



# Comprehensive Annual Financial Report

for the fiscal year ended  
December 31, 2013

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# Dave Yost • Auditor of State

Members of Council  
City of Centerville  
100 West Spring Valley Road  
Centerville, Ohio 45458

We have reviewed the *Independent Auditor's Report* of the City of Centerville, Montgomery County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2013 through December 31, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Centerville is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

June 16, 2014

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**City of Centerville, Ohio**  
**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended December 31, 2013

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Prepared by:  
Department of Finance  
Steven A. Hinshaw, Ph.D., Director

**City of Centerville, Ohio**  
 Comprehensive Annual Financial Report  
 For the Year Ended December 31, 2013

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# Introductory Section







*C. Mark Kingseed, Mayor*  
*Gregory B. Horn, City Manager*

May 28, 2014

Honorable Mayor, Members of City Council, and Citizens of Centerville, Ohio:

The comprehensive annual financial report of the City of Centerville, Ohio (the City) for the fiscal year ended December 31, 2013 is hereby submitted for your review. This report represents the commitment of the City to adhere to nationally recognized standards of excellence in financial reporting.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Management's discussion and analysis immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. Management's discussion and analysis complements this letter of transmittal and should be read in conjunction with it.

### **History and Background**

Centerville is located in Montgomery County in southwest Ohio, approximately twelve miles south of the City of Dayton. It was first settled in 1796, incorporated as a village in 1830, and became a city in 1968. The City operates under and is governed by its Charter, first adopted by voters in 1968 and has been amended by the voters from time to time. The Charter provides for a Council-Manager form of government. Legislative authority is vested in a seven member Council, all of whom are elected at-large for staggered four-year terms including the Mayor who is the presiding officer. The City's chief executive and administrative officer is the Manager, who is appointed by council to serve at its pleasure.

The City provides a wide variety of services, including police protection; the construction and maintenance of streets, sidewalks, stormwater drainage facilities, traffic signals and other infrastructure; residential waste collection; planning, zoning, building inspection and property inspection; and recreational activities including the City's municipal golf course, The Golf Club at Yankee Trace.

The City adopts an annual budget before December 31 for the upcoming fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is adopted at the department level. Any modifications to a fund's appropriations require approval of City Council. In addition, a five-year capital improvement program is adopted on an annual basis. This program serves as a plan for long-range infrastructure improvements and capital purchases.

### **Economic Condition and Outlook**

The City has a population of 23,999 according to the U.S. Census Bureau's 2010 decennial census estimate and is home to over 700 businesses. The City is beginning to see growth in both residential development and business development. In the recent past, several residential subdivisions have been under development. The largest of these developments is Yankee Trace which surrounds the City's golf facility, The Golf Club at Yankee Trace. When complete, the Yankee Trace development will include approximately 938 residential units.

The City remains fiscally strong even in the face of significant local government funding reductions adopted by the state legislature. Built on a diversified base of small businesses, Centerville continues to be well positioned for the future. The employers with the largest workforce within Centerville include the public school district, multiple retirement communities, a growing regional hospital and medical center, several auto dealerships and small manufacturers.

In 2013, the City continued to witness a commercial development market focused both on new development, but also a sizeable reinvestment in existing facilities. The City's Community Reinvestment Area (CRA) provides an incentive for property owners and developers to reinvest in the City by granting a temporary property tax abatement on the increase in value that results from the renovation or expansion of existing buildings and the construction of new structures. The CRA program signals a focus on fostering reinvestment in developed areas of our city and promoting the long-term health of our residential neighborhoods and business community.

Looking toward the future, the City is poised to sustain and likely increase its 2013 level of commercial development and redevelopment. Through its *BusinessFirst!* program, Centerville continues to take progressive strides toward helping its existing business community grow even in tough economic times. In 2013, the City partnered with local, regional, and state-level resource partners to assist existing businesses in the City retain jobs, optimize operations, retrain workers, and add new jobs to the local economy. Those efforts resulted in local businesses obtaining tax credits from the State of Ohio, grants through the Dayton Development Coalition's Entrepreneurial Signature Program, grants from the State of Ohio 3<sup>rd</sup> Frontier Program, and grants from the Centerville Property Investment Reimbursement program. Also businesses received financing for job creation through the Ohio Department of Development, CountyCorp, and other economic development financing agencies with which the City maintains a strong relationship.

In addition, the City continues to foster the steady development of the Greene County portion of the city into a premier office park and mixed-use development; creating new jobs, broadening the City's tax base, and creating business and redevelopment synergies that will ripple throughout the area.

## **Major Initiatives**

- The municipal income tax rate remained at 1.75% for the 32<sup>nd</sup> consecutive year. And, the municipal property tax rate remained at its lowest rate for the 35<sup>th</sup> consecutive year.
- The City called \$9,580,000 of outstanding general obligation bonds and re-issued \$3,700,000 of general obligation bonds. The City also advance-refunded \$5,625,000 of outstanding special assessment bonds to obtain an economic gain \$1.9 million.
- The City maintained its municipal bond rating of Aa2 from Moody's Investor Services. This rating helps to lower the interest rate on any future bonds the City may issue.

## **Independent Audit**

State statute requires an annual audit by the State Auditor's Office or, at the State Auditor's discretion, by an independent certified public accounting firm. The City and the State Auditor's Office selected the firm of Plattenburg & Associates, Inc. to perform the 2013 audit of the City. Plattenburg & Associates, Inc. issued an unmodified ("clean") opinion on the City of Centerville's financial statements for the year ended December 31, 2013. The independent auditor's report is located at the front of the financial section of this report.

## **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Centerville, Ohio for its comprehensive annual financial report for the fiscal year ended December 31, 2012. This was the 13<sup>th</sup> consecutive year that Centerville has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This 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 meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility.

## **Acknowledgements**

Sincere appreciation is extended to the many people who have contributed their time and effort to prepare this report. The members of the Finance Department, particularly Jonathan Hudson, are to be especially commended for their input and commitment. And, appreciation is extended to all members of the staff, whose efforts have made this report possible.

Respectfully submitted,

*Gregory B. Horn*

Gregory B. Horn  
City Manager

*Steven A. Hinshaw*

Steven A. Hinshaw  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Centerville  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

Executive Director/CEO

**City of Centerville, Ohio**  
List of Elected and Appointed Officials  
as of December 31, 2013

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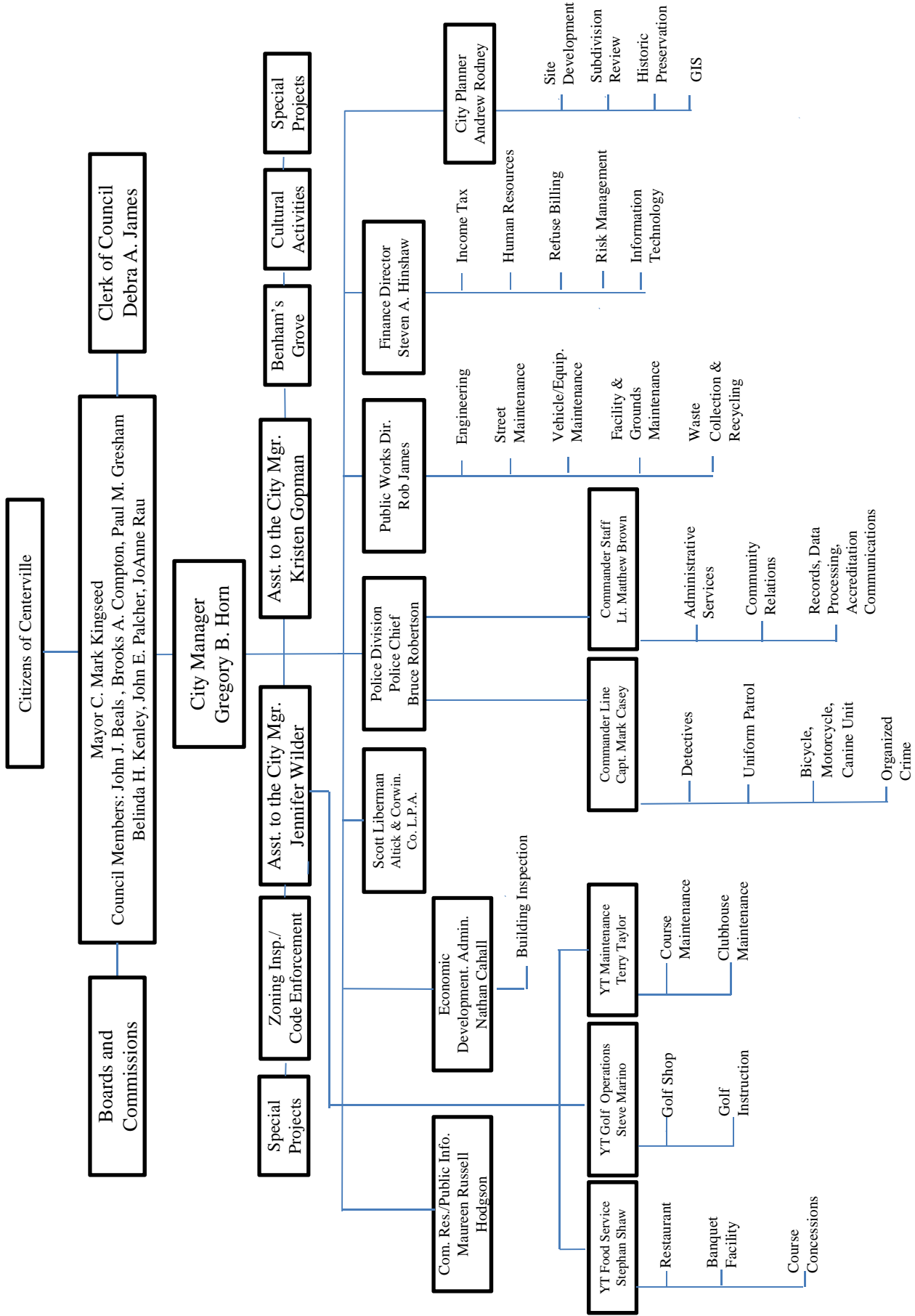
**ELECTED OFFICIALS**

|                                     |                   |
|-------------------------------------|-------------------|
| Mayor and Councilmember .....       | C. Mark Kingseed  |
| Deputy Mayor and Councilmember..... | Brooks A. Compton |
| Councilmember.....                  | James E. Singer   |
| Councilmember.....                  | Paul M. Gresham   |
| Councilmember.....                  | Douglas C. Cline  |
| Councilmember.....                  | John J. Beals     |
| Councilmember.....                  | Belinda S. Kenley |

**APPOINTED OFFICIALS**

|                                          |                     |
|------------------------------------------|---------------------|
| City Manager .....                       | Gregory B. Horn     |
| Clerk of Council.....                    | Debra A. James      |
| Municipal Attorney .....                 | Scott A. Liberman   |
| Chief of Police .....                    | Bruce P. Robertson  |
| Finance Director.....                    | Steven A. Hinshaw   |
| Public Works Director .....              | Robert A. James     |
| City Engineer .....                      | K. Douglas Spittler |
| City Planner .....                       | Steve A. Feverston  |
| Economic Development Administrator ..... | Nathan E. Cahall    |
| Information Technology Manager .....     | Scott R. Ontjes     |
| Head Golf Professional .....             | Steven T. Marino    |
| Golf Maintenance Superintendent .....    | Terry L. Taylor     |
| Director of Food Service.....            | Stephan L. Shaw     |
| Human Resources Manager .....            | Ginger A. Yonak     |
| Assistant to the City Manager.....       | Jennifer S. Wilder  |
| Assistant to the City Manager.....       | Kristen P. Gopman   |

# City of Centerville Organizational Chart







# Financial Section





## INDEPENDENT AUDITOR'S REPORT

Members of Council and Mayor  
City of Centerville  
100 West Spring Valley Road  
Centerville, Ohio 45458

### **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 the City of Centerville, Ohio (the City) as of and for the year ended December 31, 2013, 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 the City, as of December 31, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As described in Note 13 to the financial statements, in 2013, the City adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Supplementary and 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 and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedule of bonds and notes 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 May 28, 2014, on our consideration of the City's internal control over financial reporting and 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.

*Plattenburg & Associates, Inc.*

Dayton, Ohio  
May 28, 2014

**City of Centerville, Ohio**  
Management's Discussion and Analysis  
For the Fiscal Year Ended December 31, 2013  
(Unaudited)

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The City of Centerville's (City) discussion and analysis of the annual financial report provides a review of the financial performance for the fiscal year ending December 31, 2013. Readers should consider the information presented here in conjunction with additional information that has been furnished in the transmittal letter, notes to the basic financial statements, and financial statements to enhance their understanding of the City's fiscal performance.

### **Financial Highlights**

- The City's total net position as of December 31, 2013 was \$83.2 million. Of this amount, \$17.2 million (unrestricted net position) may be used to meet the City's ongoing obligations.
- The net position of the City increased by \$1.6 million during 2013, the most recent fiscal year. The net position of the City's governmental activities decreased \$1.0 million or 1.5%. And, the net position of the City's business-type activities increased \$2.6 million or 20.1%.
- As of December 31, 2013, the City's governmental funds report combined ending fund balances of \$16.6 million. Over 65% or \$10.9 million of this fund balance is available for spending at the City's discretion (unassigned).

### **Overview of the Financial Statements**

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the City's financial situation as a whole and also give a detailed view of the City's fiscal condition.

The Statement of Net Position and Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

### **Government-wide Financial Statements**

The analysis of the City as a whole begins with the Government-wide Financial Statements. These reports provide information that will help the reader to determine if the City of Centerville is financially better off or worse off as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes to those positions. This change informs the reader whether the City's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements needs to take into account non-financial factors that also impact the City's financial well being. Some of these factors include the City's tax base and the condition of capital assets.

**City of Centerville, Ohio**  
Management's Discussion and Analysis  
For the Fiscal Year Ended December 31, 2013  
(Unaudited)

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In the Government-wide Financial Statements, the City is divided into two kinds of activities.

- **Governmental Activities** - Most of the City's services are reported here including police, street maintenance, parks and recreation, and general administration. Income taxes, property taxes, intergovernmental revenue, charges for services, and interest finance most of these activities.
- **Business-Type Activities** - These services include waste collection and golf course operations. Service fees for these operations are charged based upon the amount of usage or a usage fee. The intent is that the fees charged recoup operational costs.

### **Fund Financial Statements**

Information about the City's major funds is presented in the Fund Financial Statements (see table of contents). Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the City, with approval of council, to help control, manage and report money received for a particular purpose or to show that the City is meeting legal responsibilities for use of grants. The City's major funds are General, Street Construction and Maintenance, Special Assessment Debt Retirement, Waste Collection, and Golf Course.

#### Governmental Funds

Most of the City's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

#### Proprietary Funds

When the City charges citizens for the services it provides, with the intent of recapturing operating costs, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

#### Fiduciary Funds

The City is the fiscal agent for one agency fund. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Statement of Changes in Assets and Liabilities. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

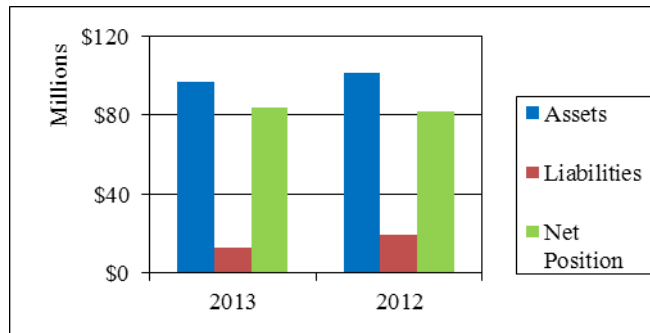
**City of Centerville, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended December 31, 2013**  
(Unaudited)

**Government-wide Financial Analysis**

As stated previously, the Statement of Net Position may serve over time as a useful indicator of the City's financial position. Table 1 presents a summary of the City's net position for 2013 compared to 2012.

**Table 1**  
**Net Position**

|                                  | <u>Governmental Activities</u> |                                | <u>Business-Type Activities</u> |                                | <u>Total</u>        |                                |
|----------------------------------|--------------------------------|--------------------------------|---------------------------------|--------------------------------|---------------------|--------------------------------|
|                                  | <u>2013</u>                    | <u>2012</u><br><u>Restated</u> | <u>2013</u>                     | <u>2012</u><br><u>Restated</u> | <u>2013</u>         | <u>2012</u><br><u>Restated</u> |
| Current and other assets         | \$32,011,310                   | \$33,713,634                   | \$1,715,415                     | \$4,083,868                    | \$33,726,725        | \$37,797,502                   |
| Capital assets                   | <u>45,321,065</u>              | <u>45,120,251</u>              | <u>17,994,890</u>               | <u>18,224,047</u>              | <u>63,315,955</u>   | <u>63,344,298</u>              |
| Total Assets                     | <u>77,332,375</u>              | <u>78,833,885</u>              | <u>19,710,305</u>               | <u>22,307,915</u>              | <u>97,042,680</u>   | <u>101,141,800</u>             |
| Deferred outflows of resources   | <u>127,877</u>                 | <u>34,572</u>                  | <u>672,666</u>                  | <u>645,746</u>                 | <u>800,543</u>      | <u>680,318</u>                 |
| Long-term liabilities            | 7,341,525                      | 7,782,563                      | 4,037,650                       | 9,339,318                      | 11,379,175          | 17,121,881                     |
| Other liabilities                | <u>1,223,430</u>               | <u>1,156,753</u>               | <u>557,633</u>                  | <u>561,803</u>                 | <u>1,781,063</u>    | <u>1,718,556</u>               |
| Total Liabilities                | <u>8,564,955</u>               | <u>8,939,316</u>               | <u>4,595,283</u>                | <u>9,901,121</u>               | <u>13,160,238</u>   | <u>18,840,437</u>              |
| Deferred inflows of resources    | <u>1,448,427</u>               | <u>1,437,169</u>               | <u>0</u>                        | <u>0</u>                       | <u>1,448,427</u>    | <u>1,437,169</u>               |
| Net Position:                    |                                |                                |                                 |                                |                     |                                |
| Net investment in capital assets | 38,942,917                     | 38,096,137                     | 14,732,195                      | 9,615,094                      | 53,675,112          | 47,711,231                     |
| Restricted                       | 12,007,221                     | 12,246,392                     | 351,200                         | 2,921,719                      | 12,358,421          | 15,168,111                     |
| Unrestricted                     | <u>16,496,732</u>              | <u>18,149,443</u>              | <u>704,293</u>                  | <u>515,727</u>                 | <u>17,201,025</u>   | <u>18,665,170</u>              |
| Total net position               | <u>\$67,446,870</u>            | <u>\$68,491,972</u>            | <u>\$15,787,688</u>             | <u>\$13,052,540</u>            | <u>\$83,234,558</u> | <u>\$81,544,512</u>            |



In total, the net position increased from \$81.6 million to \$83.2 million in 2013. The unrestricted net position, which is available for future use as directed by City Council, decreased \$1.5 million. The unrestricted net position of the City's governmental activities decreased \$1.7 million and the unrestricted net position of the business-type activities increased \$0.2 million.

The restricted net position is subject to external restrictions as to their use. This category decreased approximately \$2.8 million from \$15.2 million at December 31, 2012 to \$12.4 million at December 31, 2013.

**City of Centerville, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended December 31, 2013**  
**(Unaudited)**

Table 2 presents the changes in the net position for the year ended December 31, 2013.

**Table 2**  
**Changes in Net Position**

|                                     | <u>Governmental activities</u> |                                | <u>Business-type activities</u> |                                | <u>Total</u>        |                                |
|-------------------------------------|--------------------------------|--------------------------------|---------------------------------|--------------------------------|---------------------|--------------------------------|
|                                     | <u>2013</u>                    | <u>2012</u><br><u>Restated</u> | <u>2013</u>                     | <u>2012</u><br><u>Restated</u> | <u>2013</u>         | <u>2012</u><br><u>Restated</u> |
| <b>Revenues</b>                     |                                |                                |                                 |                                |                     |                                |
| Program Revenues:                   |                                |                                |                                 |                                |                     |                                |
| Charges for Services                | \$651,059                      | \$734,835                      | \$4,719,793                     | \$5,089,943                    | \$5,370,852         | \$5,824,778                    |
| Operating Grants and Contributions  | 1,056,212                      | 1,076,914                      | 0                               | 0                              | 1,056,212           | 1,076,914                      |
| Capital Grants and Contributions    | <u>333,760</u>                 | <u>209,746</u>                 | <u>0</u>                        | <u>0</u>                       | <u>333,760</u>      | <u>209,746</u>                 |
| Total Program Revenues              | 2,041,031                      | 2,021,495                      | 4,719,793                       | 5,089,943                      | 6,760,824           | 7,111,438                      |
| General Revenues:                   |                                |                                |                                 |                                |                     |                                |
| Income Taxes                        | 13,255,407                     | 12,654,982                     | 0                               | 0                              | 13,255,407          | 12,654,982                     |
| Property Taxes                      | 1,310,538                      | 1,208,289                      | 0                               | 0                              | 1,310,538           | 1,208,289                      |
| Grants and Entitlements             | 1,347,732                      | 2,351,678                      | 0                               | 0                              | 1,347,732           | 2,351,678                      |
| Investment Earnings                 | 67,416                         | 169,693                        | 29,409                          | 14,897                         | 96,825              | 184,590                        |
| Other Revenues                      | <u>245,448</u>                 | <u>307,922</u>                 | <u>54,074</u>                   | <u>13,655</u>                  | <u>299,522</u>      | <u>321,577</u>                 |
| Total General Revenues              | <u>16,226,541</u>              | <u>16,692,564</u>              | <u>83,483</u>                   | <u>28,552</u>                  | <u>16,310,024</u>   | <u>16,721,116</u>              |
| Total Revenues                      | <u>18,267,572</u>              | <u>18,714,059</u>              | <u>4,803,276</u>                | <u>5,118,495</u>               | <u>23,070,848</u>   | <u>23,832,554</u>              |
| <b>Expenses</b>                     |                                |                                |                                 |                                |                     |                                |
| Program Expenses:                   |                                |                                |                                 |                                |                     |                                |
| General Government                  | 4,837,041                      | 4,974,806                      | 0                               | 0                              | 4,837,041           | 4,974,806                      |
| Public Safety                       | 6,585,920                      | 6,505,994                      | 0                               | 0                              | 6,585,920           | 6,505,994                      |
| Community Environment               | 288,406                        | 250,836                        | 0                               | 0                              | 288,406             | 250,836                        |
| Recreation                          | 330,822                        | 291,908                        | 0                               | 0                              | 330,822             | 291,908                        |
| Transportation                      | 4,444,780                      | 4,190,140                      | 0                               | 0                              | 4,444,780           | 4,190,140                      |
| Interest and Other Charges          | 326,705                        | 370,007                        | 0                               | 0                              | 326,705             | 370,007                        |
| Waste Collection                    | 0                              | 0                              | 1,244,933                       | 1,483,622                      | 1,244,933           | 1,483,622                      |
| Golf Course                         | <u>0</u>                       | <u>0</u>                       | <u>3,322,195</u>                | <u>3,299,097</u>               | <u>3,322,195</u>    | <u>3,299,097</u>               |
| Total Program Expenses              | <u>16,813,674</u>              | <u>16,583,691</u>              | <u>4,567,128</u>                | <u>4,782,719</u>               | <u>21,380,802</u>   | <u>21,366,410</u>              |
| Increase (Decrease) in Net Position |                                |                                |                                 |                                |                     |                                |
| before transfers                    | 1,453,898                      | 2,130,368                      | 236,148                         | 335,776                        | 1,690,046           | 2,466,144                      |
| Transfers – Internal Activities     | <u>(2,499,000)</u>             | <u>(3,030,000)</u>             | <u>2,499,000</u>                | <u>3,030,000</u>               | <u>0</u>            | <u>0</u>                       |
| Change in net position              | (1,045,102)                    | (899,632)                      | 2,735,148                       | 3,365,776                      | 1,690,046           | 2,466,144                      |
| Net Position Beginning of Year,     |                                |                                |                                 |                                |                     |                                |
| Restated                            | <u>68,491,972</u>              | <u>69,391,604</u>              | <u>13,052,540</u>               | <u>9,686,764</u>               | <u>81,544,512</u>   | <u>79,078,368</u>              |
| Net Position End of Year            | <u>\$67,446,870</u>            | <u>\$68,491,972</u>            | <u>\$15,787,688</u>             | <u>\$13,052,540</u>            | <u>\$83,234,558</u> | <u>\$81,544,512</u>            |

The change in net position was an increase of \$1.7 million for the year ended December 31, 2013 as compared to an increase of \$2.5 million the prior year. Total revenues decreased \$0.4 million or 5.0% primarily due to the loss of the estate tax (grants and entitlements). Total expenses remained consistent, which represented the City's continuing efforts to control expenses.

Total revenues for governmental activities decreased 2.4%. Income taxes, the largest governmental activities revenue source, increased 4.7% from 2012.

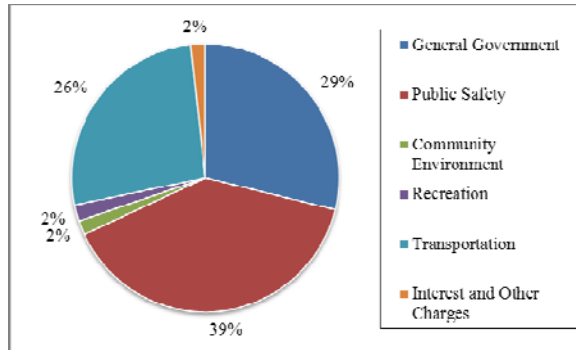


**City of Centerville, Ohio**  
 Management's Discussion and Analysis  
 For the Fiscal Year Ended December 31, 2013  
 (Unaudited)

Governmental Activities

The municipal income tax (1.75% rate) is the largest source of revenue for the City. Revenues generated by the earnings tax represent approximately 82% of the City's governmental activities general revenues.

| Governmental Activities<br>Program Expenses for 2013 |                |
|------------------------------------------------------|----------------|
|                                                      | Percent        |
| General Government                                   | 28.8%          |
| Public Safety                                        | 39.2%          |
| Community Environment                                | 1.7%           |
| Recreation                                           | 2.0%           |
| Transportation                                       | 26.4%          |
| Interest and Other Charges                           | 1.9%           |
| <b>Total</b>                                         | <b>100.00%</b> |



Public safety, consisting of the police division, comprises over 39% of governmental activities' expenses. Transportation, which consists of street repair and maintenance activities, accounts for over 26% of expenses. General government, consisting of the departments such as: city management, finance, planning, clerk department accounts for 29% of expenses.

Business-Type Activities

Business-type activities, includes the waste collection and the golf course fund. These programs had operating revenues of \$4.8 million and operating expenses of \$4.3 million for fiscal year 2013. Business activities receive no support from tax revenues. The business activities net position at the end of the year was \$15.8 million, which increased \$2.7 million from 2012 (not including internal service allocated to business-type activities). The waste collection fund had operating profit of \$0.1 million for 2013. The golf course fund saw an increase in the net position of more than 20%.

**Financial Analysis of the City's Funds**

The City has four major governmental funds: the General Fund, Street Construction and Maintenance Fund, Special Assessment Debt Retirement Fund, and Capital Improvements Fund. Assets of the general fund comprised \$16.4 million (53%), street construction and maintenance fund comprised \$1.2 million (4%), special assessment debt retirement fund comprised \$9.7 million (31%), and capital improvements fund comprised \$1.9 million (6%) of the total \$31.0 million governmental funds assets.

The General Fund is the primary operating fund of the City of Centerville, accounting for such activities as police protection, general government (administration, finance, engineering, building inspection), community environment (planning) and recreation. The General Fund balance decreased \$1.6 million for the year ended December 31, 2013. General fund revenues were \$1.0 million lower than 2012.

The Street Construction and Maintenance Fund is used to account for the general maintenance and upkeep of City streets, roads, bridges, park areas, and greenways that include snow and ice control, street repair, ditch and catch basin cleaning and maintenance, and leaf pickup. Primarily funded with a transfer from the General Fund, the fund balance remains relatively stable from year to year.

The Special Assessment Debt Retirement Fund is used to account for the receipt of special assessments and the payment of the associated special assessment debt. Revenues and expenses for this fund remain relatively stable from year to year unless additional special assessment debt is issued.

**City of Centerville, Ohio**  
Management's Discussion and Analysis  
For the Fiscal Year Ended December 31, 2013  
(Unaudited)

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The Capital Improvements Fund is used to account for the various capital improvement projects of the City including streets, sidewalks, land acquisition, building construction and building improvements. Primarily funded with a transfer from the General Fund, the fund balance remains relatively stable from year to year.

### **General Fund Budgeting Highlights**

General fund appropriations were increased only slightly (+0.8%) during 2013 and were budgeted below estimated revenue. Actual expenditures were \$0.7 million less than the final appropriations. Typically, the City has not decreased appropriations when the entire budget will not be spent. Actual revenues exceeded budgetary estimates by \$0.7 million. This excess revenue was mostly due to increased municipal income tax revenue.

### **Capital Asset and Debt Administration**

The governmental activities capital assets for 2013 ended with total net capital assets of \$45.3 million. Of this total, \$4.2 million was not being depreciated and the capital assets being depreciated totaled \$78.0 million with accumulated depreciation of \$36.9 million. The business-type activities capital assets for 2013 ended with total net capital assets of \$18.0 million. Of this total, \$15.1 million was not being depreciated and the capital assets being depreciated totaled \$6.4 million with accumulated depreciation of \$3.5 million.

The City called \$9,580,000 of general obligation bonds and re-issued \$3,700,000 of general obligation bonds (business-type activities). The City also advance refunded the outstanding special assessment bonds to obtain an economic gain \$1.9 million.

At December 31, 2013, the City had various debt issues outstanding, which included \$3,935,361 of general obligation bonds, \$5,866,044 of special assessment debt, and \$639,981 of promissory notes. As of December 31, 2013, the City's net general obligation bonded debt of \$639,981 was well below the legal limit of \$66,505,686 and debt per capita equaled \$154. Additionally, the City's rating remained at "Aa2" from Moody's Investors Service.

For more detail on capital asset and long-term debt activity, please refer to note 4 and notes 8-9 respectively in the Notes to the Basic Financial Statements.

### **Economic Factors**

The City is currently in a strong financial position, yet the City realizes it is not immune to economic conditions that have negatively affected many public and private entities in the region. The City's efforts to hold the line on expenditures throughout the last several years, coupled with a conservative approach to maintaining but right-sizing staffing levels, have resulted in a relatively stable financial position for our community.

### **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions or need additional financial information, please contact Steven A. Hinshaw, Ph.D., Finance Director, City of Centerville, 100 West Spring Valley Road, Centerville, Ohio 45458.

City of Centerville, Ohio  
Statement of Net Position  
December 31, 2013

|                                             | Governmental<br>Activities | Business-Type<br>Activities | Total               |
|---------------------------------------------|----------------------------|-----------------------------|---------------------|
| <b>Assets:</b>                              |                            |                             |                     |
| Equity in Pooled Cash and Investments       | \$16,255,476               | \$1,490,812                 | \$17,746,288        |
| <b>Receivables (Net):</b>                   |                            |                             |                     |
| Taxes                                       | 5,471,112                  | 0                           | 5,471,112           |
| Accounts                                    | 55,171                     | 66,947                      | 122,118             |
| Interest                                    | 30,815                     | 0                           | 30,815              |
| Intergovernmental                           | 924,541                    | 0                           | 924,541             |
| Special Assessments                         | 9,172,537                  | 0                           | 9,172,537           |
| Internal Balances                           | (65,155)                   | 65,155                      | 0                   |
| Inventory                                   | 76,468                     | 80,417                      | 156,885             |
| Prepaid Items                               | 90,345                     | 12,084                      | 102,429             |
| Nondepreciable Capital Assets               | 4,245,419                  | 15,098,026                  | 19,343,445          |
| Depreciable Capital Assets, Net             | 41,075,646                 | 2,896,864                   | 43,972,510          |
| <b>Total Assets</b>                         | <b>77,332,375</b>          | <b>19,710,305</b>           | <b>97,042,680</b>   |
| <b>Deferred Outflows of Resources:</b>      |                            |                             |                     |
| Deferred Charge on Refunding                | 127,877                    | 672,666                     | 800,543             |
| <b>Total Deferred Outflows of Resources</b> | <b>127,877</b>             | <b>672,666</b>              | <b>800,543</b>      |
| <b>Liabilities:</b>                         |                            |                             |                     |
| Accounts Payable                            | 438,773                    | 68,772                      | 507,545             |
| Accrued Liabilities                         | 583,876                    | 82,532                      | 666,408             |
| Accrued Interest Payable                    | 23,117                     | 11,581                      | 34,698              |
| Unearned Revenue                            | 177,664                    | 262,385                     | 440,049             |
| Deposit Liability                           | 0                          | 132,363                     | 132,363             |
| <b>Long-Term Liabilities:</b>               |                            |                             |                     |
| Due Within One Year                         | 594,751                    | 717,868                     | 1,312,619           |
| Due In More Than One Year                   | 6,746,774                  | 3,319,782                   | 10,066,556          |
| <b>Total Liabilities</b>                    | <b>8,564,955</b>           | <b>4,595,283</b>            | <b>13,160,238</b>   |
| <b>Deferred Inflows of Resources:</b>       |                            |                             |                     |
| Property Taxes                              | 1,448,427                  | 0                           | 1,448,427           |
| <b>Total Deferred Inflows of Resources</b>  | <b>1,448,427</b>           | <b>0</b>                    | <b>1,448,427</b>    |
| <b>Net Position:</b>                        |                            |                             |                     |
| Net Investment in Capital Assets            | 38,942,917                 | 14,732,195                  | 53,675,112          |
| <b>Restricted for:</b>                      |                            |                             |                     |
| Debt Service                                | 9,637,375                  | 351,200                     | 9,988,575           |
| Capital Projects                            | 447,604                    | 0                           | 447,604             |
| Street Improvements                         | 1,150,921                  | 0                           | 1,150,921           |
| Public Safety                               | 771,321                    | 0                           | 771,321             |
| Unrestricted                                | 16,496,732                 | 704,293                     | 17,201,025          |
| <b>Total Net Position</b>                   | <b>\$67,446,870</b>        | <b>\$15,787,688</b>         | <b>\$83,234,558</b> |

See accompanying notes to the basic financial statements.

City of Centerville, Ohio  
Statement of Activities  
For the Fiscal Year Ended December 31, 2013

|                                             | Program Revenues    |                                   |                                       | Net (Expense) Revenue<br>and Changes in Net Position |                            |                             |                     |
|---------------------------------------------|---------------------|-----------------------------------|---------------------------------------|------------------------------------------------------|----------------------------|-----------------------------|---------------------|
|                                             | Expenses            | Charges for<br>Services and Sales | Operating Grants<br>and Contributions | Capital Grants<br>and Contributions                  | Governmental<br>Activities | Business-Type<br>Activities | Total               |
| <b>Governmental Activities:</b>             |                     |                                   |                                       |                                                      |                            |                             |                     |
| General Government                          | \$4,837,041         | \$338,865                         | \$49,137                              | \$333,760                                            | (\$4,115,279)              | \$0                         | (\$4,115,279)       |
| Public Safety                               | 6,585,920           | 123,416                           | 0                                     | 0                                                    | (6,462,504)                | 0                           | (6,462,504)         |
| Community Environment                       | 288,406             | 0                                 | 0                                     | 0                                                    | (288,406)                  | 0                           | (288,406)           |
| Recreation                                  | 330,822             | 186,131                           | 0                                     | 0                                                    | (144,691)                  | 0                           | (144,691)           |
| Transportation                              | 4,444,780           | 2,647                             | 1,007,075                             | 0                                                    | (3,435,058)                | 0                           | (3,435,058)         |
| Interest and Other Charges                  | 326,705             | 0                                 | 0                                     | 0                                                    | (326,705)                  | 0                           | (326,705)           |
| <b>Total Governmental Activities</b>        | <b>16,813,674</b>   | <b>651,059</b>                    | <b>1,056,212</b>                      | <b>333,760</b>                                       | <b>(14,772,643)</b>        | <b>0</b>                    | <b>(14,772,643)</b> |
| <b>Business-Type Activities:</b>            |                     |                                   |                                       |                                                      |                            |                             |                     |
| Waste Collection                            | 1,244,933           | 1,376,850                         | 0                                     | 0                                                    | 0                          | 131,917                     | 131,917             |
| Golf Course                                 | 3,322,195           | 3,342,943                         | 0                                     | 0                                                    | 0                          | 20,748                      | 20,748              |
| <b>Total Business-Type Activities</b>       | <b>4,567,128</b>    | <b>4,719,793</b>                  | <b>0</b>                              | <b>0</b>                                             | <b>0</b>                   | <b>152,665</b>              | <b>152,665</b>      |
| <b>Totals</b>                               | <b>\$21,380,802</b> | <b>\$5,370,852</b>                | <b>\$1,056,212</b>                    | <b>\$333,760</b>                                     | <b>(14,772,643)</b>        | <b>152,665</b>              | <b>(14,619,978)</b> |
| <b>General Revenues:</b>                    |                     |                                   |                                       |                                                      |                            |                             |                     |
| Income Taxes                                |                     |                                   |                                       |                                                      | 13,255,407                 | 0                           | 13,255,407          |
| Property Taxes Levied for:                  |                     |                                   |                                       |                                                      |                            |                             |                     |
| General Purposes                            |                     |                                   |                                       |                                                      | 1,310,538                  | 0                           | 1,310,538           |
| Grants and Entitlements, Not Restricted     |                     |                                   |                                       |                                                      | 1,347,732                  | 0                           | 1,347,732           |
| Investment Earnings                         |                     |                                   |                                       |                                                      | 67,416                     | 29,409                      | 96,825              |
| Other Revenues                              |                     |                                   |                                       |                                                      | 245,448                    | 54,074                      | 299,522             |
| Transfers-Internal Activities               |                     |                                   |                                       |                                                      | (2,499,000)                | 2,499,000                   | 0                   |
| <b>Total General Revenues and Transfers</b> |                     |                                   |                                       |                                                      | <b>13,727,541</b>          | <b>2,582,483</b>            | <b>16,310,024</b>   |
| Change in Net Position                      |                     |                                   |                                       |                                                      | (1,045,102)                | 2,735,148                   | 1,690,046           |
| Net Position - Beginning of Year, Restated  |                     |                                   |                                       |                                                      | 68,491,972                 | 13,052,540                  | 81,544,512          |
| Net Position - End of Year                  |                     |                                   |                                       |                                                      | <b>\$67,446,870</b>        | <b>\$15,787,688</b>         | <b>\$83,234,558</b> |

See accompanying notes to the basic financial statements.

City of Centerville, Ohio  
Balance Sheet  
Governmental Funds  
December 31, 2013

|                                                              | General             | Street<br>Construction and<br>Maintenance | Special<br>Assessment<br>Debt Retirement | Capital<br>Improvements | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------------------------------------|---------------------|-------------------------------------------|------------------------------------------|-------------------------|--------------------------------|--------------------------------|
| <b>Assets:</b>                                               |                     |                                           |                                          |                         |                                |                                |
| Equity in Pooled Cash and Investments                        | \$10,354,076        | \$685,282                                 | \$484,854                                | \$1,894,217             | \$1,797,018                    | \$15,215,447                   |
| <b>Receivables (Net):</b>                                    |                     |                                           |                                          |                         |                                |                                |
| Taxes                                                        | 5,471,112           | 0                                         | 0                                        | 0                       | 0                              | 5,471,112                      |
| Accounts                                                     | 54,042              | 0                                         | 0                                        | 1,129                   | 0                              | 55,171                         |
| Interest                                                     | 30,815              | 0                                         | 0                                        | 0                       | 0                              | 30,815                         |
| Intergovernmental                                            | 412,096             | 456,353                                   | 0                                        | 19,091                  | 37,001                         | 924,541                        |
| Special Assessments                                          | 0                   | 0                                         | 9,172,537                                | 0                       | 0                              | 9,172,537                      |
| Inventory                                                    | 0                   | 67,399                                    | 0                                        | 0                       | 9,069                          | 76,468                         |
| Prepaid Items                                                | 72,816              | 17,529                                    | 0                                        | 0                       | 0                              | 90,345                         |
| <b>Total Assets</b>                                          | <b>16,394,957</b>   | <b>1,226,563</b>                          | <b>9,657,391</b>                         | <b>1,914,437</b>        | <b>1,843,088</b>               | <b>31,036,436</b>              |
| <b>Liabilities:</b>                                          |                     |                                           |                                          |                         |                                |                                |
| Accounts Payable                                             | 287,978             | 39,568                                    | 0                                        | 74,829                  | 29,959                         | 432,334                        |
| Accrued Liabilities                                          | 495,645             | 88,231                                    | 0                                        | 0                       | 0                              | 583,876                        |
| Unearned Revenue                                             | 0                   | 0                                         | 0                                        | 177,664                 | 0                              | 177,664                        |
| <b>Total Liabilities</b>                                     | <b>783,623</b>      | <b>127,799</b>                            | <b>0</b>                                 | <b>252,493</b>          | <b>29,959</b>                  | <b>1,193,874</b>               |
| <b>Deferred Inflows of Resources:</b>                        |                     |                                           |                                          |                         |                                |                                |
| Property Taxes                                               | 1,462,358           | 0                                         | 0                                        | 0                       | 0                              | 1,462,358                      |
| Income Taxes                                                 | 2,603,819           | 0                                         | 0                                        | 0                       | 0                              | 2,603,819                      |
| Grants and Other Taxes                                       | 237,191             | 302,883                                   | 0                                        | 19,091                  | 24,557                         | 583,722                        |
| Investment Earnings                                          | 24,909              | 0                                         | 0                                        | 0                       | 0                              | 24,909                         |
| Special Assessments                                          | 0                   | 0                                         | 8,580,181                                | 0                       | 0                              | 8,580,181                      |
| <b>Total Deferred Inflows of Resources</b>                   | <b>4,328,277</b>    | <b>302,883</b>                            | <b>8,580,181</b>                         | <b>19,091</b>           | <b>24,557</b>                  | <b>13,254,989</b>              |
| <b>Fund Balances:</b>                                        |                     |                                           |                                          |                         |                                |                                |
| Nonspendable                                                 | 72,816              | 84,928                                    | 0                                        | 0                       | 9,069                          | 166,813                        |
| Restricted                                                   | 0                   | 710,953                                   | 1,077,210                                | 0                       | 1,382,783                      | 3,170,946                      |
| Assigned                                                     | 256,097             | 0                                         | 0                                        | 1,642,853               | 417,947                        | 2,316,897                      |
| Unassigned                                                   | 10,954,144          | 0                                         | 0                                        | 0                       | (21,227)                       | 10,932,917                     |
| <b>Total Fund Balances</b>                                   | <b>11,283,057</b>   | <b>795,881</b>                            | <b>1,077,210</b>                         | <b>1,642,853</b>        | <b>1,788,572</b>               | <b>16,587,573</b>              |
| <b>Total Liabilities, Deferred Inflows and Fund Balances</b> | <b>\$16,394,957</b> | <b>\$1,226,563</b>                        | <b>\$9,657,391</b>                       | <b>\$1,914,437</b>      | <b>\$1,843,088</b>             | <b>\$31,036,436</b>            |

See accompanying notes to the basic financial statements.

City of Centerville, Ohio  
 Reconciliation of Total Governmental Fund Balance to  
 Net Position of Governmental Activities  
 December 31, 2013

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Total Governmental Fund Balance \$16,587,573

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

Capital assets used in governmental activities are not financial  
 resources and, therefore, are not reported in the funds.

|                                                                |              |            |
|----------------------------------------------------------------|--------------|------------|
| Capital assets used in the operation of Governmental Funds     | \$44,211,567 |            |
| Capital assets used in the operation of Internal Service Funds | 1,109,498    |            |
|                                                                |              | 45,321,065 |

Other long-term assets are not available to pay for current-  
 period expenditures and, therefore, are deferred in the funds.

|                     |             |            |
|---------------------|-------------|------------|
| Income Taxes        | \$2,603,819 |            |
| Intergovernmental   | 597,653     |            |
| Interest            | 24,909      |            |
| Special Assessments | 8,580,181   |            |
|                     |             | 11,806,562 |

An internal service fund is used by management to charge  
 back costs to individual funds. The assets and  
 liabilities of the internal service fund are included in  
 governmental activities in the statement of net position.

|                                                                |             |         |
|----------------------------------------------------------------|-------------|---------|
| Internal Service Net Position                                  | \$2,143,088 |         |
| Capital assets used in the operation of Internal Service Funds | (1,109,498) |         |
| Allocation to Business-Type Activities                         | (65,155)    |         |
|                                                                |             | 968,435 |

In the statement of net position interest payable is accrued when  
 incurred; whereas, in the governmental funds interest is  
 reported as a liability only when it will require the use of  
 current financial resources. (23,117)

Some liabilities reported in the statement of net position do not  
 require the use of current financial resources and, therefore,  
 are not reported as liabilities in governmental funds.

|                      |           |
|----------------------|-----------|
| Compensated Absences | (835,500) |
|----------------------|-----------|

Deferred charge on refunding associated with long-term liabilities  
 are not reported in the funds. 127,877

Long-term liabilities are not due and payable in the current  
 period and, therefore, are not reported in the funds. (6,506,025)

Net Position of Governmental Activities \$67,446,870

See accompanying notes to the basic financial statements.

City of Centerville, Ohio  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended December 31, 2013

|                                                     | General             | Street<br>Construction and<br>Maintenance | Special<br>Assessment<br>Debt Retirement | Capital<br>Improvements | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-----------------------------------------------------|---------------------|-------------------------------------------|------------------------------------------|-------------------------|--------------------------------|--------------------------------|
| <b>Revenues:</b>                                    |                     |                                           |                                          |                         |                                |                                |
| Property Taxes                                      | \$1,313,064         | \$0                                       | \$0                                      | \$0                     | \$0                            | \$1,313,064                    |
| Income Taxes                                        | 12,631,351          | 0                                         | 0                                        | 0                       | 0                              | 12,631,351                     |
| Charges for Services                                | 351,819             | 2,647                                     | 0                                        | 0                       | 0                              | 354,466                        |
| Investment Earnings                                 | 25,707              | 4,556                                     | 4,830                                    | 20,195                  | 13,302                         | 68,590                         |
| Intergovernmental                                   | 1,442,012           | 933,387                                   | 0                                        | 305,742                 | 124,818                        | 2,805,959                      |
| Special Assessments                                 | 28,463              | 0                                         | 583,644                                  | 0                       | 27,505                         | 639,612                        |
| Fines, Licenses & Permits                           | 266,602             | 0                                         | 0                                        | 0                       | 1,529                          | 268,131                        |
| Other Revenues                                      | 171,769             | 13,464                                    | 0                                        | 46,637                  | 13,575                         | 245,445                        |
| <b>Total Revenues</b>                               | <b>16,230,787</b>   | <b>954,054</b>                            | <b>588,474</b>                           | <b>372,574</b>          | <b>180,729</b>                 | <b>18,326,618</b>              |
| <b>Expenditures:</b>                                |                     |                                           |                                          |                         |                                |                                |
| <b>Current:</b>                                     |                     |                                           |                                          |                         |                                |                                |
| General Government                                  | 4,585,022           | 0                                         | 35,330                                   | 0                       | 0                              | 4,620,352                      |
| Public Safety                                       | 6,119,990           | 0                                         | 0                                        | 0                       | 2,946                          | 6,122,936                      |
| Community Environment                               | 282,126             | 0                                         | 0                                        | 0                       | 0                              | 282,126                        |
| Recreation                                          | 271,869             | 0                                         | 0                                        | 0                       | 0                              | 271,869                        |
| Transportation                                      | 0                   | 2,256,903                                 | 0                                        | 0                       | 61,139                         | 2,318,042                      |
| Capital Outlay                                      | 240,659             | 0                                         | 0                                        | 2,655,740               | 112,561                        | 3,008,960                      |
| <b>Debt Service:</b>                                |                     |                                           |                                          |                         |                                |                                |
| Principal                                           | 0                   | 0                                         | 245,000                                  | 0                       | 539,356                        | 784,356                        |
| Interest and Other Charges                          | 0                   | 0                                         | 167,685                                  | 0                       | 29,383                         | 197,068                        |
| Bond Issuance Cost                                  | 0                   | 0                                         | 108,390                                  | 0                       | 0                              | 108,390                        |
| <b>Total Expenditures</b>                           | <b>11,499,666</b>   | <b>2,256,903</b>                          | <b>556,405</b>                           | <b>2,655,740</b>        | <b>745,385</b>                 | <b>17,714,099</b>              |
| <b>Excess of Revenues Over (Under) Expenditures</b> | <b>4,731,121</b>    | <b>(1,302,849)</b>                        | <b>32,069</b>                            | <b>(2,283,166)</b>      | <b>(564,656)</b>               | <b>612,519</b>                 |
| <b>Other Financing Sources (Uses):</b>              |                     |                                           |                                          |                         |                                |                                |
| Sale of Refunding Bonds                             | 0                   | 0                                         | 5,750,000                                | 0                       | 0                              | 5,750,000                      |
| Payments to Refunded Bond Escrow Agent              | 0                   | 0                                         | (5,727,654)                              | 0                       | 0                              | (5,727,654)                    |
| Premium on Sale of Refunded Bonds                   | 0                   | 0                                         | 86,044                                   | 0                       | 0                              | 86,044                         |
| Transfers In                                        | 0                   | 1,450,000                                 | 0                                        | 1,650,000               | 714,000                        | 3,814,000                      |
| Transfers (Out)                                     | (6,313,000)         | 0                                         | 0                                        | 0                       | 0                              | (6,313,000)                    |
| <b>Total Other Financing Sources (Uses)</b>         | <b>(6,313,000)</b>  | <b>1,450,000</b>                          | <b>108,390</b>                           | <b>1,650,000</b>        | <b>714,000</b>                 | <b>(2,390,610)</b>             |
| <b>Net Change in Fund Balance</b>                   | <b>(1,581,879)</b>  | <b>147,151</b>                            | <b>140,459</b>                           | <b>(633,166)</b>        | <b>149,344</b>                 | <b>(1,778,091)</b>             |
| <b>Fund Balance - Beginning of Year</b>             | <b>12,865,313</b>   | <b>667,560</b>                            | <b>936,751</b>                           | <b>2,276,019</b>        | <b>1,643,960</b>               | <b>18,389,603</b>              |
| <b>Change in Nonspendable for Inventory</b>         | <b>(377)</b>        | <b>(18,830)</b>                           | <b>0</b>                                 | <b>0</b>                | <b>(4,732)</b>                 | <b>(23,939)</b>                |
| <b>Fund Balance - End of Year</b>                   | <b>\$11,283,057</b> | <b>\$795,881</b>                          | <b>\$1,077,210</b>                       | <b>\$1,642,853</b>      | <b>\$1,788,572</b>             | <b>\$16,587,573</b>            |

See accompanying notes to the basic financial statements.

City of Centerville, Ohio  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended December 31, 2013

Net Change in Fund Balance - Total Governmental Funds (\$1,778,091)

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

Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.

|                                                |             |         |
|------------------------------------------------|-------------|---------|
| Capital assets used in governmental activities | \$2,854,067 |         |
| Depreciation Expense                           | (2,701,663) |         |
|                                                |             | 152,404 |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

|                                                 |           |          |
|-------------------------------------------------|-----------|----------|
| Income Taxes                                    | \$624,056 |          |
| Delinquent Property Taxes and Intergovernmental | (99,927)  |          |
| Interest                                        | (1,173)   |          |
| Special Assessments                             | (582,002) |          |
|                                                 |           | (59,046) |

In the statement of activities, certain costs and proceeds associated with long-term debt obligations issued during the year are accrued and amortized over the life of the debt obligation. In governmental funds these costs and proceeds are recognized as financing sources and uses.

|                                      |             |           |
|--------------------------------------|-------------|-----------|
| Premium on Bonds Issued              | (\$86,044)  |           |
| Difference due to Refunding of Bonds | 102,654     |           |
| Refunding Bonds                      | (5,750,000) |           |
| Bonds Refunded                       | 5,595,000   |           |
|                                      |             | (138,390) |

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

784,356

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due.

8,753

Some expenses 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.

|                      |             |           |
|----------------------|-------------|-----------|
| Compensated Absences | (\$111,623) |           |
| Change in Inventory  | (23,939)    |           |
|                      |             | (135,562) |

The internal service fund used by management to charge back costs to individual funds is not reported in the entity-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.

|                                                                                               |           |         |
|-----------------------------------------------------------------------------------------------|-----------|---------|
| Change in Net Position - Internal Service Funds                                               | \$132,907 |         |
| Change in portion of Internal Service Fund Net Position allocated to Business-Type Activities | (12,433)  |         |
|                                                                                               |           | 120,474 |

Change in Net Position of Governmental Activities (\$1,045,102)

See accompanying notes to the basic financial statements.



City of Centerville, Ohio  
Statement of Net Position  
Proprietary Funds  
December 31, 2013

|                                                                                                                    | Business-Type Activities -Enterprise Funds |              |                                      | Governmental<br>Activities-<br>Internal Service<br>Funds |
|--------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------|--------------------------------------|----------------------------------------------------------|
|                                                                                                                    | Waste<br>Collection                        | Golf Course  | Total<br>Business-Type<br>Activities |                                                          |
| Current Assets:                                                                                                    |                                            |              |                                      |                                                          |
| Equity in Pooled Cash and Investments                                                                              | \$498,480                                  | \$992,332    | \$1,490,812                          | \$1,040,029                                              |
| Receivables (Net):                                                                                                 |                                            |              |                                      |                                                          |
| Accounts                                                                                                           | 66,947                                     | 0            | 66,947                               | 0                                                        |
| Inventory                                                                                                          | 6,190                                      | 74,227       | 80,417                               | 0                                                        |
| Prepaid Items                                                                                                      | 8,547                                      | 3,537        | 12,084                               | 0                                                        |
| Total Current Assets                                                                                               | 580,164                                    | 1,070,096    | 1,650,260                            | 1,040,029                                                |
| Nondepreciable Capital Assets                                                                                      | 0                                          | 15,098,026   | 15,098,026                           | 0                                                        |
| Depreciable Capital Assets, Net                                                                                    | 0                                          | 2,896,864    | 2,896,864                            | 1,109,498                                                |
| Total Noncurrent Assets                                                                                            | 0                                          | 17,994,890   | 17,994,890                           | 1,109,498                                                |
| Total Assets                                                                                                       | 580,164                                    | 19,064,986   | 19,645,150                           | 2,149,527                                                |
| Deferred Outflows of Resources:                                                                                    |                                            |              |                                      |                                                          |
| Deferred Charge on Refunding                                                                                       | 0                                          | 672,666      | 672,666                              | 0                                                        |
| Total Deferred Outflows of Resources                                                                               | 0                                          | 672,666      | 672,666                              | 0                                                        |
| Liabilities:                                                                                                       |                                            |              |                                      |                                                          |
| Current Liabilities:                                                                                               |                                            |              |                                      |                                                          |
| Accounts Payable                                                                                                   | 9,699                                      | 59,073       | 68,772                               | 6,439                                                    |
| Accrued Liabilities                                                                                                | 27,925                                     | 54,607       | 82,532                               | 0                                                        |
| Compensated Absences                                                                                               | 5,166                                      | 12,702       | 17,868                               | 0                                                        |
| Accrued Interest Payable                                                                                           | 0                                          | 11,581       | 11,581                               | 0                                                        |
| Unearned Revenue                                                                                                   | 262,385                                    | 0            | 262,385                              | 0                                                        |
| Deposit Liability                                                                                                  | 0                                          | 132,363      | 132,363                              | 0                                                        |
| Long-Term Liabilities Due Within One Year                                                                          | 0                                          | 700,000      | 700,000                              | 0                                                        |
| Total Current Liabilities                                                                                          | 305,175                                    | 970,326      | 1,275,501                            | 6,439                                                    |
| Long-Term Liabilities:                                                                                             |                                            |              |                                      |                                                          |
| Compensated Absences                                                                                               | 35,520                                     | 48,901       | 84,421                               | 0                                                        |
| Bonds, Notes & Loans Payable                                                                                       | 0                                          | 3,235,361    | 3,235,361                            | 0                                                        |
| Total Noncurrent Liabilities                                                                                       | 35,520                                     | 3,284,262    | 3,319,782                            | 0                                                        |
| Total Liabilities                                                                                                  | 340,695                                    | 4,254,588    | 4,595,283                            | 6,439                                                    |
| Net Position:                                                                                                      |                                            |              |                                      |                                                          |
| Net Investment in Capital Assets                                                                                   | 0                                          | 14,732,195   | 14,732,195                           | 1,109,498                                                |
| Restricted for:                                                                                                    |                                            |              |                                      |                                                          |
| Debt Service                                                                                                       | 0                                          | 351,200      | 351,200                              | 0                                                        |
| Unrestricted                                                                                                       | 239,469                                    | 399,669      | 639,138                              | 1,033,590                                                |
| Total Net Position                                                                                                 | \$239,469                                  | \$15,483,064 | \$15,722,533                         | \$2,143,088                                              |
| Adjustment to reflect the consolidation of Internal Service<br>Fund activities related to Business-Type Activities |                                            |              | \$65,155                             |                                                          |
| Net Position of Business-Type Activities                                                                           |                                            |              | \$15,787,688                         |                                                          |

See accompanying notes to the basic financial statements.

City of Centerville, Ohio  
Statement of Revenues, Expenses  
and Changes in Fund Net Position  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2013

|                                                                                                                    | Business-Type Activities -Enterprise Funds |              |                                      | Governmental<br>Activities-<br>Internal Service<br>Funds |
|--------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------|--------------------------------------|----------------------------------------------------------|
|                                                                                                                    | Waste<br>Collection                        | Golf Course  | Total<br>Business-Type<br>Activities |                                                          |
| Operating Revenues:                                                                                                |                                            |              |                                      |                                                          |
| Charges for Services                                                                                               | \$1,376,850                                | \$3,342,943  | \$4,719,793                          | \$285,150                                                |
| Other Revenues                                                                                                     | 5,910                                      | 48,164       | 54,074                               | 113,056                                                  |
| Total Operating Revenues                                                                                           | 1,382,760                                  | 3,391,107    | 4,773,867                            | 398,206                                                  |
| Operating Expenses:                                                                                                |                                            |              |                                      |                                                          |
| Salaries and Wages                                                                                                 | 559,376                                    | 1,116,359    | 1,675,735                            | 0                                                        |
| Fringe Benefits                                                                                                    | 203,630                                    | 257,966      | 461,596                              | 0                                                        |
| Purchased Services                                                                                                 | 287,428                                    | 852,334      | 1,139,762                            | 22,326                                                   |
| Supplies and Materials                                                                                             | 151,067                                    | 196,495      | 347,562                              | 19,117                                                   |
| Other Expenses                                                                                                     | 68,685                                     | 256,202      | 324,887                              | 12,585                                                   |
| Depreciation                                                                                                       | 0                                          | 372,276      | 372,276                              | 260,856                                                  |
| Total Operating Expenses                                                                                           | 1,270,186                                  | 3,051,632    | 4,321,818                            | 314,884                                                  |
| Operating Income (Loss)                                                                                            | 112,574                                    | 339,475      | 452,049                              | 83,322                                                   |
| Non-Operating Revenues (Expenses):                                                                                 |                                            |              |                                      |                                                          |
| Investment Earnings                                                                                                | 3,482                                      | 25,927       | 29,409                               | 7,983                                                    |
| Interest and Fiscal Charges                                                                                        | 0                                          | (270,563)    | (270,563)                            | 0                                                        |
| Gain (Loss) on Disposal of Capital Assets                                                                          | 0                                          | 0            | 0                                    | 41,602                                                   |
| Operating Grants                                                                                                   | 12,820                                     | 0            | 12,820                               | 0                                                        |
| Total Non-Operating Revenues (Expenses)                                                                            | 16,302                                     | (244,636)    | (228,334)                            | 49,585                                                   |
| Income (Loss) Before Contributions and Transfers                                                                   | 128,876                                    | 94,839       | 223,715                              | 132,907                                                  |
| Transfers In                                                                                                       | 0                                          | 2,499,000    | 2,499,000                            | 0                                                        |
| Change in Net Position                                                                                             | 128,876                                    | 2,593,839    | 2,722,715                            | 132,907                                                  |
| Net Position - Beginning of Year, Restated                                                                         | 110,593                                    | 12,889,225   | 12,999,818                           | 2,010,181                                                |
| Net Position - End of Year                                                                                         | \$239,469                                  | \$15,483,064 | \$15,722,533                         | \$2,143,088                                              |
| Adjustment to reflect the consolidation of Internal Service<br>Fund activities related to Business-Type Activities |                                            |              | \$12,433                             |                                                          |
| Change in Net Position - Total Business-Type Activities                                                            |                                            |              | \$2,735,148                          |                                                          |

See accompanying notes to the basic financial statements.

City of Centerville, Ohio  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2013

|                                                                                                  | Business-Type Activities -Enterprise Funds |             |                                      | Governmental<br>Activities-<br>Internal Service<br>Funds |
|--------------------------------------------------------------------------------------------------|--------------------------------------------|-------------|--------------------------------------|----------------------------------------------------------|
|                                                                                                  | Waste<br>Collection                        | Golf Course | Total<br>Business-Type<br>Activities |                                                          |
| Cash Flows from Operating Activities:                                                            |                                            |             |                                      |                                                          |
| Cash Received from Customers                                                                     | \$1,374,988                                | \$3,365,217 | \$4,740,205                          | \$398,395                                                |
| Cash Payments to Employees                                                                       | (753,412)                                  | (1,361,233) | (2,114,645)                          | 0                                                        |
| Cash Payments to Suppliers                                                                       | (504,694)                                  | (1,256,245) | (1,760,939)                          | (47,589)                                                 |
| Net Cash Provided (Used) by Operating Activities                                                 | 116,882                                    | 747,739     | 864,621                              | 350,806                                                  |
| Cash Flows from Noncapital Financing Activities:                                                 |                                            |             |                                      |                                                          |
| Operating Grants Received                                                                        | 12,820                                     | 0           | 12,820                               | 0                                                        |
| Payments from Other Funds                                                                        | 0                                          | 2,499,000   | 2,499,000                            | 0                                                        |
| Net Cash Provided (Used) by Noncapital<br>Financing Activities                                   | 12,820                                     | 2,499,000   | 2,511,820                            | 0                                                        |
| Cash Flows from Capital and Related Financing<br>Activities:                                     |                                            |             |                                      |                                                          |
| Payments for Capital Acquisitions                                                                | 0                                          | (143,119)   | (143,119)                            | (309,266)                                                |
| Debt Principal Payments                                                                          | 0                                          | (735,000)   | (735,000)                            | 0                                                        |
| Debt Interest Payments                                                                           | 0                                          | (231,019)   | (231,019)                            | 0                                                        |
| Payments to Refunding Bond Escrow Agent                                                          | 0                                          | (8,546,619) | (8,546,619)                          | 41,602                                                   |
| Sale of Refunding Bonds                                                                          | 0                                          | 3,700,000   | 3,700,000                            | 0                                                        |
| Premium on Sale of Refunding Bonds                                                               | 0                                          | 235,361     | 235,361                              | 0                                                        |
| Bond Issuance Cost on Sale of Refunding Bonds                                                    | 0                                          | (64,017)    | (64,017)                             | 0                                                        |
| Net Cash Provided (Used) by Capital and<br>Related Financing Activities                          | 0                                          | (5,784,413) | (5,784,413)                          | (267,664)                                                |
| Cash Flows from Investing Activities:                                                            |                                            |             |                                      |                                                          |
| Earnings on Investments                                                                          | 3,482                                      | 25,927      | 29,409                               | 7,983                                                    |
| Net Cash Provided (Used) by Cash Flows from<br>Investing Activities                              | 3,482                                      | 25,927      | 29,409                               | 7,983                                                    |
| Net Increase (Decrease) in Cash and Cash Equivalents                                             | 133,184                                    | (2,511,747) | (2,378,563)                          | 91,125                                                   |
| Cash and Cash Equivalents - Beginning of Year                                                    | 365,296                                    | 3,504,079   | 3,869,375                            | 948,904                                                  |
| Cash and Cash Equivalents - End of Year                                                          | 498,480                                    | 992,332     | 1,490,812                            | 1,040,029                                                |
| Reconciliation of Operating Income (Loss) to<br>Net Cash Provided (Used) by Operating Activities |                                            |             |                                      |                                                          |
| Operating Income (Loss)                                                                          | 112,574                                    | 339,475     | 452,049                              | 83,322                                                   |
| Adjustments:                                                                                     |                                            |             |                                      |                                                          |
| Depreciation                                                                                     | 0                                          | 372,276     | 372,276                              | 260,856                                                  |
| Changes in Assets & Liabilities:                                                                 |                                            |             |                                      |                                                          |
| (Increase) Decrease in Receivables                                                               | (9,011)                                    | 0           | (9,011)                              | 189                                                      |
| (Increase) Decrease in Inventory                                                                 | 778                                        | 11,956      | 12,734                               | 0                                                        |
| (Increase) Decrease in Prepaid Items                                                             | (1,205)                                    | (195)       | (1,400)                              | 0                                                        |
| (Increase) Decrease in Deposit Liabilities                                                       | 0                                          | (25,890)    | (25,890)                             | 0                                                        |
| Increase (Decrease) in Payables                                                                  | 1,501                                      | 36,790      | 38,291                               | 6,439                                                    |
| Increase (Decrease) in Accrued Liabilities                                                       | 11,006                                     | 13,327      | 24,333                               | 0                                                        |
| Increase (Decrease) in Deferred Revenue                                                          | 1,239                                      | 0           | 1,239                                | 0                                                        |
| Net Cash Provided (Used) by Operating Activities                                                 | \$116,882                                  | \$747,739   | \$864,621                            | \$350,806                                                |

See accompanying notes to the basic financial statements.

City of Centerville, Ohio  
Statement of Fiduciary Net Position  
Fiduciary Fund  
December 31, 2013

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|                                       | <u>Agency</u>           |
|---------------------------------------|-------------------------|
| Assets:                               |                         |
| Equity in Pooled Cash and Investments | \$238,671               |
| Receivables (Net):                    |                         |
| Prepaid Items                         | <u>4,366</u>            |
| Total Assets                          | <u><u>243,037</u></u>   |
| Liabilities:                          |                         |
| Accounts Payable                      | 531                     |
| Undistributed Monies                  | <u>242,506</u>          |
| Total Liabilities                     | <u><u>\$243,037</u></u> |

See accompanying notes to the basic financial statements.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2013

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Centerville (City) is a political unit incorporated and established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The City was organized in 1968 and is a home rule municipal corporation under the laws of the State of Ohio. The City operates under a council-manager form of government as prescribed by City Charter. The City provides the following services: public safety (police), highways and streets, residential waste collection, recreation, public improvements, planning and zoning and general administrative services.

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) governmental organizations for which the primary government is not financially accountable, but for which the nature and significance of their financial relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be governmental organizations for which the primary government is not financially accountable, but for which the nature and significance of their financial relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. No separate government units meet the criteria for inclusion as a component unit.

**B. Government-wide and Fund Financial Statements**

The statement of net position and the statement of activities display information about the City as a whole. These statements distinguish between activities that are governmental in nature, which are normally supported by taxes and intergovernmental revenues and business-type activities, which rely to a significant extent upon fees and charges for support. Interfund and internal service fund activities are generally eliminated to avoid the "doubling-up" effect on revenues and expenses. The government-wide financial statements do not include the assets and liabilities of the City's agency funds.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or a function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) charges paid by recipients of goods and services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and proprietary funds are reported in separate columns in the fund financial statements. All other funds are aggregated and reported as non-major governmental or non-major proprietary funds.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2013  
(continued)

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**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary 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 in the year for which they are levied.

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 claims and judgments, are recorded only when payment is due.

Property taxes, income taxes and interest on investments are considered to be susceptible to accrual and, so, have been recognized as revenues of the current fiscal period. Only the portion of special assessments due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund – A fund used to account for government resources not accounted for in any other fund. The fund balance is available to the City for any purpose provided it is expended or transferred according to the City Charter and/or the general laws of the State of Ohio.

Street Construction and Maintenance Fund – A fund provided to account for the allocation of revenues derived from motor vehicle license fees and gasoline taxes. Expenditures are restricted by state law to maintain and repair streets within the City.

Special Assessment Debt Retirement Fund – A fund provided to account for the payment of principal and interest on the City's special assessment debt.

Capital Improvements Fund – A fund provided to account for the various capital improvement projects of the City including streets, sidewalks, land acquisition and building improvements.

The City reports the following major proprietary funds:

Waste Collection Fund – A fund provided to account for the collection of fees relating to the collection of refuse by the City.

Golf Course Fund – A fund provided to account for the operation of the City's municipal golf course, The Golf Club at Yankee Trace.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2013  
(continued)

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Additionally, the City reports the following fund types:

Internal Service Funds – Funds used to account for the financing of goods or services provided by one department to other departments of the City. These goods and services include vehicle purchase and payment of insurance deductibles.

Agency Fund – This fund accounts for assets held by the City for 1) security rental deposits for rental of City property, 2) bonds from property owners for street improvements, 3) payroll withholdings, and 4) other miscellaneous activities.

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. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 waste collection enterprise fund, the golf course enterprise fund and the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Agency Funds. The agency funds, being custodial in nature, are merely "assets equal liabilities" and, thus, do not involve the measurement of results of operations. Agency funds are accounted for using the accrual basis of accounting.

**D. Revenues – Exchange and Non-Exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2013  
(continued)

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**E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position**

Deposits and Investments

To improve cash management, cash received by the City is pooled. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the balance sheet.

All investments of the City are recorded at fair value, in accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." The statement established accounting and reporting guidelines for government investments and investment pools.

For purposes of the statements of cash flows and for presentation on the statement of net position/balance sheet, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

Inventories and Prepaid Items

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the proprietary funds are expensed when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

Capital assets include land, improvements to land, buildings, building improvements, machinery, equipment, infrastructure and all other assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure include roads, bridges, sidewalks, and similar items.

The City defines capital assets as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year.

All capital assets are valued at historical cost, or estimated historical cost, if actual cost is not available. Donated capital assets are valued at their estimated fair market value at the time received. Interest on constructed capital assets is capitalized.

When capital assets are purchased, they are capitalized and depreciated in the government-wide statements and the proprietary fund statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements.



**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2013  
(continued)

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Deferred Outflows/Inflows of Resources

Deferred Outflows/Inflows of Resources – In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferral on refunding reported in the government-wide statement of net position. A deferral on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, income taxes, grants and other taxes, special assessments and investment earnings. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2013, but which were levied to finance year 2014 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Income taxes, grants and other taxes, special assessments and investment earnings are reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. These amounts are deferred and recognized as inflows of resources in the period the amounts become available.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Estimated useful lives of the various classes of depreciable capital assets are as follows:

| <u>Description</u>         | <u>Estimated Useful<br/>Life (In Years)</u> |
|----------------------------|---------------------------------------------|
| Land improvements          | 10 to 25                                    |
| Buildings and improvements | 10 to 45                                    |
| Machinery and equipment    | 3 to 20                                     |
| Infrastructure             | 23 to 50                                    |

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The liability for unpaid accumulated sick leave is limited to 240 of accrued but unused sick leave. The City pays supplemental retirement if employees retire with 7.5 years of service and 600 hours of accumulated sick leave. Supplemental retirement is only available to retiring employees, not employees for any reason. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The total liability for vacation leave payments has been calculated using pay rates in effect at the balance sheet date.

Bond Discounts, Premiums and Issuance Costs

Bond discounts, premiums and issuance costs for government-wide statements are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond discounts/premiums are presented as a reduction/increase to the face amount of bonds payable whereas issuance costs are recorded as deferred charges.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2013  
(continued)

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The accounting gain/loss on refunded bonds (difference between the reacquisition price and the net carrying amount of the old debt) is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the fund financial statements when due.

Fund Balance

Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or, they are imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the City Council enacts legislation requiring specific revenues to be used for a specific purpose. The City Council can modify or rescind that legislation at any time through additional legislation.

Fund balance is reported as assigned resources that are intended to be used for specific purposes as approved through the City's formal purchasing procedure by the Finance Director, as established by the City Council-approved purchasing policy.

Fund balance is reported as unassigned when the residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

The City considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2013  
(continued)

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As a general rule, the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

Net Position

The net position represents the difference between assets and liabilities. The net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the City's \$12,358,421 in restricted net position, none was restricted by enabling legislation.

Operating Revenues and Expenses

The City, in its proprietary fund, distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund includes 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.

Estimates

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 liabilities at the date of the financial statements and reported amounts of revenues and expenditures/expenses during the reporting period. Actual results may differ from those estimates.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in pooled cash and investments."

Deposits – As of December 31, 2013, \$8,003,573 of the City's cash deposits of \$10,875,746 was covered by the Federal Deposit Insurance Corporation (FDIC).

Custodial credit risk is the risk that, in the event of failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City's deposits not covered by FDIC were covered by a single financial institution's collateralized pool held in the financial institution's name as specified by Section 135.181 of the Ohio Revised Code. The City has no deposit policy for custodial credit risk beyond the requirements of the Ohio Revised Code.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2013  
(continued)

Investments – The Ohio Revised Code and the City’s investment policy authorize the City to invest in the State Treasury Asset Reserve of Ohio, certificates of deposit, repurchase agreements, United States treasury bills and notes, federal agency securities, bankers’ acceptances and commercial paper of the highest rating. The above legislative investment policy applies to all funds and fund types. All deposits are made to authorized public depositories and contracts with such institutions are in accordance with the Ohio Revised Code and the City’s investment policy. All investments are reported at fair value, which is based on quoted market prices.

A summary of the fair value of investments held, and year of maturities, as of December 31, 2013 is as follows:

|                   | Fair Value  | Investments maturing in years ended |             |           |             |             |
|-------------------|-------------|-------------------------------------|-------------|-----------|-------------|-------------|
|                   |             | 12/31/14                            | 12/31/15    | 12/31/16  | 12/31/17    | 12/31/18    |
| U.S. agencies     | \$7,486,032 | \$953,212                           | \$1,633,846 | \$897,300 | \$2,827,144 | \$1,174,530 |
| Total investments | \$7,486,032 | \$953,212                           | \$1,633,846 | \$897,300 | \$2,827,144 | \$1,174,530 |

Callable securities are assumed to remain uncalled prior to maturity.

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from fluctuating interest rates and in accordance with the ORC, the City’s investment policy limits investment portfolio maturities to five years or less. The investment policy also requires sufficient liquidity to be maintained in the portfolio and that investments be scheduled to mature concurrently with ongoing cash requirements so that the City’s obligations can be met without selling securities.

Credit Risk – It is the City’s policy to limit its investments that are not obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. As of December 31, 2013, the City’s investment in STAR Ohio was rated AAAM by Standard & Poor’s and the City’s investments in U.S. agencies (not explicitly guaranteed by the U.S. government) and government-sponsored corporations were rated AAA by Standard & Poor’s and Aaa by Moody’s Investor Service.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the City’s securities are either insured and registered in the name of the City or at least registered in the name of the City. The City has no investment policy for custodial credit risk beyond the requirements of the Ohio Revised Code.

Concentration of Credit Risk – To avoid over-concentration in securities from a specific issuer or business sector (excluding securities of the U.S. Treasury, U.S. government-sponsored agencies and U.S. government-sponsored corporations), the City has established the following maximum allocations based on investments valued at cost: Nonnegotiable Certificates of Deposit (50%); Bankers Acceptances and Commercial Paper(25%).

Total investments at December 31, 2013 include:

| Issuer:                                | Fair Value  | Percent |
|----------------------------------------|-------------|---------|
| U.S. Agencies:                         |             |         |
| Federal National Mortgage Association  | \$4,000,204 | 58.0%   |
| Federal Home Loan Mortgage Corporation | 1,252,466   | 18.2%   |
| Federal Farm Credit Banks              | 1,482,973   | 21.5%   |
| Mutual Bond Fund                       | 159,504     | 2.3%    |
| Total Investments                      | \$6,895,147 | 100.0%  |

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2013  
(continued)

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**3. RECEIVABLES**

Receivables at year end consisted primarily of municipal income taxes and property and other taxes, accounts receivable, accrued interest on investments, intergovernmental receivables arising from entitlements and shared revenues and special assessments.

No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Special assessments expected to be collected in more than one year amounts to approximately \$9,172,537 in the Special Assessment Debt Retirement Fund.

**A. Income Taxes**

The City levies a 1.75% income tax on substantially all income earned within the City. Additional increases in the income tax rate require voter approval. City residents pay City income tax on income earned outside the City; however, a credit is allowed for income taxes paid to other municipalities. Filing is mandatory for all residents.

Employers within the City withhold income tax on employee compensation and remit at least quarterly. Corporations and other individual taxpayers pay estimated taxes quarterly and file an annual declaration.

**B. Property Taxes**

Property taxes include amounts levied against all real property, public utility tangible personal property and tangible (used in business) property located in the City. Property taxes are levied each December 31<sup>st</sup> on the assessed value listed as of the prior December 31<sup>st</sup>. Assessed values are established for real property at 35% of true value and for public utility tangible personal property at varying percentages, generally 25%. Property market values are required to be updated every three years and revalued every six years. The last revaluation was completed in 2011.

The property tax calendar is as follows:

|                                |                   |
|--------------------------------|-------------------|
| Levy date                      | December 31, 2012 |
| Lien date                      | December 31, 2012 |
| Tax bill mailed                | January 20, 2013  |
| First installment payment due  | February 15, 2013 |
| Second installment payment due | July 15, 2013     |

The assessed values for the City at December 31, 2013, were as follows:

|                            |                      |
|----------------------------|----------------------|
|                            | Assessed Value       |
| Real Estate                | \$621,511,540        |
| Tangible Personal Property | <u>11,875,950</u>    |
| Total                      | <u>\$633,387,490</u> |

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Centerville. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes may be paid on either an annual or semi-annual basis.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2013  
(continued)

**4. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2013 was as follows:

|                                                 | Beginning<br><u>Balance</u> | <u>Additions</u>   | <u>Deletions</u> | Ending<br><u>Balance</u> |
|-------------------------------------------------|-----------------------------|--------------------|------------------|--------------------------|
| <b>Governmental Activities</b>                  |                             |                    |                  |                          |
| <i>Capital Assets, not being depreciated:</i>   |                             |                    |                  |                          |
| Land                                            | \$ 4,245,419                | \$ 0               | \$ 0             | \$ 4,245,419             |
| <i>Capital Assets, being depreciated:</i>       |                             |                    |                  |                          |
| Building and improvements                       | 14,298,087                  | 0                  | 0                | 14,298,087               |
| Machinery and equipment                         | 7,643,522                   | 1,143,390          | (359,448)        | 8,427,464                |
| General infrastructure                          | <u>53,185,943</u>           | <u>2,019,943</u>   | <u>0</u>         | <u>55,205,886</u>        |
| Totals at Historical Cost                       | <u>79,372,971</u>           | <u>3,163,333</u>   | <u>(359,448)</u> | <u>82,176,856</u>        |
| Less Accumulated Depreciation for:              |                             |                    |                  |                          |
| Building and improvements                       | 3,016,750                   | 364,834            | 0                | 3,381,584                |
| Machinery and equipment                         | 5,765,349                   | 686,184            | (359,448)        | 6,092,085                |
| General infrastructure                          | <u>25,470,621</u>           | <u>1,911,501</u>   | <u>0</u>         | <u>27,382,122</u>        |
| Total Accumulated Depreciation                  | <u>34,252,720</u>           | <u>2,962,519</u>   | <u>(359,448)</u> | <u>36,855,791</u>        |
| Governmental Activities Capital Assets, Net     | <u>\$ 45,120,251</u>        | <u>\$(200,814)</u> | <u>\$(0)</u>     | <u>\$ 45,321,065</u>     |
| <br>                                            |                             |                    |                  |                          |
|                                                 | Beginning<br><u>Balance</u> | <u>Additions</u>   | <u>Deletions</u> | Ending<br><u>Balance</u> |
| <b>Business-type Activities</b>                 |                             |                    |                  |                          |
| <i>Capital Assets, not being depreciated:</i>   |                             |                    |                  |                          |
| Land                                            | \$15,098,026                | \$ 0               | \$0              | \$15,098,026             |
| <i>Capital Assets, being depreciated:</i>       |                             |                    |                  |                          |
| Building and improvements                       | 4,037,103                   | 0                  | 0                | 4,037,103                |
| Machinery and equipment                         | <u>2,223,126</u>            | <u>143,119</u>     | <u>(0)</u>       | <u>2,366,245</u>         |
| Totals at Historical Cost                       | <u>21,358,255</u>           | <u>143,119</u>     | <u>(0)</u>       | <u>21,501,374</u>        |
| Less Accumulated Depreciation for:              |                             |                    |                  |                          |
| Building and improvements                       | 1,487,182                   | 89,713             | 0                | 1,576,895                |
| Machinery and equipment                         | <u>1,647,026</u>            | <u>282,563</u>     | <u>(0)</u>       | <u>1,929,589</u>         |
| Total Accumulated Depreciation                  | <u>3,134,208</u>            | <u>372,276</u>     | <u>(0)</u>       | <u>3,506,484</u>         |
| Business-Type Activities Capital Assets,<br>Net | <u>\$ 18,224,047</u>        | <u>\$(229,157)</u> | <u>\$(0)</u>     | <u>\$ 17,994,890</u>     |

Depreciation expense was charged to governmental activities as follows:

|                            |                     |
|----------------------------|---------------------|
| General government         | \$ 268,070          |
| Public safety              | 412,117             |
| Recreation                 | 58,314              |
| Community development      | 5,948               |
| Transportation             | <u>2,218,070</u>    |
| Total depreciation expense | <u>\$ 2,962,519</u> |

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2013  
(continued)

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**5. PENSION PLANS**

All City employees are covered by one of two pension plans: Ohio Police and Fire Pension Fund (OP&F) or Ohio Public Employees Retirement System (OPERS).

**A. Ohio Police and Fire Pension Fund**

OP&F is a cost-sharing multiple-employer defined benefit pension plan, which provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the fund. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by visiting their website at [www.op-f.org](http://www.op-f.org).

The Ohio Revised Code provides statutory authority for employee and employer contributions. During 2013 from January 1 through July 1, and from July 2 through December 31 plan members were required to contribute 10% and 10.75% of their annual covered salary respectively. Throughout all of 2013 the City was required to contribute 19.5% and 24% respectively for police officers and firefighters. The City's contributions to the plan for the years ending December 31, 2011, 2012 and 2013, were \$647,672, \$665,779 and \$759,775 respectively, equal to the required contributions for the year.

**B. Ohio Public Employees Retirement System**

OPERS administers three separate pension plans. The Traditional Pension Plan (TP) is a cost-sharing multiple-employer defined benefit pension plan; The Member-Directed Plan (MD) is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The Combined Plan (CO) is a cost-sharing multiple-employer defined benefit pension plan. Employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the TP and CO. Members of the MD do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The Public Employees Retirement System issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800) 222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2013, member and employer contribution rates were consistent across all three plans (TP, MD and CO). Plan members were required to contribute 10% of their annual covered salary and the City was required to contribute 14%. The City's contributions to the plan for the years ending December 31, 2011, 2012 and 2013, were \$769,835, \$769,941, and \$784,263 respectively, equal to the required contributions for the year.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2013  
(continued)

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**6. POST-EMPLOYMENT BENEFITS**

Both the Ohio Public Employees Retirement System (OPERS) and the Ohio Police and Fire Pension Fund (OP&F) provide post-retirement health care coverage, which meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. For both systems, the Ohio Revised Code (ORC) permits, but does not mandate, OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in the ORC Chapter 145 for OPERS and Chapter 742 for OP&F.

**A. Ohio Police and Fire Pension Fund OPEB**

OP&F sponsors a cost-sharing multiple-employer defined post-retirement healthcare plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

The ORC provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OP&F. A portion of each employer's contribution is set aside for the funding of post-retirement health care benefits. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The ORC states that the employer contribution may not exceed 19.5% and 24.0% of covered payroll for police and fire employers respectively. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the ORC to the OP&F board of trustees. The board of trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 155 trust and the Section 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2013, the employer contribution allocated to the healthcare plan was 4.69% of covered payroll from January 1, 2013 through May 31, 2013 and 2.85% from June 1, 2013 through December 31, 2013. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Sections 115 and 401(h). The OP&F board of trustees is authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. City contributions to OP&F allocated to the healthcare plan for 2013, 2012 and 2011 were \$119,549, \$230,360 and \$224,095 respectively, equal to the required contributions for the year.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164 or by visiting their website at [www.op-f.org](http://www.op-f.org).



**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2013  
(continued)

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**B. Ohio Public Employees Retirement System OPEB**

OPERS administers three separate pension plans, the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO), all of which are described in note 9. OPERS maintains a cost sharing multiple employer defined benefit post-employment healthcare plan, which provides a medical plan, prescription drug program and Medicare Part B premium reimbursement, to age and service retirees with 10 or more years of qualifying Ohio service credit of both the TP and CO. Members of the MD do not qualify for ancillary benefits, including post-employment health care coverage. Health care coverage for disability recipients and qualified survivor benefit recipients is available.

The ORC provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution is set aside for the funding of post-retirement health care benefits. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 14.0%. The ORC states that the employer contribution may not exceed 14.0% of covered payroll. Active members do not make contributions to the OPEB Plan.

OPERS post-employment healthcare plan was established and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. For 2013, the employer contribution allocated to the health care plan was 1.0% and 1.0% for the Traditional Plan and Combined Plan respectively. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. City contributions to OPERS allocated to fund post-employment benefits for 2013, 2012 and 2011 were \$55,997, \$219,972 and \$219,941 respectively, equal to the required contributions for the year. Changes to the health care plan were adopted in 2012 with a transition plan beginning in 2014. Because of these changes and the recent passage of pension legislation, OPERS expects to be able to consistently allocate 4% of the employer contributions toward the health care fund after the end of the transition period.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, Attention: Finance Director, 277 East Town Street, Columbus, OH 43215-4642, or by calling (800) 222-7377.

**7. RISK MANAGEMENT**

The City is one of twenty members of a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA). The pool has been operational since December 1, 1988 and was formed according to Section 2744.081 of the Ohio Revised Code. This joint venture covers all property, crime, liability, boiler and machinery, and public official liability up to the limits stated below. It is intended to provide broad-based coverage up to the various limits.

MVRMA is a corporation governed by a twenty member board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. The board is responsible for its own financial matters and the corporation maintains its own book of accounts. Budget and financing of MVRMA is subject to the approval of the board.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2013  
(continued)

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Excess insurance coverage will cover additional claims up to the limits listed below:

General Liability: \$10,000,000/occurrence

Automobile Liability: \$10,000,000/occurrence

MVRMA self-insured retention \$500,000/occurrence. MVRMA obtained reinsurance from Government Entities Mutual Inc. (GEM) for \$1.5 million excess \$500,000 and from General Reinsurance Corporation for \$8 million excess \$2 million.

Police Professional Liability: \$10,000,000/occurrence

MVRMA self-insured retention \$500,000/occurrence. MVRMA obtained reinsurance from Government Entities Mutual Inc. (GEM) for \$1.5 million excess \$500,000 and from General Reinsurance Corporation for \$8 million excess \$2 million.

Employment Practices Liability and Public Officials Liability Including Employee

Benefits Liability

MVRMA self-insured retention \$500,000/occurrence. MVRMA obtained reinsurance from Government Entities Mutual Inc. (GEM) for \$1.5 million excess \$500,000 and from General Reinsurance Corporation for \$8 million excess \$2 million. Annual aggregate \$10 million per member

Property (effective 7/1/12-7/1/14):

\$1,000,000,000/occurrence

MVRMA Self-Insured Retention (SIR): \$250,000/occurrence

Coverage excess SIR provided by PEPiP USA as follows:

Lexington Insurance Company (Primary \$25 million)

List of carriers for layers excess of \$25 million provided upon request.

Flood (effective 7/1/12-7/1/14):

\$25 million/occurrence and annual aggregate (Flood Zone A & V - \$5 million/occurrence and annual aggregate)

MVRMA SIR: \$100,000/occurrence excluding Flood Zones A & V

MVRMA SIR: \$250,000/occurrence Flood Zones A & V

Earthquake (effective 7/1/12-7/1/14):

\$25 million/occurrence and annual aggregate

MVRMA SIR: \$100,000/occurrence

Boiler & Machinery (effective 7/1/12-7/1/14):

\$100,000,000/occurrence

MVRMA SIR: \$5,000/occurrence (except as shown for specific objects or perils)

Coverage excess SIR provided by PEPiP USA as follows:

Lexington Insurance Company – (Primary \$25 million)

List of carriers for layers excess of \$25 million provided upon request.

Cyber (effective 7/1/12-7/1/14):

MVRMA SIR: \$100,000/occurrence

Coverage excess SIR provided by Lloyd's of London-Beazley Syndicate

Third Party Liability:

\$2 million/occurrence and annual aggregate, but sub-limited to:

\$500,000/occurrence and annual aggregate for Privacy Notification Costs

First Party Computer Liability:

\$2 million/occurrence and annual aggregate subject to policy sub-limits

Pollution (effective 7/1/12-7/1/14):

MVRMA SIR: \$100,000/pollution condition; \$750,000 underground storage tanks specific

\$1 million/pollution condition and aggregate with a \$200,000 sublimit for fungi and legionella

Member Deductible/occurrence: \$2,500

There has been no material change in this coverage from the prior year. Settled claims have not exceeded this commercial coverage in any of the past three years.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2013  
(continued)

**8. LONG-TERM OBLIGATIONS**

Long-term liability activity for the year ended December 31, 2013, was as follows:

|                                                              |            | Restated<br>Beginning<br>Balance | Additions          | Deletions            | Ending<br>Balance  | Due Within<br>One Year |
|--------------------------------------------------------------|------------|----------------------------------|--------------------|----------------------|--------------------|------------------------|
| <b>Governmental Activities</b>                               |            |                                  |                    |                      |                    |                        |
| <u>General Obligation Bonds</u>                              |            |                                  |                    |                      |                    |                        |
| Various Purpose Refunding-Series 2003                        | 2.00-5.25% | \$500,000                        | \$0                | (\$500,000)          | \$0                | \$0                    |
| Less Deferred Amounts:                                       |            |                                  |                    |                      |                    |                        |
| For Issuance Premium                                         |            | 9,349                            | 0                  | (9,349)              | 0                  | 0                      |
| <b>Total General Obligation Bonds</b>                        |            | <b>509,349</b>                   | <b>0</b>           | <b>(509,349)</b>     | <b>0</b>           | <b>0</b>               |
| <u>Special Assessment Bonds</u>                              |            |                                  |                    |                      |                    |                        |
| Street Improvements - Series 1994                            | 5.40-6.60% | 60,000                           | 0                  | (30,000)             | 30,000             | 30,000                 |
|                                                              | 4.30-      |                                  |                    |                      |                    |                        |
| Street Improvements - Series 1995                            | 5.625%     | 740,000                          | 0                  | (740,000)            | 0                  | 0                      |
| Street Improvements - Series 1998a                           | 4.05-5.35% | 825,000                          | 0                  | (825,000)            | 0                  | 0                      |
| Street Improvements - Series 1998b                           | 3.50-5.00% | 895,000                          | 0                  | (895,000)            | 0                  | 0                      |
| Street Improvements - Series 1999                            | 4.20-5.75% | 1,205,000                        | 0                  | (1,205,000)          | 0                  | 0                      |
| Street Improvements - Series 2000                            | 4.65-5.75% | 850,000                          | 0                  | (850,000)            | 0                  | 0                      |
| Street Improvements - Series 2001                            | 3.70-5.50% | 780,000                          | 0                  | (780,000)            | 0                  | 0                      |
| Street Improvements - Series 2002                            | 4.20-5.30% | 515,000                          | 0                  | (515,000)            | 0                  | 0                      |
| Street Improvements: Various Purpose Refunding – Series 2013 |            |                                  |                    |                      |                    |                        |
|                                                              |            | 0                                | 5,750,000          | 0                    | 5,750,000          | 260,000                |
| For Issuance Premium on Refunding                            |            | 0                                | 86,044             | 0                    | 86,044             | 0                      |
| <b>Total Special Assessment Bonds</b>                        |            | <b>5,870,000</b>                 | <b>5,836,044</b>   | <b>(5,840,000)</b>   | <b>5,866,044</b>   | <b>290,000</b>         |
| Promissory Notes                                             | 1.00%      | 679,337                          | 0                  | (39,356)             | 639,981            | 39,751                 |
| <b>Total Long-Term Liabilities - Bonds, Notes</b>            |            | <b>7,058,686</b>                 | <b>5,836,044</b>   | <b>(6,388,705)</b>   | <b>6,506,025</b>   | <b>329,751</b>         |
| Compensated Absences                                         |            | 723,877                          | 361,623            | (250,000)            | 835,500            | 265,000                |
| <b>Total Governmental Activities</b>                         |            | <b>\$7,747,991</b>               | <b>\$6,197,667</b> | <b>(\$6,638,705)</b> | <b>\$7,341,525</b> | <b>\$594,751</b>       |
| <b>Business-Type Activities</b>                              |            |                                  |                    |                      |                    |                        |
| <u>General Obligation Bonds</u>                              |            |                                  |                    |                      |                    |                        |
| Various Purpose Refunding-Series 2003                        | 2.00-5.25% | 9,080,000                        | 0                  | (9,080,000)          | 0                  | 0                      |
| Various Purpose Refunding-Series 2013                        |            | 0                                | 3,700,000          | 0                    | 3,700,000          | 700,000                |
| Less Deferred Amounts:                                       |            |                                  |                    |                      |                    |                        |
| For Issuance Premium                                         |            | 174,699                          | 235,361            | (174,699)            | 235,361            | 0                      |
| <b>Total General Obligation Bonds</b>                        |            | <b>9,254,699</b>                 | <b>3,935,361</b>   | <b>(9,254,699)</b>   | <b>3,935,361</b>   | <b>700,000</b>         |
| Compensated Absences                                         |            | 84,619                           | 30,980             | (13,310)             | 102,289            | 17,868                 |
| <b>Total Business-Type Activities</b>                        |            | <b>\$9,339,318</b>               | <b>\$3,966,341</b> | <b>(\$9,268,009)</b> | <b>\$4,037,650</b> | <b>\$717,868</b>       |

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2013  
(continued)

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Outstanding general obligation bonds consist of street improvements, municipal and golf course and related structures. General obligation bonds are direct obligations of the City for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property in the government. The original amount of general obligation bonds issued in prior years was \$19,265,000.

Special assessment bonds maturing through 2032 consist of street, sidewalk and curb improvement issues which are payable from the proceeds of assessments against individual property owners. These bonds are backed by the full faith and credit of the City. In the event of delinquencies related to special assessment bonds, the City is required to use other resources until foreclosure proceeds are received to satisfy debt service. The original amount of special assessment bonds issued in prior years was \$8,730,550.

The general obligation bonds and the promissory note will be paid through the Unvoted Debt Retirement Fund and the Golf Course Fund. The special assessment bonds will be paid through the Special Assessment Bond Retirement Fund. Compensated absences will be paid through the General Fund and the Street Construction and Maintenance Fund.

Promissory notes maturing through 2028 are due to the Ohio Public Works Commission as part of their state capital improvement program for the City's Centerville Station Road and Clyo Road Reconstruction/Widening project. The original amount of the promissory notes was \$832,895.

The following table summarizes the City's future long-term bond service requirements:

**Governmental Activities and Business-Type Activities:**

| Year Ending<br>December 31 | General Obligation Bonds |                  | Special Assessment Bonds |                    | Promissory Notes |                 |
|----------------------------|--------------------------|------------------|--------------------------|--------------------|------------------|-----------------|
|                            | Principal                | Interest         | Principal                | Interest           | Principal        | Interest        |
| 2014                       | \$700,000                | \$122,033        | \$290,000                | \$191,575          | \$39,751         | 6,301           |
| 2015                       | 725,000                  | 98,100           | 300,000                  | 198,402            | 40,149           | 5,902           |
| 2016                       | 740,000                  | 83,600           | 300,000                  | 173,056            | 40,552           | 5,500           |
| 2017                       | 765,000                  | 61,400           | 310,000                  | 164,056            | 40,959           | 5,093           |
| 2018                       | 770,000                  | 30,800           | 315,000                  | 151,656            | 41,369           | 4,683           |
| 2019-2023                  | 0                        | 0                | 1,745,000                | 608,621            | 213,150          | 17,108          |
| 2024-2028                  | 0                        | 0                | 1,890,000                | 334,800            | 224,051          | 6,207           |
| 2029-2033                  | <u>0</u>                 | <u>0</u>         | <u>630,000</u>           | <u>43,630</u>      | <u>0</u>         | <u>0</u>        |
| Total                      | <u>\$3,700,000</u>       | <u>\$395,933</u> | <u>\$5,780,000</u>       | <u>\$1,865,796</u> | <u>\$639,981</u> | <u>\$50,794</u> |

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2013, the City had a legal debt margin for total debt of \$66,505,586 and a legal debt margin for unvoted debt of \$34,836,312.

To provide for the Bethany Lutheran Village Continuing Care Facility, the City issued three series of Health Care Revenue Bonds. These bonds are special limited obligations of the City, payable solely from and secured by a letter of credit. The bonds do not constitute a debt or pledge of the faith and credit of the City, the County or the State, and, accordingly, have not been reported in the accompanying financial statements. At December 31, 2013, Health Care Revenue Bonds outstanding aggregated \$43,895,000.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2013  
(continued)

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**9. ADVANCE REFUNDING**

On September 17, 2013 the City issued \$5,750,000 in Governmental Activities General Obligation bonds and \$3,700,000 in Business-Type Activities with an average interest rate of between 1.00% and 4.20% of which \$9,405,000 was used to advance refund the remaining balance of the outstanding special assessment bonds for Governmental Activities and the remaining of outstanding 2003 Various Purpose Refunding Bonds for Governmental Activities and Business-Type Activities with an average interest rate of between 2.00% and 5.25%. The net proceeds of \$14,693,819 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide all future debt service payments on the three bond issues. As a result, \$14,350,000 of the outstanding special assessment bonds and outstanding general obligation various purpose bonds are considered to be defeased and the related liability for those bonds have been removed from the Statement of Net Position.

The City advance refunded the outstanding special assessment bonds to reduce its total debt service payments by \$8,360,241 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt and prior funds on hand) of \$1,919,167.

**10. OPERATING LEASE – CITY AS LESSOR**

The City is the lessor of a building under noncancellable leases with the Bureau of Motor Vehicles, State of Ohio and the Auto Title Division, Montgomery County, Ohio. Assets relating to the leases as of December 31, 2013 include buildings and improvements at a cost of \$214,284 and accumulated depreciation of \$99,811. The future minimum lease payments as of December 31, 2013 are as follows: 2014 for \$27,322.

**11. INTERFUND TRANSFERS**

The composition of interfund balances as of December 31, 2013 is as follows:

|                                     |                                |                                 |
|-------------------------------------|--------------------------------|---------------------------------|
| <u>Internal balances:</u>           |                                |                                 |
| <u>Type</u>                         | <u>Governmental Activities</u> | <u>Business-type Activities</u> |
| Internal Service Allocation         | \$(65,155)                     | \$65,155                        |
| <br><u>Interfund transfers:</u>     |                                |                                 |
| <u>Fund</u>                         | <u>Transfer In</u>             | <u>Transfer Out</u>             |
| General                             | \$ 0                           | \$6,313,000                     |
| Street Construction and Maintenance | 1,450,000                      | 0                               |
| Capital Improvements                | 1,650,000                      | 0                               |
| Non-major Governmental              | 714,000                        | 0                               |
| Golf Course                         | <u>2,499,000</u>               | <u>0</u>                        |
| Total                               | <u>\$6,313,000</u>             | <u>\$6,313,000</u>              |

All interfund transfers are routine in nature and are to subsidize the operations of the applicable fund.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2013  
(continued)

**12. FUND BALANCES**

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the government fund. The constraints placed on the fund balance for the major governmental funds and all other governmental funds are presented below.

| <u>Fund Balances</u>                   | <u>General</u>      | <u>Street<br/>Construction<br/>&amp;<br/>Maintenance</u> | <u>Special<br/>Assessment<br/>Debt<br/>Retirement</u> | <u>Capital<br/>Improvements</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total</u>        |
|----------------------------------------|---------------------|----------------------------------------------------------|-------------------------------------------------------|---------------------------------|-----------------------------------------|---------------------|
| <b>Nonspendable:</b>                   |                     |                                                          |                                                       |                                 |                                         |                     |
| Inventory                              | \$ 0                | \$ 67,399                                                | \$0                                                   | \$0                             | \$9,069                                 | \$76,468            |
| Prepays                                | <u>72,816</u>       | <u>17,529</u>                                            | <u>0</u>                                              | <u>0</u>                        | <u>0</u>                                | <u>90,345</u>       |
| <b>Total Nonspendable</b>              | 72,816              | 84,928                                                   | 0                                                     | 0                               | 9,069                                   | 166,813             |
| <b>Restricted for:</b>                 |                     |                                                          |                                                       |                                 |                                         |                     |
| Street Construction and<br>Maintenance | 0                   | 710,953                                                  | 0                                                     | 0                               | 0                                       | 710,953             |
| Special Assessment Debt<br>Retirement  | 0                   | 0                                                        | 1,077,210                                             | 0                               | 0                                       | 1,077,210           |
| State Highway                          | 0                   | 0                                                        | 0                                                     | 0                               | 163,858                                 | 163,858             |
| Law Enforcement                        | 0                   | 0                                                        | 0                                                     | 0                               | 296,503                                 | 296,503             |
| Enforcement and Education              | 0                   | 0                                                        | 0                                                     | 0                               | 30,416                                  | 30,416              |
| Drug Law                               | 0                   | 0                                                        | 0                                                     | 0                               | 998                                     | 998                 |
| Police Grants                          | 0                   | 0                                                        | 0                                                     | 0                               | 443,404                                 | 443,404             |
| Special Assessment<br>Improvements     | <u>0</u>            | <u>0</u>                                                 | <u>0</u>                                              | <u>0</u>                        | <u>447,604</u>                          | <u>447,604</u>      |
| <b>Total Restricted</b>                | 0                   | 710,953                                                  | 1,077,210                                             | 0                               | 1,382,783                               | 3,170,946           |
| <b>Assigned to:</b>                    |                     |                                                          |                                                       |                                 |                                         |                     |
| Capital Improvements                   | 0                   | 0                                                        | 0                                                     | 1,642,853                       | 0                                       | 1,642,853           |
| Capital Equipment Purchases            | 0                   | 0                                                        | 0                                                     | 0                               | 417,947                                 | 417,947             |
| Encumbrances                           | <u>256,097</u>      | <u>0</u>                                                 | <u>0</u>                                              | <u>0</u>                        | <u>0</u>                                | <u>256,097</u>      |
| <b>Total Assigned</b>                  | 256,097             | 0                                                        | 0                                                     | 1,642,853                       | 417,947                                 | 2,316,897           |
| <b>Unassigned (Deficit)</b>            | <u>10,954,144</u>   | <u>0</u>                                                 | <u>0</u>                                              | <u>0</u>                        | <u>(21,227)</u>                         | <u>10,932,917</u>   |
| <b>Total Fund Balance</b>              | <u>\$11,283,057</u> | <u>\$795,881</u>                                         | <u>\$1,077,210</u>                                    | <u>\$1,642,853</u>              | <u>\$1,788,572</u>                      | <u>\$16,587,573</u> |

**13. CHANGE IN ACCOUNTING PRINCIPLES**

GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2013 and have been implemented by the City.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2013  
(continued)

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**14. PRIOR PERIOD ADJUSTMENT**

In prior periods, the City had reported assets related to bond issuance costs in the Governmental and Business-Type Activities entity-wide financial statements and proprietary fund financial statements. GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities*, has reclassified debt issuance costs as an expense in the period incurred rather than amortizing the costs over the life of the debt. The implementation of GASB Statement Number 65 requires a restatement of prior period's net position as follows:

|                                          | Governmental<br><u>Activities</u> | Business-Type<br><u>Activities</u> | Golf Course<br><u>Fund</u> |
|------------------------------------------|-----------------------------------|------------------------------------|----------------------------|
| Net Position: December 31, 2012          | \$68,496,803                      | \$13,142,703                       | \$12,979,388               |
| Prior Period Adjustments                 |                                   |                                    |                            |
| Bond Issuance Costs                      | <u>(4,831)</u>                    | <u>(90,163)</u>                    | <u>(90,163)</u>            |
| Restated Net Position: December 31, 2012 | <u>\$68,491,972</u>               | <u>\$13,052,540</u>                | <u>\$12,889,225</u>        |

**15. CONTINGENT LIABILITIES**

Accounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial. The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have an adverse effect on the financial condition of the City.





City of Centerville, Ohio  
Required Supplementary Information  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
General Fund  
For the Year Ended December 31, 2013

|                                  | Original<br>Budget | Final<br>Budget | Actual<br>Budgetary<br>Basis | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------|--------------------|-----------------|------------------------------|---------------------------------------------------------|
| <b>Revenues:</b>                 |                    |                 |                              |                                                         |
| Local Taxes                      | \$ 13,769,887      | \$ 13,769,887   | \$ 14,144,668                | \$ 374,781                                              |
| Intergovernmental revenues       | 1,325,531          | 1,325,531       | 1,526,480                    | 200,949                                                 |
| Special assessments              | 25,000             | 25,000          | 28,463                       | 3,463                                                   |
| Charges for services             | 58,100             | 58,100          | 351,819                      | 293,719                                                 |
| Fines, licenses, and permits     | 223,500            | 223,500         | 254,794                      | 31,294                                                  |
| Interest earned                  | 125,000            | 125,000         | 94,746                       | (30,254)                                                |
| Miscellaneous and reimbursements | 253,520            | 253,520         | 124,432                      | (129,088)                                               |
| Total revenues                   | 15,780,538         | 15,780,538      | 16,525,402                   | 744,864                                                 |
| <b>Expenditures:</b>             |                    |                 |                              |                                                         |
| <b>Current:</b>                  |                    |                 |                              |                                                         |
| <b>Clerk of Council</b>          |                    |                 |                              |                                                         |
| Personal services                | 217,770            | 220,770         | 219,147                      | 1,623                                                   |
| Other expenses                   | 40,073             | 40,073          | 27,564                       | 12,509                                                  |
| Total clerk of council           | 257,843            | 260,843         | 246,711                      | 14,132                                                  |
| <b>City Manager</b>              |                    |                 |                              |                                                         |
| Personal services                | 507,721            | 507,721         | 489,882                      | 17,839                                                  |
| Other expenses                   | 20,900             | 22,900          | 22,900                       | -                                                       |
| Total city manager               | 528,621            | 530,621         | 512,782                      | 17,839                                                  |
| <b>Economic Development</b>      |                    |                 |                              |                                                         |
| Personal services                | 114,965            | 114,965         | 109,296                      | 5,669                                                   |
| Other expenses                   | 12,677             | 12,677          | 8,592                        | 4,085                                                   |
| Total economic development       | 127,642            | 127,642         | 117,888                      | 9,754                                                   |
| <b>Community Resources</b>       |                    |                 |                              |                                                         |
| Personal services                | 84,627             | 89,627          | 89,090                       | 537                                                     |
| Other expenses                   | 10,002             | 10,002          | 9,994                        | 8                                                       |
| Total community resources        | 94,629             | 99,629          | 99,084                       | 545                                                     |
| <b>Code Enforcement</b>          |                    |                 |                              |                                                         |
| Personal services                | 112,601            | 112,601         | 111,652                      | 949                                                     |
| Other expenses                   | 25,094             | 27,094          | 25,491                       | 1,603                                                   |
| Total code enforcement           | 137,695            | 139,695         | 137,143                      | 2,552                                                   |
| <b>Finance</b>                   |                    |                 |                              |                                                         |
| Personal services                | 393,482            | 393,482         | 373,029                      | 20,453                                                  |
| Other expenses                   | 46,419             | 47,419          | 47,260                       | 159                                                     |
| Total finance                    | 439,901            | 440,901         | 420,289                      | 20,612                                                  |
| <b>Income Tax</b>                |                    |                 |                              |                                                         |
| Personal services                | 211,473            | 211,473         | 198,544                      | 12,929                                                  |
| Other expenses                   | 85,693             | 85,693          | 71,213                       | 14,480                                                  |
| Total income tax                 | 297,166            | 297,166         | 269,757                      | 27,409                                                  |
| <b>Human Resources</b>           |                    |                 |                              |                                                         |
| Personal services                | 138,932            | 139,932         | 138,897                      | 1,035                                                   |
| Other expenses                   | 42,794             | 42,794          | 36,327                       | 6,467                                                   |
| Total human resources            | 181,726            | 182,726         | 175,224                      | 7,502                                                   |

See accompanying notes to the required supplementary information.

City of Centerville, Ohio  
Required Supplementary Information  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
General Fund - Continued  
For the Year Ended December 31, 2013

|                                   | Original<br>Budget | Final<br>Budget | Actual<br>Budgetary<br>Basis | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|--------------------|-----------------|------------------------------|---------------------------------------------------------|
| Legal                             |                    |                 |                              |                                                         |
| Other expenses                    | 287,000            | 332,000         | 323,151                      | 8,849                                                   |
| Total legal                       | 287,000            | 332,000         | 323,151                      | 8,849                                                   |
| Planning                          |                    |                 |                              |                                                         |
| Personal services                 | 233,414            | 273,414         | 261,326                      | 12,088                                                  |
| Other expenses                    | 32,946             | 32,946          | 15,971                       | 16,975                                                  |
| Total planning                    | 266,360            | 306,360         | 277,297                      | 29,063                                                  |
| General Government                |                    |                 |                              |                                                         |
| Personal services                 | 156,737            | 156,737         | 111,020                      | 45,717                                                  |
| Other expenses                    | 1,188,810          | 1,188,810       | 1,066,226                    | 122,584                                                 |
| Total general government          | 1,345,547          | 1,345,547       | 1,177,246                    | 168,301                                                 |
| Municipal Building                |                    |                 |                              |                                                         |
| Personal services                 | 34,326             | 34,326          | 33,617                       | 709                                                     |
| Other expenses                    | 57,535             | 57,535          | 37,994                       | 19,541                                                  |
| Total municipal building          | 91,861             | 91,861          | 71,611                       | 20,250                                                  |
| Inspection                        |                    |                 |                              |                                                         |
| Personal services                 | 194,379            | 194,379         | 183,642                      | 10,737                                                  |
| Other expenses                    | 42,502             | 42,502          | 37,064                       | 5,438                                                   |
| Total inspection                  | 236,881            | 236,881         | 220,706                      | 16,175                                                  |
| Engineering                       |                    |                 |                              |                                                         |
| Personal services                 | 368,057            | 368,057         | 365,894                      | 2,163                                                   |
| Other expenses                    | 32,535             | 32,535          | 28,097                       | 4,438                                                   |
| Total engineering                 | 400,592            | 400,592         | 393,991                      | 6,601                                                   |
| Public Works Administration       |                    |                 |                              |                                                         |
| Personal services                 | 220,177            | 220,177         | 210,493                      | 9,684                                                   |
| Other expenses                    | 119,230            | 119,230         | 103,833                      | 15,397                                                  |
| Total public works administration | 339,407            | 339,407         | 314,326                      | 25,081                                                  |
| Police                            |                    |                 |                              |                                                         |
| Personal services                 | 5,776,912          | 5,776,912       | 5,633,424                    | 143,488                                                 |
| Other expenses                    | 833,431            | 833,431         | 765,579                      | 67,852                                                  |
| Total police                      | 6,610,343          | 6,610,343       | 6,399,003                    | 211,340                                                 |
| Sister City Committee             |                    |                 |                              |                                                         |
| Other expenses                    | 6,760              | 6,760           | 2,693                        | 4,067                                                   |
| Total sister city committee       | 6,760              | 6,760           | 2,693                        | 4,067                                                   |
| Arts Commission                   |                    |                 |                              |                                                         |
| Other expenses                    | 33,922             | 33,922          | 30,659                       | 3,263                                                   |
| Total arts commission             | 33,922             | 33,922          | 30,659                       | 3,263                                                   |

See accompanying notes to the required supplementary information.

City of Centerville, Ohio  
Required Supplementary Information  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
General Fund - Continued  
For the Year Ended December 31, 2013

|                                                                                                        | Original<br>Budget  | Final<br>Budget     | Actual<br>Budgetary<br>Basis | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------------------------------------------------------------------------|---------------------|---------------------|------------------------------|---------------------------------------------------------|
| City Beautiful Commission                                                                              |                     |                     |                              |                                                         |
| Other expenses                                                                                         | 5,475               | 5,475               | 4,560                        | 915                                                     |
| Total city beautiful commission                                                                        | 5,475               | 5,475               | 4,560                        | 915                                                     |
| Benham's Grove                                                                                         |                     |                     |                              |                                                         |
| Personal services                                                                                      | 130,782             | 130,782             | 106,228                      | 24,554                                                  |
| Other expenses                                                                                         | 113,458             | 113,458             | 111,367                      | 2,091                                                   |
| Total Benham's Grove                                                                                   | 244,240             | 244,240             | 217,595                      | 26,645                                                  |
| Stubbs Park                                                                                            |                     |                     |                              |                                                         |
| Other expenses                                                                                         | 235,591             | 235,591             | 194,025                      | 41,566                                                  |
| Total Stubbs Park                                                                                      | 235,591             | 235,591             | 194,025                      | 41,566                                                  |
| Total Expenses                                                                                         | 12,169,202          | 12,268,202          | 11,605,741                   | 662,461                                                 |
| Excess (deficiency) of revenues over expenditures                                                      | 3,611,336           | 3,512,336           | 4,919,661                    | 1,407,325                                               |
| Other financing sources (uses):                                                                        |                     |                     |                              |                                                         |
| Transfers (out)                                                                                        | (5,910,000)         | (6,329,544)         | (6,313,000)                  | 16,544                                                  |
| Total other financing sources (uses)                                                                   | (5,910,000)         | (6,329,544)         | (6,313,000)                  | 16,544                                                  |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | (2,298,664)         | (2,817,208)         | (1,393,339)                  | 1,423,869                                               |
| Fund balance at beginning of year                                                                      | 12,075,950          | 12,075,950          | 12,075,950                   | -                                                       |
| Fund balance at end of year                                                                            | <u>\$ 9,777,286</u> | <u>\$ 9,258,742</u> | <u>\$ 10,682,611</u>         | <u>\$ 1,423,869</u>                                     |

See accompanying notes to the required supplementary information.

City of Centerville, Ohio  
Required Supplementary Information  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Street Construction and Maintenance Fund  
For the Year Ended December 31, 2013

|                                                                                                        | Original<br>Budget | Final<br>Budget   | Actual<br>Budgetary<br>Basis | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------------------------------------------------------------------------|--------------------|-------------------|------------------------------|---------------------------------------------------------|
| <b>Revenues:</b>                                                                                       |                    |                   |                              |                                                         |
| Intergovernmental revenues                                                                             | \$ 925,000         | \$ 925,000        | \$ 932,670                   | \$ 7,670                                                |
| Charges for services                                                                                   | 2,500              | 2,500             | 2,647                        | 147                                                     |
| Interest earned                                                                                        | 2,500              | 2,500             | 4,556                        | 2,056                                                   |
| Miscellaneous and reimbursements                                                                       | -                  | -                 | 13,464                       | 13,464                                                  |
| Total revenues                                                                                         | <u>930,000</u>     | <u>930,000</u>    | <u>953,337</u>               | <u>23,337</u>                                           |
| <b>Expenditures:</b>                                                                                   |                    |                   |                              |                                                         |
| Current:                                                                                               |                    |                   |                              |                                                         |
| Transportation                                                                                         |                    |                   |                              |                                                         |
| Personal services                                                                                      | 1,730,396          | 1,780,396         | 1,779,434                    | 962                                                     |
| Other expenses                                                                                         | <u>538,389</u>     | <u>538,389</u>    | <u>461,329</u>               | <u>77,060</u>                                           |
| Total transportation                                                                                   | <u>2,268,785</u>   | <u>2,318,785</u>  | <u>2,240,763</u>             | <u>78,022</u>                                           |
| Excess (deficiency) of revenues over expenditures                                                      | (1,338,785)        | (1,388,785)       | (1,287,426)                  | 101,359                                                 |
| <b>Other financing sources (uses):</b>                                                                 |                    |                   |                              |                                                         |
| Transfers in                                                                                           | <u>1,450,000</u>   | <u>1,450,000</u>  | <u>1,450,000</u>             | -                                                       |
| Total other financing sources (uses)                                                                   | <u>1,450,000</u>   | <u>1,450,000</u>  | <u>1,450,000</u>             | -                                                       |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | 111,215            | 61,215            | 162,574                      | 101,359                                                 |
| Fund balance at beginning of year                                                                      | <u>512,736</u>     | <u>512,736</u>    | <u>512,736</u>               | -                                                       |
| Fund balance at end of year                                                                            | <u>\$ 623,951</u>  | <u>\$ 573,951</u> | <u>\$ 675,310</u>            | <u>\$ 101,359</u>                                       |

See accompanying notes to the required supplementary information.

**City of Centerville, Ohio**  
Notes to the Required Supplementary Information  
For the Fiscal Year Ended December 31, 2013

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**1. BASIS OF BUDGETING**

Basis of budgeting refers to when revenues and expenditures or expenses are recognized in the accounts. The City's budget for all funds is prepared on a cash-encumbrance basis by which transactions are recorded when cash is received or disbursed, or when a commitment has been recorded as an encumbrance against an applicable appropriation. All annual appropriations lapse at year-end to the extent they have not been expended or lawfully encumbered. The ending fund balances shown are unencumbered cash balances. This basis is utilized for all interim financial statements issued during the year.

The basis of budgeting differs from the accounting principles generally accepted in the United States of America (GAAP) used for the City's year-end financial statements contained in the Comprehensive Annual Financial Report (CAFR). Under that basis of accounting, revenues are generally recognized when the obligation to the City arises; the budget basis, however, recognizes revenue only when cash has been received. In the CAFR, expenditures are generally recognized in the period in which they are incurred. Under the budget basis, expenditures are recognized when cash has been disbursed or when an encumbrance has been placed against an appropriation.

Unencumbered appropriations lapse at year end. State law provides that, generally, no contract, agreement or other obligation involving the expenditure of money shall be entered into unless the Finance Officer first certifies that the money required for such contract, agreement, obligation or expenditure is in the treasury, or is anticipated to come into the treasury before the maturity of such contract (Ohio Revised Code 5705.41).

**2. BUDGETARY PROCESS**

The City follows procedures prescribed by State law in establishing the budgetary data reflected in the financial statements as follows:

- (1) The County Budget Commission has suspended the requirement to prepare a tax budget. In lieu of the tax budget, about January 1 of each year, the City will submit to the Budget Commission a report of estimated revenue and actual unencumbered cash balances by fund. Thereafter, the County Budget Commission will issue an Official Certificate of Estimated Resources.
- (2) Unencumbered appropriations lapse at year-end. No contract, agreement or other obligation involving the expenditure of money shall be entered into unless the Director of Finance first certifies that the money required for such contract, agreement, obligation or expenditure is in the treasury, or is anticipated to come into the treasury, before the maturity of such contract.
- (3) All funds of the City have annual budgets legally adopted by the City Council. The exception is that when the City receives federal or state grant funds to aid in paying the cost of any program, activity, or function of the City, the amount received is deemed appropriated for such purpose.

The City Manager acts as budget officer for the City and submits a proposed operating budget to the City Council on an annual basis. Public hearings are held to obtain taxpayer comments. The Council enacts the budget through passage of an ordinance. The appropriations ordinance controls expenditures at the department level, which is broken out between personal services and other expenses. The appropriation measure may only be amended or supplemented during the year by

## City of Centerville, Ohio

### Notes to the Required Supplementary Information

For the Fiscal Year Ended December 31, 2013

(continued)

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ordinance of the City Council. The allocation of appropriations among departments and objects within a fund may be modified with approval of the City Manager. Appropriations may not exceed estimated resources. During the year, supplemental appropriations were made. The appropriations and estimated revenue reported within the Schedule of Revenue, Expenditure, and Changes in Fund Balance – Budget and Actual – Budgetary (Non-GAAP) Basis reflect the final appropriations and estimated revenues as approved by City Council and the County Budget Commission, respectively, at December 31, 2013.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the governmental funds. Encumbrances outstanding at year end are reported as reservations of fund balances, since they do not constitute expenditures or liabilities.

While reporting financial position, results of operations and changes in fund balances on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis, as provided by law, requires accounting for certain transactions on a basis of cash receipts and disbursements.

Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budget (Non-GAAP) Basis for the General Fund and Street Construction and Maintenance Fund are presented on the budgetary basis in the Required Supplementary Information to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

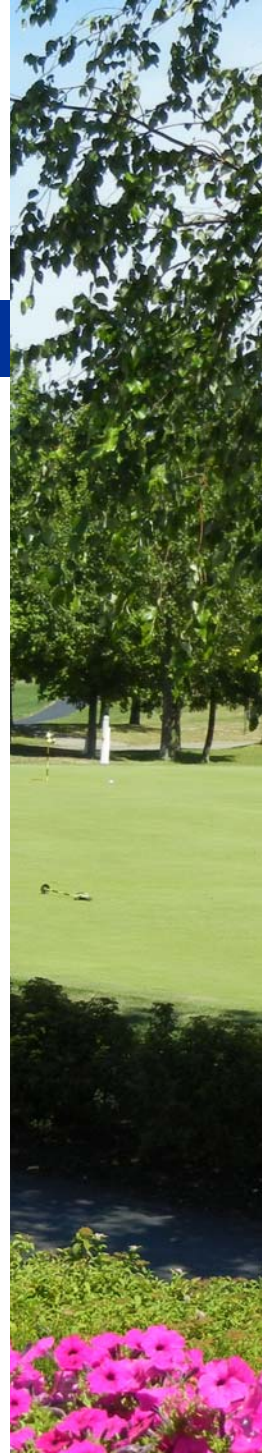
- (1) Revenues are recorded when received in cash (budget) as opposed to when they are both measurable and available (GAAP).
- (2) Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
- (3) Encumbrances are recorded as the equivalent of expenditures (budget) as opposed to an assignment of fund balance (GAAP).
- (4) Some funds are reported as part of the General Fund (GAAP basis) as opposed to the General Fund being reported alone (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

| <b><u>Net Change in Fund Balance</u></b> | <b><u>General Fund</u></b> | <b><u>Street Construction<br/>and Maintenance Fund</u></b> |
|------------------------------------------|----------------------------|------------------------------------------------------------|
| GAAP basis                               | (\$1,581,879)              | \$147,151                                                  |
| Net adjustment for revenue accruals      | 294,615                    | (717)                                                      |
| Net adjustment for expenditure accruals  | (13,376)                   | 26,114                                                     |
| Net adjustment for encumbrances          | <u>(92,699)</u>            | <u>(9,974)</u>                                             |
| Budget basis                             | <u>(\$1,393,339)</u>       | <u>\$162,574</u>                                           |



# Combining Statements & Individual Fund Schedules



## City of Centerville, Ohio

### Fund Descriptions

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#### **Non-Major Special Revenue Funds**

Special revenue funds account for revenue sources that are legally restricted to expenditure for specific purposes.

State Highway Fund. A fund provided to account for the allocation of revenues derived from motor vehicle license fees and gasoline taxes. Expenditures are restricted by state law for maintenance and repair of state highways within the City.

Law Enforcement Fund. A fund provided to account for the fines generated in the prosecution of those in possession of contraband and the proceeds gained from the sale of confiscated contraband.

Enforcement and Education Fund. A fund provided to account for fines imposed for the purpose of educating the public and enforcing the laws governing the operation of a motor vehicle while under the influence of alcohol.

Drug Law Fund. A fund provided to account for mandatory fines imposed for drug offense convictions.

Police Grants Fund. A fund provided to account for grants received for police services.

#### **Non-Major Debt Service Fund**

Debt service funds account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Unvoted Debt Retirement Fund. A fund provided to account for the payment of principal and interest on the City's unvoted general obligations.

#### **Non-Major Capital Projects Funds**

Capital projects funds account for the acquisition of equipment or construction of major capital projects not being financed by proprietary funds.

Capital Equipment Purchase Fund. A fund provided to account for the acquisition of major operating and office equipment.

Special Assessment Improvements Fund. A fund provided to account for the revenues and expenditures relating to various special assessment projects throughout the City.

#### **Internal Service Funds**

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Central Vehicle Purchase Fund. A fund provided to account for the acquisition of motor vehicles by the City.

Insurance Deductible Fund. A fund provided to account for the payment of deductibles relating to the City's general insurance coverage.

#### **Agency Fund**

Agency funds are used to account for assets held on behalf of other parties.

Agency Fund. A fund provided to account for assets held by the City for 1) security rental deposits for rental of City property, 2) bonds from property owners for street improvements, 3) payroll withholdings, and 4) other miscellaneous activities.



City of Centerville, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2013

|                                                       | Nonmajor<br>Special<br>Revenue<br>Funds | Nonmajor<br>Debt<br>Service<br>Fund | Nonmajor<br>Capital<br>Projects<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|-------------------------------------------------------|-----------------------------------------|-------------------------------------|------------------------------------------|--------------------------------------------|
| Assets:                                               |                                         |                                     |                                          |                                            |
| Equity in Pooled Cash and Investments                 | \$929,668                               | \$1,799                             | \$865,551                                | \$1,797,018                                |
| Receivables (Net):                                    |                                         |                                     |                                          |                                            |
| Intergovernmental                                     | 37,001                                  | 0                                   | 0                                        | 37,001                                     |
| Inventory                                             | 9,069                                   | 0                                   | 0                                        | 9,069                                      |
| Total Assets                                          | 975,738                                 | 1,799                               | 865,551                                  | 1,843,088                                  |
| Liabilities:                                          |                                         |                                     |                                          |                                            |
| Accounts Payable                                      | 6,933                                   | 23,026                              | 0                                        | 29,959                                     |
| Total Liabilities                                     | 6,933                                   | 23,026                              | 0                                        | 29,959                                     |
| Deferred Inflows of Resources:                        |                                         |                                     |                                          |                                            |
| Grants and Other Taxes                                | 24,557                                  | 0                                   | 0                                        | 24,557                                     |
| Total Deferred Inflows of Resources                   | 24,557                                  | 0                                   | 0                                        | 24,557                                     |
| Fund Balances:                                        |                                         |                                     |                                          |                                            |
| Nonspendable                                          | 9,069                                   | 0                                   | 0                                        | 9,069                                      |
| Restricted                                            | 935,179                                 | 0                                   | 447,604                                  | 1,382,783                                  |
| Assigned                                              | 0                                       | 0                                   | 417,947                                  | 417,947                                    |
| Unassigned                                            | 0                                       | (21,227)                            | 0                                        | (21,227)                                   |
| Total Fund Balances                                   | 944,248                                 | (21,227)                            | 865,551                                  | 1,788,572                                  |
| Total Liabilities, Deferred Inflows and Fund Balances | \$975,738                               | \$1,799                             | \$865,551                                | \$1,843,088                                |

City of Centerville, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended December 31, 2013

|                                              | Nonmajor<br>Special<br>Revenue<br>Funds | Nonmajor<br>Debt<br>Service<br>Fund | Nonmajor<br>Capital<br>Projects<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|----------------------------------------------|-----------------------------------------|-------------------------------------|------------------------------------------|--------------------------------------------|
| Revenues:                                    |                                         |                                     |                                          |                                            |
| Investment Earnings                          | \$6,859                                 | \$144                               | \$6,299                                  | \$13,302                                   |
| Intergovernmental                            | 124,818                                 | 0                                   | 0                                        | 124,818                                    |
| Special Assessments                          | 0                                       | 0                                   | 27,505                                   | 27,505                                     |
| Fines, Licenses & Permits                    | 1,529                                   | 0                                   | 0                                        | 1,529                                      |
| Other Revenues                               | 12,931                                  | 0                                   | 644                                      | 13,575                                     |
| Total Revenues                               | 146,137                                 | 144                                 | 34,448                                   | 180,729                                    |
| Expenditures:                                |                                         |                                     |                                          |                                            |
| Current:                                     |                                         |                                     |                                          |                                            |
| Public Safety                                | 2,946                                   | 0                                   | 0                                        | 2,946                                      |
| Transportation                               | 61,139                                  | 0                                   | 0                                        | 61,139                                     |
| Capital Outlay                               | 0                                       | 0                                   | 112,561                                  | 112,561                                    |
| Debt Service:                                |                                         |                                     |                                          |                                            |
| Principal                                    | 0                                       | 539,356                             | 0                                        | 539,356                                    |
| Interest and Other Charges                   | 0                                       | 29,383                              | 0                                        | 29,383                                     |
| Total Expenditures                           | 64,085                                  | 568,739                             | 112,561                                  | 745,385                                    |
| Excess of Revenues Over (Under) Expenditures | 82,052                                  | (568,595)                           | (78,113)                                 | (564,656)                                  |
| Other Financing Sources (Uses):              |                                         |                                     |                                          |                                            |
| Transfers In                                 | 0                                       | 514,000                             | 200,000                                  | 714,000                                    |
| Total Other Financing Sources (Uses)         | 0                                       | 514,000                             | 200,000                                  | 714,000                                    |
| Net Change in Fund Balance                   | 82,052                                  | (54,595)                            | 121,887                                  | 149,344                                    |
| Fund Balance - Beginning of Year             | 866,928                                 | 33,368                              | 743,664                                  | 1,643,960                                  |
| Change in Reserve for Inventory              | (4,732)                                 | 0                                   | 0                                        | (4,732)                                    |
| Fund Balance - End of Year                   | \$944,248                               | (\$21,227)                          | \$865,551                                | \$1,788,572                                |

City of Centerville, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2013

|                                                             | State<br>Highway | Law<br>Enforcement | Enforcement<br>and Education | Drug<br>Law  | Police<br>Grants | Total<br>Nonmajor<br>Special Revenue<br>Funds |
|-------------------------------------------------------------|------------------|--------------------|------------------------------|--------------|------------------|-----------------------------------------------|
| Assets:                                                     |                  |                    |                              |              |                  |                                               |
| Equity in Pooled Cash and Investments                       | \$158,347        | \$296,503          | \$30,416                     | \$998        | \$443,404        | \$929,668                                     |
| Receivables (Net):                                          |                  |                    |                              |              |                  |                                               |
| Intergovernmental                                           | 37,001           | 0                  | 0                            | 0            | 0                | 37,001                                        |
| Inventory                                                   | 9,069            | 0                  | 0                            | 0            | 0                | 9,069                                         |
| <b>Total Assets</b>                                         | <b>204,417</b>   | <b>296,503</b>     | <b>30,416</b>                | <b>998</b>   | <b>443,404</b>   | <b>975,738</b>                                |
| Liabilities:                                                |                  |                    |                              |              |                  |                                               |
| Accounts Payable                                            | 6,933            | 0                  | 0                            | 0            | 0                | 6,933                                         |
| <b>Total Liabilities</b>                                    | <b>6,933</b>     | <b>0</b>           | <b>0</b>                     | <b>0</b>     | <b>0</b>         | <b>6,933</b>                                  |
| Deferred Inflows of Resources:                              |                  |                    |                              |              |                  |                                               |
| Grants and Other Taxes                                      | 24,557           | 0                  | 0                            | 0            | 0                | 24,557                                        |
| <b>Total Deferred Inflows of Resources</b>                  | <b>24,557</b>    | <b>0</b>           | <b>0</b>                     | <b>0</b>     | <b>0</b>         | <b>24,557</b>                                 |
| Fund Balances:                                              |                  |                    |                              |              |                  |                                               |
| Nonspendable                                                | 9,069            | 0                  | 0                            | 0            | 0                | 9,069                                         |
| Restricted                                                  | 163,858          | 296,503            | 30,416                       | 998          | 443,404          | 935,179                                       |
| <b>Total Fund Balances</b>                                  | <b>172,927</b>   | <b>296,503</b>     | <b>30,416</b>                | <b>998</b>   | <b>443,404</b>   | <b>944,248</b>                                |
| <b>Total Liabilities, Deferred Inflows and Fund Balance</b> | <b>\$204,417</b> | <b>\$296,503</b>   | <b>\$30,416</b>              | <b>\$998</b> | <b>\$443,404</b> | <b>\$975,738</b>                              |

City of Centerville, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended December 31, 2013

|                                  | State<br>Highway | Law<br>Enforcement | Enforcement<br>and Education | Drug<br>Law | Police<br>Grants | Total<br>Nonmajor<br>Special Revenue<br>Funds |
|----------------------------------|------------------|--------------------|------------------------------|-------------|------------------|-----------------------------------------------|
| Revenues:                        |                  |                    |                              |             |                  |                                               |
| Investment Earnings              | \$1,140          | \$2,299            | \$228                        | \$8         | \$3,184          | \$6,859                                       |
| Intergovernmental                | 75,681           | 0                  | 0                            | 0           | 49,137           | 124,818                                       |
| Fines, Licenses & Permits        | 0                | 0                  | 1,529                        | 0           | 0                | 1,529                                         |
| Other Revenues                   | 0                | 4,065              | 210                          | 0           | 8,656            | 12,931                                        |
| Total Revenues                   | 76,821           | 6,364              | 1,967                        | 8           | 60,977           | 146,137                                       |
| Expenditures:                    |                  |                    |                              |             |                  |                                               |
| Current:                         |                  |                    |                              |             |                  |                                               |
| Public Safety                    | 0                | 2,946              | 0                            | 0           | 0                | 2,946                                         |
| Transportation                   | 61,139           | 0                  | 0                            | 0           | 0                | 61,139                                        |
| Total Expenditures               | 61,139           | 2,946              | 0                            | 0           | 0                | 64,085                                        |
| Net Change in Fund Balance       | 15,682           | 3,418              | 1,967                        | 8           | 60,977           | 82,052                                        |
| Fund Balance - Beginning of Year | 161,977          | 293,085            | 28,449                       | 990         | 382,427          | 866,928                                       |
| Change in Reserve for Inventory  | (4,732)          | 0                  | 0                            | 0           | 0                | (4,732)                                       |
| Fund Balance - End of Year       | \$172,927        | \$296,503          | \$30,416                     | \$998       | \$443,404        | \$944,248                                     |

City of Centerville, Ohio  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
State Highway Fund  
For the Year Ended December 31, 2013

|                                                   | Original<br>Budget | Final<br>Budget   | Actual<br>Budgetary<br>Basis | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------------------|--------------------|-------------------|------------------------------|---------------------------------------------------------|
| Revenues:                                         |                    |                   |                              |                                                         |
| Intergovernmental revenues                        | \$ 75,000          | \$ 75,000         | \$ 75,622                    | \$ 622                                                  |
| Interest earned                                   | <u>1,000</u>       | <u>1,000</u>      | <u>1,140</u>                 | <u>140</u>                                              |
| Total revenues                                    | 76,000             | 76,000            | 76,762                       | 762                                                     |
| Expenditures:                                     |                    |                   |                              |                                                         |
| Transportation                                    |                    |                   |                              |                                                         |
| Other expenses                                    | <u>86,600</u>      | <u>86,600</u>     | <u>55,145</u>                | <u>31,455</u>                                           |
| Total expenditures                                | 86,600             | 86,600            | 55,145                       | 31,455                                                  |
| Excess (deficiency) of revenues over expenditures | (10,600)           | (10,600)          | 21,617                       | 32,217                                                  |
| Fund balance at beginning of year                 | <u>135,995</u>     | <u>135,995</u>    | <u>135,995</u>               | -                                                       |
| Fund balance at end of year                       | <u>\$ 125,395</u>  | <u>\$ 125,395</u> | <u>\$ 157,612</u>            | <u>\$ 32,217</u>                                        |

City of Centerville, Ohio  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Law Enforcement Fund  
For the Year Ended December 31, 2013

|                                                   | Original<br>Budget | Final<br>Budget   | Actual<br>Budgetary<br>Basis | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------------------|--------------------|-------------------|------------------------------|---------------------------------------------------------|
| Revenues:                                         |                    |                   |                              |                                                         |
| Interest earned                                   | \$ 3,000           | \$ 3,000          | \$ 2,299                     | \$ (701)                                                |
| Miscellaneous and reimbursements                  | <u>1,000</u>       | <u>1,000</u>      | <u>4,065</u>                 | <u>3,065</u>                                            |
| Total revenues                                    | 4,000              | 4,000             | 6,364                        | 2,364                                                   |
| Expenditures:                                     |                    |                   |                              |                                                         |
| Public Safety                                     |                    |                   |                              |                                                         |
| Other expenses                                    | <u>7,350</u>       | <u>7,350</u>      | <u>2,946</u>                 | <u>4,404</u>                                            |
| Total expenditures                                | 7,350              | 7,350             | 2,946                        | 4,404                                                   |
| Excess (deficiency) of revenues over expenditures | (3,350)            | (3,350)           | 3,418                        | 6,768                                                   |
| Fund balance at beginning of year                 | <u>293,086</u>     | <u>293,086</u>    | <u>293,086</u>               | -                                                       |
| Fund balance at end of year                       | <u>\$ 289,736</u>  | <u>\$ 289,736</u> | <u>\$ 296,504</u>            | <u>\$ 6,768</u>                                         |

City of Centerville, Ohio  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Enforcement and Education Fund  
For the Year Ended December 31, 2013

|                                                   | Original<br>Budget | Final<br>Budget | Actual<br>Budgetary<br>Basis | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------------------|--------------------|-----------------|------------------------------|---------------------------------------------------------|
| Revenues:                                         |                    |                 |                              |                                                         |
| Fines, licenses, and permits                      | \$ 1,000           | \$ 1,000        | \$ 1,529                     | \$ 529                                                  |
| Interest earned                                   | 250                | 250             | 228                          | (22)                                                    |
| Miscellaneous and reimbursements                  | -                  | -               | 210                          | 210                                                     |
| Total revenues                                    | 1,250              | 1,250           | 1,967                        | 717                                                     |
| Expenditures:                                     |                    |                 |                              |                                                         |
| Public Safety                                     |                    |                 |                              |                                                         |
| Other expenses                                    | 5,000              | 5,000           | -                            | 5,000                                                   |
| Total expenditures                                | 5,000              | 5,000           | -                            | 5,000                                                   |
| Excess (deficiency) of revenues over expenditures | (3,750)            | (3,750)         | 1,967                        | 5,717                                                   |
| Fund balance at beginning of year                 | 28,451             | 28,451          | 28,451                       | -                                                       |
| Fund balance at end of year                       | \$ 24,701          | \$ 24,701       | \$ 30,418                    | \$ 5,717                                                |

City of Centerville, Ohio  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Drug Law Fund  
For the Year Ended December 31, 2013

|                                                   | Original<br>Budget | Final<br>Budget | Actual<br>Budgetary<br>Basis | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------------------|--------------------|-----------------|------------------------------|---------------------------------------------------------|
| Revenues:                                         |                    |                 |                              |                                                         |
| Interest earned                                   | \$ 10              | \$ 10           | \$ 8                         | \$ (2)                                                  |
| Total revenues                                    | 10                 | 10              | 8                            | (2)                                                     |
| Expenditures:                                     |                    |                 |                              |                                                         |
| Public Safety                                     |                    |                 |                              |                                                         |
| Other expenses                                    | -                  | -               | -                            | -                                                       |
| Total expenditures                                | -                  | -               | -                            | -                                                       |
| Excess (deficiency) of revenues over expenditures | 10                 | 10              | 8                            | (2)                                                     |
| Fund balance at beginning of year                 | 990                | 990             | 990                          | -                                                       |
| Fund balance at end of year                       | \$ 1,000           | \$ 1,000        | \$ 998                       | \$ (2)                                                  |

City of Centerville, Ohio  
 Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
 Budget and Actual - Budgetary (Non-GAAP) Basis  
 Police Grants Fund  
 For the Year Ended December 31, 2013

|                                                   | Original<br>Budget | Final<br>Budget   | Actual<br>Budgetary<br>Basis | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------------------|--------------------|-------------------|------------------------------|---------------------------------------------------------|
| Revenues:                                         |                    |                   |                              |                                                         |
| Intergovernmental revenue                         | \$ 30,000          | \$ 30,000         | \$ 49,137                    | \$ 19,137                                               |
| Interest earned                                   | <u>3,000</u>       | <u>3,000</u>      | <u>3,184</u>                 | <u>184</u>                                              |
| Total revenues                                    | 33,000             | 33,000            | 52,321                       | 19,321                                                  |
| Expenditures:                                     |                    |                   |                              |                                                         |
| Public Safety                                     |                    |                   |                              |                                                         |
| Other expenses                                    | <u>168,000</u>     | <u>168,000</u>    | <u>(8,656)</u>               | <u>176,656</u>                                          |
| Total expenditures                                | 168,000            | 168,000           | (8,656)                      | 176,656                                                 |
| Excess (deficiency) of revenues over expenditures | (135,000)          | (135,000)         | 60,977                       | 195,977                                                 |
| Fund balance at beginning of year                 | <u>382,428</u>     | <u>382,428</u>    | <u>382,428</u>               | <u>-</u>                                                |
| Fund balance at end of year                       | <u>\$ 247,428</u>  | <u>\$ 247,428</u> | <u>\$ 443,405</u>            | <u>\$ 195,977</u>                                       |

City of Centerville, Ohio  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Unvoted Debt Retirement Fund  
For the Year Ended December 31, 2013

|                                                                                                           | Original<br>Budget | Final<br>Budget | Actual<br>Budgetary<br>Basis | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------------------------------------------------------------------------------|--------------------|-----------------|------------------------------|---------------------------------------------------------|
| Revenues:                                                                                                 |                    |                 |                              |                                                         |
| Interest earned                                                                                           | \$ 700             | \$ 700          | \$ 144                       | \$ (556)                                                |
| Total revenues                                                                                            | 700                | 700             | 144                          | (556)                                                   |
| Expenditures:                                                                                             |                    |                 |                              |                                                         |
| Debt service                                                                                              | 158,739            | 578,283         | 568,739                      | 9,544                                                   |
| Total expenditures                                                                                        | 158,739            | 578,283         | 568,739                      | 9,544                                                   |
| Excess (deficiency) of revenues over expenditures                                                         | (158,039)          | (577,583)       | (568,595)                    | 8,988                                                   |
| Other financing sources (uses):                                                                           |                    |                 |                              |                                                         |
| Transfers in                                                                                              | 165,000            | 165,000         | 514,000                      | 349,000                                                 |
| Total other financing sources (uses)                                                                      | 165,000            | 165,000         | 514,000                      | 349,000                                                 |
| Excess (deficiency) of revenues and other financing<br>sources over expenditures and other financing uses | 6,961              | (412,583)       | (54,595)                     | 357,988                                                 |
| Fund balance at beginning of year                                                                         | 56,396             | 56,396          | 56,396                       | -                                                       |
| Fund balance at end of year                                                                               | \$ 63,357          | \$ (356,187)    | \$ 1,801                     | \$ 357,988                                              |

City of Centerville, Ohio  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Special Assessment Debt Retirement Fund  
For the Year Ended December 31, 2013

|                                                   | Original<br>Budget | Final<br>Budget | Actual<br>Budgetary<br>Basis | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------------------|--------------------|-----------------|------------------------------|---------------------------------------------------------|
| Revenues:                                         |                    |                 |                              |                                                         |
| Interest earned                                   | \$ 6,000           | \$ 6,000        | \$ 4,830                     | \$ (1,170)                                              |
| Special assessments                               | 605,239            | 605,239         | 593,999                      | (11,240)                                                |
| Total revenues                                    | 611,239            | 611,239         | 598,829                      | (12,410)                                                |
| Expenditures:                                     |                    |                 |                              |                                                         |
| Debt service                                      | 601,164            | 601,164         | 448,015                      | 153,149                                                 |
| Total expenditures                                | 601,164            | 601,164         | 448,015                      | 153,149                                                 |
| Excess (deficiency) of revenues over expenditures | 10,075             | 10,075          | 150,814                      | 140,739                                                 |
| Fund balance at beginning of year                 | 334,039            | 334,039         | 334,039                      | -                                                       |
| Fund balance at end of year                       | \$ 344,114         | \$ 344,114      | \$ 484,853                   | \$ 140,739                                              |



City of Centerville, Ohio  
 Combining Balance Sheet  
 Nonmajor Capital Projects Funds  
 December 31, 2013

|                                                       | Capital<br>Equipment<br>Purchase | Special<br>Assessment<br>Improvements | Total<br>Nonmajor<br>Capital Projects<br>Funds |
|-------------------------------------------------------|----------------------------------|---------------------------------------|------------------------------------------------|
| Assets:                                               |                                  |                                       |                                                |
| Equity in Pooled Cash and Investments                 | \$417,947                        | \$447,604                             | \$865,551                                      |
| Total Assets                                          | <u>417,947</u>                   | <u>447,604</u>                        | <u>865,551</u>                                 |
| Liabilities:                                          |                                  |                                       |                                                |
| Accounts Payable                                      | 0                                | 0                                     | 0                                              |
| Total Liabilities                                     | <u>0</u>                         | <u>0</u>                              | <u>0</u>                                       |
| Fund Balances:                                        |                                  |                                       |                                                |
| Restricted                                            | 0                                | 447,604                               | 447,604                                        |
| Assigned                                              | 417,947                          | 0                                     | 417,947                                        |
| Total Fund Balances                                   | <u>417,947</u>                   | <u>447,604</u>                        | <u>865,551</u>                                 |
| Total Liabilities, Deferred Inflows and Fund Balances | <u>\$417,947</u>                 | <u>\$447,604</u>                      | <u>\$865,551</u>                               |

City of Centerville, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended December 31, 2013

|                                              | Capital<br>Equipment<br>Purchase | Special<br>Assessment<br>Improvements | Total<br>Nonmajor<br>Capital Projects<br>Funds |
|----------------------------------------------|----------------------------------|---------------------------------------|------------------------------------------------|
| Revenues:                                    |                                  |                                       |                                                |
| Investment Earnings                          | \$2,905                          | \$3,394                               | \$6,299                                        |
| Special Assessments                          | 0                                | 27,505                                | 27,505                                         |
| Other Revenues                               | 644                              | 0                                     | 644                                            |
| Total Revenues                               | <u>3,549</u>                     | <u>30,899</u>                         | <u>34,448</u>                                  |
| Expenditures:                                |                                  |                                       |                                                |
| Capital Outlay                               | <u>112,561</u>                   | 0                                     | <u>112,561</u>                                 |
| Total Expenditures                           | <u>112,561</u>                   | 0                                     | <u>112,561</u>                                 |
| Excess of Revenues Over (Under) Expenditures | <u>(109,012)</u>                 | <u>30,899</u>                         | <u>(78,113)</u>                                |
| Other Financing Sources (Uses):              |                                  |                                       |                                                |
| Transfers In                                 | <u>200,000</u>                   | 0                                     | <u>200,000</u>                                 |
| Total Other Financing Sources (Uses)         | <u>200,000</u>                   | 0                                     | <u>200,000</u>                                 |
| Net Change in Fund Balance                   | 90,988                           | 30,899                                | 121,887                                        |
| Fund Balance - Beginning of Year             | <u>326,959</u>                   | <u>416,705</u>                        | <u>743,664</u>                                 |
| Fund Balance - End of Year                   | <u><u>\$417,947</u></u>          | <u><u>\$447,604</u></u>               | <u><u>\$865,551</u></u>                        |

City of Centerville, Ohio  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Capital Equipment Purchase Fund  
For the Year Ended December 31, 2013

|                                                                                                           | Original<br>Budget | Final<br>Budget | Actual<br>Budgetary<br>Basis | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------------------------------------------------------------------------------|--------------------|-----------------|------------------------------|---------------------------------------------------------|
| Revenues:                                                                                                 |                    |                 |                              |                                                         |
| Interest earned                                                                                           | \$ 2,000           | \$ 2,000        | \$ 2,905                     | \$ 905                                                  |
| Sale of property                                                                                          | -                  | -               | 644                          | 644                                                     |
| Total revenues                                                                                            | 2,000              | 2,000           | 3,549                        | 1,549                                                   |
| Expenditures:                                                                                             |                    |                 |                              |                                                         |
| General Government                                                                                        |                    |                 |                              |                                                         |
| Other expenses                                                                                            | 282,311            | 282,311         | 149,284                      | 133,027                                                 |
| Total expenditures                                                                                        | 282,311            | 282,311         | 149,284                      | 133,027                                                 |
| Excess (deficiency) of revenues over expenditures                                                         | (280,311)          | (280,311)       | (145,735)                    | 134,576                                                 |
| Other financing sources (uses):                                                                           |                    |                 |                              |                                                         |
| Transfers in                                                                                              | 200,000            | 200,000         | 200,000                      | -                                                       |
| Total other financing sources (uses)                                                                      | 200,000            | 200,000         | 200,000                      | -                                                       |
| Excess (deficiency) of revenues and other financing<br>sources over expenditures and other financing uses | (80,311)           | (80,311)        | 54,265                       | 134,576                                                 |
| Fund balance at beginning of year                                                                         | 338,608            | 338,608         | 338,608                      | -                                                       |
| Fund balance at end of year                                                                               | \$ 258,297         | \$ 258,297      | \$ 392,873                   | \$ 134,576                                              |

City of Centerville, Ohio  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Special Assessment Improvements Fund  
For the Year Ended December 31, 2013

|                                                   | Original<br>Budget | Final<br>Budget | Actual<br>Budgetary<br>Basis | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------------------|--------------------|-----------------|------------------------------|---------------------------------------------------------|
| Revenues:                                         |                    |                 |                              |                                                         |
| Special Assessments                               | \$ 32,714          | \$ 32,714       | \$ 27,505                    | \$ (5,209)                                              |
| Interest earned                                   | 6,500              | 6,500           | 3,394                        | (3,106)                                                 |
| Total revenues                                    | 39,214             | 39,214          | 30,899                       | (8,315)                                                 |
| Expenditures:                                     |                    |                 |                              |                                                         |
| General Government                                |                    |                 |                              |                                                         |
| Other expenses                                    | -                  | -               | -                            | -                                                       |
| Total expenditures                                | -                  | -               | -                            | -                                                       |
| Excess (deficiency) of revenues over expenditures | 39,214             | 39,214          | 30,899                       | (8,315)                                                 |
| Fund balance at beginning of year                 | 416,707            | 416,707         | 416,707                      | -                                                       |
| Fund balance at end of year                       | \$ 455,921         | \$ 455,921      | \$ 447,606                   | \$ (8,315)                                              |

## City of Centerville, Ohio

### Fund Descriptions

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#### **Other General Funds**

With the implementation of GASB Statement Number 54, certain funds that the City prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue funds and have been included with the General Fund in the governmental fund financial statements. The City has only presented the budget schedules for these funds.

Friends of Benham's Grove. A fund provided to account for the activities of the Friends of Benham's Grove.

Police Operations Project Fund. A fund provided to account for various police related operations. This fund has been utilized to account for the transactions relating to the construction of a new police facility.

City of Centerville, Ohio  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Friends of Benham's Grove Fund <sup>1</sup>  
For the Year Ended December 31, 2013

|                                                   | Original<br>Budget | Final<br>Budget  | Actual<br>Budgetary<br>Basis | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------------------|--------------------|------------------|------------------------------|---------------------------------------------------------|
| Revenues:                                         |                    |                  |                              |                                                         |
| Interest earned                                   | \$ 100             | \$ 100           | \$ 79                        | \$ (21)                                                 |
| Miscellaneous and reimbursements                  | <u>5,500</u>       | <u>5,500</u>     | <u>3,499</u>                 | <u>(2,001)</u>                                          |
| Total revenues                                    | 5,600              | 5,600            | 3,578                        | (2,022)                                                 |
| Expenditures:                                     |                    |                  |                              |                                                         |
| Recreation                                        |                    |                  |                              |                                                         |
| Other expenses                                    | <u>5,625</u>       | <u>5,625</u>     | <u>3,819</u>                 | <u>1,806</u>                                            |
| Total expenditures                                | 5,625              | 5,625            | 3,819                        | 1,806                                                   |
| Excess (deficiency) of revenues over expenditures | (25)               | (25)             | (241)                        | (216)                                                   |
| Fund balance at beginning of year                 | <u>10,490</u>      | <u>10,490</u>    | <u>10,490</u>                | <u>-</u>                                                |
| Fund balance at end of year                       | <u>\$ 10,465</u>   | <u>\$ 10,465</u> | <u>\$ 10,249</u>             | <u>\$ (216)</u>                                         |

(1) This fund is combined with the General Fund in GAAP statements.

City of Centerville, Ohio  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Police Operations Project Fund <sup>1</sup>  
For the Year Ended December 31, 2013

|                                                   | Original<br>Budget | Final<br>Budget  | Actual<br>Budgetary<br>Basis | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------------------|--------------------|------------------|------------------------------|---------------------------------------------------------|
| Revenues:                                         |                    |                  |                              |                                                         |
| Interest earned                                   | \$ 700             | \$ 700           | \$ 541                       | \$ (159)                                                |
| Total revenues                                    | 700                | 700              | 541                          | (159)                                                   |
| Expenditures:                                     |                    |                  |                              |                                                         |
| Public Safety                                     |                    |                  |                              |                                                         |
| Other expenses                                    | <u>2,000</u>       | <u>2,000</u>     | <u>-</u>                     | <u>2,000</u>                                            |
| Total expenditures                                | 2,000              | 2,000            | -                            | 2,000                                                   |
| Excess (deficiency) of revenues over expenditures | (1,300)            | (1,300)          | 541                          | 1,841                                                   |
| Fund balance at beginning of year                 | <u>69,440</u>      | <u>69,440</u>    | <u>69,440</u>                | <u>-</u>                                                |
| Fund balance at end of year                       | <u>\$ 68,140</u>   | <u>\$ 68,140</u> | <u>\$ 69,981</u>             | <u>\$ 1,841</u>                                         |

(1) This fund is combined with the General Fund in GAAP statements.

City of Centerville, Ohio  
Combining Statement of Net Position  
Internal Service Funds  
December 31, 2013

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|                                       | Central<br>Vehicle<br>Purchase | Insurance<br>Deductible | Total<br>Internal Service<br>Funds |
|---------------------------------------|--------------------------------|-------------------------|------------------------------------|
| Current Assets:                       |                                |                         |                                    |
| Equity in Pooled Cash and Investments | \$936,637                      | \$103,392               | \$1,040,029                        |
| Total Current Assets                  | 936,637                        | 103,392                 | 1,040,029                          |
| Depreciable Capital Assets, Net       | 1,109,498                      | 0                       | 1,109,498                          |
| Total Noncurrent Assets               | 1,109,498                      | 0                       | 1,109,498                          |
| Total Assets                          | 2,046,135                      | 103,392                 | 2,149,527                          |
| Liabilities:                          |                                |                         |                                    |
| Current Liabilities:                  |                                |                         |                                    |
| Accounts Payable                      | 0                              | 6,439                   | 6,439                              |
| Total Liabilities                     | 0                              | 6,439                   | 6,439                              |
| Net Position:                         |                                |                         |                                    |
| Net Investment in Capital Assets      | 1,109,498                      | 0                       | 1,109,498                          |
| Unrestricted                          | 936,637                        | 96,953                  | 1,033,590                          |
| Total Net Position                    | <u>\$2,046,135</u>             | <u>\$96,953</u>         | <u>\$2,143,088</u>                 |

City of Centerville, Ohio  
Combining Statement of Revenues, Expenses  
and Changes in Fund Net Position  
Internal Service Funds  
For the Fiscal Year Ended December 31, 2013

|                                           | Central<br>Vehicle<br>Purchase | Insurance<br>Deductible | Total<br>Internal Service<br>Funds |
|-------------------------------------------|--------------------------------|-------------------------|------------------------------------|
| Operating Revenues:                       |                                |                         |                                    |
| Charges for Services                      | \$285,150                      | \$0                     | \$285,150                          |
| Other Revenues                            | 0                              | 113,056                 | 113,056                            |
| Total Operating Revenues                  | <u>285,150</u>                 | <u>113,056</u>          | <u>398,206</u>                     |
| Operating Expenses:                       |                                |                         |                                    |
| Purchased Services                        | 0                              | 22,326                  | 22,326                             |
| Supplies and Materials                    | 19,117                         | 0                       | 19,117                             |
| Other Expenses                            | 0                              | 12,585                  | 12,585                             |
| Depreciation                              | 260,856                        | 0                       | 260,856                            |
| Total Operating Expenses                  | <u>279,973</u>                 | <u>34,911</u>           | <u>314,884</u>                     |
| Operating Income (Loss)                   | <u>5,177</u>                   | <u>78,145</u>           | <u>83,322</u>                      |
| Non-Operating Revenues (Expenses):        |                                |                         |                                    |
| Investment Earnings                       | 7,511                          | 472                     | 7,983                              |
| Gain (Loss) on Disposal of Capital Assets | 41,602                         | 0                       | 41,602                             |
| Total Non-Operating Revenues (Expenses)   | <u>49,113</u>                  | <u>472</u>              | <u>49,585</u>                      |
| Change in Net Position                    | 54,290                         | 78,617                  | 132,907                            |
| Net Position - Beginning of Year          | <u>1,991,845</u>               | <u>18,336</u>           | <u>2,010,181</u>                   |
| Net Position - End of Year                | <u><u>\$2,046,135</u></u>      | <u><u>\$96,953</u></u>  | <u><u>\$2,143,088</u></u>          |

City of Centerville, Ohio  
Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended December 31, 2013

|                                                                                               | Central<br>Vehicle<br>Purchase | Insurance<br>Deductible | Total<br>Internal Service<br>Funds |
|-----------------------------------------------------------------------------------------------|--------------------------------|-------------------------|------------------------------------|
| Cash Flows from Operating Activities:                                                         |                                |                         |                                    |
| Cash Received from Customers                                                                  | \$285,150                      | \$113,245               | \$398,395                          |
| Cash Payments to Suppliers                                                                    | (19,117)                       | (28,472)                | (47,589)                           |
| Net Cash Provided (Used) by Operating Activities                                              | <u>266,033</u>                 | <u>84,773</u>           | <u>350,806</u>                     |
| Cash Flows from Capital and Related Financing Activities:                                     |                                |                         |                                    |
| Payments for Capital Acquisitions                                                             | (309,266)                      | 0                       | (309,266)                          |
| Proceeds on the Disposal of Capital Assets                                                    | 41,602                         | 0                       | 41,602                             |
| Net Cash Provided (Used) by Capital and Related Financing Activities                          | (267,664)                      | 0                       | (267,664)                          |
| Cash Flows from Investing Activities:                                                         |                                |                         |                                    |
| Earnings on Investments                                                                       | 7,511                          | 472                     | 7,983                              |
| Net Cash Provided (Used) by Cash Flows from Investing Activities                              | <u>7,511</u>                   | <u>472</u>              | <u>7,983</u>                       |
| Net Increase (Decrease) in Cash and Cash Equivalents                                          | 5,880                          | 85,245                  | 91,125                             |
| Cash and Cash Equivalents - Beginning of Year                                                 | 930,757                        | 18,147                  | 948,904                            |
| Cash and Cash Equivalents - End of Year                                                       | <u>936,637</u>                 | <u>103,392</u>          | <u>1,040,029</u>                   |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities |                                |                         |                                    |
| Operating Income (Loss)                                                                       | 5,177                          | 78,145                  | 83,322                             |
| Adjustments:                                                                                  |                                |                         |                                    |
| Depreciation                                                                                  | 260,856                        | 0                       | 260,856                            |
| Changes in Assets & Liabilities:                                                              |                                |                         |                                    |
| (Increase) Decrease in Receivables                                                            | 0                              | 189                     | 189                                |
| Increase (Decrease) in Payables                                                               | 0                              | 6,439                   | 6,439                              |
| Net Cash Provided (Used) by Operating Activities                                              | <u>\$266,033</u>               | <u>\$84,773</u>         | <u>\$350,806</u>                   |



City of Centerville, Ohio  
Statement of Changes In Assets and Liabilities  
Agency Fund  
For the Fiscal Year Ended December 31, 2013

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|                                       | Agency<br>Fund          |                         |                         |                         |
|---------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                       | Beginning<br>Balance    | Additions               | Deductions              | Ending<br>Balance       |
| Assets:                               |                         |                         |                         |                         |
| Equity in Pooled Cash and Investments | \$112,975               | \$286,582               | \$160,886               | \$238,671               |
| Prepaid Items                         | <u>1,568</u>            | <u>4,366</u>            | <u>1,568</u>            | <u>4,366</u>            |
| Total Assets                          | <u><u>114,543</u></u>   | <u><u>290,948</u></u>   | <u><u>162,454</u></u>   | <u><u>243,037</u></u>   |
| Liabilities:                          |                         |                         |                         |                         |
| Accounts Payable                      | 0                       | 531                     | 0                       | 531                     |
| Undistributed Monies                  | <u>114,543</u>          | <u>290,417</u>          | <u>162,454</u>          | <u>242,506</u>          |
| Total Liabilities                     | <u><u>\$114,543</u></u> | <u><u>\$290,948</u></u> | <u><u>\$162,454</u></u> | <u><u>\$243,037</u></u> |





# Statistical Section





**City of Centerville, Ohio**  
Statistical Section

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This part of the City’s comprehensive annual financial report 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.

**Contents**

***Financial Trends (Schedules 1-4)***

These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.

***Revenue Capacity (Schedules 5-6)***

These schedules contain information to help the reader understand and assess the City’s most significant local revenue source, the income tax.

***Debt Capacity (Schedules 7-8)***

These schedules present 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.

***Economic and Demographic Information (Schedules 9-10)***

These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.

***Operating Information (Schedules 11-13)***

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.

***Sources***

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

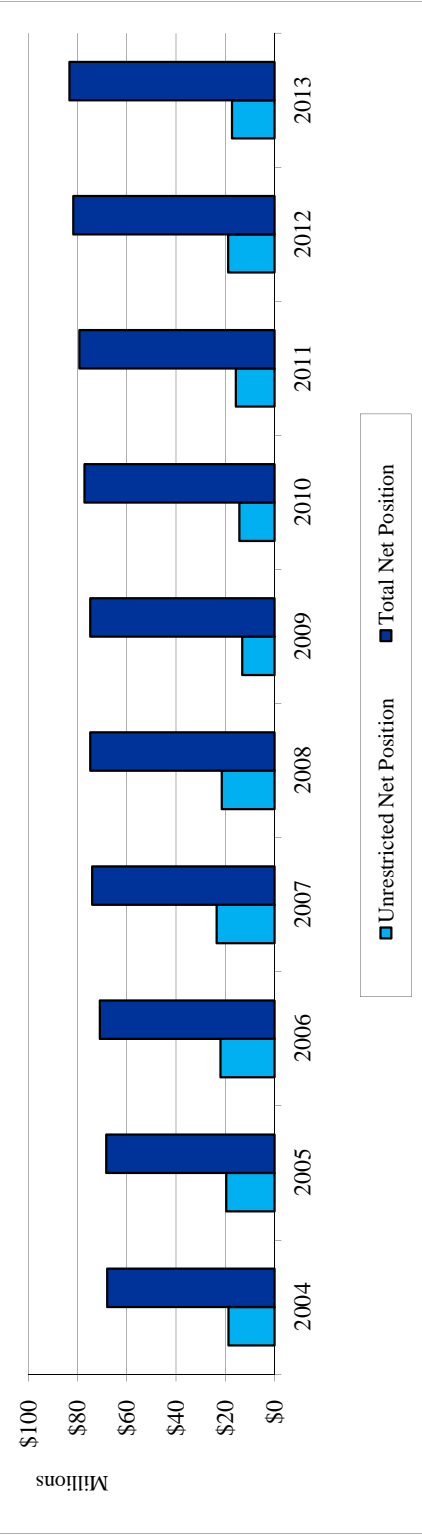


**Schedule 1**

**City of Centerville, Ohio  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)**

|                                             | <u>2004</u>   | <u>2005</u>   | <u>2006</u>   | <u>2007</u>   | <u>2008</u>   | <u>2009</u>   | <u>2010</u>   | <u>2011</u>   | <u>2012</u>   | <u>2013</u>   |
|---------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Governmental activities:</b>             |               |               |               |               |               |               |               |               |               |               |
| Net investment in capital assets            | \$ 14,431,202 | \$ 14,775,382 | \$ 15,524,569 | \$ 17,894,980 | \$ 19,613,962 | \$ 24,604,731 | \$ 40,098,262 | \$ 39,255,568 | \$ 38,096,137 | \$ 38,942,917 |
| Restricted                                  | 15,667,728    | 14,909,798    | 14,457,571    | 14,040,906    | 14,946,987    | 18,377,007    | 15,273,979    | 14,697,393    | 12,246,392    | 12,007,221    |
| Unrestricted                                | 18,224,011    | 19,211,760    | 21,559,415    | 22,839,677    | 21,085,466    | 12,788,888    | 13,822,659    | 15,443,474    | 18,154,274    | 16,496,732    |
| Total governmental activities net position  | 48,322,941    | 48,896,940    | 51,541,555    | 54,775,563    | 55,646,415    | 55,770,626    | 69,194,900    | 69,396,435    | 68,496,803    | 67,446,870    |
| <b>Business-type activities:</b>            |               |               |               |               |               |               |               |               |               |               |
| Net investment in capital assets            | 19,182,647    | 19,032,210    | 18,882,237    | 18,703,791    | 18,902,761    | 18,746,671    | 6,192,798     | 9,252,994     | 9,615,094     | 14,732,195    |
| Restricted                                  | 0             | 0             | 0             | 0             | 0             | 0             | 1,291,866     | 319,734       | 2,921,719     | 351,200       |
| Unrestricted                                | 440,828       | 342,297       | 439,425       | 604,615       | 292,921       | 251,398       | 421,897       | 204,199       | 605,890       | 704,293       |
| Total business-type activities net position | 19,623,475    | 19,374,507    | 19,321,662    | 19,308,406    | 19,195,682    | 18,998,069    | 7,906,561     | 9,776,927     | 13,142,703    | 15,787,688    |
| <b>Total</b>                                |               |               |               |               |               |               |               |               |               |               |
| Net investment in capital assets            | 33,613,849    | 33,807,592    | 34,406,806    | 36,598,771    | 38,516,723    | 43,351,402    | 46,291,060    | 48,508,562    | 47,711,231    | 53,675,112    |
| Restricted                                  | 15,667,728    | 14,909,798    | 14,457,571    | 14,040,906    | 14,946,987    | 18,377,007    | 16,565,845    | 15,017,127    | 15,168,111    | 12,358,421    |
| Unrestricted                                | 18,664,839    | 19,554,057    | 21,998,840    | 23,444,292    | 21,378,387    | 13,040,286    | 14,244,556    | 15,647,673    | 18,760,164    | 17,201,025    |
| Total net position                          | \$ 67,946,416 | \$ 68,271,447 | \$ 70,863,217 | \$ 74,083,969 | \$ 74,842,097 | \$ 74,768,695 | \$ 77,101,461 | \$ 79,173,362 | \$ 81,639,506 | \$ 83,234,558 |

Source: City of Centerville, Ohio,  
Finance Department



**Schedule 2**

**City of Centerville, Ohio  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)**

|                                                 | 2004          | 2005          | 2006          | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          | 2013          |
|-------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Expenses</b>                                 |               |               |               |               |               |               |               |               |               |               |
| Governmental activities:                        |               |               |               |               |               |               |               |               |               |               |
| General government                              | \$ 4,280,576  | \$ 4,874,691  | \$ 4,654,614  | \$ 5,654,478  | \$ 5,058,930  | \$ 5,325,348  | \$ 4,527,738  | \$ 4,920,870  | \$ 4,974,806  | \$ 4,837,041  |
| Public safety                                   | 5,296,904     | 5,478,545     | 5,760,988     | 5,929,666     | 6,696,189     | 6,380,789     | 6,453,724     | 6,814,464     | 6,505,994     | 6,585,920     |
| Community environment                           | 225,372       | 236,856       | 258,913       | 269,732       | 279,440       | 318,856       | 311,971       | 264,650       | 250,836       | 288,406       |
| Recreation                                      | 371,276       | 374,091       | 460,627       | 340,320       | 346,219       | 449,597       | 305,028       | 308,379       | 291,908       | 330,822       |
| Transportation                                  | 3,158,165     | 3,331,467     | 3,515,160     | 3,564,160     | 3,755,978     | 3,810,418     | 4,605,002     | 4,233,694     | 4,190,140     | 4,444,780     |
| Interest and other charges                      | 1,260,351     | 1,233,977     | 1,207,117     | 1,180,046     | 1,166,734     | 1,122,739     | 404,629       | 386,256       | 370,007       | 326,705       |
| Total governmental activities expenses          | 14,592,644    | 15,529,627    | 15,857,419    | 16,938,402    | 17,303,490    | 17,407,747    | 16,608,092    | 16,928,313    | 16,583,691    | 16,813,674    |
| Business-type activities:                       |               |               |               |               |               |               |               |               |               |               |
| Waste collection                                | 1,242,631     | 1,301,490     | 1,205,575     | 1,231,440     | 1,313,378     | 1,269,212     | 1,373,087     | 1,634,734     | 1,483,622     | 1,244,933     |
| Golf course*                                    | 3,957,023     | 3,772,661     | 4,030,721     | 4,036,938     | 4,068,620     | 3,912,575     | 3,878,151     | 3,681,797     | 3,299,097     | 3,322,195     |
| Golf course equipment purchases*                | 162,761       | 127,381       | 150,057       | 134,794       | 23,874        | 264,021       | 0             | 0             | 0             | 0             |
| Total business-type activities expenses         | 5,362,415     | 5,201,532     | 5,386,353     | 5,403,172     | 5,405,872     | 5,445,808     | 5,251,238     | 5,316,531     | 4,782,719     | 4,567,128     |
| Total expenses                                  | \$ 19,955,059 | \$ 20,731,159 | \$ 21,243,772 | \$ 22,341,574 | \$ 22,709,362 | \$ 22,853,555 | \$ 21,859,330 | \$ 22,244,844 | \$ 21,366,410 | \$ 21,380,802 |
| <b>Program revenues</b>                         |               |               |               |               |               |               |               |               |               |               |
| Governmental activities:                        |               |               |               |               |               |               |               |               |               |               |
| General government                              | \$ 1,085,680  | \$ 1,269,645  | \$ 1,616,115  | \$ 2,563,768  | \$ 1,899,923  | \$ 1,807,830  | \$ 1,142,745  | \$ 1,175,710  | \$ 629,043    | \$ 721,762    |
| Public safety                                   | 243,912       | 257,037       | 284,350       | 220,194       | 183,639       | 115,415       | 446,149       | 475,204       | 206,373       | 123,416       |
| Community environment                           | 200,857       | 100           | 0             | 100           | 0             | 0             | 0             | 0             | 0             | 0             |
| Recreation                                      | 183,670       | 165,080       | 215,775       | 154,566       | 137,681       | 142,969       | 151,487       | 150,526       | 176,343       | 186,131       |
| Transportation                                  | 1,145,370     | 1,225,852     | 1,151,774     | 1,324,464     | 1,094,854     | 990,740       | 1,512,741     | 1,010,827     | 1,009,736     | 1,009,722     |
| Total governmental activities program revenues  | 2,859,489     | 2,917,714     | 3,268,014     | 4,263,092     | 3,316,097     | 3,056,954     | 3,253,122     | 2,812,267     | 2,021,495     | 2,041,031     |
| Business-type activities:                       |               |               |               |               |               |               |               |               |               |               |
| Waste collection                                | 1,098,132     | 1,115,830     | 1,327,914     | 1,335,906     | 1,364,427     | 1,355,461     | 1,349,642     | 1,370,233     | 1,369,371     | 1,376,850     |
| Golf course*                                    | 3,476,082     | 3,285,079     | 3,423,346     | 3,805,475     | 3,632,659     | 3,513,628     | 3,647,031     | 3,432,372     | 3,720,572     | 3,342,943     |
| Golf course equipment purchases*                | 120,200       | 129,370       | 129,460       | 101,637       | 148,740       | 205,266       | 0             | 0             | 0             | 0             |
| Total business-type activities program revenues | 4,694,414     | 4,530,279     | 4,880,720     | 5,243,018     | 5,145,826     | 5,074,355     | 4,996,673     | 4,802,605     | 5,089,943     | 4,719,793     |
| Total program revenues                          | \$ 7,553,903  | \$ 7,447,993  | \$ 8,148,734  | \$ 9,506,110  | \$ 8,461,923  | \$ 8,131,309  | \$ 8,249,795  | \$ 7,614,872  | \$ 7,111,438  | \$ 6,760,824  |

\* In 2010, the golf course equipment purchase fund and golf course debt retirement fund were combined into the golf course fund.



Schedule 2 (continued)

|                                                           | 2004            | 2005            | 2006            | 2007            | 2008            | 2009            | 2010            | 2011            | 2012            | 2013            |
|-----------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Net (Expense) Revenue</b>                              |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities:                                  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| General government                                        | \$ (3,194,896)  | \$ (3,605,046)  | \$ (3,038,499)  | \$ (3,090,710)  | \$ (3,159,007)  | \$ (3,517,518)  | \$ (3,384,993)  | \$ (3,745,160)  | \$ (4,345,763)  | \$ (4,115,279)  |
| Public safety                                             | (5,052,992)     | (5,221,508)     | (5,476,638)     | (5,709,472)     | (6,512,550)     | (6,265,374)     | (6,007,575)     | (6,339,260)     | (6,299,621)     | (6,462,504)     |
| Community environment                                     | (24,515)        | (236,756)       | (258,913)       | (269,632)       | (279,440)       | (318,856)       | (311,971)       | (264,650)       | (250,836)       | (288,406)       |
| Recreation                                                | (187,606)       | (209,011)       | (244,852)       | (185,754)       | (208,538)       | (306,628)       | (153,541)       | (157,853)       | (115,565)       | (144,691)       |
| Transportation                                            | (2,012,795)     | (2,105,615)     | (2,363,386)     | (2,239,696)     | (2,661,124)     | (2,819,678)     | (3,092,261)     | (3,222,867)     | (3,180,404)     | (3,435,058)     |
| Interest and other charges                                | (1,260,351)     | (1,233,977)     | (1,207,117)     | (1,180,046)     | (1,166,734)     | (1,122,739)     | (404,629)       | (386,256)       | (370,007)       | (326,705)       |
| Total governmental activities                             | (11,733,155)    | (12,611,913)    | (12,589,405)    | (12,675,310)    | (13,987,393)    | (14,350,793)    | (13,354,970)    | (14,116,046)    | (14,562,196)    | (14,772,643)    |
| Business-type activities:                                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Waste collection                                          | (144,499)       | (185,660)       | 122,339         | 104,466         | 51,049          | 86,249          | (23,445)        | (264,501)       | (114,251)       | 131,917         |
| Golf course operations                                    | (480,941)       | (487,582)       | (607,375)       | (231,463)       | (435,961)       | (398,947)       | (231,120)       | (249,425)       | 421,475         | 20,748          |
| Golf course equipment purchases                           | (42,561)        | 1,989           | (20,597)        | (33,157)        | 124,866         | (58,755)        | 0               | 0               | 0               | 0               |
| Total business-type activities                            | (668,001)       | (671,253)       | (505,633)       | (160,154)       | (260,046)       | (371,453)       | (254,565)       | (513,926)       | 307,224         | 152,665         |
| Total Net Expense                                         | \$ (12,401,156) | \$ (13,283,166) | \$ (13,095,038) | \$ (12,835,464) | \$ (14,247,439) | \$ (14,722,246) | \$ (13,609,535) | \$ (14,629,972) | \$ (14,254,972) | \$ (14,619,978) |
| <b>General Revenues and Other Changes in Net Position</b> |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities:                                  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Taxes:                                                    |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Income taxes                                              | 9,590,830       | 10,166,320      | 10,173,958      | 10,631,431      | 10,727,974      | 10,675,126      | 11,044,385      | 12,109,247      | 12,654,982      | 13,255,407      |
| Property taxes                                            | 1,135,886       | 1,219,582       | 1,412,800       | 1,425,970       | 1,408,488       | 1,422,543       | 1,375,916       | 1,552,250       | 1,208,289       | 1,310,538       |
| Estate taxes                                              | 983,949         | 843,903         | 1,361,063       | 1,372,484       | 1,797,828       | 954,495         | 1,602,523       | 1,329,517       | 2,014,816       | 792,683         |
| Unrestricted Grants and contributions                     | 870,889         | 875,005         | 900,997         | 970,556         | 828,058         | 1,092,388       | 1,605,345       | 1,170,041       | 336,862         | 555,049         |
| Investment earnings                                       | 546,099         | 367,854         | 950,724         | 1,317,758       | 843,798         | 280,848         | 142,867         | 169,851         | 169,693         | 67,416          |
| Gain on sale/disposal of capital assets                   | 58,970          | 84,359          | 65,752          | 2,400           | 0               | 0               | 0               | 0               | 0               | 0               |
| Miscellaneous                                             | 11,861          | 38,889          | 41,404          | 288,719         | 112,576         | 199,604         | 137,595         | 350,675         | 307,922         | 245,448         |
| Special item: insurance settlement                        | 0               | 0               | 777,322         | 0               | 0               | 0               | 0               | 0               | 0               | 0               |
| Transfers                                                 | (400,000)       | (410,000)       | (450,000)       | (100,000)       | (97,500)        | (150,000)       | (1,384,000)     | (2,364,000)     | (3,030,000)     | (2,499,000)     |
| Total governmental activities                             | 12,798,484      | 13,185,912      | 15,234,020      | 15,909,318      | 15,621,222      | 14,475,004      | 14,524,631      | 14,317,581      | 13,662,564      | 13,727,541      |
| Business-type activities:                                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Unrestricted Grants and contributions                     | 63,126          | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               |
| Investment earnings                                       | 21,800          | 8,961           | 20,703          | 46,898          | 44,820          | 13,314          | 27,234          | 20,292          | 14,897          | 29,409          |
| Gain on sale/disposal of capital assets                   | 0               | 3,324           | (17,915)        | 0               | 5,002           | 10,526          | 6,436           | 0               | 13,655          | 54,074          |
| Transfers                                                 | 400,000         | 410,000         | 450,000         | 100,000         | 97,500          | 150,000         | 1,384,000       | 2,364,000       | 3,030,000       | 2,499,000       |
| Total business-type activities                            | 484,926         | 422,285         | 452,788         | 146,898         | 147,322         | 173,840         | 1,417,670       | 2,384,292       | 3,058,552       | 2,582,483       |
| <b>Total</b>                                              | \$ 13,283,410   | \$ 13,608,197   | \$ 15,686,808   | \$ 16,056,216   | \$ 15,768,544   | \$ 14,648,844   | \$ 15,942,301   | \$ 16,701,873   | \$ 16,721,116   | \$ 16,310,024   |
| <b>Changes in Net Position</b>                            |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities                                   | \$ 1,065,329    | \$ 573,999      | \$ 2,644,615    | \$ 3,234,008    | \$ 1,633,829    | \$ 124,211      | \$ 1,169,661    | \$ 201,535      | \$ (899,632)    | \$ (1,045,102)  |
| Business-type activities                                  | (183,075)       | (248,968)       | (52,845)        | (13,256)        | (112,724)       | (197,613)       | 1,163,105       | 1,870,366       | 3,365,776       | 2,735,148       |
| Total                                                     | \$ 882,254      | \$ 325,031      | \$ 2,591,770    | \$ 3,220,752    | \$ 1,521,105    | \$ (73,402)     | \$ 2,332,766    | \$ 2,071,901    | \$ 2,466,144    | \$ 1,690,046    |

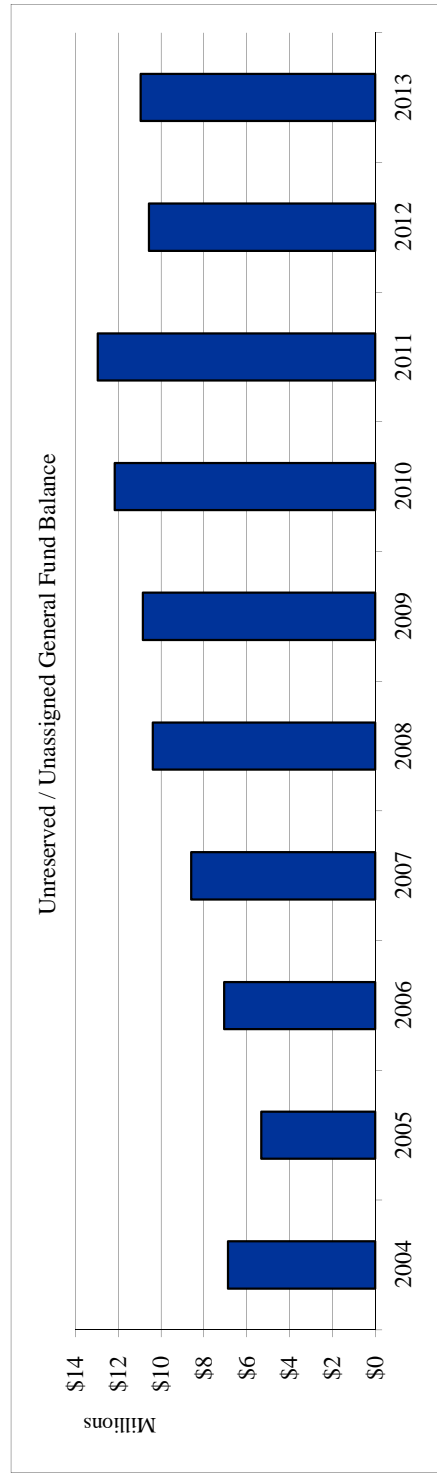
\* In 2010, the golf course equipment purchase fund and golf course debt retirement fund were combined into the golf course fund.

Schedule 3

City of Centerville, Ohio  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

|                                     | 2004          | 2005          | 2006          | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          | 2013          |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>General Fund</b>                 |               |               |               |               |               |               |               |               |               |               |
| Reserved                            | \$ 110,501    | \$ 255,737    | \$ 151,982    | \$ 205,300    | \$ 191,363    | \$ 100,483    | \$ 84,567     |               |               |               |
| Unreserved                          | 6,864,596     | 5,312,952     | 7,051,787     | 8,594,722     | 10,389,316    | 10,838,298    | 12,161,229    |               |               |               |
| Nonspendable                        |               |               |               |               |               |               |               | 86,327        | 71,031        | 72,816        |
| Assigned                            |               |               |               |               |               |               |               | 66,051        | 2,237,654     | 256,097       |
| Unassigned                          |               |               |               |               |               |               |               | 12,959,459    | 10,556,628    | 10,954,144    |
| Total general fund                  | \$ 7,085,598  | \$ 5,824,426  | \$ 7,355,751  | \$ 9,005,322  | \$ 10,772,042 | \$ 11,039,264 | \$ 12,330,363 | \$ 13,111,837 | \$ 12,865,313 | \$ 11,283,057 |
| <b>All Other Governmental Funds</b> |               |               |               |               |               |               |               |               |               |               |
| Reserved                            | \$ 3,784,779  | \$ 3,740,832  | \$ 4,091,514  | \$ 3,824,525  | \$ 3,529,890  | \$ 4,495,864  | \$ 968,953    |               |               |               |
| Unreserved, reported in:            |               |               |               |               |               |               |               |               |               |               |
| Designated for capital projects     | 4,000,000     | 5,000,000     | 6,000,000     | 6,000,000     | 6,000,000     | 0             | 0             |               |               |               |
| Special revenue funds               | 902,768       | 694,918       | 848,605       | 1,014,034     | 715,552       | 830,407       | 1,146,445     |               |               |               |
| Debt service funds                  | 0             | 0             | 0             | 0             | 0             | 0             | 588,674       |               |               |               |
| Capital projects funds              | 1,749,357     | 3,055,995     | 2,799,194     | 2,287,572     | 1,092,947     | 1,629,839     | 1,938,885     |               |               |               |
| Nonspendable                        |               |               |               |               |               |               |               | 97,671        | 116,580       | 93,997        |
| Restricted                          |               |               |               |               |               |               |               | 2,369,702     | 2,771,364     | 3,170,946     |
| Assigned                            |               |               |               |               |               |               |               | 2,231,416     | 2,636,346     | 2,060,800     |
| Unassigned                          |               |               |               |               |               |               |               | 0             | 0             | (21,227)      |
| Total all other governmental funds  | \$ 14,221,683 | \$ 16,232,577 | \$ 17,830,827 | \$ 16,950,656 | \$ 14,868,279 | \$ 11,451,974 | \$ 5,611,910  | \$ 4,698,789  | \$ 5,524,290  | \$ 5,304,516  |

\* GASB Statement Number 54 implemented in 2011. Prior year amounts have not been restated.



Schedule 4

City of Centerville, Ohio  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

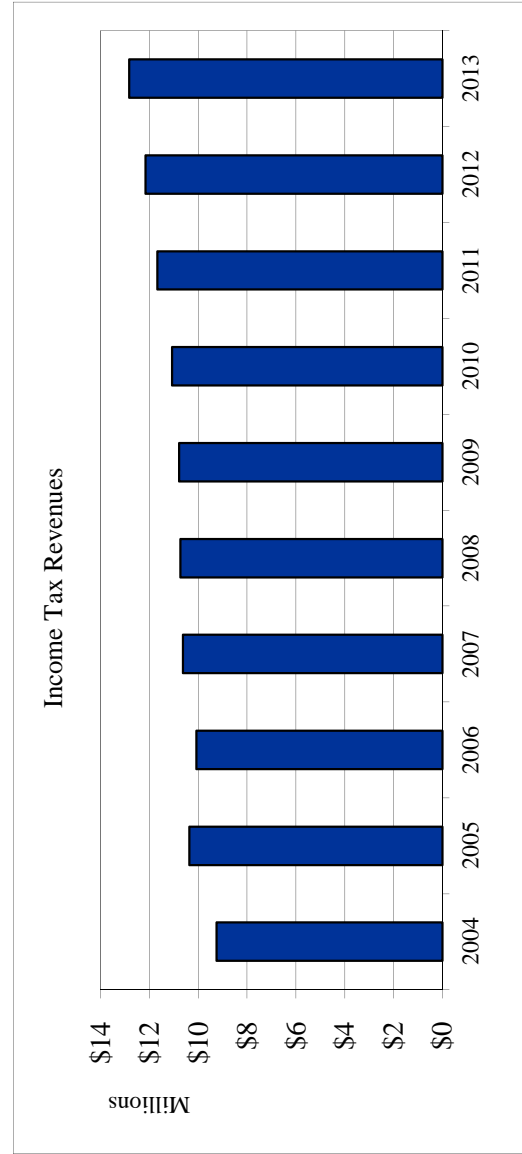
|                                                         | <u>2004</u>   | <u>2005</u>   | <u>2006</u>   | <u>2007</u>   | <u>2008</u>   | <u>2009</u>    | <u>2010</u>   | <u>2011</u>   | <u>2012</u>   | <u>2013</u>    |
|---------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|----------------|
| <b>Revenues:</b>                                        |               |               |               |               |               |                |               |               |               |                |
| Local taxes                                             | \$ 11,898,470 | \$ 11,281,802 | \$ 11,672,492 | \$ 11,805,299 | \$ 12,141,850 | \$ 12,205,328  | \$ 12,415,470 | \$ 13,139,217 | \$ 13,478,234 | \$ 13,944,415  |
| Intergovernmental revenue                               | 2,329,184     | 3,230,729     | 4,069,897     | 5,261,646     | 4,579,295     | 3,859,680      | 5,691,747     | 4,404,979     | 3,737,724     | 2,805,959      |
| Special assessments                                     | 637,844       | 650,196       | 631,384       | 626,432       | 639,090       | 611,434        | 653,430       | 645,114       | 664,390       | 639,612        |
| Charges for services                                    | 36,621        | 42,539        | 45,898        | 52,126        | 56,023        | 244,532        | 286,024       | 311,042       | 346,123       | 354,466        |
| Fines, licenses and permits                             | 323,679       | 263,954       | 321,698       | 283,277       | 233,597       | 193,744        | 239,551       | 420,750       | 357,324       | 268,131        |
| Investment income                                       | 520,173       | 368,414       | 922,811       | 1,292,551     | 899,298       | 245,371        | 188,225       | 164,604       | 167,104       | 68,590         |
| Lot sales                                               | 52,963        | 84,359        | 25,752        | 0             | 0             | 0              | 0             | 0             | 0             | 0              |
| Rent                                                    | 824,160       | 829,570       | 819,045       | 819,395       | 824,253       | 826,908        | 0             | 0             | 0             | 0              |
| Other revenue                                           | 243,138       | 256,104       | 1,124,521     | 523,943       | 289,502       | 194,941        | 475,595       | 350,464       | 307,921       | 245,445        |
| Total revenues                                          | 16,866,232    | 17,007,667    | 19,633,498    | 20,664,669    | 19,662,908    | 18,381,938     | 19,950,042    | 19,436,170    | 19,058,820    | 18,326,618     |
| <b>Expenditures:</b>                                    |               |               |               |               |               |                |               |               |               |                |
| Current:                                                |               |               |               |               |               |                |               |               |               |                |
| General government                                      | 4,174,281     | 4,622,845     | 4,525,068     | 4,746,269     | 4,828,726     | 4,994,283      | 4,357,833     | 4,585,005     | 4,713,589     | 4,620,352      |
| Public safety                                           | 5,119,241     | 5,196,048     | 5,570,795     | 5,714,067     | 6,294,673     | 5,983,254      | 6,060,143     | 6,417,524     | 6,080,788     | 6,122,936      |
| Community environment                                   | 223,763       | 222,122       | 251,189       | 268,817       | 275,363       | 311,352        | 289,572       | 289,791       | 236,503       | 282,126        |
| Recreation                                              | 473,920       | 323,295       | 418,667       | 283,056       | 284,971       | 398,661        | 251,645       | 247,852       | 233,255       | 271,869        |
| Transportation                                          | 1,590,739     | 1,663,746     | 1,782,635     | 1,913,893     | 2,174,233     | 2,167,538      | 2,759,094     | 2,248,977     | 2,196,400     | 2,318,042      |
| Capital outlay                                          | 2,820,757     | 2,243,254     | 1,667,499     | 4,547,690     | 3,691,297     | 6,307,488      | 4,179,368     | 1,675,639     | 1,280,937     | 3,008,960      |
| Debt service:                                           |               |               |               |               |               |                |               |               |               |                |
| Principal                                               | 944,382       | 970,653       | 964,507       | 976,706       | 1,010,299     | 1,057,956      | 352,196       | 357,579       | 363,966       | 784,356        |
| Interest and other charges                              | 1,213,589     | 1,187,271     | 1,160,490     | 1,133,500     | 1,111,923     | 1,068,124      | 396,992       | 381,753       | 365,600       | 197,068        |
| Bond issuance                                           | 0             | 0             | 0             | 0             | 0             | 0              | 0             | 0             | 0             | 108,390        |
| Total expenditures                                      | 16,560,672    | 16,429,234    | 16,340,850    | 19,583,998    | 19,671,485    | 22,288,656     | 18,646,843    | 16,204,120    | 15,471,038    | 17,714,099     |
| Excess (deficiency) of revenues                         |               |               |               |               |               |                |               |               |               |                |
| Over (Under) expenditures                               | 305,560       | 578,433       | 3,292,648     | 1,080,671     | (8,577)       | (3,906,718)    | 1,303,199     | 3,232,050     | 3,587,782     | 612,519        |
| <b>Other Financing Sources (Uses):</b>                  |               |               |               |               |               |                |               |               |               |                |
| Transfers in                                            | 2,350,000     | 4,500,000     | 2,525,000     | 2,625,000     | 2,700,000     | 2,919,501      | 2,465,000     | 2,465,000     | 3,065,000     | 3,814,000      |
| Sale of refunding bonds                                 | 0             | 0             | 0             | 0             | 0             | 0              | 0             | 0             | 0             | 5,750,000      |
| Payments to refunded bond escrow agent                  | 0             | 0             | 0             | 0             | 0             | 0              | 0             | 0             | 0             | (5,727,654)    |
| Premium on sale of refunded bonds                       | 0             | 0             | 0             | 0             | 0             | 0              | 0             | 0             | 0             | 86,044         |
| Sale of capital assets                                  | 0             | 480,000       | 40,000        | 2,400         | 21,825        | 23,221         | 1,755         | 1,000         | 1,514         | 0              |
| Transfers out                                           | (2,750,000)   | (4,910,000)   | (2,975,000)   | (2,725,000)   | (2,797,500)   | (3,069,501)    | (3,849,000)   | (4,829,000)   | (6,095,000)   | (6,313,000)    |
| Total other financing sources (uses)                    | (400,000)     | 70,000        | (410,000)     | (97,600)      | (75,675)      | (126,779)      | (1,382,245)   | (2,363,000)   | (3,028,486)   | (2,390,610)    |
| Net change in fund balances                             | \$ (94,440)   | \$ 648,433    | \$ 2,882,648  | \$ 983,071    | \$ (84,252)   | \$ (4,033,497) | \$ (79,046)   | \$ 869,050    | \$ 559,296    | \$ (1,778,091) |
| Debt service as a percentage of noncapital expenditures | 15.71%        | 15.21%        | 14.48%        | 14.03%        | 13.28%        | 13.30%         | 5.18%         | 5.09%         | 5.14%         | 6.67%          |

**City of Centerville, Ohio**  
**Income Tax by Payer Type and Income Tax Rate**  
**Last Ten Fiscal Years**  
(cash basis of accounting - excluding refunds)

| Collection Year | Individual           |                 | Net Profits | Total        | Income Tax Rate |
|-----------------|----------------------|-----------------|-------------|--------------|-----------------|
|                 | Withheld by Employer | Non-Withholding |             |              |                 |
| 2004            | \$ 6,514,163         | \$ 1,871,115    | \$ 865,552  | \$ 9,250,830 | 1.75%           |
| 2005            | 6,943,943            | 2,195,418       | 1,226,959   | 10,366,320   | 1.75%           |
| 2006            | 6,835,183            | 2,012,139       | 1,226,857   | 10,074,179   | 1.75%           |
| 2007            | 7,463,667            | 1,969,654       | 1,197,889   | 10,631,210   | 1.75%           |
| 2008            | 7,430,109            | 2,097,410       | 1,205,843   | 10,733,362   | 1.75%           |
| 2009            | 7,447,029            | 2,034,358       | 1,301,398   | 10,782,785   | 1.75%           |
| 2010            | 7,659,730            | 2,014,851       | 1,396,973   | 11,071,554   | 1.75%           |
| 2011            | 8,189,169            | 1,456,369       | 2,036,033   | 11,681,571   | 1.75%           |
| 2012            | 8,521,201            | 2,080,983       | 1,557,613   | 12,159,797   | 1.75%           |
| 2013            | 8,747,546            | 2,373,743       | 1,709,643   | 12,830,932   | 1.75%           |

Source: City of Centerville, Ohio, Finance Department

The City levies a 1.75% income tax on substantially all income earned within the City. Additional increases in the income tax rate require voter approval. City residents pay City income tax earned outside the City. However, a credit is allowed for income taxes paid to other municipalities. Employers within the City withhold income tax on employee compensation and remit at least quarterly.



Schedule 6

**City of Centerville, Ohio**  
**Ranking of Top Ten Income Tax Withholders**  
**Current Year and Nine Years Ago**  
(cash basis of accounting)

| 2013 |                                             | 2004 |                                         |
|------|---------------------------------------------|------|-----------------------------------------|
| Rank | Name                                        | Rank | Name                                    |
| 1    | Centerville Board of Education              | 1    | Centerville Board of Education          |
| 2    | Federal Government                          | 2    | Federal Government                      |
| 3    | Miami Valley Hospital                       | 4    | Lutheran Social Services <sup>(1)</sup> |
| 4    | Graceworks Lutheran Services <sup>(1)</sup> | 5    | Reed Elsevier, Inc.                     |
| 5    | Reed Elsevier, Inc.                         | 7    | Voss Auto Network, Inc.                 |
| 6    | Francisan at St. Leonard                    | 8    | City of Centerville                     |
| 7    | Voss Auto Network, Inc.                     | 6    | Franciscan at St. Leonard               |
| 8    | City of Centerville                         | -    | Bob Ross Buick, Inc.                    |
| 9    | Huffy Corporation                           | -    | National City Corporation               |
| 10   | Kroger Company                              | 10   | Kroger Company                          |

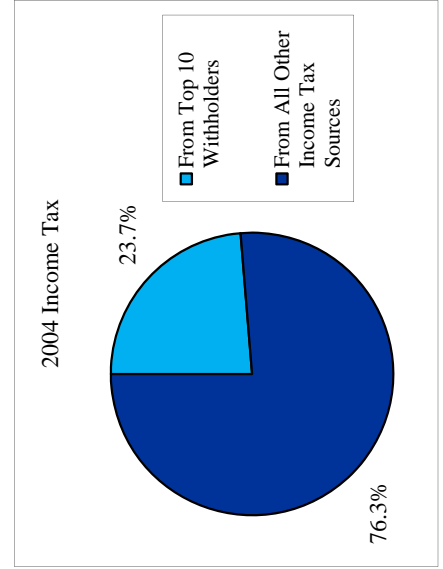
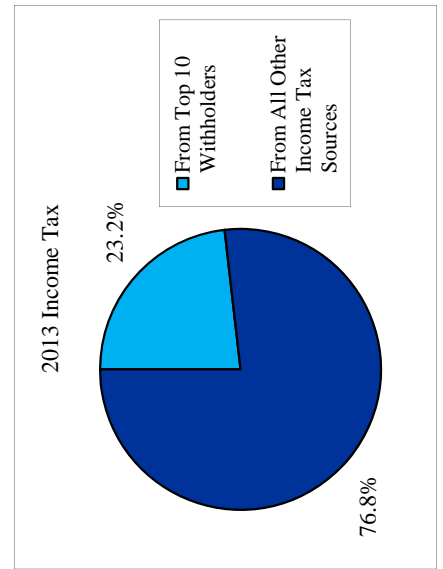
Combined percentage of total income taxes:  
23.2%

Combined percentage of total income taxes:  
23.7%

Source: City of Centerville, Ohio, Finance Department

Due to legal restrictions and confidentiality requirements, the City cannot disclose the amount of withholdings by taxpayer. The City chose not to disclose the percentages and number of filers by income level because the City does not maintain this information.

<sup>(1)</sup> Formerly known as Lutheran Social Services; doing business as Bethany Lutheran Village.



Schedule 7

City of Centerville, Ohio  
Ratios of Outstanding Debt and Legal Debt Margins  
Last Ten Fiscal Years

|                                                                                           | 2004          | 2005          | 2006          | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          | 2013          |
|-------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Obligation Bonds                                                                  | \$ 18,405,000 | \$ 17,665,000 | \$ 16,910,000 | \$ 16,145,000 | \$ 15,355,000 | \$ 14,530,000 | \$ 13,680,000 | \$ 10,375,000 | \$ 9,580,000  | \$ 3,935,361  |
| Percent of estimated actual property value                                                | 3.22%         | 2.97%         | 2.64%         | 2.50%         | 2.37%         | 2.21%         | 2.06%         | 1.59%         | 1.52%         | 0.62%         |
| Per capita                                                                                | \$796         | \$763         | \$734         | \$699         | \$665         | \$634         | \$570         | \$432         | \$399         | \$164         |
| Special Assessment Bonds                                                                  | 7,586,000     | 7,391,000     | 7,187,000     | 6,981,000     | 6,782,000     | 6,568,000     | 6,339,000     | 6,105,000     | 5,870,000     | 5,780,000     |
| Promissory Notes                                                                          | 0             | 0             | 0             | 0             | 814,034       | 795,078       | 756,882       | 718,303       | 679,337       | 639,981       |
| Total Gross Indebtedness                                                                  | \$ 25,991,000 | \$ 25,056,000 | \$ 24,097,000 | \$ 23,126,000 | \$ 22,951,034 | \$ 21,893,078 | \$ 20,775,882 | \$ 17,198,303 | \$ 16,129,337 | \$ 10,355,342 |
| Percent of personal income                                                                | 3.72%         | 3.58%         | 3.46%         | 3.31%         | 3.19%         | 3.19%         | 2.45%         | 2.02%         | 1.90%         | 1.22%         |
| Per capita                                                                                | \$1,124       | \$1,082       | \$1,046       | \$1,001       | \$994         | \$956         | \$866         | \$717         | \$672         | \$431         |
| Less debt not subject to limitation:                                                      |               |               |               |               |               |               |               |               |               |               |
| General Obligation Bonds issued in anticipation of the collection                         | 18,405,000    | 17,665,000    | 16,910,000    | 16,145,000    | 15,355,000    | 14,530,000    | 13,680,000    | 10,375,000    | 9,580,000     | 3,935,361     |
| Special Assessment Bonds issued in anticipation of the collection                         | 7,586,000     | 7,391,000     | 7,187,000     | 6,981,000     | 6,782,000     | 6,568,000     | 6,339,000     | 6,105,000     | 5,870,000     | 5,780,000     |
| Net debt within limitations for both Voted and Unvoted debt                               | 0             | 0             | 0             | 0             | 814,034       | 795,078       | 756,882       | 718,303       | 679,337       | 639,981       |
| Debt limitation for both Voted and Unvoted debt 10.5% of assessed valuation               | \$ 60,063,054 | \$ 62,375,359 | \$ 67,269,389 | \$ 67,864,813 | \$ 68,043,973 | \$ 69,005,034 | \$ 69,673,830 | \$ 68,303,535 | \$ 66,145,496 | \$ 66,505,686 |
| Legal Debt Margin within 10.5% limitation                                                 | \$ 60,063,054 | \$ 62,375,359 | \$ 67,269,389 | \$ 67,864,813 | \$ 67,229,939 | \$ 68,209,956 | \$ 68,916,948 | \$ 67,585,232 | \$ 65,466,159 | \$ 65,865,705 |
| Net debt within limitations for both Voted and Unvoted debt as a percentage of debt limit | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 1.20%         | 1.15%         | 1.09%         | 1.05%         | 1.03%         | 0.96%         |
| Debt limitation for Unvoted debt 5.5% of assessed valuation                               | \$ 31,461,600 | \$ 32,672,807 | \$ 35,236,346 | \$ 35,548,235 | \$ 35,642,081 | \$ 36,145,494 | \$ 36,495,816 | \$ 35,778,042 | \$ 34,647,641 | \$ 34,836,312 |
| Legal Debt Margin within 5.5% limitation                                                  | \$ 31,461,600 | \$ 32,672,807 | \$ 35,236,346 | \$ 35,548,235 | \$ 34,828,047 | \$ 35,350,416 | \$ 35,738,934 | \$ 35,059,739 | \$ 33,968,304 | \$ 34,196,331 |
| Net debt within limitations for Unvoted debt as a percentage of debt limit                | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 2.28%         | 2.20%         | 2.07%         | 2.01%         | 1.96%         | 1.84%         |

Source: City of Centerville, Ohio, Finance Department

**City of Centerville, Ohio**  
**Direct and Overlapping General Obligation Debt**  
**As of December 31, 2013**

| Jurisdiction                               | Net Debt<br>Outstanding | Percentage Applicable<br>To City | Amount Applicable<br>To City of Centerville |
|--------------------------------------------|-------------------------|----------------------------------|---------------------------------------------|
| <b>Direct:</b>                             |                         |                                  |                                             |
| City of Centerville                        | \$ 9,450,000            | 100.00%                          | \$ 9,450,000                                |
| <b>Overlapping:</b>                        |                         |                                  |                                             |
| Montgomery County                          | 1,220,000               | 6.75%                            | 82,350                                      |
| Centerville City School District           | 50,340,531              | 37.98%                           | 19,119,334                                  |
| Centerville-Washington Park District       | 255,000                 | 38.00%                           | 96,900                                      |
| Greene County                              | 25,215,000              | 0.07%                            | 17,651                                      |
| Bellbrook-Sugarcreek Local School District | 36,815,000              | 0.55%                            | 202,483                                     |
| Greene County Joint Vocational School      | 83,335                  | 0.07%                            | 58                                          |
| Sugar Creek Township                       | 1,290,000               | 0.81%                            | 10,449                                      |
|                                            |                         | Subtotal - Overlapping           | 19,529,225                                  |
|                                            |                         |                                  | <b>\$ 28,979,225</b>                        |

Source: Ohio Municipal Advisory Council

Note: Percentages determined by dividing each overlapping subdivisions' assessed valuation within the City by the subdivisions' total assessed valuation.

**City of Centerville, Ohio  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

| Year | Population (1)(a) | Per Capita Income (1)(b) | Personal Income | School Enrollment (2) | Unemployment Rate Montgomery County (3) | Total Assessed Property Value (4) |
|------|-------------------|--------------------------|-----------------|-----------------------|-----------------------------------------|-----------------------------------|
| 2004 | 23,122            | \$30,210                 | \$698,515,620   | 8,156                 | 6.3%                                    | \$572,029,090                     |
| 2005 | 23,162            | 30,210                   | 699,724,020     | 8,170                 | 5.6%                                    | 594,051,037                       |
| 2006 | 23,046            | 30,210                   | 696,219,660     | 8,197                 | 5.6%                                    | 640,660,845                       |
| 2007 | 23,100            | 30,210                   | 697,851,000     | 8,336                 | 6.2%                                    | 646,331,552                       |
| 2008 | 22,937            | 30,210                   | 692,926,770     | 8,395                 | 7.4%                                    | 648,037,838                       |
| 2009 | 22,904            | 30,210                   | 691,929,840     | 8,390                 | 12.8%                                   | 657,190,800                       |
| 2010 | 23,999            | 35,403                   | 849,636,597     | 8,416                 | 10.0%                                   | 663,560,290                       |
| 2011 | 23,999            | 35,403                   | 849,636,597     | 8,434                 | 8.3%                                    | 650,509,860                       |
| 2012 | 23,999            | 35,403                   | 849,636,597     | 8,348                 | 7.0%                                    | 629,957,100                       |
| 2013 | 23,999            | 35,403                   | 849,636,597     | 8,269                 | 7.1%                                    | 633,387,490                       |

Source: (1) U.S. Census Bureau Population Division

(a) For years 2003-2009, population listed is from the Census estimates; population for 2010-2012 is from the 2010 Census.  
 (b) For years 2003-2009, per capita income is from the 2000 Census. For 2010-2012, per capita income is from the 2010 Census.

(2) Centerville City School District Board of Education

(3) Ohio Department of Job and Family Services (rate for December of each year)

(4) Montgomery County Auditor



**City of Centerville, Ohio  
Principal Employers  
Current Year and Nine Years Ago**

| Employer                                      | 2013                                                            |      | 2004                                                            |      |
|-----------------------------------------------|-----------------------------------------------------------------|------|-----------------------------------------------------------------|------|
|                                               | Approximate<br>Number of Employees<br>(Full-time and Part-time) | Rank | Approximate<br>Number of Employees<br>(Full-time and Part-time) | Rank |
| Centerville Board of Education <sup>(1)</sup> | 1,600                                                           | 1    | 1,550                                                           | 1    |
| Graceworks Lutheran Services <sup>(2)</sup>   | 850                                                             | 2    | 750                                                             | 2    |
| Franciscan at St. Leonard                     | 550                                                             | 3    | 450                                                             | 3    |
| Kroger                                        | 550                                                             | 4    | 350                                                             | 4    |
| Miami Valley Hospital South (campus-wide)     | 500                                                             | 5    | 0                                                               | -    |
| City of Centerville                           | 250                                                             | 6    | 350                                                             | 5    |
| Fortis College <sup>(3)</sup>                 | 200                                                             | 7    | 150                                                             | 9    |
| Voss Auto Network                             | 200                                                             | 8    | 250                                                             | 7    |
| Heartland of Centerville                      | 200                                                             | 9    | 300                                                             | 6    |
| Bob Ross Buick                                | 100                                                             | 10   | 200                                                             | 8    |

Source: City of Centerville, Economic Development Department

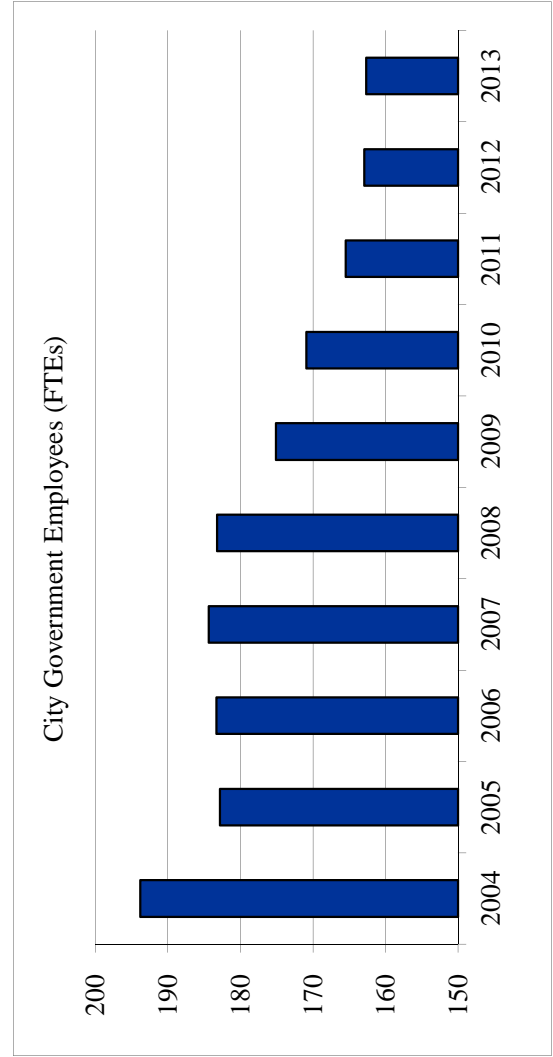
Note:

- (1) Total number of employees within the City of Centerville is not available.
- (2) Formerly known as Lutheran Social Services; currently doing business as Graceworks Lutheran Services; Bethany Village.
- (3) Formerly known as RETS Tech Center.

**City of Centerville, Ohio**  
**City Government Employees by Function (full-time equivalents)**  
**Last Ten Fiscal Years**

| Function              | 2004          | 2005          | 2006          | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          | 2013          |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General government    | 30.55         | 31.55         | 30.75         | 30.55         | 29.40         | 29.35         | 29.22         | 29.89         | 30.62         | 30.32         |
| Public safety         | 56.25         | 56.00         | 56.60         | 57.60         | 56.10         | 55.10         | 55.10         | 53.10         | 52.10         | 51.60         |
| Community environment | 3.75          | 3.75          | 3.60          | 3.60          | 3.60          | 4.00          | 4.00          | 3.10          | 2.60          | 3.10          |
| Recreation            | 4.00          | 3.00          | 3.25          | 3.50          | 3.50          | 3.50          | 3.50          | 3.55          | 3.45          | 3.45          |
| Transportation        | 21.75         | 21.00         | 21.00         | 21.00         | 21.00         | 21.00         | 21.00         | 21.00         | 21.00         | 21.00         |
| Waste collection      | 13.00         | 12.00         | 12.00         | 12.00         | 12.00         | 12.00         | 12.00         | 10.86         | 9.18          | 9.18          |
| Golf course           | 64.50         | 55.50         | 56.10         | 56.10         | 57.60         | 50.15         | 46.10         | 44.00         | 44.00         | 44.00         |
| <b>Total</b>          | <b>193.80</b> | <b>182.80</b> | <b>183.30</b> | <b>184.35</b> | <b>183.20</b> | <b>175.10</b> | <b>170.92</b> | <b>165.50</b> | <b>162.95</b> | <b>162.65</b> |

Source: City of Centerville, Ohio, Finance Department



**City of Centerville, Ohio**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

| <u>Function/program</u>               | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government                    |             |             |             |             |             |             |             |             |             |             |
| Purchase orders issued                | 2,499       | 2,357       | 2,388       | 2,400       | 2,533       | 2,426       | 2,371       | 2,459       | 2,465       | 2,475       |
| Payroll checks/direct deposits issued | 6,285       | 6,030       | 6,147       | 6,175       | 6,013       | 5,655       | 5,772       | 5,706       | 5,375       | 5,170       |
| Accounts payable checks issued        | 6,183       | 6,731       | 6,511       | 6,475       | 6,376       | 6,042       | 5,789       | 5,305       | 5,326       | 5,300       |
| Ordinances and resolutions passed     | 80          | 92          | 102         | 95          | 96          | 65          | 84          | 87          | 88          | 90          |
| Number of volunteer hours             | 11,664      | 11,428      | 11,137      | 12,717      | 11,685      | 13,327      | 13,283      | 11,535      | 11,171      | 11,000      |
| Public Safety                         |             |             |             |             |             |             |             |             |             |             |
| Total arrests                         | 1,646       | 1,569       | 1,666       | 1,511       | 1,551       | 1,478       | 1,683       | 1,740       | 1,554       | 1,567       |
| Traffic citations                     | 4,037       | 3,560       | 3,127       | 3,542       | 3,422       | 3,289       | 3,657       | 4,218       | 3,954       | 3,727       |
| Public Works                          |             |             |             |             |             |             |             |             |             |             |
| Miles of street                       | 105         | 105         | 107         | 107         | 107         | 107         | 108         | 108         | 112         | 112         |
| Tons of road salt used                | 1,775       | 1,849       | 354         | 1,994       | 2,696       | 1,695       | 2,678       | 1,101       | 1,265       | 1,500       |
| Building Inspection                   |             |             |             |             |             |             |             |             |             |             |
| Building permits issued               | 1,941       | 1,453       | 1,323       | 1,376       | 1,218       | 948         | 1,214       | 1,244       | 1,207       | 1,060       |
| Electrical permits issued             | 376         | 266         | 265         | 265         | 234         | 204         | 259         | 279         | 248         | 254         |
| Residential unit permits issued       | 122         | 71          | 39          | 58          | 15          | 4           | 7           | 12          | 27          | 16          |
| Waste Collection                      |             |             |             |             |             |             |             |             |             |             |
| Tons collected                        | 7,317       | 7,197       | 7,428       | 7,098       | 7,765       | 6,739       | 6,464       | 6,615       | 6,281       | 6,201       |
| Recyclable tons                       | 1,548       | 1,601       | 1,618       | 1,507       | 1,407       | 1,328       | 1,292       | 1,401       | 1,328       | 1,454       |
| Golf Course                           |             |             |             |             |             |             |             |             |             |             |
| Rounds of golf                        | 46,863      | 45,613      | 49,435      | 53,896      | 53,275      | 53,334      | 52,705      | 48,206      | 56,761      | 49,500      |
| Rounds of golf - cart usage           | 28,043      | 29,462      | 36,180      | 39,990      | 39,919      | 40,547      | 41,427      | 38,137      | 45,022      | 39,000      |
| Gallons of water used (thousands)     | 24,570      | 26,630      | 41,650      | 99,400      | 42,000      | 55,800      | 60,200      | 31,000      | 48,000      | 18,000      |
| Food Service Operations               |             |             |             |             |             |             |             |             |             |             |
| Wedding receptions hosted             | 36          | 42          | 36          | 42          | 41          | 50          | 50          | 46          | 41          | 38          |
| Other banquet functions hosted        | 483         | 539         | 519         | 556         | 528         | 491         | 491         | 483         | 450         | 438         |

Source: City of Centerville, Ohio, Appropriation Budgets for applicable years. Actual statistics for 2004-2012.

Estimated statistics for 2013.

**City of Centerville, Ohio**  
**Capital Asset and Infrastructure Statistics by Function/Program**  
**Last Ten Fiscal Years**

| <u>Function/program</u>     | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>General Government</b>   |             |             |             |             |             |             |             |             |             |             |
| Municipal Buildings         | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Square Footage              | 17,123      | 17,123      | 17,123      | 17,123      | 17,123      | 17,123      | 17,123      | 17,123      | 17,123      | 17,123      |
| <b>Public Safety</b>        |             |             |             |             |             |             |             |             |             |             |
| Police Stations             | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Square Footage              | 38,458      | 38,458      | 38,458      | 38,458      | 38,458      | 38,458      | 38,458      | 38,458      | 38,458      | 38,458      |
| <b>Public Works</b>         |             |             |             |             |             |             |             |             |             |             |
| Public Works Facility       | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Square Footage              | 17,541      | 17,541      | 17,541      | 17,541      | 17,541      | 17,541      | 50,000      | 50,000      | 50,000      | 50,000      |
| Miles of street             | 105         | 105         | 107         | 107         | 107         | 107         | 108         | 108         | 112         | 112         |
| Lane miles of street        | 238         | 238         | 240         | 240         | 240         | 240         | 241         | 241         | 250         | 250         |
| <b>Recreation</b>           |             |             |             |             |             |             |             |             |             |             |
| Number of parks             | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Area of parks (acres)       | 62.386      | 62.386      | 62.386      | 62.386      | 62.386      | 62.386      | 62.386      | 62.386      | 62.386      | 62.386      |
| Benham's Grove (acres)      | 7.017       | 7.017       | 7.017       | 7.017       | 7.017       | 7.017       | 7.017       | 7.017       | 7.017       | 7.017       |
| <b>Golf Course</b>          |             |             |             |             |             |             |             |             |             |             |
| Holes                       | 27          | 27          | 27          | 27          | 27          | 27          | 27          | 27          | 27          | 27          |
| Club House (square footage) | 29,517      | 29,517      | 29,517      | 29,517      | 29,517      | 29,517      | 29,517      | 29,517      | 29,517      | 29,517      |

Source: City of Centerville, Ohio, Finance Department

**CITY OF CENTERVILLE, OHIO**



*City of Centerville*  
100 West Spring Valley Road  
Centerville, Ohio 45458  
(937) 433-7151

**Yellow Book Report**

**December 31, 2013**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Members of Council and Mayor  
City of Centerville  
100 West Spring Valley Road  
Centerville, Ohio 45458

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 the City of Centerville, Ohio (the City), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 28, 2014, wherein we noted the City adopted GASB Statement No. 65 as disclosed in Note 13.

**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. 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.

*Plattenburg & Associates, Inc.*

Dayton, Ohio  
May 28, 2014

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# Dave Yost • Auditor of State

**CITY OF CENTERVILLE**

**MONTGOMERY COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 26, 2014**