



AUDIT COMMITTEE AGENDA

NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE AUDIT COMMITTEE WILL HOLD A REGULAR MEETING AT 5:30 PM ON DECEMBER 11, 2025 AT ELECTRONICALLY VIA ZOOM.

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

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

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

A. ZOOM INFO

1. Join Zoom Meeting
<https://us06web.zoom.us/j/85872670052?pwd=RScNyF67gxZMGGGwU7VM7oyicynWof.1>

Meeting ID: 858 7267 0052

Passcode: 786265

B. ROLL CALL

C. BUSINESS ITEMS

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

1. FY 2025 Audit Report
Audit report for fiscal year ending June 30, 2025.

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**



CENTERVILLE

AUDIT COMMITTEE

Staff Report
12/11/2025

Item No. 1.

Title: FY 2025 Audit Report

Initiated By: Nate Plaizier, Finance Director

Staff Representative: Nate Plaizier, Finance Director

SUBJECT:

Audit report for fiscal year ending June 30, 2025.

RECOMMENDATION:

Recommend acceptance of the Annual Comprehensive Financial Report and Independent Auditor's Report to the City Council.

BACKGROUND:

Larson & Company, the City's contracted independent auditors, have completed the annual audit for the fiscal year ending June 30, 2025. Larson & Company will be presenting the results of their audit to the Audit Committee, in preparation for the Audit Report scheduled for the December 16, 2025 City Council Meeting.

ATTACHMENTS:

1. FY2025 ACFR
2. FY2025 Communication with governance - Centerville City

**CENTERVILLE CITY CORPORATION
CENTERVILLE, UTAH**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For The Year Ended June 30, 2025

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

Brian Plummer

Gina Hirst

Cheylynn Hayman

Robyn Mecham

Spencer Summerhays

City Manager

Brant T. Hanson

December 9, 2025

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, 2025.

These statements are prepared to comply with the requirements promulgated by the Government Accounting Standards Board (GASB) Statement 100, regarding accounting changes and error corrections, as well as Statement 101, regarding compensated absences. GASB 100 requires accounting changes and error corrections be reported retroactively by restating prior periods and/or by adjusting beginning balances of the current period. GASB 101 updates and clarifies how compensated absences should be accounted requires a liability to be recorded on the balance sheet.

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, 2025, 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, 2025 are fairly presented in conformity with GAAP. The independent auditor's report is presented at the beginning of the financial section 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 court prosecutor and public defender services. Engineering services are provided via contract with ESI Engineering.

Economic Factors and Conditions

Centerville City demonstrated a strong, yet uncertain economy during FY 2025. The unemployment rate in Utah near the end of FY 2025 was 3.0%. While the unemployment rate remained higher than it has been in recent years, it remains lower than the national unemployment rate (4.2%) near the end of FY 2025.

Centerville continues to welcome new businesses into the city. During FY 2025, the City issued 43 business licenses to new businesses in Centerville. Centerville is home to multiple used-automobile dealerships, a large recreational vehicle dealership, several big box retailers, and construction and building supply companies. Because of this diversification, sales tax revenue has been able to maintain stability during times of economic uncertainty.

Local option sales tax is the main source of tax revenue for general services. Sales tax revenue remained strong throughout FY 2025. The City received approximately \$5.7M in sales tax revenue, an increase of about 2% from the prior fiscal year.

After years of high inflation, the annual inflation rate slowed to roughly 2.3% at fiscal year-end. The return to a more normal inflationary rate has left some economists predicting a more stable economy. Other economists remain uncertain due to the effects of tariffs.

Major Initiatives

Significant projects and initiatives in Fiscal Year (FY) 2025 include park improvements, transportation improvements, water projects, and drainage projects.

Park Improvements

During FY 2025, the City completed construction of 8 pickleball courts at Community Park. In conjunction with the new pickleball courts, the City also expanded the west parking lot at Community Park to increase its capacity. A new playground was installed at Community Park, replacing the previous playground that was over 30 years old.

Transportation Improvements

The City completed construction on Briarwood Drive and 1250 North. Additionally, the City completed various overlay and slurry seal projects, which will extend the life of many of these roads.

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 2025, the City Council budgeted \$125,000 to continue this ongoing project. The City Council budgeted another \$125,000 for FY 2026.

Water Projects

In FY 2025, the City continued its schedule of replacing aging water mains per the master plan. Major replacements occurred in conjunction with the street rebuilds on Briarwood Drive and 1250 North.

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 2025. Construction of the new reservoir is expected to be completed in FY 2026.

Drainage Projects

In FY 2025, the City replaced its drainage system in conjunction with the rebuilding of 1250 North. The City is also working with Davis County to enclose the Deuel Creek Channel that flows along Porter Lane. Construction on this project is expected to commence in FY 2026.

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, 2025 was approximately 30% of this year's revenue. The Council and management attempt 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 FY 2023, the City started using the Capital Projects Fund for governmental capital expenditures. Since then, City Council elected to transfer the unassigned General fund balance in excess of 30% to the Capital Projects Fund. In FY 2025, this resulted in a transfer of approximately \$906,000. 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, 2024. This was the twenty-fifth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an annual comprehensive financial report, the contents of which conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

Respectfully submitted,

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

Nathanael O. Plaizier
Finance Director

CENTERVILLE CITY CORPORATION

PRINCIPAL OFFICIALS

EXECUTIVE BUDGETARY

Brant T. Hanson	City Manager
Nathanael Plaizier	Finance Director

STATUTORY APPOINTED OFFICIALS

Jennifer Robison	Recorder
Ronil Wright	Treasurer
David Miller	Justice Court Judge

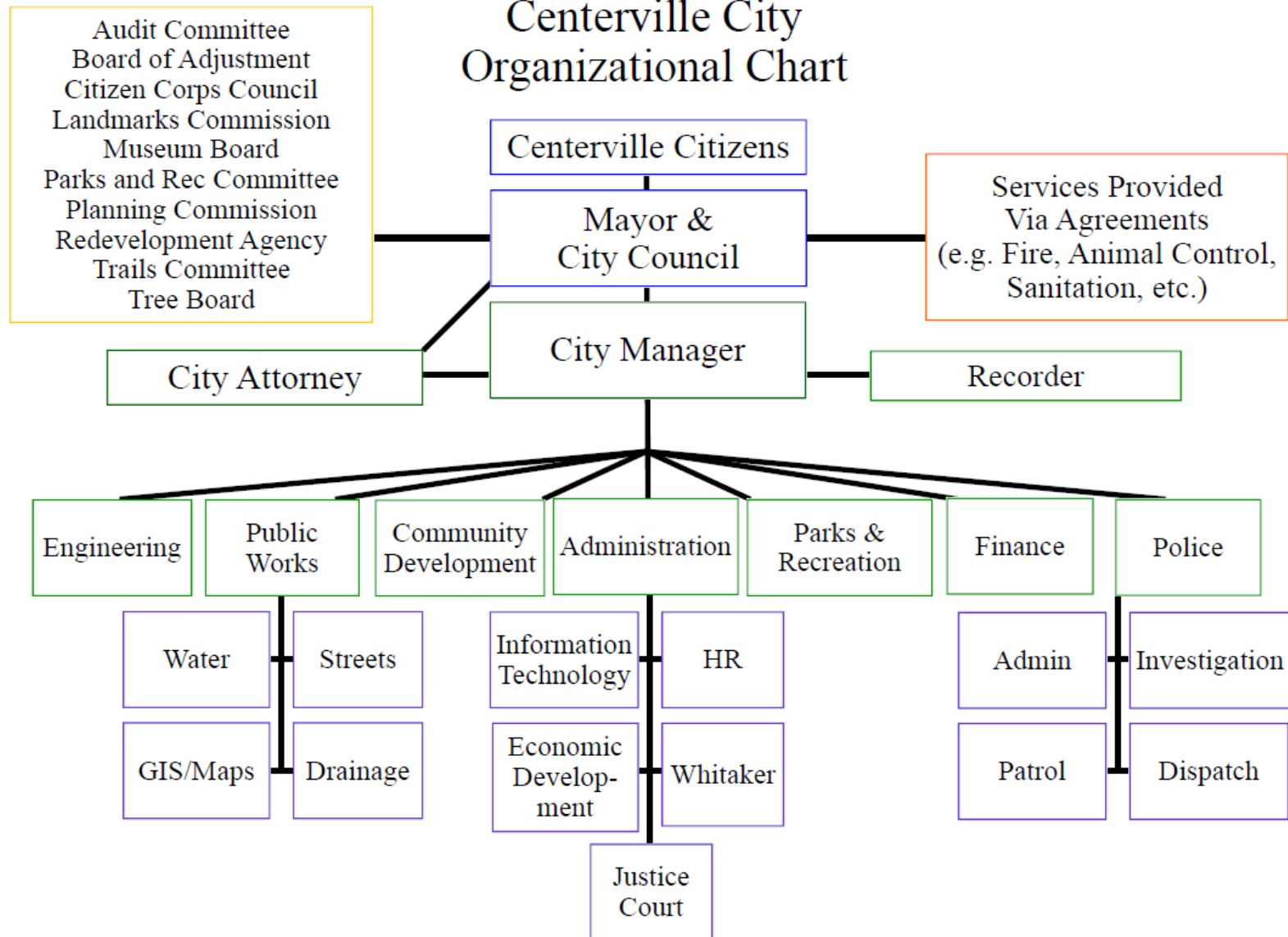
DEPARTMENT HEADS

Allen Ackerson	Police Chief
Michael Carlson	Public Works Director
Bruce Cox	Parks & Recreation Director
Michael Eggett	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, 2024

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City 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, each major fund, and the aggregate remaining fund information of Centerville City as of and for the year ended June 30, 2025, 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, 2025, 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* (GAS), 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 and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement from fraud is higher than for one resulting from error, as fraud may involve collusion, 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 and GAS, 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Other Information Included in the Annual Report

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2025, 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

Spanish Fork, Utah
December 9, 2025

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2025

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, 2025.

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, 2025 by \$81,525,266 (net position). The City has \$63,244,679 net investment in capital assets. \$1,482,538 is restricted for future construction projects and the theater reserve fund. The unrestricted amount is \$16,798,049.

Centerville's total net position increased by \$3,899,665 from the prior year, a 5.02% increase. Changes in assets and liabilities are as follows. Total assets increased by \$3,051,323, a change of 3.48%. Total Liabilities decreased by \$894,805 from the prior year, a percent decrease of 11.58%. Net investment in capital assets increased \$2,348,999 or 3.86%. Business-Type Activities net investment in capital assets increased \$265,067 or 1.06%, and Governmental Activities increased \$2,083,932 or 5.82%. Restricted assets decreased by \$344,801 or 18.87% from the previous year. Most of the net decrease was due to spending funds on development. Unrestricted assets increased \$1,895,467. Governmental Activities increased \$440,990, and Business-Type activities increased by \$1,454,477.

Centerville's governmental funds reported a combined ending fund balances of \$16,019,644 at June 30, 2025. This is a statement of the current available assets of the City. This is an increase of \$316,690 or 2.02%. The City has considerable commitments to capital projects including park improvements and roads. Of the ending fund balances, \$3,191,355, is available for spending at the City's discretion in the General Fund (unassigned fund balance).

At June 30, 2025, fund balances in governmental funds other than the general fund was \$12,683,499 an overall \$315,069 increase. Assigned fund balances increased by \$642,150, or 6.06%. The Assigned amount to the RDA is \$3,252,697. The assigned amount for the transportation fund is \$1,168,990. The assigned amount for the capital projects fund is \$6,686,169. The assigned amount for the park improvements fund is \$36. The assigned amount for other governmental funds, is \$128,032. A reflection of the City's future investment in a new park facility and roads, the amount restricted, in all governmental funds, for future development, cemetery and the theater reserve fund are \$1,444,838.

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, 2025

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 a separate legal entity (known as a component unit). The financial information for the Centerville City Redevelopment Agency (RDA), are included in the statements. However, because the City's governing body is the same as the governing board 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 two categories: governmental funds, and proprietary 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 9 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, Parks Improvements fund, and the Capital Projects fund all of which are considered major funds. Data from the other 4 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 five major governmental funds; General Fund as well as the Centerville City Redevelopment Agency, the Transportation special revenue fund, the Park Improvements fund, and the Capital Projects 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, 2025

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.

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 \$81,525,266 at June 30, 2025.

The largest portion of the City's net position is \$63,244,679, 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 \$2,348,999 which is an increase of 3.86%, from the prior period. The increase reflects the City's investment in capital facilities and equipment and decrease in long-term liabilities including related debt. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since capital assets cannot be used to liquidate these liabilities.

A portion of the remainder of the City's net position, \$1,482,538, represents resources that are subject to external restrictions on how they may be utilized. This is a decrease of \$344,801 or 18.87% from the prior year. This decrease is due to the decrease 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 for Governmental and Business-Type activities.

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2025

Centerville City's Net Position						
	Governmental Activities 2025	Governmental Activities 2024	Business-type Activities 2025	Business-type Activities 2024	Total 2025	Total 2024
Current and other assets	\$ 21,862,398	\$ 21,875,911	\$ 3,850,614	\$ 2,516,003	\$ 25,713,012	\$ 24,391,914
Capital assets	38,805,123	36,807,424	26,285,860	26,553,334	65,090,983	63,360,758
Total Assets	60,667,521	58,683,335	30,136,474	29,069,337	90,803,995	87,752,672
Deferred outflows of resources	1,500,266	1,576,769	152,470	128,750	1,652,736	1,705,519
Current and other liabilities	1,765,116	2,081,188	194,511	718,427	1,959,627	2,799,615
Long-term liabilities	1,480,373	1,671,919	1,462,663	1,612,358	2,943,036	3,284,277
Net pension liability	1,812,457	1,571,015	118,219	73,237	1,930,676	1,644,252
Total Liabilities	5,057,946	5,324,122	1,775,393	2,404,022	6,833,339	7,728,144
Deferred inflows of resources	4,097,709	4,103,971	417	475	4,098,126	4,104,446
Net position:						
Net investment in capital assets	37,916,218	35,832,286	25,328,461	25,063,394	63,244,679	60,895,680
Restricted	1,482,538	1,827,339	-	-	1,482,538	1,827,339
Unrestricted	13,613,376	13,172,386	3,184,673	1,730,196	16,798,049	14,902,582
Total Net Position	<u>\$ 53,012,132</u>	<u>\$ 50,832,011</u>	<u>\$ 28,513,134</u>	<u>\$ 26,793,590</u>	<u>\$ 81,525,266</u>	<u>\$ 77,625,601</u>

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2025

Centerville City's Changes in Net Assets

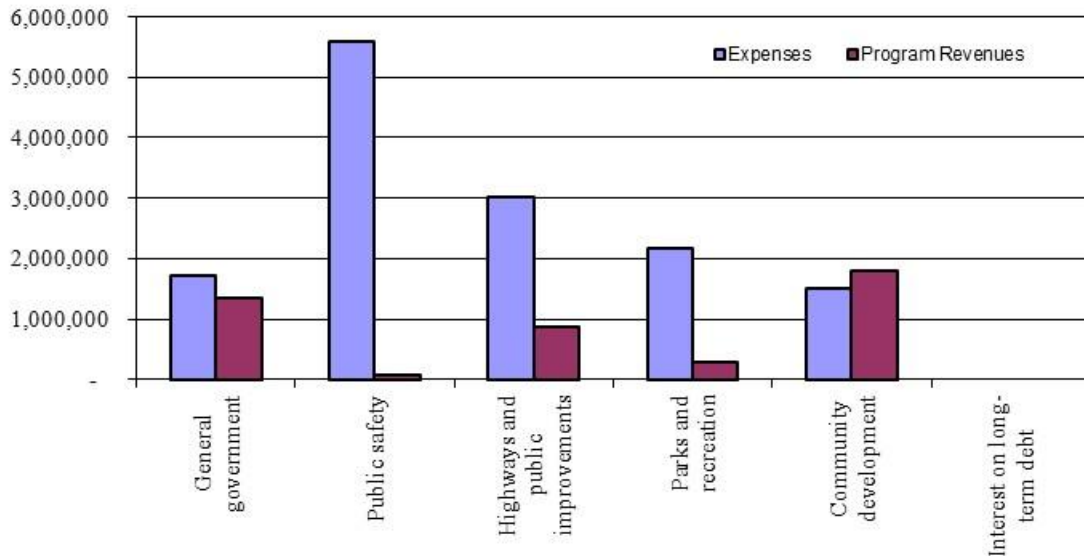
	Governmental Activities 2025	Governmental Activities 2024	Business-type Activities 2025	Business-type Activities 2024	Total 2025	Total 2024
Revenues:						
Program revenues:						
Charges for services	\$ 1,285,345	\$ 1,084,350	\$ 7,374,104	\$ 6,547,601	\$ 8,659,449	\$ 7,631,951
Operating grants and contributions	2,689,178	2,541,083	-	-	2,689,178	2,541,083
Capital grants and contributions	400,000	-	355,690	803,299	755,690	803,299
General revenues:						
Property taxes	2,827,255	2,820,959	-	-	2,827,255	2,820,959
Sales taxes	6,232,800	6,110,887	-	-	6,232,800	6,110,887
Franchise taxes	1,144,533	1,183,475	-	-	1,144,533	1,183,475
Other taxes	576,579	565,111	-	-	576,579	565,111
Unrestricted investment earnings	583,092	658,594	53,774	92,815	636,866	751,409
Gain on disposition of capital assets	88,168	85,602	30,992	50,151	119,160	135,753
Other revenues	367,062	320,596	-	-	367,062	320,596
Total Revenues	16,194,012	15,370,657	7,814,560	7,493,866	24,008,572	22,864,523
Expenses:						
General government	1,722,992	1,750,075	-	-	1,722,992	1,750,075
Public safety	5,582,976	5,076,246	-	-	5,582,976	5,076,246
Highways and public improvements	3,009,597	3,266,829	-	-	3,009,597	3,266,829
Parks and recreation	2,180,434	1,714,455	-	-	2,180,434	1,714,455
Community development	1,517,892	1,163,511	-	-	1,517,892	1,163,511
Water	-	-	3,257,048	3,269,049	3,257,048	3,269,049
Storm drain	-	-	1,390,595	1,327,957	1,390,595	1,327,957
Sanitation	-	-	1,353,034	1,295,516	1,353,034	1,295,516
Telecom	-	-	94,339	104,952	94,339	104,952
Total Expenses	14,013,891	12,971,116	6,095,016	5,997,474	20,108,907	18,968,590
Increase (decrease) in Net Position before transfers	2,180,121	2,399,541	1,719,544	1,496,392	3,899,665	3,895,933
Increase in Net Position	2,180,121	2,399,541	1,719,544	1,496,392	3,899,665	3,895,933
Net Position - Beginning	50,832,011	48,432,470	26,793,590	25,297,198	77,625,601	73,729,668
Net Position - Ending	<u>\$ 53,012,132</u>	<u>\$ 50,832,011</u>	<u>\$ 28,513,134</u>	<u>\$ 26,793,590</u>	<u>\$ 81,525,266</u>	<u>\$ 77,625,601</u>

As noted in the table above, governmental activities net position increased by \$3,899,665 or 5.02%. The table illustrates the flow of current sources and uses for the period. Governmental revenue in total increased compared to the prior year. City increased spending on public safety and parks and decreased spending on highways and public improvements. 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, 2025

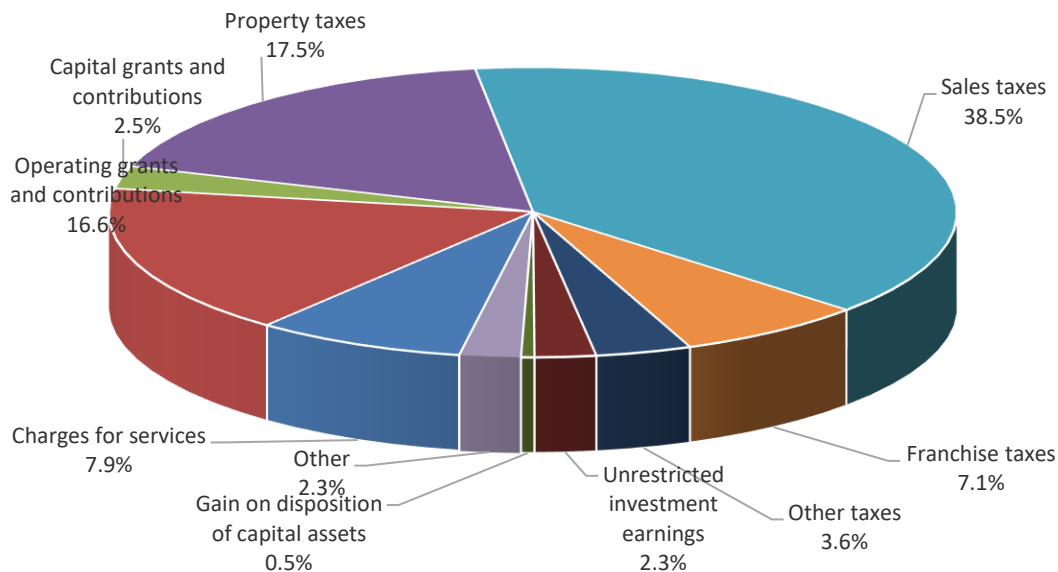
The following chart displays the governmental activities expenses compared to the program revenues attributed to the activity. Traditionally, governmental activities are funded by general revenue sources and not charges for direct services. Most of the funding for general services is provided by general 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 66.7% 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

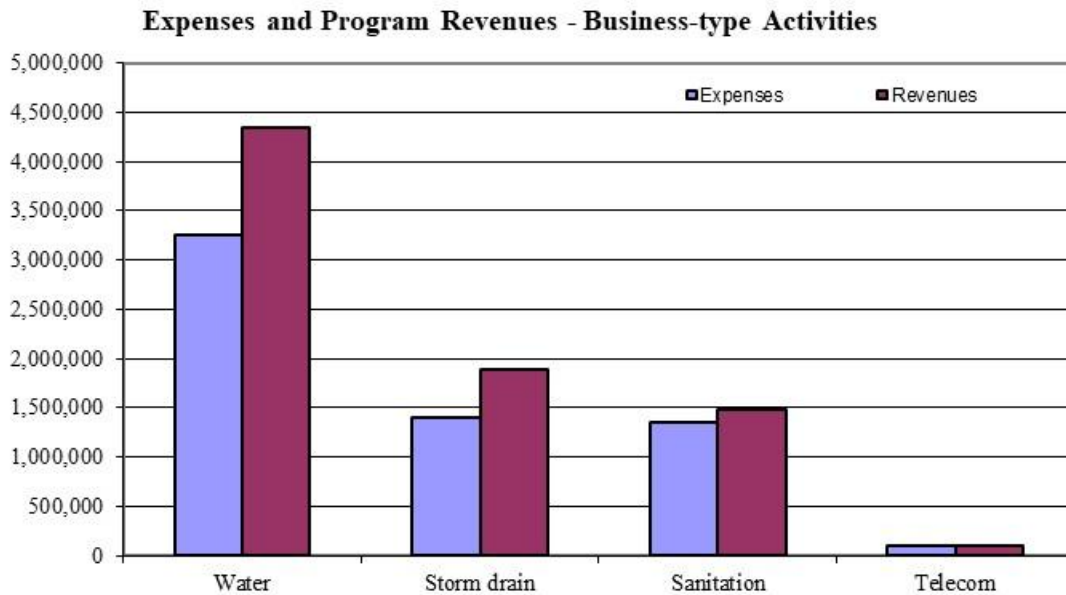


Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2025

Business-type activities

As noted in the table "Centerville City Changes in Net Assets (Statement of Activities)" business-type activities increased net position of \$1,719,544, or 6.42% from the prior year. Revenue in business activity increased 4.28% due to an increase in charges for service. Business type expenditures increased 1.63%.

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. 94.36% of the revenues for business-type activities comes from charges for services. 4.55% of the revenue for business-type activities came from capital grants and contributions, no general taxes are used to provide Business-type services. During the current reporting period revenue more than funded expenses by a net \$1,719,544. Water, Drainage, and Sanitation fund revenue exceeded expenses. The Telecom fund had a net loss of \$636.

Financial Analysis of the Government's Funds

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

Governmental funds

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

At June 30, 2025, the City's governmental funds reported a combined ending fund balance of \$16,019,644, which is an increase of \$316,690, or 2.02% from the prior period. The Unassigned balance, in general fund, increased by 0.32%, a total dollar amount of \$10,062. Assigned fund balances that are assigned for a specific purpose increased \$642,150 from the prior period, or 6.06%. The increase in assigned fund balance is primarily due to transfers to the capital

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2025

projects fund. The Restricted Fund balances decreased \$344,801 from the prior period, or 19.27%. 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 \$147,527 at June 30, 2025.

The general fund is the primary operating fund of the City. At June 30, 2025 unassigned fund balance of the general fund was \$3,191,355, an increase of \$10,062, or 0.32%.

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 \$4,193,571. This is an increase from the prior year in the amount of \$1,099,973 which is similar to the increase in fund balance in the prior year, and is primarily due to tax increment revenue received.

The Transportation fund is considered a major governmental fund. This fund has been established for road projects and receives class C revenue and county option/transit funds. The City uses these funds for road projects. This fund has a fund balance of \$1,431,804 which is a decrease of \$41,753 from the prior year. The decrease in fund balance is primarily due to various projects which will extend the life of roads in the City.

The 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 facilities of the government. This fund has a fund balance of \$6,686,169 which is an increase of \$304,790 increase from prior year. The increase is primarily due to a transfer received from the General Fund.

The Parks Improvements Fund is considered as a major governmental fund. This fund accounts for the financial resources to be used for the acquisition or construction of parks capital facilities of the government. This fund has a fund balance of \$36 which is a decrease of \$548,961 from prior year. The decrease is primarily due the Community Park project.

Other Governmental funds had a total decrease in fund balances of \$498,980, or 35.14%.

Proprietary funds

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

Water Utility fund

Total net position equaled \$21,147,619 at June 30, 2025. Total net position increased by \$1,085,835, a 5.41% increase, which is similar to the prior year increase.

Drainage Utility

Total net position at June 30, 2025 was \$7,033,084. Total net position increased by \$503,673 resulting in a 7.71% increase primarily due to an increase in charges for service.

Sanitation

Total net position at June 30, 2025 was \$320,567. Total net position increased \$130,672 resulting in a 68.81% increase. This increase is primarily due to an increase in miscellaneous revenue.

Telecom Fund

The Telecom Fund net position at June 30, 2025 was \$11,864. Total decrease of \$636 or 5.09%.

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2025

General Fund Budgetary Highlights

During the fiscal year the general fund budget expenditures were amended, with an original budgeted expenditure of \$12,381,026 and final budgeted expenditure of \$12,651,670. Actual expenditures were \$9,283,370. 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, Police, 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 \$350,158, or 3.40%. Taxes, the largest source of revenue for the general fund was \$342,056 or 3.80% above budget. Fines and forfeitures revenue was over budget by \$94,359 or 34.69%.

Capital Assets and Debt Administration

Capital assets

Centerville City's investment in capital assets for governmental and business-type activities at June 30, 2025 was \$65,090,983 (net of depreciation). The investment in capital assets includes land, buildings, improvements other than buildings, infrastructure, machinery and equipment, autos and trucks, furniture and fixtures. The City's total investment in capital assets increased by \$1,730,225 or 2.73%. Governmental activities increased capital assets (net of depreciation) \$1,997,699 or 5.43%, to \$38,805,123. Business type activities decreased capital assets (net of depreciation) \$267,474 or 1.01% to \$26,285,860.

Major capital asset events during the current year were:

- 1) During the year two large road projects were completed which totaled \$923,601. The City completed four water line projects totaling \$1,370,562. The City also completed a storm drain projects for \$41,935. During the year the City started several road projects, storm drain projects and water line projects.
- 2) The City completed the Community Park project which totaled \$1,827,398.
- 3) The City added approximately \$1,117,000 in vehicles and equipment.
- 4) 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.

Centerville City's Capital Assets

(Net of Depreciation)

	Governmental Activities 2025	Governmental Activities 2024	Business - type Activities 2025	Business - type Activities 2024
Land	\$ 7,928,488	\$ 7,928,488	\$ 486,120	\$ 486,120
Buildings	10,515,612	10,972,801	2,574,084	2,658,381
Water stock and rights	-	-	48,617	48,617
Machinery and equipment	3,256,310	3,588,901	336,689	317,718
Distribution and collection systems	-	-	22,155,228	21,356,559
Autos and trucks	2,170,840	1,703,948	-	-
Infrastructure	14,114,688	11,694,971	-	-
Construction in progress	819,185	918,315	685,122	1,685,939
Total Capital Assets	<u>\$ 38,805,123</u>	<u>\$ 36,807,424</u>	<u>\$ 26,285,860</u>	<u>\$ 26,553,334</u>

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2025

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 2025	Governmental Activities 2024	Business - type Activities 2025	Business - type Activities 2024
Revenue bonds	\$ -	\$ -	\$ 955,122	\$ 1,078,218
Note payable	391,000	796,000	404,210	457,842
Compensated absences	1,050,104	846,145	103,331	76,298
Outstanding claims	39,269	29,774	-	-
Net pension liability	1,812,457	1,571,015	118,219	73,237
Total	<u>\$ 3,292,830</u>	<u>\$ 3,242,934</u>	<u>\$ 1,580,882</u>	<u>\$ 1,685,595</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, Long-Term Liabilities).

Economic Factors and Next Year's Budgets and Rates

According to the Utah Department of Workforce Services, the unemployment rate for Davis County as of June 2025 was 3.0%, which was the same as the previous year. The unemployment rate remains lower than the national unemployment rate of 4.1%.

Sales tax is the largest single source of revenue for governmental operations of the City. The City's sales tax revenue increased by approximately 2%, or \$121,913, from the prior fiscal year. While sales tax revenue is projected to remain consistent for FY 2026, the City has conservatively budgeted sales tax revenue to decrease to \$5.5 million.

City Council did not increase property taxes for FY 2026.

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, 2025

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 13,613,470	\$ 2,215,701	\$ 15,829,171
Receivables:			
Accounts, net	125,506	858,048	983,554
Taxes	4,245,401	-	4,245,401
Intergovernmental receivable	156,856	-	156,856
Inventory	-	298,080	298,080
Prepays	109,827	74,575	184,402
Restricted assets:			
Cash and cash equivalents	2,155,130	-	2,155,130
Notes receivable	-	404,210	404,210
Lease receivable	1,456,208	-	1,456,208
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	819,185	685,122	1,504,307
Capital assets, net of accumulated depreciation:			
Buildings and improvements	10,515,612	2,574,084	13,089,696
Distribution and collection systems	-	22,155,228	22,155,228
Machinery and equipment	3,256,310	336,689	3,592,999
Autos and trucks	2,170,840	-	2,170,840
Infrastructure	14,114,688	-	14,114,688
Total Assets	60,667,521	30,136,474	90,803,995
Deferred Outflows of Resources			
Deferred charge on refunding	-	8,098	8,098
Deferred outflows related to pensions	1,500,266	144,372	1,644,638
Total Deferred Outflows of Resources	1,500,266	152,470	1,652,736
Total Assets and Deferred Outflow of Resources	\$ 62,167,787	\$ 30,288,944	\$ 92,456,731

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

Centerville City Corporation
STATEMENT OF NET POSITION (Continued)
June 30, 2025

	Governmental Activities	Business-type Activities	Total
Liabilities			
Accounts payable	\$ 772,369	\$ 171,048	\$ 943,417
Accrued liabilities	214,415	13,013	227,428
Accrued interest payable	-	10,450	10,450
Developer and customer deposits	773,132	-	773,132
Unearned revenue	5,200	-	5,200
Noncurrent liabilities:			
Due within one year	920,609	231,334	1,151,943
Long term debt	559,764	1,231,329	1,791,093
Net pension liability	1,812,457	118,219	1,930,676
Total Liabilities	<u>5,057,946</u>	<u>1,775,393</u>	<u>6,833,339</u>
Deferred Inflows of Resources			
Deferred inflows - lease	1,370,178	-	1,370,178
Deferred inflows for property taxes	2,707,455	-	2,707,455
Deferred inflows relating to pensions	20,076	417	20,493
Total Deferred Inflows of Resources	<u>4,097,709</u>	<u>417</u>	<u>4,098,126</u>
Net Position			
Net investment in capital assets	37,916,218	25,328,461	63,244,679
Restricted for:			
Future development	381,339	-	381,339
Theater reserve fund	940,874	-	940,874
Cemetery	125,362	-	125,362
Police/DUI enforcement	34,963	-	34,963
Unrestricted	13,613,376	3,184,673	16,798,049
Total Net Position	<u>53,012,132</u>	<u>28,513,134</u>	<u>81,525,266</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>\$ 62,167,787</u></u>	<u><u>\$ 30,288,944</u></u>	<u><u>\$ 92,456,731</u></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, 2025

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	\$ 1,722,992	\$ 958,042	\$ -	\$ 400,000	\$ (364,950)	\$ -	\$ (364,950)
Public safety	5,582,976	-	68,552	-	(5,514,424)	-	(5,514,424)
Streets and public works	3,009,597	-	860,082	-	(2,149,515)	-	(2,149,515)
Parks and recreation	2,180,434	257,620	37,297	-	(1,885,517)	-	(1,885,517)
Community development	1,517,892	69,683	1,723,247	-	275,038	-	275,038
Total Governmental Activities	14,013,891	1,285,345	2,689,178	400,000	(9,639,368)	-	(9,639,368)
Business-type Activities:							
Water	3,257,048	3,917,136	-	355,690	-	1,015,778	1,015,778
Storm drain	1,390,595	1,886,333	-	-	-	495,738	495,738
Sanitation	1,353,034	1,477,249	-	-	-	124,215	124,215
Telecom	94,339	93,386	-	-	-	(953)	(953)
Total Business-type Activities	6,095,016	7,374,104	-	355,690	-	1,634,778	1,634,778
Total Government	\$ 20,108,907	\$ 8,659,449	\$ 2,689,178	\$ 755,690	(9,639,368)	1,634,778	(8,004,590)
General Revenues:							
Property taxes					2,827,255	-	2,827,255
Sales taxes					6,232,800	-	6,232,800
Franchise taxes					1,144,533	-	1,144,533
Other taxes					576,579	-	576,579
Unrestricted investment earnings					583,092	53,774	636,866
Gain on disposition of capital assets					88,168	30,992	119,160
Other revenues					367,062	-	367,062
Total General Revenues and Transfers					11,819,489	84,766	11,904,255
Changes in Net Position					2,180,121	1,719,544	3,899,665
Net Position, Beginning					50,832,011	26,793,590	77,625,601
Net Position, Ending					<u>\$ 53,012,132</u>	<u>\$ 28,513,134</u>	<u>\$ 81,525,266</u>

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

Centerville City Corporation
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2025

	General	Redevelopment Agency Special Revenue	Transportation	Capital Projects Fund	Park Improvements	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 2,234,476	\$ 3,251,286	\$ 1,352,449	\$ 6,689,521	\$ 63,000	\$ 22,738	\$ 13,613,470
Receivables:							
Accounts, net	125,506	-	-	-	-	-	125,506
Taxes	3,496,583	377,206	262,814	-	-	-	4,136,603
Intergovernmental	-	-	-	-	-	265,655	265,655
Leases	-	1,456,208	-	-	-	-	1,456,208
Due from other funds	45,129	-	-	-	-	-	45,129
Prepays	109,827	-	-	-	-	-	109,827
Restricted cash and cash equivalents	808,095	940,874	-	-	271,072	135,089	2,155,130
Total Assets	<u>\$ 6,819,616</u>	<u>\$ 6,025,574</u>	<u>\$ 1,615,263</u>	<u>\$ 6,689,521</u>	<u>\$ 334,072</u>	<u>\$ 423,482</u>	<u>\$ 21,907,528</u>
Liabilities							
Accounts payable	\$ 163,907	\$ 84,619	\$ 183,459	\$ 3,352	\$ 334,036	\$ 3,002	\$ 772,375
Accrued liabilities	210,983	-	-	-	-	3,432	214,415
Due to other funds	-	-	-	-	-	45,129	45,129
Unearned revenue	5,200	-	-	-	-	-	5,200
Liability from restricted assets:							
Developer and customer deposits	773,132	-	-	-	-	-	773,132
Total Liabilities	<u>1,153,222</u>	<u>84,619</u>	<u>183,459</u>	<u>3,352</u>	<u>334,036</u>	<u>51,563</u>	<u>1,810,251</u>
Deferred Inflows of Resources							
Leases	-	1,370,178	-	-	-	-	1,370,178
Unavailable revenue - property taxes	2,330,249	377,206	-	-	-	-	2,707,455
Total Deferred Inflows of Resources	<u>2,330,249</u>	<u>1,747,384</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,077,633</u>
Fund Balances:							
Nonspendable:							
Prepaid items	109,827	-	-	-	-	-	109,827
Permanently restricted cemetery	-	-	-	-	-	37,700	37,700
Restricted for:							
Future development	-	-	262,814	-	-	118,525	381,339
Cemetery	-	-	-	-	-	87,662	87,662
Theater reserve fund	-	940,874	-	-	-	-	940,874
Police donations	17,516	-	-	-	-	-	17,516
DUI enforcement	17,447	-	-	-	-	-	17,447
Assigned, reported in:							
Special revenue funds	-	3,252,697	1,168,990	-	-	16,304	4,437,991
Capital project funds	-	-	-	6,686,169	36	111,728	6,797,933
Unassigned:							
General fund	3,191,355	-	-	-	-	-	3,191,355
Total Fund Balances	<u>3,336,145</u>	<u>4,193,571</u>	<u>1,431,804</u>	<u>6,686,169</u>	<u>36</u>	<u>371,919</u>	<u>16,019,644</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,819,616</u>	<u>\$ 6,025,574</u>	<u>\$ 1,615,263</u>	<u>\$ 6,689,521</u>	<u>\$ 334,072</u>	<u>\$ 423,482</u>	<u>\$ 21,907,528</u>

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, 2025

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

Total Fund Balance - Governmental Funds	\$ 16,019,644
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	38,805,123
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.	(3,292,830)
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.	1,480,195
Total Net Position - Governmental Activities	<u><u>\$ 53,012,132</u></u>

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

Centerville City Corporation
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS
For The Year Ended June 30, 2025

	General	Redevelopment Agency Special Revenue	Transportation	Capital Projects Fund	Park Improvements	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 9,337,641	\$ 351,195	\$ 515,752	\$ -	\$ -	\$ 576,579	\$ 10,781,167
Fees and contributions	-	-	-	-	437,297	-	437,297
Licenses and permits	351,880	-	-	-	-	-	351,880
Intergovernmental	68,552	1,723,247	860,082	-	-	-	2,651,881
Fines and forfeitures	366,359	-	-	-	-	-	366,359
Charges for services	233,817	143,401	-	-	-	120,205	497,423
Interest	216,445	-	46,397	230,433	32,246	57,571	583,092
Miscellaneous	63,156	122,462	-	-	14,135	167,309	367,062
Total Revenues	10,637,850	2,340,305	1,422,231	230,433	483,678	921,664	16,036,161
Expenditures:							
Current:							
General government	966,026	-	-	-	-	543,327	1,509,353
Public safety	5,176,373	-	-	-	-	-	5,176,373
Highways and public improvements	1,025,042	-	894,546	-	-	-	1,919,588
Parks and recreation	1,579,851	-	-	49,192	-	99,136	1,728,179
Community development	536,078	874,926	-	-	-	21,721	1,432,725
Debt service:							
Principal	-	-	-	-	405,000	-	405,000
Interest	-	-	-	-	21,333	-	21,333
Capital outlay:							
General government	-	-	-	64,014	-	-	64,014
Public safety	-	-	-	344,468	-	-	344,468
Highways and public improvements	-	-	960,229	248,862	-	-	1,209,091
Parks and recreation	-	-	24,801	225,269	1,767,861	-	2,017,931
Total Expenditures	9,283,370	874,926	1,879,576	931,805	2,194,194	664,184	15,828,055
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,354,480	1,465,379	(457,345)	(701,372)	(1,710,516)	257,480	208,106
Other Financing Sources (Uses):							
Transfers in	107,518	84,207	415,592	1,006,162	1,161,555	385,586	3,160,620
Transfers out	(1,568,961)	(449,613)	-	-	-	(1,142,046)	(3,160,620)
Sale of capital assets	108,584	-	-	-	-	-	108,584
Total Other Financing Sources (Uses)	(1,352,859)	(365,406)	415,592	1,006,162	1,161,555	(756,460)	108,584
Net Change in Fund Balances	1,621	1,099,973	(41,753)	304,790	(548,961)	(498,980)	316,690
Fund Balances, 6/30/2024 as previously presented	3,334,524	3,093,598	1,473,557	6,381,379	-	1,419,896	15,702,954
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-	548,997	(548,997)	-
Fund Balances, 6/30/2024 as adjusted	3,334,524	3,093,598	1,473,557	6,381,379	548,997	870,899	15,702,954
Fund Balances, Ending	\$ 3,336,145	\$ 4,193,571	\$ 1,431,804	\$ 6,686,169	\$ 36	\$ 371,919	\$ 16,019,644

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, 2025

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

Net Change in Fund Balances - Total Governmental Funds	\$ 316,690
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.	(1,617,389)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the Statement of Net Position.	3,768,902
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.	(153,814)
Repayment of noncurrent liabilities' principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	405,000
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.	(325,813)
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.	(213,455)
Change in Net Position - Governmental Activities	<u>\$ 2,180,121</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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 8,995,585	\$ 8,995,585	\$ 9,337,641	\$ 342,056
Licenses and permits	319,130	339,130	351,880	12,750
Intergovernmental	71,050	100,046	68,552	(31,494)
Fines and forfeitures	272,000	272,000	366,359	94,359
Charges for services	263,240	273,240	233,817	(39,423)
Interest	251,000	251,000	216,445	(34,555)
Miscellaneous	24,510	56,691	63,156	6,465
Total Revenues	<u>10,196,515</u>	<u>10,287,692</u>	<u>10,637,850</u>	<u>350,158</u>
Expenditures:				
Current:				
General government:				
Administrative	938,329	958,870	459,263	499,607
Municipal council	103,348	103,348	34,597	68,751
Finance	686,179	736,179	243,796	492,383
Legal	596,915	596,915	228,370	368,545
Public Safety:				
Police	4,244,962	4,332,879	3,993,755	339,124
Fire	1,182,618	1,182,618	1,182,618	-
Streets and public works	2,236,658	2,266,658	1,025,042	1,241,616
Parks and recreation	1,647,648	1,688,691	1,579,851	108,840
Community development	566,949	635,580	536,078	99,502
Capital outlay	177,420	149,932	-	149,932
Total Expenditures	<u>12,381,026</u>	<u>12,651,670</u>	<u>9,283,370</u>	<u>3,368,300</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,184,511)</u>	<u>(2,363,978)</u>	<u>1,354,480</u>	<u>3,718,458</u>
Other Financing Sources (Uses):				
Transfers in	123,506	136,301	107,518	(28,783)
Transfers out	(515,738)	(515,738)	(1,568,961)	(1,053,223)
Sale of capital assets	132,500	132,500	108,584	(23,916)
Total Other Financing Sources (Uses)	<u>(259,732)</u>	<u>(246,937)</u>	<u>(1,352,859)</u>	<u>(1,105,922)</u>
Net Change in Fund Balance	<u>\$ (2,444,243)</u>	<u>\$ (2,610,915)</u>	<u>1,621</u>	<u>\$ 2,612,536</u>
Fund Balance, Beginning			<u>3,334,524</u>	
Fund Balance, Ending			<u>\$ 3,336,145</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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,846,000	\$ 1,846,000	\$ 351,195	\$ (1,494,805)
Intergovernmental	-	-	1,723,247	1,723,247
Charges for services	110,000	110,000	143,401	33,401
Miscellaneous	10,000	10,000	122,462	112,462
Total Revenues	<u>1,966,000</u>	<u>1,966,000</u>	<u>2,340,305</u>	<u>374,305</u>
Expenditures:				
Community Development	983,414	983,414	864,687	118,727
Capital outlay	527,000	527,000	10,239	516,761
Total Expenditures	<u>1,510,414</u>	<u>1,510,414</u>	<u>874,926</u>	<u>635,488</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>455,586</u>	<u>455,586</u>	<u>1,465,379</u>	<u>1,009,793</u>
Other Financing Sources (Uses):				
Transfers in	-	-	84,207	84,207
Transfers out	(455,586)	(455,586)	(449,613)	5,973
Total Other Financing Sources (Uses)	<u>(455,586)</u>	<u>(455,586)</u>	<u>(365,406)</u>	<u>90,180</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,099,973</u>	<u>\$ 1,099,973</u>
Fund Balance, Beginning			<u>3,093,598</u>	
Fund Balance, Ending			<u>\$ 4,193,571</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, 2025

	Transportation Special Revenue Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 500,000	\$ 500,000	\$ 515,752	\$ 15,752
Intergovernmental	800,000	800,000	860,082	60,082
Interest	35,000	35,000	46,397	11,397
Total Revenues	<u>1,335,000</u>	<u>1,335,000</u>	<u>1,422,231</u>	<u>87,231</u>
Expenditures:				
Current:				
Highways and public improvements	-	-	894,546	(894,546)
Capital outlay	1,900,100	1,900,100	985,030	915,070
Total Expenditures	<u>1,900,100</u>	<u>1,900,100</u>	<u>1,879,576</u>	<u>20,524</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(565,100)</u>	<u>(565,100)</u>	<u>(457,345)</u>	<u>107,755</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>\$ (149,508)</u>	<u>\$ (149,508)</u>	<u>\$ (41,753)</u>	<u>\$ 107,755</u>
Fund Balance, Beginning			<u>1,473,557</u>	
Fund Balance, Ending			<u>\$ 1,431,804</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, 2025

	Business-type Activities - Enterprise Funds				
	Water Utility Fund	Drainage Utility Fund	Sanitation Fund	Telecom Fund	Totals
Assets:					
Current Assets:					
Cash and cash equivalents	\$ 1,396,761	\$ 546,897	\$ 269,107	\$ 2,936	\$ 2,215,701
Accounts receivable, net	505,122	213,341	130,657	8,928	858,048
Inventory	298,080	-	-	-	298,080
Prepays	74,575	-	-	-	74,575
Total Current Assets	2,274,538	760,238	399,764	11,864	3,446,404
Noncurrent Assets:					
Notes receivable	-	-	-	404,210	404,210
Capital assets not being depreciated:					
Water stock and rights	48,617	-	-	-	48,617
Land	486,120	-	-	-	486,120
Construction in progress	414,667	270,455	-	-	685,122
Capital assets being depreciated:					
Buildings	3,501,966	623,488	-	-	4,125,454
Distribution and collection systems	24,658,231	7,419,784	-	-	32,078,015
Machinery and equipment	951,936	200,461	-	-	1,152,397
Accumulated depreciation	(10,338,144)	(1,951,721)	-	-	(12,289,865)
Total Noncurrent Assets	19,723,393	6,562,467	-	404,210	26,690,070
Total Assets	21,997,931	7,322,705	399,764	416,074	30,136,474
Deferred Outflows of Resources					
Deferred charge on refunding	6,958	1,140	-	-	8,098
Deferred outflows of resources relating to pensions	112,158	32,214	-	-	144,372
Total Deferred Outflows of Resources	119,116	33,354	-	-	152,470
Total Assets and Deferred Outflows of Resources	\$ 22,117,047	\$ 7,356,059	\$ 399,764	\$ 416,074	\$ 30,288,944

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, 2025

	Business-type Activities - Enterprise Funds				
	Water Utility Fund	Drainage Utility Fund	Sanitation Fund	Telecom Fund	Totals
Liabilities:					
Current Liabilities:					
Accounts payable	\$ 65,138	\$ 26,713	\$ 79,197	\$ -	\$ 171,048
Accrued liabilities	9,242	3,771	-	-	13,013
Accrued interest payable	8,104	2,346	-	-	10,450
Compensated absences, current portion	48,542	10,000	-	-	58,542
Notes payable, current portion	-	-	-	49,697	49,697
Bonds payable, current portion	95,118	27,977	-	-	123,095
Total Current Liabilities	<u>226,144</u>	<u>70,807</u>	<u>79,197</u>	<u>49,697</u>	<u>425,845</u>
Noncurrent Liability:					
Compensated absences, net of current portion	8,000	36,789	-	-	44,789
Notes payable, net of current portion	-	-	-	354,513	354,513
Bonds payable, net of current portion	643,119	188,908	-	-	832,027
Net pension liability	91,841	26,378	-	-	118,219
Total Noncurrent Liability	<u>742,960</u>	<u>252,075</u>	<u>-</u>	<u>354,513</u>	<u>1,349,548</u>
Total Liabilities	<u>969,104</u>	<u>322,882</u>	<u>79,197</u>	<u>404,210</u>	<u>1,775,393</u>
Deferred Inflows of Resources					
Deferred inflows of resources relating to pensions	324	93	-	-	417
Total Deferred Outflows of Resources	<u>324</u>	<u>93</u>	<u>-</u>	<u>-</u>	<u>417</u>
Net Position:					
Net investment in capital assets	18,981,739	6,346,722	-	-	25,328,461
Unrestricted	2,165,880	686,362	320,567	11,864	3,184,673
Total Net Position	<u>21,147,619</u>	<u>7,033,084</u>	<u>320,567</u>	<u>11,864</u>	<u>28,513,134</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 22,117,047</u>	<u>\$ 7,356,059</u>	<u>\$ 399,764</u>	<u>\$ 416,074</u>	<u>\$ 30,288,944</u>

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

Centerville City Corporation
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
NET POSITION – PROPRIETARY FUNDS
For The Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds				
	Water Utility Fund	Drainage Utility Fund	Sanitation Fund	Telecom Fund	Totals
Operating Revenues:					
Charges for services	\$ 3,905,806	\$ 1,886,183	\$ 1,396,533	\$ 93,386	\$ 7,281,908
Connection and servicing	11,330	-	6,238	-	17,568
Miscellaneous	-	150	74,478	-	74,628
Total Operating Revenues	3,917,136	1,886,333	1,477,249	93,386	7,374,104
Operating Expenses:					
Salaries and wages	388,705	110,978	-	-	499,683
Employee benefits	203,825	62,931	-	-	266,756
Maintenance and repairs	330,147	311,678	34,163	-	675,988
General and administrative	1,364,388	608,493	228,182	4,164	2,205,227
Utilities	121,551	1,917	-	-	123,468
Professional and technical services	83,385	123,672	7,828	90,175	305,060
Solid waste collection and disposal	-	-	1,082,861	-	1,082,861
Water purchases	141,689	-	-	-	141,689
Depreciation	605,270	167,832	-	-	773,102
Total Operating Expenses	3,238,960	1,387,501	1,353,034	94,339	6,073,834
Operating Income (Loss)	678,176	498,832	124,215	(953)	1,300,270
Nonoperating Income (Expense):					
Gain on sale of capital assets	30,992	-	-	-	30,992
Interest income	39,065	7,935	6,457	317	53,774
Interest expense	(18,088)	(3,094)	-	-	(21,182)
Total Nonoperating Income (Expense)	51,969	4,841	6,457	317	63,584
Income (Loss) Before Capital Contributions and Transfers	730,145	503,673	130,672	(636)	1,363,854
Capital Contributions:					
Impact fees	34,442	-	-	-	34,442
Construction fees	321,248	-	-	-	321,248
Total Capital Contributions	355,690	-	-	-	355,690
Changes in Net Position	1,085,835	503,673	130,672	(636)	1,719,544
Net Position, Beginning	20,061,784	6,529,411	189,895	12,500	26,793,590
Net Position, Ending	\$ 21,147,619	\$ 7,033,084	\$ 320,567	\$ 11,864	\$ 28,513,134

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, 2025

	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	\$ 3,858,614	\$ 1,801,924	\$ 1,471,793	\$ 93,650	\$ 7,225,981
Payments to suppliers	(2,603,771)	(1,119,103)	(1,362,402)	(94,339)	(5,179,615)
Payments to employees and related benefits	(552,748)	(162,766)	-	-	(715,514)
Net cash flows from operating activities	702,095	520,055	109,391	(689)	1,330,852
Cash Flows From Capital and Related Financing Activities:					
Purchase of property and equipment	(494,547)	(53,489)	-	-	(548,036)
Sale of property and equipment	73,400	-	-	-	73,400
Receipt of developer construction fees	355,690	-	-	-	355,690
Principal paid on bonds	(85,000)	(25,000)	-	-	(110,000)
Interest paid on bonds	(27,753)	(6,379)	-	-	(34,132)
Net cash flows from capital and related financing activities	(178,210)	(84,868)	-	-	(263,078)
Cash Flows From Investing Activity:					
Interest on investments	39,065	7,935	6,457	317	53,774
Net cash flows from investing activity	39,065	7,935	6,457	317	53,774
Net Increase (Decrease) In Cash	562,950	443,122	115,848	(372)	1,121,548
Cash and Cash Equivalents At Beginning Of Year	833,811	103,775	153,259	3,308	1,094,153
Cash and Cash Equivalents At End Of Year	\$ 1,396,761	\$ 546,897	\$ 269,107	\$ 2,936	\$ 2,215,701

	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)	\$ 678,176	\$ 498,832	\$ 124,215	\$ (953)	\$ 1,300,270
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation expense	605,270	167,832	-	-	773,102
(Increase) Decrease in accounts receivables	(58,522)	(84,409)	(5,456)	264	(148,123)
(Increase) Decrease in inventory	(111,112)	-	-	-	(111,112)
(Increase) Decrease in prepaids	(7,461)	-	-	-	(7,461)
Increase (Decrease) in accounts payable	(444,038)	(73,343)	(9,368)	-	(526,749)
Increase (Decrease) in accrued liabilities	1,827	2,106	-	-	3,933
Increase (Decrease) in pension activity	17,158	2,801	-	-	19,959
Increase (Decrease) in paid time off payable	20,797	6,236	-	-	27,033
Net cash from operating activities	\$ 702,095	\$ 520,055	\$ 109,391	\$ (689)	\$ 1,330,852
Noncash investing, capital, and financing activities:					
Noncash additions to capital assets	\$ 10,375	\$ -	\$ -	\$ -	\$ 10,375

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 are from B&C Road Funds, and Highway and Public Transit funds.

The Parks Improvement Fund accounts for the financial resources to be used for the acquisition or construction of major capital parks facilities of the government.

The 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.

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

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 Recreation fund, R.A.P. Tax, and Cemetery Perpetual Care as special revenue funds.

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 the UTOPIA Capital Projects fund 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 when they are more likely than not to be used or paid out. 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 at 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, 2025, of \$17,352,448 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 \$10,543, \$5,171, and \$3,167, 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 a 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 assets 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 with a maximum accumulation of 300 hours. Any hours in excess of 300 are cashed out to the employee on the first payroll of the next calendar year. Employees accumulate long-term sick hours with a maximum accumulation of 800 hours. Any hours in excess of 800 are cashed out to the employee on the first payroll of the next calendar year. Upon termination of employment other than for cause, 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.

Change in Accounting Principle

During the year, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences. This Statement creates a unified model for reporting, as well as amends certain previously required disclosures. As a result of implementing this standard, the City recalculated its compensated absences balance for June 30, 2024 and noted no significant change necessary, therefore, the City has not restated its net position.

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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.

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, 2025 are as follows:

Cash on hand and on deposit:	
Petty Cash	\$ 643
Cash on Deposit	631,210
PTIF Investment	<u>17,352,448</u>
Total cash and investments	<u><u>\$ 17,984,301</u></u>

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

Cash and cash equivalents	\$ 15,829,171
Restricted cash and cash equivalents	<u>2,155,130</u>
Total cash and investments	<u><u>\$ 17,984,301</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, 2025, \$418,756 of the City's \$700,219 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 monthly. 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, 2025, the fair value per share factor for investments in the PTIF was 1.00198542.

For the year ended June 30, 2025, the City had investments of \$17,352,448 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, 2025, 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 \$	643	1	\$ 643	N/A	N/A
Cash on deposit	631,210	1	631,210	N/A	N/A
Utah State Treasurer's investment pool accounts	<u>17,352,448</u>	1.00198542	<u>17,386,900</u>	N/A	82.96
Total cash on hand and deposit	<u>\$ 17,984,301</u>		<u>\$ 18,018,753</u>		

B. Interfund Transfers

The transfers among the funds for the year ended June 30, 2025, were as follows:

<u>Fund Transferring Out</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>
General Fund	Transportation	415,592
General Fund	Capital Project Fund	1,006,162
General Fund	Redevelopment Agency	84,207
General Fund	Park Improvement Capital Projects Fund	63,000
Cemetery Perpetual Care	General Fund	14,960
Redevelopment Agency	General Fund	64,027
Redevelopment Agency	UTOPIA Capital Projects Fund	385,586
Rap Tax Fund	Park Improvements	1,098,555
Rap Tax Fund	General Fund	<u>28,531</u>
		<u>\$ 3,160,620</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 \$103,845 from the Association for the year ended June 30, 2025.

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, 2025, is as follows:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Governmental Activities:				
Capital assets, not being depreciated:				
Land and collectibles	\$ 7,928,488	\$ -	\$ -	\$ 7,928,488
Construction in progress	918,315	2,098,726	(2,197,856)	819,185
Total capital assets, not being depreciated	8,846,803	2,098,726	(2,197,856)	8,747,673
Capital assets, being depreciated:				
Buildings and improvements	18,695,912	-	-	18,695,912
Infrastructure	14,796,576	2,751,000	-	17,547,576
Machinery and equipment	6,882,059	38,715	(31,978)	6,888,796
Autos and trucks	4,123,272	1,078,317	(470,676)	4,730,913
Total capital assets, being depreciated	44,497,819	3,868,032	(502,654)	47,863,197
Less accumulated depreciation for:				
Buildings and improvements	(7,723,111)	(457,189)	-	(8,180,300)
Infrastructure	(3,101,605)	(331,283)	-	(3,432,888)
Machinery and equipment	(3,293,158)	(371,306)	31,978	(3,632,486)
Autos and trucks	(2,419,325)	(457,611)	316,863	(2,560,073)
Total accumulated depreciation	(16,537,199)	(1,617,389)	348,841	(17,805,747)
Total capital assets being depreciated, net	27,960,620	2,250,643	(153,813)	30,057,450
Governmental Activities capital assets, net	<u>\$ 36,807,423</u>	<u>\$ 4,349,369</u>	<u>\$ (2,351,669)</u>	<u>\$ 38,805,123</u>

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

Governmental Activities:	
General government	\$ 586,835
Public safety	188,319
Highways and public improvements	430,258
Parks and recreation	411,977
Total depreciation expense - governmental activities	<u>\$ 1,617,389</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, 2024	Additions	Deletions	Balance June 30, 2025
Business-type Activities:				
Capital assets, not being depreciated:				
Water stock and rights	\$ 48,617	\$ -	\$ -	\$ 48,617
Land	486,120	-	-	486,120
Construction in progress	1,685,939	404,208	(1,405,025)	685,122
Total capital assets, not being depreciated	2,220,676	404,208	(1,405,025)	1,219,859
Capital assets, being depreciated:				
Buildings and improvements	4,125,454	-	-	4,125,454
Reservoirs	984,857	-	-	984,857
Water distribution system	22,302,813	1,370,561	-	23,673,374
Sub-drain system	2,046,416	-	-	2,046,416
Storm drain system	5,331,432	41,935	-	5,373,367
Machinery and equipment	1,118,388	154,173	(120,164)	1,152,397
Total capital assets, being depreciated	35,909,360	1,566,669	(120,164)	37,355,865
Less accumulated depreciation for:				
Buildings and improvements	(1,467,073)	(84,297)	-	(1,551,370)
Reservoirs	(846,596)	(8,767)	-	(855,363)
Water distribution system	(6,894,101)	(456,876)	-	(7,350,977)
Sub-drain system	(716,111)	(40,928)	-	(757,039)
Storm drain system	(852,151)	(107,256)	-	(959,407)
Machinery and equipment	(800,669)	(74,978)	59,939	(815,708)
Total accumulated depreciation	(11,576,701)	(773,102)	59,939	(12,289,864)
Total capital assets being depreciated, net	24,332,659	793,567	(60,225)	25,066,001
Business-type Activities capital assets, net	\$ 26,553,335	\$ 1,197,775	\$ (1,465,250)	\$ 26,285,860

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

Business-type Activities:	
Water	\$ 605,270
Drainage	167,832
Total depreciation expense - business-type activities	\$ 773,102

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, 2025:

	<u>Balance</u> <u>June 30, 2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2025</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Compensated absences	\$ 846,145	\$ 720,825	\$ (516,866)	\$ 1,050,104	\$ 520,000
Notes Payable	796,000	-	(405,000)	391,000	391,000
Outstanding claims	29,774	15,920	(6,425)	39,269	9,609
Net pension liability	1,571,015	241,442	-	1,812,457	-
Total Governmental activities long-term liabilities	<u>3,242,934</u>	<u>978,187</u>	<u>(928,291)</u>	<u>3,292,830</u>	<u>920,609</u>
Business-type Activities:					
Bonds payable:					
Revenue bonds	980,000	-	(110,000)	870,000	110,000
Plus: unamortized premium	98,218	-	(13,095)	85,123	13,095
Total bonds payable	<u>1,078,218</u>	<u>-</u>	<u>(123,095)</u>	<u>955,123</u>	<u>123,095</u>
Notes payable	457,842		(53,633)	404,209	49,697
Compensated absences	76,298	92,245	(65,212)	103,331	58,542
Net pension liability	73,237	44,982	-	118,219	-
Total Business-type activities long-term liabilities	<u>1,685,595</u>	<u>137,227</u>	<u>(241,940)</u>	<u>1,580,882</u>	<u>231,334</u>
Total long-term liabilities	<u>\$ 4,928,529</u>	<u>\$ 1,115,414</u>	<u>\$ (1,170,231)</u>	<u>\$ 4,873,712</u>	<u>\$ 1,151,943</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, 2025, 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, 2025</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	\$ 870,000

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

<u>Year Ending June 30,</u>	Business-type Activities Revenue Bonds	
	<u>Principal</u>	<u>Interest</u>
2026	110,000	36,225
2027	115,000	33,000
2028	120,000	29,700
2029	120,000	26,325
2030	130,000	22,800
2031-2032	275,000	43,300
	<u>\$ 870,000</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 2022 the City entered into a note payable to fund the construction of a park. The original note was \$1,900,000. During fiscal year 2025 the city paid \$405,000 in principal and \$21,333 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
2026	\$ 391,000	\$ 10,479
	<u>\$ 391,000</u>	<u>\$ 10,479</u>

The City has signed notes with Utah Infrastructure Agency with interest rates at 6-8%. Principal and interest are due in monthly installments with the final note maturing in July 2038. The notes were issued to finance fiber-optic network connections for the City's residents. Debt service payments will be paid by the residents according to the agreement set up between the City and the residents, which mirrors the agreement between the City and Utah Infrastructure Agency. The annual debt service requirements to maturity as of June 30, 2025 are as follows:

Year Ending June 30,	Business-type Activities	
	Notes Payable	
	Principal	Interest
2026	49,697	30,298
2027	50,059	30,624
2028	50,337	26,808
2029	50,597	22,635
2030	53,338	18,499
2031-2035	144,279	35,850
2036-2039	5,902	673
	<u>\$ 404,209</u>	<u>\$ 165,387</u>

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

F. Pensions

Plan Description

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

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

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

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

Benefits Provided

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

Summary of Benefits by System

Summary of Benefits by System

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

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

F. Pensions (Continued)

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

* With actuarial reductions

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

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2025 are as follows:

Utah Retirement Systems

	Employee	Employer	Employer 401(k)
Contributory System			
11 - Local Governmental Tier 1 - DB	6.00%	12.96%	N/A
111 - Local Governmental Tier 2 - DB Hybrid System	0.70%	16.95%	N/A
211 - Local Governmental Tier 2 - 401(k) Option	N/A	6.95%	10.00%
Noncontributory System			
15 - Local Governmental Tier 1 - DB	N/A	16.97%	N/A
111 - Local Governmental Tier 2 - DB Hybrid System	0.70%	15.19%	N/A
211 - Local Governmental Tier 2 - 401(k) Option	N/A	5.19%	10.00%
Public Safety Retirement System			
Noncontributory			
43 - Other Div A with 2.5% COLA - Tier I - DB	N/A	33.54%	N/A
122 - Other Div A with 2.5% COLA - Tier 2 DB Hybrid	4.73%	25.33%	N/A
222 - Other Div A with 2.5% COLA - Tier 2 - 401(k) Option	N/A	11.33%	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, 2025, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 282,196	\$ -
Contributory System	18,347	8,494
Public Safety System	384,232	-
Tier 2 Public Employees System	207,551	9,564
Tier 2 Public Safety and Firefighter System	137,050	25,512
Tier 2 DC Only System	15,299	-
Tier 2 DC Public Safety and Firefighter System	9,137	-
Total Net Pension Asset / Liability	<u>\$ 1,053,812</u>	<u>\$ 43,570</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, 2025, we reported a net pension asset of \$0 and a net pension liability of \$1,930,676.

System	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share 12/31/2023	Change (Decrease)
Noncontributory System	\$ -	\$ 568,408	0.1792455%	0.1852032%	-0.0059577%
Contributory System	-	139,161	1.1103914%	0.9586384%	0.1517530%
Public Safety System	-	1,043,506	0.6744037%	0.7122037%	-0.0378000%
Tier 2 Public Employees System	-	131,426	0.0440672%	0.0411238%	0.0029434%
Tier 2 Public Safety and Firefighter System	-	48,175	0.1065138%	0.0980099%	0.0085039%
Total Net Pension Asset / Liability	<u>\$ -</u>	<u>\$ 1,930,676</u>			

The net pension asset and liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2024 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, 2025, we recognized pension expense of \$1,397,545.

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

F. Pensions (Continued)

At June 30, 2025, 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	\$ 534,940	\$ 3,437
Changes in assumptions	117,930	770
Net difference between projected and actual earnings on pension plan investments	438,053	-
Changes in proportion and differences between contributions and proportionate share of contributions	26,461	16,286
Contributions subsequent to the measurement date	527,254	-
Total	<u>\$ 1,644,638</u>	<u>\$ 20,493</u>

\$527,254 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, 2024.

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

<u>Year Ended December 31,</u>		Deferred Outflows (inflows) of Resources
	2025	\$ 453,653
	2026	\$ 708,020
	2027	\$ (156,322)
	2028	\$ (13,529)
	2029	\$ 39,925
	Thereafter	\$ 65,144

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, 2025, we recognized pension expense of \$524,239.

At June 30, 2025, 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	\$ 338,690	\$ -
Changes in assumptions	47,018	-
Net difference between projected and actual earnings on pension plan investments	171,214	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	445
Contributions subsequent to the measurement date	140,481	-
Total	<u>\$ 697,403</u>	<u>\$ 445</u>

\$140,481 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, 2024.

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

<u>Year Ended December 31,</u>		Deferred Outflows (inflows) of Resources
	2025	\$ 325,457
	2026	\$ 313,178
	2027	\$ (69,473)
	2028	\$ (12,686)
	2029	\$ -
	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, 2025, we recognized pension expense of \$39,453.

At June 30, 2025, 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	74,716	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	9,174	-
Total	<u>\$ 83,890</u>	<u>\$ -</u>

\$9,174 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, 2024.

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

<u>Year Ended December 31,</u>	Deferred Outflows (inflows) of Resources
2025	\$ (622)
2026	\$ 106,586
2027	\$ (26,805)
2028	\$ (4,442)
2029	\$ -
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, 2025, we recognized pension expense of \$620,688.

At June 30, 2025, 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	\$ 110,268	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	180,600	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	12,983
Contributions subsequent to the measurement date	189,826	-
Total	<u>\$ 480,694</u>	<u>\$ 12,983</u>

\$189,826 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, 2024.

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

<u>Year Ended December 31,</u>		Deferred Outflows (inflows) of Resources
	2025	\$ 108,191
	2026	\$ 256,349
	2027	\$ (73,356)
	2028	\$ (13,297)
	2029	\$ -
	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, 2025, we recognized pension expense of \$143,473.

At June 30, 2025, 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	\$ 56,816	\$ 905
Changes in assumptions	43,894	14
Net difference between projected and actual earnings on pension plan investments	8,400	-
Changes in proportion and differences between contributions and proportionate share of contributions	20,713	1,597
Contributions subsequent to the measurement date	113,480	-
Total	<u>\$ 243,303</u>	<u>\$ 2,516</u>

\$113,480 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, 2024.

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

<u>Year Ended December 31,</u>		Deferred Outflows (inflows) of Resources
	2025	\$ 15,083
	2026	\$ 23,354
	2027	\$ 10,099
	2028	\$ 12,500
	2029	\$ 29,524
	Thereafter	\$ 36,749

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, 2025, we recognized pension expense of \$69,691.

At June 30, 2025, 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	\$ 29,166	\$ 2,531
Changes in assumptions	27,017	757
Net difference between projected and actual earnings on pension plan investments	3,123	-
Changes in proportion and differences between contributions and proportionate share of contributions	5,748	1,261
Contributions subsequent to the measurement date	74,294	-
Total	<u>\$ 139,348</u>	<u>\$ 4,549</u>

\$74,294 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, 2024.

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

<u>Year Ended December 31,</u>		Deferred Outflows (inflows) of Resources
	2025	\$ 5,545
	2026	\$ 8,554
	2027	\$ 3,213
	2028	\$ 4,396
	2029	\$ 10,401
	Thereafter	\$ 28,395

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, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary increases	3.5 – 9.5 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, 2023. 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-2020 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, 2023, valuation were based on an actuarial experience study for the period ending December 31, 2022.

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%	7.01%	2.45%
Debt securities	20%	2.54%	0.51%
Real Assets	18%	5.45%	0.98%
Private equity	12%	10.05%	1.21%
Absolute return	15%	4.36%	0.65%
Cash and cash equivalents	0%	0.49%	0.00%
Totals	100%		5.80%
	Inflation		2.50%
	Expected arithmetic nominal return		8.30%

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	\$ 2,403,901	\$ 568,408	\$ (970,976)
Contributory System	591,104	139,161	(247,197)
Public Safety System	3,205,801	1,043,506	(720,893)
Tier 2 Public Employees System	392,536	131,426	(71,693)
Tier 2 Public Safety and Firefighter System	164,272	48,175	(44,647)
	<u>\$ 6,757,614</u>	<u>\$ 1,930,676</u>	<u>\$ (2,055,406)</u>

Pension Plan Fiduciary Net Position

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

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

G. Defined Contribution Savings Plans

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

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

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

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

System	Year Ended June 30,	Employee paid Contributions	Employer paid for Employee Contributions
Defined Contribution System:			
401(k) Plan	2025	\$ 138,697	\$ 105,613
	2024	\$ 124,009	\$ 60,488
	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
457 Plan	2025	\$ 32,855	\$ -
	2024	\$ 29,689	\$ -
	2023	\$ 20,644	\$ -
	2022	\$ 16,413	\$ -
	2021	\$ 20,371	\$ -
	2020	\$ 14,967	\$ -
	2019	\$ 9,076	\$ -
	2018	\$ 9,803	\$ -
	2017	\$ 6,206	\$ -
	2016	\$ 5,486	\$ -
Roth IRA Plan	2025	\$ 17,432	N/A
	2024	\$ 19,047	N/A
	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

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, 2024	\$ 29,774
Claims incurred	15,920
Payments on claims	(6,425)
Liability at June 30, 2025	<u>\$ 39,269</u>

I. Interlocal Agreements

Utah Telecommunications Open Infrastructure Agency (UTOPIA)

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

The City is a pledging member who has pledged sales and use tax revenues to partially guarantee payment of UTOPIA's bonds. In return for the pledge, the City will be among the first cities to receive UTOPIA's services. In December 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 3.29% with a yearly liability limit set at a maximum of \$554,194 for the coming year ended June 30, 2026. 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, 2025 totaled \$543,327. The aggregate amount paid to UTOPIA of \$7,272,664 as of June 30, 2025, 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 3.29% with a yearly liability limit set at a maximum of \$554,194.

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, 2025, totaled \$0. During fiscal year 2025 UIA paid \$156,856 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 \$3,241,651 of outstanding construction commitments as of June 30, 2025.

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, 2025:

Tax increment collected for each project area

Parish Lane	\$ 1,222,244
Legacy Crossing	404,588
Barnard Creek	371,635
Porter Walton	75,975
	<u>2,074,442</u>
	<u>\$ 2,074,442</u>

Amounts expended for:

Administrative costs	\$ 447,848
Tax increment paid to other entities	427,078
	<u>874,926</u>
	<u>\$ 874,926</u>

Outstanding bonds and loans to finance RDA projects	<u>\$ -</u>
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Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

L. Change in Accounting Principle

The City determined that the Park Improvements fund now meets the criteria to be reported as a major fund. In prior years, this fund was reported as a nonmajor governmental fund and included in the aggregated nonmajor funds column.

This change in reporting entity has been applied retrospectively, and prior-period financial statements have been restated to reflect the Capital Projects Fund as a major fund, in accordance with GASB Statement No. 100, Accounting Changes and Error Corrections.

The change had no effect on the total governmental fund balances or net position, only on the presentation of individual fund columns.

	Reporting Units Affected by Restatements of Beginning Balances	
	Funds	
	Capital Projects	Nonmajor Governmental Funds
6/30/2024, as previously reported	\$ -	\$ 1,419,896
Change from nonmajor to major	<u>548,997</u>	<u>(548,997)</u>
6/30/2024, as restated	<u>\$ 548,997</u>	<u>\$ 870,899</u>

REQUIRED SUPPLEMENTAL INFORMATION

Centerville City Corporation
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2025
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)	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%
	2024	0.1852032%	0.9586384%	0.7122037%	0.0411238%	0.0980099%
	2025	0.1792455%	1.1103914%	0.6744037%	0.0440672%	0.1065138%
Proportionate share of the net pension liability (asset)	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
	2024	\$ 429,591	\$ 79,130	\$ 1,018,568	\$ 80,043	\$ 36,920
	2025	\$ 568,408	\$ 139,161	\$ 1,043,506	\$ 131,426	\$ 48,175
Covered payroll	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
	2024	\$ 1,706,075	\$ 128,983	\$ 1,237,003	\$ 1,063,194	\$ 371,364
	2025	\$ 1,643,220	\$ 137,817	\$ 1,181,930	\$ 1,305,621	\$ 486,204
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	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%
	2024	25.18%	61.35%	82.34%	7.53%	9.94%
	2025	34.59%	100.98%	88.29%	10.07%	9.91%
Plan fiduciary net position as a percentage of the total pension liability	2016	87.80%	85.70%	87.10%	100.20%	110.70%
	2017	87.30%	92.90%	86.50%	95.10%	103.60%
	2018	91.90%	98.20%	90.20%	97.40%	103.00%
	2019	87.00%	91.20%	84.70%	90.80%	95.60%
	2020	93.70%	98.60%	90.90%	96.50%	89.60%
	2021	99.20%	103.90%	95.50%	98.30%	93.10%
	2022	108.70%	115.90%	104.20%	103.80%	102.80%
	2023	97.50%	97.70%	93.60%	92.30%	96.40%
	2024	96.90%	98.20%	93.40%	89.60%	89.10%
	2025	96.00%	97.30%	93.30%	87.40%	90.10%

* 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.

Centerville City Corporation
SCHEDULE OF CONTRIBUTIONS
June 30, 2025
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	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%
	2024	\$ 295,913	\$ 295,913	\$ -	\$ 1,656,066	17.87%
	2025	\$ 282,196	\$ 282,196	\$ -	\$ 1,686,667	16.73%
Contributory System	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%
	2024	\$ 18,715	\$ 18,715	\$ -	\$ 134,063	13.96%
	2025	\$ 18,347	\$ 18,347	\$ -	\$ 141,571	12.96%
Public Safety System	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%
	2024	\$ 424,257	\$ 424,257	\$ -	\$ 1,244,991	34.08%
	2025	\$ 384,232	\$ 384,232	\$ -	\$ 1,126,173	34.12%
Tier 2 Public Employees System *	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%
	2024	\$ 196,146	\$ 196,146	\$ -	\$ 1,225,150	16.01%
	2025	\$ 207,551	\$ 207,551	\$ -	\$ 1,368,012	15.17%
Tier 2 Public Safety and Firefighter System *	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%
	2024	\$ 104,030	\$ 104,030	\$ -	\$ 403,823	25.76%
	2025	\$ 137,050	\$ 137,050	\$ -	\$ 537,932	25.48%
Tier 2 Public Employees DC Only System *	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%
	2024	\$ 12,449	\$ 12,449	\$ -	\$ 210,954	5.90%
	2025	\$ 15,299	\$ 15,299	\$ -	\$ 296,312	5.16%
Tier 2 Public Safety and Firefighter DC Only System *	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%
	2024	\$ 9,038	\$ 9,038	\$ -	\$ 76,398	11.83%
	2025	\$ 9,137	\$ 9,137	\$ -	\$ 80,642	11.33%

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

** Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered payroll may be different than the Board certified rate due to rounding or other administrative practices.

Centerville City Corporation
NOTES TO THE SCHEDULES OF THE PROPORTIONATE SHARE OF THE NET
PENSION LIABILITY AND CONTRIBUTIONS
For the Year Ended June 30, 2025

Changes in Assumptions:

There were no changes in the actuarial assumptions or methods since the prior actuarial valuation.

SUPPLEMENTAL INFORMATION

Nonmajor Governmental Funds

Special Revenue Funds

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.

Recreation Fund – This fund is used to account for the recreation activities the City provides.

R.A.P. Tax Fund – This fund is used to account for the Recreation, Arts, and Parks tax that the City receives.

Cemetery Perpetual Care Fund – This fund is used to account for the City Cemetery.

Capital Project Funds

Capital projects funds account for the financial resources to be used for the acquisition or construction of the major capital facilities of the government.

UTOPIA Capital Projects Fund – This fund is used to account for the Utopia pledge payment and any UIA rebates received.

Centerville City Corporation
COMBINING BALANCE SHEET – NONMAJOR
GOVERNMENTAL FUNDS
June 30, 2025

	<u>Special Revenue Funds</u>			Utopia	Total
	Recreation	R.A.P. Tax	Cemetery Perpetual Care	Capital Projects Fund	Nonmajor Governmental Funds
Assets:					
Cash and cash equivalents	\$ 22,738	\$ -	\$ -	\$ -	\$ 22,738
Receivable - intergovernmental	-	108,798	-	156,857	265,655
Restricted cash and cash equivalents	-	9,727	125,362	-	135,089
Total Assets	<u>\$ 22,738</u>	<u>\$ 118,525</u>	<u>\$ 125,362</u>	<u>\$ 156,857</u>	<u>\$ 423,482</u>
Liabilities:					
Accounts payable	\$ 3,002	\$ -	\$ -	\$ -	\$ 3,002
Accrued liabilities	3,432	-	-	-	3,432
Due to other funds	-	-	-	45,129	45,129
Total Liabilities	<u>6,434</u>	<u>-</u>	<u>-</u>	<u>45,129</u>	<u>51,563</u>
Fund Balances:					
Nonspendable, in the form of:					
Permanently restricted cemetery	-	-	37,700	-	37,700
Restricted for:					
Future development	-	118,525	-	-	118,525
Cemetery	-	-	87,662	-	87,662
Assigned, reported in:					
Special revenue funds	16,304	-	-	-	16,304
Capital project funds	-	-	-	111,728	111,728
Total Fund Balances	<u>16,304</u>	<u>118,525</u>	<u>125,362</u>	<u>111,728</u>	<u>371,919</u>
Total Liabilities and Fund Balances	<u>\$ 22,738</u>	<u>\$ 118,525</u>	<u>\$ 125,362</u>	<u>\$ 156,857</u>	<u>\$ 423,482</u>

Centerville City Corporation
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2025

	Special Revenue Funds			Utopia	Formerly Non-	Total
	Recreation	R.A.P. Tax	Cemetery Perpetual Care	Capital Projects Fund	major Fund Park Improvements	Nonmajor Governmental Funds
Revenues:						
Taxes	\$ -	\$ 576,579	\$ -	\$ -		\$ 576,579
Charges for services	101,505	-	18,700	-		120,205
Interest	-	55,369	2,202	-		57,571
Miscellaneous	10,453	-	-	156,856		167,309
Total Revenues	111,958	631,948	20,902	156,856		921,664
Expenditures:						
Current:						
General government	-	-	-	543,327		543,327
Parks and recreation	99,136	-	-	-		99,136
Community development	-	21,721	-	-		21,721
Total Expenditures	99,136	21,721	-	543,327		664,184
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,822	610,227	20,902	(386,471)		257,480
Other Financing Sources (Uses):						
Transfers in	-	-	-	385,586		385,586
Transfers out	-	(1,127,086)	(14,960)	-		(1,142,046)
Total Other Financing Sources (Uses)	-	(1,127,086)	(14,960)	385,586		(756,460)
Net Change in Fund Balances	12,822	(516,859)	5,942	(885)		(498,980)
Fund Balances, 6/30/2024, as previously presented	3,482	635,384	119,420	112,613	548,997	1,419,896
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-	(548,997)	(548,997)
Fund Balances, 6/30/2024, as adjusted	3,482	635,384	119,420	112,613	-	870,899
Fund Balances, Ending	\$ 16,304	\$ 118,525	\$ 125,362	\$ 111,728	\$ -	\$ 371,919

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2025

	Recreation Special Revenue Fund			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues:				
Charges for services	\$ 89,480	\$ 89,480	\$ 101,505	\$ 12,025
Miscellaneous	8,250	8,250	10,453	2,203
Total Revenues	<u>97,730</u>	<u>97,730</u>	<u>111,958</u>	<u>14,228</u>
Expenditures:				
Current:				
Parks and recreation	<u>97,730</u>	<u>97,730</u>	<u>99,136</u>	<u>(1,406)</u>
Total Expenditures	<u>97,730</u>	<u>97,730</u>	<u>99,136</u>	<u>(1,406)</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>12,822</u>	<u>12,822</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>12,822</u>	<u>\$ 12,822</u>
Fund Balances, Beginning			<u>3,482</u>	
Fund Balances, Ending			<u>\$ 16,304</u>	

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS
For The Year Ended June 30, 2025

	R.A.P. Tax Special Revenue Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Taxes	\$ 524,525	\$ 524,525	\$ 576,579	\$ 52,054
Interest	20,000	20,000	55,369	35,369
Total Revenues	<u>544,525</u>	<u>544,525</u>	<u>631,948</u>	<u>87,423</u>
Expenditures:				
Parks and recreation	26,226	26,226	-	26,226
Community development	26,226	26,226	21,721	4,505
Total Expenditures	<u>52,452</u>	<u>52,452</u>	<u>21,721</u>	<u>30,731</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>492,073</u>	<u>492,073</u>	<u>610,227</u>	<u>118,154</u>
Other Financing Sources (Uses):				
Transfers out	<u>(637,073)</u>	<u>(1,149,868)</u>	<u>(1,127,086)</u>	<u>22,782</u>
Total Other Financing Sources (Uses)	<u>(637,073)</u>	<u>(1,149,868)</u>	<u>(1,127,086)</u>	<u>22,782</u>
Net Change in Fund Balances	<u>\$ (145,000)</u>	<u>\$ (657,795)</u>	<u>(516,859)</u>	<u>\$ 140,936</u>
Fund Balances, Beginning			<u>635,384</u>	
Fund Balances, Ending			<u>\$ 118,525</u>	

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS
For The Year Ended June 30, 2025

	Cemetery Perpetual Care Special Revenue Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 33,000	\$ 33,000	\$ 18,700	\$ (14,300)
Interest	1,100	1,100	2,202	1,102
Total Revenues	<u>34,100</u>	<u>34,100</u>	<u>20,902</u>	<u>(13,198)</u>
Expenditures:				
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>34,100</u>	<u>34,100</u>	<u>20,902</u>	<u>(13,198)</u>
Other Financing Sources (Uses):				
Transfers out	(34,160)	(34,160)	(14,960)	(19,200)
Total Other Financing Sources (Uses)	<u>(34,160)</u>	<u>(34,160)</u>	<u>(14,960)</u>	<u>(19,200)</u>
Net Change in Fund Balances	<u>\$ (60)</u>	<u>\$ (60)</u>	<u>5,942</u>	<u>\$ 6,002</u>
Fund Balances, Beginning			<u>119,420</u>	
Fund Balances, Ending			<u>\$ 125,362</u>	

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS
For The Year Ended June 30, 2025

	UTOPIA Capital Projects Fund			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues:				
Intergovernmental	\$ 156,838	\$ 156,838	\$ 156,856	\$ 18
Total Revenues	<u>156,838</u>	<u>156,838</u>	<u>156,856</u>	<u>18</u>
Expenditures:				
Current:				
General Government	<u>542,424</u>	<u>542,424</u>	<u>543,327</u>	<u>(903)</u>
Total Expenditures	<u>542,424</u>	<u>542,424</u>	<u>543,327</u>	<u>(903)</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(385,586)</u>	<u>(385,586)</u>	<u>(386,471)</u>	<u>(885)</u>
Other Financing Sources:				
Transfers in	<u>385,586</u>	<u>385,586</u>	<u>385,586</u>	<u>-</u>
Total Other Financing Sources	<u>385,586</u>	<u>385,586</u>	<u>385,586</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>(885)</u>	<u>\$ (885)</u>
Fund Balances, Beginning			<u>112,613</u>	
Fund Balances, Ending			<u>\$ 111,728</u>	

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL – PARK IMPROVEMENTS CAPITAL
PROJECTS FUND
GOVERNMENTAL FUNDS
For The Year Ended June 30, 2025

	Park Improvements Capital Projects Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Fees and contributions	\$ 290,000	\$ 440,000	\$ 437,297	\$ (2,703)
Interest	50,000	50,000	32,246	(17,754)
Miscellaneous	-	10,136	14,135	3,999
Total Revenues	<u>340,000</u>	<u>500,136</u>	<u>483,678</u>	<u>(16,458)</u>
Expenditures:				
Debt service:				
Principal	405,000	405,000	405,000	-
Interest	21,333	21,333	21,333	-
Capital outlay	<u>1,110,000</u>	<u>1,770,136</u>	<u>1,767,861</u>	<u>2,275</u>
Total Expenditures	<u>1,536,333</u>	<u>2,196,469</u>	<u>2,194,194</u>	<u>2,275</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,196,333)</u>	<u>(1,696,333)</u>	<u>(1,710,516)</u>	<u>(14,183)</u>
Other Financing Sources (Uses):				
Transfers in	<u>610,847</u>	<u>1,110,847</u>	<u>1,161,555</u>	<u>50,708</u>
Total Other Financing Sources (Uses)	<u>610,847</u>	<u>1,110,847</u>	<u>1,161,555</u>	<u>50,708</u>
Net Change in Fund Balances	<u><u>\$ (585,486)</u></u>	<u><u>\$ (585,486)</u></u>	<u>(548,961)</u>	<u><u>\$ (36,525)</u></u>
Fund Balances, Beginning			<u>548,997</u>	
Fund Balances, Ending			<u><u>\$ 36</u></u>	

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL CAPITAL PROJECTS FUND
GOVERNMENTAL FUNDS
For The Year Ended June 30, 2025

	Capital Project Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Interest	\$ 80,000	\$ 80,000	\$ 230,433	150,433
Total Revenues	<u>80,000</u>	<u>80,000</u>	<u>230,433</u>	<u>150,433</u>
Expenditures:				
Current:				
General government	-	-	49,192	(49,192)
Capital outlay	<u>743,550</u>	<u>1,194,418</u>	<u>882,613</u>	<u>311,805</u>
Total Expenditures	<u>743,550</u>	<u>1,194,418</u>	<u>931,805</u>	<u>262,613</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(663,550)</u>	<u>(1,114,418)</u>	<u>(701,372)</u>	<u>413,046</u>
Other Financing Sources (Uses):				
Transfers in	538,603	100,146	1,006,162	906,016
Sale of capital assets	<u>-</u>	<u>178,000</u>	<u>-</u>	<u>(178,000)</u>
Total Other Financing Sources (Uses)	<u>538,603</u>	<u>278,146</u>	<u>1,006,162</u>	<u>728,016</u>
Net Change in Fund Balances	<u>\$ (124,947)</u>	<u>\$ (836,272)</u>	<u>304,790</u>	<u>\$ 1,141,062</u>
Fund Balances, Beginning			<u>6,381,379</u>	
Fund Balances, Ending			<u>\$ 6,686,169</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.	81
Revenue Capacity These schedules present information to help the reader assess the City's most significant local revenue sources: sales taxes and property taxes.	87
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.	95
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.	100
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.	103

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>Governmental activities</u>										
Net Investment in capital assets	\$ 29,190,440	\$ 29,216,798	\$ 29,562,326	\$29,932,675	\$31,273,032	\$34,190,444	\$33,545,492	\$34,719,219	\$35,832,286	\$37,916,218
Restricted	438,816	1,458,012	1,911,418	2,185,224	1,966,058	1,505,287	1,918,919	2,345,323	1,827,339	1,482,538
Unrestricted	<u>(1,072,448)</u>	<u>(1,237,374)</u>	<u>(639,320)</u>	<u>(517,244)</u>	<u>1,110,396</u>	<u>2,912,016</u>	<u>7,030,709</u>	<u>11,367,928</u>	<u>13,172,386</u>	<u>13,613,376</u>
Total governmental activities net assets	<u>28,556,808</u>	<u>29,437,436</u>	<u>30,834,424</u>	<u>31,600,655</u>	<u>34,349,486</u>	<u>38,607,747</u>	<u>42,495,120</u>	<u>48,432,470</u>	<u>50,832,011</u>	<u>53,012,132</u>
<u>Business-type activities</u>										
Net Investment in capital assets	14,620,353	15,455,720	16,210,538	16,766,159	17,881,680	19,067,671	21,364,337	22,832,405	25,063,394	25,328,461
Restricted	512,047	39,750	302,097	272,451	14,800	178,488	178,488	-	-	-
Unrestricted	<u>(32,470)</u>	<u>1,171,841</u>	<u>1,911,247</u>	<u>2,513,716</u>	<u>2,559,011</u>	<u>2,081,730</u>	<u>2,624,363</u>	<u>2,464,793</u>	<u>1,730,196</u>	<u>3,184,673</u>
Total business-type activities net assets	<u>15,099,930</u>	<u>16,667,311</u>	<u>18,423,882</u>	<u>19,552,326</u>	<u>20,455,491</u>	<u>21,327,889</u>	<u>24,167,188</u>	<u>25,297,198</u>	<u>26,793,590</u>	<u>28,513,134</u>
<u>Primary government</u>										
Net Investment in capital assets	44,672,518	44,672,518	45,772,864	46,698,834	49,154,712	53,258,115	54,909,829	57,551,624	60,895,680	63,244,679
Restricted	1,497,762	1,497,762	2,213,515	2,457,675	1,980,858	1,683,775	2,097,407	2,345,323	1,827,339	1,482,538
Unrestricted	<u>(65,533)</u>	<u>(65,533)</u>	<u>1,271,927</u>	<u>1,996,472</u>	<u>3,669,407</u>	<u>4,993,746</u>	<u>9,655,072</u>	<u>13,832,721</u>	<u>14,902,582</u>	<u>16,798,049</u>
Total primary government net assets	<u>\$ 46,104,747</u>	<u>\$ 46,104,747</u>	<u>\$ 49,258,306</u>	<u>\$51,152,981</u>	<u>\$54,804,977</u>	<u>\$59,935,636</u>	<u>\$66,662,308</u>	<u>\$73,729,668</u>	<u>\$77,625,601</u>	<u>\$81,525,266</u>

Centerville City Corporation

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
<u>Governmental activities</u>										
General government	\$ 1,200,320	\$ 1,306,430	\$ 898,339	\$ 1,008,001	\$ 1,758,407	\$ 1,861,810	\$ 1,181,116	\$ 1,499,006	\$ 1,750,075	\$ 1,722,992
Public Safety	3,421,139	3,618,279	3,578,718	3,841,512	3,637,934	3,781,129	3,989,082	4,766,172	5,076,246	5,582,976
Streets and Public Works	2,012,637	2,131,715	2,536,583	3,131,464	2,317,341	1,494,187	2,237,911	2,073,315	3,266,829	3,009,597
Parks & Recreation	1,434,223	1,355,402	1,466,307	1,515,353	1,282,310	1,344,690	1,665,651	1,939,974	1,714,455	2,180,434
Community Development	1,096,021	1,051,553	896,199	862,105	1,073,253	1,209,624	993,145	1,100,056	1,163,511	1,517,892
Interest on long-term debt - combined with function	98,142	45,112	36,254	31,130	56,759	29,500	-	-	-	-
Total governmental activities	9,262,482	9,508,491	9,412,400	10,389,565	10,126,004	9,720,940	10,066,905	11,378,523	12,971,116	14,013,891
<u>Business-type activities</u>										
Water	2,106,260	2,068,468	2,020,268	2,258,213	2,492,947	2,456,418	2,401,741	3,136,507	3,269,049	3,257,048
Sanitation	703,201	965,638	772,744	884,763	914,824	1,246,667	1,181,295	1,555,962	1,295,516	1,353,034
Storm Drain	973,114	704,313	938,757	999,113	1,153,938	1,210,979	1,026,831	1,228,643	1,327,957	1,390,595
Telecom	314,130	302,954	267,175	232,809	233,618	219,099	180,016	113,040	104,952	94,339
Total business-type activities	4,096,705	4,041,373	3,998,944	4,374,898	4,795,327	5,133,163	4,789,883	6,034,152	5,997,474	6,095,016
Total primary government expenses	<u>\$ 13,359,187</u>	<u>\$ 13,549,864</u>	<u>\$ 13,411,344</u>	<u>\$ 14,764,463</u>	<u>\$ 14,921,331</u>	<u>\$ 14,854,103</u>	<u>\$14,856,788</u>	<u>\$17,412,675</u>	<u>\$18,968,590</u>	<u>\$20,108,907</u>
Program Revenues										
<u>Governmental activities</u>										
Charges for services										
General government	\$ 1,158,121	\$ 871,295	\$ 845,943	\$ 918,781	\$ 770,735	\$ 712,989	\$ 1,075,188	\$ 897,574	\$ 785,662	\$ 958,042
Streets and Public Works	-	-	-	-	-	-	-	-	-	-
Parks & Recreation	249,057	251,100	282,157	243,378	112,507	98,155	191,982	208,461	230,184	257,620
Community Development	-	-	-	-	38,936	27,660	56,720	59,335	68,504	69,683
Operating grants and contributions	2,304,830	1,599,141	1,922,569	1,994,828	2,960,661	3,623,041	2,462,103	4,491,280	2,541,083	2,689,178
Capital grants and contributions	1,114,767	757,607	49,733	28,320	615,745	12,718	-	-	-	400,000
Total governmental activities program revenues	4,826,775	3,479,143	3,100,402	3,185,307	4,498,584	4,474,563	3,785,993	5,656,650	3,625,433	4,374,523

Centerville City Corporation

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business-type activities										
Charges for services										
Water	\$ 2,051,129	\$ 2,305,757	\$ 2,683,062	\$ 2,623,155	\$ 2,791,674	2,804,193	2,751,937	3,728,325	3,705,886	3,917,136
Sanitation	1,237,116	1,005,896	1,258,271	1,035,790	1,263,911	1,201,561	1,215,388	1,218,401	1,346,186	1,477,249
Storm Drain	976,007	1,251,125	1,005,378	1,262,686	1,185,607	1,358,753	1,354,602	1,324,212	1,390,103	1,886,333
Telecom	295,261	300,671	270,333	232,531	233,863	218,893	178,159	109,356	105,426	93,386
Operating grants and contributions	350,533.00	320,456	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	522,230	306,027	182,112	412,784	2,040,551	660,630	803,299	355,690
Total business-type activities primary revenues	4,910,046	5,183,905	5,739,274	5,460,189	5,657,167	5,996,184	7,540,637	7,040,924	7,350,900	7,729,794
Total primary government program revenues	<u>\$ 9,736,821</u>	<u>\$ 8,663,048</u>	<u>\$ 8,839,676</u>	<u>\$ 8,645,496</u>	<u>\$ 10,155,751</u>	<u>\$ 10,470,747</u>	<u>\$11,326,630</u>	<u>\$12,697,574</u>	<u>\$10,976,333</u>	<u>\$12,104,317</u>
Net (Expense)/Revenue										
Governmental activities	\$ (4,435,707)	\$ (6,029,348)	\$ (6,311,998)	\$ (7,204,258)	\$ (5,627,420)	\$ (5,246,377)	\$ (6,280,912)	\$ (5,721,873)	\$ (9,345,683)	\$ (9,639,368)
Business-type activities	813,341	1,142,532	1,740,330	1,085,291	861,840	863,021	2,750,754	1,006,772	1,353,426	1,634,778
Total primary government net (expense)/revenue	<u>\$ (3,622,366)</u>	<u>\$ (4,886,816)</u>	<u>\$ (4,571,668)</u>	<u>\$ (6,118,967)</u>	<u>\$ (4,765,580)</u>	<u>\$ (4,383,356)</u>	<u>\$ (3,530,158)</u>	<u>\$ (4,715,101)</u>	<u>\$ (7,992,257)</u>	<u>\$ (8,004,590)</u>
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property Tax and Uniform Fees	\$ 1,275,046	\$ 1,246,982	\$ 1,823,795	\$ 1,780,972	\$ 1,844,873	\$ 1,860,018	\$ 2,125,678	\$ 2,813,511	\$ 2,820,959	\$ 2,827,255
Franchise, Telecommunication & Energy Sales Taxes	1,141,628	1,126,627	1,099,191	1,020,666	1,016,898	984,045	1,012,375	1,194,210	1,183,475	1,144,533
General & Highway Sales Tax	3,697,653	4,108,686	4,391,007	4,526,379	4,895,912	5,525,959	6,204,562	6,245,463	6,110,887	6,232,800
Gain on Sale of Capital Assets	64,331	-	-	70,605	14,072	170,105	76,917	92,729	85,602	88,168
Other	437,570	551,487	485,950	571,867	563,555	901,287	748,753	1,313,310	1,544,301	1,526,733
Contribution	-	-	-	-	-	63,224	-	-	-	-
Transfers	(16,309)	(230,590)	(90,957)	-	-	-	-	-	-	-
Total governmental activities	6,599,919	6,803,192	7,708,986	7,970,489	8,335,310	9,504,638	10,168,285	11,659,223	11,745,224	11,819,489
Business-type activities										
Other	7,649	4,945	15,139	43,241	41,237	9,377	9,347	77,543	92,815	53,774
Gain on Sale of Capital Assets	-	-	-	-	-	-	79,198	45,695	50,151	30,992
Transfers	16,309	177,385	1,102	-	-	-	-	-	-	-
Total business-type activities	23,958	182,330	16,241	43,241	41,237	9,377	88,545	123,238	142,966	84,766
Total primary government	<u>\$ 6,623,877</u>	<u>\$ 6,985,522</u>	<u>\$ 7,725,227</u>	<u>\$ 8,013,730</u>	<u>\$ 8,376,547</u>	<u>\$ 9,514,015</u>	<u>\$10,256,830</u>	<u>\$11,782,461</u>	<u>\$11,888,190</u>	<u>\$11,904,255</u>
Change in Net Position										
Governmental activities	\$ 2,164,212	\$ 773,844	\$ 1,396,988	\$ 766,231	\$ 2,707,890	\$ 4,258,261	\$ 3,887,373	\$ 5,937,350	\$ 2,399,541	\$ 2,180,121
Business-type activities	837,299	1,324,862	1,756,571	1,128,532	903,077	872,398	2,839,299	1,130,010	1,496,392	1,719,544
Total primary government	<u>\$ 3,001,511</u>	<u>\$ 2,098,706</u>	<u>\$ 3,153,559</u>	<u>\$ 1,894,763</u>	<u>\$ 3,610,967</u>	<u>\$ 5,130,659</u>	<u>\$ 6,726,672</u>	<u>\$ 7,067,360</u>	<u>\$ 3,895,933</u>	<u>\$ 3,899,665</u>

Centerville City Corporation

Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>General Fund</u>										
Nonspendable	\$ 32,859	\$ 15,491	\$ 10,874	\$ 45,586	\$ 51,129	\$ 40,833	\$ 348,610	\$ 109,487	\$ 100,548	\$ 109,827
Restricted	139,993	22,901	20,275	37,225	49,506	51,357	65,878	57,288	52,683	34,963
Unassigned	619,427	615,562	1,125,445	1,313,758	2,087,657	2,028,449	3,457,462	3,381,044	3,181,293	3,191,355
Total general fund	792,279	653,954	1,156,594	1,396,569	2,188,292	2,120,639	3,871,950	3,547,819	3,334,524	3,336,145
<u>All Other Governmental Funds</u>										
Nonspendable	-	37,700	37,700	37,700	79,460	37,700	37,700	37,700	37,700	37,700
Restricted	298,823	1,397,408	1,853,443	2,110,299	1,878,852	1,416,230	1,815,341	2,250,335	1,736,956	1,409,875
Assigned reported in:										
Special revenue funds	64,119	270,417	5,523	8,746	11,063	31,730	13,365	3,108	1,254,660	1,185,294
Capital project funds	332,964	67,889	415,595	415,596	833,980	3,035,123	3,334,014	7,270,626	7,042,989	6,797,933
Debt Service Funds	15,362	-	-	496	1,096	3,838	3,838	-	-	-
Redevelopment Agency Fund	50,540	86,921	92,287	216,927	470,021	396,690	1,030,492	1,603,833	2,296,125	3,252,697
Unassigned reported in:										
Special revenue funds	(7,909)	-	-	-	-	-	-	-	-	-
Total all other governmental funds	753,899	1,860,335	2,404,548	2,789,764	3,274,472	4,921,311	6,234,750	11,165,602	12,368,430	12,683,499
Total governmental funds	\$ 1,546,178	\$ 2,514,289	\$ 3,561,142	\$ 4,186,333	\$ 5,462,764	\$ 7,041,950	\$ 10,106,700	\$ 14,713,421	\$ 15,702,954	\$ 16,019,644

Centerville City Corporation

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>Revenues</u>										
Taxes	\$ 6,472,276	\$ 6,858,069	\$ 7,714,131	\$ 7,735,725	\$ 8,203,683	\$ 8,866,595	\$ 9,926,407	\$ 10,835,698	\$ 10,680,432	\$ 10,781,167
Licenses & Permits	525,878	278,579	251,569	337,507	279,367	292,952	561,984	467,673	355,125	351,880
Intergovernmental	2,939,345	2,262,866	1,877,369	1,963,269	2,640,903	3,671,103	2,258,404	4,413,817	2,485,460	2,651,881
Charges for Services	411,520	384,320	332,398	412,959	222,683	222,627	364,573	325,523	372,438	497,423
Fee & Contributions	480,252	80,223	95,200	59,013	653,208	81,054	203,699	77,463	55,623	437,297
Fines & Forfeitures	444,658	440,062	473,817	395,121	378,619	285,724	328,386	304,451	286,687	366,359
Interest	13,284	21,924	40,808	83,561	60,426	22,495	47,563	473,681	658,594	583,092
Miscellaneous	91,459	188,223	115,055	98,035	99,704	395,449	252,129	265,504	322,191	367,062
Total revenues	11,378,672	10,514,266	10,900,347	11,085,190	12,538,593	13,837,999	13,943,145	17,163,810	15,216,550	16,036,161
<u>Expenditures</u>										
General government	1,054,232	1,022,010	856,789	927,871	1,663,488	1,910,726	1,384,542	1,524,970	1,557,640	1,509,353
Public Safety	3,201,291	3,387,347	3,443,697	3,544,507	3,410,224	3,904,693	4,224,079	4,713,713	4,886,406	5,176,373
Street & Public Works	1,155,631	1,220,357	1,892,539	2,428,165	1,749,252	836,051	1,649,456	1,278,133	2,350,915	1,919,588
Community Development	917,359	1,030,543	896,594	853,202	974,567	1,206,209	988,482	1,028,420	1,095,663	1,432,725
Parks & Recreation	1,155,782	1,118,384	1,291,903	1,251,560	1,029,487	1,200,782	1,363,698	1,478,607	1,913,778	1,728,179
Capital Outlay	2,048,150	1,026,800	1,247,483	708,318	3,569,674	2,440,388	962,730	2,242,535	2,100,495	3,635,504
Debt Service										
Principal retirement	1,552,812	538,626	554,476	630,000	660,000	887,415	336,585	359,000	381,000	405,000
Interest and fiscal charges	147,140	97,230	79,056	72,834	100,569	72,779	45,741	42,493	31,544	21,333
Total expenditures	11,232,397	9,441,297	10,262,537	10,416,457	13,157,261	12,459,043	10,955,313	12,667,871	14,317,441	15,828,055
Excess (deficiency) of revenues over (under) expenditures	146,275	1,072,969	637,810	668,733	(618,668)	1,378,956	2,987,832	4,495,939	899,109	208,106

Centerville City Corporation

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Other Financing Sources (Uses)										
Notes payable issued	\$ -	\$ -	\$ 500,000	\$ -	\$ 1,900,000	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in	1,417,809	1,315,156	1,954,151	1,932,866	2,025,274	3,926,782	1,623,316	6,179,582	3,222,661	3,160,620
Transfers out	(1,434,118)	(1,545,746)	(2,045,108)	(1,997,281)	(2,091,527)	(3,926,782)	(1,623,316)	(6,179,582)	(3,222,662)	(3,160,620)
Sale of capital assets	77,549	778	-	20,873	20,410	174,331	76,917	110,782	90,425	108,584
Contribution	-	-	-	-	-	25,899	-	-	-	-
Total other financing sources (uses)	61,240	(229,812)	409,043	(43,542)	1,854,157	200,230	76,917	110,782	90,424	108,584
Net change in fund balances	<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>	<u>\$ 989,533</u>	<u>\$ 316,690</u>
Fund Balance Beginning of Year	<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>	<u>14,713,421</u>	<u>15,702,954</u>
Fund Balance End of Year	<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>	<u>\$ 15,702,954</u>	<u>\$ 16,019,644</u>
Debt service as a percentage of noncapital expenditures	18.51%	7.56%	7.03%	7.24%	7.93%	9.58%	3.83%	3.85%	3.38%	3.50%

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	Recreation & Parks Tax	Transportation Tax (Prop 1)	Total Tax Revenue
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
2024	2,507,685	5,603,855	742,814	1,183,475	565,111	507,032	11,109,972
2025	2,476,060	5,717,048	860,082	1,144,533	576,579	515,752	11,290,054

(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
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 %
2024	1.10 %	0.25 %	4.85 %	1.05 %	7.25 %
2025	1.10 %	0.25 %	4.85 %	1.05 %	7.25 %

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

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

Source: Utah State Tax Commission

Centerville City Corporation

Principal Sales Tax Payers
Current Year and Ten Years Ago

Taxpayer	Sales Taxes*	Fiscal Year 2025		Sales Taxes*	Fiscal Year 2016	
		Rank	Percentage of Total Sales*		Rank	Percentage of Total Sales*
Walmart Supercenter	N/A	1	N/A	N/A	1	N/A
Home Depot	N/A	2	N/A	N/A	4	N/A
Super Target	N/A	3	N/A	N/A	2	N/A
Colonial Building Supply LLC	N/A	4	N/A	N/A	3	N/A
YPCB LLC	N/A	5	N/A	N/A		N/A
Summit Trucks	N/A	6	N/A	N/A		N/A
Amazon Com Services LLC	N/A	7	N/A	N/A		N/A
Intermountain Business Forms Inc.	N/A	8	N/A	N/A	7	N/A
Dick's Market	N/A	9	N/A	N/A	6	N/A
York Automotive LLC	N/A	10	N/A	N/A		N/A
Total	<u>\$ 3,775,632</u>		<u>66%</u>	<u>\$ 2,489,222</u>		<u>59%</u>

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

N/A = Not applicable

Source: Utah State Tax Commission

Centerville City Corporation

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Calendar Years

(amounts expressed in thousands)

Tax Year	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			
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	49,624	49,624	\$ 2,072,190	\$ 3,374,470	61.41%	1.033000	1.7786
2023	2,034,228	3,314,751	74,487	74,487	\$ 2,108,715	\$ 3,389,238	62.22%	1.034300	1.3107
2024	2,136,869	3,472,673	77,198	77,198	\$ 2,214,067	\$ 3,549,871	62.37%	1.027900	1.4156

Sources: Utah State Tax Commission

Centerville City Corporation

Property Tax Levies and Collections Last Ten Calendar Years

Calendar Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collection	Subsequent Collections	Total Tax Collections	Total Collections as Percent of Levy
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
2023	2,543,366	2,668,977	104.94	23,789	2,692,766	105.87
2024	2,582,680	2,677,093	103.66	9,999	2,687,092	104.04

* 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>
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
2023	0.125900	0.153200	0.622800	0.132400	1.034300
2024	0.121000	0.147100	0.609900	0.149900	1.027900

Source: Utah State Tax Commission

Centerville City Corporation

Principal Taxpayers

Current Year and Ten Years Ago

Tax Year 2024				
Taxpayer	Rank	Type of Business Business	Taxable Value	Percent of Total Taxable Value
YPCBRE LLC	1	Retail	\$ 31,522,959	0.014237581
J & S Purpura Ventures LLC-MTC	2	Commercial Real Estate	28,542,364	0.012891373
Legacy Crossing Partners LLC	3	Housing	25,109,700	0.011340985
Wal-Mart Real Estate Business Trust	4	Retail	24,245,445	0.010950637
Park at Legacy Trails	5	Housing	22,413,901	0.010123407
Pacificorp	6	Electrical Utility	20,341,204	0.009187258
Legacy Office Building LLC	7	Office	16,200,000	0.007316852
Dayton Hudson Coporation (Target)	8	Retail	15,064,809	0.006804134
Belleau, Wayne	9	Retail	12,839,000	0.005798831
Legacy Crossing Theater LLC	10	Entertainment	12,657,927	0.005717048
		Total	\$ 208,937,309	8.01%

Tax Year 2015				
Taxpayer	Rank	Type of Business Business	Taxable Value	Percent of Total Taxable Value
Legacy Crossing LLC	1	Entertainment/Housing	\$ 34,997,957	2.65%
Dayton West LLC	2	Commercial Real Estate	26,617,505	2.47%
Pacificorp	3	Electric Utility	21,463,825	1.99%
Walmart	4	Retail	18,254,284	1.70%
Dayton Hudson LLC	5	Commercial Real Estate	10,939,166	1.02%
Legacy Office Building	6	Office	10,660,700	0.99%
Centerville Marketplace LLC	7	Retail	9,180,000	0.97%
HD Development	8	Retail	8,529,153	0.85%
SDCKP LLC	9	Retail	6,694,782	0.79%
Deerwood Properties	10	Property Management	6,350,000	0.62%
		Total	\$ 153,687,372	14.05%

Source: Davis County Clerk/Auditors Office

Centerville City Corporation

Property Value and Construction
Last Ten Calendar Years

Calendar Year	Non-residential Construction No. of Units	Value	Residential Construction No. of Units	Value	Total New Construction Value	Estimated Total Property Value
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
2023	23	4,247,159	9	3,202,720	7,449,879	1,331,041,150
2024	22	26,312,116	17	7,951,870	34,263,986	1,365,305,136

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:					
	Sales Tax Revenue Bonds	Notes Payable	Notes Payable	Notes Payable	Capital Lease	Water Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
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	0.42 %	68.53
2024	-	-	796,000	457,842	-	1,078,218	2,332,060	0.31 %	63.59
2025	-	-	391,000	404,210	-	955,122	1,750,332	0.22 %	37.45

Centerville City Corporation

Direct and Overlapping Governmental Activities Debt
As of June 30, 2025

<u>Governmental Unit</u>	<u>Outstanding Debt</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping</u>
Debt repaid with property taxes			
Davis School District	\$ 442,765,000	5.00 %	\$ 22,138,250
Weber Basin Water Conservancy	\$ 7,825,000	0.24 %	\$ 18,780
State of Utah	\$ 1,469,510,000	0.56 %	\$ 8,229,256
South Davis Recreation District	\$ 2,460,000	15.77 %	\$ 387,942
Other Debt - Davis County			
Sales Tax Revenue Bonds	\$ 58,420,000	11.23 %	\$ 6,560,566
MBA lease revenue bonds	17,185,000	5.00 %	859,250
Total Overlapping Debt	<u>\$ 1,998,165,000</u>		<u>\$ 38,194,044</u>
Direct Debt - Centerville City			
Notes Payable	<u>\$ 391,000</u>	100.00 %	<u>\$ 391,000</u>
	<u>\$ 391,000</u>		<u>\$ 391,000</u>
Total direct and overlapping debt	<u>\$ 1,998,556,000</u>		<u>\$ 38,585,044</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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	\$ 43,298,657	\$ 46,767,432	\$ 49,747,926	\$ 53,874,387	\$ 58,715,761	\$ 61,345,883	\$ 67,578,892	\$ 85,386,209	\$ 86,396,600	\$ 90,533,770
Total debt applicable to limit (1)	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>	<u>\$ 86,396,600</u>	<u>\$ 90,533,770</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 2025

Assessed Value	\$ 2,263,344,250
Debt limit (4% of assessed value)	90,533,770
Debt applicable to limit	-
Legal debt margin	<u>\$ 90,533,770</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	
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	-	-	-	-
2024	5,603,855	-	-	-	-
2025	5,717,048	-	-	-	-

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
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
2024	5,052,072	-	(3,802,442)	1,249,630	105,000	35,175	\$ 140,175	8.91
2025	5,803,468	-	(3,853,357)	1,950,111	110,000	33,000	\$ 143,000	13.64

(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)
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
2023	16,517	45,588	752,976,996	3.0	38.7	2.94
2024	16,884	46,735	789,073,740	3.0	39.0	2.92

(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	2025			2016		
	Employees	Rank	Type of Business	Employees	Rank	Type of Business
Wal Mart	250-499	1	General Merchandise	250-499	2	General Merchandise
Davis School District	250-499	2	Education	NA		
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
Dick's Market	100-249	6	Grocery Store	100-249	4	Grocery Store
Paul Davis Restoration of Utah	100-249	7	Construction Sales	NA		
The Home Depot	100-249	8	General Merchandise	100-249	7	General Merchandise
J. Fisher Companies, LLC	100-249	9	Real Estate Development	NA		
InterForm	100-249	10	General Merchandise	NA		

Source: Community Development Business License Database

Centerville City Corporation

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

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government										
Administration	4	3	3	3	3	5	5	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	2.50	2.50	3.00	3.00	3.00	2.50	2.50	2.50	2.50
Total General Government	11.00	9.50	9.50	10.00	10.00	12.00	11.50	11.50	11.50	11.50
Police	26	29.0	30.0	31.0	31.0	30.0	30.0	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	5	4	4	5	5	5
Streets	4	4	4	4	4	5	5	4	4	5
Water	5.5	6.5	6.5	6.5	5.5	5.5	5.5	6.5	6.5	6.5
Drainage	1	1	1	1	1	1	1	1	1	2
Total Public Works	14.5	15.5	15.5	15.5	15.5	15.5	15.5	16.5	16.5	18.5
Parks & Recreation										
Parks	9.5	9.5	10.75	10.75	10.0	10.0	10.0	10.5	10.5	10.5
Recreation	6.5	6.5	5.5	5.0	2.0	1.0	2.0	2.25	2.25	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	1.00	1.00	1.00
Total Parks and Rec	17.25	17.25	17.25	17.25	13.25	12.25	13.25	14.25	14.25	14.25
Total Primary Government	71.25	74.25	75.25	76.75	72.75	72.75	73.25	75.25	75.25	77.25

Sources: Centerville City Payroll

Centerville City Corporation

General Fund Expenditures by Function
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Works	Community Development	Parks & Recreation	Total
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
2024	949,476	4,919,312	988,367	388,417	1,587,928	\$ 8,833,500
2025	966,026	5,176,373	1,025,042	536,078	1,579,851	\$ 9,283,370

Centerville City Corporation

Operating Indicators by Function Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Community development										
Single Dwelling permits	27	24	15	17	34	25	23	28	13	12
Double Dwelling permits	1	29	19	-	-	-	50	-	-	-
Multi-family Dwelling permits	4	72	-	-	-	-	-	-	-	-
Commercial permits	27	23	17	7	31	24	25	26	18	24
Demolition permits	4	2	3	-	2	8	7	4	5	3
Permit process time	3-5 days	3-5 days	3-5 days	3-5 days	3-5 days	3-5 days	3-5 days	<14 days	<14 days	<14 days
Parks, Recreation and Trails										
Developed Acreage	88	88	93	93	93	93	93	93	93	93
Undeveloped Acreage	35	35	30	30	30	31	31	31	31	31
Youth in Recreation Programs	2,153	2,339	2,193	2,258	82	234	695	920	1,086	1,110
Police Services										
Expenditures per officer	141,519	139,561	143,882	126,722	146,571	148,665	155,015	172,541	186,675	199,688
Average response time (minutes)	3	4.04	4.12	4.10	n/a	n/a	n/a	n/a	n/a	n/a
Police reports per officer	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Water										
Gallons billed	417,030,000	421,080,000	445,474,000	440,902,000	439,837,000	448,494,000	353,357,000	394,465,000	463,815,000	427,075,000
Residential connections	4,492	4,580	4,633	4,621	4,630	4,664	4,737	4,782	5,051	4,797
Other connections	502	246	272	268	294	344	347	370	271	369
Taxes										
Taxable sales per capita (local option)	24,776	26,879	28,122	28,919	31,481	37,230	41,801	42,799	41,839	41,745
Sales tax revenue per capita (local option)	\$219.09	\$237.69	\$248.68	\$255.73	\$278.38	\$329.22	\$369.65	\$378.47	\$369.98	\$369.15
Property tax revenue per capita (non RDA)	\$59.07	\$72.14	\$93.78	\$91.73	\$91.34	\$96.17	\$113.03	\$156.70	\$151.82	\$146.65
Franchise tax per capita	\$67.64	\$65.18	\$62.25	\$57.66	\$57.82	\$58.63	\$60.31	\$72.37	\$71.65	\$67.79
Total tax revenues per capita	\$383.50	\$457.38	\$404.71	\$405.12	\$427.54	\$461.94	\$542.99	\$607.54	\$593.46	\$583.59
General Fund revenues per capita	\$459.17	\$404.57	\$438.96	\$444.23	\$468.43	\$567.40	\$589.37	\$787.67	\$642.05	\$630.06
General Fund expenditures per capita	\$437.92	\$392.21	\$377.74	\$389.22	\$358.17	\$455.81	\$434.77	\$500.41	\$532.82	\$549.83
General fund Capital improvement expenditures per capita	\$121.36	\$59.40	\$70.65	\$40.02	\$202.97	\$138.76	\$22.09	\$2.10	\$1.99	\$0.00

Sources: Centerville City

Centerville City Corporation

Capital Asset Statistics by Function Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Population Estimate (1)	16,877	17,286	17,657	17,700	17,587	16,884	16,785	16,502	16,517	16,884
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	67	67	67	68	68	68	68	72	72	72
Number of Street Lights	753	753	753	753	762	764	764	775	775	
Public Works Office, Maintenance, Storage	2	2	2	2	2	3	3	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	18	18	19	20	21	20	20	20	20	20
Municipal Water										
Number of Customers	4,763	4,826	4,821	4,889	4,889	4,923	4,987	5,023	5,038	5,048
Miles of Water Mains	81	81	82	82	82	82	83	84	85	85
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	4,239	4,286	4,385	4,319	4,319	4,266	4,272	4,278	4,290	4,296
Number of recycling customers	3,771	3,793	3,892	3,862	3,862	3,857	3,869	3,882	3,895	3,913
Number of green waste customers	1,255	1,248	1,303	1,291	1,291	1,348	1,343	1,343	1,360	1,386
Building Permits Issued (new construction, includes remodel)	240	122	47	87	65	57	105	58	36	39
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	8	8	9	9	9	9	9	9
Tennis Courts	4	4	4	4	3	3	3	3	3	3
Pickleball Courts	-	-	-	-	2	2	2	2	2	10
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. 2021-2024 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, the business-type activities, each major fund, and the aggregate remaining fund information of Centerville City (the City) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Centerville City's basic financial statements, and have issued our report thereon dated December 9, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Centerville 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 Centerville 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 the financial statements. 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 Centerville City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Larson & Company, PC

Spanish Fork, Utah
December 9, 2025

**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, 2025

State compliance requirements were tested for the year ended June 30, 2025 in the following areas:

Budgetary Compliance	Fund Balance
Justice Court	Restricted Taxes and Related Revenues
Fraud Risk Assessment	Government Fees

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, 2025.

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. However, pursuant to *Utah Code* Title 63G, Chapter 2, this report is a matter of public record, and as such, its distribution is not limited.



Larson & Company, PC

Spanish Fork, Utah
December 9, 2025

Centerville City Corporation
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Current year Government Auditing Standards and compliance findings

-None noted

Prior year Government Auditing Standards and compliance findings

2024-001 – Budgetary Compliance

Criteria: Per Utah Code Section 10-6-123, "City officers may not make or incur expenditures or encumbrances in excess of total appropriations for any department in the budget as adopted or as subsequently amended. Any obligation contracted by any such officer may not be or become valid or enforceable against the city."

Condition: Transportation Fund expenditures exceeded budgeted appropriations.

Status as of June 30, 2025: Finding has been addressed and corrected in the current period.

Centerville City



COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

For the Year Ended June 30, 2025

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

We have audited the financial statements of Centerville City as of and for the year ended June 30, 2025, and have issued our report thereon dated December 9, 2025. Professional Standards require that we advise you of the following matters related to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 1, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Centerville City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our finding regarding significant control deficiencies over financial reporting and material weaknesses, if applicable, and material noncompliance, and other matters noted during our audit at the end of this communication letter in the schedule of findings section.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

As part of our risk-based audit, we design certain extended procedures over areas where we deemed to pose a more significant audit risk based on the nature of the industry and complexity of the entity. We have identified the following significant risks during our audit that we had performed additional procedures for:

- Improper revenue recognition
- Cash disbursements
- Potential management bias, financial statement estimates, and management's ability to override controls.

Based on our audit procedures performed, we did not identify any uncorrected material misstatements related to these risks noted.

Qualitative Aspects of the Entity's Significant Accounting Practices

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Centerville City are included in Note 1 to the financial statements. The City reviews and implements all relevant GASB pronouncements as required. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

Financial Statement Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management related to the performance of our audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. All proposed entries were approved by management and were posted to the entity's financial records.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Centerville City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We noted nothing to report to Those Charged with Governance.

Representations Requested from Management

We have requested certain representations from management, which are included in the management representation letter dated December 9, 2025.

Management Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Centerville City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition or our retention as Centerville City's auditors.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis and required supplementary information (RSI) as listed in the table of contents, which are RSI that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Board and management of Centerville City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Larson & Company, PC".

Larson & Company, PC

Spanish Fork, Utah
December 9, 2025