

CITY OF CENTERVILLE
CENTERVILLE, SOUTH DAKOTA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDING DECEMBER 31, 2017
WITH ACCOUNTANT'S COMPILATION REPORT

INDEPENDENT AUDIT SERVICES, P.C.

Benjamin Elliott, CPA
P.O. Box 262
Madison, South Dakota 57042

CITY OF CENTERVILLE
CENTERVILLE, SOUTH DAKOTA

TABLE OF CONTENTS TO THE FINANCIAL REPORT
FOR THE YEAR ENDING DECEMBER 31, 2017

FINANCIAL SECTION

As of and for the year ending December 31, 2017

1 Independent Accountant's Compilation Report

Basic Financial Statements: (Modified Cash Basis of Accounting)

Government-Wide Financial Statements:

- 2 Statement of Net Position
3 Statement of Activities

Fund Financial Statements:

Governmental Funds:

- 4 Balance Sheet
5 Statement of Receipts, Disbursement, and Changes in Fund Balances

Enterprise Funds:

- 6 Statement of Net Position
7 Statement of Receipts, Disbursements, and Changes in Net Position
8 Statement of Cash Flows

SUPPLEMENTARY INFORMATION SECTION

Budgetary Comparison Schedule - Budgetary Basis:

- 9 General Fund
10 Revolving Loan Fund
11 3rd Cent Sales Tax Fund

Pension Schedules:

- 12 Schedule of the City's Proportional Share of Net Pension Liability (Asset)
12 Schedule of the City's Contributions
13 Schedule of Changes in Long-Term Debt

NOTE: All figures shown in this financial report are in U.S. dollars.
For space considerations, the "\$" symbol is not used.

INDEPENDENT AUDIT SERVICES, PC

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Governing Board
City of Centerville
Centerville, South Dakota

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Management is responsible for the accompanying modified cash basis financial statements of the City of Centerville, Turner County, South Dakota, which comprise the financial statements of governmental activities, business-type activities, each major fund and a discretely presented component unit as of and for the year ending December 31, 2017 in accordance with a modified cash basis of accounting. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review these modified cash basis financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these modified cash basis financial statements.

I draw attention to the fact that these financial statements are prepared on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

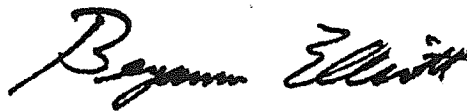
Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the modified cash basis financial statements, they might influence the user's conclusions about the City's financial position, results of operations, and cash flows. Accordingly, these modified cash basis financial statements are not designed for those who are not informed about such matters.

Management has omitted Management's Discussion and Analysis. Such missing information, although not a required 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 by placing the basic financial statements in an appropriate operational, economic, or historical context.

The budgetary comparison schedules (page 9 to 11), the schedule of the City's proportional share of net pension liabilities (assets) (page 12), the schedule of the City's pension contributions (page 12), and the schedule of changes in long-term debt (page 13) are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplementary information (page 9 to 13) has been compiled from information that is the responsibility of management. I have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on this supplementary information.

Independent Audit Services, PC
Benjamin Elliott, CPA
Madison, South Dakota

February 24, 2018



CITY OF CENTERVILLE

ANNUAL REPORT
 STATEMENT OF NET POSITION
 MODIFIED CASH BASIS
 AS OF DECEMBER 31, 2017

	Primary Government			Unaudited Component Units
	Governmental Activities	Business- Type Activities	Total	
ASSETS:				
Cash and cash equivalents	526,423	246,015	772,438	8,406
Certificates of deposit		272,285	272,285	30,000
Restricted assets:				
Cash and cash equivalents	4,659	71,082	75,741	
Certificates of deposit	20,284		20,284	
Total assets	551,366	589,382	1,140,748	38,406
NET POSITION:				
Restricted for:				
Permanent funds:				
Non-expendable principle:				
Senior citizens	10,142		10,142	
Ballfields	10,142		10,142	
Revolving loans	58,013		58,013	
3rd cent uses	27,778		27,778	
Debt service		71,082	71,082	
Unrestricted	445,291	518,300	963,591	38,406
Total net position	551,366	589,382	1,140,748	38,406

See accountant's compilation report.

CITY OF CENTERVILLE
 ANNUAL REPORT
 STATEMENT OF ACTIVITIES
 MODIFIED CASH BASIS
 FOR THE YEAR ENDING DECEMBER 31, 2017

Functions/Programs:	Program Receipts				Net Receipts (Disbursements) and Changes in Net Position			Unaudited Component Units
	Disbursements	Charges for Services and Reimbursements	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	
Primary government:								
Governmental activities:								
General government	88,914	13,234			(75,680)		(75,680)	
Public safety	121,134				(121,134)		(121,134)	
Public works	225,833	2,035		7,521	(216,277)		(216,277)	
Health and welfare	199				(199)		(199)	
Culture and recreation	159,361	9,099			(150,262)		(150,262)	
Economic development	124,338				(124,338)		(124,338)	
Total governmental activities	719,779	24,368	0	7,521	(687,890)	0	(687,890)	0
Business-type activities:								
Water	188,041	173,804				(14,237)	(14,237)	
Sewer	180,616	196,394				15,778	15,778	
Total business-type activities	368,657	370,198	0	0	0	1,541	1,541	0
Total primary government	1,088,436	394,566	0	7,521	(687,890)	1,541	(686,349)	0
Component unit activity:								
Centerville Development Corporation								0
Centerville Housing & Redev Commission								0
General receipts:								
Taxes:								
Property taxes					357,284		357,284	
Sales taxes					167,439		167,439	
Amusement taxes					132		132	
State shared receipts					40,263		40,263	
County shared receipts					3,505		3,505	
Interest received					2,264	6,911	9,175	
Rents and franchise fees					32,293		32,293	
Donations					2,650		2,650	
Miscellaneous					610	3,182	3,792	
Special assessments					5,688		5,688	
Total general receipts					612,128	10,093	622,221	0
Change in net position					(75,762)	11,634	(64,128)	0
Net position:								
January 1, 2017					627,128	577,748	1,204,876	38,406
December 31, 2017					551,366	589,382	1,140,748	38,406

See accountant's compilation report.

CITY OF CENTERVILLE

ANNUAL REPORT

BALANCE SHEET -- MODIFIED CASH BASIS

ALL GOVERNMENTAL FUNDS

AS OF DECEMBER 31, 2017

	General Fund	Revolving Loan Fund	3rd Cent Fund	Pascale Permanent Senior Citizen Fund	Pascale Permanent Ballfield Fund	Total
ASSETS:						
101.00 Cash and cash equivalents	440,632	58,013	27,778			526,423
Restricted assets:						
107.00 Cash and cash equivalents				2,308	2,351	4,659
107.00 Certificates of deposit				10,142	10,142	20,284
Total assets	440,632	58,013	27,778	12,450	12,493	551,366
FUND BALANCES:						
263.00 Nonspendable				10,142	10,142	20,284
264.00 Restricted			27,778	2,308	2,351	32,437
265.00 Committed		58,013				58,013
266.00 Assigned - capital projects	393,381					393,381
267.00 Unassigned	47,251					47,251
Total fund balances	440,632	58,013	27,778	12,450	12,493	551,366

* Equals net position on statement of net position

See accountant's compilation report.

CITY OF CENTERVILLE

ANNUAL REPORT
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND
 BALANCES -- MODIFIED CASH BASIS -- ALL GOVERNMENTAL FUNDS
 FOR THE YEAR ENDING DECEMBER 31, 2017

	General Fund	Revolving Loan Fund	3rd Cent Fund	Pascale Permanent Senior Citizen Fund	Pascale Permanent Ballfield Fund	Total	
Receipts:							
Local sources:							
Taxes:							
311.00	Ad valorem taxes	357,284				357,284	
313.00	General sales and use tax	161,100	6,339			167,439	
315.00	Amusement taxes	132				132	
320.00	Licenses and permits:	12,800				12,800	
Intergovernmental:							
State shared receipts:							
334.99	Grants	7,521				7,521	
335.01	Bank franchise tax	1,102				1,102	
335.03	Liquor tax reversion	5,476				5,476	
335.04	Motor vehicle licenses (5	14,131				14,131	
335.08	Highway and bridge	19,554				19,554	
338.02	County shared receipts: roa	3,505				3,505	
Charges for goods and services:							
343.00	Public works	2,035				2,035	
346.02	Swimming pool	8,384				8,384	
346.99	Other recreation	715				715	
350.00	Fines and forfeits	434				434	
Miscellaneous:							
361.00	Interest received	2,067	73	41	34	2,264	
369.01	Rents and franchise fees	22,993	9,300		49	32,293	
363.00	Special assessments	5,688				5,688	
367.00	Donations	500	2,150			2,650	
369.99	Other	610				610	
	Total receipts	626,031	9,373	8,530	34	49	644,017
Disbursements:							
Current:							
General government:							
411.00	Mayor and Council	24,529				24,529	
413.00	Elections	516				516	
414.00	Financial administration	51,348				51,348	
419.00	Other	12,521				12,521	
Public safety:							
421.00	Police	80,806				80,806	
422.00	Fire	22,357				22,357	
Public works:							
431.00	Highways and streets	158,809				158,809	
432.00	Sanitation - compost site	1,165				1,165	
Health and welfare:							
446.00	Ambulance	199				199	
Culture and recreation:							
451.00	Recreation	3,651				3,651	
451.20	Swimming pool	29,092				29,092	
452.00	Parks	51,882				51,882	
455.00	Library	54,518				54,518	
Conservation and development:							
465.00	Economic development	98,232	18,933	7,173		124,338	
	Capital outlay	104,048				104,048	
	Total disbursements	693,673	18,933	7,173	0	0	719,779
	Excess of receipts over (under) disbursements	(67,642)	(9,560)	1,357	34	49	(75,762)
Other financing sources (uses):							
	None						0
	Net change in fund balance	(67,642)	(9,560)	1,357	34	49	(75,762) *
Fund balances:							
262.00	January 1, 2017	508,274	67,573	26,421	12,416	12,444	627,128
	December 31, 2017	440,632	58,013	27,778	12,450	12,493	551,366

* Equals change in net position on
statement of activities

See accountant's compilation report.

CITY OF CENTERVILLE

ANNUAL REPORT
 STATEMENT OF NET POSITION
 MODIFIED CASH BASIS
 ENTERPRISE FUNDS
 AS OF DECEMBER 31, 2017

	Water Fund	Sewer Fund	Total Enterprise Funds
	-----	-----	-----
ASSETS			
Current assets:			
101.00 Cash and cash equivalent	92,919	153,096	246,015
105.00 Certificates of deposit	190,599	81,686	272,285
Restricted assets:			
107.00 Cash and cash equivalent	45,522	25,560	71,082
	-----	-----	-----
Total assets	<u>329,040</u>	<u>260,342</u>	<u>589,382</u>
NET POSITION			
253.21 Restricted - debt service	45,522	25,560	71,082
253.90 Unrestricted	283,518	234,782	518,300
	-----	-----	-----
Total net position	<u>329,040</u>	<u>260,342</u>	<u>589,382</u>

See accountant's compilation report.

CITY OF CENTERVILLE

ANNUAL REPORT
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
 IN NET POSITION -- MODIFIED CASH BASIS
 ENTERPRISE FUNDS
 FOR THE YEAR ENDING DECEMBER 31, 2017

	Water Fund -----	Sewer Fund -----	Total -----	
Operating receipts:				
381.00	Charges for goods and services	173,804	196,394	370,198
	Total operating receipts	173,804	196,394	370,198
Operating disbursements:				
411.00	Personal services	60,625	60,625	121,250
420.00	Other current services	35,442	23,806	59,248
426.29	Cost of goods sold	46,453		46,453
430.00	Capital assets - equipment		14,800	14,800
	Total operating disbursements	142,520	99,231	241,751
	Excess operating receipts (disbursements)	31,284	97,163	128,447
Nonoperating receipts (disbursements):				
361.00	Interest received	3,633	3,278	6,911
362.00	Rents - farm, net		3,182	3,182
441.00	Debt service - principal	(25,215)	(45,631)	(70,846)
442.00	Debt service - interest	(20,306)	(35,754)	(56,060)
	Total nonoperating receipts (disbursements)	(41,888)	(74,925)	(116,813)
	Excess receipts (disbursements) before other financing sources and (uses):	(10,604)	22,238	11,634
	Other financing sources (uses):			
	None			0
	Change in net position	(10,604)	22,238	11,634
253.00	Net position:			
	January 1, 2017	339,644	238,104	577,748
	December 31, 2017	<u>329,040</u>	<u>260,342</u>	<u>589,382</u>

See accountant's compilation report.

CITY OF CENTERVILLE

ANNUAL REPORT
 STATEMENT OF CASH FLOWS-- MODIFIED CASH BASIS
 ENTERPRISE FUNDS
 FOR THE YEAR ENDING DECEMBER 31, 2017

	Water Fund -----	Sewer Fund -----	Total -----
Cash flows from:			
Operating activities:			
Receipts from customers	173,804	196,394	370,198
Cost of employees	(60,625)	(60,625)	(121,250)
Payments to suppliers	(81,895)	(23,806)	(105,701)
Capital improvements		(14,800)	(14,800)
Net cash provided (used) by operating activities	----- 31,284	----- 97,163	----- 128,447
Noncapital financing activities:			
None			0
Capital financing activities:			
Debt service - principal	(25,215)	(45,631)	(70,846)
Debt service - interest	(20,306)	(35,754)	(56,060)
Investing activities:			
Interest received	3,633	3,278	6,911
Rents - farm, net		3,182	3,182
Redeem certificate of deposits	1		1
Net increase (decrease) in cash and cash equivalents	----- (10,603)	----- 22,238	----- 11,635
Cash and cash equivalents:			
January 1, 2017	149,044	156,418	305,462
December 31, 2017	----- 138,441	----- 178,656	----- 317,097
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Excess operating receipts (disbursements)	31,284	97,163	128,447
Net cash provided (used) by operating activities	----- 31,284	----- 97,163	----- 128,447
Noncash investing, capital and financing activities:			
None			
See accountant's compilation report.			

CITY OF CENTERVILLE

ANNUAL REPORT
 SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 FOR THE YEAR ENDING DECEMBER 31, 2017

GENERAL FUND	Budgeted Amounts			Actual (Modified Cash Basis)	Variance Positive (Negative)
	Original	Contingency Transfers	Supplemental: Final		
Receipts:					
Receipts from local sources:					
Taxes:					
Ad valorem taxes	369,689		369,689	357,284	(12,405)
Sales and use tax	165,000		165,000	161,100	(3,900)
Amusement tax	230		230	132	(98)
Licenses and permits:	5,700		5,700	12,800	7,100
Intergovernmental receipts:	112,500		112,500	51,289	(61,211)
Charges for goods and services	13,100		13,100	11,134	(1,966)
Fines and forfeits	2,000		2,000	434	(1,566)
Miscellaneous receipts:	52,000		52,000	31,858	(20,142)
Total receipts	720,219	0	720,219	626,031	(94,188)
Disbursements:					
General government:					
Mayor and Council	40,770		3,000	43,770	19,241
Contingency				0	0
Amount transferred				0	0
Elections	800		800	516	284
Financial administration	54,496		800	55,296	3,948
Other	12,500		1,600	14,100	1,579
Public safety:					
Police	106,013		9,200	115,213	28,721
Fire	35,050		4,200	39,250	4,608
Public works:					
Highways and streets	214,685		31,000	245,685	21,017
Sanitation	1,361		2	1,363	198
Health and welfare:					
Ambulance	925		925	199	726
Culture and recreation:					
Recreation	3,500		151	3,651	0
Swimming pool	45,095		3,200	48,295	16,573
Parks	66,011		26,000	92,011	30,796
Library	63,922		704	64,626	1,853
Conservation and development:					
Economic development	91,401		4,707	96,108	(2,124)
Total disbursements	736,529	0	84,564	821,093	127,420
Excess of receipts over (under) disbursements	(16,310)	0	(84,564)	(100,874)	33,232
Other financing sources (uses):					
None				0	0
Net change in fund balance	(16,310)	0	(84,564)	(100,874)	33,232
Fund balance:					
January 1, 2017	508,274		508,274	508,274	0
December 31, 2017	491,964	0	(84,564)	440,632	33,232

CITY OF CENTERVILLE

ANNUAL REPORT

SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

FOR THE YEAR ENDING DECEMBER 31, 2017

REVOLVING LOAN FUND

	Budgeted Amounts			Actual (Modified Cash Basis)	Variance Positive (Negative)
	Original	Supplemental	Final		
Receipts:					
Miscellaneous receipts:					
Interest received	100		100	73	(27)
Rents received	9,600		9,600	9,300	(300)
Total receipts	9,700	0	9,700	9,373	(327)
Disbursements:					
Economic development	0		0	18,933	(18,933)
Total disbursements	0	0	0	18,933	(18,933)
Excess of receipts over (under) disbursements	9,700	0	9,700	(9,560)	(19,260)
Other financing sources (uses):					
None	0		0		0
Net change in fund balance	9,700	0	9,700	(9,560)	(19,260)
Fund balance (deficit):					
January 1, 2017	67,573		67,573	67,573	0
December 31, 2017	77,273	0	77,273	58,013	(19,260)

CITY OF CENTERVILLE

ANNUAL REPORT
 SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 FOR THE YEAR ENDING DECEMBER 31, 2017

3RD CENT SALES TAX FUND

	Budgeted Amounts			Actual (Modified Cash Basis)	Variance Positive (Negative)
	Original	Supplemental:	Final		
Receipts:					
Receipts from local sources:					
Taxes:					
Sales and use tax	8,000		8,000	6,339	(1,661)
Miscellaneous:					
Inerest received	25		25	41	16
Donations	1,400		1,400	2,150	750
Total receipts	9,425	0	9,425	8,530	(895)
Disbursements:					
Economic development	9,000		9,000	7,173	1,827
Total disbursements	9,000	0	9,000	7,173	1,827
Excess of receipts over (under) disbursements	425	0	425	1,357	932
Other financing sources (uses):					
None	0		0		0
Net change in fund balance	425	0	425	1,357	932
Fund balance:					
January 1, 2017	26,421		26,421	26,421	0
December 31, 2017	26,846	0	26,846	27,778	932

CITY OF CENTERVILLE
FOR THE FOUR YEARS ENDING DECEMBER 31, 2017

SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE
SOUTH DAKOTA RETIREMENT SYSTEM'S NET PENSION LIABILITY (ASSET)

SDRS Measurement Date Year Ended (1)	City's Percentage of the Net Pension Asset	City's Proportionate Share of Net Pension Liability (Asset)	City's Covered Employee Payroll for its 6-30 Year End	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2017	0.0128663%	(1,168)	251,362	(0.46%)	100.1%
June 30, 2016	0.0139806%	47,225	235,962	20.01%	96.9%
June 30, 2015	0.0130917%	(55,526)	223,729	(24.82%)	104.1%
June 30, 2014	0.0132712%	(95,614)	216,900	(44.08%)	107.3%

(1) The amounts presented for each fiscal year were determined as of the collective net pension liability (asset) which is 6-30 of the City's current calendar year.

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

CITY OF CENTERVILLE
FOR THE FOUR YEARS ENDING DECEMBER 31, 2017

SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S CONTRIBUTIONS
TO THE SOUTH DAKOTA RETIREMENT SYSTEM

City's Year Ended	Contractually Required Contribution	Contributions Related to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered Employee Payroll for its Calendar Year End	Contributions as a Percentage of Covered Employee Payroll
December 31, 2017	16,635	16,635	0	266,416	6.24%
December 31, 2016	15,388	15,388	0	227,556	6.76%
December 31, 2015	14,927	14,927	0	232,752	6.41%
December 31, 2014	13,798	13,798	0	215,084	6.42%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

CITY OF CENTERVILLE

ANNUAL REPORT
 SCHEDULE OF CHANGES IN LONG-TERM DEBT
 FOR THE YEAR ENDING DECEMBER 31, 2017

For: Department of Legislative Audit

	Beginning 12-31-16	Additions	(Deletions)	Governmental Ending 12-31-17	Business-Type Ending 12-31-17
GOVERNMENTAL LONG-TERM DEBT					
231.01 General Obligation Bonds					
231.02 Revenue Bonds					
231.03 Special Assessment Bonds					
236.00 Advance from Other Funds					
237.00 Other Long-Term Liabilities					
233.00 Leave liability					
ENTERPRISE LONG-TERM DEBT					
231.01 General Obligation Bonds					
231.02 Revenue Bonds	1,619,738		(70,846)		1,548,892
231.03 Special Assessment Bonds					
235.00 Accrued Landfill Closure and post closure care costs					
236.00 Advance from Other Funds					
237.00 Other Long-Term Liabilities					
233.00 Leave liability					
Totals	<u>1,619,738</u>	<u>0</u>	<u>(70,846)</u>	<u>0</u>	<u>1,548,892</u>

ANNUAL REPORT FOR THE CITY OF CENTERVILLE
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2017

ENTERPRISE FUNDS - MODIFIED CASH BASIS
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	Water Fund	Sewer Fund	Total Enterprise Funds
	-----	-----	-----
Beginning Balance	339,644	238,104	577,748
Revenue	177,437	202,854	380,291
Expenses	(188,041)	(180,616)	(368,657)
Ending Balance	329,040	260,342	589,382
	=====	=====	=====
Enterprise long-term debt			1,548,892
			=====

For questions regarding this financial information
please contact the City's finance officer at 563-2302.

City money is deposited as follows:

One American Bank:	
Checking and savings	848,054
Certificates of Depo	292,569
Petty Cash	125

	1,140,748
	=====

