



**COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT**

**CITY OF CENTERVILLE, OHIO**

*For the fiscal year ended December 31, 2019*

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OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPAReport@ohioauditor.gov  
(800) 282-0370

Members of City 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, 2019 through December 31, 2019. 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 cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

September 25, 2020

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***THE CITY OF CENTERVILLE,  
OHIO***

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MONTGOMERY AND GREENE COUNTIES

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

FOR THE YEAR ENDED  
December 31, 2019

Prepared by:  
**Department of Finance**

Tyler Roark, CPA  
Director of Finance



CITY OF CENTERVILLE  
100 West Spring Valley Road  
Centerville, Ohio 45458  
phone (937) 433-7151  
fax (937) 433-0310

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MONTGOMERY AND GREENE COUNTIES, OHIO**

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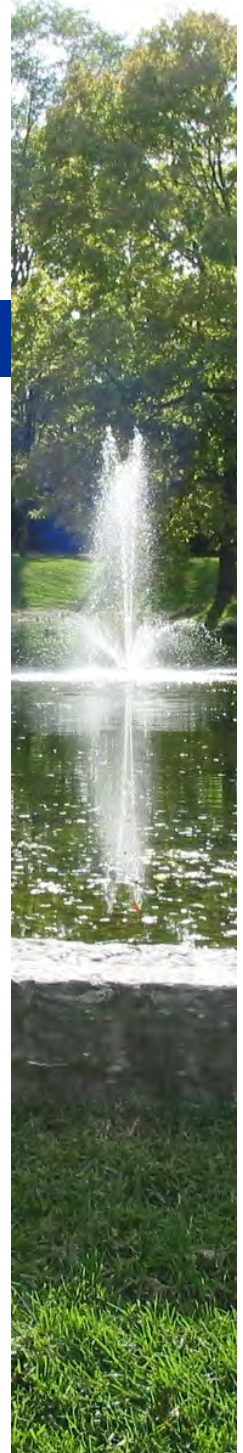
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# Introductory Section







*Brooks A. Compton, Mayor*  
*Wayne S. Davis, City Manager*

August 28, 2020

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

We are pleased to present the City of Centerville (the City) Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2019. The responsibility for both the accuracy of the presented data, and the completeness and fairness of presentation, including all disclosures, rests with the management of the City, particularly the office of the Finance Director. This report is prepared in conformance with accounting principles generally accepted in the United States of America as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. We believe the data is fairly presented in all material aspects and that it is presented in a manner designed to set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a reasonable understanding of the City's financial affairs have been included.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

### ***THE CITY***

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.

***Letter of Transmittal  
For the Year Ended December 31, 2019***

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**Economic Condition and Outlook**

The City has a population of 23,999 according to the U.S. Census Bureau's 2010 census and is home to approximately 800 businesses across a variety of sectors. Centerville residents are currently completing the 2020 Census and currently have almost an 82% completion rate.

Over the past decade, Centerville has experienced an uptick in residential development across a variety of housing products and options as the city continues to be an attractive residential option for those who reside and work in the Southwest Ohio area. This includes single-family homes in Yankee Trace and new developments like the Grove, Savannah Place and Woodland Greens. Multi-family developments like the Allure, Gateway Lofts, Cornerstone Apartments and Dogwood Commons (a 55-plus age community) apartments have emerged to provide additional housing options.

Built on a diversified base of small businesses, Centerville is well positioned for the future. Several major employers announced or completed significant investments in recent years, including Miami Valley Hospital, which completed a \$60 million expansion that added 100 new jobs and 170,000 square feet to the hospital, and Bethany Lutheran Village which invested \$42 million into their retirement community.

Additionally, the City continues to see a healthy and vibrant commercial and retail corridor in the Architectural Preservation District (APD) or "Uptown Centerville" area along State Routes 48 and 725. Beginning in 2019, the City initiated a visioning process for the APD, which resulted in an action plan addressing issues like walkability, traffic, business development, branding, and events. Approved as an amendment to the *Create the Vision* comprehensive plan, City staff will be looking for opportunities to implement the strategies outlined in the Uptown Action Plan. Investment in the Uptown area has totaled approximately \$16.4 million including \$10.6 million from Montgomery County since 2015. The City, for its part has invested close to \$640,000 in strategic land acquisition to position this area to connect with the vision of City Council and property owners to enhance its attractiveness and amenities, and foster future growth.

The City continues to promote development of the Cornerstone of Centerville, a 200-acre mixed-used development. Anchored by Costco, Kroger, and Cabela's, the development has continued to benefit from additional retail and restaurant tenants occupying spaces in the Village of Cornerstone. These include first-in-region eateries like Cheddars, CoreLife, and Bagger Dave's, as well as a 12,500 square foot Cooper's Hawk Winery and Restaurant which opened in August 2019. In addition, Home 2 Suites opened a 100-room hotel in October 2019, allowing Cornerstone of Centerville to host visitors from all across the Dayton region. City staff continues its work with Oberer Developers on the construction of Cornerstone Park which will be turned over to the City as an amenity for the shoppers and residents in and around the Cornerstone development. The Cornerstone Development continues to be an essential part of the community, with the development team looking to the South across Interstate I-675 towards the next phases of the project. This final phase at Cornerstone will be a 72 acre mixed use piece focusing on office, entertainment, restaurant and destination retail users.

In 2019, the City reiterated its focus on incentivizing redevelopment of existing commercial property through its Community Reinvestment Area (CRA) program. The 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 fosters reinvestment in the developed areas of our city and promotes the long-term health of our residential neighborhoods and businesses.

***Letter of Transmittal  
For the Year Ended December 31, 2019***

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Looking toward the future, the City is poised to sustain and likely increase its 2019 level of commercial development and redevelopment. The City will continue to leverage the assets available through the *BusinessFirst!* regional business retention and expansion (BRE) program, and provide resources to the existing companies in the community. According to the International Economic Development Council (IEDC), 80-90 percent of the job growth in your community comes from expansion of existing businesses. In 2019, the City partnered with local, regional, and state-level resource partners to assist existing businesses to access financial resources, optimize operations, train workers, and create and retain jobs. It is anticipated that the City will continue its efforts in this direction as healthy relationships with businesses, as well as residents, will add to the generation of momentum within the local economy.

**Major Initiatives**

- Development of Cornerstone of Centerville
- Implementation of the Uptown Action Plan
- Development of 7.5 acres of city-owned property at Yankee Street and Social Row Road.
- The municipal property tax rate remained at its lowest rate for the 41st consecutive year.
- 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.
- The City continues its outreach to businesses by conducting roundtables to work with targeted segments of the economy, in the past year working specifically with its automobile dealers.
- The City has made the re-installment of an active Centerville Community Improvement Corporation (CCIC) a priority as another tool for economic development, and
- Lean process improvements have begun to be implemented in Planning and Building Inspection functions to enhance service delivery for those doing business with the City.

***FINANCIAL INFORMATION***

**Internal Control, Budgetary Control and the Accounting System**

Development of the City's accounting system included substantial consideration of the adequacy of the internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance of the following:

1. The City's assets are protected against loss and unauthorized use or disposition.
2. Reliable financial reports for preparing financial statements and providing accountability for assets are maintained.

The concept of reasonable assurance states that internal controls should be evaluated applying the following criteria:

1. The expense associated with providing the internal controls should not exceed the benefits likely to be derived from their implementation.
2. The evaluation of the offsetting costs and benefits involves estimates and judgment by the City administration and the Finance Department.

***Letter of Transmittal  
For the Year Ended December 31, 2019***

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All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

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 for the General Fund and the Golf Course Operating Fund at the personnel and non-personnel classifications, and at the fund level at the personnel and non-personnel classifications for remaining City funds. Any modifications to a fund's appropriations require approval of City Council. Lower levels within each department or fund are accounted for and reported internally. Such lower levels are referred to as objects of expenditure. Estimated amounts must be encumbered prior to final approval of purchase orders or other contracts to vendors. Encumbrances in excess of the available object level appropriations are not approved unless additional appropriations are authorized and available. Unencumbered appropriations return (lapse) to the unappropriated balances in the individual funds at the end of each fiscal year, which coincides with the calendar year. 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.

***OTHER INFORMATION***

**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 2019 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, 2019. The opinion of the Auditor appears in 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, 2018. This was the 19<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.



***Letter of Transmittal  
For the Year Ended December 31, 2019***

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**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 Chris Hacker, Assistant Finance Director, Kelly Coleman, Finance Clerk, and Donna Mayforth, Finance Clerk 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,

***Wayne S. Davis***  
Wayne S. Davis  
City Manager

***Tyler Roark***  
Tyler Roark, CPA  
Finance Director

**CITY OF CENTERVILLE, OHIO**

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***List of Principal Officials  
For the Year Ended December 31, 2019***

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**ELECTED OFFICIALS**

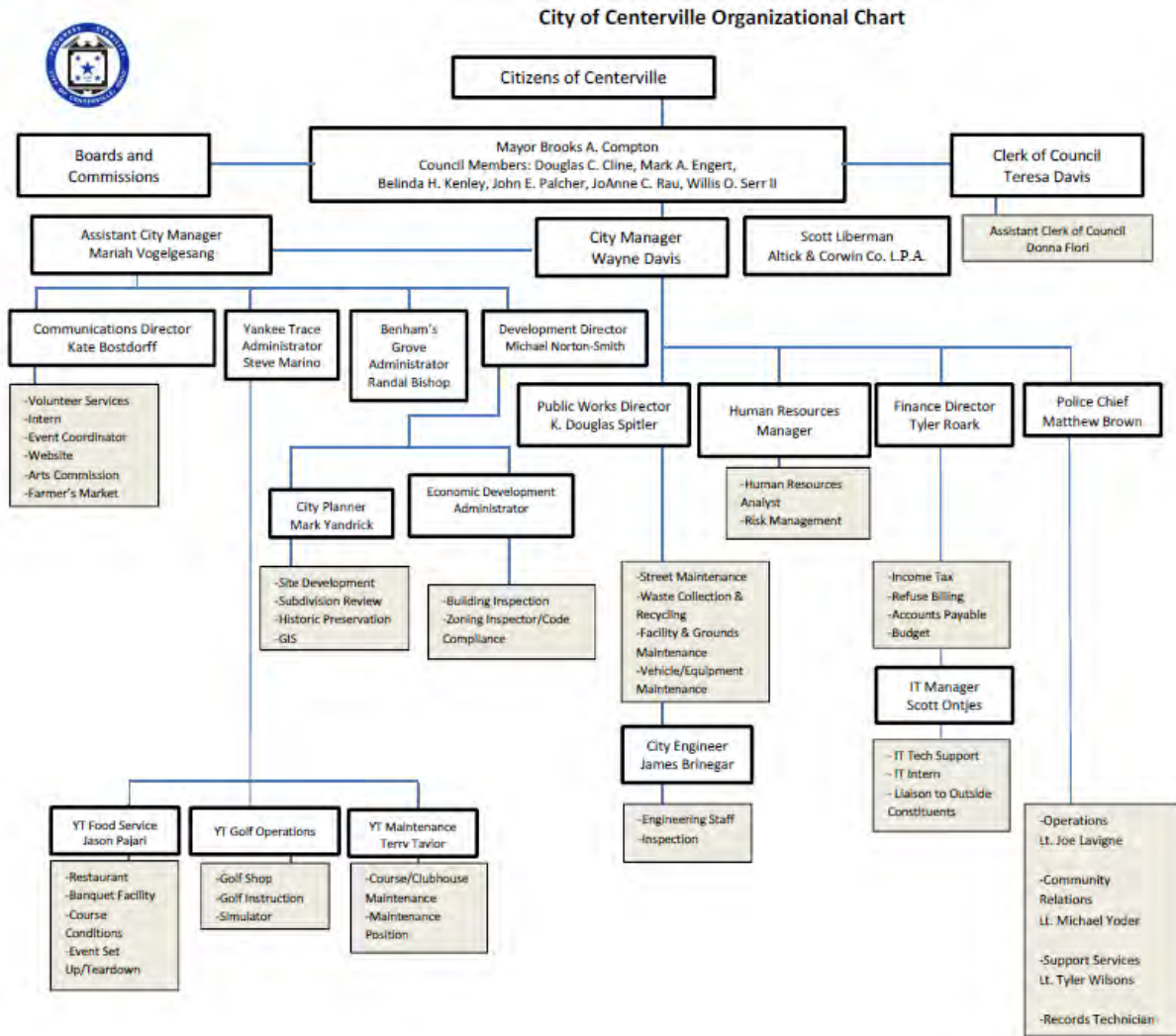
Mayor and Councilmember .....	Brooks A. Compton
Deputy Mayor and Councilmember.....	Belinda S. Kenley
Councilmember.....	Mark A Engert
Councilmember.....	Douglas C. Cline
Councilmember.....	Willis O. Serr
Councilmember.....	John E. Palcher
Councilmember.....	JoAnne C. Rau

**APPOINTED OFFICIALS**

City Manager .....	Wayne S. Davis
Clerk of Council.....	Teresa Davis
Chief of Police .....	Matt Brown
Finance Director .....	Tyler Roark
Public Works Director .....	K. Douglas Spitler
City Engineer .....	James G. Brinegar
City Planner .....	Mark Yandrick
Development Director.....	Mike Norton-Smith
Information Technology Manager .....	Scott R. Ontjes
Head Golf Professional .....	Steven T. Marino
Golf Maintenance Superintendent .....	Terry L. Taylor
Director of Food Service.....	Jason M. Pajari
Interim Human Resources Manager .....	Kathy Weisgarber
Assistant City Manager.....	Mariah Vogelgesang

**CITY OF CENTERVILLE, OHIO**

**City Organizational Chart  
For the Year Ended December 31, 2019**



***Government Finance Officers Association of the United States and Canada  
Certificate of Achievement for Excellence in Financial Reporting***

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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, 2018**

*Christopher P. Morill*

Executive Director/CEO



# Financial Section





**INDEPENDENT AUDITOR'S REPORT**

City Council  
City of Centerville  
Montgomery County  
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, 2019, 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, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for General Fund and Street Construction and Maintenance Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As discussed in Note 18 to the financial statements, during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. We did not modify our opinion regarding 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, schedules of pension information and other postemployment 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 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 August 28, 2020, 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  
August 28, 2020



Management's discussion and analysis of the City of Centerville's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2019. The intent of management's discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for 2019 are as follows:

- ❑ In total, net position increased \$14.96 million. Net position of governmental activities increased \$13.5 million which represents a 22% increase from 2018. Net position of business-type activities increased \$1.4 million or 8.2 % from 2018.
- ❑ General revenues accounted for \$27.7 million in revenue or 74% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for 26% of total revenues of \$37.4 million.
- ❑ Total net position of governmental activities increased by \$13.5 million in total. Revenues increased \$6.3 million, led by a \$3 million increase in income taxes, \$1 million increase in capital grants & contributions, and approximately \$900,000 increase in investment earnings. The City received a large onetime income tax payment from an individual taxpayer in the amount of \$1.89 million. This was an occurrence that is not expected to occur again. Outside of the large onetime income tax payment, income taxes were up approximately \$1.11 million. Expenses decreased \$4.7 million highlighted by \$6.2 million decrease in Public Safety expenses. This is directly attributable to the large negative OPEB expense recognized this year.
- ❑ The City had \$17.5 million in expenses related to governmental activities; \$4.4 million of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues (primarily taxes) of \$27.6 million were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$26.6 million in revenues and \$20.5 million in expenditures and other financing uses. The general fund's fund balance increased \$6.1 million. The increase in income tax revenue in 2019 accounted for a significant portion of the increase in the general fund's fund balance.
- ❑ Net position for enterprise funds increased by \$1.5 million. Both revenues and expenses increased from 2018. Additional transfers from governmental activities and the surplus of revenues over expenses accounted for the increase in 2019. The \$1.0 million transfer from governmental activities contributed towards the purchase of capital items for the Golf Course, including a new fleet of golf carts.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts – *management's discussion and analysis*, the *basic financial statements*, *required supplementary information* and an optional section that presents *combining statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

**Government-wide Statements**

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, liabilities and deferred inflows/outflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net position (the difference between the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources) is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as property tax base, current property tax laws, conditions of the City's streets and continued growth within the City.

The government-wide financial statements of the City are divided into two categories:

- *Governmental Activities* – Most of the City's program's and services are reported here including police, street maintenance, parks and recreation and general administration.
- *Business-Type Activities* – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's waste collection and golf course are reported as business-type activities.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

Governmental Funds – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. 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 you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. 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 – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match with the exception of enterprise funds' share of internal service allocation on the business-type activities statement.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. All of the City's fiduciary balances are reported in the separate Statement of Assets and Liabilities.

**CITY OF CENTERVILLE, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

**Unaudited**

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

The following table provides a summary of the City's net position for 2019 compared to 2018:

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$47,498,058	\$42,848,975	\$3,888,853	\$2,621,117	\$51,386,911	\$45,470,092
Capital assets, Net	65,165,080	60,909,841	18,911,467	18,147,568	84,076,547	79,057,409
Total assets	112,663,138	103,758,816	22,800,320	20,768,685	135,463,458	124,527,501
Deferred Outflows of Resources	7,107,154	3,630,561	1,042,482	462,869	8,149,636	4,093,430
Net Pension Liability	20,634,376	13,882,070	2,863,306	1,542,472	23,497,682	15,424,542
Net OPEB Liability	5,591,728	11,753,894	1,376,062	1,087,616	6,967,790	12,841,510
Long-term debt outstanding	13,716,219	13,312,728	158,732	62,250	13,874,951	13,374,978
Other liabilities	924,886	2,248,282	635,659	737,054	1,560,545	2,985,336
Total liabilities	40,867,209	41,196,974	5,033,759	3,429,392	45,900,968	44,626,366
Deferred Inflows of Resources	3,880,229	4,712,510	42,628	450,165	3,922,857	5,162,675
Net investment in capital assets	52,516,384	47,644,077	18,911,467	18,147,568	71,427,851	65,791,645
Restricted	10,337,076	10,084,968	0	0	10,337,076	10,084,968
Unrestricted	12,169,394	3,750,848	(145,052)	(795,571)	12,024,342	2,955,277
Total net position	\$75,022,854	\$61,479,893	\$18,766,415	\$17,351,997	\$93,789,269	\$78,831,890

The net pension liability (NPL) is reported by the City pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net OPEB liability (NOL) is reported by the City pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2019***

***Unaudited***

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GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows. As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting.

**CITY OF CENTERVILLE, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

**Unaudited**

Changes in Net Position – The following table shows the changes in net position for 2019 compared to 2018:

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,566,645	\$1,217,726	\$5,304,592	\$4,874,999	\$6,871,237	\$6,092,725
Operating Grants and Contributions	1,318,035	1,040,535	0	0	1,318,035	1,040,535
Capital Grants and Contributions	1,522,212	541,532	0	0	1,522,212	541,532
Total Program Revenues	4,406,892	2,799,793	5,304,592	4,874,999	9,711,484	7,674,792
General revenues:						
Income Taxes	22,027,383	18,995,065	0	0	22,027,383	18,995,065
Property Taxes	1,561,257	1,506,251	0	0	1,561,257	1,506,251
Payment in Lieu of Taxes	1,269,153	1,030,405	0	0	1,269,153	1,030,405
Intergovernmental, unrestricted	1,496,663	1,069,691	0	0	1,496,663	1,069,691
Investment Earnings	1,117,239	205,005	56,804	27,353	1,174,043	232,358
Miscellaneous	146,957	62,397	0	0	146,957	62,397
Total General Revenues	27,618,652	22,868,814	56,804	27,353	27,675,456	22,896,167
Total Revenues	32,025,544	25,668,607	5,361,396	4,902,352	37,386,940	30,570,959
Program Expenses						
General Government	7,267,575	5,704,742	0	0	7,267,575	5,704,742
Public Safety	2,409,407	8,613,827	0	0	2,409,407	8,613,827
Community Development	298,287	303,734	0	0	298,287	303,734
Recreation	308,511	226,152	0	0	308,511	226,152
Transportation	6,790,278	6,939,137	0	0	6,790,278	6,939,137
Interest and Fiscal Charges	408,525	425,015	0	0	408,525	425,015
Waste Collection	0	0	1,498,132	1,434,443	1,498,132	1,434,443
Golf Course	0	0	3,448,846	3,067,197	3,448,846	3,067,197
Total Expenses	17,482,583	22,212,607	4,946,978	4,501,640	22,429,561	26,714,247
Change in Net Position before transfers	14,542,961	3,456,000	414,418	400,712	14,957,379	3,856,712
Transfers	(1,000,000)	(615,000)	1,000,000	615,000	0	0
Total Change in Net Position	13,542,961	2,841,000	1,414,418	1,015,712	14,957,379	3,856,712
Beginning Net Position	61,479,893	58,638,893	17,351,997	16,336,285	78,831,890	74,975,178
Ending Net Position	\$75,022,854	\$61,479,893	\$18,766,415	\$17,351,997	\$93,789,269	\$78,831,890



***Management’s Discussion and Analysis  
For the Year Ended December 31, 2019***

***Unaudited***

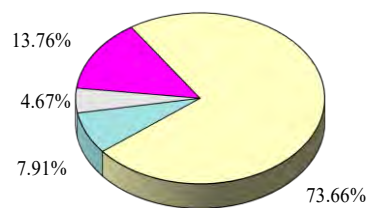
***Governmental Activities***

The net position of the City’s governmental activities increased by \$13.5 million. Revenues increased by \$6.4 million in 2019 compared to 2018 and expenses and transfers decreased by \$4.7 million. Increases in income taxes, capital grants & contributions, and investment earnings accounted for the majority of the revenue increase. Income tax increases are due in part to withholdings and individuals as the third year of the 0.50% income tax rate increase saw the second full tax year of collections with some additional job and wage growth as well. 2019 also saw a large onetime income tax payment from an individual taxpayer in the amount of \$1.89 million. This onetime payment is not expected to reoccur in future years. 2019 was the second year of receiving payment in lieu of tax revenue from the Cornerstone Tax Increment Financing (TIF) district. Public Safety expenses decreased by \$6.2 million in 2019, helping to offset an increase in other functional expenses. As a result of the 0.50% income tax rate mentioned above, the City committed to an increase in infrastructure investment through the Annual Street and Sidewalk Resurfacing Program, which is included in the five-year Capital Improvement Program (CIP).

The City receives an income tax, which is based on 2.25% of all salaries, wages, commissions and other compensation earned from residents living within the City and from nonresidents for work done or services performed or rendered in the City.

Property taxes and income taxes made up 4.9% and 68.8% respectively of revenues for governmental activities for the City in 2019. The City’s reliance upon tax revenues is demonstrated by the following graph indicating 73.66% of total revenues from general tax revenues:

Revenue Sources	2019	Percent of Total
Intergovernmental, unrestricted	\$1,496,663	4.67%
Program Revenues	4,406,892	13.76%
General Tax Revenues	23,588,640	73.66%
General Other	2,533,349	7.91%
Total Revenue	<u>\$32,025,544</u>	<u>100.00%</u>



***Business-Type Activities***

Net position of the business-type activities increased by \$1,414,418. This increase was the result revenues outpacing expenses by \$414,418 combined with increased transfers (\$1.0 million) from governmental activities. The transfer from governmental activities contributed towards capital outlay in the Golf Course fund which included a new fleet of golf carts in 2019.

**CITY OF CENTERVILLE, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

**Unaudited**

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City's governmental funds reported a combined fund balance of \$34,584,637, which is an increase from last year's balance of \$29,023,549. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2019 and 2018:

	Fund Balance December 31, 2019	Fund Balance December 31, 2018	Increase (Decrease)
General	\$27,082,864	\$20,936,840	\$6,146,024
Street Construction and Maintenance	1,773,833	1,511,850	261,983
TIF Debt Retirement	489,795	197,145	292,650
Special Assessment Debt Retirement	495,056	471,977	23,079
Capital Improvement	2,348,631	3,532,937	(1,184,306)
Other Governmental	2,394,458	2,372,800	21,658
Total	<u>\$34,584,637</u>	<u>\$29,023,549</u>	<u>\$5,561,088</u>

*General Fund* – The City's General Fund balance increase is due mainly to increased income tax revenue collections per the 0.50% income rate increase passed by the voters in the fall of 2016. 2019 experienced the second full year of realizing income tax collections at the new 2.25% rate along with some moderate job and wage growth also recognized in 2019. A onetime large income tax payment of \$1.89 million received in 2019 also contributes significantly to the overall increase in income tax collections. General Fund expenses also increased but at a much lower percentage than the revenue increase.

	2019 Revenues	2018 Revenues	Increase (Decrease)
Property and Other Taxes	\$1,563,539	\$1,499,340	\$64,199
Income Taxes	22,223,560	19,226,039	2,997,521
Charges for Services	585,050	629,197	(44,147)
Investment Earnings	926,478	92,215	834,263
Intergovernmental Revenue	794,683	749,285	45,398
Special Assessments	2,296	3,542	(1,246)
Fines, Licenses and Permits	368,432	456,161	(87,729)
All Other Revenue	161,415	0	161,415
Total	<u>\$26,625,453</u>	<u>\$22,655,779</u>	<u>\$3,969,674</u>

General Fund revenues increased compared with 2018 levels. The increase in income tax revenues of \$2,997,521 coupled with the increase in investment earnings accounted for the majority of the total increase. As mentioned above the onetime large income tax payment of \$1.89 million contributed to the overall income tax increase. Investment earnings increased significantly due to a restructuring of the City's investment portfolio, which included investing more of the City's liquid funds into longer term investments, setting up a sweep checking account to earn approximately 2.0% on liquid funds in the operating bank account, and utilizing the State Treasury Asset Reserve of Ohio (STAR Ohio) to earn over 2.0% on additional liquid funds now invested by the City.

**CITY OF CENTERVILLE, OHIO**

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***Management's Discussion and Analysis  
For the Year Ended December 31, 2019***

***Unaudited***

	2019	2018	Increase
	Expenditures	Expenditures	(Decrease)
General Government	\$5,214,338	\$4,603,232	\$611,106
Public Safety	7,281,664	7,062,326	219,338
Community Development	229,916	262,640	(32,724)
Recreation	220,020	153,430	66,590
Capital Outlay	275,707	373,898	(98,191)
Total	<u>\$13,221,645</u>	<u>\$12,455,526</u>	<u>\$766,119</u>

General Fund expenditures increased by \$766,119 or 6.2% over the prior year predominantly due to increased costs in the public safety and general government functions. The City continues to place an emphasis on increased funding in capital infrastructure and technology updates per the five-year Strategic Plan adopted by City Council.

*Street Construction and Maintenance Fund* – The fund increased in 2019 primarily due to higher revenues over 2018 levels. The State of Ohio via HB 162 enacted an increase to the gas tax in 2019 which is a large revenue source in the SCM&R Fund. The approximate annual impact of the increased gas tax revenue will be \$500,000. The SCM&R Fund is partially supported by the General Fund each year through transfers in the amount of \$1.6 million.

*TIF Debt Retirement Fund* – This fund is used to account for the receipt of revenues in lieu of taxes and subsequent payment of principal and interest on the debt. This fund experiences minimal variability on a yearly basis, as was the case with 2019. The Cornerstone TIF will continue to see moderate increases in collections in subsequent years as the North Parcel continues to be developed and new properties begin to contribute into the TIF. In 2020 a second debt issuance for Phase IV Public Improvements will be issued so additional principal retirement and interest charges will occur for the new debt service amount.

*Special Assessment Debt Retirement Fund* – This fund is used to account for the receipt of special assessment collections and subsequent payment of principal and interest on the special assessment debt. This fund experiences minimal variability on a yearly basis, as was the case with 2019. There are 7 different Special Assessment Financing (SAF) districts throughout the Yankee Trace development. Each individual SAF contains an outstanding debt issuance with a 30 year term and the debt issuances will mature beginning in 2026 and ending in 2032.

*Capital Improvement Fund* - The fund balance of this fund will vary from year to year based upon the City's capital project schedules. The General Fund provides transfers each year to make sure funding is adequate to complete the projects. City Council's commitment in the five-year strategic plan to increase capital outlay for infrastructure improvements largely contributes to the change to the fund in 2019.

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of 2019 the City amended its General Fund budget one time, which was not significant.

**CITY OF CENTERVILLE, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

**Unaudited**

For the General Fund, final budget basis revenue of \$23.9 million increased \$1.9 million from the original budget estimates, largely attributed to the onetime income tax payment of \$1.89 million. The General Fund had an adequate fund balance to cover all expenditures.

The variances between budgeted and actual expenditures represent fiscally conservative spending and budgeting practices for the City.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2019 the City had \$84,076,547 net of accumulated depreciation invested in land, buildings and improvements, equipment and infrastructure. Of this total, \$65,165,080 was related to governmental activities and \$18,911,467 to the business-type activities. The following table shows 2019 and 2018 balances:

	Governmental Activities		Changes
	2019	2018	
Land	\$10,200,286	\$8,090,850	\$2,109,436
Total Non-Depreciable Capital Assets	10,200,286	8,090,850	2,109,436
Buildings and Improvements	14,585,905	14,709,015	(123,110)
Equipment	10,880,247	11,934,357	(1,054,110)
Infrastructure	83,324,701	78,181,423	5,143,278
Less: Accumulated Depreciation	(53,826,059)	(52,005,804)	(1,820,255)
Total Depreciable Capital Assets, Net	54,964,794	52,818,991	2,145,803
Totals	\$65,165,080	\$60,909,841	\$4,255,239

	Business-Type Activities		Changes
	2019	2018	
Land	\$15,098,026	\$15,098,026	\$0
Total Non-Depreciable Capital Assets	15,098,026	15,098,026	0
Buildings and Improvements	4,686,591	4,292,238	394,353
Equipment	2,603,949	3,243,210	(639,261)
Less: Accumulated Depreciation	(3,477,099)	(4,485,906)	1,008,807
Total Depreciable Capital Assets, Net	3,813,441	3,049,542	763,899
Totals	\$18,911,467	\$18,147,568	\$763,899

The primary increase occurred in infrastructure and land for governmental activities. The City's Annual Street and Sidewalk Resurfacing Program accounted for the majority of the increase in infrastructure as over \$4.5 million was invested in streets and sidewalks in 2019. The increase in land is predominantly the result of the purchase of the land for Cornerstone Park and some strategic property acquisitions in the Uptown District. Building improvements at the Golf Club at Yankee Trace accounted for the majority of the increase in business-type activities.

## **CITY OF CENTERVILLE, OHIO**

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### ***Management's Discussion and Analysis For the Year Ended December 31, 2019***

***Unaudited***

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#### ***Debt***

At December 31, 2019, the City had \$12.71 million in bonds and loans outstanding, \$676,900 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Governmental Activities:		
General Obligation Bonds	\$7,956,704	\$8,195,357
Special Assessment Bonds	3,981,330	4,317,949
OPWC Loans	779,517	831,150
Compensated Absences	998,668	858,068
Total Governmental Activities	<u>13,716,219</u>	<u>14,202,524</u>
Business-Type Activities:		
Compensated Absences	158,732	162,062
Total Business-Type Activities	<u>158,732</u>	<u>162,062</u>
Totals	<u>\$13,874,951</u>	<u>\$14,364,586</u>

State statutes limit the amount of unvoted general obligation debt the City may issue. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt, when added to that of other political subdivisions within the respective counties in which Centerville lies, is limited to ten mills. At December 31, 2019, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 12.

#### **ECONOMIC FACTORS**

The City's budget for 2020 is conservative and guided by the five-year Strategic Plan. The City has a solid residential and business tax base, which continues to grow and expand, and income tax revenue has increased significantly over the last three years and projects to increase again slightly in 2020. The 2020 expenditures increased from 2019 levels mainly due to an increase in capital projects and infrastructure improvements as per City Council's direction in the five-year strategic plan. City Council wants to continue to maintain the current service levels to the residents of the City and they will continue to monitor the revenue stream for 2020 and if necessary, adjust expenditures accordingly.

#### **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, 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 about this report or need additional financial information contact the Finance Department by calling 937-433-7151 or writing to City of Centerville Finance Department, 100 West Spring Valley Road, Centerville, Ohio 45458.

**CITY OF CENTERVILLE, OHIO**

**Statement of Net Position  
December 31, 2019**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$ 33,375,020	\$ 3,518,742	\$ 36,893,762
Receivables:			
Taxes	6,511,839	0	6,511,839
Accounts	13,190	268,205	281,395
Intergovernmental	1,036,471	387	1,036,858
Interest	89,817	0	89,817
Special Assessments	6,195,769	0	6,195,769
Internal Balances	26,971	(26,971)	0
Inventory of Supplies at Cost	119,876	106,157	226,033
Prepaid Items	129,105	22,333	151,438
Non-Depreciable Capital Assets	10,200,286	15,098,026	25,298,312
Depreciable Capital Assets, Net	54,964,794	3,813,441	58,778,235
<b>Total Assets</b>	<b>112,663,138</b>	<b>22,800,320</b>	<b>135,463,458</b>
<b>Deferred Outflows of Resources:</b>			
Deferred Charge on Refunding	68,855	0	68,855
Pension	5,842,811	902,739	6,745,550
OPEB	1,195,488	139,743	1,335,231
<b>Total Deferred Outflows of Resources</b>	<b>7,107,154</b>	<b>1,042,482</b>	<b>8,149,636</b>
<b>Liabilities:</b>			
Accounts Payable	571,675	76,042	647,717
Accrued Wages and Benefits Payable	247,820	38,339	286,159
Intergovernmental Payable	32,098	21,376	53,474
Claims Payable	38,047	0	38,047
Deposit Liability	0	182,325	182,325
Unearned Revenue	0	317,577	317,577
Accrued Interest Payable	35,246	0	35,246
Noncurrent liabilities:			
Due within one year	1,006,460	90,567	1,097,027
Due in more than one year:			
Net Pension Liability	20,634,376	2,863,306	23,497,682
Net OPEB Liability	5,591,728	1,376,062	6,967,790
Other Amounts	12,709,759	68,165	12,777,924
<b>Total Liabilities</b>	<b>40,867,209</b>	<b>5,033,759</b>	<b>45,900,968</b>
<b>Deferred Inflows of Resources:</b>			
Property Tax Levy for Next Fiscal Year	2,740,667	0	2,740,667
Pension	584,708	38,895	623,603
OPEB	554,854	3,733	558,587
<b>Total Deferred Inflows of Resources</b>	<b>3,880,229</b>	<b>42,628</b>	<b>3,922,857</b>

**CITY OF CENTERVILLE, OHIO**

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	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	52,516,384	18,911,467	71,427,851
Restricted For:			
Capital Projects	369,845	0	369,845
Debt Service	7,147,022	0	7,147,022
Street Improvements	2,180,938	0	2,180,938
Public Safety	639,271	0	639,271
Unrestricted	12,169,394	(145,052)	12,024,342
<b>Total Net Position</b>	<b>\$ 75,022,854</b>	<b>\$ 18,766,415</b>	<b>\$ 93,789,269</b>

See accompanying notes to the basic financial statements

**CITY OF CENTERVILLE, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2019**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 7,267,575	\$ 773,479	\$ 0	\$ 50,104
Public Safety	2,409,407	124,258	0	0
Community Development	298,287	0	0	0
Recreation	308,511	122,617	0	1,472,108
Transportation	6,790,278	546,291	1,318,035	0
Interest and Fiscal Charges	408,525	0	0	0
<b>Total Governmental Activities</b>	<b>17,482,583</b>	<b>1,566,645</b>	<b>1,318,035</b>	<b>1,522,212</b>
<b>Business-Type Activities:</b>				
Waste Collection	1,498,132	1,441,424	0	0
Golf Course	3,448,846	3,863,168	0	0
<b>Total Business-Type Activities</b>	<b>4,946,978</b>	<b>5,304,592</b>	<b>0</b>	<b>0</b>
<b>Totals</b>	<b>\$ 22,429,561</b>	<b>\$ 6,871,237</b>	<b>\$ 1,318,035</b>	<b>\$ 1,522,212</b>

**General Revenues:**

Income Taxes  
Property Taxes Levied for General Purposes  
Unrestricted Shared Revenues  
Revenue in Lieu of Taxes  
Investment Earnings  
Other Revenues  
Transfers  
Total General Revenues and Transfers  
  
Change in Net Position  
  
Net Position Beginning of Year  
Net Position End of Year

See accompanying notes to the basic financial statements



**CITY OF CENTERVILLE, OHIO**

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Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (6,443,992)	\$ 0	\$ (6,443,992)
(2,285,149)	0	(2,285,149)
(298,287)	0	(298,287)
1,286,214	0	1,286,214
(4,925,952)	0	(4,925,952)
(408,525)	0	(408,525)
<u>(13,075,691)</u>	<u>0</u>	<u>(13,075,691)</u>
0	(56,708)	(56,708)
<u>0</u>	<u>414,322</u>	<u>414,322</u>
<u>0</u>	<u>357,614</u>	<u>357,614</u>
<u>(13,075,691)</u>	<u>357,614</u>	<u>(12,718,077)</u>
22,027,383	0	22,027,383
1,561,257	0	1,561,257
1,496,663	0	1,496,663
1,269,153	0	1,269,153
1,117,239	56,804	1,174,043
146,957	0	146,957
<u>(1,000,000)</u>	<u>1,000,000</u>	<u>0</u>
<u>26,618,652</u>	<u>1,056,804</u>	<u>27,675,456</u>
13,542,961	1,414,418	14,957,379
<u>61,479,893</u>	<u>17,351,997</u>	<u>78,831,890</u>
<u>\$ 75,022,854</u>	<u>\$ 18,766,415</u>	<u>\$ 93,789,269</u>

**CITY OF CENTERVILLE, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2019**

	General	Street Construction and Maintenance	TIF Debt Retirement	Special Assessment Debt Retirement
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$ 25,228,030	\$ 1,526,388	\$ 489,795	\$ 495,056
Receivables:				
Taxes	5,116,839	0	1,300,000	0
Accounts	9,234	0	0	0
Intergovernmental	279,054	626,713	0	0
Interest	89,817	0	0	0
Special Assessments	0	0	0	6,195,769
Interfund Receivable	4,044	0	0	0
Inventory of Supplies, at Cost	1,588	90,106	0	0
Prepaid Items	113,219	15,886	0	0
<b>Total Assets</b>	<b>\$ 30,841,825</b>	<b>\$ 2,259,093</b>	<b>\$ 1,789,795</b>	<b>\$ 6,690,825</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 127,327	\$ 45,886	\$ 0	\$ 0
Accrued Wages and Benefits Payable	208,521	39,299	0	0
Intergovernmental Payable	30,732	1,366	0	0
<b>Total Liabilities</b>	<b>366,580</b>	<b>86,551</b>	<b>0</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	2,046,714	398,709	0	6,195,769
Property Tax Levy for Next Fiscal Year	1,345,667	0	1,300,000	0
<b>Total Deferred Inflows of Resources</b>	<b>3,392,381</b>	<b>398,709</b>	<b>1,300,000</b>	<b>6,195,769</b>
<b>Fund Balances:</b>				
Nonspendable	114,807	105,992	0	0
Restricted	0	1,667,841	489,795	495,056
Assigned	691,780	0	0	0
Unassigned	26,276,277	0	0	0
<b>Total Fund Balances</b>	<b>27,082,864</b>	<b>1,773,833</b>	<b>489,795</b>	<b>495,056</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 30,841,825</b>	<b>\$ 2,259,093</b>	<b>\$ 1,789,795</b>	<b>\$ 6,690,825</b>

See accompanying notes to the basic financial statements

**CITY OF CENTERVILLE, OHIO**

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Capital Improvements	Other Governmental Funds	Total Governmental Funds
\$ 2,548,681	\$ 2,506,686	\$ 32,794,636
0	95,000	6,511,839
2,581	0	11,815
79,828	50,876	1,036,471
0	0	89,817
0	0	6,195,769
0	0	4,044
0	28,182	119,876
0	0	129,105
<u>\$ 2,631,090</u>	<u>\$ 2,680,744</u>	<u>\$ 46,893,372</u>
\$ 233,602	\$ 158,958	\$ 565,773
0	0	247,820
0	0	32,098
<u>233,602</u>	<u>158,958</u>	<u>845,691</u>
48,857	32,328	8,722,377
0	95,000	2,740,667
<u>48,857</u>	<u>127,328</u>	<u>11,463,044</u>
0	28,182	248,981
0	1,180,928	3,833,620
2,348,631	1,185,348	4,225,759
0	0	26,276,277
<u>2,348,631</u>	<u>2,394,458</u>	<u>34,584,637</u>
<u>\$ 2,631,090</u>	<u>\$ 2,680,744</u>	<u>\$ 46,893,372</u>

**CITY OF CENTERVILLE, OHIO**

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***Reconciliation Of Total Governmental Fund Balances  
To Net Position Of Governmental Activities  
December 31, 2019***

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**Total Governmental Fund Balances** \$ 34,584,637

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

Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.

Capital Assets used in the operation of Governmental Funds	63,716,328	
Capital Assets used in the operation of Internal Service Funds	<u>1,448,752</u>	
Capital Assets used in the operation of Governmental Activities		65,165,080

Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds.

Income Taxes Receivable - accrual basis	1,779,160	
Property Taxes Receivable - accrual basis	16,348	
Special Assessments Receivable - accrual basis	6,195,769	
Interest Receivable - accrual basis	53,004	
Grants Receivable - accrual basis	<u>678,096</u>	
Total		8,722,377

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

Internal service net position	1,986,562	
Capital assets used in the operation of Internal Service Funds	(1,448,752)	
Allocation to Business-Type Activities	<u>22,927</u>	
		560,737

The net pension and OPEB liabilities are not due and payable in the current period; therefore, the liability and related deferred inflows / outflows are not reported in governmental funds:

Deferred Outflows - Pension	5,842,811	
Deferred Outflows - OPEB	1,195,488	
Deferred Inflows - Pension	(584,708)	
Deferred Inflows - OPEB	(554,854)	
Net Pension Liability	(20,634,376)	
Net OPEB Liability	<u>(5,591,728)</u>	
Total		(20,327,367)

**CITY OF CENTERVILLE, OHIO**

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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Amounts Due Within One Year	(1,006,460)	
Amounts Due in More Than One Year	(12,709,759)	
Accrued Interest on Long-Term Debt	(35,246)	
Deferred Charge on Debt Refunding	68,855	
Total		<u>(13,682,610)</u>
<i>Net Position of Governmental Activities</i>		<u>\$ 75,022,854</u>

See accompanying notes to the basic financial statements

**CITY OF CENTERVILLE, OHIO**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2019**

	General	Street Construction and Maintenance	TIF Debt Retirement	Special Assessment Debt Retirement
<b>Revenues:</b>				
Property and Other Taxes	\$ 1,563,539	\$ 0	\$ 0	\$ 0
Income Taxes	22,223,560	0	0	0
Charges for Services	585,050	1,202	0	0
Investment Earnings	926,478	29,728	12,523	15,594
Intergovernmental Revenues	794,683	1,218,866	0	0
Special Assessments	2,296	0	0	502,480
Fines, Licenses and Permits	368,432	0	0	0
Revenue in Lieu of Taxes	0	0	1,182,779	0
Other Revenues	161,415	30,303	0	0
<b>Total Revenue</b>	<b>26,625,453</b>	<b>1,280,099</b>	<b>1,195,302</b>	<b>518,074</b>
<b>Expenditures:</b>				
Current:				
General Government	5,214,338	0	350,519	25,942
Public Safety	7,281,664	0	0	0
Community Development	229,916	0	0	0
Recreation	220,020	0	0	0
Transportation	0	2,633,849	0	0
Capital Outlay	275,707	0	0	0
Debt Service:				
Principal Retirement	0	0	225,000	330,000
Interest and Fiscal Charges	0	0	276,875	139,053
<b>Total Expenditures</b>	<b>13,221,645</b>	<b>2,633,849</b>	<b>852,394</b>	<b>494,995</b>
Excess (Deficiency) of Revenues Over Expenditures	13,403,808	(1,353,750)	342,908	23,079
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	0	0
Transfers In	0	1,600,000	0	0
Transfers Out	(7,255,902)	0	(50,258)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(7,255,902)</b>	<b>1,600,000</b>	<b>(50,258)</b>	<b>0</b>
Net Change in Fund Balances	6,147,906	246,250	292,650	23,079
<b>Fund Balances at Beginning of Year</b>	<b>20,936,840</b>	<b>1,511,850</b>	<b>197,145</b>	<b>471,977</b>
Change in Inventory	(1,882)	15,733	0	0
<b>Fund Balances End of Year</b>	<b>\$ 27,082,864</b>	<b>\$ 1,773,833</b>	<b>\$ 489,795</b>	<b>\$ 495,056</b>

See accompanying notes to the basic financial statements

**CITY OF CENTERVILLE, OHIO**

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Capital Improvements	Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 0	\$ 1,563,539
0	0	22,223,560
2,581	0	588,833
81,780	55,019	1,121,122
592,983	1,099,169	3,705,701
0	50,104	554,880
0	3,484	371,916
0	86,374	1,269,153
3,600	1,027,347	1,222,665
<u>680,944</u>	<u>2,321,497</u>	<u>32,621,369</u>
0	116,614	5,707,413
0	8,173	7,289,837
0	0	229,916
0	0	220,020
0	86,672	2,720,521
5,870,817	2,694,942	8,841,466
0	51,633	606,633
0	4,268	420,196
<u>5,870,817</u>	<u>2,962,302</u>	<u>26,036,002</u>
(5,189,873)	(640,805)	6,585,367
5,567	0	5,567
4,000,000	656,160	6,256,160
0	0	(7,306,160)
<u>4,005,567</u>	<u>656,160</u>	<u>(1,044,433)</u>
(1,184,306)	15,355	5,540,934
3,532,937	2,372,800	29,023,549
0	6,303	20,154
<u>\$ 2,348,631</u>	<u>\$ 2,394,458</u>	<u>\$ 34,584,637</u>

**CITY OF CENTERVILLE, OHIO**

***Reconciliation Of The Statement Of Revenues, Expenditures  
And Changes In Fund Balances Of Governmental Funds  
To The Statement Of Activities  
For The Year Ended December 31, 2019***

**Net Change in Fund Balances - Total Governmental Funds** \$ 5,540,934

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

Governmental funds report capital outlays 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 by which capital outlays exceeded depreciation in the current period. 4,450,049

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to change net position. (306,591)

Revenues and transfers in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (595,825)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 1,435,619

Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities are reported as pension expense in the statement of activities. 2,555,030

The repayment of the principal of long-term debt consumes the current financial resources of government funds, however it does not effect net position. 606,633

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 1,236

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	(140,600)	
Amortization of Bond Principal	20,272	
Amortization of Deferred Charge on Refunding	(9,837)	
Change in Inventory	20,154	
	(110,011)	

Internal Service Funds are used to 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 revenue are eliminated The net revenue (expense) of the internal service funds are allocated amongst the governmental activities.

Change in Net Position - Internal Service Funds	(76,951)	
Change in portion of Internal Service Fund Net Position allocated to Business-Type Activities	42,838	
	(34,113)	

***Change in Net Position of Governmental Activities*** \$ 13,542,961

See accompanying notes to the basic financial statements



**CITY OF CENTERVILLE, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property and Other Taxes	\$ 1,440,000	\$ 1,440,000	\$ 1,571,174	\$ 131,174
Income Taxes	18,726,750	20,626,750	21,999,038	1,372,288
Charges for Services	645,600	645,600	581,521	(64,079)
Investment Earnings	145,000	145,000	515,000	370,000
Intergovernmental Revenue	712,000	712,000	796,179	84,179
Special Assessments	10,000	10,000	2,296	(7,704)
Fines, Licenses and Permits	303,000	303,000	424,390	121,390
Other Revenues	21,250	21,250	159,370	138,120
Total Revenues	<u>22,003,600</u>	<u>23,903,600</u>	<u>26,048,968</u>	<u>2,145,368</u>
<b>Expenditures:</b>				
Current:				
General Government	5,686,568	6,054,324	5,451,054	603,270
Public Safety	7,740,856	7,784,353	7,326,163	458,190
Community Development	311,811	312,653	232,447	80,206
Recreation	277,368	281,788	224,347	57,441
Capital Outlay	347,810	460,248	370,675	89,573
Total Expenditures	<u>14,364,413</u>	<u>14,893,366</u>	<u>13,604,686</u>	<u>1,288,680</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,639,187	9,010,234	12,444,282	3,434,048
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(7,146,052)</u>	<u>(7,255,902)</u>	<u>(7,255,902)</u>	<u>0</u>
Total Other Financing Sources (Uses):	<u>(7,146,052)</u>	<u>(7,255,902)</u>	<u>(7,255,902)</u>	<u>0</u>
Net Change in Fund Balance	493,135	1,754,332	5,188,380	3,434,048
Fund Balance at Beginning of Year	19,282,065	19,282,065	19,282,065	0
Prior Year Encumbrances	199,279	199,279	199,279	0
Fund Balance at End of Year	<u>\$ 19,974,479</u>	<u>\$ 21,235,676</u>	<u>\$ 24,669,724</u>	<u>\$ 3,434,048</u>

See accompanying notes to the basic financial statements

**CITY OF CENTERVILLE, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Street Construction and Maintenance Fund  
For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 1,000	\$ 1,000	\$ 1,202	\$ 202
Investment Earnings	14,000	14,000	29,728	15,728
Intergovernmental Revenue	1,030,000	1,030,000	1,142,391	112,391
Other Revenues	0	0	29,994	29,994
Total Revenues	<u>1,045,000</u>	<u>1,045,000</u>	<u>1,203,315</u>	<u>158,315</u>
<b>Expenditures:</b>				
Current:				
Transportation	<u>2,852,466</u>	<u>2,942,927</u>	<u>2,667,602</u>	<u>275,325</u>
Total Expenditures	<u>2,852,466</u>	<u>2,942,927</u>	<u>2,667,602</u>	<u>275,325</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,807,466)	(1,897,927)	(1,464,287)	433,640
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>	<u>0</u>
Total Other Financing Sources (Uses):	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>	<u>0</u>
Net Change in Fund Balance	(207,466)	(297,927)	135,713	433,640
Fund Balance at Beginning of Year	1,336,717	1,336,717	1,336,717	0
Prior Year Encumbrances	<u>7,762</u>	<u>7,762</u>	<u>7,762</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,137,013</u>	<u>\$ 1,046,552</u>	<u>\$ 1,480,192</u>	<u>\$ 433,640</u>

See accompanying notes to the basic financial statements



**CITY OF CENTERVILLE, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2019**

	Business-Type Activities			Governmental Activities - Internal Service Funds
	Enterprise Funds			
	Waste Collection	Golf Course	Total	
<b>Assets:</b>				
Current assets:				
Equity in Pooled Cash and Investments	\$ 1,212,224	\$ 2,306,518	\$ 3,518,742	\$ 580,384
Receivables:				
Accounts	187,816	80,389	268,205	1,375
Intergovernmental	140	247	387	0
Inventory of Supplies at Cost	4,326	101,831	106,157	0
Prepaid Items	8,199	14,134	22,333	0
Total current assets	<u>1,412,705</u>	<u>2,503,119</u>	<u>3,915,824</u>	<u>581,759</u>
Noncurrent assets:				
Capital assets:				
Non-Depreciable Capital Assets	0	15,098,026	15,098,026	0
Depreciable Capital Assets, net	85,162	3,728,279	3,813,441	1,448,752
Total capital assets	<u>85,162</u>	<u>18,826,305</u>	<u>18,911,467</u>	<u>1,448,752</u>
Total noncurrent assets	<u>85,162</u>	<u>18,826,305</u>	<u>18,911,467</u>	<u>1,448,752</u>
Total assets	<u>1,497,867</u>	<u>21,329,424</u>	<u>22,827,291</u>	<u>2,030,511</u>
<b>Deferred Outflows of Resources:</b>				
Pension	332,285	570,454	902,739	0
OPEB	51,438	88,305	139,743	0
<b>Total Deferred Outflows of Resources</b>	<u>383,723</u>	<u>658,759</u>	<u>1,042,482</u>	<u>0</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts Payable	5,521	70,521	76,042	5,902
Accrued Wages and Benefits Payable	16,721	21,618	38,339	0
Intergovernmental Payable	20,401	975	21,376	0
Claims Payable	0	0	0	38,047
Deposit Liability	0	182,325	182,325	0
Unearned Revenue	317,577	0	317,577	0
Interfund Payable	0	4,044	4,044	0
Compensated Absences Payable - Current	67,809	22,758	90,567	0
Total Current Liabilities	<u>428,029</u>	<u>302,241</u>	<u>730,270</u>	<u>43,949</u>
Noncurrent Liabilities:				
Compensated Absences Payable	29,458	38,707	68,165	0
Net Pension Liability	1,053,941	1,809,365	2,863,306	0
Net OPEB Liability	506,508	869,554	1,376,062	0
Total noncurrent liabilities	<u>1,589,907</u>	<u>2,717,626</u>	<u>4,307,533</u>	<u>0</u>
<b>Total Liabilities</b>	<u>2,017,936</u>	<u>3,019,867</u>	<u>5,037,803</u>	<u>43,949</u>

**CITY OF CENTERVILLE, OHIO**

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	Business-Type Activities			Governmental Activities - Internal Service Funds
	Enterprise Funds			
	Waste Collection	Golf Course	Total	
<b>Deferred Inflows of Resources:</b>				
Pension	14,312	24,583	38,895	0
OPEB	1,374	2,359	3,733	0
<b>Total Deferred Inflows of Resources</b>	<u>15,686</u>	<u>26,942</u>	<u>42,628</u>	<u>0</u>
<b>Net Position:</b>				
Net Investment in Capital Assets	85,162	18,826,305	18,911,467	1,448,752
Unrestricted	(237,194)	115,069	(122,125)	537,810
Total Net Position	<u>\$ (152,032)</u>	<u>\$ 18,941,374</u>	<u>18,789,342</u>	<u>\$ 1,986,562</u>
			Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.	
				(22,927)
			Net Position of Business-type Activities	<u>\$ 18,766,415</u>

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 Year Ended December 31, 2019**

	Business-type activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Waste Collection	Golf Course	Total Enterprise Funds	
<b>Operating Revenues:</b>				
Charges for Services	\$ 1,434,514	\$ 3,841,113	\$ 5,275,627	\$ 1,554,925
Other Operating Revenues	6,910	22,055	28,965	20,363
<b>Total Operating Revenues</b>	<u>1,441,424</u>	<u>3,863,168</u>	<u>5,304,592</u>	<u>1,575,288</u>
<b>Operating Expenses:</b>				
Personal Services	1,073,734	1,784,665	2,858,399	0
Purchased Services	292,398	440,278	732,676	59,306
Materials and Supplies	45,513	247,905	293,418	0
Depreciation	2,785	355,790	358,575	366,599
Other Expense	70,284	265,122	335,406	12,591
Claims	0	0	0	1,274,991
<b>Total Operating Expenses</b>	<u>1,484,714</u>	<u>3,093,760</u>	<u>4,578,474</u>	<u>1,713,487</u>
<b>Operating Income (Loss)</b>	(43,290)	769,408	726,118	(138,199)
<b>Non-Operating Revenue (Expenses):</b>				
Loss on Disposal of Capital Assets	0	(325,666)	(325,666)	0
Investment Earnings	26,173	30,631	56,804	11,248
<b>Total Non-Operating Revenues (Expenses)</b>	<u>26,173</u>	<u>(295,035)</u>	<u>(268,862)</u>	<u>11,248</u>
<b>Income (Loss) Before Contributions and Transfers</b>	(17,117)	474,373	457,256	(126,951)
Transfers-In	0	1,000,000	1,000,000	50,000
<b>Change in Net Position</b>	(17,117)	1,474,373	1,457,256	(76,951)
<b>Net Position Beginning of Year</b>	(134,915)	17,467,001	17,332,086	2,063,513
<b>Net Position End of Year</b>	<u>\$ (152,032)</u>	<u>\$ 18,941,374</u>	<u>\$ 18,789,342</u>	<u>\$ 1,986,562</u>
			Change in Net Position - Total Enterprise Funds	1,457,256
			Adjustment to reflect the consolidation of internal fund activities related to the enterprise funds.	(42,838)
			Change in Net Position - Business-type Activities	<u>\$ 1,414,418</u>

See accompanying notes to the basic financial statements



**CITY OF CENTERVILLE, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2019**

	Business-Type Activities Enterprise Funds			Governmental- Activities Internal Service Funds
	Waste Collection	Golf Course	Total	
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$1,386,988	\$3,790,825	\$5,177,813	\$0
Cash Received from Interfund Services	0	0	0	1,554,925
Other Operating Receipts	6,770	21,808	28,578	18,988
Cash Payments for Goods and Services	(406,480)	(910,911)	(1,317,391)	(67,511)
Cash Payments for Claims	0	0	0	(1,267,586)
Cash Payments to Employees	(856,764)	(1,390,146)	(2,246,910)	0
Net Cash Provided by Operating Activities	130,514	1,511,576	1,642,090	238,816
<u>Cash Flows from Noncapital Financing Activities:</u>				
Transfers In from Other Funds	0	1,000,000	1,000,000	50,000
Net Cash Provided by Noncapital Financing Activities	0	1,000,000	1,000,000	50,000
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Acquisition and Construction of Assets	(87,947)	(1,350,693)	(1,438,640)	(760,380)
Net Cash Used by Capital and Related Financing Activities	(87,947)	(1,350,693)	(1,438,640)	(760,380)
<u>Cash Flows from Investing Activities:</u>				
Receipt of Interest	26,173	30,631	56,804	11,248
Net Cash Provided by Investing Activities	26,173	30,631	56,804	11,248
Net Increase in Cash and Cash Equivalents	68,740	1,191,514	1,260,254	(460,316)
Cash and Cash Equivalents at Beginning of Year	1,143,484	1,115,004	2,258,488	1,040,700
Cash and Cash Equivalents at End of Year	\$1,212,224	\$2,306,518	\$3,518,742	\$580,384



**CITY OF CENTERVILLE, OHIO**

	Business-Type Activities Enterprise Funds			Governmental- Activities Internal Service Funds
	Waste Collection	Golf Course	Total	
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>				
<u>Provided by Operating Activities:</u>				
Operating Income (Loss)	(\$43,290)	\$769,408	\$726,118	(\$138,199)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	2,785	355,790	358,575	366,599
Changes in Assets and Liabilities:				
(Increase) in Accounts Receivable	(15,181)	(20,695)	(35,876)	(1,375)
(Increase) in Intergovernmental Receivable	(140)	(247)	(387)	0
(Increase) Decrease in Inventory	1,755	(1,636)	119	0
(Increase) in Prepaid Items	(7,611)	(6,565)	(14,176)	0
(Increase) in Deferred Outflows - Pension	(188,609)	(331,573)	(520,182)	0
(Increase) in Deferred Outflows - OPEB	(21,269)	(38,162)	(59,431)	0
Increase (Decrease) in Accounts Payable	(1,564)	50,457	48,893	4,386
Increase in Accrued Wages and Benefits	6,383	4,294	10,677	0
Increase (Decrease) in Intergovernmental Payable	2,395	(11,110)	(8,715)	0
Increase in Claims Payable	0	0	0	7,405
Decrease in Deposits Liability	0	(29,593)	(29,593)	0
(Decrease) in Unearned Revenues	(32,345)	0	(32,345)	0
Increase (Decrease) in Compensated Absences	7,981	(11,311)	(3,330)	0
(Decrease) in Deferred Inflows - Pension	(124,183)	(206,067)	(330,250)	0
(Decrease) in Deferred Inflows - OPEB	(29,061)	(48,226)	(77,287)	0
Increase in Net Pension Liability	474,518	846,316	1,320,834	0
Increase in Net OPEB Liability	97,950	190,496	288,446	0
Total Adjustments	173,804	742,168	915,972	377,015
Net Cash Provided by Operating Activities	\$130,514	\$1,511,576	\$1,642,090	\$238,816

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2019, the Golf Course Fund had an outstanding liability of \$9,500 for the purchase of certain capital assets.

See accompanying notes to the basic financial statements

**CITY OF CENTERVILLE, OHIO**

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**Statement of Net Position  
Fiduciary Funds  
December 31, 2019**

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	<u>Agency Fund</u>
<b>Assets:</b>	
Equity in Pooled Cash and Investments	\$ 491,231
<b>Total Assets</b>	<u>491,231</u>
<b>Liabilities:</b>	
Undistributed Monies	491,231
<b>Total Liabilities</b>	<u>\$ 491,231</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Centerville (the 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 statements are presented as of December 31, 2019 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

**A. Reporting Entity**

The accompanying basic financial statements comply with the provisions of GASB Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 39, *"Determining Whether Certain Organizations are Component Units"* as amended by GASB Statement No. 61, *"The Financial Reporting Entity Omnibus"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

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.

The Miami Valley Risk Management Association (MVRMA) is a jointly governed organization established as a joint self-insurance pool for the purpose of enabling the subscribing political subdivisions to obtain liability insurance and providing a formalized, jointly administered self-insurance fund for its members. For more information see Note 15.

The Ohio Benefits Cooperative (OBC) is a jointly governed organization established as a joint self-insurance pool for the purpose of enabling the subscribing political subdivisions to obtain medical, dental, and life insurances and providing a formalized, jointly administered self-insurance fund for its members. For more information see Note 15.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting**

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows/outflows of resources, fund equity, revenues and expenditures/expenses. The various funds are summarized by type in the basic financial statements. The following fund types are used by the City:

***Governmental Funds***

The governmental funds are those funds through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's 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.

TIF Debt Retirement Fund – A fund provided to account for the payment of principal and interest on the City's general obligations related to Tax Increment Financing (TIF) debt.

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.

***Proprietary Funds***

All proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting (Continued)**

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's major enterprise funds are:

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.

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.

***Fiduciary Funds***

Agency Fund – Agency funds are used to account for assets held by a government unit as an agent for individuals, private organizations, other governmental units, and/or other funds. The City's agency 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. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements**

**Government-wide Financial Statements** – The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

Interfund receivables and payables between governmental and business-type activities have been eliminated in the government-wide Statement of Net Position. Interfund and internal service fund activities are generally eliminated to avoid the “doubling-up” effect on revenues and expenses. These eliminations minimize the duplicating effect on assets and liabilities within the governmental and business-type activities total column. Interfund services provided and used are not eliminated in the process of consolidation.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City’s governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

**Fund Financial Statements** – Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, current liabilities, deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities and all deferred outflows/inflows associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

**D. Basis of Accounting**

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses in the accounts and reported in the financial statements, and relates to the timing of the measurements made. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

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. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied and the revenue is available. 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 specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basis of Accounting** (Continued)

Revenue considered susceptible to accrual at year end includes income taxes withheld by employers, interest on investments, and state levied locally shared taxes (including motor vehicle license fees and local government assistance). Other revenue, including licenses, permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues are recorded as revenue when received in cash because generally these revenues are not measurable until received.

Special assessment installments including related interest, which are measurable but not available at December 31, are recorded as deferred revenue. 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. Property taxes measurable as of December 31, 2019 but which are not intended to finance 2019 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources.

The accrual basis of accounting is utilized for reporting purposes by the government-wide statements, the enterprise funds and the agency funds. Revenues are recognized when they are earned and expenses are recognized when incurred.

**E. Budgetary Process**

All funds, other than the agency fund, are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The legal level of budgetary control is at the personal services and other expenditures level, within each department in the General Fund and Golf Course Fund and at the personal services and other expenditures level for all other funds. Budgetary modifications may only be made by ordinance of the City Council.

The major documents prepared are the certificate of estimated resources and the appropriation resolution, both of which are prepared on the budgetary basis of accounting. Montgomery County does not require jurisdictions within the County to prepare a tax budget, therefore, this is not part of the City's budgetary process. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriation resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the legal level of budgetary control.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate at the time final appropriations were adopted.



**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

The appropriation resolution is subject to amendment by Council throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

**1. Budgetary Basis of Accounting**

The City's budgetary process accounts for certain transactions on a basis other than accounting principles generally accepted in the United States of America (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. On the budgetary basis, encumbrances are treated as expenditures and on a GAAP basis, they are treated as an assignment of balance.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General and Street Construction and Maintenance Funds:

	Net Change in Fund Balance	
	General Fund	Street Construction and Maintenance Fund
GAAP Basis (as reported)	\$6,147,906	\$246,250
Increase (Decrease):		
Accrued Revenues at December 31, 2019 received during 2020	(2,240,137)	(228,004)
Accrued Revenues at December 31, 2018 received during 2019	1,665,926	151,220
Accrued Expenditures at December 31, 2019 paid during 2020	366,580	86,551
Accrued Expenditures at December 31, 2018 paid during 2019	(324,054)	(59,588)
2019 Prepays for 2020	(113,219)	(15,886)
2018 Prepays for 2019	24,641	1,366
Perspective Difference:		
Activity of Funds Reclassified for GAAP Reporting Purposes	(248)	0
Outstanding Encumbrances	(339,015)	(46,196)
Budget Basis	<u>\$5,188,380</u>	<u>\$135,713</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Cash and Cash Equivalents**

During 2019, cash and cash equivalents included amounts in demand deposits, money market accounts in UBS and Fifth Third investment accounts with original maturities of less than three months and the State Treasurer's Asset Reserve (STAR Ohio). STAR Ohio is considered a cash equivalent because it is a highly liquid investment with an original maturity date of three months or less.

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.

For purposes of the Statement 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.

**G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The City allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" and GASB Statement No. 72, "Fair Value Measurement and Application," the City records all its investments at fair value except for nonparticipating investment contracts which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements. Following the Ohio Revised Code, the City has specified the funds to receive an allocation of interest earnings. Interest revenue during 2019 amounted to \$926,478 in the General Fund, and \$262,696 in other funds.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. See Note 5, "Equity in Pooled Cash and Investments."

The City's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For fiscal year 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Inventory**

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market (first-in, first-out) in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased. Inventories of enterprise funds are expensed when used.

**I. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2019, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**J. Capital Assets and Depreciation**

Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life threshold of one or more years.

**1. Property, Plant and Equipment - Governmental Activities**

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements.

Donated capital assets are recorded at acquisition value at the date received. Capital assets include land, buildings and improvements, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, sidewalks, and similar items.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Capital Assets and Depreciation (Continued)**

2. Property, Plant and Equipment – Business-Type Activities

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Donated capital assets are recorded at acquisition value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Position and in the respective funds.

3. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation on newly acquired/constructed streets begins in the year following acquisition. Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Governmental and Business-Type Activities Estimated Lives (in years)
Buildings and Improvements	20 - 45
Infrastructure	10 - 40
Equipment	3 - 20

**K. Long-Term Obligations**

Long-term liabilities are being repaid from the following funds:

Obligation	Fund
Special Assessment Bonds	Special Assessment Debt Retirement Fund
General Obligation Bonds	TIF Debt Retirement Fund and Golf Course Fund
Compensated Absences/ Net Pension/OPEB Liabilities	General Fund, Street Maintenance and Repair Fund, Waste Collection Fund and Golf Course Fund
OPWC Loans	Unvoted Debt Retirement Fund

**L. Bond Discounts/Premiums**

Bond discounts and premiums are amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable, while premiums are presented as an increase in the face amount of the bonds payable.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**M. 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 days 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.

In accordance with GASB Statement No. 16, "*Accounting for Compensated Absences*," vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

For governmental funds, if a portion of unpaid compensated absences has matured as of year-end, it is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." In the government wide statement of net position, "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account. Compensated absences are expensed in the proprietary funds when earned and the related liability is reported within the fund.

**N. Net Position**

Net position represents the difference between assets and liabilities and deferred outflows/inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are 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 positions are available. Of the City's \$10,337,076 in restricted net position, none was restricted by enabling legislation.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**O. Pension/OPEB**

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB systems report investments at fair value.

**P. Interfund Activity**

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 nonoperating 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.

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. In addition, interfund transfers between governmental funds are eliminated for reporting on the government-wide financial statements. Only transfers between governmental activities and business-type activities are reported on the statement of activities.

**Q. Interfund Assets/Liabilities**

Long-term interfund loans are classified as “interfund receivable/payable.” There was one outstanding interfund loan at December 31, 2019 for \$4,044 between the General Fund and the Golf Course Fund resulting from an advance in prior years for the purchase of certain capital assets.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**R. Fund Balance**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

*Nonspendable* – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally contractually required to be maintained intact.

*Restricted* – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

*Committed* – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision making authority. For the City, these constraints consist of ordinances passed by City Council. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts.

*Assigned* – Assigned fund balance consists of 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

*Unassigned* – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

When both restricted and unrestricted (committed, assigned and unassigned) resources are available for use, it is the City’s policy to use restricted resources first then unrestricted resources as they are needed.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**S. 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**T. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2019.

**U. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows for the deferred charge on debt refunding and for deferred pension/OPEB amounts. The deferred charge on debt refunding is reported in the government-wide statement of net position and proprietary funds statement of net position. A deferred charge 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. Deferred outflows of resources are reported for pension/OPEB amounts on the government-wide and proprietary funds statement of net position. See Notes 10 and 11.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows.

In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, income taxes, special assessments, grants, investment earnings, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension/OPEB are reported on the government-wide and proprietary funds statement of net position. See Notes 10 and 11.



**CITY OF CENTERVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE**

For 2019, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance.”

GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by extending the effective dates of certain accounting and financial reporting provisions in Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018. This statement had no effect on beginning net position/fund balance.

**NOTE 3 – FUND BALANCE CLASSIFICATION**

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

Fund Balances	General	Street Construction and Maintenance	TIF Debt Retirement	Special Assessment Debt Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Nonspendable:							
Prepaid Items	\$113,219	\$15,886	\$0	\$0	\$0	\$0	\$129,105
Supplies Inventory	1,588	90,106	0	0	0	28,182	119,876
Total Nonspendable	<u>114,807</u>	<u>105,992</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>28,182</u>	<u>248,981</u>
Restricted:							
Street Construction and Maintenance	0	1,667,841	0	0	0	0	1,667,841
State Highway	0	0	0	0	0	171,812	171,812
Law Enforcement	0	0	0	0	0	296,553	296,553
Enforcement and Education	0	0	0	0	0	42,658	42,658
Drug Law	0	0	0	0	0	1,074	1,074
Police Grants	0	0	0	0	0	298,986	298,986
Special Assessment Debt Retirement	0	0	0	495,056	0	0	495,056
TIF Debt Retirement	0	0	489,795	0	0	0	489,795
Capital Improvements	0	0	0	0	0	369,845	369,845
Total Restricted	<u>0</u>	<u>1,667,841</u>	<u>489,795</u>	<u>495,056</u>	<u>0</u>	<u>1,180,928</u>	<u>3,833,620</u>
Assigned:							
Projected budgetary deficit	297,556	0	0	0	0	0	297,556
Retirement Reserve	85,761	0	0	0	0	0	85,761
Unvoted Debt Retirement	0	0	0	0	0	2,622	2,622
Capital Improvements	0	0	0	0	2,348,631	0	2,348,631
Capital Equipment Purchases	0	0	0	0	0	698,218	698,218
TIF MVHS Capital Projects	0	0	0	0	0	484,508	484,508
Goods and Services	308,463	0	0	0	0	0	308,463
Total Assigned	<u>691,780</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,348,631</u>	<u>1,185,348</u>	<u>4,225,759</u>
Unassigned	<u>26,276,277</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>26,276,277</u>
Total Fund Balances	<u>\$27,082,864</u>	<u>\$1,773,833</u>	<u>\$489,795</u>	<u>\$495,056</u>	<u>\$2,348,631</u>	<u>\$2,394,458</u>	<u>\$34,584,637</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 4 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government – wide statement of activities. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

*Amount by which depreciation exceeded capital outlay in the current period:*

Capital Outlay	\$7,760,796
Depreciation Expense	<u>(3,310,747)</u>
	\$4,450,049

*Governmental revenues not reported in the funds:*

Decrease in Income Tax Revenue	(\$196,177)
Decrease in Delinquent Property Tax	(2,282)
Increase in Intergovernmental, unrestricted	108,997
Decrease in Investment Earnings	(3,883)
Decrease in Special Assessment Revenue	<u>(502,480)</u>
	(\$595,825)

*Contractually required contributions reported as deferred outflows:*

Pension	\$1,415,189
OPEB	<u>20,430</u>
	\$1,435,619

*Pension and OPEB expense:*

Pension	(\$3,475,237)
OPEB	<u>6,030,267</u>
	\$2,555,030

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 5 – 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." Ohio law requires the classification of funds held by the City into three categories.

Category 1 consists of "active" funds - those funds required to be kept in a "cash" or "cash equivalent" status for immediate use by the City. Such funds must be maintained either as cash in the City treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of "interim" funds - those funds which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

**CITY OF CENTERVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 5 - EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

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.

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

**A. Deposits**

At year end the carrying amount of the City's deposits was \$6,388,627 and the bank balance was \$7,303,909. Federal depository insurance covered \$659,643 of the bank balance and \$6,644,266 was uninsured and collateralized with securities held in the Ohio Pooled Collateral System.

**B. Investments**

The City's investments at December 31, 2019 were as follows:

	Measurement Amount	Credit Rating	Fair Value Hierarchy	Concentration of Credit Risk	Investment Maturities (in Years)		
					less than 1	1-3	3-5
Star Ohio	\$6,104,004	AAAm	N/A *	19.69%	\$6,104,004	\$0	\$0
Negotiable C/D's	12,552,970	AAA	Level 2	40.50%	2,243,900	8,421,719	1,887,351
FHLB	2,700,250	AA+	Level 2	8.71%	699,360	1,250,808	750,082
FHLMC	5,152,087	AA+	Level 2	16.62%	402,100	2,545,372	2,204,615
FNMA	3,140,000	AA+	Level 2	10.13%	949,085	2,190,915	0
FFCB	1,347,055	AA+	Level 2	4.35%	0	1,347,055	0
Total Investments	<u>\$30,996,366</u>			<u>100.00%</u>	<u>\$10,398,449</u>	<u>\$15,755,869</u>	<u>\$4,842,048</u>

Credit Rating – Standard and Poor's

\* STAR Ohio is reported at its share price (Net Asset Value (NAV) per share).

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 5 - EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

**B. Investments (Continued)**

*Fair Value Hierarchy* – The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Level 2 inputs are significant other observable inputs. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs.

*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..

*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: Certificates of Deposit (50%); Bankers Acceptances and Commercial Paper (25%), and Repurchase Agreements, Money Market Funds, STAROhio, and NOW Accounts (50%).

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

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**NOTE 6 - TAXES**

**A. 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 31st on the assessed value listed as of the prior January 1st. Assessed values are established for real property at 35% of appraised market value and for public utility tangible personal property at varying percentages, generally 25%. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established. For Montgomery County, the first half payment is due the middle of February and the second half payment is due the middle of July.

The assessed values for the City at December 31, 2019, were as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$676,930,840
Tangible Personal Property	<u>18,778,250</u>
Total	\$695,709,090

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.

**B. Income Tax**

The City levies a 2.25% 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.

**CITY OF CENTERVILLE, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

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**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2019 consisted of taxes, accounts receivable, accrued interest on investments, intergovernmental grants, interfund balances, 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 \$6,195,769 of which none is considered delinquent.

**NOTE 8 - TRANSFERS**

Following is a summary of transfers in and out for all funds for 2019:

Fund	Transfer In	Transfer Out
General Fund	\$0	\$7,255,902
Street Construction and Maintenance Fund	1,600,000	0
TIF Debt Retirement Fund	0	50,258
Capital Improvement Fund	4,000,000	0
Other Governmental Funds	656,160	0
Total Governmental Funds	6,256,160	7,306,160
Golf Course Fund	1,000,000	0
Insurance Deductible Fund (Internal Service)	50,000	0
Total Proprietary Funds	1,050,000	0
Totals	\$7,306,160	\$7,306,160

The City makes transfers between various funds during the year for operating, capital and debt service related payments. In 2019, the General Fund transferred \$4,000,000 to the Capital Improvement Fund for various infrastructure improvement projects including the annual resurfacing program and \$605,902 to the Capital Equipment Purchase Fund for various equipment and Information Technology improvements. The General Fund also transferred \$1,000,000 to the Golf Course Fund for new equipment, which included a new fleet of golf carts. In addition, the General Fund transferred \$1,600,000 to the Street Construction and Maintenance Fund and \$50,000 to the Insurance Deductible Fund for general operating support. The TIF Debt Retirement Fund transferred \$50,258 to the Cornerstone TIF Fire/EMS Fund for capital support.

**CITY OF CENTERVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 9 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2019:

<i>Historical Cost:</i>	Balance at December 31, 2018	Additions	Deletions	Balance at December 31, 2019
Class				
<b>Non-depreciable Capital assets:</b>				
Land	\$8,090,850	\$2,109,436	\$0	\$10,200,286
Total Non-depreciable Capital assets	<u>8,090,850</u>	<u>2,109,436</u>	<u>0</u>	<u>10,200,286</u>
<b>Capital assets being depreciated:</b>				
Buildings and Improvements	14,709,015	56,393	(179,503)	14,585,905
Equipment	11,934,357	930,070	(1,984,180)	10,880,247
Infrastructure	78,181,423	5,143,278	0	83,324,701
Total Depreciable Capital assets	<u>104,824,795</u>	<u>6,129,741</u>	<u>(2,163,683)</u>	<u>108,790,853</u>
Total Cost	<u>\$112,915,645</u>	<u>\$8,239,177</u>	<u>(\$2,163,683)</u>	<u>\$118,991,139</u>
<b>Accumulated Depreciation:</b>				
Class	Balance at December 31, 2018	Additions	Deletions	Balance at December 31, 2019
Buildings and Improvements	(\$5,346,433)	(\$357,336)	\$102,512	(\$5,601,257)
Equipment	(8,159,797)	(832,410)	1,754,580	(7,237,627)
Infrastructure	(38,499,574)	(2,487,601)	0	(40,987,175)
Total Depreciation	<u>(\$52,005,804)</u>	<u>(\$3,677,347) *</u>	<u>\$1,857,092</u>	<u>(\$53,826,059)</u>
<b>Net Value:</b>	<u>\$60,909,841</u>			<u>\$65,165,080</u>

\* Depreciation expenses were charged to governmental functions as follows:

General Government	\$267,063
Public Safety	235,485
Recreation	51,049
Transportation	2,757,151
Governmental Activities Expense	<u>3,310,748</u>
Central Vehicle Purchase Fund (Internal Service)	<u>366,599</u>
Total Depreciation Expense	<u>\$3,677,347</u>



**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 9 - CAPITAL ASSETS (Continued)**

**B. Business-Type Activities Capital Assets**

Summary by Category at December 31, 2019:

<i>Historical Cost:</i>	Balance at December 31, 2018	Additions	Deletions	Balance at December 31, 2019
Class				
<i>Non-depreciable Capital assets:</i>				
Land	\$15,098,026	\$0	\$0	\$15,098,026
Total Non-depreciable Capital Assets	<u>15,098,026</u>	<u>0</u>	<u>0</u>	<u>15,098,026</u>
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	4,292,238	438,364	(44,011)	4,686,591
Equipment	3,243,210	1,009,776	(1,649,037)	2,603,949
Total Depreciable Capital assets	<u>7,535,448</u>	<u>1,448,140</u>	<u>(1,693,048)</u>	<u>7,290,540</u>
Total Cost	<u>\$22,633,474</u>	<u>\$1,448,140</u>	<u>(\$1,693,048)</u>	<u>\$22,388,566</u>
<i>Accumulated Depreciation:</i>				
Class	Balance at December 31, 2018	Additions	Deletions	Balance at December 31, 2019
Buildings and Improvements	(\$2,036,809)	(\$119,711)	\$15,431	(\$2,141,089)
Equipment	(2,449,097)	(238,864)	1,351,951	(1,336,010)
Total Depreciation	<u>(\$4,485,906)</u>	<u>(\$358,575)</u>	<u>\$1,367,382</u>	<u>(\$3,477,099)</u>
<i>Net Value:</i>	<u>\$18,147,568</u>			<u>\$18,911,467</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

**CITY OF CENTERVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member’s FAS for the first 30 years of service.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member’s FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 2.25% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS’s Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
<b>2019 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2019 Actual Contribution Rates</b>	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$844,049 for 2019.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

***Plan Description – Ohio Police & Fire Pension Fund (OPF)***

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit. See OP&F CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

**CITY OF CENTERVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
<b>2019 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2019 through December 31, 2019	12.25 %	12.25 %
<b>2019 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2019 through December 31, 2019	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$776,335 for 2019.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$11,777,924	\$11,719,758	\$23,497,682
Proportion of the Net Pension Liability-2019	0.043004%	0.143578%	
Proportion of the Net Pension Liability-2018	0.040863%	0.146867%	
Percentage Change	<u>0.002141%</u>	<u>(0.003289%)</u>	
Pension Expense	\$2,714,133	\$1,436,701	\$4,150,834

**CITY OF CENTERVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F	Total
<b>Deferred Outflows of Resources</b>			
Changes in assumptions	\$1,025,297	\$310,707	\$1,336,004
Differences between expected and actual experience	542	481,518	482,060
Net difference between projected and actual earnings on pension plan investments	1,598,595	1,443,866	3,042,461
Change in proportionate share	244,847	19,794	264,641
City contributions subsequent to the measurement date	844,049	776,335	1,620,384
Total Deferred Outflows of Resources	<u>\$3,713,330</u>	<u>\$3,032,220</u>	<u>\$6,745,550</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$154,652	\$10,944	\$165,596
Change in proportionate share	5,367	452,640	458,007
Total Deferred Inflows of Resources	<u>\$160,019</u>	<u>\$463,584</u>	<u>\$623,603</u>

\$1,620,384 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2020	\$1,186,281	\$571,693	\$1,757,974
2021	644,892	255,962	900,854
2022	277,564	317,238	594,802
2023	600,525	614,428	1,214,953
2024	0	32,980	32,980
Total	<u>\$2,709,262</u>	<u>\$1,792,301</u>	<u>\$4,501,563</u>

**Actuarial Assumptions - OPERS**

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2018 and December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2018
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2018. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2017
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2018. 2.15 percent simple, thereafter
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94% for 2018.



**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.79 %
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other investments	18.00	5.50
Total	100.00 %	5.95 %

**Discount Rate** The discount rate used to measure the total pension liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$17,399,418	\$11,777,924	\$7,106,411

**Changes since the prior Measurement Date and Report Date** – OPERS Board adopted a change in the investment assumption, reducing it from 7.5% to 7.2%

**CITY OF CENTERVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

**Actuarial Assumptions – OPF**

OPF’s total pension liability as of December 31, 2019 (December 31, 2018 measurement date) is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2018, compared with January 1, 2017, are presented below.

	January 1, 2018	January 1, 2017
Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

For the January 1, 2018 valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

For the January 1, 2018 valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2018 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.80 %
Domestic Equity	16.00	5.50
Non-US Equity	16.00	5.90
Private Markets	8.00	8.40
Core Fixed Income *	23.00	2.60
High Yield Fixed Income	7.00	4.80
Private Credit	5.00	7.50
U.S. Inflation Linked Bonds*	17.00	2.30
Master Limited Partnerships	8.00	6.40
Real Assets	8.00	7.00
Private Real Estate	12.00	6.10
Total	<u>120.00 %</u>	

Note: Assumptions are geometric

\* levered 2x

OPF’s Board of Trustees has incorporated the “risk parity” concept into OPF’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

***Discount Rate*** For 2018, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2017 was 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

***Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$15,404,815	\$11,719,758	\$8,640,362

***Changes in Benefit Terms and Assumptions since Measurement Date and to Report Date*** – There have been no OP&F pension plan amendments adopted or changes in assumptions between the measurement date and the report date that would have impacted the actuarial valuation studies for the pension plan for the measurement date.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 11 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability***

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the City’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which OPEB are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2019.

***Plan Description – Ohio Police & Fire Pension Fund (OP&F)***

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. Beginning January 1, 2019, OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of the changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. 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 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

**CITY OF CENTERVILLE, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

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**NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2019, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care 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.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The City's contractually required contribution to OP&F was \$20,430 for 2019.

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$5,660,292	\$1,307,498	\$6,967,790
Proportion of the Net OPEB Liability-2019	0.043415%	0.143578%	
Proportion of the Net OPEB Liability-2018	<u>0.041625%</u>	<u>0.146867%</u>	
Percentage Change	<u>0.001790%</u>	<u>(0.003289%)</u>	
OPEB Expense	\$577,667	(\$6,456,206)	(\$5,878,539)



**CITY OF CENTERVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
<b>Deferred Outflows of Resources</b>			
Changes in assumptions	\$182,494	\$677,744	\$860,238
Differences between expected and actual experience	1,917	0	1,917
Net difference between projected and actual earnings on OPEB plan investments	259,492	44,259	303,751
Change in proportionate share	130,921	17,974	148,895
City contributions subsequent to the measurement date	0	20,430	20,430
Total Deferred Outflows of Resources	<u>\$574,824</u>	<u>\$760,407</u>	<u>\$1,335,231</u>
<b>Deferred Inflows of Resources</b>			
Changes in assumptions	\$0	\$361,976	\$361,976
Differences between expected and actual experience	15,358	35,032	50,390
Change in proportionate share	0	146,221	146,221
Total Deferred Inflows of Resources	<u>\$15,358</u>	<u>\$543,229</u>	<u>\$558,587</u>

\$20,430 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2020	\$267,609	\$36,989	\$304,598
2021	116,433	36,989	153,422
2022	44,700	36,989	81,689
2023	130,724	50,377	181,101
2024	0	29,271	29,271
2025	0	11,167	11,167
2026	0	(5,034)	(5,034)
Total	<u>\$559,466</u>	<u>\$196,748</u>	<u>\$756,214</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

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**NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**

**Actuarial Assumptions - OPERS**

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.96 percent
Prior Measurement date	3.85 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior Measurement date	6.50 percent
Municipal Bond Rate:	
Current measurement date	3.71 percent
Prior Measurement date	3.31 percent
Health Care Cost Trend Rate:	
Current measurement date	10.0 percent, initial 3.25 percent, ultimate in 2029
Prior Measurement date	7.5 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.60 percent for 2018.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	100.00 %	5.16 %

**Discount Rate** A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 percent.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** - The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
City's proportionate share of the net OPEB liability	\$7,241,622	\$5,660,292	\$4,402,715

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate** - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$5,440,768	\$5,660,292	\$5,913,123

**Changes since prior Measurement Date and to Report Date** – OPERS Board adopted a change in the investment return assumption, reducing it from 6.5% to 6%. In January 2020, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care of their choosing. The base allowance for Medicare-eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

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**NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**

**Actuarial Assumptions – OP&F**

OP&F's total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate	
Current measurement date	4.66 percent
Prior measurement date	3.24 percent
Stipend increase rate	The stipend is not assured to increase over the projection period

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

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**NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018, are summarized below:

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

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**NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.80 %
Domestic Equity	16.00	5.50
Non-US Equity	16.00	5.90
Private Markets	8.00	8.40
Core Fixed Income *	23.00	2.60
High Yield Fixed Income	7.00	4.80
Private Credit	5.00	7.50
U.S. Inflation Linked Bonds*	17.00	2.30
Master Limited Partnerships	8.00	6.40
Real Assets	8.00	7.00
Private Real Estate	12.00	6.10
Total	<u>120.00 %</u>	

Note: Assumptions are geometric

\* levered 2x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** - The total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 4.13 percent at December 31, 2018 and 3.16 percent at December 31, 2017, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 4.66 percent.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

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**NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.66 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66 percent), or one percentage point higher (5.66 percent) than the current rate.

	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
City's proportionate share of the net OPEB liability	\$1,592,889	\$1,307,498	\$1,067,936

**Sensitivity of the Proportionate Share of the net OPEB Liability to Changes in the Health Care Cost Trend Rate** – Net OPEB liability for OP&F is not sensitive to changes in the health care cost trend rate because it is based on a medical benefit that is a flat dollar amount.

**Changes since Prior Measurement Date and to Report Date** – Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%.



**CITY OF CENTERVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 12 - LONG-TERM OBLIGATIONS**

Long-term debt and other long-term obligations of the City at December 31, 2019 were as follows:

	Balance December 31, 2018	Issued	(Retired)	Balance December 31, 2019	Amount Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Bond:					
2014 TIF Project	\$7,895,000	\$0	(\$225,000)	\$7,670,000	\$265,000
2014 Premium on TIF Project	300,357	0	(13,653)	286,704	0
Total General Obligation Bonds	<u>8,195,357</u>	<u>0</u>	<u>(238,653)</u>	<u>7,956,704</u>	<u>265,000</u>
Special Assessment Bonds:					
2013 Refunding	4,265,000	0	(330,000)	3,935,000	350,000
2013 Premium on Refunding	52,949	0	(6,619)	46,330	0
Total Special Assessment Bonds	<u>4,317,949</u>	<u>0</u>	<u>(336,619)</u>	<u>3,981,330</u>	<u>350,000</u>
Ohio Public Works Commission Loans:					
1 Cent Station Rd.	437,201	0	(41,784)	395,417	42,203
Clyo Road Resurfacing	393,949	0	(9,849)	384,100	19,697
Total OPWC Loans	<u>831,150</u>	<u>0</u>	<u>(51,633)</u>	<u>779,517</u>	<u>61,900</u>
Compensated Absences	858,068	423,763	(283,163)	998,668	329,560
<b>Total Governmental Activities</b>	<u>\$14,202,524</u>	<u>\$423,763</u>	<u>(\$910,068)</u>	<u>\$13,716,219</u>	<u>\$1,006,460</u>
<b>Business-Type Activities:</b>					
Compensated Absences	\$162,062	\$96,482	(\$99,812)	\$158,732	\$90,567
<b>Total Business-Type Activities</b>	<u>\$162,062</u>	<u>\$96,482</u>	<u>(\$99,812)</u>	<u>\$158,732</u>	<u>\$90,567</u>

**CITY OF CENTERVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 12 - LONG-TERM OBLIGATIONS (Continued)**

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 City issued \$8.245 million of limited tax general obligation bonds in 2015 for the purpose constructing new infrastructure to be paid from Tax Increment Financing (TIF) related to the Cornerstone of Centerville development. The plan is to utilize “payment in lieu of taxes” from the TIF to pay debt service. The City issued \$3.7 million of refunding general obligation bonds in Business-Type Activities in 2013, maturing through 2019, for the purpose of acquiring golf course structures.

The City issued \$5.75 million of special assessment bonds in Governmental Activities in 2013, maturing through 2032, for the purpose 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

Ohio Public Works Commission (OPWC) Loans maturing through 2039 are due as part of their state capital improvement program for the City’s 1 Cent Station Road and Cloyo Road Resurfacing project. The original amount of the loans was \$1,226,844.

**A. Future Long-Term Financing Requirements**

The City's future long-term obligation funding requirements, including principal and interest payments as of December 31, 2019, follow:

Years	General Obligation Bonds		OPWC Loans	
	Principal	Interest	Principal	Interest
2020	\$265,000	\$272,375	\$61,900	\$3,849
2021	270,000	267,075	62,324	3,426
2022	275,000	261,675	62,751	2,999
2023	285,000	253,425	63,183	8,775
2024	290,000	244,875	63,619	2,131
2025-2029	1,600,000	1,086,225	278,620	4,078
2030-2034	1,890,000	796,550	98,490	0
2035-2039	2,280,000	404,987	88,630	0
2040	515,000	21,887	0	0
Totals	<u>\$7,670,000</u>	<u>\$3,609,074</u>	<u>\$779,517</u>	<u>\$25,258</u>

Years	Special Assessment Bonds	
	Principal	Interest
2020	\$350,000	\$130,802
2021	350,000	122,052
2022	360,000	113,302
2023	355,000	103,402
2024	375,000	92,752
2025-2029	1,830,000	268,036
2030-2032	315,000	17,640
Totals	<u>\$3,935,000</u>	<u>\$847,986</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 12 - LONG-TERM OBLIGATIONS (Continued)**

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, 2019, the City had a legal debt margin for total debt of \$73,049,454 and a legal debt margin for unvoted debt of \$38,624,000.

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, 2019, Health Care Revenue Bonds outstanding aggregated \$80,895,000.

**NOTE 13 – 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, 2019 include buildings and improvements at a cost of \$214,284 and accumulated depreciation of \$122,495. The future minimum lease payments as of December 31, 2019 are as follows: 2020 for \$37,858.

**NOTE 14 - RISK MANAGEMENT**

**A. Ohio Benefits Cooperative**

The City is one of thirteen members of a joint insurance pool, Ohio Benefits Cooperative (OBC). The pool was established in 1994. This joint venture pooled resources to help control rapidly escalating benefit costs by providing group medical, dental, life, and AD&D for members and their employees. Municipalities, counties, townships, special districts and school districts are all eligible for membership in the OBC. The OBC is governed by a board of trustees, consisting of a representative appointed by each of the member jurisdictions. The board of trustees elects the officers, with each trustee having a single vote. There is no budget and financing of the OBC as it is a cooperative that pools the purchasing power of members to provide the best economic package for employers and taxpayers.

The City is a member of the Medical Purchasing Cooperative through OBC where Jefferson Health Plan is the administrative party through which to purchase insurance, stop loss insurance and other benefit services including the use of Anthem as a third party administrator processing claims. The Self-Insurance Medical Fund is accounted for as an internal service fund where assets are set aside for claim payments. A premium is charged to each fund that accounts for part-time or full-time employees. The total charge allocated to each of the funds is calculated using trends in actual claims experience. Provisions are also made for unexpected and unusual claims.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

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**NOTE 14 - RISK MANAGEMENT (Continued)**

**A. Ohio Benefits Cooperative (Continued)**

The claims liability of \$38,047 reported in the fund at December 31, 2019 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amount in years 2018 and 2019 were:

Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Year End
2018	\$0	\$1,536,721	(\$1,506,079)	\$30,642
2019	30,642	1,282,396	(1,274,991)	38,047

**B. Miami Valley Risk Management Association**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. In 2004 the City entered into a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) with other local cities. As of December 31, 2019, the pool has twenty one members. The pool has been operational since December of 1988 and was formed in accordance with Section 2744 of the Ohio Revised Code. This jointly governed organization provides real and personal property, crime, surety, general liability, boiler and machinery, employment practices liability, police professional and public official liability coverage up to the limits stated below. Membership in MVRMA is intended to provide broad based coverage up to the limits stated below, with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate. MVRMA is a non-profit corporation governed by a twenty one 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.

Management is provided by an Executive Director, who is assisted by a Claims Manager, a full-time Loss Control Manager and office staff. The board is responsible for its own financial matters and the corporation maintains its own books of account. Budgeting and financing of MVRMA is subject to the approval of the board, and the organization is covered by policies, procedures, and formally adopted bylaws.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

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**NOTE 14 - RISK MANAGEMENT (Continued)**

**B. Miami Valley Risk Management Association (Continued)**

The individual MVRMA, Inc. members are not considered "participants having equity interest" as defined by GASB Statement No. 14 since members have no rights to any assets of MVRMA, Inc. other than possible residual claims upon dissolution. The risk of loss is transferred from the City to the pool. Therefore, MVRMA, Inc. is a multi-jurisdictional arrangement that has the characteristics of a joint venture but has additional features that distinguish it, for financial reporting purposes, from the traditional joint venture defined in GASB Statement No. 14.

The following is a summary of insurance coverages at year end:

Pollution Liability	\$2,000,000	per occurrence
Public Officials/Personal Injury	12,000,000	per occurrence
Property	1,000,000,000	per occurrence
Boiler and Machinery	100,000,000	per occurrence
Flood	25,000,000	per occurrence and aggregate
Cyber Liability	2,000,000	per occurrence and aggregate
Earthquake (Property)	25,000,000	per occurrence and aggregate

The member deductible per occurrence for all types of claims is \$2,500.

MVRMA issues a stand-alone financial report that includes financial statements and required supplementary information for MVRMA, Inc. Interested parties may obtain a copy by making a written request to 4625 Presidential Way, Kettering, Ohio 45429-5706

The City continues to carry commercial insurance for other risks of loss. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS**

Ohio Benefits Cooperative. The City is one of thirteen members of a joint insurance pool, Ohio Benefits Cooperative (OBC). The pool was established in 1994. This joint venture pooled resources to help control rapidly escalating benefit costs by providing group medical, dental, life, and AD&D for members and their employees. Municipalities, counties, townships, special districts and school districts are all eligible for membership in the OBC.

The OBC is governed by a board of trustees, consisting of a representative appointed by each of the member jurisdictions. The board of trustees elects the officers, with each trustee having a single vote. There is no budget and financing of the OBC as it is a cooperative that pools the purchasing power of members to provide the best economic package for employers and taxpayers. There are no member contributions to the OBC, thus the City has no explicit and measurable equity interest in the OBC and no ongoing financial responsibility for the OBC. As such, there are no audited financial statements of the OBC.

Miami Valley Risk Management Association. The City is a member of the Miami Valley Risk Management Association (MVRMA) which is a jointly governed organization established as a joint insurance pool. As of December 31, 2019, the pool had twenty-one members. This organization covers all property, crime, liability, boiler and machinery and public liability insurance. It is intended to provide broad based coverage up to the limits with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate.

MVRMA is a corporation governed by a twenty-one 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 account. Budgeting and financing of MVRMA is subject to the approval of the board. As of December 31, 2019, the participant cities were: Beavercreek, Bellbrook, Blue Ash, Centerville, Englewood, Fairfield, Indian Hill, Kettering, Madeira, Mason, Miamisburg, Montgomery, Piqua, Sidney, Springdale, Tipp City, Troy, Vandalia, West Carrollton, Wilmington, and Wyoming.

Member contributions are calculated annually to produce a sufficient sum of money within the self-insurance pool to fund administrative expenses of the association and to create adequate reserves for claims and unallocated loss adjustment expenses.

The City has no explicit and measurable equity interest in MVRMA and no ongoing financial responsibility for MVRMA. The following is a summary of the MVRMA audited financial statements presented in conformity with generally accepted principles as of and for the year ended December 31, 2019:

Assets	\$18,733,995
Liabilities	8,600,518
Net Position	\$10,330,671

To obtain additional financial information write to Miami Valley Risk Management Association, 3085 Woodman Drive Suite 200, Kettering, Ohio, 45420.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

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**NOTE 16 – 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.

**NOTE 17 – OTHER COMMITMENTS**

At December 31, 2019, the City's cash basis commitments for encumbrances were as follows:

Fund	Year-End Commitment
General Fund	\$339,015
Street Constuction and Maintenance Fund	46,196
Capital Improvement Fund	1,192,042
Other Governmental Funds	722,152
Waste Collection Fund	1,019
Golf Course Fund	67,897
Internal Service Funds	136,677
Total	<u>\$2,504,998</u>

**NOTE 18 – SUBSEQUENT EVENT**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The City's investment portfolio and investments of the pension and other employee benefit plan in which the City participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

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**NOTE 19 – TAX ABATEMENT DISCLOSURES**

As of December 31, 2019, the City of Centerville provides tax incentives under two programs, the Community Reinvestment Area (CRA) program and Economic Development Incentives.

The Ohio Community Reinvestment Area program is an economic development tool administered by the City that provides real property tax exemptions for property owners who renovate existing or construct new buildings. Under Ohio Revised Code section 3765 to 3735.70, city, village or county can petition the Ohio Department of Development to confirm that investment in a particular geographical area. Once the Department has confirmed the investment in the area, the community may offer real estate tax exemptions to taxpayers who are willing to invest in the area. Up to 12 years may be exempt for commercial and industrial remodeling and up to 15 years may be exempt for new construction. State law requires reimbursement agreements with school districts for tax revenue losses for CRA in place after 1994. Payments in lieu of taxes paid by the property owner directly to the school districts as required by the agreement are not reduced from the total amount of taxes abated.

Economic Development Incentive is customized incentives that are for specific projects that are part of an overall incentive package in a competitive environment to attract business investment and employment growth. Five economic incentive agreements are currently in place between the City and local businesses.

Below is the information relevant to the disclosure of those programs for the year ended December 31, 2019:

<u>Tax Abatement Program</u>	<u>Total Amount of Taxes Abated for the Year 2019 (In Actual Dollars)</u>	<u>City's Share of Taxes Abated for the Year 2019 (In Actual Dollars)</u>
Community Reinvestment Act (CRA)	\$291,257	\$7,168
Economic Development Incentive	28,029	28,029
	<u>\$319,286</u>	<u>\$35,197</u>



*REQUIRED SUPPLEMENTARY INFORMATION*

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**CITY OF CENTERVILLE, OHIO**

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***Schedule of the City's Proportionate Share of the Net Pension Liability  
Last Six Years***

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**Ohio Public Employees Retirement System**

Fiscal Year	2014	2015	2016
City's proportion of the net pension liability	0.040811%	0.040811%	0.041475%
City's proportionate share of the net pension liability	\$4,811,085	\$4,922,263	\$7,183,993
City's covered payroll	\$6,032,792	\$5,020,008	\$6,022,242
City's proportionate share of the net pension liability as a percentage of its covered payroll	79.75%	98.05%	119.29%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

**Ohio Police and Fire Pension Fund**

Fiscal Year	2014	2015	2016
City's proportion of the net pension liability	0.157122%	0.157122%	0.156904%
City's proportionate share of the net pension liability	\$7,652,329	\$8,139,570	\$10,093,744
City's covered payroll	\$4,769,460	\$3,460,763	\$3,638,705
City's proportionate share of the net pension liability as a percentage of its covered payroll	160.44%	235.20%	277.40%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2014 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability, which is the prior year end.

See accompanying notes to the required supplementary information

**CITY OF CENTERVILLE, OHIO**

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<u>2017</u>	<u>2018</u>	<u>2019</u>
0.040931%	0.040863%	0.043004%
\$9,294,734	\$6,410,630	\$11,777,924
\$5,291,233	\$5,398,692	\$5,808,079
175.66%	118.74%	202.79%
77.25%	84.66%	74.70%

<u>2017</u>	<u>2018</u>	<u>2019</u>
0.146359%	0.146867%	0.143578%
\$9,270,232	\$9,013,912	\$11,719,758
\$3,489,916	\$3,434,305	\$3,610,342
265.63%	262.47%	324.62%
68.36%	70.91%	63.07%

**CITY OF CENTERVILLE, OHIO**

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***Schedule of City Pension Contributions  
Last Seven Years***

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**Ohio Public Employees Retirement System**

Fiscal Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$784,263	\$602,401	\$722,669
Contributions in relation to the contractually required contribution	<u>784,263</u>	<u>602,401</u>	<u>722,669</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$6,032,792	\$5,020,008	\$6,022,242
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

**Ohio Police and Fire Pension Fund**

Fiscal Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$759,775	\$657,545	\$691,354
Contributions in relation to the contractually required contribution	<u>759,775</u>	<u>657,545</u>	<u>691,354</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$4,769,460	\$3,460,763	\$3,638,705
Contributions as a percentage of covered payroll	15.93%	19.00%	19.00%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2013 is not available.

See accompanying notes to the required supplementary information

**CITY OF CENTERVILLE, OHIO**

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<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$634,948	\$701,830	\$813,131	\$844,049
<u>634,948</u>	<u>701,830</u>	<u>813,131</u>	<u>844,049</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$5,291,233	\$5,398,692	\$5,808,079	\$6,028,921
12.00%	13.00%	14.00%	14.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$663,084	\$652,518	\$685,965	\$776,335
<u>663,084</u>	<u>652,518</u>	<u>685,965</u>	<u>776,335</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,489,916	\$3,434,305	\$3,610,342	\$4,085,974
19.00%	19.00%	19.00%	19.00%



**CITY OF CENTERVILLE, OHIO**

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***Schedule of the City's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability  
Last Three Years***

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**Ohio Public Employees Retirement System**

Year	2017	2018	2019
City's proportion of the net OPEB liability	0.041609%	0.041625%	0.043415%
City's proportionate share of the net OPEB liability	\$4,202,624	\$4,520,213	\$5,660,292
City's covered payroll	\$5,291,233	\$5,398,692	\$5,808,079
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	79.43%	83.73%	97.46%
Plan fiduciary net position as a percentage of the total OPEB liability	54.50%	54.14%	46.33%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

**Ohio Police and Fire Pension Fund**

Year	2017	2018	2019
City's proportion of the net OPEB liability	0.146359%	0.146867%	0.143578%
City's proportionate share of the net OPEB liability	\$6,947,333	\$8,321,297	\$1,307,498
City's covered payroll	\$3,489,916	\$3,434,305	\$3,610,342
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	199.07%	242.30%	36.22%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2017 is not available.

The schedule is reported as of the measurement date of the Net OPEB Liability.

See accompanying notes to the required supplementary information

**CITY OF CENTERVILLE, OHIO**

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***Schedule of City's Other Postemployment Benefit (OPEB) Contributions  
Last Seven Years***

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**Ohio Public Employees Retirement System**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$60,328	\$100,400	\$120,445
Contributions in relation to the contractually required contribution	<u>60,328</u>	<u>100,400</u>	<u>120,445</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$6,032,792	\$5,020,008	\$6,022,242
Contributions as a percentage of covered payroll	1.00%	2.00%	2.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

**Ohio Police and Fire Pension Fund**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$119,549	\$17,304	\$18,194
Contributions in relation to the contractually required contribution	<u>119,549</u>	<u>17,304</u>	<u>18,194</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$4,769,460	\$3,460,763	\$3,638,705
Contributions as a percentage of covered payroll	2.51%	0.50%	0.50%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2013 is not available.

See accompanying notes to the required supplementary information



**CITY OF CENTERVILLE, OHIO**

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<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$105,825	\$53,987	\$0	\$0
<u>105,825</u>	<u>53,987</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$5,291,233	\$5,398,692	\$5,808,079	\$6,028,921
2.00%	1.00%	0.00%	0.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$17,450	\$17,172	\$18,052	\$20,430
<u>17,450</u>	<u>17,172</u>	<u>18,052</u>	<u>20,430</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,489,916	\$3,434,305	\$3,610,342	\$4,085,974
0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplemental Information  
For the Year Ended December 31, 2019***

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**NET PENSION LIABILITY**

**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

*Changes in benefit terms:* There were no changes in benefit terms for the period 2014-2019.

*Changes in assumptions:*

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%
- Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality Table.

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2019: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 7.50% to 7.20%

**OHIO POLICE AND FIRE (OP&F) PENSION FUND**

*Changes in benefit terms:* There were no changes in benefit terms for the period 2014-2019.

*Changes in assumptions:*

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%
- For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006
- For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006

2019: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

***Notes to the Required Supplemental Information  
For the Year Ended December 31, 2019***

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**NET OPEB LIABILITY**

**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

*Changes in benefit terms:* There were no changes in benefit terms for the periods 2018-2019.

*Changes in assumptions:*

For 2018, the single discount rate changed from 4.23% to 3.85%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.85% to 3.96%.
- Reduction in actuarial assumed rate of return from 6.50% to 6.00%
- Change in health care cost trend rate from 7.5% to 10%

**OHIO POLICE AND FIRE (OP&F) PENSION FUND**

*Changes in benefit terms:*

2018: There were no changes in benefit terms.

2019: The retiree health care model and the current self-insured health care plan were replaced with a stipend-based health care model.

*Changes in assumptions:*

2018: The single discount rate changed from 3.79% to 3.24%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.24% to 4.66%.
- Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%.

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*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES  
INCLUDE THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS,  
INTERNAL SERVICE FUNDS, AND FIDUCIARY FUNDS.*

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***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

**State Highway Fund**

To account for the allocation of revenues derived from motor vehicle license fees and state gasoline taxes designated for maintenance and repair of state highways within the City.

**Law Enforcement Fund**

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 in the City of Centerville. This money may be spent for any law enforcement activity.

**Enforcement and Education Fund**

To account for fines restricted to expenditure for the purpose of educating the public and enforcing the laws governing the operation of motor vehicle while under the influence of alcohol.

**Drug Law Fund**

To account for mandatory fines imposed for felonious drug offense convictions and sentences. This money may be used in any drug law enforcement activity.

**Police Grants Fund**

To account for federal and state grant monies received for police services.

**Friends of Benham's Grove Fund**

To account for the activities of the Friends of Benham's Grove. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

**Police Operations Project Fund**

To account for various police related operations, including transactions relating to the construction of a new police facility. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

***Debt Service Funds***

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The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

**Unvoted Debt Retirement Fund**

To account for the payment of principal and interest on the City's unvoted general obligations.

***Capital Projects Funds***

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The Capital Projects Funds are used to account for the financial resources to be used for the acquisition of equipment or construction of major capital projects not being financed by proprietary funds.

**TIF Projects Fund**

To account for expenditures made on capital infrastructure improvements constructed by the City, within the related tax-increment financing (TIF) district. Revenues consist of service payments received in lieu of property taxes, levied on the value of private property improvements made in the TIF district.

**Cornerstone TIF Fire/EMS Fund**

To account for expenditures made on capital infrastructure improvements constructed by the City, within the related tax-increment financing (TIF) district. Revenues consist of service payments received in lieu of property taxes levied on the value of private property improvements made in the TIF district. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

**TIF MVHS Capital Projects Fund**

To account for expenditures made on capital infrastructure improvements constructed by the City, within the related tax-increment financing (TIF) district. Revenues consist of service payments received in lieu of property taxes, levied on the value of private property improvements made in the TIF district.

**Capital Equipment Purchase Fund**

To account for the acquisition of major operating and office equipment.

**Special Assessment Improvements Fund**

To account for the revenues and expenditures relating to various special assessment projects throughout the City.



***Internal Service Funds***

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The 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**

To account for the acquisition of motor vehicles by the City of Centerville.

**Self-Insurance Medical Fund**

To account for the payment of claims and fees relating to the City's employee medical insurance program.

**Insurance Deductible Fund**

To account for the payment of deductibles relating to the City's general insurance coverage.

**CITY OF CENTERVILLE, OHIO**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2019**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$ 811,130	\$ 2,622	\$ 1,692,934	\$ 2,506,686
Receivables:				
Taxes	0	0	95,000	95,000
Intergovernmental	50,876	0	0	50,876
Inventory of Supplies, at Cost	28,182	0	0	28,182
<b>Total Assets</b>	<u>\$ 890,188</u>	<u>\$ 2,622</u>	<u>\$ 1,787,934</u>	<u>\$ 2,680,744</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 18,595	\$ 0	\$ 140,363	\$ 158,958
<b>Total Liabilities</b>	<u>18,595</u>	<u>0</u>	<u>140,363</u>	<u>158,958</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	32,328	0	0	32,328
Property Tax Levy for Next Fiscal Year	0	0	95,000	95,000
<b>Total Deferred Inflows of Resources</b>	<u>32,328</u>	<u>0</u>	<u>95,000</u>	<u>127,328</u>
<b>Fund Balances:</b>				
Nonspendable	28,182	0	0	28,182
Restricted	811,083	0	369,845	1,180,928
Assigned	0	2,622	1,182,726	1,185,348
<b>Total Fund Balances</b>	<u>839,265</u>	<u>2,622</u>	<u>1,552,571</u>	<u>2,394,458</u>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<u>\$ 890,188</u>	<u>\$ 2,622</u>	<u>\$ 1,787,934</u>	<u>\$ 2,680,744</u>

**CITY OF CENTERVILLE, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2019**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Investment Earnings	\$ 17,138	\$ 253	\$ 37,628	\$ 55,019
Intergovernmental Revenues	99,169	0	1,000,000	1,099,169
Special Assessments	0	0	50,104	50,104
Fines, Licenses and Permits	3,484	0	0	3,484
Revenue in Lieu of Taxes	0	0	86,374	86,374
Other Revenues	8,663	0	1,018,684	1,027,347
<b>Total Revenue</b>	<u>128,454</u>	<u>253</u>	<u>2,192,790</u>	<u>2,321,497</u>
<b>Expenditures:</b>				
Current:				
General Government	0	0	116,614	116,614
Public Safety	8,173	0	0	8,173
Transportation	86,672	0	0	86,672
Capital Outlay	0	0	2,694,942	2,694,942
Debt Service:				
Principal Retirement	0	51,633	0	51,633
Interest and Fiscal Charges	0	4,268	0	4,268
<b>Total Expenditures</b>	<u>94,845</u>	<u>55,901</u>	<u>2,811,556</u>	<u>2,962,302</u>
Excess (Deficiency) of Revenues				
Over Expenditures	33,609	(55,648)	(618,766)	(640,805)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	55,902	600,258	656,160
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>55,902</u>	<u>600,258</u>	<u>656,160</u>
Net Change in Fund Balances	33,609	254	(18,508)	15,355
<b>Fund Balances at Beginning of Year</b>	799,353	2,368	1,571,079	2,372,800
Change in Inventory	6,303	0	0	6,303
<b>Fund Balances End of Year</b>	<u>\$ 839,265</u>	<u>\$ 2,622</u>	<u>\$ 1,552,571</u>	<u>\$ 2,394,458</u>

**CITY OF CENTERVILLE, OHIO**

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2019**

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	State Highway	Law Enforcement	Enforcement and Education	Drug Law
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$ 171,945	\$ 296,553	\$ 42,572	\$ 1,074
Receivables:				
Intergovernmental	50,790	0	86	0
Inventory of Supplies, at Cost	28,182	0	0	0
<b>Total Assets</b>	<u>\$ 250,917</u>	<u>\$ 296,553</u>	<u>\$ 42,658</u>	<u>\$ 1,074</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 18,595	\$ 0	\$ 0	\$ 0
<b>Total Liabilities</b>	<u>18,595</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	32,328	0	0	0
<b>Fund Balances:</b>				
Nonspendable	28,182	0	0	0
Restricted	171,812	296,553	42,658	1,074
<b>Total Fund Balances</b>	<u>199,994</u>	<u>296,553</u>	<u>42,658</u>	<u>1,074</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 250,917</u>	<u>\$ 296,553</u>	<u>\$ 42,658</u>	<u>\$ 1,074</u>

**CITY OF CENTERVILLE, OHIO**

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<u>Police Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 298,986	\$ 811,130
0	50,876
0	28,182
<u>\$ 298,986</u>	<u>\$ 890,188</u>
<u>\$ 0</u>	<u>\$ 18,595</u>
<u>0</u>	<u>18,595</u>
<u>0</u>	<u>32,328</u>
0	28,182
<u>298,986</u>	<u>811,083</u>
<u>298,986</u>	<u>839,265</u>
<u>\$ 298,986</u>	<u>\$ 890,188</u>

**CITY OF CENTERVILLE, OHIO**

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**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2019**

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	<u>State Highway</u>	<u>Law Enforcement</u>	<u>Enforcement and Education</u>	<u>Drug Law</u>
<b>Revenues:</b>				
Investment Earnings	\$ 3,295	\$ 6,392	\$ 885	\$ 23
Intergovernmental Revenues	99,169	0	0	0
Fines, Licenses and Permits	0	0	3,484	0
Other Revenues	0	8,663	0	0
<b>Total Revenue</b>	<u>102,464</u>	<u>15,055</u>	<u>4,369</u>	<u>23</u>
<b>Expenditures:</b>				
Current:				
Public Safety	0	1,934	0	0
Transportation	86,672	0	0	0
<b>Total Expenditures</b>	<u>86,672</u>	<u>1,934</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	15,792	13,121	4,369	23
<b>Fund Balances at Beginning of Year</b>	177,899	283,432	38,289	1,051
Change in Inventory	6,303	0	0	0
<b>Fund Balances End of Year</b>	<u>\$ 199,994</u>	<u>\$ 296,553</u>	<u>\$ 42,658</u>	<u>\$ 1,074</u>

**CITY OF CENTERVILLE, OHIO**

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<u>Police Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 6,543	\$ 17,138
0	99,169
0	3,484
0	8,663
<u>6,543</u>	<u>128,454</u>
6,239	8,173
0	86,672
<u>6,239</u>	<u>94,845</u>
304	33,609
298,682	799,353
0	6,303
<u>\$ 298,986</u>	<u>\$ 839,265</u>

**CITY OF CENTERVILLE, OHIO**

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**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2019**

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	TIF Projects	TIF MVHS Capital Projects	Capital Equipment Purchase	Special Assessment Improvements	Total Nonmajor Capital Projects Funds
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$ 138,416	\$ 484,508	\$ 832,327	\$ 237,683	\$ 1,692,934
Receivables:					
Taxes	0	95,000	0	0	95,000
<b>Total Assets</b>	<u>\$ 138,416</u>	<u>\$ 579,508</u>	<u>\$ 832,327</u>	<u>\$ 237,683</u>	<u>\$ 1,787,934</u>
<b>Liabilities:</b>					
Accounts Payable	\$ 6,254	\$ 0	\$ 134,109	\$ 0	\$ 140,363
<b>Total Liabilities</b>	<u>6,254</u>	<u>0</u>	<u>134,109</u>	<u>0</u>	<u>140,363</u>
<b>Deferred Inflows of Resources:</b>					
Property Tax Levy for Next Fiscal Year	0	95,000	0	0	95,000
<b>Fund Balances:</b>					
Restricted	132,162	0	0	237,683	369,845
Assigned	0	484,508	698,218	0	1,182,726
<b>Total Fund Balances</b>	<u>132,162</u>	<u>484,508</u>	<u>698,218</u>	<u>237,683</u>	<u>1,552,571</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 138,416</u>	<u>\$ 579,508</u>	<u>\$ 832,327</u>	<u>\$ 237,683</u>	<u>\$ 1,787,934</u>



**CITY OF CENTERVILLE, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2019**

	TIF Projects	Cornerstone TIF Fire/EMS	TIF MVHS Capital Projects	Capital Equipment Purchase	Special Assessment Improvements	Total Nonmajor Capital Project Funds
<b>Revenues:</b>						
Investment Earnings	\$ 3,021	\$ 0	\$ 9,582	\$ 19,436	\$ 5,589	\$ 37,628
Intergovernmental Revenues	1,000,000	0	0	0	0	1,000,000
Special Assessments	0	0	0	0	50,104	50,104
Revenue in Lieu of Taxes	0	0	86,374	0	0	86,374
All Other Revenue	986,894	0	0	31,790	0	1,018,684
<b>Total Revenue</b>	<u>1,989,915</u>	<u>0</u>	<u>95,956</u>	<u>51,226</u>	<u>55,693</u>	<u>2,192,790</u>
<b>Expenditures:</b>						
Current:						
General Government	32,262	50,258	964	0	33,130	116,614
Capital Outlay	1,734,446	0	1,680	838,505	120,311	2,694,942
<b>Total Expenditures</b>	<u>1,766,708</u>	<u>50,258</u>	<u>2,644</u>	<u>838,505</u>	<u>153,441</u>	<u>2,811,556</u>
Excess (Deficiency) of Revenues Over Expenditures	223,207	(50,258)	93,312	(787,279)	(97,748)	(618,766)
<b>Other Financing Sources (Uses):</b>						
Transfers In	0	50,258	0	550,000	0	600,258
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>50,258</u>	<u>0</u>	<u>550,000</u>	<u>0</u>	<u>600,258</u>
Net Change in Fund Balances	223,207	0	93,312	(237,279)	(97,748)	(18,508)
<b>Fund Balances at Beginning of Year</b>	<u>(91,045)</u>	<u>0</u>	<u>391,196</u>	<u>935,497</u>	<u>335,431</u>	<u>1,571,079</u>
<b>Fund Balances End of Year</b>	<u>\$ 132,162</u>	<u>\$ 0</u>	<u>\$ 484,508</u>	<u>\$ 698,218</u>	<u>\$ 237,683</u>	<u>\$ 1,552,571</u>

**CITY OF CENTERVILLE, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property and Other Taxes	\$ 1,440,000	\$ 1,440,000	\$ 1,571,174	\$ 131,174
Income Taxes	18,726,750	20,626,750	21,999,038	1,372,288
Charges for Services	645,600	645,600	581,521	(64,079)
Investment Earnings	145,000	145,000	515,000	370,000
Intergovernmental Revenues	712,000	712,000	796,179	84,179
Special Assessments	10,000	10,000	2,296	(7,704)
Fines, Licenses and Permits	303,000	303,000	424,390	121,390
Other Revenues	21,250	21,250	159,370	138,120
Total Revenues	<u>22,003,600</u>	<u>23,903,600</u>	<u>26,048,968</u>	<u>2,145,368</u>
<b>Expenditures:</b>				
General Government:				
Clerk of Council:				
Personal Services	238,140	258,140	252,382	5,758
Other Expenditures	29,100	37,100	31,246	5,854
Total Clerk of Council	<u>267,240</u>	<u>295,240</u>	<u>283,628</u>	<u>11,612</u>
City Manager:				
Personal Services	511,709	531,709	525,846	5,863
Other Expenditures	36,710	36,710	27,880	8,830
Total City Manager	<u>548,419</u>	<u>568,419</u>	<u>553,726</u>	<u>14,693</u>
Economic Development:				
Personal Services	141,757	146,757	110,639	36,118
Other Expenditures	21,250	31,805	24,568	7,237
Total Economic Development	<u>163,007</u>	<u>178,562</u>	<u>135,207</u>	<u>43,355</u>
Community Resources:				
Personal Services	191,969	191,969	176,618	15,351
Other Expenditures	17,275	17,428	12,693	4,735
Total Community Resources	<u>209,244</u>	<u>209,397</u>	<u>189,311</u>	<u>20,086</u>
Code Enforcement:				
Personal Services	121,446	136,446	130,609	5,837
Other Expenditures	22,750	22,750	18,594	4,156
Total Code Enforcement	<u>144,196</u>	<u>159,196</u>	<u>149,203</u>	<u>9,993</u>
Finance:				
Personal Services	419,768	419,768	384,038	35,730
Other Expenditures	72,150	102,700	93,131	9,569
Total Finance	<u>491,918</u>	<u>522,468</u>	<u>477,169</u>	<u>45,299</u>

(Continued)

**CITY OF CENTERVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Income Tax:</b>				
Personal Services	251,085	283,085	259,266	23,819
Other Expenditures	94,600	94,600	65,126	29,474
Total Income Tax	345,685	377,685	324,392	53,293
<b>Human Resources:</b>				
Personal Services	203,235	203,235	189,331	13,904
Other Expenditures	59,900	59,900	47,374	12,526
Total Human Resources	263,135	263,135	236,705	26,430
<b>Legal:</b>				
Other Expenditures	382,400	382,400	303,224	79,176
Total Legal	382,400	382,400	303,224	79,176
<b>General Government:</b>				
Personal Services	132,612	217,612	187,672	29,940
Other Expenditures	1,444,126	1,540,847	1,404,477	136,370
Total General Government	1,576,738	1,758,459	1,592,149	166,310
<b>Municipal Building:</b>				
Personal Services	40,156	40,156	37,623	2,533
Other Expenditures	50,400	50,653	42,019	8,634
Total Municipal Building	90,556	90,809	79,642	11,167
<b>Inspection:</b>				
Personal Services	289,813	304,813	293,867	10,946
Other Expenditures	56,100	56,100	20,709	35,391
Total Inspection	345,913	360,913	314,576	46,337
<b>Engineering:</b>				
Personal Services	420,127	435,127	434,463	664
Other Expenditures	32,010	36,010	26,418	9,592
Total Engineering	452,137	471,137	460,881	10,256
<b>Public Works Administration:</b>				
Personal Services	253,030	253,030	211,454	41,576
Other Expenditures	116,000	116,844	94,540	22,304
Total Public Works Administration	369,030	369,874	305,994	63,880
<b>Sister City Committee:</b>				
Other Expenditures	2,625	2,625	744	1,881
Total Sister City Committee	2,625	2,625	744	1,881

(Continued)

**CITY OF CENTERVILLE, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Arts Commission:				
Other Expenditures	42,000	54,000	51,676	2,324
Total Arts Commission	42,000	54,000	51,676	2,324
City Beautiful Commission:				
Other Expenditures	5,625	8,625	5,882	2,743
Total City Beautiful Commission	5,625	8,625	5,882	2,743
Total General Government	5,699,868	6,072,944	5,464,109	608,835
Public Safety:				
Police:				
Personal Services	7,064,546	7,068,521	6,677,052	391,469
Other Expenditures	791,920	934,540	881,911	52,629
Total Public Safety	7,856,466	8,003,061	7,558,963	444,098
Community Development:				
Planning:				
Personal Services	269,501	269,501	205,129	64,372
Other Expenditures	64,610	65,452	41,084	24,368
Total Community Development	334,111	334,953	246,213	88,740
Recreation:				
Benham's Grove:				
Personal Services	118,543	118,543	105,872	12,671
Other Expenditures	137,300	142,279	93,285	48,994
Total Benham's Grove	255,843	260,822	199,157	61,665
Stubbs Park:				
Other Expenditures	218,125	221,586	136,244	85,342
Total Stubbs Park	218,125	221,586	136,244	85,342
Total Recreation	473,968	482,408	335,401	147,007
Total Expenditures	14,364,413	14,893,366	13,604,686	1,288,680
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,639,187	9,010,234	12,444,282	3,434,048

(Continued)

**CITY OF CENTERVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2019***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(7,146,052)	(7,255,902)	(7,255,902)	0
Total Other Financing Sources (Uses)	<u>(7,146,052)</u>	<u>(7,255,902)</u>	<u>(7,255,902)</u>	<u>0</u>
Net Change in Fund Balance	493,135	1,754,332	5,188,380	3,434,048
Fund Balance at Beginning of Year	19,282,065	19,282,065	19,282,065	0
Prior Year Encumbrances	<u>199,279</u>	<u>199,279</u>	<u>199,279</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 19,974,479</u>	<u>\$ 21,235,676</u>	<u>\$ 24,669,724</u>	<u>\$ 3,434,048</u>

**CITY OF CENTERVILLE, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Special Revenue Fund – Street, Construction and Maintenance Fund  
For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 1,000	\$ 1,000	\$ 1,202	\$ 202
Investment Earnings	14,000	14,000	29,728	15,728
Intergovernmental Revenues	1,030,000	1,030,000	1,142,391	112,391
Other Revenues	0	0	29,994	29,994
Total Revenues	<u>1,045,000</u>	<u>1,045,000</u>	<u>1,203,315</u>	<u>158,315</u>
<b>Expenditures:</b>				
Transportation:				
Personal Services	2,196,611	2,211,611	2,031,477	180,134
Other Expenditures	655,855	731,316	636,125	95,191
Total Expenditures	<u>2,852,466</u>	<u>2,942,927</u>	<u>2,667,602</u>	<u>275,325</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,807,466)	(1,897,927)	(1,464,287)	433,640
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,600,000	1,600,000	1,600,000	0
Total Other Financing Sources (Uses)	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>	<u>0</u>
Net Change in Fund Balance	(207,466)	(297,927)	135,713	433,640
Fund Balance at Beginning of Year	1,336,717	1,336,717	1,336,717	0
Prior Year Encumbrances	7,762	7,762	7,762	0
Fund Balance at End of Year	<u>\$ 1,137,013</u>	<u>\$ 1,046,552</u>	<u>\$ 1,480,192</u>	<u>\$ 433,640</u>

**CITY OF CENTERVILLE, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Debt Service Fund – TIF Debt Retirement Fund  
For the Year Ended December 31, 2019**

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Investment Earnings	\$ 5,000	\$ 12,523	\$ 7,523
Revenue in Lieu of Taxes	<u>0</u>	<u>1,182,779</u>	<u>1,182,779</u>
Total Revenues	<u>5,000</u>	<u>1,195,302</u>	<u>1,190,302</u>
<b>Expenditures:</b>			
General Government:			
Other Expenditures	<u>507,500</u>	<u>350,519</u>	<u>156,981</u>
Debt Service:			
Other Expenditures	<u>501,875</u>	<u>501,875</u>	<u>0</u>
Total Expenditures	<u>1,009,375</u>	<u>852,394</u>	<u>156,981</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,004,375)	342,908	1,347,283
<b>Other Financing Sources (Uses):</b>			
Transfers Out	<u>(75,000)</u>	<u>(50,258)</u>	<u>24,742</u>
Total Other Financing Sources (Uses)	<u>(75,000)</u>	<u>(50,258)</u>	<u>24,742</u>
Net Change in Fund Balance	(1,079,375)	292,650	1,372,025
Fund Balance at Beginning of Year	<u>197,145</u>	<u>197,145</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (882,230)</u>	<u>\$ 489,795</u>	<u>\$ 1,372,025</u>

**CITY OF CENTERVILLE, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Debt Service Fund – Special Assessment Debt Retirement Fund  
For the Year Ended December 31, 2019**

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Investment Earnings	\$ 8,000	\$ 15,594	\$ 7,594
Special Assessments	<u>471,020</u>	<u>502,480</u>	<u>31,460</u>
Total Revenues	<u>479,020</u>	<u>518,074</u>	<u>39,054</u>
<b>Expenditures:</b>			
General Government:			
Other Expenditures	<u>27,500</u>	<u>25,942</u>	<u>1,558</u>
Debt Service:			
Other Expenditures	<u>469,053</u>	<u>469,053</u>	<u>0</u>
Total Expenditures	<u>496,553</u>	<u>494,995</u>	<u>1,558</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,533)	23,079	40,612
Fund Balance at Beginning of Year	<u>471,977</u>	<u>471,977</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 454,444</u>	<u>\$ 495,056</u>	<u>\$ 40,612</u>



**CITY OF CENTERVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Projects Fund – Capital Improvements Fund  
For the Year Ended December 31, 2019***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Investment Earnings	\$ 25,000	\$ 81,780	\$ 56,780
Intergovernmental Revenues	904,000	562,012	(341,988)
Other Revenues	0	3,600	3,600
Total Revenues	<u>929,000</u>	<u>647,392</u>	<u>(281,608)</u>
<b>Expenditures:</b>			
Capital Outlay:			
Other Expenditures	<u>8,894,953</u>	<u>7,261,743</u>	<u>1,633,210</u>
Total Expenditures	<u>8,894,953</u>	<u>7,261,743</u>	<u>1,633,210</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,965,953)	(6,614,351)	1,351,602
<b>Other Financing Sources (Uses):</b>			
Sale of Capital Assets	1,000	5,567	4,567
Transfers In	<u>4,000,000</u>	<u>4,000,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>4,001,000</u>	<u>4,005,567</u>	<u>4,567</u>
Net Change in Fund Balance	(3,964,953)	(2,608,784)	1,356,169
Fund Balance at Beginning of Year	2,978,416	2,978,416	0
Prior Year Encumbrances	<u>987,007</u>	<u>987,007</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 470</u>	<u>\$ 1,356,639</u>	<u>\$ 1,356,169</u>

**CITY OF CENTERVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2019***

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	STATE HIGHWAY FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>Revenues:</b>			
Investment Earnings	\$ 1,000	\$ 3,295	\$ 2,295
Intergovernmental Revenues	84,000	92,968	8,968
Total Revenues	85,000	96,263	11,263
<b>Expenditures:</b>			
Transportation:			
Other Expenditures	122,767	90,343	32,424
Total Expenditures	122,767	90,343	32,424
Excess (Deficiency) of Revenues Over (Under) Expenditures	(37,767)	5,920	43,687
Fund Balance at Beginning of Year	151,020	151,020	0
Prior Year Encumbrances	375	375	0
Fund Balance at End of Year	\$ 113,628	\$ 157,315	\$ 43,687

**CITY OF CENTERVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2019***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Investment Earnings	\$ 3,500	\$ 6,392	\$ 2,892
Other Revenues	0	8,663	8,663
Total Revenues	<u>3,500</u>	<u>15,055</u>	<u>11,555</u>
<b>Expenditures:</b>			
Public Safety:			
Other Expenditures	<u>55,000</u>	<u>1,934</u>	<u>53,066</u>
Total Expenditures	<u>55,000</u>	<u>1,934</u>	<u>53,066</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(51,500)	13,121	64,621
Fund Balance at Beginning of Year	<u>283,432</u>	<u>283,432</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 231,932</u>	<u>\$ 296,553</u>	<u>\$ 64,621</u>

**CITY OF CENTERVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2019***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Investment Earnings	\$ 300	\$ 885	\$ 585
Fines, Licenses and Permits	1,000	3,398	2,398
Total Revenues	1,300	4,283	2,983
<b>Expenditures:</b>			
Public Safety:			
Other Expenditures	1,000	0	1,000
Total Expenditures	1,000	0	1,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	300	4,283	3,983
Fund Balance at Beginning of Year	38,289	38,289	0
Fund Balance at End of Year	\$ 38,589	\$ 42,572	\$ 3,983

**CITY OF CENTERVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2019***

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	<b>DRUG LAW FUND</b>		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>			
Investment Earnings	\$ 10	\$ 23	\$ 13
Total Revenues	<u>10</u>	<u>23</u>	<u>13</u>
<b>Expenditures:</b>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	10	23	13
Fund Balance at Beginning of Year	<u>1,051</u>	<u>1,051</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,061</u>	<u>\$ 1,074</u>	<u>\$ 13</u>

**CITY OF CENTERVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2019***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Investment Earnings	\$ 4,000	\$ 6,543	\$ 2,543
Total Revenues	<u>4,000</u>	<u>6,543</u>	<u>2,543</u>
<b>Expenditures:</b>			
Public Safety:			
Other Expenditures	<u>74,518</u>	<u>45,983</u>	<u>28,535</u>
Total Expenditures	<u>74,518</u>	<u>45,983</u>	<u>28,535</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,518)	(39,440)	31,078
Fund Balance at Beginning of Year	279,964	279,964	0
Prior Year Encumbrances	<u>24,518</u>	<u>24,518</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 233,964</u>	<u>\$ 265,042</u>	<u>\$ 31,078</u>

**CITY OF CENTERVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2019***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Investment Earnings	\$ 150	\$ 257	\$ 107
Other Revenues	4,000	400	(3,600)
Total Revenues	4,150	657	(3,493)
<b>Expenditures:</b>			
Recreation:			
Other Expenditures	3,550	1,973	1,577
Total Recreation	3,550	1,973	1,577
Capital Outlay	1,700	53	1,647
Total Expenditures	5,250	2,026	3,224
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,100)	(1,369)	(269)
Fund Balance at Beginning of Year	11,938	11,938	0
Fund Balance at End of Year	\$ 10,838	\$ 10,569	\$ (269)

**CITY OF CENTERVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2019***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Investment Earnings	<u>\$ 700</u>	<u>\$ 1,617</u>	<u>\$ 917</u>
Total Revenues	<u>700</u>	<u>1,617</u>	<u>917</u>
<b>Expenditures:</b>			
Public Safety:			
Other Expenditures	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total Expenditures	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(300)	1,617	1,917
Fund Balance at Beginning of Year	<u>73,575</u>	<u>73,575</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 73,275</u>	<u>\$ 75,192</u>	<u>\$ 1,917</u>



**CITY OF CENTERVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2019***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Investment Earnings	\$ 200	\$ 253	\$ 53
Total Revenues	<u>200</u>	<u>253</u>	<u>53</u>
<b>Expenditures:</b>			
Debt Service:			
Other Expenditures	<u>55,901</u>	<u>55,901</u>	<u>0</u>
Total Expenditures	<u>55,901</u>	<u>55,901</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	55,701	(55,648)	53
<b>Other Financing Sources (Uses):</b>			
Transfers In	<u>55,902</u>	<u>55,902</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>55,902</u>	<u>55,902</u>	<u>0</u>
Net Change in Fund Balance	201	254	53
Fund Balance at Beginning of Year	<u>2,368</u>	<u>2,368</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,569</u>	<u>\$ 2,622</u>	<u>\$ 53</u>

**CITY OF CENTERVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2019***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Investment Earnings	5,000	3,021	(1,979)
Intergovernmental Revenues	2,200,000	1,000,000	(1,200,000)
Other Revenues	0	986,894	986,894
Total Revenues	<u>2,205,000</u>	<u>1,989,915</u>	<u>(215,085)</u>
<b>Expenditures:</b>			
General Government:			
Other Expenditures	<u>0</u>	<u>32,262</u>	<u>(32,262)</u>
Capital Outlay:			
Other Expenditures	<u>2,074,784</u>	<u>1,966,489</u>	<u>108,295</u>
Total Expenditures	<u>2,074,784</u>	<u>1,998,751</u>	<u>76,033</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	130,216	(8,836)	(139,052)
Fund Balance at Beginning of Year	47,406	47,406	0
Prior Year Encumbrances	500	500	0
Fund Balance at End of Year	<u>\$ 178,122</u>	<u>\$ 39,070</u>	<u>\$ (139,052)</u>

**CITY OF CENTERVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2019***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>			
General Government:			
Other Expenditures	<u>65,000</u>	<u>50,258</u>	<u>14,742</u>
Total Expenditures	<u>65,000</u>	<u>50,258</u>	<u>14,742</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(65,000)</u>	<u>(50,258)</u>	<u>14,742</u>
<b>Other Financing Sources (Uses):</b>			
Transfers In	<u>75,000</u>	<u>50,258</u>	<u>(24,742)</u>
Total Other Financing Sources (Uses)	<u>75,000</u>	<u>50,258</u>	<u>(24,742)</u>
Net Change in Fund Balance	<u>10,000</u>	<u>0</u>	<u>(10,000)</u>
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 10,000</u>	<u>\$ 0</u>	<u>\$ (10,000)</u>

**CITY OF CENTERVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2019***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Investment Earnings	\$ 2,500	\$ 9,582	\$ 7,082
Revenue in Lieu of Taxes	100,000	86,374	(13,626)
Total Revenues	<u>102,500</u>	<u>95,956</u>	<u>(6,544)</u>
<b>Expenditures:</b>			
General Government:			
Other Expenditures	<u>1,000</u>	<u>964</u>	<u>36</u>
Capital Outlay:			
Other Expenditures	<u>1,700</u>	<u>1,680</u>	<u>20</u>
Total Expenditures	<u>2,700</u>	<u>2,644</u>	<u>56</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	99,800	93,312	(6,488)
Fund Balance at Beginning of Year	<u>391,196</u>	<u>391,196</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 490,996</u>	<u>\$ 484,508</u>	<u>\$ (6,488)</u>

**CITY OF CENTERVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2019***

**CAPITAL EQUIPMENT PURCHASE FUND**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Investment Earnings	\$ 7,000	\$ 19,436	\$ 12,436
Other Revenues	0	31,790	31,790
Total Revenues	<u>7,000</u>	<u>51,226</u>	<u>44,226</u>
<b>Expenditures:</b>			
Capital Outlay:			
Other Expenditures	1,479,820	1,317,959	161,861
Total Expenditures	<u>1,479,820</u>	<u>1,317,959</u>	<u>161,861</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,472,820)	(1,266,733)	206,087
<b>Other Financing Sources (Uses):</b>			
Transfers In	550,000	550,000	0
Total Other Financing Sources (Uses)	<u>550,000</u>	<u>550,000</u>	<u>0</u>
Net Change in Fund Balance	(922,820)	(716,733)	206,087
Fund Balance at Beginning of Year	532,133	532,133	0
Prior Year Encumbrances	442,695	442,695	0
Fund Balance at End of Year	<u>\$ 52,008</u>	<u>\$ 258,095</u>	<u>\$ 206,087</u>

**CITY OF CENTERVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2019***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Investment Earnings	\$ 0	\$ 5,589	\$ 5,589
Special Assessments	35,000	50,104	15,104
Total Revenues	<u>35,000</u>	<u>55,693</u>	<u>20,693</u>
<b>Expenditures:</b>			
General Government:			
Other Expenditures	<u>35,100</u>	<u>33,130</u>	<u>1,970</u>
Capital Outlay:			
Other Expenditures	<u>131,500</u>	<u>120,311</u>	<u>11,189</u>
Total Expenditures	<u>166,600</u>	<u>153,441</u>	<u>13,159</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(131,600)	(97,748)	33,852
Fund Balance at Beginning of Year	333,931	333,931	0
Prior Year Encumbrances	1,500	1,500	0
Fund Balance at End of Year	<u>\$ 203,831</u>	<u>\$ 237,683</u>	<u>\$ 33,852</u>

**CITY OF CENTERVILLE, OHIO**

**Combining Statement of Net Position  
Internal Service Funds  
December 31, 2019**

	Central Vehicle Purchase	Self-Insurance Medical	Insurance Deductible	Total Internal Service Funds
<b>Assets:</b>				
Current assets:				
Equity in Pooled Cash and Investments	\$ 379,728	\$ 167,980	\$ 32,676	\$ 580,384
Receivables:				
Accounts	0	0	1,375	1,375
Total current assets	<u>379,728</u>	<u>167,980</u>	<u>34,051</u>	<u>581,759</u>
Noncurrent assets:				
Capital assets:				
Depreciable Capital Assets, net	1,448,752	0	0	1,448,752
Total capital assets	<u>1,448,752</u>	<u>0</u>	<u>0</u>	<u>1,448,752</u>
Total noncurrent assets	<u>1,448,752</u>	<u>0</u>	<u>0</u>	<u>1,448,752</u>
Total assets	<u>1,828,480</u>	<u>167,980</u>	<u>34,051</u>	<u>2,030,511</u>
<b>Deferred Outflows of Resources:</b>				
<b>Liabilities:</b>				
Current liabilities:				
Accounts Payable	0	0	5,902	5,902
Claims Payable	0	38,047	0	38,047
<b>Total Liabilities</b>	<u>0</u>	<u>38,047</u>	<u>5,902</u>	<u>43,949</u>
<b>Net Position:</b>				
Net Investment in Capital Assets	1,448,752	0	0	1,448,752
Unrestricted	379,728	129,933	28,149	537,810
Total Net Position	<u>\$ 1,828,480</u>	<u>\$ 129,933</u>	<u>\$ 28,149</u>	<u>\$ 1,986,562</u>

**CITY OF CENTERVILLE, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Net Position  
Internal Service Funds  
For the Year Ended December 31, 2019**

	Central Vehicle Purchase	Self-Insurance Medical	Insurance Deductible	Total Internal Service Funds
<b>Operating Revenues:</b>				
Charges for Services	\$ 289,570	\$ 1,265,355	\$ 0	\$ 1,554,925
Other Operating Revenues	10,910	0	9,453	20,363
<b>Total Operating Revenues</b>	<b>300,480</b>	<b>1,265,355</b>	<b>9,453</b>	<b>1,575,288</b>
<b>Operating Expenses:</b>				
Purchased Services	30,838	0	28,468	59,306
Depreciation	366,599	0	0	366,599
Other Expense	0	0	12,591	12,591
Claims	0	1,274,991	0	1,274,991
<b>Total Operating Expenses</b>	<b>397,437</b>	<b>1,274,991</b>	<b>41,059</b>	<b>1,713,487</b>
<b>Operating Loss</b>	<b>(96,957)</b>	<b>(9,636)</b>	<b>(31,606)</b>	<b>(138,199)</b>
<b>Non-Operating Revenue (Expenses):</b>				
Investment Earnings	11,241	0	7	11,248
<b>Total Non-Operating Revenues (Expenses)</b>	<b>11,241</b>	<b>0</b>	<b>7</b>	<b>11,248</b>
<b>Loss Before Transfers</b>	<b>(85,716)</b>	<b>(9,636)</b>	<b>(31,599)</b>	<b>(126,951)</b>
Transfers-In	0	0	50,000	50,000
<b>Change in Net Position</b>	<b>(85,716)</b>	<b>(9,636)</b>	<b>18,401</b>	<b>(76,951)</b>
<b>Net Position Beginning of Year</b>	<b>1,914,196</b>	<b>139,569</b>	<b>9,748</b>	<b>2,063,513</b>
<b>Net Position End of Year</b>	<b>\$ 1,828,480</b>	<b>\$ 129,933</b>	<b>\$ 28,149</b>	<b>\$ 1,986,562</b>



**CITY OF CENTERVILLE, OHIO**

***Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2019***

	Central Vehicle Purchase	Self-Insurance Medical	Insurance Deductible	Total Internal Service
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Interfund Services	\$289,570	\$1,265,355	\$0	\$1,554,925
Other Operating Receipts	10,910	0	8,078	18,988
Cash Payments for Goods and Services	(30,838)	0	(36,673)	(67,511)
Cash Payments for Claims	0	(1,267,586)	0	(1,267,586)
Net Cash Provided (Used) by Operating Activities	269,642	(2,231)	(28,595)	238,816
<u>Cash Flows from Noncapital Financing Activities:</u>				
Transfers In from Other Funds	0	0	50,000	50,000
Net Cash Provided by Noncapital Financing Activities	0	0	50,000	50,000
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Acquisition and Construction of Assets	(760,380)	0	0	(760,380)
Net Cash Used by Capital and Related Financing Activities	(760,380)	0	0	(760,380)
<u>Cash Flows from Investing Activities:</u>				
Receipt of Interest	11,241	0	7	11,248
Net Cash Provided by Investing Activities	11,241	0	7	11,248
Net Increase (Decrease) in Cash and Cash Equivalents	(479,497)	(2,231)	21,412	(460,316)
Cash and Cash Equivalents at Beginning of Year	859,225	170,211	11,264	1,040,700
Cash and Cash Equivalents at End of Year	\$379,728	\$167,980	\$32,676	\$580,384
<u>Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities:</u>				
Operating Loss	(\$96,957)	(\$9,636)	(\$31,606)	(\$138,199)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:				
Depreciation	366,599	0	0	366,599
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:				
Increase in Accounts Receivable	0	0	(1,375)	(1,375)
Increase in Accounts Payable	0	0	4,386	4,386
Increase in Claims Payable	0	7,405	0	7,405
Total Adjustments	366,599	7,405	3,011	377,015
Net Cash Provided (Used) by Operating Activities	\$269,642	(\$2,231)	(\$28,595)	\$238,816

***Fiduciary Fund***

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Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

***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**

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**Statement Of Changes In Net Position  
Agency Fund  
For the Year Ended December 31, 2019**

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	Balance December 31, 2018	Additions	Deductions	Balance December 31, 2019
<u>Agency Fund</u>				
Equity in Pooled Cash and Investments	\$447,278	\$272,521	(\$228,568)	\$491,231
Total Assets	<u>\$447,278</u>	<u>\$272,521</u>	<u>(\$228,568)</u>	<u>\$491,231</u>
Liabilities:				
Undistributed Monies	\$447,278	\$272,521	(\$228,568)	\$491,231
Total Liabilities	<u>\$447,278</u>	<u>\$272,521</u>	<u>(\$228,568)</u>	<u>\$491,231</u>





# Statistical Section





## ***STATISTICAL TABLES***

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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***

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<b>Financial Trends</b>	S 2 – S 13
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
<b>Revenue Capacity</b>	S 14 – S 17
These schedules contain information to help the reader understand and assess the factors affecting the City’s ability to generate its most significant local revenue sources, the property tax and the income tax.	
<b>Debt Capacity</b>	S 18 – S 27
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.	
<b>Economic and Demographic Information</b>	S 28 – S 31
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
<b>Operating Information</b>	S 32 – S 37
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.	
<b>Sources Note:</b>	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

## *City of Centerville, Ohio*

*Net Position by Component  
Last Ten Years  
(accrual basis of accounting)*

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$40,098,262	\$39,255,568	\$38,096,137	\$38,942,917
Restricted	15,273,979	14,697,393	12,246,392	12,007,221
Unrestricted	13,822,659	15,443,474	18,154,274	16,496,732
Total Governmental Activities Net Position	<u>\$69,194,900</u>	<u>\$69,396,435</u>	<u>\$68,496,803</u>	<u>\$67,446,870</u>
<b>Business-type Activities:</b>				
Net Investment in Capital Assets	\$6,192,798	\$9,252,994	\$9,615,094	\$14,732,195
Restricted	1,291,866	319,734	2,921,719	351,200
Unrestricted (Deficit)	421,897	204,199	605,890	704,293
Total Business-type Activities Net Position	<u>\$7,906,561</u>	<u>\$9,776,927</u>	<u>\$13,142,703</u>	<u>\$15,787,688</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	\$46,291,060	\$48,508,562	\$47,711,231	\$53,675,112
Restricted	16,565,845	15,017,127	15,168,111	12,358,421
Unrestricted	14,244,556	15,647,673	18,760,164	17,201,025
Total Primary Government Net Position	<u>\$77,101,461</u>	<u>\$79,173,362</u>	<u>\$81,639,506</u>	<u>\$83,234,558</u>

Source: Finance Office



*City of Centerville, Ohio*

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2014	2015	2016	2017	2018	2019
Restated			Restated		
\$41,293,351	\$44,528,877	\$45,641,394	\$46,043,736	\$47,644,077	\$52,516,384
11,560,436	10,133,340	10,734,146	10,502,230	10,084,968	10,337,076
5,567,938	7,009,910	8,866,514	2,092,927	3,750,848	12,169,394
<u>\$58,421,725</u>	<u>\$61,672,127</u>	<u>\$65,242,054</u>	<u>\$58,638,893</u>	<u>\$61,479,893</u>	<u>\$75,022,854</u>
\$15,716,382	\$16,064,955	\$16,642,252	\$17,190,452	\$18,147,568	\$18,911,467
351,200	351,200	351,200	351,200	0	0
(392,043)	(88,510)	(194,141)	(1,205,367)	(795,571)	(145,052)
<u>\$15,675,539</u>	<u>\$16,327,645</u>	<u>\$16,799,311</u>	<u>\$16,336,285</u>	<u>\$17,351,997</u>	<u>\$18,766,415</u>
\$57,009,733	\$60,593,832	\$62,283,646	\$63,234,188	\$65,791,645	\$71,427,851
11,911,636	10,484,540	11,085,346	10,853,430	10,084,968	10,337,076
5,175,895	6,921,400	8,672,373	887,560	2,955,277	12,024,342
<u>\$74,097,264</u>	<u>\$77,999,772</u>	<u>\$82,041,365</u>	<u>\$74,975,178</u>	<u>\$78,831,890</u>	<u>\$93,789,269</u>

## City of Centerville, Ohio

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

	2010	2011	2012	2013
<b>Expenses</b>				
Governmental Activities:				
General Government	\$4,527,738	\$4,920,870	\$4,974,806	\$4,837,041
Public Safety	6,453,724	6,814,464	6,505,994	6,585,920
Community Development	311,971	264,650	250,836	288,406
Recreation	305,028	308,379	291,908	330,822
Transportation	4,605,002	4,233,694	4,190,140	4,444,780
Interest and Fiscal Charges	404,629	386,256	370,007	326,705
<i>Total Governmental Activities Expenses</i>	<u>16,608,092</u>	<u>16,928,313</u>	<u>16,583,691</u>	<u>16,813,674</u>
Business-type Activities:				
Waste Collection	1,373,087	1,634,734	1,483,622	1,244,933
Golf Course	3,878,151	3,681,797	3,299,097	3,322,195
<i>Total Business-type Activities Expenses</i>	<u>5,251,238</u>	<u>5,316,531</u>	<u>4,782,719</u>	<u>4,567,128</u>
<i>Total Primary Government Expenses</i>	<u>\$21,859,330</u>	<u>\$22,244,844</u>	<u>\$21,366,410</u>	<u>\$21,380,802</u>
<b>Program Revenues</b>				
Governmental Activities:				
General Government	\$1,142,745	\$1,175,710	\$629,043	\$721,762
Public Safety	446,149	475,204	206,373	123,416
Community Development	0	0	0	0
Recreation	151,487	150,526	176,343	186,131
Transportation	1,512,741	1,010,827	1,009,736	1,009,722
<i>Total Governmental Activities Program Revenues</i>	<u>3,253,122</u>	<u>2,812,267</u>	<u>2,021,495</u>	<u>2,041,031</u>

*City of Centerville, Ohio*

2014	2015	2016	2017	2018	2019
\$4,707,720	\$4,583,121	\$5,297,659	\$5,436,245	\$5,704,742	\$7,267,575
6,519,809	7,431,420	7,480,622	8,035,874	8,613,827	2,409,407
223,463	239,464	270,706	300,901	303,734	298,287
232,550	240,024	272,933	260,331	226,152	308,511
4,609,430	5,181,136	3,648,465	5,737,482	6,939,137	6,790,278
217,123	263,947	450,852	441,147	425,015	408,525
<u>16,510,095</u>	<u>18,145,137</u>	<u>17,421,237</u>	<u>20,211,980</u>	<u>22,212,607</u>	<u>17,482,583</u>
1,270,737	1,231,207	1,368,345	1,350,813	1,434,443	1,498,132
3,374,878	3,243,923	3,300,445	3,403,774	3,067,197	3,448,846
<u>4,645,615</u>	<u>4,475,130</u>	<u>4,668,790</u>	<u>4,754,587</u>	<u>4,501,640</u>	<u>4,946,978</u>
<u>\$21,155,710</u>	<u>\$22,620,267</u>	<u>\$22,090,027</u>	<u>\$24,966,567</u>	<u>\$26,714,247</u>	<u>\$22,429,561</u>
\$403,760	\$594,967	\$629,972	\$966,820	\$841,784	\$823,583
124,888	175,507	157,794	249,534	115,387	124,258
55,525	0	1,095,870	0	0	0
343,902	408,923	203,707	175,269	202,033	1,594,725
<u>1,229,937</u>	<u>4,652,387</u>	<u>1,773,951</u>	<u>1,107,410</u>	<u>1,640,589</u>	<u>1,864,326</u>
<u>2,158,012</u>	<u>5,831,784</u>	<u>3,861,294</u>	<u>2,499,033</u>	<u>2,799,793</u>	<u>4,406,892</u>

(continued)

## City of Centerville, Ohio

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

	2010	2011	2012	2013
<b>Business-type Activities:</b>				
Waste Collection	1,349,642	1,370,233	1,369,371	1,376,850
Golf Course	3,647,031	3,432,372	3,720,572	3,342,943
<i>Total Business-type Activities Program Revenues</i>	4,996,673	4,802,605	5,089,943	4,719,793
<i>Total Primary Government Program Revenues</i>	8,249,795	7,614,872	7,111,438	6,760,824
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(13,354,970)	(14,116,046)	(14,562,196)	(14,772,643)
Business-type Activities	(254,565)	(513,926)	307,224	152,665
<i>Total Primary Government Net (Expense)/Revenue</i>	(\$13,609,535)	(\$14,629,972)	(\$14,254,972)	(\$14,619,978)
<b>General Revenues and Other Changes in Net Position</b>				
<b>Governmental Activities:</b>				
Income Taxes	\$11,044,385	\$12,109,247	\$12,654,982	\$13,255,407
Property Taxes Levied for General Purposes	1,375,916	1,552,250	1,208,289	1,310,538
Estate Taxes	1,602,523	1,329,517	2,014,816	792,683
Unrestricted Shared Revenues	1,605,345	1,170,041	336,862	555,049
Revenue in Lieu of Taxes	0	0	0	0
Investment Earnings	142,867	169,851	169,693	67,416
Other Revenues	137,595	350,675	307,922	245,448
Transfers	(1,384,000)	(2,364,000)	(3,030,000)	(2,499,000)
<i>Total Governmental Activities</i>	14,524,631	14,317,581	13,662,564	13,727,541
<b>Business-type Activities:</b>				
Investment Earnings	27,234	20,292	14,897	29,409
Gain on Sale/Disposal of Capital Assets	6,436	0	13,655	54,074
Transfers	1,384,000	2,364,000	3,030,000	2,499,000
<i>Total Business-type Activities</i>	1,417,670	2,384,292	3,058,552	2,582,483
<i>Total Primary Government</i>	\$15,942,301	\$16,701,873	\$16,721,116	\$16,310,024
<b>Change in Net Position</b>				
Governmental Activities	\$1,169,661	\$201,535	(\$899,632)	(\$1,045,102)
Business-type Activities	1,163,105	1,870,366	3,365,776	2,735,148
<i>Total Primary Government Change in Net Position</i>	\$2,332,766	\$2,071,901	\$2,466,144	\$1,690,046

Source: Finance Office

*City of Centerville, Ohio*

2014	2015	2016	2017	2018	2019
1,388,621	1,425,879	1,387,756	1,411,046	1,339,257	1,441,424
3,312,023	3,548,341	3,717,637	3,706,704	3,535,742	3,863,168
4,700,644	4,974,220	5,105,393	5,117,750	4,874,999	5,304,592
6,858,656	10,806,004	8,966,687	7,616,783	7,674,792	9,711,484
(14,352,083)	(12,313,353)	(13,559,943)	(17,712,947)	(19,412,814)	(13,075,691)
55,029	499,090	436,603	363,163	373,359	357,614
<u>(\$14,297,054)</u>	<u>(\$11,814,263)</u>	<u>(\$13,123,340)</u>	<u>(\$17,349,784)</u>	<u>(\$19,039,455)</u>	<u>(\$12,718,077)</u>
\$12,888,194	\$12,654,246	\$14,419,096	\$17,441,959	\$18,995,065	\$22,027,383
1,352,405	1,387,805	1,371,013	1,402,517	1,506,251	1,561,257
204,189	0	0	0	0	0
859,883	1,258,990	952,085	1,231,456	1,069,691	1,496,663
190,838	0	84,856	678,145	1,030,405	1,269,153
193,056	165,799	169,700	248,138	205,005	1,117,239
167,546	205,905	143,120	288,393	62,397	146,957
(395,000)	(109,000)	(10,000)	(100,000)	(615,000)	(1,000,000)
<u>15,461,111</u>	<u>15,563,745</u>	<u>17,129,870</u>	<u>21,190,608</u>	<u>22,253,814</u>	<u>26,618,652</u>
12,016	15,480	14,601	18,560	27,353	56,804
495,104	28,536	10,462	53,228	0	0
395,000	109,000	10,000	100,000	615,000	1,000,000
902,120	153,016	35,063	171,788	642,353	1,056,804
<u>\$16,363,231</u>	<u>\$15,716,761</u>	<u>\$17,164,933</u>	<u>\$21,362,396</u>	<u>\$22,896,167</u>	<u>\$27,675,456</u>
\$1,109,028	\$3,250,392	\$3,569,927	\$3,477,661	\$2,841,000	\$13,542,961
957,149	652,106	471,666	534,951	1,015,712	1,414,418
<u>\$2,066,177</u>	<u>\$3,902,498</u>	<u>\$4,041,593</u>	<u>\$4,012,612</u>	<u>\$3,856,712</u>	<u>\$14,957,379</u>

**City of Centerville, Ohio**

*Fund Balances, Governmental Funds  
Last Ten Years  
(modified accrual basis of accounting)*

	2010	2011	2012	2013
General Fund				
Nonspendable	\$0	\$86,327	\$71,031	\$72,816
Assigned	0	66,051	2,237,654	256,097
Unassigned	0	12,959,459	10,556,628	10,954,144
Reserved	84,567	0	0	0
Unreserved	12,161,229	0	0	0
<i>Total General Fund</i>	<u>12,245,796</u>	<u>13,111,837</u>	<u>12,865,313</u>	<u>11,283,057</u>
All Other Governmental Funds				
Nonspendable	0	97,671	116,580	93,997
Restricted	0	2,369,702	2,771,364	3,170,946
Assigned	0	2,231,416	2,636,346	2,060,800
Unassigned	0	0	0	(21,227)
Reserved	968,953	0	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,146,445	0	0	0
Debt Service Funds	588,674	0	0	0
Capital Projects Funds	1,938,885	0	0	0
<i>Total All Other Governmental Funds</i>	<u>4,642,957</u>	<u>4,698,789</u>	<u>5,524,290</u>	<u>5,304,516</u>
<i>Total Governmental Funds</i>	<u>\$16,888,753</u>	<u>\$17,810,626</u>	<u>\$18,389,603</u>	<u>\$16,587,573</u>

Source: Finance Office

Note: The City implemented GASB 54 in 2011 which established new fund balance classifications for governmental funds.

*City of Centerville, Ohio*

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2014	2015	2016	2017	2018	2019
\$72,225	\$7,134	\$14,022	\$16,464	\$28,111	\$114,807
0	1,379,574	179,792	266,510	255,543	691,780
12,261,517	12,160,884	13,423,099	17,114,624	20,653,186	26,276,277
0	0	0	0	0	0
0	0	0	0	0	0
<u>12,333,742</u>	<u>13,547,592</u>	<u>13,616,913</u>	<u>17,397,598</u>	<u>20,936,840</u>	<u>27,082,864</u>
267,857	175,203	112,703	116,940	97,618	134,174
2,492,895	5,722,904	3,663,268	3,229,347	3,218,138	3,833,620
2,669,565	2,711,312	3,089,939	4,730,752	4,861,998	3,533,979
(2,371,457)	0	0	(32,896)	(91,045)	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>3,058,860</u>	<u>8,609,419</u>	<u>6,865,910</u>	<u>8,044,143</u>	<u>8,086,709</u>	<u>7,501,773</u>
<u>\$15,392,602</u>	<u>\$22,157,011</u>	<u>\$20,482,823</u>	<u>\$25,441,741</u>	<u>\$29,023,549</u>	<u>\$34,584,637</u>

## City of Centerville, Ohio

### Changes in Fund Balances, Governmental Funds Last Ten Years (modified accrual basis of accounting)

	2010	2011	2012	2013
<b>Revenues:</b>				
Local Taxes	\$12,415,470	\$13,139,217	\$13,478,234	\$13,944,415
Charges for Services	286,024	311,042	346,123	354,466
Investment Earnings	188,225	164,604	167,104	68,590
Intergovernmental Revenues	5,691,747	4,404,979	3,737,724	2,805,959
Special Assessments	653,430	645,114	664,390	639,612
Fines, Licenses and Permits	239,551	420,750	357,324	268,131
Revenue in Lieu of Taxes	0	0	0	0
Other Revenue	475,595	350,464	307,921	245,445
<b>Total Revenue</b>	<u>19,950,042</u>	<u>19,436,170</u>	<u>19,058,820</u>	<u>18,326,618</u>
<b>Expenditures:</b>				
Current:				
General Government	4,357,833	4,585,005	4,713,589	4,620,352
Public Safety	6,060,143	6,417,524	6,080,788	6,122,936
Community Development	289,572	289,791	236,503	282,126
Recreation	251,645	247,852	233,255	271,869
Transportation	2,759,094	2,248,977	2,196,400	2,318,042
Capital Outlay	4,179,368	1,675,639	1,280,937	3,008,960
Debt Service:				
Principal Retirement	352,196	357,579	363,966	784,356
Interest and Fiscal Charges	396,992	381,753	365,600	197,068
Bond Issuance Costs	0	0	0	108,390
<b>Total Expenditures</b>	<u>18,646,843</u>	<u>16,204,120</u>	<u>15,471,038</u>	<u>17,714,099</u>
Excess (Deficiency) of Revenues Over Expenditures	1,303,199	3,232,050	3,587,782	612,519



*City of Centerville, Ohio*

2014	2015	2016	2017	2018	2019
\$14,338,276	\$14,748,502	\$14,837,429	\$19,392,748	\$20,725,379	\$23,787,099
347,548	544,763	616,774	652,004	629,966	588,833
183,705	164,920	148,502	227,103	225,491	1,121,122
2,539,104	3,411,223	2,302,176	2,438,094	2,102,041	3,705,701
561,431	525,708	1,608,169	495,876	545,074	554,880
330,828	322,369	285,528	627,245	456,820	371,916
190,838	0	84,856	678,145	1,030,405	1,269,153
167,545	205,905	101,391	286,069	681,223	1,222,665
<u>18,659,275</u>	<u>19,923,390</u>	<u>19,984,825</u>	<u>24,797,284</u>	<u>26,396,399</u>	<u>32,621,369</u>
4,450,048	4,520,137	4,789,597	4,621,145	5,017,151	5,707,413
6,088,834	6,843,645	6,596,850	6,728,119	7,101,345	7,289,837
245,177	239,293	231,337	264,579	262,640	229,916
174,644	179,775	196,498	183,387	153,430	220,020
2,815,942	3,057,008	2,290,409	2,367,042	2,587,992	2,720,521
4,715,440	5,939,732	6,715,207	4,638,595	6,453,021	8,841,466
329,751	340,149	345,552	490,959	561,369	606,633
219,200	237,778	462,378	452,921	437,311	420,196
0	206,025	0	0	0	0
<u>19,039,036</u>	<u>21,563,542</u>	<u>21,627,828</u>	<u>19,746,747</u>	<u>22,574,259</u>	<u>26,036,002</u>
(379,761)	(1,640,152)	(1,643,003)	5,050,537	3,822,140	6,585,367

**City of Centerville, Ohio**

*Changes in Fund Balances, Governmental Funds  
Last Ten Years  
(modified accrual basis of accounting)*

	2010	2011	2012	2013
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	1,755	1,000	1,514	0
Ohio Public Works Commission Loan	0	0	0	0
Refunding Bonds Issued	0	0	0	5,750,000
Payments to Refunded Bond Escrow Agent	0	0	0	(5,727,654)
Premium on Sale of Refunding Bonds	0	0	0	86,044
General Obligation Bonds Issued	0	0	0	0
Premium on General Obligation Bonds Issued	0	0	0	0
Transfers In	2,465,000	2,465,000	3,065,000	3,814,000
Transfers Out	(3,849,000)	(4,829,000)	(6,095,000)	(6,313,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(1,382,245)</u>	<u>(2,363,000)</u>	<u>(3,028,486)</u>	<u>(2,390,610)</u>
<b>Net Change in Fund Balance</b>	<u>(\$79,046)</u>	<u>\$869,050</u>	<u>\$559,296</u>	<u>(\$1,778,091)</u>
 <b>Debt Service as a Percentage of Noncapital Expenditures</b>	 5.18%	 5.09%	 5.14%	 6.67%

Source: Finance Office

*City of Centerville, Ohio*

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2014	2015	2016	2017	2018	2019
0	0	41,729	2,323	0	5,567
0	0	0	0	393,949	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	8,245,000	0	0	0	0
0	341,316	0	0	0	0
3,596,052	11,686,890	4,546,052	6,074,084	6,091,522	6,256,160
(3,991,052)	(11,795,890)	(4,556,052)	(6,174,084)	(6,706,522)	(7,306,160)
(395,000)	8,477,316	31,729	(97,677)	(221,051)	(1,044,433)
(\$774,761)	\$6,837,164	(\$1,611,274)	\$4,952,860	\$3,601,089	\$5,540,934
3.73%	4.44%	6.05%	5.89%	5.60%	5.62%

## *City of Centerville, Ohio*

### *Income Tax Revenues by Source, Governmental Funds Last Ten Years*

<b>Tax year</b>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Income Tax Rate	1.75%	1.75%	1.75%	1.75%	1.75%
Total Tax Collected	\$11,071,554	\$11,681,571	\$12,159,797	\$12,830,932	\$12,887,923
Income Tax Receipts					
Withholding	7,659,730	8,189,169	8,521,201	8,747,546	9,018,594
Percentage	69.18%	70.10%	70.08%	68.18%	69.97%
Corporate	1,396,973	2,036,033	1,557,613	1,709,643	2,279,490
Percentage	12.62%	17.43%	12.81%	13.32%	17.69%
Individuals	2,014,851	1,456,369	2,080,983	2,373,743	1,589,839
Percentage	18.20%	12.47%	17.11%	18.50%	12.34%

Source: Finance Office

*City of Centerville, Ohio*

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2015	2016	2017	2018	2019
1.75%	1.75%	2.25%	2.25%	2.25%
\$13,132,337	\$13,880,524	\$17,478,482	\$19,248,911	\$21,999,154
9,322,080	9,802,315	12,862,077	14,331,008	14,588,123
70.98%	70.62%	73.59%	74.45%	66.32%
1,497,887	1,678,362	2,714,260	1,986,987	2,460,423
11.41%	12.09%	15.53%	10.32%	11.18%
2,312,370	2,399,847	1,902,145	2,930,916	4,950,608
17.61%	17.29%	10.88%	15.23%	22.50%



## *City of Centerville*

*Top Ten Income Tax Withholders  
(Cash Basis of Accounting)  
Current Year and Nine Years Ago*

Name of Taxpayer	Nature of Business	2019 Rank
Centerville Board of Education	Education	1
Federal Government	Government	2
Miami Valley Hospital	Health Care and Social Assistance	3
Premier Health Specialists Inc	Health Care and Social Assistance	4
Graceworks Lutheran Services	Health Care and Social Assistance	5
The Kroger Company	Retail	6
Franciscan at St. Leonard	Health Care and Social Assistance	7
City of Centerville	Government	8
Voss Auto Network, Inc.	Automotive	9
LexisNexis	Professional Services	10

Name of Taxpayer	Nature of Business	2010 Rank
Centerville Board of Education	Education	1
Federal Government	Government	2
Graceworks Lutheran Services	Health Care and Social Assistance	3
LexisNexis	Professional Services	4
City of Centerville	Government	5
Miami Valley Hospital	Health Care and Social Assistance	6
Voss Auto Network, Inc.	Automotive	7
Franciscan at St. Leonard	Health Care and Social Assistance	8
Fortis College	Education	9
Huffy Corporation	Company Headquarters-Professional Offices	10

Source: Finance Office

## *City of Centerville, Ohio*

### *Ratio of Outstanding Debt By Type Last Ten Years*

	2010	2011	2012	2013
<b>Governmental Activities</b> <sup>(1)</sup>				
General Obligation Bonds Payable	\$639,690	\$559,734	\$474,777	\$0
Special Assessment Bonds	6,339,000	6,105,000	5,870,000	5,866,044
Ohio Public Works Commission Loan	756,882	718,303	679,337	639,981
<b>Total Governmental Activities</b>	<u>7,735,572</u>	<u>7,383,037</u>	<u>7,024,114</u>	<u>6,506,025</u>
<b>Business-type Activities</b> <sup>(1)</sup>				
General Obligation Bonds Payable	12,446,215	9,270,084	8,608,953	8,608,953
<b>Total Primary Government</b>	<u>\$20,181,787</u>	<u>\$16,653,121</u>	<u>\$15,633,067</u>	<u>\$15,114,978</u>
<b>Population</b> <sup>(2)</sup>				
City of Centerville	23,999	23,999	23,999	23,999
Outstanding Debt Per Capita	\$841	\$694	\$651	\$630
<b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	860,748	908,554	933,321	943,425
Percentage of Personal Income	2.34%	1.83%	1.67%	1.60%

**Sources:**

- (1) Finance Office
- (2) US Bureau of Census, Population Division
- (3) US Department of Commerce, Bureau of Economic Analysis
  - (a) Per Capita Income is only available by County, Total Personal Income is a calculation



*City of Centerville, Ohio*

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2014	2015	2016	2017	2018	2019
\$0	\$8,586,316	\$8,567,663	\$8,414,010	\$8,195,357	\$7,956,704
5,569,425	5,262,806	4,956,187	4,639,568	4,317,949	3,981,330
600,230	560,081	519,529	478,570	831,150	779,517
<u>6,169,655</u>	<u>14,409,203</u>	<u>14,043,379</u>	<u>13,532,148</u>	<u>13,344,456</u>	<u>12,717,551</u>
<u>3,188,289</u>	<u>2,416,217</u>	<u>1,629,145</u>	<u>817,073</u>	<u>0</u>	<u>0</u>
<u>\$9,357,944</u>	<u>\$16,825,420</u>	<u>\$15,672,524</u>	<u>\$14,349,221</u>	<u>\$13,344,456</u>	<u>\$12,717,551</u>
23,999	23,999	23,999	23,999	23,999	23,999
\$390	\$701	\$653	\$598	\$556	\$530
985,951	1,022,069	1,039,421	1,079,907	1,125,337	1,125,337
0.95%	1.65%	1.51%	1.33%	1.19%	1.13%

## *City of Centerville, Ohio*

### *Ratios of General Bonded Debt Outstanding Last Ten Years*

Year	2010	2011	2012	2013
<b>Population</b> (1)	23,999	23,999	23,999	23,999
<b>Personal Income (in thousands)</b> (2)	\$860,748	\$908,554	\$933,321	\$943,425
<b>General Bonded Debt</b> (3)				
General Obligation Bonds	\$639,690	\$559,734	\$474,777	\$0
<b>Resources Available to Pay Principal</b> (4)	\$46,991	\$52,674	\$33,368	\$0
<b>Net General Bonded Debt</b>	\$592,699	\$507,060	\$441,409	\$0
<b>Ratio of Net Bonded Debt to Estimated Personal Income</b> (in thousands)	0.07%	0.06%	0.05%	0.00%
<b>Net Bonded Debt per Capita</b>	\$24.70	\$21.13	\$18.39	\$0.00

**Sources:**

- (1) U.S. Bureau of Census of Population
- (2) US Department of Commerce, Bureau of Economic Analysis
- (3) Includes all general obligation bonded debt supported by income taxes
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

*City of Centerville, Ohio*

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2014	2015	2016	2017	2018	2019
23,999	23,999	23,999	23,999	23,999	23,999
\$985,951	\$1,022,069	\$1,039,421	\$1,079,907	\$1,125,337	\$1,125,337
\$0	\$8,586,316	\$8,567,663	\$8,414,010	\$8,195,357	\$7,956,704
\$0	\$431,892	\$146,006	\$95,119	\$197,145	\$489,795
\$0	\$8,154,424	\$8,421,657	\$8,318,891	\$7,998,212	\$7,466,909
0.00%	0.80%	0.81%	0.77%	0.71%	0.66%
\$0.00	\$339.78	\$350.92	\$346.63	\$333.27	\$311.13



**City of Centerville, Ohio**

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2019*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Centerville</u>	<u>Amount Applicable to the City of Centerville</u>
<b>Direct:</b>			
City of Centerville	\$13,344,456	100.00%	\$13,344,456
<b>Overlapping:</b>			
Centerville City School District	43,490,628	36.59%	15,913,221
Greene County	23,967,655	0.13%	31,158
Bellbrook-Sugarcreek Local School District	28,105,000	0.93%	261,377
Greene County Career Center JVS District	54,100,000	0.12%	64,920
		Subtotal	<u>16,270,676</u>
		Total	<u>\$29,615,132</u>

**Source:** Ohio Municipal Advisory Council

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

## City of Centerville, Ohio

### Debt Limitations Last Ten Years

Tax Year	2010	2011	2012	2013
<b>Total Debt</b>				
Net Assessed Valuation	\$663,560,290	\$650,509,860	\$629,957,100	\$633,387,490
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	69,673,830	68,303,535	66,145,496	66,505,686
City Debt Outstanding	756,882	718,303	679,337	639,981
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation	<u>756,882</u>	<u>718,303</u>	<u>679,337</u>	<u>639,981</u>
Overall Legal Debt Margin	<u><u>\$68,916,948</u></u>	<u><u>\$67,585,232</u></u>	<u><u>\$65,466,159</u></u>	<u><u>\$65,865,705</u></u>
<b>Unvoted Debt</b>				
Net Assessed Valuation	\$663,560,290	\$650,509,860	\$629,957,100	\$633,387,490
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	36,495,816	35,778,042	34,647,641	34,836,312
City Debt Outstanding	756,882	718,303	679,337	639,981
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation	<u>756,882</u>	<u>718,303</u>	<u>679,337</u>	<u>639,981</u>
Overall Legal Debt Margin	<u><u>\$35,738,934</u></u>	<u><u>\$35,059,739</u></u>	<u><u>\$33,968,304</u></u>	<u><u>\$34,196,331</u></u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

Source: Finance Office

*City of Centerville, Ohio*

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2014	2015	2016	2017	2018	2019
\$640,291,030	\$640,303,910	\$646,831,870	\$682,747,580	\$686,860,750	\$695,709,090
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
67,230,558	67,231,911	67,917,346	71,688,496	72,120,379	73,049,454
600,230	560,081	519,529	478,570	831,150	779,517
0	0	0	0	0	0
600,230	560,081	519,529	478,570	831,150	779,517
\$66,630,328	\$66,671,830	\$67,397,817	\$71,209,926	\$71,289,229	\$72,269,937
\$640,291,030	\$640,303,910	\$646,831,870	\$682,747,580	\$686,860,750	\$695,709,090
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
35,216,007	35,216,715	35,575,753	37,551,117	37,777,341	38,264,000
600,230	560,081	519,529	478,570	831,150	779,517
0	0	0	0	0	0
600,230	560,081	519,529	478,570	831,150	779,517
\$34,615,777	\$34,656,634	\$35,056,224	\$37,072,547	\$36,946,191	\$37,484,483

**City of Centerville, Ohio**

*Pledged Revenue Coverage  
Last Ten Years*

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Special Assessment Bonds (1)</b>				
Special Assessment Collections	\$623,365	\$612,967	\$622,398	\$583,644
Debt Service				
Principal	229,000	234,000	235,000	245,000
Interest	357,471	345,292	332,588	320,139
Coverage	1.06	1.06	1.10	1.03

(1) Between 1990 and 2002, the City issued \$8,730,550 worth of Special Assessment Bonds to finance street, sidewalk and curb improvements. In 2013, the City issued Special Assessment Refunding Bonds in the amount of \$5,750,000.

Source: Finance Office



*City of Centerville, Ohio*

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2014	2015	2016	2017	2018	2019
\$521,687	\$498,757	\$484,586	\$474,313	\$491,428	\$502,480
290,000	300,000	300,000	310,000	315,000	330,000
191,575	198,402	173,056	164,056	151,653	139,052
1.08	1.00	1.02	1.00	1.05	1.07

## *City of Centerville, Ohio*

### *Demographic and Economic Statistics Last Ten Years*

Calendar Year	2010	2011	2012	2013	2014
<b>Population</b> (1)					
City of Centerville	23,999	23,999	23,999	23,999	23,999
Montgomery County	535,153	535,153	535,153	535,153	535,153
<b>Income</b> (2) (a)					
Total Personal (in thousands)	860,748	908,554	933,321	943,425	985,951
Per Capita	35,866	37,858	38,890	39,311	41,083
<b>Unemployment Rate</b> (3)					
Federal	9.4%	8.9%	8.1%	7.4%	6.2%
State	9.6%	8.6%	7.2%	7.4%	5.7%
Montgomery County	11.4%	9.7%	8.2%	8.3%	6.2%
<b>Civilian Work Force Estimates</b> (3)					
State	5,906,000	5,806,000	5,747,900	5,765,700	5,719,500
Montgomery County	265,400	260,100	254,400	251,300	249,000

**Sources:**

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

(3) State Department of Labor Statistics

*City of Centerville, Ohio*

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2015	2016	2017	2018	2019
23,999	23,999	23,999	23,999	23,999
535,153	535,153	535,153	535,153	535,153
1,022,069	1,039,421	1,079,907	1,125,337	1,125,337
42,588	43,311	44,998	46,891	46,891
5.3%	4.9%	4.4%	4.4%	3.7%
4.9%	4.9%	5.0%	5.0%	4.1%
5.0%	4.9%	4.9%	4.5%	4.2%
5,700,000	5,713,100	5,780,000	5,754,900	5,802,300
248,900	250,100	251,500	250,700	252,500



**City of Centerville, Ohio**

*Principal Employers  
Current Year and Nine Years Ago*

Employer	Nature of Business	Rank 2019
Miami Valley Hospital	Health Care and Social Assistance	1
Centerville Board of Education	Education	2
Graceworks Lutheran Services	Health Care and Social Assistance	3
The Kroger Company	Retail	4
Franciscan at St. Leonard	Health Care and Social Assistance	5
Cracker Barrel Old Country Store	Restaurant	6
Costco	Retail	7
Voss Auto Network	Automotive	8
City of Centerville	Government	9
Heartland of Centerville	Health Care and Social Assistance	10

Employer	Nature of Business	Rank 2010
Centerville Board of Education	Education	1
Graceworks Lutheran Services	Health Care and Social Assistance	2
Franciscan at St. Leonard	Health Care and Social Assistance	3
Fortis College	Education	4
The Kroger Company	Retail	5
City of Centerville	Government	6
Heartland of Centerville	Health Care and Social Assistance	7
Miami Valley Hospital	Health Care and Social Assistance	8
Cracker Barrel Old Country Store	Restaurant	9
O S Restaurant Services Inc	Restaurant	10

Source: Finance Office

**City of Centerville, Ohio**

*Full Time Equivalent Employees by Function  
Last Ten Years*

	2010	2011	2012	2013	2014	2015
<b>Governmental Activities</b>						
General Government	29.22	29.89	30.62	30.32	30.57	29.17
Public Safety	55.10	53.10	52.10	51.60	51.60	52.60
Community Development	4.00	3.10	2.60	3.10	3.10	2.60
Recreation	3.50	3.55	3.45	3.45	2.45	3.05
Transportation	21.00	21.00	21.00	21.00	21.00	25.08
<b>Business-Type Activities</b>						
Waste Collection	12.00	10.86	9.18	9.18	9.18	9.18
Golf Course	46.10	44.00	44.00	44.00	44.00	44.00
<i>Total Employees</i>	<u>170.92</u>	<u>165.50</u>	<u>162.95</u>	<u>162.65</u>	<u>161.90</u>	<u>165.68</u>

Source: Finance Office

*City of Centerville, Ohio*

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<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
26.24	26.59	23.59	26.46
54.60	54.60	54.60	56.60
2.60	2.60	2.60	2.50
2.05	3.45	3.45	3.45
25.08	25.08	25.08	25.08
9.18	9.18	9.18	9.18
<u>40.80</u>	<u>40.30</u>	<u>40.30</u>	<u>47.30</u>
<u>160.55</u>	<u>161.80</u>	<u>158.80</u>	<u>170.57</u>

# City of Centerville, Ohio

## Operating Indicators by Function Last Ten Years

	2010	2011	2012	2013	2014
<b>Governmental Activities</b>					
General Government					
Purchase Orders Issued	2,371	2,459	2,465	2,307	2,712
Payroll Checks/Direct Deposits Issued	5,772	5,706	5,375	5,343	5,325
Accounts Payable Checks Issued	5,789	5,305	5,326	5,314	5,389
Ordinances and Resolutions Passes	84	87	88	91	83
Number of Volunteer Hours	13,283	11,535	11,171	11,255	11,346
Public Safety					
Total Arrests	1,683	1,740	1,554	1,588	1,256
Traffic Citations	3,657	4,218	3,954	3,833	3,799
Transportation					
Miles of Streets	108	108	112	112	112
Tons of Road Salt Used	2,678	1,101	1,265	2,070	1,988
Building Inspection					
Building Permits Issued	1,214	1,244	1,207	1,049	645
Electrical Permits Issued	259	279	248	262	263
Residential Unit Permits Issued	7	12	27	19	17
<b>Business-Type Activities</b>					
Waste Collection					
Tons Collected	6,464	6,615	6,281	6,118	6,122
Recycled Tons	1,292	1,401	1,328	1,374	1,279
Golf Course					
Rounds of Golf	52,705	48,206	56,761	48,858	50,283
Rounds of Golf - Cart Usage	41,427	38,137	45,022	38,960	40,501
Gallons of Water Used (thousands)	60,200	31,000	48,000	18,000	22,322



*City of Centerville, Ohio*

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2015	2016	2017	2018	2019
2,143	2,027	2,157	1,539	1,678
5,374	5,238	5,167	5,047	4,908
5,368	5,165	4,566	6,077	6,147
89	111	110	104	132
12,115	12,559	13,400	14,530	15,100
1,230	936	974	903	746
2,782	2,596	2,856	2,467	2,301
110	110	111	111	111
1,471	2,221	750	1,860	1,957
787	306	285	239	352
262	225	200	203	266
6	1	2	8	74
6,194	6,340	6,350	6,344	6,327
1,200	1,258	1,300	1,302	1,227
54,318	54,377	54,000	52,245	59,206
43,568	43,915	43,000	41,842	46,987
22,322	42,000	25,207	43,627	46,300

## City of Centerville, Ohio

### Capital Asset Statistics by Function Last Ten Years

	2010	2011	2012	2013	2014
<b>Governmental Activities</b>					
General Government					
Municipal Buildings	1	1	1	1	1
Square Footage	17,123	17,123	17,123	17,123	17,123
Public Safety					
Police Stations	1	1	1	1	1
Square Footage	38,458	38,458	38,458	38,458	38,458
Transportation					
Public Works Facility	1	1	1	1	1
Square Footage	50,000	50,000	50,000	50,000	50,000
Miles of Streets	108	108	112	112	112
Lane Miles of Streets	241	241	250	250	250
Recreation					
Number of Parks	1	1	1	1	1
Area of Parks (Acres)	62.386	62.386	62.386	62.386	62.386
Benham's Grove (Acres)	7.017	7.017	7.017	7.017	7.017
<b>Business-Type Activities</b>					
Golf Course					
Number of Holes	27	27	27	27	27
Club House (Square Footage)	29,517	29,517	29,517	29,517	29,517

Source: Finance Office

*City of Centerville, Ohio*

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2015	2016	2017	2018	2019
1	1	1	1	1
17,123	17,123	17,123	17,123	17,123
1	1	1	1	1
38,458	38,458	38,458	38,458	34,458
1	1	1	1	1
50,000	50,000	50,000	50,000	50,000
114	114	114	114	111
255	255	255	255	255
1	1	1	1	1
62.386	62.386	62.386	62.386	62.386
7.017	7.017	7.017	7.017	7.017
27	27	27	27	27
29,517	29,517	29,517	29,517	29,517



**CITY OF CENTERVILLE, OHIO**



**Yellow Book Report**

**December 31, 2019**

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## 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*

City Council  
City of Centerville  
Montgomery County  
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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 28, 2020.

### Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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  
August 28, 2020



# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF CENTERVILLE**

**MONTGOMERY COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 10/8/2020**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)