



AUDIT COMMITTEE AGENDA

NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE AUDIT COMMITTEE WILL HOLD A REGULAR MEETING AT 5:30 PM ON NOVEMBER 30, 2023 AT CENTERVILLE CITY HALL CONFERENCE ROOM, 250 NORTH MAIN STREET, CENTERVILLE, UTAH.

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/83797630613?pwd=x0uvSqvohAuf8if3UatNFYRU4eBzFF.1>

Meeting ID: 837 9763 0613

Passcode: 366519

B. ROLL CALL

C. BUSINESS ITEMS

Business action or discussion items to be considered by the Planning Commission.

1. FY 2023 Audit Report

Audit report for fiscal year ending June 30, 2023

D. 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

11/30/2023

Item No. 1.

Title: FY 2023 Audit Report

Initiated By: Nate Plaizier, Finance Director

Staff Representative: Nate Plaizier, Finance Director

SUBJECT:

Audit report for fiscal year ending June 30, 2023

RECOMMENDATION:

BACKGROUND:

Larson & Company, the City's contracted independent auditors, have completed the annual audit for the fiscal year ending June 30, 2023. Larson & Company will be presenting the results of their audit to the Audit Committee, in preparation for the Audit Report scheduled for the December 5, 2023 Council Meeting.

ATTACHMENTS:

1. ACFR - FY 2023

**CENTERVILLE CITY CORPORATION
CENTERVILLE, UTAH**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For The Year Ended June 30, 2023

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 21, 2023

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, 2023.

These statements are prepared to comply with the requirements promulgated by the Government Accounting Standards Board (GASB) Statement 87, regarding leases, as well as Statement 96, regarding subscription-based information technology arrangements (SBITAs). 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. GASB 96 requires qualifying SBITAs to be recorded on the balance sheet, by recognizing a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability.

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. Because the cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free from any material misstatements.

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, 2023, 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, 2023 are fairly presented in conformity with GAAP. The independent auditor's report is presented at the beginning of the financial section of this report.

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

Community and History

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

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

Organization

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

Services

Major services provided or funded by the City include Justice Court, Police, Street Improvements and Maintenance, Culinary Water, Drainage/Flood Control, Solid Waste Collection and Disposal, Recycling, Green Waste Disposal, Telecommunications, Planning and Zoning, Building Inspection, Code Enforcement, Parks Maintenance & Construction, Youth and Adult Recreation, Cemetery, and a Heritage Museum (Whitaker). The City owns a Performing Arts Center that is leased to a private non-profit arts organization (CenterPoint Legacy Theater). Major services provided under the Enterprise Fund include culinary water, storm drainage and sanitation that includes solid waste collection, recycling, and green-waste. Solid waste, recycling and green waste collection is provided through the City by a private contractor. Solid waste disposal is managed by a special district, Wasatch Integrated Waste. The 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

Centerville City demonstrated a strong economy during FY 2023. The unemployment rate in Utah near the end of FY 2023 was 2.4%. During FY 2023, the City issued 63 business licenses to new businesses in Centerville.

Local option sales tax is the main source of tax revenue for general services. Sales tax revenue remained strong throughout FY 2023. The City received approximately \$5.7M in sales tax revenue, an increase of about 1% over the prior fiscal year.

The City continued to experience high inflation throughout FY 2023, with an annual inflation rate of roughly 3.7% at fiscal year-end. This continual rapidly increasing inflation has left many economists predicting a recession in the near future.

Major Initiatives

Significant projects and initiatives in Fiscal Year (FY) 2023 include park improvements, transportation improvements, water projects, and drainage projects.

Park Improvements

During FY 2023, the City started construction of a niche wall for cremains for U.S. Veteran's in the Freedom Hills Park. The niche wall has a total of 48 spots and will be a beautiful addition to the Veterans' Memorial at the park.

The Parks Department was able to plant 21 new trees in our parks and public spaces. Many of the new trees planted replaced trees that have died or sustained significant damaged due wind. The purchase of the new trees was partially funded by grants.

Transportation Improvements

The City completed construction on London Road and Cottonwood Drive. Additionally, the City started construction on Deerfield Drive, Linda Loma Drive, and Wilmar Place Circle. Construction on these roads is expected to be completed in FY 2024.

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 2023, the City Council budgeted \$100,000 to continue this ongoing project. The City Council budgeted another \$150,000 for FY 2024.

Water Projects

In FY 2023, the City continued its schedule of replacing aging water mains per the master plan. Major replacements occurred in conjunction with the street rebuilds on Deerfield Drive, Linda Loma Drive, and Wilmar Place Circle.

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. Grant funding and design work continued throughout FY 2023. Construction of the new reservoir is expected to commence in FY 2024.

Due to aging equipment, the Church Well failed near the end of FY 2023. The decision was made to replace the pump and various other parts. The work was completed in early FY 2024, and the pump is now fully operational and open to the public.

Drainage Projects

In FY 2023, the City replaced its drainage system in conjunction with the rebuilding of Deerfield Drive and Linda Loma Drive. The City also re-lined the storm drain pipes throughout the City, which drastically increased the useful life of the infrastructure.

The City also replaced over 20 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, 2023 was approximately 30% 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 FY2023, the City started using the Capital Projects Fund for governmental capital expenditures. City Council elected to transfer the unassigned General fund balance in excess of 30% to the Capital Projects fund, resulting in a transfer of nearly \$3.9 million. The capital improvement plans are reviewed annually and periodically modified.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Centerville City for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the twenty-third 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 style with a large initial 'N'.

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 |

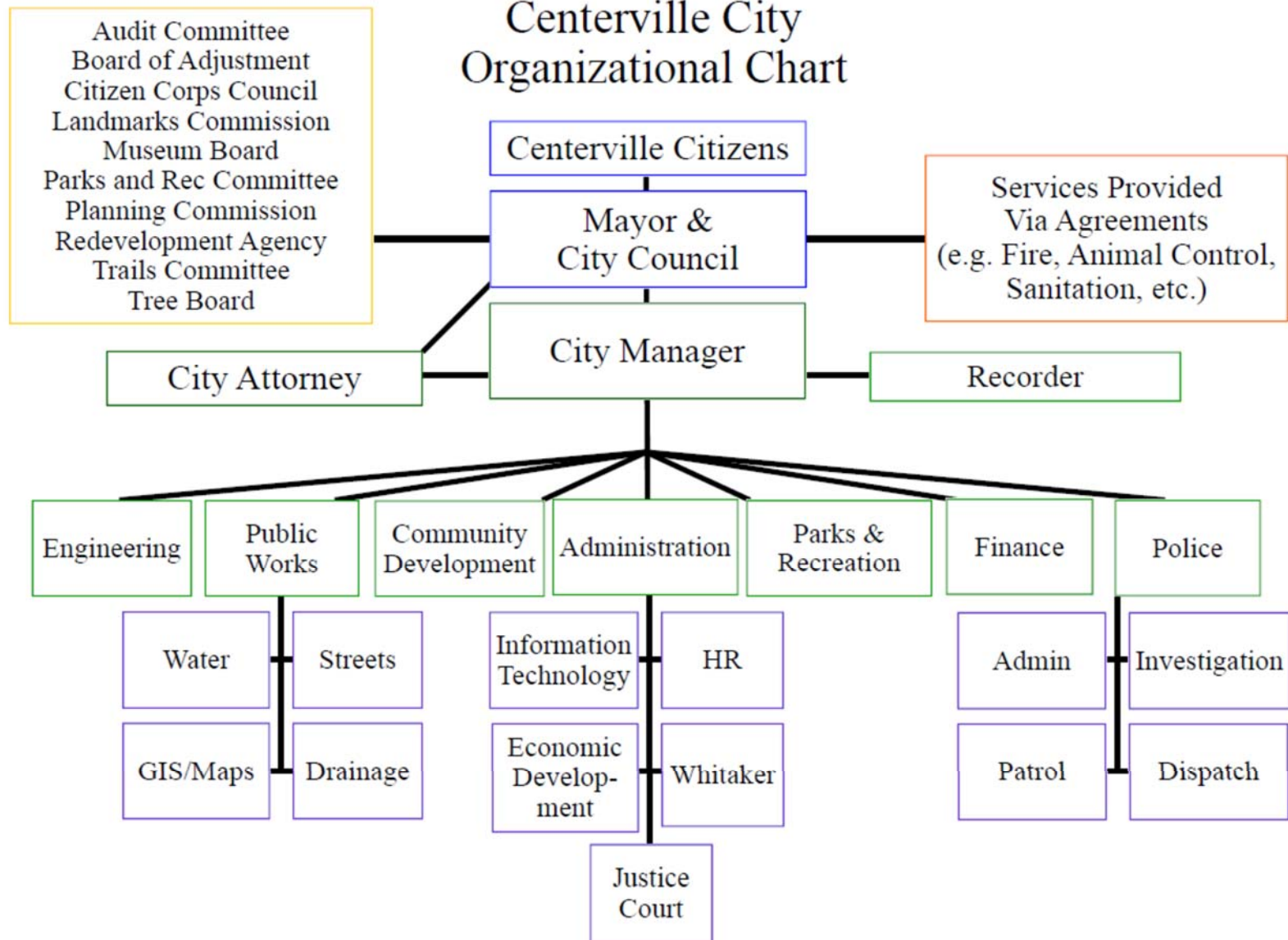
DEPARTMENT HEADS

| | |
|-----------------|----------------------------------|
| Paul Child | Police Chief |
| Michael Carlson | Public Works Director |
| Bruce Cox | Parks & Recreation Director |
| Corvin Synder | Community Development Director |
| Bryce King | 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 Town Council Members
Centerville City

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Centerville City as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Centerville 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 as of June 30, 2023, 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 then 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 requirement 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

Larson & Company
765 North Main, Spanish Fork, UT 84660
Main: (801) 798-3545 | www.larsco.com

Member of
CPAmerica
Member  Crowe Global

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, forgery, 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 and audit in accordance with GAAS, we:

- Exercise professional judgement 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 principles 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 judgement, 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, nonmajor fund budgetary comparison schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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, budgetary comparison information, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial

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

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 21, 2023, on our consideration of Centerville 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 Centerville City’s internal control over financial reporting and compliance.

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah
November 21, 2023

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2023

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, 2023.

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, 2023 by \$73,729,668 (net position). The City has \$57,551,624 net investment in capital assets. \$2,345,323 is restricted for future construction projects and the theater reserve fund. The unrestricted amount is \$13,832,721.

Centerville's total net position increased by \$7,067,360 from the prior year, a 10.60% increase. Changes in assets and liabilities are as follows. Total assets increased by \$1,956,507, a change of 2.37%. Total Liabilities decreased by \$1,303,824 from the prior year, a percent decrease of 13.87%. Net investment in capital assets, increased \$2,641,795 or 4.81%. Business-Type Activities net investment in capital assets increased \$1,468,068 or 6.87%, and Governmental Activities increased \$1,173,727 or 3.50%. Restricted assets increased by \$247,916 or 11.82% from the previous year. Most of the net increase was due to additional unspent funds for future development. Unrestricted assets increased \$4,177,649. Governmental Activities increased \$4,337,219, and Business-Type activities decreased by \$159,570.

Centerville's governmental funds reported a combined ending fund balances of \$14,713,421 at June 30, 2023. This is a statement of the current available assets of the City. This is an increase of \$4,606,721 or 45.58%. The City has considerable commitments to capital projects including park improvements and roads. Of the ending fund balances, \$7,280,488, is available for spending at the City's discretion in the General Fund (unassigned fund balance).

At June 30, 2023, fund balances in governmental funds other than the general fund was \$11,165,602 an overall \$4,930,852 increase. Assigned fund balances increased by \$4,495,858, or 102.61%. The Assigned amount to the RDA is \$1,603,833. The assigned amount for the transportation fund is \$1,672,266. The assigned amount for other governmental funds, is \$5,601,468. 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 \$2,307,623.

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, 2023

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

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

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

Fund financial statements

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

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

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

Centerville City maintains 11 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the General fund, Redevelopment Agency, 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, 2023

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 \$73,729,668 at June 30, 2023.

The largest portion of the City's net position is \$57,551,624 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 \$2,641,795 which is an increase of 4.81%, 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, \$2,345,323, represents resources that are subject to external restrictions on how they may be utilized. This is an increase of \$247,916 or 11.82% 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, 2023

| | Governmental Activities 2023 | Governmental Activities 2022 | Business-type Activities 2023 | Business-type Activities 2022 |
|----------------------------------|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| Current and other assets | \$ 20,707,099 | \$ 20,979,577 | \$ 3,566,960 | \$ 3,902,272 |
| Capital assets | 35,896,219 | 35,081,492 | 24,423,316 | 22,673,746 |
| Total Assets | <u>56,603,318</u> | <u>56,061,069</u> | <u>27,990,276</u> | <u>26,576,018</u> |
| Deferred outflows of resources | 1,166,615 | 812,104 | 103,894 | 65,579 |
| Current and other liabilities | 1,969,814 | 4,852,244 | 938,881 | 292,437 |
| Long-term liabilities | 1,996,696 | 2,297,284 | 1,798,215 | 1,961,693 |
| Net pension liability | 1,337,049 | - | 59,179 | - |
| Total Liabilities | <u>5,303,559</u> | <u>7,149,528</u> | <u>2,796,275</u> | <u>2,254,130</u> |
| Deferred inflows of resources | 4,033,904 | 7,228,525 | 697 | 220,279 |
| Net position: | | | | |
| Net investment in capital assets | 34,719,219 | 33,545,492 | 22,832,405 | 21,364,337 |
| Restricted | 2,345,323 | 1,918,919 | - | 178,488 |
| Unrestricted | 11,367,928 | 7,030,709 | 2,464,793 | 2,624,363 |
| Total Net Position | <u>\$ 48,432,470</u> | <u>\$ 42,495,120</u> | <u>\$ 25,297,198</u> | <u>\$ 24,167,188</u> |

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2023

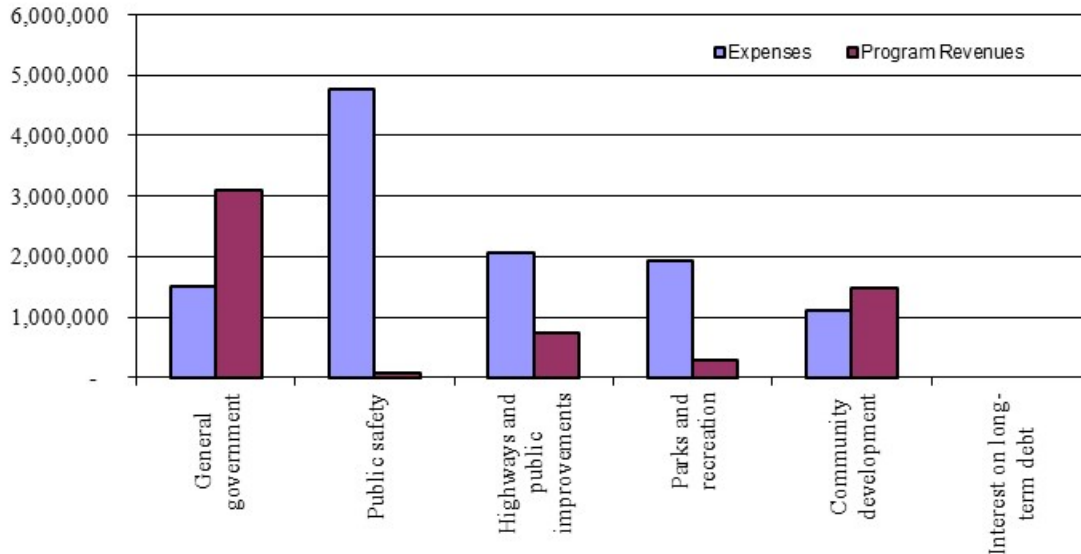
| | Governmental Activities 2023 | Governmental Activities 2022 | Business-type Activities 2023 | Business-type Activities 2022 |
|---|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| Revenues: | | | | |
| Program revenues: | | | | |
| Charges for services | \$ 1,165,370 | \$ 1,323,890 | \$ 6,380,294 | \$ 5,500,086 |
| Operating grants and contributions | 4,491,280 | 2,462,103 | - | - |
| Capital grants and contributions | - | - | 660,630 | 2,040,551 |
| General revenues: | | | | |
| Property taxes | 2,813,511 | 2,125,678 | - | - |
| Sales taxes | 6,245,463 | 6,204,562 | - | - |
| Franchise taxes | 1,194,210 | 1,012,375 | - | - |
| Other taxes | 582,514 | 583,792 | - | - |
| Unrestricted investment earnings | 473,680 | 47,563 | 77,543 | 9,347 |
| Gain on disposition of capital assets | 92,729 | 76,917 | 45,695 | 79,198 |
| Other revenues | 257,116 | 117,398 | - | - |
| Total Revenues | 17,315,873 | 13,954,278 | 7,164,162 | 7,629,182 |
| Expenses: | | | | |
| General government | 1,499,006 | 1,181,116 | - | - |
| Public safety | 4,766,172 | 3,989,082 | - | - |
| Highways and public improvements | 2,073,315 | 2,237,911 | - | - |
| Parks and recreation | 1,939,974 | 1,665,651 | - | - |
| Community development | 1,100,056 | 993,145 | - | - |
| Water | - | - | 3,136,507 | 2,401,741 |
| Sanitation | - | - | 1,555,962 | 1,026,831 |
| Storm drain | - | - | 1,228,643 | 1,181,295 |
| Telecom | - | - | 113,040 | 180,016 |
| Total Expenses | 11,378,523 | 10,066,905 | 6,034,152 | 4,789,883 |
| Increase (decrease) in Net Position before transfers | 5,937,350 | 3,887,373 | 1,130,010 | 2,839,299 |
| Increase in Net Position | 5,937,350 | 3,887,373 | 1,130,010 | 2,839,299 |
| Net Position - Beginning | 42,495,120 | 38,607,747 | 24,167,188 | 21,327,889 |
| Net Position - Ending | <u>\$ 48,432,470</u> | <u>\$ 42,495,120</u> | <u>\$ 25,297,198</u> | <u>\$ 24,167,188</u> |

As noted in the table above, governmental activities net position increased by \$5,937,350 or 52.73%. The table illustrates the flow of current sources and uses for the period. Governmental revenue in total increased compared to the prior year. Operating grants and contribution revenue was much higher due to ARPA funding. Property tax and interest revenue also increased significantly compared to the prior year. 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, 2023**

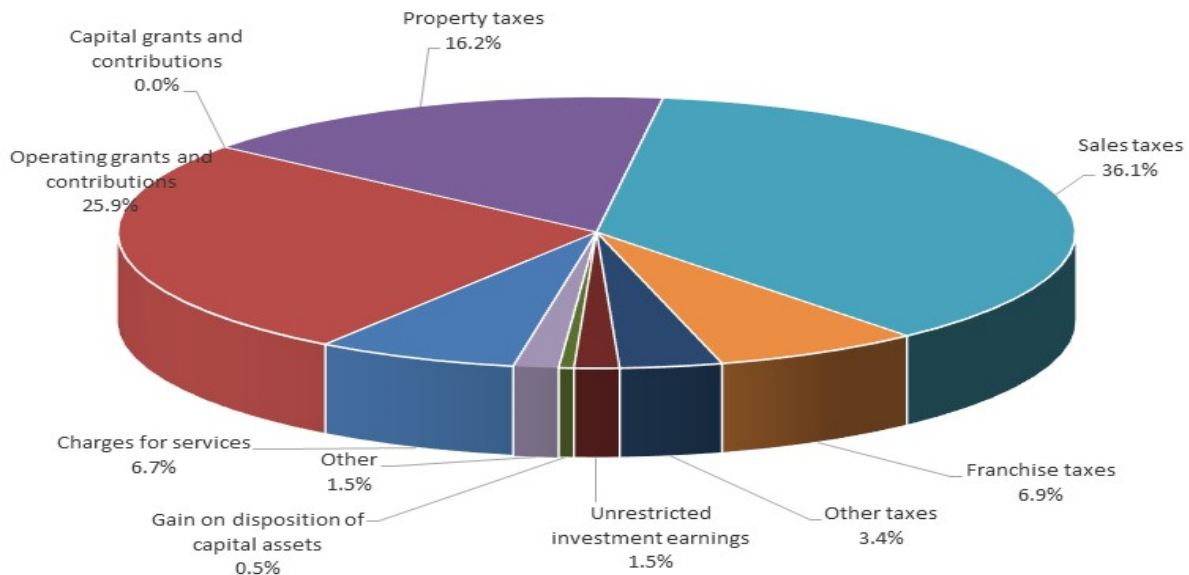
The following chart displays the governmental activities expenses compared to the program revenues attributed to the activity. Traditionally, governmental activities are funded by general revenue sources and not charges for direct services. Most of the funding for general services is provided by general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

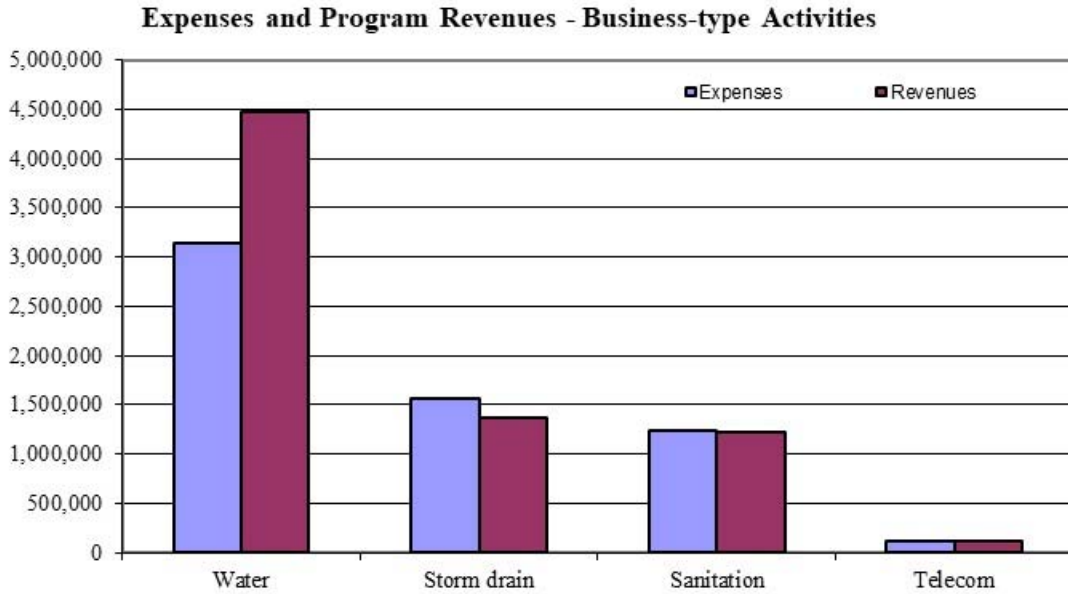


**Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2023**

Business-type activities

As noted in the table "Centerville City Changes in Net Assets (Statement of Activities)" business-type activities increased net position of \$1,130,010, or 4.68% from the prior year. Revenue in business activity decreased 6.10% even though water revenue increased significantly, the decrease is primarily due to decreased revenue from developers for water projects. Business type expenditures increased 25.98% primarily due to a increase 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. 89.06% of the revenues for business-type activities comes from charges for services. 9.22% 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 revenue more than funded expenses by a net \$1,130,010. Water fund covered expenses over revenues from reserves for each fund. The Drainage, Sanitation, and Telecom fund expenses exceeded revenue, however each fund had reserves to cover the loss.

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.

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2023

At June 30, 2023, the City's governmental funds reported a combined ending fund balance of \$14,713,421, which is an increase of \$4,606,721, or 45.58% from the prior period. The Unassigned balance, in general fund, decreased by 2.21%, a total dollar amount of \$76,418. Assigned fund balances that are assigned for a specific purpose increased \$4,495,858 from the prior period, or 102.61%. The increase in assigned fund balance is primarily due to a transfer from the general fund. The general was able to transfer these funds because it was able to use ARPA funds for government services. The general also received more tax revenue than expected. The Restricted Fund balances increased \$426,404 from the prior period, or 22.67%. 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 \$147,187 at June 30, 2023.

The general fund is the primary operating fund of the City. At June 30, 2023 unassigned fund balance of the general fund was \$3,383,044, a decrease of \$76,418, or 2.21%. The decrease is primarily due transferring funds to the capital project account.

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 \$2,257,272. This is an increase from the prior year in the amount of \$687,995 which is similar to the increase in fund balance in the prior year.

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 \$1,939,257 which is an increase of \$273,752 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 \$702,013 which is an increase of \$192,165 increase from prior year, which is similar to the increase in fund balance in the prior year.

Other Governmental funds had a total increase in fund balances of \$3,776,940, or 151.68%. This increase in primarily due to a transfer from the general fund.

Proprietary funds

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

Water Utility fund

Total net position equaled \$18,769,407 at June 30, 2023. Total net position increased by \$1,335,125, a 7.66% increase primarily due to an increase in charges for service of \$1,003,744.

Drainage Utility

Total net position at June 30, 2023 was \$6,391,956. Total net position decreased by \$194,042 resulting in an 2.95% decrease primarily due to an increase in maintenance expense.

Sanitation

Total net position at June 30, 2023 was \$123,990. Total net position decreased \$7,568 resulting in a 5.75% decrease. This decrease is primarily due to an increase in operating expenses.

Telecom Fund

The Telecom Fund net position at June 30, 2023 was \$11,845. Total decrease of \$3,505 or 22.83%.

Centerville City Corporation
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2023

General Fund Budgetary Highlights

During the fiscal year the general fund budget expenditures were amended, with an original budgeted expenditure of \$10,674,492 and final budgeted expenditure of \$11,137,534. Actual expenditures were \$8,293,426. 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 \$1,029,374, or 7.92%. Taxes, the largest source of revenue for the general fund was \$747,442 or 7.86% above budget. Intergovernmental revenue was over budget by \$118,572 or 5.24%. Interest revenue was over budget by \$255,905 or 93.39%.

Capital Assets and Debt Administration

Capital assets

Centerville City's investment in capital assets for governmental and business-type activities at June 30, 2023 was \$60,319,535 (net of depreciation). The investment in capital assets includes land, buildings, improvements other than buildings, infrastructure, machinery and equipment, autos and trucks, furniture and fixtures. The City's total investment in capital assets increased by \$2,564,297 or 4.44%. Governmental activities increased capital assets (net of depreciation) \$814,727 or 2.32%, to \$35,896,219. Business type activities increased capital assets (net of depreciation) \$1,749,570 or 7.72% to \$24,423,316.

Major capital asset events during the current year were:

- 1) During the year two large road project were completed which totaled \$1,013,202. The City completed four large water line projects totaling \$1,911,933. The City also completed three storm drain project for \$713,150. During the year the city started several road projects, storm drain projects and water line projects.
- 2) The city added approximately \$704,000 in vehicles and equipment. The investment of government type activities increased by \$814,727 (depreciated)
- 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 \$1,749,570 (depreciated).

| | Governmental Activities 2023 | Governmental Activities 2022 | Business - type Activities 2023 | Business - type Activities 2022 |
|-------------------------------------|------------------------------------|------------------------------------|---------------------------------------|---------------------------------------|
| Land | \$ 7,928,488 | \$ 7,718,450 | \$ 486,120 | \$ 486,120 |
| Buildings | 11,402,812 | 11,859,866 | 2,742,678 | 2,826,974 |
| Water stock and rights | - | - | 48,617 | 48,617 |
| Machinery and equipment | 3,318,411 | 3,585,658 | 314,053 | 244,374 |
| Distribution and collection systems | - | - | 19,356,501 | 17,182,934 |
| Autos and trucks | 1,555,343 | 1,210,083 | - | - |
| Infrastructure | 10,977,954 | 10,089,067 | - | - |
| Construction in progress | 713,211 | 618,368 | 1,475,347 | 1,884,727 |
| Total Capital Assets | \$ 35,896,219 | \$ 35,081,492 | \$ 24,423,316 | \$ 22,673,746 |

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2023

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 2023 | Governmental Activities 2022 | Business - type Activities 2023 | Business - type Activities 2022 |
|-----------------------|------------------------------------|------------------------------------|---------------------------------------|---------------------------------------|
| Revenue bonds | \$ - | \$ - | \$ 1,196,313 | \$ 1,309,408 |
| Note payable | 1,177,000 | 1,536,000 | 525,427 | 596,073 |
| Compensated absences | 807,577 | 759,808 | 76,475 | 56,212 |
| Outstanding claims | 12,119 | 1,476 | - | - |
| Net pension liability | 1,337,049 | - | 59,179 | - |
| Total | <u>\$ 3,333,745</u> | <u>\$ 2,297,284</u> | <u>\$ 1,857,394</u> | <u>\$ 1,961,693</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. City Council did not increase property taxes for FY 2024.

Sales tax is the largest single source of revenue for governmental operations of the City. The City's sales tax revenue increased by approximately 1%, or \$36,041, over the prior fiscal year. Sales tax is projected to remain consistent for FY 2024, with budgeted revenue of \$5.7 million.

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, 2023

| | Governmental Activities | Business-type Activities | Total |
|---|----------------------------|-----------------------------|----------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 11,571,341 | \$ 2,076,694 | \$ 13,648,035 |
| Receivables: | | | |
| Accounts, net | 9,942 | 627,608 | 637,550 |
| Taxes | 4,133,669 | - | 4,133,669 |
| Intergovernmental receivable | - | - | - |
| Inventory | - | 273,691 | 273,691 |
| Prepays | 109,487 | 63,540 | 173,027 |
| Restricted assets: | | | |
| Cash and cash equivalents | 3,441,478 | - | 3,441,478 |
| Notes receivable | - | 525,427 | 525,427 |
| Lease receivable | 1,441,182 | - | 1,441,182 |
| Capital assets not being depreciated: | | | |
| Water stock and rights | - | 48,617 | 48,617 |
| Land and collectibles | 7,928,488 | 486,120 | 8,414,608 |
| Construction in progress | 713,211 | 1,475,347 | 2,188,558 |
| Capital assets, net of accumulated depreciation: | | | |
| Buildings and improvements | 11,402,812 | 2,742,678 | 14,145,490 |
| Distribution and collection systems | - | 19,356,501 | 19,356,501 |
| Machinery and equipment | 3,318,411 | 314,053 | 3,632,464 |
| Autos and trucks | 1,555,343 | - | 1,555,343 |
| Infrastructure | 10,977,954 | - | 10,977,954 |
| Total Assets | 56,603,318 | 27,990,276 | 84,593,594 |
| Deferred Outflows of Resources | | | |
| Deferred charge on refunding | - | 10,588 | 10,588 |
| Deferred outflows related to pensions | 1,166,615 | 93,306 | 1,259,921 |
| Total Deferred Outflows of Resources | 1,166,615 | 103,894 | 1,270,509 |
| Total Assets and Deferred Outflow of Resources | \$ 57,769,933 | \$ 28,094,170 | \$ 85,864,103 |

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

Centerville City Corporation
STATEMENT OF NET POSITION (Continued)
June 30, 2023

| | Governmental Activities | Business-type Activities | Total |
|---|----------------------------|-----------------------------|----------------------|
| Liabilities | | | |
| Accounts payable | \$ 306,286 | \$ 918,035 | \$ 1,224,321 |
| Accrued liabilities | 118,398 | 8,246 | 126,644 |
| Accrued interest payable | - | 12,600 | 12,600 |
| Developer and customer deposits | 1,542,504 | - | 1,542,504 |
| Unearned revenue | 2,626 | - | 2,626 |
| Noncurrent liabilities: | | | |
| Due within one year | 753,537 | 195,163 | 948,700 |
| Long term debt | 1,243,159 | 1,603,052 | 2,846,211 |
| Net pension liability | 1,337,049 | 59,179 | 1,396,228 |
| Total Liabilities | <u>5,303,559</u> | <u>2,796,275</u> | <u>8,099,834</u> |
| Deferred Inflows of Resources | | | |
| Deferred inflows - Lease | 1,441,182 | - | 1,441,182 |
| Deferred inflows for property taxes | 2,582,680 | - | 2,582,680 |
| Deferred inflows relating to pensions | 10,042 | 697 | 10,739 |
| Total Deferred Inflows of Resources | <u>4,033,904</u> | <u>697</u> | <u>4,034,601</u> |
| Net Position | | | |
| Net investment in capital assets | 34,719,219 | 22,832,405 | 57,551,624 |
| Restricted for: | | | |
| Future development | 1,527,034 | - | 1,527,034 |
| Theater reserve fund | 653,439 | - | 653,439 |
| Cemetery | 107,562 | - | 107,562 |
| Police/DUI enforcement | 57,288 | - | 57,288 |
| Unrestricted | 11,367,928 | 2,464,793 | 13,832,721 |
| Total Net Position | <u>48,432,470</u> | <u>25,297,198</u> | <u>73,729,668</u> |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | <u>\$ 57,769,933</u> | <u>\$ 28,094,170</u> | <u>\$ 85,864,103</u> |

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

Centerville City Corporation
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2023

| 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 | \$ 1,499,006 | \$ 897,574 | \$ 2,191,578 | \$ - | \$ 1,590,146 | \$ - | \$ 1,590,146 |
| Public safety | 4,766,172 | - | 71,073 | - | (4,695,099) | - | (4,695,099) |
| Streets and public works | 2,073,315 | - | 728,758 | - | (1,344,557) | - | (1,344,557) |
| Parks and recreation | 1,939,974 | 208,461 | 77,463 | - | (1,654,050) | - | (1,654,050) |
| Community development | 1,100,056 | 59,335 | 1,422,408 | - | 381,687 | - | 381,687 |
| Total Governmental Activities | 11,378,523 | 1,165,370 | 4,491,280 | - | (5,721,873) | - | (5,721,873) |
| Business-type Activities: | | | | | | | |
| Water | 3,136,507 | 3,728,325 | - | 653,590 | - | 1,245,408 | 1,245,408 |
| Storm drain | 1,555,962 | 1,324,212 | - | 7,040 | - | (224,710) | (224,710) |
| Sanitation | 1,228,643 | 1,218,401 | - | - | - | (10,242) | (10,242) |
| Telecom | 113,040 | 109,356 | - | - | - | (3,684) | (3,684) |
| Total Business-type Activities | 6,034,152 | 6,380,294 | - | 660,630 | - | 1,006,772 | 1,006,772 |
| Total Government | \$ 17,412,675 | \$ 7,545,664 | \$ 4,491,280 | \$ 660,630 | (5,721,873) | 1,006,772 | (4,715,101) |
| | | | General Revenues: | | | | |
| | | | Property taxes | | 2,813,511 | - | 2,813,511 |
| | | | Sales taxes | | 6,245,463 | - | 6,245,463 |
| | | | Franchise taxes | | 1,194,210 | - | 1,194,210 |
| | | | Other taxes | | 582,514 | - | 582,514 |
| | | | Unrestricted investment earnings | | 473,680 | 77,543 | 551,223 |
| | | | Gain on disposition of capital assets | | 92,729 | 45,695 | 138,424 |
| | | | Other revenues | | 257,116 | - | 257,116 |
| | | | Total General Revenues and Transfers | | 11,659,223 | 123,238 | 11,782,461 |
| | | | Changes in Net Position | | 5,937,350 | 1,130,010 | 7,067,360 |
| | | | Net Position, Beginning | | 42,495,120 | 24,167,188 | 66,662,308 |
| | | | Net Position, Ending | | \$ 48,432,470 | \$ 25,297,198 | \$ 73,729,668 |

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

Centerville City Corporation
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2023

| | General | Redevelopment Agency Special Revenue | Transportation | Park Improvements | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|--|---------------------|----------------------|--------------------------------|--------------------------------|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 2,588,939 | \$ 1,603,833 | \$ 1,688,436 | \$ - | \$ 5,690,134 | \$ 11,571,342 |
| Receivables: | | | | | | |
| Accounts, net | 9,942 | - | - | - | - | 9,942 |
| Taxes | 3,435,220 | 315,929 | 266,991 | - | - | 4,018,140 |
| Intergovernmental | - | - | - | - | 115,529 | 115,529 |
| Prepays | 109,487 | - | - | - | - | 109,487 |
| Restricted cash and cash equivalents | 1,599,792 | 653,439 | - | 702,013 | 486,234 | 3,441,478 |
| Total Assets | \$ 7,743,380 | \$ 2,573,201 | \$ 1,955,427 | \$ 702,013 | \$ 6,291,897 | \$ 19,265,918 |
| Liabilities | | | | | | |
| Accounts payable | \$ 267,129 | \$ - | \$ 16,170 | \$ - | \$ 22,990 | \$ 306,289 |
| Accrued liabilities | 116,551 | - | - | - | 1,847 | 118,398 |
| Unearned revenue | 2,626 | - | - | - | - | 2,626 |
| Developer and customer deposits | 1,542,504 | - | - | - | - | 1,542,504 |
| Total Liabilities | 1,928,810 | - | 16,170 | - | 24,837 | 1,969,817 |
| Deferred Inflows of Resources | | | | | | |
| Unavailable revenue - property taxes | 2,266,751 | 315,929 | - | - | - | 2,582,680 |
| Total Deferred Inflows of Resources | 2,266,751 | 315,929 | - | - | - | 2,582,680 |
| Fund Balances: | | | | | | |
| Nonspendable: | | | | | | |
| Prepaid items | 109,487 | - | - | - | - | 109,487 |
| Permanently restricted cemetery | - | - | - | - | 37,700 | 37,700 |
| Restricted for: | | | | | | |
| Future development | - | - | 266,991 | 702,013 | 558,030 | 1,527,034 |
| Cemetery | - | - | - | - | 69,862 | 69,862 |
| Theater reserve fund | - | 653,439 | - | - | - | 653,439 |
| Police donations | 17,951 | - | - | - | - | 17,951 |
| DUI enforcement | 39,337 | - | - | - | - | 39,337 |
| Assigned, reported in: | | | | | | |
| Special revenue funds | - | 1,603,833 | - | - | 3,108 | 1,606,941 |
| Capital project funds | - | - | 1,672,266 | - | 5,598,360 | 7,270,626 |
| Unassigned: | | | | | | |
| General fund | 3,381,044 | - | - | - | - | 3,381,044 |
| Total Fund Balances | 3,547,819 | 2,257,272 | 1,939,257 | 702,013 | 6,267,060 | 14,713,421 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 7,743,380 | \$ 2,573,201 | \$ 1,955,427 | \$ 702,013 | \$ 6,291,897 | \$ 19,265,918 |

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, 2023

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

| | | |
|--|-----------|-------------------|
| Total Fund Balance - Governmental Funds | \$ | 14,713,421 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | 35,896,219 |
| Long-term liabilities, including bonds, leases, notes, OPEB, net pension liability, and compensated absences, are not due and payable in the current period and therefore are not reported in the funds. | | (3,333,745) |
| 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. | | 1,156,575 |
| Total Net Position - Governmental Activities | \$ | 48,432,470 |

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, 2023

| | General | Redevelopment Agency Special Revenue | Transportation | Park Improvements | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|--|---------------------|----------------------|--------------------------------|--------------------------------|
| Revenues: | | | | | | |
| Taxes | \$ 9,507,042 | \$ 227,631 | \$ 518,511 | \$ - | \$ 582,514 | \$ 10,835,698 |
| Fees and contributions | - | - | - | 77,463 | - | 77,463 |
| Licenses and permits | 467,673 | - | - | - | - | 467,673 |
| Intergovernmental | 2,262,651 | 1,422,408 | 728,758 | - | - | 4,413,817 |
| Fines and forfeitures | 304,451 | - | - | - | - | 304,451 |
| Charges for services | 103,299 | 114,654 | - | - | 107,570 | 325,523 |
| Interest | 274,005 | - | 52,013 | 44,808 | 102,855 | 473,681 |
| Miscellaneous | 79,027 | 27,901 | - | - | 158,576 | 265,504 |
| Total Revenues | 12,998,148 | 1,792,594 | 1,299,282 | 122,271 | 951,515 | 17,163,810 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | 934,401 | - | - | - | 590,569 | 1,524,970 |
| Public safety | 4,713,713 | - | - | - | - | 4,713,713 |
| Highways and public improvements | 1,002,498 | - | 275,635 | - | - | 1,278,133 |
| Parks and recreation | 1,238,525 | - | - | 9,564 | 230,518 | 1,478,607 |
| Community development | 368,575 | 631,439 | - | - | 28,406 | 1,028,420 |
| Debt service: | | | | | | |
| Principal | - | - | - | 359,000 | - | 359,000 |
| Interest | - | - | - | 42,493 | - | 42,493 |
| Capital outlay: | | | | | | |
| General government | - | - | - | - | 210,038 | 210,038 |
| Public safety | 35,714 | - | - | - | 326,902 | 362,616 |
| Highways and public improvements | - | 45,912 | 1,165,487 | - | 353,721 | 1,565,120 |
| Parks and recreation | - | - | - | 1,935 | 102,826 | 104,761 |
| Total Expenditures | 8,293,426 | 677,351 | 1,441,122 | 412,992 | 1,842,980 | 12,667,871 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 4,704,722 | 1,115,243 | (141,840) | (290,721) | (891,465) | 4,495,939 |
| Other Financing Sources (Uses): | | | | | | |
| Transfers in | 85,819 | - | 415,592 | 482,886 | 5,195,285 | 6,179,582 |
| Transfers out | (5,225,454) | (427,248) | - | - | (526,880) | (6,179,582) |
| Sale of capital assets | 110,782 | - | - | - | - | 110,782 |
| Total Other Financing Sources (Uses) | (5,028,853) | (427,248) | 415,592 | 482,886 | 4,668,405 | 110,782 |
| Net Change in Fund Balances | (324,131) | 687,995 | 273,752 | 192,165 | 3,776,940 | 4,606,721 |
| Fund Balances, Beginning | 3,871,950 | 1,569,277 | 1,665,505 | 509,848 | 2,490,120 | 10,106,700 |
| Fund Balances, Ending | \$ 3,547,819 | \$ 2,257,272 | \$ 1,939,257 | \$ 702,013 | \$ 6,267,060 | \$ 14,713,421 |

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, 2023

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

| | | |
|--|-----------|-------------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ | 4,606,721 |
| 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. | | (1,409,754) |
| Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the Statement of Net Position. | | 2,242,534 |
| The Statement of Activities reports the gain or loss on the disposal of capital assets, while the governmental funds report the proceeds from the disposal of capital assets. | | (18,053) |
| Repayment of noncurrent liabilities' principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the Statement of Net Position. | | 359,000 |
| In the Statement of Activities interest is accrued on noncurrent liabilities, whereas in governmental funds, interest expense is reported when due. | | 185 |
| 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. | | 215,129 |
| 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. | | (58,412) |
| Change in Net Position - Governmental Activities | \$ | <u>5,937,350</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, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|-----------------------|-----------------------|---------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 8,605,675 | \$ 8,759,600 | \$ 9,507,042 | \$ 747,442 |
| Licenses and permits | 319,130 | 499,130 | 467,673 | (31,457) |
| Intergovernmental | 62,647 | 2,144,079 | 2,262,651 | 118,572 |
| Fines and forfeitures | 360,000 | 360,000 | 304,451 | (55,549) |
| Charges for services | 120,640 | 122,484 | 103,299 | (19,185) |
| Interest | 18,100 | 18,100 | 274,005 | 255,905 |
| Miscellaneous | 20,010 | 65,381 | 79,027 | 13,646 |
| Total Revenues | <u>9,506,202</u> | <u>11,968,774</u> | <u>12,998,148</u> | <u>1,029,374</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government: | | | | |
| Administrative | 902,802 | 866,579 | 427,592 | 438,987 |
| Municipal council | 100,171 | 100,171 | 42,776 | 57,395 |
| Finance | 582,135 | 594,489 | 232,850 | 361,639 |
| Legal | 520,910 | 532,345 | 231,183 | 301,162 |
| Public Safety: | | | | |
| Police | 3,796,866 | 3,864,413 | 3,579,390 | 285,023 |
| Fire | 1,092,399 | 1,134,324 | 1,134,323 | 1 |
| Streets and public works | 1,699,784 | 2,008,147 | 1,002,498 | 1,005,649 |
| Parks and recreation | 1,384,198 | 1,416,090 | 1,238,525 | 177,565 |
| Community development | 505,727 | 498,776 | 368,575 | 130,201 |
| Capital outlay | 89,500 | 122,200 | 35,714 | 86,486 |
| Total Expenditures | <u>10,674,492</u> | <u>11,137,534</u> | <u>8,293,426</u> | <u>2,844,108</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(1,168,290)</u> | <u>831,240</u> | <u>4,704,722</u> | <u>3,873,482</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 92,743 | 92,743 | 85,819 | (6,924) |
| Transfers out | (1,065,455) | (5,225,454) | (5,225,454) | - |
| Sale of capital assets | 70,000 | 93,500 | 110,782 | 17,282 |
| Total Other Financing Sources (Uses) | <u>(902,712)</u> | <u>(5,039,211)</u> | <u>(5,028,853)</u> | <u>10,358</u> |
| Net Change in Fund Balance | <u>\$ (2,071,002)</u> | <u>\$ (4,207,971)</u> | <u>(324,131)</u> | <u>\$ 3,883,840</u> |
| Fund Balance, Beginning | | | <u>3,871,950</u> | |
| Fund Balance, Ending | | | <u>\$ 3,547,819</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, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 1,130,000 | \$ 1,650,038 | \$ 227,631 | \$ (1,422,407) |
| Intergovernmental | - | - | 1,422,408 | 1,422,408 |
| Charges for services | 100,000 | 100,000 | 114,654 | 14,654 |
| Miscellaneous | 3,600 | 3,600 | 27,901 | 24,301 |
| Total Revenues | <u>1,233,600</u> | <u>1,753,638</u> | <u>1,792,594</u> | <u>38,956</u> |
| Expenditures: | | | | |
| Community Development | 624,865 | 1,144,903 | 631,439 | 513,464 |
| Capital outlay | 527,000 | 527,000 | 45,912 | 481,088 |
| Total Expenditures | <u>1,151,865</u> | <u>1,671,903</u> | <u>677,351</u> | <u>994,552</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>81,735</u> | <u>81,735</u> | <u>1,115,243</u> | <u>1,033,508</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers out | (425,423) | (425,423) | (427,248) | (1,825) |
| Total Other Financing Sources (Uses) | <u>(425,423)</u> | <u>(425,423)</u> | <u>(427,248)</u> | <u>(1,825)</u> |
| Net Change in Fund Balance | <u>\$ (343,688)</u> | <u>\$ (343,688)</u> | 687,995 | <u>\$ 1,031,683</u> |
| Fund Balance, Beginning | | | <u>1,569,277</u> | |
| Fund Balance, Ending | | | <u>\$ 2,257,272</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, 2023

| <u>Transportation Special Revenue Fund</u> | | | | |
|--|-------------------------|------------------|---------------------------------|---|
| | <u>Budgeted Amounts</u> | | <u>Actual</u> <u>Amounts</u> | <u>Variance with</u> <u>Final Budget</u> |
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Taxes | \$ 420,000 | \$ 420,000 | \$ 518,511 | \$ 98,511 |
| Intergovernmental | 724,500 | 724,500 | 728,758 | 4,258 |
| Interest | 6,000 | 6,000 | 52,013 | 46,013 |
| Miscellaneous | - | - | - | - |
| Total Revenues | <u>1,150,500</u> | <u>1,150,500</u> | <u>1,299,282</u> | <u>148,782</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Highways and public improvements | - | - | 275,635 | (275,635) |
| Capital outlay | 1,566,092 | 1,566,092 | 1,165,487 | 400,605 |
| Total Expenditures | <u>1,566,092</u> | <u>1,566,092</u> | <u>1,441,122</u> | <u>124,970</u> |
| Excess (Deficiency) of Revenues | | | | |
| Over (Under) Expenditures | <u>(415,592)</u> | <u>(415,592)</u> | <u>(141,840)</u> | <u>273,752</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>\$ 273,752</u> | <u>\$ 273,752</u> |
| Fund Balance, Beginning | | | <u>1,665,505</u> | |
| Fund Balance, Ending | | | <u>\$ 1,939,257</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, 2023

| | Business-type Activities - Enterprise Funds | | | | Totals |
|--|---|--------------------------|--------------------|-------------------|----------------------|
| | Water Utility Fund | Drainage Utility Fund | Sanitation Fund | Telecom Fund | |
| Assets: | | | | | |
| Current Assets: | | | | | |
| Cash and cash equivalents | \$ 1,460,814 | \$ 550,475 | \$ 65,405 | \$ - | \$ 2,076,694 |
| Accounts receivable, net | 395,884 | 116,221 | 103,659 | 11,844 | 627,608 |
| Inventory | 273,691 | - | - | - | 273,691 |
| Prepays | 63,540 | - | - | - | 63,540 |
| Total Current Assets | 2,193,929 | 666,696 | 169,064 | 11,844 | 3,041,533 |
| Noncurrent Assets: | | | | | |
| Notes receivable | - | - | - | 525,427 | 525,427 |
| Capital assets not being depreciated: | | | | | |
| Water stock and rights | 48,617 | - | - | - | 48,617 |
| Land | 486,120 | - | - | - | 486,120 |
| Construction in progress | 911,254 | 564,093 | - | - | 1,475,347 |
| Capital assets being depreciated: | | | | | |
| Buildings | 3,501,966 | 623,488 | - | - | 4,125,454 |
| Distribution and collection systems | 21,429,807 | 6,664,748 | - | - | 28,094,555 |
| Machinery and equipment | 881,587 | 200,461 | - | - | 1,082,048 |
| Accumulated depreciation | (9,264,736) | (1,624,089) | - | - | (10,888,825) |
| Total Noncurrent Assets | 17,994,615 | 6,428,701 | - | 525,427 | 24,948,743 |
| Total Assets | 20,188,544 | 7,095,397 | 169,064 | 537,271 | 27,990,276 |
| Deferred Outflows of Resources | | | | | |
| Deferred charge on refunding | 9,098 | 1,490 | - | - | 10,588 |
| Deferred outflows of resources relating to pensions | 76,329 | 16,977 | - | - | 93,306 |
| Total Deferred Outflows of Resources | 85,427 | 18,467 | - | - | 103,894 |
| Total Assets and Deferred Outflows of Resources | \$ 20,273,971 | \$ 7,113,864 | \$ 169,064 | \$ 537,271 | \$ 28,094,170 |

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, 2023

| | Business-type Activities - Enterprise Funds | | | | Totals |
|---|---|--------------------------|--------------------|-------------------|----------------------|
| | Water Utility Fund | Drainage Utility Fund | Sanitation Fund | Telecom Fund | |
| Liabilities: | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable | \$ 478,723 | \$ 394,238 | \$ 45,074 | \$ - | \$ 918,035 |
| Accrued liabilities | 7,081 | 1,165 | - | - | 8,246 |
| Accrued interest payable | 9,772 | 2,828 | - | - | 12,600 |
| Compensated absences, current portion | 36,004 | 3,000 | - | - | 39,004 |
| Notes payable, current portion | - | - | - | 51,159 | 51,159 |
| Bonds payable, current portion | 81,000 | 24,000 | - | - | 105,000 |
| Total Current Liabilities | 612,580 | 425,231 | 45,074 | 51,159 | 1,134,044 |
| Noncurrent Liability: | | | | | |
| Compensated absences, net of current portion | - | 37,471 | - | - | 37,471 |
| Notes payable, net of current portion | - | - | - | 474,267 | 474,267 |
| Bonds payable, net of current portion | 843,002 | 248,312 | - | - | 1,091,314 |
| Net pension liability | 48,412 | 10,767 | - | - | 59,179 |
| Total Noncurrent Liability | 891,414 | 296,550 | - | 474,267 | 1,662,231 |
| Total Liabilities | 1,503,994 | 721,781 | 45,074 | 525,426 | 2,796,275 |
| Deferred Inflows of Resources | | | | | |
| Deferred inflows of resources relating to pensions | 570 | 127 | - | - | 697 |
| Total Deferred Outflows of Resources | 570 | 127 | - | - | 697 |
| Net Position: | | | | | |
| Net investment in capital assets | 16,753,331 | 6,079,074 | - | - | 22,832,405 |
| Unrestricted | 2,016,076 | 312,882 | 123,990 | 11,845 | 2,464,793 |
| Total Net Position | 18,769,407 | 6,391,956 | 123,990 | 11,845 | 25,297,198 |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | \$ 20,273,971 | \$ 7,113,864 | \$ 169,064 | \$ 537,271 | \$ 28,094,170 |

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, 2023

| | Business-type Activities - Enterprise Funds | | | | |
|---|---|--------------------------|--------------------|------------------|----------------------|
| | Water Utility Fund | Drainage Utility Fund | Sanitation Fund | Telecom Fund | Totals |
| Operating Revenues: | | | | | |
| Charges for services | \$ 3,712,654 | \$ 1,324,062 | \$ 1,213,135 | \$ 109,356 | \$ 6,359,207 |
| Connection and servicing | 15,671 | - | 4,786 | - | 20,457 |
| Miscellaneous | - | 150 | 480 | - | 630 |
| Total Operating Revenues | <u>3,728,325</u> | <u>1,324,212</u> | <u>1,218,401</u> | <u>109,356</u> | <u>6,380,294</u> |
| Operating Expenses: | | | | | |
| Salaries and wages | 318,152 | 84,458 | - | - | 402,610 |
| Employee benefits | 132,619 | 39,167 | - | - | 171,786 |
| Maintenance and repairs | 782,404 | 635,798 | 24,489 | - | 1,442,691 |
| General and administrative | 1,144,716 | 510,417 | 189,760 | 4,213 | 1,849,106 |
| Utilities | 59,359 | 1,280 | - | - | 60,639 |
| Professional and technical services | 36,269 | 140,938 | 5,274 | 108,827 | 291,308 |
| Solid waste collection and disposal | - | - | 1,009,120 | - | 1,009,120 |
| Water purchases | 126,044 | - | - | - | 126,044 |
| Depreciation | 514,491 | 138,551 | - | - | 653,042 |
| Total Operating Expenses | <u>3,114,054</u> | <u>1,550,609</u> | <u>1,228,643</u> | <u>113,040</u> | <u>6,006,346</u> |
| Operating Income (Loss) | <u>614,271</u> | <u>(226,397)</u> | <u>(10,242)</u> | <u>(3,684)</u> | <u>373,948</u> |
| Nonoperating Income (Expense): | | | | | |
| Gain on sale of capital assets | 45,544 | 151 | - | - | 45,695 |
| Interest income | 44,173 | 30,517 | 2,674 | 179 | 77,543 |
| Interest expense | (22,453) | (5,353) | - | - | (27,806) |
| Total Nonoperating Income (Expense) | <u>67,264</u> | <u>25,315</u> | <u>2,674</u> | <u>179</u> | <u>95,432</u> |
| Income (Loss) Before Capital Contributions and Transfers | <u>681,535</u> | <u>(201,082)</u> | <u>(7,568)</u> | <u>(3,505)</u> | <u>469,380</u> |
| Capital Contributions: | | | | | |
| Impact fees | 65,870 | 7,040 | - | - | 72,910 |
| Construction fees | 587,720 | - | - | - | 587,720 |
| Changes in Net Position | <u>1,335,125</u> | <u>(194,042)</u> | <u>(7,568)</u> | <u>(3,505)</u> | <u>1,130,010</u> |
| Net Position, Beginning | <u>17,434,282</u> | <u>6,585,998</u> | <u>131,558</u> | <u>15,350</u> | <u>24,167,188</u> |
| Net Position, Ending | <u>\$ 18,769,407</u> | <u>\$ 6,391,956</u> | <u>\$ 123,990</u> | <u>\$ 11,845</u> | <u>\$ 25,297,198</u> |

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

Centerville City Corporation
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
For The Year Ended June 30, 2023

| | 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 | \$ 3,630,359 | \$ 1,327,269 | \$ 1,217,218 | \$ 112,862 | \$ 6,287,708 |
| Payments to suppliers | (1,793,090) | (958,462) | (1,228,608) | (113,041) | (4,093,201) |
| Payments to employees and related benefits | (452,587) | (109,686) | - | - | (562,273) |
| Net cash flows from operating activities | <u>1,384,682</u> | <u>259,121</u> | <u>(11,390)</u> | <u>(179)</u> | <u>1,632,234</u> |
| Cash Flows From Capital and Related Financing Activities: | | | | | |
| Purchase of property and equipment | (1,794,297) | (608,315) | - | - | (2,402,612) |
| Sale of property and equipment | 45,544 | 151 | - | - | 45,695 |
| Receipt of developer construction fees | 653,590 | 7,040 | - | - | 660,630 |
| Principal paid on bonds | (78,000) | (22,000) | - | - | (100,000) |
| Interest paid on bonds | (31,910) | (8,577) | - | - | (40,487) |
| Net cash flows from capital and related financing activities | <u>(1,205,073)</u> | <u>(631,701)</u> | <u>-</u> | <u>-</u> | <u>(1,836,774)</u> |
| Cash Flows From Investing Activity: | | | | | |
| Interest on investments | 44,173 | 30,517 | 2,674 | 179 | 77,543 |
| Net cash flows from investing activity | <u>44,173</u> | <u>30,517</u> | <u>2,674</u> | <u>179</u> | <u>77,543</u> |
| Net Increase (Decrease) In Cash | 223,782 | (342,063) | (8,716) | - | (126,997) |
| Cash and Cash Equivalents At Beginning Of Year | <u>1,237,032</u> | <u>892,538</u> | <u>74,121</u> | <u>-</u> | <u>2,203,691</u> |
| Cash and Cash Equivalents At End Of Year | <u>\$ 1,460,814</u> | <u>\$ 550,475</u> | <u>\$ 65,405</u> | <u>\$ -</u> | <u>\$ 2,076,694</u> |

| | 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) | \$ 614,271 | \$ (226,397) | \$ (10,242) | \$ (3,684) | \$ 373,948 |
| Adjustments to reconcile operating income (loss) to net cash flows from operating activities: | | | | | |
| Depreciation expense | 514,491 | 138,551 | - | - | 653,042 |
| (Increase) Decrease in accounts receivables | (97,966) | 3,057 | (1,183) | 3,505 | (92,587) |
| (Increase) Decrease in inventory | 43,606 | - | - | - | 43,606 |
| (Increase) Decrease in prepaids | (1,786) | - | - | - | (1,786) |
| Increase (Decrease) in accounts payable | 313,882 | 329,971 | 35 | - | 643,888 |
| Increase (Decrease) in accrued liabilities | 3,136 | 253 | - | - | 3,389 |
| Increase (Decrease) in pension activity | (9,668) | (1,862) | - | - | (11,530) |
| Increase (Decrease) in paid time off payable | 4,716 | 15,548 | - | - | 20,264 |
| Net cash from operating activities | <u>\$ 1,384,682</u> | <u>\$ 259,121</u> | <u>\$ (11,390)</u> | <u>\$ (179)</u> | <u>\$ 1,632,234</u> |

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 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, 2023, of 6,635,864 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 \$24,878, \$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 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 consumption 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 before 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, 2023 are as follows:

| | |
|-------------------------------------|-----------------------------|
| Cash on hand and on deposit: | |
| Petty Cash | \$ 736 |
| Cash on Deposit | 452,913 |
| PTIF Investment | <u>16,635,864</u> |
| Total cash and investments | <u><u>\$ 17,089,513</u></u> |

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

| | |
|--------------------------------------|-----------------------------|
| Cash and cash equivalents | \$ 13,648,035 |
| Restricted cash and cash equivalents | <u>3,441,478</u> |
| Total cash and investments | <u><u>\$ 17,089,513</u></u> |

The City's cash and cash equivalents and investments are exposed to certain risks as outlined below:

Custodial credit risk – deposits is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2023, \$516,491 of the City's \$786,113 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, 2023, the fair value per share factor for investments in the PTIF was 1.00007516.

For the year ended June 30, 2023, the City had investments of \$16,635,864 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, 2023, 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</u> |
|--|---------------------------|------------------------------|----------------------|--------------------------|-----------------------------------|
| Cash on hand and on deposit: | | | | | |
| Cash on hand | \$ 736 | 1 | \$ 736 | N/A | N/A |
| Cash on deposit | 452,913 | 1 | 452,913 | N/A | N/A |
| Utah State Treasurer's investment pool accounts | <u>16,635,864</u> | 1.00007516 | <u>16,637,114</u> | N/A | 120.3 |
| Total cash on hand and deposit | <u>\$ 17,089,513</u> | | <u>\$ 17,090,763</u> | | |

B. Interfund Transfers

The transfers among the funds for the year ended June 30, 2023, were as follows:

| <u>Fund Transferring Out</u> | <u>Fund Receiving Transfer</u> | <u>Amount</u> |
|-------------------------------|--------------------------------|---------------------|
| General Fund | Recreation | \$ 131,260 |
| General Fund | Transportation | 415,592 |
| General Fund | Capital Project Fund | 4,678,602 |
| Cemetery Perpetual Care | General Fund | 25,600 |
| Redevelopment Agency | General Fund | 41,825 |
| Redevelopment Agency | UTOPIA Capital Projects Fund | 385,423 |
| Municipal Building Authority | General Fund | 1,207 |
| Arts Center Debt Service Fund | General Fund | 3,838 |
| Rap Tax Fund | Park Improvements | 482,887 |
| Rap Tax Fund | General Fund | <u>13,348</u> |
| | | <u>\$ 6,179,582</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 \$93,961 from the Association for the year ended June 30, 2021.

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, 2023, is as follows:

| | Balance June 30, 2022 | Additions | Deletions | Balance June 30, 2023 |
|---|----------------------------------|---------------------|-----------------------|----------------------------------|
| Governmental Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land and collectibles | \$ 7,718,450 | \$ 210,038 | \$ - | \$ 7,928,488 |
| Construction in progress | 618,368 | 1,332,644 | (1,237,801) | 713,211 |
| Total capital assets, not being depreciated | 8,336,818 | 1,542,682 | (1,237,801) | 8,641,699 |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 18,668,412 | - | - | 18,668,412 |
| Infrastructure | 12,596,641 | 1,174,915 | - | 13,771,556 |
| Machinery and equipment | 6,251,676 | 52,380 | (13,890) | 6,290,166 |
| Autos and trucks | 3,514,458 | 710,358 | (353,922) | 3,870,894 |
| Total capital assets, being depreciated | 41,031,187 | 1,937,653 | (367,812) | 42,601,028 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (6,808,546) | (457,054) | - | (7,265,600) |
| Infrastructure | (2,507,574) | (286,028) | - | (2,793,602) |
| Machinery and equipment | (2,666,018) | (319,627) | 13,890 | (2,971,755) |
| Autos and trucks | (2,304,375) | (347,045) | 335,869 | (2,315,551) |
| Total accumulated depreciation | (14,286,513) | (1,409,754) | 349,759 | (15,346,508) |
| Total capital assets being depreciated, net | 26,744,674 | 527,899 | (18,053) | 27,254,520 |
| Governmental Activities capital assets, net | <u>\$ 35,081,492</u> | <u>\$ 2,070,581</u> | <u>\$ (1,255,854)</u> | <u>\$ 35,896,219</u> |

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

| | |
|--|---------------------|
| Governmental Activities: | |
| General government | \$ 583,423 |
| Public safety | 134,219 |
| Highways and public improvements | 332,044 |
| Parks and recreation | 360,068 |
| Total depreciation expense - governmental activities | <u>\$ 1,409,754</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, 2022 | Additions | Deletions | Balance June 30, 2023 |
|---|----------------------------------|---------------------|-----------------------|----------------------------------|
| Business-type Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Water stock and rights | \$ 48,617 | \$ - | \$ - | \$ 48,617 |
| Land | 486,120 | - | - | 486,120 |
| Construction in progress | 1,884,727 | 2,260,188 | (2,669,568) | 1,475,347 |
| Total capital assets, not being depreciated | 2,419,464 | 2,260,188 | (2,669,568) | 2,010,084 |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 4,125,455 | - | - | 4,125,455 |
| Reservoirs | 984,857 | - | - | 984,857 |
| Water distribution system | 18,488,531 | 1,956,418 | - | 20,444,949 |
| Sub-drain system | 2,046,416 | - | - | 2,046,416 |
| Storm drain system | 3,905,183 | 713,150 | - | 4,618,333 |
| Machinery and equipment | 1,000,798 | 142,424 | (61,174) | 1,082,048 |
| Total capital assets, being depreciated | 30,551,240 | 2,811,992 | (61,174) | 33,302,058 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (1,298,481) | (84,296) | - | (1,382,777) |
| Reservoirs | (829,062) | (8,767) | - | (837,829) |
| Water distribution system | (6,103,598) | (368,200) | - | (6,471,798) |
| Sub-drain system | (634,254) | (40,928) | - | (675,182) |
| Storm drain system | (675,141) | (78,104) | - | (753,245) |
| Machinery and equipment | (756,424) | (72,745) | 61,174 | (767,995) |
| Total accumulated depreciation | (10,296,960) | (653,040) | 61,174 | (10,888,826) |
| Total capital assets being depreciated, net | 20,254,280 | 2,158,952 | - | 22,413,232 |
| Business-type Activities capital assets, net | \$ 22,673,744 | \$ 4,419,140 | \$ (2,669,568) | \$ 24,423,316 |

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

| | |
|--|-------------------|
| Business-type Activities: | |
| Water | \$ 514,490 |
| Drainage | 138,550 |
| Total depreciation expense - business-type activities | \$ 653,040 |

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, 2023:

| | <u>Balance June 30, 2022</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance June 30, 2023</u> | <u>Due Within One Year</u> |
|--|----------------------------------|---------------------|---------------------|----------------------------------|--------------------------------|
| Governmental Activities: | | | | | |
| Compensated absences | 759,808 | 421,941 | (374,173) | 807,576 | 370,000 |
| Notes Payable | 1,536,000 | - | (359,000) | 1,177,000 | 381,000 |
| Outstanding claims | 1,476 | 11,748 | (1,104) | 12,120 | 2,537 |
| Net pension liability | - | 1,337,049 | - | 1,337,049 | - |
| Total Governmental activities long-term liabilities | <u>2,297,284</u> | <u>1,770,738</u> | <u>(734,277)</u> | <u>3,333,745</u> | <u>753,537</u> |
| Business-type Activities: | | | | | |
| Bonds payable: | | | | | |
| Revenue bonds | 1,185,000 | - | (100,000) | 1,085,000 | 105,000 |
| Plus: unamortized premium | 124,408 | - | (13,094) | 111,314 | - |
| Total bonds payable | <u>1,309,408</u> | <u>-</u> | <u>(113,094)</u> | <u>1,196,314</u> | <u>105,000</u> |
| Notes payable | 596,073 | - | (70,647) | 525,426 | 58,117 |
| Compensated absences | 56,212 | 62,692 | (42,429) | 76,475 | 39,004 |
| Net pension liability | - | 59,179 | - | 59,179 | - |
| Total Business-type activities long-term liabilities | <u>1,961,693</u> | <u>121,871</u> | <u>(226,170)</u> | <u>1,857,394</u> | <u>202,121</u> |
| Total long-term liabilities | <u>\$ 4,258,977</u> | <u>\$ 1,892,609</u> | <u>\$ (960,447)</u> | <u>\$ 5,191,139</u> | <u>\$ 955,658</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, 2023, 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, 2023</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 | \$ 1,085,000 |

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

| <u>Year Ending June 30,</u> | <u>Business-type Activities Revenue Bonds</u> | |
|-----------------------------|---|-------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2024 | 105,000 | 36,225 |
| 2025 | 110,000 | 33,000 |
| 2026 | 110,000 | 29,700 |
| 2027 | 115,000 | 26,325 |
| 2028 | 120,000 | 22,800 |
| 2029-2031 | 525,000 | 43,300 |
| | <u>\$ 1,085,000</u> | <u>\$ 191,350</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 |
| 2024 | 381,000 | 31,544 |
| 2025 | 405,000 | 21,333 |
| 2026 | 391,000 | 10,479 |
| | \$ 1,177,000 | \$ 63,356 |
| | - | |
| | \$ 1,177,000 | |

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, 2023 are as follows:

| Year Ending June 30, | Business-type Activities | |
|-------------------------|---------------------------------|-------------------|
| | Notes Payable | |
| | Principal | Interest |
| 2024 | 51,159 | 39,651 |
| 2025 | 51,168 | 35,622 |
| 2026 | 52,192 | 31,768 |
| 2027 | 52,726 | 27,644 |
| 2028 | 53,137 | 23,423 |
| 2029-2033 | 248,423 | 54,582 |
| 2034-2038 | 16,376 | 2,674 |
| 2039 | 245 | 30 |
| | \$ 525,426 | \$ 215,394 |

**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, 2023 are as follows:

Utah Retirement Systems

| | Employee | Employer | Employer 401(k) |
|--|----------|----------|-----------------|
| Contributory System | | | |
| 11 - Local Governmental Division Tier 1 | 6.00% | 13.96% | N/A |
| 111 - Local Governmental Division Tier 2 | N/A | 16.01% | 0.18% |
| Noncontributory System | | | |
| 15 - Local Governmental Division Tier 1 | N/A | 17.97% | N/A |
| Public Safety Retirement System | | | |
| Contributory | | | |
| 122 - Tier 2 DB Hybrid Public Safety | 2.59% | 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 | 6.19% | 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, 2023, the employer and employee contributions to the Systems were as follows:

| System | Employer Contributions | Employee Contributions |
|--|---------------------------|---------------------------|
| Noncontributory System | \$ 311,653 | \$ - |
| Contributory System | 17,297 | 7,434 |
| Public Safety System | 404,005 | - |
| Tier 2 Public Employees System | 147,823 | - |
| Tier 2 Public Safety and Firefighter System | 97,395 | 9,734 |
| Tier 2 DC Only System | 11,163 | - |
| Tier 2 DC Public Safety and Firefighter System | 8,349 | - |
| Total Net Pension Asset / Liability | <u>\$ 997,685</u> | <u>\$ 17,168</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, 2023, we reported a net pension asset of \$0 and a net pension liability of \$1,396,228.

| System | Net Pension Asset | Net Pension Liability | Proportionate Share | Proportionate Share 12/31/2021 | Change (Decrease) |
|---|----------------------|--------------------------|------------------------|-----------------------------------|-------------------|
| Noncontributory System | \$ - | \$ 321,675 | 0.18781222% | 0.1753119% | 0.0125003% |
| Contributory System | - | 85,784 | 0.8340881% | 0.8250211% | 0.0090670% |
| Public Safety System | - | 938,467 | 0.7257636% | 0.6850696% | 0.0406940% |
| Tier 2 Public Employees System | - | 41,113 | 0.0377565% | 0.0373759% | 0.0003806% |
| Tier 2 Public Safety and Firefighter System | - | 9,189 | 0.1101450% | 0.1010189% | 0.0091261% |
| Total Net Pension Asset / Liability | <u>\$ -</u> | <u>\$ 1,396,228</u> | | | |

The net pension asset and liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2022 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, 2023, we recognized pension expense of \$771,140.

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

F. Pensions (Continued)

At June 30, 2023, 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 | \$ 131,581 | \$ 4,678 |
| Changes in assumptions | 97,047 | 2,309 |
| Net difference between projected and actual earnings on pension plan investments | 481,385 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 52,731 | 3,752 |
| Contributions subsequent to the measurement date | 497,177 | - |
| Total | \$ 1,259,921 | \$ 10,739 |

\$497,177 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, 2022.

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

| Year Ended December 31, | Deferred Outflows (inflows) of Resources |
|--------------------------------|---|
| 2023 | \$ (242,240) |
| 2024 | \$ (38,748) |
| 2025 | \$ 206,629 |
| 2026 | \$ 802,109 |
| 2027 | \$ 4,370 |
| Thereafter | \$ 19,885 |

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, 2023, we recognized pension expense of \$158,826.

At June 30, 2023, 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 | \$ 109,107 | \$ - |
| Changes in assumptions | 52,718 | 1,284 |
| Net difference between projected and actual earnings on pension plan investments | 212,180 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 13,102 | 299 |
| Contributions subsequent to the measurement date | 150,670 | - |
| Total | \$ 537,777 | \$ 1,583 |

\$150,670 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, 2022.

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

| Year Ended December 31, | Deferred Outflows (inflows) of Resources |
|--------------------------------|---|
| 2023 | \$ (39,058) |
| 2024 | \$ 13,512 |
| 2025 | \$ 85,225 |
| 2026 | \$ 325,844 |
| 2027 | \$ - |
| 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, 2023, we recognized pension expense of 184,876.

At June 30, 2023, 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 | 25,574 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | - | - |
| Contributions subsequent to the measurement date | 8,648 | - |
| Total | \$ 34,222 | \$ - |

\$8,648 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, 2022.

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

| Year Ended December 31, | Deferred Outflows (inflows) of Resources |
|-------------------------|---|
| 2023 | \$ (72,600) |
| 2024 | \$ (21,692) |
| 2025 | \$ 19,668 |
| 2026 | \$ 100,198 |
| 2027 | \$ - |
| 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, 2023, we recognized pension expense of \$308,557.

At June 30, 2023, 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 | \$ 4,155 | \$ - |
| Changes in assumptions | 25,170 | - |
| Net difference between projected and actual earnings on pension plan investments | 217,522 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 27,069 | - |
| Contributions subsequent to the measurement date | 202,045 | - |
| Total | \$ 475,961 | \$ - |

\$202,045 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, 2022.

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

| Year Ended December 31, | Deferred Outflows (inflows) of Resources |
|--------------------------------|---|
| 2023 | \$ (133,988) |
| 2024 | \$ (37,588) |
| 2025 | \$ 90,678 |
| 2026 | \$ 354,814 |
| 2027 | \$ - |
| 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, 2023, we recognized pension expense of \$78,952.

At June 30, 2023, 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 | \$ 13,886 | \$ 1,631 |
| Changes in assumptions | 13,347 | 105 |
| Net difference between projected and actual earnings on pension plan investments | 16,575 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 9,239 | 1,962 |
| Contributions subsequent to the measurement date | 82,198 | - |
| Total | \$ 135,245 | \$ 3,698 |

\$82,198 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, 2022.

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

| Year Ended December 31, | Deferred Outflows (inflows) of Resources |
|--------------------------------|---|
| 2023 | \$ 2,494 |
| 2024 | \$ 5,105 |
| 2025 | \$ 8,032 |
| 2026 | \$ 15,117 |
| 2027 | \$ 3,755 |
| Thereafter | \$ 14,847 |

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, 2023, we recognized pension expense of \$39,930.

At June 30, 2023, 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 | \$ 4,433 | \$ 3,047 |
| Changes in assumptions | 5,811 | 920 |
| Net difference between projected and actual earnings on pension plan investments | 9,534 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 3,322 | 1,491 |
| Contributions subsequent to the measurement date | 53,616 | - |
| Total | \$ 76,716 | \$ 5,458 |

\$53,616 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, 2022.

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

| Year Ended December 31, | Deferred Outflows (inflows) of Resources |
|--------------------------------|---|
| 2023 | \$ 913 |
| 2024 | \$ 1,916 |
| 2025 | \$ 3,027 |
| 2026 | \$ 6,137 |
| 2027 | \$ 615 |
| Thereafter | \$ 5,035 |

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, 2022, 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, 2022, valuation were based on an experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021.

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 | 35% | 6.58% | 2.30% |
| Debt securities | 20% | 1.08% | 0.22% |
| Real Assets | 18% | 5.72% | 1.03% |
| Private equity | 12% | 9.80% | 1.18% |
| Absolute return | 15% | 2.91% | 0.44% |
| Cash and cash equivalents | 0% | -0.11% | 0.00% |
| Totals | 100% | | 5.17% |
| | Inflation | | 2.50% |
| | Expected arithmetic nominal return | | 7.67% |

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.

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 | \$ 2,027,304 | \$ 321,675 | \$ (1,103,468) |
| Contributory System | 440,086 | 85,784 | (214,917) |
| Public Safety System | 3,022,337 | 938,467 | (756,211) |
| Tier 2 Public Employees System | 179,640 | 41,113 | (65,605) |
| Tier 2 Public Safety and Firefighter System | 73,554 | 9,189 | (41,966) |
| | \$ 5,742,921 | \$ 1,396,228 | \$ (2,182,167) |

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 | 2023 | \$ 122,549 | \$ 51,224 |
| | 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 | 2023 | \$ 20,644 | \$ - |
| | 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 | 2023 | \$ 15,791 | N/A |
| | 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 Agency (URMA). 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 URMA becomes insolvent, the City is fully responsible for all claims. The obligation of URMA 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. URMA purchases umbrella insurance to protect against large claims. URMA 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, 2022 | \$ | 1,475 |
| Claims incurred | | 11,748 |
| Payments on claims | | (1,103) |
| Liability at June 30, 2023 | \$ | 12,120 |

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 2022, UTOPIA issued an \$205,355,000 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 3.24% with a yearly liability limit set at a maximum of \$532,674 for the coming year ended June 30, 2024. 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, 2023 totaled \$522,229. The aggregate amount paid to UTOPIA of \$6,196,663 as of June 30, 2023, 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, 2023, totaled \$0. During fiscal year 2023 UIA paid \$135,938 to the City. UIA issues annual audited financial statements which are available either from UIA or the Utah State Auditor.

J. Commitments and Contingencies

The City had \$2,981,836 of outstanding construction commitments at June 30, 2023.

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, 2023:

Tax increment collected for each project area

| | | |
|-----------------|----|-----------|
| Parish Lane | \$ | 1,025,345 |
| Legacy Crossing | | 342,836 |
| Barnard Creek | | 281,858 |
| | | 281,858 |
| | \$ | 1,650,039 |

Amounts expended for:

| | | |
|--------------------------------------|----|---------|
| Administrative costs | \$ | 312,541 |
| Tax increment paid to other entities | | 318,898 |
| | | 318,898 |
| Total amounts expended by RDA | \$ | 631,439 |

| | | |
|---|----|---|
| Outstanding bonds and loans to finance RDA projects | \$ | - |
|---|----|---|

REQUIRED SUPPLEMENTAL INFORMATION

Centerville City Corporation
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2023
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% |
| | 2023 | 0.1878122% | 0.8340881% | 0.7257636% | 0.0377565% | 0.1101450% |
| 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) |
| | 2023 | \$ 1,700,743 | \$ 117,166 | \$ 1,170,827 | \$ 822,950 | \$ 338,893 |
| 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 |
| | 2023 | \$ 1,700,743 | \$ 117,166 | \$ 1,170,827 | \$ 822,950 | \$ 338,893 |
| 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% |
| | 2023 | 18.91% | 73.22% | 80.15% | 5.00% | 2.71% |
| 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% |
| | 2023 | 97.5% | 97.7% | 93.6% | 92.3% | 96.4% |

* 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, 2023
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% |
| | 2023 | \$ 311,653 | \$ 311,653 | \$ - | \$ 1,744,787 | 17.86% |
| 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% |
| | 2023 | \$ 17,297 | \$ 17,297 | \$ - | \$ 123,903 | 13.96% |
| 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% |
| | 2023 | \$ 404,005 | \$ 404,005 | \$ - | \$ 1,186,853 | 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% |
| | 2023 | \$ 147,823 | \$ 147,823 | \$ - | \$ 923,317 | 16.01% |
| 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% |
| | 2023 | \$ 97,395 | \$ 97,395 | \$ - | \$ 378,015 | 25.76% |
| 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% |
| | 2023 | \$ 11,163 | \$ 11,163 | \$ - | \$ 183,030 | 6.10% |
| 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% |
| | 2023 | \$ 8,349 | \$ 8,349 | \$ - | \$ 70,574 | 11.83% |

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created July 1, 2011.
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, 2023

Changes in Assumptions:

No changes were made in actuarial assumptions from the prior year's valuation.

SUPPLEMENTAL INFORMATION

Centerville City Corporation
COMBINING BALANCE SHEET – NONMAJOR
GOVERNMENTAL FUNDS
June 30, 2023

| | <u>Special Revenue Funds</u> | | | | | | Total Nonmajor Governmental Funds | |
|--|------------------------------------|-----------------|-------------------|-------------------------------|------------------------------------|--------------------------|--|-------------------------------------|
| | Municipal Building Authority | Recreation | R.A.P. Tax | Cemetery Perpetual Care | Utopia Capital Projects Fund | Capital Projects Fund | | Arts Center Debt Service Fund |
| Assets: | | | | | | | | |
| Cash and cash equivalents | \$ - | \$ 9,616 | \$ - | \$ 69,862 | \$ 42,249 | \$ 5,568,407 | \$ - | \$ 5,690,134 |
| Receivable - intergovernmental | - | - | 115,529 | - | - | - | - | 115,529 |
| Restricted cash and cash equivalents | - | - | 448,534 | 37,700 | - | - | - | 486,234 |
| Total Assets | <u>\$ -</u> | <u>\$ 9,616</u> | <u>\$ 564,063</u> | <u>\$ 107,562</u> | <u>\$ 42,249</u> | <u>\$ 5,568,407</u> | <u>\$ -</u> | <u>\$ 6,291,897</u> |
| Liabilities: | | | | | | | | |
| Accounts payable | \$ - | \$ 4,661 | \$ 6,033 | \$ - | \$ - | \$ 12,296 | \$ - | \$ 22,990 |
| Accrued liabilities | - | 1,847 | - | - | - | - | - | 1,847 |
| Total Liabilities | <u>-</u> | <u>6,508</u> | <u>6,033</u> | <u>-</u> | <u>-</u> | <u>12,296</u> | <u>-</u> | <u>24,837</u> |
| Fund Balances: | | | | | | | | |
| Nonspendable, in the form of: | | | | | | | | |
| Permanently restricted cemetery | - | - | - | 37,700 | - | - | - | 37,700 |
| Restricted for: | | | | | | | | |
| Future development | - | - | 558,030 | - | - | - | - | 558,030 |
| Cemetery | - | - | - | 69,862 | - | - | - | 69,862 |
| Assigned, reported in: | | | | | | | | |
| Special revenue funds | - | 3,108 | - | - | - | - | - | 3,108 |
| Capital project funds | - | - | - | - | 42,249 | 5,556,111 | - | 5,598,360 |
| Total Fund Balances | <u>-</u> | <u>3,108</u> | <u>558,030</u> | <u>107,562</u> | <u>42,249</u> | <u>5,556,111</u> | <u>-</u> | <u>6,267,060</u> |
| Total Liabilities and Fund Balances | <u>\$ -</u> | <u>\$ 9,616</u> | <u>\$ 564,063</u> | <u>\$ 107,562</u> | <u>\$ 42,249</u> | <u>\$ 5,568,407</u> | <u>\$ -</u> | <u>\$ 6,291,897</u> |

Centerville City Corporation
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – NONMAJOR
GOVERNMENTAL FUNDS
For The Year Ended June 30, 2023

| | Special Revenue Funds | | | | | | Arts Center Debt Service Fund | Total Nonmajor Governmental Funds |
|--|---|-------------------|-------------------|--|---|----------------------------------|--|--|
| | Municipal Building Authority | Recreation | R.A.P. Tax | Cemetery Perpetual Care | Utopia Capital Projects Fund | Capital Projects Fund | | |
| Revenues: | | | | | | | | |
| Taxes | \$ - | \$ - | \$ 582,514 | \$ - | \$ - | \$ - | \$ - | \$ 582,514 |
| Charges for services | - | 75,570 | - | 32,000 | - | - | - | 107,570 |
| Interest | - | - | 38,790 | 1,566 | - | 62,499 | - | 102,855 |
| Miscellaneous | - | 14,638 | - | - | 135,938 | 8,000 | - | 158,576 |
| Total Revenues | - | 90,208 | 621,304 | 33,566 | 135,938 | 70,499 | - | 951,515 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government | - | - | - | - | 522,229 | 68,340 | - | 590,569 |
| Parks and recreation | - | 230,518 | - | - | - | - | - | 230,518 |
| Community development | - | - | 28,406 | - | - | - | - | 28,406 |
| Capital outlay | - | - | - | - | - | 993,487 | - | 993,487 |
| Total Expenditures | - | 230,518 | 28,406 | - | 522,229 | 1,061,827 | - | 1,842,980 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | (140,310) | 592,898 | 33,566 | (386,291) | (991,328) | - | (891,465) |
| Other Financing Sources (Uses): | | | | | | | | |
| Transfers in | - | 131,260 | - | - | 385,423 | 4,678,602 | - | 5,195,285 |
| Transfers out | (1,207) | - | (496,235) | (25,600) | - | - | (3,838) | (526,880) |
| Total Other Financing Sources (Uses) | (1,207) | 131,260 | (496,235) | (25,600) | 385,423 | 4,678,602 | (3,838) | 4,668,405 |
| Net Change in Fund Balances | (1,207) | (9,050) | 96,663 | 7,966 | (868) | 3,687,274 | (3,838) | 3,776,940 |
| Fund Balances, Beginning | 1,207 | 12,158 | 461,367 | 99,596 | 43,117 | 1,868,837 | 3,838 | 2,490,120 |
| Fund Balances, Ending | \$ - | \$ 3,108 | \$ 558,030 | \$ 107,562 | \$ 42,249 | \$ 5,556,111 | \$ - | \$ 6,267,060 |

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2023

| Municipal Building Authority Special Revenue Fund | | | | |
|--|------------------|------------|-------------------|-------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
| | Original | Final | | |
| Revenues: | \$ - | \$ - | \$ - | \$ - |
| Expenditures: | - | - | - | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | - | - |
| Other Financing Sources (Uses): | | | | |
| Transfers out | - | (1,208) | (1,207) | 1 |
| Total Other Financing Sources (Uses) | - | (1,208) | (1,207) | 1 |
| Net Change in Fund Balances | \$ - | \$ (1,208) | (1,207) | \$ 1 |
| Fund Balances, Beginning | | | 1,207 | |
| Fund Balances, Ending | | | \$ - | |

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, 2023

| Recreation Special Revenue Fund | | | | |
|--|------------------|------------|-------------------|-------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 135,455 | \$ 135,455 | \$ 75,570 | \$ (59,885) |
| Miscellaneous | 20,100 | 20,100 | 14,638 | (5,462) |
| Total Revenues | 155,555 | 155,555 | 90,208 | (65,347) |
| Expenditures: | | | | |
| Current: | | | | |
| Parks and recreation | 260,045 | 280,045 | 230,518 | 49,527 |
| Capital outlay | 6,771 | 6,770 | - | 6,770 |
| Total Expenditures | 266,816 | 286,815 | 230,518 | 56,297 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (111,261) | (131,260) | (140,310) | (9,050) |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 111,260 | 131,260 | 131,260 | - |
| Total Other Financing Sources (Uses) | 111,260 | 131,260 | 131,260 | - |
| Net Change in Fund Balances | \$ (1) | \$ - | (9,050) | \$ (9,050) |
| Fund Balances, Beginning | | | 12,158 | |
| Fund Balances, Ending | | | \$ 3,108 | |

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, 2023

| R.A.P. Tax Special Revenue Fund | | | | |
|--|------------------|------------|-------------------|-------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 509,250 | \$ 509,250 | \$ 582,514 | \$ 73,264 |
| Interest | 2,000 | 2,000 | 38,790 | 36,790 |
| Total Revenues | 511,250 | 511,250 | 621,304 | 110,054 |
| Expenditures: | | | | |
| Parks and recreation | 25,463 | 25,463 | - | 25,463 |
| Community development | 25,463 | 25,463 | 28,406 | (2,943) |
| Total Expenditures | 50,926 | 50,926 | 28,406 | 22,520 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 460,324 | 460,324 | 592,898 | 132,574 |
| Other Financing Sources (Uses): | | | | |
| Transfers out | (460,324) | (460,324) | (496,235) | (35,911) |
| Total Other Financing Sources (Uses) | (460,324) | (460,324) | (496,235) | (35,911) |
| Net Change in Fund Balances | \$ - | \$ - | 96,663 | \$ 96,663 |
| Fund Balances, Beginning | | | 461,367 | |
| Fund Balances, Ending | | | \$ 558,030 | |

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, 2023

| Cemetery Perpetual Care Special Revenue Fund | | | | |
|--|------------------|-----------------|-------------------|-------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 33,000 | \$ 33,000 | \$ 32,000 | \$ (1,000) |
| Interest | 1,100 | 1,100 | 1,566 | 466 |
| Total Revenues | 34,100 | 34,100 | 33,566 | (534) |
| Expenditures: | | | | |
| Capital outlay | - | - | - | - |
| Total Expenditures | - | - | - | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 34,100 | 34,100 | 33,566 | (534) |
| Other Financing Sources (Uses): | | | | |
| Transfers out | (34,160) | (34,160) | (25,600) | (8,560) |
| Total Other Financing Sources (Uses) | (34,160) | (34,160) | (25,600) | (8,560) |
| Net Change in Fund Balances | \$ (60) | \$ (60) | 7,966 | \$ 8,026 |
| Fund Balances, Beginning | | | 99,596 | |
| Fund Balances, Ending | | | \$ 107,562 | |

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, 2023

| UTOPIA Capital Projects Fund | | | | |
|--|------------------|------------|-------------------|-------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 135,938 | \$ 135,938 | \$ 135,938 | \$ - |
| Total Revenues | 135,938 | 135,938 | 135,938 | - |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 521,361 | 521,361 | 522,229 | (868) |
| Total Expenditures | 521,361 | 521,361 | 522,229 | (868) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (385,423) | (385,423) | (386,291) | (868) |
| Other Financing Sources: | | | | |
| Transfers in | 385,423 | 385,423 | 385,423 | - |
| Total Other Financing Sources | 385,423 | 385,423 | 385,423 | - |
| Net Change in Fund Balances | \$ - | \$ - | (868) | \$ (868) |
| Fund Balances, Beginning | | | 43,117 | |
| Fund Balances, Ending | | | \$ 42,249 | |

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, 2023

| | Capital Project Fund | | | |
|--|-----------------------------|----------------|--------------|---------------|
| | Budgeted Amounts | | Actual | Variance with |
| | Original | Final | Amounts | Final Budget |
| Revenues: | | | | |
| Interest | \$ 6,000 | \$ 6,000 | \$ 62,499 | 56,499 |
| Miscellaneous | - | 8,000 | 8,000 | |
| Total Revenues | 6,000 | 14,000 | 70,499 | 56,499 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | 68,340 | (68,340) |
| Capital outlay | 775,670 | 1,267,926 | 993,487 | 274,439 |
| Total Expenditures | 775,670 | 1,267,926 | 1,061,827 | 206,099 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (769,670) | (1,253,926) | (991,328) | 262,598 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 538,603 | 4,678,602 | \$ 4,678,602 | |
| Total Other Financing Sources (Uses) | 538,603 | - | 4,678,602 | - |
| Net Change in Fund Balances | \$ (231,067) | \$ (1,253,926) | 3,687,274 | \$ 4,941,200 |
| Fund Balances, Beginning | | | 1,868,837 | |
| Fund Balances, Ending | | | \$ 5,556,111 | |

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, 2023

| Arts Center Debt Service Fund | | | | |
|--|------------------|------------|-------------------|-------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
| | Original | Final | | |
| Revenues: | | | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Expenditures: | | | | |
| Total Expenditures | - | - | - | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | - | - |
| Other Financing Sources (Uses): | | | | |
| Transfers out | - | (3,840) | (3,838) | 2 |
| Total Other Financing Sources (Uses) | - | (3,840) | (3,838) | 2 |
| Net Change in Fund Balances | \$ - | \$ (3,840) | (3,838) | \$ 2 |
| Fund Balances, Beginning | | | 3,838 | |
| Fund Balances, Ending | | | \$ - | |

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, 2023

| | <u>Park Improvements Capital Projects Fund</u> | | | |
|--|--|------------------|---------------------------------|---|
| | <u>Budgeted Amounts</u> | | <u>Actual</u> <u>Amounts</u> | <u>Variance with</u> <u>Final Budget</u> |
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Fees and contributions | \$ 40,000 | \$ 40,000 | \$ 77,463 | \$ 37,463 |
| Interest | 1,200 | 1,200 | 44,808 | 43,608 |
| Total Revenues | <u>41,200</u> | <u>41,200</u> | <u>122,271</u> | <u>81,071</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Parks and recreation | - | - | 9,564 | (9,564) |
| Debt service: | | | | |
| Principal | 107,000 | 107,000 | 359,000 | (252,000) |
| Interest | - | - | 42,493 | (42,493) |
| Capital outlay | 369,061 | 369,061 | 1,935 | 367,126 |
| Total Expenditures | <u>476,061</u> | <u>476,061</u> | <u>412,992</u> | <u>63,069</u> |
| Excess (Deficiency) of Revenues | | | | |
| Over (Under) Expenditures | <u>(434,861)</u> | <u>(434,861)</u> | <u>(290,721)</u> | <u>144,140</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 434,861 | 434,861 | 482,886 | 48,025 |
| Total Other Financing Sources | | | | |
| (Uses) | <u>434,861</u> | <u>434,861</u> | <u>482,886</u> | <u>48,025</u> |
| Net Change in Fund Balances | <u>\$ -</u> | <u>\$ -</u> | <u>192,165</u> | <u>\$ (192,165)</u> |
| Fund Balances, Beginning | | | <u>509,848</u> | |
| Fund Balances, Ending | | | <u>\$ 702,013</u> | |

STATISTICAL SECTION

STATISTICAL SECTION TABLE OF CONTENTS

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

| <u>Contents</u> | <u>Page</u> |
|--|--------------------|
| Financial Trends These schedules provide trend information to help the reader understand how the City's financial performance and economic condition have changed over time. | 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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|
| <u>Governmental activities</u> | | | | | | | | | | |
| Net Investment in capital assets | \$ 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 | \$34,719,219 |
| Restricted | 19,684 | 17,317 | 438,816 | 1,458,012 | 1,911,418 | 2,185,224 | 1,966,058 | 1,505,287 | 1,918,919 | 2,345,323 |
| Unrestricted | 1,429,287 | (667,257) | (1,072,448) | (1,237,374) | (639,320) | (517,244) | 1,110,396 | 2,912,016 | 7,030,709 | 11,367,928 |
| Total governmental activities net assets | 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 | 48,432,470 |
| <u>Business-type activities</u> | | | | | | | | | | |
| Net Investment in capital assets | 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 | 22,832,405 |
| Restricted | 999,330 | 203,884 | 512,047 | 39,750 | 302,097 | 272,451 | 14,800 | 178,488 | 178,488 | - |
| Unrestricted | 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 | 2,464,793 |
| Total business-type activities net assets | 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 | 25,297,198 |
| <u>Primary government</u> | | | | | | | | | | |
| Net Investment in capital assets | 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 | 57,551,624 |
| Restricted | 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 | 2,345,323 |
| Unrestricted | 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 | 13,832,721 |
| Total primary government net assets | \$ 41,030,288 | \$ 42,927,076 | \$ 46,104,747 | \$ 46,104,747 | \$ 49,258,306 | \$51,152,981 | \$54,804,977 | \$59,935,636 | \$66,662,308 | \$73,729,668 |

Centerville City Corporation

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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|
| Expenses | | | | | | | | | | |
| <u>Governmental activities</u> | | | | | | | | | | |
| General government | \$ 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 | \$ 1,499,006 |
| Public Safety | 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 | 4,766,172 |
| Streets and Public Works | 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 | 2,073,315 |
| Parks & Recreation | 1,720,371 | 1,707,103 | 1,434,223 | 1,355,402 | 1,466,307 | 1,515,353 | 1,282,310 | 1,344,690 | 1,665,651 | 1,939,974 |
| Community Development | 539,894 | 618,065 | 1,096,021 | 1,051,553 | 896,199 | 862,105 | 1,073,253 | 1,209,624 | 993,145 | 1,100,056 |
| Interest on long-term debt - combined with function | 259,327 | 213,694 | 98,142 | 45,112 | 36,254 | 31,130 | 56,759 | 29,500 | - | - |
| Total governmental activities | 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 | 11,378,523 |
| <u>Business-type activities</u> | | | | | | | | | | |
| Water | 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 | 3,136,507 |
| Sanitation | 979,738 | 956,890 | 703,201 | 965,638 | 772,744 | 884,763 | 914,824 | 1,246,667 | 1,181,295 | 1,555,962 |
| Storm Drain | 611,098 | 760,994 | 973,114 | 704,313 | 938,757 | 999,113 | 1,153,938 | 1,210,979 | 1,026,831 | 1,228,643 |
| Telecom | 424,108 | 283,566 | 314,130 | 302,954 | 267,175 | 232,809 | 233,618 | 219,099 | 180,016 | 113,040 |
| Total business-type activities | 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 | 6,034,152 |
| Total primary government expenses | \$ 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 | \$17,412,675 |
| Program Revenues | | | | | | | | | | |
| <u>Governmental activities</u> | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | \$ 1,529,410 | \$ 1,623,948 | \$ 1,158,121 | \$ 871,295 | \$ 845,943 | \$ 918,781 | \$ 770,735 | \$ 712,989 | \$ 1,075,188 | \$ 897,574 |
| Streets and Public Works | 11,477 | 5,085 | - | - | - | - | - | - | - | - |
| Parks & Recreation | 118,300 | 121,278 | 249,057 | 251,100 | 282,157 | 243,378 | 112,507 | 98,155 | 191,982 | 208,461 |
| Community Development | 333,252 | 241,315 | - | - | - | - | 38,936 | 27,660 | 56,720 | 59,335 |
| 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 | 4,491,280 |
| Capital grants and contributions | 2,267,236 | 2,872,876 | 1,114,767 | 757,607 | 49,733 | 28,320 | 615,745 | 12,718 | - | - |
| Total governmental activities program revenues | 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 | 5,656,650 |

Centerville City Corporation

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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <u>Business-type activities</u> | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Water | \$ 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 | 3,728,325 |
| Sanitation | 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 | 1,218,401 |
| Storm Drain | 576,486 | 586,157 | 976,007 | 1,251,125 | 1,005,378 | 1,262,686 | 1,185,607 | 1,358,753 | 1,354,602 | 1,324,212 |
| Telecom | 256,247 | 282,767 | 295,261 | 300,671 | 270,333 | 232,531 | 233,863 | 218,893 | 178,159 | 109,356 |
| Operating grants and contributions | - | - | 350,533.00 | 320,456 | - | - | - | - | - | - |
| Capital grants and contributions | - | 311,841.00 | - | - | 522,230 | 306,027 | 182,112 | 412,784 | 2,040,551 | 660,630 |
| Total business-type activities primary revenues | 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 | 7,040,924 |
| Total primary government program revenues | \$ 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 | \$12,697,574 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | \$ (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) | \$ (5,721,873) |
| Business-type activities | 356,793 | 421,617 | 813,341 | 1,142,532 | 1,740,330 | 1,085,291 | 861,840 | 863,021 | 2,750,754 | 1,006,772 |
| Total primary government net (expense)/revenue | \$ (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) | \$ (4,715,101) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property Tax and Uniform Fees | \$ 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 | \$ 2,813,511 |
| Franchise, Telecommunication & Energy Sales Taxes | 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 | 1,194,210 |
| General & Highway Sales Tax | 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 | 6,245,463 |
| Gain on Sale of Capital Assets | - | - | 64,331 | - | - | 70,605 | 14,072 | 170,105 | 76,917 | 92,729 |
| Other | 224,224 | 98,392 | 437,570 | 551,487 | 485,950 | 571,867 | 563,555 | 901,287 | 748,753 | 1,313,310 |
| Contribution | - | - | - | - | - | - | - | 63,224 | - | - |
| Transfers | (163,400) | (20,840) | (16,309) | (230,590) | (90,957) | - | - | - | - | - |
| Total governmental activities | 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 | 11,659,223 |
| Business-type activities | | | | | | | | | | |
| Other | 7,784 | 4,632 | 7,649 | 4,945 | 15,139 | 43,241 | 41,237 | 9,377 | 9,347 | 77,543 |
| Gain on Sale of Capital Assets | - | - | - | - | - | - | - | - | 79,198 | 45,695 |
| Transfers | 163,400 | 20,840 | 16,309 | 177,385 | 1,102 | - | - | - | - | - |
| Total business-type activities | 171,184 | 25,472 | 23,958 | 182,330 | 16,241 | 43,241 | 41,237 | 9,377 | 88,545 | 123,238 |
| Total primary government | \$ 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 | \$11,782,461 |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 465,313 | \$ 1,173,904 | \$ 2,164,212 | \$ 773,844 | \$ 1,396,988 | \$ 766,231 | \$ 2,707,890 | \$ 4,258,261 | \$ 3,887,373 | \$ 5,937,350 |
| Business-type activities | 527,977 | 447,089 | 837,299 | 1,324,862 | 1,756,571 | 1,128,532 | 903,077 | 872,398 | 2,839,299 | 1,130,010 |
| Total primary government | \$ 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 | \$ 7,067,360 |

Centerville City Corporation

Fund Balances, Governmental Funds
Last Ten Fiscal Years

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| <u>General Fund</u> | | | | | | | | | | |
| Nonspendable | \$ 7,064 | \$ - | \$ 32,859 | \$ 15,491 | \$ 10,874 | \$ 45,586 | \$ 51,129 | \$ 40,833 | \$ 348,610 | \$ 109,487 |
| Restricted | - | - | 139,993 | 22,901 | 20,275 | 37,225 | 49,506 | 51,357 | 65,878 | 57,288 |
| Unassigned | 1,317,015 | 831,617 | 619,427 | 615,562 | 1,125,445 | 1,313,758 | 2,087,657 | 2,028,449 | 3,457,462 | 7,280,488 |
| Total general fund | 1,324,079 | 831,617 | 792,279 | 653,954 | 1,156,594 | 1,396,569 | 2,188,292 | 2,120,639 | 3,871,950 | 7,447,263 |
| <u>All Other Governmental Funds</u> | | | | | | | | | | |
| Nonspendable | - | - | - | 37,700.00 | 37,700 | 37,700 | 79,460 | 37,700 | 37,700 | 37,700 |
| Restricted | 19,684 | 17,317 | 298,823 | 1,397,408 | 1,853,443 | 2,110,299 | 1,878,852 | 1,416,230 | 1,815,341 | 2,250,335 |
| Assigned reported in: | | | | | | | | | | |
| Special revenue funds | 52,936 | 53,031 | 64,119 | 270,417 | 5,523 | 8,746 | 11,063 | 31,730 | 13,365 | 3,108 |
| Capital project funds | 483,408 | 312,484 | 332,964 | 67,889 | 415,595 | 415,596 | 833,980 | 3,035,123 | 3,334,014 | 3,371,182 |
| 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 | 1,603,833 |
| Unassigned reported in: | | | | | | | | | | |
| Special revenue funds | - | - | (7,909) | - | - | - | - | - | - | - |
| Total all other governmental funds | 861,834 | 741,517 | 753,899 | 1,860,335 | 2,404,548 | 2,789,764 | 3,274,472 | 4,921,311 | 6,234,750 | 7,266,158 |
| Total governmental funds | \$ 2,185,913 | \$ 1,573,134 | \$ 1,546,178 | \$ 2,514,289 | \$ 3,561,142 | \$ 4,186,333 | \$ 5,462,764 | \$ 7,041,950 | \$ 10,106,700 | \$ 14,713,421 |

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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| <u>Revenues</u> | | | | | | | | | | |
| Taxes | \$ 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 | \$ 10,835,698 |
| Special Assessments | 11,477 | 5,085 | - | - | - | - | - | - | - | - |
| Licenses & Permits | 333,252 | 241,315 | 525,878 | 278,579 | 251,569 | 337,507 | 279,367 | 292,952 | 561,984 | 467,673 |
| Intergovernmental | 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 | 4,413,817 |
| Charges for Services | 481,387 | 392,158 | 411,520 | 384,320 | 332,398 | 412,959 | 222,683 | 222,627 | 364,573 | 325,523 |
| Charges for Services - Other Funds | 698,000 | 859,500 | - | - | - | - | - | - | - | - |
| Fee & Contributions | - | - | 480,252 | 80,223 | 95,200 | 59,013 | 653,208 | 81,054 | 203,699 | 77,463 |
| Fines & Forfeitures | 468,323 | 493,568 | 444,658 | 440,062 | 473,817 | 395,121 | 378,619 | 285,724 | 328,386 | 304,451 |
| Interest | 17,628 | 10,017 | 13,284 | 21,924 | 40,808 | 83,561 | 60,426 | 22,495 | 47,563 | 473,681 |
| Miscellaneous | 611,366 | 127,654 | 91,459 | 188,223 | 115,055 | 98,035 | 99,704 | 395,449 | 252,129 | 265,504 |
| Total revenues | 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 | 17,163,810 |
| <u>Expenditures</u> | | | | | | | | | | |
| General government | 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 | 1,524,970 |
| Public Safety | 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 | 4,713,713 |
| Street & Public Works | 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 | 1,278,133 |
| Community Development | 516,534 | 595,600 | 917,359 | 1,030,543 | 896,594 | 853,202 | 974,567 | 1,206,209 | 988,482 | 1,028,420 |
| Parks & Recreation | 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 | 1,478,607 |
| Capital Outlay | 16,170 | 39,132 | 2,048,150 | 1,026,800 | 1,247,483 | 708,318 | 3,569,674 | 2,440,388 | 962,730 | 2,242,535 |
| Debt Service | | | | | | | | | | |
| Principal retirement | 1,382,948 | 1,461,972 | 1,552,812 | 538,626 | 554,476 | 630,000 | 660,000 | 887,415 | 336,585 | 359,000 |
| Interest and fiscal charges | 267,235 | 221,602 | 147,140 | 97,230 | 79,056 | 72,834 | 100,569 | 72,779 | 45,741 | 42,493 |
| Contractual Payments (UTOPIA) | 436,978 | 445,718 | - | - | - | - | - | - | - | - |
| Total expenditures | 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 | 12,667,871 |
| Excess (deficiency) of revenues over (under) expenditures | 172,435 | (565,277) | 146,275 | 1,072,969 | 637,810 | 668,733 | (618,668) | 1,378,956 | 2,987,832 | 4,495,939 |

Centerville City Corporation

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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| Other Financing Sources (Uses) | | | | | | | | | | |
| Notes payable issued | \$ - | \$ - | \$ - | \$ - | \$ 500,000 | \$ - | \$ 1,900,000 | \$ - | \$ - | \$ - |
| Transfers in | 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 | 2,280,138 |
| Transfers out | (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) | (2,280,138) |
| Sale of capital assets | 55,812 | 6,148 | 77,549 | 778 | - | 20,873 | 20,410 | 174,331 | 76,917 | 110,782 |
| Contribution | - | - | - | - | - | - | - | 25,899 | - | - |
| Total other financing sources (uses) | <u>(130,948)</u> | <u>(47,502)</u> | <u>61,240</u> | <u>(229,812)</u> | <u>409,043</u> | <u>(43,542)</u> | <u>1,854,157</u> | <u>200,230</u> | <u>76,917</u> | <u>110,782</u> |
| Net change in fund balances | <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> | <u>\$ 4,606,721</u> |
| Fund Balance Beginning of Year, restated | <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> | <u>\$ 10,106,700</u> |
| Fund Balance End of Year | <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> | <u>\$ 14,713,421</u> |
| Debt service as a percentage of noncapital expenditures | 15.43% | 15.03% | 18.51% | 7.56% | 7.03% | 7.24% | 7.93% | 9.58% | 3.83% | 3.85% |

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 |
|-------------|----------------------------------|-------------------|---------------|------------------------------------|---------------------|------------------------|-----------------------------|-------------------|
| 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 |
| 2023 | 2,585,880 | 5,726,952 | 728,758 | 1,194,210 | - | 582,514 | 518,511 | 11,336,825 |

(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 |
| 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 % |
| 2023 | 1.10 % | 0.25 % | 4.85 % | 1.05 % | 7.25 % |

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

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

Source: Utah State Tax Commission

Centerville City Corporation

Principal Sales Tax Payers
Current Year and Ten Years Ago

| Taxpayer | Fiscal Year 2023 | | | Fiscal Year 2014 | | |
|------------------------------|---------------------|------|----------------------------|---------------------|------|----------------------------|
| | Sales Taxes* | Rank | Percentage of Total Sales* | Sales Taxes* | Rank | Percentage of Total Sales* |
| Walmart Supercenter | N/A | 1 | N/A | N/A | 1 | N/A |
| Colonial Building Supply | N/A | 2 | N/A | N/A | 3 | N/A |
| Home Depot | N/A | 3 | N/A | N/A | 4 | N/A |
| Super Target | N/A | 4 | N/A | N/A | 2 | N/A |
| ACC Auto Sales | N/A | 5 | N/A | N/A | | N/A |
| Amazon Marketplace | N/A | 6 | N/A | N/A | | N/A |
| Intermountain Business Forms | N/A | 7 | N/A | N/A | 8 | N/A |
| Dicks Market | N/A | 8 | N/A | N/A | 5 | N/A |
| USTC Motor Vehicle | N/A | 9 | N/A | N/A | | N/A |
| Intermountain Wind and Solar | N/A | 10 | N/A | N/A | | N/A |
| Total | <u>\$ 3,715,710</u> | | <u>57%</u> | <u>\$ 2,340,092</u> | | <u>71%</u> |

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

N/A = Not applicable

Source: Utah State Tax Commission

Centerville City Corporation

Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Calendar Years
 (amounts expressed in thousands)

| Tax Year | Real Property | | Personal Property | | Total | | Assessed Value as a Percentage of Actual Value | Total Direct Tax Rate | 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 | 1.3582 |
| 2013 | 894,332 | 1,436,830 | 43,997 | 43,997 | \$ 938,329 | \$ 1,480,827 | 63.37% | 1.358200 | 1.2454 |
| 2014 | 942,632 | 1,524,070 | 43,215 | 43,215 | \$ 985,847 | \$ 1,567,285 | 62.90% | 1.245400 | 1.3458 |
| 2015 | 993,111 | 1,585,053 | 46,034 | 46,034 | \$ 1,039,145 | \$ 1,631,087 | 63.71% | 1.345800 | 1.3891 |
| 2016 | 1,081,615 | 1,719,823 | 48,756 | 48,971 | \$ 1,130,371 | \$ 1,768,794 | 63.91% | 1.389100 | 1.4185 |
| 2017 | 1,157,662 | 1,854,078 | 40,680 | 40,904 | \$ 1,198,342 | \$ 1,894,982 | 63.24% | 1.270700 | 1.1444 |
| 2018 | 1,253,107 | 2,019,413 | 41,812 | 41,985 | \$ 1,294,919 | \$ 2,061,398 | 62.82% | 1.264430 | 1.2499 |
| 2019 | 1,372,778 | 2,211,266 | 41,570 | 41,884 | \$ 1,414,348 | \$ 2,253,150 | 62.77% | 1.182900 | 1.3877 |
| 2020 | 1,428,816 | 2,292,415 | 47,641 | 47,930 | \$ 1,476,457 | \$ 2,340,345 | 63.09% | 1.155200 | 1.4570 |
| 2021 | 1,582,796 | 2,567,539 | 50,269 | 50,403 | \$ 1,633,065 | \$ 2,617,942 | 62.38% | 1.188500 | 1.6218 |
| 2022 | 2,022,566 | 3,324,846 | 59,624 | 49,624 | \$ 2,082,190 | \$ 3,374,470 | 61.70% | 1.033000 | 1.7786 |

Sources: Utah State Tax Commission

Centerville City Corporation

Property Tax Levies and Collections Last Ten Calendar Years

| <u>Calendar Year</u> | <u>Total Tax Levy</u> | <u>Current Tax Collections</u> | <u>Percent of Levy Collection</u> | <u>Subsequent Collections</u> | <u>Total Tax Collections</u> | <u>Total Collections as Percent of Levy</u> |
|----------------------|-----------------------|--------------------------------|-----------------------------------|-------------------------------|------------------------------|---|
| 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 |
| 2022 | 1,937,074 | 1,936,445 | 99.97 | 83,990 | 2,020,436 | 104.30 |

* 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> |
|---------------------|-----------------------------|-------------------------|----------------------------------|-------------------------------------|-----------------------|
| 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 |
| 2022 | 0.124700 | 0.146200 | 0.642400 | 0.119700 | 1.033000 |

Source: Utah State Tax Commission

Centerville City Corporation

Principal Taxpayers
Current Year and Ten Years Ago

| Tax Year 2022 | | | | |
|---|------|------------------------|---------------|------------------|
| Taxpayer | Rank | Type of Business | Taxable Value | Percent of Total |
| | | Business | | Taxable Value |
| J & S Purpura Ventures LLC-MTC | 1 | Commercial Real Estate | 27,671,468 | 1.33% |
| Legacy Crossing LLC, (Theatre & Apartments LLC) | 2 | Entertainment/Housing | 26,308,150 | 1.26% |
| Park at Legacy Trails | 3 | Housing | 24,281,399 | 1.17% |
| Pacificorp | 4 | Electrical Utility | 25,527,579 | 1.23% |
| Hogan & Associates Construction | 5 | Manufacturing | 15,929,465 | 0.77% |
| Wal-Mart Real Estate Business Trust | 6 | Retail | 15,438,959 | 0.74% |
| Dayton Hudson Coporation (Target) | 7 | Retail | 13,881,084 | 0.67% |
| Legacy Office Building LLC | 8 | Office | 13,500,000 | 0.65% |
| Legacy Crossing Partners LLC | 9 | Office | 12,561,451 | 0.60% |
| Rimini Properties LLC | 10 | Retail | 12,151,375 | 0.58% |
| | | Total | 187,250,930 | 8.99% |

| Tax Year 2013 | | | | |
|-----------------------------|------|------------------------|---------------|------------------|
| Taxpayer | Rank | Type of Business | Taxable Value | Percent of Total |
| | | Business | | Taxable Value |
| Legacy Crossing | 1 | Commercial Real Estate | 29,422,358 | 3.03% |
| Pacificorp | 2 | Electric Utility | 20,638,974 | 2.12% |
| Walmart | 3 | Retail | 18,236,550 | 1.88% |
| Dayton West LLC | 4 | Commercial Real Estate | 15,039,122 | 1.55% |
| Dayton Hudson LLC | 5 | Commercial Real Estate | 10,522,992 | 1.08% |
| Centerville Marketplace LLC | 6 | Retail | 9,180,000 | 0.94% |
| HD Development | 7 | Retail | 7,709,416 | 0.79% |
| SDCKP LLC | 8 | Retail | 6,566,017 | 0.68% |
| JGNK Investments | 9 | Retail | 6,350,000 | 0.65% |
| Syro Steel | 10 | Manufacturing | 5,701,532 | 0.59% |
| | | Total | 129,366,961 | 13.31% |

Source: Davis County Clerk/Auditors Office

Centerville City Corporation

Property Value and Construction
Last Ten Calendar Years

| Calendar Year | Non-residential Construction | | Residential Construction | | Total New Construction Value | Estimated Total Property Value |
|---------------|------------------------------|------------|--------------------------|------------|------------------------------|--------------------------------|
| | No. of Units | Value | No. of Units | Value | | |
| 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 |
| 2022 | 21 | 49,062,841 | 61 | 16,775,984 | 65,838,825 | 1,323,591,271 |

Source: Centerville City Community Development Department and Davis County Assessor

Centerville City Corporation

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

| Fiscal Year | Governmental Activities | | | Business-type Activities: | | | Total Primary Government | Percentage of Personal Income | Per Capita |
|-------------|-------------------------|---------------|---------------|---------------------------|---------------|---------------------|--------------------------|-------------------------------|------------|
| | Sales Tax Revenue Bonds | Notes Payable | Notes Payable | Notes Payable | Capital Lease | Water Revenue Bonds | | | |
| 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 |
| 2023 | - | - | 1,177,000 | 525,427 | - | 1,196,313 | 2,898,740 | 0.51 % | 68.53 |

Centerville City Corporation

Direct and Overlapping Governmental Activities Debt
As of June 30, 2023

| Governmental Unit | Outstanding Debt | Estimated Percentage Applicable (1) | Estimated Share of Overlapping |
|--|--------------------------------|---|--------------------------------------|
| Debt repaid with property taxes | | | |
| Davis School District | 463,417,000 | 5.00 % | 23,170,850 |
| Weber Basin Water Conservancy | 9,300,000 | 0.24 % | 22,320 |
| State of Utah | 2,162,715,000 | 0.56 % | 12,111,204 |
| South Davis Recreation District | 4,770,000 | 15.77 % | 752,229 |
| Other Debt - Davis County | | | |
| Sales Tax Revenue Bonds | 64,480,000 | 11.23 % | 7,241,104 |
| MBA lease revenue bonds | 18,860,000 | 5.00 % | 943,000 |
| Total Overlapping Debt | <u><u>2,723,542,000</u></u> | | <u><u>44,240,707</u></u> |
| Direct Debt - Centerville City | | | |
| Notes Payable | \$ 2,262,000 | 100.00 % | 1,872,585 |
| | <u><u>\$ 2,262,000</u></u> | | <u><u>1,872,585</u></u> |
| Total direct and overlapping debt | <u><u>\$ 2,725,804,000</u></u> | | <u><u>\$ 46,113,292</u></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 | | | | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Debt Limit | \$ 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 | \$ 85,386,209 |
| Total debt applicable to limit (1) | - | - | - | - | - | - | - | - | - | - |
| Legal debt margin | <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> | <u>\$ 85,386,209</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 | \$ 2,134,655,224 |
| Debt limit (4% of assessed value) | 85,386,209 |
| Debt applicable to limit | - |
| Legal debt margin | <u>\$ 85,386,209</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 | |
| 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 | - | - | - | - |
| 2023 | 5,726,952 | - | - | - | - |

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 |
|-------------|-------------------|---------------------|--------------------------------------|-----------------------|-----------|----------|------------|----------|
| 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 |
| 2023 | 5,052,536 | - | (4,011,621) | 1,040,915 | 100,000 | 39,050 | \$ 139,050 | 7.49 |

(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) |
|------------------|----------------|--------------------------|------------------------|--------------------------|-------------------|----------------------------------|
| 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 | 2.0 | 38.5 | 2.95 |
| 2022 | 16,502 | 42,265 | 697,457,030 | 2.3 | 38.2 | 2.93 |

(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 | 2023 | | | 2013 | | |
|----------------------------|-----------|------|-----------------------|-----------|------|-----------------------|
| | 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 |
| Dick's Market | 100-249 | 7 | Grocery Store | 100-249 | 4 | Grocery Store |
| Colonial Building Supply | 100-249 | 8 | General Merchandise | NA | | Restaurant |
| InterForm | 100-249 | 9 | General Merchandise | NA | | General Merchandise |
| Megaplex Theater | 100-249 | 10 | Entertainment | NA | | Entertainment |

Source: Community Development Business License Database

Centerville City Corporation

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

| Function | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| General government | | | | | | | | | | |
| Administration | 4 | 4 | 4 | 3 | 3 | 3 | 3 | 5 | 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 | 2.50 | 2.50 | 3.00 | 3.00 | 3.00 | 2.50 | 2.50 |
| Total General Government | 11.00 | 11.00 | 11.00 | 9.50 | 9.50 | 10.00 | 10.00 | 12.00 | 11.50 | 11.50 |
| Police | 25 | 25 | 26 | 29.0 | 30.0 | 31.0 | 31.0 | 30.0 | 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 | 5 | 4 | 4 | 5 |
| Streets | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 4 |
| Water | 5.5 | 5.5 | 5.5 | 6.5 | 6.5 | 6.5 | 5.5 | 5.5 | 5.5 | 6.5 |
| Drainage | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Total Public Works | 14.5 | 14.5 | 14.5 | 15.5 | 15.5 | 15.5 | 15.5 | 15.5 | 15.5 | 16.5 |
| Parks & Recreation | | | | | | | | | | |
| Parks | 9.5 | 9.5 | 9.5 | 9.5 | 10.75 | 10.75 | 10.0 | 10.0 | 10.0 | 10.5 |
| Recreation | 6.5 | 6.5 | 6.5 | 6.5 | 5.5 | 5.0 | 2.0 | 1.0 | 2.0 | 2.25 |
| 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 | 1.00 |
| Total Parks and Rec | 17.25 | 17.25 | 17.25 | 17.25 | 17.25 | 17.25 | 13.25 | 12.25 | 13.25 | 14.25 |
| Total Primary Government | 70.75 | 70.75 | 71.25 | 74.25 | 75.25 | 76.75 | 72.75 | 72.75 | 73.25 | 75.25 |

Sources: Centerville City Payroll

Centerville City Corporation

General Fund Expenditures by Function
Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>General Government</u> | <u>Public Safety</u> | <u>Public Works</u> | <u>Community Development</u> | <u>Parks & Recreation</u> | <u>Total</u> |
|------------------------|-------------------------------|--------------------------|-------------------------|----------------------------------|-----------------------------------|--------------|
| 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 |
| 2023 | 934,401 | 4,749,427 | 1,002,498 | 368,575 | 1,238,525 | \$ 8,293,426 |

Centerville City Corporation

Operating Indicators by Function
Last Ten Fiscal Years

| Function | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------|
| Community development | | | | | | | | | | |
| Single Dwelling permits | 16 | 7 | 27 | 24 | 15 | 17 | 34 | 25 | 23 | 28 |
| Double Dwelling permits | 23 | - | 1 | 29 | 19 | - | - | - | 50 | - |
| Multi-family Dwelling permits | - | - | 4 | 72 | - | - | - | - | - | - |
| Commercial permits | 16 | 36 | 27 | 23 | 17 | 7 | 31 | 24 | 25 | 26 |
| Demolition permits | 3 | 5 | 4 | 2 | 3 | - | 2 | 8 | 7 | 4 |
| Permit process time | 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 | <14 days |
| Parks, Recreation and Trails | | | | | | | | | | |
| Developed Acreage | 88 | 88 | 88 | 88 | 93 | 93 | 93 | 93 | 93 | 93 |
| Undeveloped Acreage | 35 | 35 | 35 | 35 | 30 | 30 | 30 | 31 | 31 | 31 |
| Youth in Recreation Programs | 2,150 | 2,476 | 2,153 | 2,339 | 2,193 | 2,258 | 82 | 234 | 695 | 920 |
| Police Services | | | | | | | | | | |
| Expenditures per officer | 143,876 | 132,710 | 141,519 | 139,561 | 143,882 | 126,722 | 146,571 | 148,665 | 155,015 | 172,541 |
| Average response time (minutes) | 1.20 | n/a | 3 | 4.04 | 4.12 | 4.10 | n/a | n/a | n/a | n/a |
| Police reports per officer | 145 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Water | | | | | | | | | | |
| Gallons billed | 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 | 4,275 | 4,468 | 4,492 | 4,580 | 4,633 | 4,621 | 4,630 | 4,664 | 4,737 | 4,782 |
| Other connections | 483 | 501 | 502 | 246 | 272 | 268 | 294 | 344 | 347 | 370 |
| Taxes | | | | | | | | | | |
| Taxable sales per capita (local option) | 22,851 | 23,650 | 24,776 | 26,879 | 28,122 | 28,919 | 31,481 | 37,230 | 41,801 | 42,799 |
| Sales tax revenue per capita (local option) | \$200.65 | \$208.66 | \$219.09 | \$237.69 | \$248.68 | \$255.73 | \$278.38 | \$329.22 | \$369.65 | \$378.47 |
| Property tax revenue per capita (non RDA) | \$59.97 | \$56.60 | \$59.07 | \$72.14 | \$93.78 | \$91.73 | \$91.34 | \$96.17 | \$113.03 | \$156.70 |
| Franchise tax per capita | \$68.83 | \$67.33 | \$67.64 | \$65.18 | \$62.25 | \$57.66 | \$57.82 | \$58.63 | \$60.31 | \$72.37 |
| Total tax revenues per capita | \$360.59 | \$375.07 | \$383.50 | \$457.38 | \$404.71 | \$405.12 | \$427.54 | \$461.94 | \$542.99 | \$607.54 |
| General Fund revenues per capita | \$483.80 | \$489.22 | \$459.17 | \$404.57 | \$438.96 | \$444.23 | \$468.43 | \$567.40 | \$589.37 | \$787.67 |
| General Fund expenditures per capita | \$463.25 | \$478.71 | \$437.92 | \$392.21 | \$377.74 | \$389.22 | \$358.17 | \$455.81 | \$434.77 | \$500.41 |
| General fund Capital improvement expenditures per capita | \$95.06 | \$31.32 | \$121.36 | \$59.40 | \$70.65 | \$40.02 | \$202.97 | \$138.76 | \$22.09 | \$2.10 |

Sources: Centerville City

Centerville City Corporation

Capital Asset Statistics by Function
Last Ten Fiscal Years

| Function | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Population Estimate (1) | 16,624 | 16,849 | 16,877 | 17,286 | 17,657 | 17,700 | 17,587 | 16,884 | 16,785 | 16,502 |
| City Hall and Justic 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 | 65 | 67 | 67 | 67 | 68 | 68 | 68 | 68 | 72 |
| Number of Street Lights | 741 | 753 | 753 | 753 | 753 | 753 | 762 | 764 | 764 | 775 |
| Public Works Office, Maintenance, Storage | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 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 | 18 | 18 | 18 | 19 | 20 | 21 | 20 | 20 | 20 |
| Municipal Water | | | | | | | | | | |
| Number of Customers | 4,758 | 4,763 | 4,763 | 4,826 | 4,821 | 4,889 | 4,889 | 4,923 | 4,987 | 5,023 |
| Miles of Water Mains | 78 | 80 | 81 | 81 | 82 | 82 | 82 | 82 | 83 | 84 |
| Number of Culinary Water Wells | 9 | 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 | 4,196 | 4,239 | 4,239 | 4,286 | 4,385 | 4,319 | 4,319 | 4,266 | 4,272 | 4,278 |
| Number of recycling customers | 3,674 | 3,701 | 3,771 | 3,793 | 3,892 | 3,862 | 3,862 | 3,857 | 3,869 | 3,882 |
| Number of green waste customers | 1,118 | 1,230 | 1,255 | 1,248 | 1,303 | 1,291 | 1,291 | 1,348 | 1,343 | 1,343 |
| Building Permits Issued (new construction, includes remodel) | 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 | 8 | 8 | 9 | 9 | 9 | 9 |
| Tennis Courts | 4 | 4 | 4 | 4 | 4 | 4 | 3 | 3 | 3 | 3 |
| Pickleball Courts | - | - | - | - | - | - | 2 | 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 2012-2020 based on 2010 Census and subsequent years are estimated on new construction. 2021-2023 is 2020 Census, following years are estimated from new construction.

**OTHER COMMUNICATIONS FROM
INDEPENDENT AUDITORS**



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH 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 of Centerville City (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated November 21, 2023.

Report on 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) as a basis for designing 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 Centerville City's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Centerville 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 21, 2023

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

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

Report on Compliance

We have audited Centerville City's compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2023

State compliance requirements were tested for the year ended June 30, 2023 in the following areas:

| | |
|-------------------------|---|
| Budgetary Compliance | Fund Balance |
| Justice Court | Restricted Taxes and Related Revenues |
| Fraud Risk Assessment | Government Fees |
| Cash Management | Enterprise Fund Transfers, Reimbursements, Loans, and Service |
| Tax Levy Recognition | Impact Fees |
| Utah Retirement Systems | Public Treasurer's Bond |
| Crime & Theft Report | Open and Public Meetings Act |

Opinion on Compliance

In our opinion, Centerville City complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standards); and the *State Compliance Audit Guide* (Guide). Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Centerville City and to meet our other ethical responsibilities, in accordance with 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 opinion. Our audit does not provide a legal determination of District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Centerville City's government programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City's compliance based on our audit. 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, Government Auditing Standards, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Centerville City's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Centerville City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Centerville City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Centerville City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report On Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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 to detect and correct noncompliance with a state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Guide. Accordingly, this report is not suitable for any other purpose.

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah
November 21, 2023



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

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

Report on Compliance for Each Major Federal Program

Opinion on Compliance for Each Major Federal Program

We have audited Centerville City’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Centerville City’s major federal programs for the year ended June 30, 2023. Centerville City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Centerville City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Centerville City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Centerville City’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Centerville City’s major federal programs.

Auditor's Responsibilities for the Audit Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Centerville City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Centerville City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Centerville City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Centerville City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Centerville City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies in material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

LARSON & COMPANY, PC

Larson & Company, PC

Spanish Fork, Utah
November 21, 2023

Centerville City Corporation
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Centerville City
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

| <u>Federal Grantor/Pass-Through Grantor/ Program Title/Program or Cluster Title</u> | <u>Federal CFDA Number</u> | <u>Pass Through Entity Identifying Number</u> | <u>Total Federal Expenditures</u> | <u>Program or Award Amount</u> |
|---|------------------------------------|---|---------------------------------------|--|
| U.S. Department of Housing and Urban Development (HUD) | | | | |
| Passed through Davis County: | | | | |
| Community Development Block Grant | 14.218 | 13-890-9950 | 75,000 | 75,000 |
| Total HUD | | | <u>75,000</u> | <u>75,000</u> |
| U.S. Department of Justice (DOJ) | | | | |
| Passed through the State of Utah Commission | | | | |
| Criminal and Juvenile Justice: | | | | |
| Justice Assistance Grant | 16.738 | 21A113 | 3,500 | 3,500 |
| Bullet Proof Vest Grant | 16.607 | N/A | 927 | 927 |
| Total DOJ | | | <u>4,427</u> | <u>4,427</u> |
| U.S. Department of Homeland Security (DHS) | | | | |
| Passed through the State of Utah Department of | | | | |
| Public Safety | | | | |
| Emergency Management Performance Grant | 97.042 | DEM-EMPG-2022-010 | 9,000 | 9,000 |
| Total DHS | | | <u>9,000</u> | <u>9,000</u> |
| U.S. Department of the Treasury (USDT) | | | | |
| Passed through the State of Utah | | | | |
| * Coronavirus State and Local Fiscal Recovery Funds | 21.027 | N/A | 2,081,432 | 2,081,432 |
| Total USDT | | | <u>2,081,432</u> | <u>2,081,432</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 2,169,859</u> | <u>\$ 2,169,859</u> |

Centerville City Corporation
Notes to the Schedule Expenditures of Federal Awards
For the Year Ended June 30, 2023

NOTE 1. PURPOSE OF THE SCHEDULE

The accompanying Schedule of Expenditures of Federal Awards is a supplementary schedule to the Council's financial statements and is presented for the purpose of additional analysis. Because the schedule presents only a selected portion of the activities of the Council, it is not intended to, and does not present financial position, changes in fund balances, or the current funds, revenue, expenditure, and other changes of the Council.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The information in the schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost of Principles, and Audit Requirement for Federal Awards.

Federal Awards

Pursuant to Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* assistance is defined by a federal agency, either directly or indirectly in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriation. Accordingly, non-monetary federal assistance, including federal surplus property, would be included in federal awards, if applicable, and therefore, would be reported on the schedule in federal awards. Federal awards include direct federal cash assistance to individuals.

Type A and Type B Programs

The Single Audit Act Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards* establish the levels of expenditure or expenses to be used in defining Type A and Type B federal award programs. Type A programs, for the Council, are those programs which exceed \$750,000 in federal expenditures, distributions, or issuances for the fiscal year ended June 30, 2023.

Reporting Entity

The reporting entity is fully described in Note 1 of the Council financial statements. The schedule includes all federal award programs administered by the Council for the year ended June 30, 2023.

Basis of Accounting

The expenditures in the schedule are recognized as incurred based on the modified accrual basis of accounting and the cost accounting principles contained in the Uniform Guidance, Cost Principles for State and Local Governments. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement.

Matching Costs

The schedule does not include matching expenditures.

Centerville City Corporation
Notes to the Schedule Expenditures of Federal Awards
For the Year Ended June 30, 2023

10% De Minimis Indirect Cost Rate

The entity did not choose to use the 10% minimis cost rate.

Direct and Indirect Flow-Through Federal Assistance

Some of the Council's Federal Awards are received directly from the granting federal agency. However, the majority of federal awards as identified on the schedule are passed through a separate entity prior to receipt by the Council.

Sub-recipients

The Council does not pass through to any sub-recipients.

Non-Cash Assistance

The council did not receive any non-cash assistance for the year ended June 30, 2023.

Centerville City Corporation
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

I. Summary of Auditor's Results

Financial Statements

The independent auditor's report expressed an unmodified opinion on the basic financial statements of Centerville City.

Internal Control over financial reporting:

- Material weaknesses identified Yes No
 - Significant deficiencies identified Yes No
- Noncompliance material to the financial statements noted? Yes No

Federal Awards

Internal control over federal programs

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

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes No

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

21.027 Coronavirus State and Local Fiscal Recovery Funds Unmodified

Dollar threshold used to distinguish between type A and type B Programs:

\$750,000

Auditee qualified as a low-risk auditee?

Yes No

Centerville City Corporation
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

II. Governmental Auditing Standards Findings

None noted

III. Federal Award Findings

None noted

Prior Audit Findings Related to Financial Statements

None

Prior Audit Findings Related to Federal Awards

None