

**CENTERVILLE CITY CORPORATION
CENTERVILLE, UTAH**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

For The Year Ended June 30, 2020

Together With Independent Auditor's Report

Centerville City Corporation

TABLE OF CONTENTS

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

Centerville City Corporation
TABLE OF CONTENTS (Continued)

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

Centerville City Corporation
TABLE OF CONTENTS (Continued)

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

INTRODUCTORY SECTION



CENTERVILLE CITY

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

Incorporated in 1915

Mayor

Clark Wilkinson

City Council

Tamilyn Fillmore

William Ince

Stephanie Ivie

George McEwan

Robyn Mecham

City Manager

Steve H. Thacker

November 30, 2020

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 Comprehensive Annual Financial Report of Centerville, Utah for the fiscal year ended June 30, 2020.

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

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

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

The financial statements have been audited by Larson & Company, PC, a licensed certified public accounting firm qualified to perform audits of municipal governments. The goal of the independent audit was to provide reasonable assurance that the financial statements of Centerville City for the fiscal year ended June 30, 2020, 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, 2020 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, however, Centerville has since matured primarily into a suburban community with diverse housing types. In recent decades, significant commercial development has occurred with retail, office and entertainment.

Organization

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

Services

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

Economic Factors and Conditions

Most of the land available for residential growth has already been developed. The City has had minimal single-family residential growth in recent years. Single family dwellings is limited to small areas of vacant land and "in-fill" construction. In response to the housing market there has been an increase in multi-family units, especially in areas that are conveniently located to transit. In the last decade the City has experienced significant growth in the commercial areas including office, retail and entertainment.

Local option sales tax is the main source of tax revenue for general services. After years of steady growth in sales tax, the recession beginning in 2007 caused several years of decreasing revenues. Sales tax revenues have increased since 2010. Sales tax revenues have continued to grow compared to the same time period(s) in the prior year. Centerville local retail services continue to have increasing sales that provide needed revenue to the City. The upward trend continues and revenues are anticipated to increase through 2019-2020 locally and State-wide – although at a slower rate due to regulations and the economic impacts of the most recent pandemic. In 2017 the City Council approved a 40% increase in the City’s property tax levy effective in Fiscal year 2018.

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

As stated, the City’s commercial areas have continued to grow. One primary area of growth is the City’s west side. This area has the potential of significant commercial development, including retail, office and light manufacturing. Through the RDA, the City supported the creation of two Community Development Areas (CDA). The first one facilitated the development of the Legacy Crossing at Parrish Lane commercial project. This development includes entertainment, offices and multi-family housing, with the possibility of retail and restaurants in the future. The RDA also created a second CDA on the west side, the Barnard Creek CDA. This area will accommodate light industrial, office and manufacturing. Construction in this area has begun with several new businesses already open.

Major Initiatives

Significant projects and initiatives in Fiscal Year (FY) 2020 include park and transportation improvements, drainage projects, solid waste collection and community planning.

Park Improvements

During FY 2018 the City entered into an agreement with Utah State Parks Division to secure a Land & Water Conservation Grant in the amount of \$670,000 for Phase 1 of the Island View Park Renovation Project. The City’s match of another \$670,000 will come from RAP Tax revenue. In addition to the grant, the City has entered into a real property lease agreement with Zions Bank Corp. for the amount of \$1,900,000 to be repaid over 7 years with anticipated RAP Tax revenue. To save on construction costs, the City decided to begin construction in FY19 on both Phase 1 and Phase 2. Both phases were substantially completed by the end of FY 2020.

Transportation Improvements

The City is in the process of rebuilding 400 East from Parrish to 400 South. The street will have a slightly different configuration – allowing for more safety of alternate users such as pedestrians and bicyclists. This project is being done in two parts with the north section done in FY 2020 and the south section expected to be completed the summer of FY 2021 and FY 2022.

In addition to the 400 East rebuild, the City rebuilt Casa Loma from Main Street to Peachtree Drive in FY 2020.

Funding for sidewalk repair/replacement has been increased each year since City staff completed a comprehensive inventory of sidewalk conditions in 2016. Nearly 10,000 sidewalk defects were mapped into a geographic information system and all trip hazards were sprayed with yellow paint. In FY 2019, the City formed a Tree Board to tackle policy dealing with trees in the park strip. Repairing sidewalk faults continues and in FY 2020, the City Council budgeted \$100,000 to continue this ongoing project. The City Council budgeted another \$100,000 for FY 2021.

Water Projects

In FY 2020, the City continued its schedule of replacing aging water mains per the master plan. Major replacements occurred in conjunction with the street rebuilds on 400 East and Casa Loma Drive.

Drainage Projects

In FY 2020, the City replaced and added new culverts in conjunction with the rebuilds of 400 East and Casa Loma Drive. The City also replaced the storm drain at Island View Park in conjunction with the park renovation.

The City began work and for the most part finished a new decant station on the Centerville Public Works property. The building will be used to clean and retain the heavies from Public Works vehicles. This will help reduce the amount of contaminants that flow downstream either to the wetlands or the sewer. It is anticipated the building will be completed and in operation during early FY 2021.

Personnel Projects

In FY 2019 the City contracted with an HR firm to conduct a comprehensive compensation study. The project consisted of updating all job descriptions, evaluating internal equity, comparing positions with the job market and updating pay ranges accordingly. The Council plans to fully fund the recommended pay ranges over three years beginning in FY 2020 representing a significant investment in the City's human resource.

Financial Policies

State Code dictates that 5% to 25% 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, 2020 was approximately 24% of this year's revenue. The Council and management attempts to finance operations and capital on a pay as you go basis if possible, using debt when it is to the long-term financial advantage to the City and/or is necessary to acquire capital in a timely manner.

The City uses several capital improvement plans including streets, water, drainage, parks and capital facility plans to focus and plan for upcoming projects and required funding. These plans are reviewed annually and periodically modified.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Centerville City for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the twentieth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published a comprehensive annual financial report, the contents of which conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual 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,



Jacob J. Smith
Finance Director

CENTERVILLE CITY CORPORATION

PRINCIPAL OFFICIALS

EXECUTIVE BUDGETARY

Brant T. Hanson	City Manager
Jacob J. Smith	Finance Director

STATUTORY APPOINTED OFFICIALS

Leah Romero	Recorder
Jolene Jackson	Treasurer
David Miller	Justice Court Judge

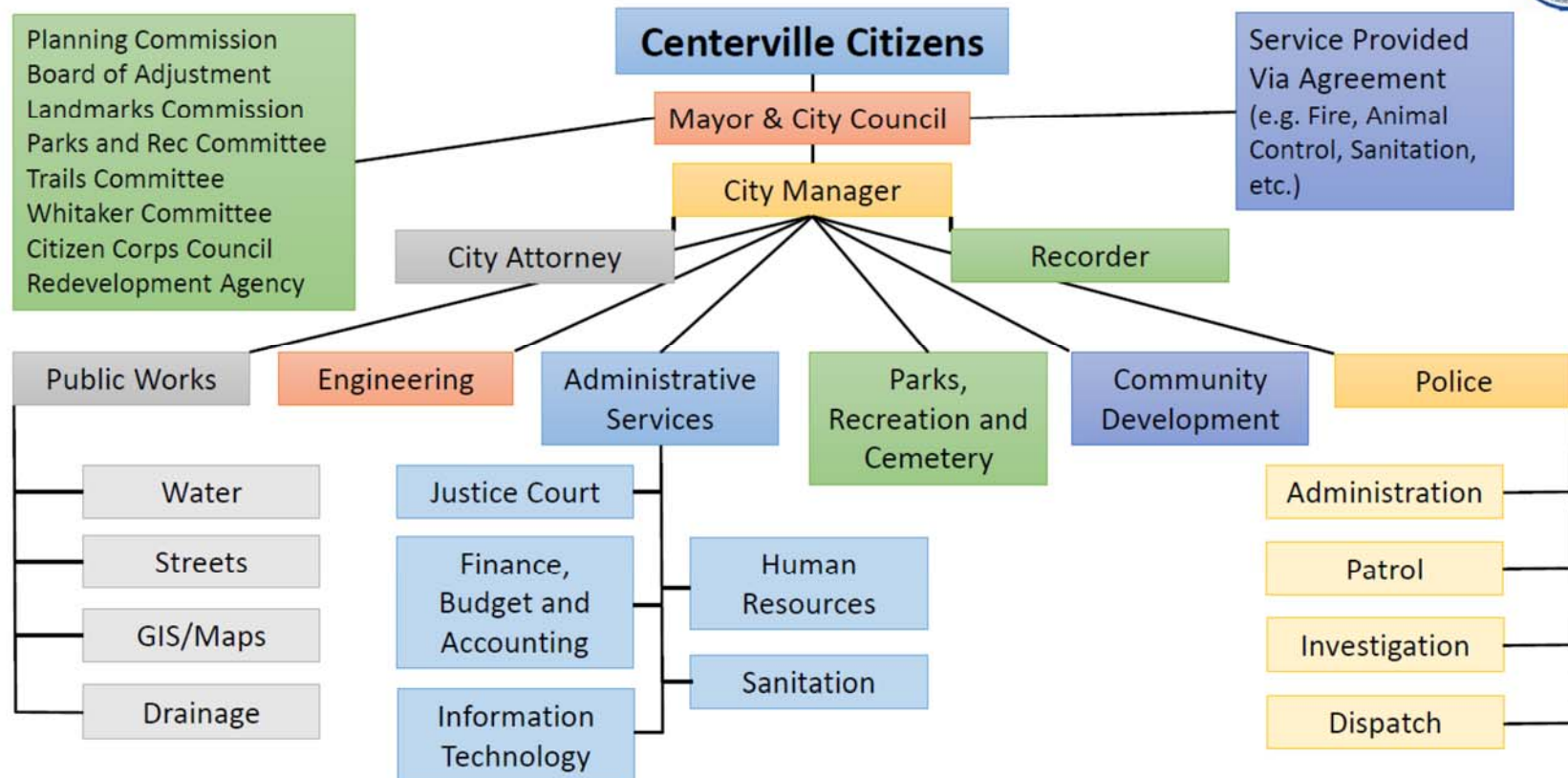
DEPARTMENT HEADS

Paul Child	Police Chief
Randy Randall	Public Works Director
Bruce Cox	Parks/Recreation Director
Corvin Synder	Community Development Director

OTHER CITY OFFICIALS

Kevin Campbell	Engineer
Lisa Romney	Attorney

Centerville City Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Centerville City Corporation
Utah**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Centerville City (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Centerville City, Utah, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and for the major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah
November 30, 2020

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2020

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, 2020.

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, 2020 by \$54,804,977 (net position). The City has \$49,154,712 net investment in capital assets. \$1,980,858 is restricted for future construction projects and the theater reserve fund. The unrestricted amount is \$3,669,407.

Centerville's total net position increased by \$3,610,967 from the prior year, a 8.57% increase. Changes in assets and liabilities are as follows. Total assets increased by \$4,825,388, a change of 7.81%. Total Liabilities decreased by \$476,256 from the prior year, a percent change of 4.63%. Net investment in capital assets, increased \$2,455,790 or 5.26%. Business-Type Activities net investment in capital assets increased \$1,115,433 or 6.65%, and Governmental Activities increased \$1,340,357 or 4.48%. Restricted assets decreased by \$476,817 or 19.40% from the previous year. Most of the net decrease was due to spending restricted assets on parks and roads. Unrestricted assets increased \$1,672,935. Governmental Activities increased \$1,627,640, and Business-Type activities increased by \$45,295.

Centerville's governmental funds reported a combined ending fund balances of \$5,462,764 at June 30, 2020. This is a statement of the current available assets of the City. This is an increase of \$1,276,431, or 30.49%. The City has considerable commitments to capital projects including park improvements and roads. Of the ending fund balances, \$2,087,657, is available for spending at the City's discretion in the General Fund (unassigned fund balance).

At June 30, 2020, fund balances in governmental funds other than the general fund was \$3,274,472 an overall \$484,708 increase. Assigned fund balances increased by \$674,395, or 105.08%. The Assigned amount to the RDA is \$470,021. The assigned amount for the transportation fund is \$813,157. The assigned fund balance for the park improvement fund is \$20,000. The assigned amount for other governmental funds, is \$12,982. 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 \$1,928,358.

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, 2020

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

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

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

Fund financial statements

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

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

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

Centerville City maintains 10 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the General fund, Redevelopment Agency, and the Transportation special revenue fund, all of which are considered major funds. Data from the other 7 governmental funds are combined into a single, aggregate presentation. Individual fund data for each governmental fund is provided in the form of individual and combining statements elsewhere in the report.

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

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2020

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

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

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

Notes to the financial statements

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

Other Information

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

Government-wide Financial Analysis

As noted earlier, net position is an indicator of a government's overall financial position, including current resources, liabilities and investment in assets. In the case of Centerville City, assets exceeded liabilities by \$56,834,117 at June 30, 2020.

The largest portion of the City's net position is \$49,154,712 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 \$2,455,790 which is an increase of 5.26%, 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, \$1,980,858, represents resources that are subject to external restrictions on how they may be utilized. This is a decrease of \$476,817 or 19.40% from the prior year. This decrease is due to the decrease in restricted balances spent on development.

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

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2020

	Governmental Activities 2020	Governmental Activities 2019	Business-type Activities 2020	Business-type Activities 2019
Current and other assets	\$ 8,738,963	\$ 7,188,358	\$ 4,209,494	\$ 4,292,796
Capital assets	34,072,640	31,531,892	19,622,280	18,804,943
Total Assets	42,811,603	38,720,250	23,831,774	23,097,739
Deferred outflows of resources	572,378	1,298,590	76,315	187,113
Current and other liabilities	1,333,214	1,342,841	531,400	257,976
Long-term liabilities	3,415,621	2,192,191	2,711,286	3,148,970
Net pension liability	1,687,659	3,035,117	130,080	308,421
Total Liabilities	6,436,494	6,570,149	3,372,766	3,715,367
Deferred inflows of resources	2,598,001	1,848,036	79,832	17,071
Net position:				
Net investment in capital assets	31,273,032	29,932,675	17,881,680	16,766,247
Restricted	1,966,058	2,185,224	14,800	272,451
Unrestricted	1,110,396	(517,244)	2,559,011	2,513,716
Total Net Position	\$ 34,349,486	\$ 31,600,655	\$ 20,455,491	\$ 19,552,414

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2020

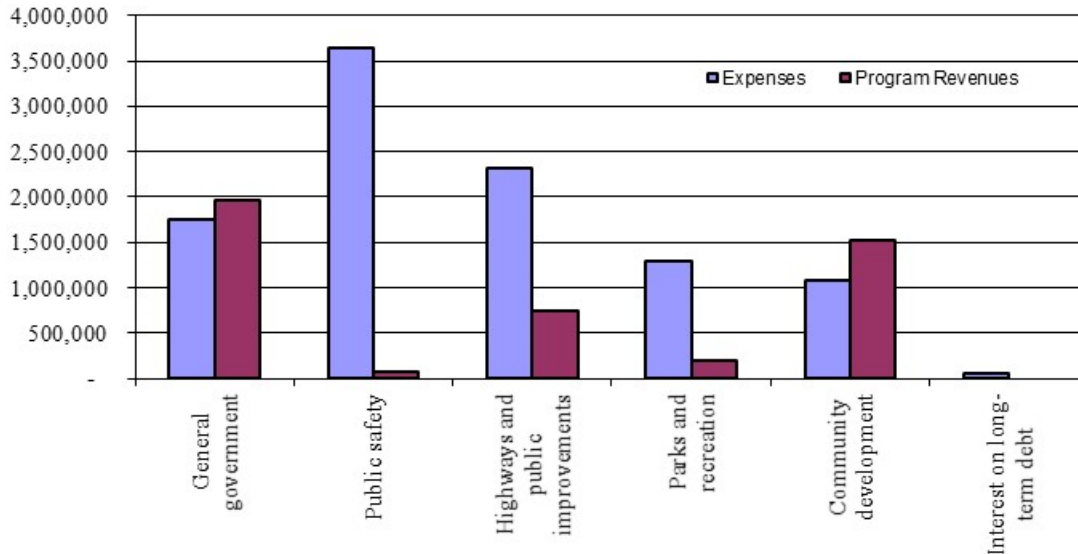
	Governmental Activities 2020	Governmental Activities 2019	Business-type Activities 2020	Business-type Activities 2019
Revenues:				
Program revenues:				
Charges for services	\$ 922,178	\$ 1,162,159	\$ 5,475,055	\$ 5,154,162
Operating grants and contributions	2,960,661	1,994,828	-	-
Capital grants and contributions	615,745	28,320	182,112	306,027
General revenues:				
Property taxes	1,844,873	1,780,972	-	-
Sales taxes	4,895,912	4,526,379	-	-
Franchise taxes	1,016,898	1,020,666	-	-
Other taxes	445,999	407,708	-	-
Unrestricted investment earnings	60,425	83,563	41,237	43,241
Gain on disposition of capital assets	14,072	70,605	-	-
Other revenues	57,131	80,596	-	-
Total Revenues	<u>12,833,894</u>	<u>11,155,796</u>	<u>5,698,404</u>	<u>5,503,430</u>
Expenses:				
General government	1,758,407	1,008,001	-	-
Public safety	3,637,934	3,841,512	-	-
Highways and public improvements	2,317,341	3,131,464	-	-
Parks and recreation	1,282,310	1,515,353	-	-
Community development	1,073,253	862,105	-	-
Interest on long-term debt	56,759	31,130	-	-
Water	-	-	2,492,947	2,258,213
Sanitation	-	-	914,824	884,763
Storm drain	-	-	1,153,938	999,113
Telecom	-	-	233,618	232,809
Total Expenses	<u>10,126,004</u>	<u>10,389,565</u>	<u>4,795,327</u>	<u>4,374,898</u>
Increase (decrease) in Net Position before transfers	<u>2,707,890</u>	<u>766,231</u>	<u>903,077</u>	<u>1,128,532</u>
Increase in Net Position	2,707,890	766,231	903,077	1,128,532
Net Position - Beginning	31,600,655	30,834,424	19,552,414	18,423,882
Prior Period Adjustment	<u>40,941</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position - Ending	<u>\$ 34,349,486</u>	<u>\$ 31,600,655</u>	<u>\$ 20,455,491</u>	<u>\$ 19,552,414</u>

As noted in the table above, governmental activities net position increased by \$2,707,890 or 8.57%. The table illustrates the flow of current sources and uses for the period. 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, 2020

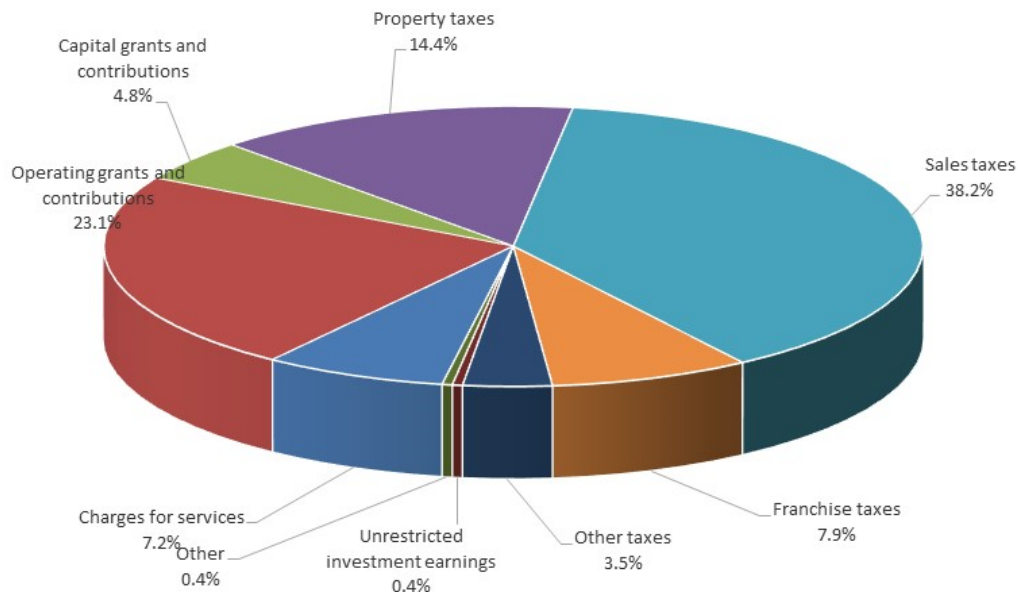
The following chart displays the governmental activities expenses compared to the program revenues attributed to the activity. Traditionally, governmental activities are funded by general revenue sources and not charges for direct services. Most of the funding for general services is provided by general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

Expenses and Program Revenues - Governmental Activities



The following chart displays the major sources of governmental activity revenue. Taxes account for 64% 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

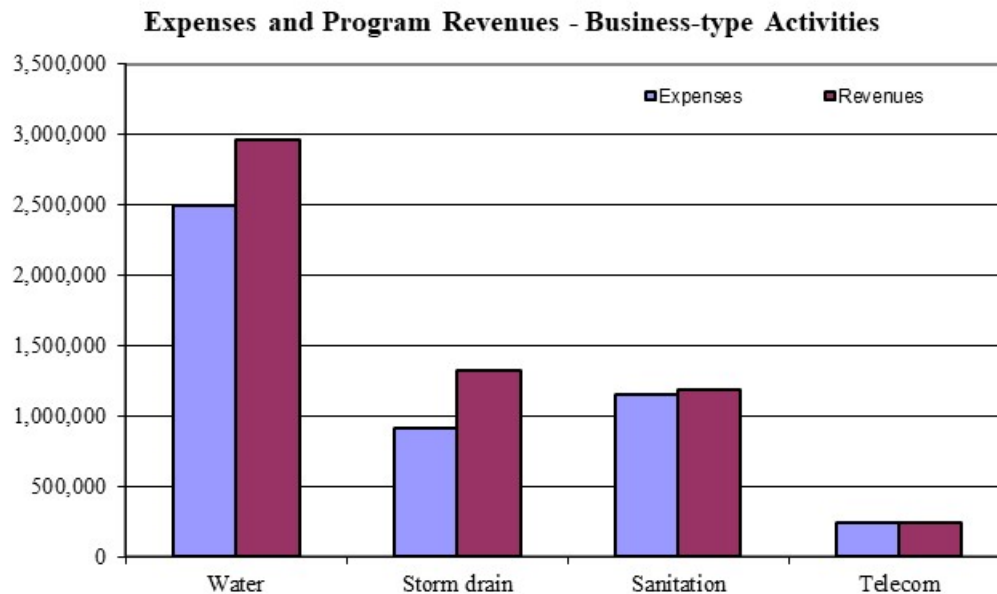


Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2020

Business-type activities

As noted in the table "Centerville City Changes in Net Assets (Statement of Activities)" business-type activities increased net position of \$903,077, or 4.62% from the prior year.

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. 96.10% of the revenues for business-type activities comes from charges for services, no general taxes are used to provide Business-type services. During the current reporting period operating charges for services more than funded operating expenses by a net \$679,728. Individual funds covered expenses over revenues from reserves for each fund.

Financial Analysis of the Government's Funds

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

Governmental funds

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

At June 30, 2020, the City's governmental funds reported a combined ending fund balance of \$5,462,764, which is an increase of \$1,235,489, or 29.51% from the prior period. The Unassigned balance, in general fund, increased by 58.91%, a total dollar amount of \$773,899. Assigned fund balances that are assigned for a specific purpose increased \$674,395 from the prior period, or 105.08%. The Restricted Fund balances decreased \$219,166 from the prior period, or 10.21%. 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

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2020

available for new spending as it has already been committed for a specific purpose or is unavailable for government operations, but are \$130,589 at June 30, 2020.

The general fund is the primary operating fund of the City. At June 30, 2020 unassigned fund balance of the general fund was \$2,087,657, an increase of \$773,899, or 58.91%. This increase was caused by revenues exceeding expenditures. The General fund recognized \$334,852 in revenue from the Cares Act. The city was also conservative in spending near the end of the year because they did not know what the effects of Covid-19 would be. Revenues from taxes fell short of the budget by \$13,432, revenue from licenses and permits fell short of the budget by \$81,333, and revenue from fines and forfeitures were \$26,808 below budget. Intergovernmental revenue exceeded budget by \$351,400, dues to revenue from the Cares Act. The general fund revenue was \$470,727 more than prior year. The general fund expenditures were \$75,779 less than prior year.

The Redevelopment Agency fund is considered to be a major fund. This fund was established to account for tax increment revenues used to revitalize and upgrade areas within qualifying redevelopment areas within the City. This fund has a balance of \$1,068,063. This is an increase from the prior year in the amount of \$319,865 which is largely due to an increase in intergovernmental revenue and an increase in tax revenue.

The Transportation fund is considered as a major governmental fund. This fund has been established for road projects. Class C revenue and County option/transit funds. The city uses these funds for road projects. This fund has a fund balance of \$1,560,275 which is an increase of \$25,701 from the prior year. This is largely due to an increase in intergovernmental revenue.

The Park Improvements Capital Projects Fund is considered as a major governmental fund. This fund accounts for the financial resources to be used for the acquisition or construction of major capital parks facilities of the government. This fund has a fund balance of \$134,218 which is an increase of \$55,810 from the prior year.

Other Governmental funds had a total increase in fund balances of \$42,390, or 9.89%. This increase is primarily due to an increase in RAP tax revenue.

Proprietary funds

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

Water Utility fund

Total net position equaled \$14,353,250 at June 30, 2020. Total net position increased by \$467,652, a 3.37% increase mainly due to an operating income.

Drainage Utility

Total net position at June 30, 2020 was \$5,978,872. Total net position increased by \$402,462 resulting in an 7.22% change mainly due to an operating income.

Sanitation

Total net position at June 30, 2020 was \$106,065. Total net position increased \$32,523 resulting in a 44.25% change. This increase is mainly due to an operating income

Telecom Fund

The Telecom Fund net position at June 30, 2020 was \$17,304. Total increase of \$440 or 2.61%.

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2020

General Fund Budgetary Highlights

During the fiscal year the general fund budget expenditures were amended, with an original budgeted expenditure of \$8,767,598 and final budgeted expenditure of \$8,700,111.

Total revenues were higher than the final budget by \$148,703, or 1.78%. Taxes, the largest source of revenue for the general fund was \$13,432 or 0.19% below budget. Licenses and permit revenue were under budget by \$81,333 or 29.11%. Intergovernmental revenue was over budget by \$351,400 or 86.64%, which is due to the Cares Act fund. Fines and forfeitures were under budget by \$71,381 or 18.85%. Charges for service revenue was under budget by \$26,808 or 33.71%.

Capital Assets and Debt Administration

Capital assets

Centerville City's investment in capital assets for governmental and business-type activities at June 30, 2020 was \$53,694,920 (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 \$3,358,085 or 6.67%. Governmental activities increased capital assets (net of depreciation) \$2,540,748 or 8.06%, to \$34,072,640. Business type activities increased capital assets (net of depreciation) \$817,337 or 4.35% to \$19,622,280.

Major capital asset events during the current year were:

- 1) At year end there was \$3,358,085 in Construction in Progress, mostly for park projects and several waterline projects.
- 2) Infrastructure increased by \$246,850 mostly attributable to the completion of a park project. Street repairs such as overlays and sealing are not considered increases in assets, but operating expenditures. New streets or complete rebuilds of streets are treated as an increase in Infrastructure assets. The city also added \$357,725 in vehicles.
- 3) The City made significant investment in business type assets during the year. Expansion or replacement of the system are recorded as an increase in assets. The investment of business type activities increased by \$817,337 (depreciated).

	Governmental Activities 2020	Governmental Activities 2019	Business - type Activities 2020	Business - type Activities 2019
Land	\$ 7,718,450	\$ 7,718,450	\$ 236,909	\$ 236,909
Buildings	12,738,928	13,188,458	2,359,610	2,431,436
Water stock and rights	-	-	48,617	48,617
Machinery and equipment	909,813	1,033,399	154,821	164,204
Distribution and collection systems	-	-	16,121,560	15,923,777
Autos and trucks	1,011,103	653,378	-	-
Infrastructure	8,848,856	8,602,006	-	-
Construction in progress	2,845,490	336,201	700,763	-
Total Capital Assets	<u>\$ 34,072,640</u>	<u>\$ 31,531,892</u>	<u>\$ 19,622,280</u>	<u>\$ 18,804,943</u>

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).

Centerville City Corporation
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2020

Long-term debt

	Governmental Activities 2020	Governmental Activities 2019	Business - type Activities 2020	Business - type Activities 2019
Revenue bonds	\$ 609,604	\$ 1,199,213	\$ 1,740,600	\$ 2,038,696
Note payable	2,190,000	400,000	898,223	1,045,765
Compensated absences	581,226	539,926	72,463	64,509
Termination benefits	9,562	17,182	-	-
Outstanding claims	25,229	35,870	-	-
Net pension liability	1,687,659	3,035,117	130,080	308,421
Total	<u>\$ 5,103,280</u>	<u>\$ 5,227,308</u>	<u>\$ 2,841,366</u>	<u>\$ 3,457,391</u>

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

Economic Factors and Next Year's Budgets and Rates

At the time the budget was adopted for the fiscal year ending June 30, 2020, the Utah and local economy was in flux. Due to the recent pandemic, closure of businesses and spike in unemployment, Centerville City prepared for a drastic drop in sales tax revenue, court fees and development related fees. April of 2020 saw unemployment increase to 9.0%. As result of the uncertainty, Centerville cut anticipated revenue for Fiscal year 2021 by 30%.

Sales taxes are the largest single source of revenue for governmental operations of the City. City sales tax revenue in FY 2020 increased 7% over the prior year, or \$309,352. The City is projecting a decrease of 30% in FY 2021, due to the pandemic.

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, 2020

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 3,048,501	\$ 2,352,103	\$ 5,400,604
Receivables:			
Accounts, net	1,700	537,730	539,430
Taxes	2,911,726	-	2,911,726
Intergovernmental receivable	286,145	-	286,145
Inventory		260,191	260,191
Prepays	92,889	54,050	146,939
Restricted assets:			
Cash and cash equivalents	2,398,002	107,197	2,505,199
Notes receivable	-	898,223	898,223
Capital assets not being depreciated:			
Water stock and rights	-	48,617	48,617
Land and collectibles	7,718,450	236,909	7,955,359
Construction in progress	2,845,490	700,763	3,546,253
Capital assets, net of accumulated depreciation:			
Buildings and improvements	12,738,928	2,359,610	15,098,538
Distribution and collection systems	-	16,121,560	16,121,560
Machinery and equipment	909,813	154,821	1,064,634
Autos and trucks	1,011,103	-	1,011,103
Infrastructure	8,848,856	-	8,848,856
Total Assets	<u>42,811,603</u>	<u>23,831,774</u>	<u>66,643,377</u>
Deferred Outflows of Resources			
Deferred charge on refunding	-	14,325	14,325
Deferred outflows related to pensions	572,378	61,990	634,368
Total Deferred Outflows of Resources	<u>572,378</u>	<u>76,315</u>	<u>648,693</u>
Total Assets and Deferred Outflow of Resources	<u><u>\$ 43,383,981</u></u>	<u><u>\$ 23,908,089</u></u>	<u><u>\$ 67,292,070</u></u>

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

Centerville City Corporation
STATEMENT OF NET POSITION (Continued)
June 30, 2020

	Governmental Activities	Business-type Activities	Total
Liabilities:			
Accounts payable	\$ 144,880	\$ 505,479	\$ 650,359
Accrued liabilities	106,995	9,113	116,108
Accrued interest payable	3,763	16,808	20,571
Developer and customer deposits	730,129	-	730,129
Liabilities payable from restricted assets	158,245	-	158,245
Unearned revenue	189,202	-	189,202
Noncurrent liabilities - due in more than one year			
Due within one year	1,128,608	444,022	1,572,630
Due in more than one year	2,287,013	2,267,264	4,554,277
Net pension liability	1,687,659	130,080	1,817,739
Total Liabilities	6,436,494	3,372,766	9,809,260
Deferred Inflows of Resources			
Deferred inflows for property taxes	1,704,457	-	1,704,457
Deferred inflows relating to pensions	893,544	79,832	973,376
Total Deferred Inflows of Resources	2,598,001	79,832	2,677,833
Net Position:			
Net investment in capital assets	31,273,032	17,881,680	49,154,712
Restricted for:			
Future development	1,246,756	14,800	1,261,556
Theater reserve fund	598,042	-	598,042
Cemetery	71,754	-	71,754
Police/DUI enforcement	49,506	-	49,506
Unrestricted	1,110,396	2,559,011	3,669,407
Total Net Position	34,349,486	20,455,491	54,804,977
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 43,383,981	\$ 23,908,089	\$ 67,292,070

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, 2020

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	\$ 1,758,407	\$ 770,735	\$ 577,146	\$ 615,745	\$ 205,219	\$ -	\$ 205,219
Public safety	3,637,934	-	70,749	-	(3,567,185)	-	(3,567,185)
Streets and public works	2,317,341	-	748,173	-	(1,569,168)	-	(1,569,168)
Parks and recreation	1,282,310	112,507	77,463	-	(1,092,340)	-	(1,092,340)
Community development	1,073,253	38,936	1,487,130	-	452,813	-	452,813
Interest and issuance costs on long-term debt	56,759	-	-	-	(56,759)	-	(56,759)
Total Governmental Activities	10,126,004	922,178	2,960,661	615,745	(5,627,420)	-	(5,627,420)
Business-type Activities:							
Water	2,492,947	2,791,674	-	158,181	-	456,908	456,908
Storm drain	914,824	1,263,911	-	23,931	-	373,018	373,018
Sanitation	1,153,938	1,185,607	-	-	-	31,669	31,669
Telecom	233,618	233,863	-	-	-	245	245
Total Business-type Activities	4,795,327	5,475,055	-	182,112	-	861,840	861,840
Total Government	\$ 14,921,331	\$ 6,397,233	\$ 2,960,661	\$ 797,857	(5,627,420)	861,840	(4,765,580)
General Revenues:							
Property taxes					1,844,873	-	1,844,873
Sales taxes					4,895,912	-	4,895,912
Franchise taxes					1,016,898	-	1,016,898
Other taxes					445,999	-	445,999
Unrestricted investment earnings					60,425	41,237	101,662
Gain on disposition of capital assets					14,072	-	14,072
Other revenues					57,131	-	57,131
Total General Revenues and Transfers					8,335,310	41,237	8,376,547
Changes in Net Position					2,707,890	903,077	3,610,967
Net Position, Beginning					31,600,655	19,552,414	51,153,069
Prior Period Adjustment					40,941	-	40,941
Net Position, Ending					\$ 34,349,486	\$ 20,455,491	\$ 54,804,977

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

Centerville City Corporation
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2020

	General	Redevelopment Agency Special Revenue	Transportation	Park Improvements	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 1,372,561	\$ 470,020	\$ 831,184	\$ 20,000	\$ 354,735	\$ 3,048,500
Receivables:						
Accounts, net	1,700	-	-	-	-	1,700
Taxes	2,395,818	248,730	183,125	-	-	2,827,673
Intergovernmental	-	-	-	43,033	327,166	370,199
Prepays	51,129	-	-	-	41,760	92,889
Restricted cash and cash equivalents	968,837	598,042	563,993	229,430	37,700	2,398,002
Total Assets	<u>\$ 4,790,045</u>	<u>\$ 1,316,792</u>	<u>\$ 1,578,302</u>	<u>\$ 292,463</u>	<u>\$ 761,361</u>	<u>\$ 8,738,963</u>
Liabilities						
Accounts payable	\$ 120,531	\$ -	\$ 18,027	\$ -	\$ 6,319	\$ 144,877
Accrued liabilities	106,163	-	-	-	832	106,995
Payable from restricted assets:						
Accounts payable	-	-	-	158,245	-	158,245
Unearned revenue	189,202	-	-	-	-	189,202
Developer and customer deposits	730,129	-	-	-	-	730,129
Total Liabilities	<u>1,146,025</u>	<u>-</u>	<u>18,027</u>	<u>158,245</u>	<u>7,151</u>	<u>1,329,448</u>
Deferred Inflows of Resources						
Unavailable revenue - rebate	-	-	-	-	242,294	242,294
Unavailable revenue - property taxes	1,455,728	248,729	-	-	-	1,704,457
Total Deferred Inflows of Resources	<u>1,455,728</u>	<u>248,729</u>	<u>-</u>	<u>-</u>	<u>242,294</u>	<u>1,946,751</u>
Fund Balances:						
Nonspendable:						
Prepaid items	51,129	-	-	-	41,760	92,889
Permanently restricted cemetery	-	-	-	-	37,700	37,700
Restricted for:						
Future development	-	-	747,118	114,218	385,420	1,246,756
Cemetery	-	-	-	-	34,054	34,054
Theater reserve fund	-	598,042	-	-	-	598,042
Police donations	17,466	-	-	-	-	17,466
DUI enforcement	32,040	-	-	-	-	32,040
Assigned, reported in:						
Special revenue funds	-	470,021	-	-	11,063	481,084
Debt service funds	-	-	-	-	1,096	1,096
Capital project funds	-	-	813,157	20,000	823	833,980
Unassigned:						
General fund	2,087,657	-	-	-	-	2,087,657
Total Fund Balances	<u>2,188,292</u>	<u>1,068,063</u>	<u>1,560,275</u>	<u>134,218</u>	<u>511,916</u>	<u>5,462,764</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,790,045</u>	<u>\$ 1,316,792</u>	<u>\$ 1,578,302</u>	<u>\$ 292,463</u>	<u>\$ 761,361</u>	<u>\$ 8,738,963</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, 2020

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

Total Fund Balance - Governmental Funds	\$ 5,462,764
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	34,072,640
Interest expense is not due and payable in the current period and therefore is not recorded in the funds.	(3,763)
Long-term liabilities, including bonds, capital leases, notes, OPEB, net pension liability, and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(5,103,280)
Unavaible revenue reported in the fund, report as revenue in governmental activities	242,294
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.	(321,169)
Total Net Position - Governmental Activities	<u><u>\$ 34,349,486</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, 2020

	General	Redevelopment Agency Special Revenue	Transportation	Park Improvements	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 7,122,338	\$ 238,543	\$ 396,803	\$ -	\$ 445,999	\$ 8,203,683
Fees and contributions	-	-	-	653,208	-	653,208
Licenses and permits	279,367	-	-	-	-	279,367
Intergovernmental	405,600	1,487,130	748,173	-	-	2,640,903
Fines and forfeitures	378,619	-	-	-	-	378,619
Charges for services	79,532	81,926	-	-	61,225	222,683
Interest	26,644	-	22,820	4,613	6,349	60,426
Miscellaneous	41,489	4,729	40,000	-	13,486	99,704
Total Revenues	8,333,589	1,812,328	1,207,796	657,821	527,059	12,538,593
Expenditures:						
Current:						
General government	1,169,699	-	-	-	493,789	1,663,488
Public safety	3,410,224	-	-	-	-	3,410,224
Highways and public improvements	625,334	-	1,123,918	-	-	1,749,252
Parks and recreation	911,443	-	-	-	118,044	1,029,487
Community development	321,927	630,886	-	-	21,754	974,567
Debt service:						
Principal	-	-	-	110,000	550,000	660,000
Interest	-	-	-	60,706	39,863	100,569
Capital outlay:						
General government	34,301	-	-	-	-	34,301
Public safety	146,364	-	-	-	-	146,364
Highways and public improvements	162,126	-	473,769	-	-	635,895
Parks and recreation	31,999	-	-	2,721,115	-	2,753,114
Total Expenditures	6,813,417	630,886	1,597,687	2,891,821	1,223,450	13,157,261
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,520,172	1,181,442	(389,891)	(2,234,000)	(696,391)	(618,668)
Other Financing Sources (Uses):						
Notes payable issued	-	-	-	1,900,000	-	1,900,000
Transfers in	60,982	-	415,592	389,810	1,158,890	2,025,274
Transfers out	(809,841)	(861,577)	-	-	(420,109)	(2,091,527)
Sale of capital assets	20,410	-	-	-	-	20,410
Total Other Financing Sources (Uses)	(728,449)	(861,577)	415,592	2,289,810	738,781	1,854,157
Net Change in Fund Balances	791,723	319,865	25,701	55,810	42,390	1,235,489
Fund Balances, Beginning	1,396,569	748,198	1,534,574	78,408	428,585	4,186,334
Prior Period Adjustment	-	-	-	-	40,941	40,941
Fund Balances, Ending	\$ 2,188,292	\$ 1,068,063	\$ 1,560,275	\$ 134,218	\$ 511,916	\$ 5,462,764

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, 2020

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

Net Change in Fund Balances - Total Governmental Funds	\$ 1,235,489
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.	(1,048,768)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the Statement of Net Position.	3,831,814
Repayment of noncurrent liabilities' principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	660,000
Governmental funds report proceeds from original issue premiums on debt in the year of issuance. However, these premiums are reported as an increase to the face amount of the debt in the Statement of Net Position and subsequently amortized in the Statement of Activities.	39,609
Net proceeds from issuance of noncurrent liabilities is recorded as income in the governmental funds. However, the issuance of noncurrent liabilities is recorded as a liability in the Statement of Net Position.	(1,900,000)
In the Statement of Activities interest is accrued on noncurrent liabilities, whereas in governmental funds, interest expense is reported when due.	4,201
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.	(91,408)
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.	(23,047)
Change in Net Position - Governmental Activities	<u>\$ 2,707,890</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 7,135,770	\$ 7,135,770	\$ 7,122,338	\$ (13,432)
Licenses and permits	360,700	360,700	279,367	(81,333)
Intergovernmental	54,200	54,200	405,600	351,400
Fines and forfeitures	450,000	450,000	378,619	(71,381)
Charges for services	106,340	106,340	79,532	(26,808)
Interest	31,000	31,000	26,644	(4,356)
Miscellaneous	207,600	46,876	41,489	(5,387)
Total Revenues	8,345,610	8,184,886	8,333,589	148,703
Expenditures:				
Current:				
General government:				
Administrative	422,770	828,164	747,160	81,004
Municipal council	81,411	109,424	43,673	65,751
Finance	615,200	538,000	57,883	480,117
Legal	433,046	433,046	320,983	112,063
Public Safety:				
Police	2,882,239	2,559,545	2,516,504	43,041
Fire	893,720	893,720	893,720	-
Streets and public works	1,202,367	1,202,367	625,334	577,033
Parks and recreation	1,076,750	1,076,750	911,443	165,307
Community development	379,300	379,300	321,927	57,373
Capital outlay	780,795	679,795	374,790	305,005
Total Expenditures	8,767,598	8,700,111	6,813,417	1,886,694
Excess (Deficiency) of Revenues Over (Under) Expenditures	(421,988)	(515,225)	1,520,172	2,035,397
Other Financing Sources (Uses):				
Transfers in	58,640	59,476	60,982	1,506
Transfers out	(814,381)	(788,203)	(809,841)	(21,638)
Sale of capital assets	5,000	5,000	20,410	15,410
Total Other Financing Sources (Uses)	(750,741)	(723,727)	(728,449)	(4,722)
Net Change in Fund Balance	\$ (1,172,729)	\$ (1,238,952)	791,723	\$ 2,030,675
Fund Balance, Beginning			1,396,569	
Fund Balance, Ending			\$ 2,188,292	

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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,403,000	\$ 1,725,673	\$ 238,543	\$ (1,487,130)
Intergovernmental	-	-	1,487,130	1,487,130
Charges for services	102,000	102,000	81,926	(20,074)
Miscellaneous	6,000	6,000	4,729	(1,271)
Total Revenues	<u>1,511,000</u>	<u>1,833,673</u>	<u>1,812,328</u>	<u>(21,345)</u>
Expenditures:				
Community Development	708,437	972,096	630,886	341,210
Total Expenditures	<u>708,437</u>	<u>972,096</u>	<u>630,886</u>	<u>341,210</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>802,563</u>	<u>861,577</u>	<u>1,181,442</u>	<u>319,865</u>
Other Financing Sources (Uses):				
Transfers out	(802,563)	(861,577)	(861,577)	-
Total Other Financing Sources (Uses)	<u>(802,563)</u>	<u>(861,577)</u>	<u>(861,577)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>319,865</u>	<u>\$ 319,865</u>
Fund Balance, Beginning			<u>748,198</u>	
Fund Balance, Ending			<u>\$ 1,068,063</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, 2020

	Transportation Special Revenue Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 350,000	\$ 350,000	\$ 396,803	\$ 46,803
Intergovernmental	670,000	770,000	748,173	(21,827)
Interest	30,000	30,000	22,820	(7,180)
Miscellaneous	-	40,000	40,000	-
Total Revenues	<u>1,050,000</u>	<u>1,190,000</u>	<u>1,207,796</u>	<u>17,796</u>
Expenditures:				
Current:				
Highways and public improvements	-	-	1,123,918	(1,123,918)
Capital outlay	<u>1,465,592</u>	<u>2,605,592</u>	<u>473,769</u>	<u>2,131,823</u>
Total Expenditures	<u>1,465,592</u>	<u>2,605,592</u>	<u>1,597,687</u>	<u>1,007,905</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(415,592)</u>	<u>(1,415,592)</u>	<u>(389,891)</u>	<u>1,025,701</u>
Other Financing Sources (Uses):				
Transfers in	<u>415,592</u>	<u>415,592</u>	<u>415,592</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>415,592</u>	<u>415,592</u>	<u>415,592</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (1,000,000)</u>	<u>\$ 25,701</u>	<u>\$ 1,025,701</u>
Fund Balance, Beginning			<u>1,534,574</u>	
Fund Balance, Ending			<u>\$ 1,560,275</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, 2020

	Business-type Activities - Enterprise Funds				
	Water Utility Fund	Drainage Utility Fund	Sanitation Fund	Telecom Fund	Totals
Assets:					
Current Assets:					
Cash and cash equivalents	\$ 456,484	\$ 1,807,968	\$ 87,651	\$ -	\$ 2,352,103
Accounts receivable, net	306,269	111,861	102,296	17,304	537,730
Inventory	260,191	-	-	-	260,191
Prepays	54,050	-	-	-	54,050
Restricted cash and cash equivalents	107,197	-	-	-	107,197
Total Current Assets	1,184,191	1,919,829	189,947	17,304	3,311,271
Noncurrent Assets:					
Notes receivable	-	-	-	898,223	898,223
Capital assets not being depreciated:					
Water stock and rights	48,617	-	-	-	48,617
Land	236,909	-	-	-	236,909
Construction in progress	520,811	179,952	-	-	700,763
Capital assets being depreciated:					
Buildings	3,501,966	-	-	-	3,501,966
Distribution and collection systems	17,889,154	5,527,925	-	-	23,417,079
Machinery and equipment	744,656	156,113	-	-	900,769
Accumulated depreciation	(7,949,771)	(1,234,052)	-	-	(9,183,823)
Total Noncurrent Assets	14,992,342	4,629,938	-	898,223	20,520,503
Total Assets	16,176,533	6,549,767	189,947	915,527	23,831,774
Deferred Outflows of Resources					
Deferred charge on refunding	12,309	2,016	-	-	14,325
Deferred outflows of resources relating to pensions	54,528	7,462	-	-	61,990
Total Deferred Outflows of Resources	66,837	9,478	-	-	76,315
Total Assets and Deferred Outflows of Resources	\$ 16,243,370	\$ 6,559,245	\$ 189,947	\$ 915,527	\$ 23,908,089

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, 2020

	Business-type Activities - Enterprise Funds				
	Water Utility Fund	Drainage Utility Fund	Sanitation Fund	Telecom Fund	Totals
Liabilities:					
Current Liabilities:					
Accounts payable	\$ 286,363	\$ 135,234	\$ 83,882	\$ -	\$ 505,479
Accrued liabilities	7,731	1,382	-	-	9,113
Accrued interest payable	13,035	3,773	-	-	16,808
Compensated absences, current portion	29,000	6,000	-	-	35,000
Notes payable, current portion	-	-	-	104,022	104,022
Bonds payable, current portion	206,000	99,000	-	-	305,000
Total Current Liabilities	<u>542,129</u>	<u>245,389</u>	<u>83,882</u>	<u>104,022</u>	<u>975,422</u>
Noncurrent Liability:					
Compensated absences, net of current portion	24,464	12,999	-	-	37,463
Notes payable, net of current portion	-	-	-	794,201	794,201
Bonds payable, net of current portion	1,140,650	294,950	-	-	1,435,600
Net pension liability	113,327	16,753	-	-	130,080
Total Noncurrent Liability	<u>1,278,441</u>	<u>324,702</u>	<u>-</u>	<u>794,201</u>	<u>2,397,344</u>
Total Liabilities	<u>1,820,570</u>	<u>570,091</u>	<u>83,882</u>	<u>898,223</u>	<u>3,372,766</u>
Deferred Inflows of Resources					
Deferred inflows of resources relating to pensions	69,550	10,282	-	-	79,832
Total Deferred Outflows of Resources	<u>69,550</u>	<u>10,282</u>	<u>-</u>	<u>-</u>	<u>79,832</u>
Net Position:					
Net investment in capital assets	13,645,692	4,235,988	-	-	17,881,680
Restricted for:					
Future development	14,800	-	-	-	14,800
Unrestricted	692,758	1,742,884	106,065	17,304	2,559,011
Total Net Position	<u>14,353,250</u>	<u>5,978,872</u>	<u>106,065</u>	<u>17,304</u>	<u>20,455,491</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 16,243,370</u>	<u>\$ 6,559,245</u>	<u>\$ 189,947</u>	<u>\$ 915,527</u>	<u>\$ 23,908,089</u>

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

Centerville City Corporation
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET POSITION – PROPRIETARY FUNDS
For The Year Ended June 30, 2020

	Business-type Activities - Enterprise Funds				
	Water Utility Fund	Drainage Utility Fund	Sanitation Fund	Telecom Fund	Totals
Operating Revenues:					
Charges for services	\$ 2,779,796	\$ 1,263,911	\$ 1,178,018	\$ 233,863	\$ 5,455,588
Connection and servicing	11,878	-	7,149	-	19,027
Miscellaneous	-	-	440	-	440
Total Operating Revenues	2,791,674	1,263,911	1,185,607	233,863	5,475,055
Operating Expenses:					
Salaries and wages	345,620	47,871	-	-	393,491
Employee benefits	182,529	29,765	-	-	212,294
Maintenance and repairs	570,399	389,131	15,608	-	975,138
General and administrative	699,949	290,464	141,474	5,283	1,137,170
Utilities	78,296	4,464	-	-	82,760
Professional and technical services	11,654	38,435	5,577	228,335	284,001
Solid waste collection and disposal	-	-	991,279	-	991,279
Water purchases	104,178	-	-	-	104,178
Depreciation	467,607	106,354	-	-	573,961
Total Operating Expenses	2,460,232	906,484	1,153,938	233,618	4,754,272
Operating Income (Loss)	331,442	357,427	31,669	245	720,783
Nonoperating Income (Expense):					
Interest income	10,744	29,444	854	195	41,237
Interest expense	(32,715)	(8,340)	-	-	(41,055)
Total Nonoperating Income (Expense)	(21,971)	21,104	854	195	182
Income (Loss) Before Capital Contributions and Transfers	309,471	378,531	32,523	440	720,965
Capital Contributions:					
Impact fees	40,523	23,931	-	-	64,454
Construction fees	117,658	-	-	-	117,658
Changes in Net Position	467,652	402,462	32,523	440	903,077
Net Position, Beginning	13,885,598	5,576,410	73,542	16,864	19,552,414
Net Position, Ending	\$ 14,353,250	\$ 5,978,872	\$ 106,065	\$ 17,304	\$ 20,455,491

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, 2020

	Business-type Activities - Enterprise Funds				
	Water Utility Fund	Drainage Utility Fund	Sanitation Fund	Telecom Fund	Totals
Cash Flows From Operating Activities:					
Receipts from customers and users	\$ 2,782,649	\$ 1,268,031	\$ 1,176,925	\$ 233,063	\$ 5,460,668
Payments to suppliers	(1,302,609)	(623,884)	(1,143,434)	(233,618)	(3,303,545)
Payments to employees and related benefits	(528,795)	(75,728)	-	-	(604,523)
Net cash flows from operating activities	951,245	568,419	33,491	(555)	1,552,600
Cash Flows From Capital and Related Financing Activities:					
Purchase of property and equipment	(974,318)	(416,979)	-	-	(1,391,297)
Receipt of developer construction fees	158,181	23,931	-	-	182,112
Principal paid on bonds	(221,000)	(64,000)	-	-	(285,000)
Interest paid on bonds	(43,368)	(11,911)	-	-	(55,279)
Net cash flows from capital and related financing activities	(1,080,505)	(468,959)	-	-	(1,549,464)
Cash Flows From Investing Activity:					
Interest on investments	10,744	29,444	854	195	41,237
Net cash flows from investing activity	10,744	29,444	854	195	41,237
Net Increase (Decrease) In Cash	(118,516)	128,904	34,345	(360)	44,373
Cash and Cash Equivalents At Beginning Of Year	682,197	1,679,064	53,306	360	2,414,927
Cash and Cash Equivalents At End Of Year	\$ 563,681	\$ 1,807,968	\$ 87,651	\$ -	\$ 2,459,300
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	\$ 331,442	\$ 357,427	\$ 31,669	\$ 245	\$ 720,783
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation expense	467,607	106,354	-	-	573,961
(Increase) Decrease in accounts receivables	(9,025)	4,120	(8,682)	(800)	(14,387)
(Increase) Decrease in inventory	316	-	-	-	316
(Increase) Decrease in prepaids	(5,797)	-	-	-	(5,797)
Increase (Decrease) in accounts payable	167,348	98,610	10,504	-	276,462
Increase (Decrease) in accrued liabilities	(458)	(205)	-	-	(663)
Increase (Decrease) in pension activity	(5,253)	(776)	-	-	(6,029)
Increase (Decrease) in paid time off payable	5,065	2,889	-	-	7,954
Net cash from operating activities	\$ 951,245	\$ 568,419	\$ 33,491	\$ (555)	\$ 1,552,600
Noncash investing, capital, and financing activities:					
Noncash additions to notes payable	\$ -	\$ -	\$ -	\$ 10,800	\$ 10,800

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

Centerville City Corporation
STATEMENT OF NET POSITION – FIDUCIARY FUND
June 30, 2020

	Whitaker Trust Fund
Assets:	
Cash and cash equivalents	\$ 45,975
Capital assets, net of accumulated depreciation:	
Infrastructure	37,325
Total Assets	<u>83,300</u>
Liabilities:	
Accounts payable	20,073
Total Liabilities	<u>20,073</u>
Net Position:	
Unrestricted	63,227
Total Net Position	<u><u>\$ 63,227</u></u>

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

Centerville City Corporation
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUND
For the Year Ended June 30, 2020

	Whitaker Trust Fund
Additions	
Grants	\$ 7,500
Interest income	500
Donations	279
Rental income	950
Transfers in	66,254
Total additions	75,483
Deductions	
Administrative	68,716
Depreciation	2,715
Total deductions	71,431
Changes in Net Position	4,052
Net Position, Beginning	59,175
Net Position, Ending	\$ 63,227

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

Centerville City Corporation

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Reporting Entity

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

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

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

B. Basis of Presentation - Government-Wide Financial Statements

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

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

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

C. Basis of Presentation – Fund Financial Statements

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

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

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major enterprise funds:

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

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

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

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

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

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

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

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures, as well as expenditures related to compensated absences and termination benefits, are recorded only when payment is due. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

Cash and Cash Equivalents

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

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

The City categorizes the fair value measurements of its PTIF investments based on the hierarchy established by general accepted accounting principles. The fair value hierarchy, which has three levels, is based on valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Fair value measurements of the City's investments in PTIF at June 30, 2020, of \$7,279,814 are based on significant other observable inputs (Level 2 inputs).

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Accounts Receivable and Allowance for Doubtful Accounts

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

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

The City considers all other receivables to be fully collectible.

Inventories and Prepaid Items

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

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

Interfund Transactions

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

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

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets

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

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

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

Deferred Outflows/Inflows of Resources

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

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

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Developer and Customer Deposits

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

Compensated Absences

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

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

Long-Term Obligations

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

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

Pensions

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

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Equity

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

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

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

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

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

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

Use of Restricted Assets

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

Estimates and Assumptions

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

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

Program Revenues

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

Tax Revenues

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

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

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

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budgetary Process and Basis of Accounting

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

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

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

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

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

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

State law requires that departments or funds do not exceed the amounts appropriated in the final adopted budget. For the year ended June 30, 2020, the Park Improvements Capital Projects fund had expenditures in excess of final budgeted appropriations of \$89,997.

B. Fund Balance

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

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds. Investments are stated at cost, which approximate fair value. Each fund's portion of this pool is displayed on the combined balance sheet as "cash and cash equivalents" and "restricted cash and cash equivalents," which includes cash accounts that are separately held by several of the City's funds.

The City's deposit and investment policy is to follow the Utah Money Management Act; however, the City does not have a separate deposit and investment policy that addresses specific types of deposit and investment risks to which the City is exposed.

Components of cash and investments (including interest earning deposits) at June 30, 2020 are as follows:

Cash on hand and on deposit:

Petty Cash	\$ 966
Cash on Deposit	670,998
PTIF Investment	<u>7,279,814</u>
Total cash and investments	<u>\$ 7,951,778</u>

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

Cash and cash equivalents	\$ 5,400,604
Restricted cash and cash equivalents	2,505,199
Fiduciary fund cash	<u>45,975</u>
Total cash and investments	<u>\$ 7,951,778</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, 2020, \$381,715 of the City's \$648,333 balance of deposits was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for limiting the credit risks of investments is to comply with the Utah Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Services or Standard and Poors; banker acceptance obligations of the U.S. Treasury and U.S. government sponsored enterprises; bonds and notes of political subdivisions of the State of Utah; fixed rate corporate obligations and variable rate.

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

A. Cash and Investments (Continued)

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

Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The City manages its exposure by investing mainly in the Utah Public Treasurer’s Investment Fund and by adhering to the Utah Money Management Act. The Act requires that the remaining term to maturity may not exceed the period of availability of the funds to be invested. The city has no formal policy relating to a specific investment-related risk.

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

The City invests in the Public Treasurer’s Investment Fund (PTIF) which is a voluntary external Local Governmental Investment Pool managed by the Utah State Treasurer’s Office and is audited by the Utah State Auditor. No separate report as an external investment pool has been issued for the PTIF. The PTIF is not registered with the SEC as an investment company and is not rated. The PTIF is authorized and regulated by the Utah Money Management Act, (Utah Code Title 51, Chapter 7). The PTIF invests in high-grade securities which are delivered to the custody of the Utah State Treasurer, assuring a perfected interest in the securities, and, therefore, there is very little credit risk except in the most unusual and unforeseen circumstances. The maximum weighted average life of the portfolio does not exceed 90 days.

Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments. The PTIF operates and reports to participants on an amortized cost basis, which approximates fair value at year end. The income, gains, and losses, net of administration fees, of the PTIF are allocated to participants on the ratio of the participant’s share to the total funds in the PTIF based on the participant’s average daily balance. The PTIF allocates income and issues statements on a monthly basis. Additional information is available at the Utah State Treasures’ Office. At year end, the City utilizes a fair value per share factor to estimate the fair value of the investment as of June 30. As of June 30, 2020, the fair value per share factor for investments in the PTIF was 1.002448.

For the year ended June 30, 2020, the City had investments of \$7,297,814 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, 2020, the City had the following cash and investments:

	<u>Carrying Value</u>	<u>Fair Value Factor</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Avg. Maturity (Years)</u>
Cash on hand and on deposit:					
Cash on hand \$	966	1	\$ 966	N/A	N/A
Cash on deposit	670,998	1	670,998	N/A	N/A
Utah State Treasurer's investment pool accounts	<u>7,279,814</u>	1.002448	<u>7,297,635</u>	N/A	39.84
Total cash on hand and deposit	<u>\$ 7,951,778</u>		<u>\$ 7,969,599</u>		

B. Interfund Transfers

The transfers among the funds for the year ended June 30, 2020, were as follows:

<u>Fund Transferring Out</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 73,000
General Fund	Transportation	415,592
General Fund	UTOPIA Capital Projects Fund	256,749
General Fund	Fiduciary Fund	44,500
General Fund	Park Improvement Capital Projects Fund	20,000
Redevelopment Agency	General Fund	32,436
Redevelopment Agency	UTOPIA Capital Projects Fund	236,178
Redevelopment Agency	Arts Center Debt Service Fund	592,963
Rap Tax Fund	Misc Park Projects	369,810
Rap Tax Fund	Fiduciary Fund	21,754
Nonmajor Governmental Funds	General Fund	<u>28,545</u>
		<u>\$ 2,091,527</u>

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

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

C. Capital Assets

Capital assets activity for the year ended June 30, 2020, is as follows:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Governmental Activities:				
Capital assets, not being depreciated:				
Land and collectibles	\$ 7,718,450	\$ -	\$ -	\$ 7,718,450
Construction in progress	336,201	2,749,542	(240,253)	2,845,490
Total capital assets, not being depreciated	8,054,651	2,749,542	(240,253)	10,563,940
Capital assets, being depreciated:				
Buildings and improvements	18,627,847	6,540	-	18,634,387
Infrastructure	10,378,316	473,769	-	10,852,085
Machinery and equipment	3,101,820	35,268	(16,455)	3,120,633
Autos and trucks	2,814,016	573,235	(78,852)	3,308,399
Total capital assets, being depreciated	34,921,999	1,088,812	(95,307)	35,915,504
Less accumulated depreciation for:				
Buildings and improvements	(5,439,389)	(456,070)	-	(5,895,459)
Infrastructure	(1,776,309)	(226,920)	-	(2,003,229)
Machinery and equipment	(2,068,421)	(158,854)	16,455	(2,210,820)
Autos and trucks	(2,160,638)	(206,924)	70,266	(2,297,296)
Total accumulated depreciation	(11,444,757)	(1,048,768)	86,721	(12,406,804)
Total capital assets being depreciated, net	23,477,242	40,044	(8,586)	23,508,700
Governmental Activities capital assets, net	\$ 31,531,893	\$ 2,789,586	\$ (248,839)	\$ 34,072,640

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

Governmental Activities:	
General government	\$ 577,770
Public safety	84,664
Highways and public improvements	197,208
Parks and recreation	189,126
Total depreciation expense - governmental activities	\$ 1,048,768

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

C. Capital Assets (Continued)

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Business-type Activities:				
Capital assets, not being depreciated:				
Water stock and rights	\$ 48,617	\$ -	\$ -	\$ 48,617
Land	236,909	-	-	236,909
Construction in progress	-	700,763	-	700,763
Total capital assets, not being depreciated	285,526	700,763	-	986,289
Capital assets, being depreciated:				
Buildings and improvements	3,501,967	-	-	3,501,967
Reservoirs	984,857	-	-	984,857
Water distribution system	16,486,639	417,656	-	16,904,295
Sub-drain system	2,046,416	-	-	2,046,416
Storm drain system	3,248,256	233,254	-	3,481,510
Machinery and equipment	861,144	39,625	-	900,769
Total capital assets, being depreciated	27,129,279	690,535	-	27,819,814
Less accumulated depreciation for:				
Buildings and improvements	(1,070,531)	(71,826)	-	(1,142,357)
Reservoirs	(796,810)	(12,596)	-	(809,406)
Water distribution system	(5,070,220)	(334,495)	-	(5,404,715)
Sub-drain system	(511,469)	(40,928)	-	(552,397)
Storm drain system	(463,892)	(65,108)	-	(529,000)
Machinery and equipment	(696,940)	(49,008)	-	(745,948)
Total accumulated depreciation	(8,609,862)	(573,961)	-	(9,183,823)
Total capital assets being depreciated, net	18,519,417	116,574	-	18,635,991
Business-type Activities capital assets, net	\$ 18,804,943	\$ 817,337	\$ -	\$ 19,622,280

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

Business-type Activities:	
Water	\$ 467,607
Drainage	106,354
Total depreciation expense - business-type activities	\$ 573,961

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

C. Capital Assets (Continued)

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Fiduciary Fund:				
Capital assets, being depreciated:				
Machinery and equipment	\$ 47,468	\$ -	\$ -	\$ 47,468
Total capital assets, being depreciated	47,468	-	-	47,468
Less accumulated depreciation for:				
Machinery and equipment	(7,428)	(2,715)	-	(10,143)
Total accumulated depreciation	(7,428)	(2,715)	-	(10,143)
Total capital assets being depreciated, net	40,040	(2,715)	-	37,325
Fiduciary Fund capital assets, net	\$ 40,040	\$ (2,715)	\$ -	\$ 37,325

Depreciation expense in the fiduciary fund was \$2,715 for the year ended June 30, 2020.

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

D. Long-Term Liabilities

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2020:

	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2020</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
Revenue bonds	\$ 1,120,000	\$ -	\$ (550,000)	\$ 570,000	\$ 570,000
Plus: unamortized premium	79,213	-	(39,609)	39,604	-
Total bonds payable	<u>1,199,213</u>	<u>-</u>	<u>(589,609)</u>	<u>609,604</u>	<u>570,000</u>
Notes Payable	400,000	-	(100,000)	300,000	100,000
Compensated absences	539,924	262,056	(220,754)	581,226	220,000
Capital Lease	-	1,900,000	(10,000)	1,890,000	217,000
Termination benefits	17,180	-	(7,618)	9,562	8,422
Outstanding claims	35,870	914	(11,555)	25,229	13,186
Net pension liability	<u>3,035,117</u>	<u>-</u>	<u>(1,347,458)</u>	<u>1,687,659</u>	<u>-</u>
Total Governmental activities long-term liabilities	<u>5,227,304</u>	<u>2,162,970</u>	<u>(2,286,994)</u>	<u>5,103,280</u>	<u>1,128,608</u>
Business-type Activities:					
Bonds payable:					
Revenue bonds	1,875,000	-	(285,000)	1,590,000	305,000
Plus: unamortized premium	163,696	-	(13,096)	150,600	-
Total bonds payable	2,038,696	-	(298,096)	1,740,600	305,000
Notes payable	1,045,765	10,800	(158,342)	898,223	104,022
Compensated absences	64,514	43,450	(35,501)	72,463	35,000
Net pension liability	<u>308,421</u>	<u>-</u>	<u>(178,341)</u>	<u>130,080</u>	<u>-</u>
Total Business-type activities long-term liabilities	<u>3,457,396</u>	<u>54,250</u>	<u>(670,280)</u>	<u>2,841,366</u>	<u>444,022</u>
Total long-term liabilities	<u>\$ 8,684,700</u>	<u>\$ 2,217,220</u>	<u>\$ (2,957,274)</u>	<u>\$ 7,944,646</u>	<u>\$ 1,572,630</u>

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

D. Long-Term Liabilities (Continued)

Revenue Bonds

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

Revenue bonds outstanding at June 30, 2020, 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, 2020</u>
Governmental Activities:						
Sales Tax Revenue Bonds, Series 2009	Arts Center	\$ 11,655,000	Nov 1 and May 1	3% - 4%	May 1, 2021	\$ 570,000
Business-type Activities:						
Water Revenue Refunding Bonds, Series 2012	Water system improvements	\$ 4,210,000	Sept 1 and Mar 1	2% - 4%	Sept 1, 2031	\$ 1,590,000

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

<u>Year Ending June 30,</u>	Governmental Activities Revenue Bonds	
	<u>Principal</u>	<u>Interest</u>
2021	570,000	20,663
	<u>\$ 570,000</u>	<u>\$ 20,663</u>
<u>Year Ending June 30,</u>	Business-type Activities Revenue Bonds	
	<u>Principal</u>	<u>Interest</u>
2021	305,000	46,613
2022	100,000	41,550
2023	100,000	39,050
2024	105,000	36,225
2025	110,000	33,000
2026-2030	595,000	111,025
2031-2032	275,000	11,100
	<u>\$ 1,590,000</u>	<u>\$ 318,563</u>

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

D. Long-Term Liabilities (Continued)

Notes Payable

During fiscal year 2018 the city entered into a note payable to fund the construction of a park. The original note was for \$500,000. The city will make five yearly principal payments of \$100,000. During fiscal year 2020 the city paid \$100,000 in principal and \$12,992 in interest. Interest is calculated at the end of each year based on the PTIF rate.

During fiscal year 2020 the city entered into a note payable to fund the construction of a park. The original note was for \$1,900,000. Principal and interest are due in annual installments with the final note maturing in June 2026.

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

Year Ending June 30,	Governmental Activities	
	Note Payable	
	Principal	Interest
2021	217,000	50,652
2022	237,000	44,836
2023	259,000	38,485
2024	381,000	31,544
2025	405,000	21,333
2026	391,000	10,479
	<u>\$ 1,890,000</u>	<u>\$ 197,329</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, 2020 are as follows:

Year Ending June 30,	Business-type Activities	
	Notes Payable	
	Principal	Interest
2021	104,022	64,218
2022	103,255	59,825
2023	66,351	53,199
2024	60,167	47,143
2025	60,106	2,254
2026-2030	318,042	139,778
2031-2035	178,894	25,506
2036-2039	7,386	915
	<u>\$ 898,223</u>	<u>\$ 392,838</u>

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

D. Long-Term Liabilities (Continued)

Compensated Absences and Net Pension Liability

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

Termination Benefits

The City has allowed employees who retire with banked sick leave and other compensated absences the option of receiving medical insurance coverage through the City's health insurance provider in lieu of payout. As of June 30, 2020, there was 1 employee who elected to remain on the City's health insurance at retirement. The termination benefit liability is the balance available for payment on health insurance premiums and approximates the present value of estimated future insurance premium costs discounted using a 2% rate and a health cost trend rate of 2.5% compounding over the period of availability. The liability for termination benefits is expected to be liquidated by the general fund by June 30, 2020.

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

E. Pensions

Plan Description

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

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

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

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

Benefits Provided

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

Summary of Benefits by System

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

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

E. Pensions (Continued)

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

* With actuarial reductions

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

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2020 are as follows:

Utah Retirement Systems

	Employee	Employer	Employer 401(k)
Contributory System			
11 - Local Governmental Division Tier 1	6.00%	14.46%	N/A
111 - Local Governmental Division Tier 2	N/A	15.66%	1.03%
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	18.47%	N/A
Public Safety Retirement System			
Contributory			
122 - Tier 2 DB Hybrid Public Safety	N/A	23.13%	0.70%
Noncontributory			
43 Other Div A with 2.5% COLA	N/A	34.04%	N/A
Tier 2 DC Only			
211 - Local Government	N/A	6.69%	10.00%
222 - Public Safety	N/A	11.83%	12.00%

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

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

E. Pensions (Continued)

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

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 274,129	N/A
Contributory System	29,761	\$ 12,349
Public Safety System	358,183	-
Tier 2 Public Employees System	79,647	-
Tier 2 Public Safety and Firefighter System	35,033	-
Tier 2 DC Only System	5,734	N/A
Tier 2 DC Public Safety and Firefighter System	5,763	N/A
Total Net Pension Asset / Liability	<u>\$ 788,250</u>	<u>\$ 12,349</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, 2020, we reported a net pension asset of \$0 and a net pension liability of \$1,817,739.

System	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share 12/31/2018	Change (Decrease)
Noncontributory System	\$ -	\$ 648,291	0.1720121%	0.1717530%	0.0002591%
Contributory System	-	72,802	1.1108619%	1.0117884%	0.0990735%
Public Safety System	-	1,083,496	0.6748155%	0.6435060%	0.0313095%
Tier 2 Public Employees System	-	6,937	0.0308457%	0.0274036%	0.0034421%
Tier 2 Public Safety and Firefighter System	-	6,213	0.0660525%	0.0398694%	0.0261831%
Total Net Pension Asset / Liability	<u>\$ -</u>	<u>\$ 1,817,739</u>			

The net pension asset and liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2019 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2020, we recognized pension expense of \$873,568.

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

E. Pensions (Continued)

At June 30, 2020, 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	\$ 81,613	\$ 34,831
Changes in assumptions	110,070	255
Net difference between projected and actual earnings on pension plan investments	-	886,420
Changes in proportion and differences between contributions and proportionate share of contributions	49,530	51,870
Contributions subsequent to the measurement date	393,155	-
Total	<u>\$ 634,368</u>	<u>\$ 973,376</u>

\$393,155 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, 2019.

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

Year Ended December 31,		Deferred Outflows (inflows) of Resources
	2020	\$ (204,887)
	2021	\$ (214,960)
	2022	\$ 15,094
	2023	\$ (334,833)
	2024	\$ 922
	Thereafter	\$ 6,501

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

E. Pensions (Continued)

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

For the year ended June 30, 2020, we recognized pension expense of \$292,252.

At June 30, 2020, 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	\$ 58,970	\$ 9,312
Changes in assumptions	68,662	-
Net difference between projected and actual earnings on pension plan investments	-	327,847
Changes in proportion and differences between contributions and proportionate share of contributions	1,740	50,998
Contributions subsequent to the measurement date	133,152	-
Total	<u>\$ 262,524</u>	<u>\$ 388,157</u>

\$133,152 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, 2019.

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

<u>Year Ended December 31,</u>		Deferred Outflows (inflows) of Resources
	2020	\$ (63,490)
	2021	\$ (80,440)
	2022	\$ 9,787
	2023	\$ (124,641)
	2024	\$ -
	Thereafter	\$ -

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

E. Pensions (Continued)

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

For the year ended June 30, 2020, we recognized pension expense of \$7,670.

At June 30, 2020, 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	-	181,734
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	15,044	-
Total	<u>\$ 15,044</u>	<u>\$ 181,734</u>

\$15,044 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, 2019.

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

<u>Year Ended December 31,</u>	Deferred Outflows (inflows) of Resources
2020	\$ (64,322)
2021	\$ (52,941)
2022	\$ 3,329
2023	\$ (67,800)
2024	\$ -
Thereafter	\$ -

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

E. Pensions (Continued)

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

For the year ended June 30, 2020, we recognized pension expense of \$516,365.

At June 30, 2020, 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	\$ 18,844	\$ 23,136
Changes in assumptions	36,970	-
Net difference between projected and actual earnings on pension plan investments	-	369,979
Changes in proportion and differences between contributions and proportionate share of contributions	41,404	-
Contributions subsequent to the measurement date	179,821	-
Total	<u>\$ 277,039</u>	<u>\$ 393,115</u>

\$179,821 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, 2019.

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

<u>Year Ended December 31,</u>		Deferred Outflows (inflows) of Resources
	2020	\$ (76,153)
	2021	\$ (80,788)
	2022	\$ 1,624
	2023	\$ (140,580)
	2024	\$ -
	Thereafter	\$ -

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

E. Pensions (Continued)

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

For the year ended June 30, 2020, we recognized pension expense of \$39,038.

At June 30, 2020, 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	\$ 1,941	\$ 2,381
Changes in assumptions	2,962	199
Net difference between projected and actual earnings on pension plan investments	-	5,333
Changes in proportion and differences between contributions and proportionate share of contributions	5,880	-
Contributions subsequent to the measurement date	45,187	-
Total	<u>\$ 55,970</u>	<u>\$ 7,913</u>

\$45,187 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, 2019.

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

<u>Year Ended December 31,</u>		Deferred Outflows (inflows) of Resources
	2020	\$ (704)
	2021	\$ (600)
	2022	\$ 311
	2023	\$ (1,398)
	2024	\$ 735
	Thereafter	\$ 4,526

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

E. Pensions (Continued)

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

For the year ended June 30, 2020, we recognized pension expense of \$18,243.

At June 30, 2020, 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	\$ 1,858	\$ 2
Changes in assumptions	1,476	56
Net difference between projected and actual earnings on pension plan investments	-	1,527
Changes in proportion and differences between contributions and proportionate share of contributions	506	872
Contributions subsequent to the measurement date	19,950	-
Total	<u>\$ 23,790</u>	<u>\$ 2,457</u>

\$19,950 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, 2019.

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

<u>Year Ended December 31,</u>		Deferred Outflows (inflows) of Resources
	2020	\$ (217)
	2021	\$ (191)
	2022	\$ 44
	2023	\$ (414)
	2024	\$ 187
	Thereafter	\$ 1,975

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

E. Pensions (Continued)

Actuarial Assumptions

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

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

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2019, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

The long-term expected rate of return 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 Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	40%	6.15%	2.46%
Debt securities	20%	0.40%	0.08%
Real Assets	15%	5.75%	0.86%
Private equity	9%	9.95%	0.90%
Absolute return	16%	2.85%	0.45%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		4.75%
Inflation			2.50%
Expected arithmetic nominal return			7.25%

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

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

E. Pensions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate remained unchanged at 6.95 percent.

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

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Proportionate share of			
Noncontributory System	\$ 2,024,839	\$ 648,291	\$ (499,735)
Contributory System	568,347	72,802	(345,069)
Public Safety System	2,806,674	1,083,496	(316,919)
Tier 2 Public Employees System	59,825	6,937	(33,935)
Tier 2 Public Safety and Firefighter System	21,949	6,213	(5,468)
	<u>\$ 5,481,634</u>	<u>\$ 1,817,739</u>	<u>\$ (1,201,126)</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.

F. Prior Period Adjustment

During the year the City noted that an invoice had been expensed in the incorrect year. To correct the error the City recorded a prior period adjustment to increase the prior year fund balance of the Utopia Capital Projects fund by \$40,941. This also increased the governmental activities net position by the same amount.

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	2020	\$ 83,732	\$ 20,716
	2019	\$ 78,632	\$ 20,632
	2018	\$ 73,255	\$ 16,021
	2017	\$ 76,768	\$ 7,504
	2016	\$ 74,431	\$ 9,559
	2015	\$ 56,735	\$ 31,340
457 Plan	2020	\$ 14,967	\$ -
	2019	\$ 9,076	\$ -
	2018	\$ 9,803	\$ -
	2017	\$ 6,206	\$ -
	2016	\$ 5,486	\$ -
	2015	\$ 2,200	\$ -
Roth IRA Plan	2020	\$ 16,500	N/A
	2019	\$ 13,422	N/A
	2018	\$ 9,073	N/A
	2017	\$ 9,117	N/A
	2016	\$ 4,170	N/A
	2015	\$ 4,362	N/A

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

H. Risk Management

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

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

Liability at June 30, 2019	\$ 35,870
Claims incurred	914
Payments on claims	(11,555)
Liability at June 30, 2020	<u>\$ 25,229</u>

I. Interlocal Agreements

Utah Telecommunications Open Infrastructure Agency (UTOPIA)

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

The City is a pledging member who has pledged sales and use tax revenues to partially guarantee payment of UTOPIA's bonds. In return for the pledge, the City will be among the first cities to receive UTOPIA's services. In December 2011, UTOPIA issued an \$185,000,000 revenue refunding bond, which will become due in June 2040. The debt service payments will be made by the 11 pledging members according to their respective percentages up to a specific dollar amount. The City's percentage of the Debt Service Reserve shortfall is 3.34% with a yearly liability limit set at a maximum of \$501,115 for the coming year ended June 30, 2021. 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, 2020 totaled \$491,289. The aggregate amount paid to UTOPIA of \$4,660,495 as of June 30, 2020, is considered to be a note receivable but the entire amount has been reserved and is not expected to be repaid. UTOPIA issues annual audited financial statements which are available either from UTOPIA or the Utah State Auditor.

Centerville City Corporation
NOTES TO FINANCIAL STATEMENTS (Continued)

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

I. Interlocal Agreements (Continued)

Utah Infrastructure Agency (UIA)

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

UIA may also establish, as needed, Working Capital Assessments to its member cities to help cover any operational expense (OpEx) shortfall. Under a shortfall scenario, UIA notifies the member cities of their respective obligations to utilize Energy Sales and Use Taxes to replenish the shortfall. The amounts assessed and paid during the year ended June 30, 2020, totaled \$0. The aggregate amount paid to UIA of \$221,373 as of June 30, 2020, together with accrued interest of \$20,921, is considered to be a note receivable, and will be repaid over the next two years. UIA issues annual audited financial statements which are available either from UIA or the Utah State Auditor.

J. Commitments and Contingencies

The City had \$1,218,822 of outstanding construction commitments at June 30, 2020.

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, 2020:

Tax increment collected for each project area

Parish Lane	\$ 1,038,410
Legacy Crossing	309,425
Barnard Creek	141,660
Parish Gateway	236,178
	<hr/>
	\$ 1,725,673
	<hr/>

Amounts expended for:

Administrative costs	\$ 237,583
Tax increment paid to other entities	393,303
	<hr/>
Total amounts expended by RDA	\$ 630,886
	<hr/>

Outstanding bonds and loans to finance RDA projects	\$ -
	<hr/>

REQUIRED SUPPLEMENTAL INFORMATION

Centerville City Corporation
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2020
Last 10 Fiscal years *

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

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

Centerville City Corporation
SCHEDULE OF CONTRIBUTIONS
June 30, 2020
Last 10 Fiscal years *

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2014	\$ 288,878	\$ 288,878	\$ -	\$ 1,670,781	17.29%
	2015	\$ 313,509	\$ 313,509	\$ -	\$ 1,697,397	18.47%
	2016	\$ 321,921	\$ 321,921	\$ -	\$ 1,742,940	18.47%
	2017	\$ 319,680	\$ 319,680	\$ -	\$ 1,730,802	18.47%
	2018	\$ 293,648	\$ 293,648	\$ -	\$ 1,590,708	18.46%
	2019	\$ 267,275	\$ 267,275	\$ -	\$ 1,447,077	18.47%
	2020	\$ 274,129	\$ 274,129	\$ -	\$ 1,495,931	18.32%
Contributory System	2014	\$ 22,617	\$ 22,617	\$ -	\$ 176,727	12.80%
	2015	\$ 25,938	\$ 25,938	\$ -	\$ 179,377	14.46%
	2016	\$ 26,557	\$ 26,557	\$ -	\$ 183,659	14.46%
	2017	\$ 26,273	\$ 26,273	\$ -	\$ 181,692	14.46%
	2018	\$ 27,922	\$ 27,922	\$ -	\$ 194,471	14.36%
	2019	\$ 27,380	\$ 27,380	\$ -	\$ 193,467	14.15%
	2020	\$ 29,761	\$ 29,761	\$ -	\$ 205,817	14.46%
Public Safety System	2014	\$ 254,557	\$ 254,557	\$ -	\$ 934,612	27.24%
	2015	\$ 287,628	\$ 287,628	\$ -	\$ 973,840	29.54%
	2016	\$ 304,712	\$ 304,712	\$ -	\$ 938,290	32.48%
	2017	\$ 322,062	\$ 322,062	\$ -	\$ 975,614	33.01%
	2018	\$ 342,975	\$ 342,975	\$ -	\$ 1,007,564	34.04%
	2019	\$ 344,752	\$ 344,752	\$ -	\$ 1,012,783	34.04%
	2020	\$ 358,183	\$ 358,183	\$ -	\$ 1,052,241	34.04%
Tier 2 Public Employees System **	2014	\$ 14,062	\$ 14,062	\$ -	\$ 100,204	14.03%
	2015	\$ 15,453	\$ 15,453	\$ -	\$ 104,452	14.79%
	2016	\$ 17,078	\$ 17,078	\$ -	\$ 115,128	14.83%
	2017	\$ 26,235	\$ 26,235	\$ -	\$ 175,954	14.91%
	2018	\$ 37,525	\$ 37,525	\$ -	\$ 250,605	14.97%
	2019	\$ 57,477	\$ 57,477	\$ -	\$ 370,647	15.51%
	2020	\$ 79,647	\$ 79,647	\$ -	\$ 508,606	15.66%
Tier 2 Public Safety and Firefighter System **	2014	\$ -	\$ -	\$ -	\$ -	0.00%
	2015	\$ -	\$ -	\$ -	\$ -	0.00%
	2016	\$ 7,389	\$ 7,389	\$ -	\$ 32,838	22.50%
	2017	\$ 9,379	\$ 9,379	\$ -	\$ 41,683	22.50%
	2018	\$ 11,283	\$ 11,283	\$ -	\$ 50,001	22.57%
	2019	\$ 13,896	\$ 13,896	\$ -	\$ 60,813	22.85%
	2020	\$ 35,033	\$ 35,033	\$ -	\$ 151,313	23.15%
Tier 2 Public Employees DC Only System **	2014	\$ 1,834	\$ 1,834	\$ -	\$ 33,438	5.48%
	2015	\$ 2,268	\$ 2,268	\$ -	\$ 34,187	6.63%
	2016	\$ 2,373	\$ 2,373	\$ -	\$ 36,515	6.50%
	2017	\$ 2,554	\$ 2,554	\$ -	\$ 39,856	6.41%
	2018	\$ 4,635	\$ 4,635	\$ -	\$ 70,921	6.54%
	2019	\$ 6,825	\$ 6,825	\$ -	\$ 105,963	6.44%
	2020	\$ 5,734	\$ 5,734	\$ -	\$ 85,710	6.69%
Tier 2 Public Safety and Firefighter DC Only System **	2014	\$ -	\$ -	\$ -	\$ -	0.00%
	2015	\$ -	\$ -	\$ -	\$ -	0.00%
	2016	\$ -	\$ -	\$ -	\$ -	0.00%
	2017	\$ -	\$ -	\$ -	\$ -	0.00%
	2018	\$ 4,459	\$ 4,459	\$ -	\$ 37,688	11.83%
	2019	\$ 5,530	\$ 5,530	\$ -	\$ 46,743	11.83%
	2020	\$ 5,763	\$ 5,763	\$ -	\$ 48,715	11.83%

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

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

Centerville City Corporation
NOTES TO THE SCHEDULES OF THE PROPORTIONATE SHARE OF THE NET
PENSION LIABILITY AND CONTRIBUTIONS
For the Year Ended June 30, 2020

Changes in Assumptions:

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

SUPPLEMENTAL INFORMATION

Centerville City Corporation
COMBINING BALANCE SHEET – NONMAJOR
GOVERNMENTAL FUNDS
June 30, 2020

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Municipal Building Authority	Recreation	R.A.P. Tax	Cemetery Perpetual Care	Utopia Capital Projects Fund	Arts Center Debt Service Fund	
Assets:							
Cash and cash equivalents	\$ 1,207	\$ 11,880	\$ 306,493	\$ 34,054	\$ 5	\$ 1,096	\$ 354,735
Receivable - intergovernmental	-	-	84,054	-	243,112	-	327,166
Prepaid	-	-	-	-	41,760	-	41,760
Restricted cash and cash equivalents	-	-	-	37,700	-	-	37,700
Total Assets	<u>\$ 1,207</u>	<u>\$ 11,880</u>	<u>\$ 390,547</u>	<u>\$ 71,754</u>	<u>\$ 284,877</u>	<u>\$ 1,096</u>	<u>\$ 761,361</u>
Liabilities:							
Accounts payable	\$ -	\$ 1,192	\$ 5,127	\$ -	\$ -	\$ -	\$ 6,319
Accrued liabilities	-	832	-	-	-	-	832
Total Liabilities	<u>-</u>	<u>2,024</u>	<u>5,127</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,151</u>
Deferred Inflows of Resources							
Unavailable revenue - property taxes	-	-	-	-	242,294	-	242,294
Fund Balances:							
Nonspendable, in the form of:							
Permanently restricted cemetery	-	-	-	37,700	-	-	37,700
Prepaid					41,760		41,760
Restricted for:							
Future development	-	-	385,420	-	-	-	385,420
Cemetery	-	-	-	34,054	-	-	34,054
Assigned, reported in:							
Special revenue funds	1,207	9,856	-	-	-	-	11,063
Debt service funds	-	-	-	-	-	1,096	1,096
Capital project funds	-	-	-	-	823	-	823
Total Fund Balances	<u>1,207</u>	<u>9,856</u>	<u>385,420</u>	<u>71,754</u>	<u>42,583</u>	<u>1,096</u>	<u>511,916</u>
Total Liabilities and Fund Balances	<u>\$ 1,207</u>	<u>\$ 11,880</u>	<u>\$ 390,547</u>	<u>\$ 71,754</u>	<u>\$ 284,877</u>	<u>\$ 1,096</u>	<u>\$ 761,361</u>

Centerville City Corporation
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – NONMAJOR
GOVERNMENTAL FUNDS
For The Year Ended June 30, 2020

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Municipal Building Authority	Recreation	R.A.P. Tax	Cemetery Perpetual Care	Utopia Capital Projects Fund	Arts Center Debt Service Fund	
Revenues:							
Taxes	\$ -	\$ -	\$ 445,999	\$ -	\$ -	\$ -	\$ 445,999
Charges for services	-	26,375	-	34,850	-	-	61,225
Interest	-	-	5,515	834	-	-	6,349
Miscellaneous	-	13,486	-	-	-	-	13,486
Total Revenues	-	39,861	451,514	35,684	-	-	527,059
Expenditures:							
Current:							
General government	-	-	-	-	491,289	2,500	493,789
Parks and recreation	-	110,544	7,500	-	-	-	118,044
Community development	-	-	21,754	-	-	-	21,754
Debt service:							
Principal	-	-	-	-	-	550,000	550,000
Interest	-	-	-	-	-	39,863	39,863
Total Expenditures	-	110,544	29,254	-	491,289	592,363	1,223,450
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(70,683)	422,260	35,684	(491,289)	(592,363)	(696,391)
Other Financing Sources (Uses):							
Transfers in	-	73,000	-	-	492,927	592,963	1,158,890
Transfers out	-	-	(391,563)	(28,546)	-	-	(420,109)
Total Other Financing Sources (Uses)	-	73,000	(391,563)	(28,546)	492,927	592,963	738,781
Net Change in Fund Balances	-	2,317	30,697	7,138	1,638	600	42,390
Fund Balances, Beginning	1,207	7,539	354,723	64,616	4	496	428,585
Prior Period Adjustment	-	-	-	-	40,941	-	40,941
Fund Balances, Ending	\$ 1,207	\$ 9,856	\$ 385,420	\$ 71,754	\$ 42,583	\$ 1,096	\$ 511,916

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2020

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

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2020

	Recreation Special Revenue Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 165,086	\$ 38,825	\$ 26,375	\$ (12,450)
Miscellaneous	25,600	9,100	13,486	4,386
Total Revenues	<u>190,686</u>	<u>47,925</u>	<u>39,861</u>	<u>(8,064)</u>
Expenditures:				
Current:				
Parks and recreation	229,686	127,925	110,544	17,381
Capital outlay	2,000	-	-	
Total Expenditures	<u>231,686</u>	<u>127,925</u>	<u>110,544</u>	<u>17,381</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(41,000)</u>	<u>(80,000)</u>	<u>(70,683)</u>	<u>9,317</u>
Other Financing Sources (Uses):				
Transfers in	41,000	73,000	73,000	-
Total Other Financing Sources (Uses)	<u>41,000</u>	<u>73,000</u>	<u>73,000</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (7,000)</u>	<u>2,317</u>	<u>\$ 9,317</u>
Fund Balances, Beginning			<u>7,539</u>	
Fund Balances, Ending			<u>\$ 9,856</u>	

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2020

	R.A.P. Tax Special Revenue Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 430,000	\$ 430,000	\$ 445,999	\$ 15,999
Interest	8,500	8,500	5,515	(2,985)
Total Revenues	<u>438,500</u>	<u>438,500</u>	<u>451,514</u>	<u>13,014</u>
Expenditures:				
Parks and recreation	21,500	21,500	7,500	14,000
Community development	21,500	21,500	21,754	(254)
Total Expenditures	<u>43,000</u>	<u>43,000</u>	<u>29,254</u>	<u>13,746</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>395,500</u>	<u>395,500</u>	<u>422,260</u>	<u>26,760</u>
Other Financing Sources (Uses):				
Transfers out	<u>(395,500)</u>	<u>(395,500)</u>	<u>(391,563)</u>	<u>3,937</u>
Total Other Financing Sources (Uses)	<u>(395,500)</u>	<u>(395,500)</u>	<u>(391,563)</u>	<u>3,937</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>30,697</u>	<u>\$ 30,697</u>
Fund Balances, Beginning			<u>354,723</u>	
Fund Balances, Ending			<u>\$ 385,420</u>	

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2020

	Cemetery Perpetual Care Special Revenue Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 33,000	\$ 33,000	\$ 34,850	\$ 1,850
Interest	800	800	834	34
Total Revenues	<u>33,800</u>	<u>33,800</u>	<u>35,684</u>	<u>1,884</u>
Expenditures:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>33,800</u>	<u>33,800</u>	<u>35,684</u>	<u>1,884</u>
Other Financing Sources (Uses):				
Transfers out	<u>(34,160)</u>	<u>(34,160)</u>	<u>(28,546)</u>	<u>(5,614)</u>
Total Other Financing Sources (Uses)	<u>(34,160)</u>	<u>(34,160)</u>	<u>(28,546)</u>	<u>(5,614)</u>
Net Change in Fund Balances	<u>\$ (360)</u>	<u>\$ (360)</u>	<u>7,138</u>	<u>\$ 7,498</u>
Fund Balances, Beginning			<u>64,616</u>	
Fund Balances, Ending			<u>\$ 71,754</u>	

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2020

	UTOPIA Capital Projects Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
General Government	491,289	491,289	491,289	
Total Expenditures	491,289	491,289	491,289	-
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(491,289)	(491,289)	(491,289)	-
Other Financing Sources:				
Transfers in	491,289	491,289	492,927	(1,638)
Total Other Financing Sources	491,289	491,289	492,927	(1,638)
Net Change in Fund Balances	\$ -	\$ -	1,638	\$ 1,638
Fund Balances, Beginning			4	
Prior Period Adjustment			40,941	
Fund Balances, Ending			\$ 42,583	

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - MAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2020

	Park Improvements Capital Projects Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Fees and contributions	\$ 707,524	\$ 707,524	\$ 653,208	\$ (54,316)
Interest	20,300	20,300	4,613	(15,687)
Total Revenues	<u>727,824</u>	<u>727,824</u>	<u>657,821</u>	<u>(70,003)</u>
Expenditures:				
Debt service:				
Principal	115,000	115,000	110,000	5,000.00
Interest	-	-	60,706	(60,706)
Capital outlay	2,686,824	2,686,824	2,721,115	(34,291)
Total Expenditures	<u>2,801,824</u>	<u>2,801,824</u>	<u>2,891,821</u>	<u>(89,997)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,074,000)</u>	<u>(2,074,000)</u>	<u>(2,234,000)</u>	<u>(160,000)</u>
Other Financing Sources (Uses):				
Proceeds from issuance of bonds	(1,700,000)	1,700,000	1,900,000	200,000
Transfers in	(374,000)	374,000	389,810	15,810
Total Other Financing Sources (Uses)	<u>(2,074,000)</u>	<u>2,074,000</u>	<u>2,289,810</u>	<u>215,810</u>
Net Change in Fund Balances	<u>\$ (4,148,000)</u>	<u>\$ -</u>	<u>55,810</u>	<u>\$ (55,810)</u>
Fund Balances, Beginning			<u>78,408</u>	
Fund Balances, Ending			<u>\$ 134,218</u>	

Centerville City Corporation
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2020

	Arts Center Debt Service Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
General government	-	2,500	2,500	-
Debt service:				
Principal	-	550,000	550,000	-
Interest	-	40,463	39,863	600
Total Expenditures	-	592,963	592,363	600
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(592,963)	(592,363)	600
Other Financing Sources (Uses):				
Transfers in	-	592,963	592,963	-
Total Other Financing Sources (Uses)	-	592,963	592,963	-
Net Change in Fund Balances	\$ -	\$ -	600	\$ 600
Fund Balances, Beginning			496	
Fund Balances, Ending			\$ 1,096	

STATISTICAL SECTION

STATISTICAL SECTION TABLE OF CONTENTS

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

<u>Contents</u>	<u>Page</u>
Financial Trends	85
These schedules provide trend information to help the reader understand how the City's financial performance and economic condition have changed over time.	
Revenue Capacity	92
These schedules present information to help the reader assess the City's most significant local revenue sources: sales taxes and property taxes.	
Debt Capacity	99
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.	
Demographic and Economic Information	104
These schedules present demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	108
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.	

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Governmental activities</u>										
Net Investment in capital assets	\$ 23,157,489	\$ 23,935,722	\$ 25,095,634	\$ 25,687,835	\$ 27,336,533	\$ 29,190,440	\$ 29,216,798	\$ 29,562,326	\$29,932,675	\$31,273,032
Restricted	314,049	105,067	15,654	19,684	17,317	438,816	1,458,012	1,911,418	2,185,224	1,966,058
Unrestricted	1,628,503	1,372,676	1,560,205	1,429,287	(667,257)	(1,072,448)	(1,237,374)	(639,320)	(517,244)	1,110,396
Total governmental activities net assets	25,100,041	25,413,465	26,671,493	27,136,806	26,686,593	28,556,808	29,437,436	30,834,424	31,600,655	34,349,486
<u>Business-type activities</u>										
Net Investment in capital assets	11,644,848	10,052,642	10,802,629	11,612,195	14,042,619	14,620,353	15,455,720	16,210,538	16,766,159	17,881,680
Restricted	1,106,719	2,532,805	1,360,662	999,330	203,884	512,047	39,750	302,097	272,451	14,800
Unrestricted	(364,138)	203,033	1,202,214	1,281,957	(47,159)	(32,470)	1,171,841	1,911,247	2,513,716	2,559,011
Total business-type activities net assets	12,387,429	12,788,480	13,365,505	13,893,482	14,199,344	15,099,930	16,667,311	18,423,882	19,552,326	20,455,491
<u>Primary government</u>										
Net Investment in capital assets	34,802,337	35,898,263	37,300,030	38,591,421	43,810,793	44,672,518	44,672,518	45,772,864	46,698,834	49,154,712
Restricted	1,420,768	2,637,872	1,376,316	1,019,014	221,201	1,497,762	1,497,762	2,213,515	2,457,675	1,980,858
Unrestricted	1,264,365	2,762,419	2,711,244	1,419,853	(1,104,918)	(65,533)	(65,533)	1,271,927	1,996,472	3,669,407
Total primary government net assets	\$ 37,487,470	\$ 41,298,554	\$ 41,387,590	\$ 41,030,288	\$ 42,927,076	\$ 46,104,747	\$ 46,104,747	\$ 49,258,306	\$51,152,981	\$54,804,977

Centerville City Corporation

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
<u>Governmental activities</u>										
General government	\$ 1,741,872	\$ 2,095,247	\$ 2,091,826	\$ 2,073,754	\$ 2,149,191	\$ 1,200,320	\$ 1,306,430	\$ 898,339	\$ 1,008,001	\$ 1,758,407
Public Safety	2,763,931	2,976,846	3,087,683	3,215,906	3,312,647	3,421,139	3,618,279	3,578,718	3,841,512	3,637,934
Streets and Public Works	1,694,141	1,620,465	1,565,404	2,040,237	1,929,230	2,012,637	2,131,715	2,536,583	3,131,464	2,317,341
Parks & Recreation	1,217,390	1,684,043	1,629,452	1,720,371	1,707,103	1,434,223	1,355,402	1,466,307	1,515,353	1,282,310
Community Development	927,596	1,124,270	660,840	539,894	618,065	1,096,021	1,051,553	896,199	862,105	1,073,253
Interest on long-term debt	450,822	370,904	312,167	259,327	213,694	98,142	45,112	36,254	31,130	56,759
Total governmental activities	8,795,752	9,871,775	9,347,372	9,849,489	9,929,930	9,262,482	9,508,491	9,412,400	10,389,565	10,126,004
<u>Business-type activities</u>										
Water	1,573,410	1,690,109	2,086,004	1,835,012	1,965,022	2,106,260	2,068,468	2,020,268	2,258,213	2,492,947
Sanitation	881,683	868,350	906,971	979,738	956,890	703,201	965,638	772,744	884,763	914,824
Storm Drain	575,251	517,346	629,638	611,098	760,994	973,114	704,313	938,757	999,113	1,153,938
Telecom	-	37,747.00	260,540	424,108	283,566	314,130	302,954	267,175	232,809	233,618
Total business-type activities	3,030,344	3,113,552	3,883,153	3,849,956	3,966,472	4,096,705	4,041,373	3,998,944	4,374,898	4,795,327
Total primary government expenses	\$ 11,826,096	\$ 12,985,327	\$ 13,230,525	\$ 13,699,445	\$ 13,896,402	\$ 13,359,187	\$ 13,549,864	\$ 13,411,344	\$ 14,764,463	\$ 14,921,331
Program Revenues										
<u>Governmental activities</u>										
Charges for services										
General government	\$ 1,478,655	\$ 1,549,029	\$ 1,521,453	\$ 1,529,410	\$ 1,623,948	\$ 1,158,121	\$ 871,295	\$ 845,943	\$ 918,781	\$ 770,735
Streets and Public Works	7,186	12,993	16,388	11,477	5,085	-	-	-	-	-
Parks & Recreation	114,825	112,501	112,607	118,300	121,278	249,057	251,100	282,157	243,378	112,507
Community Development	338,196	548,812	350,406	333,252	241,315	-	-	-	-	38,936
Operating grants and contributions	-	-	-	-	-	2,304,830.00	1,599,141	1,922,569	1,994,828	2,960,661
Capital grants and contributions	1,202,285	1,170,455	1,841,179	2,267,236	2,872,876	1,114,767	757,607	49,733	28,320	615,745
Total governmental activities program revenues	3,141,147	3,393,790	3,842,033	4,259,675	4,864,502	4,826,775	3,479,143	3,100,402	3,185,307	4,498,584

Centerville City Corporation

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities										
Charges for services										
Water	\$ 1,972,977	\$ 2,111,183	\$ 2,476,190	\$ 2,431,720	\$ 2,251,667	\$ 2,051,129	\$ 2,305,757	\$ 2,683,062	\$ 2,623,155	\$ 2,791,674
Sanitation	796,831	821,464	880,454	942,296	955,657	1,237,116	1,005,896	1,258,271	1,035,790	1,263,911
Storm Drain	549,545	555,681	564,987	576,486	586,157	976,007	1,251,125	1,005,378	1,262,686	1,185,607
Telecom	-	40,199.00	260,676.00	256,247	282,767	295,261	300,671	270,333	232,531	233,863
Operating grants and contributions	-	-	-	-	-	350,533.00	320,456	-	-	-
Capital grants and contributions	12,000	-	253,450.00	-	311,841.00	-	-	522,230	306,027	182,112
Total business-type activities primary revenues	3,331,353	3,528,527	4,435,757	4,206,749	4,388,089	4,910,046	5,183,905	5,739,274	5,460,189	5,657,167
Total primary government program revenues	\$ 6,472,500	\$ 6,922,317	\$ 8,277,790	\$ 8,466,424	\$ 9,252,591	\$ 9,736,821	\$ 8,663,048	\$ 8,839,676	\$ 8,645,496	\$ 10,155,751
Net (Expense)/Revenue										
Governmental activities	\$ (5,654,605)	\$ (6,477,985)	\$ (5,505,339)	\$ (5,589,814)	\$ (5,065,428)	\$ (4,435,707)	\$ (6,029,348)	\$ (6,311,998)	\$ (7,204,258)	\$ (5,627,420)
Business-type activities	301,009	414,975	552,604	356,793	421,617	813,341	1,142,532	1,740,330	1,085,291	861,840
Total primary government net (expense)/revenue	\$ (5,353,596)	\$ (6,063,010)	\$ (4,952,735)	\$ (5,233,021)	\$ (4,643,811)	\$ (3,622,366)	\$ (4,886,816)	\$ (4,571,668)	\$ (6,118,967)	\$ (4,765,580)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property Tax and Uniform Fees	\$ 2,423,442	\$ 2,555,160	\$ 2,529,705	\$ 1,514,682	\$ 1,520,060	\$ 1,275,046	\$ 1,246,982	\$ 1,823,795	\$ 1,780,972	\$ 1,844,873
Franchise, Telecommunication & Energy Sales	970,297	994,689	1,037,792	1,144,152	1,132,319	1,141,628	1,126,627	1,099,191	1,020,666	1,016,898
General & Highway Sales Tax	2,830,732	3,005,090	3,129,208	3,335,469	3,509,401	3,697,653	4,108,686	4,391,007	4,526,379	4,895,912
Gain on Sale of Capital Assets	-	-	-	-	-	64,331	-	-	70,605	14,072
Other	706,511	216,705	66,662	224,224	98,392	437,570	551,487	485,950	571,867	563,555
Transfers	53,332.00	19,765	-	(163,400.00)	(20,840)	(16,309)	(230,590)	(90,957)	-	-
Total governmental activities	6,984,314	6,791,409	6,763,367	6,055,127	6,239,332	6,599,919	6,803,192	7,708,986	7,970,489	8,335,310
Business-type activities										
Other	15,111.00	5,831.00	24,421.00	7,784	4,632	7,649	4,945	15,139	43,241	41,237
Transfers	(53,332)	(19,765)	-	163,400.00	20,840	16,309	177,385	1,102	-	-
Total business-type activities	(38,221)	(13,934)	24,421	171,184	25,472	23,958	182,330	16,241	43,241	41,237
Total primary government	\$ 6,946,093	\$ 6,777,475	\$ 6,787,788	\$ 6,226,311	\$ 6,264,804	\$ 6,623,877	\$ 6,985,522	\$ 7,725,227	\$ 8,013,730	\$ 8,376,547
Change in Net Position										
Governmental activities	\$ 1,329,709	\$ 313,424	\$ 1,258,028	\$ 465,313	\$ 1,173,904	\$ 2,164,212	\$ 773,844	\$ 1,396,988	\$ 766,231	\$ 2,707,890
Business-type activities	262,788	401,041	577,025	527,977	447,089	837,299	1,324,862	1,756,571	1,128,532	903,077
Total primary government	\$ 1,592,497	\$ 714,465	\$ 1,835,053	\$ 993,290	\$ 1,620,993	\$ 3,001,511	\$ 2,098,706	\$ 3,153,559	\$ 1,894,763	\$ 3,610,967

Centerville City Corporation

Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>General Fund</u>										
Nonspendable	\$ -	\$ 235,461	\$ 124,589	\$ 7,064	\$ -	\$ 32,859	\$ 15,491	\$ 10,874	\$ 45,586	\$ 51,129
Restricted	450,214	-	-	-	-	139,993	22,901	20,275	37,225	49,506
Unassigned	1,102,412	1,156,052	1,556,947	1,317,015	831,617	619,427	615,562	1,125,445	1,313,758	2,087,657
Total general fund	1,552,626	1,391,513	1,681,536	1,324,079	831,617	792,279	653,954	1,156,594	1,396,569	2,188,292
<u>All Other Governmental Funds</u>										
Nonspendable	-	-	-	-	-	-	37,700.00	37,700	37,700	79,460
Restricted	203,893	105,067	15,654	19,684	17,317	298,823	1,397,408	1,853,443	2,110,299	1,878,852
Assigned reported in:										
Special revenue funds	56,221	27,649	23,295	52,936	53,031	64,119	270,417	5,523	8,746	11,063
Capital project funds	100,242	374,189	423,941	483,408	312,484	332,964	67,889	415,595	415,596	833,980
Debt Service Funds	-	-	-	44,828	15,850	15,362	-	-	496	1,096
Redevelopment Agency Fund	553,564	244,971	-	260,978	342,835	50,540	86,921	92,287	216,927	470,021
Unassigned reported in:										
Special revenue funds	(171,872)	(278,330)	-	-	-	(7,909)	-	-	-	-
Total all other governmental funds	742,048	473,546	462,890	861,834	741,517	753,899	1,860,335	2,404,548	2,789,764	3,274,472
Total governmental funds	\$ 2,294,674	\$ 1,865,059	\$ 2,144,426	\$ 2,185,913	\$ 1,573,134	\$ 1,546,178	\$ 2,514,289	\$ 3,561,142	\$ 4,186,333	\$ 5,462,764

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

Centerville City Corporation

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Revenues</u>										
Taxes	\$ 6,224,471	\$ 6,554,939	\$ 6,696,705	\$ 5,994,303	\$ 6,161,780	\$ 6,472,276	\$ 6,858,069	\$ 7,714,131	\$ 7,735,725	\$ 8,203,683
Special Assessments	7,186	12,993	16,388	11,477	5,085	-	-	-	-	-
Licenses & Permits	338,196	548,812	350,406	333,252	241,315	525,878	278,579	251,569	337,507	279,367
Intergovernmental	1,202,285	1,170,455	1,251,685	2,267,236	2,383,626	2,939,345	2,262,866	1,877,369	1,963,269	2,640,903
Charges for Services	389,770	589,965	484,300	481,387	392,158	411,520	384,320	332,398	412,959	222,683
Charges for Services - Other Funds	709,085	611,000	686,000	698,000	859,500	-	-	-	-	-
Fee & Contributions	-	-	-	-	-	480,252	80,223	95,200	59,013	653,208
Fines & Forfeitures	494,625	460,565	463,760	468,323	493,568	444,658	440,062	473,817	395,121	378,619
Interest	52,788	30,319	22,242	17,628	10,017	13,284	21,924	40,808	83,561	60,426
Miscellaneous	375,393	236,481	44,420	611,366	127,654	91,459	188,223	115,055	98,035	99,704
Total revenues	9,793,799	10,215,529	10,015,906	10,882,972	10,674,703	11,378,672	10,514,266	10,900,347	11,085,190	12,538,593
<u>Expenditures</u>										
General government	1,349,002	1,397,310	1,353,085	1,509,073	1,544,467	1,054,232	1,022,010	856,789	927,871	1,663,488
Public Safety	2,879,202	3,119,574	3,111,317	3,194,578	3,394,303	3,201,291	3,387,347	3,443,697	3,544,507	3,410,224
Street & Public Works	2,017,916	1,465,215	1,454,321	2,192,768	1,774,789	1,155,631	1,220,357	1,892,539	2,428,165	1,749,252
Community Development	912,744	1,063,826	648,840	516,534	595,600	917,359	1,030,543	896,594	853,202	974,567
Parks & Recreation	1,050,792	1,107,049	1,052,607	1,194,253	1,762,397	1,155,782	1,118,384	1,291,903	1,251,560	1,029,487
Capital Outlay	6,046,231	276,967	23,778	16,170	39,132	2,048,150	1,026,800	1,247,483	708,318	3,569,674
Debt Service										
Principal retirement	1,474,093	1,385,000	1,335,000	1,382,948	1,461,972	1,552,812	538,626	554,476	630,000	660,000
Interest and fiscal charges	452,226	382,716	321,947	267,235	221,602	147,140	97,230	79,056	72,834	100,569
Contractual Payments (UTOPIA)	278,368	449,346	428,410	436,978	445,718	-	-	-	-	-
Total expenditures	16,460,574	10,647,003	9,729,305	10,710,537	11,239,980	11,232,397	9,441,297	10,262,537	10,416,457	13,157,261
Excess (deficiency) of revenues over (under) expenditures	(6,666,775)	(431,474)	286,601	172,435	(565,277)	146,275	1,072,969	637,810	668,733	(618,668)

Centerville City Corporation

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other Financing Sources (Uses)										
Notes payable issued	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ 1,900,000
Transfers in	1,405,555	1,285,494	1,486,480	1,235,001	1,466,198	1,417,809	1,315,156	1,954,151	1,932,866	2,025,274
Transfers out	(1,364,223)	(1,323,329)	(1,498,480)	(1,421,761)	(1,519,848)	(1,434,118)	(1,545,746)	(2,045,108)	(1,997,281)	(2,091,527)
Sale of capital assets	12,178	39,694	4,766	55,812	6,148	77,549	778	-	20,873	20,410
Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	53,510	1,859	(7,234)	(130,948)	(47,502)	61,240	(229,812)	409,043	(43,542)	1,854,157
Net change in fund balances	<u>\$ (6,613,265)</u>	<u>\$ (429,615)</u>	<u>\$ 279,367</u>	<u>\$ 41,487</u>	<u>\$ (612,779)</u>	<u>\$ 207,515</u>	<u>\$ 843,157</u>	<u>\$ 1,046,853</u>	<u>\$ 625,191</u>	<u>\$ 1,235,489</u>
Fund Balance Beginning of Year, restated	<u>\$ 8,907,939</u>	<u>\$ 2,294,674</u>	<u>\$ 1,865,059</u>	<u>\$ 2,144,426</u>	<u>\$ 2,185,913</u>	<u>\$ 1,338,663</u>	<u>\$ 1,671,132</u>	<u>\$ 2,514,289</u>	<u>\$ 3,561,142</u>	<u>\$ 4,227,275</u>
Fund Balance End of Year	<u>\$ 2,294,674</u>	<u>\$ 1,865,059</u>	<u>\$ 2,144,426</u>	<u>\$ 2,185,913</u>	<u>\$ 1,573,134</u>	<u>\$ 1,546,178</u>	<u>\$ 2,514,289</u>	<u>\$ 3,561,142</u>	<u>\$ 4,186,333</u>	<u>\$ 5,462,764</u>
Debt service as a percentage of noncapital expenditures	18.50%	17.05%	17.07%	15.43%	15.03%	18.51%	7.56%	7.03%	7.24%	7.93%

Centerville City Corporation

Governmental Activities Taxes and Special Assessment Revenues Last Ten Fiscal Years

Fiscal Year	Property & Uniform Vehicle Taxes	Sales & Use Taxes	Highway Taxes	Franchise, Telecomm & Energy Taxes	Special Assessments	Recreation & Parks Tax	Transportation Tax (Prop 1)	Total Tax Revenue
2011	1,024,474	2,830,732	474,530	970,297	7,186	272,186	-	5,579,405
2012	1,042,137	3,005,090	464,392	994,689	12,993	293,964	-	5,813,265
2013	1,081,247	3,129,208	478,990	1,037,792	16,388	310,997	-	6,054,622
2014	1,079,673	3,335,469	457,788	1,144,152	-	331,479	-	6,348,561
2015	1,071,401	3,509,401	482,916	1,132,319	-	347,937	-	6,543,974
2016	1,116,729	3,619,152	486,235	1,141,628	-	357,949	78,501	6,800,194
2017	1,074,734	3,804,117	743,659	1,126,627	-	375,773	304,569	7,429,479
2018	1,655,811	4,065,517	614,151	1,099,191	-	400,138	325,489	8,160,297
2019	1,623,651	4,189,748	664,141	1,020,916	-	407,708	336,622	8,242,785
2020	1,606,330	4,499,109	648,173	1,016,898	-	445,999	396,803	8,613,312

(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
2011	1.10 %	0.25 %	4.65 %	0.50 %	6.50 %
2012	1.10 %	0.25 %	4.65 %	0.50 %	6.50 %
2013	1.10 %	0.25 %	4.65 %	0.50 %	6.50 %
2014	1.10 %	0.25 %	4.65 %	0.50 %	6.50 %
2015	1.10 %	0.25 %	4.65 %	0.50 %	6.50 %
2016	1.10 %	0.25 %	4.75 %	0.75 %	6.85 %
2017	1.10 %	0.25 %	4.75 %	0.75 %	6.85 %
2018	1.10 %	0.25 %	4.75 %	0.75 %	6.85 %
2019	1.10 %	0.25 %	4.75 %	0.75 %	6.85 %
2020	1.10 %	0.25 %	4.75 %	0.75 %	6.85 %

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 2019		Sales Taxes*	Fiscal Year 2010	
		Rank	Percentage of Total Sales*		Rank	Percentage of Total Sales*
Wal Mart Superstore	N/A	1	N/A	N/A	1	N/A
Colonial Lumber Supply	N/A	2	N/A	N/A	4	N/A
Home Depot	N/A	3	N/A	N/A	2	N/A
Super Target	N/A	4	N/A	N/A	3	N/A
Land Rover	N/A	5	N/A	N/A	8	N/A
Dicks Supermarket	N/A	6	N/A	N/A	5	N/A
Intermountain Business Form	N/A	7	N/A	N/A	7	N/A
Amazon Marketplace	N/A	8	N/A	N/A		
Utah Power & Light	N/A	9	N/A	N/A	9	N/A
Kohls	N/A	10	N/A	N/A		N/A
Total	\$ 2,997,903		67% %	\$ 2,043,510		14 %

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

N/A = Not applicable

Source: Utah State Tax Commission

Centerville City Corporation

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Calendar Years

(amounts expressed in thousands)

Tax Year	Real Property		Personal Property		Total		Assessed Value as a Percentage of Actual Value	Total Direct Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2010	885,770	1,418,248	36,064	36,064	\$ 921,834	\$ 1,454,312	63.39%	1.253600
2011	847,451	1,354,163	41,820	41,820	\$ 889,271	\$ 1,395,983	63.70%	1.399600
2012	865,044	1,377,165	42,924	42,924	\$ 907,968	\$ 1,420,089	63.94%	1.394200
2013	894,332	1,436,830	43,997	43,997	\$ 938,329	\$ 1,480,827	63.37%	1.358200
2014	942,632	1,524,070	43,215	43,215	\$ 985,847	\$ 1,567,285	62.90%	1.245400
2015	993,111	1,585,053	46,034	46,034	\$ 1,039,145	\$ 1,631,087	63.71%	1.345800
2016	1,081,615	1,719,823	48,756	48,971	\$ 1,130,371	\$ 1,768,794	63.91%	1.389100
2017	1,157,662	1,854,078	40,680	40,904	\$ 1,198,342	\$ 1,894,982	63.24%	1.270700
2018	1,253,107	2,019,413	41,812	41,985	\$ 1,294,919	\$ 2,061,398	62.82%	1.264430
2019	1,372,778	2,211,266	41,570	41,884	\$ 1,414,348	\$ 2,253,150	62.77%	1.206000

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
2011	972,804	909,269	93.47	33,508	942,777	96.91
2012	994,821	944,660	94.96	40,674	985,334	99.05
2013	1,001,709	959,591	95.80	33,944	993,535	99.18
2014	1,096,936	1,047,455	95.49	25,640	1,073,095	97.83
2015	1,170,324	1,134,694	96.96	32,814	1,167,508	99.76
2016	1,144,344	1,140,626	99.68	25,736	1,166,362	101.92
2017	1,553,554	1,724,355	110.99	(1,494)	1,722,861	110.90
2018	1,584,201	1,669,573	105.39	14,050	1,683,623	106.28
2019	1,584,201	1,669,573	105.39	14,050	1,683,623	106.28
2020	1,667,147	1,702,536	102.12	41,917	1,744,453	104.64

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

Sources: Centerville City

Centerville City Corporation

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

<u>Tax Year</u>	<u>Centerville City</u>	<u>Davis County</u>	<u>Davis School District</u>	<u>Special Taxing Districts</u>	<u>Total Levy</u>
2010	0.110200	0.257600	0.786000	0.099800	1.253600
2011	0.117300	0.277500	0.886100	0.118700	1.399600
2012	0.116500	0.239100	0.894100	0.144500	1.394200
2013	0.114100	0.233100	0.871000	0.140000	1.358200
2014	0.107200	0.216100	0.825900	0.096200	1.245400
2015	0.108800	0.215300	0.855500	0.166200	1.345800
2016	0.098300	0.200300	0.812500	0.278000	1.389100
2017	0.135400	0.258600	0.757500	0.119200	1.270700
2018	0.127500	0.248630	0.775500	0.112800	1.264430
2019	0.115800	0.221500	0.767000	0.101700	1.206000

Source: Utah State Tax Commission

Centerville City Corporation

Principal Taxpayers

Current Year and Ten Years Ago

Tax Year 2019				
Taxpayer	Rank	Type of Business	Taxable Value	Percent of Total
		Business		Taxable Value
Legacy Crossing LLC, (Theatre & Ap	1	Entertainment/Housing	30,571,741	2.16%
Dayton West LLC	2	Commercial Real Estate	27,391,878	1.94%
Pacificorp	3	Electrical Utility	25,122,761	1.78%
Park at Legacy Trails	4	Housing	17,333,636	1.23%
Wal-Mart Real Estate Business Tru	5	Retail	15,567,330	1.10%
Dayton Hudson Coporation (Targe	6	Retail	13,799,226	0.98%
Legacy Office Building LLC and JF	7	Office	13,253,276	0.94%
Centerville Market Place LLC	8	Retail	12,994,386	0.92%
Deerwood Properties Utah LLC	9	Property Management	10,760,920	0.76%
HD Development of Maryland Inc.	10	Retail	10,447,975	0.74%
Total			177,243,129	12.53%

Tax Year 2009				
Taxpayer	Rank	Type of Business	Taxable Value	Percent of Total
		Business		Taxable Value
Walmart	1	Retail	19,500,538	1.91%
Dayton West LLC	2	Commercial	14,976,175	1.47%
Dayton Hudson	3	Retail	12,206,901	1.19%
Centerville Marketplace LLC	4	Retail	10,651,088	1.04%
Pacificorp	5	Electric Utility	9,575,668	0.94%
Home Depot	6	Retail	9,156,385	0.90%
SDCKP LLC	7	Retail	8,929,570	0.87%
Hogan & Associates	8	Construction	6,678,924	0.65%
Syro Steel	9	Manufacturing	6,521,023	0.64%
Tingey Real Estate	10	Commercial	5,778,137	0.57%
Total			103,974,409	10.18%

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
2010	19	33,579,772	52	43,939,807	77,519,579	1,043,363,579
2011	23	2,720,621	212	30,472,703	33,193,324	1,076,556,903
2012	15	3,085,747	139	22,988,889	26,074,636	1,102,631,539
2013	16	16,839,783	50	10,873,766	27,713,549	1,130,345,088
2014	4	11,299,915	7	1,806,645	13,106,560	1,143,451,648
2015	27	4,156,101	121	20,075,490	24,231,591	1,167,683,239
2016	23	3,651,189	125	7,028,736	10,679,925	1,178,363,164
2017	17	4,474,083	34	8,924,886	13,398,969	1,191,762,133
2018	7	19,142,548	17	7,356,296	26,498,844	1,218,260,977
2019	-	-	34	7,045,021	7,045,021	1,225,305,998

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	MBA Lease Revenue Bonds	Sales Tax Revenue Bonds	Notes Payables	Capital Lease	Water Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2011	275,000	9,766,085	-	-	2,731,000	12,772,085	0.51 %	176.88
2012	75,000	8,541,476	-	-	4,210,000	12,826,476	0.73 %	271.09
2013	-	7,241,867	-	-	3,875,000	11,116,867	0.62 %	239.15
2014	-	5,585,000	-	172,866	3,520,000	9,277,866	0.56 %	216.96
2015	-	4,165,000	-	130,894	3,155,000	7,450,894	0.61 %	187.25
2016	-	2,655,000	-	88,102	2,750,000	5,493,102	0.41 %	163.51
2017	-	2,318,431	-	44,474	2,325,000	4,687,905	0.84 %	145.88
2018	-	1,650,000	500,000	-	2,140,000	4,290,000	0.72 %	127.87
2019	-	1,120,000	400,000	-	1,875,000	3,395,000	0.59 %	104.61
2020	-	550,000	2,190,000	-	1,590,000	4,330,000	0.67 %	117.87

Centerville City Corporation

Direct and Overlapping Governmental Activities Debt
As of June 30, 2020

<u>Governmental Unit</u>	<u>Outstanding Debt</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping</u>
Debt repaid with property taxes			
Davis County	\$ 10,010,000	5.00 %	\$ 500,500
Davis School District	552,670,000	5.00 %	27,633,500
Weber Basin Water Conservancy	11,650,000	0.24 %	27,960
State of Utah	2,273,275,000	0.56 %	12,730,340
South Davis Recreation District	7,875,000	15.77 %	1,241,888
Other Debt - Davis County			
Sales Tax Revenue Bonds	29,680,000	11.23 %	3,333,064
MBA lease revenue bonds	16,380,000	5.00 %	819,000
Total Overlapping Debt	<u>2,901,540,000</u>		<u>46,286,252</u>
Direct Debt - Centerville City			
Sales Tax Revenue Bonds	\$ 570,000	100.00 %	1,120,000
Plus: unamortized premium	39,609	100.00 %	79,217
Notes Payable	<u>2,190,000</u>	100.00 %	<u>400,000</u>
	<u>\$ 2,799,609</u>		<u>1,599,217</u>
Total direct and overlapping debt	<u>\$ 2,904,339,609</u>		<u>\$ 47,885,469</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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 30,499,924	\$ 31,078,256	\$ 37,623,137	\$ 39,134,632	\$ 40,819,160	\$ 43,298,657	\$ 46,767,432	\$ 49,747,926	\$ 53,874,387	\$ 58,715,761
Total debt applicable to limit (1)	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 30,499,924</u>	<u>\$ 31,078,256</u>	<u>\$ 37,623,137</u>	<u>\$ 39,134,632</u>	<u>\$ 40,819,160</u>	<u>\$ 43,298,657</u>	<u>\$ 46,767,432</u>	<u>\$ 49,747,926</u>	<u>\$ 53,874,387</u>	<u>\$ 58,715,761</u>
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 2020

Assessed Value	\$	1,467,894,018
Debt limit (4% of assessed value)		58,715,761
Debt applicable to limit		-
Legal debt margin	<u>\$</u>	<u>58,715,761</u>

Centerville City Corporation

Pledged Revenue Bond Coverage

Last Nine Years

Sales Tax Revenue Bonds series 2009

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

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

(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 (2)	Personal Income (2)	Unemployment Rate (3)	Median Age (4)	Average Size of Household (4)
2010	15,335	33,104	507,649,840	6.7	31.7	3.21
2011	15,440	33,817	522,134,480	5.2	31.7	3.21
2012	16,203	34,755	563,135,265	4.3	31.7	3.21
2013	16,624	35,430	588,988,320	3.6	31.7	3.21
2014	16,819	35,898	603,768,462	3.5	31.7	3.21
2015	16,877	34,324	579,286,148	2.9	31.7	3.21
2016	17,286	31,049	536,713,014	3.1	33.7	3.06
2017	17,657	34,478	608,778,046	2.9	36.5	3.08
2018	17,700	35,512	628,568,418	2.5	36.8	3.08
2019	17,587	36,736	646,076,032	2.3	36.5	3.09

(1) Years 2002-2009, 2000 United States Census Report and estimates average growth; 2010, 2010 Census and 2011, 2012 State of Utah.

(2) U.S. Department of Commerce

(3) Utah Department of Workforce Services

(4) United States Census Reports, years 2001-2009, 2000 report; 2010 year 2010-2012.

Centerville City Corporation

Principal Employers

Current Year and Ten Years Ago

Employer	2020			2010		
	Employees	Rank	Type of Business	Employees	Rank	Type of Business
Davis School District	250-499	1	Education	250-499	1	Education
Wal Mart	250-499	2	General Merchandise	250-499	4	General Merchandise
Target	100-249	3	General Merchandise	100-249	3	General Merchandise
Deseret Industries	100-249	4	Retail Trade	100-249	6	Retail Trade
Management & Training Corp	500-999	5	Job Training Services	100-249	2	Job Training Services
Dicks Market	100-249	6	Grocery Store	100-249	5	Grocery Store
InterForm	100-249	7	General Merchandise	100-249		General Merchandise
The Home Depot	100-249	8	General Merchandise	NA	7	General Merchandise
Megaplex	100-249	9	Entertainment	NA		Entertainment
Kohls	100-249	10	General Merchandise	NA		General Merchandise

Source: Community Development Business License Database

Centerville City Corporation

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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
Administration	3	4	4	4	4	4	3	3	3	3
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	3.25	3.00	3.00	3.00	3.00	3.00	2.50	2.50	3.00	3.00
Total General Government	10.25	11.00	11.00	11.00	11.00	11.00	9.50	9.50	10.00	10.00
Police	25	25	25	25	25	26	29.0	30.0	31.0	31.0
Community Development	3	3	3	3	3	3	3	3	3	3
Public Works										
Administration	4	4	4	4	4	4	4	4	4	5
Streets	4	4	4	4	4	4	4	4	4	4
Water	5.5	5.5	5.5	5.5	5.5	5.5	6.5	6.5	6.5	5.5
Drainage	1	1	1	1	1	1	1	1	1	1
Total Public Works	14.5	14.5	14.5	14.5	14.5	14.5	15.5	15.5	15.5	15.5
Parks & Recreation										
Parks	9.5	9.5	9.5	9.5	9.5	9.5	9.5	10.8	10.8	10.0
Recreation	6.5	6.5	6.5	6.5	6.5	6.5	6.5	5.5	5.0	2.0
Museum	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Building Maintenance	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Total Parks and Rec	17.25	17.25	17.25	17.25	17.25	17.25	17.25	17.25	17.25	13.25
Total Primary Government	70.00	70.75	70.75	70.75	70.75	71.25	74.25	75.25	76.75	72.75

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
2011	1,320,672	2,879,202	2,017,916	375,609	884,478	\$ 7,477,877
2012	1,392,886	3,119,574	1,465,215	451,462	915,767	\$ 7,344,904
2013	1,335,371	3,111,317	1,454,321	343,833	857,772	\$ 7,102,614
2014	1,380,944	3,194,578	2,238,112	345,980	1,007,872	\$ 8,167,486
2015	1,405,409	3,394,303	1,774,789	355,398	1,059,677	\$ 7,989,576
2016	597,100	3,201,291	1,154,582	408,860	964,216	\$ 6,326,049
2017	555,785	3,387,347	1,139,969	345,792	935,066	\$ 6,363,959
2018	375,169	3,387,167	1,143,810	354,522	992,268	\$ 6,252,936
2019	442,912	3,544,507	1,070,901	346,137	994,179	\$ 6,398,636
2020	1,074,311	3,505,613	625,334	321,927	911,443	\$ 6,438,628

Centerville City Corporation

Operating Indicators by Function Last Ten Fiscal Years

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Community development										
Single Dwelling permits	10	32	40	16	7	27	24	15	17	34
Double Dwelling permits	8	22	40	23	-	1	29	19	-	-
Multi-family Dwelling permits	-	3	1	-	-	4	72	-	-	-
Commercial permits	7	23	15	16	36	27	23	17	7	31
Demolition permits	2	-	2	3	5	4	2	3	-	2
Permit process time	7 days	5 days	5 days	5 days	3-5 days	3-5 days	3-5 days	3-5 days	3-5 days	3-5 days
Parks, Recreation and Trails										
Developed Acreage	88	88	88	88	88	88	88	93	93	93
Undeveloped Acreage	35	35	35	35	35	35	35	30	30	30
Youth in Recreation Programs	2,446	2,510	2,374	2,150	2,476	2,153	2,339	2,193	2,258	82
Police Services										
Expenditures per officer	119,140	125,047	136,302	143,876	132,710	141,519	139,561	143,882	126,722	146,571
Average response time (minutes)	3	3.63	3.45	1.20	n/a	3	4.04	4.12	4.10	n/a
Police reports per officer	124	130	138	145	n/a	n/a	n/a	n/a	n/a	n/a
Water										
Gallons billed	503,910,000	482,390,000	452,190,000	434,060,000	420,900,000	417,030,000	421,080,000	445,474,000	440,902,000	439,837,000
Residential connections	4,110	4,114	4,211	4,275	4,468	4,492	4,580	4,633	4,621	4,630
Other connections	463	465	467	483	501	502	246	272	268	294
Taxes										
Taxable sales per capita (local option)	20,954	22,136	22,930	22,851	23,650	24,776	26,879	28,122	28,919	31,481
Sales tax revenue per capita (local option)	\$178.22	\$193.51	\$197.30	\$200.65	\$208.66	\$219.09	\$237.69	\$248.68	\$255.73	\$278.38
Property tax revenue per capita (non RDA)	\$62.45	\$60.35	\$60.82	\$59.97	\$56.60	\$59.07	\$72.14	\$93.78	\$91.73	\$91.34
Franchise tax per capita	\$63.02	\$64.05	\$64.05	\$68.83	\$67.33	\$67.64	\$65.18	\$62.25	\$57.66	\$57.82
Total tax revenues per capita	\$303.69	\$317.91	\$232.91	\$360.59	\$375.07	\$383.50	\$457.38	\$404.71	\$405.12	\$427.54
General Fund revenues per capita	\$485.00	\$483.03	\$473.93	\$483.80	\$489.22	\$459.17	\$404.57	\$438.96	\$444.23	\$468.43
General Fund expenditures per capita	\$493.00	\$490.52	\$438.36	\$463.25	\$478.71	\$437.92	\$392.21	\$377.74	\$389.22	\$358.17
Capital improvement expenditures per capita	\$394.00	\$391.60	\$112.52	\$95.06	\$31.32	\$121.36	\$59.40	\$70.65	\$40.02	\$202.97

Sources: Centerville City

Centerville City Corporation

Capital Asset Statistics by Function Last Ten Fiscal Years

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Population Estimate (1)	15,440	15,530	16,203	16,624	16,849	16,877	17,286	17,657	17,700	17,587
City Hall and Justic Court	1	1	1	1	1	1	1	1	1	1
Museum	1	1	1	1	1	1	1	1	1	1
Streets & Public Works										
Miles of Streets	64	64	64	64	65	67	67	67	68	68
Number of Street Lights	725	728	733	741	753	753	753	753	753	762
Public Works Office, Maintenance, Storage	2	2	2	2	2	2	2	2	2	2
Number of Police Stations (included in City Hall)	1	1	1	1	1	1	1	1	1	1
Number of Police Officers	17	17	17	17	18	18	18	19	20	21
Municipal Water										
Number of Customers	4,589	4,624	4,699	4,758	4,763	4,763	4,826	4,821	4,889	4,889
Miles of Water Mains	74	77	78	78	80	81	81	82	82	82
Number of Culinary Water Wells	8	8	8	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	4,024	4,127	4,152	4,196	4,239	4,239	4,286	4,385	4,319	4,319
Number of recycling customers	3,416	3,546	3,582	3,674	3,701	3,771	3,793	3,892	3,862	3,862
Number of green waste customers	905	1,066	1,075	1,118	1,230	1,255	1,248	1,303	1,291	1,291
Building Permits Issued (new construction, includes remodel)	98	80	96	74	216	240	122	47	87	65
Parks & Recreation										
Office, Maintenance, Storage Buildings	1	1	1	1	1	1	1	1	1	1
Developed Parks	7	7	7	7	7	7	7	7	7	7
Undeveloped Parks & Trails	5	5	5	5	5	5	5	5	5	5
Pavilions	7	7	7	7	7	7	7	8	8	9
Tennis Courts	4	4	4	4	4	4	4	4	4	3
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 2003-2009 based on 2000 Census and subsequent years are estimated on new construction. 2010-12 is 2010 Census, following years are estimated from new construction.

**OTHER COMMUNICATIONS FROM
INDEPENDENT AUDITORS**

**Independent Auditors' Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with *Government Auditing Standards***

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

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

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah

November 30, 2020

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

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

Report on Compliance with General State Compliance Requirements

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

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

Budgetary Compliance	Cash Management
Fund Balance	Enterprise Fund Transfers
Justice Courts	Tax Levy Revenue Recognition
Restricted Taxes and Related Revenues	Impact Fees
Open and Public Meetings Act	Utah Retirement Systems
Fraud Risk Assessment	Public Treasurer's Bond

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on General State Compliance Requirements and Each Major State Program

In our opinion, Centerville City, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the City or on each of its major state programs for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in our separate letter to management as item SC-2020.1. Our opinion on compliance is not modified with respect to these matters.

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

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

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

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

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

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah
November 30, 2020

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

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

Report on Compliance for Each Major Federal Program

We have audited Centerville City's (the "City") compliance with the types of compliance described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2020. Centerville City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Centerville City, Utah complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

Larson & Company, PC

Larson & Company, PC
Spanish Fork, Utah

November 30, 2020

Centerville City Corporation
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Direct or Pass-Through Grantor's Contract	Program Expenditures
U.S Department of the Interior			
Passed through the Utah Division of Parks and Recreation:			
* Outdoor Recreation Acquisition Development and Planning			
Island View Park Renovation	15.916	49-00389	575,745
Total Department of the Interior			575,745
U.S Department of Justice			
Bulletproof Vest Partnership Program Passed through the USTC	16.607	19097467	1,345
Justice Assistance Grant (JAG)	16.738	87-6000905	5,264
Criminal and Juvenile Justice: Justice Assistance Grant	16.738	87-6000905	2,342
Total Department of Justice			8,951
U.S Department of the Treasury			
Coronavirus Relief Fund	21.019		324,194
Total U.S Department of the Treasury			324,194
TOTAL EXPENDITURES OF FEDERAL AWARDS			908,890

* Denotes a Major Program

See notes to schedule of expenditures of federal awards

Centerville City Corporation
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2020

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (schedule) includes the federal award activity of Centerville City, Utah under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Centerville City, Utah, it is not intended to and does not present the net position, or statement of activities of Centerville City, Utah.

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

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

Centerville City Corporation
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2020

I. Summary of Auditor's Results

Financial Statements

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

Internal Control over financial reporting:

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

Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over federal programs

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

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

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

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

Name of federal program or cluster CFDA

Outdoor Recreation Acquisition, Development and Planning 15.916

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

Auditee qualified as a low-risk auditee? ☐ Yes ☒ No

Centerville City Corporation
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
June 30, 2020

II. Financial statement findings

No financial statement findings to report.

III. Federal award findings and questioned costs

No federal award findings to report.