

**CENTERVILLE CITY CORPORATION  
CENTERVILLE, UTAH**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**Year Ended June 30, 2015**

**CENTERVILLE CITY CORPORATION**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2015**

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## **INTRODUCTORY SECTION**



# CENTERVILLE CITY

250 North Main Centerville, Utah 84014-1824 • (801) 295-3477 • Fax: (801) 292-8034

Incorporated in 1915



*Mayor*

Paul A. Cutler

*City Council*

Ken S. Averett

Tamilyn Fillmore

John T. Higginson

Stephanie Ivie

Lawrence Wright

*City Manager*

Steve H. Thacker

December 22, 2015

To the Honorable Mayor, City Council and Citizens of Centerville, Utah

State law requires that all cities publish within six months of the close of the fiscal year a complete set of financial statements presented in conformance to generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a qualified, licensed certified public accounting firm. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of Centerville, Utah for the fiscal year ended June 30, 2015.

These statements are prepared to comply with the requirements promulgated by the Government Accounting Standards Board (GASB) Statement 34. Significant changes in the basic statements consist of the addition of City-wide consolidated reports that include a statement of net assets and a statement of activities. They take the place of the traditional balance sheet and operating statements used in private business, but serve a similar purpose. These City-wide statements consolidate all funds and component units of the City and use full accrual basis of accounting with a flow of financial resources measurement of focus. These city-wide statements will make it easier to measure and analyze the changes in financial position over time.

This report consists of management's representation concerning the finances of Centerville City. Consequently, management assumes full responsibility for the completeness and reliability of all information presented herein. To provide reasonable basis for making those presentations, management has established an internal control framework that is designed to both protect the City's assets from loss, theft, or misuse and to compile reliable information for the preparation of the financial statements in conformity to GAAP. The City's framework of internal controls is designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. The cost of internal controls should not outweigh their benefit to the City.

We believe that the data, as presented, is accurate in all material aspects and fairly sets forth the financial position and results of operations of the City as measured by the financial activities of its various funds. Disclosures necessary to enable the reader to gain an understanding of the City's financial affairs have also been included. Additional review and management analysis of the financial statements and financial position of the City is provided in the Management's Discussion and Analysis.

The financial statements have been audited by Hansen, Bradshaw, Malmrose & Erickson, PC, a licensed certified public accounting firm qualified to perform audits of municipal governments. The goal of the independent audit was to provide reasonable assurance that the financial statements of Centerville City for the fiscal year ended June 30, 2015, are free of material misstatements. The independent audit involved examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Centerville City's financial statements for the fiscal year ended June 30, 2015 are fairly presented in conformity with GAAP. The independent auditor's report is presented at the beginning of the financial section of this report.

### **Community and History**

Centerville was settled in the fall of 1847 by Thomas Grover and his family. In the spring of 1848 the Deuel brothers moved to the community to farm the rich soils. Early Centerville was a farming community, producing superior crops from the rich soils deposited from the streams which flowed from the canyons of the Wasatch Mountains. By 1853 the community had grown to 194 inhabitants. The community was incorporated as a Town in 1915. The City celebrated its centennial of incorporation in 2015.

Centerville continued to be a farming community through the 1940's, including market gardening and orchards of apples, apricots, cherries and peaches. Due to its proximity to Salt Lake City and its appealing setting, however, Centerville has since matured primarily into a suburban community with diverse housing types. In recent decades, significant commercial development has occurred with retail, office and entertainment.

### **Organization**

Centerville is a city of the fourth class (population between 10,000 and 30,000), operating under the six member council form of government, with the City Manager by ordinance. The legislative body, the City Council, is comprised of five members plus the Mayor. The Mayor and council members are elected to staggered four-year terms. The City Council establishes policies and procedures for the efficient administration and operation of the City and approves and amends the budget. The City Manager is hired upon the recommendation of the Mayor and approval by the City Council. The City Manager is responsible for the daily management of the City. The Financial Statements of the City include all government activities, organizations and functions for which the City is financially accountable as defined by the Governmental Accounting Standards Board. Based on these criteria, the Redevelopment Agency of Centerville City is included; however, no other governmental organizations are included in this report.

### *Services*

Major services provided or funded by the City include Justice Court, Police, Street Improvements and Maintenance, Culinary Water, Drainage/Flood Control, Solid Waste Collection and Disposal, Recycling, Green Waste Disposal, Telecommunications, Planning and Zoning, Building Inspection, Code Enforcement, Parks Maintenance & Construction, Youth and Adult Recreation, Cemetery, and a Heritage Museum(Whitaker). The City owns a Performing Arts Center that is leased to a private non-profit arts organization (Centerpoint Legacy Theater).

Major services provided under the Enterprise Fund include culinary water, storm drainage and sanitation that includes solid waste collection, recycling, and green-waste. Solid waste, recycling and green waste collection is provided through the City, by a private contractor. Solid waste disposal is provided by a special district, Wasatch Integrated Waste. Uniquely, the City established a Telecommunications Enterprise Fund to deliver ultra-high band width telecommunications through a fiber-to-the premise network. Centerville has contracted with Utah Infrastructure Agency (UIA) by inter-local agreement, to construct and operate the fiber optic network via the UTOPIA network. Fire services are provided by a special district, South Davis Metro Fire Agency, with funding coming from municipalities within the district including Centerville City. Centerville City is also within the South Davis Recreation District that operates the South Davis Recreation Center located in Bountiful, Utah. The City contracts with Davis County for animal control services.

### *Economic Factors and Conditions*

Most of the land available for residential growth has already been developed. The City has had minimal single family residential growth in recent years. Single family dwellings is limited to small areas of vacant land and “in-fill” construction. In response to the housing market, there has been an increase in multi-family units. In the last decade the City has experienced significant growth in the commercial areas including office, retail and entertainment.

Local option sales tax is the main source of tax revenue for general services. After years of steady growth in sales tax, the recession beginning in 2007 caused several years of decreasing revenues. Sales tax revenues have increased since 2010, recovering to levels above 2008 revenues. Sales tax revenues have continued to grow compared to the same time period(s) in the prior year. Centerville local retail services continue to have increasing sales that provide needed revenue to the City. The trend is improving and revenues are anticipated to increase through 2015-2016 locally and Statewide. Other revenue sources such as property tax have been stable, but with little increase. The State of Utah authorized an increase in the tax levied on gasoline sales that will benefit the City with increased revenue for street maintenance and replacement.

As of the time of this report, the voters recently approved a County wide .25% increase in sales tax to be used for transportation projects, including roads, trails, etc. The Cities within the County will receive an amount equal to .10% of taxable sales. With the two new sources of revenue, the City will be able to better address the extensive need for road repair and replacement. The voters also approved the renewal of the RAP (Recreation, Arts & Parks). This .10% levied on taxable sales is planned to be used for new parks, replacement of aging park facilities, and improvement/maintenance of the City's Museum and Performing Arts Center.

As stated, the City's commercial areas have continued to grow. One primary area of growth is the City's west side. This area has the potential of significant commercial development, including retail, office and light manufacturing. Through the RDA, the City supported the creation of two Community Development Areas (CDA). The first one facilitated the development of the Legacy Crossing at Parrish Lane commercial project. This development includes entertainment, offices and multi-family housing, with the possibility of retail and restaurants in the future. The RDA also created a second CDA on the west side, the Barnard Creek CDA. This area will accommodate light industrial, office and manufacturing. Construction in this area has begun with several new businesses already open.

### **Major Initiatives**

The City's major initiatives in FY 2015 included transportation projects, drainage system funding, park expansion, land use and housing studies, fire/EMS services funding, and the City's Centennial Celebration.

#### **Transportation Projects**

Many transportation projects were initiated, continued or completed in FY 2015, including the following:

- **Continued implementation of the Streets Maintenance Plan.** This plan—last updated in 2013—identifies the type of pavement preservation activities needed over a five-year period for all city streets. The most significant resurfacing project completed in FY 2015 was portions of the Frontage Road and MarketPlace Drive. Unfortunately, the City is falling behind in funding the full recommendations of the Streets Maintenance Plan. However, due to a new state law and voter approval of a county-wide transportation sales tax in 2015, the City will be able to fund significantly more street maintenance work in future years.
- **Parrish/Main intersection reconstruction.** This project was in the planning and design phases for several years. Construction began in FY 2014 and was completed in FY 2015. Most of the \$1.7 million project funding came from Federal and State sources. The project has increased the capacity and reduced the congestion at this intersection.

- **Pedestrian bridge over I-15.** City officials were successful in FY 2014 in convincing UDOT to include a new pedestrian bridge in the I-15 South Davis Project. Bridge construction began in FY 2015. This will be the first safe pedestrian crossing in Centerville connecting the east and west sides of I-15. The bridge and connecting sidewalks are funded by UDOT. The City’s Redevelopment Agency, however, has agreed to provide more than \$100,000 to upgrade the fencing on the pedestrian bridge and along the new sidewalks.
- **Traffic signals at 1250 West/Parrish Lane.** In FY 2015, UDOT approved the funding and design for installation of traffic signals at this intersection. Construction will occur in FY 2016. This project complements the pedestrian bridge and sidewalks mentioned immediately above to provide safe passage of pedestrians and bikers between the east and west sides of the freeway, while also addressing vehicular safety at this intersection.
- **Legacy Parkway Trail Connector.** In FY 2015, the City negotiated a partnership with a developer that will result in the construction of a pathway connecting Parrish Lane with the Legacy Parkway Trail, a regional trail connecting cities in south Davis County. This project—combined with the pedestrian bridge and traffic signals mentioned above—will provide the final link needed to provide Centerville residents with a reasonable, safe, non-motorized access to the regional trail system.
- **Frontage Road Sidewalk Project.** In FY 2015, UDOT awarded the City a grant to complete the construction of sidewalk along the Frontage Road at north end of the City. Project design began in FY 2015 and construction occurred in FY 2016.
- **Complete Streets Policy.** The City Council adopted a “Complete Streets” Policy in FY 2015. This policy expresses the intent to consider the needs of all users of the public right-of-way when planning street maintenance and improvement activities.
- **Master Bike Plan.** The City’s Trails Committee prepared a master bike plan which recommends streets for designated bike routes. This plan is pending City Council approval, and would be one step towards implementation of the Complete Streets Policy mentioned above.

#### Drainage System Funding

The City’s Drainage System Master Plan was updated in FY 2014. Based on the updated plan, storm drain impact fees were updated that year. In FY 2015 a user rate study was completed for the Drainage Utility Fund, also based on the updated Master Plan, which identified the need for \$6 million in capital projects over the next 10 years, mostly to replace failing drainage pipes. The City Council decided to fund this need on a pay-as-you-go basis rather than issuing bonds. Therefore, after extensive public outreach and education, the City Council approved a 112% increase in both the monthly storm drain user fee and monthly subsurface drain user fee.

### Park Expansion

In FY 2015 the first phase of the Community Park expansion project was completed at a cost of approximately \$500,000. Most of that funding came from Park Impact Fee revenue generated by new residential development. The Parks Capital Improvement Plan estimates that at least another \$800,000 will be needed to complete this expansion project. The sources of this additional funding will be Park Impact Fee revenue and RAP Tax revenue authorized by the voters in November 2015. The expansion area is anticipated to be opened to public use in FY 2018.

### Land Use and Housing Studies

FY 2015 included several land use/housing studies:

- **West Side General Plan Update.** In FY 2014 the City Council initiated an extensive public process for updating the General Plan for the area west of I-15 and south of Parrish Lane. This process included a land use study and public transit analysis and generated a plan for mixed-use and high density residential development in this area. However, in FY 2015, after receiving much public comment about the proposed plan—including strong criticism from West Bountiful City officials and property owners—the Centerville City Council rejected the proposed plan. The Council’s intent is to re-start the visioning and planning process for this area.
- **South Main Street Corridor Plan.** In FY 2015, strong public opposition to a proposed mixed-use/high density development on South Main Street caused the City Council to impose a six-month development moratorium and begin a review of the South Main Street Corridor Plan and Overlay Zone. As a result, the Overlay Zone was amended after close of FY 2015. Significant revisions include caps on the number of residential units allowed in future development along South Main Street.
- **Accessory Dwelling Units.** In FY 2015, the Planning Commission forwarded recommendations to the City Council that would allow accessory dwelling units in single-family neighborhoods. The City Council’s work on this issue, however, was postponed until FY 2016 in order to give their attention to the South Main Street Corridor matter mentioned above.

### Fire/EMS Services Funding

In FY 2015 the member entities of the South Davis Metro Fire Agency—including Centerville City—continued studying the possibility of converting the Fire Agency to a Local Fire Service Area with its own taxing authority. The impetus for this initiative is the need to fund capital improvements that cannot realistically be funded under the current Fire Agency structure as an

intergovernmental entity. This proposal was subjected to a public process after close of FY 2015, with no apparent opposition expressed during that process. Therefore, the new Local Fire Service Area is expected to assume the operations of the current Fire Agency beginning July 1, 2016. The member entities will continue to provide funding for the operations budget through assessments; however, capital needs will be funded via a property tax levy approved by the new governing board beginning in FY 2016.

#### Centennial Celebration

Centerville City celebrated 100 years as an incorporated municipality in 2015. A large number of volunteers served on the main committee and several subcommittees to plan and carry out various activities throughout the year. To fund the Celebration, the City Council authorized the normal \$24,000 for July 4<sup>th</sup> activities, plus another \$16,000 for additional activities throughout the year and more flag banners on Main Street. The Council also expended \$10,000 in City funds to help with the cost of publishing a book commemorating the Centennial. Donations were also solicited from businesses and individuals through the efforts of the Centerville Community Foundation, the Centennial Book Committee, and promoters of the effort to increase the number of flag banners on Main Street.

#### Financial Policies

State Code dictates that 5% to 25% of general fund revenue be kept in the unreserved fund balance of the general fund. Each year's budget plan targets an amount within that range and may be higher or lower depending on operational and capital needs. The unassigned fund balance as of June 30, 2015 was 11.22% of next year's budgeted revenue. The Council and management attempts to finance operations and capital on a pay as you go basis if possible, using debt when it is to the long term financial advantage to the City and/or is necessary to acquire capital in a timely manner.

The City uses several capital improvement plans including streets, water, drainage, parks and capital facility plans to focus and plan for upcoming projects and required funding. These plans are reviewed annually and periodically modified.

### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Centerville City for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the sixteenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department and City employees in the Community Development and Public Works departments. We would like to thank the Mayor and members of the City Council for their interest and support in the financial operations of the City, for demonstrating fiscal responsibility, and for striving to achieve the highest possible standards.

Respectfully submitted,

A handwritten signature in black ink that reads "Blaine L. Lutz". The signature is written in a cursive style with a large, prominent initial "B".

Blaine L. Lutz

Finance Director/Assistant City Manager

**CENTERVILLE CITY CORPORATION**

**PRINCIPAL OFFICIALS**

EXECUTIVE BUDGETARY

Steve H. Thacker	City Manager
Blaine L. Lutz	Finance Director/Asst. City Manager

STATUTORY APPOINTED OFFICIALS

Marsha Morrow	Recorder
Jolene Jackson	Treasurer
David Miller	Justice Court Judge

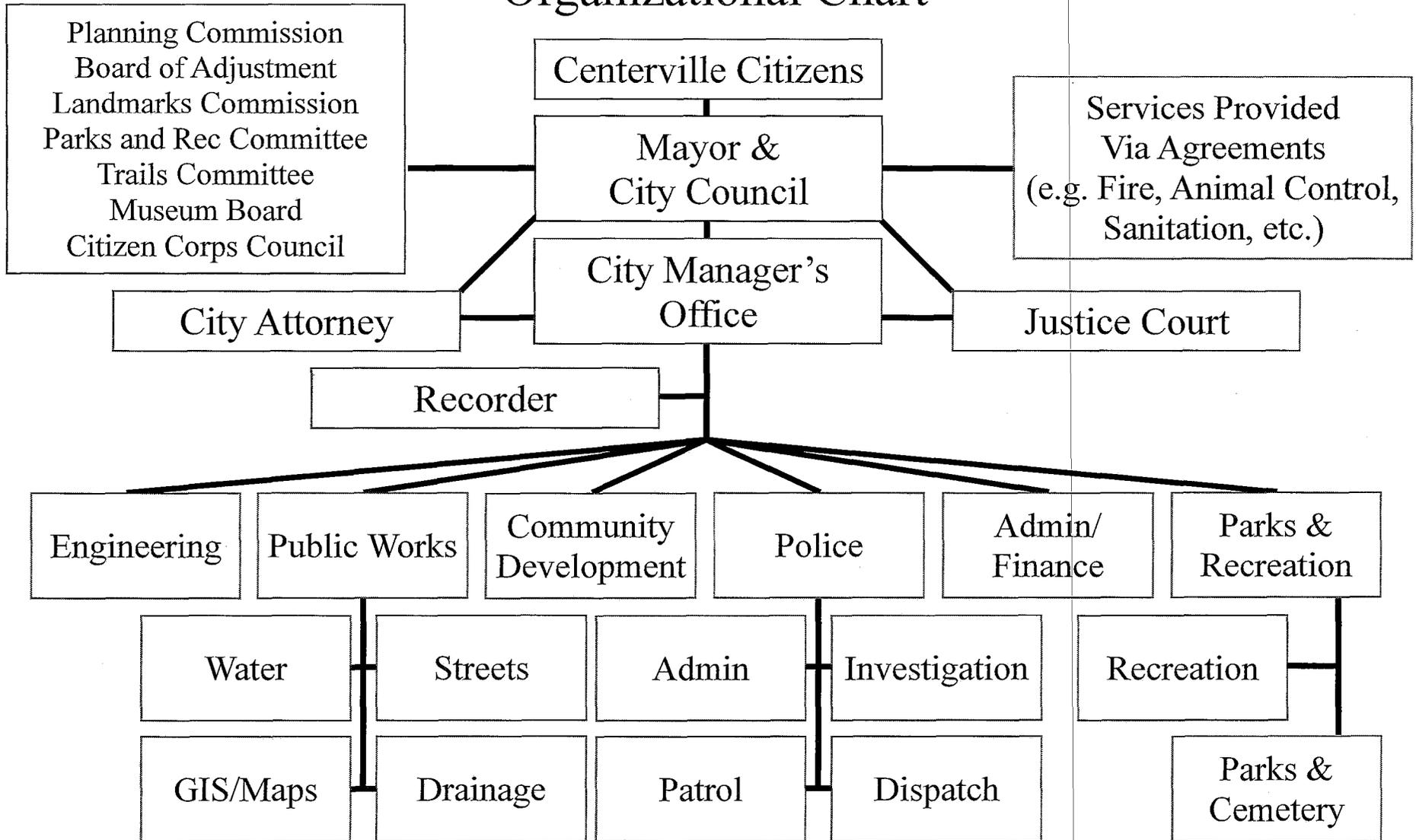
DEPARTMENT HEADS

Paul Child	Police Chief
Randy Randall	Public Works Director
Bruce Cox	Parks/Recreation Director
Corvin Snyder	Community Development Director

OTHER CITY OFFICIALS

Von Steenblik	Assistant Police Chief
Kevin Campbell	Engineer
Lisa Romney	Attorney

# Centerville City Organizational Chart





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Centerville City Corporation  
Utah**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

**FINANCIAL SECTION**

# Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANTS

559 West 500 South  
Bountiful, Utah 84010  
801-296-0200  
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E. Lynn Hansen, CPA  
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Jason L. Tanner, CPA

Robert D. Wood, CPA  
Aaron R. Hixson, CPA  
Ted C. Gardiner, CPA  
Jeffrey B. Miles, CPA

*Members of the  
American Institute  
of Certified Public  
Accountants*

*Members of the  
Private Company  
Practice Section*

## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council  
Centerville City Corporation, Utah

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Centerville City Corporation, Utah (the City), as of and for the year ended June 30, 2015, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes assessing the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above 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 Centerville City Corporation, Utah, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require the management's discussion and analysis on pages 15 through 28 and the pension schedules on pages 78 and 79 be presented to supplement the basic financial statements. Such information, 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 Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The accompanying combining and individual nonmajor fund financial statements, and budgetary comparison information are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally

accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Hansen, Bradshaw, Malmrose & Erickson, P.C.*

December 18, 2015

## **Management's Discussion & Analysis**

The management of Centerville City presents the following narrative and analysis of the financial statements and financial activities of Centerville City as prescribed by the Governmental Accounting Standards Board (GASB). The information and analysis pertains to the fiscal year ended June 30, 2015.

### **Financial Highlights**

The Statement of Net Position is similar to a balance sheet in the private sector. The assets of Centerville City exceeded its liabilities at June 30, 2015 by \$40,885,937 (net position). The City has \$41,379,152 invested in capital assets, net of related debt. \$221,201 is restricted for debt service or construction. The unrestricted amount is (\$714,416). This does not indicate that the City is operating in a deficit position, but indicates the financial position in relation to the assets, (current, non-current and capital), and liabilities of the City. Newly included in this statement is the City's stated portion of the Utah State Retirement System that is not funded with current assets.

Centerville's total net position increased slightly by \$1,620,993 from the prior year, a 4.13 % increase (after prior period adjustment). The increase is a net after the 2014 position has been restated to account for the adjustment in accordance with the new GASB 68 rule, which requires the City to record its estimated amount of Utah State Retirement Fund liability. Changes in assets and liabilities are as follows. Total assets decreased by \$1,671,306, a change of 3.3%. Total Liabilities also decreased by \$1,473,005 from the prior year, a percent change of 10.33%. Capital investments did increase, net of debt, 7.23 %, a dollar total of \$2,787,731. Business-Type Activities capital investments net of debt increased \$1,139,033 - 8.83 %, and Governmental Activities increased \$1,648,698 - 6.42 %. Restricted assets for debt service and construction decreased by \$797,813 which is 70.30 % change from the previous year. Most of the net decrease was due to a change in Business-Type activities with a decrease of \$795,446. Government activities decreased by \$2,367. Unrestricted assets decreased \$2,134,269. Governmental Activities decreased \$2,096,544, while Business-Type activities decreased by \$37,725.

Centerville's governmental funds reported a combined ending fund balances of \$1,573,134 at June 30, 2015. This is a statement of the current available assets of the City. This is a decrease of \$612,779, a percent change of 28.04%. The City incurred considerable spending or commitments to capital projects including park improvements and roads. Of the ending fund balances, \$831,617, is available for spending at the City's discretion in the General Fund (unassigned fund balance).

At June 30, 2015, fund balances assigned to funds other than the general fund was \$741,517 an overall \$120,317 decrease. Assigned fund balances decreased by \$117,950, or 14.01%. The Assigned amount to the RDA, \$342,835. The amount assigned for capital projects accounts has a balance of \$312,484 a decrease of \$170,924 a 35.36% change, which is a reflection of the City's investment in a new park facility. Special revenue funds increased by \$81,952 to \$395,866, a 26.11%, with an \$81,857 increase assigned to the RDA. In the previous year the balance restricted for debt service was \$44,828. The balance in this period is \$17,317.

## *Overview of the Financial Statements*

This discussion and analysis is intended to serve as an introduction to Centerville City basic financial statements. Centerville City's basic financial statements are comprised of four components; 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) other supplementary statistical information in addition to the basic financial statements.

### *Government-wide financial statements*

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

The *statement of net position* presents information on all of Centerville City's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as an indicator of changes in financial position of the City.

The *statement of activities* presents information showing how Centerville City's net position changed during the most recent year. 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 periods.

Both of the government-wide financial statements distinguish functions of Centerville 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 governmental activities of Centerville City include general government, police, community development, streets and public improvements, parks and recreation. The business type activities of Centerville City include services for culinary water, storm and sub-surface water, solid waste, and recycling, and Telecommunications.

The government-wide financial statements include Centerville City (known as the primary government) and two separate legal entities (known as component units). The financial information for the Centerville City Redevelopment Agency (RDA). However, because the City's governing body is the same as the governing boards of the component unit, and can substantially control them, the financial information is blended and reported together with the financial information presented for the primary government.

### *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. Centerville City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related laws and regulations. All of the funds of Centerville City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on the near term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the near term financing requirements.

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 the governmental funds with the 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 City's near term financing decisions. Both the governmental funds balance sheet and the governmental fund statement of revenues, expenditures and changes in the fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Centerville City maintains eleven (11) individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the General fund, Redevelopment Agency, and Arts Center debt service fund all of which are considered major funds. Data from the other seven (7) governmental funds are combined into a single, aggregate presentation. Individual fund data for each governmental fund is provided in the form of individual and combining statements elsewhere in the report.

Centerville City adopts an annual budget for its three major governmental funds; General Fund as well as the Centerville City Redevelopment Agency and the Arts Center Debt Service Fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with budget. Budgets are also adopted for the other Non-major governmental type funds.

Proprietary funds - Centerville City maintains one type of proprietary fund, known as an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government wide financial statements. The City uses enterprise funds to account for water, solid waste collection, recycling, green waste, drainage, and telecommunications.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the water, drainage and Sanitation funds because they are considered major funds. Telecommunications is considered to be non-major fund, however it is the only non-major fund therefore is reported with the major funds. Individual fund data for each governmental fund is provided in the form of individual and combining statements elsewhere in the report.

Fiduciary Fund – The City reports a fiduciary fund to account for the activities of the Whitaker Museum.

### **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.

### **Other information**

In addition to the basic financial statements and the accompanying notes, this report also presents combining and individual schedules referred to earlier in connection with the non-major governmental funds. They are presented immediately following the notes to the financial statements. Selected statistical information is presented in tabular form. Auditor's reports on compliance are also included at the end of the document.

### **Government-wide financial analysis**

As noted earlier, net position is an indicator of a government's overall financial position, including current resources, liabilities and investment in assets. In the case of Centerville City, assets exceeded liabilities by \$40,885,937 at June 30, 2015.

The largest portion of the City's net position is \$41,379,152 which reflects investments in capital assets including land, buildings, machinery and equipment, less any related debt used to acquire those assets that is still outstanding. This is an increase of \$2,787,731 which equals, 7.23%, from the prior period. The increase reflects the City's investment in capital facilities and equipment and decrease in long term liabilities including related debt. The City uses capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since capital assets cannot be used to liquidate these liabilities.

A portion of the remainder of the City's net position, \$221,201, represents resources that are subject to external restrictions on how they may be utilized. However this is a decrease of \$797,813 or 79%. This decrease was due to the decrease in restricted assets, primarily in Business-Type activities.

The table on the following page illustrates the City's Net Position for Governmental Activities and Business-Type activities (enterprise funds), and a comparison to the prior year. The following page includes a table that illustrates the Change of Net Position as a statement of activities for the year in for Governmental and Business-Type activities.

## Centerville City Net Position

	Governmental Activities 2015	Governmental Activities 2014	Business-Type Activities 2015	Business-Type Activities 2014	Total 2015	Total 2014
Current and other assets	\$3,975,445	\$5,718,495	\$374,255	\$1,263,925	\$4,349,700	\$6,982,420
Capital assets	\$31,632,427	\$31,445,700	\$17,420,445	\$16,645,758	\$49,052,872	\$48,091,458
Total assets	\$35,607,872	\$37,164,195	\$17,794,700	\$17,909,683	\$53,402,573	\$55,073,878
Deferred Outflows	\$336,348	\$0	\$49,162	\$21,373		\$21,373
Long-term liabilities	\$6,562,592	\$6,500,419	\$3,580,592	\$3,830,693	\$10,143,184	\$10,331,112
Other liabilities	\$1,345,516	\$2,464,373	\$40,661	\$206,881	\$1,386,177	\$2,671,254
Total liabilities	\$7,908,108	\$8,964,792	\$3,621,253	\$4,037,574	\$11,529,361	\$13,002,366
Deferred Inflows	\$1,349,519	\$1,062,597	\$23,265	\$0	\$1,372,784	\$1,062,597
<u>Net position</u>						
Net investment in capital assets	\$27,336,533	\$25,687,835	\$14,042,619	\$12,903,586	\$41,379,152	\$38,591,421
Restricted	\$17,317	\$19,684	\$203,884	\$999,330	\$221,201	\$1,019,014
Unrestricted	(\$667,257)	\$1,429,287	(\$47,159)	(\$9,434)	(\$714,416)	\$1,419,853
Total net position	\$26,686,593	\$27,136,806	\$14,199,344	\$13,893,482	\$40,885,937	\$41,030,288

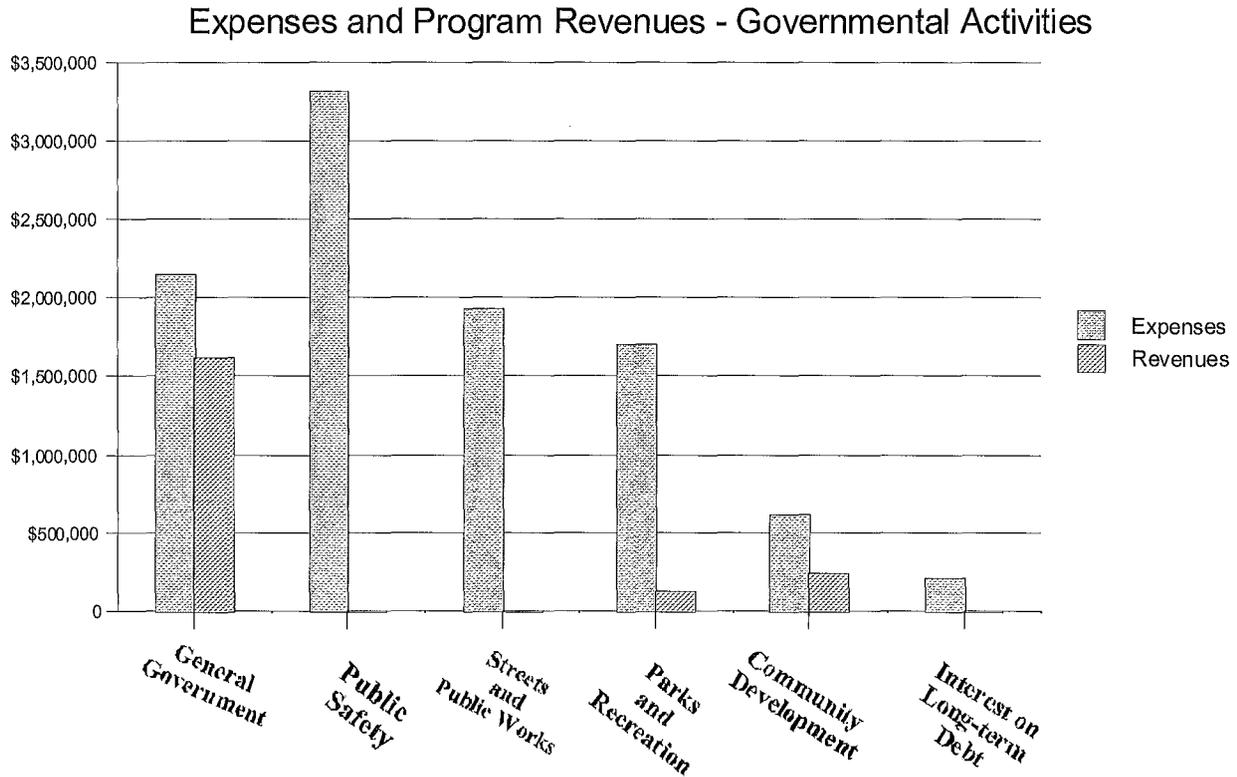
## Centerville City Change in Net Position (Statement of Activities)

	Governmental Activities 2015	Governmental Activities 2014	Business-type Activities 2015	Business-type Activities 2014	Total 2015	Total 2014
<b><u>Revenues</u></b>						
<b><u>Program revenues</u></b>						
Charges for services	\$1,991,626	\$1,992,439	\$4,076,248	\$4,206,749	\$6,067,874	\$6,199,188
Operating grants and contributions	\$0	\$0	\$311,841	\$0	\$311,841	\$0
Capital grants and contributions	\$2,872,876	\$2,267,236	\$0	\$0	\$2,872,876	\$2,267,236
<b><u>General revenue</u></b>						
Property tax and uniform vehicle fees	\$1,520,060	\$1,514,682	\$0	\$0	\$1,520,060	\$1,514,682
Other taxes	\$4,641,720	\$4,479,621	\$0	\$0	\$4,641,720	\$4,479,621
Other	\$98,392	\$224,224	\$4,632	\$7,784	\$103,024	\$232,008
Total revenue	<u>\$11,124,674</u>	<u>\$10,478,202</u>	<u>\$4,392,721</u>	<u>\$4,214,533</u>	<u>\$15,517,395</u>	<u>\$14,692,735</u>
<b><u>Expenses</u></b>						
General government	\$2,149,191	\$2,073,754			\$2,149,191	\$2,073,754
Public Safety	\$3,312,647	\$3,215,906			\$3,312,647	\$3,215,906
Streets and public works	\$1,929,230	\$2,040,237			\$1,929,230	\$2,040,237
Parks and recreation	\$1,707,103	\$1,720,371			\$1,707,103	\$1,720,371
Community development	\$618,065	\$539,894			\$618,065	\$539,894
Interest on long-term debt	\$213,694	\$259,327			\$213,694	\$259,327
Water			\$1,965,022	\$1,835,012	\$1,965,022	\$1,835,012
Sanitation			\$956,890	\$979,738	\$956,890	\$979,738
Storm drain			\$760,994	\$611,098	\$760,994	\$611,098
Telecom			\$283,566	\$424,108	\$283,566	
Total expenses	<u>\$9,929,930</u>	<u>\$9,849,489</u>	<u>\$3,966,472</u>	<u>\$3,849,956</u>	<u>\$13,896,402</u>	<u>\$13,699,445</u>
Increase in net position before transfers	\$1,194,744	\$628,713	\$426,249	\$364,577	\$1,620,993	\$993,290
Transfers	(\$20,840)	(\$163,400)	\$20,840	\$163,400	\$0	\$0
Increase (decrease) in net position	\$1,173,904	\$465,313	\$447,089	\$527,977	\$1,620,993	\$993,290
Net position, beginning, as restated	\$25,512,689	\$25,047,376	\$13,752,255	\$13,224,278	\$39,264,944	\$38,271,654
Net position, ending	<u>\$26,686,593</u>	<u>\$25,512,689</u>	<u>\$14,199,344</u>	<u>\$13,752,255</u>	<u>\$40,885,937</u>	<u>\$39,264,944</u>

### Governmental Activities

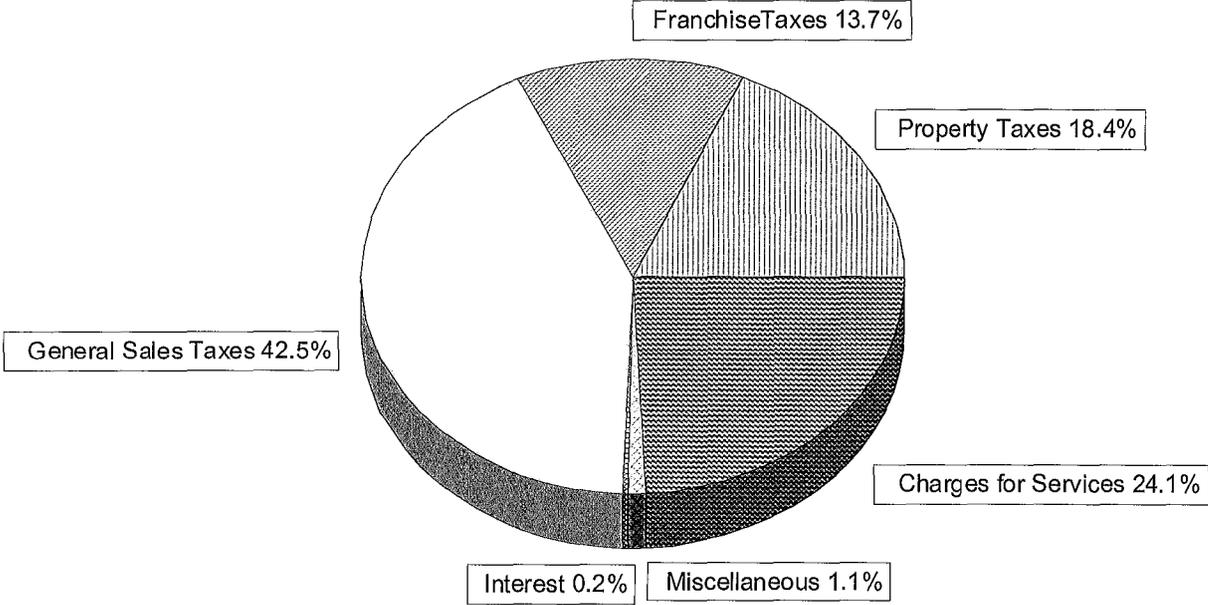
As noted in the table above, governmental activities net position increased by \$1,173,904 or 4.6%. The table illustrates the flow of current sources and uses for the period. This table is a good source to illustrate the activities and of the period and the City's position at the year end.

The following chart displays the governmental activities expenses compared to the program revenues attributed to the activity. Traditionally, governmental activities are funded by general revenue sources and not charges for direct services. Most of the funding for general services is provided by general taxes that are not assigned to a specific program.



The following chart displays the major sources of governmental activity revenue. Taxes account for 74.60% of revenue that funds governmental activity in the current period. These revenues account for the majority of the governmental services provided by the City.

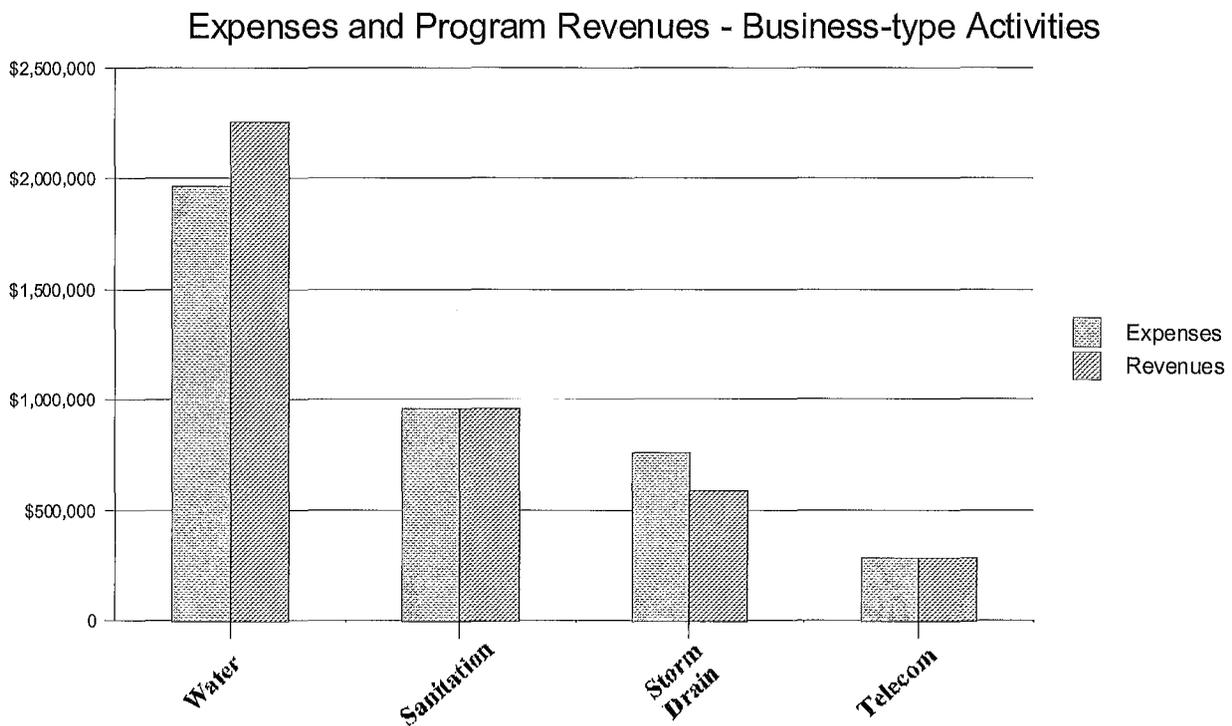
### Revenue by Source - Government Activities



Business-type activities

As noted in the table “Centerville City Changes in Net Position (Statement of Activities)” business-type activities increased net position of \$447,089, 3.25% from the prior year.

The following chart displays business-type activities compared to program expenses attributed to the activity. Unlike governmental activities, traditionally business-type activities are self-supporting, revenues are used and provide sufficient funding for the services they provide.



Business-type activities are generally funded by charges for services. 100% of the revenues for business-type activities comes from charges for services, no general taxes are used to provide Business-type services. During the current reporting period charges for services more than funded expenses by a net \$109,776. Individual funds cover expenses over revenues from reserves, with the exception of the Telecom Fund which received an operating transfer from the General Fund and is not treated as revenue.

## Financial Analysis of the Governments Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

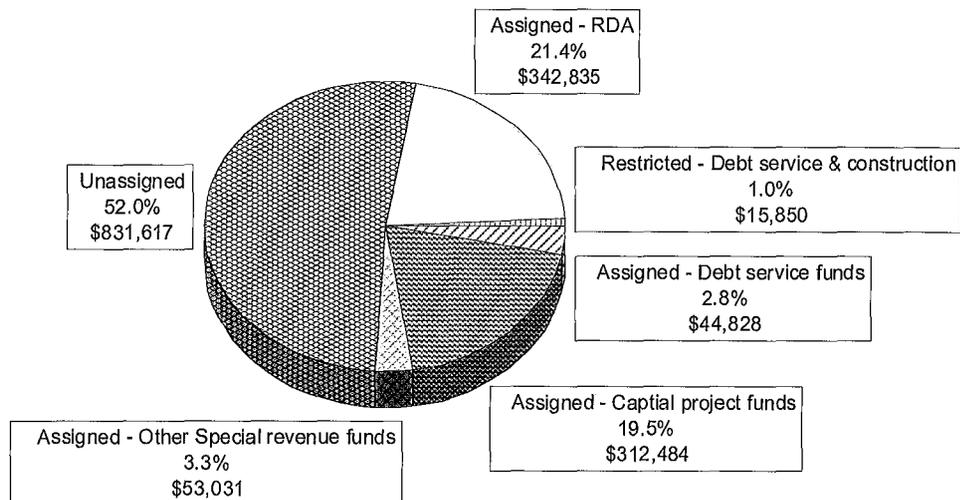
### Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance is a useful measure of the government's net resources available for spending at the end of the fiscal year.

At June 30, 2015, the City's governmental funds reported a combined ending fund balance of \$1,573,134 a decrease of \$612,779, or 28.03% from the prior period. The Unassigned balance, all in general fund, decreased by 36.85 %, a total dollar amount of \$485,398. Assigned fund balances, that are restricted for a specific purpose, decreased from \$842,150 to \$724,200 from the prior period, or 14.00 %. The change is the result of a heavy investment in an addition to a new park during the year. The increase in the balance(s) was primarily due to the increase in balances in the RDA and a balance in debt service. The Restricted Fund balances are not available for new spending as it has already been committed for a specific purpose or is unavailable for government operations, but are only \$17,317 at June 30, 2015.

The following chart depicts the governmental funds restricted, assigned and unassigned fund balances.

### Governmental Funds - Fund Balances



The general fund is the primary operating fund of the City. At June 30, 2015 unassigned fund balance of the general fund was \$831,617, a decrease of \$485,398, 36.86 %. The decrease was the result of increased spending, specifically for roads which included a \$315,400 transfer to the Capital Project fund (reported as UTOPIA) to fund road projects that were expected to be under contract. Revenues from franchise fees were also below budget (explained later in this report). In 2014 the Council increased the rate charged for power and gas to provide more funding to streets. Franchise fees have fallen short, even though expenditures increased the estimated \$160,000. The balance in the Capital Project Fund includes this transfer. The change was anticipated at year end. There also was no non-spendable balance, as the RDA note was retired this year which was a 20 year note. A comparison of the unassigned fund balance and the total fund balance to total fund expenditures is a measure of liquidity. Unassigned fund balance is equal to 11.22 % of total general fund revenues for the next fiscal year.

The Arts Center Debt service fund is considered as a major governmental fund. This fund has been established for the Davis Center for the Performing Arts sales tax revenue bonds. This fund has a \$15,850 fund balance. The debt service from this fund is funded by RAP taxes, contribution from Davis County tourism taxes and RDA increment. The balance is a nominal amount from RAP tax balances.

Other Governmental funds had a total decrease in fund balances of \$612,779, or 28.00%. This increase is primarily due to the change in balances in capital project funds, the Parks Capital improvement fund. There was major expenditures for a new park in this fund.

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Proprietary funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Water fund

Total net position equaled \$11,107,991 at June 30, 2015. Total net position increased by \$289,771, a 2.6% increase (after prior period adjustment). The increase was primarily from investment in capital assets and the reduction of restricted balances for construction and debt service.

Drainage Utility

Total net position at June 30, 2015 was \$3,065,530. Total net assets increased by \$138,457 resulting in a 4.7 0% change (after prior period adjustment), from investment in capital assets.

Sanitation

Total net position at June 30, 2015 was \$7,588. Total net assets decreased \$1,233 resulting in a 13.98% change.

Other proprietary

The other non-major proprietary fund Telecommunications, net position of \$18,235 an increase of \$20,094 indicating the previous period this fund had a negative net position, which was corrected this year.

### **General fund budgetary highlights**

During the fiscal year the general fund budget expenditures were amended from \$8,662,635 (including \$8,207,399 cash expenditures and \$455,236 transfers out) to \$9,140,180 which included \$8,254,015 cash expenditures and \$886,165 transfers out. This reflects total increase of \$477,545 or 5.5%. The primary reason for the amendments was for street project budget allocations, and some increased cost for engineering and development related expenditures.

Total revenues had a negative variance between final amended budgets to actual of 6.77%, for a total of \$557,152. Sales taxes, the largest source of revenue for the general fund was \$115,598 below budget. This was 3.19% less than budget. This demonstrates that minor percentage variance in sales taxes can impact revenues substantially. The amount of Franchise taxes collected was also less than budget. This type of revenue is subject to seasonal usage fluctuation. Taxes received from natural gas and power have also been slow to increase with growth as prices have declined, even though the rate levied on power and gas was increased from 5% to 6% in 2014. The taxes received from the tax on telecommunications has also declined over recent years. This is believed to be due to the competitive environment in this area. The total difference in budget and actual franchise tax revenue is \$192,751 a 14.49 % variance. Other revenue categories that had variances between the final amended budget - and actual - interest earnings significantly under budget due to decreased cash reserves and low earning rate, and the retirement of the note between the RDA and the City.

### **Capital Assets and Debt Administration**

Centerville City's investment in capital assets for governmental and business-type activities at June 30, 2015 was \$49,052,872 (net of depreciation). The investment in capital assets includes land, buildings, improvements other than buildings, infrastructure, machinery and equipment, autos and trucks, furniture and fixtures. The City's total investment in capital assets increased by \$961,414 or 1.97%. Governmental activities increased capital assets (net of depreciation) \$186,727 or .6 %, to \$31,632,427. Business type activities increased capital assets (net of depreciation) \$774,687 or 4.65% to \$17,420,445.

Major capital asset events during the current year were:

- 1) The City added \$224,250 in Land value in this period to Governmental activities which is a non-depreciable asset. These lands were associated with developer donated property for roads, etc. Also there is \$529,985 recorded as Construction in Progress, mostly street and parks improvements.
- 2) Infrastructure increased by \$265,000 attributable to street and park improvements. Street repairs such as overlays and sealing are not considered increases in assets, but operating expenditures. New streets or complete rebuilds of streets are treated as an increase in Infrastructure assets.
- 3) The City made significant investment in business type assets during the year. Expansion or replacement of the system are recorded as an increase in assets. The Investment of business type activities increased by the amount of \$774,687 (depreciated), 4.65%. Prior to depreciation,

investments in Water distribution systems increased by \$846,972 6.32%; Storm Drain Systems increased by \$293,192, 15.89 %.

**Centerville City Capital Assets**  
**(Net of depreciation)**

	Governmental Activities 2015	Governmental Activities 2014	Business-Type Activities 2015	Business-Type Activities 2014	Total 2015	Total 2014
Land	\$7,785,731	\$7,561,481	\$236,909	\$236,909	\$8,022,640	\$7,798,390
Buildings	\$15,012,209	\$15,465,066	\$2,638,379	\$2,709,041	\$17,650,588	\$18,174,107
Improvements other than buildings	\$0	\$3,803	\$48,617	\$48,617	\$48,617	\$52,420
Machinery & equipment	\$1,418,401	\$1,442,233	\$369,652	\$365,178	\$1,788,053	\$1,807,411
Distribution & collection systems	\$0	\$0	\$14,107,181	\$13,286,013	\$14,107,181	\$13,286,013
Autos & trucks	\$726,409	\$866,705	\$0	\$0	\$726,409	\$866,705
Infrastructure	\$6,159,692	\$6,035,107	\$0	\$0	\$6,159,692	\$6,035,107
Furniture & fixtures	\$0	\$71,305	\$0	\$0	\$0	\$71,305
Construction in Process	\$529,985	\$0	\$19,707	\$0	\$549,692	\$0
<b>Total</b>	<b>\$31,632,427</b>	<b>\$31,445,700</b>	<b>\$17,420,445</b>	<b>\$16,645,758</b>	<b>\$49,052,872</b>	<b>\$48,091,458</b>

Additional information on the City's capital assets is available in the Detailed Notes for All Funds to the financial statements (see notes to Financial Statements, Capital Assets).

*Long term debt*

On June 30, 2015, the long term outstanding bonds payable of the City was \$7,763,223. None of this amount is considered general obligation debt. This is a decrease from the prior period by \$1,841,207, 19.17 %. Governmental activities outstanding debt decreased by \$1,459,609, 25.43% and Business type activities decreased by \$381,598, 9.96%. All of the debt is considered revenue bonds (\$4,402,649 governmental activities and \$3,360,574 business-type activities). No additional debt was issued. For additional information on the City's long term debt, refer to the Detailed Notes for All Funds to the financial statements.

**Centerville City Outstanding Long Term Debt**

	Governmental Activities 2015	Governmental Activities 2014	Business-type Activities 2015	Business-type Activities 2014	Total 2015	Total 2014
Compensated Absences	\$525,897	\$465,296	\$89,309	\$88,521	\$615,206	\$553,817
Capital Lease	\$130,894	\$172,866	\$0	\$0	\$130,894	\$172,866
Revenue bonds	\$4,402,649	\$5,862,258	\$3,360,574	\$3,742,172	\$7,763,223	\$9,604,430
<b>Total</b>	<b>\$5,059,440</b>	<b>\$6,500,420</b>	<b>\$3,449,883</b>	<b>\$3,830,693</b>	<b>\$8,509,323</b>	<b>\$10,331,113</b>

Additional information on the City's long-term debt is available in the Detailed Notes for All Funds to the financial statements (see notes to Financial Statements, Changes in Long-Term Liabilities).

### *Economic Factors and Next Year's Budget and Rates*

1. At the time the budget was adopted for the fiscal year ending June 30, 2016, the Utah and local economy was continuing to stay strong. Unemployment continues to remain low at 3.5% within Davis County which is better than the State or national rate. Construction in the commercial sector within Centerville is strong and is expected to remain in the coming year. The national and state economy are expected to continue strong in 2015-2016, which is considered one of the strongest economies in the country. Housing construction has rebounded somewhat in the State and locally. Commercial construction has increased in recent months within the City and more anticipated with the construction of commercial development, particularly in Legacy Crossing at Parrish Lane and Barnard Creek development areas.
2. Sales taxes are the largest single source of revenue for governmental operations of the City. The City experienced an increase of 5.22%, total of \$173,933, in general sales tax revenue (general fund) from 2014. Revenue from retail sales are expected to continue with a moderate increases in, 2015-2016, again by 5-6%. New retail space enhanced the City's sales tax base. The City has completed a master plan of several hundred acres on its west side. Preliminary plans are contemplating light industrial and commercial offices. Continued development on the City's west side is expected, which will spur additional commercial development in this area. Additional retail and office space is continuing to develop in this area. The creation of two Community Development Areas on the west side of the City will assist in future development and revenue sources.
3. No tax increases are included in the fiscal year 2015-2016 budget. The only increase is a 5% increase in culinary water fees to keep up with increasing cost of operations.
4. Storm-water and sub-drain fees will more than double for the fiscal year 2015-2016. This is to address the aging storm-water system and expansion of needed facilities. Water rates will also increase by 5%, and a more intense study of capital and operating needs is anticipated to be completed this year.

### *Request for Information*

This financial report is designed to provide a general overview of Centerville City's activities for those with an interest in the City's operations and financial position. Questions concerning the information provided in this report or requests for additional financial information should be addressed to: Centerville City, Finance Director, 250 North Main Centerville, Utah 84014.

**CENTERVILLE CITY CORPORATION**  
**Statement of Net Position**  
**June 30, 2015**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 1,124,492	\$ 573,154	\$ 1,697,646
Receivables:			
Property and other taxes	1,958,678	-	1,958,678
Accounts	15,678	335,117	350,795
Prepays and other	-	45,537	45,537
Internal balances	783,488	(783,488)	-
Due from other governments	92,522	-	92,522
Restricted cash and cash equivalents	-	203,884	203,884
Net pension asset	587	51	638
Water stock and rights	-	48,617	48,617
Land	7,785,731	236,909	8,022,640
Buildings	18,627,847	3,424,196	22,052,043
Improvements other than buildings	-	984,857	984,857
Machinery and equipment	2,948,459	1,390,702	4,339,161
Distribution and collection systems	-	18,353,136	18,353,136
Autos and trucks	2,450,023	-	2,450,023
Infrastructure	7,208,289	-	7,208,289
Construction in progress	529,985	19,707	549,692
Accumulated depreciation	(7,917,907)	(7,037,679)	(14,955,586)
<b>Total assets</b>	<b>35,607,872</b>	<b>17,794,700</b>	<b>53,402,572</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred loss on refunding	-	19,914	19,914
Deferred outflows related to pensions	336,348	29,248	365,596
<b>Total deferred outflows of resources</b>	<b>336,348</b>	<b>49,162</b>	<b>385,510</b>
<b><u>LIABILITIES</u></b>			
Accounts payable	734,776	-	734,776
Accrued interest payable	25,758	31,721	57,479
Accrued liabilities	170,038	1,187	171,225
Unearned revenue	1,446	-	1,446
Deposits and bonds held	413,498	7,753	421,251
Non-current liabilities:			
Due within one year	1,831,147	441,825	2,272,972
Due in more than one year	3,228,293	3,008,058	6,236,351
Net pension liability	1,503,152	130,709	1,633,861
<b>Total liabilities</b>	<b>7,908,108</b>	<b>3,621,253</b>	<b>11,529,361</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred property tax revenue	1,081,966	-	1,081,966
Deferred inflows related to pensions	267,553	23,265	290,818
<b>Total deferred inflows of resources</b>	<b>1,349,519</b>	<b>23,265</b>	<b>1,372,784</b>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	27,336,533	14,042,619	41,379,152
Restricted for			
Debt service and construction	17,317	203,884	221,201
Unrestricted	(667,257)	(47,159)	(714,416)
<b>Total net position</b>	<b>\$ 26,686,593</b>	<b>\$ 14,199,344</b>	<b>\$ 40,885,937</b>

The accompanying notes are an integral part of this financial statement.

**CENTERVILLE CITY CORPORATION**  
**Statement of Activities**  
**For the Year Ended June 30, 2015**

	Program Revenues			Net (Expense) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b><u>GOVERNMENTAL ACTIVITIES</u></b>							
General government	\$ 2,149,191	\$ 1,623,948	\$ -	\$ -	\$ (525,243)		\$ (525,243)
Public safety	3,312,647	-	-	-	(3,312,647)		(3,312,647)
Streets and public works	1,929,230	5,085	-	489,250	(1,434,895)		(1,434,895)
Parks and recreation	1,707,103	121,278	-	-	(1,585,825)		(1,585,825)
Community development	618,065	241,315	-	2,383,626	2,006,876		2,006,876
Interest on long-term debt	213,694	-	-	-	(213,694)		(213,694)
Total governmental activities	9,929,930	1,991,626	-	2,872,876	(5,065,428)		(5,065,428)
<b><u>BUSINESS-TYPE ACTIVITIES</u></b>							
Water	1,965,022	2,251,667	-	-		\$ 286,645	286,645
Sanitation	956,890	955,657	-	-		(1,233)	(1,233)
Storm drain	760,994	586,157	-	311,841		137,004	137,004
Telecom	283,566	282,767	-	-		(799)	(799)
Total business-type activities	3,966,472	4,076,248	-	311,841		421,617	421,617
<b><u>GENERAL REVENUES AND TRANSFERS</u></b>							
General Revenues:							
Taxes:							
Property taxes					1,520,060	-	1,520,060
Franchise taxes					1,132,319	-	1,132,319
General sales taxes and highway sales taxes					3,509,401	-	3,509,401
Interest income					10,017	4,632	14,649
Miscellaneous					88,375	-	88,375
Transfers, net					(20,840)	20,840	-
Total general revenues and transfers					6,239,332	25,472	6,264,804
Change in net position					1,173,904	447,089	1,620,993
Net position - beginning (restated)					25,512,689	13,752,255	39,264,944
Net position - ending					\$ 26,686,593	\$ 14,199,344	\$ 40,885,937

The accompanying notes are an integral part of this financial statement.

**CENTERVILLE CITY CORPORATION**  
**Balance Sheet – Governmental Funds**  
**June 30, 2015**

	General	Special Revenue Redevelopment Agency	Debt Service Arts Center	Other Governmental	Totals Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 233,966	\$ 277,694	\$ -	\$ 612,832	\$ 1,124,492
Receivables:					
Sales, property and franchise taxes	1,702,808	190,281	65,589	-	1,958,678
Accounts	15,678	-	-	-	15,678
Class C road funds	92,522	-	-	-	92,522
Due from other funds	1,063,227	-	-	-	1,063,227
Total assets	<u>\$ 3,108,201</u>	<u>\$ 467,975</u>	<u>\$ 65,589</u>	<u>\$ 612,832</u>	<u>\$ 4,254,597</u>
<b>LIABILITIES</b>					
Liabilities:					
Accounts payable	\$ 734,776	\$ -	\$ -	\$ -	\$ 734,776
Accrued liabilities	170,038	-	-	-	170,038
Unearned revenue	1,446	-	-	-	1,446
Due to other funds	-	-	49,739	230,000	279,739
Deposits/bonds held	413,498	-	-	-	413,498
Total liabilities	<u>1,319,758</u>	<u>-</u>	<u>49,739</u>	<u>230,000</u>	<u>1,599,497</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property tax revenue	956,826	125,140	-	-	1,081,966
Total deferred inflows of resources	<u>956,826</u>	<u>125,140</u>	<u>-</u>	<u>-</u>	<u>1,081,966</u>
<b>FUND BALANCES</b>					
Restricted for:					
Debt service and construction	-	-	-	17,317	17,317
Total restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,317</u>	<u>17,317</u>
Assigned to:					
Special revenue funds	-	342,835	-	53,031	395,866
Debt service funds	-	-	15,850	-	15,850
Capital projects funds	-	-	-	312,484	312,484
Total assigned	<u>-</u>	<u>342,835</u>	<u>15,850</u>	<u>365,515</u>	<u>724,200</u>
Unassigned	831,617	-	-	-	831,617
Total fund balances	<u>831,617</u>	<u>342,835</u>	<u>15,850</u>	<u>382,832</u>	<u>1,573,134</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,108,201</u>	<u>\$ 467,975</u>	<u>\$ 65,589</u>	<u>\$ 612,832</u>	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					31,632,427
Other items, including net pension assets, are not available to pay for current period expenditures and, therefore, are either deferred or not applicable to funds					336,935
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.					(5,085,198)
Other items, including net pension liabilities, are not due and payable in the current period and, therefore, are either deferred or not reported in the funds					(1,770,705)
Net position of governmental activities					<u>\$ 26,686,593</u>

The accompanying notes are an integral part of this financial statement.

**CENTERVILLE CITY CORPORATION**  
**Statement of Revenues, Expenditures, and Change in Fund Balances – Governmental Funds**  
**For the Year Ended June 30, 2015**

	General	Special Revenue Redevelopment Agency	Debt Service Arts Center	Other Governmental	Total Governmental Funds
<u>REVENUES</u>					
Taxes	\$ 5,713,121	\$ 100,722	\$ 347,937	\$ -	\$ 6,161,780
Special assessments	-	-	-	5,085	5,085
Licenses and permits	241,315	-	-	-	241,315
Intergovernmental	649,948	1,143,241	590,437	-	2,383,626
Charges for services	203,376	-	-	188,782	392,158
Fines and forfeitures	493,568	-	-	-	493,568
Charges for services - other funds	859,500	-	-	-	859,500
Interest	7,301	-	2,114	602	10,017
Miscellaneous	60,025	44,500	-	23,129	127,654
Total revenues	<u>8,228,154</u>	<u>1,288,463</u>	<u>940,488</u>	<u>217,598</u>	<u>10,674,703</u>
<u>EXPENDITURES</u>					
Current operating:					
General government	1,405,409	136,558	2,500	-	1,544,467
Public safety	3,394,303	-	-	-	3,394,303
Streets and public works	1,774,789	-	-	-	1,774,789
Community development	355,398	240,202	-	-	595,600
Parks and recreation	1,059,677	-	-	702,720	1,762,397
Capital outlay	-	-	-	39,132	39,132
Debt service:					
Principal retirement	41,972	-	1,420,000	-	1,461,972
Interest and fiscal charges	19,790	424	201,388	-	221,602
UTOPIA pledge payments	-	-	-	445,718	445,718
Total expenditures	<u>8,051,338</u>	<u>377,184</u>	<u>1,623,888</u>	<u>1,187,570</u>	<u>11,239,980</u>
Excess (deficiency) of revenues over expenditures	<u>176,816</u>	<u>911,279</u>	<u>(683,400)</u>	<u>(969,972)</u>	<u>(565,277)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	7,500	-	654,422	804,276	1,466,198
Sale of capital assets	6,148	-	-	-	6,148
Transfers out	(682,926)	(829,422)	-	(7,500)	(1,519,848)
Total other financing sources (uses)	<u>(669,278)</u>	<u>(829,422)</u>	<u>654,422</u>	<u>796,776</u>	<u>(47,502)</u>
Net change in fund balance	(492,462)	81,857	(28,978)	(173,196)	(612,779)
Fund balance - beginning of year	1,324,079	260,978	44,828	556,028	2,185,913
Fund balance - end of year	<u>\$ 831,617</u>	<u>\$ 342,835</u>	<u>\$ 15,850</u>	<u>\$ 382,832</u>	<u>\$ 1,573,134</u>

The accompanying notes are an integral part of this financial statement.

**CENTERVILLE CITY CORPORATION**  
**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, 2015**

Amounts reported for governmental activities in the statement of activities (page 27) are different because:

Net change in fund balances - total governmental funds (page 29)	\$ (612,779)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays and capital contributions exceeded depreciation in the current period.	206,945
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,409,609
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>170,129</u>
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Change in net position of governmental activities (page 27)	<u><u>\$ 1,173,904</u></u>
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The accompanying notes are an integral part of this financial statement.

**CENTERVILLE CITY CORPORATION**  
**Statement of Revenues, Expenditures, and Change in Fund Balances –**  
**Budget to Actual – General Fund**  
**For the Year Ended June 30, 2015**

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
<u>REVENUES</u>				
Taxes	\$ 6,091,835	\$ 6,220,846	\$ 5,713,121	\$ (507,725)
Licenses and permits	356,350	356,350	241,315	(115,035)
Intergovernmental	517,825	587,985	649,948	61,963
Charges for services	136,675	161,675	203,376	41,701
Fines and forfeitures	492,000	492,000	493,568	1,568
Charges for services - other funds	779,500	779,500	859,500	80,000
Interest	133,500	133,500	7,301	(126,199)
Miscellaneous	51,750	53,450	60,025	6,575
Total revenues	8,559,435	8,785,306	8,228,154	(557,152)
<u>EXPENDITURES</u>				
Current operating:				
General government:				
Administration	404,113	417,747	426,464	(8,717)
Municipal council	163,457	92,317	80,762	11,555
Finance	515,478	532,594	518,815	13,779
Legal	401,133	410,109	379,368	30,741
Total general government	1,484,181	1,452,767	1,405,409	47,358
Fire	822,340	822,340	821,730	610
Public safety	2,483,337	2,600,364	2,572,573	27,791
Streets and public works	1,908,781	1,813,880	1,774,789	39,091
Community development	414,273	386,928	355,398	31,530
Parks and recreation	1,094,487	1,131,736	1,059,677	72,059
Debt Service:				
Interest and fiscal charges	-	46,000	61,762	(15,762)
Total expenditures	8,207,399	8,254,015	8,051,338	202,677
Excess (deficiency) of revenues over expenditures	352,036	531,291	176,816	(354,475)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	7,500	7,500
Transfers out	(455,236)	(886,165)	(682,926)	203,239
Sale of capital assets	20,000	20,000	6,148	(13,852)
Total other financing sources (uses)	(435,236)	(866,165)	(669,278)	196,887
Net change in fund balance	(83,200)	(334,874)	(492,462)	(157,588)
Fund balance - beginning of year	1,324,079	1,324,079	1,324,079	-
Fund balance - end of year	\$ 1,240,879	\$ 989,205	\$ 831,617	\$ (157,588)

The accompanying notes are an integral part of this financial statement.

**CENTERVILLE CITY CORPORATION**  
**Statement of Revenues, Expenditures, and Change in Fund Balances –**  
**Budget to Actual – Redevelopment Agency Special Revenue Fund**  
**For the Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
<b><u>REVENUES</u></b>				
Taxes	\$ 1,775,000	\$ 1,775,000	\$ 100,722	\$ (1,674,278)
Intergovernmental	-	-	1,143,241	1,143,241
Miscellaneous	72,000	72,000	44,500	(27,500)
 Total revenues	 <u>1,847,000</u>	 <u>1,847,000</u>	 <u>1,288,463</u>	 <u>(558,537)</u>
<b><u>EXPENDITURES</u></b>				
Current operating:				
General government	225,100	225,100	136,558	88,542
Community development	657,941	657,941	240,202	417,739
Debt service:				
Interest and fiscal charges	125,000	125,000	424	124,576
 Total expenditures	 <u>1,008,041</u>	 <u>1,008,041</u>	 <u>377,184</u>	 <u>630,857</u>
 Excess (deficiency) of revenues over expenditures	 <u>838,959</u>	 <u>838,959</u>	 <u>911,279</u>	 <u>72,320</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	(838,959)	(838,959)	(829,422)	9,537
 Total other financing sources (uses)	 <u>(838,959)</u>	 <u>(838,959)</u>	 <u>(829,422)</u>	 <u>9,537</u>
 Net change in fund balance	 -	 -	 81,857	 81,857
Fund balance - beginning of year	260,978	260,978	260,978	-
Fund balance - end of year	<u>\$ 260,978</u>	<u>\$ 260,978</u>	<u>\$ 342,835</u>	<u>\$ 81,857</u>

The accompanying notes are an integral part of this financial statement.

**CENTERVILLE CITY CORPORATION**  
**Statement of Net Position – Proprietary Funds**  
**June 30, 2015**

	Water Fund	Drainage Utility Fund	Sanitation Fund	Non-major Telecom Fund	Total Proprietary Funds
<b><u>ASSETS</u></b>					
Current assets:					
Cash and cash equivalents	\$ 57,043	\$ 516,111	\$ -	\$ -	\$ 573,154
Receivables:					
Accounts receivable, net	138,800	58,278	83,415	24,469	304,962
Unbilled receivables	30,155	-	-	-	30,155
Prepaid and other	45,537	-	-	-	45,537
Due from other funds	158,474	-	-	-	158,474
Total current assets	<u>430,009</u>	<u>574,389</u>	<u>83,415</u>	<u>24,469</u>	<u>1,112,282</u>
Noncurrent assets:					
Other assets:					
Restricted cash	203,884	-	-	-	203,884
Net pension asset	45	6	-	-	51
Total other assets	<u>203,929</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>203,935</u>
Property, plant and equipment					
Water stock and rights	48,617	-	-	-	48,617
Land	236,909	-	-	-	236,909
Reservoirs	984,857	-	-	-	984,857
Water distribution system	14,240,220	-	-	-	14,240,220
Buildings and wells	3,424,196	-	-	-	3,424,196
Machinery and equipment	632,434	152,338	605,930	-	1,390,702
Sub-drain system	-	1,975,244	-	-	1,975,244
Storm drain system	-	2,137,672	-	-	2,137,672
Accumulated depreciation	(5,808,718)	(732,211)	(496,750)	-	(7,037,679)
Net property, plant and equipment	<u>13,769,745</u>	<u>3,541,520</u>	<u>109,180</u>	<u>-</u>	<u>17,420,445</u>
Total noncurrent assets	<u>13,973,674</u>	<u>3,541,526</u>	<u>109,180</u>	<u>-</u>	<u>17,624,380</u>
Total Assets	<u>14,403,683</u>	<u>4,115,915</u>	<u>192,595</u>	<u>24,469</u>	<u>18,736,662</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>					
Deferred loss on refunding	17,252	2,662	-	-	19,914
Deferred outflows related to pensions	25,592	3,656	-	-	29,248
Total deferred outflows of resources	<u>42,844</u>	<u>6,318</u>	<u>-</u>	<u>-</u>	<u>49,162</u>
<b><u>LIABILITIES</u></b>					
Current liabilities:					
Accounts payable	-	-	-	-	-
Accrued interest payable	24,508	7,213	-	-	31,721
Compensated absences	20,227	-	-	-	20,227
Due to other funds	600,000	158,474	177,254	6,234	941,962
Bonds payable - current	346,598	75,000	-	-	421,598
Security deposits	-	-	7,753	-	7,753
Due to subdividers	1,187	-	-	-	1,187
Total current liabilities	<u>992,520</u>	<u>240,687</u>	<u>185,007</u>	<u>6,234</u>	<u>1,424,448</u>
Long-term liabilities:					
Bonds payable	2,142,207	796,769	-	-	2,938,976
Compensated absences	69,082	-	-	-	69,082
Net pension liability	114,370	16,339	-	-	130,709
Total long-term liabilities	<u>2,325,659</u>	<u>813,108</u>	<u>-</u>	<u>-</u>	<u>3,138,767</u>
Total Liabilities	<u>3,318,179</u>	<u>1,053,795</u>	<u>185,007</u>	<u>6,234</u>	<u>4,563,215</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>					
Deferred inflows related to pensions	20,357	2,908	-	-	23,265
Total deferred inflows of resources	<u>20,357</u>	<u>2,908</u>	<u>-</u>	<u>-</u>	<u>23,265</u>
<b><u>NET POSITION</u></b>					
Net investment in capital assets	11,263,688	2,669,751	109,180	-	14,042,619
Restricted for debt service and development	203,884	-	-	-	203,884
Unrestricted	(359,581)	395,779	(101,592)	18,235	(47,159)
Total Net Position	<u>\$ 11,107,991</u>	<u>\$ 3,065,530</u>	<u>\$ 7,588</u>	<u>\$ 18,235</u>	<u>\$ 14,199,344</u>

The accompanying notes are an integral part of this financial statement.

**CENTERVILLE CITY CORPORATION**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds**  
**For the Year Ended June 30, 2015**

	Water Fund	Drainage Utility Fund	Sanitation Fund	Non-major Telecom Fund	Total Proprietary Funds
<u>OPERATING REVENUES</u>					
Charges for services	\$ 1,898,387	\$ 586,157	\$ 953,977	\$ 282,767	\$ 3,721,288
Connection and servicing	42,609	-	1,540	-	44,149
Miscellaneous	8,825	-	140	-	8,965
Total operating revenues	<u>1,949,821</u>	<u>586,157</u>	<u>955,657</u>	<u>282,767</u>	<u>3,774,402</u>
<u>OPERATING EXPENSES</u>					
Salaries and wages	288,482	50,823	-	-	339,305
Employee benefits	129,254	27,767	-	-	157,021
Water purchases	77,397	-	-	-	77,397
Utility costs	108,054	2,851	-	-	110,905
Maintenance and supplies	334,195	288,884	172,962	-	796,041
Tipping fees and contractual services	-	4,142	669,138	-	673,280
Professional and technical services	42,735	39,299	4,094	267,066	353,194
Administration and overhead	522,785	246,405	86,782	16,500	872,472
Depreciation	388,150	81,618	23,914	-	493,682
Total operating expenses	<u>1,891,052</u>	<u>741,789</u>	<u>956,890</u>	<u>283,566</u>	<u>3,873,297</u>
Operating income (loss)	<u>58,769</u>	<u>(155,632)</u>	<u>(1,233)</u>	<u>(799)</u>	<u>(98,895)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>					
Development and construction fees	301,846	-	-	-	301,846
Interest revenue	3,126	1,453	-	53	4,632
Interest expense	(73,970)	(19,205)	-	-	(93,175)
Total non-operating revenues (expenses)	<u>231,002</u>	<u>(17,752)</u>	<u>-</u>	<u>53</u>	<u>213,303</u>
Income before contributions and transfers	289,771	(173,384)	(1,233)	(746)	114,408
Transfers in	-	-	-	20,840	20,840
Developer contributions	-	311,841	-	-	311,841
Change in net position	289,771	138,457	(1,233)	20,094	447,089
Total net position, beginning of year (restated)	<u>10,818,220</u>	<u>2,927,073</u>	<u>8,821</u>	<u>(1,859)</u>	<u>13,752,255</u>
Total net position, end of year	<u>\$ 11,107,991</u>	<u>\$ 3,065,530</u>	<u>\$ 7,588</u>	<u>\$ 18,235</u>	<u>\$ 14,199,344</u>

The accompanying notes are an integral part of this financial statement.

**CENTERVILLE CITY CORPORATION**  
**Statement of Cash Flows – Proprietary Funds**  
**June 30, 2015**

	Water Fund	Drainage Utility Fund	Sanitation Fund	Non-major Telecom Fund	Total Proprietary
<u>Cash flows from operating activities</u>					
Cash received from customers (including cash deposits)	\$ 1,952,604	\$ 585,081	\$ 955,299	\$ 284,171	\$ 3,777,155
Cash paid to suppliers	(1,085,166)	(594,740)	(932,976)	(283,566)	(2,896,448)
Cash paid to employees	(431,432)	(80,658)	-	-	(512,090)
Net cash provided (used) by operating activities	436,006	(90,317)	22,323	605	368,617
<u>Cash flows from non-capital financing activities</u>					
Transfers from other funds	-	-	-	20,840	20,840
Increase (decrease) in amounts due to other funds	(1,464,823)	-	2,277	(7,712)	(1,470,258)
Net cash provided (used) by non-capital financing activities	(1,464,823)	-	2,277	13,128	(1,449,418)
<u>Cash flow from capital and related financing activities</u>					
Bond payments - principal	(320,000)	(45,000)	-	-	(365,000)
Bond payments - interest	(84,725)	(26,023)	-	-	(110,748)
Purchase of capital assets	(907,100)	(161,669)	(24,600)	-	(1,093,369)
Impact fees	301,846	-	-	-	301,846
Net cash provided (used) by capital and related financing activities	(1,009,979)	(232,692)	(24,600)	-	(1,267,271)
<u>Cash flow from investing activities</u>					
Interest earned on investments	3,126	1,453	-	53	4,632
Net cash provided by investing activities	3,126	1,453	-	53	4,632
Net increase (decrease) in cash and cash equivalents	(2,035,670)	(321,556)	-	13,786	(2,343,440)
Cash and cash equivalents at beginning of year	2,296,597	837,667	-	-	3,134,264
Cash and cash equivalents at end of year	\$ 260,927	\$ 516,111	\$ -	\$ 13,786	\$ 790,824
<u>Reconciliation of operating income to net cash provided by operating activities</u>					
Operating income (loss)	\$ 58,769	\$ (155,632)	\$ (1,233)	\$ (799)	\$ (98,895)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation expense	388,150	81,618	23,914	-	493,682
Decrease (increase) in accounts receivable	3,906	(1,076)	(358)	1,404	3,876
Decrease (increase) in prepaid expenses	(1,123)	-	-	-	(1,123)
Decrease (increase) in net pension asset	(45)	(6)	-	-	(51)
Decrease (increase) in deferred outflows	(5,240)	(749)	-	-	(5,989)
Increase (decrease) in accounts payable and accrued liabilities	-	(13,159)	-	-	(13,159)
Increase (decrease) in compensated absences	788	-	-	-	788
Increase (decrease) in net pension liability	(29,556)	(4,221)	-	-	(33,777)
Increase (decrease) in deferred inflows	20,357	2,908	-	-	23,265
Total adjustments	377,237	65,315	23,556	1,404	467,512
Net cash provided (used) by operating activities	\$ 436,006	\$ (90,317)	\$ 22,323	\$ 605	\$ 368,617
Capital and related financing activities not affecting cash:					
Developer contribution of capital assets	\$ -	\$ 175,000	\$ -	\$ -	\$ 175,000

The accompanying notes are an integral part of this financial statement.

**CENTERVILLE CITY CORPORATION**  
**Statement of Net Position – Fiduciary Fund**  
**June 30, 2015**

	<b>Whitaker Trust Fund Total</b>
<u>ASSETS</u>	
Cash and cash equivalents	<u>\$ 34,739</u>
Total assets	<u>34,739</u>
<u>NET POSITION</u>	
Unrestricted	<u>34,739</u>
Total net position	<u><u>\$ 34,739</u></u>

The accompanying notes are an integral part of this financial statement.

**CENTERVILLE CITY CORPORATION**  
**Statement of Changes in Net Position – Fiduciary Fund**  
**For the Year Ended June 30, 2015**

	<u>Whitaker Trust</u> <u>Fund Total</u>
<u>ADDITIONS</u>	
Miscellaneous:	
Interest income	\$ 83
Donations	1,790
Rental income	4,556
Transfer in	<u>32,810</u>
Total additions	<u>39,239</u>
 <u>DEDUCTIONS</u>	
Administrative	<u>29,065</u>
Total deductions	<u>29,065</u>
Change in net position	10,174
Net position - beginning	<u>24,565</u>
Net position - ending	<u><u>\$ 34,739</u></u>

The accompanying notes are an integral part of this financial statement.

**CENTERVILLE CITY CORPORATION**  
**Notes to the Financial Statements**  
**June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The basic financial statements of Centerville City Corporation (the City) have been prepared in conformity with accounting principles (GAAP) generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The City of Centerville was incorporated in 1915. The City operates under a Mayor/ Council form of government. As required by GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). The component units discussed below are included as part of the City's reporting entity as blended component units.

The Centerville City Redevelopment Agency (RDA) was established to prepare and carry out plans to improve, rehabilitate and redevelop blighted areas within the City. The RDA is governed by a board of trustees composed of the City Mayor and members of the City Council. Although it is a legally separate entity from the City, the RDA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the RDA. The RDA is included in these financial statements as the Redevelopment Agency Special Revenue Fund. Separate financial statements are not issued for the RDA.

The Centerville City Municipal Building Authority (MBA) was established to finance and construct municipal buildings that are then leased to the City. The MBA is governed by a five-member board of trustees composed of the City Council. Although it is a legally separate entity from the City, the MBA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the MBA. The MBA is included in these financial statements as the Municipal Building Authority Special Revenue Fund. Separate financial statements are not issued for the MBA.

**CENTERVILLE CITY CORPORATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City and its component units. For the most part, the effect of interfund 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 demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those which are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges 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.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, 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 statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

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. 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.

**CENTERVILLE CITY CORPORATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Sales taxes, use taxes, franchise taxes, and earned but unreimbursed state and federal grants 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. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due, or past due, and received within the current period or collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when cash is received by the City.

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 for those required to be accounted for in another fund.
- The RDA Special Revenue Fund accounts for redevelopment activities of the City. This fund accounts for property tax increment revenues from redevelopment areas within the city which will be used to revitalize and upgrade these areas within qualifying developments.
- The Arts Center Debt Service Fund accounts for the debt service for the bonds relating to the South Davis Performing Arts Center.

The City reports the following major proprietary funds:

- The Water Fund accounts for the activities of the City's water production, treatment and distribution operations.
- The Drainage Utility Fund accounts for storm drain collection activities in the City.
- The Sanitation Fund accounts for garbage and recycling collection activities in the City.

Additionally, the City reports a fiduciary fund to account for the activities of a pioneer home museum.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the General Fund by various enterprise funds for the providing of administrative and billing services for such funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds includes the cost of sales and services. Operating expenses for enterprise funds includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**CENTERVILLE CITY CORPORATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position or Equity

Cash, Deposits and Investments Cash includes cash on hand, demand deposits with banks and other financial institutions, and deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts. City policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the Utah Public Treasurer's Investment Fund and other investments allowed by the State of Utah's Money Management Act. Investments are reported at fair value. The State Treasurer's Investment Fund operates in accordance with state laws and regulations. The reported value of the Fund is the same as the fair value of the Fund shares.

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with maturities of three months or less when purchased meet this definition.

Receivables and Payables Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to or due from other funds". In the Water, Sanitation, and Drainage Utility funds, the City records utility revenues billed to customers when meters are read on a monthly basis. Unbilled service accounts receivable at June 30, 2015 were estimated based on July billings and are included in the operating revenues and accounts receivable at year-end.

Inventories and Prepaid Items Inventories of materials and supplies in the proprietary funds, consisting principally of materials used in the repair of the transmission, distribution, collection and treatment systems, are valued at cost and accounted for on a first-in, first-out basis (FIFO). Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

As permitted by GASB Statement No. 34, the City has not retroactively recorded infrastructure assets.

**CENTERVILLE CITY CORPORATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position or Equity (Continued)

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	10 to 50 years
Infrastructure	20 to 50 years
Machinery and equipment	5 to 7 years
Furniture and fixtures	5 to 10 years
Reservoirs and wells	10 to 50 years

Compensated Absences For governmental funds amounts of vested or accumulated vacation leave and comp time that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net assets and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. Vested or accumulated vacation leave and comp time of proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements. Vacation, all-purpose, and long-term sick amounts are charged to expenditures when incurred. Employees accumulate vacation leave with a maximum accumulation of 240 hours. Any hours in excess of 240 at the end of the year are forfeited. Employees accumulate all-purpose leave hours without limitation. Any hours in excess of 300 are cashed out to the employee on the first payroll of the next fiscal year. Employees accumulate long-term sick hours with no limitations. Employees are paid out hours that are remaining in vacation and all-purpose leave at their current rate of pay. Long-term sick hours are cashed out only upon retirement or 20 years of continuous full-time employment. The cash-out rate is one-fourth of the accrued hours.

Long-Term Obligations In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums, discounts, and issuance costs are deferred and amortized over the life of the applicable debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Restricted Assets Restricted assets are comprised of cash restricted for future payments of principal and interest on debt service as well as unexpended portions of bonds issued for capital construction purposes.

**CENTERVILLE CITY CORPORATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position or Equity  
(Continued)

Fund Equity GASB Statement No. 54 provided reporting categories for fund balance in governmental funds. The categories and descriptions are as follows:

Nonspendable Fund Balance – Prepaid expenditures and other similar assets not in a spendable form or that are contractually required to be maintained intact are classified as nonspendable fund balance.

Restricted Fund Balance – Assets that are constrained by externally imposed restrictions, or by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Amounts formally designated by City Council through ordinance or resolution for a specific purpose that cannot be used for another purpose unless the City Council formally changes the use.

Assigned Fund Balance – Amounts constrained by City Council or City Management for a specific purpose normally through the appropriations process in establishing and amending budgets. Furthermore, funds in special revenue, capital project, and permanent funds are by their nature assigned to the purpose for which the resources are collected.

Unassigned Fund Balance – Amounts that may be used for any governmental purpose. The general fund is the only fund that reports a positive unassigned fund balance amount.

When an expenditure qualifies to be used from more than one fund balance classification identified above, it is the City's policy to use resources in the following order: restricted, committed, assigned, and then unassigned.

The City has not adopted a formal policy on minimum fund balance. However, state statute requires the City to maintain a minimum fund balance in the general fund of at least 5% of total revenues.

Deferred Inflows and Outflows of Resources Deferred inflows and outflows of resources represent acquisitions or consumptions of net position that applies to a future period, and are therefore deferred until that time. Governmental funds report revenue that is unavailable as deferred inflows of resources, such as from property taxes and special assessments. These amounts are deferred and recognized as revenue in the period that the amounts become available. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and the reacquisition price.

Pensions For purposes of measuring 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.

**CENTERVILLE CITY CORPORATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

**Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets**

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net assets of governmental activities as reported in the government-wide statement of net assets. This difference primarily results from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets.

Capital related items:

When capital assets (property, plant and equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the City as a whole.

Cost of capital assets	\$ 39,550,334
Accumulated depreciation	<u>(7,917,907)</u>
Total difference	<u><u>\$ 31,632,427</u></u>

Long-term debt transactions:

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the fund financials. All liabilities (both current and long-term) are reported in the statement of net assets. Balances at June 30, 2015 were:

Sales tax revenue bonds	\$ 4,165,000
Bond issuance premium	237,649
Lease payable	130,894
Interest payable on long-term debt	25,758
Compensated absences	<u>525,897</u>
Total difference	<u><u>\$ 5,085,198</u></u>

**CENTERVILLE CITY CORPORATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

**Explanation of Certain Differences Between Governmental Fund Operating Statements and the Statement of Net Activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. The first element of this reconciliation states that capital outlays are reported in the governmental funds as expenditures while the government-wide statement of activities allocates these costs over the useful lives of the assets as depreciation. While shown in the reconciliation as the net difference, the elements of this difference are as follow:

Capital outlay	\$ 664,956
Developer contributions	489,250
Depreciation expense	<u>(947,261)</u>
Net difference, as reported	<u>\$ 206,945</u>

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Prior to May 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the proposed sources of revenues.

Between May 1 and June 22, the City Council reviews and adjusts the proposed budget. On or before June 22, a public hearing is held and the budget is legally adopted through passage of a resolution.

After the budget is adopted, the City Manager may transfer any unencumbered or unexpended appropriation amount from one expenditure account to another within a department. The City Council may, by resolution, transfer any unencumbered or unexpended appropriation amount from one department in a fund to another department within the same fund.

When the City Council determines that an emergency exists, such as widespread damage from fire, flood, or earthquake the City Council may increase the budget of the General Fund by resolution or a public hearing.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. In the General Fund, budgets are adopted at the functional level and budgetary control is exercised at the departmental level. For Special Revenue Funds, budgets are adopted and control is exercised at the level of total expenditures for each individual fund.

Annual budgets for the General Fund, all Special Revenue Funds, all Debt Service Funds, and all Capital Projects Funds were legally adopted by the City and are prepared on the modified-accrual method of accounting.

**CENTERVILLE CITY CORPORATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Encumbrances (commitments related to unperformed purchase orders or contracts for goods or services) are used only as an internal management control device during the year. The City does not have any encumbrances outstanding at year end since appropriations lapse at year end. However, encumbered amounts are generally re-appropriated and honored as part of the following year's budget.

Although Utah State law requires the initial preparation of budgets for all City funds (both governmental and proprietary), it only requires the reporting of actual versus such budgets for governmental funds.

State law requires that departments or funds do not exceed the amounts appropriated in the final adopted budget. The Capital Projects Park Improvement Fund and the Recreation Fund had expenditures in excess of budget of \$68,476 and \$1,029, respectively.

Tax Revenues

Property taxes are collected by the Davis County Treasurer and remitted to the City in two to three installments in November, December, and January of each fiscal year and a final settlement by March 31st. Taxes are levied and are due and payable on November 1st and delinquent after November 30th of each year at which time they become liens if not paid. An accrual of delinquent current and prior year's property taxes beyond that which was received within 60 days after fiscal year end has not been made, as the amounts are not deemed to be material. An accrual for current year property taxes estimated to be collected the following November and December is made each year.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly. An accrual has been made for all taxes received by the State for the period ended June 30th and thus due and payable to the City.

Franchise taxes are charged to various utility companies doing business with the City including telephone, cable television, gas utility, and electric utility companies. The fees are remitted on a monthly, quarterly, semi-annual, or annual basis. An accrual has not been made for fees due and payable to the City at June 30th as the amounts are not deemed to be material.

4. DETAILED NOTES FOR ALL FUNDS

Cash and Investments

Deposits and investments for the City are governed by the Utah Money Management Act (Utah Code Annotated, Title 51, Chapter 7, "the Act") and by rules of the Utah Money Management Council ("the Council"). Following are discussions of the City's exposure to various risks related to its cash management activities.

**CENTERVILLE CITY CORPORATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be recovered. The City's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the City to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Council. At times during the year, the City's bank balances may have exceeded insurable limits.

Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The City's policy for limiting the credit risk of investments is to comply with the Money Management Act.

The City is authorized to invest in the Utah Public Treasurer's Investment fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participant's average daily balances.

As of June 30, 2015, the City had investments of \$1,313,401 with the PTIF. The entire balance had a maturity less than one year. The PTIF pool has not been rated.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to declines in fair value loss from changes in interest rates is to follow the Money Management Act and only invest in instruments that mature in one year or less. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

The deposits and investments described above are included on the government-wide statement of net assets as follows:

Cash and cash equivalents	\$ 1,697,646
Restricted cash and cash equivalents	<u>203,884</u>
	<u>\$ 1,901,530</u>

**CENTERVILLE CITY CORPORATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Receivables

Receivables as of the year end for the City's individual major funds and non-major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	RDA	Water	Drainage Utility	Sanitation Fund	Nonmajor and Other Funds	Total
Receivables:							
Taxes	\$ 1,702,808	\$ 190,281	\$ -	\$ -	\$ -	\$ 65,589	\$ 1,958,678
Accounts and other	15,678	-	191,585	60,278	89,415	24,469	381,425
Intergovernmental	92,522	-	-	-	-	-	92,522
Gross receivables	1,811,008	190,281	191,585	60,278	89,415	90,058	2,432,625
Less: allowance for uncollectibles	-	-	(22,630)	(2,000)	(6,000)	-	(30,630)
Net total receivables	\$ 1,811,008	\$ 190,281	\$ 168,955	\$ 58,278	\$ 83,415	\$ 90,058	\$ 2,401,995

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Property taxes receivable (General Fund)	\$ 956,826	\$ -
Property taxes receivable (RDA Fund)	125,140	-
Various prepayments received (General Fund)	-	1,446
Total deferred inflows of resources/unearned revenue for governmental funds	\$ 1,081,966	\$ 1,446

**CENTERVILLE CITY CORPORATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>07/01/14</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/15</u>
<u>Governmental activities</u>				
Capital assets, not depreciated:				
Land	\$ 7,561,481	\$ 224,250	\$ -	\$ 7,785,731
Construction in progress	-	529,985	-	529,985
Total capital assets, not depreciated	<u>7,561,481</u>	<u>754,235</u>	<u>-</u>	<u>8,315,716</u>
Capital assets, depreciated:				
Buildings and improvements	18,627,847	-	-	18,627,847
Infrastructure	6,943,289	265,000	-	7,208,289
Machinery and equipment	2,940,034	8,425	-	2,948,459
Autos and trucks	2,418,484	126,546	(95,007)	2,450,023
Total capital assets, depreciated	<u>30,929,654</u>	<u>399,971</u>	<u>(95,007)</u>	<u>31,234,618</u>
Less: accumulated depreciation:				
Buildings and improvements	(3,152,988)	(462,650)	-	(3,615,638)
Infrastructure	(908,182)	(140,415)	-	(1,048,597)
Machinery and equipment	(1,393,731)	(136,327)	-	(1,530,058)
Autos and trucks	(1,590,534)	(207,869)	74,789	(1,723,614)
Total accumulated depreciation	<u>(7,045,435)</u>	<u>(947,261)</u>	<u>74,789</u>	<u>(7,917,907)</u>
Net governmental capital assets	<u>\$ 31,445,700</u>	<u>\$ 206,945</u>	<u>\$ (20,218)</u>	<u>\$ 31,632,427</u>

**CENTERVILLE CITY CORPORATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Capital Assets (Continued)

	07/01/14	Increases	Decreases	06/30/15
<u>Business-type activities</u>				
Capital assets, not depreciated:				
Water stock and rights	\$ 48,617	\$ -	\$ -	\$ 48,617
Land	236,909	-	-	236,909
Construction in progress	-	19,707	-	19,707
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets, not depreciated	285,526	19,707	-	305,233
	<hr/>	<hr/>	<hr/>	<hr/>
Capital assets, depreciated:				
Reservoirs	984,857	-	-	984,857
Water distribution system	13,393,248	846,972	-	14,240,220
Sub-drain system	1,940,244	35,000	-	1,975,244
Storm drain system	1,844,480	293,192	-	2,137,672
Buildings and wells	3,424,196	-	-	3,424,196
Machinery and equipment	1,344,843	99,108	(53,249)	1,390,702
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets, depreciated	22,931,868	1,274,272	(53,249)	24,152,891
	<hr/>	<hr/>	<hr/>	<hr/>
Less: accumulated depreciation:				
Reservoirs	(733,832)	(12,596)	-	(746,428)
Water distribution system	(3,616,622)	(265,705)	-	(3,882,327)
Sub-drain system	(310,374)	(38,805)	-	(349,179)
Storm drain system	(215,988)	(36,890)	-	(252,878)
Buildings and wells	(715,155)	(70,662)	-	(785,817)
Machinery and equipment	(979,665)	(69,024)	27,639	(1,021,050)
	<hr/>	<hr/>	<hr/>	<hr/>
Total accumulated depreciation	(6,571,636)	(493,682)	27,639	(7,037,679)
	<hr/>	<hr/>	<hr/>	<hr/>
Net business-type capital assets	<u>\$ 16,645,758</u>	<u>\$ 800,297</u>	<u>\$ (25,610)</u>	<u>\$ 17,420,445</u>

**CENTERVILLE CITY CORPORATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Capital Assets (Continued)

In the government-wide financial statements depreciation was charged as follows by program or activity:

Governmental activities:	
General government	\$ 129,917
Public safety	75,787
Highways and public improvements	183,556
Parks, recreation, and public property	<u>558,001</u>
Total depreciation expense - governmental activities	<u>\$ 947,261</u>

Business-type activities:	
Water	\$ 388,150
Drainage Utility	81,618
Sanitation	<u>23,914</u>
Total depreciation expense - business-type activities	<u>\$ 493,682</u>

Interfund Receivable, Payables and Transfers

At June 30, 2015, interfund balances due to or from other funds was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 279,739
General	Water	600,000
General	Sanitation Fund	177,254
General	Nonmajor proprietary fund	6,234
Water	Drainage Utility	<u>158,474</u>
		<u>\$ 1,221,701</u>

Interfund balances are generally for funds temporarily borrowed from pooled cash.

**CENTERVILLE CITY CORPORATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Interfund Receivable, Payables and Transfers (Continued)

In addition to the above amounts which will be repaid by the respective funds, transfers were made which will not be repaid. Such amounts for the fiscal year ended June 30, 2015 were as follows:

<u>Fund Transferring Out</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>
General	Nonmajor Governmental Funds	\$ 629,276
General	Telecom	20,840
Redevelopment Agency	Arts Center Debt Service	654,422
Redevelopment Agency	Nonmajor Governmental Funds	175,000
General	Fiduciary Fund	32,810
Nonmajor Governmental Funds	General	<u>7,500</u>
		<u>\$ 1,519,848</u>

Transfers are generally for debt service of governmental funds, and for capital outlay in governmental funds.

Revenue Bonds

The City has issued bonds where the revenues and assets of the issuing fund are pledged as security for the bonds.

Revenue bonds outstanding at June 30, 2015 by issue are as follows:

<u>Bond Description</u>	<u>Original Issue</u>	<u>Annual Principal</u>	<u>Interest Rate</u>	<u>Final Due Date</u>	<u>Amount</u>
Sales Tax Revenue, Series 2009	\$ 11,655,000	\$495,000 to \$1,510,000	3.00% to 4.00%	5/1/2021	\$ 4,165,000
Water Series 2012	<u>4,210,000</u>	\$100,000 to \$425,000	2.00% to 4.00%	9/1/2031	<u>3,155,000</u>
	<u>\$ 15,865,000</u>				<u>\$ 7,320,000</u>

**CENTERVILLE CITY CORPORATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Revenue Bonds (Continued)

Revenue bond debt service requirements to maturity are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 1,915,000	\$ 231,651	\$ 2,146,651
2017	920,000	169,163	1,089,163
2018	695,000	144,444	839,444
2019	795,000	121,201	916,201
2020	835,000	94,451	929,451
2021 - 2025	1,290,000	217,101	1,507,101
2026 - 2030	595,000	111,025	706,025
2031 - 2032	275,000	11,100	286,100
	<u>\$ 7,320,000</u>	<u>\$ 1,100,136</u>	<u>\$ 8,420,136</u>

Capital Leases

In 2014, the City purchased equipment using a lease which expires in 2018. The annual debt service requirements to maturity, including principal and interest for the capital lease, as of June 30, 2015, are as follows:

<u>Lease payment</u>	<u>Totals</u>
2016	\$ 45,343
2017	45,344
2018	45,343
Total minimum lease payments	136,030
Less amount representing interest	(5,136)
Present value of minimum lease payments	130,894
Amount due within one year	42,792
Amount due after one year	<u>\$ 88,102</u>

**CENTERVILLE CITY CORPORATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2015 was as follows:

	07/01/14	Additions	Reductions	06/30/15	Due in One Year
<u>Governmental activities</u>					
Bonds payable:					
Sales tax revenue	\$ 5,585,000	\$ -	\$ (1,420,000)	\$ 4,165,000	\$ 1,510,000
Unamortized premium	277,258	-	(39,609)	237,649	39,609
Total bonds payable	5,862,258	-	(1,459,609)	4,402,649	1,549,609
Capital leases	172,866	-	(41,972)	130,894	42,792
Compensated absences	465,296	293,249	(232,648)	525,897	238,746
Governmental activity long-term liabilities	<u>\$ 6,500,420</u>	<u>\$ 293,249</u>	<u>\$ (1,734,229)</u>	<u>\$ 5,059,440</u>	<u>\$ 1,831,147</u>
<u>Business-type activities</u>					
Bonds payable:					
Revenue bonds	\$ 3,520,000	\$ -	\$ (365,000)	\$ 3,155,000	\$ 405,000
Plus: unamortized premium	222,172	-	(16,598)	205,574	16,598
Total bonds payable	3,742,172	-	(381,598)	3,360,574	421,598
Compensated absences	88,521	20,584	(19,796)	89,309	20,227
Business-type activity long-term liabilities	<u>\$ 3,830,693</u>	<u>\$ 20,584</u>	<u>\$ (401,394)</u>	<u>\$ 3,449,883</u>	<u>\$ 441,825</u>

Compensated absences for governmental activities are generally liquidated by the general fund.

**CENTERVILLE CITY CORPORATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Other Information

Risk Management The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of the Utah Risk Management Mutual Association (URMMA). It is an insurance pool for liability insurance made up of municipalities in the State. Each city pays premiums into a cash reserve fund for possible losses. Payment of the annual premium indemnifies the City for claims that exceed the per occurrence deductible. The policy provides \$10,000,000 of liability coverage per occurrence after a deductible of \$15,000. In the event URMMA becomes insolvent, the City is fully responsible for all claims. The obligation of URMMA to pay damages on behalf of the City applies only to damages in excess of the member "deductibles" and group "self insured retention's" outlined in the Coverage Profile. The member "deductibles" and the group "self-insured retention's" include attorney's fees and all other costs incurred in defending a claim. URMMA purchases umbrella insurance to protect against large claims. URMMA reviews risk management programs and give recommendations and premium discounts to cities that adopt them. The City has adopted various recommendations and receives discounts.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Redevelopment Agency In connection with the activities of the Redevelopment Agency (RDA), incremental tax revenues totaling \$90,433 were generated. The RDA was not required to pay any portion of this revenue to other taxing agencies.

During the year ended June 30, 2015, funds expended by the RDA were limited to the categories of debt service, capital outlay and administration costs. Administrative costs totaled \$136,558, and community development expenditures totaled \$240,202 for the year.

Employee Retirement Systems and 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 Contributory Retirement System (Contributory 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 retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees 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 work on or after July 1, 2011, who has no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

**CENTERVILLE CITY CORPORATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Employee Retirement Systems and Pension Plan (Continued)

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement System, 560 E 200 S, Salt Lake City, Utah 84102 or visiting the website: [www.urs.org](http://www.urs.org).

Benefits Provided

URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Years of Service	Benefit Percent per Year of Service	COLA**
		Required and/or age Eligible for Benefit		
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	2.00% per year all years	Up to 4%
Contributory System	Highest 5 years	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975; 2.00% per year July 1975 to present	Up to 4%
Public Safety System	Highest 3 years	20 years any 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 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 age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

\* with actuarial reductions

\*\* All post-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.

**CENTERVILLE CITY CORPORATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Employee Retirement Systems and Pension Plan (Continued)

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. Contribution rates are as follows:

	<u>Employee Paid</u>	<u>Paid by Employer for Employee</u>	<u>Employer Contribution Rates</u>
Contributory System			
11-Local Governmental Division Tier 1	1.990%	4.010%	14.460%
111-Local Governmental Division Tier 2	N/A	N/A	14.940%
Noncontributory System			
15-Local Governmental Division Tier 1	N/A	N/A	18.470%
Public Safety Retirement System			
43-Other Division A Noncontributory Tier 1	N/A	N/A	34.040%
122-Other Division A Contributory Tier 2	N/A	N/A	22.550%

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

At June 30, 2015, the City reported a net pension asset of \$638 and a net pension liability of \$1,633,861.

	<u>Proportionate Share</u>	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>
Noncontributory System	0.1964264%	\$ -	\$ 852,930
Contributory System	0.3359828%	-	96,912
Public Safety System	0.5439158%	-	684,019
Tier 2 Public Employees System	0.0210418%	638	-
Total Net Pension Asset / Liability		<u>\$ 638</u>	<u>\$ 1,633,861</u>

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from census data submitted to the plan for pay periods ending in 2014.

**CENTERVILLE CITY CORPORATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Employee Retirement Systems and Pension Plan (Continued)

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2015, the City recognized pension expense of \$438,112. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 110,176
Changes in assumptions	-	180,642
Net difference between projected and actual earnings on pension plan investments	40,180	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	325,416	-
Total	\$ 365,596	\$ 290,818

\$325,416 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, 2014. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2015	\$ (80,575)
2016	(68,725)
2017	(63,885)
2018	(36,756)
2019	(112)
Thereafter	(586)

Actuarial assumptions

The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary Increases	3.50 - 10.50 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

**CENTERVILLE CITY CORPORATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Employee Retirement Systems and Pension Plan (Continued)

Actuarial assumptions (Continued)

Active member mortality rates are a function of the member's gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the table below.

<b>Retired Member Mortality</b>
Class of Member
<b>Educators</b>
Men EDUM (90%)
Women EDUF (100%)
<b>Public Safety and Firefighters</b>
Men RP 200mWC (100%)
Women EDUF (120%)
<b>Local Government, Public Employees</b>
Men RP 200m WC (100%)
Women EDUF (120%)
<i>EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage</i>
<i>EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage</i>
<i>RP 200mWC = RP 2000 Combined mortality table for males with white collar adjustments multiplied by given percentage</i>

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study for the five year period of January 1, 2008 – December 31, 2013.

The long-term expected rate of return of 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 or each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		Long-Term Expected Portfolio Real Rate of Return
	Target Asset Allocation	Real Return Arithmetic Basis	
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		5.23%
		Inflation	2.75%
		Expected arithmetic nominal return	7.98%

**CENTERVILLE CITY CORPORATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Employee Retirement Systems and Pension Plan (Continued)

Actuarial assumptions (Continued)

The 7.50% assumed investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 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.

Sensitivity to 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 7.50 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
<b>Proportionate share of net pension (asset) / liability</b>	\$ 4,061,875	\$ 1,633,223	\$ (369,961)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

**CENTERVILLE CITY CORPORATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

InterLocal Agreements

Utah Telecommunications Open Infrastructure Network The City is one of 11 founding members of the Utah Telecommunications Open Infrastructure Network (UTOPIA), formed by an interlocal cooperative agreement organized under the laws of the State of Utah. UTOPIA was created to design, finance, build, operate and maintain an open, wholesale, public Telecommunication infrastructure that delivers high-speed connections to every home and business in the member communities. UTOPIA is jointly owned by the members. No equity investment has been recorded by the City since UTOPIA continues to report a net assets deficit. As of June 30, 2014 the net assets deficit was \$166,661,471. The audited financial statements for UTOPIA as of June 30, 2015 have not been released; however, a significant net assets deficit is anticipated.

The City is a pledging member and has pledged sales and use tax revenues to partially guarantee payment of UTOPIA's bonds. In return for the pledge, the City was among the first cities to receive UTOPIA's services. In July 2008, UTOPIA issued \$185,000,000 of revenue bonds. The first two years of bond payments will be made from a debt reserve fund. In December 2011, UTOPIA refinanced the bond. From that point on, until the bonds are due in June 2040, net revenues from UTOPIA will reimburse the debt service reserve fund for payments on the bond debt. To the extent that there are insufficient net revenues to pay the debt service, the 11 pledged members are required to reimburse the UTOPIA debt service fund of any shortfall by their respective percentages up to a specific dollar amount. Any amount paid by Pledging Members to UTOPIA to reimburse the debt service reserve fund will be a loan to be repaid by UTOPIA. As of June 30, 2015, the City's percentage of the Debt Service Reserve shortfall was 3.33% and totaled \$445,718. Any bonds or debt issued or incurred by UTOPIA will not constitute debt of the City.

The City pledged sales and use tax revenue toward its share of any debt service fund shortfall was 3.33% in January 2015. The City's annual commitment increases 2% each year, and ranges from \$445,718 in Fiscal Year 2015 to \$730,030 in Fiscal Year 2040.

In January 2010, the Trustees of the UTOPIA bond funds notified the City that part of the UTOPIA Debt Service Reserve Fund was used to make required payments to the bondholders. Each month since then the City has received a similar notice. The City understands that these withdrawals will continue for an undetermined period of time and that replenishment payments will continue for the foreseeable future. The City is required to replenish its share of the amount withdrawn from the debt service reserve fund beginning January 2011. Monthly replenishment payments during the year ended June 30, 2015 totaled \$445,718.

According to the Amended and Restated Pledge and Loan Agreement, the amounts withdrawn from the City's share of the debt service reserve fund become a loan to UTOPIA. A note receivable of was recorded in the telecom fund during 2012, with an offsetting allowance for doubtful accounts. The balances as of June 30, 2015 were \$2,062,716. It is currently unclear when or if UTOPIA will be in a position to repay the loan.

**CENTERVILLE CITY CORPORATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2015**

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

InterLocal Agreements (Continued)

Utah Infrastructure Agency The City is one of eight member cities of the Utah Infrastructure Agency (UIA), formed by an interlocal cooperative agreement organized under the laws of the State of Utah. The UIA was established on July 6, 2010, for the purpose of financing, constructing, equipping, and operating an open, wholesale, advanced communications infrastructure utility system throughout the City and interconnection with other members of the UIA. The UIA issued debt of approximately \$25 million in January 2011, approximately \$11.2 million in July 2013, and approximately \$24.3 in October 2015. The City pledged sales and use tax revenue toward its share of any debt service fund shortfall. The anticipated pledge amount is 3.33% of the annual debt service fund shortfall. Any bonds or debt issued or incurred by UIA will not constitute debt of the City. Additionally, the City will bill and collect connection service fees from end users of UTOPIA located in the City on behalf of UIA. The City is entitled to 5% of the fee for administrative costs and the remaining 95% is due to UIA. The City becomes a signatory party to the end user agreement, along with UIA and the end user. The City is responsible for collection of the user fees stipulated in the agreement should the end user default.

6. PRIOR PERIOD RESTATEMENT

During 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, resulting in the recognition of assets, liabilities, expenses, deferred inflows and outflows related to pensions. Prior to this statement, most of this information was either disclosed in the notes to the financial statements or was available in a separate report issued by Utah Retirement Systems. The implementation of this statement resulted in the restatement as of June 30, 2014 of net position of the water fund of \$123,574, of the drainage fund of \$17,653, business type activities of \$141,227, and of the governmental activities of \$1,624,117.

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**CENTERVILLE CITY CORPORATION**  
**Combining Balance Sheet – Non-major Governmental Funds**  
**June 30, 2015**

	<u>Special Revenue</u>		<u>Debt Service</u>			<u>Capital Projects</u>			
	<u>Municipal Building Authority</u>	<u>Recreation</u>	<u>SID 400 West</u>	<u>SID Chase Lane</u>	<u>SID Porter Lane</u>	<u>Storm Drain</u>	<u>UTOPIA</u>	<u>Park Improvements Fund</u>	<u>Total Non-major Governmental Funds</u>
<b><u>ASSETS</u></b>									
Cash and cash equivalents	\$ 1,207	\$ 51,824	\$ 1,605	\$ 13,695	\$ 2,017	\$ 140,768	\$ 323,598	\$ 78,118	\$ 612,832
Total assets	<u>\$ 1,207</u>	<u>\$ 51,824</u>	<u>\$ 1,605</u>	<u>\$ 13,695</u>	<u>\$ 2,017</u>	<u>\$ 140,768</u>	<u>\$ 323,598</u>	<u>\$ 78,118</u>	<u>\$ 612,832</u>
<b><u>LIABILITIES</u></b>									
Liabilities:									
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 230,000	\$ 230,000
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,000</u>	<u>230,000</u>
<b><u>FUND BALANCES</u></b>									
Restricted for:									
Debt service	-	-	1,605	13,695	2,017	-	-	-	17,317
Assigned	1,207	51,824	-	-	-	140,768	323,598	(151,882)	365,515
Total fund balances	<u>1,207</u>	<u>51,824</u>	<u>1,605</u>	<u>13,695</u>	<u>2,017</u>	<u>140,768</u>	<u>323,598</u>	<u>(151,882)</u>	<u>382,832</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,207</u>	<u>\$ 51,824</u>	<u>\$ 1,605</u>	<u>\$ 13,695</u>	<u>\$ 2,017</u>	<u>\$ 140,768</u>	<u>\$ 323,598</u>	<u>\$ 78,118</u>	<u>\$ 612,832</u>

**CENTERVILLE CITY CORPORATION**  
**Combining Statement of Revenue, Expenditures, and Changes in Fund Balances –**  
**Non-major Governmental Funds**  
**For the Year Ended June 30, 2015**

	Special Revenue		Debt Service			Capital Projects		Park Improvements Fund	Total Non-major Governmental Funds
	Municipal Building Authority	Recreation	SID 400 West	SID Chase Lane	SID Porter Lane	Storm Drain	UTOPIA		
<b>REVENUES</b>									
Special assessments	\$ -	\$ -	\$ -	\$ 5,085	\$ -	\$ -	\$ -	\$ -	\$ 5,085
Charges for services	-	115,775	-	-	-	54,494	-	18,513	188,782
Interest	-	-	3	40	5	209	-	345	602
Miscellaneous	-	23,129	-	-	-	-	-	-	23,129
Total revenues	-	138,904	3	5,125	5	54,703	-	18,858	217,598
<b>EXPENDITURES</b>									
Current operating:									
Parks and recreation	-	177,809	-	-	-	-	-	524,911	702,720
Capital outlay	-	-	-	-	-	1,853	37,279	-	39,132
Debt service:									
UTOPIA pledge payment	-	-	-	-	-	-	445,718	-	445,718
Total expenditures	-	177,809	-	-	-	1,853	482,997	524,911	1,187,570
Excess (deficiency) of revenues over expenditures	-	(38,905)	3	5,125	5	52,850	(482,997)	(506,053)	(969,972)
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	-	39,000	-	-	-	-	765,276	-	804,276
Transfers out	-	-	-	(7,500)	-	-	-	-	(7,500)
Total other financing sources	-	39,000	-	(7,500)	-	-	765,276	-	796,776
Net change in fund balance	-	95	3	(2,375)	5	52,850	282,279	(506,053)	(173,196)
Fund balance - beginning of year	1,207	51,729	1,602	16,070	2,012	87,918	41,319	354,171	556,028
Fund balance - end of year	\$ 1,207	\$ 51,824	\$ 1,605	\$ 13,695	\$ 2,017	\$ 140,768	\$ 323,598	\$ (151,882)	\$ 382,832

**CENTERVILLE CITY CORPORATION**  
**Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual**  
**Municipal Building Authority**  
**For the Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
<u>REVENUES</u>	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<u>EXPENDITURES</u>				
General government	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	1,207	1,207	1,207	-
Fund balance at end of year	<u>\$ 1,207</u>	<u>\$ 1,207</u>	<u>\$ 1,207</u>	<u>\$ -</u>

**CENTERVILLE CITY CORPORATION**  
**Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual**  
**Recreation Fund**  
**For the Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
<u>REVENUES</u>				
Recreation fees	\$ 118,000	\$ 118,000	\$ 115,775	\$ (2,225)
Field use agreement	-	-	4,635	4,635
Concession sales	23,635	23,635	18,494	(5,141)
Total revenues	<u>141,635</u>	<u>141,635</u>	<u>138,904</u>	<u>(2,731)</u>
<u>EXPENDITURES</u>				
Salaries and wages	82,800	82,800	72,293	10,507
Employee benefits	12,030	12,030	11,875	155
Materials, supplies and other	53,950	53,950	78,247	(24,297)
Youth baseball/softball	28,000	28,000	15,394	12,606
Total expenditures	<u>176,780</u>	<u>176,780</u>	<u>177,809</u>	<u>(1,029)</u>
Excess (deficiency) of revenues over (under) expenditures	(35,145)	(35,145)	(38,905)	(3,760)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	39,000	39,000	39,000	-
Net change in fund balance	3,855	3,855	95	(3,760)
Fund balance, beginning of year	<u>51,729</u>	<u>51,729</u>	<u>51,729</u>	-
Fund balance, end of year	<u>\$ 55,584</u>	<u>\$ 55,584</u>	<u>\$ 51,824</u>	<u>\$ (3,760)</u>

**CENTERVILLE CITY CORPORATION**  
**Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual**  
**Special Improvement District 400 W. Debt Service Fund**  
**For the Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
<u>REVENUES</u>				
Special assessment	\$ -	\$ -	\$ -	\$ -
Interest	-	-	3	3
Total revenues	-	-	3	3
Expenditures	-	-	-	-
Net change in fund balance	-	-	3	3
Fund balance at beginning of year	1,602	1,602	1,602	-
Fund balance at end of year	<u>\$ 1,602</u>	<u>\$ 1,602</u>	<u>\$ 1,605</u>	<u>\$ 3</u>

**CENTERVILLE CITY CORPORATION**  
**Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual**  
**Special Improvement District Chase Lane Debt Service Fund**  
**For the Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
<u>REVENUES</u>				
Special assessment	\$ 9,141	\$ 9,141	\$ 5,085	\$ (4,056)
Interest	937	937	40	(897)
Total revenues	<u>10,078</u>	<u>10,078</u>	<u>5,125</u>	<u>(4,953)</u>
<u>EXPENDITURES</u>				
Interest and fiscal charges	<u>937</u>	<u>937</u>	<u>-</u>	<u>937</u>
Total expenditures	<u>937</u>	<u>937</u>	<u>-</u>	<u>937</u>
Net change in fund balance	9,141	9,141	5,125	(4,016)
Other financing sources				
Transfers out	<u>9,141</u>	<u>9,141</u>	<u>(7,500)</u>	<u>(16,641)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	18,282	18,282	(2,375)	(20,657)
Fund balance at beginning of year	<u>16,070</u>	<u>16,070</u>	<u>16,070</u>	<u>-</u>
Fund balance at end of year	<u>\$ 34,352</u>	<u>\$ 34,352</u>	<u>\$ 13,695</u>	<u>\$ (20,657)</u>

**CENTERVILLE CITY CORPORATION**  
**Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual**  
**Special Improvement District Porter Lane Debt Service Fund**  
**For the Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
<u>REVENUES</u>				
Special assessment	\$ -	\$ -	\$ -	\$ -
Interest	-	-	5	5
Total revenues	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	5	5
Fund balance at beginning of year	<u>2,012</u>	<u>2,012</u>	<u>2,012</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,012</u>	<u>\$ 2,012</u>	<u>\$ 2,017</u>	<u>\$ 5</u>

**CENTERVILLE CITY CORPORATION**  
**Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual**  
**Arts Center Debt Service Fund**  
**For the Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
<u>REVENUES</u>				
Taxes	\$ 368,000	\$ 368,000	\$ 347,937	\$ (20,063)
Intergovernmental	591,929	591,929	590,437	(1,492)
Interest	-	-	2,114	2,114
Total revenues	<u>959,929</u>	<u>959,929</u>	<u>940,488</u>	<u>(19,441)</u>
<u>EXPENDITURES</u>				
General government	2,500	2,500	2,500	-
Debt service:				
Principal retirement	1,420,000	1,420,000	1,420,000	-
Interest and fiscal charges	201,388	201,388	201,388	-
Total expenditures	<u>1,623,888</u>	<u>1,623,888</u>	<u>1,623,888</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(663,959)	(663,959)	(683,400)	(19,441)
<u>OTHER FINANCING SOURCES</u>				
Transfers in	<u>663,959</u>	<u>663,959</u>	<u>654,422</u>	<u>(9,537)</u>
Net change in fund balance	-	-	(28,978)	(28,978)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>44,828</u>	<u>44,828</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,850</u>	<u>\$ 15,850</u>

**CENTERVILLE CITY CORPORATION**  
**Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual**  
**Capital Projects Park Improvements Fund**  
**For the Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
<u>REVENUES</u>				
Developer fees	\$ 75,000	\$ 14,600	\$ 18,513	\$ 3,913
Interest	400	400	345	(55)
Total revenues	<u>75,400</u>	<u>36,435</u>	<u>18,858</u>	<u>(17,577)</u>
<u>EXPENDITURES</u>				
Capital outlay	338,861	456,435	524,911	(68,476)
Total expenditures	<u>338,861</u>	<u>456,435</u>	<u>524,911</u>	<u>(68,476)</u>
Excess (deficiency) of revenues over (under) expenditures	(263,461)	(420,000)	(506,053)	(86,053)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	65,828	-	(65,828)
Net change in fund balance	(263,461)	(354,172)	(506,053)	(86,053)
Fund balance at beginning of year	<u>354,171</u>	<u>354,171</u>	<u>354,171</u>	<u>-</u>
Fund balance at end of year	<u>\$ 90,710</u>	<u>\$ (1)</u>	<u>\$ (151,882)</u>	<u>\$ (151,881)</u>

**CENTERVILLE CITY CORPORATION**  
**Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual**  
**Capital Projects Storm Drain Fund**  
**For the Year Ended June 30, 2015**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget - Positive (Negative)</b>
<u>REVENUES</u>				
Developer fees	\$ 25,000	\$ 25,000	\$ 53,490	\$ 28,490
Contributions and grants	-	-	1,004	1,004
Interest on investments	75	75	209	134
Total revenues	<u>25,075</u>	<u>25,075</u>	<u>54,703</u>	<u>29,628</u>
<u>EXPENDITURES</u>				
Capital outlay	<u>226,358</u>	<u>226,358</u>	<u>1,853</u>	<u>224,505</u>
Total expenditures	<u>226,358</u>	<u>226,358</u>	<u>1,853</u>	<u>224,505</u>
Excess (deficiency) of revenues over (under) expenditures	(201,283)	(201,283)	52,850	254,133
Fund balance at beginning of year	<u>87,918</u>	<u>87,918</u>	<u>87,918</u>	<u>-</u>
Fund balance at end of year	<u>\$ (113,365)</u>	<u>\$ (113,365)</u>	<u>\$ 140,768</u>	<u>\$ 254,133</u>

**CENTERVILLE CITY CORPORATION**  
**Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual**  
**Capital Projects UTOPIA Fund**  
**For the Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
<u>REVENUES</u>				
Interest	\$ 100	\$ 100	\$ -	\$ (100)
Total revenues	<u>100</u>	<u>100</u>	<u>-</u>	<u>(100)</u>
<u>EXPENDITURES</u>				
Capital outlay	-	315,400	37,279	278,121
Debt Service - UTOPIA Pledge Payment	444,976	444,976	445,718	(742)
Total expenditures	<u>444,976</u>	<u>760,376</u>	<u>482,997</u>	<u>277,379</u>
Excess of revenues over expenditures	(444,876)	(760,276)	(482,997)	277,279
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer in	444,876	760,276	765,276	5,000
Net change in fund balance	-	-	282,279	277,279
Fund balance at beginning of year	<u>41,319</u>	<u>41,319</u>	<u>41,319</u>	<u>-</u>
Fund balance at end of year	<u>\$ 41,319</u>	<u>\$ 41,319</u>	<u>\$ 323,598</u>	<u>\$ 282,279</u>

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**CENTERVILLE CITY CORPORATION**  
**Schedule of the Proportionate Share of the Net Pension Liability**  
**Last Ten Fiscal Years**

	2015			
	Noncontributory System	Contributory Retirement System	Public Safety System	Tier 2 Public Employees System
Proportion of the net pension liability (asset)	0.1964264%	2.2216079%	0.5439158%	0.0679200%
Proportionate share of the net pension liability (asset)	\$ 852,930	\$ 96,912	\$ 684,019	(\$638)
Covered employee payroll	\$ 1,679,906	\$ 179,641	\$ 944,010	\$103,177
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	50.8%	53.9%	72.5%	-0.6%
Plan fiduciary net position as a percentage of the total pension liability	90.2%	94.0%	90.5%	103.5%

**Note:**

This schedule usually covers the 10 most recent fiscal years; however, this is the information available as of the implementation year of GASB 68.

**CENTERVILLE CITY CORPORATION**  
**Schedule of Contributions**  
**June 30, 2015**

	Noncontributory System	Contributory Retirement System	Public Safety System	Tier 2 Public Employees System
	2015			
Contractually required contribution	\$ 308,727	\$ 24,931	\$ 267,908	\$ 8,681
Contributions in relation to the contractually required contribution	\$ (308,727)	\$ (24,931)	\$ (267,908)	\$ (8,681)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 1,679,906	\$ 1,052,462	\$ 944,010	\$ 103,177
Contributions as a percentage of covered-employee payroll	18.38%	13.88%	28.38	8.41%

**Note:**

This schedule usually covers the 10 most recent fiscal years; however, this is the information available as of the implementation year of GASB 68.

**CENTERVILLE CITY CORPORATION**  
**Notes to the Required Supplementary Information**  
**June 30, 2015**

1. ACTUARIALLY DETERMINED PENSION CONTRIBUTIONS

Contribution rates include an amount for normal cost, the estimated amount necessary to finance benefits earned by the members during the current year, and an amount for amortization of the unfunded or excess funded actuarial accrued liability over a closed 20-year amortization period. The rates are determined using the entry age actuarial cost method.

Contributions made were in accordance with actuarially computed funding requirements. For contribution rate purposes, the actuary evaluates the assets of the plan based on a 5-year smoothed expected return wherein 20 percent of a year's excess or shortfall of expected return is recognized each year for five years.

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# Statistical Section

This is part of the City of Centerville's Comprehensive Annual Financial Report and presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	85
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue sources.	90
<b>Debt</b>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	97
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	102
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	104

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## Centerville City Corporation

### Net Position by Component Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities</b>										
Invested in capital assets, net of related debt	\$10,436,204	\$12,769,032	\$14,588,456	\$16,749,627	\$21,086,743	\$23,157,489	\$23,935,722	\$25,095,634	\$25,687,835	\$27,336,533
Restricted	\$0	\$211,742	\$209,375	\$13,476,070	\$6,014,400	\$314,049	\$105,067	\$15,654	\$19,684	\$17,317
Unrestricted	\$5,501,968	\$5,837,901	\$5,521,914	-\$8,166,577	-\$3,330,811	\$1,628,503	\$1,372,676	\$1,560,205	\$1,429,287	-\$667,257
Total governmental activities net position	\$15,938,172	\$18,818,675	\$20,319,745	\$22,059,120	\$23,770,332	\$25,100,041	\$25,413,465	\$26,671,493	\$27,136,806	\$26,686,593
<b>Business-type Activities</b>										
Invested in capital assets, net of related debt	\$8,198,814	\$9,396,800	\$10,164,608	\$11,001,715	\$11,361,031	\$11,644,848	\$10,052,642	\$10,802,629	\$11,612,195	\$14,042,619
Restricted	\$1,603,883	\$1,677,008	\$1,066,486	\$1,086,077	\$1,091,180	\$1,106,719	\$2,532,805	\$1,360,662	\$999,330	\$203,884
Unrestricted	-\$90,161	-\$542,570	-\$75,167	-\$172,501	-\$327,570	-\$364,138	\$203,033	\$1,202,214	\$1,281,957	-\$47,159
Total business-type activities net position	\$9,712,536	\$10,531,238	\$11,155,927	\$11,915,291	\$12,124,641	\$12,387,429	\$12,788,480	\$13,365,505	\$13,893,482	\$14,199,344
<b>Primary Government</b>										
Net investment in capital assets	\$18,635,018	\$22,165,832	\$24,753,064	\$27,751,342	\$32,447,774	\$34,802,337	\$33,988,364	\$35,898,263	\$38,591,421	\$41,379,152
Restricted	\$1,603,883	\$1,888,750	\$1,275,861	\$14,562,147	\$7,105,580	\$1,420,768	\$2,637,872	\$1,376,316	\$1,019,014	\$221,201
Unrestricted	\$5,411,807	\$5,295,331	\$5,446,747	-\$8,339,078	-\$3,658,381	\$1,264,365	\$1,575,709	\$2,762,419	\$1,419,853	-\$714,416
Total primary government net position	\$25,650,708	\$29,349,913	\$31,475,672	\$33,974,411	\$35,894,973	\$37,487,470	\$38,201,945	\$40,036,998	\$41,030,288	\$40,885,937

## Centerville City Corporation

### Change in Net Position Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
<u>Governmental Activities</u>										
General government	\$1,344,814	\$1,294,987	\$1,448,978	\$1,209,582	\$1,529,197	\$1,741,872	\$2,095,247	\$2,091,826	\$2,073,754	\$2,149,191
Public Safety	\$2,368,844	\$2,493,972	\$2,613,890	\$2,366,183	\$2,865,721	\$2,763,931	\$2,976,846	\$3,087,683	\$3,215,906	\$3,312,647
Streets and public works	\$1,146,997	\$1,873,984	\$1,715,647	\$1,948,185	\$1,937,663	\$1,694,141	\$1,620,465	\$1,565,404	\$2,040,237	\$1,929,230
Parks & recreation	\$1,009,363	\$1,119,172	\$1,154,243	\$1,330,148	\$1,200,377	\$1,217,390	\$1,684,043	\$1,629,452	\$1,720,371	\$1,707,103
Community development	\$396,376	\$765,077	\$756,662	\$1,026,745	\$642,469	\$927,596	\$1,124,270	\$660,840	\$539,894	\$618,065
Interest on long-term debt	\$153,444	\$161,453	\$85,852	\$152,369	\$493,361	\$450,822	\$370,904	\$312,167	\$259,327	\$213,694
Total governmental activities expenses	\$6,419,838	\$7,708,645	\$7,775,272	\$8,033,212	\$8,668,788	\$8,795,752	\$9,871,775	\$9,347,372	\$9,849,489	\$9,929,930
<u>Business-type activities</u>										
Water	\$1,167,370	\$1,526,483	\$1,765,049	\$1,601,430	\$1,674,851	\$1,573,410	\$1,690,109	\$2,086,004	\$1,835,012	\$1,965,022
Sanitation	\$623,259	\$637,035	\$649,850	\$655,091	\$818,314	\$881,683	\$868,350	\$906,971	\$979,738	\$956,890
Storm drain	\$348,444	\$463,475	\$475,445	\$382,484	\$483,127	\$575,251	\$517,346	\$629,638	\$611,098	\$760,994
Telecom	-	-	-	-	-	-	\$37,747	\$260,540	\$424,108	\$283,566
Total business-type activities expenses	\$2,139,073	\$2,626,993	\$2,890,344	\$2,639,005	\$2,976,292	\$3,030,344	\$3,113,552	\$3,883,153	\$3,849,956	\$3,966,472
Total primary government expenses	\$8,558,911	\$10,335,638	\$10,665,616	\$10,672,217	\$11,645,080	\$11,826,096	\$12,985,327	\$13,230,525	\$13,699,445	\$13,896,402
<b>Program Revenues</b>										
<u>Governmental activities</u>										
Charges for services										
General government	\$673,186	\$1,282,437	\$1,270,564	\$1,447,637	\$1,182,108	\$1,478,655	\$1,549,029	\$1,521,453	\$1,529,410	\$1,623,948
Streets and public works	\$17,211	\$290,260	\$52,887	\$8,009	\$10,551	\$7,186	\$12,993	\$16,388	\$11,477	\$5,085
Parks and recreation	\$194,926	\$108,473	\$220,092	\$115,714	\$96,152	\$114,825	\$112,501	\$112,607	\$118,300	\$121,278
Community development	\$570,739	\$477,875	\$500,852	\$283,527	\$242,284	\$338,196	\$548,812	\$350,406	\$333,252	\$241,315
Operating grants and contributions	\$115,683	\$243,090	\$89,310	\$32,287	\$0	\$0	\$0	\$0	\$0	\$0
Capital grants and contributions	\$875,000	\$100,000	\$186,500	\$1,701,527	\$2,256,903	\$1,202,285	\$1,170,455	\$1,841,179	\$2,267,236	\$2,872,876
Total governmental activities program revenues	\$2,446,745	\$2,502,135	\$2,320,205	\$3,588,701	\$3,787,998	\$3,141,147	\$3,393,790	\$3,842,033	\$4,259,675	\$4,864,502
<u>Business-type activities</u>										
Charges for services										
Water fees	\$1,864,538	\$2,233,905	\$2,283,281	\$1,654,905	\$1,642,409	\$1,972,977	\$2,111,193	\$2,476,190	\$2,431,720	\$2,251,667
Sanitation	\$688,237	\$641,393	\$611,679	\$623,054	\$758,206	\$796,831	\$821,464	\$880,454	\$942,296	\$955,657
Storm drain	\$553,441	\$507,974	\$579,744	\$542,718	\$591,537	\$549,545	\$555,681	\$564,987	\$576,486	\$586,157
Telecom	-	-	-	-	-	-	\$40,199	\$260,676	\$256,247	\$282,767
Operating grants and contributions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital grants and contributions	\$34,250	\$0	\$0	\$0	\$350,000	\$12,000	\$0	\$253,450	\$0	\$311,841
Total business-type activities program revenues	\$3,140,466	\$3,383,272	\$3,474,704	\$2,820,677	\$3,342,152	\$3,331,353	\$3,528,537	\$4,435,757	\$4,206,749	\$4,388,089
Total primary government program revenues	\$5,587,211	\$5,885,407	\$5,794,909	\$6,409,378	\$7,130,150	\$6,472,500	\$6,922,327	\$8,277,790	\$8,466,424	\$9,252,591
<b>Net (expense) revenue</b>										
Government activities	-\$3,973,093	-\$5,206,510	-\$5,455,067	-\$4,444,511	-\$4,880,790	-\$5,654,605	-\$6,477,985	-\$5,505,339	-\$5,589,814	-\$5,065,428
Business-type activities	\$1,001,393	\$756,279	\$584,360	\$181,672	\$365,860	\$301,009	\$414,985	\$552,604	\$356,793	\$421,617

	Fiscal Year										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
<b>General Revenues and Other Changes in Net Position</b>											
<u>Governmental activities</u>											
Property tax and uniform vehicle fees	\$1,878,705	\$1,653,574	\$1,790,943	\$1,933,965	\$2,385,839	\$2,423,442	\$2,555,160	\$2,529,705	\$1,514,682	\$1,520,060	
Franchise, telecommunication, & energy sales tax	\$901,116	\$869,898	\$933,916	\$964,201	\$966,412	\$970,297	\$994,689	\$1,037,792	\$1,144,152	\$1,132,319	
General & Highway Sales Tax	\$3,229,740	\$3,427,874	\$3,784,263	\$3,579,903	\$2,732,936	\$2,830,732	\$3,005,090	\$3,129,208	\$3,335,469	\$3,509,401	
Gain on Sale of Capital Assets	\$0	\$1,590,238	\$12,370	-\$20,408	\$3,131	\$0	\$0	\$0	\$0	\$0	
Other	\$371,281	\$495,343	\$385,430	\$291,996	\$329,497	\$706,511	\$216,705	\$66,662	\$224,224	\$98,392	
Transfers	\$449,065	\$50,086	\$49,215	-\$549,751	\$174,187	\$53,332	\$19,765	\$0	-\$163,400	-\$20,840	
<b>Total governmental activities</b>	<b>\$6,829,907</b>	<b>\$8,087,013</b>	<b>\$6,956,137</b>	<b>\$6,199,906</b>	<b>\$6,592,002</b>	<b>\$6,984,314</b>	<b>\$6,791,409</b>	<b>\$6,763,367</b>	<b>\$6,055,127</b>	<b>\$6,239,332</b>	
<u>Business-type activities</u>											
Other	\$92,175	\$112,509	\$89,544	\$27,941	\$17,677	\$15,111	\$5,831	\$24,421	\$7,784	\$4,632	
Transfers	-\$449,065	-\$50,086	-\$49,215	\$549,751	-\$174,187	-\$53,332	-\$19,765	\$0	\$163,400	\$20,840	
<b>Total business-type activities</b>	<b>-\$356,890</b>	<b>\$62,423</b>	<b>\$40,329</b>	<b>\$577,692</b>	<b>-\$156,510</b>	<b>-\$38,221</b>	<b>-\$13,934</b>	<b>\$24,421</b>	<b>\$171,184</b>	<b>\$25,472</b>	
<b>Total primary government</b>	<b>\$6,473,017</b>	<b>\$8,149,436</b>	<b>\$6,996,466</b>	<b>\$6,777,598</b>	<b>\$6,435,492</b>	<b>\$6,946,093</b>	<b>\$6,777,475</b>	<b>\$6,787,788</b>	<b>\$6,226,311</b>	<b>\$6,264,804</b>	
<b>Change in Net Position</b>											
Governmental activities	\$2,856,814	\$2,880,503	\$1,501,070	\$1,739,375	\$1,711,212	\$1,329,709	\$313,424	\$1,258,028	\$465,313	\$1,173,904	
Business-type activities	\$644,503	\$818,702	\$624,689	\$759,364	\$209,350	\$262,788	\$401,051	\$577,025	\$527,977	\$447,089	
<b>Total primary government</b>	<b>\$3,501,317</b>	<b>\$3,699,205</b>	<b>\$2,125,759</b>	<b>\$2,498,739</b>	<b>\$1,920,562</b>	<b>\$1,592,497</b>	<b>\$714,475</b>	<b>\$1,835,053</b>	<b>\$993,290</b>	<b>\$1,620,993</b>	

# Centerville City Corporation

## Fund Balances of Governmental Funds Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>General Fund</u>										
Nonspendable	-	-	-	-	-	-	\$235,461	\$124,589	\$7,064	\$0
Restricted	\$2,152,006	\$1,036,621	\$1,007,024	\$919,203	\$642,385	\$450,214	-	-	\$0	0
Unassigned	\$1,566,642	\$1,582,676	\$1,541,183	\$1,211,929	\$1,341,737	\$1,102,412	\$1,156,052	\$1,556,947	\$1,317,015	\$831,617
Total general fund	<u>\$3,718,648</u>	<u>\$2,619,297</u>	<u>\$2,548,207</u>	<u>\$2,131,132</u>	<u>\$1,984,122</u>	<u>\$1,552,626</u>	<u>\$1,391,513</u>	<u>\$1,681,536</u>	<u>\$1,324,079</u>	<u>\$831,617</u>
<u>All other Governmental Funds</u>										
Restricted	\$1,474,063	\$820,031	\$817,664	\$14,084,359	\$5,810,749	\$203,893	\$105,067	\$15,654	\$19,684	\$17,317
Assigned reported in:										
Special revenue funds	-\$8,688	-\$10,118	\$22,581	\$46,802	\$46,964	\$56,221	\$27,649	\$23,295	\$52,936	\$53,031
Capital project funds	\$357,469	\$1,897,370	\$1,357,209	\$563,971	\$104,755	\$100,242	\$374,189	\$423,941	\$483,408	\$312,484
Debt Service Funds	-	-	-	-	-	-	-	-	\$44,828	\$15,850
Redevelopment Agency Fund	\$267,841	\$1,075,796	\$1,333,978	\$758,791	\$961,349	\$553,564	\$244,971	-	\$260,978	\$342,835
Unassigned reported in:										
Special Revenue						-\$171,872	-\$278,330	-	-	-
Total all other governmental funds	<u>\$2,090,685</u>	<u>\$3,783,079</u>	<u>\$3,531,432</u>	<u>\$15,453,923</u>	<u>\$6,923,817</u>	<u>\$742,048</u>	<u>\$473,546</u>	<u>\$462,890</u>	<u>\$861,834</u>	<u>\$741,517</u>

# Centerville City Corporation

## Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Taxes	\$5,448,434	\$5,458,844	\$5,999,136	\$6,031,356	\$6,085,187	\$6,224,471	\$6,554,939	\$6,696,705	\$5,994,303	\$6,161,780
Special Assessments	\$3,129	\$13,020	\$3,707	\$8,009	\$10,551	\$7,186	\$12,993	\$16,388	\$11,477	\$5,085
Licenses & Permits	\$446,572	\$424,347	\$504,672	\$283,527	\$242,284	\$338,196	\$548,812	\$350,406	\$333,252	\$241,315
Intergovernmental	\$569,187	\$835,592	\$599,296	\$1,773,027	\$1,176,903	\$1,202,285	\$1,170,455	\$1,251,685	\$2,267,236	\$2,383,626
Charges for Services	\$472,336	\$719,931	\$510,426	\$529,684	\$381,139	\$389,770	\$589,965	\$484,300	\$481,387	\$392,158
Charges for Services - Other Funds	-	\$503,905	\$509,898	\$503,900	\$503,900	\$709,085	\$611,000	\$686,000	\$698,000	\$859,500
Fines & Forfeitures	\$534,025	\$557,842	\$575,692	\$573,747	\$576,948	\$494,625	\$460,565	\$463,760	\$468,323	\$493,568
Interest	\$241,381	\$338,479	\$283,791	\$129,251	\$121,520	\$52,788	\$30,319	\$22,242	\$17,628	\$10,017
Miscellaneous	\$132,900	\$168,714	\$119,139	\$162,745	\$207,977	\$375,393	\$236,481	\$44,420	\$611,366	\$127,654
<b>Total Revenues</b>	<b>\$7,847,964</b>	<b>\$9,020,674</b>	<b>\$9,105,757</b>	<b>\$9,995,246</b>	<b>\$9,306,409</b>	<b>\$9,793,799</b>	<b>\$10,215,529</b>	<b>\$10,015,906</b>	<b>\$10,882,972</b>	<b>\$10,674,703</b>
<b>Expenditures</b>										
General Government	\$1,223,842	\$1,245,626	\$1,308,521	\$1,352,055	\$1,374,996	\$1,349,002	\$1,397,310	\$1,353,085	\$1,509,073	\$1,544,467
Public Safety	\$2,460,052	\$2,535,540	\$2,641,150	\$2,749,920	\$2,837,137	\$2,879,202	\$3,119,574	\$3,111,317	\$3,194,578	\$3,394,303
Street & Public Works	\$1,270,520	\$2,276,266	\$2,016,653	\$1,930,929	\$1,813,865	\$2,017,916	\$1,465,215	\$1,454,321	\$2,192,768	\$1,774,789
Community Development	\$393,524	\$822,225	\$812,208	\$1,172,949	\$598,034	\$912,744	\$1,063,826	\$648,840	\$516,534	\$595,600
Parks & Recreation	\$959,585	\$3,182,537	\$2,059,249	\$1,281,932	\$1,040,316	\$1,050,792	\$1,107,049	\$1,052,607	\$1,194,253	\$1,762,397
Capital Outlay	\$691,711	\$141,150	\$264,746	\$1,210,577	\$7,744,284	\$6,046,231	\$276,967	\$23,778	\$16,170	\$39,132
Debt Service										
Principal retirement	\$159,000	\$172,598	\$278,028	\$288,154	\$1,418,953	\$1,474,093	\$1,385,000	\$1,335,000	\$1,382,948	\$1,461,972
Interest & fiscal charges	\$156,286	\$136,698	\$98,936	\$88,997	\$492,486	\$452,226	\$382,716	\$321,947	\$267,235	\$221,602
Contractual Payments (UTOPIA)					\$183,727	\$278,368	\$449,346	\$428,410	\$436,978	\$445,718
<b>Total Expenditures</b>	<b>\$7,314,520</b>	<b>\$10,512,640</b>	<b>\$9,479,491</b>	<b>\$10,075,513</b>	<b>\$17,503,798</b>	<b>\$16,460,574</b>	<b>\$10,647,003</b>	<b>\$9,729,305</b>	<b>\$10,710,537</b>	<b>\$11,239,980</b>
<b>Excess (deficiency) of Revenues Over Expenditures</b>	<b>\$533,444</b>	<b>-\$1,491,966</b>	<b>-\$373,734</b>	<b>-\$80,267</b>	<b>-\$8,197,389</b>	<b>-\$6,666,775</b>	<b>-\$431,474</b>	<b>\$286,601</b>	<b>\$172,435</b>	<b>-\$565,277</b>
<b>Other Financing Sources (uses)</b>										
Transfers in	\$804,713	\$3,015,213	\$1,017,754	\$2,739,137	\$1,902,996	\$1,405,555	\$1,285,494	\$1,486,480	\$1,235,001	\$1,466,198
Transfers out	-\$358,648	-\$2,976,977	-\$986,039	-\$3,312,388	-\$2,392,049	-\$1,364,223	-\$1,323,329	-\$1,498,480	-\$1,421,761	-\$1,519,848
Sale of capital assets	-	\$1,630,773	\$19,282	\$28,631	\$9,326	\$12,178	\$39,694	\$4,766	\$55,812	\$6,148
Bond Proceeds	-	\$416,000	\$0	\$12,130,303	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Other Sources</b>	<b>\$446,065</b>	<b>\$2,085,009</b>	<b>\$50,997</b>	<b>\$11,585,683</b>	<b>-\$479,727</b>	<b>\$53,510</b>	<b>\$1,859</b>	<b>-\$7,234</b>	<b>-\$130,948</b>	<b>-\$47,502</b>
<b>Net Change in Fund Balance</b>	<b>\$979,509</b>	<b>\$593,043</b>	<b>-\$322,737</b>	<b>\$11,505,416</b>	<b>-\$8,677,116</b>	<b>-\$6,613,265</b>	<b>-\$429,615</b>	<b>\$279,367</b>	<b>\$41,487</b>	<b>-\$612,779</b>
<b>Fund Balance Beginning of Year</b>	<b>\$4,829,824</b>	<b>\$5,809,333</b>	<b>\$6,402,376</b>	<b>\$6,079,639</b>	<b>\$17,585,055</b>	<b>\$8,907,939</b>	<b>\$2,294,674</b>	<b>\$1,865,059</b>	<b>\$2,144,426</b>	<b>\$2,185,913</b>
<b>Fund Balance End of Year</b>	<b>\$5,809,333</b>	<b>\$6,402,376</b>	<b>\$6,079,639</b>	<b>\$17,585,055</b>	<b>\$8,907,939</b>	<b>\$2,294,674</b>	<b>\$1,865,059</b>	<b>\$2,144,426</b>	<b>\$2,185,913</b>	<b>\$1,573,134</b>
<b>Debt service as a percentage of non-capital expenditures</b>	<b>4.76%</b>	<b>2.98%</b>	<b>4.09%</b>	<b>4.25%</b>	<b>21.03%</b>	<b>19.95%</b>	<b>17.24%</b>	<b>17.07%</b>	<b>16.87%</b>	<b>23.47%</b>

## Centerville City Corporation

### Governmental Activities Taxes and Special Assessment Revenues by Source Last Ten Fiscal Years

Fiscal Year	Property & Uniform Vehicle Taxes	Sales & Use Taxes	Highway Taxes	Franchise, Telecommunication & Energy Taxes	Special Assessments	Total Tax Revenue
2006	\$1,875,576	\$2,776,236	\$453,504	\$901,116	\$3,129	\$6,009,561
2007	\$1,640,554	\$2,935,372	\$492,501	\$869,898	\$13,020	\$5,951,345
2008	\$1,790,944	\$3,198,415	\$509,985	\$933,915	\$3,707	\$6,436,966
2009	\$1,933,965	\$2,872,183	\$417,008	\$964,201	\$8,009	\$6,195,366
2010	\$2,385,839	\$2,732,936	\$482,701	\$966,412	\$10,551	\$6,578,439
2011	\$2,423,442	\$2,830,732	\$474,530	\$970,297	\$7,186	\$6,706,187
2012	\$2,555,160	\$3,005,090	\$464,392	\$994,689	\$12,993	\$7,032,324
2013	\$2,529,705	\$3,129,208	\$478,990	\$1,037,792	\$16,388	\$7,192,083
2014 (1)	\$1,514,682	\$3,335,469	\$457,788	\$1,144,152	\$0	\$6,452,091
2015	\$1,520,060	\$3,509,401	\$482,916	\$1,132,319	\$0	\$6,644,696

(1) Property tax & Uniform Vehicle fees do not include tax increment received by the RDA

# Centerville City Corporation

## Direct and Overlapping Sales Tax Rates Last Ten Fiscal Years

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<u>Year</u>	<u>City</u>	<u>County</u>	<u>State</u>	<u>Mass Transit</u>	<u>Total</u>
2006	1.00%	0.25%	4.75%	0.50%	6.50%
2007	1.00%	0.25%	4.75%	0.50%	6.50%
2008	1.10%	0.25%	4.65%	0.50%	6.50%
2009	1.10%	0.25%	4.65%	0.50%	6.50%
2010	1.10%	0.25%	4.65%	0.50%	6.50%
2011	1.10%	0.25%	4.65%	0.50%	6.50%
2012	1.10%	0.25%	4.65%	0.50%	6.50%
2013	1.10%	0.25%	4.65%	0.50%	6.50%
2014	1.10%	0.25%	4.65%	0.50%	6.50%
2015	1.10%	0.25%	4.65%	0.50%	6.50%

Source: Utah State Tax Commission

# Centerville City Corporation

**Taxable and Estimated Actual Value of Taxable Property  
Last Ten Calendar Years**  
(amounts expressed in thousands)

Tax Year	Taxable Value	*Estimated Actual	Ratio of Taxable to Estimated Actual value
2004	\$610,355	\$961,189	63.50%
2005	\$675,189	\$1,048,430	64.40%
2006	\$677,113	\$1,110,021	61.00%
2007	\$734,544	\$1,162,253	63.20%
2008	\$784,307	\$1,256,902	62.40%
2009	\$872,676	\$1,360,580	64.14%
2010	\$952,197	\$1,438,364	66.20%
2011	\$919,819	\$1,406,236	65.41%
2012	\$940,518	\$1,452,866	64.74%
2013	\$972,352	\$1,515,076	64.18%
2014	\$1,020,479	\$1,602,139	63.69%

## Tax year 2014

	Residential	Commercial	Other	Total Assessed Value	Total Market Value
Real Estate Assessed Value	\$250,584,940	\$94,149,259	\$15,437,153	\$360,171,352	\$564,368,659
Buildings	\$461,652,747	\$120,706,859	\$101,862	\$582,461,468	\$959,702,046
Personal Property	\$270,951	\$42,944,245	\$0	\$43,215,196	\$43,436,883
Centrally Assessed	-	-	-	\$34,631,293	\$34,631,293
<b>Total</b>	<b>\$712,508,638</b>	<b>\$257,800,363</b>	<b>\$15,539,015</b>	<b>\$1,020,479,309</b>	<b>\$1,602,138,881</b>

Source: Utah State Tax Commission

\* Actual values are estimated prior to 2012.

Primary residences have a taxable value of 55% of actual value

Commercial and non-primary residences are taxed at 100% of actual value

The rate applied by the City is .001088%

The rate applied by all governmental entities is 1.3458%

# Centerville City Corporation

## Property Tax Levies and Collections

### Last Ten Calendar Years

(amounts expressed in thousands)

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<u>Calendar Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collection</u>	<u>Subsequent Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections as Percent of Levy</u>
2005	\$821,858	\$780,025	94.91%	\$34,390	\$814,415	99.09%
2006	\$849,703	\$815,006	95.92%	\$31,756	\$846,762	99.65%
2007	\$892,461	\$842,662	94.42%	\$33,812	\$876,474	98.21%
2008	\$907,846	\$837,435	92.24%	\$35,892	\$873,327	96.20%
2009	\$921,737	\$874,583	94.88%	\$47,779	\$922,362	100.07%
2010	\$946,840	\$906,992	95.79%	\$38,623	\$945,615	99.87%
2011	\$972,804	\$909,269	93.47%	\$33,508	\$942,777	96.91%
2012	\$994,821	\$944,660	94.96%	\$40,674	\$985,334	99.05%
2013	\$1,001,709	\$959,591	95.80%	\$33,944	\$993,535	99.18%
2014	\$1,096,936	\$1,047,455	95.49%	\$25,640	\$1,073,095	97.83%

Source: Utah State Tax Commission

# Centerville City Corporation

## Property Tax Rates - Direct and Overlapping Governments Last ten Calendar Years

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<u>Tax Year</u>	<u>Centerville City</u>	<u>Davis County</u>	<u>Davis School District</u>	<u>Special Taxing Districts</u>	<u>Total Levy</u>
2005	0.1436%	0.2347%	0.7684%	0.1603%	1.3070%
2006	0.1349%	0.2142%	0.7305%	0.1045%	1.1841%
2007	0.1233%	0.2564%	0.7176%	0.1369%	1.2342%
2008	0.0923%	0.2329%	0.6764%	0.0879%	1.0895%
2009	0.1102%	0.2576%	0.7860%	0.0998%	1.2536%
2010	0.1173%	0.2775%	0.8861%	0.1187%	1.3996%
2011	0.1165%	0.2391%	0.8941%	0.1445%	1.3942%
2012	0.1141%	0.2331%	0.8710%	0.1400%	1.3582%
2013	0.1072%	0.2161%	0.8259%	0.0962%	1.2454%
2014	0.1088%	0.2153%	0.8555%	0.1662%	1.3458%

Source: Utah State Tax Commission

# Centerville City Corporation

## Principal Taxpayers Current Year and 10 years Ago

### Tax Year 2014 (current)

Taxpayer	Rank	Type of Business	Taxable Value	Percentage of Total Taxable Value
Legacy Crossing LLC	1	Entertainment/Housing	\$30,517,504	3.43%
Pacificorp	2	Electric Utility	\$20,278,588	1.99%
Walmart	3	Retail	\$17,991,994	1.76%
Dayton West LLC	4	Commercial Real Estate	\$14,678,052	1.44%
Dayton Hudson LLC (Target)	5	Commercial Real Estate	\$10,465,459	1.03%
Centerville Marketplace LLC	6	Retail	\$9,180,000	0.90%
HD Development	7	Retail	\$7,596,904	0.74%
SDCKP LLC	8	Retail	\$6,371,509	0.62%
Syro Steel	9	Manufacturing	\$4,547,584	0.62%
JGNK Investments LLC	9	Retail	\$6,350,000	0.62%
SLC Pipeline	10	Piping	\$5,358,182	0.52%
		Total	\$102,818,272	13.67%

### Tax Year 2005

Taxpayer	Rank	Type of Business	Taxable Value	Percentage of Total Taxable Value
Dayton Hudson Corporation (Target)	1	Retail	\$23,506,869	3.85%
Home Depot	2	Retail	\$7,060,000	1.16%
Pacificorp	3	Electrical Utility	\$7,018,299	1.15%
Dayton West, LLC	4	Commercial Real Estate	\$6,800,000	1.11%
Albertson's	5	Grocery	\$5,004,962	0.82%
DIKA Properties	6	Commercial Real Estate	\$3,450,000	0.67%
Syro Steel	7	Manufacturing	\$4,198,104	0.59%
Hale Industries	8	Retail	\$2,999,289	0.49%
Questar Gas	9	Natural Gas Utility	\$2,532,038	0.41%
Qwest Corporation (CenturyLink)	10	Communications	\$2,511,668	0.41%
		Total	\$65,081,229	10.66%

Source: Davis County Clerk/Auditors Office

# Centerville City Corporation

## Property Value and Construction Last Ten Calendar Years

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<u>Calendar Year</u>	<u>Non-residential Construction</u>		<u>Residential Construction</u>		<u>Total New Construction Value</u>	<u>Estimated Total Property Value</u>
	<u>No of Units</u>	<u>Value</u>	<u>No of Units</u>	<u>Value</u>		
2005	28	\$6,392,090	86	\$17,573,000	\$23,965,090	\$1,048,430,000
2006	31	\$18,788,500	84	\$20,606,000	\$39,394,500	\$1,110,021,000
2007	26	\$13,642,750	75	\$18,360,000	\$32,002,750	\$1,162,253,000
2008	20	\$6,714,400	64	\$16,920,000	\$23,634,400	\$1,185,902,000
2009	15	\$18,182,300	31	\$6,434,514	\$24,616,814	\$965,844,000
2010	19	\$33,579,772	52	\$43,939,807	\$77,519,579	\$1,043,363,579
2011	23	\$2,720,621	212	\$30,472,703	\$33,193,324	\$1,076,556,903
2012	15	\$3,085,747	139	\$22,988,889	\$26,074,636	\$1,102,631,539
2013	16	\$16,839,783	50	\$10,873,766	\$27,713,549	\$1,130,345,088
2014	4	\$11,299,915	7	\$1,806,645	\$13,106,560	\$1,143,451,648

Source: Centerville City Community Development Department

# Centerville City Corporation

## Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Governmental Activities						Business-type Activities			
Fiscal Year	MBA Lease Revenue Bonds	Sales Tax Revenue Bonds	Notes Payable	Capital Lease	Special Assessment Bonds	Water Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2006	\$1,155,000			\$4,247	\$4,000	\$3,696,000	\$4,859,247	0.78%	\$245.83
2007	\$995,000			\$ -	\$ -	\$3,522,000	\$4,517,000	0.70%	\$233.09
2008	\$830,000		\$312,000			\$3,341,000	\$4,483,000	0.66%	\$220.02
2009	\$655,000	\$12,130,303	\$208,000			\$3,154,000	\$16,147,303	0.62%	\$206.68
2010	\$470,000	\$10,970,694	\$104,000			\$2,949,000	\$14,493,694	0.57%	\$192.31
2011	\$275,000	\$9,766,085	\$ -			\$2,731,000	\$12,772,085	0.51%	\$176.88
2012	\$75,000	\$8,541,476				\$4,465,366	\$13,081,842	0.77%	\$287.53
2013	\$ -	\$7,241,867				\$4,113,770	\$11,355,637	0.66%	\$253.89
2014		\$5,585,000		\$172,866		\$3,742,172	\$9,500,038	N/A	\$230.66
2015		\$4,165,000		\$130,894		\$3,377,172	\$7,646,606	N/A	\$200.44

# Centerville City Corporation

## Direct and Overlapping Governmental Activities Debt June 30, 2015

Governmental Unit	Outstanding Debt	Estimated Percentage Applicable (1)	Estimated Share of Overlapping
<b>Debt repaid with property taxes</b>			
Davis County	\$17,724,100	4.90%	\$868,481
Davis School District	\$407,635	4.90%	\$19,974
Weber Basin Water Conservancy	\$22,440,060	0.24%	\$53,856
State of Utah	\$2,830,150,000	0.69%	\$19,528,035
South Davis Recreation District	\$12,275,000	15.77%	\$1,935,768
<b>Other Debt - Davis County</b>			
Sales tax revenue bonds	\$35,140,985	11.23%	\$3,946,333
MBA lease revenue bonds	\$20,044,000	4.90%	\$982,156
<b>Total Overlapping Debt</b>	<b>\$2,938,181,780</b>		<b>\$27,334,602</b>
<b>Direct Debt - Centerville City</b>			
Sales Tax Revenue Bonds	\$4,165,000	100.00%	\$4,165,000
<b>Total Direct and Overlapping Debt</b>	<b>\$2,942,346,780</b>		<b>\$31,499,602</b>

(1) For debt repaid with property taxes the estimated percentage of overlapping debt applicable to Centerville City was used by using taxable assessed property values. This method was used on all debt except retail sales was used for the Davis County sales tax revenue bonds where the percentage was estimated by dividing the point of sales taxes collected within Centerville was divided by the point of sale collected in the County.

Note: Overlapping governments are considered to be those that at least in part, coincide with the geographical boundaries of the City. This table does not imply that every tax payer is a resident and therefore responsible for repaying the debt of the overlapping government.

## Centerville City Corporation

### Legal Debt Margin Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$23,293,501	\$26,048,852	\$35,971,172	\$34,500,403	\$32,209,898	\$30,499,924	\$31,078,256	\$37,623,137	\$39,134,632	\$40,819,160
Total net applicable debt	\$4,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Legal debt margin	\$23,289,501	\$26,048,852	\$35,971,172	\$34,500,403	\$32,209,898	\$30,499,924	\$31,078,256	\$37,623,137	\$39,134,632	\$40,819,160
Total net debt applicable to limit as a percentage of debt limit	<u>0.02%</u>	<u>0.00%</u>								

#### Legal Debt Margin Calculation for Fiscal Year 2015

Assessed Value	\$1,020,479,309
Debt Limit (4% of assessed value)	\$40,819,172
Less Applicable Debt	<u>\$0</u>
Legal Debt Margin	<u>\$40,819,172</u>

# Centerville City Corporation

## Sales Tax Bond Coverage Last Six Years

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### Sales Tax Revenue Bonds series 2009

<u>Fiscal Year</u>	<u>Sales &amp; Use Tax Revenue</u>	<u>Principal</u>	<u>Interest &amp; Fiscal Charges</u>	<u>Total</u>	<u>Coverage</u>
2010	\$2,732,936	\$1,120,000	\$422,258	\$1,542,258	1.77
2011	\$2,830,732	\$1,165,000	\$401,888	\$1,566,888	1.81
2012	\$3,005,090	\$1,185,000	\$355,288	\$1,540,288	1.95
2013	\$3,129,208	\$1,260,000	\$254,988	\$1,514,988	2.07
2014	\$3,335,469	\$1,340,000	\$254,864	\$1,594,864	2.09
2015	\$3,509,401	\$1,420,000	\$201,388	\$1,621,388	2.16

Bonds were issued in 2009, Not applicable prior to 2010.

# Centerville City Corporation

## Revenue Bond Coverage Last Ten Fiscal Years

### Water Revenue Bonds

<u>Fiscal Year</u>	<u>Gross Revenue</u>	<u>Operating Transfers</u>	<u>Expenses net of Depreciation</u>	<u>Net Available Revenue</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
2005	\$2,316,108	-\$373,793	-\$1,175,166	\$767,149	\$161,000	\$154,490	\$315,490	2.43
2006	\$2,499,361	-\$381,060	-\$1,033,867	\$1,084,434	\$174,000	\$147,860	\$321,860	3.37
2007	\$2,843,981	-\$63,276	-\$1,661,175	\$1,119,530	\$182,000	\$170,606	\$352,606	3.18
2008	\$2,944,790	-\$49,215	-\$1,892,103	\$1,003,472	\$181,000	\$141,918	\$322,918	3.11
2009	\$2,222,061	-\$73,500	-\$1,519,205	\$629,356	\$187,000	\$107,317	\$294,317	2.14
2010	\$2,250,986	-\$183,913	-\$1,611,166	\$455,907	\$205,000	\$137,413	\$342,413	1.33
2011	\$2,537,339	-\$82,220	-\$1,611,315	\$843,804	\$218,000	\$134,742	\$352,742	2.39
2012(2)	\$2,672,694	-\$19,765	-\$1,624,593	\$1,028,336	\$236,000	\$110,135	\$346,135	2.97
2013	\$2,600,263	\$0	-\$2,064,481	\$535,782	\$313,619	\$77,606	\$391,225	1.37
2014	\$2,980,802	-\$74,570	-\$1,936,189	\$970,043	\$355,000	\$106,012	\$461,012	2.10

(1) Water Series 2003 Drainage Utility revenues are also pledged

(2) 2012 Principal & interest is current portion due only. The 2002 & 2003 bond issues were refunded along with new debt issued.

# Centerville City Corporation

## Demographic and Economic statistics

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Calendar Year	Population (1)	Per Capita Income (2)	Personal Income	Unemployment Rate (3)	Median Age (4)	Average Size of Household (4)
2005	14,960	\$28,081	\$420,091,760	3.70%	27.3	3.52
2006	15,035	\$30,577	\$459,725,195	3.10%	27.3	3.52
2007	15,110	\$31,518	\$476,236,980	3.70%	27.3	3.52
2008	15,185	\$31,915	\$484,629,275	5.40%	27.3	3.52
2009	15,260	\$32,115	\$490,074,900	5.90%	27.3	3.52
2010	15,335	\$33,104	\$507,649,840	6.70%	31.7	3.21
2011	15,440	\$33,817	\$522,134,480	5.20%	31.7	3.21
2012	16,203	\$34,755	\$563,135,265	4.30%	31.7	3.21
2013	16,624	\$35,430	\$588,988,320	3.60%	31.7	3.21
2014	16,819	\$35,898	\$603,768,462	3.50%	31.7	3.21

(1) Years 2002-20009, 2000 United States Census Report and estimates average growth; 2010, 2010 Census and 2011, 2012 State of Utah.

(2) U.S. Department of Commerce.

(3) Utah Department of Workforce Services

(4) United States Census Reports, years 2001-2009, 2000 report; 2010 year 2010-2012.

# Centerville City Corporation

## Principal Employers

### Current Year

Employer	Type of Business	Employees	Rank
Management & Training Corporation	Job Training Services	500-999	1
Walmart	General Merchandise	250-499	2
Target	General Merchandise	100-249	3
Dicks Market	Grocery Store	100-249	4
Deseret Industries	Retail Trade	100-249	5
Hogan & Associates	General Contractor	100-249	6
Home Depot	Retail Trade	100-249	7
Varsity Contractors	Admin. Support	100-249	8

### Prior Year

Employer	Type of Business	Employees	Rank
Management & Training Corporation	Job Training Services	500-999	1
Walmart	General Merchandise	250-499	2
Target	General Merchandise	100-249	3
Dicks Market	Grocery Store	100-249	4
Deseret Industries	Retail Trade	100-249	5
Hogan & Associates	General Contractor	100-249	6
Home Depot	Retail Trade	100-249	7
Varsity Contractors	Admin. Support	100-249	8

Source: Division of Workforce Services

Percent of total employment is not available  
Other employers are less than 100 employees.

# Centerville City Corporation

## Full Time Equivalent City Government Employees by Function Last Ten Fiscal Years

Function	2006	2007	2008	2009	2010	2011	2012	2013	2015
General Government									
Administration	3	3	3	3	3	3	3	3	3
Finance	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Justice Court	3.75	3.75	3.75	3.75	3.75	2.75	2.5	2.5	2.5
Total General Government	10.25	10.25	10.25	10.25	10.25	9.25	9	9	9
Police	25	25	25	25	25	25	25	25	25
Community Development	4	4	4	4	3	3	3	3	3
Public Works									
Administration	4	4	4	4	4	4	4	4	4
Streets	4	4	4	4	4	4	4	4	4
Water	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Drainage	1	1	1	1	1	1	1	1	1
Total Public Works	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5
Parks & Recreation									
Parks	8.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Recreation	6.25	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Museum	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Building Maintenance	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Total Parks & Recreation	16	17.25	17.25	17.25	17.25	17.25	17.25	17.25	17.25
Total Primary Government	69.75	71	71	71	70	69	68.75	68.75	68.75

Sources: Centerville City Payroll.

# Centerville City Corporation

## General Fund Expenditures by Function Last Ten Fiscal Years

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<u>Fiscal</u> <u>Year</u>	<u>General</u> <u>Government</u>	<u>Public</u> <u>Safety</u>	<u>Public</u> <u>Works</u>	<u>Community</u> <u>Development</u>	<u>Parks &amp;</u> <u>Recreation</u>	<u>Total</u>
2006	\$1,219,986	\$2,460,052	\$1,270,520	\$366,249	\$810,696	\$6,127,503
2007	\$1,243,498	\$2,535,540	\$2,276,266	\$386,775	\$983,066	\$7,425,145
2008	\$1,307,209	\$2,641,150	\$2,016,653	\$408,839	\$927,602	\$7,301,453
2009	\$1,350,747	\$2,749,920	\$1,930,929	\$383,636	\$1,043,428	\$7,458,660
2010	\$1,308,162	\$2,837,137	\$1,813,865	\$342,511	\$860,195	\$7,161,870
2011	\$1,320,672	\$2,879,202	\$2,017,916	\$375,609	\$884,478	\$7,477,877
2012	\$1,392,886	\$3,119,574	\$1,465,215	\$451,462	\$915,767	\$7,344,904
2013	\$1,335,371	\$3,111,317	\$1,454,321	\$343,833	\$857,772	\$7,102,614
2014	\$1,380,944	\$3,194,578	\$2,238,112	\$345,980	\$1,007,872	\$8,167,486
2015	\$1,405,409	\$3,394,303	\$1,774,789	\$355,398	\$1,059,677	\$7,989,576

## Centerville City Corporation

### Operating Indicators by Function

Current Calendar Year and Prior seven Years (previous years not available)

Function	2007	2008	2009	2010	2011	2012	2013	2014
<b>Community Development</b>								
Single Dwelling permits	43	14	7	10	32	40	16	7
Double Dwelling permits	8	48	24	8	22	40	23	0
Multi-family Dwelling permits	24	24	0	0	3	1	0	0
Commercial permits	26	20	15	7	23	15	16	36
Demolition permits	12	7	6	2	0	2	3	5
Permit process time	7 days	7 days	7 days	7 days	5 days	5 days	5 days	3-5 days
<b>Parks, Recreation and Trails</b>								
Developed Acreage	88	88	88	88	88	88	88	88
Undeveloped Acreage	35	35	35	35	35	35	35	35
Youth in Recreation Programs	2,970	2,658	2,732	2,446	2,510	2,374	2,150	2,476
<b>Police Services</b>								
Expenditures per officer	\$103,968	\$113,688	\$119,140	\$119,140	\$125,047	\$136,302	\$143,876	\$132,710
Average response time (minutes)	3.5 to 4	1.23 to 6.52	.80 to 2.93	3.32	3.63	3.45	1.2	not available
Police reports per officer	201	135	143	124	130	138	145	not available
<b>Water</b>								
Gallons billed	449,896,786	476,933,000	492,084,000	530,025,000	53,184,423	52,500,000	53,000,000	53,000,000
Residential connections	3,995	4,041	4,093	4,110	4,114	4,211	4,275	4,468
Other connections	452	459	461	463	465	467	483	501
<b>Taxes</b>								
Taxable sales per capita (local option)	\$20,747	\$21,761	\$19,856	\$20,954	\$22,136	\$22,930	\$22,851	\$23,650
Sales tax revenue per capita (local option)	\$194.27	\$210.63	\$188.22	\$178.22	\$193.51	\$197.30	\$200.65	\$208.66
Indexed to State average (less resort cities)	103.00%	115.10%	111.37%	109.34%	not available	not available	\$168.39	not available
Property tax revenue per capita (non RDA)	\$56.68	\$57.99	\$57.36	\$62.45	\$60.35	\$60.82	\$59.97	\$56.60
Indexed to State average (less resort cities)	80.20%	78.36%	59.13%	63.72%	not available	not available	not available	not available
Franchise tax per capita	\$57.58	\$61.51	\$63.19	\$63.02	\$64.05	\$64.05	\$68.83	\$67.33
Indexed to State average (less resort cities)	163.16%	384.44%	210.63%	233.41%	not available	not available	not available	not available
Total tax revenue per capita	\$308.53	\$330.13	\$308.77	\$303.69	\$317.91	\$323.91	\$360.59	\$395.07
Indexed to State average (less resort cities)	104.80%	120.93%	104.31%	105.45%	not available	not available	not available	not available
General Fund revenues per capita	\$456	\$426	\$428	\$485	\$483.03	\$473.93	\$483.80	\$489.22
General Fund expenditures per capita	\$407	\$444	\$446	\$493	\$490.52	\$438.36	\$463.25	\$478.71
Capital improvement expenditures per capita	\$123	\$72	\$101	\$394	\$391.60	\$112.52	\$95.06	\$31.32

Sources: Utah State Tax Commission. UCMA Benchmarking report.

## Centerville City Corporation

### Capital Asset & Statistical Information by Function Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Date of Incorporation	May 17, 1915									
Area of City	7.5 square miles									
Population Estimate(1)	15,035	15,110	15,185	15,260	15,335	15,440	15,530	16,203	16,624	16,849
City Hall and Justice Court	1	1	1	1	1	1	1	1	1	1
Museum	1	1	1	1	1	1	1	1	1	1
Streets & Public Works										
Miles of Streets	59	59	61	62	62	64	64	64	64	65
Number of Street Lights	717	729	733	715	715	725	728	733	741	753
Public Works Office, Maintenance, Storage	2	2	2	2	2	2	2	2	2	2
Number of Police Stations (included in City Hall)	1	1	1	1	1	1	1	1	1	1
Number of Police Officers	16	17	17	17	17	17	17	17	17	18
Municipal Water										
Number of Customers	4,366	4,401	4,499	4,523	4,541	4,589	4,624	4,699	4,758	4,763
Miles of Water Mains	70	71	72	72	72	74	77.29	77.71	78.01	80.01
Number of Culinary Water Wells	8	8	8	8	8	8	8	8	9	9
Number of Culinary Water Storage Tanks	6	6	6	6	6	6	6	6	6	6
Waste Collection										
Number of primary residential customers	n/a	n/a	n/a	n/a	3,983	4,024	4,127	4,152	4,196	4,239
Number of recycling customers	n/a	n/a	n/a	n/a	3,272	3,416	3,546	3,582	3,674	3,701
Number of green waste customers	n/a	n/a	n/a	n/a	n/a	905	1,066	1,075	1,118	1,230
Building Permits Issued (new construction, includes remodel)	114	115	115	55	46	98	80	96	74	216
Parks & Recreation										
Office, Maintenance, Storage Buildings	1	1	1	1	1	1	1	1	1	1
Developed Parks	5	7	7	7	7	7	7	7	7	7
Undeveloped Parks and Trails	2	0	5	5	5	5	5	5	5	5
Pavillions	5	7	7	7	7	7	7	7	7	7
Tennis Courts	4	4	4	4	4	4	4	4	4	4
Baseball Fields	4	4	4	4	4	4	4	4	4	4

Sources: Centerville City Public Works, Parks, Police, Community Development, and Administration departments.

(1) Years 2003-2009, based on 2000 Census and subsequent years are estimated on new construction. 2010-12 is 2010 Census, following years are estimated from new construction.

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**CENTERVILLE CITY CORPORATION  
CENTERVILLE, UTAH**

**REPORTS ON COMPLIANCE AND INTERNAL CONTROL  
INCLUDING STATE LEGAL COMPLIANCE REPORT**

**YEAR ENDED JUNE 30, 2015**

# Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANTS

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American Institute  
of Certified Public  
Accountants*

*Members of the  
Private Company  
Practice Section*

## 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

### INDEPENDENT AUDITORS' REPORT

The Honorable Mayor & Members of the City Council  
Centerville City Corporation, Utah

We have audited, in accordance with 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Centerville City Corporation, Utah ("the City"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 18, 2015.

#### *Internal Control Over Financial Reporting*

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the 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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 the entity'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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 determination of financial statement amounts. 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 purposes 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 the 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 the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Hansen, Bradshaw, Malmrose & Erickson, P.C.*

December 18, 2015

# Hansen, Bradshaw, Malmrose & Erickson

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## **INDEPENDENT AUDITORS' REPORT IN ACCORDANCE WITH THE *STATE COMPLIANCE AUDIT GUIDE* ON COMPLIANCE WITH GENERAL STATE COMPLIANCE REQUIREMENTS, COMPLIANCE FOR EACH MAJOR STATE PROGRAM, INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES OF STATE AWARDS**

Honorable Mayor and Members of the City Council  
Centerville City Corporation, Utah

### ***Report On Compliance with General State Compliance Requirements and for Each Major State Program***

We have audited Centerville City Corporation's ("the City") compliance with the applicable general state and major state program compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City or each of its major state programs for the year ended June 30, 2015.

General state compliance requirements were tested for the year ended June 30, 2015 in the following areas:

Budgetary Compliance	Fund Balance
Justice Courts	Enterprise Fund Transfers,
Utah Retirement Systems	Reimbursements, Loans, and Services
Cash Management	Open and Public Meetings Act
Tax Levy Revenue Recognition	Impact Fees

The City received state funding from the following programs classified as major programs for the year ended June 30, 2015:

B&C Road Funds (UDOT)

### ***Management's Responsibility***

Management is responsible for compliance with the general state requirements referred to above and the requirements of laws, regulations, contracts, and grants applicable to its state programs.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on the City's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the City or its major state programs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with general state compliance requirements and for each major state program. However, our audit does not provide a legal determination of the City's compliance.

### ***Opinion on General State Compliance Requirements and Each Major State Program***

In our opinion, Centerville City Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the City or on each of its major state programs for the year ended June 30, 2015.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in the accompanying Schedule of Findings and Responses as items 15-1 and 15-2. Our opinion on compliance is not modified with respect to these matters.

The City's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### ***Report On Internal Control over Compliance***

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the compliance requirements that could have a direct and material effect on the City or on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and for each major state program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state or major state program 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 general state or major state program 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 general state or major state program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

We noted a matter involving internal control over compliance which we are submitting for your consideration. This matter is described in the accompanying Schedule of Findings and Responses as item 15-1.

The City's response to the internal control finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

#### ***Purpose of This Report***

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

#### ***Report on Schedule of Expenditures of State Awards as Required by the State Compliance Audit Guide***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Riverton City Corporation as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated November 5, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the *State Compliance Audit Guide* and is not a required part of the basic financial statements. Such information is the responsibility of management

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

*Hansen, Bradshaw, Malmrose & Erickson, P.C.*

December 18, 2015

**CENTERVILLE CITY CORPORATION**  
**Schedule of Findings and Responses**  
**For the Year Ended June 30, 2015**

**State Compliance Finding**

Requirement/Program

Current Year Findings

**15-1 Budgetary Compliance**

Finding: State law, *Utah Code 10-6-123*, requires that officers and employees of an entity shall not incur expenditures in excess of the total appropriation for any department or fund. For the year ended June 30, 2015, expenditures exceeded budgeted amounts in the following fund:

<u>Fund</u>	<u>Department/Category</u>	<u>Amount over Budget</u>
Parks Improvement Fund	Total expenditures	\$68,476
Recreation Fund	Total expenditures	\$1,029

Recommendation: The City should monitor the status over expenditures as compared to the budget through the year, and amend the budget as necessary to ensure compliance with State Code.

Management's Response:

Parks Improvement Fund The City is developing a section of new park recorded in this fund. Expenditures were higher than anticipated at June 30, as construction is ongoing. The City will monitor closely similar projects in the future to ensure compliance.

Recreation Fund Most expenditures occur during the months of May and June in this fund, making total expenditures difficult to estimate at June 30. The City will monitor this fund closely in the future to assure compliance.

**15-2 Deficit Fund Balance**

Finding: Under Utah State law, deficit fund balances in any fund are not permitted. We noted a deficit fund balance in the Parks Improvement Fund of \$151,882 as of June 30, 2015.

Recommendation: The City should take appropriate action to eliminate this deficit fund balance in accordance with State compliance guidelines.

Management's Response: The timing of revenue for the new park project recorded in this fund were remitted to the City later than anticipated, causing the deficit at June 30. The deficit was eliminated by the end of July. Staff will monitor such activity in the future to assure compliance.

**CENTERVILLE CITY CORPORATION**  
**Schedule of Expenditures of State Awards**  
**For the Year Ended June 30, 2015**

Grant Name	Award/Contract #	Year of Last Audit	Expenditures	Revenues
<b>Department of Transportation</b>				
B&C Road Funds		2015	\$ 623,997	\$ 475,336
<b>Total Department of Transportation</b>			623,997	475,336
<u><b>Police Department</b></u>				
<b>State Liquor Funds</b>				
State Liquor Funds			17,670	20,401
<b>Total State Liquor Funds</b>			17,670	20,401
<b>Department of Public Safety</b>				
Division of Emergency Mgt, EMPG	CFDA 97.042		7,500	7,500
Highway Safety Grant	DD150801		4,946	4,946
Sponsorship on Go-Carts-Highway Safety			1,923	1,923
Department of Justice	BUBX15076034		3,914	1,957
<b>Commission on Criminal &amp; Juvenile Justice</b>				
Justice Assistance Grant	14A113		8,028	7,500
<b>Alcohol &amp; Drug Fee Grants Committee</b>				
Grant for In Car Camera System			9,950	9,950
<b>Total State Grants for Police Department</b>			36,261	33,776
<b>Total Grant, Contract, and Loan Fund Expenditures</b>			<b>\$677,928</b>	<b>\$529,513</b>