

CITY OF CENTERVILLE
CENTERVILLE, SOUTH DAKOTA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDING DECEMBER 31, 2018
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

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FOR THE YEAR ENDING DECEMBER 31, 2018

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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

Benjamin Elliott, CPA
P.O. Box 262
Madison, South Dakota 57042
605.270.3020

Governing Board
City of Centerville
Centerville, South Dakota

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Management is responsible for the accompanying financial statements of governmental activities, business-type activities, each major fund and a discretely presented component unit of the City of Centerville, Turner County, South Dakota, as of and for the one year ended December 31, 2018, which collectively comprise the City's basis financial statements as listed in the table of contents, in accordance with a modified cash basis of accounting, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. 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 the 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 financial statements.

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 financial statements, they might influence the user's conclusions about the City's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The supplementary information contained in the budgetary comparison, proportional share of net pension liabilities (assets), pension contributions and changes in long-term debt schedules are not a required part of the basic financial statements. Such information is the responsibility of management. This supplementary information was subject to my compilation engagement. I have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

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

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



April 23, 2019

CITY OF CENTERVILLE

ANNUAL REPORT
 STATEMENT OF NET POSITION
 MODIFIED CASH BASIS
 AS OF DECEMBER 31, 2018

	Primary Government			
	Governmental Activities	Business- Type Activities	Total	Component Unit
ASSETS:				
Cash and cash equivalents	487,206	21,855	509,061	25,123
Certificates of deposit		272,285	272,285	30,000
Restricted assets:				
Cash and cash equivalents	4,772	71,082	75,854	
Certificates of deposit	20,284		20,284	
Total assets	512,262	365,222	877,484	55,123
NET POSITION:				
Restricted for:				
Permanent funds:				
Non-expendable principle:				
Senior citizens	10,142		10,142	
Ballfields	10,142		10,142	
Revolving loans	63,318		63,318	
3rd cent uses	32,160		32,160	
Debt service		71,082	71,082	
Unrestricted	396,500	294,140	690,640	55,123
Total net position	512,262	365,222	877,484	55,123

See accountant's compilation report.

CITY OF CENTERVILLE
 ANNUAL REPORT
 STATEMENT OF ACTIVITIES
 MODIFIED CASH BASIS
 FOR THE YEAR ENDING DECEMBER 31, 2018

Functions/Programs: Primary government:	Program Receipts			Net Receipts (Disbursements) and Unanges in Net Position			Component Unit
	Disbursements	Charges for Services and Reimbursements	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
General government	99,252	10,545			(88,707)		(88,707)
Public safety	126,134				(126,134)		(126,134)
Public works	204,429				(204,429)		(204,429)
Health and welfare	0	5,021			5,021		5,021
Culture and recreation	177,558	9,938			(167,620)		(167,620)
Economic development	96,913	26,787			(70,126)		(70,126)
Total governmental activities	704,286	47,270	5,021	0	(651,995)	0	(651,995)
Business-type activities:							
Water	205,814	186,921		100,906	(18,893)	(18,893)	(18,893)
Sewer	769,504	214,913			(453,685)	(453,685)	(453,685)
Total business-type activities	975,318	401,834	0	100,906	(472,578)	(472,578)	(472,578)
Total primary government	1,679,604	449,104	5,021	100,906	(651,995)	(472,578)	(1,124,573)
Component unit activity: Centerville Housing & Redevelopment Commission	42,731	36,487					(6,244)
General receipts:							
Taxes:							
Property taxes					377,771		377,771
Sales taxes					163,029		163,029
Amusement taxes					168		168
State shared receipts					42,467		42,467
County shared receipts					3,534		3,534
Interest received					1,809		1,809
Rents and franchise fees					8,214	8,418	10,227
Donations					1,568		1,568
Special assessments					5,655		5,655
Miscellaneous					468		468
Sale of surplus property					5,465		5,465
Compensation for damaged property					2,743		2,743
SRF loan proceeds					0		0
Total general receipts					612,891	240,000	861,309
Change in net position					(39,104)	(224,160)	(263,264)
Net position:							
January 1, 2018					551,366	589,382	1,140,748
December 31, 2018					512,262	365,222	877,484

See accountant's compilation report.

CITY OF CENTERVILLE

ANNUAL REPORT
 BALANCE SHEET -- MODIFIED CASH BASIS
 ALL GOVERNMENTAL FUNDS
 AS OF DECEMBER 31, 2018

	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	391,728	63,318	32,160			487,206
Restricted assets:						
107.00 Cash and cash equivalents				2,349	2,423	4,772
107.00 Certificates of deposit				10,142	10,142	20,284
Total assets	391,728	63,318	32,160	12,491	12,565	512,262
FUND BALANCES:						
263.00 Nonspendable				10,142	10,142	20,284
264.00 Restricted			32,160	2,349	2,423	36,932
265.00 Committed		63,318				63,318
266.00 Assigned - capital projects	391,728					391,728
267.00 Unassigned	0					0
Total fund balances	391,728	63,318	32,160	12,491	12,565	512,262 *

* 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, 2018

	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	377,771				377,771	
313.00	General sales and use tax	157,192	5,837			163,029	
315.00	Amusement taxes	168				168	
320.00	Licenses and permits:	8,400				8,400	
Intergovernmental:							
State shared receipts:							
334.99	Grants	5,021				5,021	
335.01	Bank franchise tax	2,009				2,009	
335.03	Liquor tax reversion	5,547				5,547	
335.04	Motor vehicle licenses (5	13,098				13,098	
335.08	Highway and bridge	20,545				20,545	
335.20	Other	1,268				1,268	
338.02	County shared receipts: roa	3,534				3,534	
Charges for goods and services:							
341.00	General government	2,043				2,043	
346.02	Swimming pool	8,493				8,493	
346.99	Other recreation	1,445				1,445	
350.00	Fines and forfeits	102				102	
Miscellaneous:							
361.00	Interest received	1,269	270	130	41	72	1,782
369.01	Rents and franchise fees	2,941	5,300				8,241
363.00	Special assessments	5,655					5,655
367.00	Donations		1,568				1,568
369.99	Other	27,255					27,255
Total receipts	643,756	5,570	7,535	41	72	656,974	
Disbursements:							
Current:							
General government:							
411.00	Mayor and Council	17,138				17,138	
413.00	Elections					0	
414.00	Financial administration	58,521				58,521	
419.00	Other	23,593				23,593	
Public safety:							
421.00	Police	91,229				91,229	
422.00	Fire	25,382				25,382	
Public works:							
431.00	Highways and streets	195,678				195,678	
432.00	Sanitation - compost site	5,012				5,012	
Health and welfare:							
446.00	Ambulance	0				0	
Culture and recreation:							
451.00	Recreation	3,500				3,500	
451.20	Swimming pool	31,217				31,217	
452.00	Parks	37,820				37,820	
455.00	Library	65,487				65,487	
Conservation and development:							
465.00	Economic development	82,999	265	3,153		86,417	
465.20	Planning and zoning	10,496				10,496	
	Capital outlay	52,796				52,796	
Total disbursements	700,868	265	3,153	0	0	704,286	
Excess of receipts over (under) disbursements	(57,112)	5,305	4,382	41	72	(47,312)	
Other financing sources (uses):							
	Sale of surplus property	5,465				5,465	
	Compensation for damaged pr	2,743				2,743	
Net change in fund balance	(48,904)	5,305	4,382	41	72	(39,104) *	
262.00	Fund balance:						
	January 1, 2018	440,632	58,013	27,778	12,450	12,493	551,366
	December 31, 2018	391,728	63,318	32,160	12,491	12,565	512,262

* 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, 2018

	Water Fund	Sewer Fund	Total Enterprise Funds
	-----	-----	-----
ASSETS			
Current assets:			
101.00	77,892	(56,037)	21,855
105.00	190,599	81,686	272,285
Restricted assets:			
107.00	45,522	25,560	71,082
	-----	-----	-----
Total assets	<u>314,013</u>	<u>51,209</u>	<u>365,222</u>
 NET POSITION			
253.21	45,522	25,560	71,082
253.90	268,491	25,649	294,140
	-----	-----	-----
Total net position	<u>314,013</u>	<u>51,209</u>	<u>365,222</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, 2018

	Water Fund	Sewer Fund	Total
	-----	-----	-----
Operating receipts:			
381.00 Charges for goods and services	186,921	210,581	397,502
	-----	-----	-----
Total operating receipts	186,921	210,581	397,502
	-----	-----	-----
Operating disbursements:			
411.00 Personal services	59,902	60,443	120,345
420.00 Other current services	50,532	92,702	143,234
426.29 Cost of goods sold	49,859		49,859
430.00 Capital improvements - Main Street		531,301	531,301
430.00 Capital equipment		1,275	1,275
	-----	-----	-----
Total operating disbursements	160,293	685,721	846,014
	-----	-----	-----
Excess operating receipts (disbursements)	26,628	(475,140)	(448,512)
Nonoperating receipts (disbursements):			
361.00 Interest received	3,866	4,552	8,418
362.00 Rents - farm, net		4,332	4,332
441.00 Debt service - principal	(26,035)	(47,700)	(73,735)
442.00 Debt service - interest	(19,486)	(33,683)	(53,169)
449.00 Debt issue cost		(2,400)	(2,400)
	-----	-----	-----
Total nonoperating receipts (disbursements)	(41,655)	(74,899)	(116,554)
Excess receipts (disbursements) before other financing sources and (uses):			
	(15,027)	(550,039)	(565,066)
Other financing sources (uses):			
State Consolidated grant		100,906	100,906
SRF loan proceeds		240,000	240,000
	-----	-----	-----
Change in net position	(15,027)	(209,133)	(224,160)
253.00 Net position:			
January 1, 2018	329,040	260,342	589,382
	-----	-----	-----
December 31, 2018	314,013	51,209	365,222
	=====	=====	=====

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, 2018

	Water Fund	Sewer Fund	Total
	-----	-----	-----
Cash flows from:			
Operating activities:			
Receipts from customers	186,921	210,581	397,502
Cost of employees	(59,902)	(60,443)	(120,345)
Payments to suppliers	(100,391)	(92,702)	(193,093)
Capital improvements		(531,301)	(531,301)
Equipment		(1,275)	(1,275)
Net cash provided (used)	-----	-----	-----
by operating activities	26,628	(475,140)	(448,512)
Noncapital financing activities:			
None			0
Capital financing activities:			
State Consolidated grant		100,906	100,906
SRF loan proceeds		240,000	240,000
Debt service - principal	(26,035)	(47,700)	(73,735)
Debt service - interest	(19,486)	(33,683)	(53,169)
Debt issue cost		(2,400)	(2,400)
Investing activities:			
Interest received	3,866	4,552	8,418
Rents - farm, net		4,332	4,332
Net increase (decrease) in	-----	-----	-----
cash and cash equivalents	(15,027)	(209,133)	(224,160)
Cash and cash equivalents:			
January 1, 2018	138,441	178,656	317,097
December 31, 2018	<u>123,414</u>	<u>(30,477)</u>	<u>92,937</u>
Reconciliation of operating			
income (loss) to net cash			
provided (used) by operating			
activities:			
Excess operating receipts			
(disbursements)	26,628	(475,140)	(448,512)
Net cash provided (used)	-----	-----	-----
by operating activities	<u>26,628</u>	<u>(475,140)</u>	<u>(448,512)</u>
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, 2018

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	380,664		380,664	377,771	(2,893)
Sales and use tax	165,000		165,000	157,192	(7,808)
Amusement tax	250		250	168	(82)
Licenses and permits:	6,775		6,775	8,400	1,625
Intergovernmental receipts:	51,500		51,500	51,022	(478)
Charges for goods and services	11,200		11,200	11,981	781
Fines and forfeits	2,000		2,000	102	(1,898)
Miscellaneous receipts:	38,904		38,904	37,120	(1,784)
Total receipts	656,293	0	0	643,756	(12,537)
Disbursements:					
General government:					
Mayor and Council	39,270		39,270	17,138	22,132
Contingency			0	0	0
Amount transferred			0	0	0
Elections	800		800	800	800
Financial administration	60,389		60,389	58,521	1,868
Other	13,220		13,220	23,593	(10,373)
Public safety:					
Police	87,557		90,797	91,229	(432)
Fire	36,020	3,240	36,020	34,905	1,115
Public works:					
Highways and streets	243,078		243,078	199,417	43,661
Sanitation	500		500	5,012	(4,512)
Health and welfare:					
Ambulance	0		0	0	0
Culture and recreation:					
Recreation	3,500		3,500	3,500	0
Swimming pool	35,094	5,102	40,196	60,088	(19,892)
Parks	47,302		47,302	40,291	7,011
Library	60,821		60,821	73,679	(12,858)
Conservation and development:					
Economic development	84,356		84,356	82,999	1,357
Planning and zoning	11,538		11,538	10,496	1,042
Total disbursements	723,445	0	8,342	700,868	30,919
Excess of receipts over (under) disbursements	(67,152)	0	(8,342)	(57,112)	18,382
Other financing sources (uses):					
Sale of surplus property			0	5,465	5,465
Compensation for damaged property			0	2,743	2,743
Net change in fund balance	(67,152)	0	(8,342)	(48,904)	26,590
Fund balance:					
January 1, 2018	440,632		440,632	440,632	0
December 31, 2018	373,480	0	(8,342)	391,728	26,590

CITY OF CENTERVILLE

ANNUAL REPORT
 SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 FOR THE YEAR ENDING DECEMBER 31, 2018

REVOLVING LOAN FUND

	Budgeted Amounts			Actual (Modified Cash Basis)	Variance Positive (Negative)
	Original	Supplemental	Final		
Receipts:					
Miscellaneous receipts:					
Interest received	80		80	270	190
Rents received	9,600		9,600	5,300	(4,300)
Total receipts	9,680	0	9,680	5,570	(4,110)
Disbursements:					
Economic development	4,000		4,000	265	3,735
Total disbursements	4,000	0	4,000	265	3,735
Excess of receipts over (under) disbursements	5,680	0	5,680	5,305	(375)
Other financing sources (uses):					
None	0		0		0
Net change in fund balance	5,680	0	5,680	5,305	(375)
Fund balance (deficit):					
January 1, 2018	58,013		58,013	58,013	0
December 31, 2018	63,693	0	63,693	63,318	(375)

CITY OF CENTERVILLE

ANNUAL REPORT
 SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 FOR THE YEAR ENDING DECEMBER 31, 2018

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	7,000		7,000	5,837	(1,163)
Miscellaneous:					
Interest received	45		45	130	85
Donations	2,200		2,200	1,568	(632)
Total receipts	9,245	0	9,245	7,535	(1,710)
Disbursements:					
Economic development	8,000		8,000	3,153	4,847
Total disbursements	8,000	0	8,000	3,153	4,847
Excess of receipts over (under) disbursements	1,245	0	1,245	4,382	3,137
Other financing sources (uses):					
None	0		0		0
Net change in fund balance	1,245	0	1,245	4,382	3,137
Fund balance:					
January 1, 2018	27,778		27,778	27,778	0
December 31, 2018	29,023	0	29,023	32,160	3,137

CITY OF CENTERVILLE
FOR THE FIVE YEARS ENDING DECEMBER 31, 2018

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, 2018	0.0139625%	(326)	280,000	(00.46%)	100.02%
June 30, 2017	0.0128663%	(1,168)	251,362	(00.46%)	100.10%
June 30, 2016	0.0139806%	47,225	235,962	20.01%	96.89%
June 30, 2015	0.0130917%	(55,526)	223,729	(24.82%)	104.10%
June 30, 2014	0.0132712%	(95,614)	216,900	(44.08%)	107.30%

(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 FIVE YEARS ENDING DECEMBER 31, 2018

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, 2018	15,672	15,672	0	251,979	6.22%
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, 2018

For: Department of Legislative Audit

	Beginning 12-31-17	Additions	(Deletions)	Governmental Ending 12-31-18	Business-Type Ending 12-31-18
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	1,548,908	240,000	(73,735)		1,715,173
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>1,548,908</u>	<u>240,000</u>	<u>(73,735)</u>	<u>0</u>	<u>1,715,173</u>

