STAFF REPORT

DATE: December 8, 2020

TO: Honorable Mayor and City Council

FROM: Bruce Riddle, Finance Director

SUBJECT: **FY 2020 AUDIT REPORT**

RECOMMENDED MOTION

The Finance Department recommends approving a motion to (1) accept the Springville City FY 2020 Independent Auditor's Report as presented; (2) authorize the City Recorder to advertise and make available for public inspection the Independent Auditor's Report; and (3) authorize the Finance Director to submit the Independent Auditor's Report to the State Auditor as required by law.

SUMMARY OF ISSUES/FOCUS OF ACTION

Utah State Code, Title 51, Chapter 2a requires an independent audit of all cities to be performed within 180 days after the close of each fiscal period. Additionally, the independent audit reports are required to be made available for public inspection and are to be filed with the State Auditor.

BACKGROUND

This is the fourth year that Hansen, Bradshaw, Malmrose & Erickson, P.C. has performed the independent audit for the City. The documents included with this staff report represent two distinct publications. First are the City's comprehensive annual financial statements. These statements reflect the financial activity and accounting entries made by the City during the year including year-end closing entries. The City contracts with HBME to put the City's accounting entries into acceptable form based on Governmental Accounting Standards Board (GASB) guidelines, which requires expertise that City staff does not currently have. Second is the Independent Audit Report, which is HBME's opinion on the financial statements along a Management Letter, which includes comments and findings regarding state compliance and internal controls.

DISCUSSION

The Financial Statements, Independent Auditor's Report, and Management Letter have been provided as attachments to this report. The Management's Discussion and

Analysis section of the report provides a narrative overview of the financial activities of the City during FY 2020.

The audit resulted in no findings of internal control deficiencies and one item of non-compliance with State requirements. This single finding is related to general fund balance, which exceeded the maximum allowable 25% of revenues held in reserve in the general fund. A combination of revenues coming in higher than expected through the anticipated economic downturn associated with the COVID pandemic coupled with reduced expenditures in anticipation of lower revenues, the City ended the year in a stronger financial position than anticipated. Additionally, the City received federal CARES Act funding that further bolstered revenues. Much of this materialized after it was too late to make adjustments in the budget to transfer excess fund balance to the capital fund prior to the end of the budget year in June. A budget amendment will be necessary in the current year to bring fund balance limits back in line with State guidelines.

ALTERNATIVES

The Council can make comments and suggestions to the report and may chose not to accept it; however, the City is required to prepare acceptable financial statements and submit an independent auditor's report to the State Auditor by December 31, 2020.

FISCAL IMPACT

None.

SPRINGVILLE CITY CORPORATION

Financial Statements
and
Independent Auditor's Report

For the Year Ended June 30, 2020

HBME

CERTIFIED PUBLIC ACCOUNTANTS

SPRINGVILLE CITY CORPORATION

Financial Statements
and
Independent Auditor's Report

For the Year Ended June 30, 2020

SPRINGVILLE CITY CORPORATION

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Financial Section

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
Springville 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 Springville City Corporation, Utah (the City), as of and for the year ended June 30, 2020, 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

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Springville City Corporation, Utah, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund 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 on pages 5-15 and the pension schedules on pages 67-69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund

financial statements and budgetary comparison information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 8, 2020, 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 effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

HBME, LLC

December 8, 2020

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Springville City, we offer readers of Springville City's financial statements this narrative overview and analysis of the financial activities of Springville City for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the financial statements which follow this section.

FINANCIAL HIGHLIGHTS

- The total net position of Springville City increased $18,276,198 to $245,099,479. The governmental net position increased by $7,402,155 and the business-type net position increased by $10,874,043.

- The total net position of $245,099,479 is made up of $185,625,829 in capital assets net of depreciation and related outstanding debt and $59,473,650 in other net position.

- Total long-term liabilities of the City decreased by $5,855,995.

- The General Fund (the primary operating fund) had its fund balance increase by $1,951,630 to $8,641,142. The increase was primarily the result of higher-than-expected revenues coupled with lower-than-expected expenses. Negative financial impacts from the COVID-19 pandemic did not materialize as anticipated and federal relief dollars offset some pandemic-related costs. These outcomes reflect a strong local economy where tax revenues continue to grow along with new development. Personnel costs were lower than budgeted reflecting a tight labor market with historically low unemployment making it difficult to fill some positions.

REPORTING THE CITY AS A WHOLE

This discussion and analysis are intended to serve as an introduction to Springville City's basic financial statements. Springville City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required supplementary information and other supplementary information in addition to the basic financial statements.

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

- *The Statement of Net Position* presents information on all of Springville City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Springville City is improving or deteriorating. However, you will also need to consider other non-financial factors.

- *The Statement of Activities* presents information showing how the City's net position changed during the fiscal year reported. 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, all of the current year's revenues and expenses are considered regardless of when cash is received or paid. Both of the government-wide financial statements distinguish functions of Springville 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 government-wide financial statements can be found on pages 17-18 of this report.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

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. Springville City also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

- *Governmental funds* - These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These fund statements focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps users determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation included with the fund financial statements.

  The only major governmental funds (as determined by generally accepted accounting principles) are the General Fund and Capital Projects Fund. The remaining governmental funds are determined to be nonmajor and are included in the combining statements within this report.

- *Proprietary funds* - Springville City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Springville City uses enterprise funds to account for its Electric Utility, Water Utility, Sewer Utility, Storm Water Utility, Solid Waste Collection, and Golf Course. Internal service funds are an accounting device used to accumulate and allocate costs internally among Springville City's various functions. The City uses an internal service fund for procurement and maintenance of its vehicles and equipment as well as maintenance of the City's buildings and grounds. Because these services primarily benefit governmental activities, they have been included with governmental activities in the government-wide financial statements. As determined by generally accepted accounting principles, the Electric, Water and Sewer enterprise funds meet the criteria for major fund classification. The other enterprise funds are classified as nonmajor and are included in the combining statements within this report.

Notes to the Financial Statements are to provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the fund statements for major funds.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information (RSI) on the City's pension program. It also contains the combining fund statements referred to earlier in connection with nonmajor governmental funds and enterprise funds. The RSI and combining and individual fund statements and schedules can be found after the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Springville City, assets exceed liabilities by $245,099,479.

The largest portion of Springville City's net position ($185,626,829) reflects its investment in capital assets (e.g., land, buildings, infrastructure assets, and machinery and equipment) net of accumulated depreciation and less any related debt used to acquire those assets that is still outstanding. The City uses these 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 this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

STATEMENT OF NET POSITION (In thousands of dollars)

	Governmental Activities		Business-type Activities	
	2019-2020	2018-2019	2019-2020	2018-2019
Current and Other Assets	$ 29,848	$ 26,699	$ 45,077	$ 38,735
Capital Assets	113,740	111,116	99,918	96,159
Total Assets	143,588	137,815	144,995	134,894
Deferred Outflows of Resources	1,126	2,410	664	1,298
Long-term Debt Outstanding	23,749	27,584	9,628	11,649
Other Liabilities	2,250	2,540	3,406	3,354
Total Liabilities	25,999	30,124	13,034	15,003
Deferred Inflow of Resources	5,469	4,257	771	209
Net Position:				
Net Investment in Capital Assets	93,398	89,231	92,228	87,625
Restricted	6,313	3,857	3,854	461
Unrestricted	13,535	12,756	35,772	32,894
Total Net Position	$ 113,246	$ 105,844	$ 131,854	$ 120,980

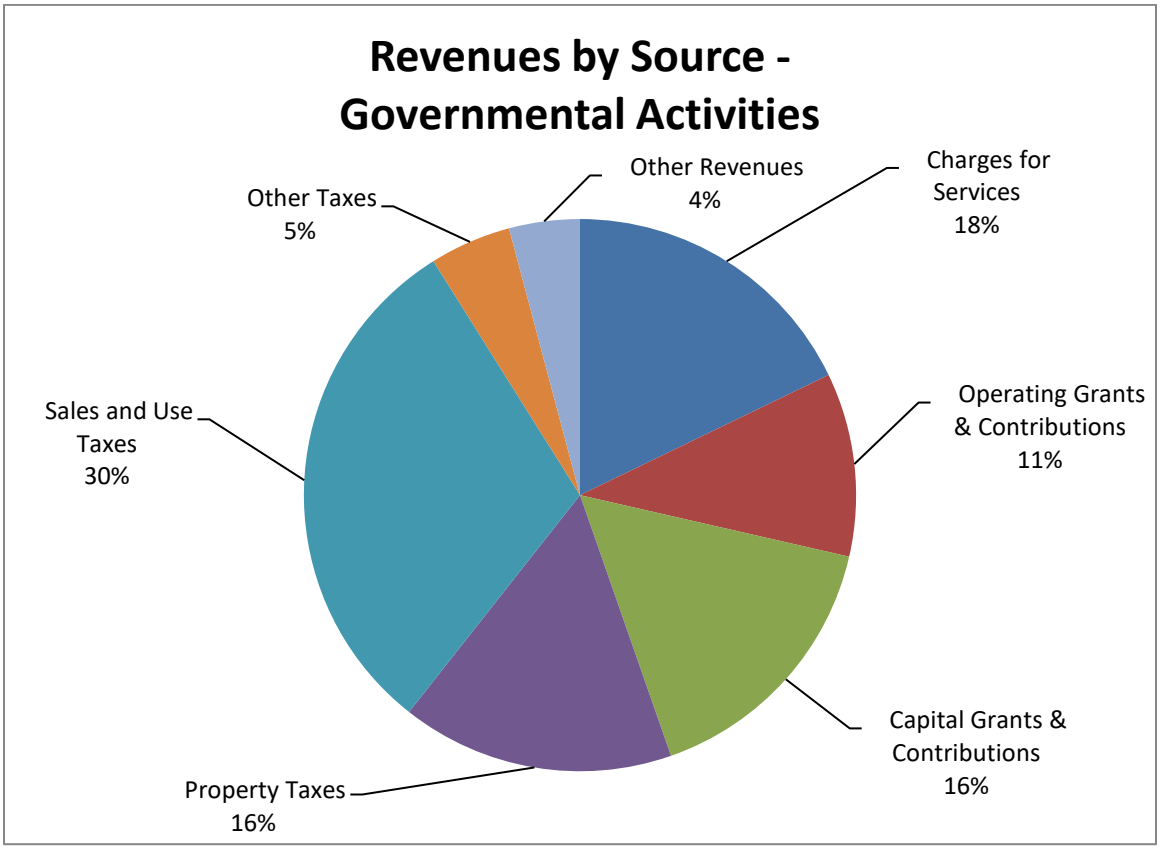
At the end of the current fiscal year, Springville City is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

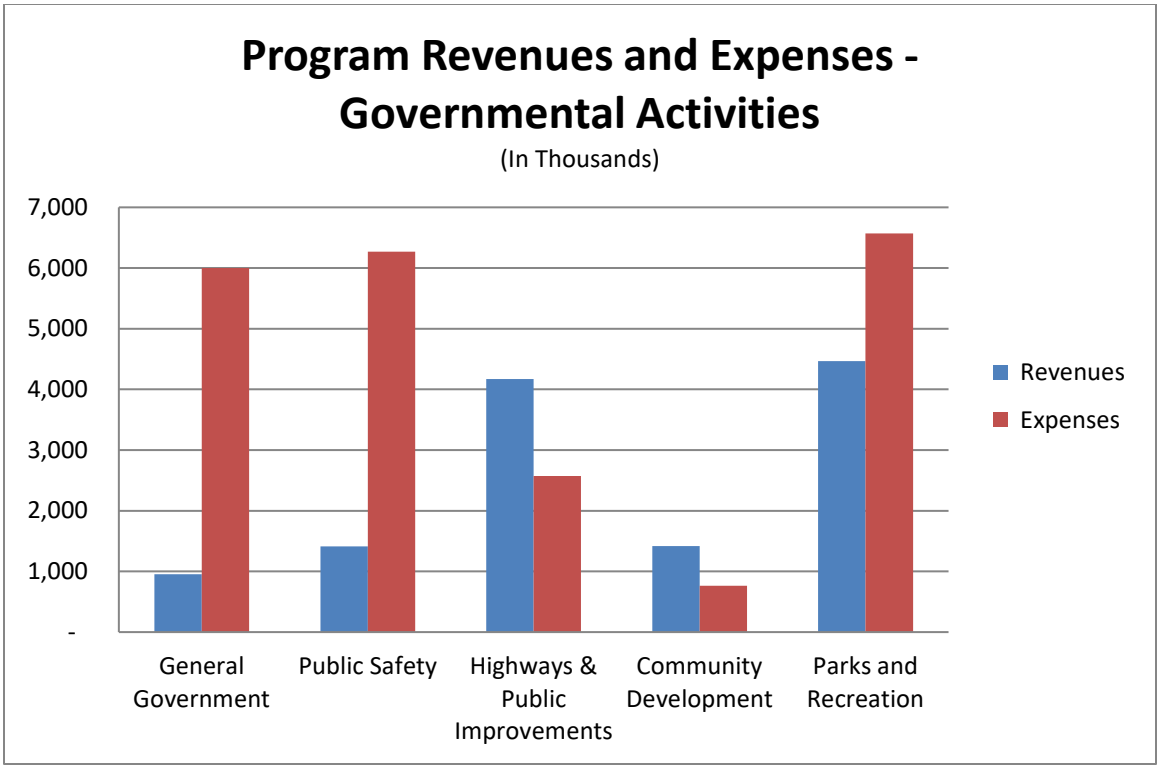
CHANGES IN NET POSITION (In thousands of dollars)

	Governmental Activities		Business-type Activities	
	2019-2020	2018-2019	2019-2020	2018-2019
Revenues				
Program Revenues:				
Charges for Services	$ 4,957	$ 4,941	$ 43,646	$ 41,754
Operating Grants and Contributions	2,987	2,411	-	-
Capital Grants and Contributions	4,469	3,334	4,065	2,440
General Revenues:				
Property Taxes	4,440	4,544	-	-
Sales and Use Taxes	8,469	7,973	-	-
Change in Joint Venture	-	-	156	139
Other Taxes	1,326	807	-	-
Other Revenues	1,150	1,501	563	623
Total Revenues	27,798	25,511	48,430	44,956
Expenses				
General Government	6,002	4,883	-	-
Public Safety	6,269	6,020	-	-
Highways and Public Improvements	2,575	2,560	-	-
Community Development	766	753	-	-
Parks and Recreation	6,569	6,629	-	-
Interest on Long-Term Debt	835	807	-	-
Electric	-	-	24,837	24,689
Water	-	-	3,826	3,640
Wastewater Collection & Treatment	-	-	3,083	3,158
Storm Water	-	-	946	917
Solid Waste Collections	-	-	1,388	1,348
Golf Course	-	-	856	815
Total Expenses	23,016	21,652	34,936	34,567
Increase in Net Position Before	4,782	3,859	13,494	10,389
Transfers – net	2,620	2,518	(2,620)	(2,518)
Change in Net Position	7,402	6,377	10,874	7,871
Net Position Beginning	105,844	99,467	120,980	113,109
Net Position Ending	$ 113,246	$ 105,844	$ 131,854	$ 120,980

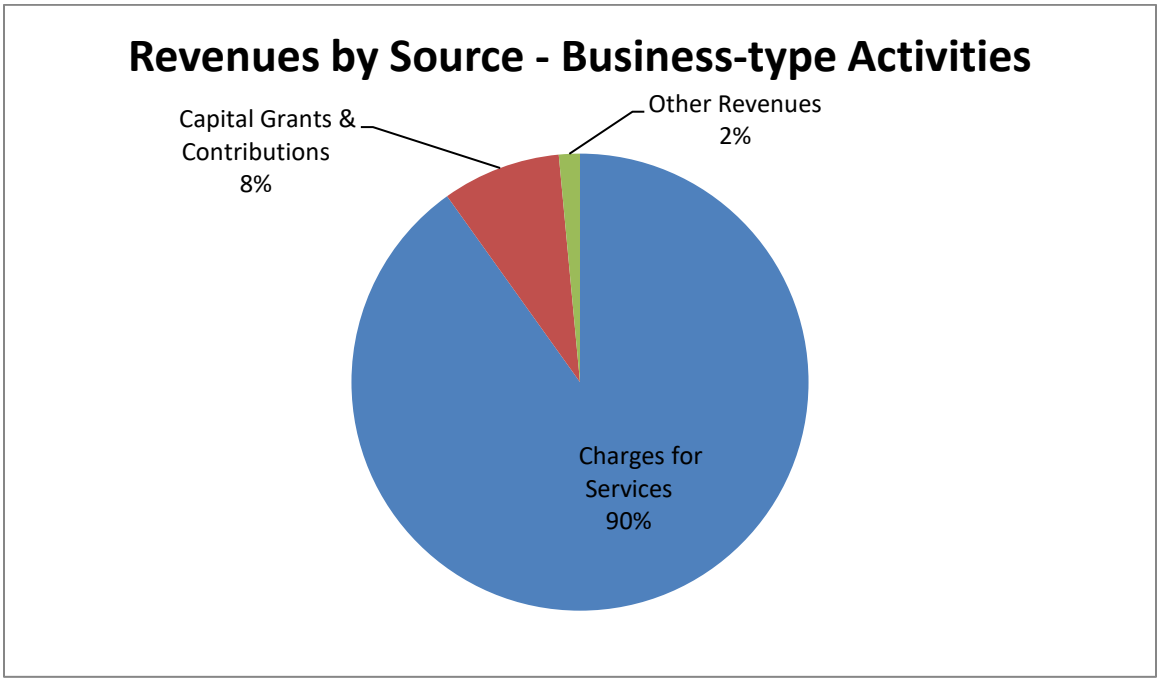
Despite predictions of economic slowdown due to the COVID-19 pandemic, in the governmental activities, revenue sources showed increases compared to last year primarily as a result of natural growth and new development. Sales tax revenues increased $495,904 in 2020 as a reflection of an expanding economy state-wide and new retail development in the City. Both operating and capital grants and contributions increased $1,710,490 in 2020 compared to last year. Included in these revenues were federal CARES Act dollars received to offset impacts of the pandemic response. The general government expenditures increased $1,581,330 in 2020 compared to last year primarily reflecting higher labor costs and modest inflation. In the business-type funds, revenue increases reflect system growth, infrastructure contributions from developers, weather and minor rate increases in some utility funds. As a result, program revenues increased $3,516,959 in 2020. Expenses reflect labor cost increases and system growth from new development for a total increase of $367,762 in 2020 compared to the prior year.

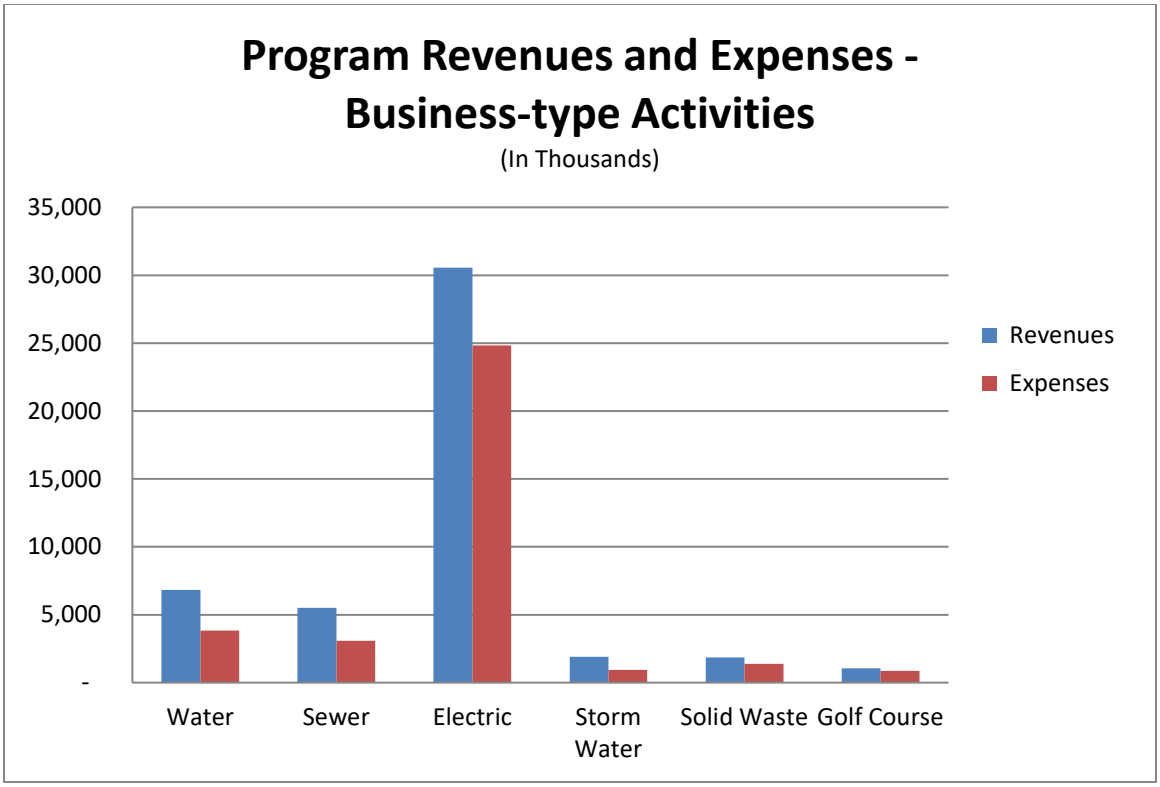
The graphs shown below display the government-wide activities reflected in the previous tables. Program revenues included in the second graph are fees charged for specific services performed by the various governmental functions (for purposes of this graph, general revenues such as property taxes, sales and uses taxes, etc. are not included).





As can be seen from the following charts, the majority of revenues in the business-type activities are from charges for services with over 90% of the revenues coming from this source. The revenues from capital grants and contributions represent the value of grants or infrastructure systems donated to the City via subdivisions or other infrastructure being developed. Expenses for each fund only reflect direct operating costs. The expenses for capital projects, bond principal payments and inter-fund transfers are not included.



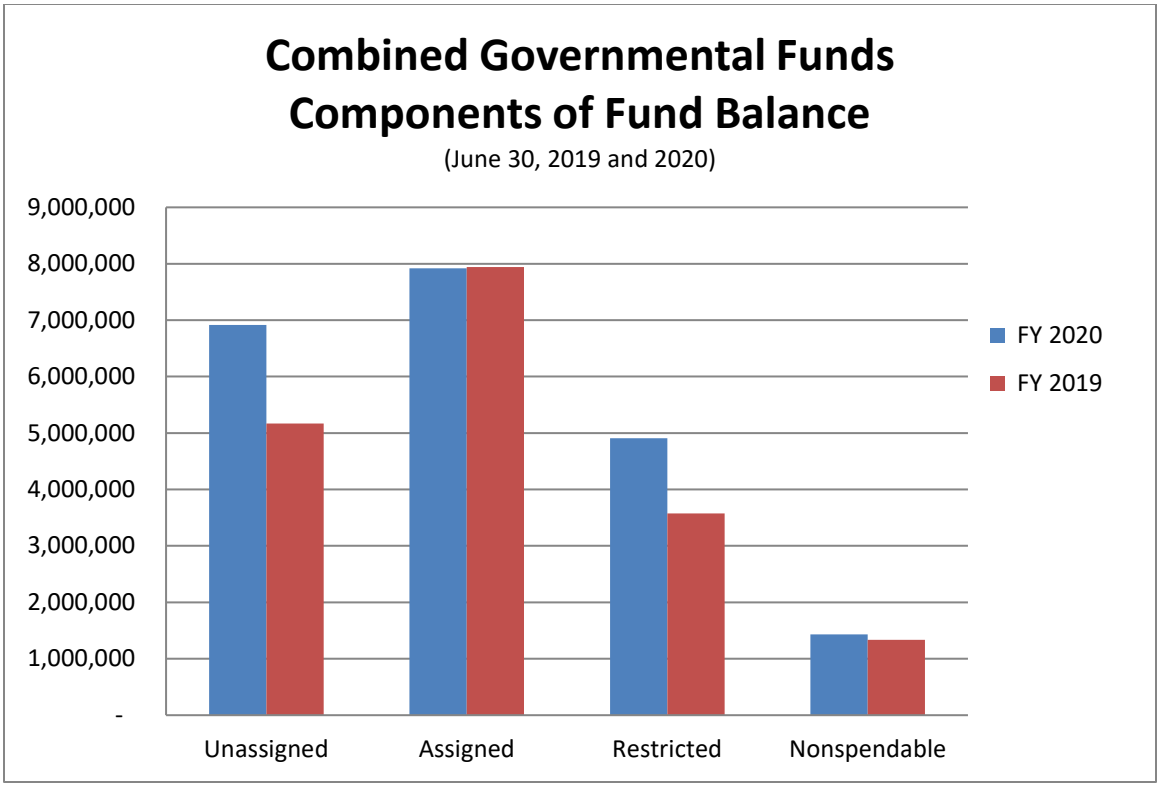


FINANCIAL ANALYSIS OF GOVERNMENT FUNDS

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

Governmental Funds. The focus of the City's *governmental fund* statements 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, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Springville City Council.

As of June 30, 2020, the City's governmental funds (General, Capital Projects, Debt Service, Special Revenue, and Permanent) reported combined fund balance of $21,171,853. This represents an increase of $3,154,367 from last year's ending balances ($18,017,486). The *unassigned fund balance*, which is available for spending at the City's discretion, represents $6,915,582 or 32.7% of the total fund balance. The remainder of the fund balance is either *nonspendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form ($1,430,047), 2) restricted for particular purposes ($4,908,356), or 3) assigned for particular purposes ($7,917,868).



The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds, either by state or local ordinance or by a desire to maintain a matching of revenues and expenses, are accounted for in this fund. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. The unassigned fund balance increased $1,745,977 to $6,915,582, which is approximately 36% of total general fund expenditures, while total fund balance represents approximately 45% of that same amount. The increase in fund balance is attributable to higher-than-expected revenues, including federal CARES Act funding, coupled with lower-than-budgeted expenditures, partially due to intentional budget reductions in anticipation of the economic impact from the pandemic that did not materialize.

The capital projects fund, a major fund, had a $208,710 increase in fund balance during the current fiscal year which put the overall fund balance at $6,317,784. The increase was primarily the result of transfers of surplus dollars from the general fund intended to fund deferred capital projects, which will now be planned for future budgets.

Nonmajor governmental fund balances increased $994,027 to $6,212,927. These funds include the Springville Redevelopment Agency, Special Services Fund, Debt Service Fund, Municipal Building Authority, and Permanent Fund. The RDA has seen increased development activity in recent years resulting in tax increment revenues that can now be programmed for project expenses in the RDA boundaries. The RDA's fund balance increased $209,175 to $846,236. The Special Services Fund accounts for activities related to governmental services funded through impact fees. Considerable new development activity within the city has resulted in increased impact fee revenue, which can be programmed for growth-related projects contemplated in various impact fee facility plans. The Special Services fund balance decreased by $953,910 to $2,202,140 as a number of impact fee projects were completed. The Permanent Fund includes the Cemetery Trust Fund, which retains a portion of plot sales revenue intended to support long-term maintenance of the City's cemeteries. The Permanent fund balance increased $114,195 to $1,981,603.

Proprietary Funds. As stated earlier, the City maintains several proprietary funds to account for the business-type activities of the City. The separate fund statements included in this report provide the same information for business-type activities as is provided in the government-wide financial statements; however, the difference is that the fund statements provide much more detail.

The City's major proprietary funds, had unrestricted net position amounts as follows: Water Fund - $4,620,531, a decrease of $288,980 from the previous year; Sewer Fund - $6,185,631, an increase of $1,087,207 over the previous year; and Electric Fund - $16,347,560, an increase of $2,363,838. The changes in net position are results of a number of factors. In keeping with City policy, small, inflationary adjustments to rates were made in the amount of 2.5% rate increases in each of the utility funds. In the Water Fund, the completion of a major capital project was the reason for a decrease in net position. In all funds, increased new development and decreases in net pension liabilities contributed to changes in net position.

The nonmajor proprietary funds (Storm Water, Solid Waste and Golf Course) had a combined unrestricted net position of $4,383,752, which is a decrease of $953,163 over the previous year. This decrease was attributed to completion of capital assets projects or purchases as net investment in capital assets increased $920,169. Overall, net position increased $1,320,702. Factors contributing to the increase include small rate increases in Storm Water and Solid Waste fees and a record revenue year for the golf course as the result of the temporary closure of a neighboring golf course and increased play during the pandemic.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget. During the fiscal year, the General Fund budget was amended from an original budget expenditure total (including transfers) of $26,620,320 to a final budget of $27,248,285. The budget increase represented adjustments of unanticipated expenditures primarily related to grants received from various sources as well as an increase in the budget to transfer general fund dollars to the capital improvement fund for previously unfunded projects.

Final budget compared to actual results. The most significant differences between estimated revenues and actual revenues were as follows:

Revenue Source	Estimated Revenues	Actual Revenues	Difference
Taxes	$13,787,602	$14,196,097	$408,495
Licenses and permits	$1,166,400	$1,421,941	$255,541
Charges for services	$4,053,526	$3,404,374	($649,152)

Tax revenues increases were mostly from sales tax, which despite the anticipated decrease as a result of the COVID pandemic, actually showed increases over the previous year. Continued new development activity, both commercial and residential, resulted in higher-than-expected building permit and plan review revenue. Charges for services were significantly impacted by health department restrictions on operations at several public facilities including the Library, Museum and Clyde Recreation Center. Full and partial closures of these facilities during the latter half of the budget year negatively impacted revenues.

Anticipating economic impacts from the pandemic, the Administration requested departments reduce operating budgets from March to June of the budget year. While there were some operating costs increases necessary for response to the pandemic, the City received federal assistance through Utah County to address these concerns. Closure of some facilities and reduced services along with budget cuts by each department resulted in actual expenditures of $4,432,783 less than the final adopted budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Springville City's investment in capital assets for its governmental and business-type activities as of June 30, 2020, amounts to $185,625,829 (net of accumulated depreciation and associated debt). This investment in capital assets includes land, water shares, buildings and systems, improvements, infrastructure (streets, sidewalks, curb and gutter, bridges, etc.), and machinery and equipment. The City's investment in capital assets (minus depreciation and outstanding debt) for the current year increased by $8,770,379. Governmental activities' capital assets increased by $4,166,798 while the business-type activities' capital assets increased by $4,603,581.

Major capital asset events during the current fiscal year included the following:

- Road Improvements and Reconstruction (including impact fee projects) - $2,536,952
- Vehicle Acquisition and Replacement - $1,272,214
- New Development Infrastructure (Power Dept.) - $849,465
- Bartholomew Tank Replacement (Water Dept.) - $1,709,568

SPRINGVILLE CITY'S CAPITAL ASSETS (In Thousands of Dollars)

	Governmental Activities		Business-type Activities	
	2019-2020	2018-2019	2019-2020	2018-2019
Land	$ 25,892	$ 25,011	$ 1,718	$ 1,718
Water Shares	-	-	1,375	1,375
Buildings	58,208	58,208	5,848	5,653
System Improvements	84,320	80,660	167,349	159,721
Machinery & Equipment	13,777	12,895	2,460	2,349
Construction in Progress	2,749	2,200	3,500	3,418
Less Accumulated Depreciation	(71,206)	(67,858)	(82,332)	(78,075)
Total	$ 113,740	$ 111,116	$ 99,918	$ 96,159

Additional information on the City's capital assets can be found in the footnotes to this financial report and also the supplemental section.

Long-term debt - At June 30, 2020, the City had total long-term bonded debt balances of $28,070,429. Of the total, $7,690,000 is debt secured by specific revenue sources (i.e. revenue bonds within the Water and Sewer Utilities). The remainder is in a Municipal Building Authority Lease Revenue Bond of $3,990,000, a sales tax revenue bond of $500,000 and general obligation bonds of $15,000,000. The City also has unamortized premiums on bonds of $890,429; accrued compensated absences of $1,390,151 and net pension liabilities of $3,916,520 outstanding at June 30, 2020.

SPRINGVILLE CITY'S OUTSTANDING DEBT (In Thousands of Dollars)

	Governmental Activities		Business-type Activities	
	2019-2020	2018-2019	2019-2020	2018-2019
General Obligation Bonds	$ 15,000	$ 16,060	$ -	$ -
Revenue Bonds	-	-	7,690	8,535
MBA Bonds	3,990	4,270	-	-
Special Assessment Bonds	-	-	-	-
Sales Tax Revenue Bonds	500	1,000	-	-
Notes Payable	-	-	-	-
Unamortized Bond Premium	890	588	-	-
Net Pension Liability	2,529	4,820	1,387	2,665
Compensated Absences	839	758	551	537
Total	$ 23,748	$ 27,496	$ 9,628	$ 11,737

State statutes limit the amount of general obligation debt a governmental entity may issue to 4% of its total taxable value. The current limitation for the City is $131,306,570. The City currently has $15,000,000 outstanding in general obligation debt. State statute allows for an additional 8% to be used for water, sewer, storm water, or electrical projects. The current limitation for these water, sewer, storm water, and electrical projects is thus $262,613,140. The City has issued significantly fewer bonds than this debt limit.

Additional information on the outstanding debt obligations of the City can be found in the footnotes to this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

• Amid the COVID-19 pandemic, Utah and Utah County, specifically, have largely been spared from severe economic impacts. The June 2020 unemployment rate for the Provo/Orem Metropolitan Area (of which Springville City is a part) was 4.4 percent compared to a state unemployment rate of 5.3 percent and a national rate of 11.1 percent. (Source: U.S. Bureau of Labor Statistics)

• Expenditures in the General Fund were approximately six percent higher than the previous year and approximately one percent higher in the Enterprise Funds. These increases reflect modest growth, inflationary factors, increased hiring of previously vacant personnel positions, higher health insurance costs and minor service level increases. Actual expenditures for FY 2019-2020 were approximately 19 percent less than budgeted General Fund expenditures because of voluntary budget reductions enacted as a precaution when the COVID-19 pandemic began in March. Additionally, personnel savings from unfilled positions and other line-item savings contributed to actual expenditures being less than budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Springville City's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to:

Finance Director, Springville City, 110 S Main St, Springville, UT 84663.

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Basic Financial Statements

SPRINGVILLE CITY CORPORATION
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 20,304,647	$ 31,630,180	$ 51,934,827
Receivables:			
Accounts, net	447,761	3,689,809	4,137,570
Property taxes	4,156,213	-	4,156,213
Other taxes	2,464,397	-	2,464,397
Prepaids	4,180	-	4,180
Inventory	21,078	1,414,819	1,435,897
Internal balances	(4,234,657)	4,234,657	-
Restricted cash and cash equivalents	6,627,711	1,805,429	8,433,140
Equity investment in joint venture	-	2,302,250	2,302,250
Net pension asset	56,146	-	56,146
Capital assets			
Non depreciable	28,641,270	6,593,068	35,234,338
Depreciable assets, net of depreciation	85,098,880	93,324,988	178,423,868
Total assets	**143,587,626**	**144,995,200**	**288,582,826**
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	16,311	-	16,311
Deferred outflows related to pensions	1,109,813	664,085	1,773,898
Total deferred outflows of resources	**1,126,124**	**664,085**	**1,790,209**
LIABILITIES			
Accounts payable	345,905	2,537,884	2,883,789
Accrued liabilities	459,814	136,535	596,349
Accrued interest payable	87,024	89,716	176,740
Developer and customer deposits	1,232,186	576,694	1,808,880
Unearned revenue	125,000	65,272	190,272
Noncurrent liabilities:			
Due within one year	2,104,526	1,145,549	3,250,075
Due in more than one year	19,114,955	7,095,550	26,210,505
Net pension liability	2,529,152	1,387,368	3,916,520
Total liabilities	**25,998,562**	**13,034,568**	**39,033,130**
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue-property taxes	4,123,765	-	4,123,765
Deferred inflows related to pensions	1,345,804	770,857	2,116,661
Total deferred inflows of resources	**5,469,569**	**770,857**	**6,240,426**
NET POSITION			
Net investment in capital assets	93,397,773	92,228,056	185,625,829
Restricted for:			
Debt service	143,214	455,721	598,935
Impact fees	3,064,840	3,397,952	6,462,792
Perpetual care	1,404,789	-	1,404,789
Capital projects	1,698,200	-	1,698,200
Grants and other projects	2,102	-	2,102
Unrestricted	13,534,701	35,772,131	49,306,832
Total net position	**$ 113,245,619**	**$ 131,853,860**	**$ 245,099,479**

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

SPRINGVILLE CITY CORPORATION
Statement of Activities
For the Year Ended June 30, 2020

		Program Revenues			Net (Expense) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities							
General government	$ 6,001,681	$ 951,206	$ -	$ -	$ (5,050,475)		$ (5,050,475)
Public safety	6,268,722	863,579	447,165	98,828	(4,859,150)		(4,859,150)
Community development	765,632	1,212,514	205,363	-	652,245		652,245
Highways and public improvements	2,575,003	115,634	1,315,396	2,737,303	1,593,330		1,593,330
Parks and recreation	6,569,443	1,814,186	1,019,304	1,632,831	(2,103,122)		(2,103,122)
Interest on long-term debt	835,342	-	-	-	(835,342)		(835,342)
Total governmental activities	23,015,823	4,957,119	2,987,228	4,468,962	(10,602,514)		(10,602,514)
Business-type activities							
Water	3,825,961	5,394,460	-	1,427,735		$ 2,996,234	2,996,234
Sewer	3,082,948	4,603,445	-	905,210		2,425,707	2,425,707
Electric	24,837,229	29,503,981	-	1,054,769		5,721,521	5,721,521
Storm Water	945,461	1,220,901	-	677,401		952,841	952,841
Solid Waste	1,388,032	1,864,952	-	-		476,920	476,920
Golf	855,590	1,058,052	-	-		202,462	202,462
Total business-type activities	34,935,221	43,645,791	-	4,065,115		12,775,685	12,775,685
Total primary government	$ 57,951,044	$ 48,602,910	$ 2,987,228	$ 8,534,077	(10,602,514)	12,775,685	2,173,171
	General Revenues:						
	Taxes						
	Property				4,439,985	-	4,439,985
	Sales				8,468,586	-	8,468,586
	Other taxes				1,325,401	-	1,325,401
	Investment earnings				568,617	563,040	1,131,657
	Miscellaneous				581,722	-	581,722
	Equity investment income				-	155,676	155,676
	Transfers - net				2,620,358	(2,620,358)	-
	Total general revenue				18,004,669	(1,901,642)	16,103,027
	Change in net position				7,402,155	10,874,043	18,276,198
	Net position - beginning				105,843,464	120,979,817	226,823,281
	Net position - ending				$113,245,619	$ 131,853,860	$ 245,099,479

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

SPRINGVILLE CITY CORPORATION
Balance Sheet – Governmental Funds
June 30, 2020

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 4,705,470	$ 6,485,746	$ 2,524,312	$ 13,715,528
Receivables:				
Property taxes	3,891,213	-	265,000	4,156,213
Other taxes and grants	2,464,397	-	-	2,464,397
Special assessment	-	-	7,717	7,717
Other, net	431,818	-	-	431,818
Due from other funds	345	-	-	345
Inventory	21,078	-	-	21,078
Prepaids	4,180	-	-	4,180
Restricted cash and cash equivalents	2,932,488	-	3,695,223	6,627,711
Total assets	$ 14,450,989	$ 6,485,746	$ 6,492,252	$ 27,428,987
LIABILITIES				
Accounts payable	$ 271,281	$ 42,962	$ 13,980	$ 328,223
Accrued liabilities	447,615	-	-	447,615
Due to other funds	-	-	345	345
Developer and customer deposits	1,232,186	-	-	1,232,186
Unearned revenue	-	125,000	-	125,000
Total liabilities	1,951,082	167,962	14,325	2,133,369
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	3,858,765	-	265,000	4,123,765
Total deferred inflows of resources	3,858,765	-	265,000	4,123,765
FUND BALANCES				
Nonspendable	25,258	-	1,404,789	1,430,047
Restricted:				
Debt service	-	-	143,214	143,214
Museum donations	2,102	-	-	2,102
B & C roads	1,698,200	-	-	1,698,200
Impact fees	-	-	3,064,840	3,064,840
Assigned:				
Capital projects	-	6,317,784	-	6,317,784
Community improvements	-	-	1,600,084	1,600,084
Unassigned	6,915,582	-	-	6,915,582
Total fund balances	8,641,142	6,317,784	6,212,927	21,171,853
Total liabilities, deferred inflows of resources and fund balances	$ 14,450,989	$ 6,485,746	$ 6,492,252	$ 27,428,987

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

SPRINGVILLE CITY CORPORATION
Reconciliation of the Balance Sheet of Governmental Funds
To The Statement of Net Position
June 30, 2020

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances for governmental funds	$ 21,171,853
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	113,740,150
Other long-term assets and deferred outflows of resources are not available for current period expenditures and, therefore, are not reported in the funds balance sheet.	1,182,270
The proprietary funds cumulative allocation of the internal service funds net income based on use of service are included in the entitywide statements.	(4,234,657)
Accrued interest on long-term debt is not due and payable in the current period and, therefore, is not recorded in the funds.	(87,024)
Long-term liabilities, including bonds, compensated absences, and notes are not due and payable in the current period and, therefore, are not reported in the funds.	(21,219,481)
Other long-term liabilities and deferred inflows of reources are not due and payable in the current period and, therefore, are not reported in the funds balance sheet.	(3,874,956)
The internal service fund is used by management to charge the cost of vehicles and related maintenance to other funds. The assets and liabilities of the internal services fund are included in the governmental activities in the Statement of Net Position.	6,567,464
Net position of governmental activities	$ 113,245,619

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

SPRINGVILLE CITY CORPORATION
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Year Ended June 30, 2020

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 14,196,097	$ -	$ 37,875	$ 14,233,972
Licenses and permits	1,421,941	-	-	1,421,941
Intergovernmental	2,389,860	-	205,363	2,595,223
Charges for services	3,404,374	-	91,955	3,496,329
Impact fees	-	-	1,596,627	1,596,627
Fines and forfeitures	331,579	-	-	331,579
Interest	201,804	143,837	103,576	449,217
Donations and reimbursements	99,275	500,000	-	599,275
Miscellaneous	72,712	-	509,010	581,722
Total revenues	22,117,642	643,837	2,544,406	25,305,885
EXPENDITURES				
Current:				
General government	5,355,951	-	-	5,355,951
Public safety	6,273,794	-	-	6,273,794
Community development	749,550	-	-	749,550
Highways and public improvements	1,451,687	-	-	1,451,687
Park, recreation, and public property	5,337,078	-	-	5,337,078
RDA expenditures	-	-	378,098	378,098
Capital outlay	-	2,809,755	13,362	2,823,117
Debt service:				
Principal	-	-	7,535,000	7,535,000
Interest and fiscal expenses	-	-	800,725	800,725
Bond issuance costs	-	-	98,895	98,895
Total expenditures	19,168,060	2,809,755	8,826,080	30,803,895
Excess (deficiency) of revenues over (under) expenditures	2,949,582	(2,165,918)	(6,281,674)	(5,498,010)
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	-	-	5,695,000	5,695,000
Premium on bonds issued	-	-	337,019	337,019
Transfers in	2,620,358	2,374,628	2,013,182	7,008,168
Transfers out	(3,618,310)	-	(769,500)	(4,387,810)
Total other financing sources (uses)	(997,952)	2,374,628	7,275,701	8,652,377
Net change in fund balances	1,951,630	208,710	994,027	3,154,367
Fund balances, beginning	6,689,512	6,109,074	5,218,900	18,017,486
Fund balances, ending	$ 8,641,142	$ 6,317,784	$ 6,212,927	$ 21,171,853

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

SPRINGVILLE CITY CORPORATION
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds To the Statement of Activities
For the Year Ended June 30, 2020

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

Net change in fund balances for governmental funds	$ 3,154,367
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, assets with an initial cost of $5,000 or more are capitalized and the cost is allocated over the assets estimated useful lives and reported as depreciation expense.	
Capital outlay	2,823,114
Depreciation expense	(3,234,997)
Contributed assets are not recorded in governmental funds because current resources are not expended for acquisition. The Statement of Activities records these contributed assets at their estimated fair value on the date of contribution.	2,372,335
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither type of transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued. These amounts are deferred and amortized in the Statement of Activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items.	
General obligation refunding bonds issued	(5,695,000)
Bond premium on debt issued	(337,019)
Reduction of long-term liability	7,535,000
Amortization of bond premiums and deferred loss on refunding	18,274
Accrued pension costs are not reported as an expenditure in the current period for governmental funds but are recorded as an expense in the statement of activities.	26,289
Expenses are recognized in the governmental funds when paid or due; however, the Statement of Activities is presented on the accrual basis and expenses and liabilities are reported when incurred, regardless of when financial resources are available or expenses are paid or due.	
Accrued interest	46,004
Compensated absences	(88,672)
The proprietary funds allocation of the internal service fund net gain is based on use of service included in the entity-wide statements.	(669,338)
Internal service fund is used by management to charge the cost of centralized services to individual funds. The net income of the internal service fund is reported with governmental activities.	1,451,798
Change in net position of governmental activities	$ 7,402,155

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

SPRINGVILLE CITY CORPORATION
Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – General Fund
For the Year Ended June 30, 2020

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance with Final Budget**
REVENUES				
Taxes	$ 13,787,602	$ 13,787,602	$ 14,196,097	$ 408,495
Licenses and permits	1,054,400	1,166,400	1,421,941	255,541
Intergovernmental	2,307,828	2,329,528	2,389,860	60,332
Charges for services	4,053,526	4,053,526	3,404,374	(649,152)
Fines and forfeitures	392,000	392,000	331,579	(60,421)
Interest	163,000	163,000	201,804	38,804
Donations	82,400	82,400	99,275	16,875
Miscellaneous	75,000	75,000	72,712	(2,288)
Total revenues	21,915,756	22,049,456	22,117,642	68,186
EXPENDITURES				
Current:				
General government:				
City administrator	1,198,330	1,198,330	591,847	606,483
Information systems	494,413	494,413	374,332	120,081
Engineering	967,960	967,960	161,748	806,212
Cemetery	326,258	326,258	288,605	37,653
Mayor and city council	168,024	168,024	64,331	103,693
Finance and treasury	1,039,140	1,039,140	358,231	680,909
Nondepartmental	3,133,644	3,133,644	3,132,566	1,078
Legal services	613,513	613,513	384,291	229,222
Total general government	7,941,282	7,941,282	5,355,951	2,585,331
Public safety:				
Police	4,730,617	4,751,927	4,561,014	190,913
Fire	1,522,210	1,522,210	1,406,554	115,656
Court	330,680	330,680	306,226	24,454
Total public safety	6,583,507	6,604,817	6,273,794	331,023
Highways and public improvements:				
Public works	325,474	325,474	94,867	230,607
Streets	1,416,202	1,416,202	1,356,820	59,382
Total highways and public improvements	1,741,676	1,741,676	1,451,687	289,989

(Continued)

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

SPRINGVILLE CITY CORPORATION
Statement of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual – General Fund (Continued)
For the Year Ended June 30, 2020

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance with Final Budget**
Parks and recreation:				
Parks	1,466,645	1,466,645	1,188,033	278,612
Recreation	990,966	990,966	732,014	258,952
Art museum	1,031,377	1,035,077	912,759	122,318
Swimming pool	1,622,014	1,622,014	1,387,508	234,506
Library	1,105,865	1,105,865	1,007,770	98,095
Senior citizens	107,360	107,360	97,494	9,866
Arts commission	28,700	28,700	11,500	17,200
Total parks and recreation	6,352,927	6,356,627	5,337,078	1,019,549
Community development:				
Building inspection	352,999	455,954	423,965	31,989
Planning and zoning	500,487	500,487	325,585	174,902
Total community development	853,486	956,441	749,550	206,891
Total expenditures	23,472,878	23,600,843	19,168,060	4,432,783
Excess (deficiency) of revenues over (under) expenditures	(1,557,122)	(1,551,387)	2,949,582	4,500,969
OTHER FINANCING SOURCES (USES)				
Transfers in	4,958,537	4,958,637	2,620,358	(2,338,279)
Transfers out	(3,147,442)	(3,647,442)	(3,618,310)	29,132
Net other financing sources (uses)	1,811,095	1,311,195	(997,952)	(2,309,147)
Net change in fund balance	$ 253,973	$ (240,192)	1,951,630	$ 2,191,822
Fund balance, beginning of year			6,689,512	
Fund balance, end of year			$ 8,641,142	

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

SPRINGVILLE CITY CORPORATION
Statement of Net Position – Proprietary Funds
June 30, 2020

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Water	Sewer	Electric	Nonmajor Enterprise Funds	Total	
ASSETS						
Current assets:						
Cash and cash equivalents	$ 4,566,968	$ 6,126,506	$ 17,338,160	$ 3,598,546	$ 31,630,180	$ 6,589,119
Accounts receivable, net	671,160	494,969	2,172,607	351,073	3,689,809	8,226
Inventory	340,728	-	1,074,091	-	1,414,819	-
Total current assets	5,578,856	6,621,475	20,584,858	3,949,619	36,734,808	6,597,345
Noncurrent assets:						
Restricted cash and cash equivalents	110,194	364,577	1,330,658	-	1,805,429	-
Capital assets:						
Land	201,267	40,860	273,498	1,202,282	1,717,907	-
Water shares	1,374,919	-	-	-	1,374,919	-
Construction in progress	1,976,570	197,951	1,024,666	301,055	3,500,242	-
Buildings	399,906	-	2,632,422	2,815,716	5,848,044	-
Improvements other than buildings	49,344,581	39,043,546	72,715,738	6,245,274	167,349,139	-
Machinery and equipment	221,546	714,060	624,668	900,091	2,460,365	8,814,117
Accumulated depreciation	(15,864,202)	(17,398,115)	(45,424,154)	(3,646,089)	(82,332,560)	(5,578,429)
Net capital assets	37,654,587	22,598,302	31,846,838	7,818,329	99,918,056	3,235,688
Other assets:						
Equity investment in joint venture	-	-	-	2,302,250	2,302,250	-
Total other assets	-	-	-	2,302,250	2,302,250	-
Total noncurrent assets	37,764,781	22,962,879	33,177,496	10,120,579	104,025,735	3,235,688
Total assets	43,343,637	29,584,354	53,762,354	14,070,198	140,760,543	9,833,033
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	96,716	84,967	382,599	99,803	664,085	-
Total deferred outflows of resources	96,716	84,967	382,599	99,803	664,085	-

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

SPRINGVILLE CITY CORPORATION
Statement of Net Position – Proprietary Funds (Continued)
June 30, 2020

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Water	Sewer	Electric	Nonmajor Enterprise Funds	Total	
LIABILITIES						
Current liabilities:						
Accounts payable	$ 607,167	$ 88,853	$ 1,626,030	$ 215,834	$ 2,537,884	$ 17,682
Accrued liabilities	22,156	16,716	70,158	27,505	136,535	12,199
Deposits	19,050	-	557,644	-	576,694	-
Accrued interest payable	17,943	71,773	-	-	89,716	-
Unearned revenue	-	-	65,272	-	65,272	-
Compensated absences	37,003	32,566	177,366	28,614	275,549	11,885
Bonds payable	174,000	696,000	-	-	870,000	-
Total current liabilities	877,319	905,908	2,496,470	271,953	4,551,650	41,766
Noncurrent liabilities:						
Compensated absences	37,003	32,567	177,366	28,614	275,550	11,885
Bonds payable	1,364,000	5,456,000	-	-	6,820,000	-
Net pension liability	216,212	183,718	800,521	186,917	1,387,368	-
Total noncurrent liabilities	1,617,215	5,672,285	977,887	215,531	8,482,918	11,885
Total liabilities	2,494,534	6,578,193	3,474,357	487,484	13,034,568	53,651
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	117,557	94,618	431,942	126,740	770,857	50,277
Total deferred inflows of resources	117,557	94,618	431,942	126,740	770,857	50,277
NET POSITION						
Net investment in capital assets	36,116,587	16,446,302	31,846,838	7,818,329	92,228,056	3,235,688
Restricted for impact fees	-	-	2,044,256	1,353,696	3,397,952	-
Restricted for debt service	91,144	364,577	-	-	455,721	-
Unrestricted	4,620,531	6,185,631	16,347,560	4,383,752	31,537,474	6,493,417
Total net position	$ 40,828,262	$ 22,996,510	$ 50,238,654	$ 13,555,777	127,619,203	$ 9,729,105

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

Internal service funds are used by management to charge the costs of vehicles and fleet services to other funds. The net adjustment to report the cumulative internal balance for the net effect of activity between the internal service funds and the enterprise funds over time.	4,234,657
Net position (proprietary funds/entity-wide)	$ 131,853,860

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

SPRINGVILLE CITY CORPORATION
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds
For the Year Ended June 30, 2020

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Water	Sewer	Electric	Nonmajor Enterprise Funds	Total	
OPERATING REVENUES						
Sales and charges for services	$ 5,211,844	$ 4,578,643	$29,243,178	$ 4,119,504	$ 43,153,169	$ 3,225,615
Connection fees	151,287	-	218,250	-	369,537	-
Miscellaneous income	31,329	24,802	42,553	24,401	123,085	-
Total operating revenues	5,394,460	4,603,445	29,503,981	4,143,905	43,645,791	3,225,615
OPERATING EXPENSES						
Salaries and benefits	1,036,839	862,633	3,339,188	1,035,361	6,274,021	559,853
Administrative	1,678,585	1,236,771	19,541,217	2,285,425	24,741,998	794,250
Depreciation	1,108,781	932,002	2,131,857	184,779	4,357,419	606,745
Total operating expenses	3,824,205	3,031,406	25,012,262	3,505,565	35,373,438	1,960,848
Operating income	1,570,255	1,572,039	4,491,719	638,340	8,272,353	1,264,767
NONOPERATING REVENUES (EXPENSES)						
Equity income of joint venture	-	-	-	155,676	155,676	-
Impact fees	561,905	332,302	1,054,769	256,670	2,205,646	-
Interest income	80,760	98,784	314,143	69,353	563,040	119,400
Interest and fiscal expenses	(45,824)	(185,297)	-	-	(231,121)	-
Gain on disposal of assets	-	-	-	-	-	67,631
Total nonoperating revenues (expenses)	596,841	245,789	1,368,912	481,699	2,693,241	187,031
Income before contributions and transfers	2,167,096	1,817,828	5,860,631	1,120,039	10,965,594	1,451,798
Capital contributions	865,830	572,908	-	420,731	1,859,469	-
Transfers in	-	60,000	-	-	60,000	-
Transfers out	(317,422)	(285,990)	(1,856,878)	(220,068)	(2,680,358)	-
Change in net position	2,715,504	2,164,746	4,003,753	1,320,702	10,204,705	1,451,798
Total net position, beginning	38,112,758	20,831,764	46,234,901	12,235,075	117,414,498	8,277,307
Total net position, ending	$ 40,828,262	$22,996,510	$50,238,654	$13,555,777	$ 127,619,203	$ 9,729,105

Change in net position (proprietary funds)	$ 10,204,705
Amounts reported for business activities in the statement of activities are different because:	
Internal service funds are used by management to charge the costs of vehicles and fleet services to other funds. The net current year activity associated with the internal service fund was allocated based on use of service to the individual funds in the statement of activities.	669,338
Change in net position (proprietary funds/entity-wide)	$ 10,874,043

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

SPRINGVILLE CITY CORPORATION
Statement of Cash Flows – Proprietary Funds
For the Year Ended June 30, 2020

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Electric	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
Cash flows from operating activities						
Receipts from customers and users	$5,091,939	$4,507,607	$28,664,427	$4,165,628	$42,429,601	$ 3,217,389
Payments to suppliers	(1,338,046)	(1,244,907)	(20,089,159)	(2,215,363)	(24,887,475)	(803,225)
Payments to employees	(1,020,584)	(882,952)	(3,293,998)	(1,028,003)	(6,225,537)	(581,641)
Net cash provided by operating activities	2,733,309	2,379,748	5,281,270	922,262	11,316,589	1,832,523
Cash flows from noncapital financing activities						
Transfers from other funds	-	60,000	-	-	60,000	-
Transfers to other funds	(317,422)	(285,990)	(1,856,878)	(220,068)	(2,680,358)	-
Net cash provided (used) by noncapital financing activities	(317,422)	(225,990)	(1,856,878)	(220,068)	(2,620,358)	-
Cash flows from capital and related financing activities						
Aquisition of capital assets	(3,116,253)	(728,545)	(1,727,516)	(684,217)	(6,256,531)	(1,272,215)
Capital grants	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	69,751
Impact fees received	561,905	332,302	1,054,769	256,670	2,205,646	-
Principal paid on capital debt	(169,000)	(676,000)	-	-	(845,000)	-
Interest paid on capital debt	(47,796)	(193,184)	-	-	(240,980)	-
Net cash used by capital and related financing activities	(2,771,144)	(1,265,427)	(672,747)	(427,547)	(5,136,865)	(1,202,464)
Cash flows from investing activities						
Interest received	80,760	98,784	314,143	69,353	563,040	119,400
Net cash provided by investing activities	80,760	98,784	314,143	69,353	563,040	119,400
Net increase (decrease) in cash and cash equivalents	(274,497)	987,115	3,065,788	344,000	4,122,406	749,459
Cash and cash equivalents, beginning of year	4,951,659	5,503,968	15,603,030	3,254,546	29,313,203	5,839,660
Cash and cash equivalents, end of year	$4,677,162	$6,491,083	$18,668,818	$3,598,546	$33,435,609	$ 6,589,119
Unrestricted cash	$4,566,968	$6,126,506	$17,338,160	$3,598,546	$31,630,180	$ 6,589,119
Restricted cash	110,194	364,577	1,330,658	-	1,805,429	-
Total cash and cash equivalents	$4,677,162	$6,491,083	$18,668,818	$3,598,546	$33,435,609	$ 6,589,119

(Continued)

SPRINGVILLE CITY CORPORATION
Statement of Cash Flows – Proprietary Fund (Continued)
For the Year Ended June 30, 2020

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Electric	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
Reconciliation of operating income to net cash provided by operating activities						
Operating income	$ 1,570,255	$ 1,572,039	$ 4,491,719	$ 638,340	$ 8,272,353	$ 1,264,767
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	1,108,781	932,002	2,131,857	184,779	4,357,419	606,745
Changes in assets and liabilities:						
Accounts receivable	(295,071)	(95,838)	(879,354)	21,723	(1,248,540)	(8,226)
Prepaids	43,784	-	(190,257)	-	(146,473)	-
Accounts payable	296,755	(8,136)	(357,685)	70,062	996	(8,975)
Accrued liabilities	4,548	3,276	13,744	6,625	28,193	3,263
Deposits	(7,450)	-	39,800	-	32,350	-
Compensated absences	10,620	(24,419)	27,926	(206)	13,921	(7,936)
Net pension liability	1,087	824	3,520	939	6,370	(17,115)
Net cash provided by operating activities	$ 2,733,309	$ 2,379,748	$ 5,281,270	$ 922,262	$ 11,316,589	$ 1,832,523
Noncash investing, capital and financing activities						
Capital contributions - developers	$ 865,830	$ 572,908	$ -	$ 420,731	$ 1,859,469	$ -
Equity investment adjustment for net income and ownership changes	$ -	$ -	$ -	$ 155,676	$ -	$ -

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

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SPRINGVILLE CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Springville (the City) was incorporated in 1903 under the laws of the State of Utah. The City operates under a Mayor-Council form of government. The City is a municipal corporation governed by an elected five-member Council and Mayor. The City provides the following services as authorized by its charter: general administrative services, public safety (police and fire), highway and streets, electric, water, solid waste, water reclamation, storm water, recreation and parks, public improvements, and planning and zoning.

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 more significant accounting policies established in GAAP and used by the City are discussed below.

Reporting Entity

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the primary government's operations. Thus, blended component units are appropriately presented as funds of the primary government.

The Redevelopment Agency of the City of Springville (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 Municipal Building Authority of the City of Springville (MBA) was established to finance and construct municipal buildings that are then leased to the City. The governing board of the MBA is comprised of the Mayor and members of 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 Debt Service Fund. Separate financial statements are not issued for the MBA.

The joint venture with South Utah Valley Solid Waste District is included in the City's reporting entity because of the significance of its operational and financial relationships with the City. Complete financial statements of the joint venture, which issued separate financial statements, can be obtained from their administrative offices.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund 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 administrative services, police and fire protection (public safety), parks and recreation, and highways and public improvements are classified as governmental activities. The City's water, sewer, electric, storm water, solid waste services, and golf course 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 activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services, and intergovernmental revenues, are reported separately from business–type activities, which rely, to a significant extent, on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those which are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly excluded from program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

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

- The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of the major capital facilities of the City (other than those financed by proprietary funds).

The City reports the following major proprietary funds:

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

- The Sewer Fund accounts for the activities of the City's sewer treatment operations.

- The Electric Fund accounts for the activities of the City's electric generation and distribution operations.

Internal Service Fund – The internal service fund accounts for the costs of procurement and maintenance of vehicles and equipment owned by the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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. General revenues include all taxes imposed by the City.

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

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position

Cash, Cash Equivalents, and Investments The City considers all cash and investments with original maturities of three months or less to be cash and cash equivalents and includes deposits with financial institutions, money market accounts, bond reserve accounts, and accounts at the Utah Public Treasurer's Investment Trust (the State Treasurer's Pool). For the purpose of the statement of cash flows, cash and cash equivalents are defined as the cash and cash equivalent accounts and the restricted cash and cash equivalents accounts. Investments consist of debt securities and term deposits with financial institutions. Investments of the City are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Receivables and Payables Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not available financial resources.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position (Continued)

Receivables and Payables (Continued)

Management has estimated the allowance for uncollectibles to be $353,398 for governmental funds and $83,500 for proprietary funds, which is estimated based on historical trends related to collections.

Other receivables at June 30, 2020, consist of property taxes, franchise taxes, sales tax, grants and accounts (billings for user charged services, including unbilled utility services) and are shown net of an allowance for uncollectibles. The utility billings for charged services are billed to customers monthly.

Restricted Assets Assets whose use is restricted for construction, debt service or by other independent third parties, enabling legislation, or other laws and statutes. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

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

Capital Assets Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business–type activities columns in the government–wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. 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. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government–wide financial statements.

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. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Upon retirement of disposition of capital assets, the cost and related accumulated depreciation are removed from the respective accounts. Depreciation of capital assets is computed using the straight–line method over their estimated useful lives as follows:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position (Continued)

Capital Assets (Continued)

Upon retirement of disposition of capital assets, the cost and related accumulated depreciation are removed from the respective accounts. Depreciation of capital assets is computed using the straight–line method over their estimated useful lives as follows:

Assets	Years
Buildings and structures	20 - 40
Improvements and infrastructure	7 - 40
Machinery, equipment, and vehicles	5 - 15

Unearned Revenue Unearned revenue arises when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the revenue is recognized.

Compensated Absences The City has two benefit programs for compensated absences. Under the first program, accumulated unpaid vacation is accrued as incurred based on years of service for each employee. Vacation is accumulated on a monthly basis and is fully vested when earned. At retirement, death, or termination, all unpaid accrued vacation is paid to the beneficiary at designated maximum amounts per City policy. Accumulated sick leave is earned at a rate of one day per month and employees have an option to sell back to the City 25% of current year accrual each November. Sick pay amounts are charged to expenditures when incurred. Employees may accumulate unlimited sick leave. Employees who retire are paid 25% of accumulated sick leave at retirement. Under the second program, employees accrue paid time off based on years of service. At retirement, death, or termination, all unpaid paid time off is paid to the beneficiary at designated maximum amounts per City policy. Proprietary funds expense all accrued vacation amounts when incurred. Governmental funds report an expenditure as the vacation is paid or at termination. The current portion is determined by the City to be the portion of vacation pay due employees who terminated prior to year-end.

The total compensated absences liability is reported on the government-wide financial statements. Proprietary funds report the total compensated absences liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only when it is due for payment in the current fiscal year. Historically, compensated absences are paid by the individual funds as they become due, for governmental funds, most of the costs are paid by the General Fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position (Continued)

Deferred Inflows and Outflows of Resources 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 governmental funds report unavailable revenues from property taxes (property taxes which will be levied and collected more than 60 days after year end) in this category. These amounts are deferred and recognized as an inflow of resources in the period in which the amounts become available. The City also has deferred inflows relating to pensions as of June 30,2020.

Deferred outflows of resources represent a consumption of net position that applies to a future period and is therefore deferred until that time. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and the reacquisition price. The City also has deferred outflows relating to pensions as of June 30, 2020.

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 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. Historically, pension costs are paid by the individual funds as they become due, for governmental funds, most of the costs are paid by the General Fund.

Long-Term Obligations In the government–wide financial statements and proprietary funds, long–term debt and other long–term obligations are reported as liabilities in the applicable governmental activities, business–type activities, or proprietary funds' Statement of Net Position. Bond premiums and discounts 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 as other financing sources or uses. The face amount of debt issued is also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the current period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position (Continued)

Fund Balance and Net Position Net position is classified in the government-wide financial statements in three components:

(1) *Net investment in capital assets* - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

(2) *Restricted net position* - consists of net position 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 legislation.

(3) *Unrestricted net position* - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

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

(1) *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 be maintained intact.

(2) *Restricted fund balance* classifications are restricted by enabling legislation. Also reported if, (a) externally imposed by creditor, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

(3) *Committed fund balance* classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

(4) *Assigned fund balance* classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing council (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position (Continued)

Fund Balance and Net Position (Continued)

(5) *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.

Proprietary funds report net position in the same manner as the government-wide statements.

When restricted, committed, assigned, or unassigned resources are available for use, it is the City's policy to use restricted resources first, followed by committed resources, then assigned, and then unassigned as they are needed.

Estimates The preparation of the financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain financial statement balances. Actual results could vary from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

Annual budgets are prepared and adopted, in accordance with State law, by the City Council on or before June 22 for the following fiscal year. Estimated revenues and appropriations may be increased or decreased by resolution of the City Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in several different funds, including the General Fund, Special Revenue Funds and Enterprise Funds. The Cemetery Fund (Permanent Fund) does not adopt an annual budget. Annual budgets are also adopted for capital projects which may include activities which overlap several fiscal years. The level of the City's budgetary control (that is, the level at which the City's expenditures cannot legally exceed the appropriated amounts) is established at the department level. Each department head is responsible to the City Administrator and City Council for operating within the budget for their departments. All annual budgets lapse at fiscal year–end.

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 the General Fund in any amounts greater than 25% of the current year's total actual revenues.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budgetary Data (Continued)

The Mayor, in conjunction with the appropriate department head, has the authority to transfer budget appropriations within and between any divisions of any budgetary fund. The City Council has the authority to transfer budget appropriations between individual budgetary funds by resolution. A public hearing must be held to increase the total appropriations of any one governmental fund type; however, after the original public hearing, operating and capital budgets or proprietary fund types may be increased by resolution without an additional hearing.

Annual budgets for the general fund, special revenue funds, debt service fund, and capital projects funds were legally adopted by the City and are prepared on the modified-accrual method of accounting. Annual budgets for the proprietary funds are legally adopted by the City and prepared on the accrual method of accounting.

Although Utah State law requires the initial preparation of budgets for all City funds (both governmental and proprietary), it only requires the reporting of comparisons of actual results to budgets for the general fund and any major special revenue funds.

Tax Revenues

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

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

Franchise taxes are charged to various utility companies doing business with the City including telephone, cable television, gas utility, and electric utility companies. The fees are remitted on a monthly, quarterly, semi-annual, or annual basis. An accrual has made for fees due and payable to the City at June 30th.

3. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits as well as term deposits. Each fund's portion of this pool is displayed on the combined balance sheet as "cash and cash equivalents" and "restricted cash and cash equivalents," which includes cash accounts that are separately held by several of the City's funds. The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act (UMMA) that relate to the deposit and investment of public funds.

The City's follows the requirements of UMMA (*Utah Code*, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of City funds in a qualified depository, which is defined as a financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. UMMA defines types of securities authorized as appropriate investments for the City's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in UMMA; and the Utah State Public Treasurers' Investment Fund.

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by UMMA. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. 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 of the PTIF, net of administration fees, are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Financial instruments with unadjusted, quoted prices listed on active market exchanges.
- Level 2: Financial instruments lacking unadjusted, quoted prices from active market exchanges, including over-the-counter traded financial instruments. The prices for the financial instruments are determined using prices for recently traded financial instruments with similar underlying terms as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3: Financial instruments that are not actively traded on a market exchange. This category includes situations where there is little, if any, market activity for the financial instruments. The prices are determined using significant unobservable inputs or valuation techniques. Quoted prices for identical investments in active markets.

At June 30, 2020, the City had the following recurring fair value measurements.

		Fair Value Measurements Using		
	06/30/20	Level 1	Level 2	Level 3
Debt Securities				
PTIF	$57,635,854	$ -	$57,635,854	$ -
Total debt securities	$57,635,854	$ -	$57,635,854	$ -

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 returned. As of June 30, 2020, $3,081,888 of the City's $3,331,888 bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized. UMMA does not require deposits to be insured or collateralized and the City has no formal policy regarding deposit credit risk. UMMA requires that the City keep deposits in a qualified depository, which the City has done.

Custodial credit risk – investments is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. Of the City's investment in the Utah Public Treasurer's Investment Fund (PTIF) of $57,635,854, the government has no custodial credit risk exposure as the PTIF is an external investment pool managed by the Utah State Treasurer and is not categorized as to custodial credit risk.

3. DEPOSITS AND INVESTMENTS (CONTINUED)

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 the credit risks of investments is to comply with UMMA.

Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The City has no formal policy relating to specific investment-related interest rate risk. The City manages its exposure by investing mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

As of June 30, 2020, the City's investments had the following maturities and ratings:

		Investment Maturities (in Years)		
Investment Type	Fair Value	Less Than 1	1-5	Quality Ratings
PTIF	$ 57,635,854	$57,635,854	$ -	Unrated
	$ 57,635,854	$57,635,854	$ -	

Concentration of credit risk is the risk of loss attributed to the magnitude of a City's investment in a single issuer. The City's policy for reducing this risk of loss is to comply with the rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio. The City's investment in the PTIF has no concentration of credit risk as the PTIF is an external investment pool managed by the Utah State Treasurer.

The 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. 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.

For the year ended June 30, 2020, the City had investments of $57,635,854 with the PTIF. The fair value of these investments was $57,776,973 using a fair value factor of 1.00244845.

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Following are the City's cash and investments at June 30, 2020:

	Carrying Value
Cash on hand and on deposit:	
Cash on hand	$ 4,250
Cash on deposit	2,727,863
PTIF accounts	57,635,854
Total cash on hand and deposit	$ 60,367,967

4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The purpose of the transfers was to provide cash flows, pay operating expenses, and to fund capital projects. Transfers among the funds during the current year were:

	Transfers In	Transfers Out
General Fund	$ 2,620,358	$ 3,618,310
Capital Projects Fund	2,374,628	-
Nonmajor Governmental Funds	2,013,182	769,500
Water Fund	-	317,422
Sewer Fund	60,000	285,990
Electric Fund	-	1,856,878
Nonmajor Proprietary Funds	-	220,068
	$ 7,068,168	$ 7,068,168

5. CAPITAL ASSETS

Capital asset activity of the governmental activities, including the internal service fund, for the year ended June 30, 2020 was as follows:

	6/30/2019	Increases	Decreases	06/30/20
Governmental activities				
Capital assets, not being depreciated:				
Land	$ 25,010,651	$ 881,579	$ -	$ 25,892,230
Construction in progress	2,200,585	1,684,188	(1,135,733)	2,749,040
Total capital assets, not being depreciated	27,211,236	2,565,767	(1,135,733)	28,641,270
Capital assets, being depreciated:				
Buildings and structures	58,208,066	-	-	58,208,066
Improvements	80,659,864	3,660,201	-	84,320,065
Machinery, equipment, and vehicles	12,894,670	1,377,429	(495,370)	13,776,729
Total capital assets, being depreciated	151,762,600	5,037,630	(495,370)	156,304,860
Less accumulated depreciation	(67,857,488)	(3,841,742)	493,250	(71,205,980)
Total capital assets being depreciated, net	83,905,112	1,195,888	(2,120)	85,098,880
Governmental capital assets, net	$ 111,116,348	$ 3,761,655	$ (1,137,853)	$ 113,740,150

Capital asset activity of the business-type activities for the year ended June 30, 2020 was as follows:

	6/30/2019	Increases	Decreases	06/30/20
Business-type activtities				
Capital assets, not being depreciated:				
Land	$ 1,717,907	$ -	$ -	$ 1,717,907
Construction in progress	3,418,593	2,898,567	(2,816,918)	3,500,242
Water shares	1,374,919	-	-	1,374,919
Total capital assets, not being depreciated	6,511,419	2,898,567	(2,816,918)	6,593,068
Capital assets, being depreciated:				
Buildings and structures	5,653,114	194,930	-	5,848,044
System improvements	159,720,809	7,628,330	-	167,349,139
Machinery, equipment, and vehicle	2,349,500	211,091	(100,226)	2,460,365
Total capital assets, depreciated	167,723,423	8,034,351	(100,226)	175,657,548
Less accumulated depreciation	(78,075,367)	(4,357,419)	100,226	(82,332,560)
Total capital assets being depreciated, net	89,648,056	3,676,932	-	93,324,988
Business-type capital assets, net	$ 96,159,475	$ 6,575,499	$ (2,816,918)	$ 99,918,056

5. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:		
General government	$	383,104
Public safety		216,814
Community development		7,554
Highways and public improvements		1,287,168
Parks and recreation		1,340,357
Internal service funds		606,745
Total depreciation expense - governmental activities	$	3,841,742
Business-type activities:		
Water Fund	$	1,108,781
Sewer Fund		932,002
Electric Fund		2,131,857
Storm Water Fund		130,588
Solid Waste Fund		18,911
Golf Course Fund		35,280
Total depreciation expense - business-type activities	$	4,357,419

6. INVESTMENT IN JOINT VENTURES

South Utah Valley Solid Waste District

The City is party to a joint venture with five other municipalities in the South Utah Valley Solid Waste District (the District). The District was created for the purpose of building a landfill and transfer station and operating the same for the benefit of member municipalities. The majority of the District's solid waste revenue comes from these governmental entities. The District is owned by Springville City (15.00%), Provo City (69.75%), Spanish Fork City (11.75%), Mapleton City (2.00%) and Salem City (1.50%).

The District is governed by a board of directors, which is comprised of six members. The mayor and city council of each member city appoints one director. All decisions by the board are by majority vote, except in the case of a tie. In a tie, the votes would be taken by tonnage. For Provo City to prevail in a tie vote, they would need one additional city to vote with them. The District's board of directors governs the operations of the District through management employed by the board. The District is subject to the same laws as the creating entities, therefore, it must follow Utah State laws for cities in the areas of fiscal management, budgeting, and financing.

Annually, the City recognizes its pro-rata share of the District's operating income or loss. For fiscal year , the District reported an increase in net position of $1,037,839. The City recognized its 15% of the District's income as equity income of a joint venture of $155,676 in the Solid Waste Fund. The complete financial statements for Utah Valley Solid Waste District are available at the District's offices, 2450 West 400 South, Springville, Utah.

7. LONG-TERM DEBT

The following is a summary of changes in long-term debt for governmental activities of the City at June 30, 2020:

	6/30/2019	Increases	Decreases	06/30/20	Due in One Year
Governmental activities					
Bonds payable:					
General obligation bonds	$ 16,060,000	$ 5,695,000	$ (6,755,000)	$ 15,000,000	$ 890,000
Sales tax revenue bonds	1,000,000	-	(500,000)	500,000	500,000
Municipal Building Authority lease revenue bonds	4,270,000	-	(280,000)	3,990,000	295,000
Plus: unamortized premiums	587,998	337,019	(34,588)	890,429	-
Total bonds payable	21,917,998	6,032,019	(7,569,588)	20,380,429	1,685,000
Compensated absences	758,316	459,894	(379,158)	839,052	419,526
Governmental activities, long-term liabilities	$ 22,676,314	$ 6,491,913	$ (7,948,746)	$ 21,219,481	$ 2,104,526

Long-term debt and obligations for governmental activities payable at June 30, 2020 were as follows:

Governmental Activities	**Interest Rate**	**Maturity Dates**	**Current Portion**	**Long-Term Balance**
Municipal Building Authority Lease Revenue Bonds, Series 2008 (original amount - $6,435,000)	2.55%	2031	$ 295,000	$ 3,695,000
Sales Tax Revenue Refunding Bonds, Date December 31, 2014 (original amount - $2,885,000)	1.85%	2021	500,000	-
General Obligation Bonds, Series 2016 (original amount - $10,785,000)	2.00% to 5.00%	2036	435,000	8,870,000
General Obligation Bonds, Series 2020 (original amount - $5,695,000)	2.00% to 3.00%	2031	455,000	5,240,000
Unamortized Premium on Bond				890,429
Total Governmental Activities Long-term Debt			$ 1,685,000	$ 18,695,429

7. LONG-TERM DEBT (CONTINUED)

The 2008 Municipal Building Authority lease revenue bonds were issued for the construction of the new civic center. A property note was used to purchase land at 1300 east to be used for the east fire substation. The City pledges general revenues of the City to repay this note through the maturity date listed above. On December 11, 2014, the City transacted a current refund on their 2008 lease revenue bonds with interest rates ranging between 4.10% and 5.25%. The new interest rate resulting from the current refunding is 2.55%.

The 2010 General Obligation Build America Bonds were used for the construction of the library. These bonds are serviced by amounts levied through property taxes as their dedicated revenue stream. These bonds were fully refunded in a current refunding with the issuance of the Series 2020 general obligation refunding bonds in May of 2020, which are covered by the same levy through property taxes.

The 2016 general obligation bonds were used for the construction of an aquatics center. Debt service requirements will be met principally by the general fund through amounts levied in property taxes as their dedicated revenue stream.

The following is a summary of changes in long-term debt for business-type activities of the City at June 30, 2020:

	6/30/2019	Increases	Decreases	06/30/20	Due in One Year
Business-type activities					
Water and sewer revenue bonds	$ 8,535,000	$ -	$ (845,000)	7,690,000	$ 870,000
Compensated absences	537,178	279,510	(265,589)	551,099	275,549
Business-type activities, long-term liabilities	$ 9,072,178	$ 279,510	$ (1,110,589)	$ 8,241,099	$ 1,145,549

Long-term debt and obligations for business-type activities payable at June 30, 2020 were as follows:

Business-type Activities	**Interest Rate**	**Maturity Dates**	**Current Portion**	**Long-Term Balance**
Water and Sewer Revenue Refunding Bonds, Dated April 22, 2008 (original amount - $15,135,000)	2.80%	2028	$ 870,000	$ 6,820,000
Total Business-type Activities Long-term Debt			$ 870,000	$ 6,820,000

7. LONG-TERM DEBT (CONTINUED)

The proceeds of the 2008 water and sewer revenue bonds were used to upgrade the sewer treatment plant, install the water main along 400 South and sewer lines along 1500 West. The City pledges the revenues of the water and sewer funds to repay these bonds through the maturity dates listed above. Annual principal and interest payments are expected to require less than forty percent of the total sewer revenues.

Principal and interest requirements to retire the City's long-term obligations are as follows:

Year Ending	Governmental Activities		Business-type Activities		Government-Wide	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2021	$ 1,685,000	$ 570,478	$ 870,000	$ 215,320	$ 2,555,000	$ 785,798
2022	1,220,000	520,021	895,000	190,960	2,115,000	710,981
2023	1,270,000	475,503	920,000	165,900	2,190,000	641,403
2024	1,315,000	429,215	945,000	140,140	2,260,000	569,355
2025	1,370,000	381,059	975,000	113,680	2,345,000	494,739
2026-2030	7,575,000	1,281,224	3,085,000	174,300	10,660,000	1,455,524
2031-2035	4,330,000	429,210	-	-	4,330,000	429,210
2036	725,000	21,750	-	-	725,000	21,750
	$ 19,490,000	$ 4,108,460	$ 7,690,000	$ 1,000,300	$ 27,180,000	$ 5,108,760

All outstanding revenue bonds are secured by a first lien on net revenues earned by the City. Net revenues are defined in the revenue bond agreements. The City is required to establish rates (including connection fees) sufficient to pay the operation and maintenance expenses and to provide net revenues in an amount not less than 130% of the aggregated annual debt service requirement for the forthcoming fiscal year.

The following summarizes the debt service coverage calculations for the various revenue bonds:

	Water Revenue Bonds	**Sewer Revenue Bonds**
Net revenues		
Operating revenues	$ 5,394,460	$ 4,603,445
Operating expenses (excluding depreciation and amortization)	(2,715,424)	(2,099,404)
Impact fees	561,905	332,302
Interest income	80,760	98,784
Net revenues	$ 3,321,701	$ 2,935,127
Maximum Aggregate Debt Service	$ 211,000	$ 844,000
Ratio of Net Revenues to Aggregate Debt Service	1574%	348%
Minimum Ratio	130%	130%

7. LONG-TERM DEBT (CONTINUED)

Current Bond Refunding

In May 2020, the City issued $5,695,000 in General Obligation Refunding Bonds, Series 2020. These refunding bonds also had a premium with their issuance of $337,019. The proceeds were used to immediately refund $5,910,000 of the fully callable outstanding Series 2010 General Obligation Building America Bonds and pay the associated costs of issuance. As a result, the Series 2010 bonds have been removed from the Statement of Net Position. The City refunded the Series 2010 Bonds to reduce its total debt service payments by $591,531 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $542,596.

8. RETIREMENT PLANS

General Information about the Pension Plan

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

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

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

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement System, 560 E 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

8. RETIREMENT PLANS (CONTINUED)

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

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%
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% or 4%
Firefighters 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 4%
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 2.50%
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 2.50%

*with actuarial reductions

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

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 Utah State Retirement 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 as of June 30, 2020 are as follows:

8. RETIREMENT PLANS (CONTINUED)

Contributions (Continued)

Utah Retirement Systems	**Employee Paid**	**Employer Contribution Rates**	**Employer Rate for 401(k) Plan**
Contributory System			
11 - Local Government Division Tier 1	6.00%	14.46%	N/A
111 - Local Governmental Division Tier 2	N/A	15.66%	1.03%
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	18.47%	N/A
Public Safety Retirement System			
Contributory			
122 - Tier 2 DB Hybrid Public Safety Contributory	N/A	23.13%	0.70%
Noncontributory			
43 - Other Division A Noncontributory with 2.5% COLA	N/A	34.04%	N/A
Firefighters Retirement System			
31 Other Division A	15.05%	4.61%	N/A
132 Tier 2 DB Hybrid Firefighters	N/A	11.38%	0.70%
Tier 2 DC Only			
211- Local Government	N/A	6.69%	10.00%
222-Public Safety	N/A	11.83%	12.00%
232-Firefighters	N/A	0.08%	12.00%

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

For fiscal year ended June 30, 2020, the employer and employee contributions to the Systems were as follows:

System	**Contributions**	**Contributions**
Noncontributory System	$ 1,127,301	N/A
Public Safety System	295,502	-
Firefighters System	9,801	19,000
Tier 2 Public Employees System	428,169	-
Tier 2 Public Safety and Firefighter System	172,121	-
Tier 2 DC Only System	16,173	N/A
Tier 2 DC Public Safety and Firefighter System	6,669	N/A
Total Contributions	$ 2,055,736	$ 19,000

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.

8. RETIREMENT PLANS (CONTINUED)

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

At June 30, 2020, the City reported a net pension asset of $56,146 and a net pension liability of $3,916,520.

	Measurement Date: December 31, 2019				
	Net Pension Asset	**Net Pension Liability**	**Proportionate Share**	**Proportionate Share December 31, 2018**	**Change (Decrease)**
Noncontributory System	$ -	$2,794,344	0.7414277%	0.7615219%	-0.0200942%
Public Safety System	-	1,037,533	0.6461895%	0.6680134%	-0.0218239%
Firefighters System	56,146	-	0.4527187%	0.4924004%	-0.0396817%
Tier 2 Public Employees System	-	40,788	0.1813525%	0.1933419%	-0.0119894%
Tier 2 Public Safety and Firefighter	-	43,855	0.4662243%	0.4670312%	-0.0008069%
Total Net Pension Asset / Liability	$ 56,146	$3,916,520			

The net pension asset and liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2019 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, 2020, the City recognized pension expense of $2,021,170.

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 307,653	$ 84,157
Changes in assumptions	383,127	6,110
Net difference between projected and actual earnings on pension plan investments	-	1,846,313
Changes in proportion and differences between contributions and proportionate share of contributions	51,348	180,081
Contributions subsequent to the measurement date	1,031,770	-
Total	$ 1,773,898	$ 2,116,661

8. RETIREMENT PLANS (CONTINUED)

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

$1,031,770 was reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2019.

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,	Net Deferred Outflows (Inflows) of Resources
2021	$ (335,386)
2022	(442,060)
2023	41,578
2024	(692,490)
2025	7,107
Thereafter	46,718

Noncontributory System Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2020, the City recognized pension expense of $1,308,533.

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 254,179	$ 40,139
Changes in assumptions	295,953	-
Net difference between projected and actual earnings on pension plan investments	-	1,413,125
Changes in proportion and differences between contributions and proportionate share of contributions	8,273	134,153
Contributions subsequent to the measurement date	549,305	-
Total	$ 1,107,710	$ 1,587,417

8. RETIREMENT PLANS (CONTINUED)

Noncontributory System Pension Expense and Deferred Outflows and Inflows of Resources (Continued)

$549,305 reported as deferred outflows of resources related to pension results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2019.

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

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2021	$ (194,504)
2022	(326,056)
2023	28,793
2024	(537,246)

Public Safety System Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2020, the City recognized pension expense of $390,655.

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 18,044	$ 22,154
Changes in assumptions	35,401	-
Net difference between projected and actual earnings on pension plan investments	-	354,284
Changes in proportion and differences between contributions and proportionate share of contributions	-	44,728
Contributions subsequent to the measurement date	150,807	-
Total	$ 204,252	$ 421,166

$150,807 reported as deferred outflows of resources related to pension results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2019.

8. RETIREMENT PLANS (CONTINUED)

Public Safety System Pension Expense and Deferred Outflows and Inflows of Resources (Continued)

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

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2021	$ (128,359)
2022	(106,301)
2023	1,556
2024	(134,617)

Firefighters System Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2020, the City recognized pension expense of ($37,014).

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 10,909	$ 7,852
Changes in assumptions	23,941	4,542
Net difference between projected and actual earnings on pension plan investments	-	36,771
Changes in proportion and differences between contributions and proportionate share of contributions	1,369	1,199
Contributions subsequent to the measurement date	6,691	-
Total	$ 42,910	$ 50,364

$6,691 reported as deferred outflows of resources related to pension results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2019.

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

8. RETIREMENT PLANS (CONTINUED)

Firefighters System Pension Expense and Deferred Outflows and Inflows of Resources (Continued)

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2021	$ (7,558)
2022	(5,534)
2023	8,380
2024	(10,190)
2025	754
Thereafter	2

Tier 2 Public Employees System Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2020, the City recognized pension expense of $229,182.

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 11,410	$ 13,998
Changes in assumptions	17,416	1,172
Net difference between projected and actual earnings on pension plan investments	-	31,353
Changes in proportion and differences between contributions and proportionate share of contributions	28,779	-
Contributions subsequent to the measurement date	230,813	-
Total	$ 288,418	$ 46,523

$230,813 reported as deferred outflows of resources related to pension results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2019.

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

8. RETIREMENT PLANS (CONTINUED)

Tier 2 Public Employees System Pension Expense and Deferred Outflows and Inflows of Resources (Continued)

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2021	$ (4,477)
2022	(3,867)
2023	1,490
2024	(8,559)
2025	3,985
Thereafter	22,510

Tier 2 Public Safety and Firefighter Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2020, the City recognized pension expense of $129,815.

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 13,111	$ 14
Changes in assumptions	10,416	396
Net difference between projected and actual earnings on pension plan investments	-	10,780
Changes in proportion and differences between contributions and proportionate share of contributions	12,928	-
Contributions subsequent to the measurement date	94,153	-
Total	$ 130,608	$ 11,190

$94,153 reported as deferred outflows of resources related to pension results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2019.

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

8. RETIREMENT PLANS (CONTINUED)

Tier 2 Public Safety and Firefighter Pension Expense and Deferred Outflows and Inflows of Resources (Continued)

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2021	$ (487)
2022	(301)
2023	1,359
2024	(1,878)
2025	2,368
Thereafter	24,206

Actuarial assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 - 9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expense, including inflation

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, 2019 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2016.

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

8. RETIREMENT PLANS (CONTINUED)

Actuarial assumptions (Continued)

	Expected Return Arithmetic Basis		
Asset Class	**Target Asset Allocation**	**Real Return Arithmetic Basis**	**Long-Term Expected Portfolio Real Rate of Return**
Equity securities	40%	6.15%	2.46%
Debt securities	20%	0.40%	0.08%
Real assets	15%	5.75%	0.86%
Private equity	9%	9.95%	0.90%
Absolute return	16%	2.85%	0.45%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		4.75%
	Inflation		2.50%
	Expected arithmetic nominal return		7.25%

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.45% that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 6.95 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. The discount rate does not use the Municipal Bond Index Rate. The discount rate remained unchanged at 6.95 percent.

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

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 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 (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

8. RETIREMENT PLANS (CONTINUED)

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

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	$ 8,727,709	$ 2,794,344	$ (2,154,021)
Public Safety System	2,687,614	1,037,533	(303,475)
Firefighters System	114,820	(56,146)	(194,835)
Tier 2 Public Employees System	351,729	40,788	(199,513)
Tier 2 Public Safety and Firefighter System	154,923	43,855	(38,595)
Total	$12,036,795	$ 3,860,374	$ (2,890,439)

Pension Plan Fiduciary Net Position

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

9. DEFINED CONTRIBUTION SAVINGS PLAN

The City sponsors a defined contribution deferred compensation plan administered by The Benefit Source under the Internal Revenue Code Section 401(k) for City employees covered by the State's contributory and noncontributory retirement plans. The plan, available to all permanent full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The 401(k) deferred compensation monies are not available to the City or its general creditors. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested in the employee's account from the date of employment. The City participates at rates between 0% and 2%, depending on the employees' contributions. The rate of City participation can be changed by the City Council.

Employee and employer contributions to the Benefit Source Defined Contribution Savings Plan for the fiscal year June 30, were as follows:

401(k) Plan	2020	2019	2018
Employer contributions	$ 193,433	$ 205,895	$ 194,262
Employee contributions	272,725	266,649	407,792

9. DEFINED CONTRIBUTION SAVINGS PLAN (CONTINUTED)

The City sponsors a defined contribution deferred compensation plan administered by The Benefit Source under the Internal Revenue Code Section 457 for City employees covered by the State's contributory and noncontributory retirement plans. The plan, available to certain permanent full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The 457 deferred compensation monies are not available to the City or its general creditors.

457 Plan	2020	2019	2018
Employee contributions	$ 29,370	$ 35,253	$ 41,339

The City participates in a Defined Contribution Saving Plan, which is administered by the Utah Retirement Systems Board and is a supplemental plan 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 section 401(k) of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

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

401(k) Plan	2020	2019	2018
Employer contributions	$ 64,872	$ 75,561	$ 81,270
Employee contributions	4,733	21,600	23,400
Traditional IRA			
Employer contributions	N/A	N/A	N/A
Employee contributions	375	-	-

* The employer paid 401(k) contributions include the totals paid for employees in the Tier 2 Defined Contribution 401(k) Plan.

10. REDEVELOPMENT AGENCY OF SPRINGVILLE CITY

In accordance with Utah State law, the City makes the following disclosures relative to the Redevelopment Agency of Springville City (RDA): The RDA collected $243,238 of tax increment monies for its project areas of which $23,470 was paid for development incentives. During 2020, the RDA expended $0 for administrative costs.

11. TAX ABATEMENTS

As of June 30, 2020, the City provides tax abatements under one program: the Redevelopment Agency of Springville City (the Agency). Pursuant to the provisions of the Utah Community Development and Renewal Agencies Act, Utah State Code Title 17C, the City established the Redevelopment Agency. The City authorizes the rebate of sales and property tax increment through the budget process. The annual budget is adopted by City ordinance. The amount of the tax rebate (abatement) is based on the provisions as stated in the written agreement between the Agency and the outside entity. The abatement recipient remits their full property or sales tax obligation to the taxing authority. Once the taxes have been paid and it has been verified that the provisions of the agreement have been met, then the agreed amount is rebated to the recipient entity. The qualifying provisions of the agreements generally focus on affordable housing and transit-oriented housing or business relocation, business development, job creation, and sales and property tax generation.

The Agency has entered into tax abatement agreements with two entities. These entities are in the category of sales and property tax generation. The following table provides details:

Tax Abatement Program	Taxes Abated in 2020	Taxes Abated in Prior Years	Total Maximum Tax Abatement	Primary Purpose of Abatement	Abatement Expires
Redevelopment Agency of Springville City					
Frontage Road Neighborhood HWP Properties, LLC	$ 9,490	$27,070	Property tax: 100% through 2020, then reducing 10% per year.	Sales and Property Tax generations	2025
HWP Properties, LLC	$ 13,980	$51,353	Sales tax: $200,000	Sales and Property Tax generations	2022

12. COMMITMENTS AND CONTINGENCIES

Utah Associates Municipal Power System (UAMPS)

The City is a member of Utah Associated Municipal Power System (UAMPS), a political subdivision of the State of Utah created to secure electric power for the members of UAMPS. As a member, the City has entered into power supply agreements and contracts with respect to various projects in which UAMPS participates. The total cost of the power the City will be required to purchase in future years is not determinable. During the year ended June 30, 2020, the City purchased power totaling approximately $16.78 million.

The City is obligated through power sales contracts with UAMPS for the consequences of "take or pay" contracts with UAMPS projects. The City is also obligated through power sales contracts to pay its proportionate share of bonded indebtedness. UAMPS monthly service charges to the City include the City's proportionate obligation for the following items:

UAMPS Payson Nebo Generation Plant

In June 2002, the City entered into a power service contract with UAMPS which expires on the later of (1) the date the principal, premium, if any, and interest on all of the UAMPS Payson Nebo Generation Plant revenue bonds have been paid or (2) the final shutdown date of the Payson Nebo Generation Plant. The contract entitles the City to approximately 19.12 percent of the output of the Payson Nebo Generation Plant. The City is obligated for 19.12 percent of the total project debt service of approximately $31,825,000 (City portion - $6,083,317) in revenue bonds outstanding at June 30, 2020, issued to finance construction of the plant.

UAMPS - Horse Butte Wind Project

In August of 2010 the City entered into Power Sales Contract with UAMPS to take delivery of energy from a 57.6 MW nameplate capacity wind farm located 16 miles east of the City of Idaho Falls in Bonneville County, Idaho. The PSC entitles the City to approximately 5.21% of the daily output associated with the 32 Vestas V-100 1.8 MW wind turbines installed on the project site. Construction of the Facility was completed in August of 2012 and commenced commercial operation. The City is obligated for 5.21% of the total project debt service of approximately $81,985,000 (City portion - $4,268,054) outstanding at June 30, 2020, issued to finance a prepayment for a specified supply of electricity to be delivered over a 20-year term.

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Future Commitments and Contingencies

San Juan – An equity purchase of 4 megawatts of energy from the San Juan coal-fired plant started in July 2005. The four megawatts represents approximately 11.43% of the UAMPS entitlement to the plant's capacity and Springville City is obligated for 14.87% of the 2011 (1998 refunding) bonded debt and 16.39% of the 2008 bonded debt. The total outstanding 2011 (1998 refunding) and 2008 bond principal amounts as of June 30, 2020 were $7,815,000 and $425,000 respectively, with the City's portions being $1,162,083 and $69,672. This power is a base load project, meaning that power is delivered 24 hours per day whenever the plant is operating. The average cost of a delivered kilowatt hour of power from the San Juan project was $0.07958 for FY2020. Springville City expects to receive approximately 25-30.0 million kilowatt hours of energy over the course of an average year.

South Utah Valley Municipal Water Association Land Purchase

The City is a member of the South Utah Valley Municipal Water Association (SUVMWA). The group works together to address water and sewer issues that impact cities in southern Utah County. In anticipation of ultimately have a central sewer treatment plant that could service all cities from Springville to Payson, SUVMWA purchased approximately 240 acres southwest of Springville near Utah Lake. $5,000,000 in taxable lease revenue bonds was issued in 2008 to fund the land purchase. Springville is obligated for 21.43 percent of the bond debt service over the ten-year life of the bonds.

13. RELATED PARTY TRANSACTIONS

In all cases where a conflict-of-interest could result from a related party transaction the person involved recuses themselves from votes awarding bids. Businesses owned by members of the City Council are disclosed formally in writing.

The City's Mayor is the President of Child Enterprises, Inc., a local contracting company. Child Enterprises, Inc. is periodically awarded bids to act as a City contractor and/or subcontractor to the City's contractor. The City did not have any payments to Child Enterprises, Inc. in the 2020 fiscal year.

14. RISK MANAGEMENT

The City has joined the Utah Local Governments Trust (Trust). Founded in 1974, the Utah Local Governments Trust is licensed in Utah as a public agency insurance mutual. Trust policies are designed specifically for government agencies, including cities, towns, counties, special service districts, and school districts. The Trust provides low-cost liability and property coverage for local governments, claims adjustment services, loss prevention and safety training to its members. Utah Local Governments Trust is reinsured through Munich America RE & Clarendon, two national insurance companies with members from municipal leagues across the US.

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Required Supplementary Information

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

	As of December 31,	Proportion of Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
Noncontributory System	2014	0.8173763%	$ 3,549,240	$ 7,022,000	50.50%	90.20%
	2015	0.8157080%	4,615,673	6,986,652	66.06%	87.80%
	2016	0.7984120%	5,126,782	6,917,208	74.12%	87.30%
	2017	0.7552263%	3,308,873	6,311,269	52.43%	91.90%
	2018	0.7615219%	5,607,637	6,391,261	87.74%	87.00%
	2019	0.7414277%	2,794,344	6,286,171	44.45%	93.70%
Contributory System	2014	0.2162152%	$ 62,366	$ 115,606	53.90%	94.00%
	2015	0.1624709%	114,193	69,227	164.96%	85.70%
	2016	0.2191155%	71,894	52,575	136.75%	92.90%
Public Safety System	2014	0.8436610%	$ 1,060,974	$ 1,277,517	83.00%	90.50%
	2015	0.7830661%	1,402,668	1,190,697	117.80%	87.10%
	2016	0.7358229%	1,493,188	1,122,930	132.97%	86.50%
	2017	0.6793483%	1,065,665	1,009,058	105.61%	90.20%
	2018	0.6680134%	1,718,521	960,909	178.84%	84.70%
	2019	0.6461895%	1,037,533	850,836	121.94%	90.90%
Firefighters System	2014	0.0048448%	$ (27,646)	$ 127,036	-21.80%	103.50%
	2015	0.5238695%	(9,488)	140,853	-6.74%	101.00%
	2016	0.4948301%	(3,901)	139,102	-2.80%	100.40%
	2017	0.5260681%	(32,856)	153,906	-21.35%	103.00%
	2018	0.4924004%	63,937	152,669	41.88%	94.30%
	2019	0.4527187%	(56,146)	144,949	-38.74%	105.00%
Tier 2 Public Employees System	2014	0.1155009%	$ (3,500)	$ 566,929	-0.60%	103.50%
	2015	0.1220505%	(266)	788,707	-0.03%	100.20%
	2016	0.1565131%	17,459	1,283,531	1.36%	95.10%
	2017	0.2009037%	17,713	1,966,429	0.90%	97.40%
	2018	0.1933419%	82,804	2,259,183	3.67%	90.80%
	2019	0.1813525%	40,788	2,520,371	1.62%	96.50%
Tier 2 Public Safety and Firefighter System	2014	0.7602135%	$ (11,246)	$ 314,072	-3.60%	120.50%
	2015	0.6507001%	(9,507)	387,183	-2.46%	110.70%
	2016	0.5275480%	(4,579)	435,875	-1.05%	103.60%
	2017	0.5000307%	(5,786)	527,821	-1.10%	103.00%
	2018	0.4670312%	11,702	625,103	1.87%	95.60%
	2019	0.4662243%	43,855	768,520	5.71%	89.60%

Note:

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

SPRINGVILLE CITY CORPORATION
Schedule of Pension Contributions
Last Ten Fiscal Years

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Noncontributory System	2014	$ 1,239,038	$ 1,239,038	$ -	$ 7,232,984	17.13%
	2015	1,275,631	1,275,631	-	6,925,081	18.42%
	2016	1,290,326	1,290,326	-	700,657	18.43%
	2017	1,215,101	1,215,101	-	6,606,911	18.39%
	2018	1,169,372	1,169,372	-	6,368,944	18.36%
	2019	1,169,703	1,169,703	-	6,365,799	18.37%
	2020	1,127,301	1,127,301	-	6,123,310	18.41%
Contributory System	2014	$ 15,157	$ 15,157	$ -	$ 114,135	13.28%
	2015	14,530	14,530	-	100,484	14.46%
	2016	7,822	7,822	-	54,094	14.46%
	2017	3,728	3,728	-	25,785	14.46%
Public Safety System	2014	$ 375,860	$ 375,860	$ -	$ 1,279,356	29.38%
	2015	390,158	390,158	-	1,260,158	30.96%
	2016	345,081	345,081	-	1,122,174	30.75%
	2017	327,949	327,949	-	1,079,312	30.38%
	2018	294,671	294,671	-	985,351	29.91%
	2019	264,272	264,272	-	896,951	29.46%
	2020	295,502	295,502	-	841,707	35.11%
Firefighters System	2014	$ 3,675	$ 3,675	$ -	$ 124,142	2.96%
	2015	5,119	5,119	-	133,992	3.82%
	2016	5,439	5,439	-	132,324	4.11%
	2017	5,864	5,864	-	150,738	3.89%
	2018	6,018	6,018	-	153,129	3.93%
	2019	7,138	7,138	-	154,832	4.61%
	2020	9,801	9,801	-	150,167	6.53%
Tier 2 Public Employees System*	2014	$ 59,033	$ 59,033	$ -	$ 421,962	13.99%
	2015	94,905	94,905	-	635,651	14.93%
	2016	157,435	157,435	-	1,055,839	14.91%
	2017	243,094	243,094	-	1,626,048	14.95%
	2018	324,744	324,744	-	2,151,431	15.09%
	2019	366,027	366,027	-	2,357,624	15.53%
	2020	428,169	428,169	-	2,734,868	15.66%
Tier 2 Public Safety and Firefighter System*	2014	$ 57,093	$ 57,093	$ -	$ 291,898	19.56%
	2015	70,386	70,386	-	345,953	20.35%
	2016	79,980	79,980	-	396,966	20.15%
	2017	100,909	100,909	-	495,223	20.38%
	2018	125,570	125,570	-	579,013	21.69%
	2019	154,074	154,074	-	710,560	21.68%
	2020	172,121	172,121	-	811,379	21.21%
Tier 2 Public Employees DC Only System*	2014	$ -	$ -	$ -	$ -	0.00%
	2015	2,041	2,041	-	30,377	6.72%
	2016	2,142	2,142	-	32,016	6.69%
	2017	4,289	4,289	-	64,118	6.69%
	2018	2,708	2,708	-	40,476	6.69%
	2019	8,320	8,320	-	124,369	6.69%
	2020	16,173	16,173	-	241,746	6.69%
Tier 2 DC Public Safety and Firefighter DC Only System*	2014	$ -	$ -	$ -	$ -	0.00%
	2015	-	-	-	-	0.00%
	2016	-	-	-	-	0.00%
	2017	741	741	-	6,262	11.83%
	2018	5,020	5,020	-	75,634	6.64%
	2019	5,161	5,161	-	43,628	11.83%
	2020	6,669	6,669	-	56,391	11.83%

Note:

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

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

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

SPRINGVILLE CITY CORPORATION
Notes to the Required Supplementary Information
June 30, 2020

1. CHANGES IN ASSUMPTIONS

As a result of the passage of SB 129, the retirement rates for members in the Tier 2 Public Safety and Firefighter Hybrid System have been modified to be the same as the assumption used to model the retirement pattern in the Tier I Public Safety and Firefighter Systems, except for a 10% load at first eligibility for unreduced retirement prior to age 65.

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Supplementary Information

SPRINGVILLE CITY CORPORATION
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue		Capital Projects		Debt Service			
	Special Improvement District	Redevelopment Agency	Community Theater	Special Services	Debt Service	Municipal Building Authority	Permanent Fund	Total Nonmajor Governmental Funds
ASSETS								
Cash and cash equivalents	$ -	$ 759,666	$ 15,747	$ 137,196	$ 137,089	$ 3,244	$ 1,471,370	$ 2,524,312
Receivables:								
Special assessment	7,717	-	-	-	-	-	-	7,717
Property taxes	-	265,000	-	-	-	-	-	265,000
Restricted cash and cash equivalents	-	-	-	3,064,840	2,881	-	627,502	3,695,223
Total assets	$ 7,717	$ 1,024,666	$ 15,747	$ 3,202,036	$ 139,970	$ 3,244	$ 2,098,872	$ 6,492,252
LIABILITIES								
Accounts payable	$ -	$ 13,980	$ -	$ -	$ -	$ -	$ -	$ 13,980
Due to other funds	345	-	-	-	-	-	-	345
Total liabilities	345	13,980	-	-	-	-	-	14,325
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue-property taxes	-	265,000	-	-	-	-	-	265,000
Total deferred inflows of resources	-	265,000	-	-	-	-	-	265,000
FUND BALANCES								
Nonspendable endowments	-	-	-	-	-	-	1,404,789	1,404,789
Restricted:								
Impact fees	-	-	-	3,064,840	-	-	-	3,064,840
Debt Service	-	-	-	-	139,970	3,244	-	143,214
Assigned	7,372	745,686	15,747	137,196	-	-	694,083	1,600,084
Total fund balances	7,372	745,686	15,747	3,202,036	139,970	3,244	2,098,872	6,212,927
Total liabilities and fund balances	$ 7,717	$ 1,024,666	$ 15,747	$ 3,202,036	$ 139,970	$ 3,244	$ 2,098,872	$ 6,492,252

SPRINGVILLE CITY CORPORATION
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue		Capital Projects		Debt Service			
	Special Improvement District	Redevelopment Agency	Community Theater	Special Services	Debt Service	Municipal Building Authority	Permanent Fund	Total Nonmajor Governmental Funds
REVENUES								
Property tax	$ -	$ 37,875	$ -	$ -	$ -	$ -	$ -	$ 37,875
Charges for services	-	-	-	-	-	-	91,955	91,955
Intergovernmental	-	205,363	-	-	-	-	-	205,363
Impact fees	-	-	-	1,596,627	-	-	-	1,596,627
Interest	-	14,310	-	63,280	672	-	25,314	103,576
Miscellaneous	-	-	272	122,851	-	385,887	-	509,010
Total revenues	-	257,548	272	1,782,758	672	385,887	117,269	2,544,406
EXPENDITURES								
Debt service:								
Principal	-	-	-	-	7,255,000	280,000	-	7,535,000
Interest and fiscal expenses	-	-	-	-	694,838	105,887	-	800,725
Bond issuance costs	-	-	-	-	98,895	-	-	98,895
Capital outlay	-	378,098	-	13,362	-	-	-	391,460
Total expenditures	-	378,098	-	13,362	8,048,733	385,887	-	8,826,080
Excess of revenues over (under) expenditures	-	(120,550)	272	1,769,396	(8,048,061)	-	117,269	(6,281,674)
OTHER FINANCING SOURCES (USES)								
Proceeds from issuance of bonds	-	-	-	-	5,695,000	-	-	5,695,000
Premium on issuance of bonds	-	-	-	-	337,019	-	-	337,019
Transfers in	-	20,000	-	-	1,993,182	-	-	2,013,182
Transfers out	-	-	-	(769,500)	-	-	-	(769,500)
Total other financing sources (uses)	-	20,000	-	(769,500)	8,025,201	-	-	7,275,701
Net change in fund balance	-	(100,550)	272	999,896	(22,860)	-	117,269	994,027
Fund balance, beginning of year	7,372	846,236	15,475	2,202,140	162,830	3,244	1,981,603	5,218,900
Fund balance, end of year	$ 7,372	$ 745,686	$ 15,747	$ 3,202,036	$ 139,970	$ 3,244	$ 2,098,872	$ 6,212,927

SPRINGVILLE CITY CORPORATION
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2020

	Business-type Activities - Enterprise Funds			
	Storm Water	**Solid Waste**	**Golf Course**	**Total Nonmajor Enterprise Funds**
ASSETS				
Current assets:				
Cash and cash equivalents	$ 2,510,542	$ 767,466	$ 320,538	$ 3,598,546
Accounts receivable, net	119,530	176,307	55,236	351,073
Total current assets	2,630,072	943,773	375,774	3,949,619
Noncurrent assets:				
Capital assets:				
Land	373,329	487,433	341,520	1,202,282
Construction in progress	301,055	-	-	301,055
Buildings	-	850,266	1,965,450	2,815,716
Improvements other than buildings	6,245,274	-	-	6,245,274
Machinery and equipment	205,596	303,651	390,844	900,091
Accumulated depreciation	(1,089,486)	(643,592)	(1,913,011)	(3,646,089)
Net capital assets	6,035,768	997,758	784,803	7,818,329
Other assets:				
Equity investment in joint venture	-	2,302,250	-	2,302,250
Total other assets	-	2,302,250	-	2,302,250
Total noncurrent assets	6,035,768	3,300,008	784,803	10,120,579
Total assets	8,665,840	4,243,781	1,160,577	14,070,198
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	16,651	32,531	50,621	99,803
Total deferred outflows of resources	16,651	32,531	50,621	99,803

SPRINGVILLE CITY CORPORATION
Combining Statement of Net Position (Continued)
Nonmajor Enterprise Funds
June 30, 2020

	Business-type Activities - Enterprise Funds			
	Storm Water	Solid Waste	Golf Course	Total Nonmajor Enterprise Funds
LIABILITIES				
Current liabilities:				
Accounts payable	$ 127,823	$ 54,347	$ 33,664	$ 215,834
Accrued liabilities	4,383	7,558	15,564	27,505
Compensated absences	2,571	11,755	14,288	28,614
Total current liabilities	134,777	73,660	63,516	271,953
Noncurrent liabilities:				
Compensated absences	2,571	11,756	14,287	28,614
Net pension liability	32,377	61,510	93,030	186,917
Total noncurrent liabilities	34,948	73,266	107,317	215,531
Total liabilities	169,725	146,926	170,833	487,484
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	26,038	47,927	52,775	126,740
Total deferred inflows of resources	26,038	47,927	52,775	126,740
NET POSITION				
Net investment in capital assets	6,035,768	997,758	784,803	7,818,329
Restricted for impact fees	1,353,696	-	-	1,353,696
Unrestricted	1,097,264	3,083,701	202,787	4,383,752
Total net position	$ 8,486,728	$ 4,081,459	$ 987,590	$ 13,555,777

SPRINGVILLE CITY CORPORATION
Combining Statement of Revenues, Expenses, and
Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2020

	Business-type Activities - Enterprise Funds			
	Storm Water	**Solid Waste**	**Golf Course**	**Total Nonmajor Enterprise Funds**
OPERATING REVENUES				
Sales and charges for services	$ 1,200,765	$ 1,864,902	$ 1,053,837	$ 4,119,504
Miscellaneous income	20,136	50	4,215	24,401
Total operating revenues	1,220,901	1,864,952	1,058,052	4,143,905
OPERATING EXPENSES				
Salaries and benefits	208,351	383,544	443,466	1,035,361
Administrative	657,441	1,215,301	412,683	2,285,425
Depreciation	130,588	18,911	35,280	184,779
Total operating expenses	996,380	1,617,756	891,429	3,505,565
Operating income	224,521	247,196	166,623	638,340
NONOPERATING REVENUES (EXPENSES)				
Equity income of joint venture	-	155,676	-	155,676
Impact fees	256,670	-	-	256,670
Grants	-	-	-	-
Interest income	50,881	14,403	4,069	69,353
Total nonoperating revenues (expenses)	307,551	170,079	4,069	481,699
Income before contributions and transfers	532,072	417,275	170,692	1,120,039
Capital contributions	420,731	-	-	420,731
Transfers out	(79,990)	(140,078)	-	(220,068)
Change in net position	872,813	277,197	170,692	1,320,702
Total net position, beginning	7,613,915	3,804,262	816,898	12,235,075
Total net position, ending	$ 8,486,728	$ 4,081,459	$ 987,590	$ 13,555,777

SPRINGVILLE CITY CORPORATION
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2020

	Storm Water	Solid Waste	Golf Course	Total Nonmajor Enterprise Funds
Cash flows from operating activities				
Receipts from customers and users	$1,275,469	$1,862,613	$1,027,546	$ 4,165,628
Payments to suppliers	(572,657)	(1,245,637)	(397,069)	(2,215,363)
Payments to employees	(206,093)	(376,364)	(445,546)	(1,028,003)
Net cash provided by operating activities	496,719	240,612	184,931	922,262
Cash flows from noncapital financing activities				
Transfers to other funds	(79,990)	(140,078)	-	(220,068)
Net cashused by noncapital financing activities	(79,990)	(140,078)	-	(220,068)
Cash flows from capital and related financing activities				
Aquisition of capital assets	(684,217)	-	-	(684,217)
Impact fees received	256,670	-	-	256,670
Net cash used by capital and related financing activities	(427,547)	-	-	(427,547)
Cash flows from investing activities				
Interest received	50,881	14,403	4,069	69,353
Net cash provided by investing activities	50,881	14,403	4,069	69,353
Net increase (decrease) in cash and cash equivalents	40,063	114,937	189,000	344,000
Cash and cash equivalents, beginning of year	2,470,479	652,529	131,538	3,254,546
Cash and cash equivalents, end of year	$2,510,542	$ 767,466	$ 320,538	$ 3,598,546
Total cash and cash equivalents	$2,510,542	$ 767,466	$ 320,538	$ 3,598,546

SPRINGVILLE CITY CORPORATION
Combining Statement of Cash Flows (Continued)
Nonmajor Enterprise Funds
For the Year Ended June 30, 2020

	Storm Water	Solid Waste	Golf Course	Total Nonmajor Enterprise Funds
Reconciliation of operating income to net cash provided by operating activities				
Operating income	$ 224,521	$ 247,196	$ 166,623	$ 638,340
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	130,588	18,911	35,280	184,779
Changes in assets and liabilities:				
Accounts receivable	54,568	(2,339)	(30,506)	21,723
Accounts payable	84,784	(30,336)	15,614	70,062
Accrued liabilities	1,099	1,765	3,761	6,625
Compensated absences	944	5,038	(6,188)	(206)
Net pension liability	215	377	347	939
Net cash provided by operating activities	$ 496,719	$ 240,612	$ 184,931	$ 922,262
Noncash investing, capital and financing activities				
Capital contributions - developers	$ 420,731	$ -	$ -	$ 420,731
Equity investment adjustment for net income and ownership changes	$ -	$ 155,676	$ -	$ 155,676

SPRINGVILLE CITY CORPORATION
Schedule of the Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual – Capital Projects Fund
For the Year Ended June 30, 2020

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance with Final Budget**
REVENUES				
Intergovernmental	$ -	$ 105,000	$ -	$ (105,000)
Interest	-	-	143,837	143,837
Donations	500,000	500,000	500,000	-
Total revenues	500,000	605,000	643,837	38,837
EXPENDITURES				
Capital outlay	2,834,928	8,010,640	2,809,755	5,200,885
Total expenditures	2,834,928	8,010,640	2,809,755	5,200,885
Excess (deficiency) of revenues over (under) expenditures	(2,334,928)	(7,405,640)	(2,165,918)	5,239,722
OTHER FINANCING SOURCES (USES)				
Transfers in	1,874,628	2,374,628	2,374,628	-
Net other financing sources (uses)	1,874,628	2,374,628	2,374,628	-
Net change in fund balance	$ (460,300)	$(5,031,012)	208,710	$ 5,239,722
Fund balance, beginning of year			6,109,074	
Fund balance, end of year			$ 6,317,784	

SPRINGVILLE CITY CORPORATION
Schedule of the Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual – Special Improvement District Fund
For the Year Ended June 30, 2020

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Charges for services	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
EXPENDITURES				
Debt service:				
Interest and fiscal expenses	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	$ -	$ -	-	$ -
Fund balance, beginning of year			7,372	
Fund balance, end of year			$ 7,372	

SPRINGVILLE CITY CORPORATION
Schedule of the Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual – Redevelopment Agency Fund
For the Year Ended June 30, 2020

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Property tax	$ 150,000	$ 150,000	$ 37,875	$ (112,125)
Intergovernmental	-	-	205,363	205,363
Interest	-	-	14,310	14,310
Total revenues	150,000	150,000	257,548	107,548
EXPENDITURES				
Current:				
RDA expenditures	286,000	396,000	378,098	17,902
Total expenditures	286,000	396,000	378,098	17,902
Excess of revenues under expenditures	(136,000)	(246,000)	(120,550)	125,450
OTHER FINANCING SOURCES (USES)				
Transfers in	20,000	20,000	20,000	-
Net other financing sources (uses)	20,000	20,000	20,000	-
Net change in fund balance	$ (116,000)	$ (226,000)	(100,550)	$ 125,450
Fund balance, beginning of year			846,236	
Fund balance, end of year			$ 745,686	

SPRINGVILLE CITY CORPORATION
Schedule of the Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual – Community Theater Fund
For the Year Ended June 30, 2020

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance with Final Budget**
REVENUES				
Miscellaneous	$ -	$ -	$ 272	$ 272
Total revenues	-	-	272	272
Net change in fund balance	$ -	$ -	272	$ 272
Fund balance, beginning of year			15,475	
Fund balance, end of year			$ 15,747	

SPRINGVILLE CITY CORPORATION
Schedule of the Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual – Special Services Fund
For the Year Ended June 30, 2020

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance with Final Budget**
REVENUES				
Impact fees	$ 1,007,000	$ 1,007,000	$ 1,596,627	$ 589,627
Interest	45,000	45,000	63,280	18,280
Miscellaneous	-	-	122,851	122,851
Total revenues	1,052,000	1,052,000	1,782,758	730,758
EXPENDITURES				
Capital outlay	30,000	60,000	13,362	46,638
Total expenditures	30,000	60,000	13,362	46,638
Excess of revenues over expenditures	1,022,000	992,000	1,769,396	777,396
OTHER FINANCING SOURCES (USES)				
Transfers out	(769,500)	(769,500)	(769,500)	-
Net other financing sources (uses)	(769,500)	(769,500)	(769,500)	-
Net change in fund balance	$ 252,500	$ 222,500	999,896	$ 777,396
Fund balance, beginning of year			2,202,140	
Fund balance, end of year			$ 3,202,036	

SPRINGVILLE CITY CORPORATION
Schedule of the Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Debt Service Fund
For the Year Ended June 30, 2020

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Interest	$ -	$ -	$ 672	$ 672
Total revenues	-	-	672	672
EXPENDITURES				
Debt service:				
Principal	1,345,000	7,255,000	7,255,000	-
Interest and fiscal expenses	677,314	700,660	694,838	5,822
Bond issuance costs	-	98,895	98,895	-
Total debt service	2,022,314	8,054,555	8,048,733	5,822
Total expenditures	2,022,314	8,054,555	8,048,733	5,822
Excess of revenues over expenditures	(2,022,314)	(8,054,555)	(8,048,061)	6,494
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of bonds	-	6,033,000	5,695,000	(338,000)
Premium on issuance of bonds	-	-	337,019	337,019
Transfers in	2,022,314	2,022,314	1,993,182	(29,132)
Net other financing sources (uses)	2,022,314	8,055,314	8,025,201	(30,113)
Net change in fund balance	$ -	$ 759	(22,860)	$ (23,619)
Fund balance, beginning of year			162,830	
Fund balance, end of year			$ 139,970	

SPRINGVILLE CITY CORPORATION
Schedule of the Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual – Municipal Building Authority Fund
For the Year Ended June 30, 2020

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Miscellaneous	$ 386,965	$ 386,965	$ 385,887	$ (1,078)
Total revenues	$ 386,965	$ 386,965	$ 385,887	$ (1,078)
EXPENDITURES				
Debt service:				
Principal	280,000	280,000	280,000	-
Interest and fiscal expenses	106,965	106,965	105,887	1,078
Total expenditures	386,965	386,965	385,887	1,078
Net change in fund balance	$ -	$ -	-	$ -
Fund balance, beginning of year			3,244	
Fund balance, end of year			$ 3,244	

SPRINGVILLE CITY CORPORATION
Schedule of the Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual – Permanent Fund
For the Year Ended June 30, 2020

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Charges for services	$ 76,000	$ 76,000	$ 91,955	$ 15,955
Interest	15,000	15,000	25,314	10,314
Total revenues	91,000	91,000	117,269	26,269
OTHER FINANCING SOURCES (USES)				
Transfers out	(25,000)	(25,000)	-	25,000
Net other financing sources (uses)	(25,000)	(25,000)	-	25,000
Net change in fund balance	$ 66,000	$ 66,000	117,269	$ 51,269
Fund balance, beginning of year			1,981,603	
Fund balance, end of year			$ 2,098,872	

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Compliance Section

CERTIFIED PUBLIC ACCOUNTANTS

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INDPENDENDT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Members of the City Council
Springville City, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Springville City Corporation, Utah (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 8, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying Schedule of Findings and Responses as item 2020-1.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HBMC, LLC

December 8, 2020

CERTIFIED PUBLIC ACCOUNTANTS

E. LYNN HANSEN, CPA
CLARKE R. BRADSHAW, CPA
GARY E. MALMROSE, CPA
EDWIN L. ERICKSON, CPA
MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
SHAWN F. MARTIN, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER COMPLAINCE AS REQUIRED BY THE *STATE COMPLIANCE AUDIT GUIDE*

Honorable Major and Members of the City Council
Springville City, Utah

Report On Compliance

We have audited Springville City Corporation, Utah's (the City) compliance with state compliance requirements described in the *State Compliance Audit Guide* issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2020.

State compliance requirements were tested for the year ended June 30, 2020 in the following areas:

- Budgetary Compliance
- Fund Balance
- Justice Courts
- Fraud Risk Assessment
- Tax Levy Revenue Recognition
- Restricted Taxes and Related Revenues
- Open and Public Meetings Act
- Enterprise Fund Transfers, Reimbursements, Loans, and Services

Management's Responsibility

Management is responsible for compliance with the state requirements referred to above.

Auditor's Responsibility

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

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We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirements referred to above. However, our audit does not provide a legal determination of the City's compliance with those requirements.

Opinion on Compliance

In our opinion, Springville City Corporation complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance or other matters, which is required to be reported in accordance with the *State Compliance Audit Guide* and which is described in the accompanying Schedule of Findings and Responses as item 2020-1. Our opinion on compliance is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Purpose of Report

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

HBME, LLC

December 8, 2020

SPRINGVILLE CITY CORPORATION
Schedule of Findings and Responses
For the Year Ended June 30, 2020

State Compliance Finding

2020-1 General Fund Balance

Condition:	At June 30, 2020, the City's aggregate unassigned, assigned, and committed General Fund balance totaled 31.27%.
Criteria:	State law, *Utah Code 10-6-116(2)*, stipulates that the maximum General Fund aggregate unassigned, assigned, and committed fund balance may not exceed 25% of the total revenues of the General Fund for the current fiscal year.
Cause:	The City did not have enough expenditures over revenues or transfers for appropriated projects in the current year to effectively reduce its required fund balance maximum limit, mainly due to the portion of COVID-19/CARES Act federal money received from Utah County that was recognized as earned for fiscal year end June 30, 2020.
Effect:	The City is not in compliance with Utah Code for General Fund balance limitations.
Recommendation:	The City should monitor and amend their FY2021 General Fund budget as necessary to appropriate any excess fund balance as described above in order to comply with State Code.
Management's Response:	Management concurs and will work to reduce their fund balance as needed to ensure compliance with State Code.

SPRINGVILLE CITY CORPORATION
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2020

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
REVENUE					
TAX REVENUE	901,715.83	2,274,294.80	14,013,148.00	11,738,853.20	16.2
LICENSE REVENUE	123,352.00	652,954.00	1,145,555.00	492,601.00	57.0
INTERGOVERNMENTAL REVENUE	53,420.36	319,855.57	1,869,812.00	1,549,956.43	17.1
CHARGES FOR SERVICES	100,734.10	420,421.66	968,893.00	548,471.34	43.4
FINES AND FORFEITURES	23,875.79	116,221.19	389,000.00	272,778.81	29.9
MISCELLANEOUS REVENUE	167,248.17	838,195.36	2,547,040.00	1,708,844.64	32.9
CONTRIBUTIONS & TRANSFERS	407,424.00	1,629,696.00	4,889,087.00	3,259,391.00	33.3
TRANSFERS & OTHER REVENUE SO	110.00	1,495.00	68,750.00	67,255.00	2.2
	1,777,880.25	6,253,133.58	25,891,285.00	19,638,151.42	24.2
EXPENDITURES					
LEGISLATIVE	6,638.41	52,803.57	189,648.00	136,844.43	27.8
ADMINISTRATION	64,933.33	298,994.40	1,120,240.00	821,245.60	26.7
INFORMATION SYSTEMS	45,099.00	170,613.90	506,597.00	335,983.10	33.7
LEGAL	37,370.86	171,187.76	669,455.00	498,267.24	25.6
FINANCE	36,585.78	191,513.85	588,179.00	396,665.15	32.6
TREASURY	34,780.92	134,890.76	429,389.00	294,498.24	31.4
BUILDING INSPECTIONS	31,030.67	132,252.03	515,865.00	383,612.97	25.6
PLANNING & ZONING	23,659.48	105,013.66	507,963.00	402,949.34	20.7
PUBLIC WORKS	22,892.51	99,499.90	324,255.00	224,755.10	30.7
FACILITIES MAINTENANCE	.00	95.82	.00	(95.82)	.0
CITY ENGINEER	56,109.36	267,745.91	1,000,298.00	732,552.09	26.8
POLICE EXPENDITURES	289,809.72	1,343,091.08	4,122,793.00	2,779,701.92	32.6
POLICE DISPATCH	58,198.79	259,370.24	836,573.00	577,202.76	31.0
FIRE DEPARTMENT	110,437.19	462,169.77	1,490,752.00	1,028,582.23	31.0
MUNICIPAL COURT EXPENDITURES	25,238.86	109,969.16	378,125.00	268,155.84	29.1
STREETS EXPENDITURES	123,063.94	401,218.43	1,237,380.00	836,161.57	32.4
PARKS EXPENDITURES	57,932.84	281,082.86	1,144,523.00	863,440.14	24.6
CANYON PARKS	22,538.02	117,204.75	432,053.00	314,848.25	27.1
ART MUSEUM EXPENDITURES	43,311.36	198,888.44	730,388.00	531,499.56	27.2
ART MUSEUM-POPS	24,561.40	78,705.67	324,348.00	245,642.33	24.3
CLYDE RECREATIONAL CENTER	136,910.18	556,444.69	1,421,906.00	865,461.31	39.1
RECREATION EXPENDITURES	53,805.39	234,523.10	914,921.00	680,397.90	25.6
CEMETERY	19,039.30	98,846.44	319,847.00	221,000.56	30.9
ARTS COMMISSION	.00	.00	28,000.00	28,000.00	.0
LIBRARY EXPENDITURES	71,928.67	298,190.51	1,088,800.00	790,609.49	27.4
SENIOR CITIZENS	7,198.72	28,180.87	104,146.00	75,965.13	27.1
TRANSFERS, OTHER	417,610.42	1,670,441.68	5,786,962.00	4,116,520.32	28.9
	1,820,685.12	7,762,939.25	26,213,406.00	18,450,466.75	29.6
	(42,804.87)	(1,509,805.67)	(322,121.00)	1,187,684.67	(468.7)

SPRINGVILLE CITY CORPORATION
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2020

DEBT SERVICE & BOND REDEM FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
REVENUE					
MISCELLANEOUS REVENUE	.24	1.31	.00	(1.31)	.0
CONTRIBUTIONS & TRANSFERS	154,937.00	619,748.00	1,859,245.00	1,239,497.00	33.3
	154,937.24	619,749.31	1,859,245.00	1,239,495.69	33.3
EXPENDITURES					
BOND EXPENDITURES	.00	220,607.87	1,859,245.00	1,638,637.13	11.9
	.00	220,607.87	1,859,245.00	1,638,637.13	11.9
	154,937.24	399,141.44	.00	(399,141.44)	.0

SPRINGVILLE CITY CORPORATION
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2020

MUNICIPAL BUILDING AUTHORITY

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
REVENUE					
MBA REVENUE	.00	.00	394,634.00	394,634.00	.0
	.00	.00	394,634.00	394,634.00	.0
EXPENDITURES					
MBA DEBT SERVICE	.00	345,775.24	392,984.00	47,208.76	88.0
MBA MISC. EXPENSES	.00	.00	1,650.00	1,650.00	.0
	.00	345,775.24	394,634.00	48,858.76	87.6
	.00	(345,775.24)	.00	345,775.24	.0

SPRINGVILLE CITY CORPORATION
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2020

CAPITAL IMPROVEMENT FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
REVENUE					
CAPITAL IMPROVEMENT REVENUES	92,509.87	739,267.40	1,221,976.00	482,708.60	60.5
CONTRIBUTIONS & TRANSFERS	.00	.00	350,000.00	350,000.00	.0
	92,509.87	739,267.40	1,571,976.00	832,708.60	47.0
EXPENDITURES					
LEGISLATIVE EXPENDITURES	6,398.33	14,027.78	83,010.00	68,982.22	16.9
ADMINISTRATION	.00	10,000.00	3,005,000.00	2,995,000.00	.3
BUILDING INSPECTIONS	.00	.00	30,000.00	30,000.00	.0
PLANNING & ZONING	.00	.00	20,000.00	20,000.00	.0
ENGINEERING EXPENDITURES	.00	.00	30,000.00	30,000.00	.0
POLICE EXPENDITURES	.00	102,431.66	239,614.13	137,182.47	42.8
FIRE DEPARTMENT	.00	.00	770,000.00	770,000.00	.0
STREETS EXPENDITURES	805,819.75	1,420,827.49	4,273,890.02	2,853,062.53	33.2
PARKS EXPENDITURES	.00	.00	155,715.63	155,715.63	.0
CANYON PARKS	.00	.00	57,347.00	57,347.00	.0
ART MUSEUM EXPENDITURES	.00	11,087.80	32,500.00	21,412.20	34.1
POOL EXPENDITURES	11,485.00	11,485.00	78,000.00	66,515.00	14.7
RECREATION EXPENDITURES	.00	.00	702,695.00	702,695.00	.0
CEMETERY EXPENDITURES	52,032.00	52,032.00	66,000.00	13,968.00	78.8
	875,735.08	1,621,891.73	9,543,771.78	7,921,880.05	17.0
	(783,225.21)	(882,624.33)	(7,971,795.78)	(7,089,171.45)	(11.1)

SPRINGVILLE CITY CORPORATION
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2020

SPECIAL SERVICE FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
REVENUE					
SPECIAL REVENUES	246,601.99	806,976.17	990,300.00	183,323.83	81.5
	246,601.99	806,976.17	990,300.00	183,323.83	81.5
EXPENDITURES					
PARK IMPACT FEE PROJECTS	.00	.00	60,000.00	60,000.00	.0
TRANSFERS	49,650.00	208,591.30	1,071,938.10	863,346.80	19.5
	49,650.00	208,591.30	1,131,938.10	923,346.80	18.4
	196,951.99	598,384.87	(141,638.10)	(740,022.97)	422.5

SPRINGVILLE CITY CORPORATION
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2020

INTERNAL SERVICE FUNDS

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
REVENUE					
CHARGES FOR SERVICES	23,887.95	102,262.31	383,592.00	281,329.69	26.7
CONTRIBUTIONS & TRANSFERS	123,229.00	492,916.00	1,478,749.00	985,833.00	33.3
	147,116.95	595,178.31	1,862,341.00	1,267,162.69	32.0
EXPENDITURES					
CENTRAL SHOP	23,887.95	103,824.31	338,296.00	234,471.69	30.7
FACILITIES MAINTENANCE	109,756.08	296,436.13	992,700.00	696,263.87	29.9
FACIL MAINT - CAPITAL EXPENSE	8,300.00	9,043.81	256,500.00	247,456.19	3.5
TRANSFERS, OTHER	911.00	3,644.00	78,704.91	75,060.91	4.6
	142,855.03	412,948.25	1,666,200.91	1,253,252.66	24.8
	4,261.92	182,230.06	196,140.09	13,910.03	92.9

SPRINGVILLE CITY CORPORATION
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2020

VEHICLES AND EQUIPMENT FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
REVENUE					
SOURCE 3600	384.79	1,722.92	.00	(1,722.92)	.0
SOURCES OF REVENUES	104,683.00	418,732.00	1,298,198.00	879,466.00	32.3
SOURCE 3900	.00	11,077.36	.00	(11,077.36)	.0
	105,067.79	431,532.28	1,298,198.00	866,665.72	33.2
EXPENDITURES					
VEH. AND EQUIP. EXPENDITURES	.00	.00	105,000.00	105,000.00	.0
ADMNISTRATION	12,949.13	43,108.25	139,950.00	96,841.75	30.8
POLICE	162,534.00	162,534.00	362,115.00	199,581.00	44.9
AMBULANCE	.00	.00	135,991.12	135,991.12	.0
STREETS	.00	.00	236,000.00	236,000.00	.0
PARKS	.00	.00	40,231.00	40,231.00	.0
CEMETERY	.00	11,600.00	135,600.00	124,000.00	8.6
WATER	.00	.00	130,000.00	130,000.00	.0
SEWER	.00	.00	35,000.00	35,000.00	.0
ELECTRIC	.00	.00	368,013.00	368,013.00	.0
SOLID WASTE	.00	.00	270,000.00	270,000.00	.0
	175,483.13	217,242.25	1,957,900.12	1,740,657.87	11.1
	(70,415.34)	214,290.03	(659,702.12)	(873,992.15)	32.5

SPRINGVILLE CITY CORPORATION
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2020

WATER UTILITY FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
REVENUE					
ENTERPRISE REVENUE	629,564.42	3,330,220.96	5,168,555.00	1,838,334.04	64.4
	629,564.42	3,330,220.96	5,168,555.00	1,838,334.04	64.4
EXPENDITURES					
WATER EXPENDITURES	204,445.75	742,272.55	2,160,573.00	1,418,300.45	34.4
DEPARTMENT 5150	264.43	6,958.29	288,407.00	281,448.71	2.4
PROJECTS	132,994.53	323,252.19	1,779,320.03	1,456,067.84	18.2
IMPACT FEE PROJECTS	.00	.00	680,294.00	680,294.00	.0
DEPARTMENT 6900	.00	.00	14,000.00	14,000.00	.0
PRINCIPAL	.00	12,576.00	174,000.00	161,424.00	7.2
TRANSFERS, OTHER	79,135.73	324,276.49	1,013,450.00	689,173.51	32.0
	416,840.44	1,409,335.52	6,110,044.03	4,700,708.51	23.1
	212,723.98	1,920,885.44	(941,489.03)	(2,862,374.47)	204.0

SPRINGVILLE CITY CORPORATION
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2020

SEWER UTILITY FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
REVENUE					
ENTERPRISE REVENUE	444,685.52	1,797,501.50	4,793,696.00	2,996,194.50	37.5
	444,685.52	1,797,501.50	4,793,696.00	2,996,194.50	37.5
EXPENDITURES					
SEWER EXPENDITURES	49,692.41	154,675.97	477,999.00	323,323.03	32.4
WASTE WATER TREATMENT PLANT	65,091.14	315,601.38	1,155,132.00	839,530.62	27.3
DEPARTMENT 6080	.00	.00	280,000.00	280,000.00	.0
VEHICLES & EQUIP-WASTE WATER	.00	17,189.46	225,000.00	207,810.54	7.6
PROJECTS	66,947.90	82,225.90	4,011,049.50	3,928,823.60	2.1
IMPACT FEE PROJECTS	.00	.00	30,000.00	30,000.00	.0
BOND PRINCIPAL	.00	50,304.00	696,000.00	645,696.00	7.2
TRANSFERS, OTHER	72,170.62	324,516.64	1,046,540.00	722,023.36	31.0
	253,902.07	944,513.35	7,921,720.50	6,977,207.15	11.9
	190,783.45	852,988.15	(3,128,024.50)	(3,981,012.65)	27.3

SPRINGVILLE CITY CORPORATION
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2020

ELECTRIC UTILITY FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
REVENUE					
ENTERPRISE REVENUE	2,589,743.68	12,208,463.77	28,930,142.00	16,721,678.23	42.2
	2,589,743.68	12,208,463.77	28,930,142.00	16,721,678.23	42.2
EXPENDITURES					
ELECTRIC DISTRIBUTION	175,955.45	771,215.50	2,715,717.00	1,944,501.50	28.4
ELECTRIC GENERATION	107,288.73	685,326.85	1,924,387.00	1,239,060.15	35.6
NEW DEVELOPMENT	14,379.56	77,151.67	610,872.00	533,720.33	12.6
GENERATION PROJECTS	16,920.35	48,785.21	3,200,318.00	3,151,532.79	1.5
IMPACT FEE PROJECTS	69,540.22	136,164.79	1,774,816.00	1,638,651.21	7.7
TRANSFERS, OTHER	1,665,034.88	6,159,056.97	21,452,549.00	15,293,492.03	28.7
	2,049,119.19	7,877,700.99	31,678,659.00	23,800,958.01	24.9
	540,624.49	4,330,762.78	(2,748,517.00)	(7,079,279.78)	157.6

SPRINGVILLE CITY CORPORATION
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2020

STORM WATER FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
REVENUE					
SOURCE 3700	173,226.06	588,097.09	1,391,073.00	802,975.91	42.3
	173,226.06	588,097.09	1,391,073.00	802,975.91	42.3
EXPENDITURES					
STORM DRAIN EXPENDITURES	33,210.22	113,150.30	500,046.00	386,895.70	22.6
DEPARTMENT 6050	.00	.00	231,000.00	231,000.00	.0
DEPARTMENT 6080	.00	.00	298,761.00	298,761.00	.0
DEPARTMENT 6800	.00	210,373.27	1,330,945.18	1,120,571.91	15.8
TRANSFERS, OTHER	35,239.25	141,000.46	426,056.00	285,055.54	33.1
	68,449.47	464,524.03	2,786,808.18	2,322,284.15	16.7
	104,776.59	123,573.06	(1,395,735.18)	(1,519,308.24)	8.9

SPRINGVILLE CITY CORPORATION
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2020

WASTE UTILITY FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
REVENUE					
ENTERPRISE REVENUE	163,108.00	648,568.60	1,870,042.00	1,221,473.40	34.7
	163,108.00	648,568.60	1,870,042.00	1,221,473.40	34.7
EXPENDITURES					
SOLID WASTE EXPENDITURES	91,594.49	320,270.31	1,147,947.00	827,676.69	27.9
SOLID WASTE RECYCLING	2,915.81	9,356.42	63,696.00	54,339.58	14.7
TOOLS & EQUIPMENT	.00	57,066.16	57,635.00	568.84	99.0
TRANSFERS, OTHER	45,884.71	183,601.00	553,332.00	369,731.00	33.2
	140,395.01	570,293.89	1,822,610.00	1,252,316.11	31.3
	22,712.99	78,274.71	47,432.00	(30,842.71)	165.0

SPRINGVILLE CITY CORPORATION
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2020

GOLF COURSE UTILITY FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
REVENUE					
ENTERPRISE REVENUE	112,350.08	703,693.69	969,835.00	266,141.31	72.6
	112,350.08	703,693.69	969,835.00	266,141.31	72.6
EXPENDITURES					
GOLF COURSE EXPENDITURES	68,319.83	286,548.32	820,392.00	533,843.68	34.9
TRANSFERS, OTHER	12,454.00	49,816.00	149,445.00	99,629.00	33.3
	80,773.83	336,364.32	969,837.00	633,472.68	34.7
	31,576.25	367,329.37	(2.00)	(367,331.37)	18366

SPRINGVILLE CITY CORPORATION
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2020

REDEVELOPMENT AGENCY FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
REVENUE					
CONTRIBUTIONS & TRANSFERS	2,917.00	11,668.00	210,000.00	198,332.00	5.6
	2,917.00	11,668.00	210,000.00	198,332.00	5.6
EXPENDITURES					
WATER EXPENDITURES	.00	.00	135,000.00	135,000.00	.0
	.00	.00	135,000.00	135,000.00	.0
	2,917.00	11,668.00	75,000.00	63,332.00	15.6

SPRINGVILLE CITY CORPORATION
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2020

CEMETERY TRUST FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
REVENUE					
CHARGES FOR SERVICES	7,000.32	41,091.54	85,500.00	44,408.46	48.1
	7,000.32	41,091.54	85,500.00	44,408.46	48.1
EXPENDITURES					
	.00	.00	.00	.00	.0
	7,000.32	41,091.54	85,500.00	44,408.46	48.1

SPRINGVILLE CITY CORPORATION
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2020

SPECIAL TRUSTS FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
REVENUE					
EXPENDITURES					
TRANSFERS, OTHER	.00	.00	25,000.00	25,000.00	.0
	.00	.00	25,000.00	25,000.00	.0
	.00	.00	(25,000.00)	(25,000.00)	.0