

**CITY OF CENTERVILLE**

**Yellow Book Report**

**December 31, 2009**





Mary Taylor, CPA  
Auditor of State

Members of Council and Mayor  
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, 2009 through December 31, 2009. 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.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

July 26, 2010

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

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

We have audited 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 (the City), as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 22, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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*.

We noted certain matters that we reported to management of the City in a separate letter dated June 22, 2010.

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

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
June 22, 2010



# Comprehensive Annual Financial Report

for the fiscal year ended  
December 31, 2009

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**City of Centerville, Ohio**  
**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended December 31, 2009

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

**City of Centerville, Ohio**  
 Comprehensive Annual Financial Report  
 For the Year Ended December 31, 2009

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# Introductory Section







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

June 22, 2010

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

The comprehensive annual financial report of the City of Centerville, Ohio (the City) for the fiscal year ended December 31, 2009 is hereby submitted for your review. This report represents the commitment of the City to adhere to nationally recognized standards of excellence in financial reporting.

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

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

### **History and Background**

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

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

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

### **Economic Condition and Outlook**

The City has a population of 22,904 according to the U.S. Census Bureau's 2009 estimate and is home to over 700 businesses. The City continues to see moderate growth in both residential and business development. In the recent past, several residential subdivisions have been under development. The largest of these developments is Yankee Trace which surrounds the City's golf facility, The Golf Club at Yankee Trace. When complete, the Yankee Trace development will include approximately 938 residential units.

The City remains fiscally strong. Built on a diversified base of small businesses, Centerville continues to be well positioned for the future. The employers with the largest workforce within Centerville include the public school district, multiple retirement communities, a growing regional medical center, a retail store, several auto dealerships and small manufacturers.

In 2009, the City witnessed a commercial development market focused both on new development, but also a sizeable reinvestment in existing facilities. Miami Valley Hospital South continued to finish its first phase of development on its 150 acre campus. The facility now possesses overnight patients' beds, medical offices, testing and diagnostic areas, as well as a top-tier emergency room with supplemental helicopter transport and mobile intensive care unit assets.

Graceworks Lutheran Services completed the final phases of construction for the almost \$50 million expansion of its senior living campus and held an official ribbon cutting and grand opening of its redeveloped campus. With the construction of 30 new villas, 30 new apartments, a village center, and a new memory support residence, Bethany Village continues to establish the benchmark for premier, quality senior living options for the community.

Looking toward the future, the City is poised to sustain and likely increase its 2009 level of commercial development and redevelopment. Through its *BusinessFirst!* program, Centerville continues to take progressive strides toward helping its existing business community grow even in tough economic times. In 2009, the City partnered with local, regional, and state-level resource partners to assist existing businesses in the City retain jobs, optimize operations, retrain workers, and add new jobs to the local economy. Those efforts resulted in local businesses obtaining tax credits from the State of Ohio, grants through the Dayton Development Coalition's Entrepreneurial Signature Program, grants from the State of Ohio 3<sup>rd</sup> Frontier Program, and grants from the Centerville Property Investment Reimbursement program. Also businesses received financing for job creation through the Ohio Department of Development, CountyCorp, and other economic development financing agencies with which the City maintains a strong relationship. In total, local businesses were awarded more than \$2.5 million in direct grant, loan, and tax credit assistance.

At a property owner's request and after several years of legal challenges, Centerville recently annexed 270 acres of land within Sugarcreek Township in Greene County located along I-675. The City will embark on fostering the steady development of this area into a premier office park and mixed-use development; creating new jobs, broadening the City's tax base, and creating business and redevelopment synergies that will hopefully ripple throughout the community. As opportunities arise, the City will pragmatically assess further expansions into Greene County in the coming years.



## Major Initiatives

- The municipal income tax rate remained at 1.75% for the 28<sup>th</sup> consecutive year. And, the municipal property tax rate remained at its lowest rate for the 31<sup>st</sup> consecutive year.
- The City maintained its municipal bond rating of Aa3 from Moody's Investor Services. This rating helps to lower the interest rate on any future bonds the City may issue.
- The Golf Club at Yankee Trace was selected as the Dayton area's favorite golf course in 2009 by the Dayton Daily News People's Choice Awards. In 2009 Yankee Trace recorded over 54,000 rounds of golf, the second highest year in its 14 year history despite difficult economic conditions. Yankee Trace has been listed by Golf Digest as one of the Top Ten Municipal Courses in America and was listed by Golf Magazine as one of the top 50 courses in the United States with greens fees under \$50.
- The City began construction of a new Public Works Center in 2009 which opened March 2010 debt-free.
- The City was awarded \$715,000 from the Ohio Public Works Commission for the Sheehan Road reconstruction and awarded \$608,526 from the American Reinvestment and Recovery Act of 2009 for the Bigger Road reconstruction. Both projects began planning in 2009 with construction beginning in 2010.

## 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 2009 audit of the City. Plattenburg & Associates, Inc. issued an unqualified ("clean") opinion on the City of Centerville's financial statements for the year ended December 31, 2009. The independent auditor's report is located at the front of the financial section of this report.

## Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Centerville, Ohio for its comprehensive annual financial report for the fiscal year ended December 31, 2008. This was the 8<sup>th</sup> consecutive year that Centerville has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility.

## Acknowledgements

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

Respectfully submitted,

Gregory B. Horn

Gregory B. Horn  
City Manager

Steven A. Hinshaw

Steven A. Hinshaw  
Finance Director

# 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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

**City of Centerville, Ohio**  
List of Elected and Appointed Officials  
as of December 31, 2009

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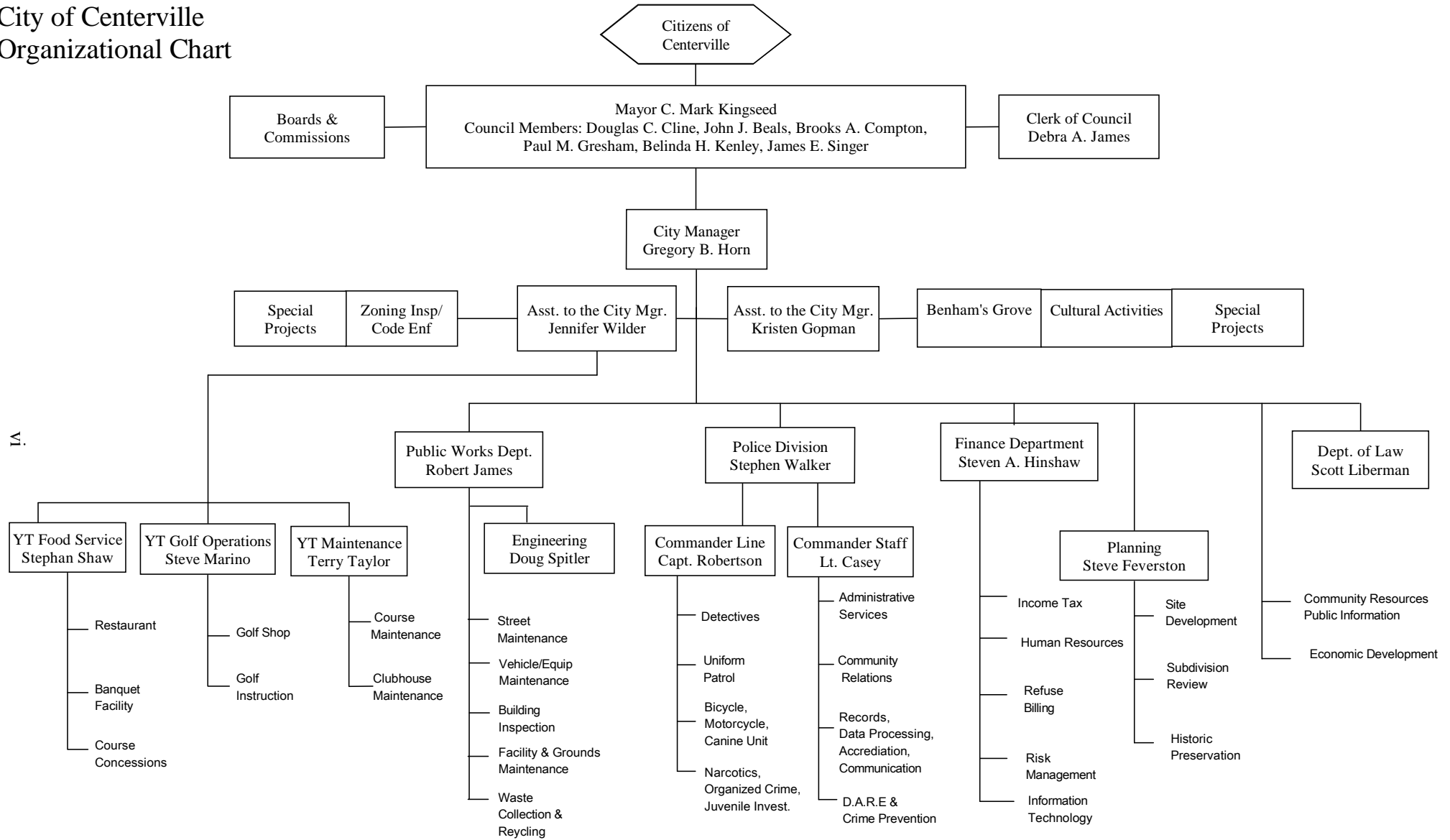
**ELECTED OFFICIALS**

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

**APPOINTED OFFICIALS**

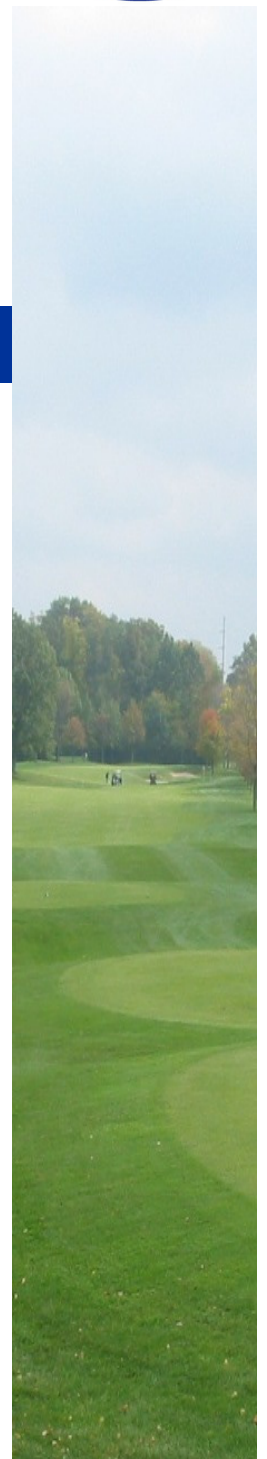
City Manager .....	Gregory B. Horn
Clerk of Council.....	Debra A. James
Municipal Attorney.....	Scott A. Liberman
Chief of Police .....	Stephen E. Walker
Finance Director.....	Steven A. Hinshaw
Public Works Director .....	Robert A. James
City Engineer .....	K. Douglas Spittler
City Planner .....	Steve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

# City of Centerville Organizational Chart





# Financial Section





## **INDEPENDENT AUDITOR'S REPORT**

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

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 (the City) as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2009, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2010, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information and budgetary comparison information 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 it.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
June 22, 2010



**City of Centerville, Ohio**  
Management's Discussion and Analysis  
For the Fiscal Year Ended December 31, 2009  
(Unaudited)

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The City of Centerville's (City) discussion and analysis of the annual financial report provides a review of the financial performance for the fiscal year ending December 31, 2009. Readers should consider the information presented here in conjunction with additional information that has been furnished in the transmittal letter, notes to the basic financial statements, and financial statements to enhance their understanding of the City's fiscal performance.

### **Financial Highlights**

- The assets of the City exceeded its liabilities by \$74.77 million as of December 31, 2009. Of this amount, \$13.04 million (unrestricted net assets) may be used to meet the City's ongoing obligations.
- The net assets of the City decreased by \$73,402 during 2009, the most recent fiscal year. Net assets of the City's governmental activities increased \$124,211 or 0.2%. However, net assets of the City's business-type activities decreased \$197,613 or 1.0%.
- As of December 31, 2009, the City's governmental funds report combined ending fund balances of \$17.89 million. Over 70% or \$12.53 million of this fund balance is available for spending at the City's discretion (unreserved, undesignated fund balance).

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

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

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

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

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

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

**City of Centerville, Ohio**  
Management's Discussion and Analysis  
For the Fiscal Year Ended December 31, 2009  
(Unaudited)

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

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

### **Fund Financial Statements**

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

#### Governmental Funds

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

#### Proprietary Funds

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

#### Fiduciary Funds

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

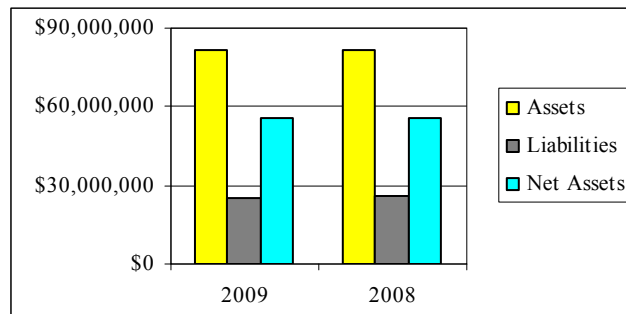
**City of Centerville, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended December 31, 2009**  
**(Unaudited)**

**Government-wide Financial Analysis**

As stated previously, the Statement of Net Assets may serve over time as a useful indicator of the City's financial position. In the case of the City, assets exceeded liabilities by \$74.77 million as of December 31, 2009. Table 1 presents a summary of the City's net assets for 2009 compared to 2008.

**Table 1**  
**Net Assets**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<u>Assets:</u>						
Current and other assets	\$35,789,709	\$39,453,740	\$888,797	\$882,526	\$36,678,506	\$40,336,266
Capital assets	<u>45,854,802</u>	<u>41,873,078</u>	<u>18,746,671</u>	<u>18,902,761</u>	<u>64,601,473</u>	<u>60,775,839</u>
Total Assets	<u>81,644,511</u>	<u>81,326,818</u>	<u>19,635,468</u>	<u>19,785,287</u>	<u>101,279,979</u>	<u>101,112,105</u>
<u>Liabilities:</u>						
Long-term liabilities	21,972,959	22,898,591	86,610	70,488	22,059,569	22,969,079
Other liabilities	<u>3,900,926</u>	<u>2,781,812</u>	<u>550,789</u>	<u>519,117</u>	<u>4,451,715</u>	<u>3,300,929</u>
Total Liabilities	<u>25,873,885</u>	<u>25,680,403</u>	<u>637,399</u>	<u>589,605</u>	<u>26,511,284</u>	<u>26,270,008</u>
<u>Net Assets:</u>						
Invested in capital assets, net of debt	24,604,731	19,613,962	18,746,671	18,902,761	43,351,402	38,516,723
Restricted	18,377,007	23,337,949	0	0	18,377,007	23,337,949
Unrestricted	<u>12,788,888</u>	<u>12,694,504</u>	<u>251,398</u>	<u>292,921</u>	<u>13,040,286</u>	<u>12,987,425</u>
Total net assets	<u>\$55,770,626</u>	<u>\$55,646,415</u>	<u>\$18,998,069</u>	<u>\$19,195,682</u>	<u>\$74,768,695</u>	<u>\$74,842,097</u>



In total, net assets decreased from \$74.84 million to \$74.77 million in 2009. Unrestricted net assets, which are available for future use as directed by City Council, increased \$52,861 or 0.4%. Unrestricted net assets of the City's governmental activities increased \$94,384 while unrestricted net assets of the business-type activities decreased \$41,523.

Restricted net assets are subject to external restrictions as to their use. This category decreased approximately \$5.0 million from \$23.3 million at December 31, 2008 to \$18.3 million at December 31, 2009. This decrease in restricted net assets was due primarily to the construction of the new Public Works Center.

**City of Centerville, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended December 31, 2009**  
**(Unaudited)**

Table 2 presents the changes in net assets for the year ended December 31, 2009.

**Table 2**  
**Changes in Net Assets**

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$1,280,106	\$1,418,031	\$5,074,355	\$5,145,826	\$6,354,461	\$6,563,857
Operating Grants and Contributions	988,873	1,091,093	0	0	988,873	1,091,093
Capital Grants and Contributions	<u>787,975</u>	<u>806,973</u>	<u>0</u>	<u>0</u>	<u>787,975</u>	<u>806,973</u>
Total Program Revenues	3,056,954	3,316,097	5,074,355	5,145,826	8,131,309	8,461,923
General Revenues:						
Income Taxes	10,675,126	10,727,974	0	0	10,675,126	10,727,974
Property Taxes	1,422,543	1,408,488	0	0	1,422,543	1,408,488
Grants and Entitlements	2,046,883	2,625,886	0	0	2,046,883	2,625,886
Investment Earnings	280,848	843,798	13,314	44,820	294,162	888,618
Other Revenues	<u>199,604</u>	<u>112,576</u>	<u>10,526</u>	<u>5,002</u>	<u>210,130</u>	<u>117,578</u>
Total General Revenues	<u>14,625,004</u>	<u>15,718,722</u>	<u>23,840</u>	<u>49,822</u>	<u>14,648,844</u>	<u>15,768,544</u>
Total Revenues	<u>17,681,958</u>	<u>19,034,819</u>	<u>5,098,195</u>	<u>5,195,648</u>	<u>22,780,153</u>	<u>24,230,467</u>
<b>Expenses</b>						
Program Expenses:						
General Government	5,325,348	5,058,930	0	0	5,325,348	5,058,930
Public Safety	6,380,789	6,696,189	0	0	6,380,789	6,696,189
Community Environment	318,856	279,440	0	0	318,856	279,440
Recreation	449,597	346,219	0	0	449,597	346,219
Transportation	3,810,418	3,755,978	0	0	3,810,418	3,755,978
Interest and Other Charges	1,122,739	1,166,734	0	0	1,122,739	1,166,734
Waste Collection	0	0	1,269,212	1,313,378	1,269,212	1,313,378
Golf Course Operations	0	0	3,912,575	4,068,620	3,912,575	4,068,620
Golf Course Equipment Purchases	<u>0</u>	<u>0</u>	<u>264,021</u>	<u>23,874</u>	<u>264,021</u>	<u>23,874</u>
Total Program Expenses	<u>17,407,747</u>	<u>17,303,490</u>	<u>5,445,808</u>	<u>5,405,872</u>	<u>22,853,555</u>	<u>22,709,362</u>
Increase (Decrease) in Net Assets						
before transfers	274,211	1,731,329	(347,613)	(210,224)	(73,402)	1,521,105
Transfers – Internal Activities	<u>(150,000)</u>	<u>(97,500)</u>	<u>150,000</u>	<u>97,500</u>	<u>0</u>	<u>0</u>
Change in net assets	124,211	1,633,829	(197,613)	(112,724)	(73,402)	1,521,105
Net Assets Beginning of Year	<u>55,646,415</u>	<u>54,012,586</u>	<u>19,195,682</u>	<u>19,308,406</u>	<u>74,842,097</u>	<u>73,320,992</u>
Net Assets End of Year	<u>\$55,770,626</u>	<u>\$55,646,415</u>	<u>\$18,998,069</u>	<u>\$19,195,682</u>	<u>\$74,768,695</u>	<u>\$74,842,097</u>

The change in net assets was a decrease of \$73,402 for the year ended December 31, 2009 as compared to an increase of \$1.5 million for the prior year. Total revenues decreased \$1.45 million or 6.0%. Total expenses increased \$144,193 or 0.6%.

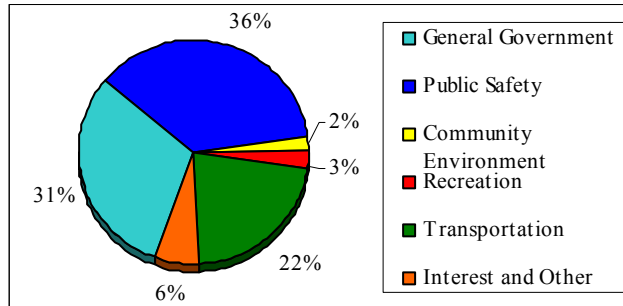
Total revenues for governmental activities decreased 7.11%. Income taxes, the largest governmental activities revenue source, decreased 0.49% from 2008. The remainder of the decreased revenue was in two categories: grants and entitlements and investment earnings.

**City of Centerville, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended December 31, 2009**  
**(Unaudited)**

Governmental Activities

The 1.75% income tax is the largest source of revenue for the City. Revenues generated by the earnings tax represent approximately 73% of the City's governmental activities general revenues.

Governmental Activities Program Expenses for 2009	
	<u>Percent</u>
General Government	30.59%
Public Safety	36.66%
Community Environment	1.83%
Recreation	2.58%
Transportation	21.89%
Interest and Other Charges	6.45%
<b>Total</b>	<b>100.00%</b>



Public safety, consisting of the police division, comprises over 36% of governmental activities' expenses. Transportation, which consists of street repair and maintenance activities, accounts for over 21% of expenses. General government, consisting of the departments such as: city management, finance, planning, clerk department accounts for over 30% of expenses.

Business-Type Activities

Business-type activities, include the waste collection and the golf course fund. These programs had operating revenues of \$5,084,881 and operating expenses of \$5,443,224 for fiscal year 2009. Business activities receive no support from tax revenues. The business activities net assets at the end of the year was \$18,973,717, which decreased \$195,029 from 2008 (not including internal service allocated to business-type activities). The waste collection fund had operating income of \$90,758 for 2009. The golf course operations fund saw a decrease in net assets of less than 2%.

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

The City has three major governmental funds: the General Fund, Special Assessment Debt Retirement Fund, and Capital Improvements Fund. Assets of the general fund comprised \$14,927,994 (43%), the special assessment debt retirement fund comprised \$11,907,663 (34%), and the capital improvements fund comprised \$4,761,148 (14%) of the total \$34,604,983 governmental funds assets.

The General Fund is the primary operating fund of the City of Centerville, accounting for such activities as police protection, general government (administration, finance, engineering, building inspection), community environment (planning) and recreation. The General Fund balance increased \$0.36 million for the year ended December 31, 2009. General fund revenues were \$0.96 million lower than 2008. Intergovernmental revenues decreased over \$0.74 million primarily due to decreased funding from the state and county Local Government Fund as a result of decreased state and county sales tax revenue.

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

**City of Centerville, Ohio**  
Management's Discussion and Analysis  
For the Fiscal Year Ended December 31, 2009  
(Unaudited)

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The Capital Improvements Fund is used to account for the various capital improvement projects of the City including streets, sidewalks, land acquisition, building construction and building improvements. The fund balance decreased by \$4.1 million in 2009 due to the construction of a new Public Works Center that will open in 2010 debt-free.

### **General Fund Budgeting Highlights**

General fund appropriations were increased only slightly (+0.3%) during 2009 and were budgeted below estimated revenue. Actual expenditures were \$672,368 less than the final appropriations. Typically, the City has not decreased appropriations when the entire budget will not be spent. In 2009, several employment positions were budgeted, but not filled. In addition, actual revenues exceeded budgetary estimates by \$388,161. This excess revenue was mostly due to the result of increased reimbursements from the Federal Emergency Management Agency for costs related to the Hurricane of 2008.

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

The capital asset additions in 2009 for governmental activities totaled \$6.3 million and ended with total net capital assets of \$45,854,802. Of this total, \$8,923,440 was not being depreciated and the capital assets being depreciated totaled \$64,905,286 with accumulated depreciation of \$27,973,924.

The City issued no new debt in the current year. At December 31, 2009, the City had various debt issues outstanding, which included \$13,886,993 of general obligation bonds, \$6,568,000 of special assessment debt, and \$795,078 of promissory notes. As of December 31, 2009, the City's net general obligation bonded debt of \$795,078 was well below the legal limit of \$69,005,034 and debt per capita equaled \$634. Additionally, the City's rating increased to "Aa2" from Moody's Investors Service after the recalibration to its global scale for general obligation debt.

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

### **Economic Factors**

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

### **Requests for Information**

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

City of Centerville, Ohio  
Statement of Net Assets  
December 31, 2009

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$18,463,340	\$878,020	\$19,341,360
Receivables (Net):			
Taxes	4,041,510	0	4,041,510
Accounts	6,705	81,998	88,703
Interest	101,782	0	101,782
Intergovernmental	1,083,565	0	1,083,565
Special Assessments	11,605,913	0	11,605,913
Internal Balances	155,888	(155,888)	0
Inventory	105,955	69,546	175,501
Deferred Bond Issuance Costs	123,083	0	123,083
Prepaid Items	101,968	15,121	117,089
Nondepreciable Capital Assets	8,923,440	15,166,876	24,090,316
Depreciable Capital Assets, Net	36,931,362	3,579,795	40,511,157
<b>Total Assets</b>	<b>81,644,511</b>	<b>19,635,468</b>	<b>101,279,979</b>
Liabilities:			
Accounts Payable	1,277,446	118,978	1,396,424
Accrued Liabilities	506,458	60,841	567,299
Retainage Payable	326,836	0	326,836
Accrued Interest Payable	85,012	0	85,012
Unearned Revenue	1,705,174	252,021	1,957,195
Deposit Liability	0	118,949	118,949
Long-Term Liabilities:			
Due Within One Year	1,367,196	35,000	1,402,196
Due In More Than One Year	20,605,763	51,610	20,657,373
<b>Total Liabilities</b>	<b>25,873,885</b>	<b>637,399</b>	<b>26,511,284</b>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	24,604,731	18,746,671	43,351,402
Restricted for:			
Debt Service	12,838,506	0	12,838,506
Capital Projects	4,279,014	0	4,279,014
Other Purposes	1,259,487	0	1,259,487
Unrestricted	12,788,888	251,398	13,040,286
<b>Total Net Assets</b>	<b>\$55,770,626</b>	<b>\$18,998,069</b>	<b>\$74,768,695</b>

See accompanying notes to the basic financial statements.

City of Centerville, Ohio  
Statement of Activities  
For the Fiscal Year Ended December 31, 2009

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$5,325,348	\$1,019,855	\$0	\$787,975
Public Safety	6,380,789	115,415	0	0
Community Environment	318,856	0	0	0
Recreation	449,597	142,969	0	0
Transportation	3,810,418	1,867	988,873	0
Interest and Other Charges	1,122,739	0	0	0
<b>Total Governmental Activities</b>	<b>17,407,747</b>	<b>1,280,106</b>	<b>988,873</b>	<b>787,975</b>
<b>Business-Type Activities:</b>				
Waste Collection	1,269,212	1,355,461	0	0
Golf Course Operations	3,912,575	3,513,628	0	0
Golf Course Equipment Purchases	264,021	205,266	0	0
<b>Total Business-Type Activities</b>	<b>5,445,808</b>	<b>5,074,355</b>	<b>0</b>	<b>0</b>
<b>Totals</b>	<b>\$22,853,555</b>	<b>\$6,354,461</b>	<b>\$988,873</b>	<b>\$787,975</b>

General Revenues:  
Income Taxes  
Property Taxes Levied for:  
    General Purposes  
    Grants and Entitlements, Not Restricted to Specific Programs  
Investment Earnings  
Other Revenues  
Transfers-Internal Activities  
  
Total General Revenues and Transfers  
  
Change in Net Assets  
  
Net Assets Beginning of Year  
  
Net Assets End of Year

See accompanying notes to the basic financial statements.



Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$3,517,518)	\$0	(\$3,517,518)
(6,265,374)	0	(6,265,374)
(318,856)	0	(318,856)
(306,628)	0	(306,628)
(2,819,678)	0	(2,819,678)
(1,122,739)	0	(1,122,739)
(14,350,793)	0	(14,350,793)
0	86,249	86,249
0	(398,947)	(398,947)
0	(58,755)	(58,755)
0	(371,453)	(371,453)
(14,350,793)	(371,453)	(14,722,246)
10,675,126	0	10,675,126
1,422,543	0	1,422,543
2,046,883	0	2,046,883
280,848	13,314	294,162
199,604	10,526	210,130
(150,000)	150,000	0
14,475,004	173,840	14,648,844
124,211	(197,613)	(73,402)
55,646,415	19,195,682	74,842,097
<u>\$55,770,626</u>	<u>\$18,998,069</u>	<u>\$74,768,695</u>

City of Centerville, Ohio  
Balance Sheet  
Governmental Funds  
December 31, 2009

	General	Special Assessment Debt Retirement	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$10,083,739	\$301,750	\$4,685,092	\$2,307,301	\$17,377,882
<b>Receivables (Net):</b>					
Taxes	4,041,510	0	0	0	4,041,510
Accounts	941	0	5,227	0	6,168
Interest	66,154	0	35,628	0	101,782
Intergovernmental	470,260	0	35,201	578,104	1,083,565
Special Assessments	0	11,605,913	0	0	11,605,913
Due From Other Funds	180,240	0	0	0	180,240
Inventory	0	0	0	105,955	105,955
Prepaid Items	85,150	0	0	16,818	101,968
<b>Total Assets</b>	<b>14,927,994</b>	<b>11,907,663</b>	<b>4,761,148</b>	<b>3,008,178</b>	<b>34,604,983</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts Payable	565,352	0	643,562	21,519	1,230,433
Accrued Liabilities	444,035	0	0	62,423	506,458
Retainage Payable	0	0	326,836	0	326,836
Deferred Revenue	2,979,826	11,018,266	236,864	411,409	14,646,365
<b>Total Liabilities</b>	<b>3,989,213</b>	<b>11,018,266</b>	<b>1,207,262</b>	<b>495,351</b>	<b>16,710,092</b>
<b>Fund Balances:</b>					
Reserved for Encumbrances	15,333	0	2,586,911	4,011	2,606,255
Reserved for Inventory	0	0	0	105,955	105,955
Reserved for Debt Service	0	301,750	0	892,772	1,194,522
Reserved for Prepaid Items	85,150	0	0	16,818	101,968
<b>Unreserved, Undesignated, Reported in:</b>					
General Fund	10,838,298	0	0	0	10,838,298
Special Revenue Funds	0	0	0	830,407	830,407
Debt Service Funds	0	587,647	0	0	587,647
Capital Projects Funds	0	0	966,975	662,864	1,629,839
<b>Total Fund Balances</b>	<b>10,938,781</b>	<b>889,397</b>	<b>3,553,886</b>	<b>2,512,827</b>	<b>17,894,891</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$14,927,994</b>	<b>\$11,907,663</b>	<b>\$4,761,148</b>	<b>\$3,008,178</b>	<b>\$34,604,983</b>

See accompanying notes to the basic financial statements.

City of Centerville, Ohio  
 Reconciliation of Total Governmental Fund Balance to  
 Net Assets of Governmental Activities  
 December 31, 2009

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Total Governmental Fund Balance		\$17,894,891
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets used in the operation of Governmental Funds	\$44,905,734	
Capital assets used in the operation of Internal Service Funds	<u>949,068</u>	
		45,854,802
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Income Taxes	\$1,084,072	
Intergovernmental	775,251	
Interest	63,602	
Special Assessments	<u>11,018,266</u>	
		12,941,191
An internal service fund is used by management to charge back costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		
Internal Service Net Assets	\$1,988,050	
Capital assets used in the operation of Internal Service Funds	(949,068)	
Allocation to Business-Type Activities	<u>(24,352)</u>	
		1,014,630
In the statement of net assets interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		
		(85,012)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.		
Compensated Absences		(722,888)
Deferred bond issuance cost associated with long-term liabilities are not reported in the funds.		
		123,083
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
		<u>(21,250,071)</u>
Net Assets of Governmental Activities		<u>\$55,770,626</u>

See accompanying notes to the basic financial statements.

City of Centerville, Ohio  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended December 31, 2009

	General	Special Assessment Debt Retirement	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$12,205,328	\$0	\$0	\$0	\$12,205,328
Fines, Licenses & Permits	192,494	0	0	1,250	193,744
Charges for Services	242,665	0	0	1,867	244,532
Investment Earnings	170,649	8,007	24,162	42,553	245,371
Intergovernmental	2,383,601	0	473,017	1,003,062	3,859,680
Special Assessments	14,922	594,367	0	2,145	611,434
Rent	0	0	0	826,908	826,908
Other Revenues	19,444	0	68,051	107,446	194,941
<b>Total Revenues</b>	<b>15,229,103</b>	<b>602,374</b>	<b>565,230</b>	<b>1,985,231</b>	<b>18,381,938</b>
Expenditures:					
Current:					
General Government	4,935,892	31,684	0	26,707	4,994,283
Public Safety	5,973,177	0	0	10,077	5,983,254
Community Environment	311,352	0	0	0	311,352
Recreation	398,661	0	0	0	398,661
Transportation	0	0	0	2,167,538	2,167,538
Capital Outlay	193,783	0	5,957,552	156,153	6,307,488
Debt Service:					
Principal	0	214,000	0	843,956	1,057,956
Interest and Other Charges	0	368,489	0	699,635	1,068,124
<b>Total Expenditures</b>	<b>11,812,865</b>	<b>614,173</b>	<b>5,957,552</b>	<b>3,904,066</b>	<b>22,288,656</b>
Excess of Revenues Over (Under) Expenditures	3,416,238	(11,799)	(5,392,322)	(1,918,835)	(3,906,718)
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	0	0	3,221	20,000	23,221
Transfers In	0	0	1,264,501	1,655,000	2,919,501
Transfers (Out)	(3,055,000)	0	0	(14,501)	(3,069,501)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,055,000)</b>	<b>0</b>	<b>1,267,722</b>	<b>1,660,499</b>	<b>(126,779)</b>
Net Change in Fund Balance	361,238	(11,799)	(4,124,600)	(258,336)	(4,033,497)
Fund Balance Beginning of Year	10,580,679	901,196	7,678,486	2,758,707	21,919,068
Change in Reserve for Inventory	(3,136)	0	0	12,456	9,320
<b>Fund Balance End of Year</b>	<b>\$10,938,781</b>	<b>\$889,397</b>	<b>\$3,553,886</b>	<b>\$2,512,827</b>	<b>\$17,894,891</b>

See accompanying notes to the basic financial statements.

City of Centerville, Ohio  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended December 31, 2009

Net Change in Fund Balance - Total Governmental Funds (\$4,033,497)

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

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

Capital assets used in governmental activities	\$6,297,595	
Depreciation Expense	<u>(2,297,671)</u>	3,999,924

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss. (18,558)

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

Income Taxes	(\$107,659)	
Delinquent Property Taxes and Intergovernmental	(44,814)	
Interest	35,477	
Special Assessments	<u>(587,647)</u>	(704,643)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,057,956

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. 3,659

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	(\$83,413)	
Amortization of Bond Issuance Cost	(9,363)	
Amortization of Bond Premium	18,142	
Amortization of Deferred Charge on Refunding	(67,053)	
Change in Inventory	<u>9,320</u>	(132,367)

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

Change in Net Assets - Internal Service Funds	(\$50,847)	
Change in portion of Internal Service Fund Net Assets allocated to Business-Type Activities	<u>2,584</u>	(48,263)

Change in Net Assets of Governmental Activities \$124,211

See accompanying notes to the basic financial statements.

City of Centerville, Ohio  
Statement of Net Assets  
Proprietary Funds  
December 31, 2009

	Business-Type Activities -Enterprise Funds				Governmental Activities- Internal Service Funds
	Waste Collection	Golf Course Operations	Golf Course Equipment Purchase	Total Business-Type Activities	
Current Assets:					
Equity in Pooled Cash and Investments	\$805,453	\$28,669	\$43,898	\$878,020	\$1,085,458
Receivables (Net):					
Accounts	56,017	25,981	0	81,998	537
Inventory	0	69,546	0	69,546	0
Prepaid Items	7,429	7,692	0	15,121	0
Total Current Assets	868,899	131,888	43,898	1,044,685	1,085,995
Nondepreciable Capital Assets	0	15,166,876	0	15,166,876	0
Depreciable Capital Assets, Net	0	2,908,647	671,148	3,579,795	949,068
Total Noncurrent Assets	0	18,075,523	671,148	18,746,671	949,068
Total Assets	868,899	18,207,411	715,046	19,791,356	2,035,063
Liabilities:					
Current Liabilities:					
Accounts Payable	34,217	21,546	63,215	118,978	47,013
Accrued Liabilities	21,125	39,716	0	60,841	0
Compensated Absences	25,000	10,000	0	35,000	0
Due to Other Funds	0	0	180,240	180,240	0
Deferred Revenue	252,021	0	0	252,021	0
Deposit Liability	0	118,949	0	118,949	0
Total Current Liabilities	332,363	190,211	243,455	766,029	47,013
Long-Term Liabilities:					
Compensated Absences	15,359	36,251	0	51,610	0
Total Noncurrent Liabilities	15,359	36,251	0	51,610	0
Total Liabilities	347,722	226,462	243,455	817,639	47,013
Net Assets:					
Invested in Capital Assets	0	18,075,523	671,148	18,746,671	949,068
Unrestricted	521,177	(94,574)	(199,557)	227,046	1,038,982
Total Net Assets	\$521,177	\$17,980,949	\$471,591	\$18,973,717	\$1,988,050
Adjustment to reflect the consolidation of Internal Service Fund activities related to Business-Type Activities				\$24,352	
Net Assets of Business-Type Activities				\$18,998,069	

See accompanying notes to the basic financial statements.

City of Centerville, Ohio  
Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2009

	Business-Type Activities -Enterprise Funds				Governmental Activities- Internal Service Funds
	Waste Collection	Golf Course Operations	Golf Course Equipment Purchase	Total Business-Type Activities	
Operating Revenues:					
Charges for Services	\$1,355,461	\$3,513,628	\$205,266	\$5,074,355	\$294,160
Other Revenues	1,925	8,601	0	10,526	2,896
Total Operating Revenues	<u>1,357,386</u>	<u>3,522,229</u>	<u>205,266</u>	<u>5,084,881</u>	<u>297,056</u>
Operating Expenses:					
Salaries and Wages	584,993	1,172,308	0	1,757,301	0
Fringe Benefits	180,130	266,054	0	446,184	0
Purchased Services	317,566	1,313,285	0	1,630,851	453
Supplies and Materials	129,159	793,462	121,631	1,044,252	27,350
Other Expenses	54,780	258,766	0	313,546	40,728
Depreciation	0	108,700	142,390	251,090	324,373
Total Operating Expenses	<u>1,266,628</u>	<u>3,912,575</u>	<u>264,021</u>	<u>5,443,224</u>	<u>392,904</u>
Operating Income (Loss)	<u>90,758</u>	<u>(390,346)</u>	<u>(58,755)</u>	<u>(358,343)</u>	<u>(95,848)</u>
Non-Operating Revenues (Expenses):					
Investment Earnings	12,363	0	951	13,314	17,513
Gain (Loss) on Disposal of Capital Assets	0	0	0	0	27,488
Total Non-Operating Revenues (Expenses)	<u>12,363</u>	<u>0</u>	<u>951</u>	<u>13,314</u>	<u>45,001</u>
Income (Loss) Before Contributions and Transfers	103,121	(390,346)	(57,804)	(345,029)	(50,847)
Transfers In	<u>0</u>	<u>150,000</u>	<u>0</u>	<u>150,000</u>	<u>0</u>
Change in Net Assets	103,121	(240,346)	(57,804)	(195,029)	(50,847)
Net Assets Beginning of Year	<u>418,056</u>	<u>18,221,295</u>	<u>529,395</u>	<u>19,168,746</u>	<u>2,038,897</u>
Net Assets End of Year	<u>\$521,177</u>	<u>\$17,980,949</u>	<u>\$471,591</u>	<u>\$18,973,717</u>	<u>\$1,988,050</u>
Adjustment to reflect the consolidation of Internal Service Fund activities related to Business-Type Activities				<u>(\$2,584)</u>	
Change in Net Assets - Total Business-Type Activities				<u>(\$197,613)</u>	

See accompanying notes to the basic financial statements.

City of Centerville, Ohio  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2009

	Business-Type Activities -Enterprise Funds				Governmental Activities- Internal Service Funds
	Waste Collection	Golf Course Operations	Golf Course Equipment Purchase	Total Business-Type Activities	
Cash Flows from Operating Activities:					
Cash Received from Customers	\$1,348,209	\$3,544,569	\$205,266	\$5,098,044	\$297,058
Cash Payments to Employees	(757,145)	(1,437,099)	0	(2,194,244)	0
Cash Payments to Suppliers	(483,969)	(2,334,810)	(78,205)	(2,896,984)	(27,611)
Net Cash Provided (Used) by Operating Activities	107,095	(227,340)	127,061	6,816	269,447
Cash Flows from Noncapital Financing Activities:					
Payments from Other Funds	0	150,000	0	150,000	0
Payments to Other Funds	0	0	(62,273)	(62,273)	0
Net Cash Provided (Used) by Noncapital Financing Activities	0	150,000	(62,273)	87,727	0
Cash Flows from Capital and Related Financing Activities:					
Payments for Capital Acquisitions	0	0	(95,000)	(95,000)	(324,731)
Proceeds on the Disposal of Capital Assets	0	0	0	0	27,488
Net Cash Provided (Used) by Capital and Related Financing Activities	0	0	(95,000)	(95,000)	(297,243)
Cash Flows from Investing Activities:					
Earnings on Investments	12,363	0	951	13,314	17,513
Net Cash Provided (Used) by Cash Flows from Investing Activities	12,363	0	951	13,314	17,513
Net Increase (Decrease) in Cash and Cash Equivalents	119,458	(77,340)	(29,261)	12,857	(10,283)
Cash and Cash Equivalents Beginning of Year	685,995	106,009	73,159	865,163	1,095,741
Cash and Cash Equivalents End of Year	805,453	28,669	43,898	\$878,020	1,085,458
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	90,758	(390,346)	(58,755)	(\$358,343)	(95,848)
Adjustments:					
Depreciation	0	108,700	142,390	251,090	324,373
Changes in Assets & Liabilities:					
(Increase) Decrease in Receivables	22,862	6,902	0	29,764	2
(Increase) Decrease in Inventory	8,740	30,454	0	39,194	0
(Increase) Decrease in Prepaid Items	(2,078)	(605)	0	(2,683)	0
(Increase) Decrease in Deposit Liabilities	0	15,673	0	15,673	0
Increase (Decrease) in Payables	9,067	(34)	43,426	52,459	40,920
Increase (Decrease) in Accrued Liabilities	9,785	1,916	0	11,701	0
Increase (Decrease) in Deferred Revenue	(32,039)	0	0	(32,039)	0
Net Cash Provided (Used) by Operating Activities	\$107,095	(\$227,340)	\$127,061	\$6,816	\$269,447

See accompanying notes to the basic financial statements.



City of Centerville, Ohio  
Statement of Fiduciary Net Assets  
Fiduciary Fund  
December 31, 2009

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	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	\$77,035
Receivables (Net):	
Intergovernmental	<u>3,725</u>
Total Assets	<u>80,760</u>
Liabilities:	
Accounts Payable	53,300
Undistributed Monies	<u>27,460</u>
Total Liabilities	<u>\$80,760</u>

See accompanying notes to the basic financial statements.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

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

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

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

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009  
(continued)

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

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major proprietary funds:

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

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

Golf Course Equipment Purchase Fund – A fund provided to account for the acquisition of capital and equipment related to The Golf Club at Yankee Trace.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009  
(continued)

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Additionally, the City reports the following fund types:

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

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

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

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

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009  
(continued)

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satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**E. Assets, Liabilities and Net Assets or Equity**

Deposits and Investments

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

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

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

Inventories and Prepaid Items

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

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

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

Capital Assets

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

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

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009  
(continued)

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

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

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

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

Compensated Absences

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

Bond Discounts, Premiums and Issuance Costs

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

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

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009  
(continued)

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funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the fund financial statements when due.

Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources, and, therefore are not available for appropriation or expenditure. As a result, encumbrances, inventories, debt service and prepaid items are recorded as a reservation of fund balance.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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

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

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets 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 assets are available. Of the City's \$18,377,007 in restricted net assets, none was restricted by enabling legislation.

Estimates

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

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009  
(continued)

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

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

Deposits – At December 31, 2009, the carrying amount of the City's cash deposits (which includes Certificates of Deposits of \$3,604,874) was \$6,406,243. As of December 31, 2009, \$250,000 of the City's bank balance of \$2,794,795 was covered by the Federal Deposit Insurance Corporation (FDIC).

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

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

The City invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2009. 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, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. The State operates the pool in accordance with ORC Section 135.45. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2009.

A summary of the fair value of investments held, and year of maturities, as of December 31, 2009 is as follows:

	<u>Fair Value</u>	<u>Investments maturing in years ended</u>				
		<u>12/31/10</u>	<u>12/31/11</u>	<u>12/31/12</u>	<u>12/31/13</u>	<u>12/31/14</u>
U.S. agencies	\$8,803,718	\$0	\$1,364,506	\$3,724,307	\$1,409,563	\$2,305,342
Mutual bond funds	3,751,052	3,751,052	0	0	0	0
STAR Ohio	<u>457,382</u>	<u>457,382</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total investments	<u>\$13,012,152</u>	<u>\$4,208,434</u>	<u>\$1,364,506</u>	<u>\$3,724,307</u>	<u>\$1,409,563</u>	<u>\$2,305,342</u>

Callable securities are assumed to remain uncalled prior to maturity.



**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009  
(continued)

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

Credit Risk – It is the City’s policy to limit its investments that are not obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. As of December 31, 2009, the City’s investment in STAR Ohio was rated AAAM by Standard & Poor’s and the City’s investments in U.S. agencies (not explicitly guaranteed by the U.S. government) and government-sponsored corporations were rated AAA by Standard & Poor’s and Aaa by Moody’s Investor Service.

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

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

Nonnegotiable Certificates of Deposit	40%
Bankers Acceptances	5%
Prime Commercial Paper	3%

Total investments at December 31, 2009 include:

<u>Issuer:</u>	<u>Fair Value</u>	<u>Percent</u>
U.S. Agencies:		
Federal National Mortgage Association	\$4,665,044	35.9%
Federal Home Loan Mortgage Corporation	2,119,998	16.3%
Federal Home Loan Bank	1,267,738	9.7%
Federal Farm Credit Banks	750,938	5.8%
Mutual Bond Fund	3,751,052	28.8%
STAROhio	<u>457,382</u>	<u>3.5%</u>
Total Investments	<u>\$13,012,152</u>	<u>100.0%</u>

### 3. RECEIVABLES

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

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009  
(continued)

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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 \$11,605,913 in the Special Assessment Debt Retirement Fund.

**A. Income Taxes**

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

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

**B. Property Taxes**

Property taxes include amounts levied against all real property, public utility tangible personal property and tangible (used in business) property located in the City. Property taxes are levied each December 31<sup>st</sup> on the assessed value listed as of the prior December 31<sup>st</sup>. Assessed values are established for real property at 35% of true value, for public utility tangible personal property at varying percentages, generally 25%, and for tangible personal property at 12.5% of true value. The percentage for tangible personal property has been reduced to 0% for 2009. The State of Ohio will reimburse the City for lost revenue during the phase out of the tangible personal property tax. The City will receive full reimbursement for years 2007-2010 and reduced reimbursement for years 2011-2017. Property market values are required to be updated every three years and revalued every six years. The last revaluation was completed in 2008.

The property tax calendar is as follows:

Levy date	December 31, 2008
Lien date	December 31, 2008
Tax bill mailed	January 20, 2009
First installment payment due	February 15, 2009
Second installment payment due	July 15, 2009

The assessed values for the City at December 31, 2009, were as follows:

	Assessed Value
Real Estate	\$647,670,320
Tangible Personal Property	9,237,760
Public Utility Tangible Personal Property	<u>282,720</u>
Total	<u>\$657,190,800</u>

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

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009  
(continued)

**4. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2009 was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	Ending <u>Balance</u>
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land and land improvements	\$ 4,245,419	\$ 0	\$ 0	\$ 4,245,419
Construction in progress	134,707	4,543,314	0	4,678,021
<i>Capital Assets, being depreciated:</i>				
Building and improvements	8,662,491	0	0	8,662,491
Machinery and equipment	6,591,506	650,323	(289,290)	6,952,539
General infrastructure	<u>47,861,567</u>	<u>1,428,689</u>	<u>0</u>	<u>49,290,256</u>
Totals at Historical Cost	<u>67,495,690</u>	<u>6,622,326</u>	<u>(289,290)</u>	<u>73,828,726</u>
Less Accumulated Depreciation for:				
Building and improvements	1,963,077	212,256	0	2,175,333
Machinery and equipment	4,593,839	601,583	(270,732)	4,924,690
General infrastructure	<u>19,065,696</u>	<u>1,808,205</u>	<u>0</u>	<u>20,873,901</u>
Total Accumulated Depreciation	<u>25,622,612</u>	<u>2,622,044</u>	<u>(270,732)</u>	<u>27,973,924</u>
Governmental Activities Capital Assets, Net	<u>\$ 41,873,078</u>	<u>\$ 4,000,282</u>	<u>\$ (18,558)</u>	<u>\$ 45,854,802</u>
<b>Business-type Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land and land improvements	\$ 15,166,876	\$ 0	\$ 0	\$ 15,166,876
<i>Capital Assets, being depreciated:</i>				
Building and improvements	4,037,103	0	0	4,037,103
Machinery and equipment	<u>1,975,910</u>	<u>95,000</u>	<u>(37,101)</u>	<u>2,033,809</u>
Totals at Historical Cost	<u>21,179,889</u>	<u>95,000</u>	<u>(37,101)</u>	<u>21,237,788</u>
Less Accumulated Depreciation for:				
Building and improvements	1,128,329	89,713	0	1,218,042
Machinery and equipment	<u>1,148,799</u>	<u>161,377</u>	<u>(37,101)</u>	<u>1,273,075</u>
Total Accumulated Depreciation	<u>2,277,128</u>	<u>251,090</u>	<u>(37,101)</u>	<u>2,491,117</u>
Business-Type Activities Capital Assets, Net	<u>\$ 18,902,761</u>	<u>\$ (156,090)</u>	<u>\$ 0</u>	<u>\$ 18,746,671</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 232,466
Public safety	357,380
Community environment	5,158
Recreation	50,569
Transportation	<u>1,976,471</u>
Total depreciation expense	<u>\$ 2,622,044</u>

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009  
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**5. PENSION PLANS**

**A. Ohio Public Employees Retirement System**

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans, a Traditional Pension Plan (TP), a Member-Directed Plan (MD) and a Combined Plan (CO). The TP Plan is a cost-sharing multiple-employer defined benefit pension plan. The MD Plan is a defined contribution plan in which member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings. The CO Plan is a cost sharing, multiple-employer defined benefit pension plan. Under the CO Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the TP Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the TP and CO Plans. Members of the MD Plan do not qualify for the ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to the OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-5601 or 800-222-7377, or by visiting the OPERS website at [www.opers.org](http://www.opers.org).

The Ohio Revised Code provides statutory authority for member and employer contributions. Plan members are required to contribute 10% of their annual covered salary to fund pension obligations. The employer pension contribution rate for the City is 14% of covered payroll. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ending December 31, 2007, 2008 and 2009, were \$735,726, \$772,297, and \$778,732 respectively, or 87% of the required contributions for 2007, 92% for 2008, and 92% for 2009.

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

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer defined benefit pension plan. OP&F provides retirement and disability 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.

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

Plan members are required to contribute 10% of their annual covered salary, while employers (the City) are required to contribute 19.5% for police and 24.0% for firefighters. The City's contributions to OP&F for the years ending December 31, 2007, 2008 and 2009, were \$561,234, \$595,092, \$630,132 respectively, or 75% of the required contributions for 2007, 74% for 2008, and 74% for 2009.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009  
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**6. POST-EMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System**

Plan Description

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 healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment health care coverage.

In order to qualify for post-employment health card coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 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 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, OH 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 post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, the City contributed at 14% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determined the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2009, the employer contribution allocated to the health care plan was 7% from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009 of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009  
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Information from City's Records

The City's actual contributions for the current year, which were used to fund postemployment benefits, were \$86,442 for the period of January 1 through March 31, 2009 and were \$302,924 for the period of April 1 through December 31, 2009; were \$386,149 for 2008; were \$132,803 for the period of January 1 through June 30, 2007 and were \$159,363 for the period of July 1 through December 31, 2007.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008 which allowed additional funds to be allocated to the health care plan.

Other Information

At December 31, 2009, the number of active contributing participants in the Traditional and Combined Plans totaled 357,584. The number of active contributing participants for both plans used in the December 31, 2008 actuarial valuation was 356,388.

The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2008, (the latest information available) were \$10.7 billion. Based on the actuarial cost method used, the Actuarial Valuations as of December 31, 2008, (the latest information available) reported the actuarially accrued liability and the unfunded actuarial accrued liability for OPEB at \$29.6 billion and \$18.9 billion, respectively.

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

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 OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The healthcare coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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 healthcare coverage to eligible participants and to establish and amend benefits are 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. That report may be obtained by writing to OP&F, 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

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009  
(continued)

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contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of the covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and Section 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2009, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Information from City's Records

The City's contributions to OP&F for the year ending December 31, 2009 were \$218,026 for police; for the year ending December 31, 2008 were \$205,993 for police; and for the year ending December 31, 2007 were \$196,235 for police, respectively, was allocated to the healthcare plan.

Other Information

The number of participants eligible to receive health care benefits as of December 31, 2009, the date of the last actuarial valuation available, are 14,567 for Police and 10,750 for Firefighters. OP&F's total health care expense for the year ending December 31, 2009, the date of the last actuarial valuation available, was \$96,472,398, which was net of member contributions of \$56,948,977.

**7. RISK MANAGEMENT**

The City is one of twenty members of a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA). The pool has been operational since December 1, 1988 and was formed according to Section 2744.081 of the Ohio Revised Code. This joint venture covers all property, crime, liability, boiler and machinery, and public official liability up to the limits stated below. It is intended to provide broad-based coverage up to the various limits. MVRMA is a corporation governed by a twenty member board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. The board is responsible for its own financial matters and the corporation maintains its own book of accounts. Budget and financing of MVRMA is subject to the approval of the board.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009  
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Excess insurance coverage will cover additional claims up to the limits listed below:

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

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

MVRMA self-insured retention \$1 million/occurrence. MVRMA obtained reinsurance from Government Entities Mutual Inc. (GEM) for \$1 million excess \$1 million and from General Reinsurance Corporation for \$8 million excess \$2 million.

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

MVRMA self-insured retention \$1 million/occurrence. MVRMA obtained reinsurance from Government Entities Mutual Inc. (GEM) for \$1 million excess \$1 million and from General Reinsurance Corporation for \$8 million excess \$2 million.

Employment Practices Liability and Public Officials Liability Including Employee

Benefits Liability

MVRMA self-insured retention \$1 million/occurrence. MVRMA obtained reinsurance from Government Entities Mutual Inc. (GEM) for \$1 million excess \$1 million and from General Reinsurance Corporation for \$8 million excess \$2 million. Annual aggregate \$10 million per member

Property (effective 7/1/08-7/1/10):

\$1,000,000,000/occurrence

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

Coverage excess SIR provided by PEPPIP USA as follows:

Lexington Insurance Company (Primary \$25 million)

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

Flood (effective 7/1/08-7/1/10):

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

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

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

Earthquake (effective 7/1/08-7/1/10):

\$25 million/occurrence and annual aggregate

MVRMA SIR: \$100,000/occurrence

Boiler & Machinery (effective 7/1/08-7/1/10):

\$100,000,000/occurrence

MVRMA SIR: \$5,000/occurrence

Coverage excess SIR provided by PEPPIP USA as follows:

Lexington Insurance Company – (Primary \$25 million)

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

Member Deductible/occurrence: \$2,500

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

## 8. 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, 2009 include buildings and improvements at a cost of \$214,284 and accumulated depreciation of \$77,450. The future minimum lease payments as of December 31, 2009 are as follows:

2010	\$15,448
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**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009  
(continued)

**9. LONG-TERM OBLIGATIONS**

Long-term liability activity for the year ended December 31, 2009, was as follows:

		Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>						
<u>General Obligation Bonds</u>						
Capital Facilities - Series 2001	3.50-5.125%	\$2,740,000	\$0	(\$105,000)	\$2,635,000	\$105,000
Various Purpose Refunding - Series 2003	2.00-5.25%	12,615,000	0	(720,000)	11,895,000	745,000
Less Deferred Amounts:						
For Issuance Premium		256,612	0	(18,142)	238,470	0
On Refunding		(948,530)	0	67,053	(881,477)	0
Total General Obligation Bonds		14,663,082	0	(776,089)	13,886,993	850,000
<u>Special Assessment Bonds</u>						
Street Improvements - Series 1990	7.90%	42,000	0	(14,000)	28,000	14,000
Street Improvements - Series 1994	5.40-6.60%	155,000	0	(20,000)	135,000	25,000
Street Improvements - Series 1995	4.30-5.625%	865,000	0	(30,000)	835,000	30,000
Street Improvements - Series 1998a	4.05-5.35%	950,000	0	(30,000)	920,000	30,000
Street Improvements - Series 1998b	3.50-5.00%	1,025,000	0	(30,000)	995,000	30,000
Street Improvements - Series 1999	4.20-5.75%	1,345,000	0	(30,000)	1,315,000	35,000
Street Improvements - Series 2000	4.65-5.75%	950,000	0	(25,000)	925,000	25,000
Street Improvements - Series 2001	3.70-5.50%	875,000	0	(20,000)	855,000	25,000
Street Improvements - Series 2002	4.20-5.30%	575,000	0	(15,000)	560,000	15,000
Total Special Assessment Bonds		6,782,000	0	(214,000)	6,568,000	229,000
Promissory Notes	1.00%	814,034	0	(18,956)	795,078	38,196
Total Long-Term Liabilities - Bonds, Notes		22,259,116	0	(1,009,045)	21,250,071	1,117,196
Compensated Absences		639,475	525,481	(442,068)	722,888	250,000
Total Governmental Activities		\$22,898,591	\$525,481	(\$1,451,113)	\$21,972,959	\$1,367,196
<b>Business-Type Activities</b>						
Compensated Absences		\$70,488	\$47,060	(\$30,938)	\$86,610	\$35,000
Total Business-Type Activities		\$70,488	\$47,060	(\$30,938)	\$86,610	\$35,000

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

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009  
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Special assessment bonds maturing through 2032 consist of street, sidewalk and curb improvement issues which are payable from the proceeds of assessments against individual property owners. These bonds are backed by the full faith and credit of the City. In the event of delinquencies related to special assessment bonds, the City is required to use other resources until foreclosure proceeds are received to satisfy debt service. The original amount of special assessment bonds issued in prior years was \$8,730,550.

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

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

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

**Governmental Activities:**

Year Ending December 31	<u>General Obligation Bonds</u>		<u>Special Assessment Bonds</u>		<u>Promissory Notes</u>	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$850,000	\$662,670	\$229,000	\$357,471	\$38,196	\$ 7,856
2011	885,000	635,003	234,000	345,292	38,579	7,473
2012	910,000	602,593	235,000	332,588	38,966	7,086
2013	945,000	569,143	245,000	320,139	39,356	6,695
2014	985,000	530,923	255,000	306,888	39,751	6,301
2015-2019	5,470,000	1,939,475	1,335,000	1,327,995	204,813	25,445
2020-2024	3,655,000	685,350	1,725,000	926,934	215,287	14,970
2025-2029	830,000	52,313	1,950,000	410,323	180,130	4,077
2030-2032	<u>0</u>	<u>0</u>	<u>360,000</u>	<u>26,380</u>	<u>0</u>	<u>0</u>
Total	<u>\$14,530,000</u>	<u>\$5,677,470</u>	<u>\$6,568,000</u>	<u>\$4,354,010</u>	<u>\$795,078</u>	<u>\$79,903</u>

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2009, the City had a legal debt margin for total debt of \$69,005,034 and a legal debt margin for unvoted debt of \$36,145,494.

In 2003, the City issued \$15,980,000 of general obligation refunding bonds to provide resources to purchase U.S. Government State and Local Governments Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$14,685,000 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009  
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To provide for the Bethany Lutheran Village Continuing Care Facility, the City has 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, 2009, Health Care Revenue Bonds outstanding aggregated \$54,385,000.

**10. INTERFUND TRANSFERS**

The composition of interfund balances as of December 31, 2009 is as follows:

<u>Internal balances:</u>		
<u>Type</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Internal Service Allocation	\$(24,352)	\$24,352
Due to / Due from Other Funds	<u>180,240</u>	<u>(180,240)</u>
Total	<u>\$155,888</u>	<u>(\$155,888)</u>
<u>Due to / due from other funds:</u>		
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Golf Course Equipment Purchase	\$180,240

In 2008, rather than entering into a capital lease with a lending agency, the City financed the purchase of golf carts through the use of interfund advances. These advances are reported as interfund receivable and payables in their respective funds.

<u>Interfund transfers:</u>		
<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 0	\$3,055,000
Capital Improvements	1,264,501	0
Non-major Governmental	1,655,000	14,501
Golf Course Operations	<u>150,000</u>	<u>0</u>
Total	<u>\$3,069,501</u>	<u>\$3,069,501</u>

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

**11. CONSTRUCTION COMMITMENTS**

The City had an active construction project as of December 31, 2009 related to the construction of the new Public Works Center. At fiscal year-end, the City's commitments with contractors totaled \$3,189,348.

**12. CONTINGENT LIABILITIES**

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

City of Centerville, Ohio  
 Required Supplementary Information  
 Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
 Budget and Actual - Budgetary (Non-GAAP) Basis  
 General Fund  
 For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Local Taxes	\$ 13,148,005	\$ 13,148,005	\$ 13,322,035	\$ 174,030
Intergovernmental revenues	919,639	919,639	898,348	(21,291)
Special assessments	5,000	5,000	14,922	9,922
Charges for services	44,150	44,150	45,256	1,106
Fines, licenses, and permits	243,500	243,500	190,085	(53,415)
Interest earned	250,000	250,000	212,632	(37,368)
Miscellaneous and reimbursements	276,962	276,962	592,139	315,177
Total revenues	14,887,256	14,887,256	15,275,417	388,161
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Clerk of Council</b>				
Personal services	209,841	209,841	206,813	3,028
Other expenses	43,060	43,060	41,273	1,787
Total clerk of council	252,901	252,901	248,086	4,815
<b>City Manager</b>				
Personal services	509,216	509,216	478,329	30,887
Other expenses	24,360	24,360	15,048	9,312
Total city manager	533,576	533,576	493,377	40,199
<b>Economic Development</b>				
Personal services	93,963	94,963	94,733	230
Other expenses	18,915	18,915	9,638	9,277
Total economic development	112,878	113,878	104,371	9,507
<b>Community Resources</b>				
Personal services	52,368	53,368	52,944	-
Other expenses	17,343	19,343	17,041	2,302
Total community resources	69,711	72,711	69,985	2,302
<b>Code Enforcement</b>				
Personal services	109,350	109,350	107,549	1,801
Other expenses	38,615	43,615	36,128	7,487
Total code enforcement	147,965	152,965	143,677	9,288
<b>Finance</b>				
Personal services	362,480	362,480	337,763	24,717
Other expenses	51,575	51,575	41,839	9,736
Total finance	414,055	414,055	379,602	34,453
<b>Income Tax</b>				
Personal services	167,091	175,091	173,072	2,019
Other expenses	48,100	48,100	41,280	6,820
Total income tax	215,191	223,191	214,352	8,839
<b>Human Resources</b>				
Personal services	125,842	125,842	122,314	3,528
Other expenses	69,305	69,305	43,628	25,677
Total human resources	195,147	195,147	165,942	29,205

See accompanying notes to the required supplementary information.

City of Centerville, Ohio  
Required Supplementary Information  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
General Fund - Continued  
For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Legal				
Other expenses	337,850	337,850	322,462	15,388
Total legal	337,850	337,850	322,462	15,388
Planning				
Personal services	313,118	313,118	302,874	10,244
Other expenses	20,440	20,440	9,840	10,600
Total planning	333,558	333,558	312,714	20,844
General Government				
Personal services	132,493	132,493	118,406	14,087
Other expenses	1,330,814	1,330,814	1,324,180	6,634
Total general government	1,463,307	1,463,307	1,442,586	20,721
Municipal Building				
Personal services	-	20,000	17,170	2,830
Other expenses	92,950	92,950	63,211	29,739
Total municipal building	92,950	112,950	80,381	32,569
Inspection				
Personal services	188,632	188,632	187,618	1,014
Other expenses	46,015	46,015	35,161	10,854
Total inspection	234,647	234,647	222,779	11,868
Engineering				
Personal services	375,116	375,116	363,138	11,978
Other expenses	35,830	35,830	20,902	14,928
Total engineering	410,946	410,946	384,040	26,906
Public Works Administration				
Personal services	212,963	212,963	202,912	10,051
Other expenses	98,300	98,300	68,359	29,941
Total public works administration	311,263	311,263	271,271	39,992
Police				
Personal services	5,541,611	5,541,611	5,346,228	195,383
Other expenses	941,625	941,625	817,450	124,175
Total police	6,483,236	6,483,236	6,163,678	319,558
Sister City Committee				
Other expenses	8,700	8,700	4,878	3,822
Total sister city committee	8,700	8,700	4,878	3,822
Arts Commission				
Personal services	47,528	47,528	47,464	64
Other expenses	47,120	47,120	45,399	1,721
Total arts commission	94,648	94,648	92,863	1,785

See accompanying notes to the required supplementary information.

City of Centerville, Ohio  
Required Supplementary Information  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
General Fund - Continued  
For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
City Beautiful Commission				
Other expenses	11,900	11,900	4,118	7,782
Total city beautiful commission	11,900	11,900	4,118	7,782
Benham's Grove				
Personal services	135,677	135,677	130,443	5,234
Other expenses	90,640	90,640	66,663	23,977
Total Benham's Grove	226,317	226,317	197,106	29,211
Stubbs Park				
Other expenses	202,418	202,418	199,528	2,890
Total Stubbs Park	202,418	202,418	199,528	2,890
Total Expenses	12,153,164	12,190,164	11,517,796	672,368
Excess (deficiency) of revenues over expenditures	2,734,092	2,697,092	3,757,621	1,060,529
Other financing sources (uses):				
Transfers (out)	(2,865,000)	(3,055,000)	(3,055,000)	-
Total other financing sources (uses)	(2,865,000)	(3,055,000)	(3,055,000)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(130,908)	(357,908)	702,621	1,060,529
Fund balance at beginning of year	9,374,582	9,374,582	9,374,582	-
Fund balance at end of year	<u>\$ 9,243,674</u>	<u>\$ 9,016,674</u>	<u>\$ 10,077,203</u>	<u>\$ 1,060,529</u>

See accompanying notes to the required supplementary information.

**City of Centerville, Ohio**  
Notes to the Required Supplementary Information  
For the Fiscal Year Ended December 31, 2009

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**1. BASIS OF BUDGETING**

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

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

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

**2. BUDGETARY PROCESS**

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

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

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

**City of Centerville, Ohio**  
Notes to the Required Supplementary Information  
For the Fiscal Year Ended December 31, 2009  
(continued)

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ordinance of the City Council. The allocation of appropriations among departments and objects within a fund may be modified with approval of the City Manager. Appropriations may not exceed estimated resources. During the year, supplemental appropriations were made. The appropriations and estimated revenue reported within the Schedule of Revenue, Expenditure, and Changes in Fund Balance – Budget and Actual – Budgetary (Non-GAAP) Basis reflect the final appropriations and estimated revenues as approved by City Council and the County Budget Commission, respectively, at December 31, 2009.

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

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

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

- (1) Revenues are recorded when received in cash (budget) as opposed to when they are both measurable and available (GAAP).
- (2) Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
- (3) Encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP).

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

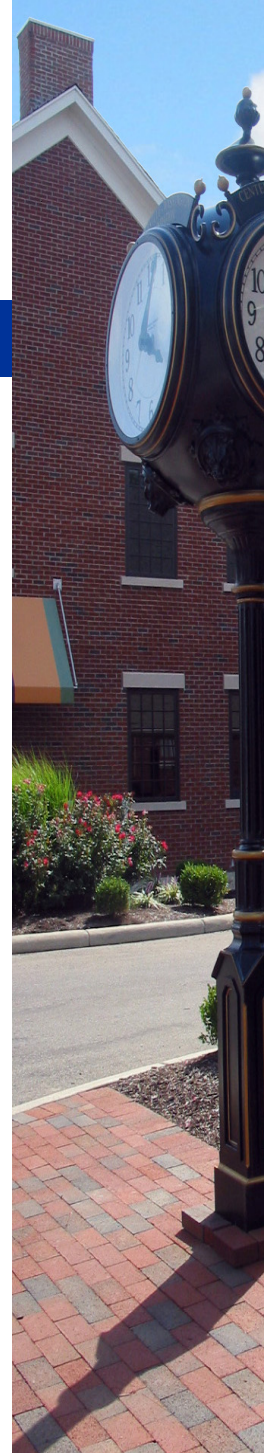
**Net Change in Fund Balance**

	<u>General Fund</u>
GAAP basis	\$ 361,238
Net adjustment for revenue accruals	46,314
Net adjustment for expenditure accruals	373,664
Net adjustment for encumbrances	<u>(78,595)</u>
Budget basis	\$ 702,621





# Combining Statements & Individual Fund Schedules



**City of Centerville, Ohio**  
Fund Descriptions

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**Non-Major Special Revenue Funds**

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

***Street Construction and Maintenance Fund*** – A fund provided to account for the general maintenance and upkeep of City streets, roads, bridges, park areas, and greenways that include snow and ice control, street repair, ditch and catch basin cleaning and maintenance, and leaf pickup.

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

***Permissive Tax Fund*** – A fund provided to account for permissive tax fees received from both the county and state. Expenditures are restricted to construction or permanent improvements of the streets and state highways within the City.

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

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

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

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

***Hospital Insurance Fund*** – A fund provided to account for the remaining balance of the City's self-insured health insurance plan. The City ceased self-insurance in 1995. The balance of this fund will be used to offset future health insurance costs of the City.

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

**City of Centerville, Ohio**  
Fund Descriptions

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**Non-Major Debt Service Funds**

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

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

*Golf Course Debt Retirement Fund* – A fund provided to account for the payment of principal and interest on the City’s general obligation debt related to The Golf Club at Yankee Trace and its related facilities.

**Non-Major Capital Projects Funds**

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

*Recreational Projects Fund (Golf Course Expansion Fund)* – A fund provided to account for the costs related to the expansion of the golf course.

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

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

**City of Centerville, Ohio**  
Fund Descriptions

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**Internal Service Funds**

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

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

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

**Agency Fund**

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

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

City of Centerville, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$740,473	\$892,772	\$674,056	\$2,307,301
Receivables (Net):				
Intergovernmental	578,104	0	0	578,104
Inventory	105,955	0	0	105,955
Prepaid Items	16,818	0	0	16,818
<b>Total Assets</b>	<b>1,441,350</b>	<b>892,772</b>	<b>674,056</b>	<b>3,008,178</b>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	13,391	0	8,128	21,519
Accrued Liabilities	62,423	0	0	62,423
Deferred Revenue	411,409	0	0	411,409
<b>Total Liabilities</b>	<b>487,223</b>	<b>0</b>	<b>8,128</b>	<b>495,351</b>
Fund Balances:				
Reserved for Encumbrances	947	0	3,064	4,011
Reserved for Inventory	105,955	0	0	105,955
Reserved for Debt Service	0	892,772	0	892,772
Reserved for Prepaid Items	16,818	0	0	16,818
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	830,407	0	0	830,407
Capital Projects Funds	0	0	662,864	662,864
<b>Total Fund Balances</b>	<b>954,127</b>	<b>892,772</b>	<b>665,928</b>	<b>2,512,827</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$1,441,350</b>	<b>\$892,772</b>	<b>\$674,056</b>	<b>\$3,008,178</b>

City of Centerville, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2009

	Street Construction and Maintenance	State Highway	Permissive Tax	Law Enforcement	Enforcement and Education
Assets:					
Equity in Pooled Cash and Investments	\$209,655	\$117,542	\$0	\$245,926	\$29,730
Receivables (Net):					
Intergovernmental	534,598	43,346	0	0	160
Inventory	90,062	15,893	0	0	0
Prepaid Items	16,818	0	0	0	0
<b>Total Assets</b>	<b>851,133</b>	<b>176,781</b>	<b>0</b>	<b>245,926</b>	<b>29,890</b>
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	12,384	917	0	0	90
Accrued Liabilities	62,423	0	0	0	0
Deferred Revenue	380,553	30,856	0	0	0
<b>Total Liabilities</b>	<b>455,360</b>	<b>31,773</b>	<b>0</b>	<b>0</b>	<b>90</b>
Fund Balances:					
Reserved for Encumbrances	420	527	0	0	0
Reserved for Inventory	90,062	15,893	0	0	0
Reserved for Prepaid Items	16,818	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	288,473	128,588	0	245,926	29,800
<b>Total Fund Balances</b>	<b>395,773</b>	<b>145,008</b>	<b>0</b>	<b>245,926</b>	<b>29,800</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$851,133</b>	<b>\$176,781</b>	<b>\$0</b>	<b>\$245,926</b>	<b>\$29,890</b>

Drug Law	Friends of Benham's Grove	Hospital Insurance	Police Operations Project	Total Nonmajor Special Revenue Funds
\$957	\$18,193	\$51,268	\$67,202	\$740,473
0	0	0	0	578,104
0	0	0	0	105,955
0	0	0	0	16,818
<u>957</u>	<u>18,193</u>	<u>51,268</u>	<u>67,202</u>	<u>1,441,350</u>
0	0	0	0	13,391
0	0	0	0	62,423
0	0	0	0	411,409
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>487,223</u>
0	0	0	0	947
0	0	0	0	105,955
0	0	0	0	16,818
<u>957</u>	<u>18,193</u>	<u>51,268</u>	<u>67,202</u>	<u>830,407</u>
<u>957</u>	<u>18,193</u>	<u>51,268</u>	<u>67,202</u>	<u>954,127</u>
<u>\$957</u>	<u>\$18,193</u>	<u>\$51,268</u>	<u>\$67,202</u>	<u>\$1,441,350</u>

City of Centerville, Ohio  
 Combining Balance Sheet  
 Nonmajor Debt Service Funds  
 December 31, 2009

	Unvoted Debt Retirement	Golf Course Debt Retirement	Total Nonmajor Debt Service Funds
Assets:			
Equity in Pooled Cash and Investments	\$43,732	\$849,040	\$892,772
Total Assets	<u>43,732</u>	<u>849,040</u>	<u>892,772</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:			
Reserved for Debt Service	43,732	849,040	892,772
Total Fund Balances	<u>43,732</u>	<u>849,040</u>	<u>892,772</u>
Total Liabilities and Fund Balances	<u>\$43,732</u>	<u>\$849,040</u>	<u>\$892,772</u>



City of Centerville, Ohio  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2009

	Recreational Projects	Capital Equipment Purchase	Special Assessment Improvements	Total Nonmajor Capital Projects Funds
Assets:				
Equity in Pooled Cash and Investments	\$11,859	\$143,857	\$518,340	\$674,056
Total Assets	<u>11,859</u>	<u>143,857</u>	<u>518,340</u>	<u>674,056</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	0	8,128	0	8,128
Total Liabilities	<u>0</u>	<u>8,128</u>	<u>0</u>	<u>8,128</u>
Fund Balances:				
Reserved for Encumbrances	0	3,064	0	3,064
Unreserved, Undesignated, Reported in: Capital Projects Funds	11,859	132,665	518,340	662,864
Total Fund Balances	<u>11,859</u>	<u>135,729</u>	<u>518,340</u>	<u>665,928</u>
Total Liabilities and Fund Balances	<u>\$11,859</u>	<u>\$143,857</u>	<u>\$518,340</u>	<u>\$674,056</u>

City of Centerville, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Fines, Licenses & Permits	\$1,250	\$0	\$0	\$1,250
Charges for Services	1,867	0	0	1,867
Investment Earnings	9,751	21,829	10,973	42,553
Intergovernmental	1,003,062	0	0	1,003,062
Special Assessments	0	0	2,145	2,145
Rent	0	826,908	0	826,908
Other Revenues	107,446	0	0	107,446
<b>Total Revenues</b>	<b>1,123,376</b>	<b>848,737</b>	<b>13,118</b>	<b>1,985,231</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	26,707	0	0	26,707
Public Safety	10,077	0	0	10,077
Transportation	2,167,538	0	0	2,167,538
Capital Outlay	0	0	156,153	156,153
<b>Debt Service:</b>				
Principal	0	843,956	0	843,956
Interest and Other Charges	0	699,635	0	699,635
<b>Total Expenditures</b>	<b>2,204,322</b>	<b>1,543,591</b>	<b>156,153</b>	<b>3,904,066</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,080,946)</b>	<b>(694,854)</b>	<b>(143,035)</b>	<b>(1,918,835)</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	0	20,000	0	20,000
Transfers In	1,200,000	355,000	100,000	1,655,000
Transfers (Out)	(14,501)	0	0	(14,501)
<b>Total Other Financing Sources (Uses)</b>	<b>1,185,499</b>	<b>375,000</b>	<b>100,000</b>	<b>1,660,499</b>
<b>Net Change in Fund Balance</b>	<b>104,553</b>	<b>(319,854)</b>	<b>(43,035)</b>	<b>(258,336)</b>
<b>Fund Balance Beginning of Year</b>	<b>837,118</b>	<b>1,212,626</b>	<b>708,963</b>	<b>2,758,707</b>
<b>Change in Reserve for Inventory</b>	<b>12,456</b>	<b>0</b>	<b>0</b>	<b>12,456</b>
<b>Fund Balance End of Year</b>	<b>\$954,127</b>	<b>\$892,772</b>	<b>\$665,928</b>	<b>\$2,512,827</b>



City of Centerville, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended December 31, 2009

	Street Construction and Maintenance	State Highway	Permissive Tax	Law Enforcement	Enforcement and Education
<b>Revenues:</b>					
Fines, Licenses & Permits	\$0	\$0	\$0	\$0	\$1,250
Charges for Services	1,867	0	0	0	0
Investment Earnings	2,319	1,680	0	2,926	492
Intergovernmental	927,833	75,229	0	0	0
Other Revenues	2,929	0	0	84,942	6,500
<b>Total Revenues</b>	<b>934,948</b>	<b>76,909</b>	<b>0</b>	<b>87,868</b>	<b>8,242</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General Government	0	0	0	0	0
Public Safety	0	0	0	2,250	7,748
Transportation	2,101,041	66,497	0	0	0
<b>Total Expenditures</b>	<b>2,101,041</b>	<b>66,497</b>	<b>0</b>	<b>2,250</b>	<b>7,748</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,166,093)</b>	<b>10,412</b>	<b>0</b>	<b>85,618</b>	<b>494</b>
<b>Other Financing Sources (Uses):</b>					
Transfers In	1,200,000	0	0	0	0
Transfers (Out)	0	0	(14,501)	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>1,200,000</b>	<b>0</b>	<b>(14,501)</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>33,907</b>	<b>10,412</b>	<b>(14,501)</b>	<b>85,618</b>	<b>494</b>
<b>Fund Balance Beginning of Year</b>	<b>365,303</b>	<b>118,703</b>	<b>14,501</b>	<b>160,308</b>	<b>29,306</b>
<b>Change in Reserve for Inventory</b>	<b>(3,437)</b>	<b>15,893</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$395,773</b>	<b>\$145,008</b>	<b>\$0</b>	<b>\$245,926</b>	<b>\$29,800</b>

Drug Law	Friends of Benham's Grove	Hospital Insurance	Police Operations Project	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$1,250
0	0	0	0	1,867
15	256	987	1,076	9,751
0	0	0	0	1,003,062
0	13,075	0	0	107,446
15	13,331	987	1,076	1,123,376
0	6,499	20,208	0	26,707
0	0	0	79	10,077
0	0	0	0	2,167,538
0	6,499	20,208	79	2,204,322
15	6,832	(19,221)	997	(1,080,946)
0	0	0	0	1,200,000
0	0	0	0	(14,501)
0	0	0	0	1,185,499
15	6,832	(19,221)	997	104,553
942	11,361	70,489	66,205	837,118
0	0	0	0	12,456
\$957	\$18,193	\$51,268	\$67,202	\$954,127

City of Centerville, Ohio  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Street Construction and Maintenance Fund  
For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental revenues	\$ 978,000	\$ 978,000	\$ 929,456	\$ (48,544)
Charges for services	3,000	3,000	1,867	(1,133)
Interest earned	7,500	7,500	2,319	(5,181)
Miscellaneous and reimbursements	3,400	3,400	3,211	(189)
Total revenues	991,900	991,900	936,853	(55,047)
<b>Expenditures:</b>				
Current:				
Transportation				
Personal services	1,721,139	1,721,139	1,628,063	93,076
Other expenses	578,885	578,885	466,009	112,876
Total transportation	2,300,024	2,300,024	2,094,072	205,952
Excess (deficiency) of revenues over expenditures	(1,308,124)	(1,308,124)	(1,157,219)	150,905
<b>Other financing sources (uses):</b>				
Transfers in	1,200,000	1,200,000	1,200,000	-
Total other financing sources (uses)	1,200,000	1,200,000	1,200,000	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(108,124)	(108,124)	42,781	150,905
Fund balance at beginning of year	166,874	166,874	166,874	-
Fund balance at end of year	\$ 58,750	\$ 58,750	\$ 209,655	\$ 150,905

City of Centerville, Ohio  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
State Highway Fund  
For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental revenues	\$ 79,000	\$ 79,000	\$ 75,361	\$ (3,639)
Interest earned	2,500	2,500	1,681	(819)
Total revenues	81,500	81,500	77,042	(4,458)
<b>Expenditures:</b>				
Transportation				
Other expenses	107,700	107,700	65,580	42,120
Total expenditures	107,700	107,700	65,580	42,120
Excess (deficiency) of revenues over expenditures	(26,200)	(26,200)	11,462	37,662
Fund balance at beginning of year	106,080	106,080	106,080	-
Fund balance at end of year	\$ 79,880	\$ 79,880	\$ 117,542	\$ 37,662

City of Centerville, Ohio  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Permissive Tax Fund  
For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
General Government				
Other expenses	14,501	14,501	14,501	-
Total expenditures	14,501	14,501	14,501	-
Excess (deficiency) of revenues over expenditures	(14,501)	(14,501)	(14,501)	-
Fund balance at beginning of year	14,501	14,501	14,501	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Centerville, Ohio  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Law Enforcement Fund  
For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 3,000	\$ 3,000	\$ 2,926	\$ (74)
Miscellaneous and reimbursements	3,000	3,000	84,942	81,942
Total revenues	6,000	6,000	87,868	81,868
Expenditures:				
Public Safety				
Other expenses	6,250	6,250	2,250	4,000
Total expenditures	6,250	6,250	2,250	4,000
Excess (deficiency) of revenues over expenditures	(250)	(250)	85,618	85,868
Fund balance at beginning of year	160,308	160,308	160,308	-
Fund balance at end of year	<u>\$ 160,058</u>	<u>\$ 160,058</u>	<u>\$ 245,926</u>	<u>\$ 85,868</u>

City of Centerville, Ohio  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Enforcement and Education Fund  
For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, licenses, and permits	\$ 1,000	\$ 1,000	\$ 1,165	\$ 165
Interest earned	750	750	492	(258)
Miscellaneous and reimbursements	4,000	4,000	6,500	2,500
Total revenues	<u>5,750</u>	<u>5,750</u>	<u>8,157</u>	<u>2,407</u>
Expenditures:				
Public Safety				
Other expenses	<u>10,000</u>	<u>10,000</u>	<u>7,703</u>	<u>2,297</u>
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>7,703</u>	<u>2,297</u>
Excess (deficiency) of revenues over expenditures	(4,250)	(4,250)	454	4,704
Fund balance at beginning of year	<u>29,277</u>	<u>29,277</u>	<u>29,277</u>	<u>-</u>
Fund balance at end of year	<u>\$ 25,027</u>	<u>\$ 25,027</u>	<u>\$ 29,731</u>	<u>\$ 4,704</u>

City of Centerville, Ohio  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Drug Law Fund  
For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 30	\$ 30	\$ 15	\$ (15)
Total revenues	<u>30</u>	<u>30</u>	<u>15</u>	<u>(15)</u>
Expenditures:				
Public Safety				
Other expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	30	30	15	(15)
Fund balance at beginning of year	<u>942</u>	<u>942</u>	<u>942</u>	<u>-</u>
Fund balance at end of year	<u>\$ 972</u>	<u>\$ 972</u>	<u>\$ 957</u>	<u>\$ (15)</u>



City of Centerville, Ohio  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Friends of Benham's Grove Fund  
For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 400	\$ 256	\$ 256	\$ -
Miscellaneous and reimbursements	1,700	13,075	13,075	-
Total revenues	<u>2,100</u>	<u>13,331</u>	<u>13,331</u>	<u>-</u>
Expenditures:				
Recreation				
Other expenses	10,720	10,720	6,960	3,760
Total expenditures	<u>10,720</u>	<u>10,720</u>	<u>6,960</u>	<u>3,760</u>
Excess (deficiency) of revenues over expenditures	(8,620)	2,611	6,371	3,760
Fund balance at beginning of year	<u>11,823</u>	<u>11,823</u>	<u>11,823</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,203</u>	<u>\$ 14,434</u>	<u>\$ 18,194</u>	<u>\$ 3,760</u>

City of Centerville, Ohio  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Hospital Insurance Fund  
For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 1,500	\$ 1,500	\$ 987	\$ (513)
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>987</u>	<u>(513)</u>
Expenditures:				
General Government				
Personal services	21,000	21,000	20,208	-
Total expenditures	<u>21,000</u>	<u>21,000</u>	<u>20,208</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(19,500)	(19,500)	(19,221)	279
Fund balance at beginning of year	<u>70,488</u>	<u>70,488</u>	<u>70,488</u>	<u>-</u>
Fund balance at end of year	<u>\$ 50,988</u>	<u>\$ 50,988</u>	<u>\$ 51,267</u>	<u>\$ 279</u>

City of Centerville, Ohio  
 Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
 Budget and Actual - Budgetary (Non-GAAP) Basis  
 Police Operations Project Fund  
 For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 1,500	\$ 1,500	\$ 1,076	\$ (424)
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>1,076</u>	<u>(424)</u>
Expenditures:				
Public Safety				
Other expenses	<u>2,000</u>	<u>2,000</u>	<u>79</u>	<u>1,921</u>
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>79</u>	<u>1,921</u>
Excess (deficiency) of revenues over expenditures	(500)	(500)	997	1,497
Fund balance at beginning of year	<u>66,205</u>	<u>66,205</u>	<u>66,205</u>	<u>-</u>
Fund balance at end of year	<u>\$ 65,705</u>	<u>\$ 65,705</u>	<u>\$ 67,202</u>	<u>\$ 1,497</u>

City of Centerville, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Debt Service Funds  
For the Fiscal Year Ended December 31, 2009

	Unvoted Debt Retirement	Golf Course Debt Retirement	Total Nonmajor Debt Service Funds
Revenues:			
Investment Earnings	\$976	\$20,853	\$21,829
Rent	0	826,908	826,908
Total Revenues	<u>976</u>	<u>847,761</u>	<u>848,737</u>
Expenditures:			
Current:			
Debt Service:			
Principal	98,956	745,000	843,956
Interest and Other Charges	38,935	660,700	699,635
Total Expenditures	<u>137,891</u>	<u>1,405,700</u>	<u>1,543,591</u>
Excess of Revenues Over (Under) Expenditures	<u>(136,915)</u>	<u>(557,939)</u>	<u>(694,854)</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	0	20,000	20,000
Transfers In	165,000	190,000	355,000
Total Other Financing Sources (Uses)	<u>165,000</u>	<u>210,000</u>	<u>375,000</u>
Net Change in Fund Balance	28,085	(347,939)	(319,854)
Fund Balance Beginning of Year	<u>15,647</u>	<u>1,196,979</u>	<u>1,212,626</u>
Fund Balance End of Year	<u><u>\$43,732</u></u>	<u><u>\$849,040</u></u>	<u><u>\$892,772</u></u>

City of Centerville, Ohio  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Unvoted Debt Retirement Fund  
For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 2,000	\$ 2,000	\$ 976	\$ (1,024)
Total revenues	2,000	2,000	976	(1,024)
Expenditures:				
Debt service:				
Principal	117,817	117,817	98,956	18,861
Interest and fiscal charges	43,100	43,100	38,935	4,165
Total expenditures	160,917	160,917	137,891	23,026
Excess (deficiency) of revenues over expenditures	(158,917)	(158,917)	(136,915)	22,002
Other financing sources (uses):				
Transfers in	165,000	165,000	165,000	-
Total other financing sources (uses)	165,000	165,000	165,000	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	6,083	6,083	28,085	22,002
Fund balance at beginning of year	15,647	15,647	15,647	-
Fund balance at end of year	\$ 21,730	\$ 21,730	\$ 43,732	\$ 22,002

City of Centerville, Ohio  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Golf Course Debt Retirement Fund  
For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 48,000	\$ 48,000	\$ 20,853	\$ (27,147)
Sale of property	-	-	20,000	20,000
Rent	826,907	826,907	826,908	1
Total revenues	874,907	874,907	867,761	(7,146)
Expenditures:				
Debt service:				
Principal	745,000	745,000	745,000	-
Interest and fiscal charges	660,700	660,701	660,700	1
Total expenditures	1,405,700	1,405,701	1,405,700	1
Excess (deficiency) of revenues over expenditures	(530,793)	(530,794)	(537,939)	(7,145)
Other financing sources (uses):				
Operating transfers in	-	190,000	190,000	-
Total other financing sources (uses)	-	190,000	190,000	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	(340,794)	(347,939)	(7,145)
Fund balance at beginning of year	1,196,979	1,196,979	1,196,979	-
Fund balance at end of year	\$ 1,196,979	\$ 856,185	\$ 849,040	\$ (7,145)

City of Centerville, Ohio  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Special Assessment Debt Retirement Fund  
For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 618,587	\$ 618,587	\$ 627,618	\$ 9,031
Interest earned	12,000	12,000	8,006	(3,994)
Total revenues	630,587	630,587	635,624	5,037
Expenditures:				
General Government				
Other expenses	32,750	32,750	31,684	1,066
Debt service:				
Principal	214,000	214,000	214,000	-
Interest and fiscal charges	368,490	368,490	368,490	-
Total expenditures	615,240	615,240	614,174	1,066
Excess (deficiency) of revenues over expenditures	-	15,347	21,450	6,103
Fund balance at beginning of year	280,299	280,299	280,299	-
Fund balance at end of year	\$ 280,299	\$ 295,646	\$ 301,749	\$ 6,103

City of Centerville, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended December 31, 2009

	Recreational Projects	Capital Equipment Purchase	Special Assessment Improvements	Total Nonmajor Capital Projects Funds
Revenues:				
Investment Earnings	\$190	\$2,488	\$8,295	\$10,973
Special Assessments	0	0	2,145	2,145
Total Revenues	190	2,488	10,440	13,118
Expenditures:				
Current:				
Capital Outlay	0	155,403	750	156,153
Total Expenditures	0	155,403	750	156,153
Excess of Revenues Over (Under) Expenditures	190	(152,915)	9,690	(143,035)
Other Financing Sources (Uses):				
Transfers In	0	100,000	0	100,000
Total Other Financing Sources (Uses)	0	100,000	0	100,000
Net Change in Fund Balance	190	(52,915)	9,690	(43,035)
Fund Balance Beginning of Year	11,669	188,644	508,650	708,963
Fund Balance End of Year	<u>\$11,859</u>	<u>\$135,729</u>	<u>\$518,340</u>	<u>\$665,928</u>

City of Centerville, Ohio  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Capital Improvements Fund  
For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 914,000	\$ 914,000	\$ 470,358	\$ (443,642)
Interest earned	30,000	30,000	115,911	85,911
Sale of property	-	-	3,221	3,221
Miscellaneous and reimbursements	336,000	336,000	44,826	(291,174)
Total revenues	<u>1,280,000</u>	<u>1,280,000</u>	<u>634,316</u>	<u>(645,684)</u>
Expenditures:				
General Government				
Other expenses	<u>9,434,500</u>	<u>9,434,500</u>	<u>5,178,815</u>	<u>4,255,685</u>
Total expenditures	<u>9,434,500</u>	<u>9,434,500</u>	<u>5,178,815</u>	<u>4,255,685</u>
Excess (deficiency) of revenues over expenditures	(8,154,500)	(8,154,500)	(4,544,499)	3,610,001
Other financing sources (uses):				
Transfers in	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>	<u>-</u>
Total other financing sources (uses)	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(6,904,500)	(6,904,500)	(3,294,499)	3,610,001
Fund balance at beginning of year	<u>7,949,725</u>	<u>7,949,725</u>	<u>7,949,725</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,045,225</u>	<u>\$ 1,045,225</u>	<u>\$ 4,655,226</u>	<u>\$ 3,610,001</u>

City of Centerville, Ohio  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Recreational Projects Fund  
For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 500	\$ 500	\$ 190	\$ (310)
Total revenues	<u>500</u>	<u>500</u>	<u>190</u>	<u>(310)</u>
Expenditures:				
General Government				
Other expenses	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Excess (deficiency) of revenues over expenditures	(4,500)	(4,500)	190	4,690
Fund balance at beginning of year	<u>11,669</u>	<u>11,669</u>	<u>11,669</u>	<u>-</u>
Fund balance at end of year	<u>\$ 7,169</u>	<u>\$ 7,169</u>	<u>\$ 11,859</u>	<u>\$ 4,690</u>

City of Centerville, Ohio  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Capital Equipment Purchase Fund  
For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 5,000	\$ 5,000	\$ 2,488	\$ (2,512)
Total revenues	5,000	5,000	2,488	(2,512)
Expenditures:				
General Government				
Other expenses	163,950	163,950	157,385	6,565
Total expenditures	163,950	163,950	157,385	6,565
Excess (deficiency) of revenues over expenditures	(158,950)	(158,950)	(154,897)	4,053
Other financing sources (uses):				
Transfers in	100,000	100,000	100,000	-
Total other financing sources (uses)	100,000	100,000	100,000	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(58,950)	(58,950)	(54,897)	4,053
Fund balance at beginning of year	198,753	198,753	198,753	-
Fund balance at end of year	\$ 139,803	\$ 139,803	\$ 143,856	\$ 4,053

City of Centerville, Ohio  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Special Assessment Improvements Fund  
For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 23,979	\$ 23,979	\$ 10,440	\$ (13,539)
Total revenues	23,979	23,979	10,440	(13,539)
Expenditures:				
General Government				
Other expenses	-	1,000	750	250
Total expenditures	-	1,000	750	250
Excess (deficiency) of revenues over expenditures	23,979	22,979	9,690	(13,289)
Fund balance at beginning of year	508,652	508,652	508,652	-
Fund balance at end of year	\$ 532,631	\$ 531,631	\$ 518,342	\$ (13,289)



City of Centerville, Ohio  
Combining Statement of Net Assets  
Internal Service Funds  
December 31, 2009

	Central Vehicle Purchase	Insurance Deductible	Total Internal Service Funds
Current Assets:			
Equity in Pooled Cash and Investments	\$968,932	\$116,526	\$1,085,458
Receivables (Net):			
Accounts	0	537	537
Total Current Assets	<u>968,932</u>	<u>117,063</u>	<u>1,085,995</u>
Depreciable Capital Assets, Net	<u>949,068</u>	<u>0</u>	<u>949,068</u>
Total Noncurrent Assets	<u>949,068</u>	<u>0</u>	<u>949,068</u>
Total Assets	<u>1,918,000</u>	<u>117,063</u>	<u>2,035,063</u>
Liabilities:			
Current Liabilities:			
Accounts Payable	<u>43,113</u>	<u>3,900</u>	<u>47,013</u>
Total Liabilities	<u>43,113</u>	<u>3,900</u>	<u>47,013</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	949,068	0	949,068
Unrestricted	<u>925,819</u>	<u>113,163</u>	<u>1,038,982</u>
Total Net Assets	<u>\$1,874,887</u>	<u>\$113,163</u>	<u>\$1,988,050</u>

City of Centerville, Ohio  
Combining Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Internal Service Funds  
For the Fiscal Year Ended December 31, 2009

	Central Vehicle Purchase	Insurance Deductible	Total Internal Service Funds
Operating Revenues:			
Charges for Services	\$294,160	\$0	\$294,160
Other Revenues	0	2,896	2,896
Total Operating Revenues	294,160	2,896	297,056
Operating Expenses:			
Purchased Services	0	453	453
Supplies and Materials	27,350	0	27,350
Other Expenses	0	40,728	40,728
Depreciation	324,373	0	324,373
Total Operating Expenses	351,723	41,181	392,904
Operating Income (Loss)	(57,563)	(38,285)	(95,848)
Non-Operating Revenues (Expenses):			
Investment Earnings	15,493	2,020	17,513
Gain (Loss) on Disposal of Capital Assets	27,488	0	27,488
Total Non-Operating Revenues (Expenses)	42,981	2,020	45,001
Change in Net Assets	(14,582)	(36,265)	(50,847)
Net Assets Beginning of Year	1,889,469	149,428	2,038,897
Net Assets End of Year	\$1,874,887	\$113,163	\$1,988,050

City of Centerville, Ohio  
Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended December 31, 2009

	Central Vehicle Purchase	Insurance Deductible	Total Internal Service Funds
Cash Flows from Operating Activities:			
Cash Received from Customers	\$294,160	\$2,898	\$297,058
Cash Payments to Suppliers	15,763	(43,374)	(27,611)
Net Cash Provided (Used) by Operating Activities	309,923	(40,476)	269,447
Cash Flows from Capital and Related Financing Activities:			
Payments for Capital Acquisitions	(324,731)	0	(324,731)
Proceeds on the Disposal of Capital Assets	27,488	0	27,488
Net Cash Provided (Used) by Capital and Related Financing Activities	(297,243)	0	(297,243)
Cash Flows from Investing Activities:			
Earnings on Investments	15,493	2,020	17,513
Net Cash Provided (Used) by Cash Flows from Investing Activities	15,493	2,020	17,513
Net Increase (Decrease) in Cash and Cash Equivalents	28,173	(38,456)	(10,283)
Cash and Cash Equivalents Beginning of Year	940,759	154,982	1,095,741
Cash and Cash Equivalents End of Year	968,932	116,526	1,085,458
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	(57,563)	(38,285)	(95,848)
Adjustments:			
Depreciation	324,373	0	324,373
Changes in Assets & Liabilities:			
(Increase) Decrease in Receivables	0	2	2
Increase (Decrease) in Payables	43,113	(2,193)	40,920
Net Cash Provided (Used) by Operating Activities	\$309,923	(\$40,476)	\$269,447

City of Centerville, Ohio  
Statement of Changes In Assets and Liabilities  
Agency Fund  
For the Fiscal Year Ended December 31, 2009

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	Agency Fund			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$115,962	\$194,966	\$233,893	\$77,035
Receivables (Net):				
Intergovernmental	318,201	3,725	318,201	3,725
Total Assets	<u>434,163</u>	<u>198,691</u>	<u>552,094</u>	<u>80,760</u>
Liabilities:				
Accounts Payable	0	53,300	0	53,300
Undistributed Monies	434,163	145,391	552,094	27,460
Total Liabilities	<u>\$434,163</u>	<u>\$198,691</u>	<u>\$552,094</u>	<u>\$80,760</u>



# Statistical Section





## City of Centerville, Ohio Statistical Section

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This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

### **Contents**

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

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

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

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

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

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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

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

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

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

#### ***Sources***

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in fiscal year 2002; schedules presenting government-wide information include information beginning in that fiscal year. The City first prepared a comprehensive financial report in 2000; schedules presenting fund balance information include information beginning in that year.





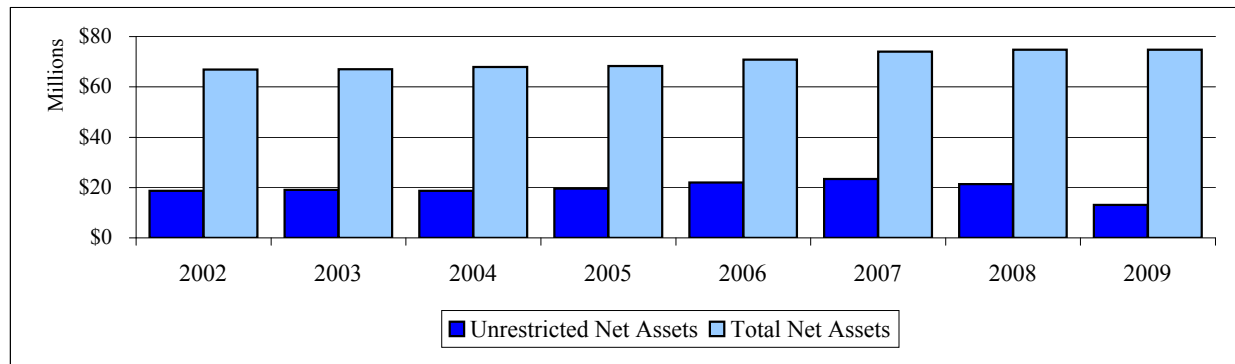
Schedule 1

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities:								
Invested in capital assets, net of related debt	\$ 12,070,026	\$ 12,654,880	\$ 14,431,202	\$ 14,775,382	\$ 15,524,569	\$ 17,894,980	\$ 19,613,962	\$ 24,604,731
Restricted for:								
Debt service	16,151,025	15,546,088	14,916,292	14,306,322	13,690,958	13,093,661	13,763,510	12,838,506
Capital projects	0	0	0	0	0	0	0	4,279,014
Other purposes	585,801	574,908	751,436	603,476	766,613	947,245	1,183,477	1,259,487
Unrestricted	17,907,057	18,481,736	18,224,011	19,211,760	21,559,415	22,839,677	21,085,466	12,788,888
Total governmental activities net assets	46,713,909	47,257,612	48,322,941	48,896,940	51,541,555	54,775,563	55,646,415	55,770,626
Business-type activities:								
Invested in capital assets, net of related debt	19,450,350	19,150,434	19,182,647	19,032,210	18,882,237	18,703,791	18,902,761	18,746,671
Unrestricted	745,395	656,116	440,828	342,297	439,425	604,615	292,921	251,398
Total business-type activities net assets	20,195,745	19,806,550	19,623,475	19,374,507	19,321,662	19,308,406	19,195,682	18,998,069
Total								
Invested in capital assets, net of related debt	31,520,376	31,805,314	33,613,849	33,807,592	34,406,806	36,598,771	38,516,723	43,351,402
Restricted for:								
Debt service	16,151,025	15,546,088	14,916,292	14,306,322	13,690,958	13,093,661	13,763,510	12,838,506
Capital projects	0	0	0	0	0	0	0	4,279,014
Other purposes	585,801	574,908	751,436	603,476	766,613	947,245	1,183,477	1,259,487
Unrestricted	18,652,452	19,137,852	18,664,839	19,554,057	21,998,840	23,444,292	21,378,387	13,040,286
Total net assets	\$ 66,909,654	\$ 67,064,162	\$ 67,946,416	\$ 68,271,447	\$ 70,863,217	\$ 74,083,969	\$ 74,842,097	\$ 74,768,695

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Source: City of Centerville, Ohio, Finance Department



Schedule 2

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Expenses</b>								
Governmental activities:								
General government	\$ 5,711,155	\$ 5,233,702	\$ 4,280,576	\$ 4,874,691	\$ 4,654,614	\$ 5,654,478	\$ 5,058,930	\$ 5,325,348
Public safety	6,501,600	5,067,412	5,296,904	5,478,545	5,760,988	5,929,666	6,696,189	6,380,789
Community environment	230,450	226,539	225,372	236,856	258,913	269,732	279,440	318,856
Recreation	304,430	337,779	371,276	374,091	460,627	340,320	346,219	449,597
Transportation	2,904,500	3,132,375	3,158,165	3,331,467	3,515,160	3,564,160	3,755,978	3,810,418
Cost of lots	171,111	0	0	0	0	0	0	0
Interest and other charges	1,427,377	1,058,305	1,260,351	1,233,977	1,207,117	1,180,046	1,166,734	1,122,739
Total governmental activities expenses	17,250,623	15,056,112	14,592,644	15,529,627	15,857,419	16,938,402	17,303,490	17,407,747
Business-type activities:								
Waste collection	1,127,309	1,232,981	1,242,631	1,301,490	1,205,575	1,231,440	1,313,378	1,269,212
Golf course operations	3,765,614	3,924,753	3,957,023	3,772,661	4,030,721	4,036,938	4,068,620	3,912,575
Golf course equipment purchases	113,205	126,307	162,761	127,381	150,057	134,794	23,874	264,021
Total business-type activities expenses	5,006,128	5,284,041	5,362,415	5,201,532	5,386,353	5,403,172	5,405,872	5,445,808
Total expenses	\$ 22,256,751	\$ 20,340,153	\$ 19,955,059	\$ 20,731,159	\$ 21,243,772	\$ 22,341,574	\$ 22,709,362	\$ 22,853,555
<b>Program revenues</b>								
Governmental activities:								
General government	\$ 2,783,330	\$ 1,049,807	\$ 1,085,680	\$ 1,269,645	\$ 1,616,115	\$ 2,563,768	\$ 1,899,923	\$ 1,807,830
Public safety	328,366	208,623	243,912	257,037	284,350	220,194	183,639	115,415
Community environment	27,710	100,120	200,857	100	0	100	0	0
Recreation	183,936	122,699	183,670	165,080	215,775	154,566	137,681	142,969
Transportation	982,373	1,076,721	1,145,370	1,225,852	1,151,774	1,324,464	1,094,854	990,740
Total governmental activities program revenues	4,305,715	2,557,970	2,859,489	2,917,714	3,268,014	4,263,092	3,316,097	3,056,954
Business-type activities:								
Waste collection	1,064,883	1,083,707	1,098,132	1,115,830	1,327,914	1,335,906	1,364,427	1,355,461
Golf course operations	3,392,328	3,500,997	3,476,082	3,285,079	3,423,346	3,805,475	3,632,659	3,513,628
Golf course equipment purchases	94,740	119,600	120,200	129,370	129,460	101,637	148,740	205,266
Total business-type activities program revenues	4,551,951	4,704,304	4,694,414	4,530,279	4,880,720	5,243,018	5,145,826	5,074,355
Total program revenues	\$ 8,857,666	\$ 7,262,274	\$ 7,553,903	\$ 7,447,993	\$ 8,148,734	\$ 9,506,110	\$ 8,461,923	\$ 8,131,309

Schedule 2 (continued)

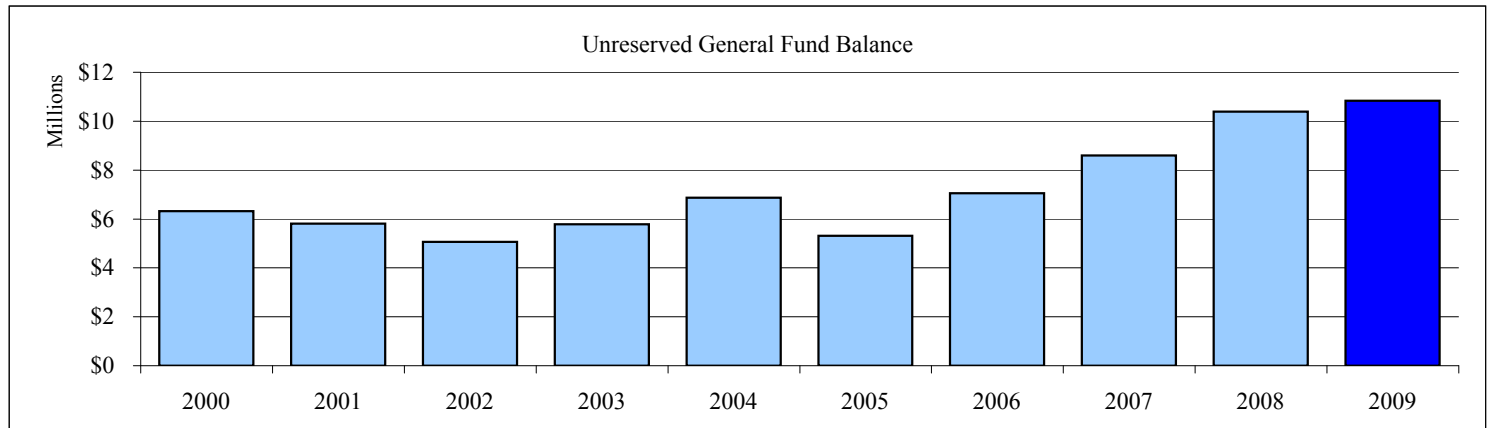
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Net (Expense) Revenue</b>								
Governmental activities:								
General government	\$ (2,927,825)	\$ (4,183,895)	\$ (3,194,896)	\$ (3,605,046)	\$ (3,038,499)	\$ (3,090,710)	\$ (3,159,007)	\$ (3,517,518)
Public safety	(6,173,234)	(4,858,789)	(5,052,992)	(5,221,508)	(5,476,638)	(5,709,472)	(6,512,550)	(6,265,374)
Community environment	(202,740)	(126,419)	(24,515)	(236,756)	(258,913)	(269,632)	(279,440)	(318,856)
Recreation	(120,494)	(215,080)	(187,606)	(209,011)	(244,852)	(185,754)	(208,538)	(306,628)
Transportation	(1,922,127)	(2,055,654)	(2,012,795)	(2,105,615)	(2,363,386)	(2,239,696)	(2,661,124)	(2,819,678)
Cost of lots	(171,111)	0	0	0	0	0	0	0
Interest and other charges	(1,427,377)	(1,058,305)	(1,260,351)	(1,233,977)	(1,207,117)	(1,180,046)	(1,166,734)	(1,122,739)
Total governmental activities	(12,944,908)	(12,498,142)	(11,733,155)	(12,611,913)	(12,589,405)	(12,675,310)	(13,987,393)	(14,350,793)
Business-type activities:								
Waste collection	(62,426)	(149,274)	(144,499)	(185,660)	122,339	104,466	51,049	86,249
Golf course operations	(373,286)	(423,756)	(480,941)	(487,582)	(607,375)	(231,463)	(435,961)	(398,947)
Golf course equipment purchases	(18,465)	(6,707)	(42,561)	1,989	(20,597)	(33,157)	124,866	(58,755)
Total business-type activities	(454,177)	(579,737)	(668,001)	(671,253)	(505,633)	(160,154)	(260,046)	(371,453)
Total Net Expense	\$ (13,399,085)	\$ (13,077,879)	\$ (12,401,156)	\$ (13,283,166)	\$ (13,095,038)	\$ (12,835,464)	\$ (14,247,439)	\$ (14,722,246)
<b>General Revenues and Other Changes in Net Assets</b>	8,879,241	9,236,374	9,590,830	10,166,320	10,173,958	10,631,431	10,727,974	10,675,126
Governmental activities:	1,091,953	1,284,929	1,135,886	1,219,582	1,412,800	1,425,970	1,408,488	1,422,543
Taxes:	1,268,383	963,872	983,949	843,903	1,361,063	1,372,484	1,797,828	954,495
Income taxes	843,798	943,425	870,889	875,005	900,997	970,556	828,058	1,092,388
Property taxes	717,046	131,640	546,099	367,854	950,724	1,317,758	843,798	280,848
Estate taxes	865,775	600,529	58,970	84,359	65,752	2,400	0	0
Unrestricted Grants and contributions	120,539	116,076	11,861	38,889	41,404	288,719	112,576	199,604
Investment earnings	0	0	0	0	777,322	0	0	0
Gain on sale/disposal of capital assets	(183,000)	(235,000)	(400,000)	(410,000)	(450,000)	(100,000)	(97,500)	(150,000)
Miscellaneous	13,603,735	13,041,845	12,798,484	13,185,912	15,234,020	15,909,318	15,621,222	14,475,004
Special item: insurance settlement								
Transfers	0	0	63,126	0	0	0	0	0
Total governmental activities	38,766	4,088	21,800	8,961	20,703	46,898	44,820	13,314
Gain on sale/disposal of capital assets	52,177	(48,546)	0	3,324	(17,915)	0	5,002	10,526
Transfers	183,000	235,000	400,000	410,000	450,000	100,000	97,500	150,000
Total business-type activities	273,943	190,542	484,926	422,285	452,788	146,898	147,322	173,840
Total	\$ 13,877,678	\$ 13,232,387	\$ 13,283,410	\$ 13,608,197	\$ 15,686,808	\$ 16,056,216	\$ 15,768,544	\$ 14,648,844
<b>Changes in Net Assets</b>								
Governmental activities	658,827	543,703	1,065,329	573,999	2,644,615	3,234,008	1,633,829	124,211
Business-type activities	(180,234)	(389,195)	(183,075)	(248,968)	(52,845)	(13,256)	(112,724)	(197,613)
Total	\$ 478,593	\$ 154,508	\$ 882,254	\$ 325,031	\$ 2,591,770	\$ 3,220,752	\$ 1,521,105	\$ (73,402)

Schedule 3

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>General Fund</b>										
Reserved for:										
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,533	\$ 3,136	\$ -
Prepaid items	95,201	89,766	156,872	173,289	110,501	78,761	84,715	88,062	81,635	85,150
Land held for investments	636,461	171,111	-	-	-	-	-	-	-	-
Encumbrances	106,811	119,715	232,050	75,524	-	176,976	67,267	114,705	106,592	15,333
Unreserved	6,317,850	5,812,789	5,059,946	5,780,314	6,864,596	5,312,952	7,051,787	8,594,722	10,389,316	10,838,298
<b>Total general fund</b>	<b>\$ 7,156,323</b>	<b>\$ 6,193,381</b>	<b>\$ 5,448,868</b>	<b>\$ 6,029,127</b>	<b>\$ 6,975,097</b>	<b>\$ 5,568,689</b>	<b>\$ 7,203,769</b>	<b>\$ 8,800,022</b>	<b>\$ 10,580,679</b>	<b>\$ 10,938,781</b>
<b>All Other Governmental Funds</b>										
Reserved for:										
Debt service	\$ 2,180,128	\$ 2,639,475	\$ 3,026,656	\$ 3,811,660	\$ 3,353,264	\$ 2,940,581	\$ 2,685,894	\$ 2,423,733	\$ 2,113,822	\$ 1,782,169
Inventory	43,330	57,528	58,572	56,438	35,120	44,028	81,972	86,853	93,499	105,955
Prepaid items	15,709	23,599	22,437	23,497	12,619	15,133	16,091	15,498	20,888	16,818
Encumbrances	5,237,379	1,285,332	1,412,821	1,410,046	383,776	741,090	1,307,557	1,298,441	1,301,681	2,590,922
Unreserved, reported in:										
Designated for capital projects	-	1,000,000	2,000,000	3,000,000	4,000,000	5,000,000	6,000,000	6,000,000	6,000,000	-
Special revenue funds	894,316	609,854	838,277	686,461	902,768	694,918	848,605	1,014,034	715,552	830,407
Capital projects funds	1,355,479	4,223,035	4,496,294	2,489,212	1,749,357	3,055,995	2,799,194	2,287,572	1,092,947	1,629,839
<b>Total all other governmental funds</b>	<b>\$ 9,726,341</b>	<b>\$ 9,838,823</b>	<b>\$ 11,855,057</b>	<b>\$ 11,477,314</b>	<b>\$ 10,436,904</b>	<b>\$ 12,491,745</b>	<b>\$ 13,739,313</b>	<b>\$ 13,126,131</b>	<b>\$ 11,338,389</b>	<b>\$ 6,956,110</b>

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## Schedule 4

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

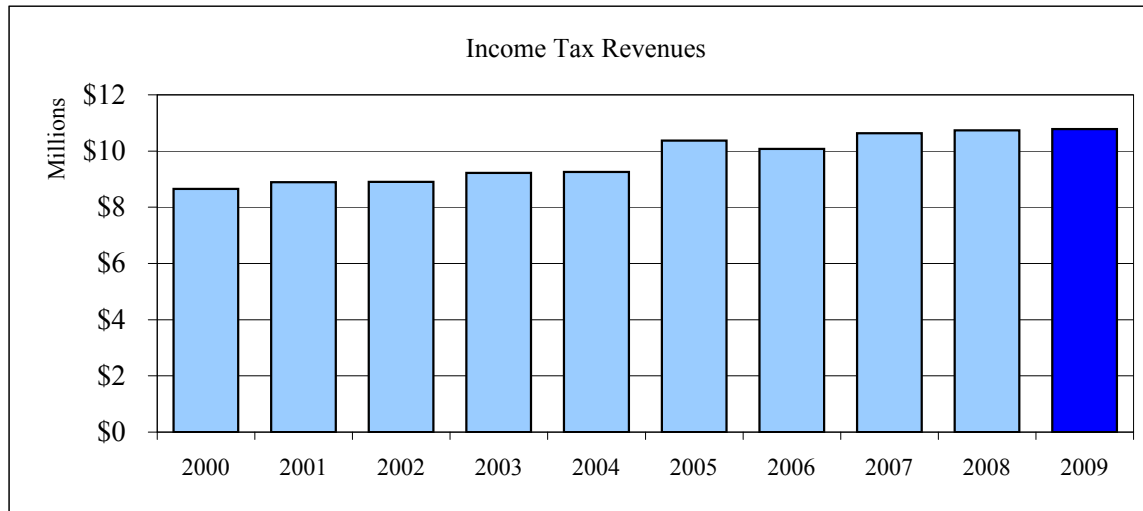
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Revenues:</b>										
Local taxes	\$ 11,275,083	\$ 11,287,865	\$ 11,408,207	\$ 11,625,368	\$ 11,898,470	\$ 11,281,802	\$ 11,672,492	\$ 11,805,299	\$ 12,141,850	\$ 12,205,328
Intergovernmental revenue	1,946,156	2,441,947	2,560,085	1,940,402	2,329,184	3,230,729	4,069,897	5,261,646	4,579,295	3,859,680
Special assessments	531,738	611,861	657,154	667,587	637,844	650,196	631,384	626,432	639,090	611,434
Charges for services	37,131	30,925	44,870	26,269	36,621	42,539	45,898	52,126	56,023	244,532
Fines, licenses and permits	323,793	320,574	288,950	310,452	323,679	263,954	321,698	283,277	233,597	193,744
Investment income	992,481	562,189	717,045	94,140	520,173	368,414	922,811	1,292,551	899,298	245,371
Lot sales	1,519,020	1,091,792	865,775	646,128	52,963	84,359	25,752	0	0	0
Rent	590,700	592,100	592,902	728,240	824,160	829,570	819,045	819,395	824,253	826,908
Other revenue	188,252	446,001	325,012	314,790	243,138	256,104	1,124,521	523,943	289,502	194,941
Total revenues	17,404,354	17,385,254	17,460,000	16,353,376	16,866,232	17,007,667	19,633,498	20,664,669	19,662,908	18,381,938
<b>Expenditures:</b>										
Current:										
General government	3,739,545	4,196,468	4,261,860	4,675,143	4,174,281	4,622,845	4,525,068	4,746,269	4,828,726	4,994,283
Public safety	3,935,400	4,288,344	4,736,661	4,916,423	5,119,241	5,196,048	5,570,795	5,714,067	6,294,673	5,983,254
Community environment	203,051	222,035	228,481	229,265	223,763	222,122	251,189	268,817	275,363	311,352
Recreation	347,284	360,426	353,670	339,476	473,920	323,295	418,667	283,056	284,971	398,661
Transportation	1,356,198	1,346,245	1,458,064	1,584,698	1,590,739	1,663,746	1,782,635	1,913,893	2,174,233	2,167,538
Cost of lots	760,450	465,350	171,111	0	0	0	0	0	0	0
Capital outlay	5,103,291	9,791,204	3,427,992	2,953,958	2,820,757	2,243,254	1,667,499	4,547,690	3,691,297	6,307,488
Debt service:										
Principal	1,665,399	522,787	588,464	349,293	944,382	970,653	964,507	976,706	1,010,299	1,057,956
Interest and other charges	1,356,429	1,241,855	1,428,976	1,073,865	1,213,589	1,187,271	1,160,490	1,133,500	1,111,923	1,068,124
Total expenditures	18,467,047	22,434,714	16,655,279	16,122,121	16,560,672	16,429,234	16,340,850	19,583,998	19,671,485	22,288,656
Excess (deficiency) of revenues Over (Under) expenditures	(1,062,693)	(5,049,460)	804,721	231,255	305,560	578,433	3,292,648	1,080,671	(8,577)	(3,906,718)
<b>Other Financing Sources (Uses):</b>										
Transfers in	4,555,536	5,619,155	5,374,093	2,600,000	2,350,000	4,500,000	2,525,000	2,625,000	2,700,000	2,919,501
Issuance of bonds	1,136,500	4,405,000	650,000	206,261	0	0	0	0	0	0
Sale of capital assets	0	0	0	0	0	480,000	40,000	2,400	21,825	23,221
Transfers out	(4,555,536)	(5,825,155)	(5,557,093)	(2,835,000)	(2,750,000)	(4,910,000)	(2,975,000)	(2,725,000)	(2,797,500)	(3,069,501)
Total other financing sources (uses)	1,136,500	4,199,000	467,000	(28,739)	(400,000)	70,000	(410,000)	(97,600)	(75,675)	(126,779)
Net change in fund balances	\$ 73,807	\$ (850,460)	\$ 1,271,721	\$ 202,516	\$ (94,440)	\$ 648,433	\$ 2,882,648	\$ 983,071	\$ (84,252)	\$ (4,033,497)
Debt service as a percentage of noncapital expenditures	31.54%	16.95%	18.28%	12.12%	18.63%	17.94%	16.93%	16.33%	15.31%	15.35%

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

Collection Year	Individual		Net Profits	Total	Income Tax Rate
	Withheld by Employer	Non-Withholding			
2000	\$ 6,172,226	\$ 1,726,655	\$ 759,089	\$ 8,657,970	1.75%
2001	6,410,823	1,782,484	702,248	8,895,555	1.75%
2002	6,269,119	1,811,472	818,649	8,899,240	1.75%
2003	6,540,595	1,890,745	785,037	9,216,377	1.75%
2004	6,514,163	1,871,115	865,552	9,250,830	1.75%
2005	6,943,943	2,195,418	1,226,959	10,366,320	1.75%
2006	6,835,183	2,012,139	1,226,857	10,074,179	1.75%
2007	7,463,667	1,969,654	1,197,889	10,631,210	1.75%
2008	7,430,109	2,097,410	1,205,843	10,733,362	1.75%
2009	7,447,029	1,301,398	2,034,358	10,782,785	1.75%

Source: City of Centerville, Ohio, Finance Department

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



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

2009		2000		
Rank	Name	Rank	Rank	Name
1	Centerville Board of Education	1	1	Centerville Board of Education
2	Federal Government	-	2	United Healthcare Services, Inc.
3	Graceworks Lutheran Services <sup>(1)</sup>	2	3	Federal Government
4	Reed Elsevier, Inc.	3	4	Lutheran Social Services <sup>(1)</sup>
5	City of Centerville	4	5	Reed Elsevier, Inc.
6	Miami Valley Hospital	8	6	Voss Auto Network, Inc.
7	Franciscan at St. Leonard	5	7	City of Centerville
8	Voss Auto Network, Inc.	-	8	Bob Ross Buick, Inc.
9	The Kroger Company	7	9	Franciscan at St. Leonard
10	RETS Tech Center, Inc.	-	10	Dimco Gray Company

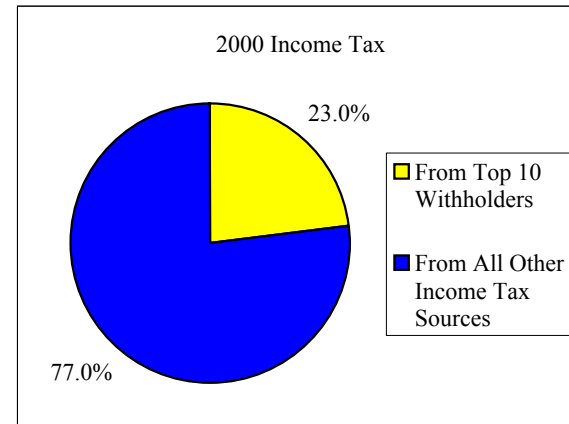
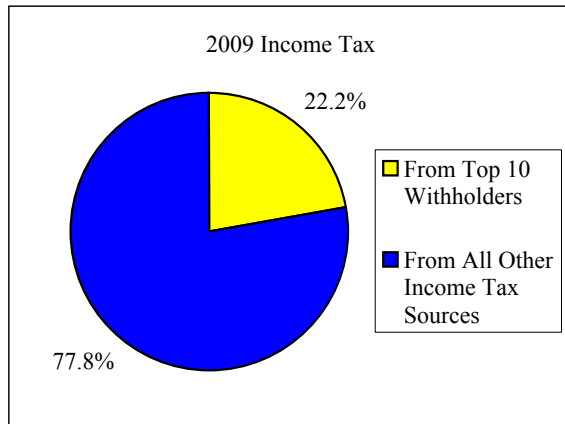
Combined percentage of total income taxes:  
 22.2%

Combined percentage of total income taxes:  
 23.0%

Source: City of Centerville, Ohio, Finance Department

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

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



Schedule 7

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Obligation Bonds	\$ 15,450,000	\$ 18,365,000	\$ 17,970,000	\$ 19,125,000	\$ 18,405,000	\$ 17,665,000	\$ 16,910,000	\$ 16,145,000	\$ 15,355,000	\$ 14,530,000
Percent of estimated actual property value	3.17%	3.72%	3.58%	3.41%	3.22%	2.97%	2.64%	2.50%	2.37%	2.21%
Per capita	\$671	\$798	\$780	\$828	\$796	\$763	\$734	\$699	\$665	\$634
Special Assessment Bonds	6,601,000	7,460,000	7,951,000	7,776,000	7,586,000	7,391,000	7,187,000	6,981,000	6,782,000	\$ 6,568,000
Promissory Notes	0	0	0	0	0	0	0	0	814,034	\$ 795,078
Total Outstanding Bonds	\$ 22,051,671	\$ 25,825,798	\$ 25,921,780	\$ 26,901,828	\$ 25,991,796	\$ 25,056,763	\$ 24,097,734	\$ 23,126,699	\$ 22,951,699	\$ 21,893,712
Percent of personal income	3.17%	3.71%	3.72%	3.86%	3.72%	3.58%	3.46%	3.31%	3.19%	3.19%
Per capita	\$958	\$1,122	\$1,125	\$1,165	\$1,124	\$1,082	\$1,046	\$1,001	\$994	\$956
Total Outstanding Bonds	\$ 22,051,671	\$ 25,825,798	\$ 25,921,780	\$ 26,901,828	\$ 25,991,796	\$ 25,056,763	\$ 24,097,734	\$ 23,126,699	\$ 22,951,699	\$ 21,893,712
Less debt not subject to limitation:										
General Obligation Bonds issued in anticipation of the collection	(15,450,000)	(18,365,000)	(17,970,000)	(19,125,000)	(18,405,000)	(17,665,000)	(16,910,000)	(16,145,000)	(15,355,000)	(14,530,000)
Special Assessment Bonds issued in anticipation of the collection	\$ (6,601,000)	\$ (7,460,000)	\$ (7,951,000)	\$ (7,776,000)	\$ (7,586,000)	\$ (7,391,000)	\$ (7,187,000)	\$ (6,981,000)	\$ (6,782,000)	\$ (6,568,000)
Net debt within limitations for both Voted and Unvoted debt	\$ 671	\$798	\$780	\$828	\$796	\$763	\$734	\$699	\$814,699	\$ 795,712
Debt limitation for both Voted and Unvoted debt 10.5% of assessed valuation	\$ 51,122,972	\$ 51,904,981	\$ 52,671,625	\$ 58,804,072	\$ 60,063,054	\$ 62,375,359	\$ 67,269,389	\$ 67,864,813	\$ 68,043,973	\$ 69,005,034
Legal Debt Margin within 10.5% limitation	\$ 51,122,301	\$ 51,904,183	\$ 52,670,845	\$ 58,803,244	\$ 60,062,258	\$ 62,374,596	\$ 67,268,655	\$ 67,864,114	\$ 67,229,274	\$ 68,209,322
Net debt within limitations for both Voted and Unvoted debt as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.20%	1.15%
Debt limitation for Unvoted debt 5.5% of assessed valuation	\$ 26,778,700	\$ 27,188,323	\$ 27,589,899	\$ 30,802,133	\$ 31,461,600	\$ 32,672,807	\$ 35,236,346	\$ 35,548,235	\$ 35,642,081	\$ 36,145,494
Legal Debt Margin within 5-1/2% limitation	\$ 26,778,029	\$ 27,187,525	\$ 27,589,119	\$ 30,801,305	\$ 31,460,804	\$ 32,672,044	\$ 35,235,612	\$ 35,547,536	\$ 34,827,382	\$ 35,349,782
Net debt within limitations for Unvoted debt as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.29%	2.20%

Source: City of Centerville, Ohio, Finance Department



Schedule 8

**City of Centerville, Ohio**  
**Direct and Overlapping General Obligation Debt**  
**As of December 31, 2009**

Jurisdiction	Net Debt Outstanding	Percentage Applicable To City	Amount Applicable To City of Centerville
<b>Direct:</b>			
City of Centerville	\$ 14,530,000	100.00%	\$ 14,530,000
<b>Overlapping:</b>			
Centerville City School District	65,010,000	37.85%	24,606,285
Centerville-Washington Park District	1,185,000	37.88%	448,878
Montgomery County	10,993,171	6.21%	682,676
Miami Valley Regional Transit Authority	2,625,000	6.21%	<u>163,013</u>
		Subtotal - Overlapping	25,900,852
<b>Total Direct and Overlapping Debt</b>			<b><u><u>\$ 40,430,852</u></u></b>

Source: Ohio Municipal Advisory Council

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

Year	Population (1)(a)	Per Capita Income (1)(b)	Personal Income	School Enrollment (2)	Unemployment Rate Montgomery County (3)	Total Assessed Property Value (4)
2000	23,024	\$30,210	\$695,555,040	7,446	3.4%	\$486,885,446
2001	23,025	30,210	695,585,250	7,419	5.2%	494,333,152
2002	23,045	30,210	696,189,450	7,821	5.7%	501,634,521
2003	23,092	30,210	697,609,320	8,055	5.7%	560,038,783
2004	23,122	30,210	698,515,620	8,156	6.3%	572,029,090
2005	23,162	30,210	699,724,020	8,170	5.6%	594,051,037
2006	23,046	30,210	696,219,660	8,197	5.6%	640,660,845
2007	23,100	30,210	697,851,000	8,336	6.2%	646,331,552
2008	22,937	30,210	692,926,770	8,395	7.4%	648,037,838
2009	22,904	30,210	691,929,840	8,390	12.8%	657,190,800

- Source:
- (1) U.S. Census Bureau Population Division
    - (a) For years prior to 2000 population listed is from the 1990 Census.
    - (b) Per capita income is from the 2000 Census.
  - (2) Centerville City School District Board of Education
  - (3) Ohio Department of Job and Family Services (rate for December of each year)
  - (4) Montgomery County Auditor

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

Employer	2009		2003	
	Approximate Number of Employees	Rank	Approximate Number of Employees	Rank
Centerville Board of Education	970	1	923	1
Graceworks Lutheran Services <sup>(1)</sup>	620	2	550	2
Franciscan at St. Leonard	365	3	350	3
City of Centerville	250	4	261	4
Kroger	230	5	215	5
Heartland Employment <sup>(2)</sup>	-	-	200	6
Voss Auto Network <sup>(3)</sup>	195	6	180	7
RETS Tech Center	170	7	-	-
Bob Ross Buick	140	8	150	9
Dimco Gray	85	9	125	8
Elder Beerman Department Stores	75	10	125	10

Source: City of Centerville, Economic Development Department

Note: The listing of principal employers from nine years ago is not available. Total number of employees within the City of Centerville is not available.

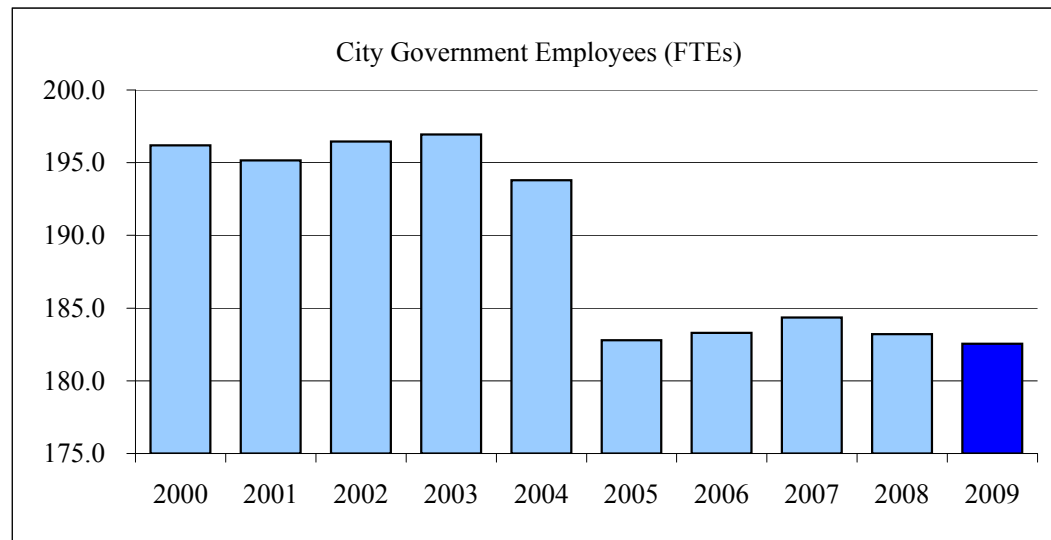
<sup>(1)</sup> Formerly known as Lutheran Social Services. Doing business as Bethany Lutheran Village.

<sup>(2)</sup> Heartland Employment left the City in 2005.

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

Function	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General government	31.70	29.35	29.80	30.45	30.55	31.55	30.75	30.55	29.40	29.35
Public safety	54.50	54.50	55.75	56.25	56.25	56.00	56.60	57.60	56.10	55.10
Community environment	4.00	4.00	4.00	3.75	3.75	3.75	3.60	3.60	3.60	4.00
Recreation	3.50	3.80	3.90	4.00	4.00	3.00	3.25	3.50	3.50	3.50
Transportation	25.00	25.00	25.00	25.00	21.75	21.00	21.00	21.00	21.00	21.00
Waste collection	12.00	13.00	13.00	13.00	13.00	12.00	12.00	12.00	12.00	12.00
Golf course operations	<u>65.50</u>	<u>65.50</u>	<u>65.00</u>	<u>64.50</u>	<u>64.50</u>	<u>55.50</u>	<u>56.10</u>	<u>56.10</u>	<u>57.60</u>	<u>57.60</u>
<b>Total</b>	<u><u>196.20</u></u>	<u><u>195.15</u></u>	<u><u>196.45</u></u>	<u><u>196.95</u></u>	<u><u>193.80</u></u>	<u><u>182.80</u></u>	<u><u>183.30</u></u>	<u><u>184.35</u></u>	<u><u>183.20</u></u>	<u><u>182.55</u></u>

Source: City of Centerville, Ohio, Finance Department



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






<u>Function/program</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Government										
Purchase orders issued	871	1,114	2,214	2,462	2,499	2,357	2,388	2,400	2,533	2,500
Payroll checks/direct deposits issued	6,212	6,086	6,120	6,457	6,285	6,030	6,147	6,175	6,013	6,000
Accounts payable checks issued	6,991	7,020	6,786	6,349	6,183	6,731	6,511	6,475	6,376	6,610
Ordinances and resolutions passed	98	140	84	101	80	92	102	95	96	90
Number of volunteer hours	9,285	10,512	10,871	10,354	11,664	11,428	11,137	12,717	11,685	11,400
Public Safety										
Total arrests	1,473	1,275	1,508	1,390	1,646	1,569	1,666	1,511	1,551	1,573
Traffic citations <sup>(1)</sup>	7,629	8,200	9,347	3,121	4,037	3,560	3,127	3,542	3,422	3,201
Public Works										
Miles of street	96	98	101	104	105	105	107	107	107	107
Tons of road salt used	2,700	583	1,269	3,179	1,775	1,849	354	1,994	2,696	2,000
Building Inspection										
Building permits issued	1,743	1,863	1,844	2,128	1,941	1,453	1,323	1,376	583	650
Electrical permits issued	351	403	346	406	376	266	265	265	234	180
Residential unit permits issued	98	103	97	146	122	71	39	58	15	4
Waste Collection										
Tons collected	6,565	6,941	6,978	7,406	7,317	7,197	7,428	7,098	7,765	7,000
Recyclable tons, including cardboard	766	809	795	887	851	885	890	821	775	726
Newspaper tons	601	630	687	706	697	716	728	686	632	610
Golf Course Operations										
Rounds of golf	33,161	35,470	36,719	43,627	46,863	45,613	49,435	53,896	53,275	53,500
Rounds of golf - cart usage	21,713	22,262	23,409	24,323	28,043	29,462	36,180	39,990	39,919	38,000
Gallons of water used (thousands)	33,250	30,125	28,175	25,280	24,570	26,630	41,650	99,400	42,000	55,800
Food Service Operations										
Wedding receptions hosted	46	34	41	37	36	42	36	42	41	60
Other banquet functions hosted	530	514	535	544	483	539	519	556	528	505

Source: City of Centerville, Ohio, Appropriation Budgets for applicable years. Actual statistics for 2000-2008.

Estimated statistics for 2009.

<sup>(1)</sup> 2000 - 2002 traffic citations issued includes written warnings.

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

	Function/program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	<b>General Government</b>										
	Municipal Buildings	1	1	1	1	1	1	1	1	1	1
	Square Footage	17,123	17,123	17,123	17,123	17,123	17,123	17,123	17,123	17,123	17,123
	<b>Public Safety</b>										
	Police Stations	(a)	1	1	1	1	1	1	1	1	1
	Square Footage		38,458	38,458	38,458	38,458	38,458	38,458	38,458	38,458	38,458
	<b>Public Works</b>										
	Public Works Facility	1	1	1	1	1	1	1	1	1	1
	Square Footage	17,541	17,541	17,541	17,541	17,541	17,541	17,541	17,541	17,541	17,541
	Miles of street	96	98	101	104	105	105	107	107	107	107
	Lane miles of street	(b)	223	227	236	238	238	240	240	240	240
	<b>Recreation</b>										
	Number of parks	1	1	1	1	1	1	1	1	1	1
	Area of parks (acres)	62.386	62.386	62.386	62.386	62.386	62.386	62.386	62.386	62.386	62.386
	Benham's Grove (acres)	7.017	7.017	7.017	7.017	7.017	7.017	7.017	7.017	7.017	7.017
	<b>Golf Course Operations</b>										
	Holes	21	21	27	27	27	27	27	27	27	27
	Club House (square footage)	29,517	29,517	29,517	29,517	29,517	29,517	29,517	29,517	29,517	29,517

Source: City of Centerville, Ohio, Finance Department

(a) Prior to 2001, the Centerville Police Department was housed in the Municipal Building.

(b) Not available prior to 2001.



**Mary Taylor, CPA**  
Auditor of State

**CITY OF CENTERVILLE**

**MONTGOMERY COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 5, 2010**