

**CITY OF CENTERVILLE  
MONTGOMERY COUNTY, OHIO**

**SUPPLEMENTAL REPORT**

*DECEMBER 31, 2008*

**DR. STEVEN HINSHAW, FINANCE DIRECTOR**





Mary Taylor, CPA  
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Centerville, Montgomery County, prepared by Julian & Grube, Inc., for the audit period January 1, 2008 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

August 24, 2009

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**CITY OF CENTERVILLE  
MONTGOMERY COUNTY, OHIO**

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**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements Performed  
in Accordance With *Government Auditing Standards***

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Centerville, Montgomery County, Ohio, as of and for the year ended December 31, 2008, which collectively comprise the City of Centerville's basic financial statements and have issued our report thereon dated June 12, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Centerville's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Centerville's financial statements that is more than inconsequential will not be prevented or detected by the City of Centerville's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Centerville's internal control.

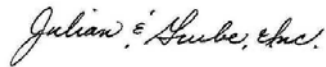
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies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

Members of Council and Mayor  
City of Centerville  
Page 2

Compliance and Other Matters

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

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



Julian & Grube, Inc.  
June 12, 2009





**COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT**

for the fiscal year ended December 31, 2008







**City of Centerville, Ohio**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended December 31, 2008**

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

# City of Centerville, Ohio

## Comprehensive Annual Financial Report For the Year Ended December 31, 2008

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# City of Centerville, Ohio

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# INTRODUCTORY SECTION





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

June 5, 2009

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

The comprehensive annual financial report of the City of Centerville, Ohio (the City) for the fiscal year ended December 31, 2008 is hereby submitted for your review. This report represents the commitment of the City to adhere to nationally recognized standards of excellence in financial reporting.

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

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

### **History and Background**

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

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



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

### **Economic Condition and Outlook**

The City has a population of 22,937 according to the U.S. Census Bureau's 2007 estimate. Centerville is home to over 700 businesses. The City continues to see moderate growth in both residential and business development. In the recent past, several residential subdivisions have been under development. The largest of these developments is Yankee Trace which surrounds the City's golf facility, The Golf Club at Yankee Trace. When complete, the Yankee Trace development will include approximately 938 residential units.

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

In 2008, the City experienced a robust commercial development market compared to those of surrounding communities. Miami Valley South Hospital completed the final components of its first phase of development including overnight patients' beds, medical office, testing, and diagnostic areas, as well as a top-tier emergency room with supplemental helicopter transport and mobile intensive care unit assets.

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

Looking forward, the City is poised to sustain its 2008 level of commercial development and redevelopment. A new 40,000+ sq. ft. LA Fitness health club opened in June 2009 completing a redevelopment area along the City's I-675 corridor. Additionally, the City, through its *BusinessFirst!* program, continues to take progressive strides toward helping its existing business community grow even in tough economic times. In 2008, the City partnered with local, regional, and state-level resource partners to assist existing businesses in the City retain jobs, optimize operations, retrain workers, and add new jobs to the local economy.

Thusfar, the City has weathered the current economic downturn and housing market slump comparably well. In 2008, fewer than 30 homes were foreclosed and set for sheriff sale. Foreclosure levels remain low compared to other areas of the Miami Valley and Dayton area.

Centerville recently annexed 270 acres of land within Sugarcreek Township in Greene County located along I-675. The City will embark on fostering the steady development of this area into a premier office park and mixed-use development; creating new jobs, broadening the City's tax base, and creating business and redevelopment synergies that will hopefully ripple throughout the community.

## Major Initiatives

- The municipal income tax rate remained at 1.75% for the 29<sup>th</sup> consecutive year. And, the municipal property tax rate remained at its lowest rate for the 30<sup>th</sup> consecutive year.
- The City maintained its municipal bond rating of Aa3 from Moody's Investor Services. This rating helps to lower the interest rate on any future bonds the City may issue.
- The Golf Club at Yankee Trace was rated by *Golf Magazine* as one of the "Top 50 Courses Under \$50." *Golf Digest* also named The Golf Club at Yankee Trace as one of their "Best Places to Play" based on the course's architectural merit. In addition, readers of the *Dayton Daily News* voted The Golf Club at Yankee Trace as "Best of Dayton 2008."
- The City continued to set aside money for the construction of a new public works facility in 2009. By the end of 2008, \$6,000,000 was designated for this project.

## 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 Julian & Grube, Inc. to perform the 2008 audit of the City. Julian & Grube, Inc. has issued an unqualified ("clean") opinion on the City of Centerville's financial statements for the year ended December 31, 2008. The independent auditor's report is located at the front of the financial section of this report.

## Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Centerville, Ohio for its comprehensive annual financial report for the fiscal year ended December 31, 2007. This was the seventh 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

The preparation of the comprehensive annual financial report was made possible by the dedicated services of the Department of Finance, particularly Elizabeth Ward, Assistant Finance Director. Our sincere appreciation is extended to all members of the staff, whose efforts have made this report possible.

Respectfully submitted,

*Gregory B. Horn*

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Gregory B. Horn  
City Manager

*Steven A. Hinshaw*

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Steven A. Hinshaw  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Centerville  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2007

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



A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

# City of Centerville, Ohio

## List of Elected and Appointed Officials as of December 31, 2008

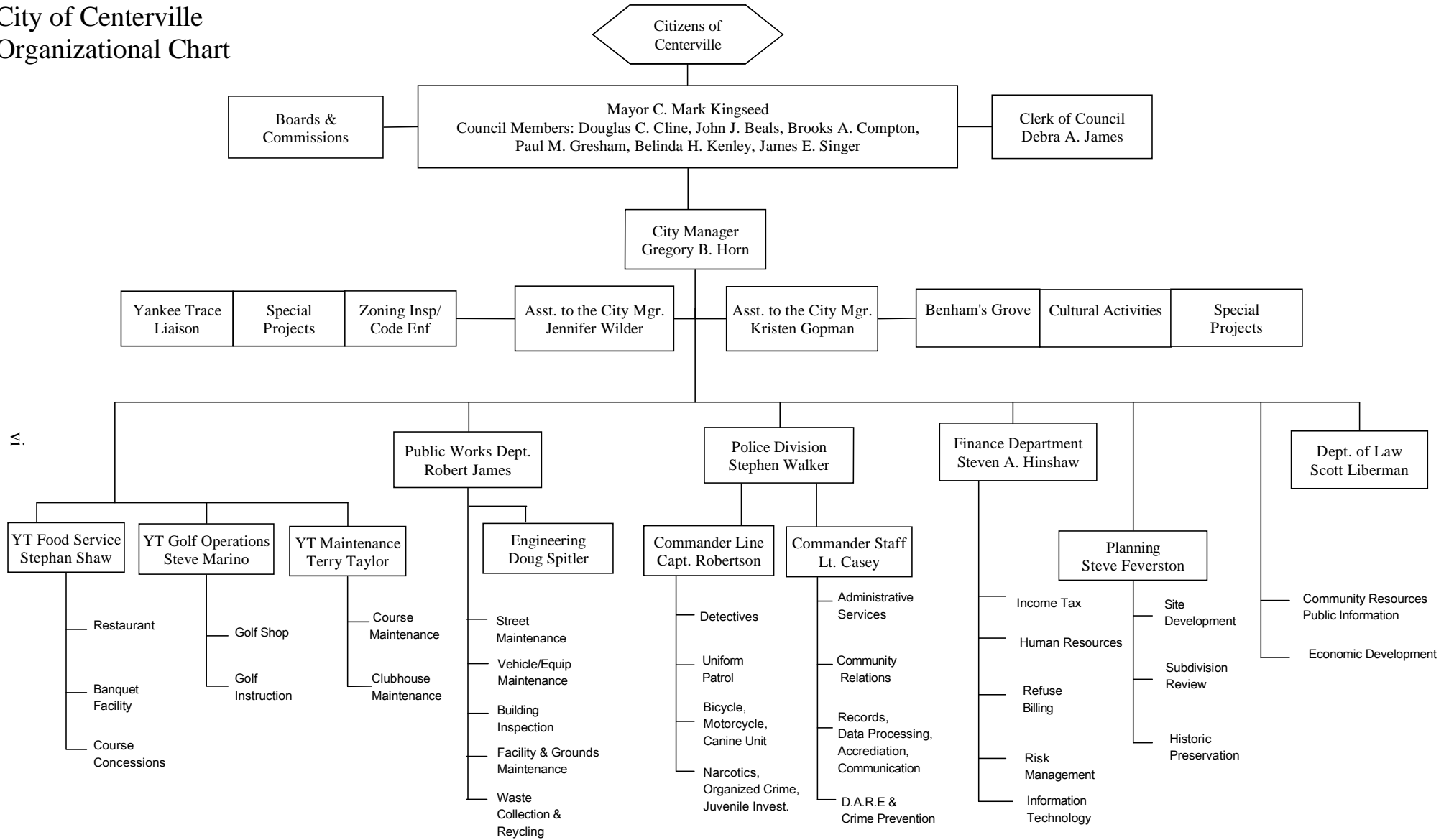
### Elected Officials

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

### Appointed Officials

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

# City of Centerville Organizational Chart



# FINANCIAL SECTION





## **Julian & Grube, Inc.**

*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

### Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Centerville, Montgomery County, Ohio, as of and for the year ended December 31, 2008, which collectively comprise the City of Centerville's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Centerville's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Centerville, Montgomery County, Ohio, as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2009 on our consideration of the City of Centerville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Members of Council and Mayor  
City of Centerville  
Page 2

The management's discussion and analysis and budgetary comparison information on pages 3-11 and 54-58, respectively, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Centerville's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables 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 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Julian & Grube, Inc.  
June 12, 2009



**City of Centerville, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2008**  
(Unaudited)

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The City of Centerville's ("City") discussion and analysis of the annual financial reports provides a review of the financial performance for the fiscal year ending December 31, 2008. The intent of this 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 performance.

**Financial Highlights**

- The City's total net assets increased \$1,521,105. Net assets of governmental activities increased \$1,633,829, net assets of business-type activities decreased by \$112,724.
- The General Fund reported a net change in fund balance of \$1,780,054 .
- Business-type operations reflected operating (loss) of (\$266,288).

**Overview of the Financial Statements**

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

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

**Government-wide Financial Statements**

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

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

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

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

### **Fund Financial Statements**

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

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

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

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

## The City as a Whole

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2008 compared to 2007.

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

	Governmental Activities		Business-Type Activities		Total	
	2008	2007 Restated	2008	2007	2008	2007 Restated
<b>Assets:</b>						
Current and Other Assets	\$39,453,740	\$40,216,787	\$882,526	\$1,165,143	\$40,336,266	\$41,381,930
Capital Assets	41,873,078	40,140,779	18,902,761	18,705,986	60,775,839	58,846,765
<b>Total Assets</b>	<b>81,326,818</b>	<b>80,357,566</b>	<b>19,785,287</b>	<b>19,871,129</b>	<b>101,112,105</b>	<b>100,228,695</b>
<b>Liabilities:</b>						
Long-Term Liabilities	22,898,591	23,727,748	70,488	76,660	22,969,079	23,804,408
Other Liabilities	2,781,812	2,617,232	519,117	486,063	3,300,929	3,103,295
<b>Total Liabilities</b>	<b>25,680,403</b>	<b>26,344,980</b>	<b>589,605</b>	<b>562,723</b>	<b>26,270,008</b>	<b>26,907,703</b>
<b>Net Assets:</b>						
Invested in Capital Assets, Net of Related Debt	19,613,962	17,132,003	18,902,761	18,703,791	38,516,723	35,835,794
Restricted	23,337,949	23,625,219	0	0	23,337,949	23,625,219
Unrestricted	12,694,504	13,255,364	292,921	604,615	12,987,425	13,859,979
<b>Total Net Assets</b>	<b>\$55,646,415</b>	<b>\$54,012,586</b>	<b>\$19,195,682</b>	<b>\$19,308,406</b>	<b>\$74,842,097</b>	<b>\$73,320,992</b>



Overtime, net assets can serve as a useful indicator of a government's financial position. Total net assets of the City as a whole increased \$1,521,105.

Net assets of the City's governmental activities increased \$1,633,829. Capital assets increased mainly due to the City's purchase of land, equipment and infrastructure for 2008 being greater than depreciation expense. Long-term liabilities decreased due to the City making regular scheduled debt payments.

The net assets of the City's business-type activities decreased \$112,724 from 2007. Business-type activities remained relatively constant with the decrease in net assets being only 0.6% from 2007 to 2008.

Table 2 shows the changes in net assets for the year ended December 31, 2008.

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

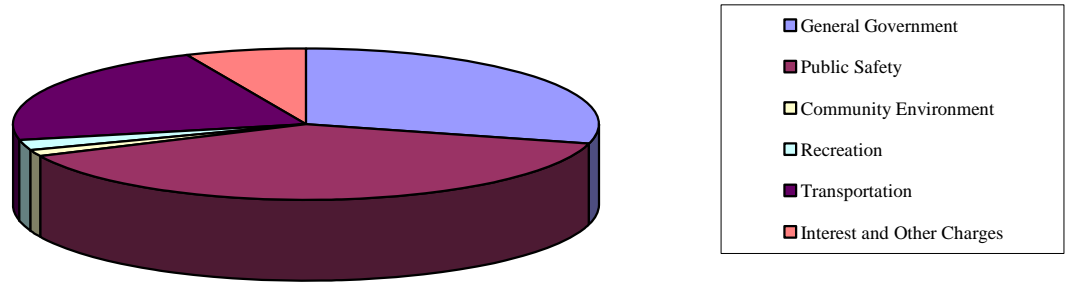
	Governmental Activities		Business-Type Activities		Total	
	2008	2007 Restated	2008	2007	2008	2007 Restated
<b>Program Revenues:</b>						
Charges for Services	\$1,418,031	\$1,470,125	\$5,145,826	\$5,243,018	\$6,563,857	\$6,713,143
Operating Grants and Contributions	1,091,093	1,349,017	0	0	1,091,093	1,349,017
Capital Grants and Contributions	806,973	1,443,950	0	0	806,973	1,443,950
<b>Total Program Revenues</b>	<b>3,316,097</b>	<b>4,263,092</b>	<b>5,145,826</b>	<b>5,243,018</b>	<b>8,461,923</b>	<b>9,506,110</b>
<b>General Revenues:</b>						
Income Taxes	10,727,974	10,631,431	0	0	10,727,974	10,631,431
Property Taxes	1,408,488	1,425,970	0	0	1,408,488	1,425,970
Grants and Entitlements	2,625,886	2,343,040	0	0	2,625,886	2,343,040
Investment Earnings	843,798	1,317,758	44,820	46,898	888,618	1,364,656
Other Revenues	112,576	291,119	5,002	0	117,578	291,119
<b>Total General Revenues</b>	<b>15,718,722</b>	<b>16,009,318</b>	<b>49,822</b>	<b>46,898</b>	<b>15,768,544</b>	<b>16,056,216</b>
<b>Total Revenues</b>	<b>19,034,819</b>	<b>20,272,410</b>	<b>5,195,648</b>	<b>5,289,916</b>	<b>24,230,467</b>	<b>25,562,326</b>
<b>Program Expenses:</b>						
General Government	5,058,930	5,654,478	0	0	5,058,930	5,654,478
Public Safety	6,696,189	5,929,666	0	0	6,696,189	5,929,666
Community Environment	279,440	269,732	0	0	279,440	269,732
Recreation	346,219	340,320	0	0	346,219	340,320
Transportation	3,755,978	3,564,160	0	0	3,755,978	3,564,160
Interest and Other Charges	1,166,734	1,180,046	0	0	1,166,734	1,180,046
Waste Collection	0	0	1,313,378	1,231,440	1,313,378	1,231,440
Golf Course Operations	0	0	4,068,620	4,036,938	4,068,620	4,036,938
Yankee Trace Equipment Purchase	0	0	23,874	134,794	23,874	134,794
<b>Total Program Expenses</b>	<b>17,303,490</b>	<b>16,938,402</b>	<b>5,405,872</b>	<b>5,403,172</b>	<b>22,709,362</b>	<b>22,341,574</b>
<b>Increase (Decrease) in Net Assets before Transfers</b>	<b>1,731,329</b>	<b>3,334,008</b>	<b>(210,224)</b>	<b>(113,256)</b>	<b>1,521,105</b>	<b>3,220,752</b>
<b>Transfers - Internal Activities</b>	<b>(97,500)</b>	<b>(100,000)</b>	<b>97,500</b>	<b>100,000</b>	<b>0</b>	<b>0</b>
<b>Change in Net Assets</b>	<b>1,633,829</b>	<b>3,234,008</b>	<b>(112,724)</b>	<b>(13,256)</b>	<b>1,521,105</b>	<b>3,220,752</b>
<b>Net Assets Beginning of Year</b>	<b>54,012,586</b>	<b>50,778,578</b>	<b>19,308,406</b>	<b>19,321,662</b>	<b>73,320,992</b>	<b>70,100,240</b>
<b>Net Assets End of Year</b>	<b>\$55,646,415</b>	<b>\$54,012,586</b>	<b>\$19,195,682</b>	<b>\$19,308,406</b>	<b>\$74,842,097</b>	<b>\$73,320,992</b>

**Governmental Activities**

The 1.75% income tax is the largest source of revenue for the City. Revenues generated by the earnings tax represent approximately 69% of the City’s governmental activities general revenues.

Governmental Activities  
Program Expenses for 2008

	Percentage
General Government	29.24%
Public Safety	38.70%
Community Environment	1.61%
Recreation	2.00%
Transportation	21.71%
Interest and Other Charges	6.74%
<b>Total</b>	<b>100.00%</b>



General Government include legislative and executive expenses. Leaf and brush pickup, storm sewer projects, aggressive street resurfacing program, amenities in the parks, and police services all culminate into a full service city.

**Business-Type Activities**

Business-type activities, include the waste collection and the golf course fund. These programs had operating revenues of \$5,150,828 and operating expenses of \$5,417,116 for fiscal year 2008. Business activities receive no support from tax revenues. The business activities net assets at the end of the year was \$19,168,746, which decreased \$133,007 from 2007 (not including internal service allocated to business-type activities). The waste collection fund had operating income of \$34,489 for 2008. The golf course operations fund saw a decrease in net assets of less than 2%.

**The City’s Funds**

The City has four major governmental funds: the General Fund, Street Construction and Maintenance Fund, Special Assessment Debt Retirement Fund and Capital Improvements Fund. Assets of the general fund comprised \$14,369,793 (38%), the street construction and maintenance fund comprised \$830,850 (2%), the special assessment debt retirement fund comprised \$12,507,109 (33%), and the capital improvements fund comprised \$8,084,647 (21%) of the total \$38,251,950 governmental funds assets.

As of the end of the year, the City of Centerville's governmental funds reported combined ending fund balances of \$21,952,391. Approximately \$12,231,138 of this amount constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period.

**General Fund:** Fund balance at December 31, 2008 was \$10,580,679 (including change in reserve for inventory) which was an increase in fund balance of \$1,780,657 from 2007. This resulted from an increase in taxes and intergovernmental revenue.

**Street Construction and Maintenance Fund:** Fund balance at December 31, 2008 was \$365,303 (including change in reserve for inventory) which was a decrease of \$215,944 from 2007. This resulted from an increase in transportation expenses.

**Special Assessment Debt Retirement Fund:** Fund balance at December 31, 2008 was \$901,196 which was an increase of \$34,345 from 2007. This resulted from a decrease in principal and interest payments.

**Capital Improvement Fund:** Fund balance at December 31, 2008 was \$7,711,809 which was a decrease of \$1,221,704. This resulted from a decrease in intergovernmental revenues.

#### ***General Fund Budgeting Highlights***

The City's General Fund budget is formally adopted at the fund level. Financial reports, which compare actual performance with the budget, are prepared quarterly and presented to the Council so the Council is able to review the financial status and measure the effectiveness of the budgetary controls.

For the General Fund, the original and final budgeted revenue was \$15,125,502.

Variations from the final budget amounts to the actual amounts are primarily due to the following reasons: The City underestimated taxes revenue and overestimated the public safety and transfers out expenditures for 2008. As the City completed the year, its General Fund balance reported an actual fund balance of \$6,464,672, on a Non-GAAP Budgetary Basis.

## Capital Assets and Debt Administration

### Capital Assets

At year end, the City had \$60,775,839 invested in land, construction in progress, buildings and improvements, equipment and infrastructure. Table 3 shows 2008 balances compared to 2007:

**Table 3**  
**Capital Assets, Net of Depreciation**

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$4,245,419	\$3,977,356	\$15,166,876	\$15,166,876	\$19,412,295	\$19,144,232
Construction in Progress	134,707	67,861	0	0	134,707	67,861
Buildings and Improvements	6,699,414	6,792,646	2,908,774	2,998,487	9,608,188	9,791,133
Equipment	1,997,667	1,577,750	827,111	540,622	2,824,778	2,118,372
Infrastructure	28,795,871	27,725,166	0	0	28,795,871	27,725,166
Total Net Capital Assets	<u>\$41,873,078</u>	<u>\$40,140,779</u>	<u>\$18,902,761</u>	<u>\$18,705,985</u>	<u>\$60,775,839</u>	<u>\$58,846,764</u>

The increase in net capital assets was the result of the City's purchase of land, equipment and infrastructure for 2008 being greater than depreciation expense.

See Note 5, to the basic financial statements for further details on the City's capital assets.

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## Debt

At year-end the City had \$22,259,116 in general obligation bonds, special assessment bonds, and promissory notes.

**Table 4**  
**Outstanding Debt at Year End**

		2008	2007 Restated
<b>Governmental Activities</b>			
<u>General Obligation Bonds</u>			
Capital Facilities-Series 2001 - \$3,285,000	3.50-5.125%	\$2,740,000	\$2,840,000
Various Purpose Refunding-Series 2003 - \$15,980,000	2.00-5.25%	12,615,000	13,305,000
Less Deferred Amounts:			
For Issuance Premium		256,612	274,753
On Refunding		(948,530)	(1,015,583)
Total General Obligation Bonds		<u>14,663,082</u>	<u>15,404,170</u>
<u>Special Assessment Bonds</u>			
Street Improvements-Series 1990 - \$290,000	7.90%	42,000	56,000
Street Improvements-Series 1994 - \$355,000	5.40-6.60%	155,000	175,000
Street Improvements-Series 1995 - \$1,095,000	4.30-5.625%	865,000	895,000
Street Improvements-Series 1998 - \$1,175,000	4.05-5.35%	950,000	975,000
Street Improvements-Series 1998 - \$1,250,000	3.50-5.00%	1,025,000	1,050,000
Street Improvements-Series 1999 - \$1,560,000	4.20-5.75%	1,345,000	1,375,000
Street Improvements-Series 2000 - \$1,100,000	4.65-5.75%	950,000	970,000
Street Improvements-Series 2001 - \$1,005,000	3.70-5.50%	875,000	895,000
Street Improvements-Series 2002 - \$650,000	4.20-5.30%	575,000	590,000
Total Special Assessment Bonds		<u>6,782,000</u>	<u>6,981,000</u>
Promissory Notes	1.00%	814,034	762,977
Capital Leases		<u>0</u>	<u>2,438</u>
Total Long-Term Liabilities - Bonds, Notes and Leases		<u>22,259,116</u>	<u>23,150,585</u>
<b>Business Type Activities</b>			
Capital Leases		<u>0</u>	<u>2,195</u>
Total Debt		<u>\$22,259,116</u>	<u>\$23,152,780</u>

The general obligation bonds and promissory notes will be paid through the Unvoted Debt Retirement Fund and the Golf Course Debt Retirement Fund. The special assessment bonds will be paid through the Special Assessment Bond Retirement Fund with special assessment revenues.

See Note 9 to the basic financial statements for further details on the City's long-term obligations.



## **Economic Factors**

The City of Centerville is currently in a strong financial position, but it must be stated that the City is not immune to economic conditions that have negatively affected many public and private entities. The City of Centerville's systems of budgeting and internal controls are well regarded, and the City is well prepared to meet the challenges of the future. In addition, management has been committed to providing its residents with full disclosure of the financial position of the City.

## **Contacting the City's Financial Department**

This financial report is designed to provide our citizens, taxpayers, customers and 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 any questions about this report or need additional financial information, contact Steven Hinshaw, Ph.D., Finance Director, City of Centerville, 100 W. Spring Valley Road, Centerville, Ohio 45458.



City of Centerville, Ohio  
Statement of Net Assets  
December 31, 2008

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$21,359,207	\$865,163	\$22,224,370
Receivables (Net):			
Taxes	4,084,822	0	4,084,822
Accounts	6,848	111,762	118,610
Interest	136,025	0	136,025
Intergovernmental	1,092,846	0	1,092,846
Special Assessments	12,226,811	0	12,226,811
Internal Balances	215,577	(215,577)	0
Inventory	96,635	108,740	205,375
Deferred Bond Issuance Costs	132,446	0	132,446
Prepaid Items	102,523	12,438	114,961
Nondepreciable Capital Assets	4,380,126	15,166,876	19,547,002
Depreciable Capital Assets, Net	37,492,952	3,735,885	41,228,837
<b>Total Assets</b>	<b>81,326,818</b>	<b>19,785,287</b>	<b>101,112,105</b>
Liabilities:			
Accounts Payable	500,645	66,519	567,164
Accrued Liabilities	490,687	65,262	555,949
Accrued Interest Payable	88,671	0	88,671
Unearned Revenue	1,701,809	284,060	1,985,869
Deposit Liability	0	103,276	103,276
Long-Term Liabilities:			
Due Within One Year	1,327,006	35,000	1,362,006
Due In More Than One Year	21,571,585	35,488	21,607,073
<b>Total Liabilities</b>	<b>25,680,403</b>	<b>589,605</b>	<b>26,270,008</b>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	19,613,962	18,902,761	38,516,723
Restricted for:			
Debt Service	13,763,510	0	13,763,510
Capital Projects	8,390,962	0	8,390,962
Other Purposes	1,183,477	0	1,183,477
Unrestricted	12,694,504	292,921	12,987,425
<b>Total Net Assets</b>	<b>\$55,646,415</b>	<b>\$19,195,682</b>	<b>\$74,842,097</b>

See accompanying notes to the basic financial statements.

City of Centerville, Ohio  
Statement of Activities  
For the Fiscal Year Ended December 31, 2008

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$5,058,930	\$1,095,270	\$0	\$804,653
Public Safety	6,696,189	183,639	0	0
Community Environment	279,440	0	0	0
Recreation	346,219	135,361	0	2,320
Transportation	3,755,978	3,761	1,091,093	0
Interest and Other Charges	1,166,734	0	0	0
<b>Total Governmental Activities</b>	<b>17,303,490</b>	<b>1,418,031</b>	<b>1,091,093</b>	<b>806,973</b>
<b>Business-Type Activities:</b>				
Waste Collection	1,313,378	1,364,427	0	0
Golf Course Operations	4,068,620	3,632,659	0	0
Yankee Trace Equipment Purchase	23,874	148,740	0	0
<b>Total Business-Type Activities</b>	<b>5,405,872</b>	<b>5,145,826</b>	<b>0</b>	<b>0</b>
<b>Totals</b>	<b>\$22,709,362</b>	<b>\$6,563,857</b>	<b>\$1,091,093</b>	<b>\$806,973</b>

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

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$3,159,007)	\$0	(\$3,159,007)
(6,512,550)	0	(6,512,550)
(279,440)	0	(279,440)
(208,538)	0	(208,538)
(2,661,124)	0	(2,661,124)
(1,166,734)	0	(1,166,734)
(13,987,393)	0	(13,987,393)
0	51,049	51,049
0	(435,961)	(435,961)
0	124,866	124,866
0	(260,046)	(260,046)
(13,987,393)	(260,046)	(14,247,439)
10,727,974	0	10,727,974
1,408,488	0	1,408,488
2,625,886	0	2,625,886
843,798	44,820	888,618
112,576	5,002	117,578
(97,500)	97,500	0
15,621,222	147,322	15,768,544
1,633,829	(112,724)	1,521,105
54,012,586	19,308,406	73,320,992
<u>\$55,646,415</u>	<u>\$19,195,682</u>	<u>\$74,842,097</u>

City of Centerville, Ohio  
Balance Sheet  
Governmental Funds  
December 31, 2008

	General	Street Construction and Maintenance	Special Assessment Debt Retirement	Capital Improvements
Assets:				
Equity in Pooled Cash and Investments	\$9,409,917	\$166,874	\$280,298	\$8,015,054
Receivables (Net):				
Taxes	4,084,822	0	0	0
Accounts	5,203	282	0	824
Interest	76,226	0	0	59,799
Intergovernmental	466,341	549,307	0	8,970
Special Assessments	0	0	12,226,811	0
Due From Other Funds	242,513	0	0	0
Inventory	3,136	93,499	0	0
Prepaid Items	81,635	20,888	0	0
Total Assets	<u>14,369,793</u>	<u>830,850</u>	<u>12,507,109</u>	<u>8,084,647</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	282,096	10,179	0	191,661
Accrued Liabilities	428,958	61,729	0	0
Deferred Revenue	3,078,060	393,639	11,605,913	214,500
Total Liabilities	<u>3,789,114</u>	<u>465,547</u>	<u>11,605,913</u>	<u>406,161</u>
Fund Balances:				
Reserved for Encumbrances	106,592	7,179	0	1,257,982
Reserved for Inventory	3,136	93,499	0	0
Reserved for Debt Service	0	0	901,196	0
Reserved for Prepaid Items	81,635	20,888	0	0
Unreserved, Designated for Capital Projects	0	0	0	6,000,000
Unreserved, Undesignated, Reported in:				
General Fund	10,389,316	0	0	0
Special Revenue Funds	0	243,737	0	0
Capital Projects Funds	0	0	0	420,504
Total Fund Balances	<u>10,580,679</u>	<u>365,303</u>	<u>901,196</u>	<u>7,678,486</u>
Total Liabilities and Fund Balances	<u>\$14,369,793</u>	<u>\$830,850</u>	<u>\$12,507,109</u>	<u>\$8,084,647</u>

See accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$2,391,323	\$20,263,466
0	4,084,822
0	6,309
0	136,025
68,228	1,092,846
0	12,226,811
0	242,513
0	96,635
0	102,523
<u>2,459,551</u>	<u>38,251,950</u>
10,616	494,552
0	490,687
<u>55,531</u>	<u>15,347,643</u>
<u>66,147</u>	<u>16,332,882</u>
36,520	1,408,273
0	96,635
1,212,626	2,113,822
0	102,523
0	6,000,000
0	10,389,316
471,815	715,552
672,443	1,092,947
<u>2,393,404</u>	<u>21,919,068</u>
<u>\$2,459,551</u>	<u>\$38,251,950</u>

City of Centerville, Ohio  
 Reconciliation of Total Governmental Fund Balance to  
 Net Assets of Governmental Activities  
 December 31, 2008

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Total Governmental Fund Balance \$21,919,068

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

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

Capital assets used in the operation of Governmental Funds	\$40,924,368	
Capital assets used in the operation of Internal Service Funds	<u>948,710</u>	
		41,873,078

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

Income Taxes	\$1,191,731	
Intergovernmental	820,065	
Special Assessments	11,605,913	
Other Receivables	<u>28,125</u>	
		13,645,834

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

Internal Service Net Assets	\$2,038,897	
Capital assets used in the operation of Internal Service Funds	(948,710)	
Allocation to Business-Type Activities	<u>(26,936)</u>	
		1,063,251

In the statement of net assets interest payable is accrued when  
 incurred, whereas in the governmental funds interest is  
 reported as a liability only when it will require the use of  
 current financial resources. (88,671)

Some liabilities reported in the statement of net assets do not  
 require the use of current financial resources and therefore  
 are not reported as liabilities in governmental funds.

Compensated Absences	(639,475)
----------------------	-----------

Deferred bond issuance cost associated with long-term liabilities  
 are not reported in the funds. 132,446

Long-term liabilities, are not due and payable in the current  
 period and therefore are not reported in the funds. (22,259,116)

Net Assets of Governmental Activities \$55,646,415

See accompanying notes to the basic financial statements.





City of Centerville, Ohio  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended December 31, 2008

	General	Street Construction and Maintenance	Special Assessment Debt Retirement	Capital Improvements
Revenues:				
Taxes	\$12,141,850	\$0	\$0	\$0
Fines, Licenses & Permits	232,122	0	0	0
Charges for Services	52,262	3,761	0	0
Investment Earnings	411,346	8,193	15,026	336,502
Intergovernmental	3,123,345	959,988	0	369,477
Special Assessments	10,614	0	628,476	0
Rent	0	0	0	0
Other Revenues	220,440	2,296	0	0
<b>Total Revenues</b>	<b>16,191,979</b>	<b>974,238</b>	<b>643,502</b>	<b>705,979</b>
Expenditures:				
Current:				
General Government	4,778,184	0	31,449	0
Public Safety	6,283,362	0	0	0
Community Environment	275,363	0	0	0
Recreation	275,048	0	0	0
Transportation	0	2,096,828	0	0
Capital Outlay	0	0	0	3,247,601
Debt Service:				
Principal	2,438	0	199,000	0
Interest and Other Charges	30	0	378,708	0
<b>Total Expenditures</b>	<b>11,614,425</b>	<b>2,096,828</b>	<b>609,157</b>	<b>3,247,601</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>4,577,554</b>	<b>(1,122,590)</b>	<b>34,345</b>	<b>(2,541,622)</b>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	0	0	0
Issuance of Long-Term Capital-Related Debt	0	0	0	69,918
Transfers In	0	900,000	0	1,250,000
Transfers (Out)	(2,797,500)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(2,797,500)</b>	<b>900,000</b>	<b>0</b>	<b>1,319,918</b>
<b>Net Change in Fund Balance</b>	<b>1,780,054</b>	<b>(222,590)</b>	<b>34,345</b>	<b>(1,221,704)</b>
<b>Fund Balance Beginning of Year</b>	<b>8,800,022</b>	<b>581,247</b>	<b>866,851</b>	<b>8,900,190</b>
<b>Change in Reserve for Inventory</b>	<b>603</b>	<b>6,646</b>	<b>0</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$10,580,679</b>	<b>\$365,303</b>	<b>\$901,196</b>	<b>\$7,678,486</b>

See accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$0	\$12,141,850
1,475	233,597
0	56,023
128,231	899,298
126,485	4,579,295
0	639,090
824,253	824,253
66,766	289,502
<u>1,147,210</u>	<u>19,662,908</u>
19,093	4,828,726
11,311	6,294,673
0	275,363
9,923	284,971
77,405	2,174,233
443,696	3,691,297
808,861	1,010,299
733,185	1,111,923
<u>2,103,474</u>	<u>19,671,485</u>
<u>(956,264)</u>	<u>(8,577)</u>
21,825	21,825
0	69,918
550,000	2,700,000
0	(2,797,500)
<u>571,825</u>	<u>(5,757)</u>
(384,439)	(14,334)
2,777,843	21,926,153
0	7,249
<u>\$2,393,404</u>	<u>\$21,919,068</u>

City of Centerville, Ohio  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended December 31, 2008

Net Change in Fund Balance - Total Governmental Funds (\$14,334)

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

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

Capital assets used in governmental activities	\$3,668,737	
Depreciation Expense	<u>(2,205,164)</u>	1,463,573

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss. (33,124)

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

Income Taxes	(\$5,388)	
Delinquent Property Taxes and Intergovernmental	53,696	
Special Assessments	(620,897)	
Other	<u>(55,500)</u>	(628,089)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,010,299

In the statement of activities interest expense is accrued when incurred, whereas in governmental funds an interest expenditure is reported when due. 3,464

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	(\$62,312)	
Amortization of Bond Issuance Cost	(9,363)	
Amortization of Bond Premium	18,141	
Amortization of Deferred Charge on Refunding	(67,053)	
Change in Inventory	<u>7,249</u>	(113,338)

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

Change in Net Assets - Internal Service Funds	\$35,579	
Change in portion of Internal Service Fund Net Assets allocated to Business-Type Activities	<u>(20,283)</u>	15,296

Proceeds from debt issues are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net assets. (69,918)

Change in Net Assets of Governmental Activities \$1,633,829

See accompanying notes to the basic financial statements.



City of Centerville, Ohio  
Statement of Net Assets  
Proprietary Funds  
December 31, 2008

	Business-Type Activities -Enterprise Funds			
	Waste Collection	Golf Course Operations	Yankee Trace Equipment Purchase	Total Business-Type Activities
Current Assets:				
Equity in Pooled Cash and Investments	\$685,995	\$106,009	\$73,159	\$865,163
Receivables (Net):				
Accounts	78,879	32,883	0	111,762
Inventory	8,740	100,000	0	108,740
Prepaid Items	5,351	7,087	0	12,438
<b>Total Current Assets</b>	<b>778,965</b>	<b>245,979</b>	<b>73,159</b>	<b>1,098,103</b>
Nondepreciable Capital Assets	0	15,166,876	0	15,166,876
Depreciable Capital Assets, Net	0	3,017,347	718,538	3,735,885
<b>Total Noncurrent Assets</b>	<b>0</b>	<b>18,184,223</b>	<b>718,538</b>	<b>18,902,761</b>
<b>Total Assets</b>	<b>778,965</b>	<b>18,430,202</b>	<b>791,697</b>	<b>20,000,864</b>
Liabilities:				
Current Liabilities:				
Accounts Payable	25,150	21,580	19,789	66,519
Accrued Liabilities	22,059	43,203	0	65,262
Compensated Absences	25,000	10,000	0	35,000
Due to Other Funds	0	0	242,513	242,513
Deferred Revenue	284,060	0	0	284,060
Deposit Liability	0	103,276	0	103,276
<b>Total Current Liabilities</b>	<b>356,269</b>	<b>178,059</b>	<b>262,302</b>	<b>796,630</b>
Long-Term Liabilities:				
Compensated Absences	4,640	30,848	0	35,488
<b>Total Noncurrent Liabilities</b>	<b>4,640</b>	<b>30,848</b>	<b>0</b>	<b>35,488</b>
<b>Total Liabilities</b>	<b>360,909</b>	<b>208,907</b>	<b>262,302</b>	<b>832,118</b>
Net Assets:				
Invested in Capital Assets, Net of Related Debt	0	18,184,223	718,538	18,902,761
Unrestricted	418,056	37,072	(189,143)	265,985
<b>Total Net Assets</b>	<b>\$418,056</b>	<b>\$18,221,295</b>	<b>\$529,395</b>	<b>\$19,168,746</b>
Adjustment to reflect the consolidation of Internal Service Fund activities related to Business-Type Activities				<u>\$26,936</u>
<b>Net Assets of Business-Type Activities</b>				<u><b>\$19,195,682</b></u>

See accompanying notes to the basic financial statements.

Governmental Activities- Internal Service Funds
\$1,095,741
539
0
0
<u>1,096,280</u>
0
<u>948,710</u>
<u>948,710</u>
<u>2,044,990</u>
6,093
0
0
0
0
0
<u>6,093</u>
0
0
<u>6,093</u>
948,710
<u>1,090,187</u>
<u>\$2,038,897</u>

City of Centerville, Ohio  
Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2008

	Business-Type Activities -Enterprise Funds			
	Waste Collection	Golf Course Operations	Yankee Trace Equipment Purchase	Total Business-Type Activities
Operating Revenues:				
Charges for Services	\$1,364,427	\$3,632,659	\$148,740	\$5,145,826
Other Revenues	3,723	1,279	0	5,002
Total Operating Revenues	<u>1,368,150</u>	<u>3,633,938</u>	<u>148,740</u>	<u>5,150,828</u>
Operating Expenses:				
Salaries and Wages	571,558	1,185,810	0	1,757,368
Fringe Benefits	175,278	271,634	0	446,912
Purchased Services	298,819	1,274,699	0	1,573,518
Supplies and Materials	209,980	813,863	79,120	1,102,963
Other Expenses	78,026	254,137	0	332,163
Depreciation	0	112,538	91,654	204,192
Total Operating Expenses	<u>1,333,661</u>	<u>3,912,681</u>	<u>170,774</u>	<u>5,417,116</u>
Operating Income (Loss)	<u>34,489</u>	<u>(278,743)</u>	<u>(22,034)</u>	<u>(266,288)</u>
Non-Operating Revenues (Expenses):				
Investment Earnings	40,822	1,599	2,399	44,820
Interest (Expense)	0	(38)	0	(38)
Gain (Loss) on Disposal of Capital Assets	0	(155,901)	146,900	(9,001)
Total Non-Operating Revenues (Expenses)	<u>40,822</u>	<u>(154,340)</u>	<u>149,299</u>	<u>35,781</u>
Income (Loss) Before Contributions and Transfers	<u>75,311</u>	<u>(433,083)</u>	<u>127,265</u>	<u>(230,507)</u>
Transfers In	<u>0</u>	<u>97,500</u>	<u>0</u>	<u>97,500</u>
Change in Net Assets	<u>75,311</u>	<u>(335,583)</u>	<u>127,265</u>	<u>(133,007)</u>
Net Assets Beginning of Year	<u>342,745</u>	<u>18,556,878</u>	<u>402,130</u>	<u>19,301,753</u>
Net Assets End of Year	<u>\$418,056</u>	<u>\$18,221,295</u>	<u>\$529,395</u>	<u>\$19,168,746</u>
Adjustment to reflect the consolidation of Internal Service Fund activities related to Business-Type Activities				<u>\$20,283</u>
Change in Net Assets - Total Business-Type Activities:				<u>(\$112,724)</u>

See accompanying notes to the basic financial statements.



Governmental Activities- Internal Service Funds
\$310,800
10,928
<u>321,728</u>
0
0
13,013
9,382
50,127
<u>270,470</u>
<u>342,992</u>
<u>(21,264)</u>
56,862
0
<u>(19)</u>
<u>56,843</u>
35,579
<u>0</u>
35,579
<u>2,003,318</u>
<u>\$2,038,897</u>

City of Centerville, Ohio  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2008

	Business-Type Activities -Enterprise Funds			
	Waste Collection	Golf Course Operations	Yankee Trace Equipment Purchase	Total Business-Type Activities
Cash Flows from Operating Activities:				
Cash Received from Customers	\$1,376,421	\$3,658,148	\$148,740	\$5,183,309
Cash Payments to Employees	(751,326)	(1,441,498)	0	(2,192,824)
Cash Payments to Suppliers	(621,034)	(2,335,565)	(59,331)	(3,015,930)
Net Cash Provided (Used) by Operating Activities	4,061	(118,915)	89,409	(25,445)
Cash Flows from Noncapital Financing Activities:				
Payments from Other Funds	0	97,500	258,900	356,400
Payments to Other Funds	0	0	(16,387)	(16,387)
Net Cash Provided (Used) by Noncapital Financing Activities	0	97,500	242,513	340,013
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	0	0	(556,868)	(556,868)
Debt Principal Payments	0	(2,195)	0	(2,195)
Debt Interest Payments	0	(38)	0	(38)
Gain (Loss) on Disposal of Capital Assets	0	0	146,900	146,900
Net Cash Provided (Used) by Capital and Related Financing Activities	0	(2,233)	(409,968)	(412,201)
Cash Flows from Investing Activities:				
Earnings on Investments	43,261	1,599	2,399	47,259
Net Cash Provided (Used) by Cash Flows from Investing Activities	43,261	1,599	2,399	47,259
Net Increase (Decrease) in Cash and Cash Equivalents	47,322	(22,049)	(75,647)	(50,374)
Cash and Cash Equivalents Beginning of Year	638,673	128,058	148,806	915,537
Cash and Cash Equivalents End of Year	685,995	106,009	73,159	\$865,163
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	34,489	(278,743)	(22,034)	(\$266,288)
Adjustments:				
Depreciation	0	112,538	91,654	204,192
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	(13,100)	8,569	0	(4,531)
(Increase) Decrease in Inventory	(3,513)	13,546	0	10,033
(Increase) Decrease in Prepaid Items	2,619	(547)	0	2,072
(Increase) Decrease in Deposit Liabilities	0	15,406	0	15,406
Increase (Decrease) in Payables	(30,358)	(6,455)	19,789	(17,024)
Increase (Decrease) in Accrued Liabilities	(7,447)	16,771	0	9,324
Increase (Decrease) in Deferred Revenue	21,371	0	0	21,371
Net Cash Provided (Used) by Operating Activities	\$4,061	(\$118,915)	\$89,409	(\$25,445)

See accompanying notes to the basic financial statements.

Governmental Activities- Internal Service Funds
\$324,303
0
<u>(152,774)</u>
171,529
0
<u>0</u>
0
(601,384)
0
0
<u>29,045</u>
(572,339)
<u>58,687</u>
<u>58,687</u>
(342,123)
<u>1,437,864</u>
<u>1,095,741</u>
(21,264)
270,470
2,575
0
0
0
(80,252)
0
<u>0</u>
<u>\$171,529</u>

City of Centerville, Ohio  
Statement of Fiduciary Net Assets  
Fiduciary Fund  
December 31, 2008

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	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	\$115,962
Receivables (Net):	
Intergovernmental	<u>318,201</u>
Total Assets	<u><u>434,163</u></u>
Liabilities:	
Undistributed Monies	<u>434,163</u>
Total Liabilities	<u><u>\$434,163</u></u>

See accompanying notes to the basic financial statements.

**City of Centerville, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2008**

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**NOTE 1 - DESCRIPTION OF THE CITY AND REPORTING ENTITY**

**Reporting Entity**

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

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Government-wide and Fund Financial Statements**

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

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or a function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

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

### **Fund Accounting**

The City reports the following major governmental funds:

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

Street Construction and Maintenance Fund - A fund provided to account for the allocation of revenues derived from motor vehicle license fees and gasoline taxes. Expenditures are restricted by state law to maintenance and repair of streets within the City.

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

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

The City reports the following major proprietary funds:

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

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

### Agency Funds

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

### **Revenues – Exchange and Non-Exchange Transactions**

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

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

### **Assets, Liabilities and Net Assets or Equity**

#### Deposits and Investments

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

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



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

### Inventory and Prepaid Items

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

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

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

### Capital Assets

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

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

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

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

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

<u>Description</u>	<u>Estimated Useful Life (In Years)</u>
Buildings and Improvements	10 to 45
Equipment	3 to 20
Infrastructure	23 to 50

### Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. The City pays supplemental retirement if employees retire with 7.5 years of service and 600 hours of accumulated sick leave. Supplemental retirement is only available to retiring employees, not employees for any reason. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The total liability for vacation leave payments has been calculated using pay rates in effect at the balance sheet date.

### Bond Discounts, Premiums and Issuance Costs

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

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

### Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the fund financial statements when due.

### Reserves and Designations

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

Designations are tentative plans for financial resource use in a future period. Such plans or intentions are subject to change. They may never be legally authorized or result in expenditures.

### Interfund Activity

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

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

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

### Estimates

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

## **NOTE 3 - EQUITY IN POOLED CASH AND INVESTMENTS**

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### **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 "Pooled cash and cash equivalents" and "Investments."

### **Deposits**

At December 31, 2008, the carrying amount of the City's cash deposits was \$2,321,382. As of December 31, 2008, \$250,000 of the City's bank balance of \$2,811,463 was covered by the Federal Deposit Insurance Corporation (FDIC) and \$2,561,463 was exposed to custodial credit risk described below.

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

## Investments

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

The City invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2008. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. The State operates the pool in accordance with ORC Section 135.45. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2008.

## Investments

A summary of the fair value of investments held, and year of maturities, as of December 31, 2008 is as follows:

	<u>Fair Value</u>	<u>Investments maturing in years ended</u>				
		<u>12/31/09</u>	<u>12/31/10</u>	<u>12/31/11</u>	<u>12/31/12</u>	<u>12/31/13</u>
U.S. agencies	\$11,868,492	\$2,501,050	501,365	\$3,456,555	\$1,283,162	\$4,126,360
Mutual bond funds	5,696,696	5,696,696	0	0	0	0
STAR Ohio	<u>2,453,760</u>	<u>2,453,760</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total investments	<u>\$20,018,948</u>	<u>\$10,651,506</u>	<u>\$501,365</u>	<u>\$3,456,555</u>	<u>\$1,283,162</u>	<u>\$4,126,360</u>

Callable securities are assumed to remain uncalled prior to maturity.

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

Credit Risk – It is the City’s policy to limit its investments that are not obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. As of December 31, 2008, the City’s investment in STAR Ohio was rated AAAM by Standard & Poor’s and the City’s investments in U.S. agencies (not explicitly guaranteed by the U.S. government) and government-sponsored corporations were rated AAA by Standard & Poor’s and Aaa by Moody’s Investor Service.

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

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

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

Investments in any one issuer that represent 5% or more of the total investments at December 31, 2008 include:

<u>Issuer:</u>	<u>Fair Value</u>	<u>Percent</u>
U.S. Agencies:		
Federal National Mortgage Association	\$2,121,115	10.6%
Federal Home Loan Mortgage Corporation	3,851,443	19.2%
Federal Home Loan Bank	5,895,935	29.5%
StarOhio	2,453,760	12.3%
Mutual Bond Fund	5,696,695	28.4%
Total Investments	<u>\$20,018,948</u>	<u>100.0%</u>

## **NOTE 4 – RECEIVABLES**

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

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 \$12,226,811 in the Special Assessment Debt Retirement Fund.

### **Income Taxes**

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

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

### **Property Taxes**

Property taxes include amounts levied against all real property, public utility tangible personal property and tangible (used in business) property located in the City. Property taxes are levied each December 31<sup>st</sup> on the assessed value listed as of the prior December 31<sup>st</sup>. Assessed values are established for real property at 35 percent of true value, for public utility tangible personal property at varying percentages, generally 25 percent, and for tangible personal property at 12.5 percent of true value. The percentage for tangible personal property will be reduced to 6.25% for 2008 and zero percent for 2009. The State of Ohio will reimburse the City for lost revenue during the phase out of the tangible personal property tax. The City will receive full reimbursement for years 2007-2010 and reduced reimbursement for years 2011-2017. Property market values are required to be updated every three years and revalued every six years. The last revaluation was completed in 2008.

The property tax calendar is as follows:

Levy date	December 31, 2007
Lien date	December 31, 2007
Tax bill mailed	January 20, 2008
First installment payment due	February 15, 2008
Second installment payment due	July 15, 2008

The assessed values for the City at December 31, 2008, were as follows:

	Assessed Value
Real Estate	\$630,267,650
Tangible Personal Property	9,334,040
Public Utility Tangible Personal Property	<u>1,658,370</u>
Total	<u>\$641,260,060</u>

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

## **NOTE 5 - CAPITAL ASSETS**

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### **Capital Assets**

Capital asset activity for the year ended December 31, 2008 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$3,977,356	\$268,063	\$0	\$4,245,419
Construction In Progress	67,861	134,707	67,861	134,707
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	8,543,731	118,760	0	8,662,491
Equipment	5,900,966	1,009,326	318,786	6,591,506
Infrastructure	46,788,034	2,807,126	1,733,593	47,861,567
	<u>65,277,948</u>	<u>4,337,982</u>	<u>2,120,240</u>	<u>67,495,690</u>
Totals at Historical Cost				
Less Accumulated Depreciation:				
Buildings and Improvements	1,751,085	211,992	0	1,963,077
Equipment	4,323,216	527,221	256,598	4,593,839
Infrastructure	19,062,868	1,736,421	1,733,593	19,065,696
	<u>25,137,169</u>	<u>2,475,634</u>	<u>1,990,191</u>	<u>25,622,612</u>
Total Accumulated Depreciation				
Governmental Activities Capital Assets, Net	<u>\$40,140,779</u>	<u>\$1,862,348</u>	<u>\$130,049</u>	<u>\$41,873,078</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business-Type Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$15,166,876	\$0	\$0	\$15,166,876
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	4,037,103	0	0	4,037,103
Equipment	<u>1,638,638</u>	<u>556,868</u>	<u>219,596</u>	<u>1,975,910</u>
Totals at Historical Cost	<u>20,842,617</u>	<u>556,868</u>	<u>219,596</u>	<u>21,179,889</u>
Less Accumulated Depreciation:				
Buildings and Improvements	1,038,616	89,713	0	1,128,329
Equipment	<u>1,098,016</u>	<u>114,479</u>	<u>63,696</u>	<u>1,148,799</u>
Total Accumulated Depreciation	<u>2,136,632</u>	<u>204,192</u>	<u>63,696</u>	<u>2,277,128</u>
Business-Type Activities Capital Assets, Net	<u><u>\$18,705,985</u></u>	<u><u>\$352,676</u></u>	<u><u>\$155,900</u></u>	<u><u>\$18,902,761</u></u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$219,227
Public Safety	371,567
Community Environment	2,693
Recreation	60,646
Transportation	<u>1,821,501</u>
Total Depreciation Expense	<u><u>\$2,475,634</u></u>

## **NOTE 6 - PENSION PLANS**

### **Ohio Public Employees Retirement System**

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans, a Traditional Pension Plan (TP), a Member-Directed Plan (MD) and a Combined Plan (CO). The TP Plan is a cost-sharing multiple-employer defined benefit pension plan. The MD Plan is a defined contribution plan in which member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings. The CO Plan is a cost sharing, multiple-employer defined benefit pension plan. Under the CO Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the TP Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.



OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the TP and CO Plans. Members of the MD Plan do not qualify for the ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to the OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-5601 or 800-222-7377, or by visiting the OPERS website at [www.opers.org](http://www.opers.org).

The Ohio Revised Code provides statutory authority for member and employer contributions. Plan members are required to contribute 10% of their annual covered salary to fund pension obligations. The employer pension contribution rate for the City is 14% of covered payroll. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2008, 2007 and 2006 were \$772,297, \$735,726 and \$706,546, respectively. The full amount has been contributed for 2007 and 2006 and 92.46% has been contributed for 2008.

### **Ohio Police and Fire Pension Fund**

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

Plan members are required to contribute 10% of their annual covered salary, while employers (the City) are required to contribute 19.5% for police and 24.0% for firefighters. The City's contributions to OP&F for the years ending December 31, 2008, 2007 and 2006 were \$595,092, \$561,234, and \$566,902, respectively. The full amount has been contributed for 2007 and 2006 and 74.11% has been contributed for 2008.

## **NOTE 7 - POST EMPLOYMENT BENEFITS**

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### **Ohio Public Employees Retirement System**

#### Plan Description

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium

reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health card coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

### Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, the City contributed at 14% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determined the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2008, the employer contribution allocated to the health care plan was 7% of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

### Information from City's Records

The City's actual contributions for the current year, which were used to fund postemployment benefits, were \$386,149 for 2008, \$132,803 for the period of January 1 through June 30, 2007 and were \$159,363 for the period of July 1 through December 31, 2007 and \$232,077 for 2006.

### OPERS Retirement Board Implements its Health Care Preservation Plan

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

#### Other Information

At December 31, 2008, the number of active contributing participants in the Traditional and Combined Plans totaled 363,503. The number of active contributing participants for both plans used in the December 31, 2007 actuarial valuation was 364,076.

The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2007, (the latest information available) were \$12.8 billion. Based on the actuarial cost method used, the Actuarial Valuations as of December 31, 2007, (the latest information available) reported the actuarially accrued liability and the unfunded actuarial accrued liability for OPEB at \$29.8 billion and \$17.0 billion, respectively.

### **Ohio Police and Fire Pension Fund**

#### Plan Description

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

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

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

## Funding Policy

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of the covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and Section 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2008, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

## Information from City's Records

The City's contributions to OP&F for the year ending December 31, 2008 were \$205,993 for police; for the year ending December 31, 2007 were \$196,235 for police; and for the year ending December 31, 2006 were \$223,055 for police, respectively, was allocated to the healthcare plan.

## Other Information

The number of participants eligible to receive health care benefits as of December 31, 2007, the date of the last actuarial valuation available, are 14,295 for Police and 10,583 for Firefighters. OP&F's total health care expense for the year ending December 31, 2007, the date of the last actuarial valuation available, was \$93,205,319, which was net of member contributions of \$56,031,875.

## NOTE 8 - INTERFUND TRANSFERS

The composition of interfund balances as of December 31, 2008 is as follows:

*Internal balances:*

<u>Type</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
Internal Service Allocation	(\$26,936)	\$26,936
Due to / Due from Other Funds	<u>242,513</u>	<u>(242,513)</u>
Total	<u>\$215,577</u>	<u>(\$215,577)</u>

*Due to / due from other funds:*

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Yankee Trace Equipment Purchase	\$242,513

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

*Interfund transfers:*

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 0	\$2,797,500
Street Construction and Maintenance	900,000	0
Capital Improvements	1,250,000	0
Other Governmental Funds	550,000	0
Golf Course Operations	<u>97,500</u>	<u>0</u>
Total	<u>\$2,797,500</u>	<u>\$2,797,500</u>

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

## **NOTE 9 - LONG-TERM OBLIGATIONS**

Long-term liability activity for the year ended December 31, 2008, was as follows:

		Restated Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>						
<u>General Obligation Bonds</u>						
Capital Facilities-Series 2001	3.50-5.125%	\$2,840,000	\$0	(\$100,000)	\$2,740,000	\$105,000
Various Purpose Refunding-Series 2003	2.00-5.25%	13,305,000	0	(690,000)	12,615,000	720,000
Less Deferred Amounts:						
For Issuance Premium		274,753	0	(18,141)	256,612	0
On Refunding		(1,015,583)	0	67,053	(948,530)	0
Total General Obligation Bonds		<u>15,404,170</u>	<u>0</u>	<u>(741,088)</u>	<u>14,663,082</u>	<u>825,000</u>
<u>Special Assessment Bonds</u>						
Street Improvements-Series 1990	7.90%	56,000	0	(14,000)	42,000	14,000
Street Improvements-Series 1994	5.40-6.60%	175,000	0	(20,000)	155,000	20,000
Street Improvements-Series 1995	4.30-5.625%	895,000	0	(30,000)	865,000	30,000
Street Improvements-Series 1998	4.05-5.35%	975,000	0	(25,000)	950,000	30,000
Street Improvements-Series 1998	3.50-5.00%	1,050,000	0	(25,000)	1,025,000	30,000
Street Improvements-Series 1999	4.20-5.75%	1,375,000	0	(30,000)	1,345,000	30,000
Street Improvements-Series 2000	4.65-5.75%	970,000	0	(20,000)	950,000	25,000
Street Improvements-Series 2001	3.70-5.50%	895,000	0	(20,000)	875,000	20,000
Street Improvements-Series 2002	4.20-5.30%	590,000	0	(15,000)	575,000	15,000
Total Special Assessment Bonds		<u>6,981,000</u>	<u>0</u>	<u>(199,000)</u>	<u>6,782,000</u>	<u>214,000</u>
Promissory Notes	1.00%	762,977	69,918	(18,861)	814,034	38,006
Capital Leases		2,438	0	(2,438)	0	0
Total Long-Term Liabilities - Bonds, Notes and Lease		23,150,585	69,918	(961,387)	22,259,116	1,077,006
Compensated Absences		577,163	503,183	(440,871)	639,475	250,000
Total Governmental Activities		<u>\$23,727,748</u>	<u>\$573,101</u>	<u>(\$1,402,258)</u>	<u>\$22,898,591</u>	<u>\$1,327,006</u>
<b>Business Type Activities</b>						
Capital Leases		\$2,195	\$0	(\$2,195)	\$0	\$0
Compensated Absences		74,465	31,023	(35,000)	70,488	35,000
Total Business-Type Activities		<u>\$76,660</u>	<u>\$31,023</u>	<u>(\$37,195)</u>	<u>\$70,488</u>	<u>\$35,000</u>

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

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

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

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

The following table summarizes the City's future long-term bond service requirements as of December 31, 2008:

**Governmental Activities:**

Year Ending December 31	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2009	\$825,000	\$695,565	\$214,000	\$368,489
2010	850,000	662,670	229,000	357,471
2011	885,000	635,003	234,000	345,292
2012	910,000	602,593	235,000	332,588
2013	945,000	569,143	245,000	320,139
2014-2018	5,345,000	2,192,273	1,300,000	1,397,950
2019-2023	4,180,000	893,900	1,635,000	1,016,191
2024-2028	1,415,000	121,888	1,990,000	519,299
2029-2032	0	0	700,000	65,080
Total	<u>\$15,355,000</u>	<u>\$6,373,035</u>	<u>\$6,782,000</u>	<u>\$4,722,499</u>

Year Ending December 31	Promissory Notes	
	Principal	Interest
2009	\$38,006	\$8,046
2010	38,387	11,725
2011	38,772	8,512
2012	39,161	9,534
2013	39,553	6,751
2014-2018	203,794	7,548
2019-2023	214,216	5,199
2024-2028	202,145	5,314
Total	<u>\$814,034</u>	<u>\$62,629</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, 2008, the City had a legal debt margin for total debt of \$68,043,973 and a legal debt margin for unvoted debt of \$35,642,081.

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

To provide for the Bethany Lutheran Village Continuing Care Facility, the City has issued three series of Health Care Revenue Bonds. These bonds are special limited obligations of the City, payable solely from and secured by a letter of credit. The bonds do not constitute a debt or pledge of the faith and credit of the City, the County or the State, and, accordingly, have not been reported in the accompanying financial statements. At December 31, 2008, Health Care Revenue Bonds outstanding aggregated \$45,155,000.

#### **NOTE 10 – CAPITAL LEASES**

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All capital leases were paid off by the City during the December 31, 2008 year.



**NOTE 11 – OPERATING LEASE – CITY AS LESSOR**

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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, 2008 include buildings and improvements of a cost \$214,284 and accumulated depreciation of \$71,860. The future minimum lease payments as of December 31, 2008 are as follows:

2009                      \$11,159

**NOTE 12 - RISK MANAGEMENT**

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The City is one of twenty members of a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA), with the cities of Englewood, Bellbrook and Centerville added in 2004. The pool has been operational since December 1, 1988, and was formed according to Section 2744.081 of the Ohio Revised Code. This joint venture covers all property, crime, liability, boiler and machinery, and public official liability up to the limits stated below. It is intended to provide broad-based coverage up to the various limits with increased emphasis on safety and loss prevention. During 2008, the MVRMA Board made a decision not to expand into the Columbus market at this time by adding the three members of CORMA, another risk pool.

MVRMA is a corporation governed by a twenty member board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. The board is responsible for its own financial matters and the corporation maintains its own book of accounts. Budget and financing of MVRMA is subject to the approval of the board.

Excess insurance coverage will cover additional claims up to the limits listed below:

General Liability:                      \$10,000,000/occurrence  
Automobile Liability:                      \$10,000,000/occurrence  
MVRMA self-insured retention (SIR) \$1 million/occurrence with \$9 million excess \$1 million reinsured by Government Entities Mutual Inc. (GEM). GEM then retroceded \$8 million to Munich Re America

Police Professional Liability: \$10,000,000/occurrence  
MVRMA self-insured retention (SIR) \$1 million/occurrence with \$9 million excess \$1 million reinsured by Government Entities Mutual Inc. (GEM). GEM then retroceded \$8 million to Munich Re America

Employment Practices Liability and Public Officials Liability Including Employee Benefits Liability

MVRMA self-insured retention (SIR) \$1 million/occurrence with \$9 million excess \$1 million reinsured by Government Entities Mutual Inc. (GEM). GEM then retroceded \$8 million to Munich Re America – Annual aggregate \$10 million per member

Property (effective 7/1/08-7/1/09):

\$1,000,000,000/occurrence

MVRMA SIR: \$200,000/occurrence

Coverage excess SIR provided by PEPPIP USA with carriers as follows:

Lexington Insurance Company (Primary \$25 million)

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

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

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

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

Earthquake: \$25 million/occurrence and annual aggregate

MVRMA SIR: \$100,000/occurrence

Boiler &

Machinery: \$100,000,000/occurrence

MVRMA SIR: \$5,000/occurrence

Coverage excess SIR provided by PEPPIP USA as follows:

Lexington Insurance Company – (Primary \$25 million)

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

Member Deductible/occurrence - \$2,500

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

**NOTE 13 – 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 14 – PRIOR PERIOD ADJUSTMENT**

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A prior period adjustment was required to restate long-term obligations at December 31, 2007 to the record promissory notes in governmental activities. This restatement had the following effect on net assets at December 31, 2007:

	Governmental Activities
Ending Net Assets, December 31, 2007	<u>\$54,775,563</u>
Promissory Notes	<u>(762,977)</u>
Beginning Net Assets, January 1, 2008	<u><u>\$54,012,586</u></u>

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**



City of Centerville  
Required Supplementary Information  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
General Fund  
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Local Taxes	\$ 13,376,400	\$ 13,376,400	\$ 14,123,103	\$ 746,703
Intergovernmental revenues	951,142	951,142	1,110,064	158,922
Special assessments	6,000	6,000	4,552	(1,448)
Charges for services	40,250	40,250	52,262	12,012
Fines, licenses, and permits	233,500	233,500	230,264	(3,236)
Interest earned	300,000	300,000	377,789	77,789
Miscellaneous and reimbursements	218,210	218,210	234,652	16,442
Total revenues	15,125,502	15,125,502	16,132,686	1,007,184
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Clerk of Council</b>				
Personal services	201,073	202,073	201,015	(1,058)
Other expenses	49,200	49,200	49,470	270
Total clerk of council	250,273	251,273	250,485	(788)
<b>City Manager</b>				
Personal services	458,943	488,943	476,945	(11,998)
Other expenses	26,610	27,610	22,698	(4,912)
Total city manager	485,553	516,553	499,643	(16,910)
<b>Economic Development</b>				
Personal services	83,679	83,679	82,914	(765)
Other expenses	12,835	12,835	5,638	(7,197)
Total economic development	96,514	96,514	88,552	(7,962)
<b>Community Resources</b>				
Personal services	51,577	52,577	51,378	(1,199)
Other expenses	19,678	19,678	20,940	1,262
Total community resources	71,255	72,255	72,318	63
<b>Code Enforcement</b>				
Personal services	107,742	107,742	104,143	(3,599)
Other expenses	36,690	36,690	30,258	(6,432)
Total code enforcement	144,432	144,432	134,401	(10,031)
<b>Finance</b>				
Personal services	340,073	340,073	324,148	(15,925)
Other expenses	43,955	48,955	42,923	(6,032)
Total finance	384,028	389,028	367,071	(21,957)
<b>Income Tax</b>				
Personal services	165,672	165,672	156,541	(9,131)
Other expenses	47,860	47,860	32,558	(15,302)
Total income tax	213,532	213,532	189,099	(24,433)
<b>Human Resources</b>				
Personal services	113,633	113,633	112,568	(1,065)
Other expenses	73,695	76,695	66,694	(10,001)
Total human resources	187,328	190,328	179,262	(11,066)

See accompanying notes to the required supplementary information.

City of Centerville  
Required Supplementary Information  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
General Fund - Continued  
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>Legal</b>				
Personal services	-	-	-	-
Other expenses	394,550	434,550	375,089	(59,461)
Total legal	394,550	434,550	375,089	(59,461)
<b>Planning</b>				
Personal services	285,183	285,183	261,922	(23,261)
Other expenses	21,670	21,670	13,507	(8,163)
Total planning	306,853	306,853	275,429	(31,424)
<b>General Government</b>				
Personal services	110,381	120,381	107,758	(12,623)
Other expenses	4,096,345	4,480,245	4,387,158	(93,087)
Total general government	4,206,726	4,600,626	4,494,916	(105,710)
<b>Municipal Building</b>				
Personal services	-	-	-	-
Other expenses	85,050	85,050	74,597	(10,453)
Total municipal building	85,050	85,050	74,597	(10,453)
<b>Inspection</b>				
Personal services	236,549	236,549	227,718	(8,831)
Other expenses	36,000	55,000	44,538	(10,462)
Total inspection	272,549	291,549	272,256	(19,293)
<b>Engineering</b>				
Personal services	361,003	363,003	353,699	(9,304)
Other expenses	33,240	33,240	26,285	(6,955)
Total engineering	394,243	396,243	379,984	(16,259)
<b>Public Works Administration</b>				
Personal services	274,657	274,657	266,174	(8,483)
Other expenses	101,095	106,095	93,760	(12,335)
Total public works administration	375,752	380,752	359,934	(20,818)
<b>Police</b>				
Personal services	5,294,567	5,294,567	5,102,239	(192,328)
Other expenses	962,620	962,620	1,006,356	43,736
Total police	6,257,187	6,257,187	6,108,595	(148,592)
<b>Sister City Committee</b>				
Personal services	-	-	-	-
Other expenses	5,350	5,350	4,453	(897)
Total sister city committee	5,350	5,350	4,453	(897)
<b>Arts Commission</b>				
Personal services	44,601	47,601	46,140	(1,461)
Other expenses	47,100	47,100	44,504	(2,596)
Total arts commission	91,701	94,701	90,644	(4,057)

See accompanying notes to the required supplementary information.

City of Centerville  
Required Supplementary Information  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
General Fund - Continued  
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
City Beautiful Commission				
Personal services	-	-	-	-
Other expenses	12,400	12,400	6,192	(6,208)
Total city beautiful commission	12,400	12,400	6,192	(6,208)
Benham's Grove				
Personal services	129,968	133,968	132,797	(1,171)
Other expenses	89,350	89,350	70,259	(19,091)
Total Benham's Grove	219,318	223,318	203,056	(20,262)
Stubbs Park				
Personal services	-	-	-	-
Other expenses	232,375	232,375	165,030	(67,345)
Total Stubbs Park	232,375	232,375	165,030	(67,345)
Total Expenses	14,686,969	15,194,869	14,591,006	(603,863)
Excess (deficiency) of revenues over expenditures	438,533	(69,367)	1,541,680	1,611,047
Other financing sources (uses):				
Sale of fixed assets	-	-	-	-
Proceeds from sale of bonds	-	-	-	-
Advances in	-	-	-	-
Advances out	-	-	-	-
Operating transfers in	-	-	-	-
Transfers (out)	(2,850,000)	(2,850,000)	(2,797,500)	52,500
Total other financing sources (uses)	(2,850,000)	(2,850,000)	(2,797,500)	52,500
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(2,411,467)	(2,919,367)	(1,255,820)	1,663,547
Fund balance at beginning of year	7,720,492	7,720,492	7,720,492	-
Fund balance at end of year	<u>\$ 5,309,025</u>	<u>\$ 4,801,125</u>	<u>\$ 6,464,672</u>	<u>\$ 1,663,547</u>

See accompanying notes to the required supplementary information.

City of Centerville  
 Required Supplementary Information  
 Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
 Budget and Actual - Budgetary (Non-GAAP) Basis  
 Street Construction and Maintenance Fund  
 For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ 967,000	\$ 967,000	\$ 964,806	\$ (2,194)
Charges for services	2,000	2,000	3,761	1,761
Interest earned	15,000	15,000	8,193	(6,807)
Miscellaneous and reimbursements	3,400	3,400	4,115	715
Total revenues	<u>987,400</u>	<u>987,400</u>	<u>980,875</u>	<u>(6,525)</u>
Expenditures:				
Current:				
Transportation				
Personal services	-	-	-	-
Other expenses	<u>2,024,737</u>	<u>2,264,737</u>	<u>2,115,922</u>	<u>148,815</u>
Total transportation	<u>2,024,737</u>	<u>2,264,737</u>	<u>2,115,922</u>	<u>148,815</u>
Excess (deficiency) of revenues over expenditures	(1,037,337)	(1,277,337)	(1,135,047)	142,290
Other financing sources (uses):				
Transfers in	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>	-
Total other financing sources (uses)	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(137,337)	(377,337)	(235,047)	142,290
Fund balance at beginning of year	<u>385,594</u>	<u>385,594</u>	<u>385,594</u>	-
Fund balance at end of year	<u>\$ 248,257</u>	<u>\$ 8,257</u>	<u>\$ 150,547</u>	<u>\$ 142,290</u>

See accompanying notes to the required supplementary information.



**City of Centerville, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Year Ended December 31, 2008**

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**NOTE 1 – BASIS OF BUDGETING**

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

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

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

**NOTE 2 - BUDGETARY PROCESS**

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

- (1) The County Budget Commission has suspended the requirement to prepare a tax budget. In lieu of the tax budget, about January 1 of each year, the City will submit to the Budget Commission a report of estimated revenue and actual unencumbered cash balances by fund. Thereafter, the County Budget Commission will issue an Official Certificate of Estimated Resources.
- (2) Unencumbered appropriations lapse at year-end. No contract, agreement or other obligation involving the expenditure of money shall be entered into unless the Director of Finance first certifies that the money required for such contract, agreement, obligation or expenditure is in the treasury, or is anticipated to come into the treasury, before the maturity of such contract.

- (3) All funds of the City have annual budgets legally adopted by the City Council. The exception is that when the City receives federal or state grant funds to aid in paying the cost of any program, activity, or function of the City, the amount received is deemed appropriated for such purpose.

The City Manager acts as budget officer for the City and submits a proposed operating budget to the City Council on an annual basis. Public hearings are held to obtain taxpayer comments. The Council enacts the budget through passage of an ordinance. The appropriations ordinance controls expenditures at the department level, which is broken out between personal services and other expenses. The appropriation measure may only be amended or supplemented during the year by ordinance of the City Council. The allocation of appropriations among departments and objects within a fund may be modified with approval of the City Manager. Appropriations may not exceed estimated resources. During the year, supplemental appropriations were made. The appropriations and estimated revenue reported within the Schedule of Revenue, Expenditure, and Changes in Fund Balance – Budget and Actual – Budgetary (Non-GAAP) Basis reflect the final appropriations and estimated revenues as approved by City Council and the County Budget Commission, respectively, at December 31, 2008.

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

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

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

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

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

**Net Change in Fund Balance**

	General	Street Construction and Maintenance
GAAP Basis	\$1,780,054	(\$222,590)
Net Adjustment for Revenue Accruals	(59,293)	6,637
Net Adjustment for Expenditure Accruals	(2,766,569)	(2,767)
Encumbrances	(210,012)	(16,327)
Budget Basis	(\$1,255,820)	(\$235,047)



**COMBINING  
STATEMENTS  
and  
INVIDIVUDAL  
FUND SCHEDULES**



## City of Centerville Fund Descriptions

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### Non-Major Special Revenue Funds

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

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

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

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

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

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

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

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

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

## City of Centerville Fund Descriptions

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### Non-Major Debt Service Funds

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

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

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

### Non-Major Capital Projects Funds

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

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

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

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

## City of Centerville Fund Descriptions

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### Non-Major Enterprise Fund

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises for which 1) the intent of the government's legislative body is that goods or services provided to the general public on a continuing basis be financed or recovered primarily through user charges, or 2) the government's legislative body has decided that periodic determination of net income is appropriate for accountability purposes.

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

### Internal Service Funds

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

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

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

### Agency Fund

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

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



City of Centerville, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$459,624	\$1,212,626	\$719,073	\$2,391,323
Receivables (Net):				
Intergovernmental	68,228	0	0	68,228
<b>Total Assets</b>	<b>527,852</b>	<b>1,212,626</b>	<b>719,073</b>	<b>2,459,551</b>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	506	0	10,110	10,616
Deferred Revenue	55,531	0	0	55,531
<b>Total Liabilities</b>	<b>56,037</b>	<b>0</b>	<b>10,110</b>	<b>66,147</b>
Fund Balances:				
Reserved for Encumbrances	0	0	36,520	36,520
Reserved for Debt Service	0	1,212,626	0	1,212,626
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	471,815	0	0	471,815
Capital Projects Funds	0	0	672,443	672,443
<b>Total Fund Balances</b>	<b>471,815</b>	<b>1,212,626</b>	<b>708,963</b>	<b>2,393,404</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$527,852</b>	<b>\$1,212,626</b>	<b>\$719,073</b>	<b>\$2,459,551</b>

City of Centerville, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2008

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	State Highway	Permissive Tax	Law Enforcement	Enforcement and Education
Assets:				
Equity in Pooled Cash and Investments	\$106,081	\$14,501	\$160,308	\$29,276
Receivables (Net):				
Intergovernmental	44,539	23,614	0	75
Total Assets	<u>150,620</u>	<u>38,115</u>	<u>160,308</u>	<u>29,351</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	0	0	0	45
Deferred Revenue	31,917	23,614	0	0
Total Liabilities	<u>31,917</u>	<u>23,614</u>	<u>0</u>	<u>45</u>
Fund Balances:				
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	118,703	14,501	160,308	29,306
Total Fund Balances	<u>118,703</u>	<u>14,501</u>	<u>160,308</u>	<u>29,306</u>
Total Liabilities and Fund Balances	<u>\$150,620</u>	<u>\$38,115</u>	<u>\$160,308</u>	<u>\$29,351</u>

Drug Law	Friends of Benham's Grove	Hospital Insurance	Police Operations Project	Total Nonmajor Special Revenue Funds
\$942	\$11,822	\$70,489	\$66,205	\$459,624
0	0	0	0	68,228
942	11,822	70,489	66,205	527,852
0	461	0	0	506
0	0	0	0	55,531
0	461	0	0	56,037
942	11,361	70,489	66,205	471,815
942	11,361	70,489	66,205	471,815
\$942	\$11,822	\$70,489	\$66,205	\$527,852

City of Centerville, Ohio  
 Combining Balance Sheet  
 Nonmajor Debt Service Funds  
 December 31, 2008

	Unvoted Debt Retirement	Golf Course Debt Retirement	Total Nonmajor Debt Service Funds
Assets:			
Equity in Pooled Cash and Investments	\$15,647	\$1,196,979	\$1,212,626
Total Assets	<u>15,647</u>	<u>1,196,979</u>	<u>1,212,626</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:			
Reserved for Debt Service	<u>15,647</u>	<u>1,196,979</u>	<u>1,212,626</u>
Total Fund Balances	<u>15,647</u>	<u>1,196,979</u>	<u>1,212,626</u>
Total Liabilities and Fund Balances	<u>\$15,647</u>	<u>\$1,196,979</u>	<u>\$1,212,626</u>

City of Centerville, Ohio  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2008

	Recreational Projects	Capital Equipment Purchase	Special Assessment Improvements	Total Nonmajor Capital Projects Funds
Assets:				
Equity in Pooled Cash and Investments	\$11,669	\$198,754	\$508,650	\$719,073
Total Assets	<u>11,669</u>	<u>198,754</u>	<u>508,650</u>	<u>719,073</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	0	10,110	0	10,110
Total Liabilities	<u>0</u>	<u>10,110</u>	<u>0</u>	<u>10,110</u>
Fund Balances:				
Reserved for Encumbrances	0	36,520	0	36,520
Unreserved, Undesignated, Reported in: Capital Projects Funds	11,669	152,124	508,650	672,443
Total Fund Balances	<u>11,669</u>	<u>188,644</u>	<u>508,650</u>	<u>708,963</u>
Total Liabilities and Fund Balances	<u>\$11,669</u>	<u>\$198,754</u>	<u>\$508,650</u>	<u>\$719,073</u>

City of Centerville, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Fines, Licenses & Permits	\$1,475	\$0	\$0	\$1,475
Investment Earnings	12,983	72,477	42,771	128,231
Intergovernmental	126,485	0	0	126,485
Rent	0	824,253	0	824,253
Other Revenues	66,766	0	0	66,766
<b>Total Revenues</b>	<b>207,709</b>	<b>896,730</b>	<b>42,771</b>	<b>1,147,210</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	19,093	0	0	19,093
Public Safety	11,311	0	0	11,311
Recreation	9,923	0	0	9,923
Transportation	77,405	0	0	77,405
Capital Outlay	155,000	0	288,696	443,696
<b>Debt Service:</b>				
Principal	0	808,861	0	808,861
Interest and Other Charges	0	733,185	0	733,185
<b>Total Expenditures</b>	<b>272,732</b>	<b>1,542,046</b>	<b>288,696</b>	<b>2,103,474</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(65,023)</b>	<b>(645,316)</b>	<b>(245,925)</b>	<b>(956,264)</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	0	1,060	20,765	21,825
Transfers In	0	300,000	250,000	550,000
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>301,060</b>	<b>270,765</b>	<b>571,825</b>
<b>Net Change in Fund Balance</b>	<b>(65,023)</b>	<b>(344,256)</b>	<b>24,840</b>	<b>(384,439)</b>
<b>Fund Balance Beginning of Year</b>	<b>536,838</b>	<b>1,556,882</b>	<b>684,123</b>	<b>2,777,843</b>
<b>Fund Balance End of Year</b>	<b>\$471,815</b>	<b>\$1,212,626</b>	<b>\$708,963</b>	<b>\$2,393,404</b>



City of Centerville, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended December 31, 2008

	State Highway	Permissive Tax	Law Enforcement	Enforcement and Education
Revenues:				
Fines, Licenses & Permits	\$0	\$0	\$0	\$1,475
Investment Earnings	2,725	2,404	2,925	748
Intergovernmental	77,600	48,885	0	0
Other Revenues	0	0	58,135	6,557
<b>Total Revenues</b>	<b>80,325</b>	<b>51,289</b>	<b>61,060</b>	<b>8,780</b>
Expenditures:				
Current:				
General Government	0	0	0	0
Public Safety	0	0	2,750	8,561
Recreation	0	0	0	0
Transportation	77,405	0	0	0
Capital Outlay	0	155,000	0	0
<b>Total Expenditures</b>	<b>77,405</b>	<b>155,000</b>	<b>2,750</b>	<b>8,561</b>
Net Change in Fund Balance	2,920	(103,711)	58,310	219
Fund Balance Beginning of Year	115,783	118,212	101,998	29,087
<b>Fund Balance End of Year</b>	<b>\$118,703</b>	<b>\$14,501</b>	<b>\$160,308</b>	<b>\$29,306</b>



Drug Law	Friends of Benham's Grove	Hospital Insurance	Police Operations Project	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$1,475
24	422	2,092	1,643	12,983
0	0	0	0	126,485
0	2,074	0	0	66,766
24	2,496	2,092	1,643	207,709
0	0	19,093	0	19,093
0	0	0	0	11,311
0	9,923	0	0	9,923
0	0	0	0	77,405
0	0	0	0	155,000
0	9,923	19,093	0	272,732
24	(7,427)	(17,001)	1,643	(65,023)
918	18,788	87,490	64,562	536,838
<u>\$942</u>	<u>\$11,361</u>	<u>\$70,489</u>	<u>\$66,205</u>	<u>\$471,815</u>

City of Centerville  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
State Highway Fund  
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ 79,000	\$ 79,000	\$ 78,228	\$ (772)
Interest earned	<u>4,000</u>	<u>4,000</u>	<u>2,725</u>	<u>(1,275)</u>
Total revenues	83,000	83,000	80,953	(2,047)
Expenditures:				
Transportation				
Personal services	-	-	-	-
Other expenses	<u>90,839</u>	<u>115,839</u>	<u>85,792</u>	<u>30,047</u>
Total expenditures	90,839	115,839	85,792	30,047
Excess (deficiency) of revenues over expenditures	(7,839)	(32,839)	(4,839)	28,000
Fund balance at beginning of year	<u>83,305</u>	<u>83,305</u>	<u>83,305</u>	<u>-</u>
Fund balance at end of year	<u>\$ 75,466</u>	<u>\$ 50,466</u>	<u>\$ 78,466</u>	<u>\$ 28,000</u>

City of Centerville  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Permissive Tax Fund  
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ 149,000	\$ 149,000	\$ 159,854	\$ 10,854
Interest earned	<u>2,500</u>	<u>2,500</u>	<u>2,404</u>	<u>(96)</u>
Total revenues	151,500	151,500	162,258	10,758
Expenditures:				
General Government				
Personal services	-	-	-	-
Other expenses	<u>155,000</u>	<u>155,000</u>	<u>155,000</u>	<u>-</u>
Total expenditures	155,000	155,000	155,000	-
Excess (deficiency) of revenues over expenditures	(3,500)	(3,500)	7,258	10,758
Fund balance at beginning of year	<u>13,861</u>	<u>13,861</u>	<u>13,861</u>	<u>-</u>
Fund balance at end of year	<u>\$ 10,361</u>	<u>\$ 10,361</u>	<u>\$ 21,119</u>	<u>\$ 10,758</u>

City of Centerville  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Law Enforcement Fund  
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 4,000	\$ 4,000	\$ 2,925	\$ (1,075)
Miscellaneous and reimbursements	<u>3,000</u>	<u>3,000</u>	<u>58,136</u>	<u>55,136</u>
Total revenues	7,000	7,000	61,061	54,061
Expenditures:				
Public Safety				
Personal services	-	-	-	-
Other expenses	<u>6,250</u>	<u>6,250</u>	<u>2,750</u>	<u>3,500</u>
Total expenditures	6,250	6,250	2,750	3,500
Excess (deficiency) of revenues over expenditures	750	750	58,311	57,561
Fund balance at beginning of year	<u>95,454</u>	<u>95,454</u>	<u>95,454</u>	<u>-</u>
Fund balance at end of year	<u>\$ 96,204</u>	<u>\$ 96,204</u>	<u>\$ 153,765</u>	<u>\$ 57,561</u>

City of Centerville  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Enforcement and Education Fund  
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, licenses, and permits	\$ 1,000	\$ 1,000	\$ 1,675	\$ 675
Interest earned	1,700	1,700	748	(952)
Miscellaneous and reimbursements	<u>7,000</u>	<u>7,000</u>	<u>6,558</u>	<u>(442)</u>
Total revenues	9,700	9,700	8,981	(719)
Expenditures:				
Public Safety				
Personal services	-	-	-	-
Other expenses	<u>11,450</u>	<u>11,450</u>	<u>8,529</u>	<u>2,921</u>
Total expenditures	11,450	11,450	8,529	2,921
Excess (deficiency) of revenues over expenditures	(1,750)	(1,750)	452	2,202
Fund balance at beginning of year	<u>25,430</u>	<u>25,430</u>	<u>25,430</u>	<u>-</u>
Fund balance at end of year	<u>\$ 23,680</u>	<u>\$ 23,680</u>	<u>\$ 25,882</u>	<u>\$ 2,202</u>

City of Centerville  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Drug Law Fund  
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 40	\$ 40	\$ 24	\$ (16)
Total revenues	40	40	24	(16)
Expenditures:				
Public Safety				
Personal services	-	-	-	-
Other expenses	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	40	40	24	(16)
Fund balance at beginning of year	865	865	865	-
Fund balance at end of year	\$ 905	\$ 905	\$ 889	\$ (16)

City of Centerville  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Friends of Benham's Grove Fund  
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 750	\$ 750	\$ 422	\$ (328)
Miscellaneous and reimbursements	13,300	13,300	2,075	(11,225)
Total revenues	14,050	14,050	2,497	(11,553)
Expenditures:				
Recreation				
Personal services	-	-	-	-
Other expenses	21,800	16,800	9,923	6,877
Total expenditures	21,800	16,800	9,923	6,877
Excess (deficiency) of revenues over expenditures	(7,750)	(2,750)	(7,426)	(4,676)
Fund balance at beginning of year	19,217	19,217	19,217	-
Fund balance at end of year	\$ 11,467	\$ 16,467	\$ 11,791	\$ (4,676)

City of Centerville  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Hospital Insurance Fund  
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 4,000	\$ 4,000	\$ 2,092	\$ (1,908)
Total revenues	4,000	4,000	2,092	(1,908)
Expenditures:				
General Government				
Personal services	-	-	-	-
Other expenses	20,000	20,000	19,093	907
Total expenditures	20,000	20,000	19,093	907
Excess (deficiency) of revenues over expenditures	(16,000)	(16,000)	(17,001)	(1,001)
Fund balance at beginning of year	101,135	101,135	101,135	-
Fund balance at end of year	\$ 85,135	\$ 85,135	\$ 84,134	\$ (1,001)

City of Centerville  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Police Operations Project Fund  
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 2,500	\$ 2,500	\$ 1,643	\$ (857)
Total revenues	2,500	2,500	1,643	(857)
Expenditures:				
Public Safety				
Personal services	-	-	-	-
Other expenses	2,000	2,000	-	2,000
Total expenditures	2,000	2,000	-	2,000
Excess (deficiency) of revenues over expenditures	500	500	1,643	1,143
Fund balance at beginning of year	62,272	62,272	62,272	-
Fund balance at end of year	\$ 62,772	\$ 62,772	\$ 63,915	\$ 1,143

City of Centerville, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Debt Service Funds  
For the Fiscal Year Ended December 31, 2008

	Unvoted Debt Retirement	Golf Course Debt Retirement	Total Nonmajor Debt Service Funds
Revenues:			
Investment Earnings	\$1,735	\$70,742	\$72,477
Rent	0	824,253	824,253
Total Revenues	<u>1,735</u>	<u>894,995</u>	<u>896,730</u>
Expenditures:			
Current:			
Debt Service:			
Principal	93,861	715,000	808,861
Interest and Other Charges	44,135	689,050	733,185
Total Expenditures	<u>137,996</u>	<u>1,404,050</u>	<u>1,542,046</u>
Excess of Revenues Over (Under) Expenditures	<u>(136,261)</u>	<u>(509,055)</u>	<u>(645,316)</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	0	1,060	1,060
Transfers In	125,000	175,000	300,000
Total Other Financing Sources (Uses)	<u>125,000</u>	<u>176,060</u>	<u>301,060</u>
Net Change in Fund Balance	(11,261)	(332,995)	(344,256)
Fund Balance Beginning of Year	26,908	1,529,974	1,556,882
Fund Balance End of Year	<u>\$15,647</u>	<u>\$1,196,979</u>	<u>\$1,212,626</u>

City of Centerville  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Unvoted Debt Retirement Fund  
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 3,000	\$ 3,000	\$ 1,735	\$ (1,265)
Total revenues	3,000	3,000	1,735	(1,265)
Expenditures:				
Debt service:				
Principal	95,000	95,000	93,861	1,139
Interest and fiscal charges	47,865	47,865	44,135	3,730
Total expenditures	142,865	142,865	137,996	4,869
Excess (deficiency) of revenues over expenditures	(139,865)	(139,865)	(136,261)	3,604
Other financing sources (uses):				
Transfers in	125,000	125,000	125,000	-
Total other financing sources (uses)	125,000	125,000	125,000	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(14,865)	(14,865)	(11,261)	3,604
Fund balance at beginning of year	22,605	22,605	22,605	-
Fund balance at end of year	\$ 7,740	\$ 7,740	\$ 11,344	\$ 3,604

City of Centerville  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Golf Course Debt Retirement Fund  
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 70,000	\$ 70,000	\$ 81,552	\$ 11,552
Sale of property	-	-	1,060	1,060
Rent	824,258	824,258	824,253	(5)
Total revenues	894,258	894,258	906,865	12,607
Expenditures:				
Debt service:				
Principal	690,000	690,000	690,000	-
Interest and fiscal charges	704,621	704,621	704,619	2
Total expenditures	1,394,621	1,394,621	1,394,619	2
Excess (deficiency) of revenues over expenditures	(500,363)	(500,363)	(487,754)	12,609
Other financing sources (uses):				
Operating transfers in	175,000	175,000	175,000	-
Total other financing sources (uses)	175,000	175,000	175,000	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(325,363)	(325,363)	(312,754)	12,609
Fund balance at beginning of year	1,858,880	1,858,880	1,858,880	-
Fund balance at end of year	\$ 1,533,517	\$ 1,533,517	\$ 1,546,126	\$ 12,609

City of Centerville  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Special Assessment Debt Retirement Fund  
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 621,043	\$ 621,043	\$ 629,636	\$ 8,593
Interest earned	15,000	15,000	15,026	26
Total revenues	636,043	636,043	644,662	8,619
Expenditures:				
General Government				
Personal services	-	-	-	-
Other expenses	32,500	32,500	31,449	1,051
Debt service:				
Principal	172,000	199,000	199,000	-
Interest and fiscal charges	378,708	378,708	378,708	-
Total expenditures	583,208	610,208	609,157	1,051
Excess (deficiency) of revenues over expenditures	52,835	25,835	35,505	9,670
Fund balance at beginning of year	210,315	210,315	210,315	-
Fund balance at end of year	\$ 263,150	\$ 236,150	\$ 245,820	\$ 9,670



City of Centerville, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended December 31, 2008

	Recreational Projects	Capital Equipment Purchase	Special Assessment Improvements	Total Nonmajor Capital Projects Funds
Revenues:				
Investment Earnings	\$631	\$4,544	\$37,596	\$42,771
Total Revenues	631	4,544	37,596	42,771
Expenditures:				
Current:				
Capital Outlay	16,130	272,104	462	288,696
Total Expenditures	16,130	272,104	462	288,696
Excess of Revenues Over (Under) Expenditures	(15,499)	(267,560)	37,134	(245,925)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	20,765	0	20,765
Transfers In	0	250,000	0	250,000
Total Other Financing Sources (Uses)	0	270,765	0	270,765
Net Change in Fund Balance	(15,499)	3,205	37,134	24,840
Fund Balance Beginning of Year	27,168	185,439	471,516	684,123
Fund Balance End of Year	\$11,669	\$188,644	\$508,650	\$708,963

City of Centerville  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Capital Improvements Fund  
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 1,279,170	\$ 1,279,170	\$ 748,255	\$ (530,915)
Interest earned	450,000	450,000	347,877	(102,123)
Miscellaneous and reimbursements	-	-	25,255	25,255
Total revenues	<u>1,729,170</u>	<u>1,729,170</u>	<u>1,121,387</u>	<u>(607,783)</u>
Expenditures:				
General Government				
Personal services	-	-	-	-
Other expenses	<u>11,639,839</u>	<u>7,139,839</u>	<u>4,956,249</u>	<u>2,183,590</u>
Total expenditures	<u>11,639,839</u>	<u>7,139,839</u>	<u>4,956,249</u>	<u>2,183,590</u>
Excess (deficiency) of revenues over expenditures	(9,910,669)	(5,410,669)	(3,834,862)	1,575,807
Other financing sources (uses):				
Transfers in	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>	-
Total other financing sources (uses)	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(8,660,669)	(4,160,669)	(2,584,862)	1,575,807
Fund balance at beginning of year	<u>9,770,011</u>	<u>9,770,011</u>	<u>9,770,011</u>	-
Fund balance at end of year	<u>\$ 1,109,342</u>	<u>\$ 5,609,342</u>	<u>\$ 7,185,149</u>	<u>\$ 1,575,807</u>

City of Centerville  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Recreational Projects Fund  
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 3,166	\$ 3,166	\$ 631	\$ (2,535)
Miscellaneous	-	-	-	-
Total revenues	<u>3,166</u>	<u>3,166</u>	<u>631</u>	<u>(2,535)</u>
Expenditures:				
General Government				
Personal services	-	-	-	-
Other expenses	<u>30,000</u>	<u>20,000</u>	<u>16,130</u>	<u>3,870</u>
Total expenditures	<u>30,000</u>	<u>20,000</u>	<u>16,130</u>	<u>3,870</u>
Excess (deficiency) of revenues over expenditures	(26,834)	(16,834)	(15,499)	1,335
Fund balance at beginning of year	<u>117,814</u>	<u>117,814</u>	<u>117,814</u>	-
Fund balance at end of year	<u>\$ 90,980</u>	<u>\$ 100,980</u>	<u>\$ 102,315</u>	<u>\$ 1,335</u>

City of Centerville  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Capital Equipment Purchase Fund  
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 5,000	\$ 5,000	\$ 4,544	\$ (456)
Total revenues	5,000	5,000	4,544	(456)
Expenditures:				
General Government				
Personal services	-	-	-	-
Other expenses	372,774	372,774	314,880	57,894
Total expenditures	372,774	372,774	314,880	57,894
Excess (deficiency) of revenues over expenditures	(367,774)	(367,774)	(310,336)	57,438
Other financing sources (uses):				
Sale of capital assets	-	-	-	-
Transfers in	250,000	250,000	250,000	-
Total other financing sources (uses)	250,000	250,000	250,000	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(117,774)	(117,774)	(60,336)	57,438
Fund balance at beginning of year	137,904	137,904	137,904	-
Fund balance at end of year	\$ 20,130	\$ 20,130	\$ 77,568	\$ 57,438

City of Centerville  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Special Assessment Improvements Fund  
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 20,000	\$ 20,000	\$ 22,751	\$ 2,751
Total revenues	20,000	20,000	22,751	2,751
Expenditures:				
General Government				
Personal services	-	-	-	-
Other expenses	-	5,000	462	4,538
Total expenditures	-	5,000	462	4,538
Excess (deficiency) of revenues over expenditures	20,000	15,000	22,289	7,289
Fund balance at beginning of year	467,232	467,232	467,232	-
Fund balance at end of year	\$ 487,232	\$ 482,232	\$ 489,521	\$ 7,289

City of Centerville, Ohio  
Combining Statement of Net Assets  
Internal Service Funds  
December 31, 2008

	Central Vehicle Purchase	Insurance Deductible	Total Internal Service Funds
Current Assets:			
Equity in Pooled Cash and Investments	\$940,759	\$154,982	\$1,095,741
Receivables (Net):			
Accounts	0	539	539
Total Current Assets	940,759	155,521	1,096,280
Depreciable Capital Assets, Net	948,710	0	948,710
Total Assets	1,889,469	155,521	2,044,990
Liabilities:			
Current Liabilities:			
Accounts Payable	0	6,093	6,093
Total Liabilities	0	6,093	6,093
Net Assets:			
Invested in Capital Assets, Net of Related Debt	948,710	0	948,710
Unrestricted	940,759	149,428	1,090,187
Total Net Assets	\$1,889,469	\$149,428	\$2,038,897

City of Centerville, Ohio  
Combining Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Internal Service Funds  
For the Fiscal Year Ended December 31, 2008

	Central Vehicle Purchase	Insurance Deductible	Total Internal Service Funds
Operating Revenues:			
Charges for Services	\$310,800	\$0	\$310,800
Other Revenues	0	10,928	10,928
Total Operating Revenues	<u>310,800</u>	<u>10,928</u>	<u>321,728</u>
Operating Expenses:			
Purchased Services	0	13,013	13,013
Supplies and Materials	9,382	0	9,382
Other Expenses	0	50,127	50,127
Depreciation	270,470	0	270,470
Total Operating Expenses	<u>279,852</u>	<u>63,140</u>	<u>342,992</u>
Operating Income (Loss)	<u>30,948</u>	<u>(52,212)</u>	<u>(21,264)</u>
Non-Operating Revenues (Expenses):			
Investment Earnings	52,600	4,262	56,862
Gain (Loss) on Disposal of Capital Assets	(19)	0	(19)
Total Non-Operating Revenues (Expenses)	<u>52,581</u>	<u>4,262</u>	<u>56,843</u>
Change in Net Assets	83,529	(47,950)	35,579
Net Assets Beginning of Year	<u>1,805,940</u>	<u>197,378</u>	<u>2,003,318</u>
Net Assets End of Year	<u>\$1,889,469</u>	<u>\$149,428</u>	<u>\$2,038,897</u>

City of Centerville, Ohio  
Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended December 31, 2008

	Central Vehicle Purchase	Insurance Deductible	Total Internal Service Funds
Cash Flows from Operating Activities:			
Cash Received from Customers	\$310,800	\$13,503	\$324,303
Cash Payments to Suppliers	(95,727)	(57,047)	(152,774)
Net Cash Provided (Used) by Operating Activities	<u>215,073</u>	<u>(43,544)</u>	<u>171,529</u>
Cash Flows from Capital and Related Financing Activities:			
Payments for Capital Acquisitions	(601,384)	0	(601,384)
Gain (Loss) on Disposal of Capital Assets	29,045	0	29,045
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(572,339)</u>	<u>0</u>	<u>(572,339)</u>
Cash Flows from Investing Activities:			
Earnings on Investments	54,425	4,262	58,687
Net Cash Provided (Used) by Cash Flows from Investing Activities	<u>54,425</u>	<u>4,262</u>	<u>58,687</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(302,841)	(39,282)	(342,123)
Cash and Cash Equivalents Beginning of Year	1,243,600	194,264	1,437,864
Cash and Cash Equivalents End of Year	<u>940,759</u>	<u>154,982</u>	<u>1,095,741</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	30,948	(52,212)	(21,264)
Adjustments:			
Depreciation	270,470	0	270,470
Changes in Assets & Liabilities:			
(Increase) Decrease in Receivables	0	2,575	2,575
Increase (Decrease) in Payables	(86,345)	6,093	(80,252)
Net Cash Provided (Used) by Operating Activities	<u>\$215,073</u>	<u>(\$43,544)</u>	<u>\$171,529</u>

City of Centerville, Ohio  
Statement of Changes In Assets and Liabilities  
Agency Fund  
For the Fiscal Year Ended December 31, 2008

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	Agency Fund			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$126,843	\$266,876	\$277,757	\$115,962
Receivables (Net):				
Intergovernmental	0	318,201	0	318,201
Total Assets	<u>126,843</u>	<u>585,077</u>	<u>277,757</u>	<u>434,163</u>
Liabilities:				
Undistributed Monies	<u>126,843</u>	<u>585,077</u>	<u>277,757</u>	<u>434,163</u>
Total Liabilities	<u>\$126,843</u>	<u>\$585,077</u>	<u>\$277,757</u>	<u>\$434,163</u>





**STATISTICAL  
SECTION**



# CITY OF CENTERVILLE, OHIO

## Statistical Section December 31, 2008

This part of the City of Centerville'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**

### **Page**

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

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

92 - 96

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

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

97 - 98

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

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

99 - 100

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

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

101 - 102

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

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

103 - 105

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

**CITY OF CENTERVILLE, OHIO**

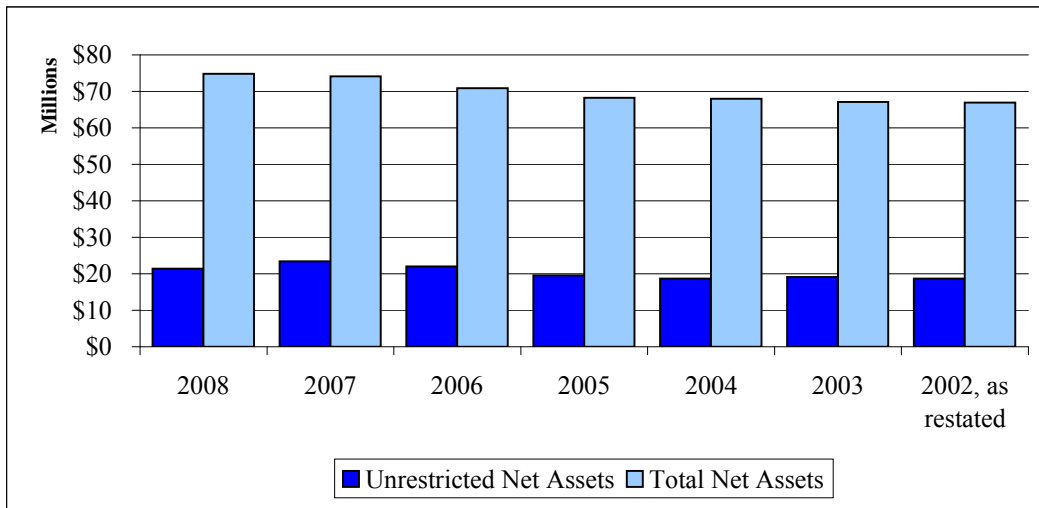
*Schedule 1*

Net Assets by Component

Last Seven Years (*accrual basis of accounting*)

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

**Note:** Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted when (1) an external party, such as the state or federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the city.



**CITY OF CENTERVILLE, OHIO**

*Schedule 2*

Changes in Net Assets

Last Seven Years (*accrual basis of accounting*)

**Year Ended December 31,**

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

**CITY OF CENTERVILLE, OHIO**

Changes in Net Assets  
Last Seven Years

*Schedule 2*  
*(continued)*

**Year Ended December 31,**

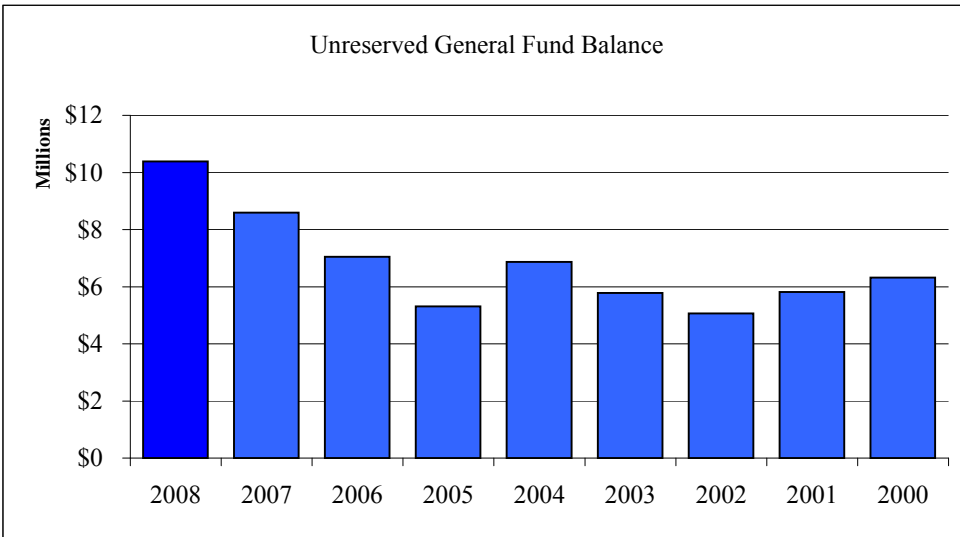
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002,</u> <u>as restated</u>
<b>Net (Expense) Revenue</b>							
Governmental activities:							
General government	\$ (3,159,007)	\$ (3,090,710)	\$ (3,038,499)	\$ (3,605,046)	\$ (3,194,896)	\$ (4,183,895)	\$ (2,927,825)
Public safety	(6,512,550)	(5,709,472)	(5,476,638)	(5,221,508)	(5,052,992)	(4,858,789)	(6,173,234)
Community environment	(279,440)	(269,632)	(258,913)	(236,756)	(24,515)	(126,419)	(202,740)
Recreation	(208,538)	(185,754)	(244,852)	(209,011)	(187,606)	(215,080)	(120,494)
Transportation	(2,661,124)	(2,239,696)	(2,363,386)	(2,105,615)	(2,012,795)	(2,055,654)	(1,922,127)
Cost of lots	-	-	-	-	-	-	(171,111)
Interest on long-term debt	(1,166,734)	(1,180,046)	(1,207,117)	(1,233,977)	(1,260,351)	(1,058,305)	(1,427,377)
Total governmental activities	<u>(13,987,393)</u>	<u>(12,675,310)</u>	<u>(12,589,405)</u>	<u>(12,611,913)</u>	<u>(11,733,155)</u>	<u>(12,498,142)</u>	<u>(12,944,908)</u>
Business-type activities:							
Waste collection	51,049	104,466	122,339	(185,660)	(144,499)	(149,274)	(62,426)
Golf course operations	(435,961)	(231,463)	(607,375)	(487,582)	(480,941)	(423,756)	(373,286)
Yankee Trace equipment purchase	124,866	(33,157)	(20,597)	1,989	(42,561)	(6,707)	(18,465)
Total business-type activities	<u>(260,046)</u>	<u>(160,154)</u>	<u>(505,633)</u>	<u>(671,253)</u>	<u>(668,001)</u>	<u>(579,737)</u>	<u>(454,177)</u>
Total	<u>\$ (14,247,439)</u>	<u>\$ (12,835,464)</u>	<u>\$ (13,095,038)</u>	<u>\$ (13,283,166)</u>	<u>\$ (12,401,156)</u>	<u>\$ (13,077,879)</u>	<u>\$ (13,399,085)</u>
<b>General Revenues and Other Changes in Net Assets</b>							
Governmental activities:							
Taxes:							
Income taxes	10,727,974	10,631,431	10,173,958	10,166,320	9,590,830	9,236,374	8,879,241
Property taxes	1,408,488	1,425,970	1,412,800	1,219,582	1,135,886	1,284,929	1,091,953
Estate taxes	1,797,828	1,372,484	1,361,063	843,903	983,949	963,872	1,268,383
Grants and contributions not restricted to a specific program	828,058	970,556	900,997	875,005	870,889	943,425	843,798
Investment earnings	843,798	1,317,758	950,724	367,854	546,099	131,640	717,046
Gain on sale/disposal of capital assets	-	2,400	65,752	84,359	58,970	600,529	865,775
Miscellaneous	112,576	288,719	41,404	38,889	11,861	116,076	120,539
Special item: insurance settlement	-	-	777,322	-	-	-	-
Transfers	(97,500)	(100,000)	(450,000)	(410,000)	(400,000)	(235,000)	(183,000)
Total governmental activities	15,621,222	15,909,318	15,234,020	13,185,912	12,798,484	13,041,845	13,603,735
Business-type activities:							
Grants and contributions not restricted to a specific program	-	-	-	-	63,126	-	-
Investment earnings	44,820	46,898	20,703	8,961	21,800	4,088	38,766
Gain on sale/disposal of capital assets	5,002	-	(17,915)	3,324	-	(48,546)	52,177
Transfers	97,500	100,000	450,000	410,000	400,000	235,000	183,000
Total business-type activities	147,322	146,898	452,788	422,285	484,926	190,542	273,943
Total	<u>\$ 15,768,544</u>	<u>\$ 16,056,216</u>	<u>\$ 15,686,808</u>	<u>\$ 13,608,197</u>	<u>\$ 13,283,410</u>	<u>\$ 13,232,387</u>	<u>\$ 13,877,678</u>
<b>Changes in Net Assets</b>							
Governmental activities	1,633,829	3,234,008	2,644,615	573,999	1,065,329	543,703	658,827
Business-type activities	(112,724)	(13,256)	(52,845)	(248,968)	(183,075)	(389,195)	(180,234)
Total	<u>\$ 1,521,105</u>	<u>\$ 3,220,752</u>	<u>\$ 2,591,770</u>	<u>\$ 325,031</u>	<u>\$ 882,254</u>	<u>\$ 154,508</u>	<u>\$ 478,593</u>

CITY OF CENTERVILLE, OHIO

Fund Balances, Governmental Funds

Last Eight Years (modified accrual basis of accounting)

	December 31,								
	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>General Fund</b>									
Reserved for:									
Inventory	\$ 3,136	\$ 2,533	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid items	81,635	88,062	84,715	78,761	110,501	173,289	156,872	89,766	95,201
Land held for investments	-	-	-	-	-	-	-	171,111	636,461
Encumbrances	106,592	114,705	67,267	176,976	-	75,524	232,050	119,715	106,811
Unreserved	<u>10,389,316</u>	<u>8,594,722</u>	<u>7,051,787</u>	<u>5,312,952</u>	<u>6,864,596</u>	<u>5,780,314</u>	<u>5,059,946</u>	<u>5,812,789</u>	<u>6,317,850</u>
Total general fund	<u>\$10,580,679</u>	<u>\$ 8,800,022</u>	<u>\$ 7,203,769</u>	<u>\$ 5,568,689</u>	<u>\$ 6,975,097</u>	<u>\$ 6,029,127</u>	<u>\$ 5,448,868</u>	<u>\$ 6,193,381</u>	<u>\$ 7,156,323</u>
<b>All Other Governmental Funds</b>									
Reserved for:									
Debt service	\$ 2,113,822	\$ 2,423,733	\$ 2,685,894	\$ 2,940,581	\$ 3,353,264	\$ 3,811,660	\$ 3,026,656	\$ 2,639,475	\$ 2,180,128
Inventory	93,499	86,853	81,972	44,028	35,120	56,438	58,572	57,528	43,330
Prepaid items	20,888	15,498	16,091	15,133	12,619	23,497	22,437	23,599	15,709
Encumbrances	1,301,681	1,298,441	1,307,557	741,090	383,776	1,410,046	1,412,821	1,285,332	5,237,379
Unreserved, reported in:									
Designated for capital projects	6,000,000	6,000,000	6,000,000	5,000,000	4,000,000	3,000,000	2,000,000	1,000,000	-
Special revenue funds	715,552	1,014,034	848,605	694,918	902,768	686,461	838,277	609,854	894,316
Capital projects funds	<u>1,092,947</u>	<u>2,287,572</u>	<u>2,799,194</u>	<u>3,055,995</u>	<u>1,749,357</u>	<u>2,489,212</u>	<u>4,496,294</u>	<u>4,223,035</u>	<u>1,355,479</u>
Total all other governmental funds	<u>\$11,338,389</u>	<u>\$13,126,131</u>	<u>\$13,739,313</u>	<u>\$12,491,745</u>	<u>\$10,436,904</u>	<u>\$11,477,314</u>	<u>\$11,855,057</u>	<u>\$ 9,838,823</u>	<u>\$ 9,726,341</u>



**CITY OF CENTERVILLE, OHIO**

*Schedule 4*

Changes in Fund Balances, Governmental Funds

Last Nine Years (modified accrual basis of accounting)

	<b>Year Ended December 31,</b>								
	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
<b>Revenues:</b>									
Local taxes	\$ 12,141,850	\$ 11,805,299	\$ 11,672,492	\$ 11,281,802	\$ 11,898,470	\$ 11,625,368	\$ 11,408,207	\$ 11,287,865	\$ 11,275,083
Intergovernmental revenue	4,657,789	5,261,646	4,069,897	3,230,729	2,329,184	1,940,402	2,560,085	2,441,947	1,946,156
Special assessments	639,090	626,432	631,384	650,196	637,844	667,587	657,154	611,861	531,738
Charges for services	56,023	52,126	45,898	42,539	36,621	26,269	44,870	30,925	37,131
Fines, licenses and permits	233,597	283,277	321,698	263,954	323,679	310,452	288,950	320,574	323,793
Investment income	899,298	1,292,551	922,811	368,414	520,173	94,140	717,045	562,189	992,481
Lot sales	-	-	25,752	84,359	52,963	646,128	865,775	1,091,792	1,519,020
Rent	824,253	819,395	819,045	829,570	824,160	728,240	592,902	592,100	590,700
Miscellaneous receipts and reimbursements	314,249	523,943	347,199	256,104	243,138	314,790	325,012	446,001	188,252
Total revenues	19,766,149	20,664,669	18,856,176	17,007,667	16,866,232	16,353,376	17,460,000	17,385,254	17,404,354
<b>Expenditures:</b>									
Current:									
General government	4,828,726	4,746,269	4,525,068	4,622,845	4,174,281	4,675,143	4,261,860	4,196,468	3,739,545
Public safety	6,294,673	5,714,067	5,570,795	5,196,048	5,119,241	4,916,423	4,736,661	4,288,344	3,935,400
Community environment	275,363	268,817	251,189	222,122	223,763	229,265	228,481	222,035	203,051
Recreation	284,971	283,056	418,667	323,295	473,920	339,476	353,670	360,426	347,284
Transportation	2,174,233	1,913,893	1,782,635	1,663,746	1,590,739	1,584,698	1,458,064	1,346,245	1,356,198
Cost of lots	-	-	-	-	-	-	171,111	465,350	760,450
Capital outlay	3,691,297	4,547,690	1,667,499	2,243,254	2,820,757	2,953,958	3,427,992	9,791,204	5,103,291
Debt service:									
Principal	1,010,299	976,706	964,507	970,653	944,382	349,293	588,464	522,787	1,665,399
Interest and other charges	1,111,923	1,133,500	1,160,490	1,187,271	1,213,589	1,073,865	1,428,976	1,241,855	1,356,429
Total expenditures	19,671,485	19,583,998	16,340,850	16,429,234	16,560,672	16,122,121	16,655,279	22,434,714	18,467,047
Excess (deficiency) of revenues over (under) expenditures	94,664	1,080,671	2,515,326	578,433	305,560	231,255	804,721	(5,049,460)	(1,062,693)
<b>Other Financing Sources (Uses):</b>									
Transfers in	2,700,000	2,625,000	2,525,000	4,500,000	2,350,000	2,600,000	5,374,093	5,619,155	4,555,536
Proceeds from issuance of bonds	-	-	-	-	-	206,261	650,000	4,405,000	1,136,500
Sale of capital assets	21,825	2,400	40,000	480,000	-	-	-	-	-
Transfers out	(2,797,500)	(2,725,000)	(2,975,000)	(4,910,000)	(2,750,000)	(2,835,000)	(5,557,093)	(5,825,155)	(4,555,536)
Total other financing sources (uses)	(75,675)	(97,600)	(410,000)	70,000	(400,000)	(28,739)	467,000	4,199,000	1,136,500
<b>Special Item:</b>									
Insurance settlement	-	-	777,322	-	-	-	-	-	-
Net change in fund balances	\$ 18,989	\$ 983,071	\$ 2,882,648	\$ 648,433	\$ (94,440)	\$ 202,516	\$ 1,271,721	\$ (850,460)	\$ 73,807
Debt service as a percentage of noncapital expenditures	15.31%	16.33%	16.93%	17.94%	18.63%	12.12%	18.28%	16.95%	31.54%

**CITY OF CENTERVILLE, OHIO**

*Schedule 5*

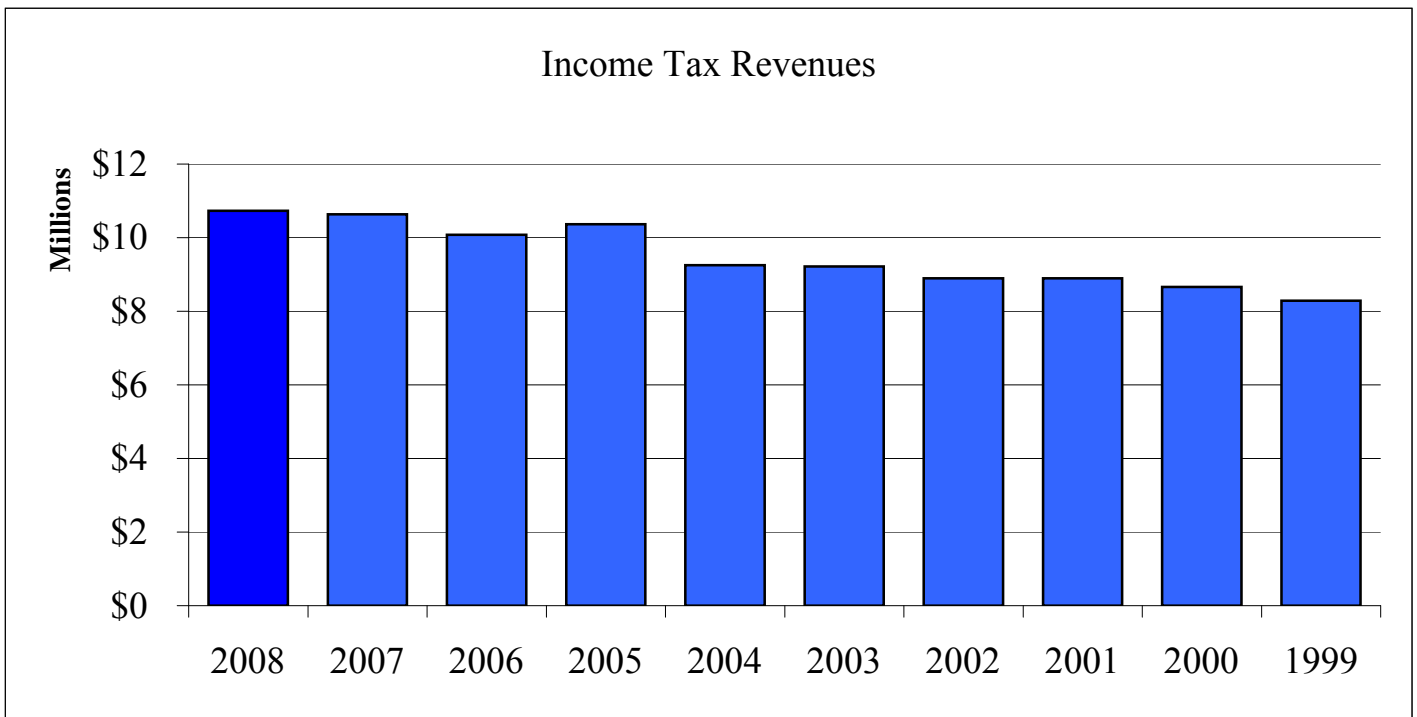
Income Tax by Payer Type and Income Tax Rate

Last Ten Years *(cash basis of accounting - excluding refunds)*

Collection Year	Individual		Net Profits	Total	Income Tax Rate
	Withheld by Employer	Non-Withholding			
2008	\$ 7,430,109	\$ 2,097,410	\$ 1,205,843	\$ 10,733,362	1.75%
2007	\$ 7,463,667	\$ 1,969,654	\$ 1,197,889	\$ 10,631,210	1.75%
2006	6,835,183	2,012,139	1,226,857	10,074,179	1.75%
2005	6,943,943	2,195,418	1,226,959	10,366,320	1.75%
2004	6,514,163	1,871,115	865,552	9,250,830	1.75%
2003	6,540,595	1,890,745	785,037	9,216,377	1.75%
2002	6,269,119	1,811,472	818,649	8,899,240	1.75%
2001	6,410,823	1,782,484	702,248	8,895,555	1.75%
2000	6,172,226	1,726,655	759,089	8,657,970	1.75%
1999	5,637,976	1,759,665	885,168	8,282,809	1.75%

Source: City of Centerville, Ohio Finance Department

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





**CITY OF CENTERVILLE, OHIO**

Ranking of Top Ten Income Tax Withholders  
 Current Year and Eight Years Ago (*cash basis of accounting*)

2008		2000		
Rank	Name	Rank	Rank	Name
1	Centerville Board of Education	1	1	Centerville Board of Education
2	Federal Government	2	2	Federal Government
3	Graceworks Lutheran Services <sup>(1)</sup>	-	3	United Healthcare Services, Inc.
4	Reed Elsevier, Inc.	3	4	Lutheran Social Services
5	City of Centerville	4	5	Reed Elsevier, Inc.
6	Franciscan at St. Leonard	8	6	Voss Auto Network, Inc.
7	Miami Valley Hospital	-	7	Bob Ross Buick, Inc.
8	Voss Auto Network, Inc.	5	8	City of Centerville
9	The Kroger Company	-	9	Ikon Office Solutions, Inc.
10	Heartland Employment Services	6	10	Franciscan at St. Leonard

Combined percentage of total income taxes:

21.80%

Combined percentage of total income taxes:

22.92%

Source: City of Centerville, Ohio Finance Department

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

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

**CITY OF CENTERVILLE, OHIO**  
Ratios of Outstanding Debt and Legal Debt Margins  
Last Ten Years

Schedule 7

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Obligation Bonds	\$ 15,355,000	\$ 16,145,000	\$ 16,910,000	\$ 17,665,000	\$ 18,405,000	\$ 19,125,000	\$ 17,970,000	\$ 18,365,000	\$ 15,450,000	\$ 15,795,000
Special Assessment Bonds	\$ 6,782,000	\$ 6,981,000	\$ 7,187,000	\$ 7,391,000	\$ 7,586,000	\$ 7,776,000	\$ 7,951,000	\$ 7,460,000	\$ 6,601,000	\$ 5,605,000
Total Outstanding Bonds	\$ 22,137,000	\$ 23,126,000	\$ 24,097,000	\$ 25,056,000	\$ 25,991,000	\$ 26,901,000	\$ 25,921,000	\$ 25,825,000	\$ 22,051,000	\$ 21,400,000
Percent of personal income Per capita	3.19%	3.31%	3.46%	3.58%	3.72%	3.86%	3.72%	3.71%	3.17%	3.36%
	\$958	\$1,001	\$1,046	\$1,082	\$1,124	\$1,165	\$1,125	\$1,122	\$958	\$1,015
Assessed value of taxable property (1)	\$648,037,838	\$646,331,552	\$640,660,845	\$594,051,037	\$572,029,090	\$560,038,783	\$501,634,521	\$494,333,152	\$486,885,446	\$460,641,652
General Obligation Bonds as a percentage of total assessed value of taxable property	2.37%	2.50%	2.64%	2.97%	3.22%	3.41%	3.58%	3.72%	3.17%	3.43%
Population (2)	23,100	23,100	23,046	23,162	23,122	23,092	23,045	23,025	23,024	21,082
General Obligation Bonds per capita	\$665	\$699	\$734	\$763	\$796	\$828	\$780	\$798	\$671	\$749
Total Outstanding Bonds	\$ 22,137,000	\$ 23,126,000	\$ 24,097,000	\$ 25,056,000	\$ 25,991,000	\$ 26,901,000	\$ 25,921,000	\$ 25,825,000	\$ 22,051,000	\$ 21,400,000
Less debt not subject to limitation:										
Bonds issued in anticipation of the collection of special assessments	\$ (6,782,000)	\$ (6,981,000)	\$ (7,187,000)	\$ (7,391,000)	\$ (7,586,000)	\$ (7,776,000)	\$ (7,951,000)	\$ (7,460,000)	\$ (6,601,000)	\$ (5,605,000)
Bonds issued in anticipation of the collection of municipal income tax	\$ (15,355,000)	\$ (16,145,000)	\$ (16,910,000)	\$ (17,665,000)	\$ (18,405,000)	\$ (19,125,000)	\$ (17,970,000)	\$ (18,365,000)	\$ (15,450,000)	\$ (15,795,000)
Net debt subject to 10-1/2% limitation (3)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Voted and Unvoted Debt Limit - 10-1/2% of assessed value	\$ 68,043,973	\$ 67,864,813	\$ 67,269,389	\$ 62,375,359	\$ 60,063,054	\$ 58,804,072	\$ 52,671,625	\$ 51,904,981	\$ 51,122,972	\$ 48,367,373
Legal Debt Margin within 10-1/2% limitation	\$ 68,043,973	\$ 67,864,813	\$ 67,269,389	\$ 62,375,359	\$ 60,063,054	\$ 58,804,072	\$ 52,671,625	\$ 51,904,981	\$ 51,122,972	\$ 48,367,373
Net debt subject to 5-1/2% limitation (4)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unvoted Debt Limit - 5-1/2% of assessed value	\$ 35,642,081	\$ 35,548,235	\$ 35,236,346	\$ 32,672,807	\$ 31,461,600	\$ 30,802,133	\$ 27,589,899	\$ 27,188,323	\$ 26,778,700	\$ 25,335,291
Legal Debt Margin within 5-1/2% limitation	\$ 35,642,081	\$ 35,548,235	\$ 35,236,346	\$ 32,672,807	\$ 31,461,600	\$ 30,802,133	\$ 27,589,899	\$ 27,188,323	\$ 26,778,700	\$ 25,335,291

1) Source: Montgomery County, Ohio Auditor

2) Source: U.S. Census Bureau

3) The Ohio Revised Code provides that the aggregate principal amount of voted and unvoted "net indebtedness" may not exceed 10-1/2% of the assessed valuation.

4) The Ohio Revised Code provides that the aggregate principal amount of unvoted "net indebtedness" may not exceed 5-1/2% of the assessed valuation.

**CITY OF CENTERVILLE, OHIO**  
 Computation of Direct and Overlapping  
 General Obligation Debt  
 December 31, 2008

*Schedule 8*

Jurisdiction	Net Debt Outstanding	Percentage Applicable To City	Amount Applicable To City of Centerville
<b>Direct:</b>			
City of Centerville	\$ 15,355,000	100.00%	\$ 15,355,000
<b>Overlapping:</b>			
Centerville City School District	68,235,000	38.42%	26,215,887
Washington Township Park District	1,395,000	38.47%	536,657
Montgomery County	12,356,496	6.03%	745,097
Miami Valley Regional Transit Authority	3,885,000	6.03%	<u>234,266</u>
		Subtotal - Overlapping	27,731,907
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 43,086,907</u></u>

Source: Ohio Municipal Advisory Council

**CITY OF CENTERVILLE, OHIO**  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years

*Schedule 9*

Year	Population (1)(a)	Per Capita Income (1)(b)	Personal Income	School Enrollment (2)	Unemployment Rate Montgomery County (3)	Total Assessed Property Value (4)
2008	22,937	\$ 30,210	\$ 692,926,770	8,395	7.40%	\$ 648,037,838
2007	23,100	\$ 30,210	\$ 697,851,000	8,336	6.20%	\$ 646,331,552
2006	23,046	\$ 30,210	\$ 696,219,660	8,197	5.60%	\$ 640,660,845
2005	23,162	\$ 30,210	\$ 699,724,020	8,170	5.60%	\$ 594,051,037
2004	23,122	\$ 30,210	\$ 698,515,620	8,156	6.30%	\$ 572,029,090
2003	23,092	\$ 30,210	\$ 697,609,320	8,055	5.70%	\$ 560,038,783
2002	23,045	\$ 30,210	\$ 696,189,450	7,821	5.70%	\$ 501,634,521
2001	23,025	\$ 30,210	\$ 695,585,250	7,419	5.20%	\$ 494,333,152
2000	23,024	\$ 30,210	\$ 695,555,040	7,446	3.40%	\$ 486,885,446
1999	21,082	\$ 30,210	\$ 636,887,220	7,371	3.40%	\$ 460,641,652
1998	21,082	\$ 30,210	\$ 636,887,220	7,295	3.40%	\$ 441,099,061

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

**CITY OF CENTERVILLE, OHIO***Schedule 10*

Principal Employers

Current Year and Five Years Ago

Employer	2008		2003	
	Approximate Number of Employees	Rank	Approximate Number of Employees	Rank
Centerville Board of Education	1,275	1	1,195	1
Graceworks Lutheran Services <sup>(1)</sup>	620	2	550	2
Franciscan at St. Leonard	365	3	350	3
City of Centerville	250	4	261	4
Kroger	230	5	215	5
Heartland Employment <sup>(2)</sup>	-	-	200	6
Voss Auto Network <sup>(3)</sup>	195	6	180	7
RETS Tech Center	170	7	-	-
Bob Ross Buick	140	8	150	9
Dimco Gray	85	9	125	8
Elder Beerman Department Stores	75	10	125	10

Source: City of Centerville

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

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

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

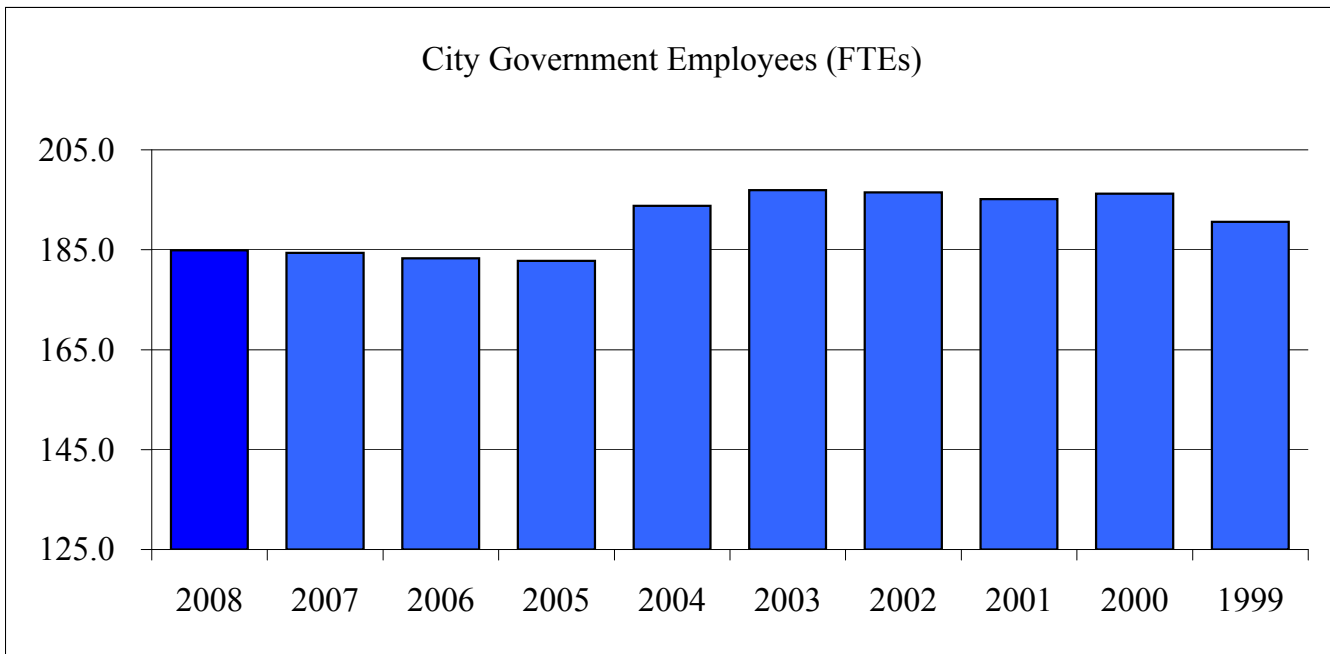
**CITY OF CENTERVILLE, OHIO**

*Schedule 11*

City Government Employees by Function (*full-time equivalents*)  
Last Ten Years

<u>Function</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
General government	29.60	30.55	30.75	31.55	30.55	30.45	29.80	29.35	31.70	31.60
Public safety	57.60	57.60	56.60	56.00	56.25	56.25	55.75	54.50	54.50	52.00
Community environment	3.60	3.60	3.60	3.75	3.75	3.75	4.00	4.00	4.00	4.00
Recreation	3.50	3.50	3.25	3.00	4.00	4.00	3.90	3.80	3.50	3.50
Transportation	21.00	21.00	21.00	21.00	21.75	25.00	25.00	25.00	25.00	23.00
Waste collection	12.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00	12.00	12.00
Golf course operations	<u>57.60</u>	<u>56.10</u>	<u>56.10</u>	<u>55.50</u>	<u>64.50</u>	<u>64.50</u>	<u>65.00</u>	<u>65.50</u>	<u>65.50</u>	<u>64.50</u>
Total	<u>184.90</u>	<u>184.35</u>	<u>183.30</u>	<u>182.80</u>	<u>193.80</u>	<u>196.95</u>	<u>196.45</u>	<u>195.15</u>	<u>196.20</u>	<u>190.60</u>

Source: City of Centerville, Ohio Finance Department



**CITY OF CENTERVILLE, OHIO**

*Schedule 12*

Operating Indicators by Function/Program  
Last Ten Years

<u>Function/program</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
General Government										
Purchase orders issued	2,532	2,400	2,388	2,357	2,499	2,462	2,214	1,114	871	610
Payroll checks/direct deposits issued	6,011	6,175	6,147	6,030	6,285	6,457	6,120	6,086	6,212	6,639
Accounts payable checks issued	6,376	6,475	6,511	6,731	6,183	6,349	6,786	7,020	6,991	7,050
Ordinances and resolutions passed	96	102	102	92	80	101	84	140	98	106
Number of volunteer hours	12,000	12,717	11,137	11,428	11,664	10,354	10,871	10,512	9,285	7,315
Public Safety										
Total arrests	1,500	1,511	1,666	1,569	1,646	1,390	1,508	1,275	1,473	1,228
Traffic citations <sup>(1)</sup>	3,300	3,542	3,127	3,560	4,037	3,121	9,347	8,200	7,629	4,653
Public Works										
Miles of street	107	107	107	105	105	104	101	98	96	96
Tons of road salt used	2,600	1,994	354	1,849	1,775	3,179	1,269	583	2,700	1,494
Building Inspection										
Building permits issued	1,145	1,111	1,323	1,453	1,941	2,128	1,844	1,863	1,743	1,553
Electrical permits issued	233	265	265	266	376	406	346	403	351	301
Residential unit permits issued	16	58	39	71	122	146	97	103	98	77
Waste Collection										
Tons collected	7,250	7,098	7,428	7,197	7,317	7,406	6,978	6,941	6,565	6,640
Recyclable tons, including cardboard	850	851	890	885	851	887	795	809	766	530
Newspaper tons	690	686	728	716	697	706	687	630	601	550
Golf Course Operations										
Rounds of golf	53,000	53,896	49,435	45,613	46,863	43,627	36,719	35,470	33,161	39,056
Rounds of golf - cart usage	39,900	39,883	36,180	29,462	28,043	24,323	23,409	22,262	21,713	28,200
Gallons of water used (thousands)	85,000	99,400	41,650	26,630	24,570	25,280	28,175	30,125	33,250	36,150
Food Service Operations										
Wedding receptions hosted	41	42	36	42	36	37	41	34	46	49
Other banquet functions hosted	519	556	519	539	483	544	535	514	530	503

Source: City of Centerville, Ohio, Appropriation Budgets for applicable years. Actual statistics for 1998-2007.  
Estimated statistics for 2008.

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

**CITY OF CENTERVILLE, OHIO**

*Schedule 13*

Capital Asset and Infrastructure Statistics by Function/Program  
Last Ten Years

<u>Function/program</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
General Government										
Municipal Buildings	1	1	1	1	1	1	1	1	1	1
Square Footage	17,123	17,123	17,123	17,123	17,123	17,123	17,123	17,123	17,123	17,123
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	(a)	(a)
Square Footage	38,458	38,458	38,458	38,458	38,458	38,458	38,458	38,458		
Public Works										
Public Works Facility	1	1	1	1	1	1	1	1	1	1
Square Footage	17,541	17,541	17,541	17,541	17,541	17,541	17,541	17,541	17,541	17,541
Miles of street	107	107	107	105	105	104	101	98	96	96
Lane miles of street	240	240	240	238	238	236	227	223	(b)	(b)
Recreation										
Number of parks	1	1	1	1	1	1	1	1	1	1
Area of parks (acres)	62.386	62.386	62.386	62.386	62.386	62.386	62.386	62.386	62.386	62.386
Benham's Grove (acres)	7.017	7.017	7.017	7.017	7.017	7.017	7.017	7.017	7.017	7.017
Golf Course Operations										
Holes	27	27	27	27	27	27	27	21	21	21
Club House (square footage)	29,517	29,517	29,517	29,517	29,517	29,517	29,517	29,517	29,517	29,517

Source: City of Centerville, Ohio Finance Department

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

(b) Not available prior to 2001.









Mary Taylor, CPA  
Auditor of State

**CITY OF CENTERVILLE**

**MONTGOMERY COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 3, 2009**