



POPULAR ANNUAL FINANCIAL REPORT



**City of
Centerville, Ohio**

**for the
fiscal year ended
December 31, 2020**

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ABOUT CENTERVILLE

The City of Centerville is located in the southeastern part of Montgomery County, Ohio approximately eight miles south of the City of Dayton and 46 miles north of the City of Cincinnati on U.S. Interstate 675. With major thoroughfares close to the City (including U.S. Interstates 75 and 70), Centerville provides a desirable location for many families who work in the Dayton and Cincinnati metropolitan areas.

The City is governed by a Council-Manager form of government with the mayor and six council members elected at-large to four-year terms. The City provides comprehensive services including nationally accredited police services, streets and drainage construction/maintenance, refuse and recycling collection, and cultural and recreational programs that include the Benham's Grove Victorian Homestead, Stubbs Park & Amphitheater, and The Golf Club at Yankee Trace.

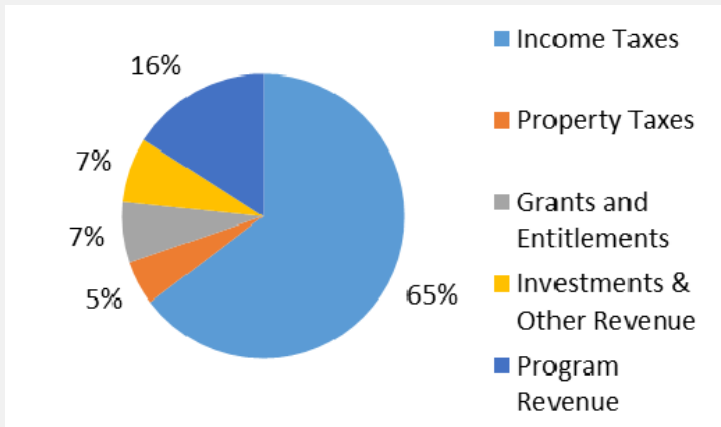
The City of Centerville delivers exceptional services through thoughtful governance to ensure progress and stability.



GOVERNMENTAL REVENUE

Revenues for governmental activities, which are primarily supported by taxes, totaled \$30.37 million in 2020. The three largest sources accounted for 88% of total revenue.

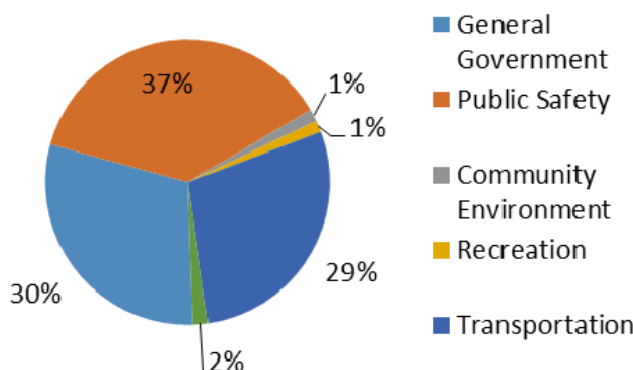
- Income tax collections are the largest source of revenue, which accounted for \$19.65 million or 65% of governmental revenue.
- Program revenues (includes street construction funding) is the second largest source, which accounted for \$4.85 million or 16% of revenue.
- The third largest source was from investment earnings and other revenue, which accounted for \$2.25 million or 7% of revenue.



GOVERNMENTAL EXPENSES

Expenses are grouped into six categories. For 2020, expenses were \$24.42 million, which represented an increase of \$6.9 million (or 10%) from 2019 primarily because of a \$6.4 million adjustment to Public Safety expenses for Other Post-Employment Benefits (OPEB) made in FY 2019.

- General Government includes the cost of city management, financial services, human resources, and transfers to other funds such as Streets.
- Public Safety includes the cost of police services and represents 37% of total expenses.
- Community Environment includes the cost of planning, zoning, and inspection services.



FINANCIAL STRUCTURE

The City maintains 27 separate funds in the following categories: Governmental Funds, Proprietary Funds and Fiduciary Funds. Funds are generally established in terms of their legal basis and objectives. This report focuses on some of the City's largest funds (General, Golf Course Operations and Waste Collection) that are generally of the most interest to residents.

ABOUT THIS REPORT

The Comprehensive Annual Financial Report was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and audited by the City's independent auditors, receiving an unmodified, clean opinion. Although the financial numbers in this Annual Financial Report come from an audited source, they are presented in this report in a condensed, unaudited, non-GAAP format.

For those citizens who wish to view more detailed financial information, a copy of the audited GAAP-basis financial statements of the 2020 Comprehensive Annual Financial Report can be viewed at the Centerville Municipal Building or online at centervilleohio.gov/government/finance.



CAPITAL IMPROVEMENTS

The Capital Improvements Program (CIP) outlines the recommendations established for the City's infrastructure, facilities, equipment, and vehicle needs. This planning tool establishes a priority list for various programs, projects, and procurements while striving to balance the present and future needs of the City. Future projects of interest include:

Cornerstone Area

Continued road construction project for the development at Wilmington Pike and Interstate 675.

Street & Sidewalk Repairs

Over \$5.1 million is budgeted for the annual street and sidewalk repair program.

Stormwater Drainage Improvements

The City continues to target and improve drainage areas.

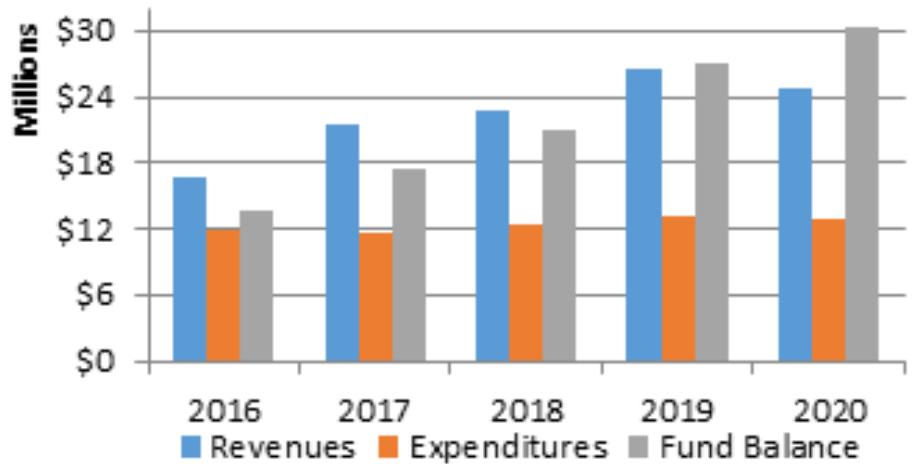
Police Department

The Centerville Police Department continues to receive adequate funding for the planned replacement of its vehicles and extensive equipment needs.

GENERAL FUND

The General Fund is the primary operating fund of the City and is used to account for all government financial resources (revenues and expenditures) except those required to be accounted for in another fund. The fund balance (the difference between assets and liabilities) 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.

This strategic and long-term approach to budgeting and fiscal policy is a trademark of Centerville.



In 2020, the General Fund revenues of \$24.90 million were higher than budget by \$.80 million (or 3.31%). The 2020 revenues were 6% lower than 2019 primarily due to investment earnings and a large onetime income tax payment from an individual.

The General Fund expenditures of \$13.02 million were lower than budget by \$4.36 million (or 33.52%). This is primarily due to the City's conservative approach with expenses during the COVID-19 pandemic. In addition to this, the City also received a \$1.36 million federal CARES Act grant that helped offset General Fund expenses.

The fund balance of the General Fund as of December 31, 2020 was \$30.30 million. As a measure of the General Fund's fiscal health, it is helpful to compare the fund balance to total annual expenditures. The fund balance represents 139.74% of the total General Fund expenditures and transfers-out.



GOLF COURSE OPERATIONS FUND

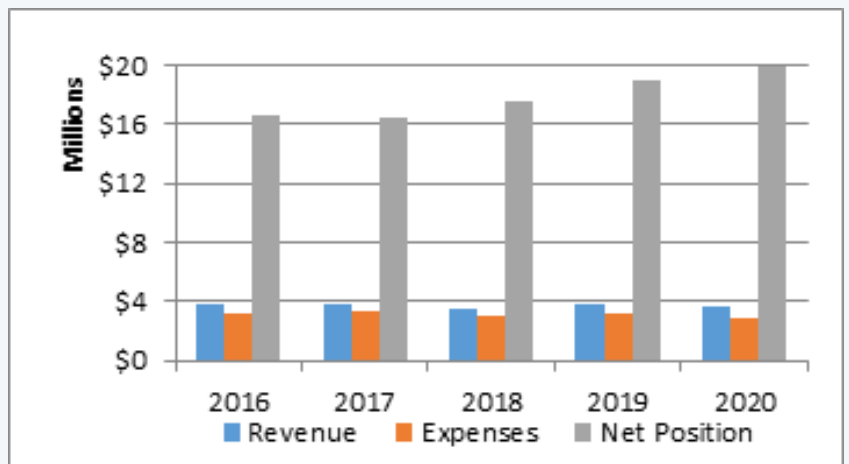
The Golf Course Operations Fund is provided to account for the operation of the City's municipal golf course, The Golf Club at Yankee Trace. Revenues are recorded from greens fees, golf cart rental, driving range fees, indoor golf simulator rental and food/beverage from the restaurant and banquet rooms. Expenses are tracked within each of the three departments: Pro Shop, Maintenance, and Food Service.

In 2020, Golf Course Operations revenues of \$3.7 million were lower than 2019 revenues by \$0.145 million (or 3.78%). More than 69,000 rounds of golf were played in 2020, yet food service operations experienced another year of decreased revenue due to dining limitations during the COVID-19 pandemic.

69,000+
rounds of golf

2020 was another record-setting year for The Golf Club at Yankee Trace.

The Golf Course Operations expenses of \$2.9 million were lower than 2019 expenses by \$0.180 million (or 5.84%). The Golf Course Operations fund operated within the budget for 2020. Maintenance and Food Service operations experienced reductions in expenditures due to operations impacted by COVID-19.



When reporting equity, Governmental Funds use the term: fund balance; whereas, Proprietary Funds use the term: Net Position. As the Golf Course debt has been retired and capital investment has increased, the Net Position has increased.



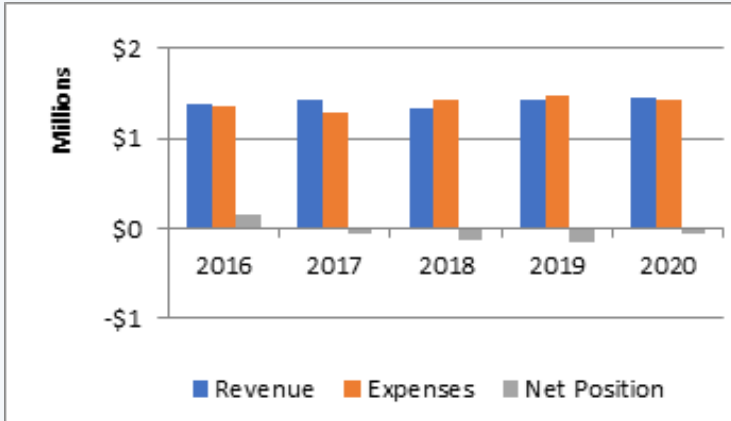


WASTE COLLECTION FUND

As a Proprietary Fund, the Waste Collection Fund is provided to account for the collection of fees relating to the collection of refuse and recycling materials by the City and to account for the expenses related to the collection and disposal of refuse.

In 2020, Waste Collection Fund revenues of \$1.4 million met budget expectations and have remained relatively stable. Expenses of \$1.4 million also met budget expectations.

The last monthly rate increase was implemented in 2006. There will be no rate increase in 2021. Rates are being re-evaluated as the City is completing a full cost of service study.



LONG-TERM DEBT

As of December 31, 2020, the City had various issues outstanding, which included \$10.4 million of general obligation bonds and \$3.6 million of special assessment debt with City commitment and \$0.75 million of promissory notes. The City's net bonded debt per capita was \$391 and was well below the legal (unvoted) debt limit of \$44,975,890. The City issued new Limited Tax General Obligation (LTGO) debt in 2020 for the Cornerstone Phase 4 public improvements. Additionally, the City maintained its "Aa2" rating from Moody's Investors Services, its 3rd highest assigned rating, which can lower interest rates and issuance costs when financing capital improvements.

CITY STATISTICS

- The population of the City is estimated at 23,999 with a per capita income of \$48,448 in 2020.
- The unemployment rate for Montgomery County was 8.6%.
- While the City employed 247 full-time and part-time people, the largest principal employers in the City were:
 - Miami Valley Hospital South (medical facility): 1,647 employees
 - Centerville Board of Education (school district): 1,515 employees
 - Premier Health Specialists (medical facility): 1,353 employees





ECONOMIC FACTORS

The City is currently in a stable financial position, yet it realizes it is not immune to economic conditions that may negatively impact future financial performance. The City has been fortunate to see significant growth over the last several years in income tax revenues due to the passage of Issue 3 and economic growth through the expansion of several local businesses and exciting developments.

Centerville takes great pride in announcing for the 42nd consecutive year that the City requested no increase in its Municipal property tax rates. The City will continue to maintain the 2nd lowest Municipal property tax rate of any Montgomery County municipality at a rate of \$2.35 per \$1,000 of assessed valuation. The passage of Issue 3 in the fall of 2016, increasing Centerville's income tax rate from 1.75% to 2.25% should enable the City to continue to maintain its low property tax rate for the foreseeable future.

Following the passage of Issue 3 the City was able to add funding to the annual street program. Funding for the 2021 Street and Sidewalk Repair program has increased 192.45% from the 2016 budget; with the City projecting to spend a little over \$5.1 million in 2021. Multiple projects are on tap including the annual street resurfacing, concrete repair, hiker-biker path repairs, streetscape improvements, and concrete sidewalk repair programs.

Goal 3 of the City's five-year strategic plan states: To create a strong and sustainable financial foundation which provides stability and flexibility to municipal operations by utilizing city resources and taxpayer dollars in the most efficient and responsible manner. The City implemented a five-year operating and capital budget for the first time with the FY 2021 Budget Process. The new ERP was also fully implemented in 2020.

OUTLOOK FOR 2021

- Continued increase in road paving and improvements;
- Increasing economic development activity to foster continued growth;
- Continued implementation of the Uptown Action Plan
- Technology upgrades to enhance customer service for our stakeholders

Major development projects include: the continuance of a \$120 million mixed-use development, Cornerstone of Centerville, Miami Valley Hospital expansion, Bethany Lutheran expansion, the Allure and Gateway Lofts multi-family developments, and a development plan for the 7.5 acre city-owned property at Yankee Street—Social Row Road.

Our City maintains its focus on providing exceptional services that continue the high quality of life for citizens, assuring the maintenance of both public and private infrastructure and facilities, carefully utilizing resources to ensure progress and stability.



AWARDS

The Government Finance Officers Association (GFOA) has given an award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Centerville for its Annual Financial Report for the fiscal year ended December 31, 2019. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. Centerville was one of 48 among the 5,800 public entities in Ohio to earn the Award.



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

City of Centerville
Ohio

For its Annual Financial Report
for the Fiscal Year Ended
December 31, 2019

Christopher P. Morill
Executive Director/CEO

The information contained in this report is a general overview of the City's finances. Questions about any of the information or requests for additional information may be addressed to the Department of Finance, City of Centerville, 100 West Spring Valley Road, Centerville, Ohio 45458.

CITY OF CENTERVILLE

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