



*City of
Centerville*

POPULAR ANNUAL FINANCIAL REPORT

for the fiscal year ended December 31, 2021

ABOUT CENTERVILLE

The City of Centerville is located in the southeastern part of Montgomery County, Ohio approximately 12 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 and Amphitheater, and The Golf Club at Yankee Trace.



**THE CITY OF
CENTERVILLE
DELIVERS
EXCEPTIONAL
SERVICES
THROUGH
THOUGHTFUL
GOVERNANCE TO
ENSURE PROGRESS
AND STABILITY.**



Economic Factors	3
City Statistics	3
Financial Structure	4
Governmental Expenses	4
Governmental Revenue	4
General Fund	5
Capital Improvements	5
Golf Course Operations	6
Waste Collection Fund	7
Long-Term Debt	7
Outlook for 2022	7
Awards	8



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 43rd 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 189.52% from the 2016 budget, including a little over \$5.03 million budgeted 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 has implemented a five-year operating and capital budget. The new Enterprise Resource Planning system was also fully implemented in 2020 with an upgrade to the new version in early 2022.



CITY STATISTICS

- The population of the City is estimated at 24,240 with a per capita income of \$51,618 in 2021.
- The unemployment rate for Montgomery County was 5.6%.
- While the City employed 258 full-time and part-time people, the largest, principal employers in the City were:
 - Miami Valley Hospital South (medical facility): 1,689 employees
 - Centerville Board of Education (school district): 1,479 employees
 - Graceworks Lutheran Services (healthcare facility): 1,003 employees



FINANCIAL STRUCTURE

The City maintains 28 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.

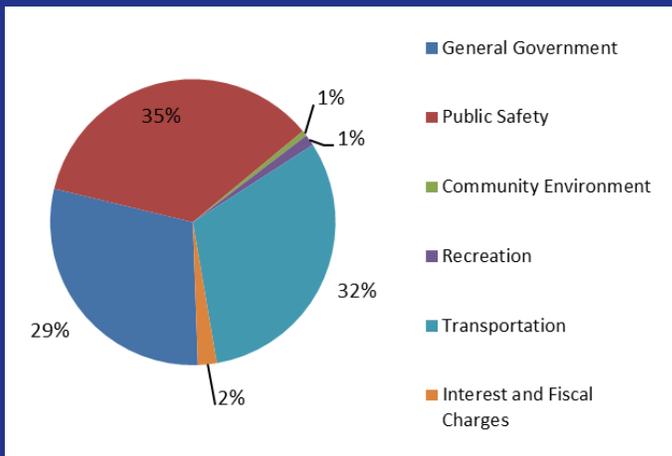
ABOUT THIS REPORT

The Annual Comprehensive 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 2021 Annual Comprehensive Financial Report can be viewed at the Centerville Municipal Building or online at centervilleohio.gov/government/finance.

GOVERNMENTAL EXPENSES

Expenses are grouped into six categories. For 2021, expenses were \$20.72 million, which represented a decrease of \$3.70 million (15%) from 2020 primarily because of large decreases from the general government and public safety functions. Public safety expenses decreased by \$1.8 million due to the annual fluctuation for pension and Other Post-Employment Benefits (OPEB) entries. These entries are required and can vary year to year due to changes such as actuarial assumptions.



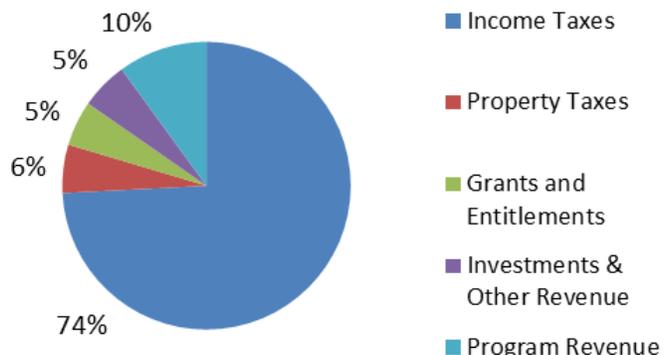
General Government includes the cost of city management, financial services, human resources, and transfers to other funds such as Streets.

- Public Safety includes the cost of police services and represents 35% of total expenses.
- Community Environment includes the cost of planning, zoning, and inspection services.
- Recreation includes the cost of the City's parks and services (Stubbs Park and Benham's Grove).
- Transportation includes the cost of street maintenance and construction.
- Interest and fiscal charges include the cost of outstanding debt.

GOVERNMENTAL REVENUE

Revenues for governmental activities, which are primarily supported by taxes, totaled \$31.93 million in 2021. The three largest sources accounted for 90% of total revenue.

- Income tax collections are the largest source of revenue, which accounted for \$23.68 million or 74% of governmental revenue.
- Program revenues (includes street construction funding) is the second largest source, which accounted for \$3.20 million or 10% of revenue.
- The third largest source was from property taxes, which accounted for \$1.73 million or 5% of revenue.



GENERAL FUND

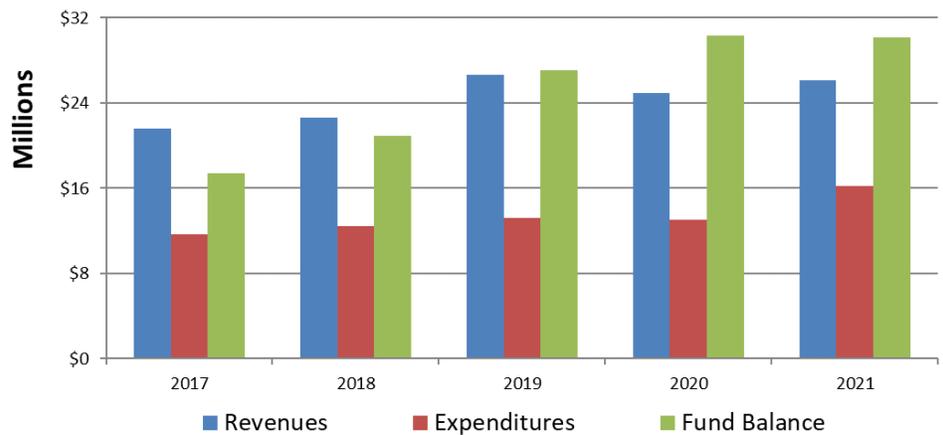
The General Fund is the primary operating fund of the City and is used to account for all government financial resources (revenues and expenditures). The fund balance is available to the City for any purpose provided it is expended or transferred according to the City Charter and/or the general laws of the State of Ohio.

In 2021, the General Fund revenues of \$26.15 million were higher than budget by \$1.67 million (or 6.82%). The 2021 revenues were 5% higher than 2020. A \$4.0 million increase in income taxes and a \$200,000 increase in property taxes helped offset the large decrease in investment earnings and grant revenue in 2020. Interest rates will likely continue to rebound throughout 2022.

The General Fund expenditures of \$16.19 million were lower than budget by \$2.21 million (or 12.03%). This is primarily due to the City's conservative approach with expenses and a delay of certain capital projects. In addition to this, the City also received \$90,000 in federal CARES grant that helped offset General Fund expenses.

The fund balance of the General Fund as of December 31, 2021 was \$30.13 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 114.43% of the total General Fund expenditures and transfers-out.

A STRATEGIC AND LONG-TERM APPROACH TO BUDGETING AND FISCAL POLICY IS A TRADEMARK OF CENTERVILLE.



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. Current and future projects of interest include:

- **Cornerstone area:** Continued work for the interchange at Wilmington Pike and I-675 as well as future improvements to the Cornerstone South footprint.
- **Street & Sidewalk Repairs:** Over \$5.03 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 Police Department continues to receive adequate funding for the planned replacement of equipment, including a new Computer Aided Dispatch (CAD) system.

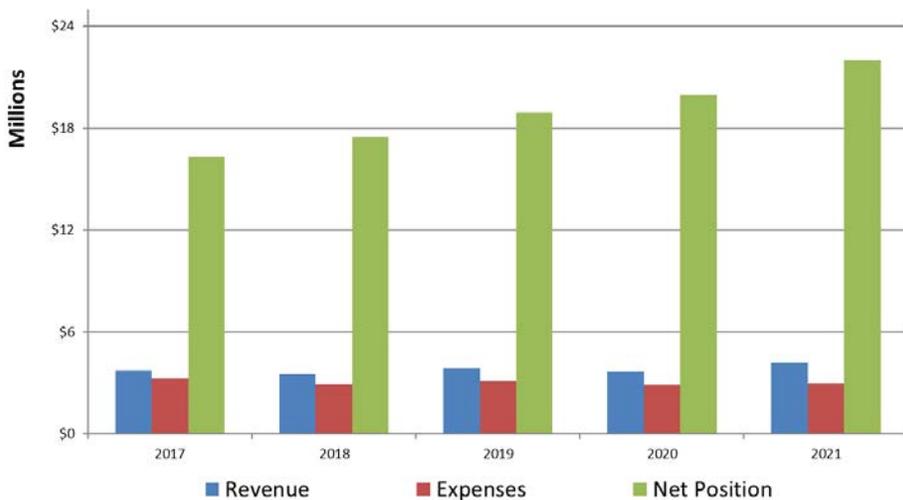




GOLF COURSE OPERATIONS FUND

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 rentals, driving range fees, indoor golf simulator rentals 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 2021, Golf Course Operations revenues of \$4.20 million were higher than 2020 revenues by \$0.49 million (or 13.20%). Over 70,000 rounds of golf were played in 2021, and food service operations experienced a year of increased revenue due to lower levels in 2020 because of the COVID-19 pandemic.



**70,000+
ROUNDS OF GOLF**

***2021: ANOTHER
RECORD-SETTING YEAR***

The Golf Course Operations expenses of \$2.99 million were higher than 2020 expenses by \$0.07 million (or 2.47%). The Golf Course Operations fund operated within the budget for 2021. Maintenance and Food Service operations experienced slight increases in expenditures due to staffing changes and normal inflationary increases.

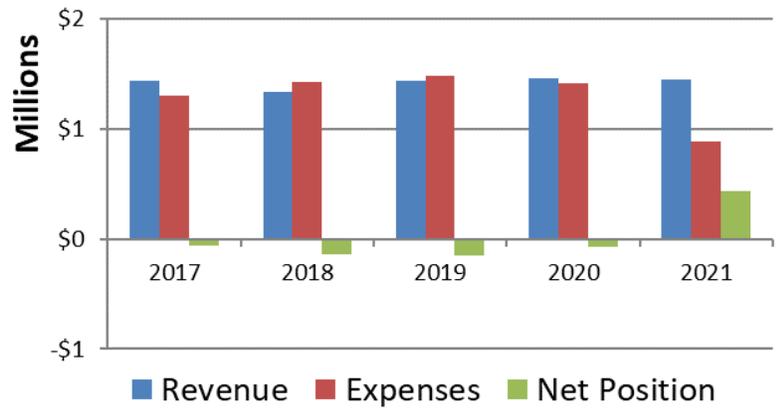
When reporting equity, Governmental Funds use the term: fund balance; whereas, Proprietary Funds use the term: Net Position. As the Golf Course debt has been retired and capital investment has increased, the Net Position has increased.

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 of refuse and recycling operation.

In 2021, Waste Collection Fund revenues of \$1.4 million met budget expectations and have remained relatively stable. Expenses of \$0.89 million were less than budget expectations of \$1.65 million mostly due to a result of required pension and OPEB entries and their associated assumptions.

The last monthly rate increase was implemented in 2006. Rates are being re-evaluated and the City will complete a full cost service study in 2022. A potential rate increase will be considered following the completion of the study.



LONG-TERM DEBT

As of December 31, 2021, the City had various issues outstanding, which included \$10 million of general obligation bonds used for the Cornerstone of Centerville development public improvements, \$3.3 million of special assessment debt with City commitment for special assessment financing of public improvements for the Yankee Trace residential development, \$0.66 million of promissory notes for Clio Road and Centerville Station Road Resurfacing and \$0.21 million from a State Infrastructure Bank (SIB) Loan for the I-675/Wilmington Pike Interchange project. In 2021, the Montgomery County Transportation Improvement District initiated a loan from the SIB for the project. The loan is split between three equal portions between the three governments that will benefit from the improvements. The City's net bonded debt per capita was \$400 and was well below the legal (unvoted) debt limit of \$43,300,412. 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.

OUTLOOK FOR 2022

- Continued investment in road paving and improvements
- Significant investment at Stubbs Park
- 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, completion of Cornerstone Park, improvements at Centerville Place, the opening of several new businesses in the Uptown District 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, 2020. 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.

Citizens who wish to view a copy of the 2021 Popular Annual Financial Report can do so at the Centerville Municipal Building or online at centervilleohio.gov/government/finance.



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, 2020

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

100 West Spring Valley Road
Centerville, Ohio 45458

Phone: (937) 433-7151

Fax: (937) 433-0310

centervilleohio.gov