



INTERNAL AUDIT COMMITTEE CENTERVILLE CITY COUNCIL AGENDA

NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE CITY COUNCIL WILL HOLD A SPECIAL PUBLIC MEETING AT 5:30 PM ON NOVEMBER 30, 2021 AT THE ELECTRONICALLY VIA ZOOM, CENTERVILLE, UTAH. THE AGENDA IS SHOWN BELOW.

Meetings of the City Council of Centerville City may be conducted via electronic means pursuant to Utah Code Ann. 52-4-207, as amended. In such circumstances, contact will be established and maintained via electronic means and the meeting will be conducted pursuant to the Electronic Meetings Policy established by the City Council for electronic meetings.

Centerville City, in compliance with the Americans With Disabilities Act, provides accommodations and auxiliary communicative aids and services for all those citizens in need of assistance, including hearing devices. Persons requesting these accommodations for City-sponsored public meetings, services, programs, or events should call Jacob Smith, Centerville Administrative Services Director, at 801-295-3477, giving at least 24 hours notice prior to the meeting.

The full packet of backup materials can be found at <http://centerville.novusagenda.com/agendapublic>.

A. ROLL CALL

B. BUSINESS

1. Zoom Info
Join Zoom Meeting
[https://zoom.us/j/93842746076?](https://zoom.us/j/93842746076?pwd=V3RtbGFRRIRIRXdXOHpsenF5VzV2UT09)
pwd=V3RtbGFRRIRIRXdXOHpsenF5VzV2UT09

Meeting ID: 938 4274 6076
Passcode: 375408
2. Audit Report
Audit report for fiscal year ending June 30, 2021

C. CLOSED SESSION (Closed Meeting, if necessary, for reasons allowed by State Law, including, but not limited to, the provisions of section 52-4-205 of the Utah Open and Public Meetings Act, and for the Attorney-Client matters that are privileged pursuant to Utah Code ann. 78B-1-137, as amended)

D. ADJOURNMENT

Jennifer Hansen

CENTERVILLE

**Staff Backup Report
11/30/2021**

Item No. 1.

Short Title: Zoom Info

Initiated By:

Staff Representative:

SUBJECT

Join Zoom Meeting

<https://zoom.us/j/93842746076?pwd=V3RtbGFRRIRIRXdXOHpsenF5VzV2UT09>

Meeting ID: 938 4274 6076

Passcode: 375408

RECOMMENDATION

BACKGROUND

CENTERVILLE

Staff Backup Report

11/30/2021

Item No. 2.

Short Title: Audit Report

Initiated By: Nate Plaizier, Finance Director

Staff Representative: Nate Plaizier, Finance Director

SUBJECT

Audit report for fiscal year ending June 30, 2021

RECOMMENDATION

BACKGROUND

Larson & Company CPAs, the City's contracted independent auditors, have completed the annual audit for the fiscal year ending June 30, 2021. Larsen & Company CPAs will be presenting the results of their audit to the Audit Committee, in preparation for the Audit Report scheduled for the December 7th City Council Meeting.

ATTACHMENTS:

Description

▣ FY2021 ACFR

**CENTERVILLE CITY CORPORATION
CENTERVILLE, UTAH**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

For The Year Ended June 30, 2021

Together With Independent Auditor's Report

**Centerville City Corporation
TABLE OF CONTENTS**

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1
City Officials	6
Organizational Chart	7
Certificate of Achievement for Excellence in Financial Reporting	8
 FINANCIAL SECTION	
Independent Auditor’s Report	10
Management’s Discussion and Analysis	12
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	22
Statement of Activities	24
Fund Financial Statements:	
Balance Sheet – Governmental Funds	25
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	26
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	28
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund.....	29
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Redevelopment Agency Special Revenue Fund.....	30
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Transportation Special Revenue Fund.....	31
Statement of Net Position – Proprietary Funds.....	32
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	34
Statement of Cash Flows – Proprietary Funds.....	35
Statement of Fiduciary Net Position – Fiduciary Fund	36
Statement of Changes in Fiduciary Net Position – Fiduciary Fund	37
Notes to Financial Statements.....	38

**Centerville City Corporation
TABLE OF CONTENTS (Continued)**

	<u>Page</u>
FINANCIAL SECTION (Continued)	
Required Supplemental Information:	
Schedule of the Proportionate Share of the Net Pension Liability	72
Schedule of Contributions	73
Notes to the Schedules of the Proportionate Share of the Net Pension Liability and Contributions	74
Supplemental Information:	
Combining Balance Sheet – Nonmajor Governmental Funds	75
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	76
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Governmental Fund:	
Municipal Building Authority Special Revenue Fund.....	77
Recreation Special Revenue Fund	78
R.A.P. Tax Special Revenue Fund.....	79
Cemetery Perpetual Care Special Revenue Fund	80
UTOPIA Capital Projects Fund	81
Capital Projects Fund.....	82
Arts Center Debt Service Fund	83
Park Improvement Capital Projects Fund	84
STATISTICAL SECTION	
Net Position by Component	85
Changes in Net Position	86
Fund Balances of Governmental Funds	88
Changes in Fund Balances of Governmental Funds	89
Governmental Activities Taxes and Special Assessment Revenues	91
Direct and Overlapping Sales Tax Rates	92
Principal Sales Tax Payers	93
Assessed Value and Estimated Actual Value of Taxable Property	94
Property Tax Levies and Collections	95
Property Tax Rates – Direct and Overlapping Governments	96
Principal Taxpayers	97
Property Value and Construction	98
Ratio of Outstanding Debt by Type	99
Direct and Overlapping Governmental Activities Debt	100
Legal Debt Margin Information	101
Pledged Revenue Bond Coverage	102
Demographic and Economic Statistics	104
Principal Employers	105
Full Time Equivalent City Government Employees by Function	106
General Fund Expenditures by Function	107
Operating Indicators by Function	108
Capital Asset Statistics by Function/Program	109

**Centerville City Corporation
TABLE OF CONTENTS (Continued)**

	<u>Page</u>
OTHER COMMUNICATION FROM INDEPENDENT AUDITORS	
Independent 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 Governmental Auditing Standards.....	111
Independent Auditor’s Report on Compliance and on Internal Control Over Compliance as Required by the State Compliance Audit Guide	113
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	115
Schedule of Expenditures of Federal Awards.....	117
Notes to Schedule of Expenditures of Federal Awards	118
Schedule of Findings and Questioned Costs	119

INTRODUCTORY SECTION



CENTERVILLE CITY

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

Incorporated in 1915

Mayor

Clark A. Wilkinson

City Council

Tamilyn Fillmore

William Ince

Stephanie Ivie

George McEwan

Robyn Mecham

City Manager

Brant T. Hanson

November 30, 2021

To the Honorable Mayor, City Council and Citizens of Centerville, Utah

State law requires that all cities publish within six months of the close of the fiscal year a complete set of financial statements presented in conformance to generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a qualified, licensed certified public accounting firm. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of Centerville, Utah for the fiscal year ended June 30, 2021.

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

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

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

The financial statements have been audited by Larson & Company, PC, a licensed certified public accounting firm qualified to perform audits of municipal governments. The goal of the independent audit was to provide reasonable assurance that the financial statements of Centerville City for the fiscal year ended June 30, 2021, are free of material misstatements. The independent audit involved examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Centerville City's financial statements for the fiscal year ended June 30, 2021 are fairly presented in conformity with GAAP. The independent auditor's report is presented at the beginning of the financial section of this report.

The City is also required to undergo a federal single audit. Such audits are based on the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Information related to the single audit is available at the end of this report.

Community and History

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

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

Organization

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

Services

Major services provided or funded by the City include Justice Court, Police, Street Improvements and Maintenance, Culinary Water, Drainage/Flood Control, Solid Waste Collection and Disposal, Recycling, Green Waste Disposal, Telecommunications, Planning and Zoning, Building Inspection, Code Enforcement, Parks Maintenance & Construction, Youth and Adult Recreation, Cemetery, and a Heritage Museum (Whitaker). The City owns a Performing Arts Center that is leased to a private non-profit arts organization (CenterPoint Legacy Theater). Major services provided under the Enterprise Fund include culinary water, storm drainage and sanitation that includes solid waste collection, recycling, and green-waste. Solid waste, recycling and green waste collection is provided through the City by a private contractor. Solid waste disposal is managed by a special district, Wasatch Integrated Waste. City established a Telecommunications Enterprise Fund to deliver ultra-high band width telecommunications through a fiber-to-the premise network. Centerville has contracted with Utah Infrastructure Agency (UIA) by inter-local agreement, to construct and operate the fiber optic network via the UTOPIA network. Fire services are provided by a special district, South Davis Metro Fire Service Area, with funding coming from ambulance fees, property taxes and assessments from municipalities within the district. Centerville City is also within the South Davis Recreation District that operates the South Davis Recreation Center located in Bountiful, Utah. The City contracts with Bountiful City for police dispatch and with Davis County for animal control services, court prosecutor and public defender services. Engineering services are provided via contract with ESI Engineering.

Economic Factors and Conditions

Like much of the world, Centerville City was impacted by the novel coronavirus (COVID-19) pandemic. The City exercised extra precautions to prevent the spread of the virus and to keep its residents and visitors safe. Greater sanitation efforts were made in our parks and public buildings. Portions of City Hall were re-constructed to create a safer experience for residents and employees. Technology in City Hall was also upgraded to allow for remote meetings. Much of this was made possible through the Federal funds received through the CARES Act.

Local option sales tax is the main source of tax revenue for general services. Despite the grim outlook provided at the start of the COVID-19 pandemic, positive signs of recovery have emerged. The large loss projections presented in the spring of 2020 have largely been avoided. Sales tax revenue rebounded quickly and remained strong in 2021.

In 2015 voters approved a County-wide .25% increase in sales tax to be used for transportation projects, including roads, pathways, etc. The cities within the County will receive an amount equal to .10% of taxable sales. In addition, the State of Utah authorized an increase in the tax levied on gasoline sales—beginning in 2016—that benefits the City with increased revenue for street maintenance and replacement. With these two new sources of revenue, the City is able to better address the extensive need for road repair and replacement. Voters also approved the renewal of the RAP (Recreation, Arts & Parks) Tax effective April 1, 2016. This .10% levied on taxable sales is being used for new parks, replacement of aging park facilities, and improvement/maintenance of the City’s Museum and Performing Arts Center.

Major Initiatives

Significant projects and initiatives in Fiscal Year (FY) 2021 include park and transportation improvements, drainage projects, solid waste collection and community planning.

Park Improvements

During FY 2021, the City purchased the Randall property, located adjacent to William R. Smith Park and City Hall. The existing house on the property was demolished. While the final plans are still under discussion, the 0.56 acres will become an extension to Smith Park.

Transportation Improvements

The City has completed the process of rebuilding 400 East from Parrish to 400 South. This project allows for higher safety of alternate users such as pedestrians and bicyclists. This project was done in two parts with the south section completed in the summer of 2020, and the north section completed in the summer of 2021.

In addition to the 400 East rebuild, the City also started construction on Chase lane from Main Street to 400 West in FY 2021, with completion expected in FY 2022.

Funding for sidewalk repair/replacement has been increased each year since City staff completed a comprehensive inventory of sidewalk conditions in 2016. Nearly 10,000 sidewalk defects were mapped into a geographic information system and all trip hazards were sprayed with yellow paint. In FY 2019, the City formed a Tree Board to tackle policy dealing with trees in the park strip. Repairing sidewalk faults continues and in FY 2021, the City Council budgeted \$100,000 to continue this ongoing project. The City Council budgeted another \$150,000 for FY 2022.

Water Projects

In FY 2021, the City continued its schedule of replacing aging water mains per the master plan. Major replacements occurred in conjunction with the street rebuilds on 400 East and Chase Lane.

Drainage Projects

In FY 2021, the City replaced its drainage system in conjunction with the rebuilds of 400 East and Chase Lane.

The City completed construction of a new decant station on the Centerville Public Works property. The building will be used to clean and retain the heavies from Public Works vehicles. This will help reduce the amount of contaminants that flow downstream either to the wetlands or the sewer.

Windstorm

Centerville City experienced a high wind event in September of 2020, with wind gusts reaching speeds in excess of 100 mph. The City suffered damages to many of its trees, sidewalks, parks, and buildings. Damages from the windstorm cost the City approximately \$300,000. The City is expecting to recover the majority of those costs through FEMA and insurance reimbursements.

Financial Policies

State Code dictates that 5% to 35% of general fund revenue be kept in the unreserved fund balance of the general fund. Each year's budget plan targets an amount within that range and may be higher or lower depending on operational and capital needs. The unassigned fund balance as of June 30, 2021 was approximately 20% of this year's revenue. The Council and management attempts to finance operations and capital on a pay as you go basis if possible, using debt when it is to the long-term financial advantage to the City and/or is necessary to acquire capital in a timely manner.

The City uses several capital improvement plans including streets, water, drainage, parks and capital facility plans to focus and plan for upcoming projects and required funding. In FY2020, the City also created the Capital Projects fund. City Council elected to transfer the unassigned General fund balance in excess of 20% to the Capital Projects fund, resulting in a transfer of approximately \$1.7 million. The capital improvement plans are reviewed annually and periodically modified.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Centerville City for its comprehensive annual financial report for the fiscal year ended June 30, 2020. This was the twenty-first consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published a comprehensive annual financial report, the contents of which conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Nathanael Plaizier". The signature is written in a cursive, flowing style.

Nathanael O. Plaizier
Finance Director

CENTERVILLE CITY CORPORATION
PRINCIPAL OFFICIALS

EXECUTIVE BUDGETARY

Brant T. Hanson City Manager

Nathanael Plaizier Finance Director

STATUTORY APPOINTED OFFICIALS

Jennifer Hansen Recorder

LuAnn Child Treasurer

David Miller Justice Court Judge

DEPARTMENT HEADS

Paul Child Police Chief

Michael Carlson Public Works Director

Bruce Cox Parks/Recreation Director

Corvin Snyder Community Development Director

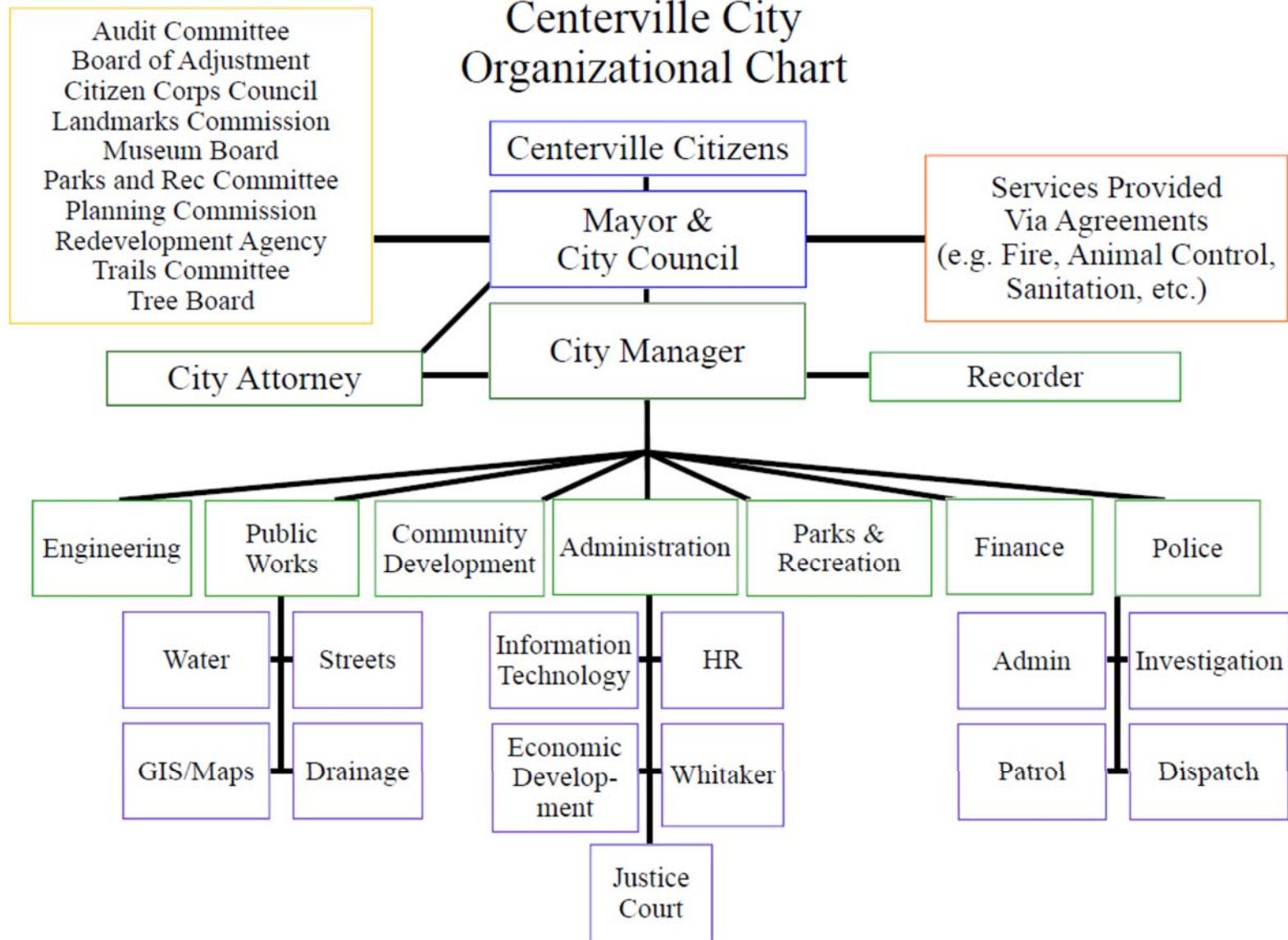
Jacob Smith Administrative Services Director

OTHER CITY OFFICIALS

Kevin Campbell Engineer

Lisa Romney Attorney

Centerville City Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Centerville City Corporation
Utah**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Centerville City (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Centerville City, Utah, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and for the major special revenue fund for the year then ended in accordance 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 and pension schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in 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 introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison information, and the schedule of expenditures of federal awards 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, the budgetary comparison information, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2021, on our consideration of the City's internal control over financial reporting and on 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 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.

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah
November 30, 2021

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2021

The management of Centerville City presents the following narrative and analysis of the financial statements and financial activities of Centerville City as prescribed by the Governmental Accounting Standards Board (GASB). The information and analysis pertain to the fiscal year ended June 30, 2021.

Financial Highlights

The Statement of Net Position is similar to a balance sheet in the private sector. The assets and deferred outflows of resources of Centerville City exceeded its liabilities and deferred inflows of resources at June 30, 2021 by \$59,935,636 (net position). The City has \$52,629,560 net investment in capital assets. \$1,683,775 is restricted for future construction projects and the theater reserve fund. The unrestricted amount is \$5,622,301.

Centerville's total net position increased by \$5,130,659 from the prior year, a 9.36% increase. Changes in assets and liabilities are as follows. Total assets increased by \$3,543,552, a change of 5.32%. Total Liabilities decreased by \$2,611,655 from the prior year, a percent decrease of 26.62%. Net investment in capital assets, increased \$3,474,848 or 7.07%. Business-Type Activities net investment in capital assets increased \$1,185,991 or 6.63%, and Governmental Activities increased \$2,288,857 or 7.32%. Restricted assets decreased by \$297,083 or 15.00% from the previous year. Most of the net decrease was due to spending restricted assets on parks and roads. Unrestricted assets increased \$1,952,894. Governmental Activities increased \$2,430,175, and Business-Type activities decreased by \$477,281.

Centerville's governmental funds reported a combined ending fund balances of \$7,041,950 at June 30, 2021. This is a statement of the current available assets of the City. This is an increase of \$1,579,186 or 28.91%. The City has considerable commitments to capital projects including park improvements and roads. Of the ending fund balances, \$2,028,449, is available for spending at the City's discretion in the General Fund (unassigned fund balance).

At June 30, 2021, fund balances in governmental funds other than the general fund was \$4,921,311 an overall \$1,646,839 increase. Assigned fund balances increased by \$2,151,221, or 163.45%. The Assigned amount to the RDA is \$396,690. The assigned amount for the transportation fund is \$1,210,533. The assigned fund balance for the park improvement fund is \$82,006. The assigned amount for other governmental funds, is \$1,778,152. A reflection of the City's future investment in a new park facility and roads, the amount restricted, in all governmental funds, for future development, cemetery and the theater reserve fund are \$1,467,587.

Overview of the Financial Statements

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

Government-wide financial statements

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

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

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2021

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

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

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

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Centerville City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related laws and regulations. All of the funds of Centerville City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with the similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statement of revenues, expenditures and changes in the fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Centerville City maintains 11 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the General fund, Redevelopment Agency, and the Transportation special revenue fund, all of which are considered major funds. Data from the other 8 governmental funds are combined into a single, aggregate presentation. Individual fund data for each governmental fund is provided in the form of individual and combining statements elsewhere in the report.

Centerville City adopts an annual budget for its three major governmental funds; General Fund as well as the Centerville City Redevelopment Agency, and the Transportation special revenue fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with budget. Budgets are also adopted for the other Non-major governmental type funds.

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2021

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the water, drainage, Sanitation, and Telecommunication funds because they are considered major funds.

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

Notes to the financial statements

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

Other Information

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

Government-wide Financial Analysis

As noted earlier, net position is an indicator of a government's overall financial position, including current resources, liabilities and investment in assets. In the case of Centerville City, assets and deferred outflows exceeded liabilities and deferred inflows by \$59,935,636 at June 30, 2021.

The largest portion of the City's net position is \$52,629,560 which reflects investments in capital assets including land, buildings, machinery and equipment, less any related debt used to acquire those assets that is still outstanding. This is an increase of \$3,474,848 which is an increase of 7.07%, from the prior period. The increase reflects the City's investment in capital facilities and equipment and decrease in long term liabilities including related debt. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since capital assets cannot be used to liquidate these liabilities.

A portion of the remainder of the City's net position, \$1,683,775, represents resources that are subject to external restrictions on how they may be utilized. This is a decrease of \$297,083 or 15.00% from the prior year. This decrease is due to the decrease in restricted balances spent on development.

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

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2021

	Governmental Activities 2021	Governmental Activities 2020	Business-type Activities 2021	Business-type Activities 2020
Current and other assets	\$ 10,695,349	\$ 8,738,963	\$ 3,566,931	\$ 4,209,494
Capital assets	35,434,473	34,072,640	20,490,176	19,622,280
Total Assets	<u>46,129,822</u>	<u>42,811,603</u>	<u>24,057,107</u>	<u>23,831,774</u>
Deferred outflows of resources	643,212	572,378	59,658	76,315
Current and other liabilities	2,039,390	1,333,214	655,230	531,400
Long-term liabilities	1,868,491	3,415,621	1,966,758	2,711,286
Net pension liability	651,220	1,687,659	16,516	130,080
Total Liabilities	<u>4,559,101</u>	<u>6,436,494</u>	<u>2,638,504</u>	<u>3,372,766</u>
Deferred inflows of resources	3,606,186	2,598,001	150,372	79,832
Net position:				
Net investment in capital assets	34,190,444	31,273,032	19,067,671	17,881,680
Restricted	1,505,287	1,966,058	178,488	14,800
Unrestricted	2,912,016	1,110,396	2,081,730	2,559,011
Total Net Position	<u>\$ 38,607,747</u>	<u>\$ 34,349,486</u>	<u>\$ 21,327,889</u>	<u>\$ 20,455,491</u>

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2021

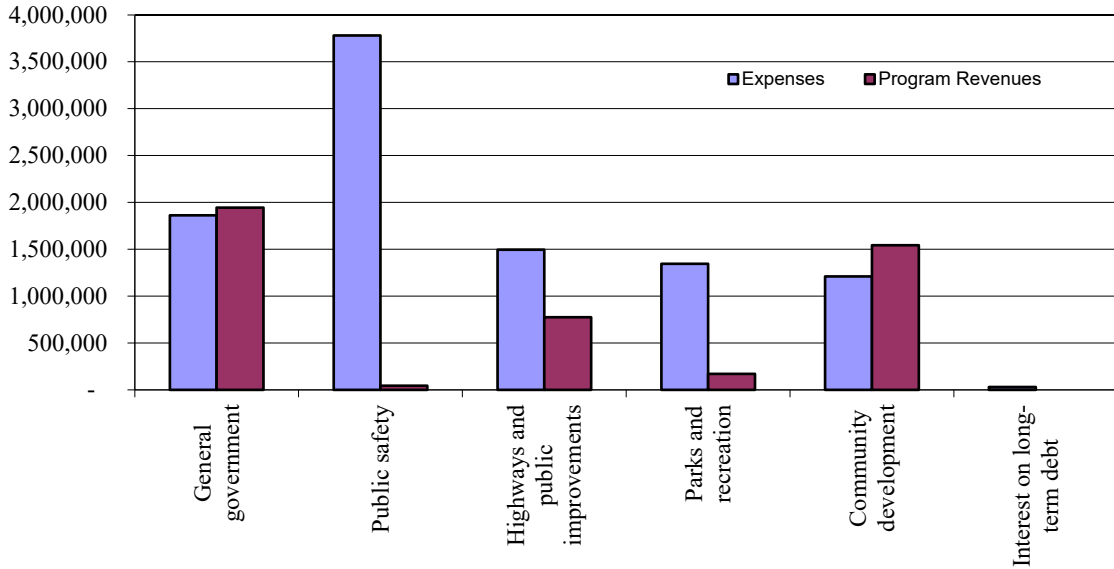
	Governmental Activities 2021	Governmental Activities 2020	Business-type Activities 2021	Business-type Activities 2020
Revenues:				
Program revenues:				
Charges for services	\$ 838,804	\$ 922,178	\$ 5,583,400	\$ 5,475,055
Operating grants and contributions	3,623,041	2,960,661	-	-
Capital grants and contributions	12,718	615,745	412,784	182,112
General revenues:				
Property taxes	1,860,018	1,844,873	-	-
Sales taxes	5,525,959	4,895,912	-	-
Franchise taxes	984,045	1,016,898	-	-
Other taxes	496,573	445,999	-	-
Unrestricted investment earnings	22,496	60,425	9,377	41,237
Gain on disposition of capital assets	170,105	14,072	-	-
Other revenues	382,218	57,131	-	-
Total Revenues	13,915,977	12,833,894	6,005,561	5,698,404
Expenses:				
General government	1,861,810	1,758,407	-	-
Public safety	3,781,129	3,637,934	-	-
Highways and public improvements	1,494,187	2,317,341	-	-
Parks and recreation	1,344,690	1,282,310	-	-
Community development	1,209,624	1,073,253	-	-
Interest on long-term debt	29,500	56,759	-	-
Water	-	-	2,456,418	2,492,947
Sanitation	-	-	1,246,667	914,824
Storm drain	-	-	1,210,979	1,153,938
Telecom	-	-	219,099	233,618
Total Expenses	9,720,940	10,126,004	5,133,163	4,795,327
Increase (decrease) in Net Position before transfers	4,195,037	2,707,890	872,398	903,077
Contribution	63,224	-	-	-
Increase in Net Position	4,258,261	2,707,890	872,398	903,077
Net Position - Beginning	34,349,486	31,600,655	20,455,491	19,552,414
Prior Period Adjustment	-	40,941	-	-
Net Position - Ending	\$ 38,607,747	\$ 34,349,486	\$ 21,327,889	\$ 20,455,491

As noted in the table above, governmental activities net position increased by \$4,258,261 or 12.40%. The table illustrates the flow of current sources and uses for the period. Governmental revenue increased 8.4 % primarily due an increase in sales tax revenue and Cares funding. Other revenue increased significantly to due a rebate from UIA and insurance proceeds from a wind storm. Expenditures decrease 4% primarily due to an increase in the admin fee charged to Enterprise Funds. This table is a good source to illustrate the activities and of the period and the City's position at the year end.

**Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2021**

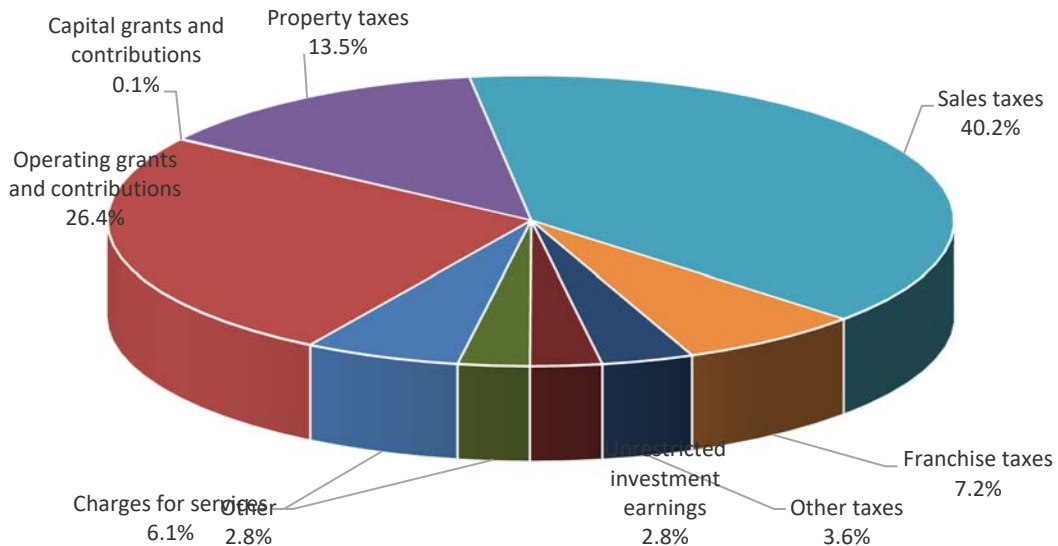
The following chart displays the governmental activities expenses compared to the program revenues attributed to the activity. Traditionally, governmental activities are funded by general revenue sources and not charges for direct services. Most of the funding for general services is provided by general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

Expenses and Program Revenues - Governmental Activities



The following chart displays the major sources of governmental activity revenue. Taxes account for 64.5% of revenue that funds governmental activity in the current period. These revenues account for the majority of the governmental services provided by the City.

Revenues by Source - Governmental Activities

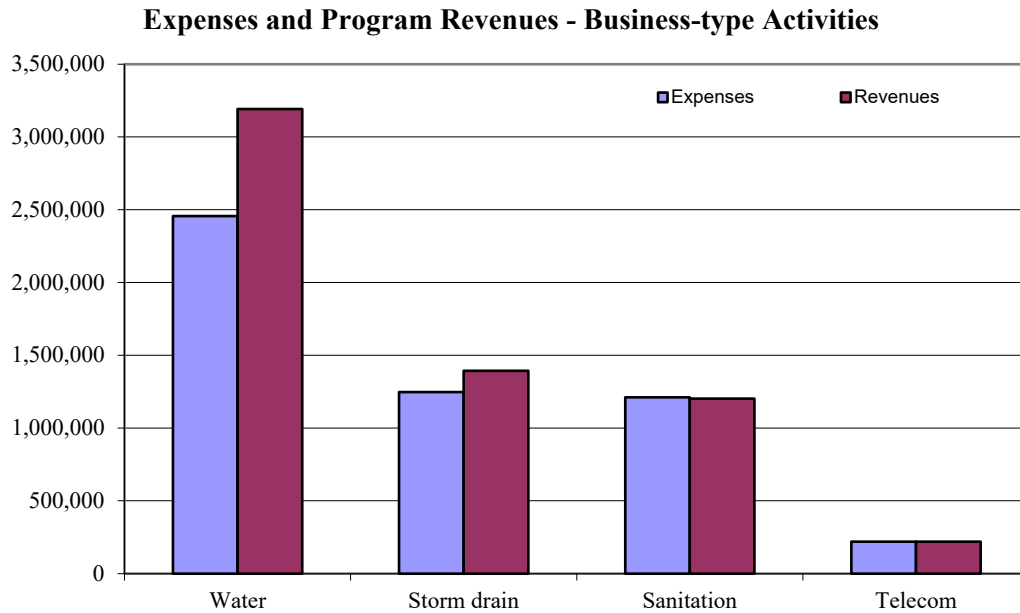


Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2021

Business-type activities

As noted in the table "Centerville City Changes in Net Assets (Statement of Activities)" business-type activities increased net position of \$872,398, or 4.26% from the prior year. Revenue in business activity increased 5.39% primarily due to an increase in drainage fund charges for service and revenue from developers for water projects. Business type expenditures increased 7.05% primarily due to an increase in storm drain maintenance and administrative fees paid to governmental activities.

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



Business-type activities are generally funded by charges for services. 93.00% of the revenues for business-type activities comes from charges for services, no general taxes are used to provide Business-type services. During the current reporting period operating charges for services more than funded operating expenses by a net \$450,237. Individual funds covered expenses over revenues from reserves for each fund.

Financial Analysis of the Government's Funds

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

Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance is a useful measure of the government's net resources available for spending at the end of the fiscal year.

At June 30, 2021, the City's governmental funds reported a combined ending fund balance of \$7,041,950, which is an increase of \$1,579,186, or 28.91% from the prior period. The Unassigned balance, in general fund, decreased by

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2021

2.84%, a total dollar amount of \$59,208. Assigned fund balances that are assigned for a specific purpose increased \$2,151,221 from the prior period, or 163.45%. The Restricted Fund balances decreased \$460,771 from the prior period, or 23.89%. The majority of the restricted fund balance is for future development and the theater reserve fund. The Non-spendable Fund balances are from the Cemetery perpetual care fund and the prepaid items. These items are not available for new spending as it has already been committed for a specific purpose or is unavailable for government operations, but are \$78,533 at June 30, 2021.

The general fund is the primary operating fund of the City. At June 30, 2021 unassigned fund balance of the general fund was \$2,028,449, a decrease of \$59,208, or 2.84%. This decrease was caused by a \$1,700,000 transfer made to a new capital projects fund. The General fund recognized \$1,179,665 in revenue from the Cares Act. The city was also conservative in spending near the end of the year because they did not know what the effects of Covid-19 would be. Revenues from taxes exceeded budget by \$398,289, revenue from licenses and permits fell short of the budget by \$12,698, and revenue from fines and forfeitures were \$114,276 below budget. Intergovernmental revenue fell short of budget by \$196,291. The general fund revenue was \$1,645,358 more than prior year. The general fund expenditures were \$1,203,000 more than prior year.

The Redevelopment Agency fund is considered to be a major fund. This fund was established to account for tax increment revenues used to revitalize and upgrade areas within qualifying redevelopment areas within the City. This fund has a balance of \$833,678. This is an decrease from the prior year in the amount of \$234,385 which is largely due to a \$350,000 transfer to the park fund.

The Transportation fund is considered as a major governmental fund. This fund has been established for road projects. Class C revenue and County option/transit funds. The city uses these funds for road projects. This fund has a fund balance of \$1,584,169 which is an increase of \$23,894 from the prior year.

The Park Improvements Capital Projects Fund is considered as a major governmental fund. This fund accounts for the financial resources to be used for the acquisition or construction of major capital parks facilities of the government. This fund has a fund balance of \$207,813 which is an increase of \$73,595 from the prior year.

Other Governmental funds had a total increase in fund balances of \$1,783,735, or 28.70%. This increase is primarily due to a \$1,700,000 transfer from the general fund.

Proprietary funds

The City's proprietary funds provide the similar information found in the government-wide financial statements, but in more detail.

Water Utility fund

Total net position equaled \$15,087,927 at June 30, 2021. Total net position increased by \$734,677, a 5.12% increase mainly due to an operating income.

Drainage Utility

Total net position at June 30, 2021 was \$6,125,771. Total net position increased by \$146,899 resulting in an 2.46% change mainly due to an operating income.

Sanitation

Total net position at June 30, 2021 was \$97,022. Total net position decreased \$9,043 resulting in a 8.53% change. This increase is mainly due to an operating income

Telecom Fund

The Telecom Fund net position at June 30, 2021 was \$17,169. Total decrease of \$135 or 0.78%.

Centerville City Corporation
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2021

General Fund Budgetary Highlights

During the fiscal year the general fund budget expenditures were amended, with an original budgeted expenditure of \$8,238,174 and final budgeted expenditure of \$11,138,313. Actual expenditures were \$8,016,417. General fund employees, in several departments provide services to the RDA fund, water fund, sanitation fund, and drainage fund. In the budget process these funds are accounted for as revenue to the General fund. For financial reporting purposes this revenue is reclassified as a reimbursement of general fund expenditures. General fund expenditures were significantly under budget in the following departments: Administrative, Finance, Legal, and Streets and Public works. This is due to the reimbursement of expenditures for the services provided to other funds.

Total revenues were higher than the final budget by \$159,952, or 1.60%. Taxes, the largest source of revenue for the general fund was \$398,289 or 5.19% above budget. Licenses and permit revenue were under budget by \$12,698 or 4.33%. Intergovernmental revenue was under budget by \$196,291 or 14.20%. Fines and forfeitures were under budget by \$114,276 or 40.00%. Charges for service revenue was over budget by \$5,433 or 5.45%.

Capital Assets and Debt Administration

Capital assets

Centerville City's investment in capital assets for governmental and business-type activities at June 30, 2021 was \$55,924,649 (net of depreciation). The investment in capital assets includes land, buildings, improvements other than buildings, infrastructure, machinery and equipment, autos and trucks, furniture and fixtures. The City's total investment in capital assets increased by \$2,229,729 or 4.15%. Governmental activities increased capital assets (net of depreciation) \$1,361,833 or 4.00%, to \$35,434,473. Business type activities increased capital assets (net of depreciation) \$867,896 or 4.42% to \$20,490,176.

Major capital asset events during the current year were:

- 1) During the year a large park project was completed which totaled \$2,810,618. During the year the city started several road and water line projects.
- 2) Infrastructure increased by \$984,855 mostly attributable to the completion of the 400 East Road project. Street repairs such as overlays and sealing are not considered increases in assets, but operating expenditures. New streets or complete rebuilds of streets are treated as an increase in Infrastructure assets. The city also added \$446,260 in vehicles.
- 3) The City made significant investment in business type assets during the year. Expansion or replacement of the system are recorded as an increase in assets. The investment of business type activities increased by \$867,896 (depreciated).

	Governmental Activities 2021	Governmental Activities 2020	Business - type Activities 2021	Business - type Activities 2020
Land	\$ 7,718,450	\$ 7,718,450	\$ 236,909	\$ 236,909
Buildings	12,282,554	12,738,928	2,911,271	2,359,610
Water stock and rights	-	-	48,617	48,617
Machinery and equipment	3,688,325	909,813	178,107	154,821
Distribution and collection systems	-	-	16,690,013	16,121,560
Autos and trucks	1,261,572	1,011,103	-	-
Infrastructure	9,833,711	8,848,856	-	-
Construction in progress	649,861	2,845,490	425,259	700,763
Total Capital Assets	\$ 35,434,473	\$ 34,072,640	\$ 20,490,176	\$ 19,622,280

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2021

Additional information on the City's capital assets is available in the Detailed Notes for All Funds to the financial statements (see notes to Financial Statements, Capital Assets).

Long-term debt

	Governmental Activities 2021	Governmental Activities 2020	Business - type Activities 2021	Business - type Activities 2020
Revenue bonds	\$ -	\$ 609,604	\$ 1,422,504	\$ 1,740,600
Note payable	1,872,585	2,190,000	724,438	898,223
Compensated absences	612,223	581,226	43,488	72,463
Termination benefits	-	9,562	-	-
Outstanding claims	12,238	25,229	-	-
Net pension liability	651,220	1,687,659	16,517	130,080
Total	\$ 3,148,266	\$ 5,103,280	\$ 2,206,947	\$ 2,841,366

Additional information on the City's long-term debt is available in the Detailed Notes for All Funds to the financial statements (see notes to Financial Statements, Changes in Long-Term Liabilities).

Economic Factors and Next Year's Budgets and Rates

As part of the FY 2022 budget, City Council approved a property tax increase of \$212,955, which equates to a 14.59% rate increase, for inflationary reasons. Inflation rates continue to rise at a rapid rate. As wages and costs of goods and services increases, the purchasing power of property tax dollars significantly declines.

Sales taxes are the largest single source of revenue for governmental operations of the City. Despite the pandemic, City sales tax revenue in FY 2021 increased 12.75% over the prior year, or \$573,977. Sales tax was projected conservatively for FY 2022, with an expected decrease of \$113,086.

Request for Information

This financial report is designed to provide a general overview of Centerville City's activities for those with an interest in the City's operations and financial position. Questions concerning the information provided in this report or requests for additional financial information should be addressed to: Centerville City, Finance Director, 250 North Main Centerville, Utah 84014.

BASIC FINANCIAL STATEMENTS

Centerville City Corporation
STATEMENT OF NET POSITION
June 30, 2021

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 4,746,848	\$ 1,744,180	\$ 6,491,028
Receivables:			
Accounts, net	184,583	515,544	700,127
Taxes	3,405,752	-	3,405,752
Intergovernmental receivable	122,504	-	122,504
Inventory		304,695	304,695
Prepays	40,833	60,150	100,983
Due from other governments	237,207	-	237,207
Restricted assets:			
Cash and cash equivalents	1,774,547	178,488	1,953,035
Notes receivable	-	724,438	724,438
Net pension asset	183,075	39,436	222,511
Capital assets not being depreciated:			
Water stock and rights	-	48,617	48,617
Land and collectibles	7,718,450	236,909	7,955,359
Construction in progress	649,861	425,259	1,075,120
Capital assets, net of accumulated depreciation:			
Buildings and improvements	12,282,554	2,911,271	15,193,825
Distribution and collection systems	-	16,690,013	16,690,013
Machinery and equipment	3,688,325	178,107	3,866,432
Autos and trucks	1,261,572	-	1,261,572
Infrastructure	9,833,711	-	9,833,711
Total Assets	46,129,822	24,057,107	70,186,929
Deferred Outflows of Resources			
Deferred charge on refunding	-	13,080	13,080
Deferred outflows related to pensions	643,212	46,578	689,790
Total Deferred Outflows of Resources	643,212	59,658	702,870
Total Assets and Deferred Outflow of Resources	\$ 46,773,034	\$ 24,116,765	\$ 70,889,799

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

Centerville City Corporation
STATEMENT OF NET POSITION (Continued)
June 30, 2021

	Governmental Activities	Business-type Activities	Total
Liabilities			
Accounts payable	\$ 478,312	\$ 414,324	\$ 892,636
Accrued liabilities	195,065	2,967	198,032
Accrued interest payable	91	14,266	14,357
Developer and customer deposits	737,367	-	737,367
Current portion on long term debt	628,555	223,673	852,228
Noncurrent liabilities			
Long term debt	1,868,491	1,966,758	3,835,249
Net pension liability - due in more than one year	651,220	16,516	667,736
Total Liabilities	<u>4,559,101</u>	<u>2,638,504</u>	<u>7,197,605</u>
Deferred Inflows of Resources			
Deferred inflows for property taxes	1,937,074	-	1,937,074
Deferred inflows relating to pensions	1,669,112	150,372	1,819,484
Total Deferred Inflows of Resources	<u>3,606,186</u>	<u>150,372</u>	<u>3,756,558</u>
Net Position			
Net investment in capital assets	34,190,444	19,067,671	53,258,115
Restricted for:			
Future development	929,169	178,488	1,107,657
Theater reserve fund	436,988	-	436,988
Cemetery	87,773	-	87,773
Police/DUI enforcement	51,357	-	51,357
Unrestricted	2,912,016	2,081,730	4,993,746
Total Net Position	<u>38,607,747</u>	<u>21,327,889</u>	<u>59,935,636</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 46,773,034</u>	<u>\$ 24,116,765</u>	<u>\$ 70,889,799</u>

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

Centerville City Corporation
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Government Activities:							
General government	\$ 1,861,810	\$ 712,989	\$ 1,218,368	\$ 12,718	\$ 82,265	\$ -	\$ 82,265
Public safety	3,781,129	-	43,817	-	(3,737,312)	-	(3,737,312)
Streets and public works	1,494,187	-	774,161	-	(720,026)	-	(720,026)
Parks and recreation	1,344,690	98,155	71,729	-	(1,174,806)	-	(1,174,806)
Community development	1,209,624	27,660	1,514,966	-	333,002	-	333,002
Interest and issuance costs on long-term debt	29,500	-	-	-	(29,500)	-	(29,500)
Total Governmental Activities	9,720,940	838,804	3,623,041	12,718	(5,246,377)	-	(5,246,377)
Business-type Activities:							
Water	2,456,418	2,804,193	-	385,086	-	732,861	732,861
Storm drain	1,246,667	1,358,753	-	27,698	-	139,784	139,784
Sanitation	1,210,979	1,201,561	-	-	-	(9,418)	(9,418)
Telecom	219,099	218,893	-	-	-	(206)	(206)
Total Business-type Activities	5,133,163	5,583,400	-	412,784	-	863,021	863,021
Total Government	\$ 14,854,103	\$ 6,422,204	\$ 3,623,041	\$ 425,502	(5,246,377)	863,021	(4,383,356)
			General Revenues:				
			Property taxes	1,860,018	-	1,860,018	
			Sales taxes	5,525,959	-	5,525,959	
			Franchise taxes	984,045	-	984,045	
			Other taxes	496,573	-	496,573	
			Unrestricted investment earnings	22,496	9,377	31,873	
			Gain on disposition of capital assets	170,105	-	170,105	
			Other revenues	382,218	-	382,218	
			Contributions	63,224	-	63,224	
			Total General Revenues and Transfers	9,504,638	9,377	9,514,015	
			Changes in Net Position	4,258,261	872,398	5,130,659	
			Net Position, Beginning	34,349,486	20,455,491	54,804,977	
			Net Position, Ending	\$ 38,607,747	\$ 21,327,889	\$ 59,935,636	

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

Centerville City Corporation
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2021

	General	Redevelopment Agency Special Revenue	Transportation	Park Improvements	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 1,195,810	\$ 375,447	\$ 1,246,776	\$ 84,274	\$ 1,844,540	\$ 4,746,847
Receivables:						
Accounts, net	163,241	21,342	-	-	-	184,583
Taxes	2,804,871	255,464	242,265	-	-	3,302,600
Intergovernmental	158,493	-	78,714	-	225,657	462,864
Prepays	40,833	-	-	-	-	40,833
Restricted cash and cash equivalents	788,724	436,988	52,657	125,807	370,371	1,774,547
Total Assets	\$ 5,151,972	\$ 1,089,241	\$ 1,620,412	\$ 210,081	\$ 2,440,568	\$ 10,512,274
Liabilities						
Accounts payable	\$ 417,290	\$ 100	\$ 36,243	\$ 2,268	\$ 22,413	\$ 478,314
Accrued liabilities	195,065	-	-	-	-	195,065
Developer and customer deposits	737,367	-	-	-	-	737,367
Total Liabilities	1,349,722	100	36,243	2,268	22,413	1,410,746
Deferred Inflows of Resources						
Unavailable revenue - rebate	-	-	-	-	122,504	122,504
Unavailable revenue - property taxes	1,681,611	255,463	-	-	-	1,937,074
Total Deferred Inflows of Resources	1,681,611	255,463	-	-	122,504	2,059,578
Fund Balances:						
Nonspendable:						
Prepaid items	40,833	-	-	-	-	40,833
Permanently restricted cemetery	-	-	-	-	37,700	37,700
Restricted for:						
Future development	-	-	373,636	125,807	429,726	929,169
Cemetery	-	-	-	-	50,073	50,073
Theater reserve fund	-	436,988	-	-	-	436,988
Police donations	10,633	-	-	-	-	10,633
DUI enforcement	40,724	-	-	-	-	40,724
Assigned, reported in:						
Special revenue funds	-	396,690	-	-	31,730	428,420
Debt service funds	-	-	-	-	3,838	3,838
Capital project funds	-	-	1,210,533	82,006	1,742,584	3,035,123
Unassigned:						
General fund	2,028,449	-	-	-	-	2,028,449
Total Fund Balances	2,120,639	833,678	1,584,169	207,813	2,295,651	7,041,950
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,151,972	\$ 1,089,241	\$ 1,620,412	\$ 210,081	\$ 2,440,568	\$ 10,512,274

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

Centerville City Corporation
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2021

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

Total Fund Balance - Governmental Funds	\$	7,041,950
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		35,434,473
Interest expense is not due and payable in the current period and therefore is not recorded in the funds.		(91)
Long-term liabilities, including bonds, capital leases, notes, OPEB, net pension liability, and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.		(3,148,266)
Unavaible revenue reported in the fund, report as revenue in governmental activities		122,504
Pension assets, including deferred outflows and deferred inflows relating to pensions, are not obligations of the current period and, therefore, are not reported in the funds.		(842,823)
Total Net Position - Governmental Activities	\$	<u>38,607,747</u>

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

Centerville City Corporation
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS
For The Year Ended June 30, 2021

	General	Redevelopment Agency Special Revenue	Transportation	Park Improvements	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 7,671,308	\$ 245,841	\$ 452,873	\$ -	\$ 496,573	\$ 8,866,595
Fees and contributions	-	-	-	81,054	-	81,054
Licenses and permits	292,952	-	-	-	-	292,952
Intergovernmental	1,381,976	1,514,966	774,161	-	-	3,671,103
Fines and forfeitures	285,724	-	-	-	-	285,724
Charges for services	99,773	23,838	-	-	99,016	222,627
Interest	13,926	-	5,629	726	2,214	22,495
Miscellaneous	233,288	18,582	3,393	-	140,186	395,449
Total Revenues	9,978,947	1,803,227	1,236,056	81,780	737,989	13,837,999
Expenditures:						
Current:						
General government	1,408,776	-	-	-	501,950	1,910,726
Public safety	3,904,693	-	-	-	-	3,904,693
Highways and public improvements	471,038	-	365,013	-	-	836,051
Parks and recreation	1,107,361	-	-	11,947	81,474	1,200,782
Community development	353,299	829,036	-	-	23,874	1,206,209
Debt service:						
Principal	-	-	-	317,415	570,000	887,415
Interest	-	-	-	52,358	20,421	72,779
Capital outlay:						
General government	89,677	-	1,262,741	-	-	1,352,418
Public safety	186,485	-	-	-	-	186,485
Highways and public improvements	439,279	-	-	-	-	439,279
Parks and recreation	55,809	-	-	382,318	24,079	462,206
Total Expenditures	8,016,417	829,036	1,627,754	764,038	1,221,798	12,459,043
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,962,530	974,191	(391,698)	(682,258)	(483,809)	1,378,956
Other Financing Sources (Uses):						
Transfers in	58,067	-	415,592	755,853	2,697,270	3,926,782
Transfers out	(2,288,480)	(1,208,576)	-	-	(429,726)	(3,926,782)
Contribution in	25,899	-	-	-	-	25,899
Sale of capital assets	174,331	-	-	-	-	174,331
Total Other Financing Sources (Uses)	(2,030,183)	(1,208,576)	415,592	755,853	2,267,544	200,230
Net Change in Fund Balances	(67,653)	(234,385)	23,894	73,595	1,783,735	1,579,186
Fund Balances, Beginning	2,188,292	1,068,063	1,560,275	134,218	511,916	5,462,764
Fund Balances, Ending	\$ 2,120,639	\$ 833,678	\$ 1,584,169	\$ 207,813	\$ 2,295,651	\$ 7,041,950

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

Centerville City Corporation
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2021

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

Net Change in Fund Balances - Total Governmental Funds	\$	1,579,186
Governmental funds have reported capital outlays, past and present, as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		(1,113,264)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the Statement of Net Position.		2,440,388
Capital asset Contribution from the Whitaker Fund (Fiduciary Fund) which was closed during the year.		47,467
The Statement of Activities reports the gain or loss on the disposal of capital assets, while the governmental funds report the proceeds from the disposal of capital assets.		(12,757)
Repayment of noncurrent liabilities' principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		887,415
Governmental funds report proceeds from original issue premiums on debt in the year of issuance. However, these premiums are reported as an increase to the face amount of the debt in the Statement of Net Position and subsequently amortized in the Statement of Activities.		39,609
In the Statement of Activities interest is accrued on noncurrent liabilities, whereas in governmental funds, interest expense is reported when due.		3,672
Proceeds from repayment of Utopia notes receivable are recorded as revenue in the Governmental Funds. However, the repayment is recorded as a reduction of the loan in the Statement of Net Position.		(119,790)
Some payments for the retirement plans are considered to be payments on the net pension liability (calculated as the difference between the actuarially calculated pension expense and the contributions to the retirement plans), but are reported as expenditures in the governmental funds.		514,780
Some expenses, including OPEB, outstanding claims, and compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(8,445)
Change in Net Position - Governmental Activities	\$	<u>4,258,261</u>

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

Centerville City Corporation
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL –
GENERAL FUND
For The Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 5,802,734	\$ 7,273,019	\$ 7,671,308	\$ 398,289
Licenses and permits	289,150	305,650	292,952	(12,698)
Intergovernmental	63,750	1,578,267	1,381,976	(196,291)
Fines and forfeitures	400,000	400,000	285,724	(114,276)
Charges for services	94,340	94,340	99,773	5,433
Interest	17,000	17,000	13,926	(3,074)
Miscellaneous	429,180	150,719	233,288	82,569
Total Revenues	<u>7,096,154</u>	<u>9,818,995</u>	<u>9,978,947</u>	<u>159,952</u>
Expenditures:				
Current:				
General government:				
Administrative	497,104	2,248,763	780,811	1,467,952
Municipal council	93,673	100,423	61,222	39,201
Finance	397,389	437,208	296,831	140,377
Legal	388,815	410,014	269,912	140,102
Public Safety:				
Police	2,860,676	3,042,344	2,985,193	57,151
Fire	919,500	919,500	919,500	-
Streets and public works	1,330,120	1,535,557	471,038	1,064,519
Parks and recreation	1,112,327	1,150,536	1,107,361	43,175
Community development	355,070	387,268	353,299	33,969
Capital outlay	283,500	906,700	771,250	135,450
Total Expenditures	<u>8,238,174</u>	<u>11,138,313</u>	<u>8,016,417</u>	<u>3,121,896</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,142,020)</u>	<u>(1,319,318)</u>	<u>1,962,530</u>	<u>3,281,848</u>
Other Financing Sources (Uses):				
Transfers in	75,876	83,376	83,966	590
Transfers out	(585,744)	(2,288,480)	(2,288,480)	-
Sale of capital assets	45,000	45,000	174,331	129,331
Total Other Financing Sources (Uses)	<u>(464,868)</u>	<u>(2,160,104)</u>	<u>(2,030,183)</u>	<u>129,921</u>
Net Change in Fund Balance	<u>\$ (1,606,888)</u>	<u>\$ (3,479,422)</u>	<u>(67,653)</u>	<u>\$ 3,411,769</u>
Fund Balance, Beginning			<u>2,188,292</u>	
Fund Balance, Ending			<u>\$ 2,120,639</u>	

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

Centerville City Corporation
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL –
REDEVELOPMENT AGENCY SPECIAL REVENUE FUND
For The Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 1,748,000	\$ 1,748,000	\$ 245,841	\$ (1,502,159)
Intergovernmental	-	-	1,514,966	1,514,966
Charges for services	105,000	105,000	23,838	(81,162)
Miscellaneous	6,000	6,000	18,582	12,582
Total Revenues	<u>1,859,000</u>	<u>1,859,000</u>	<u>1,803,227</u>	<u>(55,773)</u>
Expenditures:				
Community Development	992,501	1,001,282	829,036	172,246
Total Expenditures	<u>992,501</u>	<u>1,001,282</u>	<u>829,036</u>	<u>172,246</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>866,499</u>	<u>857,718</u>	<u>974,191</u>	<u>116,473</u>
Other Financing Sources (Uses):				
Transfers out	(866,499)	(1,207,718)	(1,208,576)	(858)
Total Other Financing Sources (Uses)	<u>(866,499)</u>	<u>(1,207,718)</u>	<u>(1,208,576)</u>	<u>(858)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (350,000)</u>	<u>(234,385)</u>	<u>\$ 115,615</u>
Fund Balance, Beginning			<u>1,068,063</u>	
Fund Balance, Ending			<u>\$ 833,678</u>	

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

Centerville City Corporation
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL –
TRANSPORTATION SPECIAL REVENUE FUND
For The Year Ended June 30, 2021

Transportation Special Revenue Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 270,000	\$ 410,000	\$ 452,873	\$ 42,873
Intergovernmental	500,000	665,000	774,161	109,161
Interest	15,000	15,000	5,629	(9,371)
Miscellaneous	-	4,000	3,393	(607)
Total Revenues	785,000	1,094,000	1,236,056	142,056
Expenditures:				
Current:				
Highways and public improvements	-	-	365,013	(365,013)
Capital outlay	1,200,592	1,947,000	1,262,741	684,259
Total Expenditures	1,200,592	1,947,000	1,627,754	319,246
Excess (Deficiency) of Revenues Over (Under) Expenditures	(415,592)	(853,000)	(391,698)	461,302
Other Financing Sources (Uses):				
Transfers in	415,592	415,592	415,592	-
Total Other Financing Sources (Uses)	415,592	415,592	415,592	-
Net Change in Fund Balances	\$ -	\$ (437,408)	\$ 23,894	\$ 461,302
Fund Balance, Beginning			1,560,275	
Fund Balance, Ending			\$ 1,584,169	

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

Centerville City Corporation
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2021

	Business-type Activities - Enterprise Funds				Totals
	Water Utility Fund	Drainage Utility Fund	Sanitation Fund	Telecom Fund	
Assets:					
Current Assets:					
Cash and cash equivalents	\$ 507,278	\$ 1,152,058	\$ 81,938	\$ 2,906	\$ 1,744,180
Accounts receivable, net	284,913	114,495	99,657	16,479	515,544
Inventory	304,695	-	-	-	304,695
Prepays	60,150	-	-	-	60,150
Restricted cash and cash equivalents	178,488	-	-	-	178,488
Total Current Assets	1,335,524	1,266,553	181,595	19,385	2,803,057
Noncurrent Assets:					
Notes receivable	-	-	-	724,438	724,438
Net pension asset	34,278	5,158	-	-	39,436
Capital assets not being depreciated:					
Water stock and rights	48,617	-	-	-	48,617
Land	236,909	-	-	-	236,909
Construction in progress	228,559	196,700	-	-	425,259
Capital assets being depreciated:					
Buildings	3,501,966	623,488	-	-	4,125,454
Distribution and collection systems	18,654,284	5,792,719	-	-	24,447,003
Machinery and equipment	783,330	193,380	-	-	976,710
Accumulated depreciation	(8,420,224)	(1,349,552)	-	-	(9,769,776)
Total Noncurrent Assets	15,067,719	5,461,893	-	724,438	21,254,050
Total Assets	16,403,243	6,728,446	181,595	743,823	24,057,107
Deferred Outflows of Resources					
Deferred charge on refunding	11,239	1,841	-	-	13,080
Deferred outflows of resources relating to pensions	40,709	5,869	-	-	46,578
Total Deferred Outflows of Resources	51,948	7,710	-	-	59,658
Total Assets and Deferred Outflows of Resources	\$ 16,455,191	\$ 6,736,156	\$ 181,595	\$ 743,823	\$ 24,116,765

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

Centerville City Corporation
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)
June 30, 2021

	Business-type Activities - Enterprise Funds				Totals
	Water Utility Fund	Drainage Utility Fund	Sanitation Fund	Telecom Fund	
Liabilities:					
Current Liabilities:					
Accounts payable	\$ 88,170	\$ 239,365	\$ 84,573	\$ 2,216	\$ 414,324
Accrued liabilities	2,368	599	-	-	2,967
Accrued interest payable	11,064	3,202	-	-	14,266
Compensated absences, current portion	18,000	9,000	-	-	27,000
Notes payable, current portion	-	-	-	96,673	96,673
Bonds payable, current portion	78,000	22,000	-	-	100,000
Total Current Liabilities	<u>197,602</u>	<u>274,166</u>	<u>84,573</u>	<u>98,889</u>	<u>655,230</u>
Noncurrent Liability:					
Compensated absences, net of current portion	2,836	13,652	-	-	16,488
Notes payable, net of current portion	-	-	-	627,765	627,765
Bonds payable, net of current portion	1,021,767	300,738	-	-	1,322,505
Net pension liability	14,356	2,160	-	-	16,516
Total Noncurrent Liability	<u>1,038,959</u>	<u>316,550</u>	<u>-</u>	<u>627,765</u>	<u>1,983,274</u>
Total Liabilities	<u>1,236,561</u>	<u>590,716</u>	<u>84,573</u>	<u>726,654</u>	<u>2,638,504</u>
Deferred Inflows of Resources					
Deferred inflows of resources relating to pensions	130,703	19,669	-	-	150,372
Total Deferred Outflows of Resources	<u>130,703</u>	<u>19,669</u>	<u>-</u>	<u>-</u>	<u>150,372</u>
Net Position:					
Net investment in capital assets	13,933,674	5,133,997	-	-	19,067,671
Restricted for:					
Future development	178,488	-	-	-	178,488
Unrestricted	975,765	991,774	97,022	17,169	2,081,730
Total Net Position	<u>15,087,927</u>	<u>6,125,771</u>	<u>97,022</u>	<u>17,169</u>	<u>21,327,889</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 16,455,191</u>	<u>\$ 6,736,156</u>	<u>\$ 181,595</u>	<u>\$ 743,823</u>	<u>\$ 24,116,765</u>

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

Centerville City Corporation
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET POSITION – PROPRIETARY FUNDS
For The Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds				
	Water Utility Fund	Drainage Utility Fund	Sanitation Fund	Telecom Fund	Totals
Operating Revenues:					
Charges for services	\$ 2,771,536	\$ 1,358,753	\$ 1,195,185	\$ 218,893	\$ 5,544,367
Connection and servicing	28,640	-	6,376	-	35,016
Miscellaneous	4,017	-	-	-	4,017
Total Operating Revenues	<u>2,804,193</u>	<u>1,358,753</u>	<u>1,201,561</u>	<u>218,893</u>	<u>5,583,400</u>
Operating Expenses:					
Salaries and wages	225,906	54,930	-	-	280,836
Employee benefits	127,351	28,541	-	-	155,892
Maintenance and repairs	342,059	469,112	26,588	-	837,759
General and administrative	1,032,289	464,512	178,555	8,082	1,683,438
Utilities	62,952	510	-	-	63,462
Professional and technical services	54,961	106,325	4,578	211,017	376,881
Solid waste collection and disposal	-	-	1,001,258	-	1,001,258
Water purchases	114,200	-	-	-	114,200
Depreciation	470,453	115,500	-	-	585,953
Total Operating Expenses	<u>2,430,171</u>	<u>1,239,430</u>	<u>1,210,979</u>	<u>219,099</u>	<u>5,099,679</u>
Operating Income (Loss)	<u>374,022</u>	<u>119,323</u>	<u>(9,418)</u>	<u>(206)</u>	<u>483,721</u>
Nonoperating Income (Expense):					
Interest income	1,816	7,115	375	71	9,377
Interest expense	(26,247)	(7,237)	-	-	(33,484)
Total Nonoperating Income (Expense)	<u>(24,431)</u>	<u>(122)</u>	<u>375</u>	<u>71</u>	<u>(24,107)</u>
Income (Loss) Before Capital Contributions and Transfers	<u>349,591</u>	<u>119,201</u>	<u>(9,043)</u>	<u>(135)</u>	<u>459,614</u>
Capital Contributions:					
Impact fees	120,053	27,698	-	-	147,751
Construction fees	265,033	-	-	-	265,033
Changes in Net Position	<u>734,677</u>	<u>146,899</u>	<u>(9,043)</u>	<u>(135)</u>	<u>872,398</u>
Net Position, Beginning	<u>14,353,250</u>	<u>5,978,872</u>	<u>106,065</u>	<u>17,304</u>	<u>20,455,491</u>
Net Position, Ending	<u>\$ 15,087,927</u>	<u>\$ 6,125,771</u>	<u>\$ 97,022</u>	<u>\$ 17,169</u>	<u>\$ 21,327,889</u>

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

Centerville City Corporation
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
For The Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds				
	Water Utility Fund	Drainage Utility Fund	Sanitation Fund	Telecom Fund	Totals
Cash Flows From Operating Activities:					
Receipts from customers and users	\$ 2,825,549	\$ 1,356,119	\$ 1,204,200	\$ 219,718	\$ 5,605,586
Payments to suppliers	(1,855,258)	(936,328)	(1,210,288)	(216,883)	(4,218,757)
Payments to employees and related benefits	(449,525)	(89,372)	-	-	(538,897)
Net cash flows from operating activities	<u>520,766</u>	<u>330,419</u>	<u>(6,088)</u>	<u>2,835</u>	<u>847,932</u>
Cash Flows From Capital and Related Financing Activities:					
Purchase of property and equipment	(511,552)	(942,297)	-	-	(1,453,849)
Receipt of developer construction fees	385,086	27,698	-	-	412,784
Principal paid on bonds	(237,000)	(68,000)	-	-	(305,000)
Interest paid on bonds	(37,031)	(10,845)	-	-	(47,876)
Net cash flows from capital and related financing activities	<u>(400,497)</u>	<u>(993,444)</u>	<u>-</u>	<u>-</u>	<u>(1,393,941)</u>
Cash Flows From Investing Activity:					
Interest on investments	1,816	7,115	375	71	9,377
Net cash flows from investing activity	<u>1,816</u>	<u>7,115</u>	<u>375</u>	<u>71</u>	<u>9,377</u>
Net Increase (Decrease) In Cash	122,085	(655,910)	(5,713)	2,906	(536,632)
Cash and Cash Equivalents At Beginning Of Year	<u>563,681</u>	<u>1,807,968</u>	<u>87,651</u>	<u>-</u>	<u>2,459,300</u>
Cash and Cash Equivalents At End Of Year	<u>\$ 685,766</u>	<u>\$ 1,152,058</u>	<u>\$ 81,938</u>	<u>\$ 2,906</u>	<u>\$ 1,922,668</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	\$ 374,022	\$ 119,323	\$ (9,418)	\$ (206)	\$ 483,721
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation expense	470,453	115,500	-	-	585,953
(Increase) Decrease in accounts receivables	21,356	(2,634)	2,639	825	22,186
(Increase) Decrease in inventory	(44,504)	-	-	-	(44,504)
(Increase) Decrease in prepaids	(6,100)	-	-	-	(6,100)
Increase (Decrease) in accounts payable	(198,193)	104,131	691	2,216	(91,155)
Increase (Decrease) in accrued liabilities	(5,363)	(783)	-	-	(6,146)
Increase (Decrease) in pension activity	(58,277)	(8,771)	-	-	(67,048)
Increase (Decrease) in paid time off payable	(32,628)	3,653	-	-	(28,975)
Net cash from operating activities	<u>\$ 520,766</u>	<u>\$ 330,419</u>	<u>\$ (6,088)</u>	<u>\$ 2,835</u>	<u>\$ 847,932</u>

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

Centerville City Corporation
STATEMENT OF NET POSITION – FIDUCIARY FUND
June 30, 2021

	Whitaker Trust Fund
Assets:	
Cash and cash equivalents	\$ -
Capital assets, net of accumulated depreciation:	
Infrastructure	-
Total Assets	-
Liabilities:	
Accounts payable	-
Total Liabilities	-
Net Position:	
Unrestricted	-
Total Net Position	\$ -

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

Centerville City Corporation
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUND
For the Year Ended June 30, 2021

	Whitaker Trust Fund
Additions	
Transfers in	\$ -
Total additions	-
Deductions	
Contribution	63,227
Total deductions	63,227
Changes in Net Position	(63,227)
Net Position, Beginning	63,227
Net Position, Ending	\$ -

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

Centerville City Corporation

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Reporting Entity

As required by GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). The component units discussed below are included as part of the City's reporting entity as blended component units.

The Centerville City Redevelopment Agency (RDA) was established to prepare and carry out plans to improve, rehabilitate and redevelop blighted areas within the City. The RDA is governed by a board of trustees composed of the City Mayor and members of the City Council. Although it is a legally separate entity from the City, the RDA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the RDA. The RDA is included in these financial statements as the Redevelopment Agency Special Revenue Fund. Separate financial statements are not issued for the RDA.

The Centerville City Municipal Building Authority (MBA) was established to finance and construct municipal buildings that are then leased to the City. The MBA is governed by a five-member board of trustees composed of the City Council. Although it is a legally separate entity from the City, the MBA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the MBA. The MBA is included in these financial statements as the Municipal Building Authority Special Revenue Fund. Separate financial statements are not issued for the MBA.

B. Basis of Presentation - Government-Wide Financial Statements

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the City and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. *Direct expenses* are those which are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

C. Basis of Presentation – Fund Financial Statements

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

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

The City reports the following major governmental funds:

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

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

The Transportation Special Revenue Fund accounts for the financial resources to be used for road projects. The majority of the revenue is from B&C Road Funds, and Highway and Public Transit funds.

The Park Improvements Capital Projects Fund accounts for the financial resources to be used for the acquisition or construction of major capital parks facilities of the government.

The City reports the following major enterprise funds:

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

The Drainage Utility Fund accounts for storm drain collection activities in the City.

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Sanitation Fund accounts for garbage and recycling collection activities in the City.

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

Additionally, the City reports the following fund types:

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

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

Debt service funds account for and report the financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The City accounts for the Arts Center as a debt service fund.

Capital projects funds account for the financial resources to be used for the acquisition or construction of the major capital facilities of the government. The City accounts for UTOPIA and Capital Projects funds as capital project funds.

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

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

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

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 another financing source. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. 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. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures, as well as expenditures related to compensated absences and termination benefits, are recorded only when payment is due. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

Cash and Cash Equivalents

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

Cash includes cash on hand, demand deposits with banks and other financial institutions, and deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts, including the Utah Public Treasurer's Investment Pool (PTIF). City policy allows for the investment of funds in time certificates of deposit with federally insured depositories, PTIF, and other investments allowed by the State of Utah's Money Management Act. Investments in PTIF are stated as cost, which approximates fair value.

The City categorizes the fair value measurements of its PTIF investments based on the hierarchy established by general accepted accounting principles. The fair value hierarchy, which has three levels, is based on valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Fair value measurements of the City's investments in PTIF at June 30, 2021, of \$7,989,404 are based on significant other observable inputs (Level 2 inputs).

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Accounts Receivable and Allowance for Doubtful Accounts

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

Management has estimated the allowance for uncollectible amounts for the Water Utility Fund, Drainage Utility Fund, and Sanitation Fund receivables to be approximately \$24,975, \$9,785, and \$10,700, respectively. The allowance for doubtful accounts is estimated based on historical trends related to collections of accounts receivable. Amounts that become uncollectible are written off.

The City considers all other receivables to be fully collectible.

Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Interfund Transactions

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

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

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are, reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation (should capital assets be donated in connection with a service concession arrangement, those assets would then be recorded at acquisition value). Amortization of capital assets acquired with a capital lease has been included in depreciation expense. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

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

Deferred Outflows/Inflows of Resources

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

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

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Developer and Customer Deposits

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

Compensated Absences

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

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

Long-Term Obligations

In the government-wide financial statements and proprietary fund types, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums, discounts, and issuance costs are deferred and amortized over the life of the applicable debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

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

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Equity

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

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

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

Committed fund balance classification include those funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the Council (ordinance) and remain binding unless removed in the same manner. An ordinance is the city's most binding constraint.

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

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

Use of Restricted Assets

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

Estimates and Assumptions

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

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

Program Revenues

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

Tax Revenues

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

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

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

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budgetary Process and Basis of Accounting

During the first council meeting in May, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the proposed sources of revenues.

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

During the first council meeting in May and June 22, the City Council reviews and adjusts the proposed budget. On or before June 22, a public hearing is held and the budget is legally adopted through passage of a resolution. After the budget is adopted, the City Manager may transfer any unencumbered or unexpended appropriation amount from one expenditure account to another within a department. The City Council may, by resolution, transfer any unencumbered or unexpended appropriation amount from one department in a fund to another department within the same fund.

When the City Council determines that an emergency exists, such as widespread damage from fire, flood, or earthquake, the City Council may increase the budget of the General Fund by resolution or a public hearing.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. In the General Fund, budgets are adopted at the functional level and budgetary control is exercised at the departmental level. For Special Revenue Funds, budgets are adopted and control is exercised at the level of total expenditures for each individual fund.

Annual budgets for the General Fund, all Special Revenue Funds, all Debt Service Funds, and all Capital Projects Funds were legally adopted by the City and are prepared on the modified-accrual method of accounting. Encumbrances (commitments related to unperformed purchase orders or contracts for goods or services) are used only as an internal management control device during the year. The City does not have any encumbrances outstanding at year end since appropriations lapse at year end. However, encumbered amounts are generally re-appropriated and honored as part of the following year's budget.

Although Utah State law requires the initial preparation of budgets for all City funds (both governmental and proprietary), it only requires the reporting of actual versus such budgets for governmental funds.

B. Fund Balance

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

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds. Investments are stated at cost, which approximate fair value. 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 City's deposit and investment policy is to follow the Utah Money Management Act; however, the City does not have a separate deposit and investment policy that addresses specific types of deposit and investment risks to which the City is exposed.

Components of cash and investments (including interest earning deposits) at June 30, 2021 are as follows:

Cash on hand and on deposit:

Petty Cash	\$	813
Cash on Deposit		453,846
PTIF Investment		<u>7,989,404</u>
Total cash and investments	\$	<u>8,444,063</u>

Cash and investments are included in the accompanying combined statement of net position as follows:

Cash and cash equivalents	\$	6,491,028
Restricted cash and cash equivalents		<u>1,953,035</u>
Total cash and investments	\$	<u>8,444,063</u>

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 to it. As of June 30, 2021, \$235,868 of the City's \$505,466.47 balance of deposits was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk – investments is the risk that in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City's investment in the Utah Public Treasurer's Investment Fund has no custodial credit risk.

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 the Utah Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Services or Standard and Poors; banker acceptance obligations of the U.S. Treasury and U.S. government sponsored enterprises; bonds and notes of political subdivisions of the State of Utah; fixed rate corporate obligations and variable rate.

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

A. Cash and Investments (Continued)

Securities rated “A” or higher by two nationally recognized statistical rating organizations as defined by the Act. The city has no formal policy relating to a specific investment-related risk.

Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The City manages its exposure by investing mainly in the Utah Public Treasurer’s Investment Fund and by adhering to the Utah 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 city has no formal policy relating to a specific investment-related risk.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The City’s investment in the Utah Public Treasurer’s Investment Fund has no concentration of credit risk.

The City invests in the Public Treasurer’s Investment Fund (PTIF) which is a voluntary external Local Governmental Investment Pool managed by the Utah State Treasurer’s Office and is audited by the Utah State Auditor. No separate report as an external investment pool has been issued for the PTIF. The PTIF is not registered with the SEC as an investment company and is not rated. The PTIF is authorized and regulated by the Utah Money Management Act, (Utah Code Title 51, Chapter 7). 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.

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, which approximates fair value at year end. The income, gains, and losses, net of administration fees, of the PTIF are allocated to participants on the ratio of the participant’s share to the total funds in the PTIF based on the participant’s average daily balance. The PTIF allocates income and issues statements on a monthly basis. Additional information is available at the Utah State Treasures’ Office. At year end, the City utilizes a fair value per share factor to estimate the fair value of the investment as of June 30. As of June 30, 2021, the fair value per share factor for investments in the PTIF was 1.003352.

For the year ended June 30, 2021, the City had investments of \$7,989,404 with the PTIF. This investment matures in less than one year and is not rated.

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: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

A. Cash and Investments (Continued)

At June 30, 2021, the City had the following cash and investments:

	<u>Carrying Value</u>	<u>Fair Value Factor</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Avg. Maturity (Years)</u>
Cash on hand and on deposit:					
Cash on hand	\$ 813	1	\$ 813	N/A	N/A
Cash on deposit	453,846	1	453,846	N/A	N/A
Utah State Treasurer's investment pool accounts	<u>7,989,404</u>	1.003352	<u>8,016,184</u>	N/A	39.84
Total cash on hand and deposit	<u>\$ 8,444,063</u>		<u>\$8,470,843</u>		

B. Interfund Transfers

The transfers among the funds for the year ended June 30, 2021, were as follows:

<u>Fund Transferring Out</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 23,000
General Fund	Transportation	415,592
General Fund	Capital Project Fund	1,700,000
General Fund	UTOPIA Capital Projects Fund	149,888
Redevelopment Agency	General Fund	34,194
Redevelopment Agency	UTOPIA Capital Projects Fund	231,219
Redevelopment Agency	Arts Center Debt Service Fund	593,163
Redevelopment Agency	Park Improvement Capital Projects Fund	350,000
Rap Tax Fund	Misc Park Projects	405,853
Rap Tax Fund	General Fund	<u>23,873</u>
		<u><u>\$ 3,926,782</u></u>

The majority of transfers were intended to fund debt service, and for capital projects.

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

C. Capital Assets

Capital assets activity for the year ended June 30, 2021, is as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Governmental Activities:				
Capital assets, not being depreciated:				
Land and collectibles	\$ 7,718,450	\$ -	\$ -	\$ 7,718,450
Construction in progress	2,845,490	1,774,224	(3,969,853)	649,861
Total capital assets, not being depreciated	<u>10,563,940</u>	<u>1,774,224</u>	<u>(3,969,853)</u>	<u>8,368,311</u>
Capital assets, being depreciated:				
Buildings and improvements	18,634,387			18,634,387
Infrastructure	10,852,085	1,220,148		12,072,233
Machinery and equipment	3,120,633	2,950,654		6,071,287
Autos and trucks	3,308,399	504,150	(372,883)	3,439,666
Total capital assets, being depreciated	<u>35,915,504</u>	<u>4,674,952</u>	<u>(372,883)</u>	<u>40,217,573</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,895,459)	(456,374)		(6,351,833)
Infrastructure	(2,003,229)	(235,293)		(2,238,522)
Machinery and equipment	(2,210,820)	(172,142)		(2,382,962)
Autos and trucks	(2,297,296)	(249,455)	368,657	(2,178,094)
Total accumulated depreciation	<u>(12,406,804)</u>	<u>(1,113,264)</u>	<u>368,657</u>	<u>(13,151,411)</u>
Total capital assets being depreciated, net	<u>23,508,700</u>	<u>3,561,688</u>	<u>(4,226)</u>	<u>27,066,162</u>
Governmental Activities capital assets, net	<u>\$ 34,072,640</u>	<u>\$ 5,335,912</u>	<u>\$ (3,974,079)</u>	<u>\$ 35,434,473</u>

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

Governmental Activities:	
General government	\$ 590,616
Public safety	86,742
Highways and public improvements	242,460
Parks and recreation	193,446
Total depreciation expense - governmental activities	<u>\$ 1,113,264</u>

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

C. Capital Assets (Continued)

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Business-type Activities:				
Capital assets, not being depreciated:				
Water stock and rights	\$ 48,617	\$ -	\$ -	\$ 48,617
Land	236,909	-	-	236,909
Construction in progress	700,763	1,377,908	(1,653,412)	425,259
Total capital assets, not being depreciated	986,289	1,377,908	(1,653,412)	710,785
Capital assets, being depreciated:				
Buildings and improvements	3,501,967	623,488	-	4,125,455
Reservoirs	984,857	-	-	984,857
Water distribution system	16,904,295	765,130	-	17,669,425
Sub-drain system	2,046,416	-	-	2,046,416
Storm drain system	3,481,510	264,794	-	3,746,304
Machinery and equipment	900,769	75,941	-	976,710
Total capital assets, being depreciated	27,819,814	1,729,353	-	29,549,167
Less accumulated depreciation for:				
Buildings and improvements	(1,142,357)	(71,827)	-	(1,214,184)
Reservoirs	(809,406)	(10,774)	-	(820,180)
Water distribution system	(5,404,715)	(340,138)	-	(5,744,853)
Sub-drain system	(552,397)	(40,929)	-	(593,326)
Storm drain system	(529,000)	(69,630)	-	(598,630)
Machinery and equipment	(745,948)	(52,655)	-	(798,603)
Total accumulated depreciation	(9,183,823)	(585,953)	-	(9,769,776)
Total capital assets being depreciated, net	18,635,991	1,143,400	-	19,779,391
Business-type Activities capital assets, net	\$ 19,622,280	\$ 2,521,308	\$ (1,653,412)	\$ 20,490,176

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

Business-type Activities:	
Water	\$ 470,453
Drainage	115,500
Total depreciation expense - business-type activities	\$ 585,953

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

D. Long-Term Liabilities

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2021:

	<u>Balance June 30, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2021</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
Revenue bonds	\$ 570,000	\$ -	\$ (570,000)	\$ -	\$ -
Plus: unamortized premium	39,604	-	(39,604)	-	-
Total bonds payable	<u>609,604</u>	<u>-</u>	<u>(609,604)</u>	<u>-</u>	<u>-</u>
Notes Payable	300,000	-	(100,415)	199,585	100,000
Compensated absences	581,226	331,993	(300,996)	612,223	280,000
Notes Payable	1,890,000	-	(217,000)	1,673,000	237,000
Termination benefits	9,562	-	(9,562)	-	-
Outstanding claims	25,229	-	(12,991)	12,238	11,555
Net pension liability	<u>1,687,659</u>	<u>-</u>	<u>(1,036,439)</u>	<u>651,220</u>	<u>-</u>
Total Governmental activities long-term liabilities	<u>5,103,280</u>	<u>331,993</u>	<u>(2,287,007)</u>	<u>3,148,266</u>	<u>628,555</u>
Business-type Activities:					
Bonds payable:					
Revenue bonds	1,590,000	-	(305,000)	1,285,000	100,000
Plus: unamortized premium	150,600	-	(13,096)	137,504	-
Total bonds payable	<u>1,740,600</u>	<u>-</u>	<u>(318,096)</u>	<u>1,422,504</u>	<u>100,000</u>
Notes payable	898,223	-	(173,785)	724,438	96,673
Compensated absences	72,463	24,562	(53,537)	43,488	27,000
Net pension liability	<u>130,080</u>	<u>-</u>	<u>(113,563)</u>	<u>16,517</u>	<u>-</u>
Total Business-type activities long-term liabilities	<u>2,841,366</u>	<u>24,562</u>	<u>(658,981)</u>	<u>2,206,947</u>	<u>223,673</u>
Total long-term liabilities	<u>\$ 7,944,646</u>	<u>\$ 356,555</u>	<u>\$ (2,945,988)</u>	<u>\$ 5,355,213</u>	<u>\$ 852,228</u>

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

D. Long-Term Liabilities (Continued)

Compensated Absences and Net Pension Liability

The liabilities for the net pension liability, and compensated absences are expected to be liquidated by the general fund for governmental activities. For business-type activities, the liabilities will be liquidated by the fund reporting the liability.

Revenue Bonds

The City has issued revenue bonds secured by the pledged revenues named in the bond issue. The Sales Tax Revenue Bonds, Series 2009 is a direct placement. Significant events of default consist of (a) failure to pay principal or interest when due; (b) failure to fulfill all obligations; and (c) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings. Upon the occurrence of an event of default, the City may be required to make monthly deposits into the bond fund. The Water Revenue Refunding Bonds, Series 2012 is a direct placement. Significant events of default consist of (a) failure to pay principal or interest when due; (b) failure to fulfill all obligations; and (c) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings. Upon the occurrence of an event of default, the City may be required to immediately pay all principal and interest.

Revenue bonds outstanding at June 30, 2021, by issue are as follows:

<u>Bond Issue</u>	<u>Purpose</u>	<u>Original Issue</u>	<u>Payment Dates</u>	<u>Interest Rates</u>	<u>Final Maturity Date</u>	<u>Balance at June 30, 2021</u>
Governmental Activities:						
Sales Tax Revenue Bonds, Series 2009	Arts Center	\$ 11,655,000	Nov 1 and May 1	3% - 4%	May 1, 2021	\$ -
Business-type Activities:						
Water Revenue Refunding Bonds, Series 2012	Water system improvements	\$ 4,210,000	Sept 1 and Mar 1	2% - 4%	Sept 1, 2031	\$ 1,285,000

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

<u>Year Ending June 30,</u>	<u>Business-type Activities Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2022	100,000	41,550
2023	100,000	39,050
2024	105,000	36,225
2025	110,000	33,000
2026-2030	595,000	111,025
2031-2032	275,000	11,100
	<u>\$ 1,285,000</u>	<u>\$ 271,950</u>

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

D. Long-Term Liabilities (Continued)

Notes Payable

During fiscal year 2018 the city entered into a note payable to fund the construction of a park. The original note was for \$500,000. The city will make five yearly principal payments of \$100,000. During fiscal year 2021 the city paid \$100,000 in principal and \$1,706 in interest. Interest is calculated at the end of each year based on the PTIF rate.

During fiscal year 2021 the city entered into a note payable to fund the construction of a park. The original note was for \$1,900,000. Principal and interest are due in annual installments with the final note maturing in June 2026.

Debt service requirements to maturity for note payable are as follows:

Year Ending June 30,	Governmental Activities	
	Note Payable	
	Principal	Interest
2022	237,000	44,836
2023	259,000	38,485
2024	381,000	31,544
2025	405,000	21,333
2026	391,000	10,479
	\$ 1,673,000	\$ 146,677

The City has signed notes with Utah Infrastructure Agency with interest rates at 6-8%. Principal and interest are due in monthly installments with the final note maturing in July 2038. The notes were issued to finance fiber-optic network connections for the City's residents. Debt service payments will be paid by the residents according to the agreement set up between the City and the residents, which mirrors the agreement between the City and Utah Infrastructure Agency. The annual debt service requirements to maturity as of June 30, 2021 are as follows:

Year Ending June 30,	Business-type Activities	
	Notes Payable	
	Principal	Interest
2022	96,673	54,497
2023	61,363	48,347
2024	55,042	42,998
2025	54,951	38,289
2026	56,026	34,054
2027-2031	300,378	102,822
2032-2036	97,432	12,568
2037-2039	2,573	354
	\$ 724,438	\$ 333,929

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

E. Pensions

Plan Description

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

- Public Employees Noncontributory Retirement System (Noncontributory System);
- Public Employees Contributory Retirement System (Contributory System);
are multiple employer, cost sharing, retirement systems.
- Public Safety Retirement System (Public Safety System) is a 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 on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

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

Benefits Provided

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

Summary of Benefits by System

Summary of Benefits by System

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

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

E. Pensions (Continued)

System	Final Average Salary	Years of Service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending on the employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years 2.0% per year July 2020 to present	Up to 2.5%

* With actuarial reductions

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

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2021 are as follows:

Utah Retirement Systems

	Employee	Employer	Employer 401(k)
Contributory System			
11 - Local Governmental Division Tier 1	6.00%	14.46%	N/A
111 - Local Governmental Division Tier 2	N/A	15.80%	0.89%
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	2.27%	25.83%	0.70%
Noncontributory			
43 Other Div A with 2.5% COLA	N/A	34.04%	N/A
Tier 2 DC Only			
211 - Local Government	N/A	6.69%	10.00%
222 - Public Safety	N/A	11.83%	14.00%

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

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

E. Pensions (Continued)

For the fiscal year ended June 30, 2021, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 271,587	N/A
Contributory System	24,109	\$ 10,003
Public Safety System	358,819	-
Tier 2 Public Employees System	100,225	-
Tier 2 Public Safety and Firefighter System	51,694	4,428
Tier 2 DC Only System	9,051	N/A
Tier 2 DC Public Safety and Firefighter System	6,120	N/A
Total Net Pension Asset / Liability	<u>\$ 821,605</u>	<u>\$ 14,431</u>

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.

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

At June 30, 2021, we reported a net pension asset of \$222,511 and a net pension liability of \$667,737.

System	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share 12/31/2019	Change (Decrease)
Noncontributory System	\$ -	\$ 88,057	0.1716701%	0.1720121%	-0.0003420%
Contributory System	222,511	-	1.2415378%	1.1108619%	0.1306759%
Public Safety System	-	567,371	0.6833816%	0.6748155%	0.0085661%
Tier 2 Public Employees System	-	5,134	0.0356942%	0.0308457%	0.0048485%
Tier 2 Public Safety and Firefighter System	-	7,175	0.0799884%	0.0660525%	0.0139359%
Total Net Pension Asset / Liability	<u>\$ 222,511</u>	<u>\$ 667,737</u>			

The net pension asset and liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2020 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, 2021, we recognized pension expense of \$239,495.

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

E. Pensions (Continued)

At June 30, 2021, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 230,999	\$ 2,902
Changes in assumptions	8,161	28,611
Net difference between projected and actual earnings on pension plan investments	-	1,773,234
Changes in proportion and differences between contributions and proportionate share of contributions	38,702	14,737
Contributions subsequent to the measurement date	411,928	-
Total	\$ 689,790	\$ 1,819,484

\$411,928 was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

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

Year Ended December 31,	Deferred Outflows (inflows) of Resources
2021	\$ (424,039)
2022	\$ (212,045)
2023	\$ (629,582)
2024	\$ (291,096)
2025	\$ 2,171
Thereafter	\$ 12,969

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

E. Pensions (Continued)

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, we recognized pension expense of \$46,432.

At June 30, 2021, we 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	\$ 118,135	\$ -
Changes in assumptions	-	11,518
Net difference between projected and actual earnings on pension plan investments	-	642,997
Changes in proportion and differences between contributions and proportionate share of contributions	70	13,923
Contributions subsequent to the measurement date	<u>134,426</u>	<u>-</u>
Total	<u>\$ 252,631</u>	<u>\$ 668,438</u>

\$134,426 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

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:

<u>Year Ended December 31,</u>		Deferred Outflows (inflows) of Resources
2021	\$	(154,978)
2022	\$	(64,909)
2023	\$	(223,747)
2024	\$	(106,599)
2025	\$	-
Thereafter	\$	-

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

E. Pensions (Continued)

Contributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, we recognized pension expense of (\$69,953).

At June 30, 2021, we 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	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	377,480
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	9,539	-
Total	\$ 9,539	\$ 377,480

\$9,539 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

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

Year Ended December 31,	Deferred Outflows (inflows) of Resources
2021	\$ (120,732)
2022	\$ (57,843)
2023	\$ (137,340)
2024	\$ (61,565)
2025	\$ -
Thereafter	\$ -

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

E. Pensions (Continued)

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

For the year ended June 30, 2021, we recognized pension expense of \$50,319.

At June 30, 2021, we 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	\$ 104,730	\$ 549
Changes in assumptions	-	16,137
Net difference between projected and actual earnings on pension plan investments	-	733,166
Changes in proportion and differences between contributions and proportionate share of contributions	27,851	-
Contributions subsequent to the measurement date	177,737	-
Total	\$ 310,318	\$ 749,852

\$177,737 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

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

Year Ended December 31,	Deferred Outflows (inflows) of Resources	
2021	\$	(144,922)
2022	\$	(87,226)
2023	\$	(263,894)
2024	\$	(121,529)
2025	\$	-
Thereafter	\$	-

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

E. Pensions (Continued)

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

For the year ended June 30, 2021, we recognized pension expense of \$50,319.

At June 30, 2021, we 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	\$ 4,726	\$ 2,351
Changes in assumptions	6,494	187
Net difference between projected and actual earnings on pension plan investments	-	15,006
Changes in proportion and differences between contributions and proportionate share of contributions	9,129	-
Contributions subsequent to the measurement date	57,296	-
Total	\$ 77,645	\$ 17,544

\$57,296 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

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

Year Ended December 31,		Deferred Outflows (inflows) of Resources
2021	\$	(2,505)
2022	\$	(1,450)
2023	\$	(3,428)
2024	\$	(959)
2025	\$	1,808
Thereafter	\$	9,341

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

E. Pensions (Continued)

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

For the year ended June 30, 2021, we recognized pension expense of \$21,807.

At June 30, 2021, we 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	\$ 3,710	\$ 2
Changes in assumptions	1,667	769
Net difference between projected and actual earnings on pension plan investments	-	4,585
Changes in proportion and differences between contributions and proportionate share of contributions	1,651	813
Contributions subsequent to the measurement date	32,930	-
Total	\$ 39,958	\$ 6,169

\$39,930 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

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

Year Ended December 31,	Deferred Outflows (inflows) of Resources	
2020	\$	(902)
2021	\$	(617)
2022	\$	(1,172)
2023	\$	(444)
2024	\$	363
Thereafter	\$	3,631

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

E. Pensions (Continued)

Actuarial Assumptions

The total pension liability in the December 31, 2020, 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, 2020, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

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

	Expected Return Arithmetic Basis		
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	37%	6.30%	2.33%
Debt securities	20%	0.00%	0.00%
Real Assets	15%	6.19%	0.93%
Private equity	12%	9.50%	1.14%
Absolute return	16%	2.75%	0.44%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		4.84%
	Inflation		2.50%
	Expected arithmetic nominal return		7.34%

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.

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

E. Pensions (Continued)

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

The following presents the proportionate share of the net pension liability calculated using the discount rate of 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:

	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Proportionate share of			
Noncontributory System	\$ 1,526,646	\$ 88,057	\$ (1,111,223)
Contributory System	330,945	(222,511)	(689,811)
Public Safety System	2,395,358	567,371	(916,950)
Tier 2 Public Employees System	86,387	5,134	(57,023)
Tier 2 Public Safety and Firefighter System	33,826	7,175	(14,081)
	\$ 4,373,162	\$ 445,226	\$ (2,789,088)

Pension Plan Fiduciary Net Position

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

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

F. Defined Contribution Savings Plans

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

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

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

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 31, were as follows:

System	Year Ended June 30,	Employee paid Contributions	Employer paid for Employee Contributions
Defined Contribution System:			
401(k) Plan	2021	\$ 75,716	\$ 44,032
	2020	\$ 83,732	\$ 20,716
	2019	\$ 78,632	\$ 20,632
	2018	\$ 73,255	\$ 16,021
	2017	\$ 76,768	\$ 7,504
	2016	\$ 74,431	\$ 9,559
	2015	\$ 56,735	\$ 31,340
457 Plan	2021	\$ 20,371	-
	2020	\$ 14,967	-
	2019	\$ 9,076	-
	2018	\$ 9,803	-
	2017	\$ 6,206	-
	2016	\$ 5,486	-
	2015	\$ 2,200	-
Roth IRA Plan	2021	\$ 18,955	N/A
	2020	\$ 16,500	N/A
	2019	\$ 13,422	N/A
	2018	\$ 9,073	N/A
	2017	\$ 9,117	N/A
	2016	\$ 4,170	N/A
	2015	\$ 4,362	N/A

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

G. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of the Utah Risk Management Mutual Association (URMMA). It is an insurance pool for liability insurance made up of municipalities in the State. Each city pays premiums into a cash reserve fund for possible losses. Payment of the annual premium indemnifies the City for claims that exceed the per occurrence deductible. The policy provides \$10,000,000 of liability coverage per occurrence after a deductible of \$15,000. In the event URMMA becomes insolvent, the City is fully responsible for all claims. The obligation of URMMA to pay damages on behalf of the City applies only to damages in excess of the member "deductibles" and group "self-insured retention's" outlined in the Coverage Profile. The member "deductibles" and the group "self-insured retention's" include attorney's fees and all other costs incurred in defending a claim. URMMA purchases umbrella insurance to protect against large claims. URMMA reviews risk management programs and give recommendations and premium discounts to cities that adopt them. The City has adopted various recommendations and receives discounts.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City. Changes to the liability during the year is as follows:

Liability at June 30, 2020	\$	25,229
Claims incurred		-
Payments on claims		(12,991)
Liability at June 30, 2021	\$	12,238

H. Interlocal Agreements

Utah Telecommunications Open Infrastructure Agency (UTOPIA)

The City is one of 11 founding members of UTOPIA, an interlocal cooperative agreement organized under the laws of the State of Utah. UTOPIA was created to design, finance, build, operate, and maintain an open, wholesale, public telecommunication infrastructure that delivers high-speed connections to homes and businesses in the member communities.

The City is a pledging member who has pledged sales and use tax revenues to partially guarantee payment of UTOPIA's bonds. In return for the pledge, the City will be among the first cities to receive UTOPIA's services. In December 2011, UTOPIA issued an \$185,000,000 revenue refunding bond, which will become due in June 2040. The debt service payments will be made by the 11 pledging members according to their respective percentages up to a specific dollar amount. The City's percentage of the Debt Service Reserve shortfall is 3.34% with a yearly liability limit set at a maximum of \$501,115 for the coming year ended June 30, 2022. Any bonds or debt issued or incurred by UTOPIA will not constitute debt of the City. Pledge payments made during the year ended June 30, 2021 totaled \$501,950. The aggregate amount paid to UTOPIA of \$5,162,445 as of June 30, 2021, is considered to be a note receivable but the entire amount has been reserved and is not expected to be repaid. UTOPIA issues annual audited financial statements which are available either from UTOPIA or the Utah State Auditor.

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

H. Interlocal Agreements (Continued)

Utah Infrastructure Agency (UIA)

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

UIA may also establish, as needed, Working Capital Assessments to its member cities to help cover any operational expense (OpEx) shortfall. Under a shortfall scenario, UIA notifies the member cities of their respective obligations to utilize Energy Sales and Use Taxes to replenish the shortfall. The amounts assessed and paid during the year ended June 30, 2021, totaled \$0. The aggregate amount paid to UIA of \$221,373 as of June 30, 2021, together with accrued interest of \$21,974, is considered to be a note receivable. During fiscal year 2021 UIA paid \$120,844. The remaining \$122,503 is expected to be received in fiscal year 2022. UIA issues annual audited financial statements which are available either from UIA or the Utah State Auditor.

I. Commitments and Contingencies

The City had \$1,751,884 of outstanding construction commitments at June 30, 2021.

J. Redevelopment Agency

In accordance with Utah Code Section 17C-1-605(1), the City's Redevelopment Agency is required to disclose the following information for the year ended June 30, 2021:

Tax increment collected for each project area

Parish Lane	\$ 1,057,693
Legacy Crossing	316,301
Barnard Creek	145,055
Parish Gateway	241,758
	\$ 1,760,807

Amounts expended for:

Administrative costs	\$ 428,556
Tax increment paid to other entities	400,480
	\$ 829,036

Outstanding bonds and loans to finance RDA projects	\$ -
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REQUIRED SUPPLEMENTAL INFORMATION

Centerville City Corporation
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2021
Last 10 Fiscal years *

	Year Ended June 30,	Noncontributory System	Contributory Retirement System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighters Retirement
Proportion of the net pension liability (asset)	2015	0.1964264%	2.2216079%	0.5439158%	0.0679200%	N/A
	2016	0.1985342%	0.4180201%	0.5781148%	0.0164082%	0.2239970%
	2017	0.2039119%	0.7888045%	0.6375033%	0.0178215%	0.0507471%
	2018	0.1838307%	0.9177603%	0.6380725%	0.0200346%	0.0401947%
	2019	0.1717530%	1.0117884%	0.6435060%	0.0274036%	0.0398694%
	2020	0.1720121%	1.1108619%	0.6748155%	0.0308457%	0.0660525%
	2021	0.1716701%	1.2415378%	0.6833816%	0.0356942%	0.0799884%
Proportionate share of the net pension liability (asset)	2015	\$ 852,930	\$ 96,912	\$ 684,019	\$ (638)	N/A
	2016	\$ 1,123,403	\$ 293,807	\$ 1,035,549	\$ (36)	\$ (327)
	2017	\$ 1,309,364	\$ 258,815	\$ 1,293,670	\$ 1,988	\$ (441)
	2018	\$ 805,417	\$ 74,682	\$ 1,000,918	\$ 1,766	\$ (465)
	2019	\$ 1,264,742	\$ 410,587	\$ 1,655,474	\$ 11,736	\$ 999
	2020	\$ 648,291	\$ 72,802	\$ 1,083,496	\$ 6,937	\$ 6,213
	2021	\$ 88,057	\$ (222,511)	\$ 567,372	\$ 5,134	\$ 7,175
Covered payroll	2015	\$ 1,679,906	\$ 179,641	\$ 944,010	\$ 103,177	N/A
	2016	\$ 1,717,997	\$ 178,113	\$ 962,350	\$ 105,998	\$ 13,357
	2017	\$ 1,818,881	\$ 189,265	\$ 995,417	\$ 146,152	\$ 41,928
	2018	\$ 1,619,695	\$ 186,228	\$ 986,759	\$ 196,054	\$ 42,424
	2019	\$ 1,481,009	\$ 189,376	\$ 976,591	\$ 319,559	\$ 53,203
	2020	\$ 1,492,785	\$ 199,059	\$ 1,032,579	\$ 428,495	\$ 108,798
	2021	\$ 1,475,841	\$ 204,798	\$ 1,060,233	\$ 570,557	\$ 158,485
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	2015	50.80%	53.90%	72.50%	-0.60%	N/A
	2016	65.39%	164.96%	107.61%	-0.03%	-2.45%
	2017	71.99%	136.75%	129.96%	1.36%	-1.05%
	2018	49.73%	40.10%	101.43%	0.90%	-1.10%
	2019	85.40%	216.81%	169.52%	3.67%	1.88%
	2020	43.43%	36.57%	104.93%	1.62%	5.71%
	2021	5.97%	-108.65%	53.51%	0.90%	4.53%
Plan fiduciary net position as a percentage of the total pension liability	2015	90.2%	94.0%	90.5%	103.5%	N/A
	2016	87.8%	85.7%	87.1%	100.2%	110.7%
	2017	87.3%	92.9%	86.5%	95.1%	103.6%
	2018	91.9%	98.2%	90.2%	97.4%	103.0%
	2019	87.0%	91.2%	84.7%	90.8%	95.6%
	2020	93.7%	98.6%	90.9%	96.5%	89.6%
	2021	99.2%	103.9%	95.5%	98.3%	93.1%

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

Centerville City Corporation
SCHEDULE OF CONTRIBUTIONS
June 30, 2021
Last 10 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 employee payroll
Noncontributory System	2014	\$ 288,878	\$ 288,878	\$ -	\$ 1,670,781	17.29%
	2015	\$ 313,509	\$ 313,509	\$ -	\$ 1,697,397	18.47%
	2016	\$ 321,921	\$ 321,921	\$ -	\$ 1,742,940	18.47%
	2017	\$ 319,680	\$ 319,680	\$ -	\$ 1,730,802	18.47%
	2018	\$ 293,648	\$ 293,648	\$ -	\$ 1,590,708	18.46%
	2019	\$ 267,275	\$ 267,275	\$ -	\$ 1,447,077	18.47%
	2020	\$ 274,129	\$ 274,129	\$ -	\$ 1,495,931	18.32%
	2021	\$ 271,587	\$ 271,587	\$ -	\$ 1,483,742	18.30%
Contributory System	2014	\$ 22,617	\$ 22,617	\$ -	\$ 176,727	12.80%
	2015	\$ 25,938	\$ 25,938	\$ -	\$ 179,377	14.46%
	2016	\$ 26,557	\$ 26,557	\$ -	\$ 183,659	14.46%
	2017	\$ 26,273	\$ 26,273	\$ -	\$ 181,692	14.46%
	2018	\$ 27,922	\$ 27,922	\$ -	\$ 194,471	14.36%
	2019	\$ 27,380	\$ 27,380	\$ -	\$ 193,467	14.15%
	2020	\$ 29,761	\$ 29,761	\$ -	\$ 205,817	14.46%
	2021	\$ 24,109	\$ 24,109	\$ -	\$ 166,726	14.46%
Public Safety System	2014	\$ 254,557	\$ 254,557	\$ -	\$ 934,612	27.24%
	2015	\$ 287,628	\$ 287,628	\$ -	\$ 973,840	29.54%
	2016	\$ 304,712	\$ 304,712	\$ -	\$ 938,290	32.48%
	2017	\$ 322,062	\$ 322,062	\$ -	\$ 975,614	33.01%
	2018	\$ 342,975	\$ 342,975	\$ -	\$ 1,007,564	34.04%
	2019	\$ 344,752	\$ 344,752	\$ -	\$ 1,012,783	34.04%
	2020	\$ 358,183	\$ 358,183	\$ -	\$ 1,052,241	34.04%
	2021	\$ 358,819	\$ 358,819	\$ -	\$ 1,054,111	34.04%
Tier 2 Public Employees System **	2014	\$ 14,062	\$ 14,062	\$ -	\$ 100,204	14.03%
	2015	\$ 15,453	\$ 15,453	\$ -	\$ 104,452	14.79%
	2016	\$ 17,078	\$ 17,078	\$ -	\$ 115,128	14.83%
	2017	\$ 26,235	\$ 26,235	\$ -	\$ 175,954	14.91%
	2018	\$ 37,525	\$ 37,525	\$ -	\$ 250,605	14.97%
	2019	\$ 57,477	\$ 57,477	\$ -	\$ 370,647	15.51%
	2020	\$ 79,647	\$ 79,647	\$ -	\$ 508,606	15.66%
	2021	\$ 100,225	\$ 100,225	\$ -	\$ 534,335	15.80%
Tier 2 Public Safety and Firefighter System **	2014	\$ -	\$ -	\$ -	\$ -	0.00%
	2015	\$ -	\$ -	\$ -	\$ -	0.00%
	2016	\$ 7,389	\$ 7,389	\$ -	\$ 32,838	22.50%
	2017	\$ 9,379	\$ 9,379	\$ -	\$ 41,683	22.50%
	2018	\$ 11,283	\$ 11,283	\$ -	\$ 50,001	22.57%
	2019	\$ 13,896	\$ 13,896	\$ -	\$ 60,813	22.85%
	2020	\$ 35,033	\$ 35,033	\$ -	\$ 151,313	23.15%
	2021	\$ 51,694	\$ 51,694	\$ -	\$ 200,133	25.83%
Tier 2 Public Employees DC Only System **	2014	\$ 1,834	\$ 1,834	\$ -	\$ 33,438	5.48%
	2015	\$ 2,268	\$ 2,268	\$ -	\$ 34,187	6.63%
	2016	\$ 2,373	\$ 2,373	\$ -	\$ 36,515	6.50%
	2017	\$ 2,554	\$ 2,554	\$ -	\$ 39,856	6.41%
	2018	\$ 4,635	\$ 4,635	\$ -	\$ 70,921	6.54%
	2019	\$ 6,825	\$ 6,825	\$ -	\$ 105,963	6.44%
	2020	\$ 5,734	\$ 5,734	\$ -	\$ 85,710	6.69%
	2021	\$ 9,051	\$ 9,051	\$ -	\$ 135,294	6.69%
Tier 2 Public Safety and Firefighter DC Only System **	2014	\$ -	\$ -	\$ -	\$ -	0.00%
	2015	\$ -	\$ -	\$ -	\$ -	0.00%
	2016	\$ -	\$ -	\$ -	\$ -	0.00%
	2017	\$ -	\$ -	\$ -	\$ -	0.00%
	2018	\$ 4,459	\$ 4,459	\$ -	\$ 37,688	11.83%
	2019	\$ 5,530	\$ 5,530	\$ -	\$ 46,743	11.83%
	2020	\$ 5,763	\$ 5,763	\$ -	\$ 48,715	11.83%
	2021	\$ 6,120	\$ 6,120	\$ -	\$ 51,735	11.83%

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

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

Centerville City Corporation
NOTES TO THE SCHEDULES OF THE PROPORTIONATE SHARE OF THE NET
PENSION LIABILITY AND CONTRIBUTIONS
For the Year Ended June 30, 2021

Changes in Assumptions:

There were a number of demographic assumptions (e.g. rates of termination, disability, retirement, as well as an updated mortality and salary increase assumption) updated for use in the January 1, 2020 actuarial calculation. These assumption updates were adopted by the Utah State Retirement Board as a result of an Actuarial Experience Study performed for the Utah Retirement Systems. In aggregate, those assumption changes resulted in a \$201 million increase in the Total Pension Liability, which is about 0.50% of the Total Pension Liability of as December 31, 2019 for all systems combined. The Actuarial Experience Study report as of December 31, 2019 provides detailed information regarding those assumption changes, which may be accessed online at newsroom.urs.org under the "Retirement Office" Column using the "Reports and Stats" tab.

SUPPLEMENTAL INFORMATION

Centerville City Corporation
COMBINING BALANCE SHEET – NONMAJOR
GOVERNMENTAL FUNDS
June 30, 2021

	<u>Special Revenue Funds</u>						Total Nonmajor Governmental Funds	
	Municipal Building Authority	Recreation	R.A.P. Tax	Cemetery Perpetual Care	Utopia Capital Projects Fund	Capital Projects Fund		Arts Center Debt Service Fund
Assets:								
Cash and cash equivalents	\$ 1,207	\$ 46,838	\$ -	\$ 50,073	\$ 42,584	\$ 1,700,000	\$ 3,838	\$ 1,844,540
Receivable - intergovernmental	-	-	103,153	-	122,504	-	-	225,657
Restricted cash and cash equivalents	-	-	332,671	37,700	-	-	-	370,371
Total Assets	\$ 1,207	\$ 46,838	\$ 435,824	\$ 87,773	\$ 165,088	\$ 1,700,000	\$ 3,838	\$ 2,440,568
Liabilities:								
Accounts payable	\$ -	\$ 16,315	\$ 6,098	\$ -	\$ -	\$ -	\$ -	\$ 22,413
Total Liabilities	-	16,315	6,098	-	-	-	-	22,413
Deferred Inflows of Resources								
Unavailable revenue - property taxes	-	-	-	-	122,504	-	-	122,504
Fund Balances:								
Nonspendable, in the form of:								
Premanently restricted cemetery	-	-	-	37,700	-	-	-	37,700
Restricted for:								
Future development	-	-	429,726	-	-	-	-	429,726
Cemetery	-	-	-	50,073	-	-	-	50,073
Assigned, reported in:								
Special revenue funds	1,207	30,523	-	-	-	-	-	31,730
Debt service funds	-	-	-	-	-	-	3,838	3,838
Capital project funds	-	-	-	-	42,584	1,700,000	-	1,742,584
Total Fund Balances	1,207	30,523	429,726	87,773	42,584	1,700,000	3,838	2,295,651
Total Liabilities and Fund Balances	\$ 1,207	\$ 46,838	\$ 435,824	\$ 87,773	\$ 165,088	\$ 1,700,000	\$ 3,838	\$ 2,440,568

Centerville City Corporation
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – NONMAJOR
GOVERNMENTAL FUNDS
For The Year Ended June 30, 2021

	Special Revenue Funds						Arts Center Debt Service Fund	Total Nonmajor Governmental Funds
	Municipal Building Authority	Recreation	R.A.P. Tax	Cemetery Perpetual Care	Utopia Capital Projects Fund	Capital Projects Fund		
Revenues:								
Taxes	\$ -	\$ -	\$ 496,573	\$ -	\$ -	\$ -	\$ -	\$ 496,573
Charges for services	-	59,116	-	39,900	-	-	-	99,016
Interest	-	-	2,016	198	-	-	-	2,214
Miscellaneous	-	19,342	-	-	120,844	-	-	140,186
Total Revenues	-	78,458	498,589	40,098	120,844	-	-	737,989
Expenditures:								
Current:								
General government	-	-	-	-	501,950	-	-	501,950
Parks and recreation	-	80,791	683	-	-	-	-	81,474
Community development	-	-	23,874	-	-	-	-	23,874
Debt service:								
Principal	-	-	-	-	-	-	570,000	570,000
Interest	-	-	-	-	-	-	20,421	20,421
Capital outlay	-	-	-	24,079	-	-	-	24,079
Total Expenditures	-	80,791	24,557	24,079	501,950	-	590,421	1,221,798
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(2,333)	474,032	16,019	(381,106)	-	(590,421)	(483,809)
Other Financing Sources (Uses):								
Transfers in	-	23,000	-	-	381,107	1,700,000	593,163	2,697,270
Transfers out	-	-	(429,726)	-	-	-	-	(429,726)
Total Other Financing Sources (Uses)	-	23,000	(429,726)	-	381,107	1,700,000	593,163	2,267,544
Net Change in Fund Balances	-	20,667	44,306	16,019	1	1,700,000	2,742	1,783,735
Fund Balances, Beginning	1,207	9,856	385,420	71,754	42,583	-	1,096	511,916
Fund Balances, Ending	\$ 1,207	\$ 30,523	\$ 429,726	\$ 87,773	\$ 42,584	\$ 1,700,000	\$ 3,838	\$ 2,295,651

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2021

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

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2021

Recreation Special Revenue Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 129,500	\$ 129,500	\$ 59,116	\$ (70,384)
Miscellaneous	25,600	25,600	19,342	(6,258)
Total Revenues	155,100	155,100	78,458	(76,642)
Expenditures:				
Current:				
Parks and recreation	178,100	178,100	80,791	97,309
Capital outlay	-	-	-	
Total Expenditures	178,100	178,100	80,791	97,309
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,000)	(23,000)	(2,333)	20,667
Other Financing Sources (Uses):				
Transfers in	23,000	23,000	23,000	-
Total Other Financing Sources (Uses)	23,000	23,000	23,000	-
Net Change in Fund Balances	\$ -	\$ -	20,667	\$ 20,667
Fund Balances, Beginning			9,856	
Fund Balances, Ending			\$ 30,523	

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2021

R.A.P. Tax Special Revenue Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 310,000	\$ 460,000	\$ 496,573	\$ 36,573
Interest	2,000	2,000	2,016	16
Total Revenues	312,000	462,000	498,589	36,589
Expenditures:				
Parks and recreation	15,500	23,000	683	22,317
Community development	15,500	23,000	23,874	(874)
Total Expenditures	31,000	46,000	24,557	21,443
Excess (Deficiency) of Revenues Over (Under) Expenditures	281,000	416,000	474,032	58,032
Other Financing Sources (Uses):				
Transfers out	(281,000)	(416,000)	(429,726)	(13,726)
Total Other Financing Sources (Uses)	(281,000)	(416,000)	(429,726)	(13,726)
Net Change in Fund Balances	\$ -	\$ -	44,306	\$ 44,306
Fund Balances, Beginning			385,420	
Fund Balances, Ending			\$ 429,726	

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2021

Cemetery Perpetual Care Special Revenue Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 58,000	\$ 58,000	\$ 39,900	\$ (18,100)
Interest	3,000	3,000	198	(2,802)
Total Revenues	61,000	61,000	40,098	(20,902)
Expenditures:				
Capital outlay	28,000	28,000	24,079	(3,921)
Total Expenditures	28,000	28,000	24,079	(3,921)
Excess (Deficiency) of Revenues Over (Under) Expenditures	33,000	33,000	16,019	(24,823)
Other Financing Sources (Uses):				
Transfers out	(34,160)	(34,160)	-	(34,160)
Total Other Financing Sources (Uses)	(34,160)	(34,160)	-	(34,160)
Net Change in Fund Balances	\$ (1,160)	\$ (1,160)	16,019	\$ 17,179
Fund Balances, Beginning			71,754	
Fund Balances, Ending			\$ 87,773	

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2021

	<u>UTOPIA Capital Projects Fund</u>			
	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 120,848	\$ 120,844	\$ 120,844	\$ -
Total Revenues	<u>120,848</u>	<u>120,844</u>	<u>120,844</u>	<u>-</u>
Expenditures:				
Current:				
General Government	501,000	501,951	501,950	1
Total Expenditures	<u>501,000</u>	<u>501,951</u>	<u>501,950</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(380,152)</u>	<u>(381,107)</u>	<u>(381,106)</u>	<u>1</u>
Other Financing Sources:				
Transfers in	380,152	381,107	381,107	-
Total Other Financing Sources	<u>380,152</u>	<u>381,107</u>	<u>381,107</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	1	<u>\$ 1</u>
Fund Balances, Beginning			42,583	
Prior Period Adjustment			<u>-</u>	
Fund Balances, Ending			<u>\$ 42,584</u>	

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2021

	Capital Project Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Interest	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures:				
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Total Other Financing Sources				
Transfers in	-	1,700,000	1,700,000	-
Net Change in Fund Balances	\$ -	\$ 1,700,000	1,700,000	\$ -
Fund Balances, Beginning			-	
Fund Balances, Ending			\$ 1,700,000	

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2021

Arts Center Debt Service Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
General government	2,500	2,500	-	2,500
Debt service:				
Principal	570,000	570,000	570,000	-
Interest	20,663	20,663	20,421	242
Total Expenditures	593,163	593,163	590,421	2,742
Excess (Deficiency) of Revenues Over (Under) Expenditures	(593,163)	(593,163)	(590,421)	2,742
Other Financing Sources (Uses):				
Transfers in	593,163	593,163	593,163	-
Total Other Financing Sources (Uses)	593,163	593,163	593,163	-
Net Change in Fund Balances	\$ -	\$ -	2,742	\$ 2,742
Fund Balances, Beginning			1,096	
Fund Balances, Ending			\$ 3,838	

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2021

Park Improvements Capital Projects Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Fees and contributions	\$ 40,000	\$ 124,358	\$ 81,054	\$ (43,304)
Interest	500	500	726	226
Total Revenues	40,500	124,858	81,780	(43,078)
Expenditures:				
Current:				
Parks and recreation	-	-	11,947	-
Debt service:				
Principal	108,000	108,000	317,415	(209,415.00)
Interest	-	-	52,358	(52,358)
Capital outlay	267,652	782,858	382,318	400,540
Total Expenditures	375,652	890,858	764,038	138,767
Excess (Deficiency) of Revenues Over (Under) Expenditures	(335,152)	(766,000)	(682,258)	95,689
Other Financing Sources (Uses):				
Proceeds from issuance of bonds	-	-		-
Transfers in	(281,000)	766,000	755,853	(10,147)
Total Other Financing Sources (Uses)	(281,000)	766,000	755,853	(10,147)
Net Change in Fund Balances	\$ (616,152)	\$ -	73,595	\$ (73,595)
Fund Balances, Beginning			134,218	
Fund Balances, Ending			\$ 207,813	

STATISTICAL SECTION

STATISTICAL SECTION TABLE OF CONTENTS

The Statistical Section of the Comprehensive Annual Financial Report for the Centerville City presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules provide trend information to help the reader understand how the City's financial performance and economic condition have changed over time.	85
Revenue Capacity These schedules present information to help the reader assess the City's most significant local revenue sources: sales taxes and property taxes.	92
Debt Capacity These schedules provide information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	99
Demographic and Economic Information These schedules present demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	104
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	108

Note: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Centerville City Corporation

Net Position by Component
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net Investment in capital assets	\$ 23,935,722	\$ 25,095,634	\$ 25,687,835	\$ 27,336,533	\$ 29,190,440	\$ 29,216,798	\$ 29,562,326	\$ 29,932,675	\$ 31,273,032	\$ 33,561,889
Restricted	105,067	15,654	19,684	17,317	438,816	1,458,012	1,911,418	2,185,224	1,966,058	1,505,287
Unrestricted	1,372,676	1,560,205	1,429,287	(667,257)	(1,072,448)	(1,237,374)	(639,320)	(517,244)	1,110,396	3,540,571
Total governmental activities net assets	25,413,465	26,671,493	27,136,806	26,686,593	28,556,808	29,437,436	30,834,424	31,600,655	34,349,486	38,607,747
Business-type activities										
Net Investment in capital assets	10,052,642	10,802,629	11,612,195	14,042,619	14,620,353	15,455,720	16,210,538	16,766,159	17,881,680	19,067,671
Restricted	2,532,805	1,360,662	999,330	203,884	512,047	39,750	302,097	272,451	14,800	178,488
Unrestricted	203,033	1,202,214	1,281,957	(47,159)	(32,470)	1,171,841	1,911,247	2,513,716	2,559,011	2,081,730
Total business-type activities net assets	12,788,480	13,365,505	13,893,482	14,199,344	15,099,930	16,667,311	18,423,882	19,552,326	20,455,491	21,327,889
Primary government										
Net Investment in capital assets	35,898,263	37,300,030	38,591,421	43,810,793	44,672,518	44,672,518	45,772,864	46,698,834	49,154,712	52,629,560
Restricted	2,637,872	1,376,316	1,019,014	221,201	1,497,762	1,497,762	2,213,515	2,457,675	1,980,858	1,683,775
Unrestricted	2,762,419	2,711,244	1,419,853	(1,104,918)	(65,533)	(65,533)	1,271,927	1,996,472	3,669,407	5,622,301
Total primary government net assets	\$ 41,298,554	\$ 41,387,590	\$ 41,030,288	\$ 42,927,076	\$ 46,104,747	\$ 46,104,747	\$ 49,258,306	\$ 51,152,981	\$ 54,804,977	\$ 59,935,636

Centerville City Corporation

Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
<u>Governmental activities</u>										
General government	\$ 2,095,247	\$ 2,091,826	\$ 2,073,754	\$ 2,149,191	\$ 1,200,320	\$ 1,306,430	\$ 898,339	\$ 1,008,001	\$ 1,758,407	\$ 1,861,810
Public Safety	2,976,846	3,087,683	3,215,906	3,312,647	3,421,139	3,618,279	3,578,718	3,841,512	3,637,934	3,781,129
Streets and Public Works	1,620,465	1,565,404	2,040,237	1,929,230	2,012,637	2,131,715	2,536,583	3,131,464	2,317,341	1,494,187
Parks & Recreation	1,684,043	1,629,452	1,720,371	1,707,103	1,434,223	1,355,402	1,466,307	1,515,353	1,282,310	1,344,690
Community Development	1,124,270	660,840	539,894	618,065	1,096,021	1,051,553	896,199	862,105	1,073,253	1,209,624
Interest on long-term debt	370,904	312,167	259,327	213,694	98,142	45,112	36,254	31,130	56,759	29,500
Total governmental activities	9,871,775	9,347,372	9,849,489	9,929,930	9,262,482	9,508,491	9,412,400	10,389,565	10,126,004	9,720,940
<u>Business-type activities</u>										
Water	1,690,109	2,086,004	1,835,012	1,965,022	2,106,260	2,068,468	2,020,268	2,258,213	2,492,947	2,456,418
Sanitation	868,350	906,971	979,738	956,890	703,201	965,638	772,744	884,763	914,824	1,246,667
Storm Drain	517,346	629,638	611,098	760,994	973,114	704,313	938,757	999,113	1,153,938	1,210,979
Telecom	37,747.00	260,540	424,108	283,566	314,130	302,954	267,175	232,809	233,618	219,099
Total business-type activities	3,113,552	3,883,153	3,849,956	3,966,472	4,096,705	4,041,373	3,998,944	4,374,898	4,795,327	5,133,163
Total primary government expenses	\$ 12,985,327	\$ 13,230,525	\$ 13,699,445	\$ 13,896,402	\$ 13,359,187	\$ 13,549,864	\$ 13,411,344	\$ 14,764,463	\$ 14,921,331	\$ 14,854,103
Program Revenues										
<u>Governmental activities</u>										
Charges for services										
General government	\$ 1,549,029	\$ 1,521,453	\$ 1,529,410	\$ 1,623,948	\$ 1,158,121	\$ 871,295	\$ 845,943	\$ 918,781	\$ 770,735	\$ 712,989
Streets and Public Works	12,993	16,388	11,477	5,085	-	-	-	-	-	-
Parks & Recreation	112,501	112,607	118,300	121,278	249,057	251,100	282,157	243,378	112,507	98,155
Community Development	548,812	350,406	333,252	241,315	-	-	-	-	38,936	27,660
Operating grants and contributions	-	-	-	-	2,304,830.00	1,599,141	1,922,569	1,994,828	2,960,661	3,623,041
Capital grants and contributions	1,170,455	1,841,179	2,267,236	2,872,876	1,114,767	757,607	49,733	28,320	615,745	12,718
Total governmental activities program revenues	3,393,790	3,842,033	4,259,675	4,864,502	4,826,775	3,479,143	3,100,402	3,185,307	4,498,584	4,474,563

Centerville City Corporation

Changes in Net Position (continued)
 Last Ten Fiscal Years
 (accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities										
Charges for services										
Water	\$ 2,111,183	\$ 2,476,190	\$ 2,431,720	\$ 2,251,667	\$ 2,051,129	\$ 2,305,757	\$ 2,683,062	\$ 2,623,155	\$ 2,791,674	2,804,193
Sanitation	821,464	880,454	942,296	955,657	1,237,116	1,005,896	1,258,271	1,035,790	1,263,911	1,201,561
Storm Drain	555,681	564,987	576,486	586,157	976,007	1,251,125	1,005,378	1,262,686	1,185,607	1,358,753
Telecom	40,199.00	260,676.00	256,247	282,767	295,261	300,671	270,333	232,531	233,863	218,893
Operating grants and contributions	-	-	-	-	350,533.00	320,456	-	-	-	-
Capital grants and contributions	-	253,450.00	-	311,841.00	-	-	522,230	306,027	182,112	412,784
Total business-type activities primary revenues	3,528,527	4,435,757	4,206,749	4,388,089	4,910,046	5,183,905	5,739,274	5,460,189	5,657,167	5,996,184
Total primary government program revenues	\$ 6,922,317	\$ 8,277,790	\$ 8,466,424	\$ 9,252,591	\$ 9,736,821	\$ 8,663,048	\$ 8,839,676	\$ 8,645,496	\$ 10,155,751	\$ 10,470,747
Net (Expense)/Revenue										
Governmental activities	\$ (6,477,985)	\$ (5,505,339)	\$ (5,589,814)	\$ (5,065,428)	\$ (4,435,707)	\$ (6,029,348)	\$ (6,311,998)	\$ (7,204,258)	\$ (5,627,420)	\$ (5,246,377)
Business-type activities	414,975	552,604	356,793	421,617	813,341	1,142,532	1,740,330	1,085,291	861,840	863,021
Total primary government net (expense)/revenue	\$ (6,063,010)	\$ (4,952,735)	\$ (5,233,021)	\$ (4,643,811)	\$ (3,622,366)	\$ (4,886,816)	\$ (4,571,668)	\$ (6,118,967)	\$ (4,765,580)	\$ (4,383,356)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property Tax and Uniform Fees	\$ 2,555,160	\$ 2,529,705	\$ 1,514,682	\$ 1,520,060	\$ 1,275,046	\$ 1,246,982	\$ 1,823,795	\$ 1,780,972	\$ 1,844,873	\$ 1,860,018
Franchise, Telecommunication & Energy Sales Tax	994,689	1,037,792	1,144,152	1,132,319	1,141,628	1,126,627	1,099,191	1,020,666	1,016,898	984,045
General & Highway Sales Tax	3,005,090	3,129,208	3,335,469	3,509,401	3,697,653	4,108,686	4,391,007	4,526,379	4,895,912	5,525,959
Gain on Sale of Capital Assets	-	-	-	-	64,331	-	-	70,605	14,072	170,105
Other	216,705	66,662	224,224	98,392	437,570	551,487	485,950	571,867	563,555	901,287
Contribution	-	-	-	-	-	-	-	-	-	63,224
Transfers	19,765	-	(163,400.00)	(20,840)	(16,309)	(230,590)	(90,957)	-	-	-
Total governmental activities	6,791,409	6,763,367	6,055,127	6,239,332	6,599,919	6,803,192	7,708,986	7,970,489	8,335,310	9,504,638
Business-type activities										
Other	5,831.00	24,421.00	7,784	4,632	7,649	4,945	15,139	43,241	41,237	9,377
Transfers	(19,765)	-	163,400.00	20,840	16,309	177,385	1,102	-	-	-
Total business-type activities	(13,934)	24,421	171,184	25,472	23,958	182,330	16,241	43,241	41,237	9,377
Total primary government	\$ 6,777,475	\$ 6,787,788	\$ 6,226,311	\$ 6,264,804	\$ 6,623,877	\$ 6,985,522	\$ 7,725,227	\$ 8,013,730	\$ 8,376,547	\$ 9,514,015
Change in Net Position										
Governmental activities	\$ 313,424	\$ 1,258,028	\$ 465,313	\$ 1,173,904	\$ 2,164,212	\$ 773,844	\$ 1,396,988	\$ 766,231	\$ 2,707,890	\$ 4,258,261
Business-type activities	401,041	577,025	527,977	447,089	837,299	1,324,862	1,756,571	1,128,532	903,077	872,398
Total primary government	\$ 714,465	\$ 1,835,053	\$ 993,290	\$ 1,620,993	\$ 3,001,511	\$ 2,098,706	\$ 3,153,559	\$ 1,894,763	\$ 3,610,967	\$ 5,130,659

Centerville City Corporation

Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>General Fund</u>										
Nonspendable	\$ 235,461	\$ 124,589	\$ 7,064	\$ -	\$ 32,859	\$ 15,491	\$ 10,874	\$ 45,586	\$ 51,129	\$ 40,833
Restricted	-	-	-	-	139,993	22,901	20,275	37,225	49,506	51,357
Unassigned	1,156,052	1,556,947	1,317,015	831,617	619,427	615,562	1,125,445	1,313,758	2,087,657	2,028,449
Total general fund	1,391,513	1,681,536	1,324,079	831,617	792,279	653,954	1,156,594	1,396,569	2,188,292	2,120,639
<u>All Other Governmental Funds</u>										
Nonspendable	-	-	-	-	-	37,700.00	37,700	37,700	79,460	37,700
Restricted	105,067	15,654	19,684	17,317	298,823	1,397,408	1,853,443	2,110,299	1,878,852	1,416,230
Assigned reported in:										
Special revenue funds	27,649	23,295	52,936	53,031	64,119	270,417	5,523	8,746	11,063	31,730
Capital project funds	374,189	423,941	483,408	312,484	332,964	67,889	415,595	415,596	833,980	3,035,123
Debt Service Funds	-	-	44,828	15,850	15,362	-	-	496	1,096	3,838
Redevelopment Agency Fund	244,971	-	260,978	342,835	50,540	86,921	92,287	216,927	470,021	396,690
Unassigned reported in:										
Special revenue funds	(278,330)	-	-	-	(7,909)	-	-	-	-	-
Total all other governmental funds	473,546	462,890	861,834	741,517	753,899	1,860,335	2,404,548	2,789,764	3,274,472	4,921,311
Total governmental funds	\$ 1,865,059	\$ 2,144,426	\$ 2,185,913	\$ 1,573,134	\$ 1,546,178	\$ 2,514,289	\$ 3,561,142	\$ 4,186,333	\$ 5,462,764	\$ 7,041,950

Note: Fund balance classifications changed in 2011 as part of the implementation of GASB 54.

Centerville City Corporation

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Revenues</u>										
Taxes	\$ 6,554,939	\$ 6,696,705	\$ 5,994,303	\$ 6,161,780	\$ 6,472,276	\$ 6,858,069	\$ 7,714,131	\$ 7,735,725	\$ 8,203,683	\$ 8,866,595
Special Assessments	12,993	16,388	11,477	5,085	-	-	-	-	-	-
Licenses & Permits	548,812	350,406	333,252	241,315	525,878	278,579	251,569	337,507	279,367	292,952
Intergovernmental	1,170,455	1,251,685	2,267,236	2,383,626	2,939,345	2,262,866	1,877,369	1,963,269	2,640,903	3,671,103
Charges for Services	589,965	484,300	481,387	392,158	411,520	384,320	332,398	412,959	222,683	222,627
Charges for Services - Other Funds	611,000	686,000	698,000	859,500	-	-	-	-	-	-
Fee & Contributions	-	-	-	-	480,252	80,223	95,200	59,013	653,208	81,054
Fines & Forfeitures	460,565	463,760	468,323	493,568	444,658	440,062	473,817	395,121	378,619	285,724
Interest	30,319	22,242	17,628	10,017	13,284	21,924	40,808	83,561	60,426	22,495
Miscellaneous	236,481	44,420	611,366	127,654	91,459	188,223	115,055	98,035	99,704	395,449
Total revenues	<u>10,215,529</u>	<u>10,015,906</u>	<u>10,882,972</u>	<u>10,674,703</u>	<u>11,378,672</u>	<u>10,514,266</u>	<u>10,900,347</u>	<u>11,085,190</u>	<u>12,538,593</u>	<u>13,837,999</u>
<u>Expenditures</u>										
General government	1,397,310	1,353,085	1,509,073	1,544,467	1,054,232	1,022,010	856,789	927,871	1,663,488	1,910,726
Public Safety	3,119,574	3,111,317	3,194,578	3,394,303	3,201,291	3,387,347	3,443,697	3,544,507	3,410,224	3,904,693
Street & Public Works	1,465,215	1,454,321	2,192,768	1,774,789	1,155,631	1,220,357	1,892,539	2,428,165	1,749,252	836,051
Community Development	1,063,826	648,840	516,534	595,600	917,359	1,030,543	896,594	853,202	974,567	1,206,209
Parks & Recreation	1,107,049	1,052,607	1,194,253	1,762,397	1,155,782	1,118,384	1,291,903	1,251,560	1,029,487	1,200,782
Capital Outlay	276,967	23,778	16,170	39,132	2,048,150	1,026,800	1,247,483	708,318	3,569,674	2,440,388
Debt Service										
Principal retirement	1,385,000	1,335,000	1,382,948	1,461,972	1,552,812	538,626	554,476	630,000	660,000	887,415
Interest and fiscal charges	382,716	321,947	267,235	221,602	147,140	97,230	79,056	72,834	100,569	72,779
Contractual Payments (UTOPIA)	449,346	428,410	436,978	445,718	-	-	-	-	-	-
Total expenditures	<u>10,647,003</u>	<u>9,729,305</u>	<u>10,710,537</u>	<u>11,239,980</u>	<u>11,232,397</u>	<u>9,441,297</u>	<u>10,262,537</u>	<u>10,416,457</u>	<u>13,157,261</u>	<u>12,459,043</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(431,474)</u>	<u>286,601</u>	<u>172,435</u>	<u>(565,277)</u>	<u>146,275</u>	<u>1,072,969</u>	<u>637,810</u>	<u>668,733</u>	<u>(618,668)</u>	<u>1,378,956</u>

Centerville City Corporation

Changes in Fund Balances, Governmental Funds (Continued)
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other Financing Sources (Uses)										
Notes payable issued	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ 1,900,000	\$ -
Transfers in	1,285,494	1,486,480	1,235,001	1,466,198	1,417,809	1,315,156	1,954,151	1,932,866	2,025,274	3,926,782
Transfers out	(1,323,329)	(1,498,480)	(1,421,761)	(1,519,848)	(1,434,118)	(1,545,746)	(2,045,108)	(1,997,281)	(2,091,527)	(3,926,782)
Sale of capital assets	39,694	4,766	55,812	6,148	77,549	778	-	20,873	20,410	174,331
Contribution	-	-	-	-	-	-	-	-	-	25,899
Total other financing sources (uses)	1,859	(7,234)	(130,948)	(47,502)	61,240	(229,812)	409,043	(43,542)	1,854,157	200,230
Net change in fund balances	<u>\$ (429,615)</u>	<u>\$ 279,367</u>	<u>\$ 41,487</u>	<u>\$ (612,779)</u>	<u>\$ 207,515</u>	<u>\$ 843,157</u>	<u>\$ 1,046,853</u>	<u>\$ 625,191</u>	<u>\$ 1,235,489</u>	<u>\$ 1,579,186</u>
Fund Balance Beginning of Year, restated	<u>\$ 2,294,674</u>	<u>\$ 1,865,059</u>	<u>\$ 2,144,426</u>	<u>\$ 2,185,913</u>	<u>\$ 1,338,663</u>	<u>\$ 1,671,132</u>	<u>\$ 2,514,289</u>	<u>\$ 3,561,142</u>	<u>\$ 4,227,275</u>	<u>\$ 5,462,764</u>
Fund Balance End of Year	<u>\$ 1,865,059</u>	<u>\$ 2,144,426</u>	<u>\$ 2,185,913</u>	<u>\$ 1,573,134</u>	<u>\$ 1,546,178</u>	<u>\$ 2,514,289</u>	<u>\$ 3,561,142</u>	<u>\$ 4,186,333</u>	<u>\$ 5,462,764</u>	<u>\$ 7,041,950</u>
Debt service as a percentage of noncapital expenditures	17.05%	17.07%	15.43%	15.03%	18.51%	7.56%	7.03%	7.24%	7.93%	9.58%

Centerville City Corporation

Governmental Activities Taxes and Special Assessment Revenues

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Property & Uniform Vehicle Taxes</u>	<u>Sales & Use Taxes</u>	<u>Highway Taxes</u>	<u>Franchise, Telecomm & Energy Taxes</u>	<u>Special Assessments</u>	<u>Recreation & Parks Tax</u>	<u>Transportation Tax (Prop 1)</u>	<u>Total Tax Revenue</u>
2012	1,042,137	3,005,090	464,392	994,689	12,993	293,964	-	5,813,265
2013	1,081,247	3,129,208	478,990	1,037,792	16,388	310,997	-	6,054,622
2014	1,079,673	3,335,469	457,788	1,144,152	-	331,479	-	6,348,561
2015	1,071,401	3,509,401	482,916	1,132,319	-	347,937	-	6,543,974
2016	1,116,729	3,619,152	486,235	1,141,628	-	357,949	78,501	6,800,194
2017	1,074,734	3,804,117	743,659	1,126,627	-	375,773	304,569	7,429,479
2018	1,655,811	4,065,517	614,151	1,099,191	-	400,138	325,489	8,160,297
2019	1,623,651	4,189,748	664,141	1,020,916	-	407,708	336,622	8,242,785
2020	1,606,330	4,499,109	648,173	1,016,898	-	445,999	396,803	8,613,312
2021	1,614,177	5,073,086	695,447	984,045	-	496,573	452,873	9,316,201

(1) Property tax & Uniform Vehicle fees do not include tax increment received in the RDA fund

Centerville City Corporation

Direct and Overlapping Sales Tax Rates Last Ten Fiscal Years

Fiscal Year	Overlapping Rates				
	City	County	State	Transit	Total
2012	1.10 %	0.25 %	4.65 %	0.50 %	6.50 %
2013	1.10 %	0.25 %	4.65 %	0.50 %	6.50 %
2014	1.10 %	0.25 %	4.65 %	0.50 %	6.50 %
2015	1.10 %	0.25 %	4.65 %	0.50 %	6.50 %
2016	1.10 %	0.25 %	4.75 %	0.75 %	6.85 %
2017	1.10 %	0.25 %	4.75 %	0.75 %	6.85 %
2018	1.10 %	0.25 %	4.75 %	0.75 %	6.85 %
2019	1.10 %	0.25 %	4.85 %	0.80 %	7.00 %
2020	1.10 %	0.25 %	4.85 %	1.05 %	7.25 %
2021	1.10 %	0.25 %	4.85 %	1.05 %	7.25 %

Note: Overlapping rates are those of other governments and agencies that apply to taxable sales within the City.

(1) Of the total sales taxes assessed by municipalities within the state, 50 percent is distributed based on point of sale and 50 percent is pooled and distributed based on population.

Source: Utah State Tax Commission

Centerville City Corporation

Principal Sales Tax Payers
Current Year and Ten Years Ago

Taxpayer	Fiscal Year 2021			Fiscal Year 2012		
	Sales Taxes*	Rank	Percentage of Total Sales*	Sales Taxes*	Rank	Percentage of Total Sales*
Wal Mart Superstore	N/A	1	N/A	N/A	1	N/A
Colonial Building Supply	N/A	2	N/A	N/A	3	N/A
Home Depot	N/A	3	N/A	N/A	4	N/A
Super Target	N/A	4	N/A	N/A	2	N/A
Amazon Marketplace	N/A	5	N/A	N/A		
Dicks Market	N/A	6	N/A	N/A	5	N/A
Intermountain Business Form	N/A	7	N/A	N/A	8	N/A
USTC Motor Vehicle	N/A	8	N/A	N/A		N/A
Land Rover	N/A	9	N/A	N/A	6	N/A
Utah Power & Light	N/A	10	N/A	N/A	9	N/A
Total	<u>\$ 3,251,355</u>		<u>58%</u>	<u>\$ 2,091,817</u>		<u>59%</u>

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

N/A = Not applicable

Source: Utah State Tax Commission

Centerville City Corporation

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Calendar Years

(amounts expressed in thousands)

Tax Year	<u>Real Property</u>		<u>Personal Property</u>		<u>Total</u>		Assessed Value as a Percentage of Actual Value	Total Direct Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2011	847,451	1,354,163	41,820	41,820	\$ 889,271	\$ 1,395,983	63.70%	1.399600
2012	865,044	1,377,165	42,924	42,924	\$ 907,968	\$ 1,420,089	63.94%	1.394200
2013	894,332	1,436,830	43,997	43,997	\$ 938,329	\$ 1,480,827	63.37%	1.358200
2014	942,632	1,524,070	43,215	43,215	\$ 985,847	\$ 1,567,285	62.90%	1.245400
2015	993,111	1,585,053	46,034	46,034	\$ 1,039,145	\$ 1,631,087	63.71%	1.345800
2016	1,081,615	1,719,823	48,756	48,971	\$ 1,130,371	\$ 1,768,794	63.91%	1.389100
2017	1,157,662	1,854,078	40,680	40,904	\$ 1,198,342	\$ 1,894,982	63.24%	1.270700
2018	1,253,107	2,019,413	41,812	41,985	\$ 1,294,919	\$ 2,061,398	62.82%	1.264430
2019	1,372,778	2,211,266	41,570	41,884	\$ 1,414,348	\$ 2,253,150	62.77%	1.182900
2020	1,428,816	2,292,415	47,641	47,930	\$ 1,476,457	\$ 2,340,345	63.09%	1.155200

Sources: Utah State Tax Commission

Centerville City Corporation

Property Tax Levies and Collections
Last Ten Calendar Years

<u>Calendar Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collection</u>	<u>Subsequent Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections as Percent of Levy</u>
2012	994,821	944,660	94.96	40,674	985,334	99.05
2013	1,001,709	959,591	95.80	33,944	993,535	99.18
2014	1,096,936	1,047,455	95.49	25,640	1,073,095	97.83
2015	1,170,324	1,134,694	96.96	32,814	1,167,508	99.76
2016	1,144,344	1,140,626	99.68	25,736	1,166,362	101.92
2017	1,553,554	1,724,355	110.99	(1,494)	1,722,861	110.90
2018	1,584,201	1,669,573	105.39	14,050	1,683,623	106.28
2019	1,584,201	1,669,573	105.39	14,050	1,683,623	106.28
2020	1,667,147	1,702,536	102.12	41,917	1,744,453	104.64
2021	1,704,457	1,706,850	100.14	54,369	1,761,219	103.33

* In calendar year 2016, Davis Co. was in the process of moving from a manual to an automated system for updating the personal property portion of the property tax assessment. The switch resulted in more personal property value and an increase in property taxes collected for both calendar year 2016 and 2017.

Sources: Centerville City

Centerville City Corporation

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

<u>Tax Year</u>	<u>Centerville City</u>	<u>Davis County</u>	<u>Davis School District</u>	<u>Special Taxing Districts</u>	<u>Total Levy</u>
2010	0.110200	0.257600	0.786000	0.099800	1.253600
2011	0.117300	0.277500	0.886100	0.118700	1.399600
2012	0.116500	0.239100	0.894100	0.144500	1.394200
2013	0.114100	0.233100	0.871000	0.140000	1.358200
2014	0.107200	0.216100	0.825900	0.096200	1.245400
2015	0.108800	0.215300	0.855500	0.166200	1.345800
2016	0.098300	0.200300	0.812500	0.278000	1.389100
2017	0.135400	0.258600	0.757500	0.119200	1.270700
2018	0.127500	0.248630	0.775500	0.112800	1.264430
2019	0.119200	0.176000	0.780800	0.106900	1.182900
2020	0.115800	0.170700	0.767000	0.101700	1.155200

Source: Utah State Tax Commission

Centerville City Corporation

Principal Taxpayers
Current Year and Ten Years Ago

Tax Year 2020				
Taxpayer	Rank	Type of Business		Percent of Total
		Business	Taxable Value	Taxable Value
Legacy Crossing LLC, (Theatre & Ap	1	Entertainment/Housing	31,812,353	2.25%
Pacificorp	2	Electrical Utility	26,238,641	1.86%
J & S Purpura Ventures LLC-MTC	3	Commercial Real Estate	25,314,782	1.79%
Park at Legacy Trails	4	Housing	18,375,556	1.30%
Wal-Mart Real Estate Business Tru	5	Retail	14,704,000	1.04%
Centerville Market Place LLC	6	Retail	13,166,100	0.93%
Legacy Office Building LLC and JF	7	Office	13,300,045	0.94%
Dayton Hudson Coporation (Target	8	Retail	13,220,000	0.93%
HD Development of Maryland Inc.	9	Retail	9,806,355	0.69%
Hogan & Associates Construction I	10	Construction	9,249,072	0.65%
		Total	175,186,904	11.73%

Tax Year 2011				
Taxpayer	Rank	Type of Business		Percent of Total
		Business	Taxable Value	Taxable Value
Walmart	1	Retail	18,141,808	1.91%
Pacificorp	2	Electric Utility	17,082,198	1.79%
Dayton West LLC	3	Commercial Real Estate	13,273,621	1.39%
Dayton Hudson	4	Retail	10,518,439	1.10%
Centerville Marketplace LLC	5	Retail	8,530,000	0.90%
HD Development of Maryland Inc.	6	Retail	8,363,571	0.88%
SDCKP LLC	7	Retail	7,134,794	0.75%
Hogan & Associates	8	Construction	5,993,859	0.63%
JGNK Investments	9	Commercial Real Estate	5,950,000	0.62%
Syro Steel	10	Manufacturing	5,756,195	0.60%
		Total	100,744,485	10.57%

Source: Davis County Clerk/Auditors Office

Centerville City Corporation

Property Value and Construction
Last Ten Calendar Years

Calendar Year	Non-residential Construction No. of Units	Value	Residential Construction No. of Units	Value	Total New Construction Value	Estimated Total Property Value
2011	23	2,720,621	212	30,472,703	33,193,324	1,076,556,903
2012	15	3,085,747	139	22,988,889	26,074,636	1,102,631,539
2013	16	16,839,783	50	10,873,766	27,713,549	1,130,345,088
2014	4	11,299,915	7	1,806,645	13,106,560	1,143,451,648
2015	27	4,156,101	121	20,075,490	24,231,591	1,167,683,239
2016	23	3,651,189	125	7,028,736	10,679,925	1,178,363,164
2017	17	4,474,083	34	8,924,886	13,398,969	1,191,762,133
2018	7	19,142,548	17	7,356,296	26,498,844	1,218,260,977
2019	-	-	34	7,045,021	7,045,021	1,225,305,998
2020	30	4,549,291	38	9,940,743	14,490,034	1,239,796,032

Source: Centerville City Community Development Department and Davis County Assessor

Centerville City Corporation

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities:				Total Primary Government	Percentage of Personal Income	Per Capita
	MBA Lease Revenue Bonds	Sales Tax Revenue Bonds	Notes Payable	Notes Payable	Notes Payable	Capital Lease	Water Revenue Bonds				
2012	75,000	8,541,476	-	-	-	-	4,210,000	12,826,476	0.73 %	271.09	
2013	-	7,241,867	-	-	-	-	3,875,000	11,116,867	0.62 %	239.15	
2014	-	5,585,000	-	-	-	172,866	3,520,000	9,277,866	0.56 %	216.96	
2015	-	4,165,000	-	-	-	130,894	3,155,000	7,450,894	0.61 %	187.25	
2016	-	2,655,000	-	-	-	88,102	2,750,000	5,493,102	0.41 %	163.51	
2017	-	2,318,431	-	-	-	44,474	2,325,000	4,687,905	0.84 %	145.88	
2018	-	1,650,000	500,000	-	-	-	2,140,000	4,290,000	0.72 %	127.87	
2019	-	1,120,000	400,000	-	-	-	1,875,000	3,395,000	0.59 %	104.61	
2020	-	609,604	300,000	1,890,000	898,223	-	1,740,600	5,438,427	0.67 %	117.87	
2021	-	-	199,585	1,673,000	724,438	-	1,422,504	4,019,527	0.59 %	103.12	

Centerville City Corporation

Direct and Overlapping Governmental Activities Debt
As of June 30, 2021

<u>Governmental Unit</u>	<u>Outstanding Debt</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping</u>
Debt repaid with property taxes			
Davis County	\$ 8,643,370	5.00 %	\$ 432,169
Davis School District	590,948,844	5.00 %	29,547,442
Weber Basin Water Conservancy	10,095,000	0.24 %	24,228
State of Utah	2,820,940,000	0.56 %	15,797,264
South Davis Recreation District	6,890,000	15.77 %	1,086,553
Other Debt - Davis County			
Sales Tax Revenue Bonds	30,180,343	11.23 %	3,389,253
MBA lease revenue bonds	22,923,051	5.00 %	1,146,153
Total Overlapping Debt	<u>3,490,620,608</u>		<u>51,423,061</u>
Direct Debt - Centerville City			
Notes Payable	<u>1,872,585</u>	100.00 %	<u>1,872,585</u>
	<u>1,872,585</u>		<u>1,872,585</u>
Total direct and overlapping debt	<u>\$ 3,492,493,193</u>		<u>\$ 53,295,646</u>

(1) For debt repaid with property taxes the estimated percentage of overlapping debt applicable to Centerville City was used by using taxable assessed property values. This method was used on all debt except retail sales was used for the Davis County sales tax revenue bonds where the percentage was estimated by dividing the point of sales taxes collected within Centerville was divided by the point of sale collected in the County.

Note: Overlapping governments are considered to be those that at least in part, coincide with the geographical boundaries of the City. This table does not imply that every tax payer is a resident and therefore responsible for repaying the debt of the overlapping government.

Centerville City Corporation

Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 31,078,256	\$ 37,623,137	\$ 39,134,632	\$ 40,819,160	\$ 43,298,657	\$ 46,767,432	\$ 49,747,926	\$ 53,874,387	\$ 58,715,761	\$ 61,345,883
Total debt applicable to limit (1)	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 31,078,256</u>	<u>\$ 37,623,137</u>	<u>\$ 39,134,632</u>	<u>\$ 40,819,160</u>	<u>\$ 43,298,657</u>	<u>\$ 46,767,432</u>	<u>\$ 49,747,926</u>	<u>\$ 53,874,387</u>	<u>\$ 58,715,761</u>	<u>\$ 61,345,883</u>
Total debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed Value	\$ 1,533,647,070
Debt limit (4% of assessed value)	61,345,883
Debt applicable to limit	-
Legal debt margin	<u>\$ 61,345,883</u>

Centerville City Corporation

Pledged Revenue Bond Coverage

Last Nine Years

Sales Tax Revenue Bonds series 2009

Fiscal Year	Sales & Use Tax Revenue	Debt Service Requirements			Coverage
		Principal	Interest & Fiscal	Total	
2012	3,005,090	1,185,000	355,288	1,540,288	1.95
2013	3,129,208	1,260,000	254,988	1,514,988	2.07
2014	3,335,469	1,340,000	254,864	1,594,864	2.09
2015	3,509,401	1,420,000	201,388	1,621,388	2.16
2016	3,619,152	1,510,000	144,588	1,654,588	2.19
2017	3,804,117	495,000	95,512	590,512	6.44
2018	4,065,517	510,000	78,188	588,188	6.91
2019	4,189,748	530,000	60,338	590,338	7.10
2020	4,499,109	550,000	40,463	590,463	7.62
2021	5,073,086	570,000	20,663	590,663	8.59

Centerville City Corporation

Pledged Revenue Bond Coverage (Continued)

Last Ten Fiscal Years

Water Revenue Bonds

<u>Fiscal Year</u>	<u>Operating Revenue</u>	<u>Operating Transfers</u>	<u>Operating Expenses Less Depreciation</u>	<u>Net Available Revenue</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
2011	2,537,339	(82,220)	(1,611,315)	843,804	218,000	134,742	\$ 352,742	2.39
2012 (2)	2,672,694	(19,765)	(1,624,593)	1,028,336	236,000	110,135	\$ 346,135	2.97
2013	2,600,263	-	(2,064,481)	535,782	313,619	77,606	\$ 391,225	1.37
2014	2,980,802	(74,570)	(1,936,189)	970,043	355,000	106,012	\$ 461,012	2.10
2015	2,842,413	-	(2,163,073)	679,340	365,000	98,813	\$ 463,813	1.46
2016	3,638,778	-	(2,248,384)	1,390,394	405,000	87,063	\$ 492,063	2.83
2017	3,881,109	177,385	(2,228,181)	1,830,313	425,000	70,786	\$ 495,786	3.69
2018	3,941,333	1,102	(2,201,336)	1,741,099	185,000	64,869	\$ 249,869	6.97
2019	3,885,841	-	(2,537,878)	1,347,963	265,000	60,863	\$ 325,863	4.14
2020	4,055,585	-	(2,792,755)	1,262,829	285,000	53,988	\$ 338,988	3.73
2021	4,158,929	-	(3,083,648)	1,075,281	305,000	46,613	\$ 351,613	3.06

(1) Water Series 2003 Drainage Utility revenues are also pledged

(2) 2012 Principal & Interest is current portion due only. The 2002 & 2003 bond issues were refunded along with new debt issued.

Centerville City Corporation

Demographic and Economic Statistics

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Per Capita Income (2)</u>	<u>Personal Income (2)</u>	<u>Unemployment Rate (3)</u>	<u>Median Age (4)</u>	<u>Average Size of Household (4)</u>
2011	15,440	33,817	522,134,480	5.2	31.7	3.21
2012	16,203	34,755	563,135,265	4.3	31.7	3.21
2013	16,624	35,430	588,988,320	3.6	31.7	3.21
2014	16,819	35,898	603,768,462	3.5	31.7	3.21
2015	16,877	34,324	579,286,148	2.9	31.7	3.21
2016	17,286	31,049	536,713,014	3.1	33.7	3.06
2017	17,657	34,478	608,778,046	2.9	36.5	3.08
2018	17,700	35,512	628,568,418	2.5	36.8	3.08
2019	17,587	36,736	646,076,032	2.3	36.5	3.09
2020	16,884	38,538	650,675,592	4.1	36.6	3.08

(1) United States Census Report, 2020

(2) U.S. Department of Commerce

(3) Utah Department of Workforce Services

(4) United States Census Reports, 2020

Centerville City Corporation

Principal Employers
Current Year and Ten Years Ago

Employer	2021			2011		
	Employees	Rank	Type of Business	Employees	Rank	Type of Business
Davis School District	250-499	1	Education	NA		Education
Wal Mart	250-499	2	General Merchandise	250-499	3	General Merchandise
Target	100-249	3	General Merchandise	250-499	2	General Merchandise
Deseret Industries	100-249	4	Retail Trade	NA		Retail Trade
Management & Training Corp	100-249	5	Job Training Services	500-999	1	Job Training Services
Dicks Market	100-249	6	Grocery Store	250-499	5	Grocery Store
The Home Depot	100-249	7	General Merchandise	100-249	6	General Merchandise
Kohls	100-249	8	General Merchandise	NA		General Merchandise
InterForm	50-99	9	General Merchandise	NA		General Merchandise
Chick-Fil-A	50-99	10	Restaurant	NA		Restaurant

Source: Community Development Business License Database

Centerville City Corporation

Full-time Equivalent City Government Employees by Function/Program Last Ten Fiscal Years

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government										
Administration	4	4	4	4	4	3	3	3	3	5
Finance/Admin. services	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Justice Court	3.00	3.00	3.00	3.00	3.00	2.50	2.50	3.00	3.00	3.00
Total General Government	11.00	11.00	11.00	11.00	11.00	9.50	9.50	10.00	10.00	12.00
Police	25	25	25	25	26	29.0	30.0	31.0	31.0	30.0
Community Development	3	3	3	3	3	3	3	3	3	3
Public Works										
Administration	4	4	4	4	4	4	4	4	5	4
Streets	4	4	4	4	4	4	4	4	4	5
Water	5.5	5.5	5.5	5.5	5.5	6.5	6.5	6.5	5.5	5.5
Drainage	1	1	1	1	1	1	1	1	1	1
Total Public Works	14.5	14.5	14.5	14.5	14.5	15.5	15.5	15.5	15.5	15.5
Parks & Recreation										
Parks	9.5	9.5	9.5	9.5	9.5	9.5	10.8	10.8	10.0	10.0
Recreation	6.5	6.5	6.5	6.5	6.5	6.5	5.5	5.0	2.0	1.0
Museum	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Building Maintenance	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Total Parks and Rec	17.25	17.25	17.25	17.25	17.25	17.25	17.25	17.25	13.25	12.25
Total Primary Government	70.75	70.75	70.75	70.75	71.25	74.25	75.25	76.75	72.75	72.75

Sources: Centerville City Payroll

Centerville City Corporation

General Fund Expenditures by Function
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Community Development</u>	<u>Parks & Recreation</u>	<u>Total</u>
2012	1,392,886	3,119,574	1,465,215	451,462	915,767	\$ 7,344,904
2013	1,335,371	3,111,317	1,454,321	343,833	857,772	\$ 7,102,614
2014	1,380,944	3,194,578	2,238,112	345,980	1,007,872	\$ 8,167,486
2015	1,405,409	3,394,303	1,774,789	355,398	1,059,677	\$ 7,989,576
2016	597,100	3,201,291	1,154,582	408,860	964,216	\$ 6,326,049
2017	555,785	3,387,347	1,139,969	345,792	935,066	\$ 6,363,959
2018	375,169	3,387,167	1,143,810	354,522	992,268	\$ 6,252,936
2019	442,912	3,544,507	1,070,901	346,137	994,179	\$ 6,398,636
2020	1,169,699	3,410,224	625,334	321,927	911,443	\$ 6,438,627
2021	1,408,776	3,904,693	471,038	353,299	1,107,361	\$ 7,245,167

Centerville City Corporation

Operating Indicators by Function
Last Ten Fiscal Years

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Community development										
Single Dwelling permits	32	40	16	7	27	24	15	17	34	25
Double Dwelling permits	22	40	23	-	1	29	19	-	-	-
Multi-family Dwelling permits	3	1	-	-	4	72	-	-	-	-
Commercial permits	23	15	16	36	27	23	17	7	31	24
Demolition permits	-	2	3	5	4	2	3	-	2	8
Permit process time	5 days	5 days	5 days	3-5 days	3-5 days	3-5 days	3-5 days	3-5 days	3-5 days	3-5 days
Parks, Recreation and Trails										
Developed Acreage	88	88	88	88	88	88	93	93	93	93
Undeveloped Acreage	35	35	35	35	35	35	30	30	30	31
Youth in Recreation Programs	2,510	2,374	2,150	2,476	2,153	2,339	2,193	2,258	82	234
Police Services										
Expenditures per officer	125,047	136,302	143,876	132,710	141,519	139,561	143,882	126,722	146,571	
Average response time (minutes)	3.63	3.45	1.20	n/a	3	4.04	4.12	4.10	n/a	n/a
Police reports per officer	130	138	145	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Water										
Gallons billed	482,390,000	452,190,000	434,060,000	420,900,000	417,030,000	421,080,000	445,474,000	440,902,000	439,837,000	448,494,000
Residential connections	4,114	4,211	4,275	4,468	4,492	4,580	4,633	4,621	4,630	4,664
Other connections	465	467	483	501	502	246	272	268	294	344
Taxes										
Taxable sales per capita (local option)	22,136	22,930	22,851	23,650	24,776	26,879	28,122	28,919	31,481	35,532
Sales tax revenue per capita (local option)	\$193.51	\$197.30	\$200.65	\$208.66	\$219.09	\$237.69	\$248.68	\$255.73	\$278.38	\$314.21
Property tax revenue per capita (non RDA)	\$60.35	\$60.82	\$59.97	\$56.60	\$59.07	\$72.14	\$93.78	\$91.73	\$91.34	\$91.78
Franchise tax per capita	\$64.05	\$64.05	\$68.83	\$67.33	\$67.64	\$65.18	\$62.25	\$57.66	\$57.82	\$55.95
Total tax revenues per capita	\$317.91	\$232.91	\$360.59	\$375.07	\$383.50	\$457.38	\$404.71	\$405.12	\$427.54	\$461.94
General Fund revenues per capita	\$483.03	\$473.93	\$483.80	\$489.22	\$459.17	\$404.57	\$438.96	\$444.23	\$468.43	\$567.40
General Fund expenditures per capita	\$490.52	\$438.36	\$463.25	\$478.71	\$437.92	\$392.21	\$377.74	\$389.22	\$358.17	\$455.81
Capital improvement expenditures per capita	\$391.60	\$112.52	\$95.06	\$31.32	\$121.36	\$59.40	\$70.65	\$40.02	\$202.97	\$138.76

Sources: Centerville City

Centerville City Corporation

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Population Estimate (1)	15,530	16,203	16,624	16,849	16,877	17,286	17,657	17,700	17,587	16,884
City Hall and Justice Court	1	1	1	1	1	1	1	1	1	1
Museum	1	1	1	1	1	1	1	1	1	1
Streets & Public Works										
Miles of Streets	64	64	64	65	67	67	67	68	68	68
Number of Street Lights	728	733	741	753	753	753	753	753	762	764
Public Works Office, Maintenance, Storage	2	2	2	2	2	2	2	2	2	3
Number of Police Stations (included in City Hall)	1	1	1	1	1	1	1	1	1	1
Number of Police Officers	17	17	17	18	18	18	19	20	21	20
Municipal Water										
Number of Customers	4,624	4,699	4,758	4,763	4,763	4,826	4,821	4,889	4,889	4,923
Miles of Water Mains	77	78	78	80	81	81	82	82	82	82
Number of Culinary Water Wells	8	8	9	9	9	9	9	9	9	9
Number of Culinary Water Storage Tanks	6	6	6	6	6	6	6	6	6	6
Waste Collection										
Number of primary residential customers	4,127	4,152	4,196	4,239	4,239	4,286	4,385	4,319	4,319	4,266
Number of recycling customers	3,546	3,582	3,674	3,701	3,771	3,793	3,892	3,862	3,862	3,857
Number of green waste customers	1,066	1,075	1,118	1,230	1,255	1,248	1,303	1,291	1,291	1,348
Building Permits Issued (new construction, includes remodel)	80	96	74	216	240	122	47	87	65	57
Parks & Recreation										
Office, Maintenance, Storage Buildings	1	1	1	1	1	1	1	1	1	1
Developed Parks	7	7	7	7	7	7	7	7	7	7
Undeveloped Parks & Trails	5	5	5	5	5	5	5	5	5	5
Pavilions	7	7	7	7	7	7	8	8	9	9
Tennis Courts	4	4	4	4	4	4	4	4	3	3
Pickleball Courts	-	-	-	-	-	-	-	-	2	2
Baseball Fields	4	4	4	4	4	4	4	4	4	4

Sources: Centerville City Public Works, Parks, Police, Community Development and Administration departments

(1) Years 2012-2019 based on 2010 Census and subsequent years are estimated on new construction. 2020-21 is 2020 Census, following years are estimated from new construction.

**OTHER COMMUNICATIONS FROM
INDEPENDENT AUDITORS**



**Independent Auditors' 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***

The Honorable Mayor, and
Members of the City Council
Centerville City, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Centerville City, Utah (herein referred to as the "City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 30, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The 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.

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah

November 30, 2021



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

The Honorable Mayor, and
Members of the City Council
Centerville City, Utah

Report on Compliance with General State Compliance Requirements

We have audited Centerville City, Utah’s (herein referred to as the “City”) compliance with the applicable general 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 year ended June 30, 2021.

General state compliance requirements were tested for the year ended June 30, 2021 in the following areas:

Budgetary Compliance	Restricted Taxes and Related Revenues
Fund Balance	Fraud Risk Assessment
Justice Courts	Governmental Fees

Management’s Responsibility

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

Auditors’ Responsibility

Our responsibility is to express an opinion on *city’s* compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *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 compliance requirements referred to above that could have a direct and material effect on *city* occurred. An audit includes examining, on a test basis, evidence about *city’s* compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with general state compliance requirements. However, our audit does not provide a legal determination of city’s compliance.

Opinion on General State Compliance Requirements and Each Major State Program

In our opinion, Centerville City, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the City or on each of its major state programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide*.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of city is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered city's internal control over compliance with the compliance requirements that could have a direct and material effect on city to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and 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 city's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state 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 general 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 general 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 over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah
November 30, 2021



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable Mayor, and
Members of the City Council
Centerville City, Utah

Report on Compliance for Each Major Federal Program

We have audited Centerville City’s (the “City”) compliance with the types of compliance described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City’s major federal programs for the year ended June 30, 2021. Centerville City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the City’s major federal programs based on our audit of the types of 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City’s compliance.

Opinion on Each Major Federal Program

In our opinion, Centerville City, Utah complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program 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 type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

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

Larson & Company, PC

Larson & Company, PC
Spanish Fork, Utah

November 30, 2021

Centerville City Corporation
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Direct or Pass-Through Grantor's Contract	Program Expenditures	Expenditures to Subrecipients
U.S Department of the Interior				
Passed through the Utah Division of Parks and Recreation:				
Island View Park Renovation	15.916	49-00389	9,325	-
Total Department of the Interior			9,325	-
U.S Department of Justice				
Passed through the State of Utah Commission				
Justice Assistance Grant (JAG)	16.738	87-6000905	4,430	-
Total Department of Justice			4,430	-
U.S. Department of Homeland Security				
Passed through the State of Utah Department of Public Safety				
Disaster Grants-Public Assistance	97.036	4578-DR-UT	103,630	
COVID-19 - Disaster Grants-Public Assistance	97.036	4578-DR-UT	54,863	-
			158,493	-
U.S Department of the Treasury				
* Coronavirus Relief Fund	21.019		1,179,665	-
Total U.S Department of the Treasury			1,179,665	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			1,351,913	-

* Denotes a Major Program

See notes to schedule of expenditures of federal awards

Centerville City Corporation
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2021

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (schedule) includes the federal award activity of Centerville City, Utah under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Centerville City, Utah, it is not intended to and does not present the net position, or statement of activities of Centerville City, Utah.

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursements.

Centerville City, Utah has elected to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

Centerville City Corporation
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on governmental activities, business-type Activities, each major fund, and aggregate remaining fund information Unmodified

Internal Control over financial reporting:

- Material weaknesses identified Yes No
- Significant deficiencies identified Yes No

Noncompliance material to the financial statements noted? Yes No

Federal Awards

Internal control over federal programs

- Material weaknesses identified Yes No
- Significant deficiencies identified Yes No

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of Federal Major Programs and Type of Auditor's Report Issued on Compliance for Major Federal Programs

Name of federal program or cluster CFDA

Coronavirus relief fund 21.019

Dollar threshold used to distinguish between type A and type B Programs: \$750,000

Auditee qualified as a low-risk auditee? Yes No

Centerville City Corporation
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
June 30, 2021

II. Financial statement findings

No financial statement findings to report.

III. Federal award findings and questioned costs

No federal award findings to report.