

City of Centerville, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL
YEAR ENDED
DECEMBER 31, 2020

centervilleohio.gov



**CITY OF CENTERVILLE
MONTGOMERY COUNTY**



SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2020

PLATTENBURG
Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER



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

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

We have reviewed the *Independent Auditor's Report* of the City of Centerville, Montgomery County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2020 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 31, 2021

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**CITY OF CENTERVILLE
MONTGOMERY COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2020**

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**CITY OF CENTERVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor/Pass - Through Grantor, Program Title	Pass Through Entity Number	CFDA #	Expenditures
<hr/>			
United States Department of Justice			
Direct Awards:			
Equitable Sharing Program	N/A	16.922	\$3,047
Total U.S. Department of Justice			<u>3,047</u>
<hr/>			
United States Department of Transportation			
Passed Through Ohio Department of Transportation:			
Highway Planning and Construction Cluster:			
MOT-Wilmington Pike Resurfacing	PID 107989	20.205	354,017
MOT-48-2.23 S Main and Spring Valley Traffic Signal	PID 109374	20.205	31,252
MOT-Clyo Road Resurfacing Phase I	PID 105951	20.205	353,110
MOT-48-4.28	PID 113373	20.205	<u>17,425</u>
Total Highway Planning and Construction Cluster			<u>755,804</u>
Total U.S. Department of Transportation			<u>755,804</u>
<hr/>			
United States Department of the Treasury			
Passed Through Ohio Department of Budget Management:			
Coronavirus Relief Fund	HB481-CRF-Local	21.019	<u>1,284,412</u>
Total U.S. Department of the Treasury			<u>1,284,412</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$2,043,263</u></u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of the activity of the City's federal award programs. The schedule has been prepared using the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The City did not elect to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Centerville, Ohio (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 2, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Plattenburg & Associates, Inc.

Dayton, Ohio
August 2, 2021

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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Centerville's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated August 2, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plattenburg & Associates, Inc.

Dayton, Ohio

August 2, 2021

**CITY OF CENTERVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2020**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

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

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

Identification of major federal programs:

- Coronavirus Relief Fund -CFDA# 21.019
- Highway Planning and Construction Cluster -CFDA# 20.205

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

Auditee qualified as low-risk auditee? No

Section II – Findings Related to the Financial Statements Required to be reported in Accordance with GAGAS

None

Section III – Federal Award Findings and Questioned Costs

None

CITY OF CENTERVILLE
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2020

The City of Centerville had no prior audit findings and questioned costs. The City was not subject to a single audit in the prior year.

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

MONTGOMERY AND GREENE COUNTIES

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE YEAR ENDED
December 31, 2020

Prepared by:
Department of Finance

Tyler Roark, CPA
Director of Finance



CITY OF CENTERVILLE
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Centerville, Ohio 45458
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Introductory Section







City of Centerville

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

August 2, 2021

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

We are pleased to present the City of Centerville (the City) Comprehensive Annual Financial Report for the year ended December 31, 2020. The responsibility for both the accuracy of the presented data, and the completeness and fairness of presentation, including all disclosures, rests with the management of the City, particularly the office of the Finance Director. This report is prepared in conformance with accounting principles generally accepted in the United States of America as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. We believe the data is fairly presented in all material aspects and that it is presented in a manner designed to set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a reasonable understanding of the City's financial affairs have been included.

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

THE CITY

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

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

***Letter of Transmittal
For the Year Ended December 31, 2020***

Economic Condition and Outlook

The City has a population of 23,999 according to the U.S. Census Bureau's 2010 census and is home to approximately 800 businesses across a variety of sectors. Centerville residents have completed the 2020 Census and finished with an 84.1% completion rate. Final demographic data will be released at a later date.

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

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

Additionally, the City continues to foster efforts to promote a healthy and vibrant commercial and retail corridor in Uptown, a historic business district located along State Routes 48 and 725. Beginning in 2019, the City initiated a visioning process for the APD, which resulted in an action plan addressing issues like walkability, traffic, business development, branding, and events. Approved as an amendment to the *Create the Vision* comprehensive plan, in 2020 the City contracted with urban planning and engineering firms to create a master plan for strategic enhancements to the district. These strategic enhancements build on approximately \$20 million invested in the infrastructure in Uptown, including \$10.6 million from Montgomery County since 2015. The City, for its part has invested close to \$765,000 in strategic land acquisition to position this area to connect with the vision of City Council and property owners to enhance its attractiveness and amenities, and foster future growth.

The City continues to promote development of the Cornerstone of Centerville, a 200-acre mixed-used development. Anchored by Costco, Kroger, and Cabela's, the development has continued to benefit from additional retail and restaurant tenants occupying spaces in the Village of Cornerstone. These include first-in-region eateries like Cheddars, CoreLife, and Bagger Dave's, as well as a 12,500 square foot Cooper's Hawk Winery and Restaurant which opened in August 2020. In addition, Home 2 Suites opened a 100-room hotel in October 2020, allowing Cornerstone of Centerville to host visitors from all across the Dayton region. City staff continues its work with Oberer Developers on the construction of Cornerstone Park which will be turned over to the City as an amenity for the shoppers and residents in and around the Cornerstone development. The Cornerstone Development continues to be an essential part of the community, with the development team looking to the South across Interstate I-675 towards the next phases of the project. This final phase at Cornerstone will be a 72-acre mixed-use piece focusing on office, entertainment, restaurant and destination retail users.

***Letter of Transmittal
For the Year Ended December 31, 2020***

In 2020, the City continued its focus on incentivizing redevelopment of existing commercial property through its Community Reinvestment Area (CRA) program. The CRA provides an incentive for property owners and developers to reinvest in the City by granting a temporary property tax abatement on the increase in value that results from the renovation or expansion of existing buildings and the construction of new structures. The CRA program fosters reinvestment in the developed areas of our city and promotes the long-term health of our residential neighborhoods and businesses.

Looking toward the future, the City is poised to sustain and likely increase its 2020 level of commercial development and redevelopment. The City will continue to leverage the assets available through the *BusinessFirst!* regional business retention and expansion (BRE) program, and provide resources to the existing companies in the community. According to the International Economic Development Council (IEDC), 80-90 percent of the job growth in your community comes from expansion of existing businesses. In 2020, the City continued to partner with local, regional, and state-level resource partners to assist existing businesses to access financial resources, optimize operations, train workers, and create and retain jobs. This included utilizing a portion of the City's CARES Act allocation to make small grants available to support small businesses adversely affected by the COVID-19 pandemic. It is anticipated that the City will continue its efforts in this direction as healthy relationships with businesses, as well as residents, will add to the generation of momentum within the local economy.

Major Initiatives

- Development of Cornerstone of Centerville
- Implementation of the Uptown Action Plan
- Development of 7.5 acres of city-owned property at Yankee Street and Social Row Road.
- The municipal property tax rate remained at its lowest rate for the 42nd consecutive year.
- The City maintained its municipal bond rating of Aa2 from Moody's Investor Services. This rating helps to lower the interest rate on any future bonds the City may issue.
- The City continues its outreach to businesses by conducting roundtables to work with targeted segments of the economy, in the past year working specifically with its automobile dealers.
- The City restructured the Centerville Community Improvement Corporation (CCIC) to create an effective tool to promote economic development, and
- Lean process improvements have begun implementation in the Planning and Building Inspection functions to enhance service delivery for those doing business with the City.

***Letter of Transmittal
For the Year Ended December 31, 2020***

FINANCIAL INFORMATION

Internal Control, Budgetary Control and the Accounting System

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

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

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

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

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

The City adopts an annual budget before December 31 for the upcoming fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is adopted at the department level for the General Fund and the Golf Course Operating Fund at the personnel and non-personnel classifications, and at the fund level at the personnel and non-personnel classifications for remaining City funds. Any modifications to a fund's appropriations require approval of City Council. Lower levels within each department or fund are accounted for and reported internally. Such lower levels are referred to as objects of expenditure. Estimated amounts must be encumbered prior to final approval of purchase orders or other contracts to vendors. Encumbrances in excess of the available object level appropriations are not approved unless additional appropriations are authorized and available. Unencumbered appropriations return (lapse) to the unappropriated balances in the individual funds at the end of each fiscal year, which coincides with the calendar year. In addition, a five-year operating budget and capital improvement program is now adopted on an annual basis. This program serves as the long-term financial plan for operating expenditures, infrastructure improvements, capital purchases, and tracking fund balances as per the City's five-year strategic plan.

***Letter of Transmittal
For the Year Ended December 31, 2020***

OTHER INFORMATION

Independent Audit

State statute requires an annual audit by the State Auditor’s Office or, at the State Auditor’s discretion, by an independent certified public accounting firm. The City and the State Auditor’s Office selected the firm of Plattenburg & Associates, Inc. to perform the 2020 audit of the City. Plattenburg & Associates, Inc. issued an unmodified (“clean”) opinion on the City of Centerville’s financial statements for the year ended December 31, 2020. The opinion of the Auditor appears in the financial section of this report.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Centerville, Ohio for its comprehensive annual financial report for the fiscal year ended December 31, 2019. This was the 20th 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 Miranda Piatt, Assistant Finance Director, Kelly Coleman, Finance Clerk, and Donna Mayforth, Finance Clerk are to be especially commended for their input and commitment. And, appreciation is extended to all members of the staff, whose efforts have made this report possible.

Respectfully submitted,

Wayne S. Davis
Wayne S. Davis
City Manager

Tyler Roark
Tyler Roark, CPA
Finance Director

CITY OF CENTERVILLE, OHIO

***List of Principal Officials
For the Year Ended December 31, 2020***

ELECTED OFFICIALS

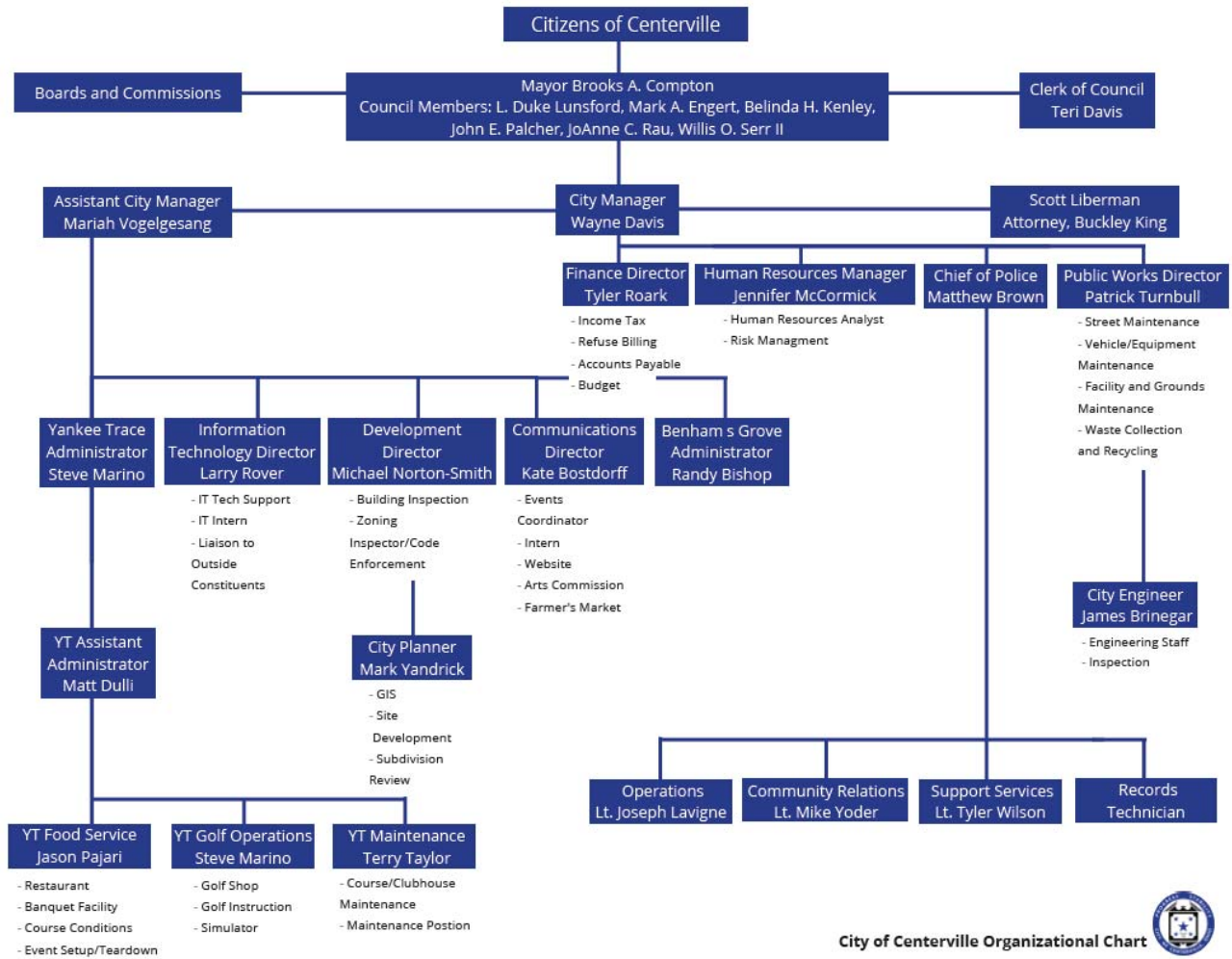
Mayor and Councilmember.....	Brooks A. Compton
Deputy Mayor and Councilmember	JoAnne C. Rau
Councilmember.....	Belinda H. Kenley
Councilmember.....	Mark A Engert
Councilmember.....	Louis Lunsford
Councilmember.....	Willis O. Serr
Councilmember.....	John E. Palcher

APPOINTED OFFICIALS

City Manager	Wayne S. Davis
Clerk of Council.....	Teresa Davis
Chief of Police	Matt Brown
Finance Director	Tyler Roark
Public Works Director	Pat Turnbull
City Engineer	James G. Brinegar
City Planner	Mark Yandrick
Development Director.....	Mike Norton-Smith
Information Technology Director	Larry Rover
Head Golf Professional	Steven T. Marino
Golf Maintenance Superintendent.....	Terry L. Taylor
Director of Food Service.....	Jason M. Pajari
Human Resources Director	Jennifer McCormick
Assistant City Manager.....	Mariah Vogelgesang

CITY OF CENTERVILLE, OHIO

**City Organizational Chart
For the Year Ended December 31, 2020**



City of Centerville Organizational Chart 

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Centerville
Ohio**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO



Financial Section





INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Centerville, Ohio (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 2, 2021, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Dayton, Ohio
August 2, 2021



***Management's Discussion and Analysis
For the Year Ended December 31, 2020***

Unaudited

Management's discussion and analysis of the City of Centerville's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2020. The intent of management's discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2020 are as follows:

- ❑ In total, net position increased \$6.8 million. Net position of governmental activities increased \$5.8 million which represents a 7.7% increase from 2019. Net position of business-type activities increased \$1 million or 5.5 % from 2019.
- ❑ General revenues accounted for \$25.6 million in revenue or 71.8% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for 28.2% of total revenues of \$35.6 million.
- ❑ Total net position of governmental activities increased by \$5.8 million. Revenues decreased \$1.65 million, led by a \$2.4 million decrease in income taxes. The City received a large onetime income tax payment from an individual taxpayer in the amount of \$1.89 million in 2019. This was an occurrence that did not repeat in 2020 and is not expected to occur again. Outside of the large onetime income tax payment, income taxes were down approximately \$.5 million but overall revenues increased \$.25 million for governmental activities. The COVID-19 pandemic certainly had an impact on income tax collections but the City was able to essentially maintain collection levels from the prior year. Expenses increased \$6.9 million highlighted by \$6.7 million increase in Public Safety expenses. This is directly attributable to the large negative OPEB expense recognized in 2019 that did not repeat in 2020.
- ❑ The City had \$24.4 million in expenses related to governmental activities; \$4.9 million of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues (primarily taxes) of \$25.5 million were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$24.9 million in revenues and \$21.7 million in expenditures and other financing uses. Revenues continued to outpace expenditures in 2020 and the general fund's fund balance increased \$3.2 million. The \$1.8 million decrease in income tax revenues and the \$1.2 million increase in expenditures and other financing uses contributed to the smaller increase to fund balance in 2020. Fund balance increased \$6.15 million in 2019.
- ❑ Net position for enterprise funds increased by \$1 million. Both revenues and expenses decreased from 2019. Revenue collections continued to outpace expense outlays especially in the Golf Course fund. The Golf Club at Yankee Trace experienced another strong financial performance in 2020 in part due to the COVID-19 pandemic. Golfing was a popular outdoor activity that naturally offered social distancing.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match with the exception of enterprise funds' share of internal service allocation on the business-type activities statement.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. All of the City's fiduciary activities are reported in a separate Statement of Net Position and Statement of Changes in Net Position. Individual fund data for each of these funds is provided in the form of combining statements elsewhere in this report.

**Management's Discussion and Analysis
For the Year Ended December 31, 2020**

Unaudited

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City's net position for 2020 compared to 2019:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$53,637,389	\$47,498,058	\$5,029,139	\$3,888,853	\$58,666,528	\$51,386,911
Capital assets, Net	69,228,388	65,165,080	18,782,207	18,911,467	88,010,595	84,076,547
Total assets	<u>122,865,777</u>	<u>112,663,138</u>	<u>23,811,346</u>	<u>22,800,320</u>	<u>146,677,123</u>	<u>135,463,458</u>
Deferred Outflows of Resources	4,087,189	7,107,154	544,270	1,042,482	4,631,459	8,149,636
Net Pension Liability	15,715,689	20,634,376	1,843,103	2,863,306	17,558,792	23,497,682
Net OPEB Liability	5,815,836	5,591,728	1,301,634	1,376,062	7,117,470	6,967,790
Long-term debt outstanding	15,885,355	13,716,219	159,292	158,732	16,044,647	13,874,951
Other liabilities	1,357,774	924,886	578,534	635,659	1,936,308	1,560,545
Total liabilities	<u>38,774,654</u>	<u>40,867,209</u>	<u>3,882,563</u>	<u>5,033,759</u>	<u>42,657,217</u>	<u>45,900,968</u>
Deferred Inflows of Resources	7,383,913	3,880,229	666,853	42,628	8,050,766	3,922,857
Net investment in capital assets	54,521,306	52,516,384	18,782,207	18,911,467	73,303,513	71,427,851
Restricted	11,314,379	10,337,076	0	0	11,314,379	10,337,076
Unrestricted	14,958,714	12,169,394	1,023,993	(145,052)	15,982,707	12,024,342
Total net position	<u>\$80,794,399</u>	<u>\$75,022,854</u>	<u>\$19,806,200</u>	<u>\$18,766,415</u>	<u>\$100,600,599</u>	<u>\$93,789,269</u>

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

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

***Management's Discussion and Analysis
For the Year Ended December 31, 2020***

Unaudited

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

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

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

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

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

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

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

CITY OF CENTERVILLE, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2020**

Unaudited

Changes in Net Position – The following table shows the changes in net position for 2020 compared to 2019:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,551,038	\$1,566,645	\$5,173,116	\$5,304,592	\$6,724,154	\$6,871,237
Operating Grants and Contributions	2,779,014	1,318,035	0	0	2,779,014	1,318,035
Capital Grants and Contributions	523,107	1,522,212	0	0	523,107	1,522,212
Total Program Revenues	4,853,159	4,406,892	5,173,116	5,304,592	10,026,275	9,711,484
General revenues:						
Income Taxes	19,649,461	22,027,383	0	0	19,649,461	22,027,383
Property Taxes	1,533,678	1,561,257	0	0	1,533,678	1,561,257
Payment in Lieu of Taxes	1,535,261	1,269,153	0	0	1,535,261	1,269,153
Intergovernmental, unrestricted	2,091,237	1,496,663	0	0	2,091,237	1,496,663
Investment Earnings	632,217	1,117,239	49,787	56,804	682,004	1,174,043
Miscellaneous	79,878	146,957	0	0	79,878	146,957
Total General Revenues	25,521,732	27,618,652	49,787	56,804	25,571,519	27,675,456
Total Revenues	30,374,891	32,025,544	5,222,903	5,361,396	35,597,794	37,386,940
Program Expenses						
General Government	7,282,644	7,267,575	0	0	7,282,644	7,267,575
Public Safety	9,111,041	2,409,407	0	0	9,111,041	2,409,407
Community Development	339,009	298,287	0	0	339,009	298,287
Recreation	317,269	308,511	0	0	317,269	308,511
Transportation	6,946,103	6,790,278	0	0	6,946,103	6,790,278
Interest and Fiscal Charges	427,280	408,525	0	0	427,280	408,525
Waste Collection	0	0	1,419,029	1,498,132	1,419,029	1,498,132
Golf Course	0	0	2,944,089	3,448,846	2,944,089	3,448,846
Total Expenses	24,423,346	17,482,583	4,363,118	4,946,978	28,786,464	22,429,561
Change in Net Position before transfers	5,951,545	14,542,961	859,785	414,418	6,811,330	14,957,379
Transfers	(180,000)	(1,000,000)	180,000	1,000,000	0	0
Total Change in Net Position	5,771,545	13,542,961	1,039,785	1,414,418	6,811,330	14,957,379
Beginning Net Position	75,022,854	61,479,893	18,766,415	17,351,997	93,789,269	78,831,890
Ending Net Position	\$80,794,399	\$75,022,854	\$19,806,200	\$18,766,415	\$100,600,599	\$93,789,269

***Management’s Discussion and Analysis
For the Year Ended December 31, 2020***

Unaudited

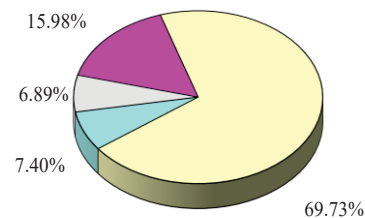
Governmental Activities

The net position of the City’s governmental activities increased by \$5.8 million. Revenues decreased by \$1.65 million in 2020 compared to 2019 and expenses and transfers increased by \$6.1 million. Decreases in income taxes, capital grants & contributions, and investment earnings accounted for the majority of the revenue decrease. The large income tax decrease is due in part to 2019 seeing a large onetime income tax payment from an individual taxpayer in the amount of \$1.89 million. This onetime payment did not occur again in 2020 and is not expected to reoccur in future years. 2020 was the third year of receiving payment in lieu of tax revenue from the Cornerstone Tax Increment Financing (TIF) district and the collections continue to grow as additional developments come online. Public Safety expenses increased by \$6.7 million in 2020 due to the large negative OPEB expense recognized in 2019.

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

Property taxes and income taxes made up 5% and 64.7% respectively of revenues for governmental activities for the City in 2020. The City’s reliance upon tax revenues is demonstrated by the following graph indicating 69.73% of total revenues from general tax revenues:

Revenue Sources	2020	Percent of Total
Intergovernmental, unrestricted	\$2,091,237	6.89%
Program Revenues	4,853,159	15.98%
General Tax Revenues	21,183,139	69.73%
General Other	2,247,356	7.40%
Total Revenue	\$30,374,891	100.00%



Business-Type Activities

Net position of the business-type activities increased by \$1,039,785. This increase was the result of revenues outpacing expenses by \$859,785 combined with transfers (\$180,000) from governmental activities. The majority of net position increase can be attributed to the Golf Course fund’s performance in 2020 with revenues outpacing expenditures by \$773,199. The transfer from governmental activities contributed towards capital outlay in the Golf Course fund.

**Management's Discussion and Analysis
For the Year Ended December 31, 2020**

Unaudited

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$41,632,881, which is an increase from last year's balance of \$34,584,637. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2020 and 2019:

	Fund Balance December 31, 2020	Fund Balance December 31, 2019	Increase (Decrease)
General	\$30,298,021	\$27,082,864	\$3,215,157
TIF Debt Retirement	1,015,284	489,795	525,489
Special Assessment Debt Retirement	473,321	495,056	(21,735)
Capital Improvement	4,818,560	2,348,631	2,469,929
Other Governmental	5,027,695	4,168,291	859,404
Total	\$41,632,881	\$34,584,637	\$7,048,244

General Fund – The City's General Fund balance increase is due to re-occurring revenues outpacing re-occurring expenditures. A onetime large income tax payment of \$1.89 million received in 2019 contributed significantly to the overall decrease in income tax collections during 2020. General Fund expenses also decreased but at a much lower percentage than the revenue decrease. The decrease in expenditures is due to the \$1.04 million expense reimbursement for public safety payroll in 2020 allocated from a portion of the City's Coronavirus Aid, Relief, and Economic Security (CARES) Act funding.

	2020 Revenues	2019 Revenues	Increase (Decrease)
Property and Other Taxes	\$1,511,312	\$1,563,539	(\$52,227)
Income Taxes	20,443,575	22,223,560	(1,779,985)
Charges for Services	540,022	585,050	(45,028)
Investment Earnings	516,201	926,478	(410,277)
Intergovernmental Revenue	850,038	794,683	55,355
Special Assessments	13,234	2,296	10,938
Fines, Licenses and Permits	486,232	368,432	117,800
All Other Revenue	536,840	161,415	375,425
Total	\$24,897,454	\$26,625,453	(\$1,727,999)

General Fund revenues decreased compared with 2019 levels. The decrease in income tax revenues of \$1.8 million coupled with the decrease in investment earnings accounted for the majority of the total decrease. As mentioned above the onetime large income tax payment of \$1.89 million in 2019 contributed to the overall income tax decrease. Investment earnings decreased significantly due to the low interest rate environment in response to the COVID-19 pandemic.

CITY OF CENTERVILLE, OHIO

***Management’s Discussion and Analysis
For the Year Ended December 31, 2020***

Unaudited

	2020 Expenditures	2019 Expenditures	Increase (Decrease)
General Government	\$5,629,872	\$5,214,338	\$415,534
Public Safety	6,562,338	7,281,664	(719,326)
Community Development	284,544	229,916	54,628
Recreation	248,924	220,020	28,904
Capital Outlay	291,256	275,707	15,549
Total	<u>\$13,016,934</u>	<u>\$13,221,645</u>	<u>(\$204,711)</u>

General Fund expenditures decreased by \$204,711 or 1.5% under the prior year predominantly due to decreased costs in the public safety function. As mentioned above, the decrease in public safety expenditures is due to the \$1.04 million expense reimbursement for public safety payroll in 2020 allocated from a portion of the City’s Coronavirus Aid, Relief, and Economic Security (CARES) Act funding.

TIF Debt Retirement Fund – This fund is used to account for the receipt of revenues in lieu of taxes and subsequent payment of principal and interest on the debt. This fund experiences minimal variability on a yearly basis, as was the case with 2020. The Cornerstone TIF will continue to see moderate increases in collections in subsequent years as the North Parcel continues to be developed and new properties begin to contribute into the TIF. In 2020 a second debt issuance for Phase IV Public Improvements was issued so additional principal retirement and interest charges will begin for the new debt service amount. The first interest payment on the new debt was paid to the bondholders in December 2020 and the first principal payment will be payable starting in 2021.

Special Assessment Debt Retirement Fund – This fund is used to account for the receipt of special assessment collections and subsequent payment of principal and interest on the special assessment debt. This fund experiences minimal variability on a yearly basis, as was the case with 2020. There are 7 different Special Assessment Financing (SAF) districts throughout the Yankee Trace development. Each individual SAF has outstanding bonds with a 30 year term and the debt issuances will mature beginning in 2026 and ending in 2032.

Capital Improvement Fund - The fund balance of this fund will vary from year to year based upon the City’s capital project schedules. The General Fund provides transfers each year to make sure funding is adequate to complete the projects and it complies with the fund balance policy (ORD 20-20) adopted by City Council. City Council’s commitment in the five-year strategic plan to increase capital outlay for infrastructure improvements largely contributes to the change to the fund in 2020 as monthly transfers increased and the timing for some of the capital project schedules were delayed with COVID-19.

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

During the course of 2020 the City amended its General Fund budget twice. The final supplemental appropriation contemplated a significant operating contribution to the Centerville Community Improvement Corporation (CCIC) and a cash advance to the Self-Insurance Medical Fund.

CITY OF CENTERVILLE, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2020***

Unaudited

For the General Fund, final budget basis revenue of \$24.1 million did not change from the original budget estimates despite the COVID-19 pandemic. The General Fund had an adequate fund balance to cover all expenditures.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2020 the City had \$88,010,595 net of accumulated depreciation invested in land, buildings and improvements, equipment and infrastructure. Of this total, \$69,228,388 was related to governmental activities and \$18,782,207 to the business-type activities. The following table shows 2020 and 2019 balances:

	Governmental Activities		Changes
	2020	2019	
Land	\$10,226,346	\$10,200,286	\$26,060
Construction in Progress	61,848	0	61,848
Total Non-Depreciable Capital Assets	10,288,194	10,200,286	87,908
Buildings and Improvements	14,585,905	14,585,905	0
Equipment	12,202,247	10,880,247	1,322,000
Infrastructure	89,857,591	83,324,701	6,532,890
Less: Accumulated Depreciation	(57,705,549)	(53,826,059)	(3,879,490)
Total Depreciable Capital Assets, Net	58,940,194	54,964,794	3,975,400
Totals	\$69,228,388	\$65,165,080	\$4,063,308

	Business-Type Activities		Changes
	2020	2019	
Land	\$15,098,026	\$15,098,026	\$0
Total Non-Depreciable Capital Assets	15,098,026	15,098,026	0
Buildings and Improvements	4,745,783	4,686,591	59,192
Equipment	2,795,514	2,603,949	191,565
Less: Accumulated Depreciation	(3,857,116)	(3,477,099)	(380,017)
Total Depreciable Capital Assets, Net	3,684,181	3,813,441	(129,260)
Totals	\$18,782,207	\$18,911,467	(\$129,260)

***Management’s Discussion and Analysis
For the Year Ended December 31, 2020***

Unaudited

The primary increase occurred in infrastructure and equipment for governmental activities. The City’s Annual Street and Sidewalk Resurfacing Program accounted for the majority of the increase in infrastructure as over \$4.2 million was invested in 2020. An additional \$2.4 million was invested in infrastructure for the Phase IV public improvements at the Cornerstone of Centerville development. As mentioned above, the debt issuance in 2020 funded these capital infrastructure improvement costs. The increase in equipment for governmental activities is largely the result of technology improvements such as the final implementation of the new Enterprise Resource System (ERP), a virtual server environment upgrade, and new Cyber Security software and equipment. The City also invested in several pieces of large equipment for the Public Works department. Additional information on the City’s capital assets can be found in Note 9.

Debt

At December 31, 2020, the City had \$14.77 million in bonds and loans outstanding, \$777,111 due within one year. The following table summarizes the City’s debt outstanding as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Governmental Activities:		
General Obligation Bonds	\$10,392,769	\$7,956,704
Special Assessment Bonds	3,624,711	3,981,330
OPWC Loans	748,620	779,517
Compensated Absences	1,119,255	998,668
Total Governmental Activities	<u>15,885,355</u>	<u>13,716,219</u>
Business-Type Activities:		
Compensated Absences	159,292	158,732
Total Business-Type Activities	<u>159,292</u>	<u>158,732</u>
Totals	<u>\$16,044,647</u>	<u>\$13,874,951</u>

State statutes limit the amount of unvoted general obligation debt the City may issue. The aggregate amount of the City’s unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City’s unvoted debt, when added to that of other political subdivisions within the respective counties in which Centerville lies, is limited to ten mills. At December 31, 2020, the City’s outstanding debt was below the legal limit. Additional information on the City’s long-term debt can be found in Note 12.

ECONOMIC FACTORS

The City adopted a five-year budget for the first time with the 2021 Budget Process. The 2021 Budget and 2022 – 2025 Forecast ties directly back to City Council’s five-year strategic plan. The City has a solid residential and business tax base, which continues to grow and expand, and income tax revenue has increased significantly over the last several years and projects to increase again slightly in 2021. The 2021 expenditures increased from 2020 levels mainly due to an increase in capital projects and infrastructure improvements as per City Council’s direction in the five-year strategic plan. City Council wants to continue to maintain the current service levels to the residents of the City and they will continue to monitor the revenue stream for 2021 - 2025 and if necessary, adjust expenditures accordingly.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Finance Department by calling 937-433-7151 or writing to City of Centerville Finance Department, 100 West Spring Valley Road, Centerville, Ohio 45458.



CITY OF CENTERVILLE, OHIO

**Statement of Net Position
December 31, 2020**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$ 39,836,898	\$ 4,792,503	\$ 44,629,401
Receivables:			
Taxes	6,098,334	0	6,098,334
Accounts	7,852	112,452	120,304
Intergovernmental	1,445,620	72,575	1,518,195
Interest	49,522	0	49,522
Special Assessments	5,722,764	0	5,722,764
Internal Balances	85,476	(85,476)	0
Inventory of Supplies at Cost	134,184	114,663	248,847
Prepaid Items	256,739	22,422	279,161
Non-Depreciable Capital Assets	10,288,194	15,098,026	25,386,220
Depreciable Capital Assets, Net	58,940,194	3,684,181	62,624,375
Total Assets	122,865,777	23,811,346	146,677,123
Deferred Outflows of Resources:			
Deferred Charge on Refunding	59,018	0	59,018
Pension	2,432,811	322,108	2,754,919
OPEB	1,595,360	222,162	1,817,522
Total Deferred Outflows of Resources	4,087,189	544,270	4,631,459
Liabilities:			
Accounts Payable	273,960	50,132	324,092
Accrued Wages and Benefits Payable	324,754	47,115	371,869
Intergovernmental Payable	267,525	2,812	270,337
Claims Payable	153,410	0	153,410
Due to Others	297,783	0	297,783
Deposit Liability	0	183,796	183,796
Unearned Revenue	0	294,679	294,679
Accrued Interest Payable	40,342	0	40,342
Noncurrent liabilities:			
Due within one year	1,159,127	76,441	1,235,568
Due in more than one year:			
Net Pension Liability	15,715,689	1,843,103	17,558,792
Net OPEB Liability	5,815,836	1,301,634	7,117,470
Other Amounts	14,726,228	82,851	14,809,079
Total Liabilities	38,774,654	3,882,563	42,657,217
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	3,016,285	0	3,016,285
Pension	2,975,004	448,750	3,423,754
OPEB	1,392,624	218,103	1,610,727
Total Deferred Inflows of Resources	7,383,913	666,853	8,050,766

CITY OF CENTERVILLE, OHIO

	Governmental Activities	Business-Type Activities	Total
Net Position:			
Net Investment in Capital Assets	54,521,306	18,782,207	73,303,513
Restricted For:			
Capital Projects	510,914	0	510,914
Debt Service	7,171,027	0	7,171,027
Street Improvements	2,705,275	0	2,705,275
Public Safety	674,168	0	674,168
Recreation	252,995	0	252,995
Unrestricted	14,958,714	1,023,993	15,982,707
Total Net Position	\$ 80,794,399	\$ 19,806,200	\$ 100,600,599

See accompanying notes to the basic financial statements

CITY OF CENTERVILLE, OHIO

**Statement of Activities
For the Year Ended December 31, 2020**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 7,282,644	\$ 791,622	\$ 1,372,016	\$ 54,832
Public Safety	9,111,041	165,229	0	0
Community Development	339,009	0	0	0
Recreation	317,269	348,399	0	42,570
Transportation	6,946,103	245,788	1,406,998	425,705
Interest and Fiscal Charges	427,280	0	0	0
Total Governmental Activities	24,423,346	1,551,038	2,779,014	523,107
Business-Type Activities:				
Waste Collection	1,419,029	1,455,828	0	0
Golf Course	2,944,089	3,717,288	0	0
Total Business-Type Activities	4,363,118	5,173,116	0	0
Totals	\$ 28,786,464	\$ 6,724,154	\$ 2,779,014	\$ 523,107

General Revenues:

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

See accompanying notes to the basic financial statements

CITY OF CENTERVILLE, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (5,064,174)	\$ 0	\$ (5,064,174)
(8,945,812)	0	(8,945,812)
(339,009)	0	(339,009)
73,700	0	73,700
(4,867,612)	0	(4,867,612)
(427,280)	0	(427,280)
<u>(19,570,187)</u>	<u>0</u>	<u>(19,570,187)</u>
0	36,799	36,799
0	773,199	773,199
<u>0</u>	<u>809,998</u>	<u>809,998</u>
<u>(19,570,187)</u>	<u>809,998</u>	<u>(18,760,189)</u>
19,649,461	0	19,649,461
1,533,678	0	1,533,678
2,091,237	0	2,091,237
1,535,261	0	1,535,261
632,217	49,787	682,004
79,878	0	79,878
<u>(180,000)</u>	<u>180,000</u>	<u>0</u>
<u>25,341,732</u>	<u>229,787</u>	<u>25,571,519</u>
5,771,545	1,039,785	6,811,330
<u>75,022,854</u>	<u>18,766,415</u>	<u>93,789,269</u>
<u>\$ 80,794,399</u>	<u>\$ 19,806,200</u>	<u>\$ 100,600,599</u>

CITY OF CENTERVILLE, OHIO

**Balance Sheet
Governmental Funds
December 31, 2020**

	General	TIF Debt Retirement	Special Assessment Debt Retirement
Assets:			
Equity in Pooled Cash and Investments	\$ 28,312,206	\$ 1,015,284	\$ 473,321
Receivables:			
Taxes	4,698,334	1,300,000	0
Accounts	7,852	0	0
Intergovernmental	629,647	0	0
Interest	49,522	0	0
Special Assessments	0	0	5,722,764
Interfund Loans Receivable	100,000	0	0
Interfund Receivable	4,044	0	0
Inventory of Supplies, at Cost	1,975	0	0
Prepaid Items	238,218	0	0
Total Assets	\$ 34,041,798	\$ 2,315,284	\$ 6,196,085
Liabilities:			
Accounts Payable	\$ 119,799	\$ 0	\$ 0
Accrued Wages and Benefits Payable	267,319	0	0
Intergovernmental Payable	212,623	0	0
Due to Others	250,123	0	0
Compensated Absences Payable	18,898	0	0
Total Liabilities	868,762	0	0
Deferred Inflows of Resources:			
Unavailable Amounts	1,258,730	0	5,722,764
Property Tax Levy for Next Fiscal Year	1,616,285	1,300,000	0
Total Deferred Inflows of Resources	2,875,015	1,300,000	5,722,764
Fund Balances:			
Nonspendable	240,193	0	0
Restricted	0	1,015,284	473,321
Assigned	4,940,200	0	0
Unassigned	25,117,628	0	0
Total Fund Balances	30,298,021	1,015,284	473,321
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 34,041,798	\$ 2,315,284	\$ 6,196,085

See accompanying notes to the basic financial statements

CITY OF CENTERVILLE, OHIO

Capital Improvements	Other Governmental Funds	Total Governmental Funds
\$ 4,872,221	\$ 4,809,424	\$ 39,482,456
0	100,000	6,098,334
0	0	7,852
104,960	711,013	1,445,620
0	0	49,522
0	0	5,722,764
0	0	100,000
0	0	4,044
0	132,209	134,184
0	18,521	256,739
<u>\$ 4,977,181</u>	<u>\$ 5,771,167</u>	<u>\$ 53,301,515</u>
\$ 60,461	\$ 91,200	\$ 271,460
0	57,435	324,754
22,539	32,363	267,525
0	47,660	297,783
0	0	18,898
<u>83,000</u>	<u>228,658</u>	<u>1,180,420</u>
75,621	414,814	7,471,929
0	100,000	3,016,285
<u>75,621</u>	<u>514,814</u>	<u>10,488,214</u>
0	150,730	390,923
0	3,802,534	5,291,139
4,818,560	1,074,431	10,833,191
0	0	25,117,628
<u>4,818,560</u>	<u>5,027,695</u>	<u>41,632,881</u>
<u>\$ 4,977,181</u>	<u>\$ 5,771,167</u>	<u>\$ 53,301,515</u>

CITY OF CENTERVILLE, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2020***

Total Governmental Fund Balances \$ 41,632,881

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

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

Capital Assets used in the operation of Governmental Funds	67,636,921	
Capital Assets used in the operation of Internal Service Funds	1,591,467	
Capital Assets used in the operation of Governmental Activities		69,228,388

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

Income Taxes Receivable - accrual basis	985,046	
Property Taxes Receivable - accrual basis	38,714	
Special Assessments Receivable - accrual basis	5,722,764	
Interest Receivable - accrual basis	27,589	
Grants Receivable - accrual basis	697,816	
Total		7,471,929

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

Internal service net position	1,689,999	
Capital assets used in the operation of Internal Service Funds	(1,591,467)	
Allocation to Business-Type Activities	81,432	
		179,964

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

Deferred Outflows - Pension	2,432,811	
Deferred Outflows - OPEB	1,595,360	
Deferred Inflows - Pension	(2,975,004)	
Deferred Inflows - OPEB	(1,392,624)	
Net Pension Liability	(15,715,689)	
Net OPEB Liability	(5,815,836)	
Total		(21,870,982)

CITY OF CENTERVILLE, OHIO

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

Amounts Due Within One Year	(1,140,229)	
Amounts Due in More Than One Year	(14,726,228)	
Accrued Interest on Long-Term Debt	(40,342)	
Deferred Charge on Debt Refunding	59,018	
Total		<u>(15,847,781)</u>
<i>Net Position of Governmental Activities</i>		<u>\$ 80,794,399</u>

See accompanying notes to the basic financial statements

CITY OF CENTERVILLE, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020**

	General	TIF Debt Retirement	Special Assessment Debt Retirement
Revenues:			
Property and Other Taxes	\$ 1,511,312	\$ 0	\$ 0
Income Taxes	20,443,575	0	0
Charges for Services	540,022	0	0
Investment Earnings	516,201	13,227	8,582
Intergovernmental Revenues	850,038	0	0
Special Assessments	13,234	0	473,005
Fines, Licenses and Permits	486,232	0	0
Revenue in Lieu of Taxes	0	1,435,710	0
Other Revenues	536,840	0	0
Total Revenue	24,897,454	1,448,937	481,587
Expenditures:			
Current:			
General Government	5,629,872	436,213	22,519
Public Safety	6,562,338	0	0
Community Development	284,544	0	0
Recreation	248,924	0	0
Transportation	0	0	0
Capital Outlay	291,256	0	0
Debt Service:			
Principal Retirement	0	305,000	350,000
Interest and Fiscal Charges	0	306,542	130,803
Total Expenditures	13,016,934	1,047,755	503,322
Excess (Deficiency) of Revenues Over Expenditures	11,880,520	401,182	(21,735)
Other Financing Sources (Uses):			
Premium on General Obligation Bonds Issued	0	185,825	0
General Obligation Bonds Issued	0	0	0
Transfers In	0	0	0
Transfers Out	(8,665,750)	(61,518)	0
Total Other Financing Sources (Uses)	(8,665,750)	124,307	0
Net Change in Fund Balances	3,214,770	525,489	(21,735)
Fund Balances at Beginning of Year	27,082,864	489,795	495,056
Change in Inventory	387	0	0
Fund Balances End of Year	\$ 30,298,021	\$ 1,015,284	\$ 473,321

See accompanying notes to the basic financial statements

CITY OF CENTERVILLE, OHIO

Capital Improvements	Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 0	\$ 1,511,312
0	0	20,443,575
0	773	540,795
54,229	65,393	657,632
1,221,479	2,779,014	4,850,531
0	50,102	536,341
0	1,103	487,335
0	99,551	1,535,261
490	525,227	1,062,557
<u>1,276,198</u>	<u>3,521,163</u>	<u>31,625,339</u>
0	192,412	6,281,016
0	1,348,435	7,910,773
0	0	284,544
0	0	248,924
0	2,629,444	2,629,444
4,806,269	3,495,379	8,592,904
0	30,897	685,897
0	1,977	439,322
<u>4,806,269</u>	<u>7,698,544</u>	<u>27,072,824</u>
(3,530,071)	(4,177,381)	4,552,515
0	75,596	261,421
0	2,500,000	2,500,000
6,000,000	2,447,268	8,447,268
0	0	(8,727,268)
<u>6,000,000</u>	<u>5,022,864</u>	<u>2,481,421</u>
2,469,929	845,483	7,033,936
2,348,631	4,168,291	34,584,637
0	13,921	14,308
<u>\$ 4,818,560</u>	<u>\$ 5,027,695</u>	<u>\$ 41,632,881</u>

CITY OF CENTERVILLE, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Year Ended December 31, 2020***

Net Change in Fund Balances - Total Governmental Funds \$ 7,033,936

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	3,920,593
Revenues and transfers in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,250,448)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	1,425,411
Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities are reported as pension expense in the statement of activities.	(2,969,026)
The repayment of the principal of long-term debt consumes the current financial resources of government funds, however it does not effect net position.	685,897
The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position.	(2,761,421)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(5,096)
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	(101,689)
Amortization of Bond Principal	26,975
Amortization of Deferred Charge on Refunding	(9,837)
Change in Inventory	14,308
	<u>(70,243)</u>

CITY OF CENTERVILLE, OHIO

Internal Service Funds are used by management to charge costs to individual funds and are not reported in the statement of activities. Governmental fund expenditures and related internal service revenues are eliminated. The net revenue (expense) of the internal service funds are allocated amongst the governmental activities.

Change in Net Position - Internal Service Funds	(296,563)	
Change in portion of Internal Service Fund Net Position allocated to Business-Type Activities	<u>58,505</u>	<u>(238,058)</u>
<i>Change in Net Position of Governmental Activities</i>		<u>\$ 5,771,545</u>

See accompanying notes to the basic financial statements



CITY OF CENTERVILLE, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property and Other Taxes	\$ 1,585,000	\$ 1,585,000	\$ 1,505,379	\$ (79,621)
Income Taxes	20,250,865	20,250,865	20,360,950	110,085
Charges for Services	661,050	661,050	546,337	(114,713)
Investment Earnings	300,000	300,000	312,802	12,802
Intergovernmental Revenue	912,800	912,800	819,515	(93,285)
Special Assessments	5,000	5,000	13,234	8,234
Fines, Licenses and Permits	353,000	353,000	494,576	141,576
Other Revenues	31,750	31,750	141,405	109,655
Total Revenues	<u>24,099,465</u>	<u>24,099,465</u>	<u>24,194,198</u>	<u>94,733</u>
Expenditures:				
Current:				
General Government	6,448,327	7,911,174	7,059,564	851,610
Public Safety	7,990,279	8,009,773	6,603,970	1,405,803
Community Development	366,492	368,434	285,148	83,286
Recreation	304,263	325,645	256,873	68,772
Capital Outlay	721,910	764,938	487,022	277,916
Total Expenditures	<u>15,831,271</u>	<u>17,379,964</u>	<u>14,692,577</u>	<u>2,687,387</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,268,194	6,719,501	9,501,621	2,782,120
Other Financing Sources (Uses):				
Transfers Out	(8,565,750)	(8,665,750)	(8,665,750)	0
Advances Out	0	(500,000)	(100,000)	400,000
Total Other Financing Sources (Uses):	<u>(8,565,750)</u>	<u>(9,165,750)</u>	<u>(8,765,750)</u>	<u>400,000</u>
Net Change in Fund Balance	(297,556)	(2,446,249)	735,871	3,182,120
Fund Balance at Beginning of Year	24,669,724	24,669,724	24,669,724	0
Prior Year Encumbrances	339,015	339,015	339,015	0
Fund Balance at End of Year	<u>\$ 24,711,183</u>	<u>\$ 22,562,490</u>	<u>\$ 25,744,610</u>	<u>\$ 3,182,120</u>

See accompanying notes to the basic financial statements

CITY OF CENTERVILLE, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2020**

	Business-Type Activities			Governmental Activities - Internal Service Funds
	Enterprise Funds			
	Waste Collection	Golf Course	Total	
Assets:				
Current assets:				
Equity in Pooled Cash and Investments	\$ 1,336,883	\$ 3,455,620	\$ 4,792,503	\$ 354,442
Receivables:				
Accounts	111,337	1,115	112,452	0
Intergovernmental	26,126	46,449	72,575	0
Inventory of Supplies at Cost	8,567	106,096	114,663	0
Prepaid Items	8,423	13,999	22,422	0
Total current assets	<u>1,491,336</u>	<u>3,623,279</u>	<u>5,114,615</u>	<u>354,442</u>
Noncurrent assets:				
Capital assets:				
Non-Depreciable Capital Assets	0	15,098,026	15,098,026	0
Depreciable Capital Assets, net	121,385	3,562,796	3,684,181	1,591,467
Total capital assets	<u>121,385</u>	<u>18,660,822</u>	<u>18,782,207</u>	<u>1,591,467</u>
Total noncurrent assets	<u>121,385</u>	<u>18,660,822</u>	<u>18,782,207</u>	<u>1,591,467</u>
Total assets	<u>1,612,721</u>	<u>22,284,101</u>	<u>23,896,822</u>	<u>1,945,909</u>
Deferred Outflows of Resources:				
Pension	123,911	198,197	322,108	0
OPEB	85,522	136,640	222,162	0
Total Deferred Outflows of Resources	<u>209,433</u>	<u>334,837</u>	<u>544,270</u>	<u>0</u>
Liabilities:				
Current liabilities:				
Accounts Payable	11,804	38,328	50,132	2,500
Accrued Wages and Benefits Payable	24,795	22,320	47,115	0
Intergovernmental Payable	1,097	1,715	2,812	0
Claims Payable	0	0	0	153,410
Deposit Liability	0	183,796	183,796	0
Unearned Revenue	294,679	0	294,679	0
Interfund Loans Payable	0	0	0	100,000
Interfund Payable	0	4,044	4,044	0
Compensated Absences Payable - Current	52,528	23,913	76,441	0
Total Current Liabilities	<u>384,903</u>	<u>274,116</u>	<u>659,019</u>	<u>255,910</u>

CITY OF CENTERVILLE, OHIO

	Business-Type Activities			Governmental Activities - Internal Service Funds
	Enterprise Funds			
	Waste Collection	Golf Course	Total	
Noncurrent Liabilities:				
Compensated Absences Payable	36,744	46,107	82,851	0
Net Pension Liability	711,939	1,131,164	1,843,103	0
Net OPEB Liability	502,785	798,849	1,301,634	0
Total noncurrent liabilities	1,251,468	1,976,120	3,227,588	0
Total Liabilities	1,636,371	2,250,236	3,886,607	255,910
Deferred Inflows of Resources:				
Pension	173,340	275,410	448,750	0
OPEB	84,247	133,856	218,103	0
Total Deferred Inflows of Resources	257,587	409,266	666,853	0
Net Position:				
Net Investment in Capital Assets	121,385	18,660,822	18,782,207	1,591,467
Unrestricted	(193,189)	1,298,614	1,105,425	98,532
Total Net Position	<u>\$ (71,804)</u>	<u>\$ 19,959,436</u>	<u>19,887,632</u>	<u>\$ 1,689,999</u>
			Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.	(81,432)
			Net Position of Business-type Activities	<u>\$ 19,806,200</u>

See accompanying notes to the basic financial statements

CITY OF CENTERVILLE, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2020**

	Business-type activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Waste Collection	Golf Course	Total Enterprise Funds	
Operating Revenues:				
Charges for Services	\$ 1,420,454	\$ 3,658,231	\$ 5,078,685	\$ 2,455,908
Other Operating Revenues	35,374	59,057	94,431	1,299,215
Total Operating Revenues	<u>1,455,828</u>	<u>3,717,288</u>	<u>5,173,116</u>	<u>3,755,123</u>
Operating Expenses:				
Personal Services	899,706	1,201,467	2,101,173	0
Purchased Services	313,230	569,823	883,053	32,413
Materials and Supplies	90,842	501,668	592,510	0
Depreciation	6,937	373,080	380,017	371,172
Other Expense	80,755	267,105	347,860	15,268
Claims	0	0	0	3,738,287
Total Operating Expenses	<u>1,391,470</u>	<u>2,913,143</u>	<u>4,304,613</u>	<u>4,157,140</u>
Operating Income (Loss)	64,358	804,145	868,503	(402,017)
Non-Operating Revenue (Expenses):				
Investment Earnings	15,870	33,917	49,787	5,454
Total Non-Operating Revenues (Expenses)	<u>15,870</u>	<u>33,917</u>	<u>49,787</u>	<u>5,454</u>
Income (Loss) Before Contributions and Transfers	80,228	838,062	918,290	(396,563)
Transfers-In	0	180,000	180,000	100,000
Change in Net Position	80,228	1,018,062	1,098,290	(296,563)
Net Position Beginning of Year	(152,032)	18,941,374	18,789,342	1,986,562
Net Position End of Year	<u>\$ (71,804)</u>	<u>\$ 19,959,436</u>	<u>19,887,632</u>	<u>\$ 1,689,999</u>
			Change in Net Position - Total Enterprise Funds	1,098,290
			Adjustment to reflect the consolidation of internal fund activities related to the enterprise funds.	(58,505)
			Change in Net Position - Business-type Activities	<u>\$ 1,039,785</u>

See accompanying notes to the basic financial statements



CITY OF CENTERVILLE, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020**

	Business-Type Activities Enterprise Funds			Governmental- Activities
	Waste Collection	Golf Course	Total	Internal Service Funds
Cash Flows from Operating Activities:				
Cash Received from Customers	\$1,474,035	\$3,738,976	\$5,213,011	\$0
Cash Received from Interfund Services	0	0	0	2,455,908
Other Operating Receipts	9,388	12,855	22,243	1,300,590
Cash Payments for Goods and Services	(501,552)	(1,365,554)	(1,867,106)	(51,083)
Cash Payments for Claims	0	0	0	(3,622,924)
Cash Payments to Employees	(829,922)	(1,233,995)	(2,063,917)	0
Net Cash Provided by Operating Activities	151,949	1,152,282	1,304,231	82,491
Cash Flows from Noncapital Financing Activities:				
Advances In	0	0	0	100,000
Transfers In from Other Funds	0	180,000	180,000	100,000
Net Cash Provided by Noncapital Financing Activities	0	180,000	180,000	200,000
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Assets	(43,160)	(217,097)	(260,257)	(513,887)
Net Cash Used by Capital and Related Financing Activities	(43,160)	(217,097)	(260,257)	(513,887)
Cash Flows from Investing Activities:				
Receipt of Interest	15,870	33,917	49,787	5,454
Net Cash Provided by Investing Activities	15,870	33,917	49,787	5,454
Net Increase (Decrease) in Cash and Cash Equivalents	124,659	1,149,102	1,273,761	(225,942)
Cash and Cash Equivalents at Beginning of Year	1,212,224	2,306,518	3,518,742	580,384
Cash and Cash Equivalents at End of Year	\$1,336,883	\$3,455,620	\$4,792,503	\$354,442

CITY OF CENTERVILLE, OHIO

	Business-Type Activities Enterprise Funds			Governmental- Activities
	Waste	Golf	Total	Internal Service Funds
	Collection	Course		
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>				
<u>Provided by Operating Activities:</u>				
Operating Income (Loss)	\$64,358	\$804,145	\$868,503	(\$402,017)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	6,937	373,080	380,017	371,172
Changes in Assets and Liabilities:				
Decrease in Accounts Receivable	76,479	79,274	155,753	1,375
(Increase) in Intergovernmental Receivable	(25,986)	(46,202)	(72,188)	0
(Increase) in Inventory	(4,241)	(4,265)	(8,506)	0
(Increase) Decrease in Prepaid Items	(224)	135	(89)	0
Decrease in Deferred Outflows - Pension	208,374	372,257	580,631	0
(Increase) in Deferred Outflows - OPEB	(34,084)	(48,335)	(82,419)	0
Increase (Decrease) in Accounts Payable	6,283	(22,693)	(16,410)	(3,402)
Increase in Accrued Wages and Benefits	8,074	702	8,776	0
Increase (Decrease) in Intergovernmental Payable	(19,304)	740	(18,564)	0
Increase in Claims Payable	0	0	0	115,363
Increase in Deposits Liability	0	1,471	1,471	0
(Decrease) in Unearned Revenues	(22,898)	0	(22,898)	0
Increase (Decrease) in Compensated Absences	(7,995)	8,555	560	0
Increase in Deferred Inflows - Pension	159,028	250,827	409,855	0
Increase in Deferred Inflows - OPEB	82,873	131,497	214,370	0
(Decrease) in Net Pension Liability	(342,002)	(678,201)	(1,020,203)	0
(Decrease) in Net OPEB Liability	(3,723)	(70,705)	(74,428)	0
Total Adjustments	87,591	348,137	435,728	484,508
Net Cash Provided by Operating Activities	\$151,949	\$1,152,282	\$1,304,231	\$82,491

See accompanying notes to the basic financial statements

CITY OF CENTERVILLE, OHIO

**Statement of Net Position
Fiduciary Funds
December 31, 2020**

	<u>Custodial Funds</u>
Assets:	
Equity in Pooled Cash and Investments	\$ 60,771
Total Assets	<u>60,771</u>
Liabilities:	
Undistributed Monies	60,771
Total Liabilities	<u>60,771</u>
Net Position:	
Total Net Position	<u>\$ 0</u>

See accompanying notes to the basic financial statements

CITY OF CENTERVILLE, OHIO

***Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2020***

	Custodial Funds
Additions:	
Special Assessments	\$ 510,045
Fines, Licenses and Permits	6,384
Other Revenues	20,826
Total Additions	<u>537,255</u>
Deductions:	
Other Distributions	537,255
Total Deductions	<u>537,255</u>
Change in Net Position	0
Net Position at Beginning of Year	0
Net Position End of Year	<u>\$ 0</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements are presented as of December 31, 2020 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting

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

Governmental Funds

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

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

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

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

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

Proprietary Funds

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

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

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

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

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: custodial funds, pension trust funds, investment trust funds, and private-purpose trust funds. The City has two custodial funds. Custodial funds are used to account for assets held by a government unit as an agent for individuals, private organizations or other governmental units. The City's custodial funds account for assets held by the City for miscellaneous activities and for a special energy improvement assessment where the City acts simply as a pass through for special assessments from businesses to the County.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

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

D. Basis of Accounting

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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

Special assessment installments including related interest, which are measurable but not available at December 31, are recorded as deferred revenue. Only the portion of special assessments due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Property taxes measurable as of December 31, 2020 but which are not intended to finance 2020 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources.

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

E. Budgetary Process

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

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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

1. Budgetary Basis of Accounting

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

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund:

Net Change in Fund Balance	General Fund
GAAP Basis (as reported)	\$3,214,770
Increase (Decrease):	
Accrued Revenues at December 31, 2019 received during 2020	(3,387,502)
Accrued Revenues at December 31, 2019 received during 2020	2,240,137
Accrued Expenditures at December 31, 2019 paid during 2020	868,762
Accrued Expenditures at December 31, 2019 paid during 2020	(366,580)
2019 Prepays for 2020	113,219
2018 Prepays for 2019	(238,218)
Perspective Difference:	
Activity of Funds Reclassified for GAAP Reporting Purposes	658
Outstanding Encumbrances	(1,709,375)
Budget Basis	\$735,871

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

During 2020, cash and cash equivalents included amounts in demand deposits, money market accounts in UBS and Fifth Third investment accounts with original maturities of less than three months and the State Treasurer's Asset Reserve (STAR Ohio). STAR Ohio is considered a cash equivalent because it is a highly liquid investment with an original maturity date of three months or less.

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

For purposes of the Statement of Cash Flows and for presentation on the Statement of Net Position/Balance Sheet, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The City allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" and GASB Statement No. 72, "Fair Value Measurement and Application," the City records all its investments at fair value except for nonparticipating investment contracts which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements. Following the Ohio Revised Code, the City has specified the funds to receive an allocation of interest earnings. Interest revenue during 2020 amounted to \$516,201 in the General Fund, and \$196,672 in other funds.

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

The City's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For fiscal year 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Inventory

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Capital Assets and Depreciation

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

1. Property, Plant and Equipment - Governmental Activities

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation (Continued)

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

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

3. Depreciation

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

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

K. Long-Term Obligations

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

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

L. Bond Discounts/Premiums

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The liability for unpaid accumulated sick leave is limited to 240 days of accrued but unused sick leave. The City pays supplemental retirement if employees retire with 7.5 years of service and 600 hours of accumulated sick leave. Supplemental retirement is only available to retiring employees.

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

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

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

N. Net Position

Net position represents the difference between assets and liabilities and deferred outflows/inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available. Of the City's \$11,314,379 in restricted net position, none was restricted by enabling legislation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Pension/OPEB

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

P. Interfund Activity

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Fund Balance

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

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

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

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

Assigned – Assigned fund balance consists of resources that are intended to be used for specific purposes as approved through the City’s formal purchasing procedure by the Finance Director, as established by the City Council-approved purchasing policy

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2020.

T. Deferred Outflows/Inflows of Resources

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

For 2020, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 83, “Certain Asset Retirement Obligations,” Statement No. 84, “Fiduciary Activities,” Statement No. 88, “Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements,” and Statement No. 90, “Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61.”

GASB Statement No. 83 establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations.

GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments.

GASB Statement No. 88 revises the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements.

GASB Statement No. 90 establishes criteria for reporting a government’s majority equity interest in a legally separate organization.

These changes were incorporated in the City’s 2020 financial statements; however, there was no effect on beginning net position/fund balance.

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CITY OF CENTERVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 3 – FUND BALANCE CLASSIFICATION

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

Fund Balances	General	TIF Debt Retirement	Special Assessment Debt Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid Items	\$238,218	\$0	\$0	\$0	\$18,521	\$256,739
Supplies Inventory	1,975	0	0	0	132,209	134,184
Total Nonspendable	240,193	0	0	0	150,730	390,923
Restricted:						
Street Construction and Maintenance	0	0	0	0	2,140,749	2,140,749
State Highway	0	0	0	0	223,708	223,708
Law Enforcement	0	0	0	0	297,034	297,034
Enforcement and Education	0	0	0	0	44,280	44,280
Drug Law	0	0	0	0	1,087	1,087
Police Grants	0	0	0	0	274,522	274,522
Park Maintenance	0	0	0	0	252,995	252,995
Coronavirus Grant	0	0	0	0	57,245	57,245
Special Assessment Debt Retirement	0	0	473,321	0	0	473,321
TIF Debt Retirement	0	1,015,284	0	0	0	1,015,284
Capital Improvements	0	0	0	0	510,914	510,914
Total Restricted	0	1,015,284	473,321	0	3,802,534	5,291,139
Assigned:						
Projected budgetary deficit	3,185,719	0	0	0	0	3,185,719
Retirement Reserve	85,103	0	0	0	0	85,103
Unvoted Debt Retirement	0	0	0	0	35,923	35,923
Capital Improvements	0	0	0	4,818,560	0	4,818,560
Capital Equipment Purchases	0	0	0	0	449,596	449,596
TIF MVHS Capital Projects	0	0	0	0	588,912	588,912
Goods and Services	1,669,378	0	0	0	0	1,669,378
Total Assigned	4,940,200	0	0	4,818,560	1,074,431	10,833,191
Unassigned	25,117,628	0	0	0	0	25,117,628
Total Fund Balances	\$30,298,021	\$1,015,284	\$473,321	\$4,818,560	\$5,027,695	\$41,632,881

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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

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

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

Capital Outlay	\$7,527,895
Depreciation Expense	<u>(3,607,302)</u>
	\$3,920,593

Governmental revenues not reported in the funds:

Decrease in Income Tax Revenue	(\$794,114)
Increase in Delinquent Property Tax	22,366
Increase in Intergovernmental, unrestricted	19,720
Decrease in Investment Earnings	(25,415)
Decrease in Special Assessment Revenue	<u>(473,005)</u>
	(\$1,250,448)

Contractually required contributions reported as deferred outflows:

Pension	\$1,405,934
OPEB	<u>19,477</u>
	\$1,425,411

Pension and OPEB expense:

Pension	(\$2,287,543)
OPEB	<u>(681,483)</u>
	(\$2,969,026)

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 5 – EQUITY IN POOLED CASH AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined Balance Sheet as "Equity in pooled cash and investments." Ohio law requires the classification of funds held by the City into three categories.

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

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

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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

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

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

A. Deposits

At year end the carrying amount of the City's deposits was \$16,942,738 and the bank balance was \$17,223,328. Federal depository insurance covered \$750,000 of the bank balance and \$16,473,328 was uninsured and collateralized with securities held in the Ohio Pooled Collateral System.

B. Investments

The City's investments at December 31, 2020 were as follows:

	Measurement Amount	Credit Rating	Fair Value Hierarchy	Concentration of Credit Risk	Investment Maturities (in Years)		
					less than 1	1-3	3-5
Star Ohio	\$1,146,707	AAAm	N/A *	4.13%	\$1,146,707	\$0	\$0
Negotiable C/D's	12,843,633	AAA	Level 2	46.29%	3,194,966	8,234,159	1,414,508
FHLB	1,749,452	AA+	Level 2	6.30%	0	1,749,452	0
FHLMC	7,547,624	AA+	Level 2	27.20%	0	6,799,747	747,877
FNMA	3,159,948	AA+	Level 2	11.39%	1,409,408	0	1,750,540
FFCB	1,300,070	AA+	Level 2	4.69%	0	1,300,070	0
Total Investments	<u>\$27,747,434</u>			<u>100.00%</u>	<u>\$5,751,081</u>	<u>\$18,083,428</u>	<u>\$3,912,925</u>

Credit Rating – Standard and Poor's

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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

B. Investments (Continued)

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

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

Credit Risk – It is the City's policy to limit its investments that are not obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations.

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 6 - TAXES

A. Property Taxes

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

The assessed values for the City at December 31, 2020, were as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$798,010,300
Tangible Personal Property	<u>19,733,160</u>
Total	\$817,743,460

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

B. Income Tax

The City levies a 2.25% income tax on substantially all income earned within the City. Additional increases in the income tax rate require voter approval. City residents pay City income tax on income earned outside the City; however, a credit is allowed for income taxes paid to other municipalities. Filing is mandatory for all residents. Employers within the City withhold income tax on employee compensation and remit at least quarterly. Corporations and other individual taxpayers pay estimated taxes quarterly and file an annual declaration.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 7 - RECEIVABLES

Receivables at December 31, 2020 consisted of taxes, accounts receivable, accrued interest on investments, intergovernmental grants, interfund balances, and special assessments.

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

Special assessments expected to be collected in more than one year amounts to approximately \$5,722,764 of which none is considered delinquent.

Interfund loans receivable/payable totaled \$100,000 between the General Fund and the Self-Insurance Medical Fund. The loan was to assist with cash flows. Interfund receivables/payables totaled \$4,044 between the General Fund and the Golf Course Fund for amounts related to capital assets.

NOTE 8 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2020:

Fund	Transfer In	Transfer Out
General Fund	\$0	\$8,665,750
TIF Debt Retirement Fund	0	61,518
Capital Improvement Fund	6,000,000	0
Other Governmental Funds	2,447,268	0
Total Governmental Funds	8,447,268	8,727,268
Golf Course Fund	180,000	0
Central Vehicle Purchase Fund (Internal Service)	100,000	0
Total Proprietary Funds	280,000	0
Totals	\$8,727,268	\$8,727,268

The City makes transfers between various funds during the year for operating, capital and debt service related payments. In 2020, the General Fund transferred \$6,000,000 to the Capital Improvement Fund for various infrastructure improvement projects including the annual resurfacing program and \$720,000 to the Capital Equipment Purchase Fund for various equipment and Information Technology improvements. The General Fund also transferred \$180,000 to the Golf Course Fund and \$100,000 to the Central Vehicle Purchase Fund for capital assets. In addition, the General Fund transferred \$1,600,000 to the Street Construction and Maintenance Fund and \$65,750 to the Unvoted Debt Retirement fund for general operating support. The TIF Debt Retirement Fund transferred \$61,518 to the Cornerstone TIF Fire/EMS Fund for capital support.

CITY OF CENTERVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2020:

<i>Historical Cost:</i>	Balance at December 31, 2019	Additions	Deletions	Balance at December 31, 2020
Class				
<i>Non-depreciable Capital assets:</i>				
Land	\$10,200,286	\$26,060	\$0	\$10,226,346
Construction in Progress	0	61,848	0	61,848
Total Non-depreciable Capital assets	<u>10,200,286</u>	<u>87,908</u>	<u>0</u>	<u>10,288,194</u>
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	14,585,905	0	0	14,585,905
Equipment	10,880,247	1,420,984	(98,984)	12,202,247
Infrastructure	83,324,701	6,532,890	0	89,857,591
Total Depreciable Capital assets	<u>108,790,853</u>	<u>7,953,874</u>	<u>(98,984)</u>	<u>116,645,743</u>
Total Cost	<u>\$118,991,139</u>	<u>\$8,041,782</u>	<u>(\$98,984)</u>	<u>\$126,933,937</u>
<i>Accumulated Depreciation:</i>	Balance at December 31, 2019	Additions	Deletions	Balance at December 31, 2020
Class				
Buildings and Improvements	(\$5,601,257)	(\$341,460)	\$0	(\$5,942,717)
Equipment	(7,237,627)	(863,333)	98,984	(8,001,976)
Infrastructure	(40,987,175)	(2,773,681)	0	(43,760,856)
Total Depreciation	<u>(\$53,826,059)</u>	<u>(\$3,978,474) *</u>	<u>\$98,984</u>	<u>(\$57,705,549)</u>
<i>Net Value:</i>	<u>\$65,165,080</u>			<u>\$69,228,388</u>

* Depreciation expenses were charged to governmental functions as follows:

General Government	\$310,036
Public Safety	210,558
Recreation	43,254
Transportation	3,043,454
Governmental Activities Expense	<u>3,607,302</u>
Central Vehicle Purchase Fund (Internal Service)	371,172
Total Depreciation Expense	<u>\$3,978,474</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 9 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2020:

<i>Historical Cost:</i>	Balance at December 31, 2019	Additions	Deletions	Balance at December 31, 2020
Class				
<i>Non-depreciable Capital assets:</i>				
Land	\$15,098,026	\$0	\$0	\$15,098,026
Total Non-depreciable Capital Assets	15,098,026	0	0	15,098,026
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	4,686,591	59,192	0	4,745,783
Equipment	2,603,949	191,565	0	2,795,514
Total Depreciable Capital assets	7,290,540	250,757	0	7,541,297
Total Cost	<u>\$22,388,566</u>	<u>\$250,757</u>	<u>\$0</u>	<u>\$22,639,323</u>
<i>Accumulated Depreciation:</i>				
Class	Balance at December 31, 2019	Additions	Deletions	Balance at December 31, 2020
Buildings and Improvements	(\$2,141,089)	(\$125,705)	\$0	(\$2,266,794)
Equipment	(1,336,010)	(254,312)	0	(1,590,322)
Total Depreciation	<u>(\$3,477,099)</u>	<u>(\$380,017)</u>	<u>\$0</u>	<u>(\$3,857,116)</u>
<i>Net Value:</i>	<u>\$18,911,467</u>			<u>\$18,782,207</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3.00% COLA adjustment on the defined benefit portion of their benefit.

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>State and Local</u>	<u>Law Enforcement</u>
2020 Statutory Maximum Contribution Rates		
Employer	14.0 %	18.1 %
Employee	10.0 %	*
2020 Actual Contribution Rates		
Employer:		
Pension	14.0 %	18.1 %
Post-employment Health Care Benefits	<u>0.0</u>	<u>0.0</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>13.0 %</u>

* This rate is determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$861,392 for 2020.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3.00% of their base pension or disability benefit.

CITY OF CENTERVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>Police</u>
2020 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee:	
January 1, 2020 through December 31, 2020	12.25 %
2020 Actual Contribution Rates	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	<u>0.50</u>
Total Employer	<u>19.50 %</u>
Employee:	
January 1, 2020 through December 31, 2020	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$740,108 for 2020.

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

The net pension liability for OPERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$8,118,159	\$9,440,633	\$17,558,792
Proportion of the Net Pension Liability-2020	0.041072%	0.140141%	
Proportion of the Net Pension Liability-2019	<u>0.043004%</u>	<u>0.143578%</u>	
Percentage Change	<u>(0.001932%)</u>	<u>(0.003437%)</u>	
Pension Expense	\$1,320,931	\$1,132,461	\$2,453,392

CITY OF CENTERVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$433,605	\$231,745	\$665,350
Differences between expected and actual experience	0	357,358	357,358
Change in proportionate share	115,585	15,126	130,711
City contributions subsequent to the measurement date	861,392	740,108	1,601,500
Total Deferred Outflows of Resources	<u>\$1,410,582</u>	<u>\$1,344,337</u>	<u>\$2,754,919</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$1,619,392	\$456,060	\$2,075,452
Differences between expected and actual experience	102,643	486,890	589,533
Change in proportionate share	254,540	504,229	758,769
Total Deferred Inflows of Resources	<u>\$1,976,575</u>	<u>\$1,447,179</u>	<u>\$3,423,754</u>

\$1,601,500 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2021	(\$237,539)	(\$245,564)	(\$483,103)
2022	(613,899)	(185,719)	(799,618)
2023	67,058	106,378	173,436
2024	(643,005)	(460,253)	(1,103,258)
2025	0	(57,792)	(57,792)
Total	<u>(\$1,427,385)</u>	<u>(\$842,950)</u>	<u>(\$2,270,335)</u>

Actuarial Assumptions - OPERS

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2019 and December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2019
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	1.4 percent simple through 2020. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2018
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2018. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

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

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

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.2% for 2019.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.83 %
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equities	21.00	7.66
Other investments	13.00	4.98
Total	100.00 %	5.61 %

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

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

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$13,389,472	\$8,118,159	\$3,379,404

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

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

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2019, compared with January 1, 2018, are presented below.

	January 1, 2019	January 1, 2018
Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

For the January 1, 2019 valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

For the January 1, 2019 valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2019 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation Linked Bonds*	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	<u>120.00 %</u>	

* levered 2x

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2019, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2018 was 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$13,084,389	\$9,440,633	\$6,392,992

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 11 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Comprehensive Annual Financial Report referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2020. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2020.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2020, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$19,477 for 2020.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$5,733,197	\$1,384,273	\$7,117,470
Proportion of the Net OPEB Liability-2020	0.041507%	0.140141%	
Proportion of the Net OPEB Liability-2019	<u>0.043415%</u>	<u>0.143578%</u>	
Percentage Change	<u>(0.001908%)</u>	<u>(0.003437%)</u>	
OPEB Expense	\$619,180	\$119,826	\$739,006

CITY OF CENTERVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in assumptions	\$907,506	\$809,299	\$1,716,805
Differences between expected and actual experience	153	0	153
Change in proportionate share	66,191	14,896	81,087
City contributions subsequent to the measurement date	0	19,477	19,477
Total Deferred Outflows of Resources	<u>\$973,850</u>	<u>\$843,672</u>	<u>\$1,817,522</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	\$291,931	\$63,700	\$355,631
Differences between expected and actual experience	524,328	148,864	673,192
Changes in assumptions	0	295,010	295,010
Change in proportionate share	144,400	142,494	286,894
Total Deferred Inflows of Resources	<u>\$960,659</u>	<u>\$650,068</u>	<u>\$1,610,727</u>

\$19,477 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2021	\$125,755	\$29,127	\$154,882
2022	11,946	29,125	41,071
2023	233	42,193	42,426
2024	(124,743)	21,595	(103,148)
2025	0	28,755	28,755
2026	0	13,421	13,421
2027	0	9,911	9,911
Total	<u>\$13,191</u>	<u>\$174,127</u>	<u>\$187,318</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.16 percent
Prior Measurement date	3.96 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior Measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.75 percent
Prior Measurement date	3.71 percent
Health Care Cost Trend Rate:	
Current measurement date	10.5 percent initial, 3.5 percent ultimate in 2030
Prior Measurement date	10.0 percent, initial 3.25 percent, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.7 percent for 2019.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	100.00 %	4.55 %

Discount Rate A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.75 percent.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
City's proportionate share of the net OPEB liability	\$7,502,805	\$5,733,197	\$4,316,313

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$5,564,013	\$5,733,197	\$5,900,220

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate	3.56 percent	4.66 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019, are summarized below:

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation Linked Bonds*	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	<u>120.00 %</u>	

* levered 2x

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

Discount Rate For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. For 2018, the total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.75 percent at December 31, 2019 and 4.13 percent at December 31, 2018, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.56 percent for 2019 and 4.66 percent for 2018. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, and the municipal bond rate was applied to all health care costs after that date.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.56 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56 percent), or one percentage point higher (4.56 percent) than the current rate.

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
City's proportionate share of the net OPEB liability	\$1,716,412	\$1,384,273	\$1,108,293

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

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CITY OF CENTERVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 12 - LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2020 were as follows:

	Balance December 31, 2019	Issued	(Retired)	Balance December 31, 2020	Amount Due Within One Year
Governmental Activities:					
General Obligation Bond:					
2014 TIF Project	\$7,670,000	\$0	(\$265,000)	\$7,405,000	\$270,000
2014 Premium on TIF Project	286,704	0	(13,653)	273,051	0
2020 Public Infrastructure	0	2,500,000	(40,000)	2,460,000	95,000
2020 Premium on Public Infrastructure	0	261,421	(6,703)	254,718	0
Total General Obligation Bonds	<u>7,956,704</u>	<u>2,761,421</u>	<u>(325,356)</u>	<u>10,392,769</u>	<u>365,000</u>
Special Assessment Bonds:					
2013 Refunding	3,935,000	0	(350,000)	3,585,000	350,000
2013 Premium on Refunding	46,330	0	(6,619)	39,711	0
Total Special Assessment Bonds	<u>3,981,330</u>	<u>0</u>	<u>(356,619)</u>	<u>3,624,711</u>	<u>350,000</u>
Ohio Public Works Commission Loans from Direct Borrowings:					
1 Cent Station Rd.	395,417	0	(21,048)	374,369	42,414
Clyo Road Resurfacing	384,100	0	(9,849)	374,251	19,697
Total OPWC Loans	<u>779,517</u>	<u>0</u>	<u>(30,897)</u>	<u>748,620</u>	<u>62,111</u>
Compensated Absences	998,668	450,147	(329,560)	1,119,255	382,016
Total Governmental Activities	<u>\$13,716,219</u>	<u>\$3,211,568</u>	<u>(\$1,042,432)</u>	<u>\$15,885,355</u>	<u>\$1,159,127</u>
Business-Type Activities:					
Compensated Absences	\$158,732	\$91,127	(\$90,567)	\$159,292	\$76,441
Total Business-Type Activities	<u>\$158,732</u>	<u>\$91,127</u>	<u>(\$90,567)</u>	<u>\$159,292</u>	<u>\$76,441</u>

General obligation bonds are direct obligations of the City for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property in the government. The City issued \$8.245 million of limited tax general obligation bonds in 2015 for the purpose constructing new infrastructure to be paid from Tax Increment Financing (TIF) related to the Cornerstone of Centerville development. The plan is to utilize “payment in lieu of taxes” from the TIF to pay debt service.

In 2020 the City issued \$2.5 million of general obligation bonds for the purpose of funding public infrastructure projects. The bonds will mature through the year 2039 and bear interest rates of 1.25 – 4.00%. The bonds will be repaid from taxes levied on all taxable property in the government.

The City issued \$5.75 million of special assessment bonds in Governmental Activities in 2013, maturing through 2032, for the purpose of street, sidewalk and curb improvement issues which are payable from the proceeds of assessments against individual property owners. These bonds are backed by the full faith and credit of the City. In the event of delinquencies related to special assessment bonds, the City is required to use other resources until foreclosure proceeds are received to satisfy debt service

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

CITY OF CENTERVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 12 - LONG-TERM OBLIGATIONS (Continued)

The City's outstanding OPWC loans from direct borrowings contain a provision that in an event of default, the amount of such default shall bear interest thereafter at the rate of 8% per annum until the date of payment and outstanding amounts become immediately due. Also, the Lender may direct the County Treasurer to pay the outstanding amount from a portion of the local government funds that would otherwise be appropriated to the City.

A. Future Long-Term Financing Requirements

The City's future long-term obligation funding requirements, including principal and interest payments as of December 31, 2020, follow:

Years	General Obligation Bonds		OPWC Loans	
	Principal	Interest	Principal	Interest
2021	\$365,000	\$343,325	\$62,111	\$3,638
2022	375,000	334,125	62,537	3,213
2023	385,000	324,625	62,966	2,784
2024	390,000	314,825	63,399	2,349
2025	405,000	302,125	63,838	1,912
2026-2030	2,250,000	1,297,625	256,494	3,175
2031-2035	2,675,000	875,275	98,490	0
2036-2040	3,020,000	357,575	78,785	0
Totals	<u>\$9,865,000</u>	<u>\$4,149,500</u>	<u>\$748,620</u>	<u>\$17,071</u>

Years	Special Assessment Bonds	
	Principal	Interest
2021	\$350,000	\$122,052
2022	360,000	113,302
2023	355,000	103,402
2024	375,000	92,752
2025	400,000	81,034
2026-2030	1,745,000	204,642
Totals	<u>\$3,585,000</u>	<u>\$717,184</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, 2020, the City had a legal debt margin for total debt of \$85,862,063 and a legal debt margin for unvoted debt of \$44,975,890.

To provide for the Bethany Lutheran Village Continuing Care Facility, the City issued three series of Health Care Revenue Bonds. These bonds are special limited obligations of the City, payable solely from and secured by a letter of credit. The bonds do not constitute a debt or pledge of the faith and credit of the City, the County or the State, and, accordingly, have not been reported in the accompanying financial statements. At December 31, 2020, Health Care Revenue Bonds outstanding aggregated \$80,895,000.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 13 – OPERATING LEASE-CITY AS LESSOR

The City is the lessor of a building under noncancellable leases with the Bureau of Motor Vehicles, State of Ohio and the Auto Title Division, Montgomery County, Ohio. Assets relating to the leases as of December 31, 2020 include buildings and improvements at a cost of \$214,284 and accumulated depreciation of \$127,151. The future minimum lease payments as of December 31, 2020 are as follows: 2021 for \$29,337.

NOTE 14 - RISK MANAGEMENT

A. Ohio Benefits Cooperative

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 14 - RISK MANAGEMENT (Continued)

A. Ohio Benefits Cooperative (Continued)

The claims liability of \$153,410 reported in the fund at December 31, 2020 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amount in years 2019 and 2020 were:

Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Year End
2019	\$30,642	\$1,282,396	(\$1,274,991)	\$38,047
2020	38,047	3,853,650	(3,738,287)	153,410

B. Miami Valley Risk Management Association

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. In 1992 the City entered into a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) with other local cities. As of December 31, 2020, the pool has twenty one members. The pool has been operational since December of 1988 and was formed in accordance with Section 2744 of the Ohio Revised Code. This jointly governed organization provides real and personal property, crime, surety, general liability, boiler and machinery, employment practices liability, police professional and public official liability coverage up to the limits stated below. Membership in MVRMA is intended to provide broad based coverage up to the limits stated below, with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate. MVRMA is a non-profit corporation governed by a twenty one member board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote.

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 14 - RISK MANAGEMENT (Continued)

B. Miami Valley Risk Management Association (Continued)

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

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

Pollution Liability	\$2,000,000	per occurrence
Public Officials/Personal Injury	12,000,000	per occurrence
Property	500,000,000	per occurrence
Boiler and Machinery	100,000,000	per occurrence
Flood	25,000,000	per occurrence and aggregate
Cyber Liability	2,000,000	per occurrence and aggregate
Earthquake (Property)	25,000,000	per occurrence and aggregate

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS

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

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

Miami Valley Risk Management Association. The City is a member of the Miami Valley Risk Management Association (MVRMA) which is a jointly governed organization established as a joint insurance pool. As of December 31, 2020, the pool had twenty-one members. This organization covers all property, crime, liability, boiler and machinery and public liability insurance. It is intended to provide broad based coverage up to the limits with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate.

MVRMA is a corporation governed by a twenty-one member board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. The board is responsible for its own financial matters, and the corporation maintains its own book of account. Budgeting and financing of MVRMA is subject to the approval of the board. As of December 31, 2020, the participant cities were: Beavercreek, Bellbrook, Blue Ash, Centerville, Englewood, Fairfield, Indian Hill, Kettering, Madeira, Mason, Miamisburg, Montgomery, Piqua, Sidney, Springdale, Tipp City, Troy, Vandalia, West Carrollton, Wilmington, and Wyoming.

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

The City has no explicit and measurable equity interest in MVRMA and no ongoing financial responsibility for MVRMA. The following is a summary of the MVRMA audited financial statements presented in conformity with generally accepted principles as of and for the year ended December 31, 2020:

Assets and Deferred Outflows	\$18,946,911
Liabilities and Deferred Inflows	\$ 8,616,240
Net Position	\$10,330,671

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 16 – CONTINGENT LIABILITIES

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

NOTE 17 – OTHER COMMITMENTS

At December 31, 2020, the City’s cash basis commitments for encumbrances were as follows:

Fund	Year-End Commitment
General Fund	\$1,709,375
Capital Improvement Fund	953,048
Other Governmental Funds	626,457
Waste Collection Fund	43,790
Golf Course Fund	177,068
Internal Service Funds	195,365
Total	<u>\$3,705,103</u>

NOTE 18 – COVID - 19

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 19 – TAX ABATEMENT DISCLOSURES

As of December 31, 2020, the City of Centerville provides tax incentives under two programs, the Community Reinvestment Area (CRA) program and Economic Development Incentives.

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

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

Below is the information relevant to the disclosure of those programs for the year ended December 31, 2020:

Tax Abatement Program	Total Amount of Taxes Abated for the Year 2020 (In Actual Dollars)	City's Share of Taxes Abated for the Year 2020 (In Actual Dollars)
Community Reinvestment Act (CRA)	\$377,443	\$9,638
Economic Development Incentive	29,368	29,368
	<u>\$406,811</u>	<u>\$39,006</u>



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CENTERVILLE, OHIO

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

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

Notes: The City implemented GASB Statement 68 in 2015.

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

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

See accompanying notes to the required supplementary information

CITY OF CENTERVILLE, OHIO

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
0.040931%	0.040863%	0.043004%	0.041072%
\$9,294,734	\$6,410,630	\$11,777,924	\$8,118,159
\$5,291,233	\$5,398,692	\$5,808,079	\$6,028,921
175.66%	118.74%	202.79%	134.65%
77.25%	84.66%	74.70%	82.17%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
0.146359%	0.146867%	0.143578%	0.140141%
\$9,270,232	\$9,013,912	\$11,719,758	\$9,440,633
\$3,489,916	\$3,434,305	\$3,610,342	\$4,085,974
265.63%	262.47%	324.62%	231.05%
68.36%	70.91%	63.07%	69.89%

CITY OF CENTERVILLE, OHIO

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

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

Notes: The City implemented GASB Statement 68 in 2015.

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

See accompanying notes to the required supplementary information

CITY OF CENTERVILLE, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$634,948	\$701,830	\$813,131	\$844,049	\$861,392
<u>634,948</u>	<u>701,830</u>	<u>813,131</u>	<u>844,049</u>	<u>861,392</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$5,291,233	\$5,398,692	\$5,808,079	\$6,028,921	\$6,152,800
12.00%	13.00%	14.00%	14.00%	14.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$663,084	\$652,518	\$685,965	\$776,335	\$740,108
<u>663,084</u>	<u>652,518</u>	<u>685,965</u>	<u>776,335</u>	<u>740,108</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,489,916	\$3,434,305	\$3,610,342	\$4,085,974	\$3,895,305
19.00%	19.00%	19.00%	19.00%	19.00%



CITY OF CENTERVILLE, OHIO

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

Ohio Public Employees Retirement System

Year	2017	2018	2019	2020
City's proportion of the net OPEB liability	0.041609%	0.041625%	0.043415%	0.041507%
City's proportionate share of the net OPEB liability	\$4,202,624	\$4,520,213	\$5,660,292	\$5,733,197
City's covered payroll	\$5,291,233	\$5,398,692	\$5,808,079	\$6,028,921
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	79.43%	83.73%	97.46%	95.09%
Plan fiduciary net position as a percentage of the total OPEB liability	54.50%	54.14%	46.33%	47.80%

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

Ohio Police and Fire Pension Fund

Year	2017	2018	2019	2020
City's proportion of the net OPEB liability	0.146359%	0.146867%	0.143578%	0.140141%
City's proportionate share of the net OPEB liability	\$6,947,333	\$8,321,297	\$1,307,498	\$1,384,273
City's covered payroll	\$3,489,916	\$3,434,305	\$3,610,342	\$4,085,974
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	199.07%	242.30%	36.22%	33.88%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%	47.08%

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

Notes: The City implemented GASB Statement 75 in 2018.

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

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

See accompanying notes to the required supplementary information

CITY OF CENTERVILLE, OHIO

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

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

Notes: The City implemented GASB Statement 75 in 2018.

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

See accompanying notes to the required supplementary information

CITY OF CENTERVILLE, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$105,825	\$53,987	\$0	\$0	\$0
<u>105,825</u>	<u>53,987</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$5,291,233	\$5,398,692	\$5,808,079	\$6,028,921	\$6,152,800
2.00%	1.00%	0.00%	0.00%	0.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$17,450	\$17,172	\$18,052	\$20,430	\$19,477
<u>17,450</u>	<u>17,172</u>	<u>18,052</u>	<u>20,430</u>	<u>19,477</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,489,916	\$3,434,305	\$3,610,342	\$4,085,974	\$3,895,305
0.50%	0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2020***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2020.

Changes in assumptions:

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

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

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

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

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

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

2020: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 3.00% to 1.4% for post 1/7/13 retirees.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2020.

Changes in assumptions:

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

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2020***

NET PENSION LIABILITY (Continued)

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

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

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

2019-2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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***Notes to the Required Supplementary Information
For the Year Ended December 31, 2020***

NET OPEB LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2020.

Changes in assumptions:

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

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

- The single discount rate changed from 3.85% to 3.96%.
- Reduction in actuarial assumed rate of return from 6.50% to 6.00%
- Change in health care cost trend rate from 7.5% to 10%
- The Municipal Bond Rate changed from 3.31% to 3.71%

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.96% to 3.16%.
- Change in health care cost trend rate from 10.0% to 10.5%
- The Municipal Bond Rate changed from 3.71% to 2.75%

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

2018: There were no changes in benefit terms.

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

2020: There were no changes in benefit terms.

Changes in assumptions:

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

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

- The single discount rate changed from 3.24% to 4.66%.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 4.66% to 3.56%.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Street Construction Maintenance Fund

To account for the allocation of revenues derived from motor vehicle license fees and gasoline taxes. Expenditures are restricted by state law to maintain and repair streets within the City.

State Highway Fund

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

Law Enforcement Fund

To account for the fines generated in the prosecution of those in possession of contraband and the proceeds gained from the sale of confiscated contraband in the City of Centerville. This money may be spent for any law enforcement activity.

Enforcement and Education Fund

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

Drug Law Fund

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

Police Grants Fund

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

Friends of Benham's Grove Fund

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

Police Operations Project Fund

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

Special Revenue Funds (Continued)

Cornerstone Park Maintenance Fund

To account for monies dedicated to the maintenance and upkeep of Cornerstone Park.

Local Coronavirus Relief Fund

This fund is used to account for Coronavirus Relief funds received through passage of the CARES Act. These funds can be used for necessary expenditures incurred due to the Covid-19 public health emergency.

Debt Service Funds

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

Unvoted Debt Retirement Fund

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

Capital Projects Funds

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

TIF Projects Fund

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

Cornerstone TIF Fire/EMS Fund

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

Capital Projects Funds(Continued)

TIF MVHS Capital Projects Fund

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

Capital Equipment Purchase Fund

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

Special Assessment Improvements Fund

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

Internal Service Funds

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

Central Vehicle Purchase Fund

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

Self-Insurance Medical Fund

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

Insurance Deductible Fund

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



CITY OF CENTERVILLE, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$ 3,139,483	\$ 35,923	\$ 1,634,018	\$ 4,809,424
Receivables:				
Taxes	0	0	100,000	100,000
Intergovernmental	711,013	0	0	711,013
Inventory of Supplies, at Cost	132,209	0	0	132,209
Prepaid Items	18,521	0	0	18,521
Total Assets	<u>\$ 4,001,226</u>	<u>\$ 35,923</u>	<u>\$ 1,734,018</u>	<u>\$ 5,771,167</u>
Liabilities:				
Accounts Payable	\$ 36,604	\$ 0	\$ 54,596	\$ 91,200
Accrued Wages and Benefits Payable	57,435	0	0	57,435
Intergovernmental Payable	2,363	0	30,000	32,363
Due to Others	47,660	0	0	47,660
Total Liabilities	<u>144,062</u>	<u>0</u>	<u>84,596</u>	<u>228,658</u>
Deferred Inflows of Resources:				
Unavailable Amounts	414,814	0	0	414,814
Property Tax Levy for Next Fiscal Year	0	0	100,000	100,000
Total Deferred Inflows of Resources	<u>414,814</u>	<u>0</u>	<u>100,000</u>	<u>514,814</u>
Fund Balances:				
Nonspendable	150,730	0	0	150,730
Restricted	3,291,620	0	510,914	3,802,534
Assigned	0	35,923	1,038,508	1,074,431
Total Fund Balances	<u>3,442,350</u>	<u>35,923</u>	<u>1,549,422</u>	<u>5,027,695</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 4,001,226</u>	<u>\$ 35,923</u>	<u>\$ 1,734,018</u>	<u>\$ 5,771,167</u>

CITY OF CENTERVILLE, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2020**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Charges for Services	\$ 773	\$ 0	\$ 0	\$ 773
Investment Earnings	35,887	425	29,081	65,393
Intergovernmental Revenues	2,779,014	0	0	2,779,014
Special Assessments	0	0	50,102	50,102
Fines, Licenses and Permits	1,103	0	0	1,103
Revenue in Lieu of Taxes	0	0	99,551	99,551
Other Revenues	376,433	0	148,794	525,227
Total Revenue	3,193,210	425	327,528	3,521,163
Expenditures:				
Current:				
General Government	0	0	192,412	192,412
Public Safety	1,348,435	0	0	1,348,435
Transportation	2,629,444	0	0	2,629,444
Capital Outlay	0	0	3,495,379	3,495,379
Debt Service:				
Principal Retirement	0	30,897	0	30,897
Interest and Fiscal Charges	0	1,977	0	1,977
Total Expenditures	3,977,879	32,874	3,687,791	7,698,544
Excess (Deficiency) of Revenues Over Expenditures	(784,669)	(32,449)	(3,360,263)	(4,177,381)
Other Financing Sources (Uses):				
Premium on General Obligation Bonds Issued	0	0	75,596	75,596
General Obligation Bonds Issued	0	0	2,500,000	2,500,000
Transfers In	1,600,000	65,750	781,518	2,447,268
Total Other Financing Sources (Uses)	1,600,000	65,750	3,357,114	5,022,864
Net Change in Fund Balances	815,331	33,301	(3,149)	845,483
Fund Balances at Beginning of Year	2,613,098	2,622	1,552,571	4,168,291
Change in Inventory	13,921	0	0	13,921
Fund Balances End of Year	\$ 3,442,350	\$ 35,923	\$ 1,549,422	\$ 5,027,695

CITY OF CENTERVILLE, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020**

	Street Construction and Maintenance	State Highway	Law Enforcement	Enforcement and Education
Assets:				
Equity in Pooled Cash and Investments	\$ 1,972,850	\$ 206,374	\$ 297,034	\$ 44,255
Receivables:				
Intergovernmental	662,543	48,445	0	25
Inventory of Supplies, at Cost	101,669	30,540	0	0
Prepaid Items	18,521	0	0	0
Total Assets	\$ 2,755,583	\$ 285,359	\$ 297,034	\$ 44,280
Liabilities:				
Accounts Payable	\$ 3,483	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	57,435	0	0	0
Intergovernmental Payable	2,363	0	0	0
Due to Others	47,660	0	0	0
Total Liabilities	110,941	0	0	0
Deferred Inflows of Resources:				
Unavailable Amounts	383,703	31,111	0	0
Fund Balances:				
Nonspendable	120,190	30,540	0	0
Restricted	2,140,749	223,708	297,034	44,280
Total Fund Balances	2,260,939	254,248	297,034	44,280
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,755,583	\$ 285,359	\$ 297,034	\$ 44,280

CITY OF CENTERVILLE, OHIO

<u>Drug Law</u>	<u>Police Grants</u>	<u>Cornerstone Park Maintenance</u>	<u>Local Coronavirus Relief</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 1,087	\$ 274,522	\$ 252,995	\$ 90,366	\$ 3,139,483
0	0	0	0	711,013
0	0	0	0	132,209
0	0	0	0	18,521
<u>\$ 1,087</u>	<u>\$ 274,522</u>	<u>\$ 252,995</u>	<u>\$ 90,366</u>	<u>\$ 4,001,226</u>
\$ 0	\$ 0	\$ 0	\$ 33,121	\$ 36,604
0	0	0	0	57,435
0	0	0	0	2,363
0	0	0	0	47,660
<u>0</u>	<u>0</u>	<u>0</u>	<u>33,121</u>	<u>144,062</u>
0	0	0	0	414,814
0	0	0	0	150,730
1,087	274,522	252,995	57,245	3,291,620
<u>1,087</u>	<u>274,522</u>	<u>252,995</u>	<u>57,245</u>	<u>3,442,350</u>
<u>\$ 1,087</u>	<u>\$ 274,522</u>	<u>\$ 252,995</u>	<u>\$ 90,366</u>	<u>\$ 4,001,226</u>

CITY OF CENTERVILLE, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020**

	Street Construction and Maintenance	State Highway	Law Enforcement	Enforcement and Education
Revenues:				
Charges for Services	\$ 773	\$ 0	\$ 0	\$ 0
Investment Earnings	20,555	2,124	3,528	519
Intergovernmental Revenues	1,301,473	105,525	0	0
Fines, Licenses and Permits	0	0	0	1,103
Other Revenues	126,433	0	0	0
Total Revenue	<u>1,449,234</u>	<u>107,649</u>	<u>3,528</u>	<u>1,622</u>
Expenditures:				
Current:				
Public Safety	0	0	3,047	0
Transportation	2,573,691	55,753	0	0
Total Expenditures	<u>2,573,691</u>	<u>55,753</u>	<u>3,047</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,124,457)	51,896	481	1,622
Other Financing Sources (Uses):				
Transfers In	1,600,000	0	0	0
Total Other Financing Sources (Uses)	<u>1,600,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	475,543	51,896	481	1,622
Fund Balances at Beginning of Year	1,773,833	199,994	296,553	42,658
Change in Inventory	11,563	2,358	0	0
Fund Balances End of Year	<u>\$ 2,260,939</u>	<u>\$ 254,248</u>	<u>\$ 297,034</u>	<u>\$ 44,280</u>

CITY OF CENTERVILLE, OHIO

Drug Law	Police Grants	Cornerstone Park Maintenance	Local Coronavirus Relief	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 773
13	3,390	2,995	2,763	35,887
0	0	0	1,372,016	2,779,014
0	0	0	0	1,103
0	0	250,000	0	376,433
<u>13</u>	<u>3,390</u>	<u>252,995</u>	<u>1,374,779</u>	<u>3,193,210</u>
0	27,854	0	1,317,534	1,348,435
0	0	0	0	2,629,444
<u>0</u>	<u>27,854</u>	<u>0</u>	<u>1,317,534</u>	<u>3,977,879</u>
13	(24,464)	252,995	57,245	(784,669)
0	0	0	0	1,600,000
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,600,000</u>
13	(24,464)	252,995	57,245	815,331
1,074	298,986	0	0	2,613,098
0	0	0	0	13,921
<u>\$ 1,087</u>	<u>\$ 274,522</u>	<u>\$ 252,995</u>	<u>\$ 57,245</u>	<u>\$ 3,442,350</u>

CITY OF CENTERVILLE, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2020**

	<u>TIF Projects</u>	<u>TIF MVHS Capital Projects</u>	<u>Capital Equipment Purchase</u>
Assets:			
Equity in Pooled Cash and Investments	\$ 284,057	\$ 588,912	\$ 504,192
Receivables:			
Taxes	0	100,000	0
Total Assets	<u>\$ 284,057</u>	<u>\$ 688,912</u>	<u>\$ 504,192</u>
Liabilities:			
Accounts Payable	\$ 0	\$ 0	\$ 54,596
Intergovernmental Payable	30,000	0	0
Total Liabilities	<u>30,000</u>	<u>0</u>	<u>54,596</u>
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	0	100,000	0
Fund Balances:			
Restricted	254,057	0	0
Assigned	0	588,912	449,596
Total Fund Balances	<u>254,057</u>	<u>588,912</u>	<u>449,596</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 284,057</u>	<u>\$ 688,912</u>	<u>\$ 504,192</u>

CITY OF CENTERVILLE, OHIO

<u>Special Assessment Improvements</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 256,857	\$ 1,634,018
0	100,000
<u>\$ 256,857</u>	<u>\$ 1,734,018</u>
\$ 0	\$ 54,596
0	30,000
<u>0</u>	<u>84,596</u>
<u>0</u>	<u>100,000</u>
256,857	510,914
0	1,038,508
<u>256,857</u>	<u>1,549,422</u>
<u>\$ 256,857</u>	<u>\$ 1,734,018</u>

CITY OF CENTERVILLE, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2020**

	TIF Projects	Cornerstone TIF Fire/EMS	TIF MVHS Capital Projects
Revenues:			
Investment Earnings	\$ 11,327	\$ 0	\$ 5,960
Special Assessments	0	0	0
Revenue in Lieu of Taxes	0	0	99,551
All Other Revenue	118,582	0	0
Total Revenue	<u>129,909</u>	<u>0</u>	<u>105,511</u>
Expenditures:			
Current:			
General Government	95,849	61,518	1,107
Capital Outlay	2,487,761	0	0
Total Expenditures	<u>2,583,610</u>	<u>61,518</u>	<u>1,107</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,453,701)	(61,518)	104,404
Other Financing Sources (Uses):			
Premium on General Obligation Bonds Issued	75,596	0	0
General Obligation Bonds Issued	2,500,000	0	0
Transfers In	0	61,518	0
Total Other Financing Sources (Uses)	<u>2,575,596</u>	<u>61,518</u>	<u>0</u>
Net Change in Fund Balances	121,895	0	104,404
Fund Balances at Beginning of Year	<u>132,162</u>	<u>0</u>	<u>484,508</u>
Fund Balances End of Year	<u>\$ 254,057</u>	<u>\$ 0</u>	<u>\$ 588,912</u>

CITY OF CENTERVILLE, OHIO

Capital Equipment Purchase	Special Assessment Improvements	Total Nonmajor Capital Project Funds
\$ 8,784	\$ 3,010	\$ 29,081
0	50,102	50,102
0	0	99,551
30,212	0	148,794
<u>38,996</u>	<u>53,112</u>	<u>327,528</u>
0	33,938	192,412
1,007,618	0	3,495,379
<u>1,007,618</u>	<u>33,938</u>	<u>3,687,791</u>
(968,622)	19,174	(3,360,263)
0	0	75,596
0	0	2,500,000
720,000	0	781,518
<u>720,000</u>	<u>0</u>	<u>3,357,114</u>
(248,622)	19,174	(3,149)
698,218	237,683	1,552,571
<u>\$ 449,596</u>	<u>\$ 256,857</u>	<u>\$ 1,549,422</u>

CITY OF CENTERVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property and Other Taxes	\$ 1,585,000	\$ 1,585,000	\$ 1,505,379	\$ (79,621)
Income Taxes	20,250,865	20,250,865	20,360,950	110,085
Charges for Services	661,050	661,050	546,337	(114,713)
Investment Earnings	300,000	300,000	312,802	12,802
Intergovernmental Revenues	912,800	912,800	819,515	(93,285)
Special Assessments	5,000	5,000	13,234	8,234
Fines, Licenses and Permits	353,000	353,000	494,576	141,576
Other Revenues	31,750	31,750	141,405	109,655
Total Revenues	<u>24,099,465</u>	<u>24,099,465</u>	<u>24,194,198</u>	<u>94,733</u>
Expenditures:				
General Government:				
Clerk of Council:				
Personal Services	261,578	261,578	254,935	6,643
Other Expenditures	47,050	55,812	50,605	5,207
Total Clerk of Council	<u>308,628</u>	<u>317,390</u>	<u>305,540</u>	<u>11,850</u>
City Manager:				
Personal Services	553,051	568,051	561,990	6,061
Other Expenditures	40,160	40,344	22,665	17,679
Total City Manager	<u>593,211</u>	<u>608,395</u>	<u>584,655</u>	<u>23,740</u>
Economic Development:				
Personal Services	144,184	144,184	110,076	34,108
Other Expenditures	44,250	44,426	37,740	6,686
Total Economic Development	<u>188,434</u>	<u>188,610</u>	<u>147,816</u>	<u>40,794</u>
Community Resources:				
Personal Services	190,110	202,110	198,930	3,180
Other Expenditures	104,175	105,799	54,553	51,246
Total Community Resources	<u>294,285</u>	<u>307,909</u>	<u>253,483</u>	<u>54,426</u>
Code Enforcement:				
Personal Services	133,812	133,812	131,235	2,577
Other Expenditures	25,750	25,750	19,932	5,818
Total Code Enforcement	<u>159,562</u>	<u>159,562</u>	<u>151,167</u>	<u>8,395</u>
Information Technology:				
Personal Services	151,122	151,122	116,474	34,648
Other Expenditures	267,640	417,640	414,544	3,096
Total Information Technology	<u>418,762</u>	<u>568,762</u>	<u>531,018</u>	<u>37,744</u>

(Continued)

CITY OF CENTERVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Finance:				
Personal Services	342,533	342,533	337,546	4,987
Other Expenditures	122,150	123,074	95,323	27,751
Total Finance	<u>464,683</u>	<u>465,607</u>	<u>432,869</u>	<u>32,738</u>
Income Tax:				
Personal Services	303,232	313,232	308,703	4,529
Other Expenditures	109,500	119,711	119,363	348
Total Income Tax	<u>412,732</u>	<u>432,943</u>	<u>428,066</u>	<u>4,877</u>
Human Resources:				
Personal Services	205,373	155,373	134,786	20,587
Other Expenditures	85,300	135,300	112,019	23,281
Total Human Resources	<u>290,673</u>	<u>290,673</u>	<u>246,805</u>	<u>43,868</u>
Legal:				
Other Expenditures	313,500	463,500	449,360	14,140
Total Legal	<u>313,500</u>	<u>463,500</u>	<u>449,360</u>	<u>14,140</u>
General Government:				
Personal Services	128,500	131,670	79,029	52,641
Other Expenditures	1,419,926	2,532,881	2,264,236	268,645
Total General Government	<u>1,548,426</u>	<u>2,664,551</u>	<u>2,343,265</u>	<u>321,286</u>
Municipal Building:				
Personal Services	39,889	42,889	41,262	1,627
Other Expenditures	55,050	55,050	46,574	8,476
Total Municipal Building	<u>94,939</u>	<u>97,939</u>	<u>87,836</u>	<u>10,103</u>
Inspection:				
Personal Services	305,776	305,776	228,329	77,447
Other Expenditures	59,250	59,589	33,298	26,291
Total Inspection	<u>365,026</u>	<u>365,365</u>	<u>261,627</u>	<u>103,738</u>
Engineering:				
Personal Services	489,085	489,085	475,037	14,048
Other Expenditures	55,860	55,860	40,397	15,463
Total Engineering	<u>544,945</u>	<u>544,945</u>	<u>515,434</u>	<u>29,511</u>
Public Works Administration:				
Personal Services	295,816	295,816	234,623	61,193
Other Expenditures	155,430	155,430	123,720	31,710
Total Public Works Administration	<u>451,246</u>	<u>451,246</u>	<u>358,343</u>	<u>92,903</u>

(Continued)

CITY OF CENTERVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Sister City Committee:				
Other Expenditures	9,950	9,950	516	9,434
Total Sister City Committee	9,950	9,950	516	9,434
Arts Commission:				
Other Expenditures	67,300	67,302	12,692	54,610
Total Arts Commission	67,300	67,302	12,692	54,610
City Beautiful Commission:				
Other Expenditures	7,025	7,025	2,919	4,106
Total City Beautiful Commission	7,025	7,025	2,919	4,106
Total General Government	6,533,327	8,011,674	7,113,411	898,263
Public Safety:				
Police:				
Personal Services	7,299,309	7,302,109	5,944,731	1,357,378
Other Expenditures	1,050,380	1,094,634	1,000,363	94,271
Total Public Safety	8,349,689	8,396,743	6,945,094	1,451,649
Community Development:				
Planning:				
Personal Services	258,394	258,394	256,656	1,738
Other Expenditures	116,098	118,040	36,075	81,965
Total Community Development	374,492	376,434	292,731	83,703
Recreation:				
Benham's Grove:				
Personal Services	135,388	135,388	112,523	22,865
Other Expenditures	155,700	167,700	92,502	75,198
Total Benham's Grove	291,088	303,088	205,025	98,063
Stubbs Park:				
Other Expenditures	282,675	292,025	136,316	155,709
Total Stubbs Park	282,675	292,025	136,316	155,709
Total Recreation	573,763	595,113	341,341	253,772
Total Expenditures	15,831,271	17,379,964	14,692,577	2,687,387
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	8,268,194	6,719,501	9,501,621	2,782,120

(Continued)

CITY OF CENTERVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Transfers Out	(8,565,750)	(8,665,750)	(8,665,750)	0
Advances Out	0	(500,000)	(100,000)	400,000
Total Other Financing Sources (Uses)	<u>(8,565,750)</u>	<u>(9,165,750)</u>	<u>(8,765,750)</u>	<u>400,000</u>
Net Change in Fund Balance	(297,556)	(2,446,249)	735,871	3,182,120
Fund Balance at Beginning of Year	24,669,724	24,669,724	24,669,724	0
Prior Year Encumbrances	339,015	339,015	339,015	0
Fund Balance at End of Year	<u>\$ 24,711,183</u>	<u>\$ 22,562,490</u>	<u>\$ 25,744,610</u>	<u>\$ 3,182,120</u>

CITY OF CENTERVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Debt Service Fund – TIF Debt Retirement Fund
For the Year Ended December 31, 2020**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 5,000	\$ 13,227	\$ 8,227
Revenue in Lieu of Taxes	1,225,316	1,435,710	210,394
Total Revenues	1,230,316	1,448,937	218,621
Expenditures:			
General Government:			
Other Expenditures	441,000	436,213	4,787
Debt Service:			
Other Expenditures	612,375	611,542	833
Total Expenditures	1,053,375	1,047,755	5,620
Excess (Deficiency) of Revenues Over (Under) Expenditures	176,941	401,182	224,241
Other Financing Sources (Uses):			
Premium on General Obligation Bonds	0	185,825	185,825
Transfers Out	(75,000)	(61,518)	13,482
Total Other Financing Sources (Uses)	(75,000)	124,307	199,307
Net Change in Fund Balance	101,941	525,489	423,548
Fund Balance at Beginning of Year	489,795	489,795	0
Fund Balance at End of Year	\$ 591,736	\$ 1,015,284	\$ 423,548

CITY OF CENTERVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Debt Service Fund – Special Assessment Debt Retirement Fund
For the Year Ended December 31, 2020***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 10,500	\$ 8,582	\$ (1,918)
Special Assessments	480,890	473,005	(7,885)
Total Revenues	491,390	481,587	(9,803)
Expenditures:			
General Government:			
Other Expenditures	26,000	22,519	3,481
Debt Service:			
Other Expenditures	480,803	480,803	0
Total Expenditures	506,803	503,322	3,481
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,413)	(21,735)	(6,322)
Fund Balance at Beginning of Year	495,056	495,056	0
Fund Balance at End of Year	\$ 479,643	\$ 473,321	\$ (6,322)

CITY OF CENTERVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Fund – Capital Improvements Fund
For the Year Ended December 31, 2020**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 50,000	\$ 54,229	\$ 4,229
Intergovernmental Revenues	1,799,776	1,223,111	(576,665)
Other Revenues	2,000	1,750	(250)
Total Revenues	<u>1,851,776</u>	<u>1,279,090</u>	<u>(572,686)</u>
Expenditures:			
Capital Outlay:			
Other Expenditures	7,048,746	5,909,919	1,138,827
Total Expenditures	<u>7,048,746</u>	<u>5,909,919</u>	<u>1,138,827</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,196,970)	(4,630,829)	566,141
Other Financing Sources (Uses):			
Sale of Capital Assets	1,500	1,321	(179)
Transfers In	6,000,000	6,000,000	0
Total Other Financing Sources (Uses)	<u>6,001,500</u>	<u>6,001,321</u>	<u>(179)</u>
Net Change in Fund Balance	804,530	1,370,492	565,962
Fund Balance at Beginning of Year	1,356,639	1,356,639	0
Prior Year Encumbrances	1,192,042	1,192,042	0
Fund Balance at End of Year	<u>\$ 3,353,211</u>	<u>\$ 3,919,173</u>	<u>\$ 565,962</u>

CITY OF CENTERVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

STREET CONSTRUCTION AND MAINTENANCE FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 1,000	\$ 1,000	\$ 773	\$ (227)
Investment Earnings	25,000	25,000	20,555	(4,445)
Intergovernmental Revenues	1,418,000	1,418,000	1,315,388	(102,612)
Other Revenues	0	0	61,682	61,682
Total Revenues	<u>1,444,000</u>	<u>1,444,000</u>	<u>1,398,398</u>	<u>(45,602)</u>
Expenditures:				
Transportation:				
Personal Services	2,151,525	2,151,525	2,048,034	103,491
Other Expenditures	758,400	804,094	609,366	194,728
Total Expenditures	<u>2,909,925</u>	<u>2,955,619</u>	<u>2,657,400</u>	<u>298,219</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,465,925)	(1,511,619)	(1,259,002)	252,617
Other Financing Sources (Uses):				
Transfers In	1,600,000	1,600,000	1,600,000	0
Total Other Financing Sources (Uses)	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>	<u>0</u>
Net Change in Fund Balance	134,075	88,381	340,998	252,617
Fund Balance at Beginning of Year	1,480,192	1,480,192	1,480,192	0
Prior Year Encumbrances	46,196	46,196	46,196	0
Fund Balance at End of Year	<u>\$ 1,660,463</u>	<u>\$ 1,614,769</u>	<u>\$ 1,867,386</u>	<u>\$ 252,617</u>

CITY OF CENTERVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 2,500	\$ 2,124	\$ (376)
Intergovernmental Revenues	113,000	106,653	(6,347)
Total Revenues	<u>115,500</u>	<u>108,777</u>	<u>(6,723)</u>
Expenditures:			
Transportation:			
Other Expenditures	165,663	84,581	81,082
Total Expenditures	<u>165,663</u>	<u>84,581</u>	<u>81,082</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,163)	24,196	74,359
Fund Balance at Beginning of Year	157,315	157,315	0
Prior Year Encumbrances	14,630	14,630	0
Fund Balance at End of Year	<u>\$ 121,782</u>	<u>\$ 196,141</u>	<u>\$ 74,359</u>

CITY OF CENTERVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 3,500	\$ 3,528	\$ 28
Other Revenues	5,000	0	(5,000)
Total Revenues	<u>8,500</u>	<u>3,528</u>	<u>(4,972)</u>
Expenditures:			
Public Safety:			
Other Expenditures	5,000	3,047	1,953
Total Expenditures	<u>5,000</u>	<u>3,047</u>	<u>1,953</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,500	481	(3,019)
Fund Balance at Beginning of Year	296,553	296,553	0
Fund Balance at End of Year	<u>\$ 300,053</u>	<u>\$ 297,034</u>	<u>\$ (3,019)</u>

CITY OF CENTERVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 500	\$ 519	\$ 19
Fines, Licenses and Permits	<u>1,000</u>	<u>1,164</u>	<u>164</u>
Total Revenues	<u>1,500</u>	<u>1,683</u>	<u>183</u>
Expenditures:			
Public Safety:			
Other Expenditures	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total Expenditures	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	500	1,683	1,183
Fund Balance at Beginning of Year	<u>42,572</u>	<u>42,572</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 43,072</u>	<u>\$ 44,255</u>	<u>\$ 1,183</u>

CITY OF CENTERVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 15	\$ 13	\$ (2)
Total Revenues	<u>15</u>	<u>13</u>	<u>(2)</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	15	13	(2)
Fund Balance at Beginning of Year	<u>1,074</u>	<u>1,074</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,089</u>	<u>\$ 1,087</u>	<u>\$ (2)</u>

CITY OF CENTERVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 5,000	\$ 3,390	\$ (1,610)
Total Revenues	<u>5,000</u>	<u>3,390</u>	<u>(1,610)</u>
Expenditures:			
Public Safety:			
Other Expenditures	77,704	44,493	33,211
Total Expenditures	<u>77,704</u>	<u>44,493</u>	<u>33,211</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(72,704)	(41,103)	31,601
Fund Balance at Beginning of Year	265,042	265,042	0
Prior Year Encumbrances	33,944	33,944	0
Fund Balance at End of Year	<u>\$ 226,282</u>	<u>\$ 257,883</u>	<u>\$ 31,601</u>

CITY OF CENTERVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 175	\$ 128	\$ (47)
Other Revenues	3,000	200	(2,800)
Total Revenues	<u>3,175</u>	<u>328</u>	<u>(2,847)</u>
Expenditures:			
Recreation:			
Other Expenditures	4,050	0	4,050
Total Recreation	<u>4,050</u>	<u>0</u>	<u>4,050</u>
Capital Outlay	1,700	0	1,700
Total Expenditures	<u>5,750</u>	<u>0</u>	<u>5,750</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,575)	328	2,903
Fund Balance at Beginning of Year	10,569	10,569	0
Fund Balance at End of Year	<u>\$ 7,994</u>	<u>\$ 10,897</u>	<u>\$ 2,903</u>

CITY OF CENTERVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 1,000	\$ 897	\$ (103)
Total Revenues	<u>1,000</u>	<u>897</u>	<u>(103)</u>
Expenditures:			
Public Safety:			
Other Expenditures	6,000	2,423	3,577
Total Expenditures	<u>6,000</u>	<u>2,423</u>	<u>3,577</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,000)	(1,526)	3,474
Fund Balance at Beginning of Year	75,192	75,192	0
Fund Balance at End of Year	<u>\$ 70,192</u>	<u>\$ 73,666</u>	<u>\$ 3,474</u>

CITY OF CENTERVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

CORNERSTONE PARK MAINTENANCE FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 0	\$ 2,995	\$ 2,995
Other Revenues	250,000	250,000	0
Total Revenues	<u>250,000</u>	<u>252,995</u>	<u>2,995</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	250,000	252,995	2,995
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 250,000</u>	<u>\$ 252,995</u>	<u>\$ 2,995</u>

CITY OF CENTERVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 0	\$ 2,763	\$ 2,763
Intergovernmental Revenues	1,376,000	1,372,016	(3,984)
Total Revenues	<u>1,376,000</u>	<u>1,374,779</u>	<u>(1,221)</u>
Expenditures:			
Public Safety:			
Personal Services	1,100,000	1,077,477	22,523
Other Expenditures	276,000	256,614	19,386
Total Expenditures	<u>1,376,000</u>	<u>1,334,091</u>	<u>41,909</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	40,688	40,688
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 40,688</u>	<u>\$ 40,688</u>

CITY OF CENTERVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2020***

UNVOTED DEBT RETIREMENT FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 400	\$ 425	\$ 25
Total Revenues	<u>400</u>	<u>425</u>	<u>25</u>
Expenditures:			
Debt Service:			
Other Expenditures	65,750	32,874	32,876
Total Expenditures	<u>65,750</u>	<u>32,874</u>	<u>32,876</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(65,350)	(32,449)	32,901
Other Financing Sources (Uses):			
Transfers In	65,750	65,750	0
Total Other Financing Sources (Uses)	<u>65,750</u>	<u>65,750</u>	<u>0</u>
Net Change in Fund Balance	400	33,301	32,901
Fund Balance at Beginning of Year	2,622	2,622	0
Fund Balance at End of Year	<u>\$ 3,022</u>	<u>\$ 35,923</u>	<u>\$ 32,901</u>

CITY OF CENTERVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2020**

TIF PROJECTS FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 5,000	\$ 11,327	\$ 6,327
Other Revenues	150,000	118,582	(31,418)
Total Revenues	<u>155,000</u>	<u>129,909</u>	<u>(25,091)</u>
Expenditures:			
General Government:			
Other Expenditures	40,000	95,849	(55,849)
Capital Outlay:			
Other Expenditures	2,700,002	2,628,785	71,217
Total Expenditures	<u>2,740,002</u>	<u>2,724,634</u>	<u>15,368</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,585,002)	(2,594,725)	(9,723)
Other Financing Sources (Uses):			
General Obligation Bonds Issued	2,600,000	2,500,000	(100,000)
Premium on General Obligation Bonds	0	75,596	75,596
Total Other Financing Sources (Uses)	<u>2,600,000</u>	<u>2,575,596</u>	<u>(24,404)</u>
Net Change in Fund Balance	14,998	(19,129)	(34,127)
Fund Balance at Beginning of Year	39,070	39,070	0
Prior Year Encumbrances	99,346	99,346	0
Fund Balance at End of Year	<u>\$ 153,414</u>	<u>\$ 119,287</u>	<u>\$ (34,127)</u>

CITY OF CENTERVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2020**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
General Government:			
Other Expenditures	75,000	61,518	13,482
Total Expenditures	75,000	61,518	13,482
Excess (Deficiency) of Revenues Over (Under) Expenditures	(75,000)	(61,518)	13,482
Other Financing Sources (Uses):			
Transfers In	75,000	61,518	(13,482)
Total Other Financing Sources (Uses)	75,000	61,518	(13,482)
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0

CITY OF CENTERVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2020***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 4,500	\$ 5,960	\$ 1,460
Revenue in Lieu of Taxes	95,000	99,551	4,551
Total Revenues	99,500	105,511	6,011
Expenditures:			
General Government:			
Other Expenditures	1,200	1,107	93
Capital Outlay:			
Other Expenditures	2,500	0	2,500
Total Expenditures	3,700	1,107	2,593
Excess (Deficiency) of Revenues Over (Under) Expenditures	95,800	104,404	8,604
Fund Balance at Beginning of Year	484,508	484,508	0
Fund Balance at End of Year	\$ 580,308	\$ 588,912	\$ 8,604

CITY OF CENTERVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2020**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CAPITAL EQUIPMENT PURCHASE FUND			
Revenues:			
Investment Earnings	\$ 12,000	\$ 8,784	\$ (3,216)
Other Revenues	0	30,212	30,212
Total Revenues	12,000	38,996	26,996
Expenditures:			
Capital Outlay:			
Other Expenditures	1,432,378	1,413,924	18,454
Total Expenditures	1,432,378	1,413,924	18,454
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,420,378)	(1,374,928)	45,450
Other Financing Sources (Uses):			
Transfers In	720,000	720,000	0
Total Other Financing Sources (Uses)	720,000	720,000	0
Net Change in Fund Balance	(700,378)	(654,928)	45,450
Fund Balance at Beginning of Year	258,095	258,095	0
Prior Year Encumbrances	574,232	574,232	0
Fund Balance at End of Year	\$ 131,949	\$ 177,399	\$ 45,450

CITY OF CENTERVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2020**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 5,000	\$ 3,010	\$ (1,990)
Special Assessments	52,000	50,102	(1,898)
Total Revenues	<u>57,000</u>	<u>53,112</u>	<u>(3,888)</u>
Expenditures:			
General Government:			
Other Expenditures	37,000	33,938	3,062
Total Expenditures	<u>37,000</u>	<u>33,938</u>	<u>3,062</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,000	19,174	(826)
Fund Balance at Beginning of Year	237,683	237,683	0
Fund Balance at End of Year	<u>\$ 257,683</u>	<u>\$ 256,857</u>	<u>\$ (826)</u>



CITY OF CENTERVILLE, OHIO

**Combining Statement of Net Position
Internal Service Funds
December 31, 2020**

	<u>Central Vehicle Purchase</u>	<u>Self-Insurance Medical</u>	<u>Insurance Deductible</u>	<u>Total Internal Service Funds</u>
Assets:				
Current assets:				
Equity in Pooled Cash and Investments	\$ 306,371	\$ 38,887	\$ 9,184	\$ 354,442
Total current assets	<u>306,371</u>	<u>38,887</u>	<u>9,184</u>	<u>354,442</u>
Noncurrent assets:				
Capital assets:				
Depreciable Capital Assets, net	<u>1,591,467</u>	<u>0</u>	<u>0</u>	<u>1,591,467</u>
Total capital assets	<u>1,591,467</u>	<u>0</u>	<u>0</u>	<u>1,591,467</u>
Total noncurrent assets	<u>1,591,467</u>	<u>0</u>	<u>0</u>	<u>1,591,467</u>
Total assets	<u>1,897,838</u>	<u>38,887</u>	<u>9,184</u>	<u>1,945,909</u>
Liabilities:				
Current liabilities:				
Accounts Payable	0	0	2,500	2,500
Claims Payable	0	153,410	0	153,410
Interfund Loans Payable	0	100,000	0	100,000
Total Liabilities	<u>0</u>	<u>253,410</u>	<u>2,500</u>	<u>255,910</u>
Net Position:				
Net Investment in Capital Assets	1,591,467	0	0	1,591,467
Unrestricted	306,371	(214,523)	6,684	98,532
Total Net Position	<u>\$ 1,897,838</u>	<u>\$ (214,523)</u>	<u>\$ 6,684</u>	<u>\$ 1,689,999</u>

See accompanying notes to the basic financial statements

CITY OF CENTERVILLE, OHIO**Combining Statement of Revenues, Expenditures and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2020**

	Central Vehicle Purchase	Self-Insurance Medical	Insurance Deductible	Total Internal Service Funds
Operating Revenues:				
Charges for Services	\$ 289,570	\$ 2,166,338	\$ 0	\$ 2,455,908
Other Operating Revenues	48,261	1,224,857	26,097	1,299,215
Total Operating Revenues	337,831	3,391,195	26,097	3,755,123
Operating Expenses:				
Purchased Services	0	0	32,413	32,413
Depreciation	371,172	0	0	371,172
Other Expense	0	0	15,268	15,268
Claims	0	3,738,287	0	3,738,287
Total Operating Expenses	371,172	3,738,287	47,681	4,157,140
Operating Loss	(33,341)	(347,092)	(21,584)	(402,017)
Non-Operating Revenue (Expenses):				
Investment Earnings	2,699	2,636	119	5,454
Total Non-Operating Revenues (Expenses)	2,699	2,636	119	5,454
Income (Loss) Before Contributions and Transfers	(30,642)	(344,456)	(21,465)	(396,563)
Transfers-In	100,000	0	0	100,000
Change in Net Position	69,358	(344,456)	(21,465)	(296,563)
Net Position Beginning of Year	1,828,480	129,933	28,149	1,986,562
Net Position End of Year	\$ 1,897,838	\$ (214,523)	\$ 6,684	\$ 1,689,999

CITY OF CENTERVILLE, OHIO

***Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2020***

	Central Vehicle Purchase	Self-Insurance Medical	Insurance Deductible	Total Internal Service
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Interfund Services	\$289,570	\$2,166,338	\$0	\$2,455,908
Other Operating Receipts	48,261	1,224,857	27,472	1,300,590
Cash Payments for Goods and Services	0	0	(51,083)	(51,083)
Cash Payments for Claims	0	(3,622,924)	0	(3,622,924)
Net Cash Provided (Used) by Operating Activities	337,831	(231,729)	(23,611)	82,491
<u>Cash Flows from Noncapital Financing Activities:</u>				
Advances In	0	100,000	0	100,000
Transfers In from Other Funds	100,000	0	0	100,000
Net Cash Provided by Noncapital Financing Activities	100,000	100,000	0	200,000
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Acquisition and Construction of Assets	(513,887)	0	0	(513,887)
Net Cash Used by Capital and Related Financing Activities	(513,887)	0	0	(513,887)
<u>Cash Flows from Investing Activities:</u>				
Receipt of Interest	2,699	2,636	119	5,454
Net Cash Provided by Investing Activities	2,699	2,636	119	5,454
Net Decrease in Cash and Cash Equivalents	(73,357)	(129,093)	(23,492)	(225,942)
Cash and Cash Equivalents at Beginning of Year	379,728	167,980	32,676	580,384
Cash and Cash Equivalents at End of Year	\$306,371	\$38,887	\$9,184	\$354,442
<u>Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities:</u>				
Operating Loss	(\$33,341)	(\$347,092)	(\$21,584)	(\$402,017)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:				
Depreciation	371,172	0	0	371,172
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:				
Decrease in Accounts Receivable	0	0	1,375	1,375
Decrease in Accounts Payable	0	0	(3,402)	(3,402)
Increase in Claims Payable	0	115,363	0	115,363
Total Adjustments	371,172	115,363	(2,027)	484,508
Net Cash Provided (Used) by Operating Activities	\$337,831	(\$231,729)	(\$23,611)	\$82,491

Fiduciary Fund

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

Custodial Funds

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.

Miscellaneous Fund

To account for various fines and fees collected and distributed for the benefit of others.

Special Energy Improvement Fund

To account for monies held by the City to be distributed for the benefit of energy improvements.

CITY OF CENTERVILLE, OHIO

**Statement Of Net Position
Custodial Funds
For the Year Ended December 31, 2020**

	<u>Miscellaneous</u>	<u>Special Energy Improvement</u>	<u>Total Custodial Funds</u>
Assets:			
Equity in Pooled Cash and Investments	\$ 60,771	\$ 0	\$ 60,771
Total Assets	<u>60,771</u>	<u>0</u>	<u>60,771</u>
Liabilities:			
Undistributed Monies	60,771	0	60,771
Total Liabilities	<u>60,771</u>	<u>0</u>	<u>60,771</u>
Net Position:			
Total Net Position	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF CENTERVILLE, OHIO

**Statement Of Changes In Net Position
Custodial Funds
For the Year Ended December 31, 2020**

	<u>Miscellaneous</u>	<u>Special Energy Improvement</u>	<u>Total Custodial Funds</u>
Additions:			
Special Assessments	\$ 0	\$ 510,045	\$ 510,045
Fines, Licenses and Permits	6,384	0	6,384
Other Revenues	20,826	0	20,826
Total Additions	<u>27,210</u>	<u>510,045</u>	<u>537,255</u>
Deductions:			
Other Distributions	27,210	510,045	537,255
Total Deductions	<u>27,210</u>	<u>510,045</u>	<u>537,255</u>
Change in Net Position	0	0	0
Net Position at Beginning of Year	0	0	0
Net Position End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>





Statistical Section





STATISTICAL TABLES

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	S 2 – S 13
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
Revenue Capacity	S 14 – S 17
These schedules contain information to help the reader understand and assess the factors affecting the City’s ability to generate its most significant local revenue sources, the property tax and the income tax.	
Debt Capacity	S 18 – S 27
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Economic and Demographic Information	S 28 – S 31
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 32 – S 37
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	
Sources Note:	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

City of Centerville, Ohio

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

	2011	2012	2013	2014
Governmental Activities:				Restated
Net Investment in Capital Assets	\$39,255,568	\$38,096,137	\$38,942,917	\$41,293,351
Restricted	14,697,393	12,246,392	12,007,221	11,560,436
Unrestricted	15,443,474	18,154,274	16,496,732	5,567,938
Total Governmental Activities Net Position	<u>\$69,396,435</u>	<u>\$68,496,803</u>	<u>\$67,446,870</u>	<u>\$58,421,725</u>
Business-type Activities:				
Net Investment in Capital Assets	\$9,252,994	\$9,615,094	\$14,732,195	\$15,716,382
Restricted	319,734	2,921,719	351,200	351,200
Unrestricted (Deficit)	204,199	605,890	704,293	(392,043)
Total Business-type Activities Net Position	<u>\$9,776,927</u>	<u>\$13,142,703</u>	<u>\$15,787,688</u>	<u>\$15,675,539</u>
Primary Government:				
Net Investment in Capital Assets	\$48,508,562	\$47,711,231	\$53,675,112	\$57,009,733
Restricted	15,017,127	15,168,111	12,358,421	11,911,636
Unrestricted	15,647,673	18,760,164	17,201,025	5,175,895
Total Primary Government Net Position	<u>\$79,173,362</u>	<u>\$81,639,506</u>	<u>\$83,234,558</u>	<u>\$74,097,264</u>

Source: Finance Office

City of Centerville, Ohio

2015	2016	2017	2018	2019	2020
		Restated			
\$44,528,877	\$45,641,394	\$46,043,736	\$47,644,077	\$52,516,384	\$54,521,306
10,133,340	10,734,146	10,502,230	10,084,968	10,337,076	11,314,379
7,009,910	8,866,514	2,092,927	3,750,848	12,169,394	14,958,714
<u>\$61,672,127</u>	<u>\$65,242,054</u>	<u>\$58,638,893</u>	<u>\$61,479,893</u>	<u>\$75,022,854</u>	<u>\$80,794,399</u>
\$16,064,955	\$16,642,252	\$17,190,452	\$18,147,568	\$18,911,467	\$18,782,207
351,200	351,200	351,200	0	0	0
(88,510)	(194,141)	(1,205,367)	(795,571)	(145,052)	1,023,993
<u>\$16,327,645</u>	<u>\$16,799,311</u>	<u>\$16,336,285</u>	<u>\$17,351,997</u>	<u>\$18,766,415</u>	<u>\$19,806,200</u>
\$60,593,832	\$62,283,646	\$63,234,188	\$65,791,645	\$71,427,851	\$73,303,513
10,484,540	11,085,346	10,853,430	10,084,968	10,337,076	11,314,379
6,921,400	8,672,373	887,560	2,955,277	12,024,342	15,982,707
<u>\$77,999,772</u>	<u>\$82,041,365</u>	<u>\$74,975,178</u>	<u>\$78,831,890</u>	<u>\$93,789,269</u>	<u>\$100,600,599</u>

City of Centerville, Ohio

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

	2011	2012	2013	2014
Expenses				
Governmental Activities:				
General Government	\$4,920,870	\$4,974,806	\$4,837,041	\$4,707,720
Public Safety	6,814,464	6,505,994	6,585,920	6,519,809
Community Development	264,650	250,836	288,406	223,463
Recreation	308,379	291,908	330,822	232,550
Transportation	4,233,694	4,190,140	4,444,780	4,609,430
Interest and Fiscal Charges	386,256	370,007	326,705	217,123
<i>Total Governmental Activities Expenses</i>	<u>16,928,313</u>	<u>16,583,691</u>	<u>16,813,674</u>	<u>16,510,095</u>
Business-type Activities:				
Waste Collection	1,634,734	1,483,622	1,244,933	1,270,737
Golf Course	3,681,797	3,299,097	3,322,195	3,374,878
<i>Total Business-type Activities Expenses</i>	<u>5,316,531</u>	<u>4,782,719</u>	<u>4,567,128</u>	<u>4,645,615</u>
<i>Total Primary Government Expenses</i>	<u>\$22,244,844</u>	<u>\$21,366,410</u>	<u>\$21,380,802</u>	<u>\$21,155,710</u>
Program Revenues				
Governmental Activities:				
General Government	\$1,175,710	\$629,043	\$721,762	\$403,760
Public Safety	475,204	206,373	123,416	124,888
Community Development	0	0	0	55,525
Recreation	150,526	176,343	186,131	343,902
Transportation	1,010,827	1,009,736	1,009,722	1,229,937
<i>Total Governmental Activities Program Revenues</i>	<u>2,812,267</u>	<u>2,021,495</u>	<u>2,041,031</u>	<u>2,158,012</u>

City of Centerville, Ohio

2015	2016	2017	2018	2019	2020
\$4,583,121	\$5,297,659	\$5,436,245	\$5,704,742	\$7,267,575	\$7,282,644
7,431,420	7,480,622	8,035,874	8,613,827	2,409,407	9,111,041
239,464	270,706	300,901	303,734	298,287	339,009
240,024	272,933	260,331	226,152	308,511	317,269
5,181,136	3,648,465	5,737,482	6,939,137	6,790,278	6,946,103
263,947	450,852	441,147	425,015	408,525	427,280
<u>18,145,137</u>	<u>17,421,237</u>	<u>20,211,980</u>	<u>22,212,607</u>	<u>17,482,583</u>	<u>24,423,346</u>
1,231,207	1,368,345	1,350,813	1,434,443	1,498,132	1,419,029
3,243,923	3,300,445	3,403,774	3,067,197	3,448,846	2,944,089
<u>4,475,130</u>	<u>4,668,790</u>	<u>4,754,587</u>	<u>4,501,640</u>	<u>4,946,978</u>	<u>4,363,118</u>
<u>\$22,620,267</u>	<u>\$22,090,027</u>	<u>\$24,966,567</u>	<u>\$26,714,247</u>	<u>\$22,429,561</u>	<u>\$28,786,464</u>
\$594,967	\$629,972	\$966,820	\$841,784	\$823,583	\$2,218,470
175,507	157,794	249,534	115,387	124,258	165,229
0	1,095,870	0	0	0	0
408,923	203,707	175,269	202,033	1,594,725	390,969
<u>4,652,387</u>	<u>1,773,951</u>	<u>1,107,410</u>	<u>1,640,589</u>	<u>1,864,326</u>	<u>2,078,491</u>
<u>5,831,784</u>	<u>3,861,294</u>	<u>2,499,033</u>	<u>2,799,793</u>	<u>4,406,892</u>	<u>4,853,159</u>

(continued)

City of Centerville, Ohio

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

	2011	2012	2013	2014
Business-type Activities:				
Waste Collection	1,370,233	1,369,371	1,376,850	1,388,621
Golf Course	3,432,372	3,720,572	3,342,943	3,312,023
<i>Total Business-type Activities Program Revenues</i>	<u>4,802,605</u>	<u>5,089,943</u>	<u>4,719,793</u>	<u>4,700,644</u>
<i>Total Primary Government Program Revenues</i>	<u>7,614,872</u>	<u>7,111,438</u>	<u>6,760,824</u>	<u>6,858,656</u>
Net (Expense)/Revenue				
Governmental Activities	(14,116,046)	(14,562,196)	(14,772,643)	(14,352,083)
Business-type Activities	(513,926)	307,224	152,665	55,029
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$14,629,972)</u>	<u>(\$14,254,972)</u>	<u>(\$14,619,978)</u>	<u>(\$14,297,054)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Income Taxes	\$12,109,247	\$12,654,982	\$13,255,407	\$12,888,194
Property Taxes Levied for General Purposes	1,552,250	1,208,289	1,310,538	1,352,405
Estate Taxes	1,329,517	2,014,816	792,683	204,189
Unrestricted Shared Revenues	1,170,041	336,862	555,049	859,883
Revenue in Lieu of Taxes	0	0	0	190,838
Investment Earnings	169,851	169,693	67,416	193,056
Other Revenues	350,675	307,922	245,448	167,546
Transfers	(2,364,000)	(3,030,000)	(2,499,000)	(395,000)
<i>Total Governmental Activities</i>	<u>14,317,581</u>	<u>13,662,564</u>	<u>13,727,541</u>	<u>15,461,111</u>
Business-type Activities:				
Investment Earnings	20,292	14,897	29,409	12,016
Gain on Sale/Disposal of Capital Assets	0	13,655	54,074	495,104
Transfers	2,364,000	3,030,000	2,499,000	395,000
<i>Total Business-type Activities</i>	<u>2,384,292</u>	<u>3,058,552</u>	<u>2,582,483</u>	<u>902,120</u>
<i>Total Primary Government</i>	<u>\$16,701,873</u>	<u>\$16,721,116</u>	<u>\$16,310,024</u>	<u>\$16,363,231</u>
Change in Net Position				
Governmental Activities	\$201,535	(\$899,632)	(\$1,045,102)	\$1,109,028
Business-type Activities	1,870,366	3,365,776	2,735,148	957,149
<i>Total Primary Government Change in Net Position</i>	<u>\$2,071,901</u>	<u>\$2,466,144</u>	<u>\$1,690,046</u>	<u>\$2,066,177</u>

Source: Finance Office

City of Centerville, Ohio

2015	2016	2017	2018	2019	2020
1,425,879	1,387,756	1,411,046	1,339,257	1,441,424	1,455,828
3,548,341	3,717,637	3,706,704	3,535,742	3,863,168	3,717,288
4,974,220	5,105,393	5,117,750	4,874,999	5,304,592	5,173,116
10,806,004	8,966,687	7,616,783	7,674,792	9,711,484	10,026,275
(12,313,353)	(13,559,943)	(17,712,947)	(19,412,814)	(13,075,691)	(19,570,187)
499,090	436,603	363,163	373,359	357,614	809,998
<u>(\$11,814,263)</u>	<u>(\$13,123,340)</u>	<u>(\$17,349,784)</u>	<u>(\$19,039,455)</u>	<u>(\$12,718,077)</u>	<u>(\$18,760,189)</u>
\$12,654,246	\$14,419,096	\$17,441,959	\$18,995,065	\$22,027,383	\$19,649,461
1,387,805	1,371,013	1,402,517	1,506,251	1,561,257	1,533,678
0	0	0	0	0	0
1,258,990	952,085	1,231,456	1,069,691	1,496,663	2,091,237
0	84,856	678,145	1,030,405	1,269,153	1,535,261
165,799	169,700	248,138	205,005	1,117,239	632,217
205,905	143,120	288,393	62,397	146,957	79,878
(109,000)	(10,000)	(100,000)	(615,000)	(1,000,000)	(180,000)
15,563,745	17,129,870	21,190,608	22,253,814	26,618,652	25,341,732
15,480	14,601	18,560	27,353	56,804	49,787
28,536	10,462	53,228	0	0	0
109,000	10,000	100,000	615,000	1,000,000	180,000
153,016	35,063	171,788	642,353	1,056,804	229,787
<u>\$15,716,761</u>	<u>\$17,164,933</u>	<u>\$21,362,396</u>	<u>\$22,896,167</u>	<u>\$27,675,456</u>	<u>\$25,571,519</u>
\$3,250,392	\$3,569,927	\$3,477,661	\$2,841,000	\$13,542,961	\$5,771,545
652,106	471,666	534,951	1,015,712	1,414,418	1,039,785
<u>\$3,902,498</u>	<u>\$4,041,593</u>	<u>\$4,012,612</u>	<u>\$3,856,712</u>	<u>\$14,957,379</u>	<u>\$6,811,330</u>

City of Centerville, Ohio

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

	2011	2012	2013	2014
General Fund				
Nonspendable	\$86,327	\$71,031	\$72,816	\$72,225
Assigned	66,051	2,237,654	256,097	0
Unassigned	12,959,459	10,556,628	10,954,144	12,261,517
Total General Fund	13,111,837	12,865,313	11,283,057	12,333,742
All Other Governmental Funds				
Nonspendable	97,671	116,580	93,997	267,857
Restricted	2,369,702	2,771,364	3,170,946	2,492,895
Assigned	2,231,416	2,636,346	2,060,800	2,669,565
Unassigned	0	0	(21,227)	(2,371,457)
Total All Other Governmental Funds	4,698,789	5,524,290	5,304,516	3,058,860
Total Governmental Funds	\$17,810,626	\$18,389,603	\$16,587,573	\$15,392,602

Source: Finance Office

City of Centerville, Ohio

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$7,134	\$14,022	\$16,464	\$28,111	\$114,807	\$240,193
1,379,574	179,792	266,510	255,543	691,780	4,940,200
<u>12,160,884</u>	<u>13,423,099</u>	<u>17,114,624</u>	<u>20,653,186</u>	<u>26,276,277</u>	<u>25,117,628</u>
<u>13,547,592</u>	<u>13,616,913</u>	<u>17,397,598</u>	<u>20,936,840</u>	<u>27,082,864</u>	<u>30,298,021</u>
175,203	112,703	116,940	97,618	134,174	150,730
5,722,904	3,663,268	3,229,347	3,218,138	3,833,620	5,291,139
2,711,312	3,089,939	4,730,752	4,861,998	3,533,979	5,892,991
<u>0</u>	<u>0</u>	<u>(32,896)</u>	<u>(91,045)</u>	<u>0</u>	<u>0</u>
<u>8,609,419</u>	<u>6,865,910</u>	<u>8,044,143</u>	<u>8,086,709</u>	<u>7,501,773</u>	<u>11,334,860</u>
<u>\$22,157,011</u>	<u>\$20,482,823</u>	<u>\$25,441,741</u>	<u>\$29,023,549</u>	<u>\$34,584,637</u>	<u>\$41,632,881</u>

City of Centerville, Ohio

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

	2011	2012	2013	2014
Revenues:				
Local Taxes	\$13,139,217	\$13,478,234	\$13,944,415	\$14,338,276
Charges for Services	311,042	346,123	354,466	347,548
Investment Earnings	164,604	167,104	68,590	183,705
Intergovernmental Revenues	4,404,979	3,737,724	2,805,959	2,539,104
Special Assessments	645,114	664,390	639,612	561,431
Fines, Licenses and Permits	420,750	357,324	268,131	330,828
Revenue in Lieu of Taxes	0	0	0	190,838
Other Revenue	350,464	307,921	245,445	167,545
Total Revenue	<u>19,436,170</u>	<u>19,058,820</u>	<u>18,326,618</u>	<u>18,659,275</u>
Expenditures:				
Current:				
General Government	4,585,005	4,713,589	4,620,352	4,450,048
Public Safety	6,417,524	6,080,788	6,122,936	6,088,834
Community Development	289,791	236,503	282,126	245,177
Recreation	247,852	233,255	271,869	174,644
Transportation	2,248,977	2,196,400	2,318,042	2,815,942
Capital Outlay	1,675,639	1,280,937	3,008,960	4,715,440
Debt Service:				
Principal Retirement	357,579	363,966	784,356	329,751
Interest and Fiscal Charges	381,753	365,600	197,068	219,200
Bond Issuance Costs	0	0	108,390	0
Total Expenditures	<u>16,204,120</u>	<u>15,471,038</u>	<u>17,714,099</u>	<u>19,039,036</u>
Excess (Deficiency) of Revenues Over Expenditures	3,232,050	3,587,782	612,519	(379,761)

City of Centerville, Ohio

2015	2016	2017	2018	2019	2020
\$14,748,502	\$14,837,429	\$19,392,748	\$20,725,379	\$23,787,099	\$21,954,887
544,763	616,774	652,004	629,966	588,833	540,795
164,920	148,502	227,103	225,491	1,121,122	657,632
3,411,223	2,302,176	2,438,094	2,102,041	3,705,701	4,850,531
525,708	1,608,169	495,876	545,074	554,880	536,341
322,369	285,528	627,245	456,820	371,916	487,335
0	84,856	678,145	1,030,405	1,269,153	1,535,261
205,905	101,391	286,069	681,223	1,222,665	1,062,557
<u>19,923,390</u>	<u>19,984,825</u>	<u>24,797,284</u>	<u>26,396,399</u>	<u>32,621,369</u>	<u>31,625,339</u>
4,520,137	4,789,597	4,621,145	5,017,151	5,707,413	6,281,016
6,843,645	6,596,850	6,728,119	7,101,345	7,289,837	7,910,773
239,293	231,337	264,579	262,640	229,916	284,544
179,775	196,498	183,387	153,430	220,020	248,924
3,057,008	2,290,409	2,367,042	2,587,992	2,720,521	2,629,444
5,939,732	6,715,207	4,638,595	6,453,021	8,841,466	8,592,904
340,149	345,552	490,959	561,369	606,633	685,897
237,778	462,378	452,921	437,311	420,196	439,322
206,025	0	0	0	0	0
<u>21,563,542</u>	<u>21,627,828</u>	<u>19,746,747</u>	<u>22,574,259</u>	<u>26,036,002</u>	<u>27,072,824</u>
(1,640,152)	(1,643,003)	5,050,537	3,822,140	6,585,367	4,552,515
					(continued)

City of Centerville, Ohio

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

	2011	2012	2013	2014
Other Financing Sources (Uses):				
Sale of Capital Assets	1,000	1,514	0	0
Ohio Public Works Commission Loan	0	0	0	0
Refunding Bonds Issued	0	0	5,750,000	0
Payments to Refunded Bond Escrow Agent	0	0	(5,727,654)	0
Premium on Sale of Refunding Bonds	0	0	86,044	0
General Obligation Bonds Issued	0	0	0	0
Premium on General Obligation Bonds Issued	0	0	0	0
Transfers In	2,465,000	3,065,000	3,814,000	3,596,052
Transfers Out	(4,829,000)	(6,095,000)	(6,313,000)	(3,991,052)
Total Other Financing Sources (Uses)	<u>(2,363,000)</u>	<u>(3,028,486)</u>	<u>(2,390,610)</u>	<u>(395,000)</u>
Net Change in Fund Balance	<u>\$869,050</u>	<u>\$559,296</u>	<u>(\$1,778,091)</u>	<u>(\$774,761)</u>
Debt Service as a Percentage of Noncapital Expenditures	5.09%	5.14%	6.67%	3.73%

Source: Finance Office

City of Centerville, Ohio

2015	2016	2017	2018	2019	2020
0	41,729	2,323	0	5,567	0
0	0	0	393,949	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
8,245,000	0	0	0	0	2,500,000
341,316	0	0	0	0	261,421
11,686,890	4,546,052	6,074,084	6,091,522	6,256,160	8,447,268
<u>(11,795,890)</u>	<u>(4,556,052)</u>	<u>(6,174,084)</u>	<u>(6,706,522)</u>	<u>(7,306,160)</u>	<u>(8,727,268)</u>
<u>8,477,316</u>	<u>31,729</u>	<u>(97,677)</u>	<u>(221,051)</u>	<u>(1,044,433)</u>	<u>2,481,421</u>
<u>\$6,837,164</u>	<u>(\$1,611,274)</u>	<u>\$4,952,860</u>	<u>\$3,601,089</u>	<u>\$5,540,934</u>	<u>\$7,033,936</u>
4.44%	6.05%	5.89%	5.60%	5.62%	5.76%

City of Centerville, Ohio

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

Tax year	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Income Tax Rate	1.75%	1.75%	1.75%	1.75%	1.75%
Total Tax Collected	\$11,681,571	\$12,159,797	\$12,830,932	\$12,887,923	\$13,132,337
Income Tax Receipts					
Withholding	8,189,169	8,521,201	8,747,546	9,018,594	9,322,080
Percentage	70.10%	70.08%	68.18%	69.97%	70.98%
Corporate	2,036,033	1,557,613	1,709,643	2,279,490	1,497,887
Percentage	17.43%	12.81%	13.32%	17.69%	11.41%
Individuals	1,456,369	2,080,983	2,373,743	1,589,839	2,312,370
Percentage	12.47%	17.11%	18.50%	12.34%	17.61%

Source: Finance Office

City of Centerville, Ohio

2016	2017	2018	2019	2020
1.75%	2.25%	2.25%	2.25%	2.25%
\$13,880,524	\$17,478,482	\$19,248,911	\$21,999,154	\$20,361,060
9,802,315	12,862,077	14,331,008	14,588,123	15,045,517
70.62%	73.59%	74.45%	66.32%	73.90%
1,678,362	2,714,260	1,986,987	2,460,423	2,256,959
12.09%	15.53%	10.32%	11.18%	11.08%
2,399,847	1,902,145	2,930,916	4,950,608	3,058,584
17.29%	10.88%	15.23%	22.50%	15.02%



City of Centerville

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

Name of Taxpayer	Nature of Business	2020 Rank
Centerville Board of Education	Education	1
Federal Government	Government	2
Miami Valley Hospital	Health Care and Social Assistance	3
Premier Health Specialists Inc	Health Care and Social Assistance	4
Graceworks Lutheran Services	Health Care and Social Assistance	5
The Kroger Company	Retail	6
Franciscan at St. Leonard	Health Care and Social Assistance	7
City of Centerville	Government	8
Costco Wholesale Corporation	Retail	9
Voss Auto Network	Automotive	10

Name of Taxpayer	Nature of Business	2011 Rank
Centerville Board of Education	Education	1
Federal Government	Government	2
Graceworks Lutheran Services	Health Care and Social Assistance	3
LexisNexis	Professional Services	4
City of Centerville	Government	5
Miami Valley Hospital	Health Care and Social Assistance	6
Voss Auto Network, Inc.	Automotive	7
Franciscan at St. Leonard	Health Care and Social Assistance	8
Fortis College	Education	9
Huffy Corporation	Company Headquarters-Professional Offices	10

Source: Finance Office

City of Centerville, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

	2011	2012	2013	2014
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$559,734	\$474,777	\$0	\$0
Special Assessment Bonds	6,105,000	5,870,000	5,866,044	5,569,425
Ohio Public Works Commission Loan	718,303	679,337	639,981	600,230
Total Governmental Activities	<u>7,383,037</u>	<u>7,024,114</u>	<u>6,506,025</u>	<u>6,169,655</u>
Business-type Activities ⁽¹⁾				
General Obligation Bonds Payable	<u>9,270,084</u>	<u>8,608,953</u>	<u>8,608,953</u>	<u>3,188,289</u>
Total Primary Government	<u><u>\$16,653,121</u></u>	<u><u>\$15,633,067</u></u>	<u><u>\$15,114,978</u></u>	<u><u>\$9,357,944</u></u>
Population ⁽²⁾				
City of Centerville	23,999	23,999	23,999	23,999
Outstanding Debt Per Capita	\$694	\$651	\$630	\$390
Income ⁽³⁾				
Personal (in thousands)	908,554	933,321	943,425	985,951
Percentage of Personal Income	1.83%	1.67%	1.60%	0.95%

Sources:

(1) Finance Office

(2) US Bureau of Census, Population Division

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

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

City of Centerville, Ohio

2015	2016	2017	2018	2019	2020
\$8,586,316	\$8,567,663	\$8,414,010	\$8,195,357	\$7,956,704	\$10,392,769
5,262,806	4,956,187	4,639,568	4,317,949	3,981,330	3,624,711
560,081	519,529	478,570	831,150	779,517	748,620
<u>14,409,203</u>	<u>14,043,379</u>	<u>13,532,148</u>	<u>13,344,456</u>	<u>12,717,551</u>	<u>14,766,100</u>
<u>2,416,217</u>	<u>1,629,145</u>	<u>817,073</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$16,825,420</u>	<u>\$15,672,524</u>	<u>\$14,349,221</u>	<u>\$13,344,456</u>	<u>\$12,717,551</u>	<u>\$14,766,100</u>
23,999	23,999	23,999	23,999	23,999	23,999
\$701	\$653	\$598	\$556	\$530	\$615
1,022,069	1,039,421	1,079,907	1,128,745	1,162,704	1,162,704
1.65%	1.51%	1.33%	1.18%	1.09%	1.27%

City of Centerville, Ohio

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2011	2012	2013	2014
Population (1)	23,999	23,999	23,999	23,999
Personal Income (in thousands) (2)	\$908,554	\$933,321	\$943,425	\$985,951
General Bonded Debt (3)				
General Obligation Bonds	\$559,734	\$474,777	\$0	\$0
Resources Available to Pay Principal (4)	\$52,674	\$33,368	\$0	\$0
Net General Bonded Debt	\$507,060	\$441,409	\$0	\$0
Ratio of Net Bonded Debt to Estimated Personal Income (in thousands)	0.06%	0.05%	0.00%	0.00%
Net Bonded Debt per Capita	\$21.13	\$18.39	\$0.00	\$0.00

Sources:

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

City of Centerville, Ohio

2015	2016	2017	2018	2019	2020
23,999	23,999	23,999	23,999	23,999	23,999
\$1,022,069	\$1,039,421	\$1,079,907	\$1,128,745	\$1,162,704	\$1,162,704
\$8,586,316	\$8,567,663	\$8,414,010	\$8,195,357	\$7,956,704	\$10,392,769
\$431,892	\$146,006	\$95,119	\$197,145	\$489,795	\$1,015,284
\$8,154,424	\$8,421,657	\$8,318,891	\$7,998,212	\$7,466,909	\$9,377,485
0.80%	0.81%	0.77%	0.71%	0.64%	0.81%
\$339.78	\$350.92	\$346.63	\$333.27	\$311.13	\$390.74



City of Centerville, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2020*

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to the City of Centerville	Amount Applicable to the City of Centerville
Direct:			
City of Centerville	\$14,766,100	100.00%	\$14,766,100
Overlapping:			
Centerville City School District	48,160,392	36.59%	17,621,887
Greene County	17,154,279	0.13%	22,301
Bellbrook-Sugarcreek Local School District	32,091,556	0.93%	298,451
Greene County Career Center JVS District	52,375,000	0.12%	62,850
		Subtotal	18,005,489
		Total	\$32,771,589

Source: Ohio Municipal Advisory Council

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

City of Centerville, Ohio

*Debt Limitations
Last Ten Years*

Tax Year	2011	2012	2013	2014
Total Debt				
Net Assessed Valuation	\$650,509,860	\$629,957,100	\$633,387,490	\$640,291,030
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	68,303,535	66,145,496	66,505,686	67,230,558
City Debt Outstanding	718,303	679,337	639,981	600,230
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation	<u>718,303</u>	<u>679,337</u>	<u>639,981</u>	<u>600,230</u>
Overall Legal Debt Margin	<u>\$67,585,232</u>	<u>\$65,466,159</u>	<u>\$65,865,705</u>	<u>\$66,630,328</u>
Unvoted Debt				
Net Assessed Valuation	\$650,509,860	\$629,957,100	\$633,387,490	\$640,291,030
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	35,778,042	34,647,641	34,836,312	35,216,007
City Debt Outstanding	718,303	679,337	639,981	600,230
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation	<u>718,303</u>	<u>679,337</u>	<u>639,981</u>	<u>600,230</u>
Overall Legal Debt Margin	<u>\$35,059,739</u>	<u>\$33,968,304</u>	<u>\$34,196,331</u>	<u>\$34,615,777</u>

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

Source: Finance Office

City of Centerville, Ohio

2015	2016	2017	2018	2019	2020
\$640,303,910	\$646,831,870	\$682,747,580	\$686,860,750	\$695,709,090	\$817,743,460
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
67,231,911	67,917,346	71,688,496	72,120,379	73,049,454	85,863,063
560,081	519,529	478,570	831,150	779,517	748,620
0	0	0	0	0	0
560,081	519,529	478,570	831,150	779,517	748,620
\$66,671,830	\$67,397,817	\$71,209,926	\$71,289,229	\$72,269,937	\$85,114,443
\$640,303,910	\$646,831,870	\$682,747,580	\$686,860,750	\$695,709,090	\$817,743,460
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
35,216,715	35,575,753	37,551,117	37,777,341	38,264,000	44,975,890
560,081	519,529	478,570	831,150	779,517	748,620
0	0	0	0	0	0
560,081	519,529	478,570	831,150	779,517	748,620
\$34,656,634	\$35,056,224	\$37,072,547	\$36,946,191	\$37,484,483	\$44,227,270

City of Centerville, Ohio

*Pledged Revenue Coverage
Last Ten Years*

	2011	2012	2013	2014
Special Assessment Bonds (1)				
Special Assessment Collections	\$612,967	\$622,398	\$583,644	\$521,687
Debt Service				
Principal	234,000	235,000	245,000	290,000
Interest	345,292	332,588	320,139	191,575
Coverage	1.06	1.10	1.03	1.08

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

Source: Finance Office

City of Centerville, Ohio

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$498,757	\$484,586	\$474,313	\$491,428	\$502,480	\$473,005
300,000	300,000	310,000	315,000	330,000	350,000
198,402	173,056	164,056	151,653	139,052	130,803
1.00	1.02	1.00	1.05	1.07	0.98

City of Centerville, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2011	2012	2013	2014	2015
Population (1)					
City of Centerville	23,999	23,999	23,999	23,999	23,999
Montgomery County	535,153	535,153	535,153	535,153	535,153
Income (2) (a)					
Total Personal (in thousands)	908,554	933,321	943,425	985,951	1,022,069
Per Capita	37,858	38,890	39,311	41,083	42,588
Unemployment Rate (3)					
Federal	8.9%	8.1%	7.4%	6.2%	5.3%
State	8.6%	7.2%	7.4%	5.7%	4.9%
Montgomery County	9.7%	8.2%	8.3%	6.2%	5.0%
Civilian Work Force Estimates (3)					
State	5,806,000	5,747,900	5,765,700	5,719,500	5,700,000
Montgomery County	260,100	254,400	251,300	249,000	248,900

Sources:

(1) US Bureau of Census of Population

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

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

(3) State Department of Labor Statistics

City of Centerville, Ohio

2016	2017	2018	2019	2020
23,999	23,999	23,999	23,999	23,999
535,153	535,153	535,153	535,153	535,153
1,039,421	1,079,907	1,128,745	1,162,704	1,162,704
43,311	44,998	47,033	48,448	48,448
4.9%	4.4%	4.4%	3.7%	8.1%
4.9%	5.0%	5.0%	4.1%	8.1%
4.9%	4.9%	4.5%	4.2%	8.6%
5,713,100	5,780,000	5,754,900	5,802,300	5,754,300
250,100	251,500	250,700	252,500	253,400



City of Centerville, Ohio

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2020		
		Number of Employees	Rank	Percentage of Total Employment
Miami Valley Hospital	Health Care and Social Assistance	1,647	1	7.01%
Centerville Board of Education	Education	1,515	2	6.45%
Premier Health Specialists	Health Care and Social Assistance	1,353	3	5.76%
The Kroger Company	Retail	1,077	4	4.58%
Graceworks Lutheran Services	Health Care and Social Assistance	1,032	5	4.39%
Franciscan at St. Leonard	Health Care and Social Assistance	645	6	2.74%
City of Centerville	Government	247	7	1.05%
Costco	Retail	328	8	1.40%
Voss Auto Network	Automotive	224	9	0.95%
MVHE Inc	Health Care and Social Assistance	112	10	0.48%
Total		8,180		
Total Employment within the City		23,500		

Employer	Nature of Business	2011		
		Number of Employees	Rank	Percentage of Total Employment
Centerville Board of Education	Education	N/A	1	N/A
Graceworks Lutheran Services	Health Care and Social Assistance	N/A	2	N/A
Franciscan at St. Leonard	Health Care and Social Assistance	N/A	3	N/A
Fortis College	Education	N/A	4	N/A
The Kroger Company	Retail	N/A	5	N/A
City of Centerville	Government	N/A	6	N/A
Heartland of Centerville	Health Care and Social Assistance	N/A	7	N/A
Miami Valley Hospital	Health Care and Social Assistance	N/A	8	N/A
Cracker Barrel Old Country Store	Restaurant	N/A	9	N/A
O S Restaurant Services Inc	Restaurant	N/A	10	N/A
Total		N/A		
Total Employment within the City		N/A		

Source: Finance Office

City of Centerville, Ohio

*Full Time Equivalent Employees by Function
Last Ten Years*

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

Source: Finance Office

City of Centerville, Ohio

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
26.24	26.59	23.59	26.46	32.43
54.60	54.60	54.60	56.60	56.00
2.60	2.60	2.60	2.50	3.15
2.05	3.45	3.45	3.45	3.05
25.08	25.08	25.08	25.08	24.83
9.18	9.18	9.18	9.18	10.14
<u>40.80</u>	<u>40.30</u>	<u>40.30</u>	<u>47.30</u>	<u>46.30</u>
<u>160.55</u>	<u>161.80</u>	<u>158.80</u>	<u>170.57</u>	<u>175.90</u>

City of Centerville, Ohio

Operating Indicators by Function Last Ten Years

	2011	2012	2013	2014	2015
Governmental Activities					
General Government					
Purchase Orders Issued	2,459	2,465	2,307	2,712	2,143
Payroll Checks/Direct Deposits Issued	5,706	5,375	5,343	5,325	5,374
Accounts Payable Checks Issued	5,305	5,326	5,314	5,389	5,368
Ordinances and Resolutions Passes	87	88	91	83	89
Number of Volunteer Hours	11,535	11,171	11,255	11,346	12,115
Public Safety					
Total Arrests	1,740	1,554	1,588	1,256	1,230
Traffic Citations	4,218	3,954	3,833	3,799	2,782
Transportation					
Miles of Streets	108	112	112	112	110
Tons of Road Salt Used	1,101	1,265	2,070	1,988	1,471
Building Inspection					
Building Permits Issued	1,244	1,207	1,049	645	787
Electrical Permits Issued	279	248	262	263	262
Residential Unit Permits Issued	12	27	19	17	6
Business-Type Activities					
Waste Collection					
Tons Collected	6,615	6,281	6,118	6,122	6,194
Recycled Tons	1,401	1,328	1,374	1,279	1,200
Golf Course					
Rounds of Golf	48,206	56,761	48,858	50,283	54,318
Rounds of Golf - Cart Usage	38,137	45,022	38,960	40,501	43,568
Gallons of Water Used (thousands)	31,000	48,000	18,000	22,322	22,322
Food Service Operations					
Wedding Receptions Hosted	46	41	34	31	31
Other Banquet Functions Hosted	483	450	439	432	432

Source: City of Centerville

City of Centerville, Ohio

2016	2017	2018	2019	2020
2,027	2,157	1,539	1,678	1,598
5,238	5,167	5,047	4,908	4,660
5,165	4,566	6,077	6,147	5,558
111	110	104	132	124
12,559	13,400	14,530	15,100	9,482
936	974	903	746	537
2,596	2,856	2,467	2,301	1,205
110	111	111	111	112
2,221	750	1,860	1,957	917
306	285	239	352	1,033
225	200	203	266	267
1	2	8	74	93
6,340	6,350	6,344	6,327	6,778
1,258	1,300	1,302	1,227	1,346
54,377	54,000	52,245	59,206	69,569
43,915	43,000	41,842	46,987	51,480
42,000	25,207	43,627	46,300	43,822
31	32	28	30	12
432	448	361	343	89

City of Centerville, Ohio

*Capital Asset Statistics by Function
Last Ten Years*

	2011	2012	2013	2014	2015
Governmental Activities					
General Government					
Municipal Buildings	1	1	1	1	1
Square Footage	17,123	17,123	17,123	17,123	17,123
Public Safety					
Police Stations	1	1	1	1	1
Square Footage	38,458	38,458	38,458	38,458	38,458
Transportation					
Public Works Facility	1	1	1	1	1
Square Footage	50,000	50,000	50,000	50,000	50,000
Miles of Streets	108	112	112	112	114
Lane Miles of Streets	241	250	250	250	255
Recreation					
Number of Parks	1	1	1	1	1
Area of Parks (Acres)	62.386	62.386	62.386	62.386	62.386
Benham's Grove (Acres)	7.017	7.017	7.017	7.017	7.017
Business-Type Activities					
Golf Course					
Number of Holes	27	27	27	27	27
Club House (Square Footage)	29,517	29,517	29,517	29,517	29,517

Source: Finance Office

City of Centerville, Ohio

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
1	1	1	1	1
17,123	17,123	17,123	17,123	17,123
1	1	1	1	1
38,458	38,458	38,458	38,458	38,458
1	1	1	1	1
50,000	50,000	50,000	50,000	50,000
114	114	114	111	112
255	255	255	255	251
1	1	1	1	1
62.386	62.386	62.386	62.386	62.386
7.017	7.017	7.017	7.017	7.017
27	27	27	27	27
29,517	29,517	29,517	29,517	29,517



OHIO AUDITOR OF STATE KEITH FABER



CITY OF CENTERVILLE

MONTGOMERY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/14/2021

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

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