
	2016	167,825	167,825	-	604,667	27.76%
	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%
<b>Firefighters System</b>	2014	3,563	3,563	-	120,768	2.95%
	2015	2,958	2,958	-	69,390	4.26%
	2016	2,668	2,668	-	66,866	3.89%
	2017	93	93	-	2,388	3.89%
<b>Tier 2 Public Employees Retirement System*</b>	2015	29,724	29,724	-	197,272	15.07%
	2016	50,371	50,371	-	337,833	14.91%
	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%
<b>Tier 2 Public Safety and Firefighter System*</b>	2015	10,272	10,272	-	45,553	22.55%
	2016	21,196	21,196	-	94,200	22.50%
	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%
<b>Tier 2 Public Employees DC Only System*</b>	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%
<b>Tier 2 Public Safety and Firefighter DC Only System*</b>	2015	7,184	7,184	-	60,725	11.83%
	2016	5,671	5,671	-	47,940	11.83%
	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%

\* Contributions in Tier 2, created July 1, 2011, include an amortization rate to help fund the unfunded liabilities 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.



## 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, 2024, 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 31, 2024.

### ***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 31, 2024



## 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

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 State Auditor, for the year ended June 30, 2024.

State compliance requirements were tested for the year ended June 30, 2024 in the following areas:

Budgetary Compliance	Fraud Risk Assessment
Fund Balance	Governmental Fees
Restricted Taxes and Other Related Resources	

### Opinion on Compliance

In our opinion, *Ivins City* complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2024.

### Basis for Opinion

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 *State Compliance Audit Guide* (Guide). 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. 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 of the government program 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 the 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 *State Compliance Audit 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**

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 or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

*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 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.

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.

Larson & Company, PC

Spanish Fork, Utah

October 31, 2024

Ivins City  
**Schedule of Findings and Questioned Costs**  
June 30, 2024

**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