



AUDIT COMMITTEE AGENDA

NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE AUDIT COMMITTEE WILL HOLD A REGULAR MEETING AT 5:30 PM ON NOVEMBER 22, 2022 AT ELECTRONICALLY VIA ZOOM.

Centerville Audit Committee meetings are open to the public, unless otherwise closed for reasons allowed by law. Centerville Audit Committee meetings may be conducted via electronic means pursuant to Utah Code § 52-4-207. In compliance with the Americans with Disabilities Act, individuals needing special accommodations due to a disability may contact the City Recorder at (801) 295-3477, at least 24 hours in advance of the meeting. The Committee reserves the right to modify the sequence of agenda items in order to facilitate special needs or provide greater efficiency.

The full agenda packet and backup materials can be found on the Centerville City website at:

<https://centervilleutah.gov/129/Agendas-Minutes>

A. ZOOM INFO

1. Join Zoom Meeting
<https://us06web.zoom.us/j/89675425233?pwd=MzdxRUhSaDFoWkRsbUFiRGhLQkZ6UT09>

Meeting ID: 896 7542 5233
Passcode: 176082

B. ROLL CALL

C. BUSINESS ITEMS

Business action or discussion items to be considered by the Audit Committee.

1. FY 2022 Annual Comprehensive Financial Report / Audit Report
Presentation of the FY 2022 Annual Comprehensive Financial Report and Audit Report.
2. Audit Commitment Renewal
Discuss the audit commitment renewal contract as proposed by Larsen & Company, PC.

D. MINUTES

Minutes of prior meetings may be reviewed and accepted. Minutes review and approval shall comply with the Centerville City Minutes Approval Policy.

1. Minutes Review and Approval
November 30, 2021 IAC Minutes

E. ADJOURNMENT

CERTIFICATE OF POSTING

I hereby certify that this notice and agenda was posted at Centerville City Hall, published on the Utah Public Notice Website, and provided to a newspaper or media correspondent in accordance with the requirements of the Utah Open and Public Meetings Act, including, but not limited to, provisions of Utah Code § 52-4-202.

Jennifer Robison
Centerville City Recorder



AUDIT COMMITTEE

Staff Report

11/22/2022

Item No. 1.

Title: FY 2022 Annual Comprehensive Financial Report / Audit Report

Initiated By: Nate Plaizier, Finance Director

Staff Representative: Nate Plaizier, Finance Director

SUBJECT:

Presentation of the FY 2022 Annual Comprehensive Financial Report and Audit Report.

RECOMMENDATION:

BACKGROUND:

Larson & Company, the City's contracted independent auditors, have completed the annual audit for the fiscal year ending June 30, 2022.

Marcus Arbuckle, CPA with Keddington & Christiansen, the City's contracted CPA firm, will present the FY 2022 Annual Comprehensive Financial Report (ACFR), as well as the results of the annual audit to the Audit Committee, in preparation for the Audit Report scheduled for the December 2nd City Council Meeting.

ATTACHMENTS:

1. Centerville City FY 2022 Annual Comprehensive Financial Report

**CENTERVILLE CITY CORPORATION
CENTERVILLE, UTAH**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For The Year Ended June 30, 2022

Together With Independent Auditor's Report

Centerville City Corporation

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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
William Ince
Gina Hirst
George McEwan
Robyn Mecham
Spencer Summerhays

City Manager
Brant T. Hanson

November 11, 2022

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, 2022.

These statements are prepared to comply with the requirements promulgated by the Government Accounting Standards Board (GASB) Statement 87, regarding leases. GASB 87 requires most leases to now be recorded on the balance sheet. Currently, the City has only one qualifying lease (Davis Performing Arts Center). As the lessor of this lease, the City must now recognize the lease receivables and deferred inflows of resources on our financial statements.

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, 2022, 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, 2022 are fairly presented in conformity with GAAP. The independent auditor's report is presented at the beginning of the financial section of this report.

Generally, the City is required to undergo a federal single audit when it receives over \$750,000 in Federal funding. This year, however, single audit relief was given to entities that received less than \$10 million in federal Coronavirus State and Local Fiscal Recovery Funds, and expended less than \$750,000 in other federal awards in the fiscal year. Because the City met both of these requirements, a single audit was not required this fiscal year.

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 by the Federal funds received through the CARES Act. The City also

received over \$2 Million from the American Rescue Plan Act (ARPA), however, none of these funds have been expended.

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, the large loss projections presented in the spring of 2020 have largely been avoided. Sales tax revenue rebounded quickly and remained strong throughout FY 2022.

The City experienced record-high inflation throughout FY 2022, with an annual inflation rate of roughly 8.2% at fiscal year-end. This rapidly increasing inflation has left many economists predicting a recession in the near future.

Major Initiatives

Significant projects and initiatives in Fiscal Year (FY) 2022 include park and transportation improvements, drainage projects, solid waste collection, community planning, and recreation.

Park Improvements

During FY 2022, the City completed the installation of a niche wall for cremains in the Centerville Cemetery. The niche wall has a total of 48 spots, and has been a beautiful addition to the Cemetery.

The Parks Department was able to plant 31 new trees in our parks and public spaces. Many of the new trees planted replaced trees that were damaged due to the windstorm in September of 2020. The purchase of the new trees was partially funded by grants.

The Parks Department also made significant progress in their tree inventory. As part of their tree inventory project, each tree on public property or right-of-way is identified and mapped into a geographic information system.

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.

The City started construction on London Road and Cottonwood Drive, with completion expected in FY 2023. In addition, the City also performed major road repair on Chase Lane from 400 E to Oakridge Drive due to damage caused by a water leak.

Funding for sidewalk repair/replacement has been a priority 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 2022, the City Council budgeted \$150,000 to continue this ongoing project. The City Council budgeted another \$100,000 for FY 2023.

Water Projects

In FY 2022, the City continued its schedule of replacing aging water mains per the master plan. Major replacements occurred in conjunction with the street rebuilds on London Road and Cottonwood Drive.

In September 2021, the City purchased 4.27 acres at the top of Oakridge Drive for the purpose of building a new water reservoir. The new reservoir will replace the aging green steel tank. Construction of the new reservoir is expected to commence in FY 2023.

As previously mentioned, repairs were made to fix a major water leak on Chase Lane. This leak resulted in damages of nearly \$200,000.

Drainage Projects

In FY 2022, the City replaced its drainage system in conjunction with the rebuilds of London Road and Cottonwood Drive.

The City also replaced over 50 of its storm drain grates. The old grates (known as bike-eater grates) were replaced with new grates that are much more friendly to bicyclists and pedestrians.

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, 2022 was approximately 35% 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. In FY2021, 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 City will start using the Capital Projects Fund for capital expenditures starting in FY2023. 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 annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the twenty-second consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an annual comprehensive 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

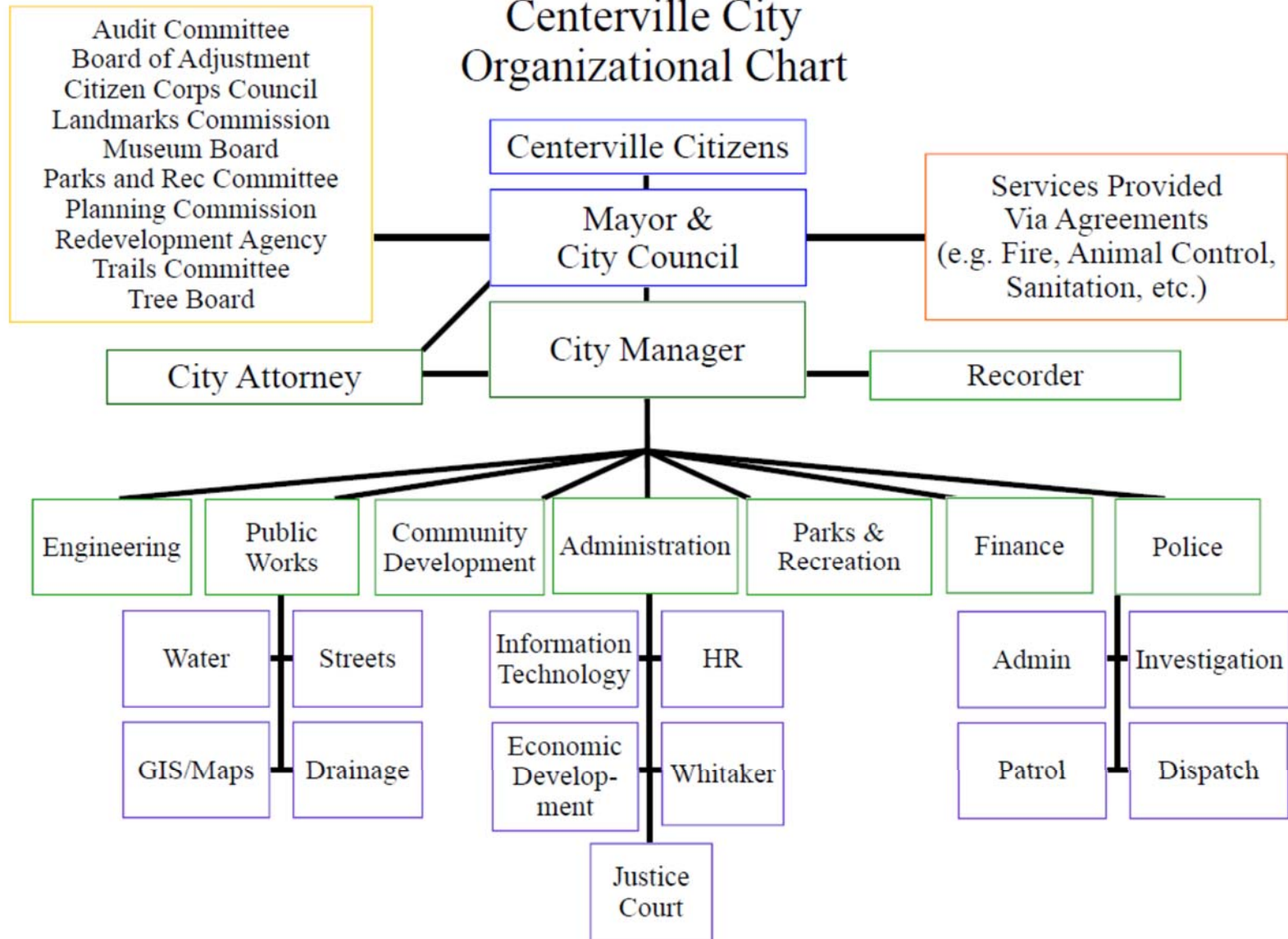
DEPARTMENT HEADS

Paul Child	Police Chief
Michael Carlson	Public Works Director
Bruce Cox	Parks/Recreation Director
Corvin Synder	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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, Utah as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Redevelopment Agency Fund, and the Transportation Fund for the year ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Centerville City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Centerville City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Centerville City's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Centerville City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Centerville City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, 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.

Supplementary Information

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

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

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and the auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2022, 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 11, 2022

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2022

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, 2022.

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, 2022 by \$66,662,308 (net position). The City has \$54,909,829 net investment in capital assets. \$2,097,407 is restricted for future construction projects and the theater reserve fund. The unrestricted amount is \$9,655,072.

Centerville's total net position increased by \$6,726,672 from the prior year, a 11.22% increase. Changes in assets and liabilities are as follows. Total assets increased by \$12,450,158, a change of 17.74%. Total Liabilities increased by \$2,206,053 from the prior year, a percent increase of 30.65%. Net investment in capital assets, increased \$1,651,714 or 3.10%. Business-Type Activities net investment in capital assets increased \$2,296,666 or 12.04%, and Governmental Activities decreased \$644,952 or 1.89%. Restricted assets increased by \$413,632 or 24.57% from the previous year. Most of the net decrease was due to spending restricted assets on parks and roads. Unrestricted assets increased \$4,661,326. Governmental Activities increased \$4,118,693, and Business-Type activities increased by \$542,633.

Centerville's governmental funds reported a combined ending fund balances of \$10,106,700 at June 30, 2022. This is a statement of the current available assets of the City. This is an increase of \$3,064,749 or 43.52%. The City has considerable commitments to capital projects including park improvements and roads. Of the ending fund balances, \$3,457,462, is available for spending at the City's discretion in the General Fund (unassigned fund balance).

At June 30, 2022, fund balances in governmental funds other than the general fund was \$6,234,750 an overall \$1,313,438 increase. Assigned fund balances increased by \$914,328, or 26.37%. The Assigned amount to the RDA is \$1,030,492. The assigned amount for the transportation fund is \$1,422,060. The assigned amount for other governmental funds, is \$1,929,157. 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 \$1,881,219.

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, 2022

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

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

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

Fund financial statements

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

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

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

Centerville City maintains 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, Transportation special revenue fund, and the Park Improvements fund all of which are considered major funds. Data from the other 7 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, 2022

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 \$66,662,308 at June 30, 2022.

The largest portion of the City's net position is \$54,909,829 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 \$1,651,714 which is an increase of 3.10%, 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, \$2,097,407, represents resources that are subject to external restrictions on how they may be utilized. This is an increase of \$413,632 or 24.57% from the prior year. This increase is due to the increase in restricted balances to be 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, 2022

	Governmental Activities 2022	Governmental Activities 2021	Business-type Activities 2022	Business-type Activities 2021
Current and other assets	\$ 20,979,577	\$ 10,695,349	\$ 3,902,272	\$ 3,566,931
Capital assets	35,081,492	35,434,473	22,673,746	20,490,176
Total Assets	56,061,069	46,129,822	26,576,018	24,057,107
Deferred outflows of resources	812,104	643,212	65,579	59,658
Current and other liabilities	5,532,348	2,039,390	476,554	655,230
Long-term liabilities	1,617,180	1,868,491	1,777,576	1,966,758
Net pension liability	-	651,220	-	16,516
Total Liabilities	7,149,528	4,559,101	2,254,130	2,638,504
Deferred inflows of resources	7,228,525	3,606,186	220,279	150,372
Net position:				
Net investment in capital assets	33,545,492	34,190,444	21,364,337	19,067,671
Restricted	1,918,919	1,505,287	178,488	178,488
Unrestricted	7,030,709	2,912,016	2,624,363	2,081,730
Total Net Position	\$ 42,495,120	\$ 38,607,747	\$ 24,167,188	\$ 21,327,889

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2022

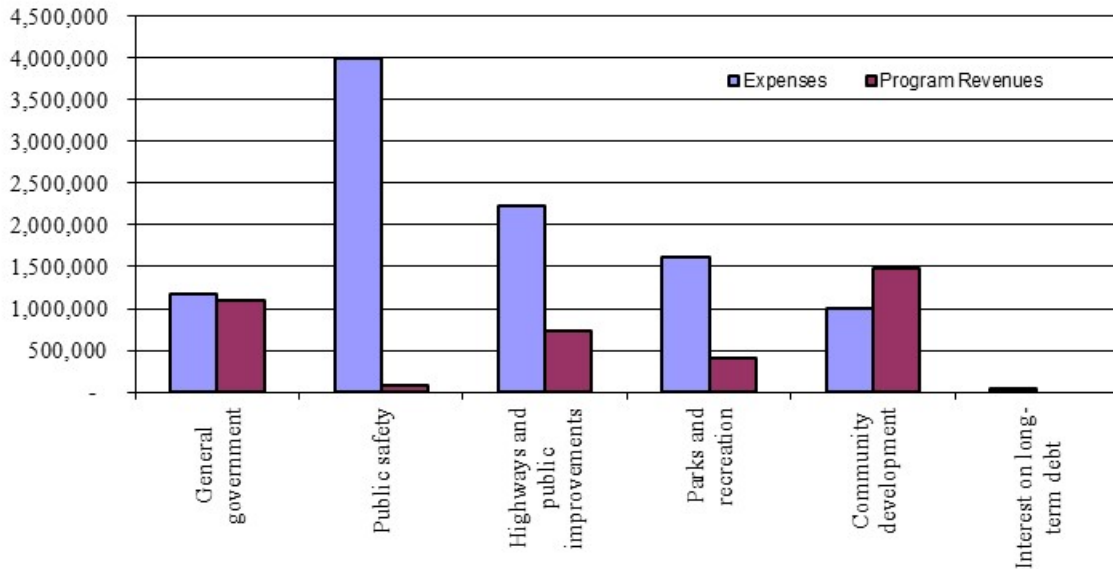
	Governmental Activities 2022	Governmental Activities 2021	Business-type Activities 2022	Business-type Activities 2021
Revenues:				
Program revenues:				
Charges for services	\$ 1,323,890	\$ 838,804	\$ 5,500,086	\$ 5,583,400
Operating grants and contributions	2,462,103	3,623,041	-	-
Capital grants and contributions	-	12,718	2,040,551	412,784
General revenues:				
Property taxes	2,125,678	1,860,018	-	-
Sales taxes	6,204,562	5,525,959	-	-
Franchise taxes	1,012,375	984,045	-	-
Other taxes	583,792	496,573	-	-
Unrestricted investment earnings	47,563	22,496	9,347	9,377
Gain on disposition of capital assets	76,917	170,105	79,198	-
Other revenues	117,398	382,218	-	-
Total Revenues	<u>13,954,278</u>	<u>13,915,977</u>	<u>7,629,182</u>	<u>6,005,561</u>
Expenses:				
General government	1,181,116	1,861,810	-	-
Public safety	3,989,082	3,781,129	-	-
Highways and public improvements	2,237,911	1,494,187	-	-
Parks and recreation	1,619,816	1,344,690	-	-
Community development	993,145	1,209,624	-	-
Interest on long-term debt	45,835	29,500	-	-
Water	-	-	2,401,741	2,456,418
Sanitation	-	-	1,026,831	1,246,667
Storm drain	-	-	1,181,295	1,210,979
Telecom	-	-	180,016	219,099
Total Expenses	<u>10,066,905</u>	<u>9,720,940</u>	<u>4,789,883</u>	<u>5,133,163</u>
Increase (decrease) in Net Position before transfers	3,887,373	4,195,037	2,839,299	872,398
Contribution	-	63,224	-	-
Increase in Net Position	3,887,373	4,258,261	2,839,299	872,398
Net Position - Beginning	38,607,747	34,349,486	21,327,889	20,455,491
Prior Period Adjustment	-	-	-	-
Net Position - Ending	<u>\$ 42,495,120</u>	<u>\$ 38,607,747</u>	<u>\$ 24,167,188</u>	<u>\$ 21,327,889</u>

As noted in the table above, governmental activities net position increased by \$3,887,373 or 10.06%. The table illustrates the flow of current sources and uses for the period. Governmental revenue in total was very similar to the prior year. In the prior year operating grants and contribution was much higher due to CARES funding. That decrease was offset in the current year by an increase in the property tax rate and in increase in sales tax revenue. Sales tax was up due to inflation. Statewide sales increased in a similar rate as inflation Expenditures increase 3.56% primarily due to an increase in maintenance costs. 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, 2022

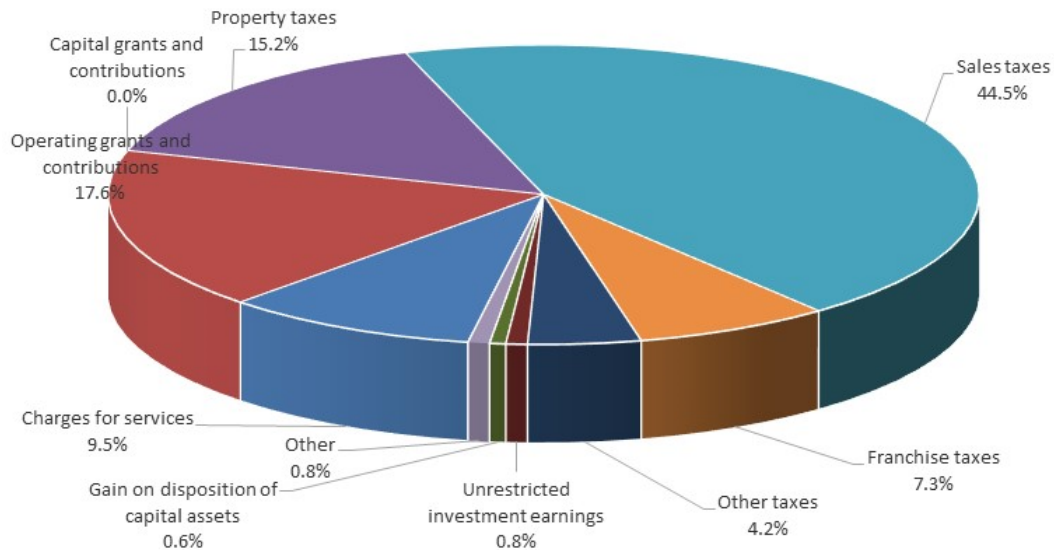
The following chart displays the governmental activities expenses compared to the program revenues attributed to the activity. Traditionally, governmental activities are funded by general revenue sources and not charges for direct services. Most of the funding for general services is provided by general 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 71.2% 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

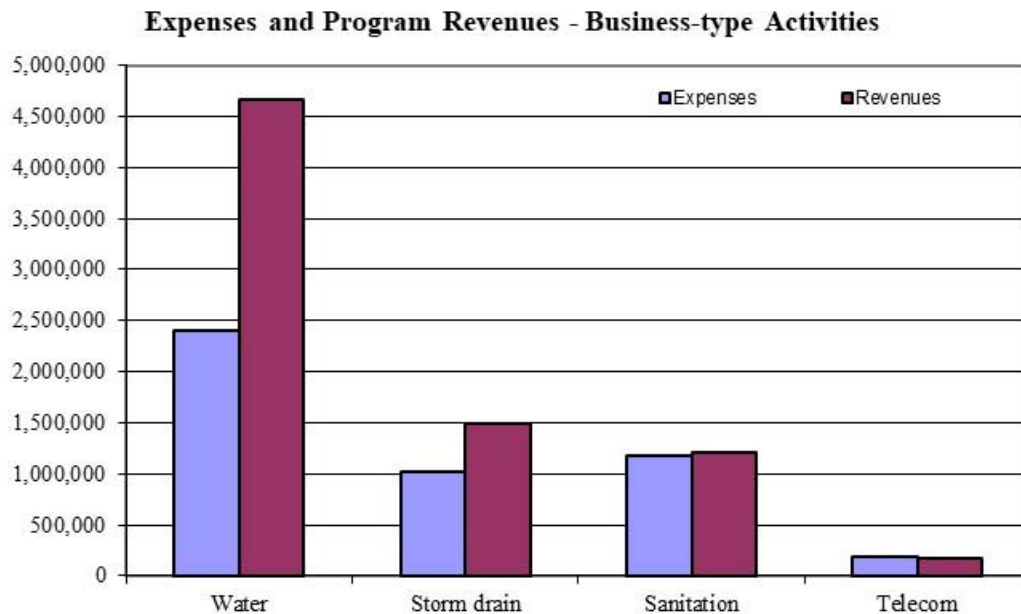


Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2022

Business-type activities

As noted in the table "Centerville City Changes in Net Assets (Statement of Activities)" business-type activities increased net position of \$2,839,299, or 13.31% from the prior year. Revenue in business activity increased 27.03% primarily due to increased revenue from developers for water projects. Business type expenditures decreased 6.69% primarily due to a decrease in water and storm drain repair and maintenance.

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. 72.8% of the revenues for business-type activities comes from charges for services. 27% of the revenue for business-type activities came from contributions from developers, 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 \$740,546. 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, 2022, the City's governmental funds reported a combined ending fund balance of \$10,106,700, which is an increase of \$3,064,749, or 43.52% from the prior period. The Unassigned balance, in general fund, increased by

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2022

70.45%, a total dollar amount of \$1,429,013. Assigned fund balances that are assigned for a specific purpose increased \$914,328 from the prior period, or 26.37%. The Restricted Fund balances decreased \$413,632 from the prior period, or 28.18%. 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 \$386,310 at June 30, 2022.

The general fund is the primary operating fund of the City. At June 30, 2022 unassigned fund balance of the general fund was \$3,457,462, an increase of \$1,429,013, or 70.45%. This year \$160,000 transferred to the capital projects fund last year \$1,700,000 was transferred to the capital projects fund. The city spent less in capital outlay in the general fund compared to the previous year. Revenues from taxes exceeded budget by \$291,967, revenue from licenses and permits exceeded budget by \$211,314, and revenue from fines and forfeitures were \$99,614 below budget. Intergovernmental revenue exceeded budget by \$24,735. The general fund revenue was \$86,302 more than prior year. The general fund expenditures were \$347,987 less 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 \$1,569,277. This is an increase from the prior year in the amount of \$735,599 which is largely due to a debt being paid off in the prior year. No debt payment in the current year. In the prior year \$350,000 was transfer to the park fund, this year no transfer was made 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 \$1,665,505 which is an increase of \$81,336 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 \$509,848 which is an increase of \$302,034 from the prior year. This increase is due to less capital outlay expenditures compared to the prior year.

Other Governmental funds had a total increase in fund balances of \$194,469, or 8.47%.

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 \$17,434,282 at June 30, 2022. Total net position increased by \$2,346,355, a 15.55% increase mainly due to an increase in capital contributions.

Drainage Utility

Total net position at June 30, 2022 was \$6,585,998. Total net position increased by \$460,227 resulting in an 7.51% change mainly due to an increase in impact fee revenue and a decrease in maintenance expense.

Sanitation

Total net position at June 30, 2022 was \$131,558. Total net position increased \$34,536 resulting in a 35.60% change. This increase is mainly due to an operating income

Telecom Fund

The Telecom Fund net position at June 30, 2022 was \$15,350. Total decrease of \$1,819 or 10.59%.

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2022

General Fund Budgetary Highlights

During the fiscal year the general fund budget expenditures were amended, with an original budgeted expenditure of \$10,429,497 and final budgeted expenditure of \$11,237,677. Actual expenditures were \$7,668,430. 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 \$409,234, or 4.14%. Taxes, the largest source of revenue for the general fund was \$291,967 or 3.39% above budget. Licenses and permit revenue were over budget by \$211,314 or 37.60%. Intergovernmental revenue was over budget by \$24,735 or 18.79%. Fines and forfeitures were under budget by \$99,614 or 30.33%. Charges for service revenue was over budget by \$19,346 or 12.83%.

Capital Assets and Debt Administration

Capital assets

Centerville City's investment in capital assets for governmental and business-type activities at June 30, 2022 was \$57,755,238 (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 \$1,830,589 or 3.27%. Governmental activities decreased capital assets (net of depreciation) \$352,981 or 1.00%, to \$35,081,492. Business type activities increased capital assets (net of depreciation) \$2,183,570 or 10.66% to \$22,673,746.

Major capital asset events during the current year were:

- 1) During the year a large road project was completed which totaled \$524,408. The City completed two water line projects totaling \$682,655. The City also completed one storm drain project for \$158,879. During the year the city started several road projects, storm drain projects and water line projects.
- 2) Governmental activities had a decrease in total capital assets due to depreciation expense being higher than current year additions. New streets or complete rebuilds of streets are treated as an increase in Infrastructure assets. The city also added \$231,245 in vehicles and equipment.
- 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 \$2,183,570 (depreciated).

	Governmental Activities 2022	Governmental Activities 2021	Business - type Activities 2022	Business - type Activities 2021
Land	\$ 7,718,450	\$ 7,718,450	\$ 486,120	\$ 236,909
Buildings	11,859,866	12,282,554	2,826,974	2,911,271
Water stock and rights	-	-	48,617	48,617
Machinery and equipment	3,585,658	3,688,325	244,374	178,107
Distribution and collection systems	-	-	17,182,934	16,690,013
Autos and trucks	1,210,083	1,261,572	-	-
Infrastructure	10,089,067	9,833,711	-	-
Construction in progress	618,368	649,861	1,884,727	425,259
Total Capital Assets	<u>\$ 35,081,492</u>	<u>\$ 35,434,473</u>	<u>\$ 22,673,746</u>	<u>\$ 20,490,176</u>

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2022

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

Centerville City's Outstanding Debt

	Governmental Activities 2022	Governmental Activities 2021	Business - type Activities 2022	Business - type Activities 2021
Revenue bonds	\$ -	\$ -	\$ 1,309,408	\$ 1,422,504
Note payable	1,536,000	1,872,585	596,073	724,438
Compensated absences	759,808	612,223	56,212	43,488
Termination benefits	-	-	-	-
Outstanding claims	1,476	12,238	-	-
Net pension liability	-	651,220	-	16,517
Total	<u>\$ 2,297,284</u>	<u>\$ 3,148,266</u>	<u>\$ 1,961,693</u>	<u>\$ 2,206,947</u>

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 2023 budget, City Council approved a property tax increase of \$576,064, which equates to a 32.26% rate increase. This rate increase is due to inflation, as well as significant wage increases for the Police Department that occurred mid-way through FY 2022.

Sales tax is the largest single source of revenue for governmental operations of the City. Despite the pandemic, City sales tax revenue in FY 2022 increased 12.18% over the prior year, or \$617,824. Sales tax was projected conservatively for FY 2023, with an expected decrease of \$482,911.

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, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 7,188,984	\$ 2,025,203	\$ 9,214,187
Receivables:			
Accounts, net	12,457	535,022	547,479
Taxes	3,976,047	-	3,976,047
Inventory	-	317,297	317,297
Prepays	348,610	61,754	410,364
Restricted assets:			
Cash and cash equivalents	5,976,029	178,488	6,154,517
Notes receivable	-	596,073	596,073
Lease receivable	1,487,288	-	1,487,288
Net pension asset	1,990,162	188,435	2,178,597
Capital assets not being depreciated:			
Water stock and rights	-	48,617	48,617
Land and collectibles	7,718,450	486,120	8,204,570
Construction in progress	618,368	1,884,727	2,503,095
Capital assets, net of accumulated depreciation:			
Buildings and improvements	11,859,866	2,826,974	14,686,840
Distribution and collection systems	-	17,182,933	17,182,933
Machinery and equipment	3,585,658	244,375	3,830,033
Autos and trucks	1,210,083	-	1,210,083
Infrastructure	10,089,067	-	10,089,067
Total Assets	56,061,069	26,576,018	82,637,087
Deferred Outflows of Resources			
Deferred charge on refunding	-	11,835	11,835
Deferred outflows related to pensions	812,104	53,744	865,848
Total Deferred Outflows of Resources	812,104	65,579	877,683
Total Assets and Deferred Outflow of Resources	\$ 56,873,173	\$ 26,641,597	\$ 83,514,770

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

Centerville City Corporation
STATEMENT OF NET POSITION (Continued)
June 30, 2022

	Governmental Activities	Business-type Activities	Total
Liabilities			
Accounts payable	\$ 270,545	\$ 274,147	\$ 544,692
Accrued liabilities	90,367	4,857	95,224
Accrued interest payable	185	13,433	13,618
Developer and customer deposits	3,450,116	-	3,450,116
Liabilities payable from restricted assets	315	-	315
Unearned revenue	1,040,716	-	1,040,716
Current portion on long term debt	680,104	184,117	864,221
Noncurrent liabilities			
Due within one year			
Long term debt	1,617,180	1,777,576	3,394,756
Total Liabilities	7,149,528	2,254,130	9,403,658
Deferred Inflows of Resources			
Deferred inflows - Lease	1,487,288	-	1,487,288
Deferred inflows for property taxes	2,543,366	-	2,543,366
Deferred inflows relating to pensions	3,197,871	220,279	3,418,150
Total Deferred Inflows of Resources	7,228,525	220,279	7,448,804
Net Position			
Net investment in capital assets	33,545,492	21,364,337	54,909,829
Restricted for:			
Future development	1,214,660	178,488	1,393,148
Theater reserve fund	538,785	-	538,785
Cemetery	99,596	-	99,596
Police/DUI enforcement	65,878	-	65,878
Unrestricted	7,030,709	2,624,363	9,655,072
Total Net Position	42,495,120	24,167,188	66,662,308
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 56,873,173	\$ 26,641,597	\$ 83,514,770

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, 2022

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	\$ 1,181,116	\$ 1,075,188	\$ 25,237	\$ -	\$ (80,691)	\$ -	\$ (80,691)
Public safety	3,989,082	-	69,598	-	(3,919,484)	-	(3,919,484)
Streets and public works	2,237,911	-	733,836	-	(1,504,075)	-	(1,504,075)
Parks and recreation	1,619,816	191,982	203,699	-	(1,224,135)	-	(1,224,135)
Community development	993,145	56,720	1,429,733	-	493,308	-	493,308
Interest and issuance costs on long-term debt	45,835	-	-	-	(45,835)	-	(45,835)
Total Governmental Activities	10,066,905	1,323,890	2,462,103	-	(6,280,912)	-	(6,280,912)
Business-type Activities:							
Water	2,401,741	2,751,937	-	1,913,717	-	2,263,913	2,263,913
Storm drain	1,026,831	1,354,602	-	126,834	-	454,605	454,605
Sanitation	1,181,295	1,215,388	-	-	-	34,093	34,093
Telecom	180,016	178,159	-	-	-	(1,857)	(1,857)
Total Business-type Activities	4,789,883	5,500,086	-	2,040,551	-	2,750,754	2,750,754
Total Government	\$ 14,856,788	\$ 6,823,976	\$ 2,462,103	\$ 2,040,551	(6,280,912)	2,750,754	(3,530,158)
General Revenues:							
Property taxes					2,125,678	-	2,125,678
Sales taxes					6,204,562	-	6,204,562
Franchise taxes					1,012,375	-	1,012,375
Other taxes					583,792	-	583,792
Unrestricted investment earnings					47,563	9,347	56,910
Gain on disposition of capital assets					76,917	79,198	156,115
Other revenues					117,398	-	117,398
Total General Revenues and Transfers					10,168,285	88,545	10,256,830
Changes in Net Position					3,887,373	2,839,299	6,726,672
Net Position, Beginning					38,607,747	21,327,889	59,935,636
Net Position, Ending					\$ 42,495,120	\$ 24,167,188	\$ 66,662,308

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

Centerville City Corporation
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2022

	General	Redevelopment Agency Special Revenue	Transportation	Park Improvements	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 2,692,559	\$ 1,032,651	\$ 1,426,850	\$ -	\$ 2,036,923	\$ 7,188,983
Receivables:						
Accounts, net	12,457	-	-	-	-	12,457
Taxes	3,345,793	285,692	243,445	-	-	3,874,930
Intergovernmental	-	-	-	-	101,118	101,118
Prepays	348,610	-	-	-	-	348,610
Restricted cash and cash equivalents	4,556,710	538,785	-	510,163	370,371	5,976,029
Total Assets	\$ 10,956,129	\$ 1,857,128	\$ 1,670,295	\$ 510,163	\$ 2,508,412	\$ 17,502,127
Liabilities						
Accounts payable	\$ 249,237	\$ 2,160	\$ 4,790	\$ -	\$ 14,360	\$ 270,547
Accrued liabilities	86,435	-	-	-	3,932	90,367
Payable from restricted assets:						
Accounts payable	-	-	-	315	-	315
Unearned revenue - ARPA	1,040,716	-	-	-	-	1,040,716
Developer and customer deposits	3,450,116	-	-	-	-	3,450,116
Total Liabilities	4,826,504	2,160	4,790	315	18,292	4,852,061
Deferred Inflows of Resources						
Unavailable revenue - property taxes	2,257,675	285,691	-	-	-	2,543,366
Total Deferred Inflows of Resources	2,257,675	285,691	-	-	-	2,543,366
Fund Balances:						
Nonspendable:						
Prepaid items	348,610	-	-	-	-	348,610
Permanently restricted cemetery	-	-	-	-	37,700	37,700
Restricted for:						
Future development	-	-	243,445	509,848	461,367	1,214,660
Cemetery	-	-	-	-	61,896	61,896
Theater reserve fund	-	538,785	-	-	-	538,785
Police donations	6,469	-	-	-	-	6,469
DUI enforcement	59,409	-	-	-	-	59,409
Assigned, reported in:						
Special revenue funds	-	1,030,492	-	-	13,365	1,043,857
Debt service funds	-	-	-	-	3,838	3,838
Capital project funds	-	-	1,422,060	-	1,911,954	3,334,014
Unassigned:						
General fund	3,457,462	-	-	-	-	3,457,462
Total Fund Balances	3,871,950	1,569,277	1,665,505	509,848	2,490,120	10,106,700
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,956,129	\$ 1,857,128	\$ 1,670,295	\$ 510,163	\$ 2,508,412	\$ 17,502,127

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, 2022

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

Total Fund Balance - Governmental Funds	\$ 10,106,700
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	35,081,492
Interest expense is not due and payable in the current period and therefore is not recorded in the funds.	(185)
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.	(2,297,284)
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.	(395,603)
Total Net Position - Governmental Activities	<u>\$ 42,495,120</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, 2022

	General	Redevelopment Agency Special Revenue	Transportation	Park Improvements	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 8,600,503	\$ 228,461	\$ 513,651	\$ -	\$ 583,792	\$ 9,926,407
Fees and contributions	-	-	-	203,699	-	203,699
Licenses and permits	561,984	-	-	-	-	561,984
Intergovernmental	131,663	1,429,733	697,008	-	-	2,258,404
Fines and forfeitures	328,386	-	-	-	-	328,386
Charges for services	150,786	101,797	-	-	111,990	364,573
Interest	25,096	-	6,755	2,287	13,425	47,563
Miscellaneous	94,227	13,653	-	-	144,249	252,129
Total Revenues	9,892,645	1,773,644	1,217,414	205,986	853,456	13,943,145
Expenditures:						
Current:						
General government	872,553	-	-	-	511,989	1,384,542
Public safety	4,224,079	-	-	-	-	4,224,079
Highways and public improvements	672,026	-	977,430	-	-	1,649,456
Parks and recreation	1,182,626	-	-	1,890	179,182	1,363,698
Community development	346,345	612,846	-	-	29,291	988,482
Debt service:						
Principal	-	-	-	336,585	-	336,585
Interest	-	-	-	45,741	-	45,741
Capital outlay:						
Public safety	56,148	-	-	-	-	56,148
Highways and public improvements	161,622	-	574,240	-	-	735,862
Parks and recreation	153,031	-	-	17,689	-	170,720
Total Expenditures	7,668,430	612,846	1,551,670	401,905	720,462	10,955,313
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,224,215	1,160,798	(334,256)	(195,919)	132,994	2,987,832
Other Financing Sources (Uses):						
Transfers in	93,771	-	415,592	497,953	616,000	1,623,316
Transfers out	(643,592)	(425,199)	-	-	(554,525)	(1,623,316)
Sale of capital assets	76,917	-	-	-	-	76,917
Total Other Financing Sources (Uses)	(472,904)	(425,199)	415,592	497,953	61,475	76,917
Net Change in Fund Balances	1,751,311	735,599	81,336	302,034	194,469	3,064,749
Fund Balances, Beginning	2,120,639	833,678	1,584,169	207,814	2,295,651	7,041,951
Fund Balances, Ending	\$ 3,871,950	\$ 1,569,277	\$ 1,665,505	\$ 509,848	\$ 2,490,120	\$ 10,106,700

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, 2022

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

Net Change in Fund Balances - Total Governmental Funds	\$ 3,064,749
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.	(1,315,712)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the Statement of Net Position.	962,731
Repayment of noncurrent liabilities' principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	336,585
In the Statement of Activities interest is accrued on noncurrent liabilities, whereas in governmental funds, interest expense is reported when due.	(93)
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.	(122,504)
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.	1,098,439
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.	(136,822)
Change in Net Position - Governmental Activities	<u>\$ 3,887,373</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 7,808,611	\$ 8,308,536	\$ 8,600,503	\$ 291,967
Licenses and permits	280,670	350,670	561,984	211,314
Intergovernmental	57,100	106,928	131,663	24,735
Fines and forfeitures	428,000	428,000	328,386	(99,614)
Charges for services	81,440	131,440	150,786	19,346
Interest	40,250	40,250	25,096	(15,154)
Miscellaneous	81,600	117,587	94,227	(23,360)
Total Revenues	<u>8,777,671</u>	<u>9,483,411</u>	<u>9,892,645</u>	<u>409,234</u>
Expenditures:				
Current:				
General government:				
Administrative	786,607	809,826	398,149	411,677
Municipal council	125,944	126,319	46,370	79,949
Finance	540,200	532,546	226,757	305,789
Legal	447,250	467,477	201,277	266,200
Public Safety:				
Police	3,173,354	3,616,268	3,206,108	410,160
Fire	1,068,870	1,051,870	1,017,971	33,899
Streets and public works	1,548,794	1,629,119	672,026	957,093
Parks and recreation	1,305,783	1,369,933	1,182,626	187,307
Community development	506,440	556,815	346,345	210,470
Capital outlay	926,255	1,077,504	370,801	706,703
Total Expenditures	<u>10,429,497</u>	<u>11,237,677</u>	<u>7,668,430</u>	<u>3,569,247</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,651,826)</u>	<u>(1,754,266)</u>	<u>2,224,215</u>	<u>3,978,481</u>
Other Financing Sources (Uses):				
Transfers in	86,530	91,530	93,771	2,241
Transfers out	(456,592)	(483,592)	(643,592)	(160,000)
Sale of capital assets	25,000	25,000	76,917	51,917
Total Other Financing Sources (Uses)	<u>(345,062)</u>	<u>(367,062)</u>	<u>(472,904)</u>	<u>(105,842)</u>
Net Change in Fund Balance	<u>\$ (1,996,888)</u>	<u>\$ (2,121,328)</u>	<u>1,751,311</u>	<u>\$ 3,872,639</u>
Fund Balance, Beginning			<u>2,120,639</u>	
Fund Balance, Ending			<u>\$ 3,871,950</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,850,000	\$ 1,850,000	\$ 228,461	\$ (1,621,539)
Intergovernmental	-	-	1,429,733	1,429,733
Charges for services	98,000	98,000	101,797	3,797
Miscellaneous	3,600	3,600	13,653	10,053
Total Revenues	<u>1,951,600</u>	<u>1,951,600</u>	<u>1,773,644</u>	<u>(177,956)</u>
Expenditures:				
Community Development	971,600	971,600	612,846	358,754
Total Expenditures	<u>1,528,600</u>	<u>1,528,600</u>	<u>612,846</u>	<u>915,754</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>423,000</u>	<u>423,000</u>	<u>1,160,798</u>	<u>737,798</u>
Other Financing Sources (Uses):				
Transfers out	(423,000)	(423,000)	(425,199)	(2,199)
Total Other Financing Sources (Uses)	<u>(423,000)</u>	<u>(423,000)</u>	<u>(425,199)</u>	<u>(2,199)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>735,599</u>	<u>\$ 735,599</u>
Fund Balance, Beginning			<u>833,678</u>	
Fund Balance, Ending			<u>\$ 1,569,277</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, 2022

	Transportation Special Revenue Fund			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues:				
Taxes	\$ 400,000	\$ 520,000	\$ 513,651	\$ (6,349)
Intergovernmental	790,000	790,000	697,008	(92,992)
Interest	33,000	33,000	6,755	(26,245)
Total Revenues	<u>1,223,000</u>	<u>1,343,000</u>	<u>1,217,414</u>	<u>(125,586)</u>
Expenditures:				
Current:				
Highways and public improvements	-	-	977,430	(977,430)
Capital outlay	1,638,592	1,758,592	574,240	1,184,352
Total Expenditures	<u>1,638,592</u>	<u>1,758,592</u>	<u>1,551,670</u>	<u>206,922</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(415,592)</u>	<u>(415,592)</u>	<u>(334,256)</u>	<u>81,336</u>
Other Financing Sources (Uses):				
Transfers in	415,592	415,592	415,592	-
Total Other Financing Sources				
(Uses)	<u>415,592</u>	<u>415,592</u>	<u>415,592</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,336</u>	<u>\$ 81,336</u>
Fund Balance, Beginning			<u>1,584,169</u>	
Fund Balance, Ending			<u>\$ 1,665,505</u>	

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, 2022

	Business-type Activities - Enterprise Funds				
	Water Utility Fund	Drainage Utility Fund	Sanitation Fund	Telecom Fund	Totals
Assets:					
Current Assets:					
Cash and cash equivalents	\$ 1,058,544	\$ 892,538	\$ 74,121	\$ -	\$ 2,025,203
Accounts receivable, net	297,918	119,278	102,476	15,350	535,022
Inventory	317,297	-	-	-	317,297
Prepays	61,754	-	-	-	61,754
Restricted cash and cash equivalents	178,488	-	-	-	178,488
Total Current Assets	1,914,001	1,011,816	176,597	15,350	3,117,764
Noncurrent Assets:					
Notes receivable	-	-	-	596,073	596,073
Net pension asset	152,115	36,320	-	-	188,435
Capital assets not being depreciated:					
Water stock and rights	48,617	-	-	-	48,617
Land	486,120	-	-	-	486,120
Construction in progress	1,208,717	676,010	-	-	1,884,727
Capital assets being depreciated:					
Buildings	3,501,966	623,488	-	-	4,125,454
Distribution and collection systems	19,473,389	5,951,598	-	-	25,424,987
Machinery and equipment	807,418	193,380	-	-	1,000,798
Accumulated depreciation	(8,811,418)	(1,485,539)	-	-	(10,296,957)
Total Noncurrent Assets	16,866,924	5,995,257	-	596,073	23,458,254
Total Assets	18,780,925	7,007,073	176,597	611,423	26,576,018
Deferred Outflows of Resources					
Deferred charge on refunding	10,169	1,666	-	-	11,835
Deferred outflows of resources relating to pensions	43,385	10,359	-	-	53,744
Total Deferred Outflows of Resources	53,554	12,025	-	-	65,579
Total Assets and Deferred Outflows of Resources	\$ 18,834,479	\$ 7,019,098	\$ 176,597	\$ 611,423	\$ 26,641,597

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, 2022

	Business-type Activities - Enterprise Funds				
	Water Utility Fund	Drainage Utility Fund	Sanitation Fund	Telecom Fund	Totals
Liabilities:					
Current Liabilities:					
Accounts payable	\$ 164,841	\$ 64,267	\$ 45,039	\$ -	\$ 274,147
Accrued liabilities	3,945	912	-	-	4,857
Accrued interest payable	10,418	3,015	-	-	13,433
Compensated absences, current portion	19,000	7,000	-	-	26,000
Notes payable, current portion	-	-	-	58,117	58,117
Bonds payable, current portion	78,000	22,000	-	-	100,000
Total Current Liabilities	<u>276,204</u>	<u>97,194</u>	<u>45,039</u>	<u>58,117</u>	<u>476,554</u>
Noncurrent Liability:					
Compensated absences, net of current portion	12,288	17,923	-	-	30,211
Notes payable, net of current portion	-	-	-	537,956	537,956
Bonds payable, net of current portion	933,884	275,525	-	-	1,209,409
Total Noncurrent Liability	<u>946,172</u>	<u>293,448</u>	<u>-</u>	<u>537,956</u>	<u>1,777,576</u>
Total Liabilities	<u>1,222,376</u>	<u>390,642</u>	<u>45,039</u>	<u>596,073</u>	<u>2,254,130</u>
Deferred Inflows of Resources					
Deferred inflows of resources relating to pensions	177,821	42,458	-	-	220,279
Total Deferred Outflows of Resources	<u>177,821</u>	<u>42,458</u>	<u>-</u>	<u>-</u>	<u>220,279</u>
Net Position:					
Net investment in capital assets	15,702,925	5,661,412	-	-	21,364,337
Restricted for:					
Future development	178,488	-	-	-	178,488
Unrestricted	1,552,869	924,586	131,558	15,350	2,624,363
Total Net Position	<u>17,434,282</u>	<u>6,585,998</u>	<u>131,558</u>	<u>15,350</u>	<u>24,167,188</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 18,834,479</u>	<u>\$ 7,019,098</u>	<u>\$ 176,597</u>	<u>\$ 611,423</u>	<u>\$ 26,641,597</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
NET POSITION – PROPRIETARY FUNDS
For The Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds				
	Water Utility Fund	Drainage Utility Fund	Sanitation Fund	Telecom Fund	Totals
Operating Revenues:					
Charges for services	\$ 2,708,910	\$ 1,354,602	\$ 1,210,690	\$ 178,159	\$ 5,452,361
Connection and servicing	43,027	-	4,018	-	47,045
Miscellaneous	-	-	680	-	680
Total Operating Revenues	2,751,937	1,354,602	1,215,388	178,159	5,500,086
Operating Expenses:					
Salaries and wages	247,372	57,495	-	-	304,867
Employee benefits	29,921	22,507	-	-	52,428
Maintenance and repairs	274,896	303,860	30,463	-	609,219
General and administrative	1,093,549	481,589	177,358	4,505	1,757,001
Utilities	79,420	1,053	-	-	80,473
Professional and technical services	44,437	18,429	5,041	175,511	243,418
Solid waste collection and disposal	-	-	968,433	-	968,433
Water purchases	121,904	-	-	-	121,904
Depreciation	485,810	135,987	-	-	621,797
Total Operating Expenses	2,377,309	1,020,920	1,181,295	180,016	4,759,540
Operating Income (Loss)	374,628	333,682	34,093	(1,857)	740,546
Nonoperating Income (Expense):					
Gain on sale of capital assets	79,198	-	-	-	79,198
Grants	74,790	-	-	-	74,790
Interest income	3,244	5,622	443	38	9,347
Interest expense	(24,432)	(5,911)	-	-	(30,343)
Total Nonoperating Income (Expense)	132,800	(289)	443	38	132,992
Income (Loss) Before Capital Contributions and Transfers	507,428	333,393	34,536	(1,819)	873,538
Capital Contributions:					
Impact fees	198,581	126,834	-	-	325,415
Construction fees	1,640,346	-	-	-	1,640,346
Changes in Net Position	2,346,355	460,227	34,536	(1,819)	2,839,299
Net Position, Beginning	15,087,927	6,125,771	97,022	17,169	21,327,889
Net Position, Ending	\$ 17,434,282	\$ 6,585,998	\$ 131,558	\$ 15,350	\$ 24,167,188

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, 2022

	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	\$ 2,738,932	\$ 1,349,819	\$ 1,212,569	\$ 179,288	\$ 5,480,608
Payments to suppliers	(1,551,741)	(980,029)	(1,220,829)	(182,232)	(3,934,831)
Payments to employees and related benefits	(353,015)	(92,441)	-	-	(445,456)
Net cash flows from operating activities	834,176	277,349	(8,260)	(2,944)	1,100,321
Cash Flows From Capital and Related Financing Activities:					
Purchase of property and equipment	(2,175,551)	(667,997)	-	-	(2,843,548)
Sale of property and equipment	87,571	29,808	-	-	117,379
Receipt of developer construction fees	1,838,927	126,834	-	-	1,965,761
Principal paid on bonds	(78,000)	(22,000)	-	-	(100,000)
Interest paid on bonds	(33,891)	(9,136)	-	-	(43,027)
Net cash flows from capital and related financing activities	(360,944)	(542,491)	-	-	(903,435)
Cash Flows From Non-Capital Financing Activities:					
Cash subsidy from grants	74,790	-	-	-	74,790
Net cash flows from non-capital financing activities	74,790	-	-	-	74,790
Cash Flows From Investing Activity:					
Interest on investments	3,244	5,622	443	38	9,347
Net cash flows from investing activity	3,244	5,622	443	38	9,347
Net Increase (Decrease) In Cash	551,266	(259,520)	(7,817)	(2,906)	281,023
Cash and Cash Equivalents At Beginning Of Year	685,766	1,152,058	81,938	2,906	1,922,668
Cash and Cash Equivalents At End Of Year	\$ 1,237,032	\$ 892,538	\$ 74,121	\$ -	\$ 2,203,691

	Business-type Activities - Enterprise Funds				
	Water Utility Fund	Drainage Utility Fund	Sanitation Fund	Telecom Fund	Totals
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	\$ 374,628	\$ 333,682	\$ 34,093	\$ (1,857)	\$ 740,546
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation expense	485,810	135,987	-	-	621,797
(Increase) Decrease in accounts receivables	(13,005)	(4,783)	(2,819)	1,129	(19,478)
(Increase) Decrease in inventory	(12,602)	-	-	-	(12,602)
(Increase) Decrease in prepaids	(1,604)	-	-	-	(1,604)
Increase (Decrease) in accounts payable	76,671	(175,098)	(39,534)	(2,216)	(140,177)
Increase (Decrease) in accrued liabilities	1,577	313	-	-	1,890
Increase (Decrease) in pension activity	(87,751)	(15,023)	-	-	(102,774)
Increase (Decrease) in paid time off payable	10,452	2,271	-	-	12,723
Net cash from operating activities	\$ 834,176	\$ 277,349	\$ (8,260)	\$ (2,944)	\$ 1,100,321

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:

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, 2022, of \$14,926,749 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 \$24,993, \$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 represent a consumption of net assets that applies to future periods and that deferred inflows of resources represent an acquisition of net assets that applies to future periods, 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 September 1. 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 35% 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, 2022 are as follows:

Cash on hand and on deposit:

Petty Cash	\$ 887
Cash on Deposit	441,068
PTIF Investment	<u>14,926,749</u>

Total cash and investments	<u>\$ 15,368,704</u>
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Cash and investments are included in the accompanying combined statement of net position as follows:

Cash and cash equivalents	\$ 9,214,187
Restricted cash and cash equivalents	<u>6,154,517</u>

Total cash and investments	<u>\$ 15,368,704</u>
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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, 2022, \$777,380 of the City's \$1,046,980 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, 2022, the fair value per share factor for investments in the PTIF was 1.1244.

For the year ended June 30, 2022, the City had investments of \$14,926,749 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, 2022, 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 \$	887	1	\$ 887	N/A	N/A
Cash on deposit	441,068	1	441,068	N/A	N/A
Utah State Treasurer's investment pool accounts	<u>14,926,749</u>	1.1244	<u>16,783,637</u>	N/A	64.2
Total cash on hand and deposit	<u>\$ 15,368,704</u>		<u>\$ 17,225,592</u>		

B. Interfund Transfers

The transfers among the funds for the year ended June 30, 2022, were as follows:

<u>Fund Transferring Out</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 68,000
General Fund	Transportation	415,592
General Fund	Capital Project Fund	160,000
Cemetery Perpetual Care	General Fund	27,280
Redevelopment Agency	General Fund	37,199
Redevelopment Agency	UTOPIA Capital Projects Fund	388,000
Rap Tax Fund	Misc Park Projects	497,953
Rap Tax Fund	General Fund	<u>29,292</u>
		<u>\$ 1,623,316</u>

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

C. Lessor Agreement

On May 15, 2019, the Redevelopment Agency of the City (RDA), as a lessor, renewed a lease agreement with the Davis Performing Arts Association (Association), the lessee, to rent a building to the Association to perform theatrical productions. The lease calls for an initial term of 10 years commencing May 15, 2019, with an option to extend 10 additional years ending April 15, 2039. In accordance with the provisions of GASBS No. 87, the lease was retroactively measured as of May 15, 2019 with a lease term of 20 years and an interest rate of 3%, which is approximately the rate at which the City is able to issue bonds.

Rent is payable on the 20th day of the month for the next month's rent, with monthly payments starting at \$6,837 with yearly Consumer Price Increases. The City collected \$99,173 from the Association for the year ended June 30, 2022.

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

D. Capital Assets

Capital assets activity for the year ended June 30, 2022, is as follows:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Governmental Activities:				
Capital assets, not being depreciated:				
Land and collectibles	\$ 7,718,450	\$ -	\$ -	\$ 7,718,450
Construction in progress	649,861	674,256	(705,749)	618,368
Total capital assets, not being depreciated	8,368,311	674,256	(705,749)	8,336,818
Capital assets, being depreciated:				
Buildings and improvements	18,634,387	34,025		18,668,412
Infrastructure	12,072,233	524,408		12,596,641
Machinery and equipment	6,071,287	204,546	(24,157)	6,251,676
Autos and trucks	3,439,666	231,245	(156,453)	3,514,458
Total capital assets, being depreciated	40,217,573	994,224	(180,610)	41,031,187
Less accumulated depreciation for:				
Buildings and improvements	(6,351,833)	(456,713)		(6,808,546)
Infrastructure	(2,238,522)	(269,052)		(2,507,574)
Machinery and equipment	(2,382,962)	(307,213)	24,157	(2,666,018)
Autos and trucks	(2,178,094)	(282,734)	156,453	(2,304,375)
Total accumulated depreciation	(13,151,411)	(1,315,712)	180,610	(14,286,513)
Total capital assets being depreciated, net	27,066,162	(321,488)	-	26,744,674
Governmental Activities capital assets, net	<u>\$ 35,434,473</u>	<u>\$ 352,768</u>	<u>\$ (705,749)</u>	<u>\$ 35,081,492</u>

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

Governmental Activities:	
General government	\$ 585,393
Public safety	113,433
Highways and public improvements	273,541
Parks and recreation	343,345
Total depreciation expense - governmental activities	<u>\$ 1,315,712</u>

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

D. Capital Assets (Continued)

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Business-type Activities:				
Capital assets, not being depreciated:				
Water stock and rights	\$ 48,617	\$ -	\$ -	\$ 48,617
Land	236,909	249,211	-	486,120
Construction in progress	425,259	2,330,810	(871,342)	1,884,727
Total capital assets, not being depreciated	710,785	2,580,021	(871,342)	2,419,464
Capital assets, being depreciated:				
Buildings and improvements	4,125,455		-	4,125,455
Reservoirs	984,857	-	-	984,857
Water distribution system	17,669,425	819,106	-	18,488,531
Sub-drain system	2,046,416		-	2,046,416
Storm drain system	3,746,304	158,879	-	3,905,183
Machinery and equipment	976,710	127,077	(102,989)	1,000,798
Total capital assets, being depreciated	29,549,167	1,105,062	(102,989)	30,551,240
Less accumulated depreciation for:				
Buildings and improvements	(1,214,185)	(84,296)	-	(1,298,481)
Reservoirs	(820,180)	(8,882)	-	(829,062)
Water distribution system	(5,744,853)	(358,743)	-	(6,103,596)
Sub-drain system	(593,326)	(40,928)	-	(634,254)
Storm drain system	(598,630)	(76,511)	-	(675,141)
Machinery and equipment	(798,603)	(52,437)	94,616	(756,424)
Total accumulated depreciation	(9,769,777)	(621,797)	94,616	(10,296,958)
Total capital assets being depreciated, net	19,779,390	483,265	(8,373)	20,254,282
Business-type Activities capital assets, net	\$ 20,490,175	\$ 3,063,286	\$ (879,715)	\$ 22,673,746

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

Business-type Activities:

Water	\$ 485,810
Drainage	135,987
Total depreciation expense - business-type activities	<u>\$ 621,797</u>

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

E. Long-Term Liabilities

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2022:

	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022	Due Within One Year
Governmental Activities:					
Compensated absences	612,223	470,510	(322,925)	759,808	320,000
Notes Payable	1,872,585	-	(336,585)	1,536,000	359,000
Outstanding claims	12,238	-	(10,762)	1,476	1,104
Net pension liability	651,220	-	(651,220)	-	-
Total Governmental activities long-term liabilities	<u>3,148,266</u>	<u>470,510</u>	<u>(1,321,492)</u>	<u>2,297,284</u>	<u>680,104</u>
Business-type Activities:					
Bonds payable:					
Revenue bonds	1,285,000	-	(100,000)	1,185,000	100,000
Plus: unamortized premium	137,504	-	(13,096)	124,408	-
Total bonds payable	<u>1,422,504</u>	<u>-</u>	<u>(113,096)</u>	<u>1,309,408</u>	<u>100,000</u>
Notes payable	724,438	-	(128,365)	596,073	58,117
Compensated absences	43,488	38,440	(25,716)	56,212	26,000
Net pension liability	16,517	-	(16,517)	-	-
Total Business-type activities long-term liabilities	<u>2,206,947</u>	<u>38,440</u>	<u>(283,694)</u>	<u>1,961,693</u>	<u>184,117</u>
Total long-term liabilities	<u>\$ 5,355,213</u>	<u>\$ 508,950</u>	<u>\$ (1,605,186)</u>	<u>\$ 4,258,977</u>	<u>\$ 864,221</u>

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

E. 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 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, 2022, 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, 2022</u>
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	\$ 1,185,000

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

<u>Year Ending June 30,</u>	Business-type Activities Revenue Bonds	
	<u>Principal</u>	<u>Interest</u>
2023	100,000	41,550
2024	105,000	39,050
2025	110,000	36,225
2026	110,000	33,000
2027	115,000	111,025
2028-2031	645,000	11,100
	<u>\$ 1,185,000</u>	<u>\$ 271,950</u>

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

E. 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 2022 the city paid \$99,585 in principal and \$904 in interest. Interest is calculated at the end of each year based on the PTIF rate.

During fiscal year 2022 the city entered into a note payable to fund the construction of a park. The original note was for \$1,900,000. During fiscal year 2022 the city paid \$237,000 in principal and \$44,836 in interest. 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
2023	259,000	38,485
2024	381,000	31,544
2025	405,000	21,333
2026	391,000	10,479
	<u>\$ 1,436,000</u>	<u>\$ 101,841</u>

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, 2022 are as follows:

Year Ending June 30,	Business-type Activities	
	Notes Payable	
	Principal	Interest
2023	58,117	54,497
2024	52,403	48,347
2025	52,352	42,998
2026	53,219	38,289
2027	53,836	34,054
2028-2032	290,480	102,822
2033-2037	34,872	12,568
2038-2039	794	354
	<u>\$ 596,073</u>	<u>\$ 333,929</u>

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

F. 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)

F. 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, 2022 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	16.07%	0.62%
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%	N/A
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)

F. Pensions (Continued)

For the fiscal year ended June 30, 2022, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 284,585	N/A
Contributory System	15,968	\$ 2,198
Public Safety System	373,550	-
Tier 2 Public Employees System	118,752	-
Tier 2 Public Safety and Firefighter System	71,706	-
Tier 2 DC Only System	12,059	N/A
Tier 2 DC Public Safety and Firefighter System	7,656	N/A
Total Net Pension Asset / Liability	<u>\$ 884,276</u>	<u>\$ 2,198</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, 2022, we reported a net pension asset of \$2,178,597 and a net pension liability of \$0.

System	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share 12/31/2020	Change (Decrease)
Noncontributory System	\$ 1,004,030	\$ -	0.1753119%	0.1716701%	0.0036418%
Contributory System	597,268	-	0.8250211%	1.2415378%	-0.4165167%
Public Safety System	556,374	-	0.6850696%	0.6833816%	0.0016880%
Tier 2 Public Employees System	15,819	-	0.0373759%	0.0356942%	0.0016817%
Tier 2 Public Safety and Firefighter System	5,106	-	0.1010189%	0.0799884%	0.0210305%
Total Net Pension Asset / Liability	<u>\$ 2,178,597</u>	<u>\$ -</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, 2022, we recognized pension expense of \$(316,936).

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

F. Pensions (Continued)

At June 30, 2022, 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	\$ 164,575	\$ 2,877
Changes in assumptions	212,255	13,325
Net difference between projected and actual earnings on pension plan investments	-	3,399,577
Changes in proportion and differences between contributions and proportionate share of contributions	28,655	2,371
Contributions subsequent to the measurement date	460,363	-
Total	<u>\$ 865,848</u>	<u>\$ 3,418,150</u>

\$460,363 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, 2021.

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
2022	\$ (599,543)
2023	\$ (1,051,999)
2024	\$ (828,315)
2025	\$ (559,483)
2026	\$ 3,970
Thereafter	\$ 22,705

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

F. Pensions (Continued)

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

For the year ended June 30, 2022, we recognized pension expense of \$(160,883).

At June 30, 2022, 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	\$ 105,161	\$ -
Changes in assumptions	94,232	6,481
Net difference between projected and actual earnings on pension plan investments	-	1,351,792
Changes in proportion and differences between contributions and proportionate share of contributions	8,909	1,617
Contributions subsequent to the measurement date	146,102	-
Total	<u>\$ 354,404</u>	<u>\$ 1,359,890</u>

\$146,102 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, 2021.

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
2022	\$ (218,986)
2023	\$ (381,215)
2024	\$ (326,782)
2025	\$ (224,606)
2026	\$ -
Thereafter	\$ -

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

F. Pensions (Continued)

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

For the year ended June 30, 2022, we recognized pension expense of (\$245,480).

At June 30, 2022, 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	-	489,235
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	7,984	-
Total	<u>\$ 7,984</u>	<u>\$ 489,235</u>

\$7,984 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, 2021.

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
2022	\$ (118,093)
2023	\$ (170,920)
2024	\$ (120,566)
2025	\$ (79,656)
2026	\$ -
Thereafter	\$ -

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

F. Pensions (Continued)

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

For the year ended June 30, 2022, we recognized pension expense of \$7,348.

At June 30, 2022, 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	\$ 47,354	\$ -
Changes in assumptions	97,544	5,787
Net difference between projected and actual earnings on pension plan investments	-	1,503,858
Changes in proportion and differences between contributions and proportionate share of contributions	5,800	-
Contributions subsequent to the measurement date	196,590	-
Total	<u>\$ 347,288</u>	<u>\$ 1,509,645</u>

\$196,590 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, 2021.

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
2022	\$ (251,920)
2023	\$ (486,547)
2024	\$ (371,155)
2025	\$ (249,325)
2026	\$ -
Thereafter	\$ -

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

F. Pensions (Continued)

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

For the year ended June 30, 2022, we recognized pension expense of \$55,046.

At June 30, 2022, 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	\$ 7,685	\$ 2,038
Changes in assumptions	14,750	150
Net difference between projected and actual earnings on pension plan investments	-	39,086
Changes in proportion and differences between contributions and proportionate share of contributions	10,385	-
Contributions subsequent to the measurement date	66,014	-
Total	<u>\$ 98,834</u>	<u>\$ 41,274</u>

\$66,014 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, 2021.

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
2022	\$ (7,227)
2023	\$ (9,298)
2024	\$ (6,713)
2025	\$ (3,815)
2026	\$ 3,198
Thereafter	\$ 15,400

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

F. Pensions (Continued)

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

For the year ended June 30, 2022, we recognized pension expense of \$27,033.

At June 30, 2022, 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	\$ 4,375	\$ 839
Changes in assumptions	5,729	907
Net difference between projected and actual earnings on pension plan investments	-	15,606
Changes in proportion and differences between contributions and proportionate share of contributions	3,561	754
Contributions subsequent to the measurement date	43,674	-
Total	<u>\$ 57,339</u>	<u>\$ 18,106</u>

\$43,674 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, 2021.

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
	2022	\$ (3,318)
	2023	\$ (4,019)
	2024	\$ (3,099)
	2025	\$ (2,081)
	2026	\$ 772
	Thereafter	\$ 7,305

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

F. Pensions (Continued)

Actuarial Assumptions

The total pension liability in the December 31, 2021, 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 – 9.25 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were developed from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation and age, as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

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:

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	37%	6.30%	2.43%
Debt securities	20%	-0.28%	-0.06%
Real Assets	15%	5.77%	0.87%
Private equity	12%	9.85%	1.18%
Absolute return	16%	2.91%	0.47%
Cash and cash equivalents	0%	-1.01%	0.00%
Totals	100%		4.89%
	Inflation		2.50%
	Expected arithmetic nominal return		7.39%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

F. Pensions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.85 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 was reduced from 6.95% to 6.85% from the prior measurement date.

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 6.85 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 (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Proportionate share of			
Noncontributory System	\$ 539,897	\$ (1,004,030)	\$ (2,292,136)
Contributory System	(238,294)	(597,268)	(901,497)
Public Safety System	1,372,202	(556,374)	(2,122,511)
Tier 2 Public Employees System	94,252	(15,819)	(100,331)
Tier 2 Public Safety and Firefighter System	40,961	(5,106)	(41,676)
	<u>\$ 1,809,018</u>	<u>\$ (2,178,597)</u>	<u>\$ (5,458,151)</u>

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)

G. 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 30, were as follows:

<u>System</u>	<u>Year Ended June 30,</u>	<u>Employee paid Contributions</u>	<u>Employer paid for Employee Contributions</u>
Defined Contribution System:			
401(k) Plan	2022	\$ 106,029	\$ 52,078
	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	2022	\$ 16,413	\$ -
	2021	\$ 20,371	\$ -
	2020	\$ 14,967	\$ -
	2019	\$ 9,076	\$ -
	2018	\$ 9,803	\$ -
	2017	\$ 6,206	\$ -
	2016	\$ 5,486	\$ -
	2015	\$ 2,200	\$ -
Roth IRA Plan	2022	\$ 15,238	N/A
	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)

H. 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, 2021	\$ 12,238
Claims incurred	-
Payments on claims	(10,762)
Liability at June 30, 2022	<u>\$ 1,476</u>

I. 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 3.36% with a yearly liability limit set at a maximum of \$525,089 for the coming year ended June 30, 2023. 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, 2022 totaled \$511,989. The aggregate amount paid to UTOPIA of \$5,674,434 as of June 30, 2022, 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)

I. 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, 2022, totaled \$0. The aggregate amount paid to UIA of \$221,373 as of June 30, 2022, together with accrued interest of \$22,356, was considered to be a note receivable. During fiscal year 2022 UIA paid \$124,522 to the City, which paid off the note. UIA issues annual audited financial statements which are available either from UIA or the Utah State Auditor.

J. Commitments and Contingencies

The City had \$2,567,529 of outstanding construction commitments at June 30, 2022.

K. 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, 2022:

Tax increment collected for each project area

Parish Lane	\$ 1,115,893
Legacy Crossing	317,104
Barnard Creek	225,197
	\$ 1,658,194

Amounts expended for:

Administrative costs	\$ 330,202
Tax increment paid to other entities	282,644
Total amounts expended by RDA	\$ 612,846

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, 2022
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%
	2022	0.1753119%	0.8250211%	0.6850696%	0.0373759%	0.1010189%
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
	2022	\$ (1,004,030)	\$ (597,268)	\$ (556,374)	\$ (15,819)	\$ (5,106)
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
	2022	\$ 1,491,164	\$ 121,180	\$ 1,042,004	\$ 693,723	\$ 241,576
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%
	2022	-67.33%	-492.88%	-53.39%	-2.28%	-2.11%
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%
	2022	108.7%	115.9%	104.2%	103.8%	102.8%

* 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, 2022
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%
	2022	\$ 284,585	\$ 284,585	\$ -	\$ 1,555,769	18.29%
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%
	2022	\$ 15,968	\$ 15,968	\$ -	\$ 110,430	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%
	2022	\$ 373,550	\$ 373,550	\$ -	\$ 1,097,386	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	\$ -	\$ 634,335	15.80%
	2022	\$ 118,752	\$ 118,752	\$ -	\$ 740,162	16.04%
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%
	2022	\$ 71,706	\$ 71,706	\$ -	\$ 279,390	25.67%
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%
	2022	\$ 12,059	\$ 12,059	\$ -	\$ 180,634	6.68%
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%
	2022	\$ 7,656	\$ 7,656	\$ -	\$ 64,713	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, 2022

Changes in Assumptions:

The investment return assumption was decreased by 0.10% to 6.85% for use in the January 1, 2021 actuarial valuation. This assumption change was based on analysis performed by the actuary and adopted by the Utah State Retirement Board. In aggregate, this assumption change resulted in a \$509 million increase in the Total Pension Liability, which is about 1.3% of the Total Pension Liability of as December 31, 2020 for all systems combined. The demographic assumptions were reviewed and updated in the January 1, 2020 actuarial valuation and are currently scheduled to be reviewed in the year 2023.

SUPPLEMENTAL INFORMATION

Centerville City Corporation
COMBINING BALANCE SHEET – NONMAJOR
GOVERNMENTAL FUNDS
June 30, 2022

	Special Revenue Funds						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	\$ 22,890	\$ 35,138	\$ 61,896	\$ 43,117	\$ 1,868,837	\$ 3,838
Receivable - intergovernmental	-	-	101,118	-	-	-	-
Restricted cash and cash equivalents	-	-	332,671	37,700	-	-	-
Total Assets	\$ 1,207	\$ 22,890	\$ 468,927	\$ 99,596	\$ 43,117	\$ 1,868,837	\$ 3,838
Liabilities:							
Accounts payable	\$ -	\$ 6,800	\$ 7,560	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	3,932	-	-	-	-	-
Total Liabilities	-	10,732	7,560	-	-	-	-
Fund Balances:							
Nonspendable, in the form of:							
Permanently restricted cemetery	-	-	-	37,700	-	-	-
Restricted for:							
Future development	-	-	461,367	-	-	-	-
Cemetery	-	-	-	61,896	-	-	-
Assigned, reported in:							
Special revenue funds	1,207	12,158	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	3,838
Capital project funds	-	-	-	-	43,117	1,868,837	-
Total Fund Balances	1,207	12,158	461,367	99,596	43,117	1,868,837	3,838
Total Liabilities and Fund Balances	\$ 1,207	\$ 22,890	\$ 468,927	\$ 99,596	\$ 43,117	\$ 1,868,837	\$ 3,838

Centerville City Corporation
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – NONMAJOR
GOVERNMENTAL FUNDS
For The Year Ended June 30, 2022

	Special Revenue Funds						Arts Center	Total
	Municipal Building Authority	Recreation	R.A.P. Tax	Cemetery Perpetual Care	Utopia Capital Projects Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds
Revenues:								
Taxes	\$ -	\$ -	\$ 583,792	\$ -	\$ -	\$ -	\$ -	\$ 583,792
Charges for services	-	73,090	-	38,900	-	-	-	111,990
Interest	-	-	4,385	203	-	8,837	-	13,425
Miscellaneous	-	19,727	-	-	124,522	-	-	144,249
Total Revenues	-	92,817	588,177	39,103	124,522	8,837	-	853,456
Expenditures:								
Current:								
General government	-	-	-	-	511,989	-	-	511,989
Parks and recreation	-	179,182	-	-	-	-	-	179,182
Community development	-	-	29,291	-	-	-	-	29,291
Total Expenditures	-	179,182	29,291	-	511,989	-	-	720,462
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(86,365)	558,886	39,103	(387,467)	8,837	-	132,994
Other Financing Sources (Uses):								
Transfers in	-	68,000	-	-	388,000	160,000	-	616,000
Transfers out	-	-	(527,245)	(27,280)	-	-	-	(554,525)
Total Other Financing Sources (Uses)	-	68,000	(527,245)	(27,280)	388,000	160,000	-	61,475
Net Change in Fund Balances	-	(18,365)	31,641	11,823	533	168,837	-	194,469
Fund Balances, Beginning	1,207	30,523	429,726	87,773	42,584	1,700,000	3,838	2,295,651
Fund Balances, Ending	\$ 1,207	\$ 12,158	\$ 461,367	\$ 99,596	\$ 43,117	\$ 1,868,837	\$ 3,838	\$ 2,490,120

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2022

	<u>Municipal Building Authority Special Revenue Fund</u>			
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>-</u>	<u><u>\$ -</u></u>
Fund Balances, Beginning			<u>1,207</u>	
Fund Balances, Ending			<u><u>\$ 1,207</u></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, 2022

	Recreation Special Revenue Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Charges for services	\$ 130,875	\$ 130,875	\$ 73,090	\$ (57,785)
Miscellaneous	21,050	28,450	19,727	(8,723)
Total Revenues	<u>151,925</u>	<u>159,325</u>	<u>92,817</u>	<u>(66,508)</u>
Expenditures:				
Current:				
Parks and recreation	192,925	227,325	179,182	48,143
Capital outlay	-	-	-	-
Total Expenditures	<u>192,925</u>	<u>227,325</u>	<u>179,182</u>	<u>48,143</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(41,000)</u>	<u>(68,000)</u>	<u>(86,365)</u>	<u>(18,365)</u>
Other Financing Sources (Uses):				
Transfers in	41,000	68,000	68,000	-
Total Other Financing Sources				
(Uses)	<u>41,000</u>	<u>68,000</u>	<u>68,000</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>(18,365)</u>	<u>\$ (18,365)</u>
Fund Balances, Beginning			<u>30,523</u>	
Fund Balances, Ending			<u>\$ 12,158</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, 2022

	R.A.P. Tax Special Revenue Fund			
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 485,000	\$ 585,000	\$ 583,792	\$ (1,208)
Interest	11,000	11,000	4,385	(6,615)
Total Revenues	<u>496,000</u>	<u>596,000</u>	<u>588,177</u>	<u>(7,823)</u>
Expenditures:				
Parks and recreation	24,250	29,250	-	29,250
Community development	24,250	29,250	29,291	(41)
Total Expenditures	<u>48,500</u>	<u>58,500</u>	<u>29,291</u>	<u>29,209</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>447,500</u>	<u>537,500</u>	<u>558,886</u>	<u>21,386</u>
Other Financing Sources (Uses):				
Transfers out	<u>(447,500)</u>	<u>(537,500)</u>	<u>(527,245)</u>	<u>10,255</u>
Total Other Financing Sources (Uses)	<u>(447,500)</u>	<u>(537,500)</u>	<u>(527,245)</u>	<u>10,255</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>31,641</u>	<u>\$ 31,641</u>
Fund Balances, Beginning			<u>429,726</u>	
Fund Balances, Ending			<u>\$ 461,367</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, 2022

	Cemetery Perpetual Care Special Revenue Fund			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues:				
Charges for services	\$ 33,000	\$ 33,000	\$ 38,900	\$ 5,900
Interest	1,100	1,100	203	(897)
Total Revenues	<u>34,100</u>	<u>34,100</u>	<u>39,103</u>	<u>5,003</u>
Expenditures:				
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>34,100</u>	<u>34,100</u>	<u>39,103</u>	<u>5,003</u>
Other Financing Sources (Uses):				
Transfers out	<u>(34,160)</u>	<u>(34,160)</u>	<u>(27,280)</u>	<u>(6,880)</u>
Total Other Financing Sources (Uses)	<u>(34,160)</u>	<u>(34,160)</u>	<u>(27,280)</u>	<u>(6,880)</u>
Net Change in Fund Balances	<u>\$ (60)</u>	<u>\$ (60)</u>	<u>11,823</u>	<u>\$ 11,883</u>
Fund Balances, Beginning			<u>87,773</u>	
Fund Balances, Ending			<u>\$ 99,596</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, 2022

	UTOPIA Capital Projects Fund			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues:				
Intergovernmental	\$ 123,137	\$ 123,137	\$ 124,522	\$ 1,385
Total Revenues	<u>123,137</u>	<u>123,137</u>	<u>124,522</u>	<u>1,385</u>
Expenditures:				
Current:				
General Government	<u>511,137</u>	<u>511,137</u>	<u>511,989</u>	<u>(852)</u>
Total Expenditures	<u>511,137</u>	<u>511,137</u>	<u>511,989</u>	<u>(852)</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(388,000)</u>	<u>(388,000)</u>	<u>(387,467)</u>	<u>533</u>
Other Financing Sources:				
Transfers in	<u>388,000</u>	<u>388,000</u>	<u>388,000</u>	<u>-</u>
Total Other Financing Sources	<u>388,000</u>	<u>388,000</u>	<u>388,000</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>533</u>	<u>\$ 533</u>
Fund Balances, Beginning			42,584	
Prior Period Adjustment			<u>-</u>	
Fund Balances, Ending			<u>\$ 43,117</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, 2022

	Capital Project Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Interest	\$ -	\$ -	\$ 8,837	\$ -
Total Revenues	-	-	8,837	-
Expenditures:	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	8,837	-
Other Financing Sources (Uses):				
Transfers in	-	-	160,000	-
Total Other Financing Sources	-	-	160,000	-
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	168,837	<u>\$ 168,837</u>
Fund Balances, Beginning			<u>1,700,000</u>	
Fund Balances, Ending			<u>\$ 1,868,837</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, 2022

	Arts Center Debt Service Fund			
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balances, Beginning			<u>3,838</u>	
Fund Balances, Ending			<u>\$ 3,838</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, 2022

	Park Improvements Capital Projects Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Fees and contributions	\$ 40,000	\$ 40,000	\$ 203,699	\$ 163,699
Interest	4,600	4,600	2,287	(2,313)
Total Revenues	<u>44,600</u>	<u>44,600</u>	<u>205,986</u>	<u>161,386</u>
Expenditures:				
Current:				
Parks and recreation	-	-	1,890	-
Debt service:				
Principal	107,000	107,000	336,585	(229,585.00)
Interest	-	-	45,741	(45,741)
Capital outlay	385,100	486,884	17,689	469,195
Total Expenditures	<u>492,100</u>	<u>593,884</u>	<u>401,905</u>	<u>193,869</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(447,500)</u>	<u>(549,284)</u>	<u>(195,919)</u>	<u>355,255</u>
Other Financing Sources (Uses):				
Proceeds from issuance of bonds	-	-	-	-
Transfers in	(447,500)	532,500	497,953	(34,547)
Total Other Financing Sources (Uses)	<u>(447,500)</u>	<u>532,500</u>	<u>497,953</u>	<u>(34,547)</u>
Net Change in Fund Balances	<u>\$ (895,000)</u>	<u>\$ (16,784)</u>	<u>302,034</u>	<u>\$ (318,818)</u>
Fund Balances, Beginning			<u>207,814</u>	
Fund Balances, Ending			<u>\$ 509,848</u>	

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.

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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.	87
Revenue Capacity These schedules present information to help the reader assess the City's most significant local revenue sources: sales taxes and property taxes.	93
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.	101
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.	106
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.	109

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>Governmental activities</u>										
Net Investment in capital assets	\$ 25,095,634	\$ 25,687,835	\$ 27,336,533	\$ 29,190,440	\$ 29,216,798	\$ 29,562,326	\$29,932,675	\$31,273,032	\$34,190,444	\$33,545,492
Restricted	15,654	19,684	17,317	438,816	1,458,012	1,911,418	2,185,224	1,966,058	1,505,287	1,918,919
Unrestricted	1,560,205	1,429,287	(667,257)	(1,072,448)	(1,237,374)	(639,320)	(517,244)	1,110,396	2,912,016	7,030,709
Total governmental activities net assets	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	42,495,120
<u>Business-type activities</u>										
Net Investment in capital assets	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	21,364,337
Restricted	1,360,662	999,330	203,884	512,047	39,750	302,097	272,451	14,800	178,488	178,488
Unrestricted	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	2,624,363
Total business-type activities net assets	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	24,167,188
<u>Primary government</u>										
Net Investment in capital assets	37,300,030	38,591,421	43,810,793	44,672,518	44,672,518	45,772,864	46,698,834	49,154,712	53,258,115	54,909,829
Restricted	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	2,097,407
Unrestricted	2,711,244	1,419,853	(1,104,918)	(65,533)	(65,533)	1,271,927	1,996,472	3,669,407	4,993,746	9,655,072
Total primary government net assets	<u>\$ 41,387,590</u>	<u>\$ 41,030,288</u>	<u>\$ 42,927,076</u>	<u>\$ 46,104,747</u>	<u>\$ 46,104,747</u>	<u>\$ 49,258,306</u>	<u>\$51,152,981</u>	<u>\$54,804,977</u>	<u>\$59,935,636</u>	<u>\$66,662,308</u>

Centerville City Corporation

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
<u>Governmental activities</u>										
General government	\$ 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	\$ 1,181,116
Public Safety	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	3,989,082
Streets and Public Works	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	2,237,911
Parks & Recreation	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	1,619,816
Community Development	660,840	539,894	618,065	1,096,021	1,051,553	896,199	862,105	1,073,253	1,209,624	993,145
Interest on long-term debt	312,167	259,327	213,694	98,142	45,112	36,254	31,130	56,759	29,500	45,835
Total governmental activities	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	10,066,905
<u>Business-type activities</u>										
Water	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	2,401,741
Sanitation	906,971	979,738	956,890	703,201	965,638	772,744	884,763	914,824	1,246,667	1,181,295
Storm Drain	629,638	611,098	760,994	973,114	704,313	938,757	999,113	1,153,938	1,210,979	1,026,831
Telecom	260,540	424,108	283,566	314,130	302,954	267,175	232,809	233,618	219,099	180,016
Total business-type activities	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	4,789,883
Total primary government expenses	\$ 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	\$14,856,788
Program Revenues										
<u>Governmental activities</u>										
Charges for services										
General government	\$ 1,521,453	\$ 1,529,410	\$ 1,623,948	\$ 1,158,121	\$ 871,295	\$ 845,943	\$ 918,781	\$ 770,735	\$ 712,989	\$ 1,075,188
Streets and Public Works	16,388	11,477	5,085	-	-	-	-	-	-	-
Parks & Recreation	112,607	118,300	121,278	249,057	251,100	282,157	243,378	112,507	98,155	191,982
Community Development	350,406	333,252	241,315	-	-	-	-	38,936	27,660	56,720
Operating grants and contributions	-	-	-	2,304,830.00	1,599,141	1,922,569	1,994,828	2,960,661	3,623,041	2,462,103
Capital grants and contributions	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	3,842,033	4,259,675	4,864,502	4,826,775	3,479,143	3,100,402	3,185,307	4,498,584	4,474,563	3,785,993

Centerville City Corporation

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>Business-type activities</u>										
Charges for services										
Water	\$ 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	2,751,937
Sanitation	880,454	942,296	955,657	1,237,116	1,005,896	1,258,271	1,035,790	1,263,911	1,201,561	1,215,388
Storm Drain	564,987	576,486	586,157	976,007	1,251,125	1,005,378	1,262,686	1,185,607	1,358,753	1,354,602
Telecom	260,676.00	256,247	282,767	295,261	300,671	270,333	232,531	233,863	218,893	178,159
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	2,040,551
Total business-type activities primary revenues	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	7,540,637
Total primary government program revenues	\$ 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	\$11,326,630
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (6,280,912)
Business-type activities	552,604	356,793	421,617	813,341	1,142,532	1,740,330	1,085,291	861,840	863,021	2,750,754
Total primary government net (expense)/revenue	\$ (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)	\$ (3,530,158)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property Tax and Uniform Fees	\$ 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	\$ 2,125,678
Franchise, Telecommunication & Energy Sales Taxes	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	1,012,375
General & Highway Sales Tax	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	6,204,562
Gain on Sale of Capital Assets	-	-	-	64,331	-	-	70,605	14,072	170,105	76,917
Other	66,662	224,224	98,392	437,570	551,487	485,950	571,867	563,555	901,287	748,753
Contribution	-	-	-	-	-	-	-	-	63,224	-
Transfers	-	(163,400)	(20,840)	(16,309)	(230,590)	(90,957)	-	-	-	-
Total governmental activities	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	10,168,285
Business-type activities										
Other	24,421.00	7,784	4,632	7,649	4,945	15,139	43,241	41,237	9,377	9,347
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	79,198
Transfers	-	163,400	20,840	16,309	177,385	1,102	-	-	-	-
Total business-type activities	24,421	171,184	25,472	23,958	182,330	16,241	43,241	41,237	9,377	88,545
Total primary government	\$ 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	\$10,256,830
Change in Net Position										
Governmental activities	\$ 1,258,028	\$ 465,313	\$ 1,173,904	\$ 2,164,212	\$ 773,844	\$ 1,396,988	\$ 766,231	\$ 2,707,890	\$ 4,258,261	\$ 3,887,373
Business-type activities	577,025	527,977	447,089	837,299	1,324,862	1,756,571	1,128,532	903,077	872,398	2,839,299
Total primary government	\$ 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	\$ 6,726,672

Centerville City Corporation

Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>General Fund</u>										
Nonspendable	\$ 124,589	\$ 7,064	\$ -	\$ 32,859	\$ 15,491	\$ 10,874	\$ 45,586	\$ 51,129	\$ 40,833	\$ 348,610
Restricted	-	-	-	139,993	22,901	20,275	37,225	49,506	51,357	65,878
Unassigned	1,556,947	1,317,015	831,617	619,427	615,562	1,125,445	1,313,758	2,087,657	2,028,449	3,457,462
Total general fund	1,681,536	1,324,079	831,617	792,279	653,954	1,156,594	1,396,569	2,188,292	2,120,639	3,871,950
<u>All Other Governmental Funds</u>										
Nonspendable	-	-	-	-	37,700.00	37,700	37,700	79,460	37,700	37,700
Restricted	15,654	19,684	17,317	298,823	1,397,408	1,853,443	2,110,299	1,878,852	1,416,230	1,815,341
Assigned reported in:										
Special revenue funds	23,295	52,936	53,031	64,119	270,417	5,523	8,746	11,063	31,730	13,365
Capital project funds	423,941	483,408	312,484	332,964	67,889	415,595	415,596	833,980	3,035,123	3,334,014
Debt Service Funds	-	44,828	15,850	15,362	-	-	496	1,096	3,838	3,838
Redevelopment Agency Fund	-	260,978	342,835	50,540	86,921	92,287	216,927	470,021	396,690	1,030,492
Unassigned reported in:										
Special revenue funds	-	-	-	(7,909)	-	-	-	-	-	-
Total all other governmental funds	462,890	861,834	741,517	753,899	1,860,335	2,404,548	2,789,764	3,274,472	4,921,311	6,234,750
Total governmental funds	<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>	<u>\$ 10,106,700</u>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>Revenues</u>										
Taxes	\$ 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	\$ 9,926,407
Special Assessments	16,388	11,477	5,085	-	-	-	-	-	-	-
Licenses & Permits	350,406	333,252	241,315	525,878	278,579	251,569	337,507	279,367	292,952	561,984
Intergovernmental	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	2,258,404
Charges for Services	484,300	481,387	392,158	411,520	384,320	332,398	412,959	222,683	222,627	364,573
Charges for Services - Other Funds	686,000	698,000	859,500	-	-	-	-	-	-	-
Fee & Contributions	-	-	-	480,252	80,223	95,200	59,013	653,208	81,054	203,699
Fines & Forfeitures	463,760	468,323	493,568	444,658	440,062	473,817	395,121	378,619	285,724	328,386
Interest	22,242	17,628	10,017	13,284	21,924	40,808	83,561	60,426	22,495	47,563
Miscellaneous	44,420	611,366	127,654	91,459	188,223	115,055	98,035	99,704	395,449	252,129
Total revenues	10,015,906	10,882,972	10,674,703	11,378,672	10,514,266	10,900,347	11,085,190	12,538,593	13,837,999	13,943,145
<u>Expenditures</u>										
General government	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	1,384,542
Public Safety	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	4,224,079
Street & Public Works	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	1,649,456
Community Development	648,840	516,534	595,600	917,359	1,030,543	896,594	853,202	974,567	1,206,209	988,482
Parks & Recreation	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	1,363,698
Capital Outlay	23,778	16,170	39,132	2,048,150	1,026,800	1,247,483	708,318	3,569,674	2,440,388	962,730
Debt Service										
Principal retirement	1,335,000	1,382,948	1,461,972	1,552,812	538,626	554,476	630,000	660,000	887,415	336,585
Interest and fiscal charges	321,947	267,235	221,602	147,140	97,230	79,056	72,834	100,569	72,779	45,741
Contractual Payments (UTOPIA)	428,410	436,978	445,718	-	-	-	-	-	-	-
Total expenditures	9,729,305	10,710,537	11,239,980	11,232,397	9,441,297	10,262,537	10,416,457	13,157,261	12,459,043	10,955,313
Excess (deficiency) of revenues over (under) expenditures	286,601	172,435	(565,277)	146,275	1,072,969	637,810	668,733	(618,668)	1,378,956	2,987,832

Centerville City Corporation

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other Financing Sources (Uses)										
Notes payable issued	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ 1,900,000	\$ -	\$ -
Transfers in	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	1,623,316
Transfers out	(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)	(1,623,316)
Sale of capital assets	4,766	55,812	6,148	77,549	778	-	20,873	20,410	174,331	76,917
Contribution	-	-	-	-	-	-	-	-	25,899	-
Total other financing sources (uses)	(7,234)	(130,948)	(47,502)	61,240	(229,812)	409,043	(43,542)	1,854,157	200,230	76,917
Net change in fund balances	<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>	<u>\$ 3,064,749</u>
Fund Balance Beginning of Year, restated	<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>	<u>\$ 7,041,950</u>
Fund Balance End of Year	<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>	<u>\$ 10,106,699</u>
Debt service as a percentage of noncapital expenditures	17.07%	15.43%	15.03%	18.51%	7.56%	7.03%	7.24%	7.93%	9.58%	3.83%

Centerville City Corporation

Governmental Activities Taxes and Special Assessment Revenues Last Ten Fiscal Years

Fiscal Year	Property & Uniform Vehicle Taxes	Sales & Use Taxes	Highway Taxes	Franchise, Telecomm & Energy Taxes	Special Assessments	Recreation & Parks Tax	Transportation Tax (Prop 1)	Total Tax Revenue
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
2022	1,897,217	5,690,911	697,008	1,012,375		583,792	513,651	10,394,954

(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
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 %
2022	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	Sales Taxes*	Fiscal Year 2022		Sales Taxes*	Fiscal Year 2013	
		Rank	Percentage of Total Sales*		Rank	Percentage of Total Sales*
Colonial Building Supply	N/A	1	N/A	N/A	3	N/A
Walmart Supercenter	N/A	2	N/A	N/A	1	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
ACC Auto Sales	N/A	5	N/A	N/A		N/A
Amazon Marketplace	N/A	6	N/A	N/A		N/A
Dicks Market	N/A	7	N/A	N/A	5	N/A
Intermountain Business Form	N/A	8	N/A	N/A	7	N/A
York Automotive	N/A	9	N/A	N/A		N/A
USTC Motor Vehicle	N/A	10	N/A	N/A		N/A
Total	\$ 3,937,276		59%	\$ 2,205,058		59%

* 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	Real Property		Personal Property		Total		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		
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
2021	1,582,796	2,567,539	50,269	50,403	\$ 1,633,065	\$ 2,617,942	62.38%	1.188500

Sources: Utah State Tax Commission

Centerville City Corporation

Property Tax Levies and Collections Last Ten Calendar Years

Calendar Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collection	Subsequent Collections	Total Tax Collections	Total Collections as Percent of Levy
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>
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
2021	0.119700	0.143500	0.764200	0.161100	1.188500

Source: Utah State Tax Commission

Principal Taxpayers
Current Year and Ten Years Ago

Taxpayer	Tax Year 2021			
	Rank	Type of Business	Taxable Value	Percent of Total
		Business		Taxable Value
Legacy Crossing LLC, (Theatre & Apartments LLC)	1	Entertainment/Housing	32,939,960	2.33%
J & S Purpura Ventures LLC-MTC	2	Commercial Real Estate	25,313,889	1.79%
Pacificorp	3	Electrical Utility	23,379,765	1.65%
Park at Legacy Trails	4	Housing	18,976,102	1.34%
Wal-Mart Real Estate Business Trust	5	Retail	16,295,198	1.15%
Legacy Office Building LLC and JF LOB II LLC	6	Office	13,300,024	0.94%
Dayton Hudson Coporation (Target)	7	Retail	13,220,080	0.93%
Legacy Office Building LLC	8	Office	11,231,697	0.79%
Centerville Market Place LLC	9	Retail	10,876,393	0.77%
Rimini Properties LLC	10	Retail	10,096,992	0.71%
		Total	175,630,100	12.42%

Taxpayer	Tax Year 2012			
	Rank	Type of Business	Taxable Value	Percent of Total
		Business		Taxable Value
Pacificorp	1	Electric Utility	20,253,669	2.15%
Walmart	2	Retail	18,489,057	1.97%
Legacy Crossing	3	Commercial Real Estate	17,254,883	1.83%
Dayton West LLC	4	Commercial Real Estate	14,875,382	1.58%
Target	5	Retail	10,553,182	1.12%
Centerville Marketplace LLC	6	Retail	9,180,000	0.98%
HD Development of Maryland Inc.	7	Retail	7,816,182	0.83%
SDCKP LLC	8	Retail	6,648,054	0.69%
JGNK Investments	9	Commercial Real Estate	6,350,000	0.68%
Syro Steel	10	Manufacturing	5,590,151	0.59%
		Total	117,010,560	12.42%

Source: Davis County Clerk/Auditors Office

Centerville City Corporation

Property Value and Construction Last Ten Calendar Years

Calendar Year	Non-residential		Residential		Total New Construction Value	Estimated Total Property Value
	Construction No. of Units	Value	Construction No. of Units	Value		
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
2021	24	8,776,444	40	9,179,970	17,956,414	1,257,752,446

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:				
	MBA Lease Revenue Bonds	Sales Tax Revenue Bonds	Notes Payable	Notes Payable	Notes Payable	Capital Lease	Water Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
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
2022	-	-	100,000	1,436,000	596,073	-	1,309,409	3,441,482	0.51 %	85.43

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	\$ 8,490,000	5.00 %	\$ 424,500
Davis School District	504,010,000	5.00 %	25,200,500
Weber Basin Water Conservancy	10,095,000	0.24 %	24,228
State of Utah	2,512,925,000	0.56 %	14,072,380
South Davis Recreation District	5,890,000	15.77 %	928,853
Other Debt - Davis County			
Sales Tax Revenue Bonds	28,445,000	11.23 %	3,194,374
MBA lease revenue bonds	20,100,000	5.00 %	1,005,000
Total Overlapping Debt	<u>3,089,955,000</u>		<u>44,849,835</u>
Direct Debt - Centerville City			
Notes Payable	\$ 1,872,585	100.00 %	1,872,585
	<u>\$ 1,872,585</u>		<u>1,872,585</u>
Total direct and overlapping debt	<u>\$ 3,091,827,585</u>		<u>\$ 46,722,420</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 taxpayer 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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 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	\$ 67,578,892
Total debt applicable to limit (1)	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>	<u>\$ 67,578,892</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 2022

Assessed Value	\$	1,689,472,307
Debt limit (4% of assessed value)		67,578,892
Debt applicable to limit		-
Legal debt margin	<u>\$</u>	<u>67,578,892</u>

Centerville City Corporation

Pledged Revenue Bond Coverage

Last Ten Years

Sales Tax Revenue Bonds series 2009

Fiscal Year	Sales & Use Tax Revenue	Debt Service Requirements			Coverage
		Principal	Interest & Fiscal	Total	
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
2022	5,690,911	-	-	-	-

Centerville City Corporation

Pledged Revenue Bond Coverage (Continued)

Last Ten Fiscal Years

Water Revenue Bonds

Fiscal Year	Operating Revenue	Operating Transfers	Operating Expenses Less Depreciation	Net Available Revenue	Principal	Interest	Total	Coverage
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
2022	4,106,540	-	(2,776,431)	1,330,108	100,000	41,550	\$ 141,550	9.40

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

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

Centerville City Corporation

Demographic and Economic Statistics

Calendar Year	Population (1)	Per Capita Income (1)	Personal Income (2)	Unemployment Rate (3)	Median Age (1)	Average Size of Household (1)
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
2021	16,785	40,284	676,166,940	2.3	38.5	2.95

(1) United States Census Bureau

(2) U.S. Department of Commerce

(3) Utah Department of Workforce Services

Centerville City Corporation

Principal Employers

Current Year and Ten Years Ago

Employer	2022			2012		
	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	2	General Merchandise
Target	250-499	3	General Merchandise	100-249	3	General Merchandise
Management & Training Corp	100-249	4	Job Training Services	500-999	1	Job Training Services
Deseret Industries	100-249	5	Retail Trade	100-249	5	Retail Trade
The Home Depot	100-249	6	General Merchandise	100-249	7	General Merchandise
Dicks Market	100-249	7	Grocery Store	100-249	4	Grocery Store
Colonial Building Supply	100-249	8	General Merchandise	NA		Restaurant
Kohl's	100-249	9	General Merchandise	NA		General Merchandise
InterForm	50-99	10	General Merchandise	NA		General Merchandise

Source: Community Development Business License Database

Centerville City Corporation

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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government										
Administration	4	4	4	4	3	3	3	3	5	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	2.50	2.50	3.00	3.00	3.00	2.50
Total General Government	11.00	11.00	11.00	11.00	9.50	9.50	10.00	10.00	12.00	11.50
Police	25	25	25	26	29.0	30.0	31.0	31.0	30.0	30.0
Community Development	3	3	3	3	3	3	3	3	3	3
Public Works										
Administration	4	4	4	4	4	4	4	5	4	4
Streets	4	4	4	4	4	4	4	4	5	5
Water	5.5	5.5	5.5	5.5	6.5	6.5	6.5	5.5	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	15.5	15.5	15.5	15.5	15.5	15.5
Parks & Recreation										
Parks	9.5	9.5	9.5	9.5	9.5	10.8	10.8	10.0	10.0	10.0
Recreation	6.5	6.5	6.5	6.5	6.5	5.5	5.0	2.0	1.0	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	13.25	12.25	12.25
Total Primary Government	70.75	70.75	70.75	71.25	74.25	75.25	76.75	72.75	72.75	72.25

Sources: Centerville City Payroll

Centerville City Corporation

General Fund Expenditures by Function
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Works	Community Development	Parks & Recreation	Total
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	426,634	3,568,717	1,152,413	354,522	1,027,406	\$ 6,529,692
2019	450,344	3,637,565	1,402,839	346,137	1,052,312	\$ 6,889,197
2020	1,204,000	3,556,588	787,460	321,927	943,442	\$ 6,813,417
2021	1,498,453	4,091,178	910,317	353,299	1,163,170	\$ 8,016,417
2022	872,553	4,280,227	833,648	346,345	1,335,657	\$ 7,668,430

Centerville City Corporation

Operating Indicators by Function Last Ten Fiscal Years

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Community development										
Single Dwelling permits	40	16	7	27	24	15	17	34	25	23
Double Dwelling permits	40	23	-	1	29	19	-	-	-	50
Multi-family Dwelling permits	1	-	-	4	72	-	-	-	-	-
Commercial permits	15	16	36	27	23	17	7	31	24	25
Demolition permits	2	3	5	4	2	3	-	2	8	7
Permit process time	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	3-5 days
Parks, Recreation and Trails										
Developed Acreage	88	88	88	88	88	93	93	93	93	93
Undeveloped Acreage	35	35	35	35	35	30	30	30	31	31
Youth in Recreation Programs	2,374	2,150	2,476	2,153	2,339	2,193	2,258	82	234	695
Police Services										
Expenditures per officer	136,302	143,876	132,710	141,519	139,561	143,882	126,722	146,571	148,665	155,015
Average response time (minutes)	3.45	1.20	n/a	3	4.04	4.12	4.10	n/a	n/a	n/a
Police reports per officer	138	145	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Water										
Gallons billed	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	353,357,000
Residential connections	4,211	4,275	4,468	4,492	4,580	4,633	4,621	4,630	4,664	4,737
Other connections	467	483	501	502	246	272	268	294	344	347
Taxes										
Taxable sales per capita (local option)	22,930	22,851	23,650	24,776	26,879	28,122	28,919	31,481	37,230	41,801
Sales tax revenue per capita (local option)	\$197.30	\$200.65	\$208.66	\$219.09	\$237.69	\$248.68	\$255.73	\$278.38	\$329.22	\$369.65
Property tax revenue per capita (non RDA)	\$60.82	\$59.97	\$56.60	\$59.07	\$72.14	\$93.78	\$91.73	\$91.34	\$96.17	\$113.03
Franchise tax per capita	\$64.05	\$68.83	\$67.33	\$67.64	\$65.18	\$62.25	\$57.66	\$57.82	\$58.63	\$60.31
Total tax revenues per capita	\$232.91	\$360.59	\$375.07	\$383.50	\$457.38	\$404.71	\$405.12	\$427.54	\$461.94	\$542.99
General Fund revenues per capita	\$473.93	\$483.80	\$489.22	\$459.17	\$404.57	\$438.96	\$444.23	\$468.43	\$567.40	\$589.37
General Fund expenditures per capita	\$438.36	\$463.25	\$478.71	\$437.92	\$392.21	\$377.74	\$389.22	\$358.17	\$455.81	\$434.77
Capital improvement expenditures per capita	\$112.52	\$95.06	\$31.32	\$121.36	\$59.40	\$70.65	\$40.02	\$202.97	\$138.76	\$22.09

Sources: Centerville City

Centerville City Corporation

Capital Asset Statistics by Function Last Ten Fiscal Years

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Population Estimate (1)	16,203	16,624	16,849	16,877	17,286	17,657	17,700	17,587	16,884	16,785
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	65	67	67	67	68	68	68	
Number of Street Lights	733	741	753	753	753	753	753	762	764	764
Public Works Office, Maintenance, Storage	2	2	2	2	2	2	2	2	3	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	18	18	18	19	20	21	20	20
Municipal Water										
Number of Customers	4,699	4,758	4,763	4,763	4,826	4,821	4,889	4,889	4,923	4,987
Miles of Water Mains	78	78	80	81	81	82	82	82	82	83
Number of Culinary Water Wells	8	9	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	4,152	4,196	4,239	4,239	4,286	4,385	4,319	4,319	4,266	4,272
Number of recycling customers	3,582	3,674	3,701	3,771	3,793	3,892	3,862	3,862	3,857	3,869
Number of green waste customers	1,075	1,118	1,230	1,255	1,248	1,303	1,291	1,291	1,348	1,343
Building Permits Issued (new construction, includes remodel)	96	74	216	240	122	47	87	65	57	105
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	8	8	9	9	9
Tennis Courts	4	4	4	4	4	4	4	3	3	3
Pickleball Courts	-	-	-	-	-	-	-	2	2	2
Basketball Courts	1	1	1	1	1	1	1	1	1	1
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, 2022, 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 11, 2022.

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 11, 2022

**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, 2022.

General state compliance requirements were tested for the year ended June 30, 2022 in the following areas:

Budgetary Compliance
Fund Balance
Justice Courts

Restricted Taxes and Related Revenues
Fraud Risk Assessment
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 Compliance

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, 2022.

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 11, 2022



AUDIT COMMITTEE

Staff Report

11/22/2022

Item No. 2.

Title: Audit Commitment Renewal

Initiated By: Nate Plaizier, Finance Director

Staff Representative: Nate Plaizier, Finance Director

SUBJECT:

Discuss the audit commitment renewal contract as proposed by Larsen & Company, PC.

RECOMMENDATION:

Staff recommends extending the audit services contract with Larsen & Co. through FY 2028.

BACKGROUND:

Larsen & Company, PC has served as the City's independent auditors for the past 3 fiscal years. The final year of the City's contract with Larsen & Co. ended this year, with the audit of the FY 2022 financial statements. The City now has the option to extend our audit contract with Larsen & Co., or submit an RFP and go out for bid.

For fiscal years 2020 - 2022, the City has paid between \$16,500 and \$17,500. There has also been a fee of \$4,000 for a Federal Single Audit, when required. (FY 2021 is the only year the City has required a Single Audit.)

Jon Haderlie, Partner with Larsen & Co., has provided a proposal to extend the independent audit services through FY 2028. Fees for this service start at \$21,900 in FY 2023, with annual increases of about 3.5%. The cost of a Single Audit remains at \$4,000 and is also subject to annual inflationary increases.

ATTACHMENTS:

1. Centerville City renewal 2023 - Larsen & Co.

November 21, 2022

Centerville City
250 North Main Street
Centerville, Utah 84014

Dear Mayor, Council Members, Audit Committee and Management:

Thank you for giving us the opportunity to submit this audit renewal. In this renewal we outline the independent auditing service we plan to provide to the city for the years ending June 30, 2023-2028.

FEE PROJECTIONS

We have prepared a preliminary time and expense budget for the next six years. In making these budget projections, we assumed that Centerville City's staff will be available to prepare schedules, prepare trial balances, and provide documentation to assist our auditors during the course of our audit. Based upon these preliminary budgets, we project that our general audit fees will not exceed those indicated in the following schedule:

Year	General Audit Fees
2023	\$21,900
2024	\$22,700
2025	\$23,500
2026	\$24,300
2027	\$25,200
2028	\$26,100

In the event a single audit is necessary on federal grants, the additional fees will be \$4,000 with an incremental increase for inflation annually similar to audit fees listed above.

Should our actual fees be less than the above proposed maximums, we would bill the lesser amount. Also, should we encounter any difficulties beyond our control that would increase our fees (such as significant GASB additions and/or corrections), we would discuss these with your audit committee prior to proceeding.

CONCLUSION

Thank you again for giving us the opportunity to continue to serve you in the years to come. We plan to continue to provide the City with excellent service, quality, and a readily available resource throughout the year. Should you have any questions regarding this renewal, please call Jon Haderlie, CPA at (801) 798-3545. We are eager to serve you and look forward to hearing from you.

Sincerely,



Jon Haderlie, Partner
Larson & Company, PC

**CENTERVILLE INTERNAL AUDIT COMMITTEE
MINUTES OF MEETING
Tuesday, November 30, 2021**

Held electronically via Zoom, the meeting of the Centerville City Internal Audit Committee was called to order at 5:30 p.m.

MEMBERS PRESENT

Marcus Arbuckle, Keddington & Christensen
Brant Hanson, City Manager
Nate Plaizier, Finance Director
Jacob Smith, Administrative Services Director
Clark Wilkinson, Mayor

MEMBER ABSENT

William Ince, Councilmember

STAFF

Jennifer Robison, City Recorder

VISITORS

Jon Haderlie, Larson & Company
Cody Powell, Larson & Company

AUDIT REPORT

Jon Haderlie with Larson & Company, the City's contracted independent auditors, presented a FY2021 Audit Report to the Internal Audit Committee, in preparation for the Audit Report scheduled for the December 7, 2021 City Council Meeting. He said there were no findings to report. He commented that the Mayor and City Council should be familiar with the Fraud Risk Assessment, and work with management to identify risks and make improvements. Mr. Haderlie advised that any fees implemented by the City Council should be associated with a service received, and should be proportionate to the level of service. Mr. Haderlie and Marcus Arbuckle with Keddington & Christensen answered questions from the Internal Audit Committee.

ADJOURN

Mayor Wilkinson **moved** to adjourn at 6:06 p.m., and Brant Hanson seconded the motion.

Jennifer Robison, City Recorder

Date Approved