

**CENTERVILLE CITY CORPORATION
CENTERVILLE, UTAH**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

Year Ended June 30, 2014

CENTERVILLE CITY CORPORATION
Comprehensive Annual Financial Report
For the Year Ended June 30, 2014

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INTRODUCTORY SECTION



CENTERVILLE CITY

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

Incorporated in 1913

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, 2014

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, 2014.

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 is 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 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 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 frame work of internal controls is designed to provide reasonable rather than absolute insurance 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, 2014, are free of material misstatements. The independent audit involved examining , on a test basis, evidence of 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, 2014, and 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.

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 grown primarily into a suburban community.

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 Local Museum. The City owns a Performing Arts Center but is leased to a private non-profit arts organization.

Major services provided under the Enterprise Fund include culinary water, storm drainage and solid waste collection (sanitation) recycling, green waste, and Telecommunications. The City established a Telecommunications Enterprise Fund to deliver ultra-high band width telecommunications through a fiber-to-the premise network. Centerville contracted with Utah Infrastructure Agency (UIA) by inter-local agreement, to construct and operate the fiber optic network via the UTOPIA network. Fire service and solid waste disposal are provided by special districts, with funding coming from municipalities within the districts, including Centerville City. Solid waste collection is provided through the City by a private contractor. Centerville City is also within the South Davis Recreation District.

Economic Factors and Conditions

The City has had minimal residential growth in recent years. In response to the housing market, there has been an increase in multi-family and that trend is expected to continue. Most of the land available for residential growth is already developed. The economy in the State of Utah has fared better than many other states and nationally and continues to be relatively strong with low unemployment rates and job growth spurred by the available workforce and business friendly environment of the State. The City has maintained services and operating expenditures at a level that should be sustainable with current growth of revenues. The exception to that outlook is in capital investment, especially in roads.

Sales tax is the main source of tax revenue for general services. After years of steady growth in sales tax, the recession caused several years of decreasing revenues. Sales tax revenues has increased since 2010, recovering to levels above 2008 revenues for the first time. Local option sales taxes has continued to grow over the last few months from 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 2014-2015 locally and Statewide. Other revenue sources such as property tax have been stable, but little increase. The City increased the Energy Sales and Use taxes on Power and Natural Gas from 5% to a statutory limit of 6%. The increased revenues are intended to be used primarily for roads.

The City's west side has continued to expand commercially. This area has 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) which help facilitate the start of the development Legacy Crossing at Parrish Lane commercial project. The development will include other retail or office pads, restaurants and a multi-family component. The RDA also created another CDA on the west side, the Barnard Creek CDA. This area is anticipated to accommodate light industrial, office and manufacturing. Construction in this area has begun with several new prospective developments.

Major Initiatives

The City's major initiatives in FY 2014 included water system improvements, transportation projects, drainage system planning and funding, park expansion, land use and housing studies, operational metrics, and telecommunication services.

Water System Improvements

In FY 2014 the City continued implementation of the water system capital improvement plan with the construction of a pump station at the Chase Lane Well and design of water main replacements on Oakridge Drive and 500 East. The capital improvement plan is funded mostly by a bond issue in 2012.

Transportation Projects

The Street Maintenance Plan—last updated in 2013—identifies the type of pavement preservation activities needed over a five-year period for all city streets. This plan serves as a guide for determining which streets are included in each annual streets maintenance project. The Plan also promotes coordination of underground utility work with street resurfacing and reconstruction projects. Segments of two collector roads—Chase Lane and 400 West—were among the streets resurfaced in the FY 2014 contract. In addition, the City paid for the reconstruction of a small segment of 400 East Street, which was done as part of a Bountiful City road project.

Also in FY 2014, reconstruction of the Parrish/Main intersection began. This project has been in the planning and design phases for several years, delayed in part due to the difficulty of acquiring additional right-of-way from adjoining property owners. Most of the \$1.7 million project funding came from Federal and State sources.

City officials were successful in FY 2014 in convincing UDOT to include a new pedestrian bridge in the I-15 South Davis Project. This will be the first safe pedestrian crossing in Centerville connecting the east and west sides of I-15. Construction is scheduled for the spring of 2015. The City's Redevelopment Agency has agreed to provide more than \$100,000 to upgrade the fencing on the pedestrian bridge and along the sidewalk leading to the 1250

West/Parrish Lane intersection.

Drainage System Planning and Funding

The City's Drainage System Master Plan was updated in FY 2014, which provided the foundation for the preparation of an Impact Fee Facilities Plan/Analysis and adoption of a revised development impact fee. A rate study was also begun for the Drainage Utility Fund. Significant rate increases will be needed in both the stormwater and subsurface water monthly user fees to fund the projects included in the Master Plan.

Park Expansion

The City has begun the Community Park Expansion Project as identified in the Parks Capital Improvement Plan. This major expansion on six acres will be accomplished in several phases over several years. The design and bidding of the first phase occurred in FY 2014. Most of the \$500,000 needed for the first phase has come from Park Impact Fee revenue generated by new residential development.

Land Use and Housing Studies

In FY 2014 several studies identified as priorities by the City Council were initiated or continued.

Historic District Study. The Landmarks Commission continued its study of housing in the older area of Centerville as it considers whether to recommend the creation of a historic district. A recommendation from the Landmarks Commission to the City Council is expected in FY 2015.

Accessory Dwelling Units. The Planning Commission continued its study of accessory dwelling units (ADU) concepts and options. This process included several efforts to tap public opinion on this controversial topic. A recommendation from the Planning Commission to the City Council is expected in FY 2015.

West Side General Plan Update. In FY 2014, the City Council appointed an Oversight Committee to manage the process for updating the General Plan for the area west of I-15 and south of Parrish Lane. This process included a temporary zoning moratorium, land use study, public transit analysis and extensive public outreach. The Planning Commission will make recommendations to the City Council in FY 2015.

Operational Metrics

Upon taking office in January 2014, Mayor Cutler proposed the use of operational metrics to reflect the effectiveness and efficiency of City operations. The management team—consisting of the City Manager and department heads—have been developing and refining appropriate

measures and reporting these to the Mayor on a quarterly basis. At some point the intent is to produce a public “scorecard” or “dashboard” report that can be used to inform the public.

Telecommunication Services

In FY 2014 UTOPIA cities participated in the evaluation of a proposed public-private partnership with Macquarie Capital. According to Macquarie’s proposal, cities would impose a utility fee in exchange for Macquarie assuming all operating costs and providing the capital for a ubiquitous build-out of the network. UTOPIA cities would also share in the profits as a potential source for paying their annual debt service obligations. Six of the 11 UTOPIA cities agreed to move on to the next evaluation phase. The elected officials of the other five cities—including Centerville—voted to discontinue their participation in this process and would like to evaluate other potential public-private partnerships, including one proposed by First Digital. Resolving this fracture among UTOPIA cities is critical to the long-term success of this telecommunications initiative.

Financial Policies

Financial policy 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, 2014 was 16.37% 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, storm water, parks and capital facility plans to focus and plan for upcoming projects and required funding. These plans are reviewed annually and modification of these plans takes place periodically.

Awards

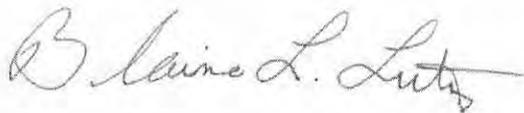
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Centerville City for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the fifteenth consecutive year 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 cursive script that reads "Blaine L. Lutz". The signature is written in dark ink and is positioned above the printed name.

Blaine L. Lutz

Finance Director/Assistant City Manager

**CENTERVILLE CITY CORPORATION
PRINCIPAL OFFICIALS**

EXECUTIVE BUDGETARY

Steve H. Thacker
Blaine L. Lutz

City Manager
Finance Director/Asst. City Manager

STATUTORY APPOINTED OFFICIALS

Marsha Morrow
Jolene Jackson
David Miller

Recorder
Treasurer
Justice Court Judge

DEPARTMENT HEADS

Neal Worsley
Randy Randall
Bruce Cox
Corvin Snyder

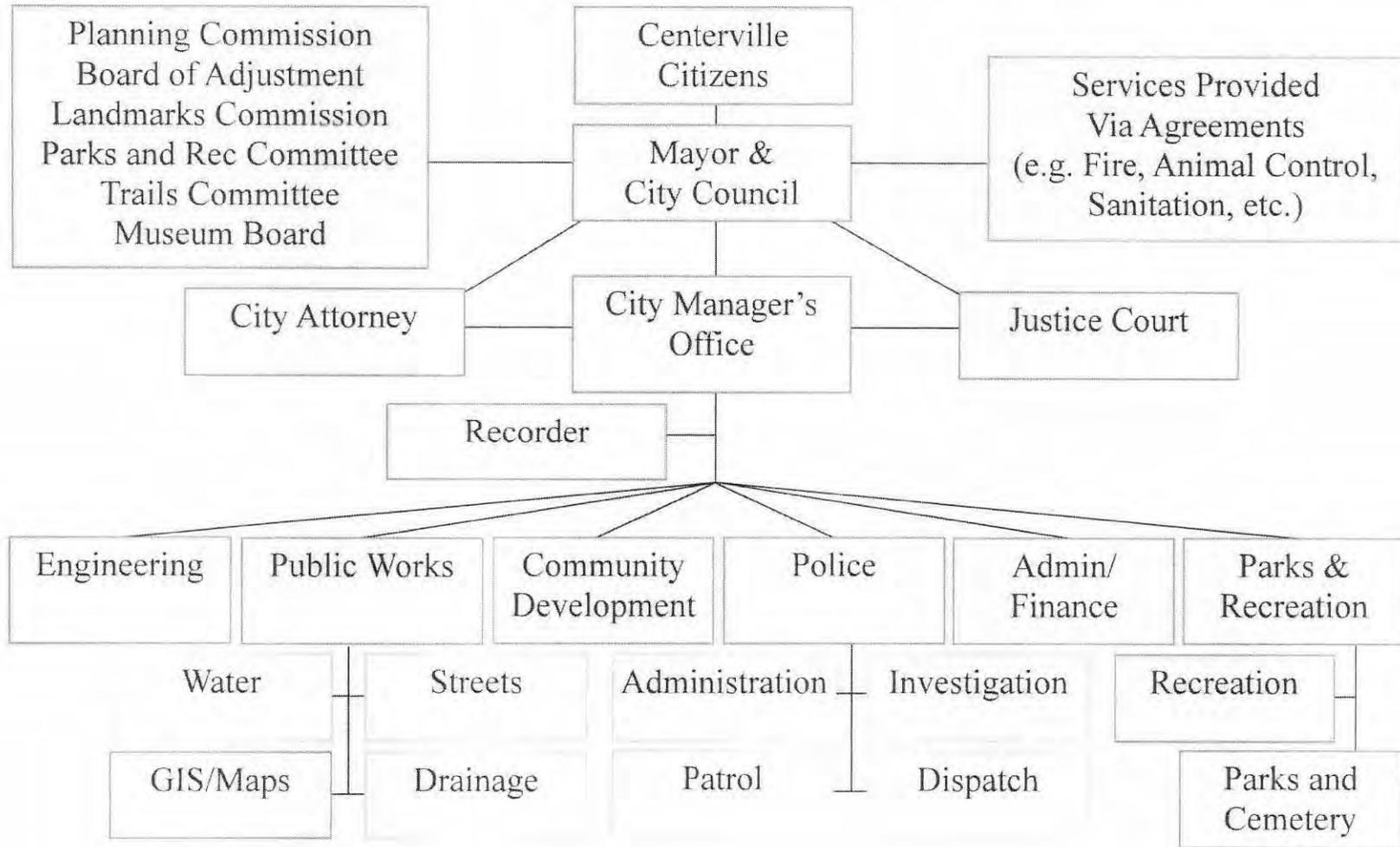
Police Chief
Public Works Director
Parks/Recreation Director
Community Development Director

OTHER CITY OFFICIALS

Paul Child
Kevin Campbell
Lisa Romney

Assistant Police Chief
Engineer
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, 2013

Executive Director/CEO

FINANCIAL SECTION

Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANTS

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Bountiful, Utah 84010
801-296-0200
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E. Lynn Hansen, CPA
Clarke R. Bradshaw, CPA
Gary E. Malmrose, 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, 2014, 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, 2014, 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 14 through 25 to 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 22, 2014, 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 22, 2014

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, 2014.

Financial Highlights

The assets of Centerville City exceeded its liabilities at June 30, 2014 by \$41,030,288 (net position). Of this amount, \$3,8591,421 is invested in capital assets net of related debt, \$1,019,014 is restricted for debt service or construction. The unrestricted amount is \$1,419,853.

Centerville's total net position increased slightly by \$993,290 from the prior year a 2.48% increase. The percent increase is below the 5 year average of over 6%. The nominal change is reflected in all categories. Total assets decreased by \$389,440, a change of .7%. Total Liabilities also decreased by \$272,320 from the prior year, a percent change of 2.1%. Capital investments net of debt increased 3.9%, a dollar total of \$1,401,767. Business-Type Activities capital investments net of debt increased \$809,566, 7.4%, and Governmental Activities increased \$592,201, 2.4%. Restricted assets increased by \$357,302 which is 35.1% change from the previous year. All the net increase was due to a change in Business-Type activities with an increase of \$361,332. Government activities decreased by \$4,030. Unrestricted assets decreased \$1,342,566. Governmental Activities had a \$130,919 decrease, 8.4%, while Business-Type activities decreased by \$1,211,648.

Centerville's governmental funds reported a combined ending fund balances of \$2,185,913 at June 30, 2014, an increase of \$41,487, percent change of 1.9%. Of the ending fund balances, \$1,317,015, is available for spending at the City's discretion in the General Fund (unassigned fund balance), a \$239,932 decrease from the previous period, a decrease of 15.4%.

At June 30, 2014, fund balances assigned to funds other than the general fund was \$842,150 an overall \$394,914 increase. Assigned fund balances increased by \$394,209, a significant change of 88.1%. The amount assigned for capital projects accounts for the majority of the balance, \$483,408 an increase of \$59,467, 14.0%. Special revenue funds increased the most by \$290,619 from \$23,294 the previous year. The previous year the balance reserved for debt service was \$0. The balance in this period is \$44,828.

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 comprise 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 thirteen (13) 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 ten (10) 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. A budgetary comparison statement has been provided for the general fund and Redevelopment Agency 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 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.

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. Auditors 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 financial position. In the case of Centerville City, assets exceeded liabilities by \$41,030,288 at June 30, 2014.

The largest portion of the City's net position is \$38,591,421 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 \$2,693,158 a 7.5%, 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. Current net assets decreased for governmental activities by \$123,415, or 2.1%.

A significant portion of the remaining of the City's net position \$1,019,014 represents resources that are now subject to external restrictions on how they may be utilized. However this is a decrease of \$357,302, or 26%. This decrease was due to the decrease in restricted assets, primarily in Business-Type activities.

Centerville City Net Position

	Governmental Activities 2014	Governmental Activities 2013	Business-Type Activities 2014	Business-Type Activities 2013	Total 2014	Total 2013
Current and other assets	\$5,718,495	\$5,841,910	\$1,263,925	\$1,501,478	\$6,982,420	\$7,343,388
Capital assets	\$31,445,700	\$32,020,634	\$16,645,758	\$16,099,296	\$48,091,458	\$48,119,930
Total assets	\$37,164,195	\$37,862,544	\$17,909,683	\$17,600,774	\$55,073,878	\$55,463,318
Deferred Outflows	\$0	\$0	\$21,373	\$22,832	\$21,373	\$22,832
Long-term liabilities	\$6,500,419	\$7,680,228	\$3,830,693	\$4,198,854	\$10,331,112	\$11,879,082
Other liabilities	\$2,464,373	\$1,336,357	\$206,881	\$59,247	\$2,671,254	\$1,395,604
Total liabilities	\$8,964,792	\$9,016,585	\$4,037,574	\$4,258,101	\$13,002,366	\$13,274,686
Deferred Inflows	\$1,062,597	\$2,174,466	\$0	\$0	\$1,062,597	\$2,174,466
<u>Net position</u>						
Invested in capital assets, net of related debt	\$25,687,835	\$25,095,634	\$12,903,586	\$10,802,629	\$38,591,421	\$35,898,263
Restricted	\$19,684	\$15,654	\$999,330	\$1,360,662	\$1,019,014	\$1,376,316
Unrestricted	\$1,429,287	\$1,560,205	(\$9,434)	\$1,202,214	\$1,419,853	\$2,762,419
Total net position	\$27,136,806	\$26,671,493	\$13,893,482	\$13,365,505	\$41,030,288	\$40,036,998

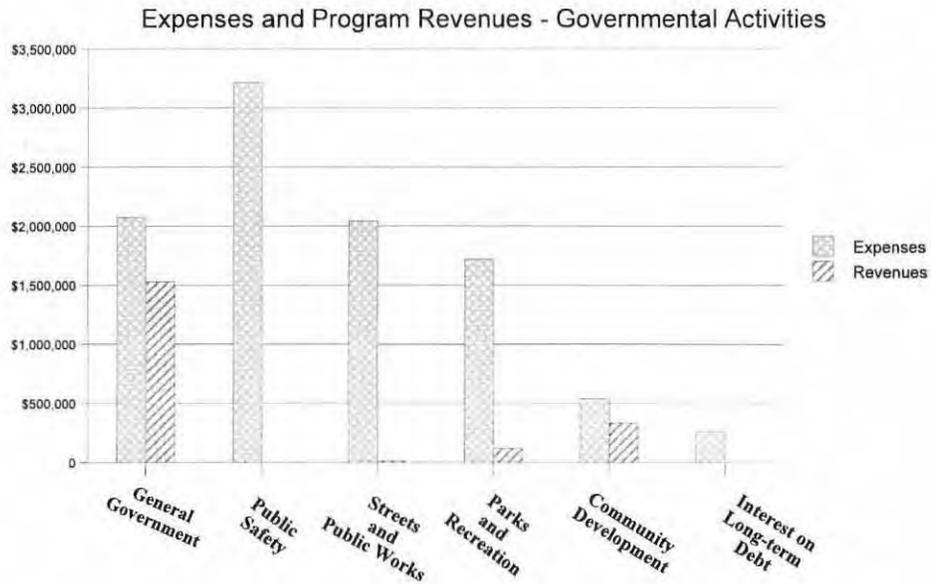
Centerville City Change in Net Position

	Governmental Activities 2014	Governmental Activities 2013	Business-type Activities 2014	Business-type Activities 2013	Total 2014	Total 2013
Revenues						
<u>Program revenues</u>						
Charges for services	\$1,992,439	\$2,000,854	\$4,206,749	\$4,182,307	\$6,199,188	\$6,183,161
Operating grants and contributions	\$0	\$0	\$0	\$253,450	\$0	\$253,450
Capital grants and contributions	\$2,267,236	\$1,841,179	\$0	\$0	\$2,267,236	\$1,841,179
<u>General revenue</u>						
Property tax and uniform vehicle fees	\$1,514,682	\$2,529,705	\$0	\$0	\$1,514,682	\$2,529,705
Other taxes	\$4,479,621	\$4,167,000	\$0	\$0	\$4,479,621	\$4,167,000
Other	\$224,224	\$66,662	\$7,784	\$24,421	\$232,008	\$91,083
Total revenue	<u>\$10,478,202</u>	<u>\$10,605,400</u>	<u>\$4,214,533</u>	<u>\$4,460,178</u>	<u>\$14,692,735</u>	<u>\$15,065,578</u>
Expenses						
General government	\$2,073,754	\$2,091,826			\$2,073,754	\$2,091,826
Public Safety	\$3,215,906	\$3,087,683			\$3,215,906	\$3,087,683
Streets and public works	\$2,040,237	\$1,565,404			\$2,040,237	\$1,565,404
Parks and recreation	\$1,720,371	\$1,629,452			\$1,720,371	\$1,629,452
Community development	\$539,894	\$660,840			\$539,894	\$660,840
Interest on long-term debt	\$259,327	\$312,167			\$259,327	\$312,167
Water			\$1,835,012	\$2,086,004	\$1,835,012	\$2,086,004
Sanitation			\$979,738	\$906,971	\$979,738	\$906,971
Storm drain			\$611,098	\$629,638	\$611,098	\$629,638
Telecom			\$424,108	\$260,540		
Total expenses	<u>\$9,849,489</u>	<u>\$9,347,372</u>	<u>\$3,849,956</u>	<u>\$3,883,153</u>	<u>\$13,699,445</u>	<u>\$13,230,525</u>
Increase in net position before transfers	\$628,713	\$1,258,028	\$364,577	\$577,025	\$993,290	\$1,835,053
Transfers	(\$163,400)	\$0	\$163,400	\$0	\$0	\$0
Increase (decrease) in net position	\$465,313	\$1,258,028	\$527,977	\$577,025	\$993,290	\$1,835,053
Net position, beginning	\$26,671,493	\$25,413,465	\$13,365,505	\$12,788,480	\$40,036,998	\$38,201,945
Net position, ending	<u>\$27,136,806</u>	<u>\$26,671,493</u>	<u>\$13,893,482</u>	<u>\$13,365,505</u>	<u>\$41,030,288</u>	<u>\$40,036,998</u>

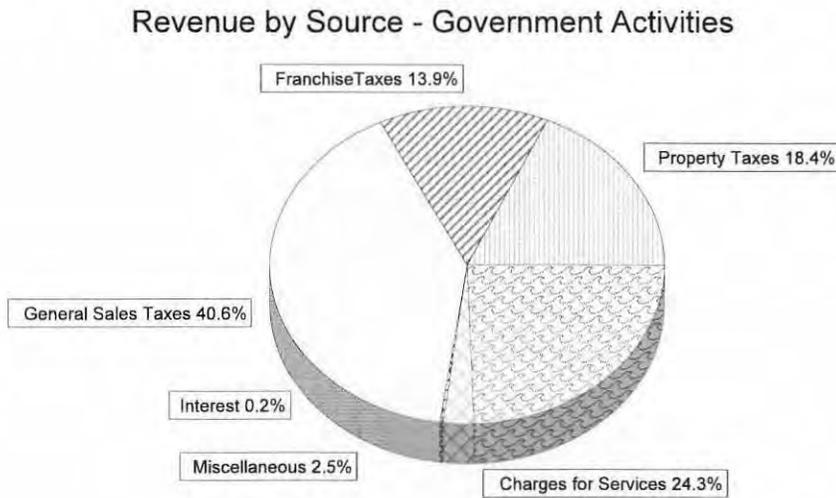
Governmental Activities

As noted in the table above, governmental activities increased net position by \$465,313 or 1.75%. The primary reason for the increase in net position is the investment in infrastructure and construction during this period.

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.



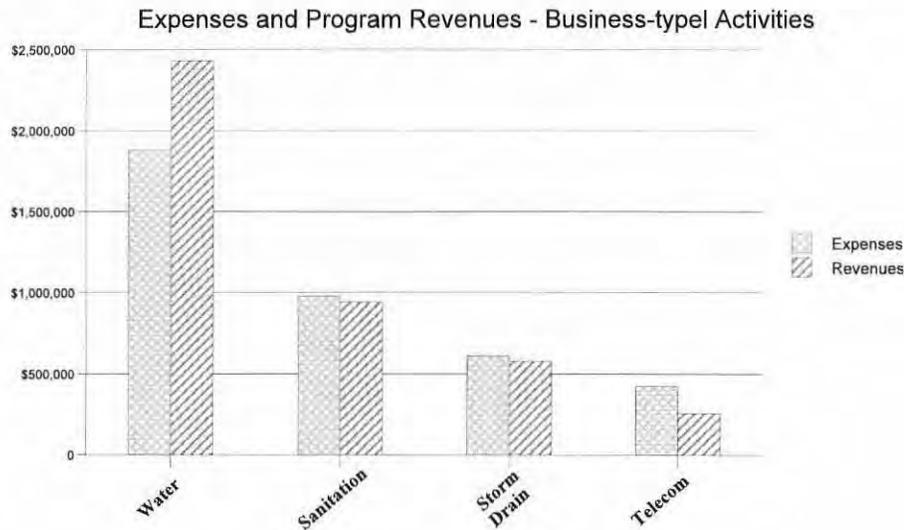
The following chart displays the major sources of governmental activity revenue. Taxes account for 72.9% of revenue that funds governmental activity in the current period.



Business-type activities

As noted in the table “Centerville City Changes in Net Position” business-type activities increased net position of \$527,977, 3.9%.

The following chart displays business-type activities compared to program expenses attributed to the activity. Traditionally business-type activities are self supporting.



Business-type activities are generally funded by charges for services, 100% of the revenues for business-type activities comes from charges for services. During the current reporting period charges for services more than funded expenses by a net \$309,059. 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

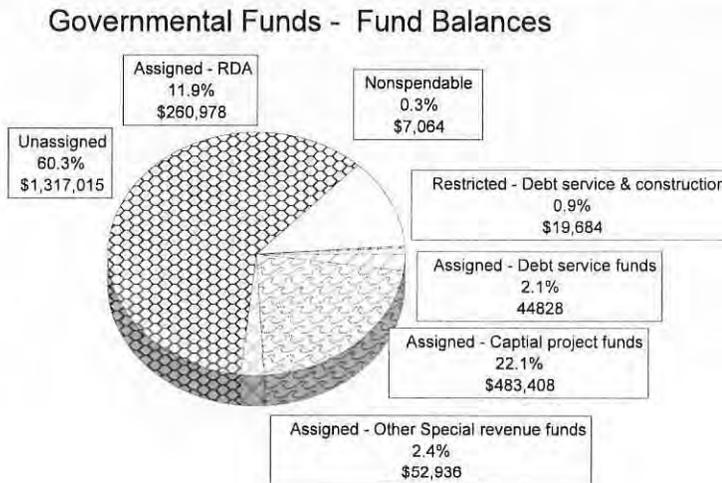
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

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, 2014, the City's governmental funds reported a combined ending fund balance of \$2,185,913 an increase of \$41,487, or 1.9% increase from the prior period. The Unassigned balance, all in general fund, decreased by 15.4%, a total dollar amount of \$239,922. Assigned fund balances, that are restricted for a specific purpose, increased from \$447,236 to \$842,150 from the prior period, or 88.3%. 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 \$19,684 at June 30, 2014.

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



The general fund is the primary operating fund of the City. At June 30, 2014 unassigned fund balance of the general fund was \$1,317,015 a decrease of \$239,932, 15.4%. The decrease was the result of increased spending, specifically for roads. The change was anticipated at year end. The total general fund balance was \$1,324,079. Total fund balance decreased by a total of \$357,457 from the prior period. The additional reduction in fund balance other than unassigned was primarily from the decrease in the Nonspendable balance, RDA 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 16.7% of total general fund revenues for the next fiscal year and total fund balance is equal to 17.41% of total general fund revenues for the next fiscal year. The general fund has reserved, or nonspendable, fund balances for RDA note, \$7,064 which was reduced by \$117,525 as the RDA made a principal payment in that amount, and an interest payment on the note during the period.

The Arts Center Debt service fund is considered as a major governmental fund. This fund has been established for the Davis Cultural Arts Center sales tax revenue bonds. The project is funded by a Sales Tax revenue bond issued by Centerville City and contributions from the RDA and Davis County. This fund has a \$44,828 fund balance. This balance was funded by participation by the RDA.

Other Governmental funds had a total increase in fund balances of \$93,138, or 17.2%. This increase is primarily due to the change in balances in capital project funds.

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 \$10,941,794 at June 30, 2014. Total net position increased by \$602,547 which was a 5.8% change, primarily from investment in capital assets.

Drainage Utility

Total net position at June 30, 2014 was \$2,994,726. Total net assets decreased by \$32,681 resulting in a 2.0% change, primarily from investment in capital assets.

Sanitation

Total net position at June 30, 2014 was \$8,821. Total net assets decreased by \$37,442 resulting in a 81% change.

Other proprietary

The other non-major proprietary fund Telecommunications, net position totaled a negative \$1,859 a decrease of \$4,447.

General fund budgetary highlights

During the fiscal year the general fund budget expenditures were amended from \$8,575,480 (\$7,993,274 expenditures and \$582,574 transfers out) to \$9,237,491 which included \$8,735,501 expenditures and \$501,990 transfers out. This reflects total increase of \$662,011 or 7.7%. The primary reason for the amendment was for street projects, in the amount of \$633,182. This period actual operating expenditures were \$8,167,486.

Total revenues had a negative variance between final amended budget to actual of 3.3%, for a total of \$284,438. Sales taxes, the largest source of revenue for the general fund was \$119,773 less than budget. This was 3.5% less than budget. Franchise taxes collected were also less than budget. This type of revenue is subject to seasonal usage fluctuation. In part the variance in natural gas and power revenues was due to a delay in the implementation of a percentage increase levied by the City. Taxes received from natural gas and power have also been slow to increase with growth as prices have declined. 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 \$154,368 a 13.5% variance. Other revenue categories that had variances between the final amended budget and actual; Intergovernmental revenues \$2,258 or .05%; Charges for services a positive \$93,642 or 58.2%; Fines and Forfeiture ended with a \$16,677 deficit; interest \$121,405, significantly under budget due to decreased cash reserves and low earning rate, and classification of revenues.

Capital Assets and Debt Administration

Centerville City's investment in capital assets for governmental and business-type activities at June 30, 2014 was \$48,043,724 (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 decreased by \$76,206 or .16%. Governmental activities decreased capital assets (net of depreciation) \$574,934 or 1.8%, to \$31,445,700. Business type activities increased capital assets (net of depreciation) \$498,728 or 3.1% to \$16,598,024.

Major capital asset events during the current year were:

1) The City went through a major review of all recorded assets during this fiscal year. There were a number of recorded assets that were no longer owned by the City, asset categories were adjusted to reflect the corrections. All of the assets were already fully depreciated. The adjustments are reflected in the details of the Capital Assets as Decreases in Assets.

2) Governmental activities decreased slightly in non-depreciated assets by \$30,000 to \$7,561,481, as a result of the asset review. There were no change in Buildings and Improvements. Infrastructure had a slight increase of \$25,270. Machinery and equipment had a net decrease of \$143,938. Autos and trucks increased \$107,360. 4.6%. Total accumulated depreciation increased \$926,414, or 16.4%.

3) Investment of business type activities increased by the amount of \$498,728 (depreciated), 3.1%. Prior to depreciation, investments in Water distribution systems increased by \$1,140,633, 9.3%; Storm Drain Systems increased by \$17,984, .9%. Buildings and Wells, Reservoirs investment increased by 1,026,870, 43.3%. Machinery and equipment had an increase of investment by \$122,553, 8.1%, but a net decrease of \$172,586, 11.4%, with \$295,139 retirement of assets. Total accumulated depreciation increased by \$480,878.

Centerville City Capital Assets
(Net of depreciation)

	Governmental Activities 2014	Governmental Activities 2013	Business-Type Activities 2014	Business-Type Activities 2013	Total 2014	Total 2013
Land	\$7,561,481	\$7,591,481	\$236,909	\$177,122	\$7,798,390	\$7,768,603
Buildings	\$15,465,066	\$15,920,867	\$2,709,041	\$1,708,179	\$18,174,107	\$17,629,046
Improvements other than buildings	\$3,803	\$3,940	\$48,617	\$48,617	\$52,420	\$52,557
Machinery & equipment	\$1,442,233	\$1,555,513	\$365,178	\$353,508	\$1,807,411	\$1,909,021
Distribution & collection systems	\$0	\$0	\$13,286,013	\$12,439,125	\$13,286,013	\$12,439,125
Autos & trucks	\$866,705	\$728,467	\$0	\$0	\$866,705	\$728,467
Infrastructure	\$6,035,107	\$6,149,061	\$0	\$0	\$6,035,107	\$6,149,061
Furniture & fixtures	\$71,305	\$71,305	\$0	\$0	\$71,305	\$71,305
Construction in Process	\$0	\$0	\$0	\$1,372,745	\$0	\$1,372,745
Total	\$31,445,700	\$32,020,634	\$16,645,758	\$16,099,296	\$48,091,458	\$48,119,930

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, 2014, the long term outstanding bonds payable of the City was \$9,105,000. None of this amount is considered general obligation debt. This is a decrease from the prior period of \$1,695,000, 15.7%. Governmental activities outstanding debt decreased by \$1,340,000, 19.4% and Business type activities decreased by \$355,000, 9.2% . All of the debt is considered revenue bonds (\$5,585,000 governmental activities and \$3,520,000 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 2014	Governmental Activities 2013	Business-type Activities 2014	Business-type Activities 2013	Total 2014	Total 2013
Compensated Absences	\$465,296	\$438,361	\$88,521	\$85,084	\$553,817	\$523,445
Revenue bonds	\$5,585,000	\$6,925,000	\$3,520,000	\$3,875,000	\$9,105,000	\$10,800,000
Total	\$6,050,296	\$7,363,361	\$3,608,521	\$3,960,084	\$9,658,817	\$11,323,445

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, 2014, the Utah and local economy was continuing to stay strong. Unemployment continues to decrease to 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 2014-2015, which is considered one of the strongest economies in the country. Housing construction has rebounded somewhat in the State and locally. Commercial construction has an increased in recent months within the City and more anticipated with the construction of a 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 6.7%, total of \$206,261, in sales tax revenue (general fund) from 2013. This is the first year that revenues were above the pre-recession peak in 2008. Revenue from retail sales are expected to continue with a moderate increases in 2013-2015, again by 6-8%. The 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 2013-2014 budget. The only increase is a 5% increase in waste collection fees to keep up with increasing cost of operations.

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, 2014

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,423,351	\$ 2,134,934	\$ 3,558,285
Receivables:			
Property and other taxes	1,902,000	-	1,902,000
Accounts	15,179	338,993	354,172
Notes	39,278	-	39,278
Prepays and other	-	44,414	44,414
Internal balances	2,253,746	(2,253,746)	-
Due from other governments	84,941	-	84,941
Restricted cash and cash equivalents	-	999,330	999,330
Water stock and rights	-	48,617	48,617
Land	7,561,481	236,909	7,798,390
Buildings	18,559,574	3,424,196	21,983,770
Improvements other than buildings	62,283	984,857	1,047,140
Machinery and equipment	2,839,509	1,344,843	4,184,352
Distribution and collection systems	-	17,177,972	17,177,972
Autos and trucks	2,418,484	-	2,418,484
Furniture and fixtures	106,515	-	106,515
Infrastructure	6,943,289	-	6,943,289
Accumulated depreciation	(7,045,435)	(6,571,636)	(13,617,071)
Total assets	37,164,195	17,909,683	55,073,878
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred loss on refunding	-	21,373	21,373
Total deferred outflows of resources	-	21,373	21,373
<u>LIABILITIES</u>			
Accounts payable	588,996	13,786	602,782
Accrued interest payable	33,666	34,155	67,821
Accrued liabilities	142,285	1,187	143,472
Unearned revenue	1,524	150,000	151,524
Deposits and bonds held	1,697,902	7,753	1,705,655
Non-current liabilities:			
Due within one year	1,734,229	401,393	2,135,622
Due in more than one year	4,766,190	3,429,300	8,195,490
Total liabilities	8,964,792	4,037,574	13,002,366
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred property tax revenue	1,062,597	-	1,062,597
Total deferred inflows of resources	1,062,597	-	1,062,597
<u>NET POSITION</u>			
Net investment in capital assets	25,687,835	12,903,586	38,591,421
Restricted for			
Debt service and construction	19,684	999,330	1,019,014
Unrestricted	1,429,287	(9,434)	1,419,853
Total net position	\$ 27,136,806	\$ 13,893,482	\$ 41,030,288

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

CENTERVILLE CITY CORPORATION
Statement of Activities
For the Year Ended June 30, 2014

	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
<u>GOVERNMENTAL ACTIVITIES</u>							
General government	\$ 2,073,754	\$ 1,529,410	\$ -	\$ -	\$ (544,344)		\$ (544,344)
Public safety	3,215,906	-	-	-	(3,215,906)		(3,215,906)
Streets and public works	2,040,237	11,477	-	-	(2,028,760)		(2,028,760)
Parks and recreation	1,720,371	118,300	-	-	(1,602,071)		(1,602,071)
Community development	539,894	333,252	-	2,267,236	2,060,594		2,060,594
Interest on long-term debt	259,327	-	-	-	(259,327)		(259,327)
Total governmental activities	9,849,489	1,992,439	-	2,267,236	(5,589,814)		(5,589,814)
<u>BUSINESS-TYPE ACTIVITIES</u>							
Water	1,835,012	2,431,720	-	-		\$ 596,708	596,708
Sanitation	979,738	942,296	-	-		(37,442)	(37,442)
Storm drain	611,098	576,486	-	-		(34,612)	(34,612)
Telecom	424,108	256,247	-	-		(167,861)	(167,861)
Total business-type activities	3,849,956	4,206,749	-	-		356,793	356,793
<u>GENERAL REVENUES AND TRANSFERS</u>							
General Revenues:							
Taxes:							
Property taxes					1,514,682	-	1,514,682
Franchise taxes					1,144,152	-	1,144,152
General sales taxes and highway sales taxes					3,335,469	-	3,335,469
Interest income					17,628	7,784	25,412
Miscellaneous					206,596	-	206,596
Transfers, net					(163,400)	163,400	-
Total general revenues and transfers					6,055,127	171,184	6,226,311
Change in net position					465,313	527,977	993,290
Net position - beginning					26,671,493	13,365,505	40,036,998
Net position - ending					\$ 27,136,806	\$ 13,893,482	\$ 41,030,288

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

CENTERVILLE CITY CORPORATION
Balance Sheet – Governmental Funds
June 30, 2014

	<u>General</u>	<u>Special Revenue Redevelopment Agency</u>	<u>Debt Service Arts Center</u>	<u>Other Governmental</u>	<u>Totals Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 659,265	\$ 208,058	\$ -	\$ 556,028	\$ 1,423,351
Receivables:					
Sales, property and franchise taxes	1,671,055	170,746	60,199	-	1,902,000
Accounts	15,179	-	-	-	15,179
Note receivable	-	-	-	39,278	39,278
Class C road funds	84,941	-	-	-	84,941
Due from other funds	2,269,117	-	-	-	2,269,117
Note receivable - interfund	7,064	-	-	-	7,064
Total assets	<u>\$ 4,706,621</u>	<u>\$ 378,804</u>	<u>\$ 60,199</u>	<u>\$ 595,306</u>	<u>\$ 5,740,930</u>
LIABILITIES					
Liabilities:					
Accounts payable	\$ 588,996	\$ -	\$ -	\$ -	\$ 588,996
Accrued liabilities	142,285	-	-	-	142,285
Deferred revenue - other	1,524	-	-	-	1,524
Due to other funds	-	-	15,371	-	15,371
Deposits/bonds held	1,697,902	-	-	-	1,697,902
Note payable - interfund	-	7,064	-	-	7,064
Total liabilities	<u>2,430,707</u>	<u>7,064</u>	<u>15,371</u>	<u>-</u>	<u>2,453,142</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred property tax revenue	951,835	110,762	-	-	1,062,597
Deferred revenue - note receivable	-	-	-	39,278	39,278
Total deferred inflows of resources	<u>951,835</u>	<u>110,762</u>	<u>-</u>	<u>39,278</u>	<u>1,101,875</u>
FUND BALANCES					
Nonspendable					
RDA note	7,064	-	-	-	7,064
Total nonspendable	<u>7,064</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,064</u>
Restricted for:					
Debt service and construction	-	-	-	19,684	19,684
Total restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,684</u>	<u>19,684</u>
Assigned to:					
Special revenue funds	-	260,978	-	52,936	313,914
Debt service funds	-	-	44,828	-	44,828
Capital projects funds	-	-	-	483,408	483,408
Total assigned	<u>-</u>	<u>260,978</u>	<u>44,828</u>	<u>536,344</u>	<u>842,150</u>
Unassigned	1,317,015	-	-	-	1,317,015
Total fund balances	<u>1,324,079</u>	<u>260,978</u>	<u>44,828</u>	<u>556,028</u>	<u>2,185,913</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,706,621</u>	<u>\$ 378,804</u>	<u>\$ 60,199</u>	<u>\$ 595,306</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.					31,445,700
Long-term receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds.					39,278
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.					<u>(6,534,085)</u>
Net position of governmental activities					<u>\$ 27,136,806</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, 2014

	General	Special Revenue Redevelopment Agency	Debt Service Arts Center	Other Governmental	Total Governmental Funds
REVENUES					
Taxes	\$ 5,559,295	\$ 103,529	\$ 331,479	\$ -	\$ 5,994,303
Special assessments	-	-	-	11,477	11,477
Licenses and permits	333,252	-	-	-	333,252
Intergovernmental	523,258	1,184,150	559,828	-	2,267,236
Charges for services	254,617	-	-	226,770	481,387
Fines and forfeitures	468,323	-	-	-	468,323
Charges for services - other funds	698,000	-	-	-	698,000
Interest	14,595	-	1,885	1,148	17,628
Miscellaneous	396,638	188,957	-	25,771	611,366
Total revenues	<u>8,247,978</u>	<u>1,476,636</u>	<u>893,192</u>	<u>265,166</u>	<u>10,882,972</u>
EXPENDITURES					
Current operating:					
General government	1,380,944	124,629	3,500	-	1,509,073
Public safety	3,194,578	-	-	-	3,194,578
Streets and public works	2,192,768	-	-	-	2,192,768
Community development	345,980	170,554	-	-	516,534
Parks and recreation	1,007,872	-	-	186,381	1,194,253
Capital outlay	-	-	-	16,170	16,170
Debt service:					
Principal retirement	42,948	-	1,340,000	-	1,382,948
Interest and fiscal charges	2,396	7,475	254,864	2,500	267,235
UTOPIA pledge payments	-	-	-	436,978	436,978
Total expenditures	<u>8,167,486</u>	<u>302,658</u>	<u>1,598,364</u>	<u>642,029</u>	<u>10,710,537</u>
Excess (deficiency) of revenues over expenditures	<u>80,492</u>	<u>1,173,978</u>	<u>(705,172)</u>	<u>(376,863)</u>	<u>172,435</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	7,500	-	750,000	477,501	1,235,001
Sale of capital assets	55,812	-	-	-	55,812
Transfers out	(501,261)	(913,000)	-	(7,500)	(1,421,761)
Total other financing sources (uses)	<u>(437,949)</u>	<u>(913,000)</u>	<u>750,000</u>	<u>470,001</u>	<u>(130,948)</u>
Net change in fund balance	(357,457)	260,978	44,828	93,138	41,487
Fund balance - beginning of year	1,681,536	-	-	462,890	2,144,426
Fund balance - end of year	<u>\$ 1,324,079</u>	<u>\$ 260,978</u>	<u>\$ 44,828</u>	<u>\$ 556,028</u>	<u>\$ 2,185,913</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, 2014

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)	\$	41,487
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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 depreciation exceeded capital outlays and capital contributions in the current period.		(512,831)
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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.		998,760
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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.		(62,103)
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Change in net position of governmental activities (page 27)	\$	<u>465,313</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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
<u>REVENUES</u>				
Taxes	\$ 5,867,983	\$ 5,834,483	\$ 5,559,295	\$ (275,188)
Licenses and permits	356,350	356,350	333,252	(23,098)
Intergovernmental	502,390	525,790	523,258	(2,532)
Charges for services	120,975	160,975	254,617	93,642
Fines and forfeitures	485,000	485,000	468,323	(16,677)
Charges for services - other funds	714,500	714,500	698,000	(16,500)
Interest	136,000	136,000	14,595	(121,405)
Miscellaneous	79,750	319,318	396,638	77,320
Total revenues	<u>8,262,948</u>	<u>8,532,416</u>	<u>8,247,978</u>	<u>(284,438)</u>
<u>EXPENDITURES</u>				
Current operating:				
General government:				
Administration	425,745	424,617	414,117	10,500
Municipal council	110,408	85,378	61,028	24,350
Finance	495,634	501,272	525,502	(24,230)
Legal	409,035	402,648	380,297	22,351
Total general government	<u>1,440,822</u>	<u>1,413,915</u>	<u>1,380,944</u>	<u>32,971</u>
Fire	794,172	813,602	813,604	(2)
Public safety	2,375,622	2,453,319	2,380,974	72,345
Streets and public works	1,953,271	2,586,453	2,192,768	393,685
Community development	404,011	380,902	345,980	34,922
Parks and recreation	1,025,376	1,041,310	1,007,872	33,438
Debt Service:				
Interest and fiscal charges	-	46,000	45,344	656
Total expenditures	<u>7,993,274</u>	<u>8,735,501</u>	<u>8,167,486</u>	<u>568,015</u>
Excess (deficiency) of revenues over expenditures	269,674	(203,085)	80,492	283,577
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	7,500	7,500
Transfers out	(582,574)	(501,990)	(501,261)	729
Sale of capital assets	20,000	20,000	55,812	35,812
Total other financing sources (uses)	<u>(562,574)</u>	<u>(481,990)</u>	<u>(437,949)</u>	<u>44,041</u>
Net change in fund balance	(292,900)	(685,075)	(357,457)	327,618
Fund balance - beginning of year	1,681,536	1,681,536	1,681,536	-
Fund balance - end of year	<u>\$ 1,388,636</u>	<u>\$ 996,461</u>	<u>\$ 1,324,079</u>	<u>\$ 327,618</u>

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget - Positive (Negative)
<u>REVENUES</u>				
Taxes	\$ 1,375,000	\$ 1,375,000	\$ 103,529	\$ (1,271,471)
Intergovernmental	72,000	72,000	1,184,150	1,112,150
Miscellaneous	-	-	188,957	188,957
	<u>1,447,000</u>	<u>1,447,000</u>	<u>1,476,636</u>	<u>29,636</u>
<u>EXPENDITURES</u>				
Current operating:				
General government	175,500	175,500	124,629	50,871
Community development	553,500	553,500	170,554	382,946
Debt service:				
Interest and fiscal charges	125,000	125,000	7,475	117,525
	<u>854,000</u>	<u>854,000</u>	<u>302,658</u>	<u>551,342</u>
Excess (deficiency) of revenues over expenditures	<u>593,000</u>	<u>593,000</u>	<u>1,173,978</u>	<u>580,978</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	(913,000)	(913,000)	(913,000)	-
	<u>(913,000)</u>	<u>(913,000)</u>	<u>(913,000)</u>	<u>-</u>
Net change in fund balance	(320,000)	(320,000)	260,978	580,978
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ (320,000)</u>	<u>\$ (320,000)</u>	<u>\$ 260,978</u>	<u>\$ 580,978</u>

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

CENTERVILLE CITY CORPORATION
Statement of Net Position – Proprietary Funds
June 30, 2014

	<u>Water Fund</u>	<u>Drainage Utility Fund</u>	<u>Sanitation Fund</u>	<u>Non-major Telecom Fund</u>	<u>Total Proprietary Funds</u>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 1,297,267	\$ 837,667	\$ -	\$ -	\$ 2,134,934
Receivables:					
Accounts receivable, net	142,706	57,202	83,057	25,873	308,838
Unbilled receivables	30,155	-	-	-	30,155
Prepaid and other	44,414	-	-	-	44,414
Due from other funds	158,474	-	-	-	158,474
Total current assets	<u>1,673,016</u>	<u>894,869</u>	<u>83,057</u>	<u>25,873</u>	<u>2,676,815</u>
Noncurrent assets:					
Other assets:					
Restricted cash	999,330	-	-	-	999,330
Total other assets	<u>999,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>999,330</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	13,393,248	-	-	-	13,393,248
Buildings and wells	3,424,196	-	-	-	3,424,196
Machinery and equipment	611,175	152,338	581,330	-	1,344,843
Sub-drain system	-	1,940,244	-	-	1,940,244
Storm drain system	-	1,844,480	-	-	1,844,480
Accumulated depreciation	(5,448,207)	(650,593)	(472,836)	-	(6,571,636)
Net property, plant and equipment	<u>13,250,795</u>	<u>3,286,469</u>	<u>108,494</u>	<u>-</u>	<u>16,645,758</u>
Total noncurrent assets	<u>14,250,125</u>	<u>3,286,469</u>	<u>108,494</u>	<u>-</u>	<u>17,645,088</u>
Total Assets	<u>15,923,141</u>	<u>4,181,338</u>	<u>191,551</u>	<u>25,873</u>	<u>20,321,903</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	18,267	3,106	-	-	21,373
Total deferred outflows of resources	<u>18,267</u>	<u>3,106</u>	<u>-</u>	<u>-</u>	<u>21,373</u>
LIABILITIES					
Current liabilities:					
Accounts payable	-	-	-	13,786	13,786
Accrued interest payable	26,642	7,513	-	-	34,155
Unearned revenue	-	150,000	-	-	150,000
Compensated absences	19,796	-	-	-	19,796
Due to other funds	2,064,823	158,474	174,977	13,946	2,412,220
Bonds payable - current	336,597	45,000	-	-	381,597
Security deposits	-	-	7,753	-	7,753
Due to subdividers	1,187	-	-	-	1,187
Total current liabilities	<u>2,449,045</u>	<u>360,987</u>	<u>182,730</u>	<u>27,732</u>	<u>3,020,494</u>
Long-term liabilities:					
Bonds payable	2,481,844	878,731	-	-	3,360,575
Compensated absences	68,725	-	-	-	68,725
Total long-term liabilities	<u>2,550,569</u>	<u>878,731</u>	<u>-</u>	<u>-</u>	<u>3,429,300</u>
Total Liabilities	<u>4,999,614</u>	<u>1,239,718</u>	<u>182,730</u>	<u>27,732</u>	<u>6,449,794</u>
NET POSITION					
Net investment in capital assets	10,432,354	2,362,738	108,494	-	12,903,586
Restricted for debt service and development	999,330	-	-	-	999,330
Unrestricted	(489,890)	581,988	(99,673)	(1,859)	(9,434)
Total Net Position	<u>\$ 10,941,794</u>	<u>\$ 2,944,726</u>	<u>\$ 8,821</u>	<u>\$ (1,859)</u>	<u>\$ 13,893,482</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, 2014

	<u>Water Fund</u>	<u>Drainage Utility Fund</u>	<u>Sanitation Fund</u>	<u>Non-major Telecom Fund</u>	<u>Total Proprietary Funds</u>
<u>OPERATING REVENUES</u>					
Charges for services	\$ 1,896,778	\$ 576,486	\$ 938,046	\$ 256,247	\$ 3,667,557
Connection and servicing	8,301	-	3,990	-	12,291
Miscellaneous	15,027	-	260	-	15,287
Total operating revenues	<u>1,920,106</u>	<u>576,486</u>	<u>942,296</u>	<u>256,247</u>	<u>3,695,135</u>
<u>OPERATING EXPENSES</u>					
Salaries and wages	288,413	48,581	-	-	336,994
Employee benefits	138,682	28,291	-	-	166,973
Water purchases	75,700	-	-	-	75,700
Utility costs	105,247	1,674	-	-	106,921
Maintenance and supplies	318,657	152,402	169,242	-	640,301
Tipping fees and contractual services	-	4,127	682,788	-	686,915
Professional and technical services	39,521	52,487	3,619	424,108	519,735
Administration and overhead	423,293	211,380	97,219	-	731,892
Depreciation	364,524	89,484	26,870	-	480,878
Total operating expenses	<u>1,754,037</u>	<u>588,426</u>	<u>979,738</u>	<u>424,108</u>	<u>3,746,309</u>
Operating income (loss)	<u>166,069</u>	<u>(11,940)</u>	<u>(37,442)</u>	<u>(167,861)</u>	<u>(51,174)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>					
Development and construction fees	511,614	-	-	-	511,614
Interest revenue	5,839	1,931	-	14	7,784
Interest expense	(80,975)	(22,672)	-	-	(103,647)
Total non-operating revenues (expenses)	<u>436,478</u>	<u>(20,741)</u>	<u>-</u>	<u>14</u>	<u>415,751</u>
Income before contributions and transfers	602,547	(32,681)	(37,442)	(167,847)	364,577
Transfers in	-	-	-	163,400	163,400
Change in net position	602,547	(32,681)	(37,442)	(4,447)	527,977
Total net position, beginning of year	<u>10,339,247</u>	<u>2,977,407</u>	<u>46,263</u>	<u>2,588</u>	<u>13,365,505</u>
Total net position, end of year	<u>\$ 10,941,794</u>	<u>\$ 2,944,726</u>	<u>\$ 8,821</u>	<u>\$ (1,859)</u>	<u>\$ 13,893,482</u>

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

CENTERVILLE CITY CORPORATION
Statement of Cash Flows – Proprietary Funds
June 30, 2014

	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)	\$ 1,907,590	\$ 724,085	\$ 935,596	\$ 256,621	\$ 3,823,892
Cash paid to suppliers	(962,418)	(422,070)	(952,868)	(424,108)	(2,761,464)
Cash paid to employees	(423,658)	(76,872)	-	-	(500,530)
Net cash provided (used) by operating activities	<u>521,514</u>	<u>225,143</u>	<u>(17,272)</u>	<u>(167,487)</u>	<u>561,898</u>
<u>Cash flows from non-capital financing activities</u>					
Transfers from other funds	-	-	-	163,400	163,400
Increase (decrease) in amounts due to other funds	320,295	144,891	39,959	4,073	509,218
Net cash provided (used) by non-capital financing activities	<u>320,295</u>	<u>144,891</u>	<u>39,959</u>	<u>167,473</u>	<u>672,618</u>
<u>Cash flow from capital and related financing activities</u>					
Bond payments - principal	(323,621)	(46,518)	-	-	(370,139)
Bond payments - interest	(83,075)	(22,938)	-	-	(106,013)
Purchase of capital assets	(1,002,145)	(17,984)	(22,687)	-	(1,042,816)
Impact fees	511,614	-	-	-	511,614
Net cash provided (used) by capital and related financing activities	<u>(881,751)</u>	<u>(87,440)</u>	<u>(22,687)</u>	<u>-</u>	<u>(991,878)</u>
<u>Cash flow from investing activities</u>					
Interest earned on investments	5,839	1,931	-	14	7,784
Net cash provided by investing activities	<u>5,839</u>	<u>1,931</u>	<u>-</u>	<u>14</u>	<u>7,784</u>
Net increase (decrease) in cash and cash equivalents	(34,103)	284,525	-	-	250,422
Cash and cash equivalents at beginning of year	2,330,700	553,142	-	-	2,883,842
Cash and cash equivalents at end of year	<u>\$ 2,296,597</u>	<u>\$ 837,667</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,134,264</u>
<u>Reconciliation of operating income to net cash provided by operating activities</u>					
Operating income (loss)	\$ 166,069	\$ (11,940)	\$ (37,442)	\$ (167,861)	\$ (51,174)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation expense	364,524	89,484	26,870	-	480,878
Decrease (increase) in accounts receivable	(10,736)	(2,401)	(6,700)	374	(19,463)
Decrease (increase) in prepaid expenses	(1,780)	-	-	-	(1,780)
Increase (decrease) in accounts payable and accrued liabilities	-	150,000	-	-	150,000
Increase (decrease) in compensated absences	3,437	-	-	-	3,437
Total adjustments	<u>355,445</u>	<u>237,083</u>	<u>20,170</u>	<u>374</u>	<u>613,072</u>
Net cash provided (used) by operating activities	<u>\$ 521,514</u>	<u>\$ 225,143</u>	<u>\$ (17,272)</u>	<u>\$ (167,487)</u>	<u>\$ 561,898</u>

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

CENTERVILLE CITY CORPORATION
Statement of Net Position – Fiduciary Fund
June 30, 2014

	<u>Trust Fund Total</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 24,565
Total assets	<u>24,565</u>
<u>NET POSITION</u>	
Unrestricted	<u>24,565</u>
Total net position	<u><u>\$ 24,565</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, 2014

	Trust Fund Total
<u>ADDITIONS</u>	
Miscellaneous:	
Interest income	\$ 23
Donations	527
Rental income	2,646
Transfer in	23,360
Total additions	26,556
 <u>DEDUCTIONS</u>	
Administrative	16,845
Total deductions	16,845
Change in net position	9,711
Net position - beginning	14,854
Net position - ending	\$ 24,565

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

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements
June 30, 2014

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, 2014

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.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.
- 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.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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, 2014 were estimated based on July billings and are included in the operating revenues and accounts receivable at year-end.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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. Sick pay amounts are charged to expenditures when incurred. Employees may accumulate sick leave without limitation. Accumulated vacation and sick leave is paid to employees upon retirement, with a limitation of one third of accumulated hours in excess of 300 hours. Employees that are terminated for reasons other than retirement are not paid for accumulated sick leave.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

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.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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	\$ 38,491,135
Accumulated depreciation	<u>(7,045,435)</u>
Total difference	<u><u>\$ 31,445,700</u></u>

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2014

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

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

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, 2014 were:

Sales tax revenue bonds	\$ 5,585,000
Bond issuance premium	277,258
Lease payable	172,865
Interest payable on long-term debt	33,666
Compensated absences	465,296
Total difference	\$ 6,534,085

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	\$ 413,256
Depreciation expense	(926,087)
Net difference, as reported	\$ (512,831)

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2014

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.

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 City Hall Revenue Bond Debt Service Fund had expenditures in excess of budget of \$2,500. The Arts Center Debt Service Fund had expenditures in excess of budget of \$876. The Capital Projects UTOPIA Fund had expenditures in excess of budget of \$727.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2014

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

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.

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.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2014

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

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, 2014, the City had investments of \$3,119,010 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	\$ 3,558,285
Restricted cash and cash equivalents	<u>999,330</u>
	<u><u>\$ 4,557,615</u></u>

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2014

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	\$ 1,671,055	\$ 170,746	\$ -	\$ -	\$ -	\$ 60,199	\$ 1,902,000
Accounts and other	15,179	-	195,903	59,202	89,057	25,873	385,214
Intergovernmental	84,941	-	-	-	-	-	84,941
Gross receivables	1,771,175	170,746	195,903	59,202	89,057	86,072	2,372,155
Less: allowance for uncollectibles	-	-	(23,042)	(2,000)	(6,000)	-	(31,042)
Net total receivables	\$ 1,771,175	\$ 170,746	\$ 172,861	\$ 57,202	\$ 83,057	\$ 86,072	\$ 2,341,113

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)	\$ 951,835	\$ -
Property taxes receivable (RDA Fund)	110,762	-
Various prepayments received (General Fund)	-	1,524
Receivable from nonprofit organization (Arts Center Fund)	39,278	-
Total deferred inflows of resources/unearned revenue for governmental funds	\$ 1,101,875	\$ 1,524

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2014

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>07/01/13</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/14</u>
<u>Governmental activities</u>				
Capital assets, not depreciated:				
Land	\$ 7,591,481	\$ -	\$ (30,000)	\$ 7,561,481
 Total capital assets, not depreciated	 7,591,481	 -	 (30,000)	 7,561,481
Capital assets, depreciated:				
Buildings	18,559,574	-	-	18,559,574
Improvements	62,283	-	-	62,283
Infrastructure	6,918,019	25,270	-	6,943,289
Machinery and equipment	2,983,447	44,445	(188,383)	2,839,509
Autos and trucks	2,329,562	343,542	(254,620)	2,418,484
Furniture and fixtures	111,575	-	(5,060)	106,515
 Total capital assets, depreciated	 30,964,460	 413,257	 (448,063)	 30,929,654
Less: accumulated depreciation:				
Buildings	(2,638,707)	(455,801)	-	(3,094,508)
Improvements	(58,343)	(137)	-	(58,480)
Infrastructure	(768,958)	(139,224)	-	(908,182)
Machinery and equipment	(1,427,934)	(157,725)	188,383	(1,397,276)
Autos and trucks	(1,601,095)	(173,200)	222,516	(1,551,779)
Furniture and fixtures	(40,270)	-	5,060	(35,210)
 Total accumulated depreciation	 (6,535,307)	 (926,087)	 415,959	 (7,045,435)
 Net governmental capital assets	 \$ 32,020,634	 \$ (512,830)	 \$ (62,104)	 \$ 31,445,700

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2014

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Capital Assets (Continued)

	07/01/13	Increases	Decreases	06/30/14
<u>Business-type activities</u>				
Capital assets, not depreciated:				
Water stock and rights	\$ 48,617	\$ -	\$ -	\$ 48,617
Land	177,122	59,787	-	236,909
Construction in progress	1,372,745	-	(1,372,745)	-
	<u>1,598,484</u>	<u>59,787</u>	<u>(1,372,745)</u>	<u>285,526</u>
Total capital assets, not depreciated				
Capital assets, depreciated:				
Reservoirs	984,857	-	-	984,857
Water distribution system	12,228,527	1,164,721	-	13,393,248
Sub-drain system	1,940,244	-	-	1,940,244
Storm drain system	1,826,496	17,984	-	1,844,480
Buildings and wells	2,373,680	1,050,516	-	3,424,196
Machinery and equipment	1,517,429	122,553	(295,139)	1,344,843
	<u>20,871,233</u>	<u>2,355,774</u>	<u>(295,139)</u>	<u>22,931,868</u>
Total capital assets, depreciated				
Less: accumulated depreciation:				
Reservoirs	(721,236)	(12,596)	-	(733,832)
Water distribution system	(3,368,714)	(247,908)	-	(3,616,622)
Sub-drain system	(271,591)	(38,783)	-	(310,374)
Storm drain system	(179,458)	(36,530)	-	(215,988)
Buildings and wells	(665,501)	(49,654)	-	(715,155)
Machinery and equipment	(1,163,921)	(95,407)	279,663	(979,665)
	<u>(6,370,421)</u>	<u>(480,878)</u>	<u>279,663</u>	<u>(6,571,636)</u>
Total accumulated depreciation				
Net business-type capital assets	<u>\$ 16,099,296</u>	<u>\$ 1,934,683</u>	<u>\$(1,388,221)</u>	<u>\$ 16,645,758</u>

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2014

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		\$ 124,207
Public safety		74,669
Highways and public improvements		156,648
Parks, recreation, and public property		<u>570,563</u>
Total depreciation expense - governmental activities		<u><u>\$ 926,087</u></u>
Business-type activities:		
Water		\$ 364,524
Drainage Utility		89,484
Sanitation		<u>26,870</u>
Total depreciation expense - business-type activities		<u><u>\$ 480,878</u></u>

Interfund Receivable, Payables and Transfers

At June 30, 2014, 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	\$ 15,371
General	Water	2,064,823
General	Sanitation Fund	174,977
General	Nonmajor proprietary fund	13,946
Water	Drainage Utility	<u>158,474</u>
		<u><u>\$ 2,427,591</u></u>

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

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2014

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, 2014 were as follows:

<u>Fund Transferring Out</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>
General	Nonmajor Governmental Funds	\$ 314,501
General	Telecom	163,400
Redevelopment Agency	Arts Center Debt Service	750,000
Redevelopment Agency	Nonmajor Governmental Funds	163,000
General	Fiduciary Fund	23,360
Nonmajor Governmental Funds	General	7,500
		<u>\$ 1,421,761</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, 2014 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	\$ 5,585,000
Water Series 2012	<u>4,210,000</u>	\$100,000 to \$425,000	2.00% to 4.00%	9/1/2031	<u>3,520,000</u>
	<u>\$ 15,865,000</u>				<u>\$ 9,105,000</u>

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2014

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>
2015	\$ 1,785,000	\$ 300,200	\$ 2,085,200
2016	1,915,000	231,650	2,146,650
2017	920,000	169,163	1,089,163
2018	695,000	144,444	839,444
2019	795,000	126,594	921,594
2020 - 2024	2,015,000	303,188	2,318,188
2025 - 2029	575,000	148,050	723,050
2030 - 2032	405,000	43,300	448,300
	<u>\$ 9,105,000</u>	<u>\$ 1,466,589</u>	<u>\$ 10,571,589</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, 2014, are as follows:

<u>Lease payment</u>	<u>Totals</u>
2015	\$ 45,343
2016	45,344
2017	45,343
2018	45,343
Total minimum lease payments	<u>181,373</u>
Less amount representing interest	<u>(8,508)</u>
Present value of minimum lease payments	172,865
Amount due within one year	<u>41,972</u>
Amount due after one year	<u>\$ 130,893</u>

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2014

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2014 was as follows:

	<u>07/01/13</u>	<u>Additions</u>	<u>Reductions</u>	<u>06/30/14</u>	<u>Due in One Year</u>
<u>Governmental activities</u>					
Bonds payable:					
Sales tax revenue	\$ 6,925,000	\$ -	\$ (1,340,000)	\$ 5,585,000	\$ 1,420,000
Unamortized premium	<u>316,867</u>	<u>-</u>	<u>(39,609)</u>	<u>277,258</u>	<u>39,609</u>
Total bonds payable	7,241,867	-	(1,379,609)	5,862,258	1,459,609
Capital leases	-	215,813	(42,948)	172,865	41,972
Compensated absences	<u>438,361</u>	<u>246,116</u>	<u>(219,181)</u>	<u>465,296</u>	<u>232,648</u>
Governmental activity long-term liabilities	<u>\$ 7,680,228</u>	<u>\$ 461,929</u>	<u>\$ (1,641,738)</u>	<u>\$ 6,500,419</u>	<u>\$ 1,734,229</u>
<u>Business-type activities</u>					
Bonds payable:					
Revenue bonds	\$ 3,875,000	\$ -	\$ (355,000)	\$ 3,520,000	\$ 365,000
Plus: unamortized premiums	<u>238,770</u>	<u>-</u>	<u>(16,598)</u>	<u>222,172</u>	<u>16,597</u>
Total bonds payable	4,113,770	-	(371,598)	3,742,172	381,597
Compensated absences	<u>85,084</u>	<u>22,526</u>	<u>(19,089)</u>	<u>88,521</u>	<u>19,796</u>
Business-type activity long-term liabilities	<u>\$ 4,198,854</u>	<u>\$ 22,526</u>	<u>\$ (390,687)</u>	<u>\$ 3,830,693</u>	<u>\$ 401,393</u>

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

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2014

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 \$103,529 were generated. The RDA was not required to pay any portion of this revenue to other taxing agencies. There is \$7,064 outstanding debt of the RDA at June 30, 2014 due to the General Fund.

During the year ended June 30, 2014, funds expended by the RDA were limited to the categories of debt service, capital outlay and administration costs. Administrative costs totaled \$124,629, and community development expenditures totaled \$170,554 for the year.

Employee Retirement Systems and Pension Plans The City contributes to the Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System, and the Public Safety Retirement System for Employers with Social Security Coverage (hereafter referred to cumulatively as the Systems), which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (URS). The Systems provide retirement benefits, annual cost of living adjustments, death benefits, and refunds to plan members and beneficiaries in accordance with retirement statutes. Beginning July 1, 2011, the URS also created a Tier 2 plan within the Systems. All new employees hired on or after July 1, 2011 are automatically placed on the Tier 2 plan. Within the Tier 2 plan, employees have two options; one is the Hybrid Retirement System, which combines a pension and 401(k) plan. The other option is the Defined Contribution Plan, which is 401(k) only. All contributions were equal to the required contributions.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2014

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Other Information (Continued)

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953, as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. URS issues a publicly available financial report that includes financial statements and required supplementary information for the Systems. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Under the URS plans, the City is required to contribute a percentage of the annual covered salary. The City makes both the employee and employer designated contribution in contributory type plans. The following were the actuarially determined contribution rates required for fiscal year ended June 30, 2014:

	Contribution Rates	
	Tier 1	Tier 2
Local Government Contributory Retirement System	13.28%	13.99%
Local Government Noncontributory Retirement System	17.29%	
Public Safety Retirement System, Noncontributory Division	32.14%	

The City made contributions equal to the required contributions for each fiscal year ended June 30 as noted below:

	2014	2013	2012
Local Governmental Contributory Retirement System	\$ 39,074	\$ 37,470	\$ 23,108
Local Governmental Noncontributory Retirement System	296,189	264,948	221,536
Public Safety Retirements System for Employers with Social Security Coverage	254,840	236,283	203,387

Deferred Compensation Plan Under the URS, the City offers its employees a Deferred Compensation Plan (the Plan) in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The payment of deferred compensation is not available to employees until termination, retirement, death, or emergency. The City's contributions to the 457 Deferred Compensation Plan were \$3,955, \$4,882, and \$5,978 for the years ended June 30, 2014, 2013 and 2012, respectively.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2014

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Defined Contribution Plans The 401(k) plan provided by URS is a multiple-employer defined contribution plan. All employees of the City who participate in the URS contributory, noncontributory, or public safety system are eligible to participate in the plan. Employees are immediately 100 percent vested in their contributions to the plan. Employee contributions to the 401(k) plan and the Deferred Compensation Plan are voluntary. Employer contributions are also voluntary and are intended to standardize the contribution rates for all full time employees participating in the URS. The City's contributions to the 401(k) plan were \$47,888, \$46,139, and \$42,792 for the years ended June 30, 2014, 2013 and 2012 respectively.

The City also provides through a third party administrator, a supplemental defined contribution plan for all full-time employees. The name of the Plan is Centerville City Corporation Money Purchase Pension Plan and Trust. The Plan was established in 1993 for the employees of Centerville City under Section 401(c) of the Internal Revenue Code. The investments of the Plan are administered by Principal Financial Group. The Plan may be amended by Centerville City. The Plan provides for an Advisory Committee, comprised of at least three eligible employees, appointed by the City Council.

The City contributes 4.01% of all wages earned, including overtime, for all eligible employees. Eligible employees must be at least 18 years of age, and complete one year of continuous service. The employee is eligible for enrollment on the next plan entry date (July 1st, October 1st, January 1st and April 1st). The plan year is from July 1, to June 30. The employee is 100% vested after five years of continuous service with the City. Prior to that date the employee has no vested rights in the employer's contributions. If an employee terminates employment prior to vesting, their employer contributions are distributed to all other enrolled employees based on a percentage of total employer investments. Eligible employees may make contributions to the Plan, in an amount not to exceed 10% of annual compensation. However, the employee is not required to make any contributions to be eligible. Employee contributions are accounted for separately from employer contributions. The City did not make a contribution to the supplemental defined contribution plan for the fiscal year ended June 30, 2014.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2014

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, 2013 the net assets deficit was \$145,903,223. The audited financial statements for UTOPIA as of June 30, 2014 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 will be 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 July 2026, 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, 2014, the City's percentage of the Debt Service Reserve shortfall was 3.33% and totaled \$445,170. 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 2014. The City's annual commitment increases 2% each year, and ranges from \$445,170 in Fiscal Year 2014 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, 2014 totaled \$436,798.

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, 2014 were \$1,616,998. It is currently unclear when UTOPIA will be in a position to repay the loan.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2014

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, and may issue an additional \$34 million as stated benchmarks are reached. 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. At June 30, 2014, the payable balance for services fees collected was \$13,786.

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CENTERVILLE CITY CORPORATION
Combining Balance Sheet – Non-major Governmental Funds
June 30, 2014

	Special Revenue			Debt Service			Capital Projects			Total Non-major Governmental Funds	
	Municipal Building Authority	Recreation	Arts Center	SID 400 West	City Hall Revenue	SID Chase Lane	SID Porter Lane	Storm Drain	UTOPIA		Park Improvements Fund
<u>ASSETS</u>											
Cash and cash equivalents	\$ 1,207	\$ 51,729	\$ -	\$ 1,602	\$ -	\$ 16,070	\$ 2,012	\$ 87,918	\$ 41,319	\$ 354,171	\$ 556,028
Receivables:											
Note receivable	-	-	39,278	-	-	-	-	-	-	-	39,278
Total assets	<u>\$ 1,207</u>	<u>\$ 51,729</u>	<u>\$ 39,278</u>	<u>\$ 1,602</u>	<u>\$ -</u>	<u>\$ 16,070</u>	<u>\$ 2,012</u>	<u>\$ 87,918</u>	<u>\$ 41,319</u>	<u>\$ 354,171</u>	<u>\$ 595,306</u>
<u>LIABILITIES</u>											
Liabilities:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>											
Deferred revenue - note receivable	-	-	39,278	-	-	-	-	-	-	-	39,278
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>39,278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,278</u>
<u>FUND BALANCES</u>											
Restricted for:											
Debt service	-	-	-	1,602	-	16,070	2,012	-	-	-	19,684
Assigned	1,207	51,729	-	-	-	-	-	87,918	41,319	354,171	536,344
Total fund balances	<u>1,207</u>	<u>51,729</u>	<u>-</u>	<u>1,602</u>	<u>-</u>	<u>16,070</u>	<u>2,012</u>	<u>87,918</u>	<u>41,319</u>	<u>354,171</u>	<u>556,028</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,207</u>	<u>\$ 51,729</u>	<u>\$ 39,278</u>	<u>\$ 1,602</u>	<u>\$ -</u>	<u>\$ 16,070</u>	<u>\$ 2,012</u>	<u>\$ 87,918</u>	<u>\$ 41,319</u>	<u>\$ 354,171</u>	<u>\$ 595,306</u>

CENTERVILLE CITY CORPORATION
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances –
Non-major Governmental Funds
For the Year Ended June 30, 2014

	Special Revenue			Debt Service			Capital Projects			Total Non-major Governmental Funds	
	Municipal Building Authority	Recreation	Arts Center	SID 400 West	City Hall Revenue	SID Chase Lane	SID Porter Lane	Storm Drain	UTOPIA		Park Improvements Fund
<u>REVENUES</u>											
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,050	\$ 1,427	\$ -	\$ -	\$ -	\$ 11,477
Charges for services	-	112,610	-	-	-	-	-	58,621	-	55,539	226,770
Interest	-	-	-	4	-	48	1	258	-	837	1,148
Miscellaneous	-	25,771	-	-	-	-	-	-	-	-	25,771
Total revenues	-	138,381	-	4	-	10,098	1,428	58,879	-	56,376	265,166
<u>EXPENDITURES</u>											
Current operating:											
Parks and recreation	-	147,740	-	-	-	-	-	-	-	38,641	186,381
Capital outlay	-	-	-	-	-	-	-	16,170	-	-	16,170
Debt service:											
Interest and fiscal charges	-	-	-	-	2,500	-	-	-	-	-	2,500
UTOPIA pledge payment	-	-	-	-	-	-	-	-	436,978	-	436,978
Total expenditures	-	147,740	-	-	2,500	-	-	16,170	436,978	38,641	642,029
Excess (deficiency) of revenues over expenditures	-	(9,359)	-	4	(2,500)	10,098	1,428	42,709	(436,978)	17,735	(376,863)
<u>OTHER FINANCING SOURCES (USES)</u>											
Transfers in	-	39,000	-	-	2,500	-	-	-	436,001	-	477,501
Transfers out	-	-	-	-	-	(7,500)	-	-	-	-	(7,500)
Total other financing sources	-	39,000	-	-	2,500	(7,500)	-	-	436,001	-	470,001
Net change in fund balance	-	29,641	-	4	-	2,598	1,428	42,709	(977)	17,735	93,138
Fund balance - beginning of year	1,207	22,088	-	1,598	-	13,472	584	45,209	42,296	336,436	462,890
Fund balance - end of year	\$ 1,207	\$ 51,729	\$ -	\$ 1,602	\$ -	\$ 16,070	\$ 2,012	\$ 87,918	\$ 41,319	\$ 354,171	\$ 556,028

CENTERVILLE CITY CORPORATION
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual
Municipal Building Authority
For the Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget - Positive (Negative)
<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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget - Positive (Negative)
<u>REVENUES</u>				
Recreation fees	\$ 118,000	\$ 118,000	\$ 112,610	\$ (5,390)
Field use agreement	-	-	5,757	5,757
Concession sales	23,635	23,635	20,014	(3,621)
	<u>141,635</u>	<u>141,635</u>	<u>138,381</u>	<u>(3,254)</u>
<u>EXPENDITURES</u>				
Salaries and wages	82,800	82,800	72,411	10,389
Employee benefits	12,030	12,030	11,065	965
Materials, supplies and other	53,300	53,300	46,914	6,386
Youth baseball/softball	28,000	28,000	17,350	10,650
	<u>176,130</u>	<u>176,130</u>	<u>147,740</u>	<u>28,390</u>
Excess (deficiency) of revenues over (under) expenditures	(34,495)	(34,495)	(9,359)	25,136
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	39,000	39,000	39,000	-
Net change in fund balance	4,505	4,505	29,641	25,136
Fund balance, beginning of year	22,088	22,088	22,088	-
Fund balance, end of year	<u>\$ 26,593</u>	<u>\$ 26,593</u>	<u>\$ 51,729</u>	<u>\$ 25,136</u>

CENTERVILLE CITY CORPORATION
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual
Arts Center Fund
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
<u>REVENUES</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Interest	-	-	-	-
Total revenues	-	-	-	-
<u>EXPENDITURES</u>				
Current operating:				
General government	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES</u>				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
REVENUES				
Special assessment	\$ -	\$ -	\$ -	\$ -
Interest	-	-	4	4
Total revenues	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	4	4
Fund balance at beginning of year	<u>1,598</u>	<u>1,598</u>	<u>1,598</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 1,598</u></u>	<u><u>\$ 1,598</u></u>	<u><u>\$ 1,602</u></u>	<u><u>\$ 4</u></u>

CENTERVILLE CITY CORPORATION
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual
City Hall Revenue Bond Debt Service Fund
For the Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
<u>REVENUES</u>				
Interest	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<u>EXPENDITURES</u>				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	2,500	(2,500)
Total expenditures	-	-	2,500	(2,500)
Excess (deficiency) of revenues over (under) expenditures	-	-	(2,500)	(2,500)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	2,500	2,500
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget - Positive (Negative)
<u>REVENUES</u>				
Special assessment	\$ 10,077	\$ 10,077	\$ 10,050	\$ (27)
Interest	-	-	48	48
Total revenues	<u>10,077</u>	<u>10,077</u>	<u>10,098</u>	<u>21</u>
<u>EXPENDITURES</u>				
Principal retirement	8,705	8,705	-	8,705
Interest and fiscal charges	1,372	1,372	-	1,372
Total expenditures	<u>10,077</u>	<u>10,077</u>	<u>-</u>	<u>10,077</u>
Net change in fund balance	-	-	10,098	10,098
Other financing sources				
Transfers out	-	-	<u>(7,500)</u>	<u>(7,500)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	-	-	2,598	2,598
Fund balance at beginning of year	<u>13,472</u>	<u>13,472</u>	<u>13,472</u>	<u>-</u>
Fund balance at end of year	<u>\$ 13,472</u>	<u>\$ 13,472</u>	<u>\$ 16,070</u>	<u>\$ 2,598</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget - Positive (Negative)
<u>REVENUES</u>				
Special assessment	\$ -	\$ -	\$ 1,427	\$ 1,427
Interest	-	-	1	1
Total revenues	<u>-</u>	<u>-</u>	<u>1,428</u>	<u>1,428</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	1,428	1,428
Fund balance at beginning of year	<u>584</u>	<u>584</u>	<u>584</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 584</u></u>	<u><u>\$ 584</u></u>	<u><u>\$ 2,012</u></u>	<u><u>\$ 1,428</u></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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
<u>REVENUES</u>				
Taxes	\$ 340,000	\$ 340,000	\$ 331,479	\$ (8,521)
Intergovernmental	541,429	541,429	559,828	18,399
Interest	600	600	1,885	1,285
Total revenues	<u>882,029</u>	<u>882,029</u>	<u>893,192</u>	<u>11,163</u>
<u>EXPENDITURES</u>				
General government	2,500	2,500	3,500	(1,000)
Debt service:				
Principal retirement	1,340,000	1,340,000	1,340,000	-
Interest and fiscal charges	254,988	254,988	254,864	124
Total expenditures	<u>1,597,488</u>	<u>1,597,488</u>	<u>1,598,364</u>	<u>(876)</u>
Excess (deficiency) of revenues over (under) expenditures	(715,459)	(715,459)	(705,172)	10,287
<u>OTHER FINANCING SOURCES</u>				
Transfers in	715,459	715,459	750,000	34,541
Net change in fund balance	-	-	44,828	44,828
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,828</u>	<u>\$ 44,828</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, 2014

	<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	\$ 75,000	\$ 55,539	\$ (19,461)
Interest	400	400	837	437
Total revenues	<u>75,400</u>	<u>75,400</u>	<u>56,376</u>	<u>(19,024)</u>
<u>EXPENDITURES</u>				
Capital outlay	403,074	403,074	38,641	364,433
Total expenditures	<u>403,074</u>	<u>403,074</u>	<u>38,641</u>	<u>364,433</u>
Excess (deficiency) of revenues over (under) expenditures	(327,674)	(327,674)	17,735	345,409
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	-	-	-	-
Net change in fund balance	(327,674)	(327,674)	17,735	345,409
Fund balance at beginning of year	<u>336,436</u>	<u>336,436</u>	<u>336,436</u>	<u>-</u>
Fund balance at end of year	<u>\$ 8,762</u>	<u>\$ 8,762</u>	<u>\$ 354,171</u>	<u>\$ 345,409</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget - Positive (Negative)
<u>REVENUES</u>				
Developer fees	\$ 10,000	\$ 10,000	\$ 57,670	\$ 47,670
Contributions and grants	150,000	150,000	951	(149,049)
Interest on investments	75	75	258	183
Total revenues	<u>160,075</u>	<u>160,075</u>	<u>58,879</u>	<u>(101,196)</u>
<u>EXPENDITURES</u>				
Capital outlay	<u>207,135</u>	<u>207,135</u>	<u>16,170</u>	<u>190,965</u>
Total expenditures	<u>207,135</u>	<u>207,135</u>	<u>16,170</u>	<u>190,965</u>
Excess (deficiency) of revenues over (under) expenditures	(47,060)	(47,060)	42,709	89,769
Fund balance at beginning of year	<u>45,209</u>	<u>45,209</u>	<u>45,209</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ (1,851)</u></u>	<u><u>\$ (1,851)</u></u>	<u><u>\$ 87,918</u></u>	<u><u>\$ 89,769</u></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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
<u>REVENUES</u>				
Interest	\$ 250	\$ 250	\$ -	\$ (250)
Total revenues	<u>250</u>	<u>250</u>	<u>-</u>	<u>(250)</u>
<u>EXPENDITURES</u>				
Capital outlay	436,251	436,251	-	436,251
Debt Service - UTOPIA Pledge Payment	<u>-</u>	<u>-</u>	<u>436,978</u>	<u>(436,978)</u>
Total expenditures	<u>436,251</u>	<u>436,251</u>	<u>436,978</u>	<u>(727)</u>
Excess of revenues over expenditures	(436,001)	(436,001)	(436,978)	(977)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer in	<u>436,001</u>	<u>436,001</u>	<u>436,001</u>	<u>-</u>
Net change in fund balance	-	-	(977)	(977)
Fund balance at beginning of year	<u>42,296</u>	<u>42,296</u>	<u>42,296</u>	<u>-</u>
Fund balance at end of year	<u>\$ 42,296</u>	<u>\$ 42,296</u>	<u>\$ 41,319</u>	<u>\$ (977)</u>

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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.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	78
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources.	83
Debt 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.	90
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	95
Operating Information 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.	97

Sources: Unless otherwise noted the information in these schedules is derived from the Comprehensive Annual Financial Reports or Annual Financial Report for the relevant year. The City implemented GASB statement 34 in year ending June 30, 2004. Schedules presenting government-wide information includes information beginning in that year.

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Centerville City Corporation

Net Position by Component Last Ten Fiscal Years

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Invested in capital assets, net of related debt	\$8,650,016	\$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
Restricted	\$0	\$0	\$211,742	\$209,375	\$13,476,070	\$6,014,400	\$314,049	\$105,067	\$15,654	\$19,684
Unrestricted	\$6,004,708	\$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
Total governmental activities net position	\$14,654,724	\$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
Business-type Activities										
Invested in capital assets, net of related debt	\$7,437,421	\$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
Restricted	\$1,535,871	\$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
Unrestricted	\$94,741	(\$90,161)	(\$542,570)	(\$75,167)	(\$172,501)	(\$327,570)	(\$364,138)	\$203,033	\$1,202,214	\$1,281,957
Total business-type activities net position	\$9,068,033	\$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
Primary Government										
Invested in capital assets, net of related debt	\$16,087,437	\$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
Restricted	\$1,535,871	\$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
Unrestricted	\$6,099,449	\$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
Total primary government net position	\$23,722,757	\$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

Centerville City Corporation

Change in Net Position Last Ten Fiscal Years

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
<u>Governmental Activities</u>										
General government	\$1,210,438	\$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
Public Safety	\$2,223,122	\$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
Streets and public works	\$1,307,744	\$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
Parks & recreation	\$861,866	\$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
Community development	\$322,135	\$396,376	\$765,077	\$756,662	\$1,026,745	\$642,469	\$927,596	\$1,124,270	\$660,840	\$539,894
Interest on long-term debt	\$161,735	\$153,444	\$161,453	\$85,852	\$152,369	\$493,361	\$450,822	\$370,904	\$312,167	\$259,327
Total governmental activities expenses	\$6,087,040	\$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
<u>Business-type activities</u>										
Water	\$1,179,885	\$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
Sanitation	\$622,042	\$623,259	\$637,035	\$649,850	\$655,091	\$818,314	\$881,683	\$868,350	\$906,971	\$979,738
Storm drain	\$452,361	\$348,444	\$463,475	\$475,445	\$382,484	\$483,127	\$575,251	\$517,346	\$629,638	\$611,098
Telecom	-	-	-	-	-	-	-	\$37,747	\$260,540	\$424,108
Total business-type activities expenses	\$2,254,288	\$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
Total primary government expenses	\$8,341,328	\$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
Program Revenues										
<u>Governmental activities</u>										
Charges for services										
General government	\$607,734	\$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
Streets and public works	\$127,773	\$17,211	\$290,260	\$52,887	\$8,009	\$10,551	\$7,186	\$12,993	\$16,388	\$11,477
Parks and recreation	\$238,975	\$194,926	\$108,473	\$220,092	\$115,714	\$96,152	\$114,825	\$112,501	\$112,607	\$118,300
Community development	\$443,083	\$570,739	\$477,875	\$500,852	\$283,527	\$242,284	\$338,196	\$548,812	\$350,406	\$333,252
Operating grants and contributions	\$42,682	\$115,683	\$243,090	\$89,310	\$32,287	\$0	\$0	\$0	\$0	\$0
Capital grants and contributions	\$2,458,208	\$875,000	\$100,000	\$186,500	\$1,701,527	\$2,256,903	\$1,202,285	\$1,170,455	\$1,841,179	\$2,267,236
Total governmental activities program revenues	\$3,918,455	\$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
<u>Business-type activities</u>										
Charges for services										
Water fees	\$1,774,208	\$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
Sanitation	\$691,892	\$688,237	\$641,393	\$611,679	\$623,054	\$758,206	\$796,831	\$821,464	\$880,454	\$942,296
Storm drain	\$492,807	\$553,441	\$507,974	\$579,744	\$542,718	\$591,537	\$549,545	\$555,681	\$564,987	\$576,486
Telecom	-	-	-	-	-	-	-	\$40,199	\$260,676	\$256,247
Operating grants and contributions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital grants and contributions	\$410,000	\$34,250	\$0	\$0	\$0	\$350,000	\$12,000	\$0	\$253,450	\$0
Total business-type activities program revenues	\$3,368,907	\$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
Total primary government program revenues	\$7,287,362	\$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
Net (expense) revenue										
Government activities	(\$2,168,585)	(\$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)
Business-type activities	\$1,114,619	\$1,001,393	\$756,279	\$584,360	\$181,672	\$365,860	\$301,009	\$414,985	\$552,604	\$356,793
Total primary government net expenses	(\$1,053,966)	(\$2,971,700)	(\$4,450,231)	(\$4,870,707)	(\$4,262,839)	(\$4,514,930)	(\$5,353,596)	(\$6,063,000)	(\$4,952,735)	(\$5,233,021)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Position										
<u>Governmental activities</u>										
Property tax and uniform vehicle fees	\$1,667,607	\$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
Franchise, telecommunication, & energy sales taxes	\$809,720	\$901,116	\$869,898	\$933,916	\$964,201	\$966,412	\$970,297	\$994,689	\$1,037,792	\$1,144,152
General & Highway Sales Tax	\$2,888,887	\$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
Gain on Sale of Capital Assets	\$0	\$0	\$1,590,238	\$12,370	(\$20,408)	\$3,131	\$0	\$0	\$0	\$0
Other	\$290,599	\$371,281	\$495,343	\$385,430	\$291,996	\$329,497	\$706,511	\$216,705	\$66,662	\$224,224
Transfers	\$441,798	\$449,065	\$50,086	\$49,215	(\$549,751)	\$174,187	\$53,332	\$19,765	\$0	(\$163,400)
Total governmental activities	\$6,098,611	\$6,829,907	\$8,087,013	\$6,956,137	\$6,199,906	\$6,592,002	\$6,984,314	\$6,791,409	\$6,763,367	\$6,055,127
<u>Business-type activities</u>										
Other	\$54,320	\$92,175	\$112,509	\$89,544	\$27,941	\$17,677	\$15,111	\$5,831	\$24,421	\$7,784
Transfers	(\$441,798)	(\$449,065)	(\$50,086)	(\$49,215)	\$549,751	(\$174,187)	(\$53,332)	(\$19,765)	\$0	\$163,400
Total business-type activities	(\$387,478)	(\$356,890)	\$62,423	\$40,329	\$577,692	(\$156,510)	(\$38,221)	(\$13,934)	\$24,421	\$171,184
Total primary government	\$5,711,133	\$6,473,017	\$8,149,436	\$6,996,466	\$6,777,598	\$6,435,492	\$6,946,093	\$6,777,475	\$6,787,788	\$6,226,311
Change in Net Position										
Governmental activities	\$3,930,026	\$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
Business-type activities	\$727,141	\$644,503	\$818,702	\$624,689	\$759,364	\$209,350	\$262,788	\$401,051	\$577,025	\$527,977
Total primary government	\$4,657,167	\$3,501,317	\$3,699,205	\$2,125,759	\$2,498,739	\$1,920,562	\$1,592,497	\$714,475	\$1,835,053	\$993,290

Centerville City Corporation

Fund Balances of Governmental Funds Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>General Fund</u>										
Nonspendable	-	-	-	-	-	-	-	\$235,461	\$124,589	\$7,064
Restricted	\$1,612,930	\$2,152,006	\$1,036,621	\$1,007,024	\$919,203	\$642,385	\$450,214	-	-	\$0
Unassigned	\$1,097,318	\$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
Total general fund	\$2,710,248	\$3,718,648	\$2,619,297	\$2,548,207	\$2,131,132	\$1,984,122	\$1,552,626	\$1,391,513	\$1,681,536	\$1,324,079
<u>All other Governmental Funds</u>										
Restricted	\$1,478,404	\$1,474,063	\$820,031	\$817,664	\$14,084,359	\$5,810,749	\$203,893	\$105,067	\$15,654	\$19,684
Assigned reported in:										
Special revenue funds	\$54	(\$8,688)	(\$10,118)	\$22,581	\$46,802	\$46,964	\$56,221	\$27,649	\$23,295	\$52,936
Capital project funds	\$814,264	\$357,469	\$1,897,370	\$1,357,209	\$563,971	\$104,755	\$100,242	\$374,189	\$423,941	\$483,408
Debt Service Funds	-	-	-	-	-	-	-	-	-	\$44,828
Redevelopment Agency Fund	(\$173,146)	\$267,841	\$1,075,796	\$1,333,978	\$758,791	\$961,349	\$553,564	\$244,971	-	\$260,978
Unassigned reported in:										
Special Revenue							(\$171,872)	(\$278,330)	-	-
Total all other governmental funds	\$2,119,576	\$2,090,685	\$3,783,079	\$3,531,432	\$15,453,923	\$6,923,817	\$742,048	\$473,546	\$462,890	\$861,834

Centerville City Corporation

Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$4,837,131	\$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
Special Assessments	\$7,630	\$3,129	\$13,020	\$3,707	\$8,009	\$10,551	\$7,186	\$12,993	\$16,388	\$11,477
Licenses & Permits	\$350,931	\$446,572	\$424,347	\$504,672	\$283,527	\$242,284	\$338,196	\$548,812	\$350,406	\$333,252
Intergovernmental	\$426,605	\$569,187	\$835,592	\$599,296	\$1,773,027	\$1,176,903	\$1,202,285	\$1,170,455	\$1,251,685	\$2,267,236
Charges for Services	\$547,574	\$472,336	\$719,931	\$510,426	\$529,684	\$381,139	\$389,770	\$589,965	\$484,300	\$481,387
Charges for Services - Other Funds	-	-	\$503,905	\$509,898	\$503,900	\$503,900	\$709,085	\$611,000	\$686,000	\$698,000
Fines & Forfeitures	\$511,430	\$534,025	\$557,842	\$575,692	\$573,747	\$576,948	\$494,625	\$460,565	\$463,760	\$468,323
Interest	\$172,109	\$241,381	\$338,479	\$283,791	\$129,251	\$121,520	\$52,788	\$30,319	\$22,242	\$17,628
Miscellaneous	\$121,490	\$132,900	\$168,714	\$119,139	\$162,745	\$207,977	\$375,393	\$236,481	\$44,420	\$611,366
Total Revenues	\$6,974,900	\$7,847,964	\$9,020,674	\$9,105,757	\$9,995,246	\$9,306,409	\$9,793,799	\$10,215,529	\$10,015,906	\$10,882,972
Expenditures										
General Government	\$1,705,878	\$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
Public Safety	\$1,634,497	\$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
Street & Public Works	\$1,766,837	\$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
Community Development	\$342,089	\$393,524	\$822,225	\$812,208	\$1,172,949	\$598,034	\$912,744	\$1,063,826	\$648,840	\$516,534
Parks & Recreation	\$852,385	\$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
Capital Outlay	\$452,487	\$691,711	\$141,150	\$264,746	\$1,210,577	\$7,744,284	\$6,046,231	\$276,967	\$23,778	\$16,170
Debt Service										
Principal retirement	\$214,000	\$159,000	\$172,598	\$278,028	\$288,154	\$1,418,953	\$1,474,093	\$1,385,000	\$1,335,000	\$1,382,948
Interest & fiscal charges	\$164,650	\$156,286	\$136,698	\$98,936	\$88,997	\$492,486	\$452,226	\$382,716	\$321,947	\$267,235
Contractual Payments (UTOPIA)						\$183,727	\$278,368	\$449,346	\$428,410	\$436,978
Total Expenditures	\$7,132,823	\$7,314,520	\$10,512,640	\$9,479,491	\$10,075,513	\$17,503,798	\$16,460,574	\$10,647,003	\$9,729,305	\$10,710,537
Excess (deficiency) of Revenues Over Expenditures	(\$157,923)	\$533,444	(\$1,491,966)	(\$373,734)	(\$80,267)	(\$8,197,389)	(\$6,666,775)	(\$431,474)	\$286,601	\$172,435
Other Financing Sources (uses)										
Transfers in	\$1,432,906	\$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
Transfers out	(\$994,108)	(\$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)
Sale of capital assets	-	-	\$1,630,773	\$19,282	\$28,631	\$9,326	\$12,178	\$39,694	\$4,766	\$55,812
Bond Proceeds	-	-	\$416,000	\$0	\$12,130,303	\$0	\$0	\$0	\$0	\$0
Total Other Sources	\$438,798	\$446,065	\$2,085,009	\$50,997	\$11,585,683	(\$479,727)	\$53,510	\$1,859	(\$7,234)	(\$130,948)
Net Change in Fund Balance	\$280,875	\$979,509	\$593,043	(\$322,737)	\$11,505,416	(\$8,677,116)	(\$6,613,265)	(\$429,615)	\$279,367	\$41,487
Fund Balance Beginning of Year	\$4,548,949	\$4,829,824	\$5,809,333	\$6,402,376	\$6,079,639	\$17,585,055	\$8,907,939	\$2,294,674	\$1,865,059	\$2,144,426
Fund Balance End of Year	\$4,829,824	\$5,809,333	\$6,402,376	\$6,079,639	\$17,585,055	\$8,907,939	\$2,294,674	\$1,865,059	\$2,144,426	\$2,185,913
Debt service as a percentage of non-capital expenditures	5.67%	4.76%	2.98%	4.09%	4.25%	21.03%	19.95%	17.24%	17.07%	16.87%

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
2005	\$1,664,306	\$2,504,964	\$383,923	\$809,720	\$3,301	\$5,366,214
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

(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

<u>Year</u>	<u>City</u>	<u>County</u>	<u>State</u>	<u>Mass Transit</u>	<u>Total</u>
2005	1.00%	0.25%	4.75%	0.50%	6.50%
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%

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%

Tax year 2013

	Residential	Commercial	Other	Total
Real Estate Assessed Value	\$205,169,218	\$97,421,135	\$13,114,744	\$315,705,097
Buildings	\$460,307,792	\$118,314,584	\$5,350	\$578,627,726
Personal Property	\$273,900	\$43,723,974	\$0	\$43,997,874
Centrally Assessed	-	-	-	\$34,021,213
Total	\$665,750,910	\$259,459,693	\$13,120,094	\$972,351,910

Source: Utah State Tax Commission

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 .001072%
 The rate applied by all governmental entities is 1.4948%

Centerville City Corporation

Property Tax Levies and Collections

Last Ten Calendar Years

(amounts expressed in thousands)

<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>
2004	\$820,731	\$779,287	94.66%	\$25,969	\$804,916	98.07%
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%

Source: Utah State Tax Commission

Centerville City Corporation

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

<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>
2004	0.1459%	0.2380%	0.7821%	0.0651%	1.2311%
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%

Source: Utah State Tax Commission

Centerville City Corporation

Principal Taxpayers Current Year and 10 years Ago

Tax Year 2013 (current)				
Taxpayer	Rank	Type of Business	Taxable Value	Percentage of Total Taxable Value
Legacy Crossing LLC	1	Entertainment/Housing	\$29,422,358	3.03%
Pacificorp	2	Electric Utility	\$20,638,974	2.12%
Walmart	3	Retail	\$18,236,550	1.88%
Dayton West LLC	4	Commercial Real Estate	\$15,039,122	1.55%
Dayton Hudson LLC	5	Commercial Real Estate	\$10,522,992	1.08%
Centerville Marketplace LLC	6	Retail	\$918,000	0.94%
HD Development	7	Retail	\$7,709,416	0.79%
SDCKP LLC	8	Retail	\$6,566,017	0.68%
JGNK Investments LLC	9	Retail	\$6,350,000	0.65%
Syro Steel	10	Manufacturing	\$5,701,532	0.59%
SLC Pipeline	11	Pipeline	\$5,029,503	0.52%
Hogan & Associates	12	Construction	\$4,413,618	0.45%
Garden View	13	Housing	\$4,482,629	0.48%
		Total	\$105,608,353	11.73%

Tax Year 2003				
Taxpayer	Rank	Type of Business	Taxable Value	Percentage of Total Taxable Value
Dayton Hudson Corporation (Target)	1	Retail	\$15,955,575	2.81%
Home Depot	2	Retail	\$8,039,534	1.41%
Pacificorp	3	Electrical Utility	\$6,872,066	1.21%
Dayton West, LLC	4	Commercial Real Estate	\$6,800,000	1.20%
Albertson's	5	Grocery	\$5,236,590	0.92%
Syro Steel	6	Manufacturing	\$4,303,159	0.76%
Qwest Corporation (CenturyLink)	7	Communications	\$3,401,579	0.60%
Hale Industries	8	Retail	\$2,877,979	0.51%
Questar Gas	9	Natural Gas Utility	\$2,832,384	0.50%
Management & Training Corp.	10	Corporate Offices	\$2,627,384	0.46%
Air Products and Chemical	11	Manufacturing/Distribution	\$2,672,233	0.41%
DIKA Properties	12	Commercial Real Estate	\$2,429,800	0.39%
Land Rover of Centerville	13	Vehicle Sales	\$2,340,191	0.38%
		Total	\$66,388,474	11.56%

Source: Davis County Clerk/Auditors Office

Centerville City Corporation

Property Value and Construction Last Ten Calendar Years

<u>Calendar Year</u>	<u>Non-residential Construction</u>		<u>Residential Construction</u>		<u>Total New Construction</u>	<u>Estimated Total Property Value</u>
	<u>No of Units</u>	<u>Value</u>	<u>No of Units</u>	<u>Value</u>	<u>Value</u>	
2004	18	\$1,767,530	72	\$19,088,000	\$20,855,530	\$961,189,000
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

Source: Centerville City Community Development Department

Centerville City Corporation

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	MBA Lease Revenue Bonds	Sales Tax Revenue Bonds	Notes Payable	Capital Lease	Special Revenue Bonds	Special Assessment Bonds	Water Revenue Bonds			
2005	\$1,310,000			\$8,696	\$0	\$8,000	\$3,857,000	\$5,183,696	1.23%	\$333
2006	\$1,155,000			\$4,247		\$4,000	\$3,696,000	\$4,859,247	1.06%	\$306
2007	\$995,000			\$0		\$0	\$3,522,000	\$4,517,000	0.95%	\$283
2008	\$830,000		\$312,000				\$3,341,000	\$4,483,000	0.93%	\$238
2009	\$655,000	\$12,130,303	\$208,000				\$3,154,000	\$16,147,303	3.29%	\$1,058
2010	\$470,000	\$10,970,694	\$104,000				\$2,949,000	\$14,493,694	2.86%	\$945
2011	\$275,000	\$9,766,085	\$0				\$2,731,000	\$12,772,085	2.45%	\$827
2012	\$75,000	\$8,541,476					\$4,465,366	\$13,081,842	2.31%	\$807
2013	\$0	\$7,241,867					\$4,113,770	\$11,355,637	1.80%	\$701
2014		\$5,862,258					\$3,742,172	\$9,604,430	1.42%	\$578

Centerville City Corporation

Direct and Overlapping Governmental Activities Debt June 30, 2014

Governmental Unit	Outstanding Debt	Estimated Percentage Applicable (1)	Estimated Share of Overlapping
<u>Debt repaid with property taxes</u>			
Davis County	\$19,155,656	4.90%	\$938,627
Davis School District	\$409,130,000	4.90%	\$20,047,370
Weber Basin Water Conservancy	\$23,888,492	0.24%	\$57,332
State of Utah	\$31,136,755,000	0.69%	\$214,843,610
South Davis Recreation District	\$14,185,000	15.77%	\$2,236,975
<u>Other Debt - Davis County</u>			
Sales tax revenue bonds	\$37,011,342	11.23%	\$4,156,374
MBA lease revenue bonds	\$20,713,378	4.90%	\$1,014,956
Total Overlapping Debt	<u>\$31,660,838,868</u>		<u>\$243,295,243</u>
<u>Direct Debt - Centerville City</u>			
Sales Tax Revenue Bonds	<u>\$5,862,258</u>	100.00%	<u>\$5,862,258</u>
Total Direct and Overlapping Debt	<u>\$31,666,701,126</u>		<u>\$249,157,501</u>

(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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$21,727,714	\$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
Total net applicable debt	\$8,000	\$4,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0
Legal debt margin	\$21,719,714	\$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
Total net debt applicable to limit as a percentage of debt limit	<u>0.04%</u>	<u>0.02%</u>	<u>0.00%</u>							

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed Value	\$978,365,807
Debt Limit (4% of assessed value)	\$39,134,632
Less Applicable Debt	\$0
Legal Debt Margin	<u>\$39,134,632</u>

Centerville City Corporation

Sales Tax Bond Coverage Last Five Years

Sales Tax Revenue Bonds series 2009

<u>Fiscal Year</u>	<u>Sales & Use Tax Revenue</u>	<u>Principal</u>	<u>Interest & 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

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

Calendar Year	Population (1)	Per Capita Income (2)	Personal Income	Unemployment Rate (3)	Median Age (4)	Average Size of Household (4)
2004	14,885	\$27,418	\$408,116,930	4.40%	27.3	3.52
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

(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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Administration	3	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	3.5
Justice Court	3.75	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	10.25	9.25	9	9	9
Police	25	25	25	25	25	25	25	25	25	25
Community Development	3	4	4	4	4	3	3	3	3	3
Public Works										
Administration	3	4	4	4	4	4	4	4	4	4
Streets	4	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	5.5
Drainage	1	1	1	1	1	1	1	1	1	1
Total Public Works	13.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5
Parks & Recreation										
Parks	7.5	8.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Recreation	6.75	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	0.5
Building Maintenance	0.5	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Total Parks & Recreation	15.25	16	17.25	17.25	17.25	17.25	17.25	17.25	17.25	17.25
Total Primary Government	67	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

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Community Development</u>	<u>Parks & Recreation</u>	<u>Total</u>
2005	\$1,124,793	\$2,214,855	\$1,766,837	\$307,930	\$719,921	\$6,134,336
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

Centerville City Corporation

Operating Indicators by Function Current Calendar Year and Prior Six Years (previous years not available)

Function	2007	2008	2009	2010	2011	2012	2013
Community Development							
Single Dwelling permits	43	14	7	10	32	40	16
Double Dwelling permits	8	48	24	8	22	40	23
Multi-family Dwelling permits	24	24	0	0	3	1	0
Commercial permits	26	20	15	7	23	15	16
Demolition permits	12	7	6	2	0	2	3
Occupancy permits							
Residential	84	79	42	27	57	91	24
Commercial	31	23	17	19	23	15	16
Permit process time	7 days	7 days	7 days	7 days	5 days	5 days	5 days
Parks, Recreation and Trails							
Developed Acreage	88	88	88	88	88	88	88
Undeveloped Acreage	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
Police Services							
Expenditures per officer	\$103,968	\$113,688	\$119,140	\$119,140	\$125,047	\$136,302	\$143,876
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
Police reports per officer	201	135	143	124	130	138	145
Water							
Gallons billed	449,896,786	476,933,000	492,084,000	530,025,000	53,184,423	52,500,000	53,000,000
Residential connections	3,995	4,041	4,093	4,110	4,114	4,211	4,275
Other connections	452	459	461	463	465	467	483
Taxes							
Taxable sales per capita (local option)	\$20,747	\$21,761	\$19,856	\$20,954	\$22,136	\$22,930	\$22,851
Sales tax revenue per capita (local option)	\$194.27	\$210.63	\$188.22	\$178.22	\$193.51	\$197.30	\$200.65
Indexed to State average (less resort cities)	103.00%	115.10%	111.37%	109.34%	N/A	N/A	\$168.39
Property tax revenue per capita (non RDA)	\$56.68	\$57.99	\$57.36	\$62.45	\$60.35	\$60.82	\$59.97
Indexed to State average (less resort cities)	80.20%	78.36%	59.13%	63.72%	N/A	N/A	N/A
Franchise tax per capita	\$57.58	\$61.51	\$63.19	\$63.02	\$64.05	\$64.05	\$68.83
Indexed to State average (less resort cities)	163.16%	384.44%	210.63%	233.41%	N/A	N/A	N/A
Total tax revenue per capita	\$308.53	\$330.13	\$308.77	\$303.69	\$317.91	\$323.91	\$360.59
Indexed to State average (less resort cities)	104.80%	120.93%	104.31%	105.45%	N/A	N/A	N/A
General Fund revenues per capita	\$456	\$426	\$428	\$485	\$483.03	\$473.93	\$483.80
General Fund expenditures per capita	\$407	\$444	\$446	\$493	\$490.52	\$438.36	\$463.25
Capital improvement expenditures per capita	\$123	\$72	\$101	\$394	\$391.60	\$112.52	\$95.06

Sources: Utah State Tax Commission; UCMA Benchmarking report.

Centerville City Corporation

Capital Asset & Statistical Information by Function Last Ten Fiscal Years

Date of Incorporation	May 17, 1915									
Area of City	7.5 square miles									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Population Estimate(1)	14,960	15,035	15,110	15,185	15,260	15,335	15,440	15,530	16,203	16,624
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	58	59	59	61	62	62	64	64	64	64
Number of Street Lights	710	717	729	733	715	715	725	728	733	741
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	16	17	17	17	17	17	17	17	17
Municipal Water										
Number of Customers	4,273	4,366	4,401	4,499	4,523	4,541	4,589	4,624	4,699	4,758
Miles of Water Mains	69	70	71	72	72	72	74	77.29	77.71	78.01
Number of Culinary Water Wells	8	8	8	8	8	8	8	8	8	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	n/a	3,983	4,024	4,127	4,152	4,196
Number of recycling customers	n/a	n/a	n/a	n/a	n/a	3,272	3,416	3,546	3,582	3,674
Number of green waste customers	n/a	n/a	n/a	n/a	n/a	n/a	905	1,066	1,075	1,118
Building Permits Issued (new construction, includes remodel)	58	114	115	115	55	46	98	80	96	74
Parks & Recreation										
Office, Maintenance, Storage Buildings	1	1	1	1	1	1	1	1	1	1
Developed Parks	5	5	7	7	7	7	7	7	7	7
Undeveloped Parks and Trails	2	2	0	5	5	5	5	5	5	5
Pavillions	5	5	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, 2014

Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

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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, 2014, 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 22, 2014.

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 22, 2014

Hansen, Bradshaw, Malmrose & Erickson

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REPORT IN ACCORDANCE WITH THE UTAH STATE COMPLIANCE AUDIT GUIDE ON COMPLIANCE WITH GENERAL STATE COMPLIANCE REQUIREMENTS, COMPLIANCE FOR EACH MAJOR STATE PROGRAM, AND INTERNAL CONTROL OVER COMPLIANCE

INDEPENDENT AUDITORS' REPORT

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

Report on Compliance with General State Compliance Requirements and for Each Major State Program

We have audited the Centerville City Corporation, Utah's ("the City") compliance with the applicable general state and major state program compliance requirements described in the *State of Utah Legal Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct material effect on the City or each of its major state programs for the year ended June 30, 2014.

The general compliance requirements applicable to the City are identified as follows:

Cash Management	Transfers from Utility Enterprise Funds
Budgetary Compliance	Nepotism
Fund Balance	Government Records Access
Justice Courts	Management Act
Impact Fees	Conflicts of Interest
Utah Retirement Systems Compliance	Open and Public Meetings Act
Utah Public Finance Website	

The City received state funding from the following program classified as a major program for the year ended June 30, 2014:

C Road Funds (Department of Transportation)

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 Utah State Compliance Audit Guide. Those standards and the Utah 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, the City complied, in all material respects, with the general 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, 2014.

Other Matters

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

The City's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and recommendations. The City's response was not subjected to the auditing procedures applied in the audit on compliance and, accordingly, we express no opinion on the response.

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 Utah State Compliance 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 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 requirements on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or a 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*. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*. However, *material weaknesses* may exist that have not been identified.

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.

Report on Schedule of Expenditures of State Awards as Required by the Utah 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 the City as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 22, 2014, 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 award is presented for the purposes of additional analysis as required by the *Utah 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,
December 22, 2014
P.C.

CENTERVILLE CITY CORPORATION
Schedule of Findings
For the Year Ended June 30, 2014

Requirement / Program

Current Year Findings

1. Budgetary Compliance

Finding:

Utah State Law requires that officers and employees of an entity shall not incur expenditures or encumbrances in excess of the total appropriation for any department. For the year ended June 30, 2014, expenditures exceeded budgeted amounts in the following funds or departments:

<u>Fund</u>	<u>Department</u>	<u>Amount Over Budget</u>
City Hall Revenue Bond Debt Service Fund	Total expenditures	\$2,500
Arts Center Debt Service Fund	Total expenditures	876
Capital Projects Utopia Fund	Total expenditures	727

Recommendation:

The City should monitor the status over expenditures as compared to the budget through the end of the year and amend the budget as necessary.

Management's Response:

City Hall Revenue Bond Debt Service Fund – The bonds serviced by this fund were paid off, however there was one additional year of charges from the fiscal agent. The charges of \$2,500 was unanticipated and not budgeted. The budget should have been amended prior to June 30. Staff will review such funds in the future for budgetary compliance.

Arts Center Debt Service Fund – Fiscal charges were \$876 higher than the anticipated budget. The budget should have been amended prior to June 30. Staff will review such funds in the future for budgetary compliance.

Capital Projects Utopia Fund – This fund had budgeted expenditures to match exactly the anticipated payments to UTOPIA. The budget should have been amended prior to June 30. Staff will review such funds in the future for budgetary compliance.

CENTERVILLE CITY CORPORATION
Schedule of Findings (Continued)
For the Year Ended June 30, 2014

2. Deficit Fund Balance

Finding:

Under Utah State law, a deficit fund balance in any fund is not allowed. We noted the Telecom Enterprise Fund has a deficit fund balance of \$1,859 as of June 30, 2014.

Recommendation:

The City should take appropriate action, if feasible, to eliminate this deficit fund balance in accordance with the *State of Utah Audit Compliance Guide*.

Management's Response:

The timing of payments for services provided by UIA caused the deficit balance. This fund does not maintain any balances to provide funding for such timing. It is recommended that this fund carry a minimal fund balance to avoid this situation.

CENTERVILLE CITY CORPORATION
Schedule of Expenditures of State Awards
For the Year Ended June 30, 2014

<u>Grant Name</u>	<u>Award/Contract #</u>	<u>Year of Last Audit</u>	<u>Expenditures</u>	<u>Revenues</u>
Department of Transportation				
B&C Road Funds		2014	\$ 707,474	\$ 457,788
Total Department of Transportation			707,474	457,788
<u>Police Department</u>				
State Liquor Funds				
State Liquor Funds			16,513	17,719
Total State Liquor Funds			16,513	17,719
Department of Public Safety				
Division of Emergency Mgt, EMPG	CFDA 97.042		7,500	7,500
Highway Safety Easy Grant			115	115
Commission on Criminal & Juvenile Justice				
Justice Assistance Grant	14A113		7,188	7,449
Alcohol & Drug Free Grants Committee				
Grant for Digital Camera Equipment			9,586	9,586
Total State Grants for Police Department			24,389	24,650
<u>Court</u>				
Administrative Office of the Courts				
Justice Court Grant for TV Monitor			1,000	1,000
<u>Recreation</u>				
Utah Division of Wildlife Resources				
Centerville Fishing Grant	#142153		1,000	1,000
<u>Historic Sites</u>				
Utah Department of Heritage & Arts				
Utah State History			1,578	1,578
Total Grant, Contract, and Loan Fund Expenditures			\$751,954	\$ 503,735