NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE CITY COUNCIL WILL HOLD A WORK SESSION MEETING AT 6:00 P.M. ON TUESDAY, JANUARY 31, 2017 AT THE CENTERVILLE CITY COMMUNITY CENTER COUNCIL CHAMGERS, 250 NORTH MAIN STREET, CENTERVILLE, UTAH. THE AGENDA IS SHOWN BELOW.

A. ROLL CALL

B. NEW BUSINESS

1. Independent Auditor's Report for FY 2016
2. Financial Report for period ending December 31, 2016
3. Review funding and priorities for 2017 projects

C. ADJOURNMENT

Marsha L. Morrow, MMC
Centerville City Recorder

CENTERVILLE WORK SESSION AGENDA

NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE CITY COUNCIL WILL HOLD ITS WORK SESSION MEETING AT 6:00 PM ON January 31, 2017 AT THE CENTERVILLE CITY COMMUNITY CENTER AND , 250 NORTH MAIN STREET, CENTERVILLE, UTAH. THE AGENDA IS SHOWN BELOW.

A. ROLL CALL

B. NEW BUSINESS

1. Independent Auditor's Report for FY 2016
2. Financial Report for period ending December 31, 2016
3. Review funding and priorities for 2017 projects

C. ADJOURNMENT

Marsha L. Morrow, MMC
Centerville City Recorder

CENTERVILLE
WORK SESSION
Staff Backup Report
1/31/2017

Item No. 1.

Short Title: Independent Auditor's Report for FY 2016

Initiated By:

Scheduled Time:

SUBJECT

RECOMMENDATION

Allow auditors to provide an overview or summary of their audit report, including explanations regarding the findings/recommendations in their Supplementary Reports section, and answer questions from Council and staff.

BACKGROUND

The "Independent Auditor's Report" and audited financial statements for the fiscal year ending June 30, 2016 are contained within the Financial Section of the Comprehensive Annual Financial Report (CAFR), which is attached. The CAFR also includes a Statistical Section following the Financial Section. The auditors issued **"Supplementary Reports" as a separate document, but these are included at the end of the attached CAFR, following page 108.** The Supplementary Reports include the auditor's letters about internal control, compliance with State requirements, and a "Schedule of Findings and Questioned Costs". The audit team manager--Marcus Arbuckle of the CPA firm Keddington & Christensen, LLC--has been asked to review and explain their findings in this part of their report. The auditors made a number of material corrections or "prior year adjustments" that resulted in a restatement of the prior year (i.e. FY 2015) fund balances, and therefore affect the FY 2016 and FY 2017 fund balances. Staff want the City Council to understand how these adjustments affect the FY 2016 ending fund balances. The Finance Director, Blaine Lutz, will also address the other audit findings regarding credit card procedures, fund balances and budgetary compliance.

The adjusted fund balances as of June 30, 2016 have been used by the Finance Director in preparing the 6-month financial report for FY 2017, the second topic on the work session agenda. This mid-year review of the various Funds will provide a foundation for the third topic on the agenda--a review of funding and priorities for 2017 projects.

ATTACHMENTS:

Description

- FY 2016 Comprehensive Annual Financial Report

CENTERVILLE CITY CORPORATION
CENTERVILLE, UTAH

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

For The Year Ended June 30, 2016

Together With Independent Auditor's Report

Centerville City Corporation
TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Letter of Transmittal 1

City Officials 8

Organizational Chart 9

Certificate of Achievement for Excellence in Financial Reporting 10

FINANCIAL SECTION

Independent Auditor's Report 11

Management's Discussion and Analysis 13

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Position 24
Statement of Activities 26

Fund Financial Statements:

Balance Sheet – Governmental Funds 27
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 28
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 29
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 30
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund 31
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Redevelopment Agency Special Revenue Fund 32
Statement of Net Position – Proprietary Funds 33
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds 35
Statement of Cash Flows – Proprietary Funds 36
Statement of Fiduciary Net Position – Fiduciary Fund 38
Statement of Changes in Fiduciary Net Position – Fiduciary Fund 39

Notes to Financial Statements 40

Required Supplemental Information:

Schedule of the Proportionate Share of the Net Pension Liability 68
Schedule of Contributions 69
Notes to the Required Supplemental Information 70

Centerville City Corporation
TABLE OF CONTENTS (Continued)

Page

FINANCIAL SECTION (Continued)

Supplemental Information:

Combining Balance Sheet – Nonmajor Governmental Funds 71
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds 72
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Major Governmental Fund:
Arts Center Debt Service Fund 73
UTOPIA Capital Projects Fund 74
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Governmental Funds:
Municipal Building Authority Special Revenue Fund 75
Recreation Special Revenue Fund 76
R.A.P. Tax Special Revenue Fund 77
Transit Tax Special Revenue Fund 78
Special Improvement District 400 West Debt Service Fund 79
Special Improvement District Chase Lane Debt Service Fund 80
Special Improvement District Porter Lane Debt Service Fund 81
Park Improvement Capital Projects Fund 82
Storm Drain Capital Projects Fund 83

STATISTICAL SECTION

Table of Contents 84
Net Position by Component 85
Changes in Net Position 86
Fund Balances of Governmental Funds 88
Changes in Fund Balances of Governmental Funds 89
Governmental Activities Taxes and Special Assessment Revenues 90
Direct and Overlapping Sales Tax Rates 91
Principal Sales Tax Payers 92
Taxable and Estimated Actual Value of Taxable Property 93
Property Tax Levies and Collections 94
Property Tax Rates – Direct and Overlapping Governments 95
Principal Taxpayers 96
Property Value and Construction 97
Ratio of Outstanding Debt by Type 98
Direct and Overlapping Governmental Activities Debt 99
Legal Debt Margin Information 100
Pledged Revenue Bond Coverage 101
Demographic and Economic Statistics 103
Principal Employers 104
Full Time Equivalent City Government Employees by Function 105
General Fund Expenditures by Function 106
Operating Indicators by Function 107
Capital Asset Statistics by Function/Program 108

INTRODUCTORY SECTION

CENTERVILLE CITY

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

Incorporated in 1915

Mayor
Paul A. Cutler

City Council
Tamilyn Fillmore
William Ince
Stephanie Ivie
George McEwan
Robyn Mecham

City Manager
Steve H. Thacker

December 21, 2016

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, 2016.

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

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

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

The financial statements have been audited by Keddington & Christensen 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, 2016, are free of material misstatements. The independent audit involved examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Centerville City's financial statements for the fiscal year ended June 30, 2016 are fairly presented in conformity with GAAP. The independent auditor's report is presented at the beginning of the financial section of this report.

Community and History

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

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

Organization

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

Services

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

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

Economic Factors and Conditions

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

Local option sales tax is the main source of tax revenue for general services. After years of steady growth in sales tax, the recession beginning in 2007 caused several years of decreasing revenues. Sales tax revenues have increased since 2010, recovering to levels above 2008 revenues. Sales tax revenues have continued to grow compared to the same time period(s) in the prior year. Centerville local retail services continue to have increasing sales that provide needed revenue to the City. The trend is improving and revenues are anticipated to increase through 2016-2017 locally and Statewide. Other revenue sources such as property tax have been stable, but with little increase. The State of Utah authorized an increase in the tax levied on gasoline sales that will benefit the City with increased revenue for street maintenance and replacement. In 2015 voters approved a County wide .25% increase in sales tax to be used for transportation

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

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

Major Initiatives

In FY 2016 the City's ability to maintain public works infrastructure, maintain and improve parks, and fund Fire/EMS services was enhanced due to successful initiatives that increased funding for these purposes.

Transportation Funding & Projects

State legislation and voter approval at the ballot box significantly increased funding for transportation purposes beginning in FY 2016. In 2015 the State Legislature approved an adjustment to the State gasoline tax, becoming effective in 2016. This adjustment should increase gasoline tax revenues for cities throughout the State by an estimated 17 percent. In addition, the 2015 State Legislature also approved a bill authorizing counties to place on the ballot a new sales tax ($1/4^{th}$ of one percent) to be used for transportation purposes. Davis County voters approved this ballot measure in November 2015; the new tax became effective April 1, 2016. This new revenue will be shared between the County, cities within the County, and Utah Transportation Authority (UTA). Between the enhanced gasoline tax and new transportation sales tax, Centerville City will receive an additional $400,000 per year for streets maintenance and other transportation purposes. This will allow a big increase in funding for the annual streets maintenance contract work, which traditionally has been funded at about $700,000 per year.

In FY 2016 City staff updated and expanded the Streets Maintenance Plan to project street repaving/reconstruction needs for the next 10 years. This Plan was correlated with the Drainage Master Plan and Water Main Replacement Plan so that failing drainage pipes and aging water mains will be replaced in conjunction with street rebuilds.

Among transportation projects undertaken in FY 2016, the most noteworthy would be several partnerships that resulted in a continuous safe pathway along Parrish Lane for pedestrians and bicyclists to move between the east and west sides of I-15 and connect with the Legacy Parkway Trail system:

- Construction of a pedestrian bridge by UDOT's contractor as part of the I-15 South Davis Project
- Protected pathways on the east and west sides of I-15 that connect with the new pedestrian bridge, funded by UDOT and the City's Redevelopment Agency (RDA)
- A new traffic signal at the 1250 West/Parrish Lane intersection, also funded by UDOT and the City's RDA
- A developer-funded trail running from the 1250 West/Parrish Lane intersection to the Legacy Parkway Trail
- A trailhead/bus stop at the southwest corner of 1250 West/Parrish Lane with a shelter, benches, drinking fountain, and bike repair equipment—funded via a partnership between the City, Maverik Inc. and UTA.

Water System Planning & Funding

In FY 2016 City staff prepared a long-term plan projecting the need to replace water mains within the City's roadways over the next 40 years. Most of the water mains to be replaced in the first 10 years are older cast-iron pipes that are coming to the end of their expected life. Staff coordinated these water main replacements with street repaving/reconstruction plans so that, as much as practical, cast iron pipes will be replaced at the same time as the street work is done, thereby reducing overall project costs as well as the road damage caused by pipe breaks.

Funding this water main replacement plan requires a significant increase in water user rates. The City Council opted to implement the increase in three annual 10-percent steps, beginning in July 2016. The first big projects funded with this new money will be the replacement of water mains on Main Street in 2017, prior to UDOT's pavement overlay project in 2018.

Drainage System Projects

In 2015—based on an update of the Drainage System Master Plan--the City Council approved an unusual 112% increase in both the monthly storm drain user fee and monthly subsurface drain user fee. This new revenue will fund $6 million in capital projects over a ten-year period on a pay-as-you-go basis—mostly to replace failing drainage pipes. The first projects in this ambitious long-term plan were completed in FY 2016—the replacement of several storm drain and subdrain pipes.

A new major drainage facility under I-15 and the railroad tracks was completed in FY 2016—a 36-inch culvert at Lund Lane. Constructed in several phases over several years, this new flood control facility was a partnership between UDOT, the City and a housing developer, and required the cooperation and approval of the Union Pacific Railroad and UTA.

Funding for Parks Improvements and Maintenance

The City's ability to fund park improvements and maintain/replace existing park infrastructure has been limited in recent years due to inadequate funding. However, in FY 2016 Centerville voters approved the extension of the RAP Tax (1/10th of one percent sales tax) to be used for parks and other eligible purposes. The initial RAP Tax authorization by voters in 2007 was for the primary purpose of paying the debt service on the performing arts center. The recent reauthorization will be used mostly for parks projects, but also some for the museum and performing arts center. This will allow the City Council to proceed with the next phases of the Community Park Expansion Project in 2017, the highest priority in the Parks Capital Improvement Plan. The RAP Tax will generate an estimated $375,000 in FY 2017.

Fire/EMS Services Funding

In FY 2016 the City Council approved the conversion of the South Davis Metro Fire Agency to the South Davis Metro Fire Service Area. This approval—along with the approval of the other member entities—gave the Fire Service Area Board of Directors the authority to levy a property tax to supplement traditional funding sources (assessments to member entities, ambulance revenues and County paramedic revenues). The primary use of this new taxing authority will be to fund capital needs, including replacement of the Centerville fire station.

Financial Policies

State Code dictates that 5% to 25% of general fund revenue be kept in the unreserved fund balance of the general fund. Each year's budget plan targets an amount within that range and may be higher or lower depending on operational and capital needs. The unassigned fund balance as of June 30, 2016 was 9.25% of next year's budgeted revenue. The Council and management attempts to finance operations and capital on a pay as you go basis if possible, using debt when it is to the long term financial advantage to the City and/or is necessary to acquire capital in a timely manner.

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

Awards

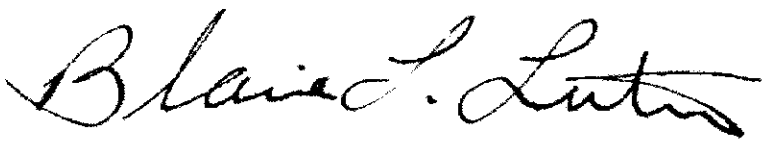
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Centerville City for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the sixteenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

Respectfully submitted,



Blaine L. Lutz

Finance Director/Assistant City Manager

CENTERVILLE CITY CORPORATION

PRINCIPAL OFFICIALS

EXECUTIVE BUDGETARY

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

STATUTORY APPOINTED OFFICIALS

Marsha Morrow	Recorder
Jolene Jackson	Treasurer
David Miller	Justice Court Judge

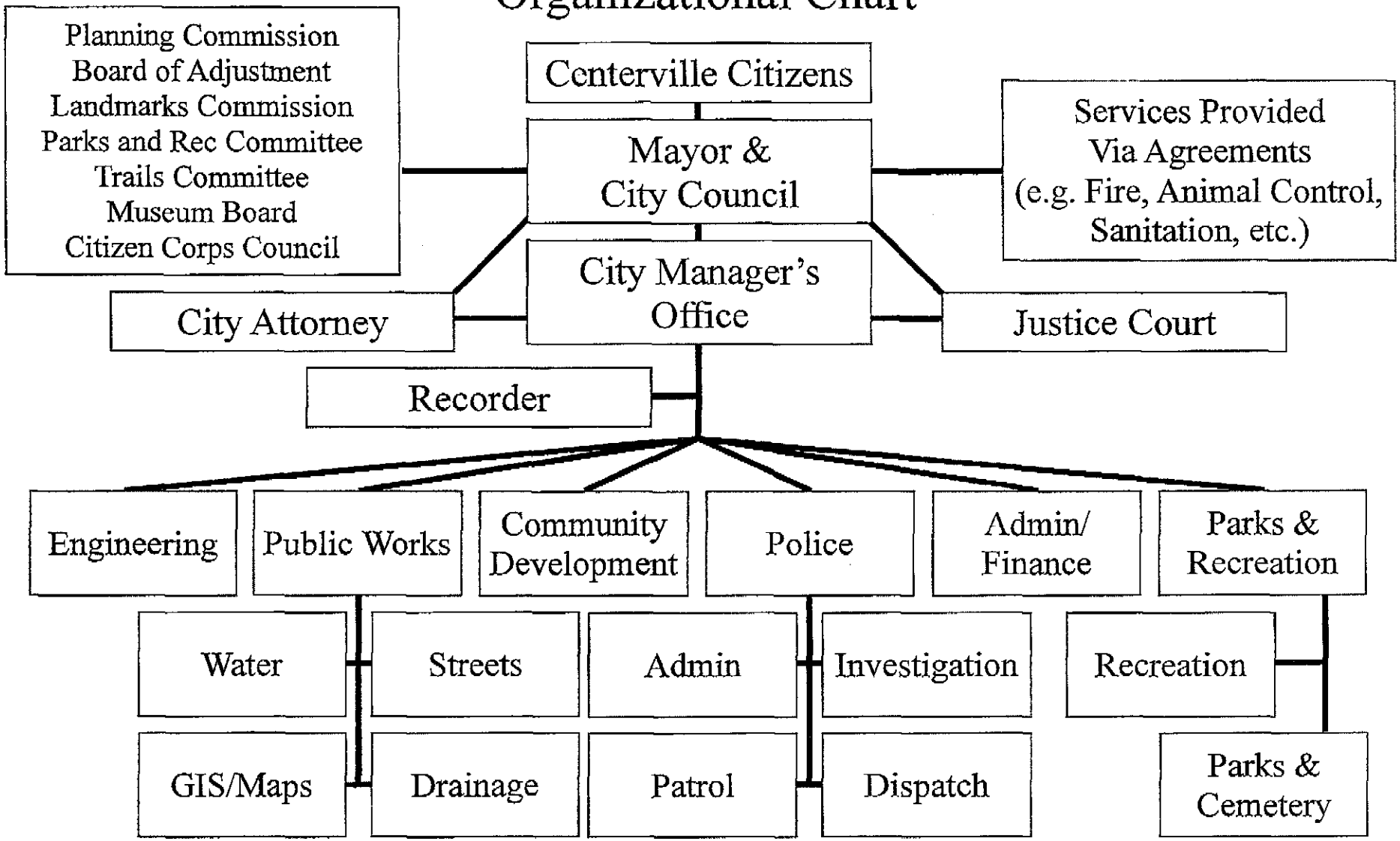
DEPARTMENT HEADS

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

OTHER CITY OFFICIALS

Von Steenblik	Assistant Police Chief
Kevin Campbell	Engineer
Lisa Romney	Attorney

Centerville City
Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Centerville City Corporation

Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

K&C

Keddington & Christensen, LLC
Certified Public Accountants

Gary K. Keddington, CPA
Brent E. Christensen, CPA
Phyl R. Warnock, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of City Council
Centerville City Corporation
Centerville City, 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 (the City) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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.

Auditor's 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 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 financial statements are free from 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 auditor's 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 City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the 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 that the management's discussion and analysis, information about infrastructure assets reported using the modified approach, the schedule of the proportionate share of the net pension liability, and the schedule of contributions, as noted on the table of contents, 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 the 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 inquires 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.

Supplemental 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 introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund statements and budgetary comparison schedules, listed as supplemental information in the table of contents, 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 and statistical sections 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 Report Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 28, 2016, 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 read in conjunction with this report in considering the results of our audit.

Keddington & Christensen, LLC
December 28, 2016

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, 2016.

Financial Highlights

The Statement of Net Position is similar to a balance sheet in the private sector. The assets of Centerville City exceeded its liabilities at June 30, 2016 by $43,656,738 (net position). The City has $41,493,229 invested in capital assets, net of related debt. $950,833 is restricted for debt service or construction. The unrestricted amount is $1,212,646. The financial position in relation to the assets, (current, non-current and capital), and liabilities of the City. Included in this statement is the City's stated portion of the Utah State Retirement System that is not funded with current assets.

Centerville's total net position increased by $3,001,511from the prior year, a 7.38% increase. The increase is a net after the 2015 adjustment in accordance with the new GASB 68 rule, which requires the City to record its estimated amount of Utah State Retirement Fund liability, implemented in FY 2015. Changes in assets and liabilities are as follows. Total assets increased by $1,514,984, a change of 2.75%. Total Liabilities decreased by $(724,988) from the prior year, a percent change of 5.43%. Capital investments increased, .82%, a dollar total of $337,178. Business-Type Activities capital investments increased $539,792 – 3.83%, and Governmental Activities decreased $(202,614) – 1.00%. Restricted assets for debt service and construction increased by $729,662 which is 300.30% change from the previous year. The net iccrease was due to a change in Business-Type activities with an increase of $308,163. Government activities increased by $421,499. Unrestricted assets increased a total of $1,927,062. Governmental Activities increased $1,912,373, while Business-Type activities decreased by $14,689.

Centerville's governmental funds reported a combined ending fund balances of $1,546,178 at June 30, 2016. This is a statement of the current available assets of the City. This is a decrease of $26,956, a percent change of 1.71%. Of the ending fund balances, $619,427, is available for spending at the City's discretion in the General Fund (unassigned fund balance).

At June 30, 2016, fund balances assigned to funds other than the general fund was $753,899 an overall $12,382 increase. Assigned fund balances decreased by $261,215, or 36.00%. The Assigned amount to the RDA, $50,540. The amount assigned for other funds has a balance of $412,445 an increase of $69,610 a 16.87% change. A reflection of the City's future investment in a new park facility and roads, the amount restricted for future development is $438,816.

Overview of the Financial Statements

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

Government-wide financial statements

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

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

The *statement of activities* presents information showing how Centerville City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

Both of the government-wide financial statements distinguish functions of Centerville City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Centerville City include general government, police, community development, streets and public improvements, parks and recreation. The business type activities of Centerville City include services for culinary water, storm and sub-surface water, solid waste, and recycling, and Telecommunications.

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

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Centerville City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related laws and refutations. 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 nine (9) 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 four major governmental funds; General Fund as well as the Centerville City Redevelopment Agency, the Arts Center Debt Service Fund and the UTOPIA Capital Projects Funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with budget. Budgets are also adopted for the other Non-major governmental type funds.

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

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

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

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

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

Government-wide financial analysis

As noted earlier, net position is an indicator of a government's overall financial position, including current resources, liabilities and investment in assets. In the case of Centerville City, assets exceeded liabilities by $43,656,738 at June 30, 2016.

The largest portion of the City's net position, $41,493,229 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 $114,077 which equals, .28%, from the prior period. The increase reflects the City's investment in capital facilities and equipment and decrease in long term

liabilities including related debt. The City uses capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since capital assets cannot be used to liquidate these liabilities.

A portion of the remainder of the City's net position, $950,863, represents resources that are subject to external restrictions on how they may be utilized. This is a decrease of $729,662 or 300.58%. This increase was due to the increase in restricted assets, Governmental fund $421,499 and $308,163 in Business-Type activities.

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

Centerville City Net Position

	Governmental Activities 2016	Governmental Activities 2015	Business-type Activities 2016	Business-type Activities 2015
Current and other assets	$ 4,426,616	$ 3,749,804	$ 2,402,251	$ 2,119,441
Capital assets	32,131,583	31,693,215	17,558,129	17,441,135
Total Assets	36,558,199	35,443,019	19,960,380	19,560,576
Deferred outflows of resources	1,072,766	336,348	146,516	21,373
Current and other liabilities	1,752,085	1,354,346	296,683	171,370
Long-term liabilities	5,897,579	6,682,906	4,685,235	5,147,948
Total Liabilities	7,649,664	8,037,252	4,981,918	5,319,318
Deferred inflows of resources	1,424,493	1,349,519	25,048	-
Net position:				
Net investment in capital assets	26,872,876	27,075,490	14,620,353	14,080,561
Restricted	438,816	17,317	512,047	203,884
Unrestricted	1,245,116	(700,211)	(32,470)	(21,814)
Total Net Position	$ 28,556,808	$ 26,392,596	$ 15,099,930	$ 14,262,631

Centerville City Change in Net Position (Statement of Activities)

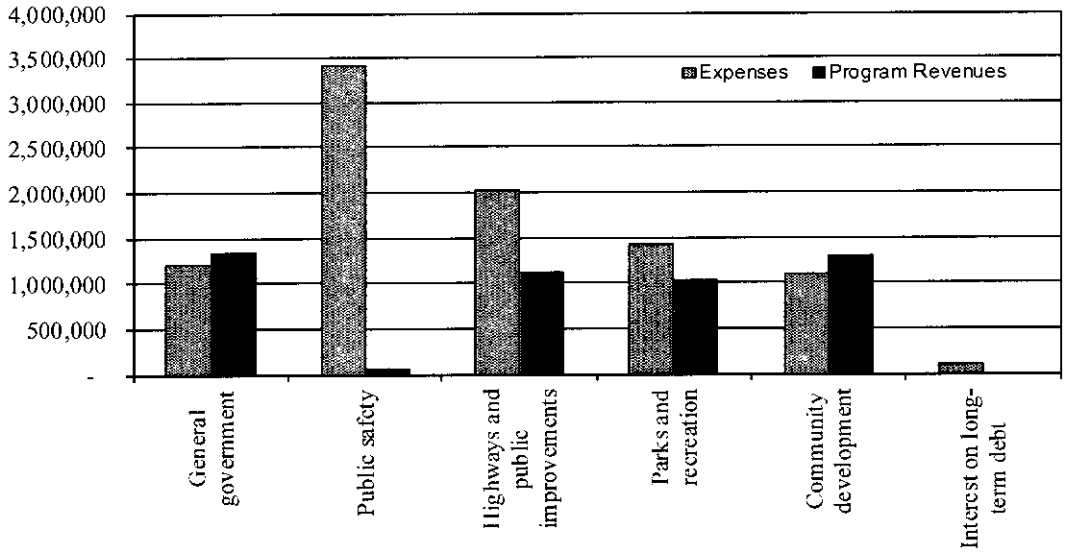
	Governmental Activities 2016	Governmental Activities 2015	Business-type Activities 2016	Business-type Activities 2015
Revenues:				
Program revenues:				
Charges for services	$ 1,407,178	$ 1,991,626	$ 4,559,513	$ 4,076,248
Operating grants and contributions	2,304,830	-	350,533	311,841
Capital grants and contributions	1,114,767	2,872,876	-	-
General revenues:				
Property taxes	1,275,046	1,172,123	-	-
Sales taxes	3,697,653	3,509,401	-	-
Franchise taxes	1,141,628	1,132,319	-	
Other taxes	357,949	347,937	-	-
Unrestricted investment earnings	13,284	10,017	2,390	-
Other revenues	130,668	88,375	5,259	4,632
Total Revenues	11,443,003	11,124,674	4,917,695	4,392,721
Expenses:				
General government	1,200,320	2,149,191	-	-
Public safety	3,421,139	3,312,647	-	-
Highways and public improvements	2,012,637	1,929,230	-	-
Parks and recreation	1,434,223	1,707,103	-	-
Community development	1,096,021	618,065	-	-
Interest on long-term debt	98,142	213,694	-	-
Water	-	-	2,106,260	1,965,022
Sanitation	-	-	703,201	956,890
Storm drain	-	-	973,114	760,994
Telecom	-	-	314,130	283,566
Total Expenses	9,262,482	9,929,930	4,096,705	3,966,472
Increase (decrease) in Net Position before transfers	2,180,521	1,194,744	820,990	426,249
Transfers	(16,309)	(20,840)	16,309	20,840
Increase in Net Position	2,164,212	1,173,904	837,299	447,089
Net Position - Beginning, Restated	26,392,596	25,218,692	14,262,631	13,815,542
Net Position - Ending	$ 28,556,808	$ 26,392,596	$ 15,099,930	$ 14,262,631

Governmental Activities

As noted in the table above, governmental activities net position increased by $2,164,212 or 8.20%. The table illustrates the flow of current sources and uses for the period. This table is a good source to illustrate the activities and of the period and the City's position at the year end.

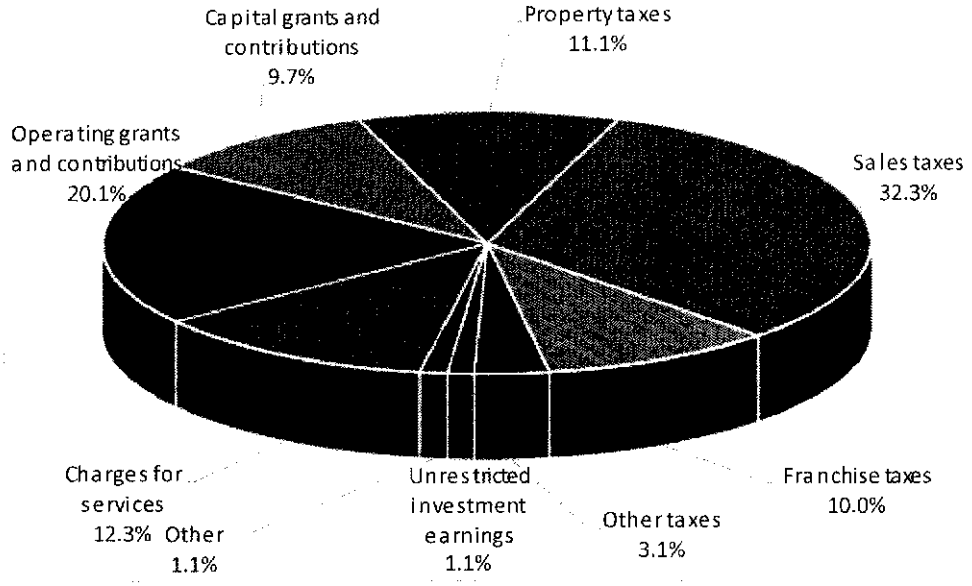
The following chart displays the governmental activities expenses compared to the program revenues attributed to the activity. Traditionally, governmental activities are funded by general revenue sources and not charges for direct services. Most of the funding for general services is provided by general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

Expenses and Program Revenues - Governmental Activities



The following chart displays the major sources of governmental activity revenue. Taxes account for 56.50% of revenue that funds governmental activity in the current period. These revenues account for the majority of the governmental services provided by the City.

Revenues by Source - Governmental Activities

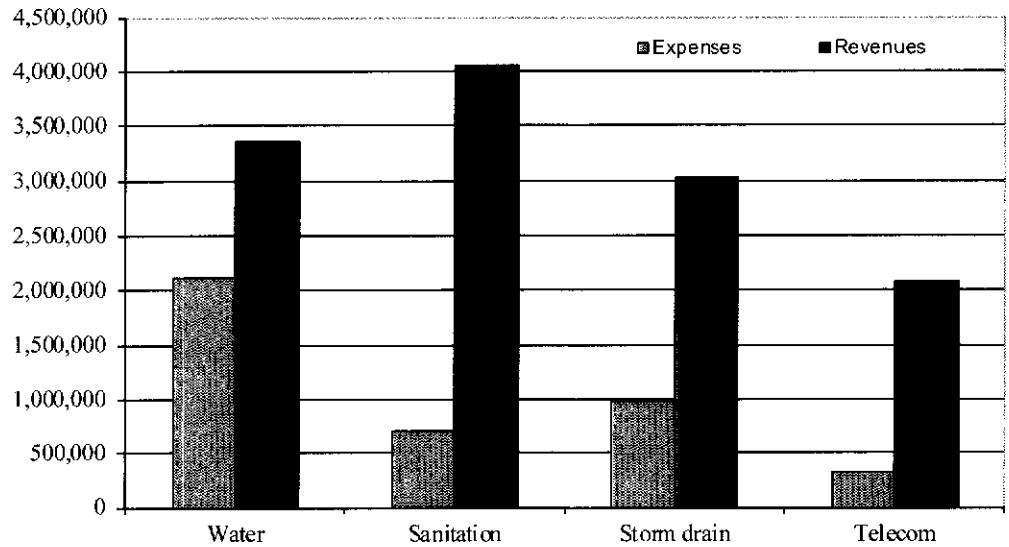


Business-type activities

As noted in the table "Centerville City Changes in Net Position (Statement of Activities)" business-type activities increased net position of $837,293, 5.87 % from the prior year.

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

Expenses and Program Revenues - Business-type Activities



Business-type activities are generally funded by charges for services. 100% of the revenues for business-type activities comes from charges for services, no general taxes are used to provide Business-type services. During the current reporting period charges for services more than funded expenses by a net $. 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, 2016, the City's governmental funds reported a combined ending fund balance of $1,546,178 a decrease of $26,956, or 1.71% from the prior period. The fund balance, all in general fund, decreased by 4.73%, a total dollar amount of $39,338. Assigned fund balances, that are restricted for a specific

purpose, increased from $724,200 to $886,439 from the prior period, or 22.40%. The change is the result of assigned resources for a new park during the year. The increase in the balance(s) was primarily due to the increase in balances restricted for future development. 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 $32,859 at June 30, 2016.

The general fund is the primary operating fund of the City. At June 30, 2016 unassigned fund balance of the general fund was $619,427, a decrease of $212,190, 25.51 %. The decrease was in part result of revenues from franchise fees were also below budget. In 2014 the Council increased the rate charged for power and gas to provide more funding to streets. Franchise fees have fallen short, particularly in telecommunications and gas. Receipts from fines and forfeitures have also fell below expectations. Unassigned fund balance is equal to 8.744% of total general fund revenues for the next fiscal year.

The Arts Center Debt service fund is considered as a major governmental fund. This fund has been established for the Davis Center for the Performing Arts sales tax revenue bonds. This fund has a $0 fund balance. The debt service from this fund is funded by RAP taxes, contribution from Davis County tourism taxes and RDA increment.

Other Governmental funds had a total decrease in fund balances of $328,436, or 85.79%. This increase is primarily due to the change in balances in capital project funds, the Parks Capital improvement fund. There was no major expenditures for a new park in this fund.

General fund budgetary highlights

During the fiscal year the general fund budget expenditures were amended slightly from $9,055,388 (including $9,101,098 cash expenditures and $7,859 transfers out) to $9,108,957. This was a total increase of $53,569 or .59%. The primary reason for the amendments was for increased cost for engineering and development related expenditures.

Total revenues had a negative variance between final amended budgets to actual of 4.05%, for a total of $327,016. Sales taxes, the largest source of revenue for the general fund was $131,348 below budget. This was 3.62 % less than budget. This demonstrates that minor percentage variance in sales taxes can impact revenues substantially. The amount of Franchise taxes collected was also less than budget. This type of revenue is subject to seasonal usage fluctuation. Taxes received from natural gas and power have also been slow to increase with growth as prices have declined, even though the rate levied on power and gas was increased from 5% to 6% in 2014. The taxes received from the tax on telecommunications has also declined over recent years. This is believed to be due to the competitive environment in this area. The total difference in budget and actual franchise tax revenue is $202,740 a 15.24% variance. The largest portion of ths was Telecommunication taxes, which were $103,205 below a budget of $270,000, 38.22%. Other revenue categories that had variances between the final amended budget - and actual – was fines and forfeitures from the Justice Court of a $535,000 budget, only $444,658 was received.

Capital Assets and Debt Administration

Centerville City's investment in capital assets for governmental and business-type activities at June 30, 2016 was $49,689,712 (net of depreciation). The investment in capital assets includes land, buildings, improvements other than buildings, infrastructure, machinery and equipment, autos and trucks, furniture

and fixtures. The City's total investment in capital assets increased by $636,840 or 1.30%. Governmental activities increased capital assets (net of depreciation) $499,156 or 1.58 %, to $32,131,583. Business type activities increased capital assets (net of depreciation) $137,684 or .790% to $17,558,129.

Major capital asset events during the current year were:

1) The City added $296,853, before depreciation in Autos and trucks. The City added a number of new vehicles and equipment to its fleet.

2) Infrastructure increased by $810,548, before depreciation, attributable to street and park improvements. Street repairs such as overlays and sealing are not considered increases in assets, but operating expenditures. New streets or complete rebuilds of streets are treated as an increase in Infrastructure assets.

3) The City made nvestment in business type assets during the year. Expansion or replacement of the system are recorded as an increase in assets The Investment of business type activities increased by the amount of $116,994 (depreciated), .6%.

Centerville City Capital Assets (Net of depreciation)

	Governmental Activities 2016	Governmental Activities 2015	Business - type Activities 2016	Business - type Activities 2015
Land	$ 7,785,731	$ 7,785,731	$ 236,909	$ 236,909
Buildings	14,556,271	15,012,209	2,567,717	2,638,379
Water stock and rights	-	-	48,617	48,617
Machinery and equipment	1,283,165	1,417,494	158,712	221,857
Distribution and collection systems	-	-	14,502,109	14,275,666
Autos and trucks	859,902	788,104	-	-
Infrastructure	6,821,678	6,159,692	-	-
Furniture and fixtures	-	-	-	-
Construction in progress	824,836	529,985	44,065	19,707
Total Capital Assets	$ 32,131,583	$ 31,693,215	$ 17,558,129	$ 17,441,135

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, 2016, the long term outstanding bonds payable of the City was $5,790,816. None of this amount is considered general obligation debt. This is a decrease from the prior period by $1,549,609, 25.41%. Governmental activities outstanding debt decreased by $1,459,609, 35.20% and Business type activities decreased by 422,798, 12.58%. All of the debt is considered revenue bonds ($ governmental activities and $ 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 2016	Governmental Activities 2015	Business - type Activities 2016	Business - type Activities 2015
Revenue bonds	$ 2,853,040	$ 4,402,649	$ 2,937,776	$ 3,360,574
Note payable	-	-	1,442,825	1,581,734
Capital leases	88,103	130,894	-	-
Compensated absences	602,584	556,818	76,638	74,931
Termination benefits	36,289	-	-	-
Net pension liability	2,224,763	1,503,152	227,996	130,709
Total	$ 5,804,779	$ 6,593,513	$ 4,685,235	$ 5,147,948

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, 2017, the Utah and local economy was continuing to stay strong. Unemployment continues to remain low at 3.20% 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 2016-2017, which is considered one of the strongest economies in the country. Housing construction has rebounded somewhat in the State and locally. Commercial construction has increased in recent months within the City and more anticipated with the construction of commercial development, particularly in Legacy Crossing at Parrish Lane and Barnard Creek development areas.

2. Sales taxes are the largest single source of revenue for governmental operations of the City. The City experienced an increase of 5.36%, total of $188,252, in general sales tax revenue (general fund) from 2015. Revenue from retail sales are expected to continue with a moderate increases in, 2015-2016, again by 5-6%. New retail space enhanced the City's sales tax base. The City has completed a master plan of several hundred acres on its west side. Preliminary plans are contemplating light industrial and commercial offices. Continued development on the City's west side is expected, which will spur additional commercial development in this area. Additional retail and office space is continuing to develop in this area. The creation of two Community Development Areas on the west side of the City will assist in future development and revenue sources.

3. No tax increases are included in the fiscal year 2016-2017 budget. The only increase is a 4% increase in culinary water fees to keep up with increasing cost of operations.

4. Storm-water and sub-drain fees will more than double for the fiscal year 2015-2016, no increase was approved for 2016-2017. This is to address the aging storm-water system and expansion of needed facilities.

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, 2016

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 804,903	$ 69,017	$ 873,920
Receivables:			
Accounts, net	3,046	427,384	430,430
Taxes	2,034,562	-	2,034,562
Prepaids	27,909	61,294	89,203
Internal balances	110,322	(110,322)	-
Restricted assets:			
Cash and cash equivalents	1,445,517	512,047	1,957,564
Notes receivable	-	1,442,825	1,442,825
Net pension asset	357	6	363
Capital assets not being depreciated:			
Water stock and rights	-	48,617	48,617
Land and collectibles	7,785,731	236,909	8,022,640
Construction in progress	824,836	44,065	868,901
Capital assets, net of accumulated depreciation:			
Buildings and improvements	14,556,271	2,567,717	17,123,988
Distribution and collection systems		14,502,109	14,502,109
Machinery and equipment	1,283,165	158,712	1,441,877
Autos and trucks	859,902	-	859,902
Infrastructure	6,821,678	-	6,821,678
Total Assets	36,558,199	19,960,380	56,518,579
Deferred Outflows of Resources			
Deferred charge on refunding	-	18,580	18,580
Deferred outflows related to pensions	1,072,766	127,936	1,200,702
Total Deferred Outflows of Resources	1,072,766	146,516	1,219,282
Total Assets and Deferred Outflow of Resources	$ 37,630,965	$ 20,106,896	$ 57,737,861

The notes to the basic financial statements are an integral part of this statement.

Centerville City Corporation
STATEMENT OF NET POSITION (Continued)
June 30, 2016

	Governmental Activities	Business-type Activities	Total
Liabilities:			
Accounts payable	$ 570,900	$ 270,362	$ 841,262
Accrued liabilities	158,136	-	158,136
Accrued interest payable	16,348	26,321	42,669
Developer and customer deposits	1,006,701	-	1,006,701
Noncurrent liabilities			
Due within one year	803,424	559,762	1,363,186
Due in more than one year	5,094,155	4,125,473	9,219,628
Total Liabilities	7,649,664	4,981,918	12,631,582
Deferred Inflows of Resources			
Deferred inflows for property taxes	1,144,344	-	1,144,344
Deferred inflows relating to pensions	280,149	25,048	305,197
Total Deferred Inflows of Resources	1,424,493	25,048	1,449,541
Net Position:			
Net investment in capital assets	26,872,876	14,620,353	41,493,229
Restricted for:			
Debt Service	-	203,884	203,884
Future development	438,816	308,163	746,979
Unrestricted	1,245,116	(32,470)	1,212,646
Total Net Position	28,556,808	15,099,930	43,656,738
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 37,630,965	$ 20,106,896	$ 57,737,861

The notes to the basic financial statements are an integral part of this statement.

Centerville City Corporation
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Government Activities:							
General government	$ 1,200,320	$ 1,158,121	$ 171,429	$ 1,013	$ 130,243	$ -	$ 130,243
Public safety	3,421,139	-	57,251	-	(3,363,888)	-	(3,363,888)
Streets and public works	2,012,637	-	-	1,113,754	(898,883)	-	(898,883)
Parks and recreation	1,434,223	249,057	784,722	-	(400,444)	-	(400,444)
Community development	1,096,021	-	1,291,428	-	195,407	-	195,407
Interest and issuance costs on long-term debt	98,142	-	-	-	(98,142)	-	(98,142)
Total Governmental Activities	9,262,482	1,407,178	2,304,830	1,114,767	(4,435,707)	-	(4,435,707)
Business-type Activities:							
Water	2,106,260	2,051,129	350,533	-	-	295,402	295,402
Sanitation	703,201	1,237,116	-	-	-	533,915	533,915
Storm drain	973,114	976,007	-	-	-	2,893	2,893
Telecom	314,130	295,261	-	-	-	(18,869)	(18,869)
Total Business-type Activities	4,096,705	4,559,513	350,533	-	-	813,341	813,341
Total Government	$ 13,359,187	$ 5,966,691	$ 2,655,363	$ 1,114,767	(4,435,707)	813,341	(3,622,366)
General Revenues:							
Property taxes					1,275,046	-	1,275,046
Sales taxes					3,697,653	-	3,697,653
Franchise taxes					1,141,628	-	1,141,628
Other taxes					357,949	-	357,949
Unrestricted investment earnings					13,284	2,390	15,674
Gain on disposition of capital assets					64,331	5,259	69,590
Other revenues					66,337	-	66,337
Transfers					(16,309)	16,309	-
Total General Revenues and Transfers					6,599,919	23,958	6,623,877
Changes in Net Position					2,164,212	837,299	3,001,511
Net Position, Beginning, Restated					26,392,596	14,262,631	40,655,227
Net Position, Ending					$ 28,556,808	$ 15,099,930	$ 43,656,738

The notes to the basic financial statements are an integral part of this statement.

Centerville City Corporation
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2016

	General	Redevelopment Agency Special Revenue	Arts Center Debt Service	UTOPIA Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 284,594	$ 51,570	$ -	$ 161,748	$ 306,991	$ 804,903
Receivables:						
Accounts, net	4,295	-	-	-	-	4,295
Taxes	1,745,543	172,248	-	-	116,771	2,034,562
Due from other funds	110,322	-	-	-	-	110,322
Prepaids	32,859	-	-	-	-	32,859
Restricted cash and cash equivalents	1,146,694	-	-	-	298,823	1,445,517
Total Assets	$ 3,324,307	$ 223,818	$ -	$ 161,748	$ 722,585	$ 4,432,458
Liabilities						
Accounts payable	$ 390,145	$ 1,030	$ -	$ 169,657	$ 11,317	$ 572,149
Accrued liabilities	163,086	-	-	-	-	163,086
Developer and customer deposits	1,006,701	-	-	-	-	1,006,701
Total Liabilities	1,559,932	1,030	-	169,657	11,317	1,741,936
Deferred Inflows of Resources						
Unavailable revenue - property taxes	972,096	172,248	-	-	-	1,144,344
Total Deferred Inflows of Resources	972,096	172,248	-	-	-	1,144,344
Fund Balances:						
Nonspendable:						
Prepaid items	32,859	-	-	-	-	32,859
Restricted for:						
Future development	139,993	-	-	-	298,823	438,816
Assigned, reported in:						
Special revenue funds	-	50,540	-	-	64,119	114,659
Debt service funds	-	-	-	-	15,362	15,362
Capital project funds	-	-	-	-	332,964	332,964
Unassigned:						
Capital project funds	-	-	-	(7,909)	-	(7,909)
General fund	619,427	-	-	-	-	619,427
Total Fund Balances	792,279	50,540	-	(7,909)	711,268	1,546,178
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 3,324,307	$ 223,818	$ -	$ 161,748	$ 722,585	$ 4,432,458

The notes to the basic financial statements are an integral part of this statement.

Centerville City Corporation
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2016

Amounts reported for governmental activities in the statement of net position are different because:

Total Fund Balance - Governmental Funds	$	1,546,178
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		32,131,583
Interest expense is not due and payable in the current period and therefore is not recorded in the funds.		(16,348)
Long-term liabilities, including bonds, capital leases, notes, OPEB, and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.		(5,897,579)
Pension obligations and assets, including deferred inflows and outflows relating to pensions, are not obligations of the current periot and, therefore, are not reported in the funds.		792,974
Total Net Position - Governmental Activities	$	28,556,808

The notes to the basic financial statements are an integral part of this statement.

Centerville City Corporation
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
For The Year Ended June 30, 2016

	General	Redevelopment Agency Special Revenue	Arts Center Debt Service	UTOPIA Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	$ 5,913,419	$ 158,317	$ 227,551	$ -	$ 172,989	$ 6,472,276
Fees and contributions	-	-	-	-	445,327	445,327
Licenses and permits	525,878	-	-	-	-	525,878
Intergovernmental	603,384	1,291,428	511,837	532,696	-	2,939,345
Fines and forfeitures	444,658	-	-	-	-	444,658
Charges for services	191,507	76,783	-	-	143,230	411,520
Interest	8,105	-	3,783	139	1,257	13,284
Miscellaneous	62,490	-	-	-	28,969	91,459
Impact fees	-	-	-	-	34,925	34,925
Total Revenues	7,749,441	1,526,528	743,171	532,835	826,697	11,378,672
Expenditures:						
Current:						
General government	597,100	-	2,500	454,632	-	1,054,232
Public safety	3,201,291	-	-	-	-	3,201,291
Highways and public improvements	1,154,582	-	-	-	1,049	1,155,631
Parks and recreation	964,216	-	-	-	191,566	1,155,782
Community development	408,860	508,499	-	-	-	917,359
Debt service:						
Principal	42,812	-	1,510,000	-	-	1,552,812
Interest	2,552	-	144,588	-	-	147,140
Bond issuance costs	-	-	-	-	-	-
Capital outlay	1,019,403	182,391	-	823,311	23,045	2,048,150
Total Expenditures	7,390,816	690,890	1,657,088	1,277,943	215,660	11,232,397
Excess (Deficiency) of Revenues Over (Under) Expenditures	358,625	835,638	(913,917)	(745,108)	611,037	146,275
Other Financing Sources (Uses):						
Transfers in	-	-	963,208	413,601	41,000	1,417,809
Transfers out	(306,185)	(1,127,933)	-	-	-	(1,434,118)
Contributions	-	-	-	-	-	-
Sale of capital assets	77,549	-	-	-	-	77,549
Total Other Financing Sources (Uses)	(228,636)	(1,127,933)	963,208	413,601	41,000	61,240
Net Change in Fund Balances	129,989	(292,295)	49,291	(331,507)	652,037	207,515
Fund Balances, Beginning, Restated	662,290	342,835	(49,291)	323,598	59,231	1,338,663
Fund Balances, Ending	$ 792,279	$ 50,540	$ -	$ (7,909)	$ 711,268	$ 1,546,178

The notes to the basic financial statements are an integral part of this 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, 2016

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances - Total Governmental Funds	$	207,515
Governmental funds have reported capital outlays, past and present, 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.		(920,434)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the Statement of Net Position.		1,416,301
The Statement of Activities reports the gain or loss on the disposal of capital assets, while the governmental funds report the proceeds from the disposal of capital assets.		(57,499)
Repayment of noncurrent liabilities' principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		1,552,791
Governmental funds report proceeds from original issue premiums on debt in the year of issuance. However, these premiums are reported as an increase to the face amount of the debt in the Statement of Net Position and subsequently amortized in the Statement of Activities.		39,609
In the Statement of Activities interest is accrued on noncurrent liabilities, whereas in governmental funds, interest expense is reported when due.		9,410
Some payments for the retirement plans are considered to be payments on the net pension liability (calculated as the difference between the actuarily calculated pension expense and the contributions to the retirement plans), but are reported as expenditures in the governmental funds.		1,980
Some expenses, including OPEB, outanding claims, and compensated absences 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.		(85,461)
Change in Net Position - Governmental Activities	$	2,164,212

The notes to the basic financial statements are an integral part of this statement.

Centerville City Corporation
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For The Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	$ 6,410,588	$ 6,410,588	$ 5,913,419	$ (497,169)
Licenses and permits	358,075	395,075	525,878	130,803
Intergovernmental	549,800	564,569	603,384	38,815
Fines and forfeitures	535,000	535,000	444,658	(90,342)
Charges for services	136,675	136,675	191,507	54,832
Interest	8,500	8,500	8,105	(395)
Miscellaneous	24,250	26,050	62,490	36,440
Total Revenues	8,022,888	8,076,457	7,749,441	(327,016)
Expenditures:				
Current:				
General government:				
Administrative	273,188	204,169	181,012	23,157
Municipal council	52,822	30,598	28,394	2,204
Finance	216,972	222,555	214,748	7,807
Legal	178,065	189,162	172,946	16,216
Public Safety:				
Police	2,356,176	2,381,591	2,325,326	56,265
Fire	878,460	878,460	875,965	2,495
Streets and public works	1,115,559	1,184,343	1,154,582	29,761
Parks and recreation	945,183	958,059	964,216	(6,157)
Community development	418,030	418,209	408,860	9,349
Debt service:				
Principal	-	-	42,812	(42,812)
Interest	-	-	2,552	(2,552)
Capital outlay	1,306,145	1,322,714	1,019,403	303,311
Total Expenditures	7,740,600	7,789,860	7,390,816	399,044
Excess (Deficiency) of Revenues Over (Under) Expenditures	282,288	286,597	358,625	72,028
Other Financing Sources (Uses):				
Transfers out	(454,288)	(470,597)	(306,185)	164,412
Sale of capital assets	(20,000)	20,000	77,549	57,549
Total Other Financing Sources (Uses)	(474,288)	(450,597)	(228,636)	221,961
Net Change in Fund Balances	(192,000)	(164,000)	129,989	293,989
Fund Balances, Beginning, Restated	662,290	662,290	662,290	-
Fund Balances, Ending	$ 470,290	$ 498,290	$ 792,279	$ 293,989

The notes to the basic financial statements are an integral part of this statement.

Centerville City Corporation
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – REDEVELOPMENT AGENCY SPECIAL REVENUE FUND
For The Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	$ 1,575,000	$ 1,575,000	$ 158,317	$ (1,416,683)
Intergovernmental	-	-	1,291,428	1,291,428
Charges for services	76,000	76,000	76,783	783
Total Revenues	1,651,000	1,651,000	1,526,528	(124,472)
Expenditures:				
Community Development	630,341	630,341	508,499	121,842
Capital outaly	170,000	170,000	182,391	(12,391)
Total Expenditures	800,341	800,341	690,890	109,451
Excess (Deficiency) of Revenues Over (Under) Expenditures	850,659	850,659	835,638	(15,021)
Other Financing Sources (Uses):				
Transfers out	(850,659)	(850,659)	(1,127,933)	(277,274)
Total Other Financing Sources (Uses)	(850,659)	(850,659)	(1,127,933)	(277,274)
Net Change in Fund Balances	-	-	(292,295)	(292,295)
Fund Balances, Beginning	342,835	342,835	342,835	-
Fund Balances, Ending	$ 342,835	$ 342,835	$ 50,540	$ (292,295)

The notes to the basic financial statements are an integral part of this statement.

Centerville City Corporation
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2016

	Business-type Activities - Enterprise Funds				
	Water Utility Fund	Drainage Utility Fund	Sanitation Fund	Telecom Fund	Totals
Assets:					
Current Assets:					
Cash and cash equivalents	$ -	$ 69,017.00	$ -	$ -	$ 69,017.00
Accounts receivable, net	198,338	117,725	91,815	19,506	427,384
Prepaids	45,538	-	-	15,756	61,294
Due from other funds	-	561,924	-	-	561,924
Restricted cash and cash equivalents	512,047	-	-	-	512,047
Total Current Assets	755,923	748,666	91,815	35,262	1,631,666
Noncurrent Assets:					
Notes receivable	-	-	-	1,442,825	1,442,825
Net pension asset	6	-	-	-	6
Capital assets not being depreciated:					
Water stock and rights	48,617	-	-	-	48,617
Land	236,909	-	-	-	236,909
Construction in progress	26,376	17,689	-	-	44,065
Capital assets being depreciated:					
Buildings	3,424,196	-	-	-	3,424,196
Distribution and collection systems	15,423,460	4,604,701	-	-	20,028,161
Machinery and equipment	627,060	152,338	-	-	779,398
Accumulated depreciation	(6,182,824)	(820,393)	-	-	(7,003,217)
Total Noncurrent Assets	13,603,800	3,954,335	-	1,442,825	19,000,960
Total Assets	14,359,723	4,703,001	91,815	1,478,087	20,632,626
Deferred Outflows of Resources					
Deferred charge on refunding	15,965	2,615	-	-	18,580
Deferred outflows of resources relating to pensions	100,539	27,397	-	-	127,936
Total Deferred Outflows of Resources	116,504	30,012	-	-	146,516
Total Assets and Deferred Outflows of Resources	$ 14,476,227	$ 4,733,013	$ 91,815	$ 1,478,087	$ 20,779,142

The notes to the basic financial statements are an integral part of this statement.

Centerville City Corporation
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)
June 30, 2016

	Business-type Activities - Enterprise Funds				
	Water Utility Fund	Drainage Utility Fund	Sanitation Fund	Telecom Fund	Totals
Liabilities:					
Current Liabilities:					
Accounts payable	$ 61,634	$ 137,255	$ 71,473	$ -	$ 270,362
Accrued interest payable	20,413	5,908	-	-	26,321
Due to other funds	561,924	-	90,822	19,500	672,246
Compensated absences, current portion	30,000	10,000	-	-	40,000
Notes payable, current portion	-	-	-	94,762	94,762
Bonds payable, current portion	330,000	95,000	-	-	425,000
Total Current Liabilities	1,003,971	248,163	162,295	114,262	1,528,691
Noncurrent Liability:					
Compensated absences, net of current portion	31,667	4,971	-	-	36,638
Notes payable, current portion	-	-	-	1,348,063	1,348,063
Bonds payable, net of current portion	1,944,704	568,072	-	-	2,512,776
Net pension liability	189,203	38,793	-	-	227,996
Total Noncurrent Liability	2,165,574	611,836	-	1,348,063	4,125,473
Total Liabilities	3,169,545	859,999	162,295	1,462,325	5,654,164
Deferred Inflows of Resources					
Deferred inflows of resources relating to pensions	20,786	4,262	-	-	25,048
Total Deferred Outflows of Resources	20,786	4,262	-	-	25,048
Net Position:					
Net investment in capital assets	11,329,090	3,291,263	-	-	14,620,353
Restricted for:					
Debt services	203,884	-	-	-	203,884
Future development	308,163	-	-	-	308,163
Unrestricted	(555,241)	577,489	(70,480)	15,762	(32,470)
Total Net Position	11,285,896	3,868,752	(70,480)	15,762	15,099,930
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 14,476,227	$ 4,733,013	$ 91,815	$ 1,478,087	$ 20,779,142

The notes to the basic financial statements are an integral part of this statement.

Centerville City Corporation
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS
For The Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds				
	Water Utility Fund	Drainage Utility Fund	Sanitation Fund	Telecom Fund	Totals
Operating Revenues:					
Charges for services	$ 1,996,469	$ 1,237,027	$ 963,965	$ 295,261	$ 4,492,722
Connection and servicing	40,784	-	3,569	-	44,353
Miscellaneous	13,876	89	8,473	-	22,438
Total Operating Revenues	2,051,129	1,237,116	976,007	295,261	4,559,513
Operating Expenses:					
Salaries and wages	289,004	54,147	-	-	343,151
Employee benefits	140,780	31,175	-	-	171,955
Maintenance and repairs	527,734	233,380	25,341	-	786,455
General and administrative	474,342	186,597	99,049	3,600	763,588
Utilities	71,940	2,461	-	-	74,401
Professional and technical services	64,094	89,260	4,392	310,530	468,276
Solid waster collection and disposal	-	-	844,332	-	844,332
Water purchases	83,470	-	-	-	83,470
Depreciation	403,615	88,182	-	-	491,797
Total Operating Expenses	2,054,979	685,202	973,114	314,130	4,027,425
Operating Income (Loss)	(3,850)	551,914	2,893	(18,869)	532,088
Nonoperating Income (Expense):					
Development and construction fees	350,533	-	-	-	350,533
Gain on sale of capital assets	5,259	-	-	-	5,259
Interest income	-	2,303	-	87	2,390
Interest expense	(51,281)	(17,999)	-	-	(69,280)
Total Nonoperating Income (Expense)	304,511	(15,696)	-	87	288,902
Income (Loss) Before Transfers and Contributions	300,661	536,218	2,893	(18,782)	820,990
Transfers in	-	-	-	16,309	16,309
Changes in Net Position	300,661	536,218	2,893	(2,473)	837,299
Net Position, Beginning, Restated	10,985,235	3,332,534	(73,373)	18,235	14,262,631
Net Position, Ending	$ 11,285,896	$ 3,868,752	$ (70,480)	$ 15,762	$ 15,099,930

The notes to the basic financial statements are an integral part of this statement.

Centerville City Corporation
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
For The Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds				
	Water Utility Fund	Drainage Utility Fund	Sanitation Fund	Telecom Fund	Totals
Cash Flows From Operating Activities:					
Receipts from customers and users	$ 2,021,746	$ 1,177,669	$ 967,607	$ 300,224	$ 4,467,246
Payments to suppliers	(1,159,946)	(374,443)	(901,641)	(329,886)	(2,765,916)
Payments to employees and related benefits	(428,237)	(85,162)	-	-	(513,399)
Net cash from operating activities	433,563	718,064	65,966	(29,662)	1,187,931
Cash Flows From Capital and Related Financing Activities:					
Purchase of property and equipment	(307,596)	(332,512)	-	-	(640,108)
Sale of property and equipment	36,576	-	-	-	36,576
Receipt of developer construction fees	350,533	-	-	-	350,533
Principal paid on bonds and capital lease	(314,000)	(91,000)	-	-	(405,000)
Interest paid on bonds and capital lease	(67,521)	(23,624)	-	-	(91,145)
Refund of developer deposits	(1,187)	-	(7,753)	-	(8,940)
Net cash from capital and related financing activities	(303,195)	(447,136)	(7,753)	-	(758,084)
Cash Flows From Non-Capital Financing Activities:					
Receipts (payments) of loans from other funds	120,398	(720,398)	(86,432)	13,266	(673,166)
Financing of long-term pension obligation	354	73	-	-	427
Transfers from other funds	-	-	-	16,309	16,309
Net cash from non-capital financing activities	120,752	(720,325)	(86,432)	29,575	(656,430)
Cash Flows From Investing Activity:					
Interest on investments	-	2,303	-	87	2,390
Net cash from investing activity	-	2,303	-	87	2,390
Net Increase (Decrease) In Cash	251,120	(447,094)	(28,219)	-	(224,193)
Cash and Cash Equivalents At Beginning Of Year	260,927	516,111	28,219	-	805,257
Cash and Cash Equivalents At End Of Year	$ 512,047.00	$ 69,017.00	$ -	$ -	$ 581,064.00

The notes to the basic financial statements are an integral part of this statement.

Centerville City Corporation
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)
For The Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds				
	Water Utility Fund	Drainage Utility Fund	Sanitation Fund	Telecom Fund	Totals
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	$ (3,850)	$ 551,914	$ 2,893	$ (18,869)	$ 532,088
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation expense	403,615	88,182	-	-	491,797
(Increase) Decrease in accounts receivables	(29,383)	(59,447)	(8,400)	4,963	(92,267)
(Increase) Decrease in prepaids	-	-	-	(15,756)	(15,756)
Increase (Decrease) in accounts payable	61,634	137,255	71,473	-	270,362
Increase (Decrease) in paid time off payable	1,547	160	-	-	1,707
Net cash from operating activities	$ 433,563	$ 718,064	$ 65,966	$ (29,662)	$ 1,187,931
Noncash investing, capital, and financing activities:					
Noncash additions to notes payable	$ -	$ -	$ -	$ 44,400	$ 44,400

The notes to the basic financial statements are an integral part of this statement.

Centerville City Corporation
STATEMENT OF NET POSITION – FIDUCIARY FUND
June 30, 2016

	Whitaker Trust Fund
Assets:	
Cash and cash equivalents	$ 21,296
Capital assets, net of accumulated depreciation:	
Infrastructure	23,542
Total Assets	44,838
Liabilities:	
Accounts payable	293
Total Liabilities	293
Net Position:	
Unrestricted	44,545
Total Net Position	$ 44,545

The notes to the basic financial statements are an integral part of this statement.

Centerville City Corporation
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUND
For the Year Ended June 30, 2016

	Whitaker Trust Fund
Additions	
Grants	$ 16,200
Contributions	38,030
Miscellaneous	
Interest income	107
Donations	1,079
Rental income	4,356
Total additions	59,772
Deductions	
Administrative	49,966
Total deductions	49,966
Changes in Net Position	9,806
Net Position, Beginning	34,739
Net Position, Ending	$ 44,545

The notes to the basic financial statements are an integral part of this statement.

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Centerville City (the City) was incorporated in 1915 under the provisions of the State of Utah and operates under a mayor-council form of government. The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The more significant accounting policies established in GAAP and used by the City are discussed below.

A. The Reporting Entity

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.

B. Basis of Presentation - Government-Wide Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's general government services, public safety, streets and public works, parks and recreation, and community development are classified as governmental activities. The City's water utility, drainage utility, sanitation, and telecom funds are classified as business-type activities.

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. All fiduciary activities are reported only in the fund financial 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Government-Wide Financial Statements (Continued)

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.

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 other funds for providing 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.

C. Basis of Presentation – Fund Financial Statements

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures or expenses as appropriate.

The fund financial statements provide information about the government's funds, including its fiduciary fund and blended component units. Separate statements are provided for governmental funds, proprietary funds, and fiduciary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The Redevelopment Agency Special Revenue Fund was established account for tax increment revenues used revitalize and upgrade areas within qualifying redevelopment areas within the City.

The Arts Center Debt Service Fund accounts for the accumulation of resources, mostly transfers from other funds, used to pay the debt service on the South Davis Performing Arts Center.

The UTOPIA Capital Projects Fund accounts for the financial resources to be used for the acquisition or construction of facilities, projects, and infrastructure (other than those financed by Proprietary funds and Special Revenue funds) including payments to the Utah Telecommunication Open Infrastructure Agency.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Fund Financial Statements (Continued)

The City reports the following major enterprise funds:

The Water Utility Fund accounts for the activities and operations of the of the City's water production, treatment, and distribution process.

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.

The Telecom Fund accounts for the collection and remittance of payments on notes between City residents, the City, and Utah Infrastructure Agency used to finance fiber-optic network connections.

Additionally, the City reports the following fund types:

The Whitaker Trust Fiduciary Fund is used to account for the activities of a pioneer home museum.

Special revenue funds account for and report the proceeds of specific revenue sources that are the foundation of the fund and are restricted or committed to expenditure for specified purposes other than debt or capital projects. Accounting and financial reporting for general and special revenue funds are identical. The City accounts for the Municipal Building Authority, Recreation fund, R.A.P. Tax, and Transit Tax as special revenue funds.

Debt service funds account for and report the financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The City accounts for the Special Improvement District (SID) 400 North, SID Chase Lane, and SID Porter Lane as debt service funds.

Capital projects funds account for the financial resources to be used for the acquisition or construction of the major capital facilities of the government. The City accounts for the Storm Drain and Park Improvements funds as capital projects funds.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary 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 revenue in the year for which they became available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures, as well as expenditures related to compensated absences and termination benefits, are recorded only when payment is due. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, Sales 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.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents

The City considers all cash and investments with original maturities of three months or less to be cash and cash equivalents. For the purpose of the statement of cash flows, cash and cash equivalents includes restricted cash and cash equivalents.

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, including the Utah Public Treasurer's Investment Pool (PTIF). City policy allows for the investment of funds in time certificates of deposit with federally insured depositories, PTIF, and other investments allowed by the State of Utah's Money Management Act. Investments in PTIF are stated as cost, which approximates fair value.

The City categorizes the fair value measurements of its PTIF investments based on the hierarchy established by general accepted accounting principles. The fair value hierarchy, which has three levels, is based on valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Fair value measurements of the City's investments in PTIF at June 30, 2016, of $2,503,773 are based on significant other observable inputs (Level 2 inputs).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Accounts Receivable and Allowance for Doubtful Accounts

The City records utility revenues billed to customers when meters are read on a monthly basis. Unbilled service accounts receivable at year-end were estimated based on July billings are are included in the operating revenues and accounts receivable at year-end.

Management has estimated the allowance for uncollectible amounts for the Water Utility Fund, Drainage Utility Fund, and Sanitation Fund receivables to be approximately $22,000, $2,000, and $6,000, respectively. The allowance for doubtful accounts is estimated based on historical trends related to collections of accounts receivable. Amounts that become uncollectible are written off.

The City considers all other receivables to be fully collectible.

Inventories and Prepaid Items

Inventories are valued at cost, using the first-in first-out (FIFO) method and consist of materials and supplies used to repair the transmission, distribution, collection, and treatment systems. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchases.

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Interfund Transactions

During the course of normal operations, the City has transactions between funds to subsidize operations in certain enterprise funds, to construct assets, to fund debt service, to distribute grant proceeds, etc. Any residual balances outstanding at year-end are reported as due from/to other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in the business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfer in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

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 government as assets with an initial, individual cost of more than $5,000 (amount not rounded). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. Amortization of capital assets acquired with a capital lease has been included in depreciation expense. 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.

Land, water rights, and construction in process are not depreciated. The other property, plant, equipment, and infrastructure of the City are depreciated using the straight line method over the following estimated useful lives:

Buildings	10 to 50 years
Reservoirs	10 to 50 years
Infrastructure and distribution systems	20 to 50 years
Machinery and Equipment	5 to 7 years
Autos and trucks	5 to 10 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City reports deferred charges on refunding and deferred outflows related to pensions in this category. Deferred charges on refunding are the result of a difference in carrying value of the new debt and the reacquisition price of the old debt. The amount is deferred and amortized over the shorter of the life of the refunded debt or the new debt. Deferred outflows related to pensions result from the differences in the estimates used to calculate the net pension liability and asset reported in each fund, as well as any pension contributions made after the pension actuarial measurement date and the end of the fiscal year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows from property taxes and deferred inflows related to pensions in this category. Deferred inflows for property taxes are the result of property taxes levied during the fiscal year, but are unavailable and have not met time requirements to be recognized as revenue during the fiscal year. Deferred inflows related to pensions result from the differences in the estimates used to calculate the net pension liability and asset reported in each fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Developer and Customer Deposits

Developer and customer deposits are principally deposits from developers that are held by the City until building projects and developments receive the required City inspections and are in compliance with all City ordinances.

Compensated Absences

For governmental funds amounts of vested or accumulated vacation leave and comp time that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net assets and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. Vested or accumulated vacation leave and comp time of proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements. Vacation, all-purpose, and long-term sick amounts are charged to expenditures when incurred.

Employees accumulate vacation leave with a maximum accumulation of 240 hours. Any hours in excess of 240 at the end of the year are forfeited. Employees accumulate all-purpose leave hours without limitation. Any hours in excess of 300 are cashed out to the employee on the first payroll of the next fiscal year. Employees accumulate long-term sick hours with no limitations. Employees are paid out hours that are remaining in vacation and all-purpose leave at their current rate of pay. Long-term sick hours are cashed out only upon retirement or 20 years of continuous full-time employment. The cash-out rate is one-fourth of the accrued hours.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types, 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 position. 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.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS), and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by the URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Fund Equity

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as Nonspendable, Restricted, Committed, Assigned or Unassigned.

Nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to remain intact.

Restricted fund balance classification includes amounts with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislations.

Committed fund balance classification include those funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the Council (ordinances or resolutions) and remain binding unless removed in the same manner.

Assigned fund balance classification includes amounts that are constrained by the City Council or Managements's intent to be used for specific purposes through the appropriations process in establishing and amending budgets. Fund balances in special revenue, capital projects, and debt service funds are by their nature assigned to the purpose for which the resources are collected.

Unassigned fund balance classification is the residual classification for the General Fund or funds with deficit fund balances. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Use of Restricted Assets

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Additionally, the City would then use committed, assigned and lastly unassigned amounts from the unrestricted fund balance when expending funds.

Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. General revenues include all taxes.

Tax Revenues

On or before June 22 of each year, the City sets the property tax rate for various municipal purposes. If the City intends to increase property tax revenues above the tax rate of the previous year, state law requires the City to provide public notice to property owners and hold public hearings. When these special public hearings are necessary, the adoption of the final budget must be done before August 17. All property taxes levied by the City are assessed and collected by Salt Lake County. Property taxes attach as an enforceable lien on the property as of January 1. Taxes are levied on October 1 and are due November 30; any delinquent taxes are subject to a penalty. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the property, and the amount of taxes and penalties bears interest from January 1 until paid. Tax liens are placed on a property on the January 1 following the due date of unpaid taxes. If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale. Tax collections are remitted to the City from the County on a monthly basis.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly.

Franchise taxes are collected by telephone, mobile phone, natural gas, electric utilities, and cable television companies and remitted to the City periodically.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 the enterprise funds are charges to customers of the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budgetary Process and Basis of Accounting

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.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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, be 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. For the year ended June 30, 2016, the recreation special revenue fund had expenditures in excess of final budgeted appropriations of $30,049 and the RDA had transfers out in excess of final budgeted appropriations of $277,274.

B. Fund Balance

Utah State law prohibits the appropriation of the sum of unassigned, assigned, and committed General Fund balance until it exceeds 5% of the General Fund revenues. Until the sum of the stated fund balance categories is greater than the above amount, it cannot be budgeted, but is used to provide working capital until tax revenue is received, to meet emergency expenditures and to cover unanticipated deficits. Utah State law also prohibits the accumulation of the stated fund balance categories in any amount greater than 25% of the current year's total revenues. Any fund with a deficit balance at the end of the most recent fiscal year must include an appropriation of at least 5% of revenues to reduce the fund deficit.

At June 30, 2016, the UTOPIA capital projects fund and sanitation fund had deficit fund balances of $7,909 and $70,480, respectively.

NOTE 3 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. 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").

The City invests in the Public Treasurer's Investment Fund (PTIF) which is a voluntary external Local Governmental Investment Pool managed by the Utah State Treasurer's Office and is audited by the Utah State Auditor. No separate report as an external investment pool has been issued for the PTIF. The PTIF is not registered with the SEC as an investment company and is not rated. The PTIF is authorized and regulated by the Utah Money Management Act, (Utah Code Title 51, Chapter 7). PTIF invests in high-grade securities which are delivered to the custody of the Utah State Treasurer, assuring a perfected interest in the securities, and, therefore, there is very little credit risk except in the most unusual and unforeseen circumstances. The maximum weighted average life of the portfolio does not exceed 90 days. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments. 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 to participants on the ratio of the participant's share to the total funds in the PTIF based on the participant's average daily balance. The PTIF allocates income and issues statements on a monthly basis. Twice a year, at June 30 and December 31, which are the accounting periods for public entities, the investments are valued at fair value and participants are informed of the fair value valuation factor. Additional information is available at the Utah State Treasures' Office.

The City's cash and cash equivalents and investments are exposed to certain risks as outlined below:

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

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for limiting credit risk of investments is to comply with the Money Management Act which authorizes investments in the PTIF. The City's investments are held in the PTIF, which are not exposed to this risk.

Interest rate risk is the risk that changes in the 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 following the Money Management Act and only invest in instruments that mature in one year or less. The Act also required that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The City's weighted average maturity for investments as of June 30, 2016, was less than one year. The City does not make investments with maturity dates longer than planned expenditures.

NOTE 3 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

A. Cash and Investments (Continued)

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investments are held in the PTIF, which are not exposed to this risk.

Custodial credit risk – investments is the risk that in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City's investments are held in the PTIF, which are not exposed to this risk.

B. Interfund Receivables, Payables, and Transfers

Interfund receivable (due from) and payable (due to) balances as of June 30, 2016, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Sanitation Fund	$ 90,822
Drainage Utility Fund	Water Utility Fund	561,924
General Fund	Telecom Fund	19,500
		$ 672,246

The due to/from other funds are the result of individual funds' cash flow needs and are expected to be repaid within the subsequent year.

The transfers among the funds for the year ended June 30, 2016, were as follows:

Fund Transferring Out	Fund Receiving Transfer	Amount
General Fund	Nonmajor Governmental Funds	$ 41,000
General Fund	Telecom Fund	16,309
General Fund	UTOPIA Capital Projects Fund	248,876
Redevelopment Agency	UTOPIA Capital Projects Fund	164,725
Redevelopment Agency	Arts Center Debt Service Fund	963,208
		$ 1,434,118

The transfers were used to fund debt service and capital projects.

NOTE 3 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

C. Capital Assets

Capital assets activity for the year ended June 30, 2016, is as follows:

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Governmental Activities:				
Capital assets, not being depreciated:				
Land and collectibles	$ 7,785,731	$ -	$ -	$ 7,785,731
Construction in progress	529,985	294,851	-	824,836
Total capital assets, not being depreciated	8,315,716	294,851	-	8,610,567
Capital assets, being depreciated:				
Buildings and improvements	18,627,847	-	-	18,627,847
Infrastructure	7,208,289	810,548	-	8,018,837
Machinery and equipment	2,942,202	14,049	(80,338)	2,875,913
Autos and trucks	2,559,512	296,853	(241,330)	2,615,035
Total capital assets, being depreciated	31,337,850	1,121,450	(321,668)	32,137,632
Less accumulated depreciation for:				
Buildings and improvements	(3,615,638)	(455,938)	-	(4,071,576)
Infrastructure	(1,048,597)	(148,562)	-	(1,197,159)
Machinery and equipment	(1,524,708)	(148,378)	80,338	(1,592,748)
Autos and trucks	(1,771,408)	(167,556)	183,831	(1,755,133)
Total accumulated depreciation	(7,960,351)	(920,434)	264,169	(8,616,616)
Total capital assets being depreciated, net	23,377,499	201,016	(57,499)	23,521,016
Governmental Activities capital assets, net	$ 31,693,215	$ 495,867	$ (57,499)	$ 32,131,583

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

Governmental Activities:	
General government	$ 578,903
Public safety	65,906
Highways and public improvements	134,847
Parks and recreation	140,778
Total depreciation expense - governmental activities	$ 920,434

NOTE 3 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

B. Capital Assets (Continued)

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Business-type Activities:				
Capital assets, not being depreciated:				
Water stock and rights	$ 48,617	$ -	$ -	$ 48,617
Land	236,909	-	-	236,909
Construction in progress	19,707	24,358	-	44,065
Total capital assets, not being depreciated	305,233	24,358	-	329,591
Capital assets, being depreciated:				
Buildings and improvements	3,424,196	-	-	3,424,196
Reservoirs	984,857	-	-	984,857
Water distribution system	14,240,220	198,383	-	14,438,603
Sub-drain system	1,992,933	53,483	-	2,046,416
Storm drain system	2,288,468	269,817	-	2,558,285
Machinery and equipment	721,867	94,067	(36,536)	779,398
Total capital assets, being depreciated	23,652,541	615,750	(36,536)	24,231,755
Less accumulated depreciation for:				
Buildings and improvements	(785,817)	(70,662)	-	(856,479)
Reservoirs	(746,428)	(12,596)	-	(759,024)
Water distribution system	(3,882,327)	(282,644)	-	(4,164,971)
Sub-drain system	(349,179)	-	-	(349,179)
Storm drain system	(252,878)	-	-	(252,878)
Machinery and equipment	(500,010)	(125,895)	5,219	(620,686)
Total accumulated depreciation	(6,516,639)	(491,797)	5,219	(7,003,217)
Total capital assets being depreciated, net	17,135,902	123,953	(31,317)	17,228,538
Business-type Activities capital assets, net	$ 17,441,135	$ 148,311	$ (31,317)	$ 17,558,129

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

Water	$ 403,615
Drainage	88,182
Total depreciation expense - business-type activities	$ 491,797

NOTE 3 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

B. Capital Assets (Continued)

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Fiduciary Fund:				
Capital assets, being depreciated:				
Machinery and equipment	$ -	$ 23,542	$ -	$ 23,542
Total capital assets, being depreciated	-	23,542	-	23,542
Less accumulated depreciation for:				
Machinery and equipment	-	-	-	-
Total accumulated depreciation	-	-	-	-
Total capital assets being depreciated, net	-	23,542	-	23,542
Fiduciary Fund capital assets, net	$ -	$ 23,542	$ -	$ 23,542

No depreciation was charged to expense in the fiduciary fund for the year ended June 30, 2016.

NOTE 3 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

C. Long-Term Liabilities

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2016:

	Balance June 30, 2015	Additions	Retirements	Balance June 30, 2016	Due Within One Year
Governmental Activities:					
Bonds payable:					
Revenue bonds	$ 4,165,000	$ -	$ (1,510,000)	$ 2,655,000	$ 495,000
Plus: unamortized premium	237,649		(39,609)	198,040	-
Total bonds payable	4,402,649	-	(1,549,609)	2,853,040	495,000
Capital leases	130,894	-	(42,791)	88,103	43,626
Compensated absences	556,818	266,327	(220,561)	602,584	220,000
Termination benefits	-	41,140	(4,851)	36,289	5,965
Outstanding claims	89,393	38,200	(34,793)	92,800	38,833
Net pension liability	1,503,152	721,611	-	2,224,763	-
Total Governmental activities long-term liabilities	6,682,906	1,067,278	(1,852,605)	5,897,579	803,424
Business-type Activities:					
Bonds payable:					
Revenue bonds	3,155,000	-	(405,000)	2,750,000	425,000
Plus: unamortized premium	205,574	-	(17,798)	187,776	-
Total bonds payable	3,360,574	-	(422,798)	2,937,776	425,000
Notes payable	1,581,734	44,400	(183,309)	1,442,825	94,762
Compensated absences	74,931	38,481	(36,774)	76,638	40,000
Net pension liability	130,709	97,287	-	227,996	-
Total Business-type activities long-term liabilities	5,147,948	180,168	(642,881)	4,685,235	559,762
long-term liabilities	$ 11,830,854	$ 1,247,446	$ (2,495,486)	$ 10,582,814	$ 1,363,186

Revenue Bonds

The City has issued revenue bonds secured by the pledged revenues named in the bond issue. Revenue bonds outstanding at June 30, 2016, by issue are as follows:

Bond Issue	Purpose	Original Issue	Payment Dates	Interest Rates	Final Maturity Date	Balance at June 30, 2016
Governmental Activities:						
Sales Tax Revenue Bonds, Series 2009	Arts Center	$ 11,655,000	Nov 1 and May 1	3% - 4%	May 1, 2021	$ 2,655,000
Business-type Activities:						
Water Revenue Refunding Bonds, Series 2012	Water system improvements	$ 4,210,000	Sept 1 and Mar 1	2% - 4%	Sept 1, 2031	$ 2,750,000

NOTE 3 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

C. Long-Term Liabilities (Continued)

Debt service requirements to maturity for revenue bonds are as follows:

Year Ending June 30,	Governmental Activities Revenue Bonds Principal	Interest
2017	$ 495,000	$ 95,513
2018	510,000	78,188
2019	530,000	60,338
2020	550,000	40,463
2021	570,000	20,663
	$ 2,655,000	$ 295,165

Year Ending June 30,	Business-type Activities Revenue Bonds Principal	Interest
2017	$ 425,000	$ 73,650
2018	185,000	66,256
2019	265,000	60,863
2020	285,000	53,988
2021	305,000	46,613
2022-2026	525,000	179,525
2027-2031	620,000	89,623
2032	140,000	2,800
	$ 2,750,000	$ 73,650

Capital Leases

In 2014, the City purchased a dump truck financed by a capital lease with interest at 2.4%. Principal and interest is due in annual installments of $45,344 with the final payment due April 2, 2018. Debt service payments will be made from the general fund revenues. The annual debt service requirements to maturity, including principal and interest, as of June 30, 2016 are as follows:

Year Ending June 30,	Governmental Activities Total
2017	$ 45,344
2018	45,345
Total minimum lease payments	90,689
Less: amount representing interest	(2,586)
Present value of net minimum lease payments	$ 88,103

NOTE 3 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

C. Long-Term Liabilities (Continued)

Assets acquired by capital lease at June 30, 2016 are as follows:

	Governmental Activities
Asset:	
Equipment	$ 215,813
Less: accumulated depreciation	(61,661)
Total	$ 154,152

Notes Payable

The City has signed notes with Utah Infrastructure Agency with interest rates at 6-8%. Principal and interest is due in monthly installments with the final note maturing in July 2036. The notes were issued to finance fiber-optic network connections for the City's residents. Debt service payments will be paid by the residents according to the agreement set up between the City and the residents, which mirrors the agreement between the City and Utah Infrastructure Agency. The annual debt service requirements to maturity as of June 30, 2016 are as follows:

Year Ending June 30,	Business-type Activities Notes Payable	
	Principal	Interest
2017	$ 94,762	$ 102,638
2018	101,229	96,171
2019	108,148	89,252
2020	115,549	81,851
2021	123,388	73,952
2022-2026	383,728	270,702
2027-2031	380,968	136,532
2032-2036	135,018	16,357
2037	35	41
	$ 1,442,825	$ 867,496

Compensated Absences

The liability for compensated absences is expected to be liquidated by the general fund for governmental activities. For business-type activities, the liability will be liquidated by the fund reporting the liability.

Termination Benefits

The City has allowed employees who retire with banked sick leave and other compensated absences the option of receiving medical insurance coverage through the City's health insurance provider in lieu of payout. As of June 30, 2016, there was 1 employee who elected to remain on the City's health insurance at retirement. The termination benefit liability is the balance available for payment on health insurance premiums and approximates the present value of estimated future insurance premium costs discounted using a 2% rate and a health cost trend rate of 2.5% compounding over the period of availability. The liability for termination benefits is expected to be liquidated by the general fund.

NOTE 3 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

D. Pensions

Plan Description

Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System) and Public Employees Contributory Retirement System (Contributory System) are multiple employer, cost sharing, public employee retirement systems.
- The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer retirement system;
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); and the Tier 2 Public Safety and Firefighter Contributory System (Tier 2 Public Safety and Firefighters System) are multiple employer, cost sharing, public employee retirement systems.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

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

Benefits Provided

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

Summary of Benefits by System

System	Final Average Salary	Years of Service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Contributory System	Highest 5 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year up to June 1975; 2.0% per year July 1975 to present	Up to 4%

NOTE 3 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

D. Pensions (Continued)

System	Final Average Salary	Years of Service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending on the employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

** With actuarial reductions*

*** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.*

Contributions

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates are as follows:

Utah Retirement Systems

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates	Employer Rate for 401(k) Plan
Contributory System				
11 - Local Governmental Division Tier 1	6.00%	N/A	14.46%	N/A
111 - Local Governmental Division Tier 2	N/A	N/A	16.67%	1.78%
Noncontributory System				
15 - Local Governmental Division Tier 1	N/A	N/A	18.47%	N/A
Public Safety Retirement System				
Contributory				
122 - Other Division A Contributory Tier 2	N/A	N/A	22.50%	1.33%
Noncontributory				
43 Other Div A with 2.5% COLA	N/A	N/A	34.04%	N/A
Tier 2 DC Only				
211 - Local Government	N/A	N/A	6.69%	10.00%

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For the fiscal year ended June 30, 2016, the employer and employee contributions to the Systems were as follows:

NOTE 3 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

D. Pensions (Continued)

System	Employer Contributions	Employee Contributions
Noncontributory System	$ 321,921	N/A
Contributory System	26,557	$ 3,655
Public Safety System	304,712	-
Tier 2 Public Employees System	17,078	-
Tier 2 Public Safety and Firefighter System	7,389	-
Tier 2 DC Only System	2,373	N/A
Total Net Pension Asset / Liability	$ 680,030	$ 3,655

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

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

At June 30, 2016, we reported a net pension asset of $363 and a net pension liability of $2,452,759.

System	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	0.1985342%	$ -	$ 1,123,403
Contributory System	0.4180201%	-	293,807
Public Safety System	0.5781148%	-	1,035,549
Tier 2 Public Employees System	0.0164082%	36	-
Tier 2 Public Safety and Firefighter System	0.0223997%	327	-
Total Net Pension Asset / Liability		$ 363	$ 2,452,759

The net pension asset and liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2015 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2016, we recognized pension expense of $678,461.

NOTE 3 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

D. Pensions (Continued)

At December 31, 2014, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 57	$ 171,215
Changes in assumptions	-	133,715
Net difference between projected and actual earnings on pension plan investments	798,437	-
Changes in proportion and differences between contributions and proportionate share of contributions	56,895	267
Contributions subsequent to the measurement date	345,313	-
Total	$ 1,200,702	$ 305,197

$345,313 was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2015. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (inflows) of Resources
2016	$ 109,780
2017	$ 112,968
2018	$ 141,408
2019	$ 186,810
2020	$ (121)
Thereafter	$ (653)

Actuarial Assumptions

The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

NOTE 3 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

D. Pensions (Continued)

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2015, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 3 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

D. Pensions (Continued)

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of			
Noncontributory System	$ 2,373,639	$ 1,123,403	$ 79,707
Contributory System	517,422	293,807	106,072
Public Safety System	2,192,856	1,035,549	93,288
Tier 2 Public Employees System	6,569	(36)	(5,041)
Tier 2 Public Safety and Firefighter System	556	(327)	(1,006)
	$ 5,091,042	$ 2,452,396	$ 273,020

Pension Plan Fiduciary Net Position

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

E. Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401 (k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

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

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

NOTE 3 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

E. Defined Contribution Savings Plans (Continued)

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

System	Year Ended June 30,	Employee paid Contributions	Employer paid for Employee Contributions
Defined Contribution System:			
401(k) Plan	2016	$ 74,431	$ 9,559
	2015	$ 56,735	$ 31,340
	2014	$ 47,888	$ 39,720
457 Plan	2016	$ 5,486	$ -
	2015	$ 2,200	$ -
	2014	$ 3,955	$ -
Roth IRA Plan	2016	$ 4,170	N/A
	2015	$ 4,362	N/A
	2014	$ 2,712	N/A

F. 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 "selfinsured 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. Changes to the liability during the year is as follows:

Liability at June 30, 2015	$	89,393
Claims incurred		38,200
Payments on claims		(34,793)
Changes to prior estimates		-
Liability at June 30, 2016	$	92,800

NOTE 3 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

G. Interlocal Agreements

Utah Telecommunications Open Infrastructure Agency (UTOPIA)

The City is one of 11 founding members of UTOPIA, 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 homes and businesses in the member communities.

The City is a pledging member who 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 December 2011, UTOPIA issued an $185,000,000 revenue refunding bond, which will become due in June 2040. The debt service payments will be made by the 11 pledging members according to their respective percentages up to a specific dollar amount. The City's percentage of the Debt Service Reserve shortfall is 3.33% with a yearly liability limit set at a maximum of $445,718 for the coming year ended June 30, 2017. Any bonds or debt issued or incurred by UTOPIA will not constitute debt of the City. Pledge payments made during the year ended June 30, 2016 totaled $454,632. The aggregate amount paid to UTOPIA of $2,750,023 as of June 30, 2016, is considered to be a note receivable but the entire amount has been reserved and is not expected to be repaid. UTOPIA issues annual audited financial statements which are available either from UTOPIA or the Utah State Auditor.

Utah Infrastructure Agency (UIA)

The City is also one of eight founding members of UIA, an interlocal cooperative agreement organized in July of 2010 under the laws of the State of Utah. Like UTOPIA, UIA was organized to provide for acquisition, construction, and installation of advanced communication lines, improvements, and facilities. The City has pledged franchise tax revenues to ensure that UIA fulfills its revenue requirement from the bond agreements, which is that UIA must have revenue equal to the operations and maintenances expenses and the capital costs in a fiscal year. In the event that there is a shortfall, the City has agreed to lend UIA its franchise tax revenues. The percentage of the City's share of the shortfall pledge is 3.63% with a yearly liability limit set at a maximum of $186,737.

UIA may also establish, as needed, Working Capital Assessments to its member cities to help cover any operational expense (OpEx) shortfall. Under a shortfall scenario, UIA notifies the member cities of their respective obligations to utilize Energy Sales and Use Taxes to replenish the shortfall. The amounts assessed and paid during the year ended June 30, 2016, totaled $0. The aggregate amount paid to UIA of $221,865 as of June 30, 2016, is considered to be a note receivable but the entire amount has been reserved and is not expected to be repaid. UIA issues annual audited financial statements which are available either from UIA or the Utah State Auditor.

H. Commitments and Contingencies

The City had $125,251 of outstanding construction commitments at June 30, 2016.

NOTE 3 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

I. Redevelopment Agency

In accordance with Utah Code Section 17C-1-605(1), the City's Redevelopment Agency is required to disclose the following information for the year ended June 30, 2016:

Tax increment collected from other taxing agencies for project areas a follows:

Parish Lane	$	1,264,688
Legacy Crossing		185,057
	$	1,449,745

Amounts expended for:

Site improvements and preparation costs	$	182,391
Administrative costs		211,514
Tax increment paid to other entities		296,985
Total amounts expended by RDA	$	690,890
Outstanding bonds and loans to finance RDA projects	$	-

J. Prior Period Adjustments

During the year, the City corrected several errors in the financial statements that were related to prior periods.

Correction of Cash

The City recorded an adjustment to correct the general ledger balance for the main checking account. A large difference between the bank reconciliation and the general ledger account had existed for many years but had not been corrected. The amount of cash reported in the GL account was overstated by $96,505. Another cash clearing account was also overstated by $32,954.

Correction of Compensated Absences

The City recorded an adjustment to correct the allocation of compensated absences between the governmental activities, water utility fund, and drainage utility fund. Compensated absence accruals for the drainage utility fund employee and some general fund employees were mistakenly reported in the water utility fund, resulting in an increase to governmental activities and drainage utility fund compensated absence accrual of $30,921 and $14,811, respectively, and a decrease to the water utility fund compensated absence accrual of $29,189.

Correction of Accounts and Taxes Receivable

The City recorded an adjustment to correct accounts receivable. Several revenue accruals were made in prior years that were not reversed in the year the revenue was received, causing an overstatement of accounts receivable by $96,182. Additionally, $65,141 of tax revenues that were accrued in the arts center debt service fund in the prior year were actually tax revenues of the recreation fund.

NOTE 3 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

J. Prior Period Adjustments (Continued)

Correction of Long-term Liabilities

The City recorded an adjustment to correct the allocation of bond principal payments made from the water utility and drainage utility funds. The Series 2012 bonds were issued to refund both drainage and water utility bonds. The allocation of bond principal and interest payments subsequent to the refunding year was not consistent, causing bonds payable and unamortized bond premium in the drainage utility fund to be misstated by $122,000 and $8,670 respectively. In addition, $89,393 of outstanding claims relating to prior years had not been accrued in the governmental activities.

Correction of Capital Assets

The City recorded an adjustment to correct capital assets recorded in the enterprise funds. Garbage cans with original values of less than $200 each were capitalized. The value of the garbage cans is significantly below the threshold for capitalization and should have been expensed when purchased. Various other adjustments were also made to match general ledger balances to the depreciation schedules used to track capital assets. In the prior year, capital assets were understated by $168,485 in the drainage utility fund and overstated by $38,615 and $109,180 in the water utility fund and sanitation fund, respectively. Capital assets were understated by $60,788 in governmental activities.

Correction of Developer Deposits

The City recorded an adjustment to correct interest payments made on developer deposits. Interest payments were made on developer deposits in prior years for which interest expense was not recorded. The amounts paid were reported as a decrease to a liability for which no liability was accrued, resulting in understated liabilities of $32,996.

Correction of Accounts Payable

The City recorded an adjustment to correct a prior year accounts payable posting made in error, resulting in overstated accounts payable in the general fund and water utility fund of $89,310 and $28,219, respectively.

The cumulative effect of the errors described on prior issued net position and fund equity is as follows:

Government-wide Net Position	Governmental Activities	Business-type Activities
June 30, 2015, as previously reported	$ 26,686,593	$ 14,199,344
Prior period adjustments	(293,997)	63,287
June 30, 2015, as restated	$ 26,392,596	$ 14,262,631

	Governmental Funds		Business-type Funds		
Fund Equity	General Fund	Arts Center Debt Service	Water Utility Fund	Drainage Utility Fund	Sanitation Fund
June 30, 2015, as previously reported	$ 831,617	$ 15,850	$ 11,107,991	$ 3,065,530	$ 7,588
Prior period adjustments	(169,327)	(65,141)	(122,756)	267,004	(80,961)
June 30, 2015, as restated	$ 662,290	$ (49,291)	$ 10,985,235	$ 3,332,534	$ (73,373)

REQUIRED SUPPLEMENTAL INFORMATION

Centerville City Corporation
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
December 31, 2015
Last 10 Fiscal Years *

	Year Ended December 31,	Noncontributory System	Contributory Retirement System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighters Retirement
Proportion of the net pension liability (asset)	2014	0.1964264%	2.2216079%	0.5439158%	0.0679200%	N/A
	2015	0.1985342%	0.4180201%	0.5781148%	0.0164082%	0.2239970%
Proportionate share of the net pension liability (asset)	2014	$ 852,930	$ 96,912	$ 684,019	$ (638)	N/A
	2015	$ 1,123,403	$ 293,807	$ 1,035,549	$ (36)	$ (327)
Covered employee payroll	2014	$ 1,679,906	$ 179,641	$ 944,010	$ 103,177	N/A
	2015	$ 1,717,997	$ 178,113	$ 962,350	$ 105,998	$ 13,357
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	2014	50.80%	53.90%	72.50%	-0.60%	N/A
	2015	65.39%	164.96%	107.61%	-0.03%	-2.45%
Plan fiduciary net position as a percentage of the total pension liability	2014	90.2%	94.0%	90.5%	103.5%	N/A
	2015	87.8%	85.7%	87.1%	100.2%	11070.0%

** In accordance with paragaph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The 10-year schedule will need to be built prospectively.*

Centerville City Corporation
SCHEDULE OF CONTRIBUTIONS
June 30, 2016
Last 10 Fiscal Years *

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contirbution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2014	$ 288,878	$ 288,878	$ -	$ 1,670,781	17.29%
	2015	$ 313,509	$ 313,509	$ -	$ 1,697,397	18.47%
	2016	$ 321,921	$ 321,921	$ -	$ 1,742,940	18.47%
Contributory System	2014	$ 22,617	$ 22,617	$ -	$ 176,727	12.80%
	2015	$ 25,938	$ 25,938	$ -	$ 179,377	14.46%
	2016	$ 26,557	$ 26,557	$ -	$ 183,659	14.46%
Public Safety System	2014	$ 254,557	$ 254,557	$ -	$ 934,612	27.24%
	2015	$ 287,628	$ 287,628	$ -	$ 973,840	29.54%
	2016	$ 304,712	$ 304,712	$ -	$ 938,290	32.48%
Tier 2 Public Employees System **	2014	$ 14,062	$ 14,062	$ -	$ 100,204	14.03%
	2015	$ 15,453	$ 15,453	$ -	$ 104,452	14.79%
	2016	$ 17,078	$ 17,078	$ -	$ 115,128	14.83%
Tier 2 Public Safety and Firefighter System **	2014	$ -	$ -	$ -	$ -	0.00%
	2015	$ -	$ -	$ -	$ -	0.00%
	2016	$ 7,389	$ 7,389	$ -	$ 32,838	22.50%
Tier 2 Public Employees DC Only System **	2014	$ 1,834	$ 1,834	$ -	$ 33,438	5.48%
	2015	$ 2,268	$ 2,268	$ -	$ 34,187	6.63%
	2016	$ 2,373	$ 2,373	$ -	$ 36,515	6.50%

** Amounts presented were determined as of calendar year January 1 - December 31. Employers will be required to prospectively develop this table in future years to show a 10-year history.*

*** Contributions as a percentage of covered-employee payroll may be different than the Board certified rate due to rounding or other administrative issues.*

Centerville City Corporation
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2016

Changes in Assumptions:

The following assumption changes were adopted from the most recent actuarial experience study. There was a decrease in the wage inflation assumption for all employee groups from 3.75% to 3.50%. Also there was a modification to the rate of salary increases for most groups. The payroll growth assumption was decreased from 3.5% to 3.25%. There was an improvement in the post retirement mortality assumption for female educators and minor adjustments to the pre-retirement mortality assumption.

There were additional changes to certain demographic assumptions that generally resulted in: (1) more members are anticipated to terminate employment prior to retirement, (2) slightly fewer members are expected to become disabled, and (3) members are expected to retire at a slightly later age.

SUPPLEMENTAL INFORMATION

Centerville City Corporation
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
June 30, 2016

	Special Revenue Funds				Debt Service Funds			Capital Projects Funds		Total Nonmajor Governmental Funds
	Municipal Building Authority	Recreation	R.A.P. Tax	Transit Tax	Special Improvement District 400 North	Special Improvement District Chase Lane	Special Improvement District Porter Lane	Storm Drain	Park Improvements	
Assets:										
Cash and cash equivalents	$ 1,207	$ 71,931	$ 18,010	$ 25,708	$ 1,611	$ 15,000	$ 2,025	$ 165,044	$ 6,455	$ 306,991
Receivables:										
Taxes	-	-	63,978	52,793	-	-	-	-	-	116,771
Restricted assets:										
Cash and cash equivalents	-	-	-	-	-	-	-	12,341	286,482	298,823
Total Assets	$ 1,207	$ 71,931	$ 81,988	$ 78,501	$ 1,611	$ 15,000	$ 2,025	$ 177,385	$ 292,937	$ 722,585
Liabilities:										
Accounts payable	$ -	$ 9,019	$ -	$ 1,049	$ -	$ 1,249	$ -	$ -	$ -	$ 11,317
Total Liabilities	-	9,019	-	1,049	-	1,249	-	-	-	11,317
Fund Balances:										
Restricted for:										
Future development	-	-	-	-	-	-	-	12,341	286,482	298,823
Assigned, reported in:										
Special revenue funds	1,207	62,912	-	-	-	-	-	-	-	64,119
Debt service funds	-	-	-	-	1,611	13,751	-	-	-	15,362
Capital outlay funds	-	-	81,988	77,452	-	-	2,025	165,044	6,455	332,964
Total Fund Balances	1,207	62,912	81,988	77,452	1,611	13,751	2,025	177,385	292,937	711,268
Total Liabilities and Fund Balances	$ 1,207	$ 71,931	$ 81,988	$ 78,501	$ 1,611	$ 15,000	$ 2,025	$ 177,385	$ 292,937	$ 722,585

Centerville City Corporation
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2016

	Special Revenue Funds				Debt Service Funds			Capital Projects Funds		Total Nonmajor Governmental Funds
	Municipal Building Authority	Recreation	R.A.P. Tax	Transit Tax	Special Improvement District 400 West	Special Improvement District Chase Lane	Special Improvement District Porter Lane	Storm Drain	Park Improvements	
Revenues:										
Taxes	$ -	$ -	$ 94,488	$ 78,501	$ -	$ -	$ -	$ -	$ -	$ 172,989
Fees and contributions	-	-	-	-	-	-	-	1,013	444,314	445,327
Charges for services	-	143,230	-	-	-	-	-	-	-	143,230
Interest	-	-	-	-	9	56	8	679	505	1,257
Miscellaneous	-	28,969	-	-	-	-	-	-	-	28,969
Impact fees	-	-	-	-	-	-	-	34,925	-	34,925
Total Revenues	-	172,199	94,488	78,501	9	56	8	36,617	444,819	826,697
Expenditures:										
Current:										
Highways and public improvements	-	-	-	1,049	-	-	-	-	-	1,049
Parks and recreation	-	191,566	-	-	-	-	-	-	-	191,566
Capital outlay	-	10,545	12,500	-	-	-	-	-	-	23,045
Total Expenditures	-	202,111	12,500	1,049	-	-	-	-	-	215,660
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(29,912)	81,988	77,452	9	56	8	36,617	444,819	611,037
Other Financing Sources (Uses):										
Transfers in	-	41,000	-	-	-	-	-	-	-	41,000
Total Other Financing Sources (Uses)	-	41,000	-	-	-	-	-	-	-	41,000
Net Change in Fund Balances	-	11,088	81,988	77,452	9	56	8	36,617	444,819	652,037
Fund Balances, Beginning	1,207	51,824	-	-	1,602	13,695	2,017	140,768	(151,882)	59,231
Fund Balances, Ending	$ 1,207	$ 62,912	$ 81,988	$ 77,452	$ 1,611	$ 13,751	$ 2,025	$ 177,385	$ 292,937	$ 711,268

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2016

	Arts Center Debt Service Fund			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes	$ 382,000	$ 382,000	$ 227,551	$ (154,449)
Intergovernmental	599,429	599,429	511,837	(87,592)
Interest	-	-	3,783	3,783
Total Revenues	981,429	981,429	743,171	(238,258)
Expenditures:				
Current:				
General government	2,500	2,500	2,500	-
Debt service:				
Principal	1,510,000	1,510,000	1,510,000	-
Interest	144,588	144,588	144,588	-
Total Expenditures	1,657,088	1,657,088	1,657,088	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(675,659)	(675,659)	(913,917)	(238,258)
Other Financing Sources (Uses):				
Transfers in	675,659	675,659	963,208	287,549
Total Other Financing Sources (Uses)	675,659	675,659	963,208	287,549
Net Change in Fund Balances	-	-	49,291	49,291
Fund Balances, Beginning, Restated	(49,291)	(49,291)	(49,291)	-
Fund Balances, Ending	$ (49,291)	$ (49,291)	$ -	$ 49,291

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS
(Continued)
For The Year Ended June 30, 2016

	UTOPIA Capital Projects Fund			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	$ -	$ 532,696	$ 532,696	$ -
Interest	-	-	139	139
Total Revenues	-	532,696	532,835	139
Expenditures:				
Current:				
General Government	453,876	453,876	454,632	(756)
Capital outlay	315,400	1,023,096	823,311	199,785
Total Expenditures	769,276	1,476,972	1,277,943	199,029
Excess (Deficiency) of Revenues Over (Under) Expenditures	(769,276)	(944,276)	(745,108)	199,168
Other Financing Sources (Uses):				
Transfers in	418,466	593,466	413,601	(179,865)
Total Other Financing Sources (Uses)	418,466	593,466	413,601	(179,865)
Net Change in Fund Balances	(350,810)	(350,810)	(331,507)	19,303
Fund Balances, Beginning	323,598	323,598	323,598	-
Fund Balances, Ending	$ (27,212)	$ (27,212)	$ (7,909)	$ 19,303

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2016

	Municipal Building Authority Special Revenue Fund			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues:	$ -	$ -	$ -	$ -
Expenditures:	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning	1,207	1,027	1,207	180
Fund Balances, Ending	$ 1,207	$ 1,027	$ 1,207	$ 180

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2016

	Recreation Special Revenue Fund			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues:				
Charges for services	$ 113,000	$ 113,000	$ 143,230	$ 30,230
Miscellaneous	20,000	20,000	28,969	8,969
Total Revenues	133,000	133,000	172,199	39,199
Expenditures:				
Current:				
Parks and recreation	172,062	172,062	191,566	(19,504)
Capital outlay	-	-	10,545	(10,545)
Total Expenditures	172,062	172,062	202,111	(30,049)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(39,062)	(39,062)	(29,912)	9,150
Other Financing Sources (Uses):				
Transfers in	41,000	41,000	41,000	-
Total Other Financing Sources (Uses)	41,000	41,000	41,000	-
Net Change in Fund Balances	1,938	1,938	11,088	9,150
Fund Balances, Beginning	51,824	51,824	51,824	-
Fund Balances, Ending	$ 53,762	$ 53,762	$ 62,912	$ 9,150

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2016

	R.A.P. Tax Special Revenue Fund			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes	$ -	$ 80,000	$ 94,488	$ 14,488
Total Revenues	-	80,000	94,488	14,488
Expenditures:				
Capital outlay	-	12,500	12,500	
Total Expenditures	-	12,500	12,500	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	67,500	81,988	14,488
Net Change in Fund Balances	-	67,500	81,988	14,488
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	$ -	$ 67,500	$ 81,988	$ 14,488

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2016

	Transit Tax Special Revenue Fund			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes	$ -	$ 80,000	$ 78,501	$ (1,499)
Total Revenues	-	80,000	78,501	(1,499)
Expenditures:				
Current:				
Highways and public improvements	-	25,000	1,049	23,951
Total Expenditures	-	25,000	1,049	23,951
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	55,000	77,452	22,452
Net Change in Fund Balances	-	55,000	77,452	22,452
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	$ -	$ 55,000	$ 77,452	$ 22,452

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2016

	Special Improvement District 400 North Debt Service Fund			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues:				
Interest	$ -	$ -	$ 9	$ 9
Total Revenues	-	-	9	9
Expenditures:	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	9	9
Net Change in Fund Balances	-	-	9	9
Fund Balances, Beginning	1,602	1,602	1,602	-
Fund Balances, Ending	$ 1,602	$ 1,602	$ 1,611	$ 9

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2016

	Special Improvement District Chase Lane Debt Service Fund			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues:				
Interest	$ -	$ -	$ 56	$ 56
Total Revenues	-	-	56	56
Expenditures:	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	56	56
Net Change in Fund Balances	-	-	56	56
Fund Balances, Beginning	13,695	13,695	13,695	-
Fund Balances, Ending	$ 13,695	$ 13,695	$ 13,751	$ 56

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2015

	Special Improvement District Porter Lane Debt Service Fund			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues:				
Interest	$ -	$ -	$ 8	$ 8
Total Revenues	-	-	8	8
Expenditures:	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	8	8
Net Change in Fund Balances	-	-	8	8
Fund Balances, Beginning	2,017	2,017	2,017	-
Fund Balances, Ending	$ 2,017	$ 2,017	$ 2,025	$ 8

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2015

	Storm Drain Capital Projects Fund			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues:				
Fees and contributions	$ -	$ -	$ 1,013	1,013
Impact fees	25,000	25,000	34,925	9,925
Interest	75	75	679	604
Total Revenues	25,075	25,075	36,617	11,542
Expenditures:				
Capital outlay	25,150	25,150	-	25,150
Total Expenditures	25,150	25,150	-	25,150
Excess (Deficiency) of Revenues Over (Under) Expenditures	(75)	(75)	36,617	36,692
Net Change in Fund Balances	(75)	(75)	36,617	36,692
Fund Balances, Beginning	140,768	140,768	140,768	-
Fund Balances, Ending	$ 140,693	$ 140,693	$ 177,385	$ 36,692

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2015

	Park Improvements Capital Projects Fund			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues:				
Fees and contributions	$ 125,000	$ 125,000	$ 444,314	$ (319,314)
Interest	400	400	505	105
Total Revenues	125,400	125,400	444,819	(319,209)
Expenditures:	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	125,400	125,400	444,819	(319,209)
Net Change in Fund Balances	125,400	125,400	444,819	(125,392)
Fund Balances, Beginning	(151,882)	(151,882)	(151,882)	151,882
Fund Balances, Ending	$ (26,482)	$ (26,482)	$ 292,937	$ 26,490

STATISTICAL SECTION

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.

Contents **Page**

Financial Trends
These schedules contain trend information to help the reader Understand how the City's financial performance and well Being has changed over time. 85

Revenue Capacity
These schedules contain information to help the reader assess the City's most significant local revenue sources. 90

Debt
These schedules present information to help the reader assess the affordibility of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 98

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. 103

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. 105

Centerville City Corporation

Net Position by Component
Last Ten Fiscal Years

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Invested in capital assets, net of related debt	$12,769,032	$14,588,456	$16,749,627	$21,086,743	$23,157,489	$23,935,722	$25,095,634	$25,687,835	$27,336,533	$26,872,876
Restricted	$211,742	$209,375	$13,476,070	$6,014,400	$314,049	$105,067	$15,654	$19,684	$17,317	$438,816
Unrestricted	$5,837,901	$5,521,914	-$8,166,577	-$3,330,811	$1,628,503	$1,372,676	$1,560,205	$1,429,287	-$667,257	$1,245,116
Total governmental activities net position	$18,818,675	$20,319,745	$22,059,120	$23,770,332	$25,100,041	$25,413,465	$26,671,493	$27,136,806	$26,686,593	$28,556,808
Business-type Activities										
Invested in capital assets, net of related debt	$9,396,800	$10,164,608	$11,001,715	$11,361,031	$11,644,848	$10,052,642	$10,802,629	$11,612,195	$14,042,619	$14,620,353
Restricted	$1,677,008	$1,066,486	$1,086,077	$1,091,180	$1,106,719	$2,532,805	$1,360,662	$999,330	$203,884	$512,047
Unrestricted	-$542,570	-$75,167	-$172,501	-$327,570	-$364,138	$203,033	$1,202,214	$1,281,957	-$47,159	-$32,470
Total business-type activities net position	$10,531,238	$11,155,927	$11,915,291	$12,124,641	$12,387,429	$12,788,480	$13,365,505	$13,893,482	$14,199,344	$15,099,930
Primary Govenment										
Net investment in capital assets	$22,165,832	$24,753,064	$27,751,342	$32,447,774	$34,802,337	$33,988,364	$35,898,263	$38,591,421	$41,379,152	$41,586,029
Restricted	$1,888,750	$1,275,861	$14,562,147	$7,105,580	$1,420,768	$2,637,872	$1,376,316	$1,019,014	$221,201	$950,979
Unrestricted	$5,295,331	$5,446,747	-$8,339,078	-$3,658,381	$1,264,365	$1,575,709	$2,762,419	$1,419,853	-$714,416	$1,212,646
Total primary government net position	$29,349,913	$31,475,672	$33,974,411	$35,894,973	$37,487,470	$38,201,945	$40,036,998	$41,030,288	$40,885,937	$43,656,738

Centerville City Corporation

Change in Net Position
Last Ten Fiscal Years

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities										
General government	$1,294,987	$1,448,978	$1,209,582	$1,529,197	$1,741,872	$2,095,247	$2,091,826	$2,073,754	$2,149,191	$1,200,320
Public Safety	$2,493,972	$2,613,890	$2,366,183	$2,865,721	$2,763,931	$2,976,846	$3,087,683	$3,215,906	$3,312,647	$3,421,139
Streets and public works	$1,873,984	$1,715,647	$1,948,185	$1,937,663	$1,694,141	$1,620,465	$1,565,404	$2,040,237	$1,929,230	$2,012,637
Parks & recreation	$1,119,172	$1,154,243	$1,330,148	$1,200,377	$1,217,390	$1,684,043	$1,629,452	$1,720,371	$1,707,103	$1,434,223
Community development	$765,077	$756,662	$1,026,745	$642,469	$927,596	$1,124,270	$660,840	$539,894	$618,065	$1,096,021
Interest on long-term debt	$161,453	$85,852	$152,369	$493,361	$450,822	$370,904	$312,167	$259,327	$213,694	$98,142
Total governmental activities expenses	$7,708,645	$7,775,272	$8,033,212	$8,668,788	$8,795,752	$9,871,775	$9,347,372	$9,849,489	$9,929,930	$9,262,482
Business-type activities										
Water	$1,526,483	$1,765,049	$1,601,430	$1,674,851	$1,573,410	$1,690,109	$2,086,004	$1,835,012	$1,965,022	$2,106,260
Sanitation	$637,035	$649,850	$655,091	$818,314	$881,683	$868,350	$906,971	$979,738	$956,890	$703,201
Storm drain	$463,475	$475,445	$382,484	$483,127	$575,251	$517,346	$629,638	$611,098	$760,994	$973,114
Telecom	-	-	-	-	-	$37,747	$260,540	$424,108	$283,566	$314,130
Total business-type activities expenses	$2,626,993	$2,890,344	$2,639,005	$2,976,292	$3,030,344	$3,113,552	$3,883,153	$3,849,956	$3,966,472	$4,096,705
Total primary government expenses	$10,335,638	$10,665,616	$10,672,217	$11,645,080	$11,826,096	$12,985,327	$13,230,525	$13,699,445	$13,896,402	$13,359,187
Program Revenues										
Governmental activities										
Charges for services										
General government	$1,282,437	$1,270,564	$1,447,637	$1,182,108	$1,478,655	$1,549,029	$1,521,453	$1,529,410	$1,623,948	$1,158,121
Streets and public works	$290,260	$52,887	$8,009	$10,551	$7,186	$12,993	$16,388	$11,477	$5,085	$0
Parks and recreation	$108,473	$220,092	$115,714	$96,152	$114,825	$112,501	$112,607	$118,300	$121,278	$249,057
Community development	$477,875	$500,852	$283,527	$242,284	$338,196	$548,812	$350,406	$333,252	$241,315	$0
Operating grants and contributions	$243,090	$89,310	$32,287	$0	$0	$0	$0	$0	$0	$2,304,830
Capital grants and contributions	$100,000	$186,500	$1,701,527	$2,256,903	$1,202,285	$1,170,455	$1,841,179	$2,267,236	$2,872,876	$1,114,767
Total governmental activities program revenues	$2,502,135	$2,320,205	$3,588,701	$3,787,998	$3,141,147	$3,393,790	$3,842,033	$4,259,675	$4,864,502	$4,826,775
Business-type activities										
Charges for services										
Water fees	$2,233,905	$2,283,281	$1,654,905	$1,642,409	$1,972,977	$2,111,193	$2,476,190	$2,431,720	$2,251,667	$2,051,129
Sanitation	$641,393	$611,679	$623,054	$758,206	$796,831	$821,464	$880,454	$942,296	$955,657	$1,237,116
Storm drain	$507,974	$579,744	$542,718	$591,537	$549,545	$555,681	$564,987	$576,486	$586,157	$976,007
Telecom	-	-	-	-	-	$40,199	$260,676	$256,247	$282,767	$295,261
Operating grants and contributions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$350,533
Capital grants and contributions	$0	$0	$0	$350,000	$12,000	$0	$253,450	$0	$311,841	$0
Total business-type activities program revenues	$3,383,272	$3,474,704	$2,820,677	$3,342,152	$3,331,353	$3,528,537	$4,435,757	$4,206,749	$4,388,089	$4,910,046
Total primary government program revenues	$5,885,407	$5,794,909	$6,409,378	$7,130,150	$6,472,500	$6,922,327	$8,277,790	$8,466,424	$9,252,591	$9,736,821
Net (expense) revenue										
Government activities	-$5,206,510	-$5,455,067	-$4,444,511	-$4,880,790	-$5,654,605	-$6,477,985	-$5,505,339	-$5,589,814	-$5,065,428	-$4,435,707
Business-type activities	$756,279	$584,360	$181,672	$365,860	$301,009	$414,985	$552,604	$356,793	$421,617	$813,341

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position										
Governmental activities										
Property tax and uniform vehicle fees	$1,653,574	$1,790,943	$1,933,965	$2,385,839	$2,423,442	$2,555,160	$2,529,705	$1,514,682	$1,520,060	$1,275,046
Franchise, telecommunication, & energy sales taxe	$869,898	$933,916	$964,201	$966,412	$970,297	$994,689	$1,037,792	$1,144,152	$1,132,319	$1,141,628
General & Highway Sales Tax	$3,427,874	$3,784,263	$3,579,903	$2,732,936	$2,830,732	$3,005,090	$3,129,208	$3,335,469	$3,509,401	$3,697,653
Gain on Sale of Capital Assets	$1,590,238	$12,370	-$20,408	$3,131	$0	$0	$0	$0	$0	$64,331
Other	$495,343	$385,430	$291,996	$329,497	$706,511	$216,705	$66,662	$224,224	$98,392	$437,570
Transfers	$50,086	$49,215	-$549,751	$174,187	$53,332	$19,765	$0	-$163,400	-$20,840	-$16,309
Total governmental activities	$8,087,013	$6,956,137	$6,199,906	$6,592,002	$6,984,314	$6,791,409	$6,763,367	$6,055,127	$6,239,332	$6,599,919
Business-type activities										
Other	$112,509	$89,544	$27,941	$17,677	$15,111	$5,831	$24,421	$7,784	$4,632	$7,649
Transfers	-$50,086	-$49,215	$549,751	-$174,187	-$53,332	-$19,765	$0	$163,400	$20,840	$16,309
Total business-type activities	$62,423	$40,329	$577,692	-$156,510	-$38,221	-$13,934	$24,421	$171,184	$25,472	$23,958
Total primary government	$8,149,436	$6,996,466	$6,777,598	$6,435,492	$6,946,093	$6,777,475	$6,787,788	$6,226,311	$6,264,804	$6,623,877
Change in Net Position										
Governmental activities	$2,880,503	$1,501,070	$1,739,375	$1,711,212	$1,329,709	$313,424	$1,258,028	$465,313	$1,173,904	$2,164,212
Business-type activities	$818,702	$624,689	$759,364	$209,350	$262,788	$401,051	$577,025	$527,977	$447,089	$837,299
Total primary government	$3,699,205	$2,125,759	$2,498,739	$1,920,562	$1,592,497	$714,475	$1,835,053	$993,290	$1,620,993	$3,001,511

Centerville City Corporation

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Nonspendabble	-	-	-	-	-	$235,461	$124,589	$7,064	$0	$32,859
Restricted	$1,036,621	$1,007,024	$919,203	$642,385	$450,214	-	-	$0	0	$139,993
Unassigned	$1,582,676	$1,541,183	$1,211,929	$1,341,737	$1,102,412	$1,156,052	$1,556,947	$1,317,015	$831,617	$619,427
Total general fund	$2,619,297	$2,548,207	$2,131,132	$1,984,122	$1,552,626	$1,391,513	$1,681,536	$1,324,079	$831,617	$792,279
All other Governmental Funds										
Restricted	$820,031	$817,664	$14,084,359	$5,810,749	$203,893	$105,067	$15,654	$19,684	$17,317	$298,823
Assigned reported in:										
Special revenue funds	-$10,118	$22,581	$46,802	$46,964	$56,221	$27,649	$23,295	$52,936	$53,031	$64,119
Capital project funds	$1,897,370	$1,357,209	$563,971	$104,755	$100,242	$374,189	$423,941	$483,408	$312,484	$332,964
Debt Service Funds	-	-	-	-	-	-	-	$44,828	$15,850	$15,362
Redevelopment Agency Fund	$1,075,796	$1,333,978	$758,791	$961,349	$553,564	$244,971	-	$260,978	$342,835	$50,540
Unassigned reported in:										
Special Revenue					-$171,872	-$278,330	-	-	-	-$7,909
Total all other governmental funds	$3,783,079	$3,531,432	$15,453,923	$6,923,817	$742,048	$473,546	$462,890	$861,834	$741,517	$753,899

Centerville City Corporation

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	$5,458,844	$5,999,136	$6,031,356	$6,085,187	$6,224,471	$6,554,939	$6,696,705	$5,994,303	$6,161,780	$6,472,276
Special Assessments	$13,020	$3,707	$8,009	$10,551	$7,186	$12,993	$16,388	$11,477	$5,085	-
Licenses & Permits	$424,347	$504,672	$283,527	$242,284	$338,196	$548,812	$350,406	$333,252	$241,315	$525,878
Intergovernmental	$835,592	$599,296	$1,773,027	$1,176,903	$1,202,285	$1,170,455	$1,251,685	$2,267,236	$2,383,626	$2,939,345
Charges for Services	$719,931	$510,426	$529,684	$381,139	$389,770	$589,965	$484,300	$481,387	$392,158	$411,520
Charges for Services - Other Funds	$503,905	$509,898	$503,900	$503,900	$709,085	$611,000	$686,000	$698,000	$859,500	-
Fee & Contributions	-	-	-	-	-	-	-	-	-	$480,252
Fines & Forfeitures	$557,842	$575,692	$573,747	$576,948	$494,625	$460,565	$463,760	$468,323	$493,568	$444,658
Interest	$338,479	$283,791	$129,251	$121,520	$52,788	$30,319	$22,242	$17,628	$10,017	$13,284
Miscellaneous	$168,714	$119,139	$162,745	$207,977	$375,393	$236,481	$44,420	$611,366	$127,654	$91,459
Total Revenues	$9,020,674	$9,105,757	$9,995,246	$9,306,409	$9,793,799	$10,215,529	$10,015,906	$10,882,972	$10,674,703	$11,378,672
Expenditures										
General Government	$1,245,626	$1,308,521	$1,352,055	$1,374,996	$1,349,002	$1,397,310	$1,353,085	$1,509,073	$1,544,467	$1,054,232
Public Safety	$2,535,540	$2,641,150	$2,749,920	$2,837,137	$2,879,202	$3,119,574	$3,111,317	$3,194,578	$3,394,303	$3,201,291
Street & Public Works	$2,276,266	$2,016,653	$1,930,929	$1,813,865	$2,017,916	$1,465,215	$1,454,321	$2,192,768	$1,774,789	$1,155,631
Community Development	$822,225	$812,208	$1,172,949	$598,034	$912,744	$1,063,826	$648,840	$516,534	$595,600	$917,359
Parks & Recreation	$3,182,537	$2,059,249	$1,281,932	$1,040,316	$1,050,792	$1,107,049	$1,052,607	$1,194,253	$1,762,397	$1,155,782
Capital Outlay	$141,150	$264,746	$1,210,577	$7,744,284	$6,046,231	$276,967	$23,778	$16,170	$39,132	$2,048,150
Debt Service										
Principal retirement	$172,598	$278,028	$288,154	$1,418,953	$1,474,093	$1,385,000	$1,335,000	$1,382,948	$1,461,972	$1,552,812
Interest & fiscal charges	$136,698	$98,936	$88,997	$492,486	$452,226	$382,716	$321,947	$267,235	$221,602	$147,140
Contractual Payments (UTOPIA)	-	-	-	$183,727	$278,368	$449,346	$428,410	$436,978	$445,718	-
Total Expenditures	$10,512,640	$9,479,491	$10,075,513	$17,503,798	$16,460,574	$10,647,003	$9,729,305	$10,710,537	$11,239,980	$11,232,397
Excess (deficiency) of Revenues Over Expenditures	-$1,491,966	-$373,734	-$80,267	-$8,197,389	-$6,666,775	-$431,474	$286,601	$172,435	-$565,277	$146,275
Other Financing Sources (uses)										
Transfers in	$3,015,213	$1,017,754	$2,739,137	$1,902,996	$1,405,555	$1,285,494	$1,486,480	$1,235,001	$1,466,198	$1,417,809
Transfers out	-$2,976,977	-$986,039	-$3,312,388	-$2,392,049	-$1,364,223	-$1,323,329	-$1,498,480	-$1,421,761	-$1,519,848	-$1,434,118
Sale of capital assets	$1,630,773	$19,282	$28,631	$9,326	$12,178	$39,694	$4,766	$55,812	$6,148	$77,549
Bond Proceeds	$416,000	$0	$12,130,303	$0	$0	$0	$0	$0	$0	
Total Other Sources	$2,085,009	$50,997	$11,585,683	-$479,727	$53,510	$1,859	-$7,234	-$130,948	-$47,502	$61,240
Net Change in Fund Balance	$593,043	-$322,737	$11,505,416	-$8,677,116	-$6,613,265	-$429,615	$279,367	$41,487	-$612,779	$207,515
Fund Balance Beginning of Year	$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	$1,338,663
Fund Balance End of Year	$6,402,376	$6,079,639	$17,585,055	$8,907,939	$2,294,674	$1,865,059	$2,144,426	$2,185,913	$1,573,134	$1,546,178
Debt service as a percentage of non-capital expenditures	2.98%	4.09%	4.25%	21.03%	19.95%	17.24%	17.07%	16.87%	15.01%	20.35%

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
2007	$1,640,554	$2,935,372	$492,501	$869,898	$13,020	$5,951,345
2008	$1,790,944	$3,198,415	$509,985	$933,915	$3,707	$6,436,966
2009	$1,933,965	$2,872,183	$417,008	$964,201	$8,009	$6,195,366
2010	$2,385,839	$2,732,936	$482,701	$966,412	$10,551	$6,578,439
2011	$2,423,442	$2,830,732	$474,530	$970,297	$7,186	$6,706,187
2012	$2,555,160	$3,005,090	$464,392	$994,689	$12,993	$7,032,324
2013	$2,529,705	$3,129,208	$478,990	$1,037,792	$16,388	$7,192,083
2014 (1)	$1,514,682	$3,335,469	$457,788	$1,144,152	$0	$6,452,091
2015	$1,520,060	$3,509,401	$482,916	$1,132,319	$0	$6,644,696
2016	$1,275,046	$3,697,653	$486,235	$1,141,628	$0	$6,600,562

(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

Year	City	County	State	Transit	Total
2007	1.00%	0.25%	4.75%	0.50%	6.50%
2008	1.10%	0.25%	4.65%	0.50%	6.50%
2009	1.10%	0.25%	4.65%	0.50%	6.50%
2010	1.10%	0.25%	4.65%	0.50%	6.50%
2011	1.10%	0.25%	4.65%	0.50%	6.50%
2012	1.10%	0.25%	4.65%	0.50%	6.50%
2013	1.10%	0.25%	4.65%	0.50%	6.50%
2014	1.10%	0.25%	4.65%	0.50%	6.50%
2015	1.10%	0.25%	4.65%	0.50%	6.50%
2016	1.10%	0.25%	4.75%	0.75%	6.85%

Source: Utah State Tax Commission

Centerville City Corporation

Principal Sales Tax Payers
Current Year and Eight Years Ago

	Fiscal year 2016			Fiscal year 2008**		
Tax Payer	Sales Taxes*	Rank	Percentage of Sales*	Sales Taxes*	Rank	Percentage of Sales*
Wal Mart Superstore	N/A	1	N/A	N/A	1	N/A
Super Target	N/A	2	N/A	N/A	2	N/A
Colonial Lumber Supply	N/A	3	N/A	N/A	4	N/A
Home Depot	N/A	4	N/A	N/A	3	N/A
Land Rover	N/A	5	N/A	N/A	8	N/A
Dicks Supermarket	N/A	6	N/A	N/A	5	N/A
Intermountain Business Forms	N/A	7	N/A	N/A	7	N/A
Kohls	N/A	8	N/A	N/A	9	N/A
Megaplex Theater	N/A	9	N/A	N/A	-	N/A
Masco	N/A	10	N/A	N/A	6	N/A
Commmercial Kitchen Supply	-		-	-	10	-
Total	$ 2,489,222		59.43%	$ 2,043,510		57.95%

* Due to the confidential nature, the amounts and percentages of the largest revenu payers cannot be displayed. However, the aggregate total is displayed along with the individual rankings in an effort to provide the reader with information as to where the City's tax base originates.

** Prior to FY 2008 not available.

Centerville City Corporation

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

Tax Year	Real Property Assessed Value	Real Property Estimated Actual Value	Personal Property Assessed Value	Personal Property Estimated Actual Value	Total Assessed Value	Total Estimated Actual Value	Assessed Value as a Percentage of Actual Value	Total Direct Tax Rate
2006	$641,147	$1,026,790	$27,464	$24,464	$668,611	$1,051,254	63.60%	1.1841%
2007	$734,544	$1,196,346	$33,456	$33,456	$768,000	$1,229,802	62.45%	1.2342%
2008	$1,001,615	$1,594,138	$40,106	$40,106	$1,041,721	$1,634,244	63.74%	1.8950%
2009	$959,295	$1,529,879	$40,671	$40,671	$999,966	$1,570,550	63.67%	1.2536%
2010	$885,770	$1,418,248	$36,064	$36,064	$921,834	$1,454,312	63.39%	1.3996%
2011	$847,451	$1,354,163	$41,820	$41,820	$889,271	$1,395,983	63.70%	1.3942%
2012	$865,044	$1,377,165	$42,924	$42,924	$907,968	$1,420,089	63.94%	1.3582%
2013	$894,332	$1,436,830	$43,997	$43,997	$938,329	$1,480,827	63.37%	1.2454%
2014	$942,632	$1,524,070	$43,215	$43,125	$985,847	$1,567,195	62.91%	1.3458%
2015	$993,111	$1,585,053	$46,034	$46,034	$1,039,145	$1,631,087	63.71%	1.3891%

Source: Davis County Assessor

Centerville City Corporation

Property Tax Levies and Collections
Last Ten Calendar Years
(amounts expressed in thousands)

Calendar Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collection	Subsequent Collections	Total Tax Collections	Total Collections as Percent of Levy
2006	$849,703	$815,006	95.92%	$31,756	$846,762	99.65%
2007	$892,461	$842,662	94.42%	$33,812	$876,474	98.21%
2008	$907,846	$837,435	92.24%	$35,892	$873,327	96.20%
2009	$921,737	$874,583	94.88%	$47,779	$922,362	100.07%
2010	$946,840	$906,992	95.79%	$38,623	$945,615	99.87%
2011	$972,804	$909,269	93.47%	$33,508	$942,777	96.91%
2012	$994,821	$944,660	94.96%	$40,674	$985,334	99.05%
2013	$1,001,709	$959,591	95.80%	$33,944	$993,535	99.18%
2014	$1,096,936	$1,047,455	95.49%	$25,640	$1,073,095	97.83%
2015	$1,170,324	$1,134,694	96.96%	$32,814	$1,167,508	99.76%

Source: Utah State Tax Commission

Centerville City Corporation

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

Tax Year	Centerville City	Davis County	Davis School District	Special Taxing Districts	Total Levy
2006	0.1349%	0.2142%	0.7305%	0.1045%	1.1841%
2007	0.1233%	0.2564%	0.7176%	0.1369%	1.2342%
2008	0.0923%	0.2329%	0.6764%	0.0879%	1.0895%
2009	0.1102%	0.2576%	0.7860%	0.0998%	1.2536%
2010	0.1173%	0.2775%	0.8861%	0.1187%	1.3996%
2011	0.1165%	0.2391%	0.8941%	0.1445%	1.3942%
2012	0.1141%	0.2331%	0.8710%	0.1400%	1.3582%
2013	0.1072%	0.2161%	0.8259%	0.0962%	1.2454%
2014	0.1088%	0.2153%	0.8555%	0.1662%	1.3458%
2015	0.0983%	0.2003%	0.8125%	0.2780%	1.3891%

Source: Utah State Tax Commission

Centerville City Corporation

Principal Taxpayers
Current Year and 10 years Ago

	Tax Year 2015 (current)			
Taxpayer	Rank	Type of Business	Taxable Value	Percentage of Total Taxable Value
Legacy Crossing LLC	1	Entertainment/Housing	$34,997,957	2.65%
Dayton West LLC	2	Commercial Real Estate	$26,617,505	2.47%
Pacificorp	3	Electrical Utility	$21,463,825	1.99%
Walmart	4	Commercial Real Estate	$18,254,284	1.70%
Dayton Hudson LLC (Target)	5	Commercial Real Estate	$10,939,166	1.02%
Legacy Office Buidling	6	Office	$10,660,700	0.79%
Centerville Marketplace LLC	7	Retail	$9,180,000	0.99%
HD (Home Depot)	8	Retail	$8,529,153	0.85%
SDCKP LLC	9	Retail	$6,694,782	0.79%
Deerwood Properties	10	Property Management	$6,350,000	0.62%
		Total	$118,689,415	13.87%

	Tax Year 2007			
Taxpayer	Rank	Type of Business	Taxable Value	Percentage of Total Taxable Value
Dayton Hudson Corporation (Target)	1	Retail	$23,506,869	3.85%
Home Depot	2	Retail	$7,060,000	1.16%
Pacificorp	3	Electrical Utility	$7,018,299	1.15%
Dayton West, LLC	4	Commercial Real Estate	$6,800,000	1.11%
Albertson's	5	Grocery	$5,004,962	0.82%
DIKA Properties	6	Commecial Real Estate	$3,450,000	0.67%
Syro Steel	7	Manufacturing	$4,198,104	0.59%
Hale Industries	8	Retail	$2,999,289	0.49%
Questar Gas	9	Natural Gas Utility	$2,532,038	0.41%
Qwest Corporation (CenturyLink)	10	Communications	$2,511,668	0.41%
		Total	$65,081,229	10.66%

Source: Davis County Clerk/Auditors Office

Centerville City Corporation

Property Value and Construction
Last Ten Calendar Years

Calendar Year	Non-residential Construction No of Units	Value	Residential Construction No of Units	Value	Total New Construction Value	Estimated Total Property Value
2006	31	$18,788,500	84	$20,606,000	$39,394,500	$1,110,021,000
2007	26	$13,642,750	75	$18,360,000	$32,002,750	$1,162,253,000
2008	20	$6,714,400	64	$16,920,000	$23,634,400	$1,185,902,000
2009	15	$18,182,300	31	$6,434,514	$24,616,814	$965,844,000
2010	19	$33,579,772	52	$43,939,807	$77,519,579	$1,043,363,579
2011	23	$2,720,621	212	$30,472,703	$33,193,324	$1,076,556,903
2012	15	$3,085,747	139	$22,988,889	$26,074,636	$1,102,631,539
2013	16	$16,839,783	50	$10,873,766	$27,713,549	$1,130,345,088
2014	4	$11,299,915	7	$1,806,645	$13,106,560	$1,143,451,648
2015	27	$4,156,101	121	$20,075,490	$24,231,591	$1,167,683,239

Source: Centerville City Community Development Department

Centerville City Corporation

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities					Business-type Activities			
Fiscal Year	MBA Lease Revenue Bonds	Sales Tax Revenue Bonds	Notes Payable	Capital Lease	Special Assessment Bonds	Water Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2007	$995,000			$ -	$ -	$3,522,000	$4,517,000	0.70%	$233.09
2008	$830,000		$312,000			$3,341,000	$4,483,000	0.66%	$220.02
2009	$655,000	$12,130,303	$208,000			$3,154,000	$16,147,303	0.62%	$206.68
2010	$470,000	$10,970,694	$104,000			$2,949,000	$14,493,694	0.57%	$192.31
2011	$275,000	$9,766,085	$ -			$2,731,000	$12,772,085	0.51%	$176.88
2012	$75,000	$8,541,476				$4,210,000	$12,826,476	0.73%	$271.09
2013	$ -	$7,241,867				$3,875,000	$11,116,867	0.62%	$239.15
2014		$5,585,000		$172,866		$3,520,000	$9,277,866	0.56%	$216.96
2015		$4,165,000		$130,894		$3,155,000	$7,450,894	0.61%	$187.25
2016		$2,745,000		$88,102		$2,750,000	$5,583,102	0.41%	$163.51

Centerville City Corporation

Direct and Overlapping Governmental Activities Debt
June 30, 2016

Governmental Unit	Outstanding Debt	Estimated Percentage Applicable (1)	Estimated Share of Overlapping
Debt repaid with property taxes			
Davis County	$16,260,573	5.00%	$813,191
Davis School District	$424,740,000	5.00%	$21,237,000
Weber Basin Water Conservancy	$21,139,452	0.24%	$50,735
State of Utah	$2,498,895,000	0.56%	$14,077,025
South Davis Recreation District	$11,440,000	15.77%	$1,804,088
Other Debt - Davis County			
Sales tax revenue bonds	$33,696,126	11.23%	$3,784,075
MBA lease revenue bonds	$19,353,000	5.00%	$967,650
Total Overlapping Debt	$3,025,524,151		$42,733,764
Direct Debt - Centerville City			
Sales Tax Revenue Bonds	$2,745,000	100.00%	$2,745,000
Total Direct and Overlapping Debt	$3,028,269,151		$45,478,764

(1) For debt repaid with property taxes the estimated percentage of ovelapping 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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	$26,048,852	$35,971,172	$34,500,403	$32,209,898	$30,499,924	$31,078,256	$37,623,137	$39,134,632	$40,819,160	$43,298,657
Total net applicable debt	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Legal debt margin	$26,048,852	$35,971,172	$34,500,403	$32,209,898	$30,499,924	$31,078,256	$37,623,137	$39,134,632	$40,819,160	$43,298,657
Total net debt applicable to limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed Value	$1,082,466,428
Debt Limit (4% of assessed value)	$43,298,657
Less Applicable Debt	$0
Legal Debt Margin	$43,298,657

Centerville City Corporation

Sales Tax Bond Coverage
Last Seven Years

Sales Tax Revenue Bonds series 2009

Fiscal Year	Sales & Use Tax Revenue	Principal	Interest & Fiscal Charges	Total	Coverage
2010	$2,732,936	$1,120,000	$422,258	$1,542,258	1.77
2011	$2,830,732	$1,165,000	$401,888	$1,566,888	1.81
2012	$3,005,090	$1,185,000	$355,288	$1,540,288	1.95
2013	$3,129,208	$1,260,000	$254,988	$1,514,988	2.07
2014	$3,335,469	$1,340,000	$254,864	$1,594,864	2.09
2015	$3,509,401	$1,420,000	$201,388	$1,621,388	2.16
2016	$3,697,653	$1,510,000	$144,588	$1,654,588	2.23

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

Centerville City Corporation

Revenue Bond Coverage
Last Ten Fiscal Years

Water Revenue Bonds

Fiscal Year	Gross Revenue	Operating Transfers	Expenses net of Depreciation	Net Available Revenue	Principal	Interest	Total	Coverage
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
2015	$2,842,413	$0	-$2,163,073	$679,340	$365,000	$98,813	$463,813	1.46
2016	$3,638,778	$0	-$2,248,384	$1,390,394	$405,000	$87,063	$492,063	2.83

(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)
2006	15,035	$30,577	$459,725,195	3.10%	27.3	3.52
2007	15,110	$31,518	$476,236,980	3.70%	27.3	3.52
2008	15,185	$31,915	$484,629,275	5.40%	27.3	3.52
2009	15,260	$32,115	$490,074,900	5.90%	27.3	3.52
2010	15,335	$33,104	$507,649,840	6.70%	31.7	3.21
2011	15,440	$33,817	$522,134,480	5.20%	31.7	3.21
2012	16,203	$34,755	$563,135,265	4.30%	31.7	3.21
2013	16,624	$35,430	$588,988,320	3.60%	31.7	3.21
2014	16,819	$35,898	$603,768,462	3.50%	31.7	3.21
2015	16,877	$34,324	$579,286,148	2.90%	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 Mechandise	250-499	2
Target	General Mechandise	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
Colonial Buidling Supply	Building Materials	100-249	9

	Prior Year		
Employer	Type of Business	Employees	Rank
Management & Training Corporation	Job Training Services	500-999	1
Walmart	General Mechandise	250-499	2
Target	General Mechandise	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
Colonial Buidling Supply	Building Materials	100-249	9

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	2007	2008	2009	2010	2011	2012	2013	2015	2016
General Government									
Administration	3	3	3	3	3	3	3	3	3
Finance	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Justice Court	3.75	3.75	3.75	3.75	2.75	2.5	2.5	2.5	2.5
Total General Govenment	10.25	10.25	10.25	10.25	9.25	9	9	9	9
Police	25	25	25	25	25	25	25	25	25.5
Community Development	4	4	4	3	3	3	3	3	3
Public Works									
Administration	4	4	4	4	4	4	4	4	4
Streets	4	4	4	4	4	4	4	4	4
Water	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	6.5
Drainage	1	1	1	1	1	1	1	1	1
Total Public Works	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	15.5
Parks & Recreation									
Parks	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Recreation	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Museum	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Building Maintenance	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Total Parks & Recreation	17.25	17.25	17.25	17.25	17.25	17.25	17.25	17.25	17.25
Total Primary Government	71	71	71	70	69	68.75	68.75	68.75	70.25

Sources: Centerville City Payroll.

Centerville City Corporation

General Fund Expenditures by Function
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Works	Community Development	Parks & Recreation	Total
2007	$1,243,498	$2,535,540	$2,276,266	$386,775	$983,066	$7,425,145
2008	$1,307,209	$2,641,150	$2,016,653	$408,839	$927,602	$7,301,453
2009	$1,350,747	$2,749,920	$1,930,929	$383,636	$1,043,428	$7,458,660
2010	$1,308,162	$2,837,137	$1,813,865	$342,511	$860,195	$7,161,870
2011	$1,320,672	$2,879,202	$2,017,916	$375,609	$884,478	$7,477,877
2012	$1,392,886	$3,119,574	$1,465,215	$451,462	$915,767	$7,344,904
2013	$1,335,371	$3,111,317	$1,454,321	$343,833	$857,772	$7,102,614
2014	$1,380,944	$3,194,578	$2,238,112	$345,980	$1,007,872	$8,167,486
2015	$1,405,409	$3,394,303	$1,774,789	$355,398	$1,059,677	$7,989,576
2016	$597,100	$3,201,291	$1,154,582	$408,860	$964,216	$6,326,049

Centerville City Corporation

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

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015
Community Development									
Single Dwelling permits	43	14	7	10	32	40	16	7	27
Double Dwelling permits	8	48	24	8	22	40	23	0	1
Multi-family Dwelling permits	24	24	0	0	3	1	0	0	4
Commercial permits	26	20	15	7	23	15	16	36	27
Demolition permits	12	7	6	2	0	2	3	5	4
Permit process time	7 days	7 days	7 days	7 days	5 days	5 days	5 days	3-5 days	3-5 days
Parks, Recreation and Trails									
Developed Acreage	88	88	88	88	88	88	88	88	88
Undeveloped Acreage	35	35	35	35	35	35	35	35	35
Youth in Recreation Programs	2,970	2,658	2,732	2,446	2,510	2,374	2,150	2,476	2,153
Police Services									
Expenditures per officer	$103,968	$113,688	$119,140	$119,140	$125,047	$136,302	$143,876	$132,710	$141,519
Average response time (minutes)	3.5 to 4	1.23 to 6.52	.80 to 2.93	3.32	3.63	3.45	1.2	*not available*	3.12
Police reports per officer	201	135	143	124	130	138	145	*not available*	*not available*
Water									
Gallons billed	449,896,786	476,933,000	492,084,000	530,025,000	53,184,423	52,500,000	53,000,000	53,000,000	53,000,000
Residential connections	3,995	4,041	4,093	4,110	4,114	4,211	4,275	4,468	4,492
Other connections	452	459	461	463	465	467	483	501	502
Taxes									
Taxable sales per capita (local option)	$20,747	$21,761	$19,856	$20,954	$22,136	$22,930	$22,851	$23,650	$24,776
Sales tax revenue per capita (local option)	$194.27	$210.63	$188.22	$178.22	$193.51	$197.30	$200.65	$208.66	$219.09
Indexed to State average (less resort cities)	103.00%	115.10%	111.37%	109.34%	*not available*	*not available*	$168.39	*not available*	*not available*
Property tax revenue per capita (non RDA)	$56.68	$57.99	$57.36	$62.45	$60.35	$60.82	$59.97	$56.60	$59.07
Indexed to State average (less resort cities)	80.20%	78.36%	59.13%	63.72%	*not available*	*not available*	*not available*	*not available*	*not available*
Franchise tax per capita	$57.58	$61.51	$63.19	$63.02	$64.05	$64.05	$68.83	$67.33	$67.64
Indexed to State average (less resort cities)	163.16%	384.44%	210.63%	233.41%	*not available*	*not available*	*not available*	*not available*	*not available*
Total tax revenue per capita	$308.53	$330.13	$308.77	$303.69	$317.91	$323.91	$360.59	$375.07	$383.50
Indexed to State average (less resort cities)	104.80%	120.93%	104.31%	105.45%	*not available*	*not available*	*not available*	*not available*	
General Fund revenues per capita	$456	$426	$428	$485	$483.03	$473.93	$483.80	$489.22	$459.17
General Fund expenditures per capita	$407	$444	$446	$493	$490.52	$438.36	$463.25	$478.71	$437.92
Capital improvement expenditures per capita	$123	$72	$101	$394	$391.60	$112.52	$95.06	$31.32	$121.36

Sources: Utah State Tax Commission. UCMA Benchmarking report.

Centerville City Corporation

Capital Asset & Statistical Information by Function
Last Ten Fiscal Years

Date of Incorporation
Area of City

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Population Estimate(1)	15,110	15,185	15,260	15,335	15,440	15,530	16,203	16,624	16,849	16,877
City Hall and Justice Court	1	1	1	1	1	1	1	1	1	1
Museum	1	1	1	1	1	1	1	1	1	1
Streets & Public Works										
Miles of Streets	59	61	62	62	64	64	64	64	65	67
Number of Street Lights	729	733	715	715	725	728	733	741	753	753
Public Works Office, Maintenance, Storage	2	2	2	2	2	2	2	2	2	2
Number of Police Stations (included in City Hall)	1	1	1	1	1	1	1	1	1	1
Number of Police Officers	17	17	17	17	17	17	17	17	18	18
Municipal Water										
Number of Customers	4,401	4,499	4,523	4,541	4,589	4,624	4,699	4,758	4,763	4,763
Miles of Water Mains	71	72	72	72	74	77.29	77.71	78.01	80.01	81
Number of Culinary Water Wells	8	8	8	8	8	8	8	9	9	9
Number of Culinary Water Storage Tanks	6	6	6	6	6	6	6	6	6	6
Waste Collection										
Number of primary residential customers	n/a	n/a	n/a	3,983	4,024	4,127	4,152	4,196	4,239	4,239
Number of recycling customers	n/a	n/a	n/a	3,272	3,416	3,546	3,582	3,674	3,701	3,771
Number of green waste customers	n/a	n/a	n/a	n/a	905	1,066	1,075	1,118	1,230	1,255
Building Permits Issued (new construction, includes remodel)	115	115	55	46	98	80	96	74	216	240
Parks & Recreation										
Office, Maintenance, Storage Buildings	1	1	1	1	1	1	1	1	1	1
Developed Parks	7	7	7	7	7	7	7	7	7	7
Undeveloped Parks and Trails	0	5	5	5	5	5	5	5	5	5
Pavillions	7	7	7	7	7	7	7	7	7	7
Tennis Courts	4	4	4	4	4	4	4	4	4	4
Baseball Fields	4	4	4	4	4	4	4	4	4	4

Sources: Centerville City Public Works, Parks, Police, Community Development, and Administration departments.
(1) Years 2003-2009, based on 2000 Census and subsequent years are estimated on new construction. 2010-12 is 2010 Census, following years are estimated from new construction.

CENTERVILLE
WORK SESSION
Staff Backup Report
1/31/2017

Item No. 2.

Short Title: Financial Report for period ending December 31, 2016

Initiated By:

Scheduled Time:

SUBJECT

RECOMMENDATION

Allow Finance Director, Blaine Lutz, to review the 6-month financial report for FY 2017 and answer questions.

BACKGROUND

The City Manager would like the City Council to understand how the "prior-year adjustments" made by the auditors affect the current year financial report, and funding for 2017 projects. See the attached interim financial report for the six-month period ending December 31, 2016.

ATTACHMENTS:

Description

D 6 month interim report

General Fund
Unaudited Summary
December 31, 2016

	This Month	Year to Date	FY 17 Budget	50% % Budget
Revenues				
Property Tax	$717,837	$838,818	$1,057,096	79.35%
RDA Increment	$0	$0	$165,000	0.00%
Fee in Lieu	$6,446	$41,087	$100,000	41.09%
Sales & UseTax	$287,440	$1,868,543	$3,977,500	46.98%
Franchise Taxes	$67,101	$532,626	$1,246,000	42.75%
Licenses & Permits	$49,649	$147,556	$360,875	40.89%
Intergovernmental	$26,607	$30,607	$48,250	63.43%
Charges for Services	$63,165	$416,960	$1,061,175	39.29%
Fines	$22,169	$221,411	$515,000	42.99%
Miscellaneous	$2,151	$18,281	$43,250	42.27%
Transfers/Contributions	$125	$23,290	$2,000	1164.50%
Total	$1,242,690	$4,139,179	$8,576,146	48.26%
Expenditures				
City Council	$3,764	$36,054	$107,948	33.40%
Judicial	$22,670	$112,338	$216,236	51.95%
Executive	$46,409	$211,839	$428,024	49.49%
Attorney	$17,102	$84,772	$171,957	49.30%
Finance	$57,723	$294,641	$549,922	53.58%
Legal Services	$450	$9,713	$32,000	30.35%
Emergency Management	$166	$10,847	$8,770	123.68%
Fire	$0	$437,623	$875,246	50.00%
Elections	$0	$0	$0	0.00%
Youth Council	$0	$0	$7,000	0.00%
Police	$258,232	$1,192,455	$2,456,752	48.54%
Liquor Law	$279	$2,198	$19,300	11.39%
School Xing	$6,597	$26,588	$62,050	42.85%
DARE	$9,921	$50,869	$98,348	51.72%
K-9	$0	$468	$2,250	20.80%
Animal Control	$0	$9,206	$27,621	33.33%
PW Admin	$32,234	$154,356	$317,331	48.64%
Streets	$82,460	$366,193	$767,412	47.72%
Projects	$0	$0	$5,000	0.00%
GIS	$10,061	$48,032	$109,098	44.03%
Engineering	$5,617	$40,590	$86,500	46.92%
Parks	$82,831	$492,211	$861,443	57.14%
Community Events	$0	$21	$23,650	0.09%
Public Buidings	$18,758	$97,468	$234,276	41.60%
Community Dev.	$49,465	$139,592	$323,555	43.14%
Building Inspection	$14,018	$35,337	$80,600	43.84%
RDA Increment	$0	$0	$165,000	0.00%
Transfers - Non Dep.	$0	$30,925	$315,974	9.79%
UTOPIA -Pledges	$38,579	$231,895	$267,953	86.54%
Total	$757,336	$4,116,231	$8,621,216	47.75%

Use/Contribtion to Fund balance (Revenues Over/Under Expenditures)	$	22,948	$ (45,070)
Restricted Balance		$172,852	
Unreserved Fund Balance at Beginning of Year (e		$619,427	
Total Balance		$792,279	
Restricted Balance		$0	
Unreserved Fund Balance estimate 12/31/2016		$815,227	

Source: Current Centerville City financial statements. May be subject to change

Capital Projects
Unaudited Summary
December 31, 2016

	This Month	Year to Date	FY 17 Budget	50% % Budget
Capital Improvement				
Storm Drain				
Revenues:				
Fund Balance				
Impact Fees	$3,078	$7,958	$25,000	31.83%
Grants	$0	$0	$0	0.00%
Drainage Fees	$54,276	$327,065	$580,871	56.31%
Other	$102	$585	$1,200	48.75%
Total Revenues	$57,456	$335,608	$607,071	55.28%
Expenditures	$178,594	$268,172	$653,852	41.01%
Fund Balance at Beginning of Year		$177,385		
Unreserved Fund Balance estimate 12/31/2016		$244,821		
Park				
Revenues:				
Fund Balance				
Impact Fees	$0	$39,083	$50,000	78.17%
Transfer	$0	$0	$0	0.00%
RAP Tax Transfer	$0	$0	$0	0.00%
Grants	$0	$0	$0	0.00%
Other	$0	$0	$500	0.00%
Total Revenues	$0	$39,083	$50,500	77.39%
Expenditures	$4,520	$17,508	$148,519	11.79%
Fund Balance at Beginning of Year		$292,937		
Unreserved Fund Balance estimate 12/31/2016		$314,512		
Transportation Projects Fund				
Revenues:				
Fund Balance				
Sales Tax	$22,808	$151,369	$315,000	48.05%
Class C	$0	$320,934	$525,000	61.13%
Other	$0	$0	$1,000	0.00%
Transfers	$0	$0	$210,000	0.00%
Total Revenues	$22,808	$472,303	$1,051,000	0.00%
Expenditures	$16,123	$140,451	$1,101,000	12.76%
Fund Balance at Beginning of Year		$77,452		
Unreserved Fund Balance estimate 12/31/2016		$409,304		
UTOPIA Project Fund				
Revenues:				
Fund Balance				
Transfers - General	$38,579	$231,895	$267,953	86.54%
RDA additional increment	$0	$0	$195,000	0.00%
Other	$0	$7,909	$0	0.00%
Total Revenues	$38,579	$239,804	$462,953	51.80%
Expenditures				
UTOPIA Pledge	$38,579	$231,895	$462,953	50.09%
Total Expenditures	$38,579	$231,895	$462,953	50.09%
Fund Balance at Beginning of Year (est.)		-$7,909		
Unreserved Fund Balance estimate 12/31/2016		$0		

Source: Current Centerville City financial statements. May be subject to change

RDA/Special Revenue
Unaudited Summary
December 31, 2016

	This Month	Year to Date	FY 16 Budget	50% % Budget
RDA				
Revenues	$6,588	$39,304	$1,918,000	2.05%
Expenditures	$2,169	$60,753	$1,918,000	3.17%
Fund Balance at Beginning of Year		$50,540		
Unreserved Fund Balance estimate 12/31/2016		$29,091		
Theater reserve balance	$490,882			
Recreation				
Revenues				
Recreation	$605	$21,358	$79,000	27.04%
Youth Baseball	$0	$11,836	$36,000	32.88%
Concession Sales	$0	$2,847	$20,000	14.24%
Other	$0	$41,000	$41,000	100.00%
Total Revenues	$605	$77,041	$176,000	43.77%
Expenditures				
Recreation	$9,756	$64,459	$120,000	53.72%
Concessions	$0	$2,116	$20,000	10.58%
Youth Baseball/Softball	$0	$1,875	$36,000	5.21%
Total Expenditures	$9,756	$68,450	$176,000	38.89%
Revenue Over/Under Expend	$ (9,151)	$ 8,591	$ -	
Balance at Beginning of Year		$62,912		
Unreserved Fund Balance estimate 12/31/2016		$71,503		
Sales Tax Debt Service (DCAC)				
Revenues	$0	$0	$593,012	0.00%
Expenditures	$0	$0	$593,012	0.00%
Reserved Fund Balance		$0		
Unreserved Fund Balance estimate 12/31/2016		$0		
Whitaker Trust				
Beginning fund balance				
Revenues	$0	$32,616	$61,675	52.88%
Expenditures	$3,982	$22,812	$65,056	35.07%
Fund Balance at Beginning of Year		$21,003		
Unreserved Fund Balance estimate 12/31/2016		$30,807		
RAP Tax Fund				
RAP tax	$28,869	$185,994	$375,000	49.60%
Fund Balance			$67,500	
			$442,500	
Parks	$0	$0	$318,750	0.00%
Whitaker	$0	$0	$18,750	0.00%
Centerpoint	$0	$0	$18,750	0.00%
Other	$0	$0	$18,750	0.00%
FY 2016 Balance	$0	$0	$67,500	0.00%
Total expenditures	$0	$0	$442,500	0.00%
Fund Balance at Beginning of Year		$81,988		
Unreserved Fund Balance estimate 12/31/2016		$185,994		
Perpetual Care				
Revenues	$0	$2,350		
Balance		$339,600		

Source: Current Centerville City financial statements. May be subject to change

Enterprise Funds
Unaudited Summary
December 31, 2016

	This Month	Year to Date	FY 15 Budget	50% % Budget
Water				
Revenues:				
Impact/construction Fees	$20,081	$48,524	$275,000	17.65%
Water Sales	$178,805	$1,153,676	$2,222,000	51.92%
Other	$1,849	$9,071	$61,000	14.87%
Total Revenues	$200,735	$1,211,271	$2,558,000	47.35%
Expenditures				
Operating/Dep/Debt	$214,102	$1,176,203	$2,192,167	53.65%
Capital Improvement	$86,238	$188,135	$640,900	29.35%
Total Expenditures	$300,340	$1,364,338	$2,833,067	48.16%
Sanitation				
Revenues:				
Collection Fees	$58,427	$350,032	$700,000	50.00%
Recycling fees	$14,966	$89,448	$176,000	50.82%
Green Waste fees	$9,156	$55,170	$106,750	51.68%
Other	$313	$2,357	$11,000	21.43%
Total Revenues	$82,862	$497,007	$993,750	50.01%
Expenditures:				
Disposal	$28,442	$142,373	$250,000	56.95%
Collection	$21,000	$105,140	$303,000	34.70%
Recycling	$12,350	$61,502	$174,000	35.35%
Green Waste Disposal	$5,141	$25,841	$31,000	83.36%
Other	$16,311	$50,356	$212,000	23.75%
Total Expenditures	$83,244	$385,212	$970,000	39.71%
Drainage				
Revenues	$103,763	$621,698	$1,246,500	49.88%
Operating Expenditures	$29,005	$337,220	$1,326,625	25.42%
Transfer for capital	$54,276	$327,065	$580,871	56.31%
Capital Expenditures	$0	$4,922	$4,500	109.38%
Total Expenditures	$83,281	$669,207	$1,911,996	35.00%
Telecommunications				
Revenues:				
Connection Fees	$21,617	$153,605	$210,000	73.15%
Total Revenues	$21,617	$153,605	$210,000	73.15%
Expenditures:				
Utility Service charges	$31,280	$133,600	$199,500	66.97%
Operating service charge	$1,146	$4,533	$10,500	43.17%
Total Expenditures	$32,426	$138,133	$210,000	65.78%

Source: Current Centerville City financial statements. May be subject to change

CENTERVILLE

Staff Backup Report
1/31/2017

Item No. 3.

Short Title: Review funding and priorities for 2017 projects

Initiated By:

Scheduled Time:

SUBJECT

RECOMMENDATION

Allow the City Manager to update the Council regarding funding for 2017 projects and seek the Council's direction, as needed, regarding project priorities and timing.

BACKGROUND

The attachment, "2017 Capital Improvement Program Summary", will be used for this discussion.

ATTACHMENTS:

Description

D 2017 Capital Improvement Program Summary

2017 Capital Improvement Program Summary

12/9/2(

Project	Lead	Partners	Calendar			Notes/Status
			Design	Bid	Construct	
ter Mains - replace	KC/RM	UDOT	NOV-MAR	MAR	JUN-AUG	Prior to UDOT overlay in 2018
rm Drains - replace	KC/RM	UDOT	NOV-MAR	MAR	JUN-AUG	Prior to UDOT overlay in 2018
ter main under I-15/tracks	KC/RM	UTA/UPRR/UDOT	DONE	JAN-FEB	MAR-MAY	Last water revenue bond project
ontage Rd. storm drain project	KC/CP/DW				SPRING	In progress - completion after CenturyLink relocates fi
widening/bike lanes/overlay	KC/CP	WFRC	SPR-SUM	AUG	SEPT-OCT	1st step: environmental review (after culverts done)
ts contracts	KC/RM		DEC-JAN	FEB-MAR	SPRING/SUMMER	
0 W/Questar line/2 storm drains	RR/KC	QUESTAR	JAN-FEB	MAR	?	Coordinate with Questar project
Holding Tank	RR/KC/CP		DEC-JAN	FEB-MAR	MAY	Holds ground water for park irrigation
Parking Lot & Trails	BC/KC/CP		DEC-JAN	FEB-MAR	MAY-JUL	Possibly bid with street projects
Landscaping	BC/KC/CP		FEB-MAR	MAR	JUN-AUG	Playable in 2018
Park schematic plan/cost estimate	BC/DS/KC	PARKS&REC COM	NOV-APR			Apply for federal grant in April
pansion analysis	BC/DS/KC		NOV-FEB			Focus on existing site
	KC/RR		DEC-APR	FALL	FALL	Subject to Council approval
Trees - High priority repairs	RR/KW				MARCH	Bids secured; Waiting until spring
Trees - Public process, policy & plan	CC/ST		DEC-APR			
thway, lighting and parking	BC/ST/DS	MUSEUM BOARD	JAN-APR		MAY-OCT	Will need more than annual allocation to construct in
channel project	KC/CP/DW	DAVIS CO	CONCEPT TO State Engineer: Jun		Phase 1: 2018	Stream alteration permit first; then ACOE. Phase over
m misc.	KC/RM/MC		DEC-JAN	FEB-MAR	SPRING	May postpone
	RR	RMP	DEC	DEC-JAN	FEB-MAR	
	CS/ST	UTA	JAN-FEB		MAR-JUN	Securing property owners permission

BC Bruce Cox
CP Cody Peterson ESI
CS Cory Snyder
DS Dan Sonntag
DW Dave Walker
KC Kevin Campbell
KW Ken Williams
MC Mike Carlson
RM Ryan Mcleod ESI
RR Randy Randall
ST Steve Thacker