



Dave Yost • Auditor of State



CITY OF CENTERVILLE  
MONTGOMERY COUNTY

TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Required By <i>Government Auditing Standards</i> .....	1
Prepared by Management:	
Summary Schedule of Prior Audit Findings.....	3

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the Mayor and the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, 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, (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 23, 2017.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

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

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

***Compliance and Other Matters***

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 23, 2017

**CITY OF CENTERVILLE  
MONTGOMERY COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2016**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2015-001	Failure to properly post financial activity to the annual financial report.	Corrected	

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# Comprehensive Annual Financial Report

for the fiscal year ended  
December 31, 2016

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**City of Centerville, Ohio**  
**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended December 31, 2016

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Prepared by:  
Department of Finance  
Jonathan T. Hudson, CPA, MBA, Director

**City of Centerville, Ohio**  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended December 31, 2016

**Table of Contents**

	<u>Page</u>
<b>Introductory Section</b>	
Letter of Transmittal .....	i
Certificate of Achievement for Excellence in Financial Reporting .....	iv
List of Elected and Appointed Officials .....	v
Organizational Chart.....	vi
<b>Financial Section</b>	
Independent Auditor’s Report .....	1
Management’s Discussion and Analysis .....	5
Basic Financial Statements:	
<u>Government-wide Financial Statements:</u>	
Statement of Net Position .....	11
Statement of Activities .....	12
<u>Fund Statements:</u>	
Balance Sheet – Governmental Funds .....	14
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities .....	17
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.....	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	20
Statement of Net Position – Proprietary Funds .....	22
Statement of Revenues, Expenses and Changes in Fund Net Position–Proprietary Funds .....	23
Statement of Cash Flows – Proprietary Funds .....	24
Statement of Fiduciary Net Position.....	25
Notes to the Basic Financial Statements.....	26
Required Supplementary Information	
Schedule of the City’s Proportional Share of Net Pension Liability .....	55
Schedule of the City’s Contributions.....	56
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – General Fund .....	57
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – Street Construction and Maintenance Fund.....	60
Notes to Required Supplementary Information.....	61

**City of Centerville, Ohio**  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended December 31, 2016

**Table of Contents**

---

Supplemental Section

Combining Statements and Individual Fund Schedules

Fund Descriptions.....	64
Non-major Governmental Funds	
Combining Balance Sheet .....	65
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	66
Non-major Special Revenue Funds	
Combining Balance Sheet .....	67
Combining Statement of Revenues, Expenditures and Changes in Fund Balance .....	69
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis:	
State Highway Fund.....	71
Law Enforcement Fund.....	71
Enforcement and Education Fund.....	72
Drug Law Fund .....	72
Police Grants Fund.....	73
Non-major Debt Service Funds	
Combining Balance Sheet .....	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balance .....	75
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis:	
Unvoted Debt Retirement Fund .....	76
TIF Debt Retirement Fund.....	76
Special Assessment Debt Retirement Fund .....	77
Non-major Capital Projects Funds	
Combining Balance Sheet .....	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balance .....	79
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis:	
Capital Improvements Fund.....	80
TIF Capital Projects Funds .....	80
Special Assessment Improvements Fund.....	81
TIF MVHS Projects Fund.....	82
Capital Equipment Purchase Fund.....	82
Other General Funds	
Fund Descriptions .....	83
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis:	
Friends of Benham’s Grove Fund .....	84
Police Operations Project Fund.....	84
Internal Service Funds	
Combining Statement of Net Position.....	85
Combining Statement of Revenues, Expenses and Changes in Fund Net Position.....	86
Combining Statement of Cash Flows .....	87
Agency Fund	
Statement of Changes in Assets and Liabilities.....	88

**City of Centerville, Ohio**  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended December 31, 2016

**Table of Contents**

---

**Statistical Section**

Contents.....	89
Net Position by Component.....	91
Changes in Net Position .....	92
Fund Balances of Governmental Funds.....	94
Changes in Fund Balances of Governmental Funds.....	95
Income Tax by Payer Type and Income Tax Rate.....	96
Ranking of Top Ten Income Tax Withholders.....	97
Ratios of Outstanding Debt and Legal Debt Margins.....	98
Direct and Overlapping General Obligation Debt .....	99
Demographics and Economic Statistics.....	100
Principal Employers .....	101
City Government Employees by Function .....	102
Operating Indicators by Function/Program .....	103
Capital Asset and Infrastructure Statistics by Function/Program .....	104



# Introductory Section









*Brooks A. Compton, Mayor*  
*Gregory B. Horn, City Manager*

June 23, 2017

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, 2016 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 department level for the general fund and fund level for remaining City funds. 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 23,999 according to the U.S. Census Bureau's 2010 decennial census estimate and is home to over 700 businesses. The City is beginning to see growth in both residential development 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 even in the face of significant local government funding reductions adopted by the state legislature. Built on a diversified base of small businesses, Centerville continues to be well positioned for the future. The employers with the largest workforce within Centerville include the public school district, multiple retirement communities, a growing regional hospital and medical center, several auto dealerships and small manufacturers.

In 2016, the City continued to witness a commercial development market focused both on new development, but also a sizeable reinvestment in existing facilities. The City's Community Reinvestment Area (CRA) provides an incentive for property owners and developers to reinvest in the City by granting a temporary property tax abatement on the increase in value that results from the renovation or expansion of existing buildings and the construction of new structures. The CRA program signals a focus on fostering reinvestment in developed areas of our city and promoting the long-term health of our residential neighborhoods and business community.

Looking toward the future, the City is poised to sustain and likely increase its 2016 level of commercial development and redevelopment. Through its *BusinessFirst!* program, Centerville continues to take progressive strides toward helping its existing business community grow even in tough economic times. In 2016, the City partnered with local, regional, and state-level resource partners to assist existing businesses in the City retain jobs, optimize operations, retrain workers, and add new jobs to the local economy. Those efforts resulted in local businesses obtaining tax credits from the State of Ohio, and grants from the Centerville Property Investment Reimbursement program. Also businesses received financing for job creation through JobsOhio, CountyCorp, and other economic development financing agencies with which the City maintains a strong relationship.

In addition, the City continues to foster the steady development of the Cornerstone of Centerville, which is a 200-acre mixed-used development. The northern portion of the development will be anchored by Costco, Kroger, and Cabela's while the southern portion of the development is expected to be a premier office park and mixed-use development. It is a development that will create new jobs, broaden the City's tax base, and create business and redevelopment synergies that will ripple throughout the area.

## **Major Initiatives**

- The municipal property tax rate remained at its lowest rate for the 38<sup>th</sup> consecutive year.
- The City maintained its municipal bond rating of Aa2 from Moody's Investor Services. This rating helps to lower the interest rate on any future bonds the City may issue.

## **Independent Audit**

The City had an independent audit of all funds performed by the State Auditor for the year ended December 31, 2016. The opinion of the Auditor appears in the financial section of this report.

## **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Centerville, Ohio for its comprehensive annual financial report for the fiscal year ended December 31, 2015. This was the 16<sup>th</sup> consecutive year that Centerville has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility.

## **Acknowledgements**

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

Respectfully submitted,

*Gregory B. Horn*

Gregory B. Horn  
City Manager

*Jonathan T. Hudson*

Jonathan T. Hudson  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Centerville  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**

Executive Director/CEO

**City of Centerville, Ohio**  
List of Elected and Appointed Officials  
as of December 31, 2016

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**ELECTED OFFICIALS**

Mayor and Councilmember .....	Brooks A. Compton
Deputy Mayor and Councilmember.....	Belinda S. Kenley
Councilmember.....	Mark A Engert
Councilmember.....	John J. Beals
Councilmember.....	Willis O. Serr
Councilmember.....	John E. Palcher
Councilmember.....	JoAnne C. Rau

**APPOINTED OFFICIALS**

City Manager .....	Gregory B. Horn
Clerk of Council.....	Carin R Andrews
Chief of Police .....	Bruce P. Robertson
Finance Director.....	Jonathan T. Hudson
Public Works Director .....	K. Douglas Spitler
City Engineer .....	James G. Brinegar
City Planner .....	Andrew E. Rodney
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.....	Jason M. Pajari
Human Resources Manager/Yankee Trace.....	Jennifer S. Wilder
Assistant to the City Manager.....	Kristen P. Gopman





# Financial Section









# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Mayor and the City Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Centerville, Montgomery County, Ohio (the City), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

**Opinion**

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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, *Required budgetary comparison schedules*, and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

*Supplementary and Other Information*

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2017, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 23, 2017



**City of Centerville, Ohio**  
Management's Discussion and Analysis  
For the Fiscal Year Ended December 31, 2016  
(Unaudited)

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The City of Centerville's (City) discussion and analysis of the annual financial report provides a review of the financial performance for the fiscal year ending December 31, 2016. Readers should consider the information presented here in conjunction with additional information that has been furnished in the transmittal letter, notes to the basic financial statements, and financial statements to enhance their understanding of the City's fiscal performance.

**Financial Highlights**

- The City's total net position as of December 31, 2016 was \$82.0 million. Of this amount, \$8.6 million (unrestricted net position) is available for future use as directed by City Council.
- The net position of the City increased by \$4.0 million during 2016, the most recent fiscal year. The net position of the City's governmental activities increased \$3.56 million or 5.7%. And, the net position of the City's business-type activities increased \$471,666 or 2.8%.
- As of December 31, 2016, the City's governmental funds report combined ending fund balances of \$20.5 million. Over 65% or \$13.4 million of this fund balance is available for spending at the City's discretion (unassigned).

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

**Government-wide Financial Statements**

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

The government-wide financial statements report the City's net position and changes to net position. 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.

**City of Centerville, Ohio**  
Management's Discussion and Analysis  
For the Fiscal Year Ended December 31, 2016  
(Unaudited)

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**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, Capital Improvements, TIF Projects, Waste Collection, and Golf Course.

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 City residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds

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 with the exception of enterprise funds' share of internal service allocations on the business-type activities statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the city. Fiduciary funds are excluded 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 is the fiscal agent for one agency fund. All of the City's fiduciary activities are reported in the separate Statements of Fiduciary Net Position.

**Government-wide Financial Analysis**

For the fiscal year ended December 31, 2016, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, GASB Statement No. 77, *Tax Abatement Disclosures* and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*.

GASB Statement No. 72 clarifies the definition of fair value for financial reporting purposes, establishes general principles for measuring fair value, provides additional fair value application guidance, and enhances disclosures about fair value measurements. These changes were incorporated in the City's note disclosures.

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of GASB Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also clarifies the application of certain provisions of GASB Statements 67 and 68. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the City.

GASB Statement No. 76 reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the City.

**City of Centerville, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended December 31, 2016**  
**(Unaudited)**

GASB Statement No. 77 establishes improved financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The implementation of GASB Statement No 77 did not have an effect on the financial statements of the City.

GASB Statement No. 79 addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The implementation of GASB Statement No. 79 did not have an effect on the financial statements of the City.

The Statement of Net Position may serve over time as a useful indicator of the City's financial position. Table 1 presents a summary of the City's net position for 2016 compared to 2015.

**Table 1**  
**Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current and other assets	\$34,528,219	\$35,983,310	\$2,004,162	\$1,928,358	\$36,532,381	\$37,911,668
Capital assets	<u>58,753,110</u>	<u>53,337,740</u>	<u>18,002,330</u>	<u>18,077,572</u>	<u>76,755,440</u>	<u>71,415,312</u>
Total Assets	<u>93,281,329</u>	<u>89,321,050</u>	<u>20,006,492</u>	<u>20,005,930</u>	<u>113,287,821</u>	<u>109,326,980</u>
Deferred outflows of resources	<u>4,492,509</u>	<u>1,885,335</u>	<u>980,315</u>	<u>653,936</u>	<u>5,472,824</u>	<u>2,539,271</u>
Other long-term liabilities	15,011,131	15,414,379	1,769,925	2,512,389	16,781,056	17,926,768
Net pension liabilities	15,452,510	11,811,237	1,825,227	1,250,596	17,277,737	13,061,833
Other liabilities	<u>682,020</u>	<u>944,456</u>	<u>557,077</u>	<u>547,266</u>	<u>1,239,097</u>	<u>1,491,722</u>
Total Liabilities	<u>31,145,661</u>	<u>28,170,072</u>	<u>4,152,229</u>	<u>4,310,251</u>	<u>35,297,890</u>	<u>32,480,323</u>
Deferred inflows of resources	<u>1,386,123</u>	<u>1,364,186</u>	<u>35,267</u>	<u>21,970</u>	<u>1,421,390</u>	<u>1,386,156</u>
Net Position:						
Net investment in capital assets	45,641,394	44,528,877	16,642,252	16,064,955	62,283,646	60,593,832
Restricted	10,734,146	10,133,340	351,200	351,200	11,085,346	10,484,540
Unrestricted	<u>8,866,514</u>	<u>7,009,910</u>	<u>(194,141)</u>	<u>(88,510)</u>	<u>8,672,373</u>	<u>6,921,400</u>
Total net position	<u>\$65,242,054</u>	<u>\$61,672,127</u>	<u>\$16,799,311</u>	<u>\$16,327,645</u>	<u>\$82,041,365</u>	<u>\$77,999,772</u>

In total, the net position increased from \$78.0 million to \$82.0 million in 2016. The unrestricted net position, which is available for future use as directed by City Council, increased \$1.75 million. The unrestricted net position of the City's governmental activities increased \$1.85 million and the unrestricted net position of the business-type activities decreased \$0.1 million. These differences are primarily related to infrastructure additions to the City's Capital Assets as further explained in Note 4 to the financial statements.

The restricted net position is subject to external restrictions as to its use. This category increased \$0.6 million from \$10.5 million at December 31, 2015 to \$11.1 million at December 31, 2016.

Table 2 presents the changes in the net position for the year ended December 31, 2016.

**City of Centerville, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended December 31, 2016**  
**(Unaudited)**

Table 2  
**Changes in Net Position**

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services and Sales	\$2,008,862	\$877,060	\$5,105,393	\$4,974,220	\$7,114,255	\$5,851,280
Operating Grants and Contributions	1,232,156	1,051,869	0	0	1,232,156	1,051,869
Capital Grants and Contributions	<u>620,276</u>	<u>3,902,855</u>	<u>0</u>	<u>0</u>	<u>620,276</u>	<u>3,902,855</u>
Total Program Revenues	3,861,294	5,831,784	5,105,393	4,974,220	8,966,687	10,806,004
General Revenues:						
Income Taxes	14,419,096	12,654,246	0	0	14,419,096	12,654,246
Property Taxes	1,371,013	1,387,805	0	0	1,371,013	1,387,805
Grants and Entitlements, not Restricted	952,085	1,258,990	0	0	952,085	1,258,990
Revenue In Lieu of Taxes	84,856	0	0	0	84,856	0
Investment Earnings	169,700	165,799	14,601	15,480	184,301	181,279
Other Revenues	<u>143,120</u>	<u>205,905</u>	<u>10,462</u>	<u>28,536</u>	<u>153,582</u>	<u>234,441</u>
Total General Revenues	<u>17,139,870</u>	<u>15,672,745</u>	<u>25,063</u>	<u>44,016</u>	<u>17,164,933</u>	<u>15,716,761</u>
Total Revenues	<u>21,001,164</u>	<u>21,504,529</u>	<u>5,130,456</u>	<u>5,018,236</u>	<u>26,131,620</u>	<u>26,522,765</u>
<b>Expenses</b>						
Program Expenses:						
General Government	5,297,659	4,583,121	0	0	5,297,659	4,583,121
Public Safety	7,480,622	7,431,420	0	0	7,480,622	7,431,420
Community Environment	270,706	239,454	0	0	270,706	239,454
Recreation	272,933	240,024	0	0	272,933	240,024
Transportation	3,648,465	5,181,136	0	0	3,648,465	5,181,136
Interest and Other Charges	450,852	263,947	0	0	450,852	263,947
Waste Collection	0	0	1,368,345	1,231,207	1,368,345	1,231,207
Golf Course	<u>0</u>	<u>0</u>	<u>3,300,445</u>	<u>3,243,923</u>	<u>3,300,445</u>	<u>2,833,923</u>
Total Program Expenses	<u>17,421,237</u>	<u>18,145,127</u>	<u>4,668,790</u>	<u>4,475,130</u>	<u>22,090,027</u>	<u>22,620,257</u>
Increase (Decrease) in Net Position						
before transfers	3,579,927	3,359,402	461,666	543,106	4,041,593	3,902,508
Transfers – Internal Activities	<u>(10,000)</u>	<u>(109,000)</u>	<u>10,000</u>	<u>109,000</u>	<u>0</u>	<u>0</u>
Change in net position	3,569,927	3,250,402	471,666	652,106	4,041,593	3,902,508
Net Position Beginning of Year	<u>61,672,127</u>	<u>58,421,725</u>	<u>16,327,645</u>	<u>15,675,539</u>	<u>77,999,772</u>	<u>74,097,264</u>
Net Position End of Year	<u>\$65,242,054</u>	<u>\$61,672,127</u>	<u>\$16,799,311</u>	<u>\$16,327,645</u>	<u>\$82,041,365</u>	<u>\$77,999,772</u>

The change in net position was an increase of \$4.0 million for the year ended December 31, 2016 as compared to an increase of \$3.9 million the prior year. Total revenues decreased \$0.4 million primarily due to Capital grants and contributions from grant-funded roadway projects. Total expenses decreased \$0.5 million primarily due to Transportation.



**City of Centerville, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended December 31, 2016**  
**(Unaudited)**

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Governmental Activities

The municipal income tax (1.75% rate) is the largest source of revenue for the City. Revenues generated by the earnings tax represent over 84% of the City's governmental activities general revenues.

Governmental Activities  
 Program Expenses for 2016

	<u>Percent</u>
General Government	30.4%
Public Safety	42.9%
Community Environment	1.6%
Recreation	1.6%
Transportation	20.9%
Interest and Other Charges	2.6%
Total	<u>100.0%</u>

Public safety, consisting of the police division, comprises over 42% of governmental activities' expenses. Transportation, which consists of street repair and maintenance activities, accounts for over 20% of expenses. General government consists of departments such as: city management, finance, planning, and clerk accounts for over 30% of expenses.

Business-Type Activities

Business-type activities include the City's waste collection and the golf course. These programs had revenues of \$5.1 million and expenses of \$4.7 million for fiscal year 2016. Business-type activities receive no support from tax revenues. The business-type activities net position at the end of the year was \$16.8 million, which increased \$471,666 from 2015 (not including internal service allocated to business-type activities).

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

The City has five major governmental funds: the General Fund, Street Construction and Maintenance Fund, Special Assessment Debt Retirement Fund, Capital Improvements Fund, and TIF Projects Fund. Assets of the General Fund comprised \$18.2 million (55%), Street Construction and Maintenance Fund comprised \$1.5 million (4%), Special Assessment Debt Retirement Fund comprised \$8.1 million (24%), Capital Improvements Fund comprised \$2.4 million (7%), and TIF Projects Fund comprised \$0.8 million (2%) of the total \$33.4 million governmental funds assets.

The General Fund is the primary operating fund of the City, accounting for such activities as police protection, general government (administration, finance, engineering, building inspection), community environment (planning) and recreation. The General Fund balance increased \$0.07 million for the year ended December 31, 2016. General fund revenues were \$0.04 million higher than 2015 primarily due to increased income tax collections.

The Street Construction and Maintenance Fund is used to account for the general maintenance and upkeep of City streets, roads, bridges, park areas, and greenways that include snow and ice control, street repair, ditch and catch basin cleaning and maintenance, and leaf pickup. Primarily funded with a transfer from the General Fund, the fund balance remains relatively stable from year to year.

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

The TIF Projects Fund is a capital projects fund that accounts for the public infrastructure improvements made and service payments received in lieu of property taxes from property owners in the TIF district. The fund balance increased due to a transfer-in from the sale of bonds.

**City of Centerville, Ohio**  
Management's Discussion and Analysis  
For the Fiscal Year Ended December 31, 2016  
(Unaudited)

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The Capital Improvements Fund is used to account for the various capital improvement projects of the City including streets, sidewalks, land acquisition, building construction and building improvements.

**General Fund Budgeting Highlights**

General fund appropriations, excluding transfers, decreased slightly (-0.7%) during 2016. Actual expenditures were \$1.0 million less than the final appropriations. Typically, the City has not decreased appropriations when the entire budget will not be spent. Actual revenues were above budgetary estimates by \$0.8 million primarily due to strong local income tax collection.

**Capital Asset and Debt Administration**

The governmental activities ended 2016 with total net capital assets of \$58.8 million. Of this total, \$7.7 million was not being depreciated and the capital assets being depreciated totaled \$96.3 million with accumulated depreciation of \$45.3 million. The business-type activities ended 2016 with total net capital assets of \$18.0 million. Of this total, \$15.1 million was not being depreciated and the capital assets being depreciated totaled \$6.9 million with accumulated depreciation of \$3.9 million. At December 31, 2016, the City had various debt issues outstanding, which included \$10,196,808 of general obligation bonds, \$4,956,187 of special assessment debt, and \$519,529 of promissory notes. As of December 31, 2016, the City's net general obligation bonded debt was well below the legal limit of \$67,917,346 and debt per capita equaled \$344. Additionally, the City's rating remained at "Aa2" from Moody's Investors Service. For more detail on capital asset and long-term debt activity, please refer to note 4 and note 7 respectively in the Notes to the Basic Financial Statements.

**Economic Factors**

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

**Requests for Information**

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

City of Centerville, Ohio  
Statement of Net Position  
December 31, 2016

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$20,540,749	\$1,767,748	\$22,308,497
<b>Receivables (Net):</b>			
Taxes	5,310,397	0	5,310,397
Accounts	45,950	126,709	172,659
Interest	58,391	0	58,391
Intergovernmental	810,106	0	810,106
Special Assessments	7,663,928	0	7,663,928
Internal Balances	(28,027)	28,027	0
Inventory	112,945	75,427	188,372
Prepaid Items	13,780	6,251	20,031
Nondepreciable Capital Assets	7,711,911	15,098,026	22,809,937
Depreciable Capital Assets, Net	51,041,199	2,904,304	53,945,503
<b>Total Assets</b>	<b>93,281,329</b>	<b>20,006,492</b>	<b>113,287,821</b>
<b>Deferred Outflows of Resources:</b>			
Deferred Charge on Refunding Pension	98,366	269,067	367,433
	4,394,143	711,248	5,105,391
<b>Total Deferred Outflows of Resources</b>	<b>4,492,509</b>	<b>980,315</b>	<b>5,472,824</b>
<b>Liabilities:</b>			
Accounts Payable	277,302	46,370	323,672
Accrued Wages and Benefits	187,372	18,318	205,690
Accrued Interest Payable	39,682	5,117	44,799
Deposit Liability	0	221,762	221,762
Unearned Revenue	177,664	265,510	443,174
<b>Long-Term Liabilities:</b>			
Due Within One Year	805,959	863,159	1,669,118
Due In More Than One Year			
Net Pension Liability	15,452,510	1,825,227	17,277,737
Other Amounts	14,205,172	906,766	15,111,938
<b>Total Liabilities</b>	<b>31,145,661</b>	<b>4,152,229</b>	<b>35,297,890</b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	1,244,949	0	1,244,949
Pension	141,174	35,267	176,441
<b>Total Deferred Inflows of Resources</b>	<b>1,386,123</b>	<b>35,267</b>	<b>1,421,390</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	45,641,394	16,642,252	62,283,646
<b>Restricted for:</b>			
Debt Service	8,250,100	351,200	8,601,300
Capital Projects	503,884	0	503,884
Street Improvements	1,445,582	0	1,445,582
Public Safety	534,580	0	534,580
Unrestricted	8,866,514	(194,141)	8,672,373
<b>Total Net Position</b>	<b>\$65,242,054</b>	<b>\$16,799,311</b>	<b>\$82,041,365</b>

See accompanying notes to the basic financial statements.

City of Centerville, Ohio  
Statement of Activities  
For the Fiscal Year Ended December 31, 2016

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$5,297,659	\$612,949	\$0	\$17,023
Public Safety	7,480,622	94,101	63,693	0
Community Development	270,706	1,095,870	0	0
Recreation	272,933	203,707	0	0
Transportation	3,648,465	2,235	1,168,463	603,253
Interest and Other Charges	450,852	0	0	0
<b>Total Governmental Activities</b>	<b>17,421,237</b>	<b>2,008,862</b>	<b>1,232,156</b>	<b>620,276</b>
<b>Business-Type Activities:</b>				
Waste Collection	1,368,345	1,387,756	0	0
Golf Course	3,300,445	3,717,637	0	0
<b>Total Business-Type Activities</b>	<b>4,668,790</b>	<b>5,105,393</b>	<b>0</b>	<b>0</b>
<b>Totals</b>	<b>\$22,090,027</b>	<b>\$7,114,255</b>	<b>\$1,232,156</b>	<b>\$620,276</b>

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

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$4,667,687)	\$0	(\$4,667,687)
(7,322,828)	0	(7,322,828)
825,164	0	825,164
(69,226)	0	(69,226)
(1,874,514)	0	(1,874,514)
(450,852)	0	(450,852)
<u>(13,559,943)</u>	<u>0</u>	<u>(13,559,943)</u>
0	19,411	19,411
<u>0</u>	<u>417,192</u>	<u>417,192</u>
0	436,603	436,603
<u>(13,559,943)</u>	<u>436,603</u>	<u>(13,123,340)</u>
14,419,096	0	14,419,096
1,371,013	0	1,371,013
952,085	0	952,085
84,856	0	84,856
169,700	14,601	184,301
143,120	10,462	153,582
(10,000)	10,000	0
<u>17,129,870</u>	<u>35,063</u>	<u>17,164,933</u>
3,569,927	471,666	4,041,593
<u>61,672,127</u>	<u>16,327,645</u>	<u>77,999,772</u>
<u>\$65,242,054</u>	<u>\$16,799,311</u>	<u>\$82,041,365</u>

City of Centerville, Ohio  
Balance Sheet  
Governmental Funds  
December 31, 2016

	General	Street Construction and Maintenance	Special Assessment Debt Retirement	Capital Improvements	TIF Projects
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$12,487,669	\$930,826	\$477,352	\$2,337,843	\$833,298
<b>Receivables (Net):</b>					
Taxes	5,310,397	0	0	0	0
Accounts	43,714	391	0	1,845	0
Interest	58,391	0	0	0	0
Intergovernmental	245,576	471,496	0	56,028	0
Special Assessments	0	0	7,663,928	0	0
Interfund	68,859	0	0	0	0
Inventory	1,384	86,250	0	0	0
Prepaid Items	12,638	1,142	0	0	0
<b>Total Assets</b>	<b>18,228,628</b>	<b>1,490,105</b>	<b>8,141,280</b>	<b>2,395,716</b>	<b>833,298</b>
<b>Liabilities:</b>					
Accounts Payable	196,679	34,872	0	31,336	4,601
Accrued Wages and Benefits	161,715	25,657	0	0	0
Unearned Revenue	0	0	0	177,664	0
<b>Total Liabilities</b>	<b>358,394</b>	<b>60,529</b>	<b>0</b>	<b>209,000</b>	<b>4,601</b>
<b>Deferred Inflows of Resources:</b>					
Property Taxes	1,266,994	0	0	0	0
Income Taxes	2,744,257	0	0	0	0
Grants and Other Taxes	185,732	303,060	0	56,028	0
Special Assessments	0	0	7,663,928	0	0
Investment Earnings	56,338	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>4,253,321</b>	<b>303,060</b>	<b>7,663,928</b>	<b>56,028</b>	<b>0</b>
<b>Fund Balances:</b>					
Nonspendable	14,022	87,392	0	0	0
Restricted	0	1,039,124	477,352	0	828,697
Assigned	179,792	0	0	2,130,688	0
Unassigned	13,423,099	0	0	0	0
<b>Total Fund Balances</b>	<b>13,616,913</b>	<b>1,126,516</b>	<b>477,352</b>	<b>2,130,688</b>	<b>828,697</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$18,228,628</b>	<b>\$1,490,105</b>	<b>\$8,141,280</b>	<b>\$2,395,716</b>	<b>\$833,298</b>

See accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$2,274,388	\$19,341,376
0	5,310,397
0	45,950
0	58,391
37,006	810,106
0	7,663,928
0	68,859
25,311	112,945
0	13,780
<u>2,336,705</u>	<u>33,425,732</u>
9,476	276,964
0	187,372
0	177,664
<u>9,476</u>	<u>642,000</u>
0	1,266,994
0	2,744,257
24,572	569,392
0	7,663,928
0	56,338
<u>24,572</u>	<u>12,300,909</u>
25,311	126,725
1,318,095	3,663,268
959,251	3,269,731
0	13,423,099
<u>2,302,657</u>	<u>20,482,823</u>
<u>\$2,336,705</u>	<u>\$33,425,732</u>





City of Centerville, Ohio  
 Reconciliation of Total Governmental Fund Balance to  
 Net Position of Governmental Activities  
 December 31, 2016

Total Governmental Fund Balance		\$20,482,823
Amounts reported for governmental activities in the statement of net position 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	57,446,776	
Capital assets used in the operation of Internal Service Funds	<u>1,306,334</u>	
Capital assets used in the operation of Governmental Activities		58,753,110
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Income Taxes	2,744,257	
Delinquent Property Taxes	22,045	
Interest	56,338	
Special Assessments	7,663,928	
Intergovernmental	<u>569,392</u>	
		11,055,960
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 position.		
Internal Service Net Position	2,505,369	
Capital assets used in the operation of Internal Service Funds	(1,306,334)	
Allocation to Business-Type Activities	<u>(96,886)</u>	
		1,102,149
In the statement of net position 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.		
		(39,682)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.		
Compensated Absences		(967,752)
Deferred outflow of resources associated with long-term liabilities are not reported in the funds.		
		98,366
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	4,394,143	
Deferred inflows of resources related to pensions	<u>(141,174)</u>	
		4,252,969
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net Pension Liability	(15,452,510)	
Other Amounts	<u>(14,043,379)</u>	
		<u>(29,495,889)</u>
Net Position of Governmental Activities		<u><u>\$65,242,054</u></u>

See accompanying notes to the basic financial statements.

City of Centerville, Ohio  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended December 31, 2016

	General	Street Construction and Maintenance	Special Assessment Debt Retirement	Capital Improvements	TIF Projects
<b>Revenues:</b>					
Property and Other Taxes	\$1,366,933	\$0	\$0	\$0	\$0
Income Taxes	13,470,496	0	0	0	0
Charges for Services	614,539	2,235	0	0	0
Investment Earnings	63,747	6,314	6,426	25,596	25,369
Intergovernmental	755,522	1,041,616	0	220,451	137,660
Special Assessments	10,690	0	484,586	0	1,095,870
Fines, Licenses & Permits	284,047	0	0	0	0
Revenue in Lieu of Taxes	0	0	0	0	0
Other Revenues	7,871	620	0	53,857	0
<b>Total Revenues</b>	<b>16,573,845</b>	<b>1,050,785</b>	<b>491,012</b>	<b>299,904</b>	<b>1,258,899</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General Government	4,715,899	0	24,182	48,887	0
Public Safety	6,516,612	0	0	0	0
Community Development	231,337	0	0	0	0
Recreation	196,498	0	0	0	0
Transportation	0	2,230,844	0	0	0
Capital Outlay	288,854	0	0	2,688,648	3,489,277
<b>Debt Service:</b>					
Principal	0	0	300,000	0	0
Interest and Other Charges	0	0	173,053	0	0
<b>Total Expenditures</b>	<b>11,949,200</b>	<b>2,230,844</b>	<b>497,235</b>	<b>2,737,535</b>	<b>3,489,277</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>4,624,645</b>	<b>(1,180,059)</b>	<b>(6,223)</b>	<b>(2,437,631)</b>	<b>(2,230,378)</b>
<b>Other Financing Sources (Uses):</b>					
Proceeds from Sale of Capital Assets	0	0	0	41,729	0
Transfers In	0	1,600,000	0	2,500,000	0
Transfers (Out)	(4,556,052)	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(4,556,052)</b>	<b>1,600,000</b>	<b>0</b>	<b>2,541,729</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>68,593</b>	<b>419,941</b>	<b>(6,223)</b>	<b>104,098</b>	<b>(2,230,378)</b>
<b>Fund Balance - Beginning of Year</b>	<b>13,547,592</b>	<b>747,749</b>	<b>483,575</b>	<b>2,026,590</b>	<b>3,059,075</b>
<b>Change in Reserve for Inventory</b>	<b>728</b>	<b>(41,174)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance - End of Year</b>	<b>\$13,616,913</b>	<b>\$1,126,516</b>	<b>\$477,352</b>	<b>\$2,130,688</b>	<b>\$828,697</b>

See accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$0	\$1,366,933
0	13,470,496
0	616,774
21,050	148,502
146,927	2,302,176
17,023	1,608,169
1,481	285,528
84,856	84,856
39,043	101,391
<u>310,380</u>	<u>19,984,825</u>
629	4,789,597
80,238	6,596,850
0	231,337
0	196,498
59,565	2,290,409
248,428	6,715,207
45,552	345,552
289,325	462,378
<u>723,737</u>	<u>21,627,828</u>
<u>(413,357)</u>	<u>(1,643,003)</u>
0	41,729
446,052	4,546,052
0	(4,556,052)
<u>446,052</u>	<u>31,729</u>
32,695	(1,611,274)
2,292,430	22,157,011
<u>(22,468)</u>	<u>(62,914)</u>
<u>\$2,302,657</u>	<u>\$20,482,823</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, 2016

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Net Change in Fund Balance - Total Governmental Funds (\$1,611,274)

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	8,283,328	
Depreciation Expense	<u>(2,936,147)</u>	
		5,347,181

Governmental funds report City pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

City pension contributions	1,136,712	
Cost of benefits earned net of employee contributions	<u>(2,237,644)</u>	
		(1,100,932)

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

Income Taxes	948,600	
Delinquent Property Taxes	4,080	
Interest	21,198	
Special Assessment	(487,548)	
Intergovernmental	<u>19,725</u>	
		506,055

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

345,552

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

1,091

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	37,424	
Amortization of Bond Premium	20,272	
Amortization of Deferred Charge on Refunding	(9,837)	
Change in Inventory	<u>(62,914)</u>	
		(15,055)

Continued

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, 2016

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The internal service fund used by management to charge back costs to individual funds is not reported in the entity-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 Position - Internal Service Funds	79,233	
Change in portion of Internal Service Fund Net Position allocated to Business-Type Activities	<u>18,076</u>	
		<u>97,309</u>
Change in Net Position of Governmental Activities		<u><u>\$3,569,927</u></u>

See accompanying notes to the basic financial statements.

City of Centerville, Ohio  
Statement of Net Position  
Proprietary Funds  
December 31, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Waste Collection	Golf Course	Total Business-Type Activities	
Current Assets:				
Equity in Pooled Cash and Investments	\$827,695	\$940,053	\$1,767,748	\$1,199,373
Receivables (Net):				
Accounts	126,709	0	126,709	0
Inventory	3,527	71,900	75,427	0
Prepaid Items	592	5,659	6,251	0
Total Current Assets	958,523	1,017,612	1,976,135	1,199,373
Noncurrent Assets:				
Capital Assets:				
Nondepreciable Capital Assets	0	15,098,026	15,098,026	0
Depreciable Capital Assets, Net	0	2,904,304	2,904,304	1,306,334
Total Noncurrent Assets	0	18,002,330	18,002,330	1,306,334
Total Assets	958,523	19,019,942	19,978,465	2,505,707
Deferred Outflows of Resources:				
Deferred Charge on Refunding	0	269,067	269,067	0
Pension	266,547	444,701	711,248	0
Total Deferred Outflows of Resources	266,547	713,768	980,315	0
Liabilities:				
Current Liabilities:				
Accounts Payable	20,812	25,558	46,370	338
Accrued Wages and Benefits	5,856	12,462	18,318	0
Compensated Absences	62,008	36,151	98,159	0
Accrued Interest Payable	0	5,117	5,117	0
Interfund Payable	0	68,859	68,859	0
Deposit Liability	0	221,762	221,762	0
Unearned Revenue	265,510	0	265,510	0
Long-Term Liabilities Due Within One Year	0	765,000	765,000	0
Total Current Liabilities	354,186	1,134,909	1,489,095	338
Long-Term Liabilities:				
Compensated Absences	10,680	31,941	42,621	0
Bonds, Notes & Loans Payable	0	864,145	864,145	0
Net Pension Liability	684,022	1,141,205	1,825,227	0
Total Noncurrent Liabilities	694,702	2,037,291	2,731,993	0
Total Liabilities	1,048,888	3,172,200	4,221,088	338
Deferred Inflows of Resources:				
Pension	13,217	22,050	35,267	0
Total Deferred Inflows of Resources	13,217	22,050	35,267	0
Net Position:				
Net Investment in Capital Assets	0	16,642,252	16,642,252	1,306,334
Restricted for:				
Debt Service	0	351,200	351,200	0
Unrestricted	162,965	(453,992)	(291,027)	1,199,035
Total Net Position	\$162,965	\$16,539,460	16,702,425	\$2,505,369
Adjustment to reflect the consolidation of Internal Service Fund activities related to Business-Type Activities			96,886	
Net Position of Business-Type Activities			\$16,799,311	

See accompanying notes to the basic financial statements.

City of Centerville, Ohio  
Statement of Revenues, Expenses  
and Changes in Fund Net Position  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Waste Collection	Golf Course	Total Business-Type Activities	
Operating Revenues:				
Charges for Services	\$1,387,756	\$3,717,637	\$5,105,393	\$1,620,466
Other Revenues	179	10,283	10,462	4,399
Total Operating Revenues	1,387,935	3,727,920	5,115,855	1,624,865
Operating Expenses:				
Personal Services	852,058	1,339,984	2,192,042	0
Purchased Services	311,357	418,452	729,809	58,101
Supplies and Materials	118,344	879,251	997,595	11,498
Depreciation	0	238,473	238,473	381,964
Other Expense	68,510	255,074	323,584	2,500
Claims	0	0	0	1,117,568
Total Operating Expenses	1,350,269	3,131,234	4,481,503	1,571,631
Operating Income (Loss)	37,666	596,686	634,352	53,234
Non-Operating Revenues (Expenses):				
Investment Earnings	7,230	7,371	14,601	7,556
Interest (Expense)	0	(169,211)	(169,211)	0
Gain on Disposal of Capital Assets	0	0	0	18,443
Total Non-Operating Revenues (Expenses)	7,230	(161,840)	(154,610)	25,999
Income (Loss) Before Contributions and Transfers	44,896	434,846	479,742	79,233
Transfers In	0	10,000	10,000	0
Change in Net Position	44,896	444,846	489,742	79,233
Net Position - Beginning of Year	118,069	16,094,614	16,212,683	2,426,136
Net Position - End of Year	\$162,965	\$16,539,460	\$16,702,425	\$2,505,369
Adjustment to reflect the consolidation of Internal Service Fund activities related to Business-Type Activities			(18,076)	
Change in Net Position - Total Business-Type Activities			\$471,666	

See accompanying notes to the basic financial statements.

City of Centerville, Ohio  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Waste Collection	Golf Course	Total Business-Type Activities	
<b>Cash Flows from Operating Activities:</b>				
Cash Received from Customers	\$1,376,029	\$3,734,647	\$5,110,676	\$1,624,865
Cash Payments to Employees	(781,072)	(1,248,792)	(2,029,864)	(60,833)
Cash Payments to Suppliers	(441,310)	(1,264,508)	(1,705,818)	(13,998)
Cash Payments for Claims	0	0	0	(1,117,568)
Other Cash Payments	(68,510)	(254,899)	(323,409)	0
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>85,137</b>	<b>966,448</b>	<b>1,051,585</b>	<b>432,466</b>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfers In from Other Funds	0	10,000	10,000	0
Advances Out to Other Funds	0	(64,815)	(64,815)	0
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>0</b>	<b>(54,815)</b>	<b>(54,815)</b>	<b>0</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Payments for Capital Acquisitions	0	(163,231)	(163,231)	(450,153)
Debt Principal Payments	0	(740,000)	(740,000)	0
Debt Interest Payments	0	(83,600)	(83,600)	0
Gain on Disposal of Capital Assets	0	0	0	18,443
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>0</b>	<b>(986,831)</b>	<b>(986,831)</b>	<b>(431,710)</b>
<b>Cash Flows from Investing Activities:</b>				
Earnings on Investments	7,230	7,371	14,601	7,556
<b>Net Cash Provided (Used) by Cash Flows from Investing Activities</b>	<b>7,230</b>	<b>7,371</b>	<b>14,601</b>	<b>7,556</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>92,367</b>	<b>(67,827)</b>	<b>24,540</b>	<b>8,312</b>
Cash and Cash Equivalents - Beginning of Year	735,328	1,007,880	1,743,208	1,191,061
Cash and Cash Equivalents - End of Year	827,695	940,053	1,767,748	1,199,373
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	37,666	596,686	634,352	53,234
<b>Adjustments:</b>				
Depreciation	0	238,473	238,473	381,964
<b>Changes in Assets &amp; Liabilities:</b>				
(Increase) Decrease in Receivables	(30,720)	0	(30,720)	0
(Increase) Decrease in Inventory	4,524	22,250	26,774	0
(Increase) Decrease in Prepaid Items	(592)	13	(579)	0
(Increase) Decrease in Deferred Outflows of Resource:	(172,721)	(288,191)	(460,912)	0
Increase (Decrease) in Payables	(16,880)	11,203	(5,677)	(2,732)
Increase (Decrease) in Accrued Liabilities	24,764	11,641	36,405	0
Increase (Decrease) in Deposit Liabilities	0	6,727	6,727	0
Increase (Decrease) in Unearned Revenues	18,814	0	18,814	0
Increase (Decrease) in Deferred Inflows of Resources	4,982	8,315	13,297	0
Increase (Decrease) in Net Pension Liability	215,300	359,331	574,631	0
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$85,137</b>	<b>\$966,448</b>	<b>\$1,051,585</b>	<b>\$432,466</b>

See accompanying notes to the basic financial statements.



City of Centerville, Ohio  
Statement of Fiduciary Net Position  
Fiduciary Fund  
December 31, 2016

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	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	<u>\$915,247</u>
Total Assets	<u>915,247</u>
Liabilities:	
Accounts Payable	2,014
Undistributed Monies	<u>913,233</u>
Total Liabilities	<u>\$915,247</u>

See accompanying notes to the basic financial statements.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

The Miami Valley Risk Management Association (MVRMA) is a jointly governed organization established as a joint self-insurance pool for the purpose of enabling the subscribing political subdivisions to obtain liability insurance and providing a formalized, jointly administered self-insurance fund for its members. For more information see Note 13.

The Ohio Benefits Cooperative (OBC) is a jointly governed organization established as a joint self-insurance pool for the purpose of enabling the subscribing political subdivisions to obtain medical, dental, and life insurances and providing a formalized, jointly administered self-insurance fund for its members. For more information see Note 13.

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

The Statement of Net Position 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 fund.

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

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

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

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

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

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

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

The City reports the following major governmental funds:

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

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 maintain and repair 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.

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

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 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.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

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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 Fund – A fund provided to account for the operation of the City’s municipal golf course, 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.

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.

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.

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

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

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

**E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position**

Deposits and Investments

To improve cash management, cash received by the City is pooled. Individual fund integrity is maintained through City records. Each fund’s interest in the pool is presented as “Equity in Pooled Cash and Investments” on the Balance Sheet. Following the Ohio Revised Code, the City has specified the funds to receive an allocation of interest earnings. Interest revenue during 2016 amounted to \$122,262 in the General Fund, which includes \$472 assigned from other City funds.

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

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

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Inventories and Prepaid Items

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

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

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

Capital Assets

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

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

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 for business-type and proprietary fund assets.

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:

Machinery and Equipment	3-20 years
Buildings and Improvements	20-45 years
Infrastructure	10-40 years

Deferred Outflows/Inflows of Resources

Deferred Outflows/Inflows of Resources – In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferral on refunding reported in the government-wide Statement of Net Position. A deferral on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

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resources include property taxes, revenue in lieu of taxes, income taxes, grants and other taxes, special assessments and investment earnings. Property taxes and revenue in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2016, but which were levied to finance year 2017 operations. These amounts have been recorded as deferred inflows on both the government-wide Statement of Net Position and the governmental fund financial statements. Income taxes, grants and other taxes, special assessments and investment earnings are reported only on the governmental funds Balance Sheet, and represents receivables which will not be collected within the available period. These amounts are deferred and recognized as inflows of resources in the period the amounts become available.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The liability for unpaid accumulated sick leave is limited to 240 days of accrued but unused sick leave. The City pays supplemental retirement if employees retire with 7.5 years of service and 600 hours of accumulated sick leave. Supplemental retirement is only available to retiring employees. 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 and premiums for government-wide statements are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond discounts/premiums are presented as a reduction/increase to the face amount of bonds payable whereas issuance costs are expensed when incurred.

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.

Fund Balance

Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or, they are imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the City Council enacts legislation requiring specific revenues to be used for a specific purpose. The City Council can modify or rescind that legislation at any time through additional legislation.

Fund balance is reported as assigned when resources are intended to be used for specific purposes as approved through the City's formal purchasing procedure by the Finance Director, as established by the City Council-approved purchasing policy.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

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Fund balance is reported as unassigned within the General Fund for the residual balance that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

Fund balance is reported as nonspendable when amounts cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. The City considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

Interfund Activity

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

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

Net Position

Net position represents the difference between assets (and deferred outflows) and liabilities (and deferred inflows). Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the City’s \$11,085,346 in restricted net position, none was restricted by enabling legislation.

Operating Revenues and Expenses

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

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

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

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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.

**F. Pensions**

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

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

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

Deposits – As of December 31, 2016, \$500,000 of the City's cash deposits of \$5,472,095 was covered by the Federal Deposit Insurance Corporation (FDIC). At year end, the carrying amount of the City's deposits was \$3,971,325.

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 City is a charter City and has adopted an investment policy through City ordinance. The City has elected to follow the provisions of State statute. State statute classifies monies held by the City into three categories, active deposits, inactive deposits, and interim deposits.

Active deposits are public deposits determined to be necessary to meet current demands upon the City's Treasury. Active monies must be maintained either as cash in the City Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates or deposits maturing not more than five years from the date of deposit, or by savings or deposit accounts, including passbook accounts.

Interim monies held by the City may be deposited or invested in the following securities:

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Associate,



**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

- and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) and (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
  4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
  5. Bonds and other obligations of the State of Ohio;
  6. The State Treasurer's investment pool (STAR Ohio);
  7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time if training requirements have been met; and
  8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian. The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest, or coupons; and,
3. Obligations of the City.

A summary of the fair value of investments held, and year of maturities, as of December 31, 2016 is as follows:

<u>Investment Type</u>	<u>Total Fair Value</u>	<u>Credit Rating</u>	<u>Percent of Total Investments</u>	<u>Investment Maturities</u>			
				<u>Less than 3 months</u>	<u>3 Months – 1 Year</u>	<u>1-3 Years</u>	<u>3-5 Years</u>
FHLB	\$2,016,587	Aaa/AA+	10.48%	\$0	\$399,828	\$1,225,603	\$391,156
FHLMC	1,120,699	Aaa/AA+	5.82%	0	449,843	670,856	0
FNMA	2,848,522	Aaa/AA+	14.80%	0	250,173	898,222	1,700,127
FFCB	1,085,611	Aaa/AA+	5.64%	400,132	0	347,018	338,461
FHLC	297,426	Aaa/AA+	1.54%	0	0	0	297,426
Certificates of Deposit	11,015,000	Not Rated	57.21%	0	3,934,000	6,592,000	489,000
Money Market	<u>868,574</u>	Not Rated	4.51%	<u>868,574</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total investments	<u>\$19,252,419</u>			<u>\$1,268,706</u>	<u>\$5,033,844</u>	<u>\$9,733,699</u>	<u>\$3,216,170</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, 2016, the City's

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

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investments in U.S. agencies (not explicitly guaranteed by the U.S. government) and government-sponsored corporations were rated AA+ by Standard & Poor's and Aaa by Moody's Investor Service. The City's investments in Money Market Funds are not rated.

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

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

**3. RECEIVABLES**

Receivables at year end consisted primarily of municipal income taxes and property and other taxes, accounts receivable, accrued interest on investments, intergovernmental receivables arising from entitlements and shared revenues, interfund balances, and special assessments. See note 10 for interfund balances.

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 \$7,663,928 of which \$6,116 is considered delinquent.

**A. Income Taxes**

The City levies a 1.75% income tax on substantially all income earned within the City. Additional increases in the income tax rate require voter approval. City residents pay City income tax on income earned outside the City; however, a credit is allowed for income taxes paid to other municipalities. Filing is mandatory for all residents. Employers within the City withhold income tax on employee compensation and remit at least quarterly. Corporations and other individual taxpayers pay estimated taxes quarterly and file an annual declaration.

**B. Property Taxes**

Property taxes include amounts levied against all real property, public utility tangible personal property and tangible (used in business) property located in the City. Property taxes are levied each October 31<sup>st</sup> on the assessed value listed as of the prior January 1<sup>st</sup>. Assessed values are established for real property at 35% of appraised market value and for public utility tangible personal property at varying percentages, generally 25%. Property market values are required to be statistically updated every three years and revalued every six years. The last revaluation was completed in 2014 and the last statistical update was completed in 2011.

The property tax calendar is as follows:

Levy date	October 31, 2015
Lien date	January 1, 2015
Tax bill mailed	January 20, 2016
First installment payment due	February 15, 2016
Second installment payment due	July 19, 2016

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

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The assessed values for the City at December 31, 2016, were as follows:

Real Estate	\$632,415,050
Tangible Personal Property	<u>14,416,820</u>
Total	<u>\$646,831,870</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.

**C. Intergovernmental Receivable**

A summary of intergovernmental receivables were as follows:

<u>Governmental Activities</u>	<u>Amount</u>
Local Government	\$327,208
Homestead & Non Business Tax Credit	99,238
Gasoline & Excise Tax	327,632
Permissive Tax	<u>56,028</u>
Total	\$810,106

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

**4. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2016 was as follows:

<b>Governmental Activities</b>	Beginning			Ending
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
<b><i>Capital Assets, not being depreciated:</i></b>				
Land	\$ 7,113,419	\$ 598,492	\$ 0	\$ 7,711,911
<b><i>Capital Assets, being depreciated:</i></b>				
Building and improvements	14,316,649	23,630	0	14,340,279
Machinery and equipment	10,231,064	859,318	(267,010)	10,823,372
General infrastructure	<u>63,923,471</u>	<u>7,252,041</u>	<u>0</u>	<u>71,175,512</u>
Totals at Historical Cost	<u>95,584,603</u>	<u>8,733,481</u>	<u>(267,010)</u>	<u>104,051,074</u>
Less Accumulated Depreciation for:				
Building and improvements	4,102,134	403,158	0	4,505,292
Machinery and equipment	6,734,107	692,097	(267,010)	7,159,194
General infrastructure	<u>31,410,622</u>	<u>2,222,856</u>	<u>0</u>	<u>33,633,478</u>
Total Accumulated Depreciation	<u>42,246,863</u>	<u>3,318,111</u>	<u>(267,010)</u>	<u>45,297,964</u>
Governmental Activities Capital Assets, Net	<u>\$ 53,337,740</u>	<u>\$ 5,415,370</u>	<u>\$ (0)</u>	<u>\$ 58,753,110</u>
<b>Business-type Activities</b>	Beginning			Ending
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
<b><i>Capital Assets, not being depreciated:</i></b>				
Land	\$15,098,026	\$ 0	\$ 0	\$15,098,026
<b><i>Capital Assets, being depreciated:</i></b>				
Building and improvements	4,037,103	0	0	4,037,103
Machinery and equipment	<u>2,738,823</u>	<u>163,231</u>	<u>(48,546)</u>	<u>2,853,508</u>
Totals at Historical Cost	<u>21,873,952</u>	<u>163,231</u>	<u>(48,546)</u>	<u>21,988,637</u>
Less Accumulated Depreciation for:				
Building and improvements	1,756,321	89,714	0	1,846,035
Machinery and equipment	<u>2,040,059</u>	<u>148,759</u>	<u>(48,546)</u>	<u>2,140,272</u>
Total Accumulated Depreciation	<u>3,796,380</u>	<u>238,473</u>	<u>(48,546)</u>	<u>3,986,307</u>
Business-Type Activities Capital Assets, Net	<u>\$ 18,077,572</u>	<u>\$(75,242)</u>	<u>\$ (0)</u>	<u>\$ 18,002,330</u>

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: Land improvements; Buildings and improvements (20 to 45 years); Machinery and equipment (3 to 20 years); Infrastructure (10 to 40 years).

Depreciation expense was charged to governmental activities as follows:

General government	\$ 287,919
Public safety	442,632
Recreation	62,632
Community environment	6,388
Transportation	<u>2,518,539</u>
Total depreciation expense	<u>\$ 3,318,111</u>

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

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**5. PENSION PLAN OBLIGATIONS**

**Net Pension Liability**

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

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

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

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

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

**Plan Description: Ohio Public Employees Retirement System (OPERS)**

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

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

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

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

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

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

	State and Local	Public Safety	Law Enforcement
<b>2016 Statutory Maximum Contribution Rates</b>			
Employer	14.0%	18.1 %	18.1%
Employee	10.0%	*	**
<b>2016 Actual Contribution Rates</b>			
Employer:			
Pension	12.0%	16.1%	16.1%
Post-employment Health Care Benefits	2.0%	2.0%	2.0%
Total Employer	<u>14.0%</u>	<u>18.1%</u>	<u>18.1%</u>
Employee	<u>10.0%</u>	<u>12.0%</u>	<u>13.0%</u>

\* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City contractually required contribution was \$634,948 for 2016. Of this amount \$13,178 is reported as an accrued wage and benefits.

**Plan Description: Ohio Police & Fire Pension Fund (OPF)**

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

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

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

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

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

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

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

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

	Police
<b>2016 Statutory Maximum Contribution Rates</b>	
Employer	19.50%
Employee:	12.25%
 <b>2016 Actual Contribution Rates</b>	
Employer:	
Pension	19.00%
Post-employment Health Care Benefits	0.50%
Total Employer	19.50%
Employee:	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$663,084 for 2016. Of this amount \$26,772 is reported as an accrued wage and benefits.

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

The net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City proportion of the net pension liability was based on the City share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS	OPF	Total
Proportionate Share of the Net Pension Liability	\$7,183,993	\$10,093,744	\$17,277,737
Proportion of the Net Pension Liability	0.041475%	0.156904%	
Pension Expense	\$846,449	\$1,391,195	\$2,237,644

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OPF	Total
<b>Deferred Outflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$2,111,645	\$1,642,875	\$3,754,520
Changes in employer proportionate share of net pension liability	52,839	0	52,839
City contributions subsequent to the measurement date	634,948	663,084	1,298,032
Total Deferred Outflows of Resources	\$2,799,432	\$2,305,959	\$5,105,391
 <b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$138,809	\$28,343	\$167,152
Changes in employer proportion and differences between contributions and proportionate share of contributions	0	9,289	9,289
Total Deferred Inflows of Resources	\$138,809	37,632	176,441



**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

\$1,298,032 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending</u>	<u>OPERS</u>	<u>OPF</u>	<u>Pension</u>
<u>December 31:</u>			<u>Expense</u>
2017	\$486,217	\$425,363	\$911,580
2018	519,982	425,363	945,345
2019	541,611	425,363	966,974
2020	477,866	337,782	815,648
2021	0	(7,251)	(7,251)
Thereafter	<u>0</u>	<u>(1,378)</u>	<u>(1,378)</u>
Total	<u>\$2,025,676</u>	<u>\$1,605,242</u>	<u>\$3,630,918</u>

**Actuarial Assumptions – OPERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2015, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuations are presented below:

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial Information	Traditional Pension Plan
Valuation Date	December 31, 2015
Experience Study	5 year period ending December 31, 2010
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions:	
Investment Rate of Return	8.00%
Wage Inflation	3.75%
Projected Salary Increases	4.25% - 10.05% (includes wage inflation at 3.75%)
Cost-of-Living Adjustments:	
Pre 1/7/2013 Retirees	3.00% Simple,
Post 1/7/2013 Retirees	3.00% Simple,
Through 2018, then	2.80% Simple.
Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

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Mortality rates are the RP-2000 mortality table projected 20 years using Projection Scale AA. For males, 105% of the combined healthy male mortality rates were used. For females, 100% of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120% of the disabled female mortality rates were used, set forward two years. For females, 100% of the disabled female mortality rates were used.

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

OPERS manages investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan, and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money-weighted rate of return, net of investment expense, for the Defined Benefit portfolio is 0.4% for 2015.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00%	2.31%
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other Investments	<u>18.00</u>	<u>4.59</u>
Total	<u>100.00%</u>	<u>5.27%</u>

Discount Rate. The discount rate used to measure the total pension liability was 8.0% for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the net pension liability or asset calculated using the discount rate of 8.0%, and the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$11,445,856	\$7,183,993	\$3,589,247

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

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Changes Between Measurement Date and Report Date

In October 2016, the OPERS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8.0 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the Government's net pension liability is expected to be significant.

**Actuarial Assumptions: OPF**

OP&F's total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 %
Projected Salary Increases	4.25 % to 11 %
Payroll Increases	3.75 %
Inflation Assumptions	3.25 %
Cost of Living Adjustments	2.60 % and 3.00 %

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA. The most recent experience study was completed January 1, 2012.

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2015 are summarized below:

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

<u>Asset Class</u>	<u>Target</u> <u>Allocation</u>	<u>10 Year Expected</u> <u>Real Rate of Return**</u>	<u>30 Year Expected</u> <u>Real Rate of Return**</u>
Domestic Equity	16.00 %	4.47 %	7.80 %
Non-US Equity	16.00	4.47	8.00
Core Fixed Income*	20.00	1.62	5.35
Global Inflation Protected Securities*	20.00	1.33	4.73
High Yield	15.00	3.39	7.21
Real Estate	12.00	3.93	7.43
Private Markets	8.00	6.98	10.73
Timber	5.00	4.92	7.35
Master Limited Partnerships	8.00	7.03	10.75
Total	<u>120.00%</u>		

Note: Assumptions are geometric

\*levered 2x

\*\* Numbers include inflation

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

Discount Rate. The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$13,312,297	\$10,093,744	\$7,367,314

## 6. POST-EMPLOYMENT BENEFITS

### 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. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. As of December 31, 2016, OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

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OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2015 CAFR for details.

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to 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 health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, State and Local employers contributed at a rate of 14.0% of earnable salary and Public Safety and Law Enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2016. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2016 was 4.0%.

Information from City's Records. The rates stated in Funding Policy, above, are the contractually required contribution rates for OPERS. The City's actual contributions for the current year, which were used to fund postemployment benefits, were \$105,782 for 2016, \$111,789 for 2015, and \$111,272 for 2014. The full amount has been contributed for 2016, 2015 and 2014.

#### **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 is codified in Chapter 742 of the Ohio Revised Code.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

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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, or by visiting the OP&F website at [www.op-f.org](http://www.op-f.org).

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. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2016 thru December 31, 2016. 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, 2016 was \$17,694, December 31, 2015 was \$17,975; and December 31, 2014 was \$18,784. The actual contributions for 2016, 2015 and were 100%.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

**7. LONG-TERM OBLIGATIONS**

Long-term liability activity for the year ended December 31, 2016, was as follows:

		Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>						
General Obligation Bonds	1.00- 4.25%	\$8,245,000	\$0	\$(5,000)	\$8,240,000	\$140,000
Issuance Premium on Refunding		341,316	0	(13,653)	327,663	0
<u>Special Assessment Bonds</u>						
Street Improvements: Various Purpose Refunding – Series 2013	2.76- 3.48%	5,190,000	0	(300,000)	4,890,000	310,000
Issuance Premium on Refunding		72,806	0	(6,619)	66,187	0
Total Special Assessment Bonds		5,262,806	0	(306,619)	4,956,187	310,000
Promissory Notes	1.00%	560,081	0	(40,552)	519,529	40,959
Total Long-Term Liabilities - Bonds, Notes		14,409,203	0	(365,824)	14,043,379	490,959
Net Pension Liability						
Total Net Pension Liability		11,811,237	3,641,273	0	15,452,510	0
Compensated Absences		1,005,176	262,576	(300,000)	967,752	315,000
Total Governmental Activities		\$27,225,616	\$3,903,849	(\$665,824)	\$30,463,641	\$805,959
<b>Business-Type Activities</b>						
<u>General Obligation Bonds</u>						
Various Purpose Refunding-Series 2013	1.29%	2,275,000	0	(740,000)	1,535,000	765,000
Issuance Premium on Refunding		141,217	0	(47,072)	94,145	0
Total General Obligation Bonds		2,416,217	0	(787,072)	1,629,145	765,000
Net Pension Liability		1,250,596	574,631	0	1,825,227	0
Compensated Absences		96,172	73,941	(29,333)	140,780	98,159
Total Business-Type Activities		\$3,762,985	\$648,572	(\$816,405)	\$3,595,152	\$863,159

General obligation bonds are direct obligations of the City for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property in the government. The City issued \$8.245 million of limited tax general obligation bonds in 2015 for the purpose constructing new infrastructure to be paid from Tax Increment Financing (TIF) related to the Cornerstone of Centerville development. The plan is to utilize “payment in lieu of taxes” from the TIF to pay debt service. The City issued \$3.7 million of refunding general obligation bonds in Business-Type Activities in 2013, maturing through 2018, for the purpose of acquiring golf course structures.

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

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

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

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

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

**Governmental Activities and Business-Type Activities:**

Year Ending December 31	<u>General Obligation Bonds</u>		<u>Special Assessment Bonds</u>		<u>Promissory Notes</u>	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	905,000	345,175	310,000	164,053	40,959	5,093
2018	975,000	311,775	315,000	151,653	41,369	4,683
2019	225,000	276,875	330,000	139,053	41,784	4,268
2020	265,000	272,375	350,000	130,802	42,203	3,849
2021	270,000	267,075	350,000	122,055	42,626	3,426
2022-2026	1,460,000	1,223,325	1,895,000	458,327	219,625	10,633
2027-2031	1,705,000	980,275	1,305,000	135,341	90,963	1,140
2032-2036	2,030,000	655,650	35,000	1,470	0	0
2037-2040	<u>1,940,000</u>	<u>210,375</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$9,775,000</u>	<u>\$4,542,900</u>	<u>\$4,890,000</u>	<u>\$1,302,754</u>	<u>\$519,529</u>	<u>\$33,092</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, 2016, the City had a legal debt margin for total debt of \$67,917,346 and a legal debt margin for unvoted debt of \$35,575,753.

To provide for the Bethany Lutheran Village Continuing Care Facility, the City issued three series of Health Care Revenue Bonds. These bonds are special limited obligations of the City, payable solely from and secured by a letter of credit. The bonds do not constitute a debt or pledge of the faith and credit of the City, the County or the State, and, accordingly, have not been reported in the accompanying financial statements. At December 31, 2016, Health Care Revenue Bonds outstanding aggregated \$41,530,000.

**8. RISK MANAGEMENT**

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

Miami Valley Risk Management Association. 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.



**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

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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:

Liability:

Personal Injury Liability  
Property Damage Liability  
Public Officials Errors and Omissions  
Employment Practices Liability  
Employee Benefits Liability

Limits: \$12,000,000 per occurrence. \$12,000,000 annual aggregate per member for Employment Practices Liability; Public Officials Errors and Omissions and Employee Benefits Liability combined; and Products/Completed Operations.

MVRMA self-insured \$500,000 per occurrence and obtained reinsurance from Government Entities Mutual Inc. (GEM) for \$4.5 million excess of \$500,000, and from Genesis for \$7 million excess of \$5 million.

Property:

\$1,000,000,000/occurrence  
MVRMA Self-Insured Retention (SIR): \$250,000/occurrence

Coverage excess of SIR provided by Alliant Property Insurance Program (APIP). List of carriers underwriting the coverage provided upon request.

Flood – included in Property Policy

\$25 million/occurrence and annual aggregate  
Sublimit: 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 – included in Property Policy

\$25 million/occurrence and annual aggregate  
MVRMA SIR: \$100,000/occurrence

Boiler & Machinery – included in Property Policy

\$100,000,000/occurrence  
MVRMA SIR: \$10,000-\$350,000/occurrence

Cyber Liability – included in Property Policy

MVRMA SIR: \$100,000/occurrence  
Coverage excess of SIR provided by Lloyd's of London – Beazley Syndicate

Third Party Liability:

\$2 million/occurrence and annual aggregate per member, but sublimited to:  
\$1,000,000/occurrence and annual aggregate for Privacy Notification Costs

First Party Computer Liability

\$2 million/occurrence and annual aggregate subject to policy sublimits

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

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MVRMA SIR: \$100,000/occurrence  
Coverage excess of SIR provided by Lloyd's of London – Beazley Syndicate

Pollution Liability – Claims made and Reported Policy  
\$1 million/pollution condition and aggregate  
Retroactive Date: Policy inception  
MVRMA SIR: \$75,000/pollution condition;  
\$750,000 underground storage tanks specific  
Coverage excess SIR provided by Illinois Union Insurance Company

Member Deductible/occurrence - \$2,500

The Audit of MVRMA's 2016 financial statements has not been completed yet. Data from the December 31, 2015 financial statements are as follows:

Current Assets	\$3,142,010
Total Assets	\$18,854,191
Current Liabilities	\$8,033,713
Non-current Liabilities	\$289,865
Net Position	\$10,583,893

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

**9. OPERATING LEASE-CITY AS LESSOR**

The City is the lessor of a building under noncancellable leases with the Bureau of Motor Vehicles, State of Ohio and the Auto Title Division, Montgomery County, Ohio. Assets relating to the leases as of December 31, 2016 include buildings and improvements at a cost of \$214,284 and accumulated depreciation of \$111,454. The future minimum lease payments as of December 31, 2016 are as follows: 2017 for \$17,593.

**10. INTERFUND TRANSFERS**

The composition of interfund balances as of December 31, 2016 is as follows:

Interfund transfers:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 0	\$4,556,052
Street Construction and Maintenance	1,600,000	0
Non-major Governmental	446,052	0
Capital Improvement Fund	2,500,000	0
Golf Course	<u>10,000</u>	<u>0</u>
Total	<u>\$4,556,052</u>	<u>\$4,556,052</u>

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

**11. FUND BALANCES & SIGNIFICANT COMMITMENTS**

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

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

Fund Balances	General	Street Construction & Maintenance	Special Assessment Debt Retirement	Capital Improvements	TIF Projects	Other Governmental Funds	Total
<b>Nonspendable:</b>							
Inventory	\$ 1,384	\$86,250	\$0	\$0	\$0	\$25,311	\$112,945
Prepays	<u>12,638</u>	<u>1,142</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,780</u>
<b>Total Nonspendable</b>	14,022	87,392	0	0	0	25,311	126,725
<b>Restricted for:</b>							
Street Construction & Maintenance	0	1,039,124	0	0	0	0	1,039,124
Special Assessment Debt Retire	0	0	477,352	0	0	0	477,352
TIF Projects	0	0	0	0	828,697	0	828,697
State Highway	0	0	0	0	0	129,025	129,025
Law Enforcement	0	0	0	0	0	262,318	262,318
Enforcement and Education	0	0	0	0	0	35,778	35,778
Drug Law	0	0	0	0	0	1,026	1,026
Police Grants	0	0	0	0	0	235,458	235,458
TIF Debt Retirement	0	0	0	0	0	146,006	146,006
Special Assessment Improvements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>508,484</u>	<u>508,484</u>
<b>Total Restricted</b>	0	1,039,124	477,352	0	828,697	1,318,095	3,663,268
<b>Assigned to:</b>							
Encumbrances	98,220	0	0	0	0	0	98,220
Retirement Reserve	81,572	0	0	0	0	0	81,572
Unvoted Debt Retirement	0	0	0	0	0	2,067	2,067
Capital Improvements	0	0	0	2,130,688	0	0	2,130,688
Capital Equipment Purchases	0	0	0	0	0	734,698	734,698
TIF MVHS Capital Projects	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>222,486</u>	<u>222,486</u>
<b>Total Assigned</b>	179,792	0	0	2,130,688	0	959,251	3,269,731
<b>Unassigned (Deficit)</b>	<u>13,423,099</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,423,099</u>
<b>Total Fund Balance</b>	<u>\$13,616,913</u>	<u>\$1,126,516</u>	<u>\$477,352</u>	<u>\$2,130,688</u>	<u>\$828,697</u>	<u>\$2,302,657</u>	<u>\$20,482,823</u>

Encumbrances (assigned) will be used for general government functions, safety of residences, recreational activities, and purchases of capital items for the City.

Significant encumbrances at December 31, 2016 included:

General Fund	\$205,310
Street Construction and Maintenance	11,601
Special Assessment Debt Retirement	0
Capital Improvements	323,200
TIF Projects	49,348
All Other Funds	227,161

**12. INTERFUND PAYABLE / RECEIVABLE**

Balances:

<u>Type</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Internal Service Allocation	\$(96,886)	\$96,886

Certain interfund payable/receivable of a longer term repayment schedule also exists. The General Fund has provided interfund loans to the Golf Course Fund. The Golf Course Fund will make repayments on the loan from the portions of their revenue.

**13. JOINTLY GOVERNED ORGANIZATIONS**

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

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

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

Miami Valley Risk Management Association. The City is a member of the Miami Valley Risk Management Association (MVRMA) which is a jointly governed organization established as a joint insurance pool. As of December 31, 2016, the pool had twenty members. This organization covers all property, crime, liability, boiler and machinery and public liability insurance. It is intended to provide broad based coverage up to the limits with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate.

MVRMA is a corporation governed by a twenty-member board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. The board is responsible for its own financial matters, and the corporation maintains its own book of account. Budgeting and financing of MVRMA is subject to the approval of the board. As of December 31, 2016, the participant cities were: Beavercreek, Bellbrook, Blue Ash, Centerville, Englewood, Indian Hill, Kettering, Madeira, Mason, Miamisburg, Montgomery, Piqua, Sidney, Springdale, Tipp City, Troy, Vandalia, West Carrollton, Wilmington, and Wyoming.

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

The City has no explicit and measurable equity interest in MVRMA and no ongoing financial responsibility for MVRMA. The following is a summary of the MVRMA audited financial statements presented in conformity with generally accepted principles as of and for the year ended December 31, 2015 (most recent information available):

Assets	\$18,854,191
Liabilities	8,323,578
Net Position	\$10,583,893

To obtain additional financial information write to Miami Valley Risk Management Association, 4625 Presidential Way, Kettering, Ohio, 45429.

#### **14. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES**

For the fiscal year ended December 31, 2016, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, GASB Statement No. 77, *Tax Abatement Disclosures* and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*.

GASB Statement No. 72 clarifies the definition of fair value for financial reporting purposes, establishes general principles for measuring fair value, provides additional fair value application guidance, and enhances disclosures about fair value measurements. These changes were incorporated in the City's note disclosures.

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

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GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of GASB Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also clarifies the application of certain provisions of GASB Statements 67 and 68. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the City.

GASB Statement No. 76 reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the City.

GASB Statement No. 77 establishes improved financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The implementation of GASB Statement No 77 did not have an effect on the financial statements of the City.

GASB Statement No. 79 addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The implementation of GASB Statement No. 79 did not have an effect on the financial statements of the City.

**15. TAX ABATEMENTS**

As of December 31, 2016, the City provides tax abatements through two programs-the Community Reinvestment Area (CRA) program and Economic Development Incentives:

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

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

	Total Amount of Tax Incentives	City Share of Tax Incentives
Community Reinvestment Area	\$183,730	\$4,954
Economic Development Incentive	48,395	48,395

**City of Centerville, Ohio**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2016  
(continued)

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**16. CONTINGENT LIABILITIES**

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

**17. SUBSEQUENT EVENTS**

In order to provide for the Bethany Lutheran Village Continuing Care Facility, the City issued \$80,985,000 in Health Care Revenue Bonds on May 25, 2017. These bonds refunded the \$41,530,000 of Health Care Revenue Bonds outstanding at December 31, 2016. 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

City of Centerville, Ohio  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net Pension Liability  
 Ohio Public Employees Retirement System - Traditional Plan  
 Last Three Fiscal Years (1)

	2015	2014	2013
City's Proportion of the Net Pension Liability	0.04147500%	0.04081100%	0.04081100%
City's Proportionate Share of the Net Pension Liability	\$7,183,993	\$4,922,263	\$4,811,085
City's Covered-Employee Payroll	\$6,022,242	\$5,020,008	\$6,032,792
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	119.29%	98.05%	79.75%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	86.45%	86.36%

(1) - Information prior to 2013 is not available

Note - Amounts presented as of the City's measurement date which is the prior fiscal year end.

City of Centerville, Ohio  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net Pension Liability  
 Ohio Police and Fire Pension Fund  
 Last Three Fiscal Years (1)

	2015	2014	2013
City's Proportion of the Net Pension Liability	0.1569040%	0.1571219%	0.1571219%
City's Proportionate Share of the Net Pension Liability	\$10,093,744	\$8,139,570	\$7,652,329
City's Covered-Employee Payroll	\$3,441,284	\$3,229,592	\$4,448,331
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	293.31%	252.03%	172.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.77%	72.20%	73.00%

(1) - Information prior to 2013 is not available

Note - Amounts presented as of the City's measurement date which is the prior fiscal year end.

City of Centerville, Ohio  
 Required Supplementary Information  
 Schedule of City Contributions  
 Ohio Public Employees Retirement System - Traditional Plan  
 Last Three Fiscal Years (1)

	2016	2015	2014
Contractually Required Contribution	\$634,948	\$722,669	\$602,401
Contributions in Relation to the Contractually Required Contribution	<u>(634,948)</u>	<u>(722,669)</u>	<u>(602,401)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered-Employee Payroll	\$5,291,233	\$6,022,242	\$5,020,008
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%	12.00%

(1) - Information prior to 2014 is not available

City of Centerville, Ohio  
 Required Supplementary Information  
 Schedule of City Contributions  
 Ohio Police and Fire Pension Fund  
 Last Three Fiscal Years (1)

	2016	2015	2014
Contractually Required Contribution	\$663,084	\$691,354	\$657,545
Contributions in Relation to the Contractually Required Contribution	<u>(663,084)</u>	<u>(691,354)</u>	<u>(657,545)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered-Employee Payroll	\$3,489,916	\$3,441,284	\$3,229,592
Contributions as a Percentage of Covered-Employee Payroll	19.00%	20.09%	20.36%

(1) - Information prior to 2014 is not available



City of Centerville, Ohio  
Required Supplementary Information  
Schedule of Revenues, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
General Fund  
For the Fiscal Year Ended December 31, 2016

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Local Taxes	\$ 14,717,000	\$ 14,717,000	\$ 15,470,669	\$ 753,669
Intergovernmental revenues	524,000	524,000	560,201	36,201
Special assessments	20,000	20,000	10,690	(9,310)
Charges for services	358,500	358,500	369,493	10,993
Fines, licenses, and permits	287,000	287,000	288,143	1,143
Investment earnings	95,000	95,000	122,262	27,262
Miscellaneous and reimbursements	314,815	314,815	358,295	43,480
Total revenues	16,316,315	16,316,315	17,179,753	863,438
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Clerk of Council</b>				
Personal services	234,986	234,986	218,143	16,843
Other expenditures	63,050	63,050	31,532	31,518
Total clerk of council	298,036	298,036	249,675	48,361
<b>City Manager</b>				
Personal services	439,246	439,246	439,125	121
Other expenditures	23,450	23,450	22,640	810
Total city manager	462,696	462,696	461,765	931
<b>Economic Development</b>				
Personal services	120,474	120,474	118,205	2,269
Other expenditures	10,480	10,480	7,788	2,692
Total economic development	130,954	130,954	125,993	4,961
<b>Community Resources</b>				
Personal services	101,175	101,175	100,860	315
Other expenditures	15,045	15,045	10,647	4,398
Total community resources	116,220	116,220	111,507	4,713
<b>Code Enforcement</b>				
Personal services	125,872	125,872	116,367	9,505
Other expenditures	26,250	41,250	29,821	11,429
Total code enforcement	152,122	167,122	146,188	20,934
<b>Finance</b>				
Personal services	389,220	389,220	355,749	33,471
Other expenditures	52,960	62,960	66,948	(3,988)
Total finance	442,180	452,180	422,697	29,483
<b>Income Tax</b>				
Personal services	230,581	235,581	235,299	282
Other expenditures	87,625	87,625	82,841	4,784
Total income tax	318,206	323,206	318,140	5,066
<b>Human Resources</b>				
Personal services	161,317	161,317	161,146	171
Other expenditures	42,040	44,540	41,547	2,993
Total human resources	203,357	205,857	202,693	3,164

See accompanying notes to the required supplementary information.

City of Centerville, Ohio  
Required Supplementary Information  
Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
General Fund - Continued  
For the Fiscal Year Ended December 31, 2016

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>Legal</b>				
Other expenditures	347,000	497,000	408,577	88,423
Total legal	347,000	497,000	408,577	88,423
<b>Planning</b>				
Personal services	217,650	220,150	220,146	4
Other expenditures	70,110	70,110	60,861	9,249
Total planning	287,760	290,260	281,007	9,253
<b>General Government</b>				
Personal services	134,914	134,914	80,458	54,456
Other expenditures	1,148,819	1,148,819	1,054,163	94,656
Total general government	1,283,733	1,283,733	1,134,621	149,112
<b>Municipal Building</b>				
Personal services	32,995	32,995	32,057	938
Other expenditures	47,650	47,650	39,955	7,695
Total municipal building	80,645	80,645	72,012	8,633
<b>Inspection</b>				
Personal services	246,737	261,737	255,960	5,777
Other expenditures	52,730	52,730	36,820	15,910
Total inspection	299,467	314,467	292,780	21,687
<b>Engineering</b>				
Personal services	362,853	387,853	388,113	(260)
Other expenditures	32,405	32,405	18,158	14,247
Total engineering	395,258	420,258	406,271	13,987
<b>Public Works Administration</b>				
Personal services	244,631	244,631	219,418	25,213
Other expenditures	119,880	119,880	95,386	24,494
Total public works administration	364,511	364,511	314,804	49,707
<b>Police</b>				
Personal services	6,357,707	6,357,707	5,952,616	405,091
Other expenditures	749,580	749,580	666,031	83,549
Total police	7,107,287	7,107,287	6,618,647	488,640
<b>Sister City Committee</b>				
Other expenditures	5,480	5,480	757	4,723
Total sister city committee	5,480	5,480	757	4,723
<b>Arts Commission</b>				
Other expenditures	34,500	34,500	32,512	1,988
Total arts commission	34,500	34,500	32,512	1,988

See accompanying notes to the required supplementary information.

City of Centerville, Ohio  
 Required Supplementary Information  
 Schedule of Revenue, Expenditures, & Changes in Fund Balances -  
 Budget and Actual - Budgetary (Non-GAAP) Basis  
 General Fund - Continued  
 For the Fiscal Year Ended December 31, 2016

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
City Beautiful Commission				
Other expenditures	5,225	5,225	3,470	1,755
Total city beautiful commission	5,225	5,225	3,470	1,755
Benham's Grove				
Personal services	95,605	95,605	84,364	11,241
Other expenditures	115,450	115,450	86,632	28,818
Total Benham's Grove	211,055	211,055	170,996	40,059
Stubbs Park				
Other expenditures	138,525	138,525	93,091	45,434
Total Stubbs Park	138,525	138,525	93,091	45,434
Total Expenditures	12,684,217	12,909,217	11,868,203	1,041,014
Excess (deficiency) of revenues over expenditures	3,632,098	3,407,098	5,311,550	1,904,452
Other financing sources (uses):				
Transfers (out)	(4,895,052)	(4,895,052)	(4,556,052)	339,000
Total other financing sources (uses)	(4,895,052)	(4,895,052)	(4,556,052)	339,000
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(1,262,954)	(1,487,954)	755,498	2,243,452
Fund balance at beginning of year	12,257,400	12,257,400	12,257,400	-
Fund balance at end of year	<u>\$ 10,994,446</u>	<u>\$ 10,769,446</u>	<u>\$ 13,012,898</u>	<u>\$ 2,243,452</u>

City of Centerville, Ohio  
 Required Supplementary Information  
 Schedule of Revenues, Expenditures, & Changes in Fund Balances -  
 Budget and Actual - Budgetary (Non-GAAP) Basis  
 Street Construction and Maintenance Fund  
 For the Fiscal Year Ended December 31, 2016

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental revenues	\$ 1,015,000	\$ 1,015,000	\$ 945,219	\$ (69,781)
Charges for services	1,000	1,000	2,235	1,235
Interest earned	5,000	5,000	6,314	1,314
Miscellaneous and reimbursements	-	-	229	229
Total revenues	1,021,000	1,021,000	953,997	(67,003)
<b>Expenditures:</b>				
Current:				
Transportation				
Personal services	2,025,074	2,025,074	1,781,140	243,934
Other expenditures	633,630	633,630	433,350	200,280
Total transportation	2,658,704	2,658,704	2,214,490	444,214
Excess (deficiency) of revenues over expenditures	(1,637,704)	(1,637,704)	(1,260,493)	377,211
<b>Other financing sources (uses):</b>				
Transfers in	1,600,000	1,600,000	1,600,000	-
Total other financing sources (uses)	1,600,000	1,600,000	1,600,000	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(37,704)	(37,704)	339,507	377,211
Fund balance at beginning of year	515,553	515,553	515,553	-
Fund balance at end of year	\$ 477,849	\$ 477,849	\$ 855,060	\$ 377,211

See accompanying notes to the required supplementary information.

**City of Centerville, Ohio**  
Notes to the Required Supplementary Information  
For the Fiscal Year Ended December 31, 2016

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**1. BASIS OF BUDGETING**

Basis of budgeting refers to when revenues and expenditures or expenses are recognized in the funds. 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.

**2. BUDGETARY PROCESS**

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

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

The City Manager acts as budget officer for the City and submits a proposed operating budget to the City Council on an annual basis. Public hearings are held to obtain taxpayer comments. The Council enacts the budget through passage of an ordinance. The appropriations ordinance controls expenditures at the department level, which is broken out between personal services and other expenses in the General Fund and at the fund level for all other funds. 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 Schedules of Revenues, Expenditures, 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, 2016.

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

**City of Centerville, Ohio**  
Notes to the Required Supplementary Information  
For the Fiscal Year Ended December 31, 2016  
(continued)

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part of fund balances, since they do not constitute expenditures or liabilities.

While financial position, results of operations and changes in fund balances are reported 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.

The Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budget (Non-GAAP) Basis for the General Fund and 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:

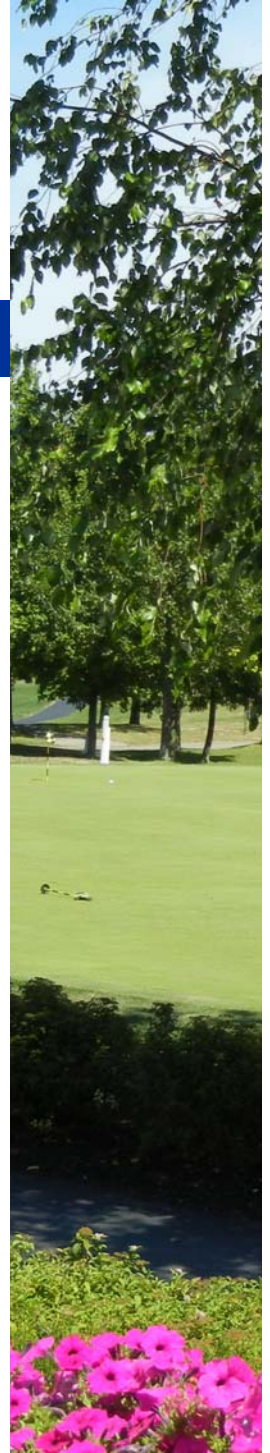
- (1) Revenues are recorded when received in cash (budget) as opposed to when they are both measurable and available (GAAP).
- (2) Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
- (3) Encumbrances are recorded as the equivalent of expenditures (budget) as opposed to restricted, committed or assigned fund balance (GAAP).
- (4) Some funds are reported as part of the General Fund (GAAP basis) as opposed to the General Fund being reported alone (budget basis).

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

<u>Net Change in Fund Balance</u>	<u>General Fund</u>	<u>Street Construction and Maintenance Fund</u>
GAAP basis	\$68,593	\$419,941
Net adjustment for revenue accruals	605,907	(96,788)
Net adjustment for expenditure accruals	179,218	16,354
Net adjustment for transfers (out)	0	0
Net adjustment for encumbrances	<u>(98,220)</u>	<u>0</u>
Budget basis	<u>\$755,498</u>	<u>\$339,507</u>



# Combining Statements & Individual Fund Schedules







# City of Centerville, Ohio

## Fund Descriptions

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### **Non-Major Special Revenue Funds**

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

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.

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 restricted to expenditure 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.

Police Grants Fund. A fund provided to account for grants received for police services.

### **Non-Major Debt Service Fund**

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.

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

### **Non-Major Capital Projects Funds**

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

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.

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

### **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.

Self-Insurance Medical Fund. A fund provided to account for the payment of claims and fees relating to the City's employee medical insurance program.

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, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$660,647	\$148,073	\$1,465,668	\$2,274,388
<b>Receivables (Net):</b>				
Intergovernmental	37,006	0	0	37,006
Inventory	25,311	0	0	25,311
<b>Total Assets</b>	<b>722,964</b>	<b>148,073</b>	<b>1,465,668</b>	<b>2,336,705</b>
<b>Liabilities:</b>				
Accounts Payable	9,476	0	0	9,476
<b>Total Liabilities</b>	<b>9,476</b>	<b>0</b>	<b>0</b>	<b>9,476</b>
<b>Deferred Inflows of Resources:</b>				
Grants and Other Taxes	24,572	0	0	24,572
<b>Total Deferred Inflows of Resources</b>	<b>24,572</b>	<b>0</b>	<b>0</b>	<b>24,572</b>
<b>Fund Balances:</b>				
Nonspendable	25,311	0	0	25,311
Restricted	663,605	146,006	508,484	1,318,095
Assigned	0	2,067	957,184	959,251
<b>Total Fund Balances</b>	<b>688,916</b>	<b>148,073</b>	<b>1,465,668</b>	<b>2,302,657</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$722,964</b>	<b>\$148,073</b>	<b>\$1,465,668</b>	<b>\$2,336,705</b>

City of Centerville, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended December 31, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Investment Earnings	\$5,853	\$3,027	\$12,170	\$21,050
Intergovernmental	146,927	0	0	146,927
Special Assessments	0	0	17,023	17,023
Fines, Licenses & Permits	1,481	0	0	1,481
Revenue in Lieu of Taxes	0	0	84,856	84,856
Other Revenues	8,054	0	30,989	39,043
<b>Total Revenues</b>	<b>162,315</b>	<b>3,027</b>	<b>145,038</b>	<b>310,380</b>
Expenditures:				
Current:				
General Government	0	0	629	629
Public Safety	80,238	0	0	80,238
Transportation	59,565	0	0	59,565
Capital Outlay	0	0	248,428	248,428
Debt Service:				
Principal	0	45,552	0	45,552
Interest and Other Charges	0	289,325	0	289,325
<b>Total Expenditures</b>	<b>139,803</b>	<b>334,877</b>	<b>249,057</b>	<b>723,737</b>
Excess of Revenues Over (Under) Expenditures	22,512	(331,850)	(104,019)	(413,357)
Other Financing Sources (Uses):				
Transfers In	0	46,052	400,000	446,052
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>46,052</b>	<b>400,000</b>	<b>446,052</b>
Net Change in Fund Balance	22,512	(285,798)	295,981	32,695
Fund Balance - Beginning of Year	688,872	433,871	1,169,687	2,292,430
Change in Reserve for Inventory	(22,468)	0	0	(22,468)
<b>Fund Balance - End of Year</b>	<b>\$688,916</b>	<b>\$148,073</b>	<b>\$1,465,668</b>	<b>\$2,302,657</b>

City of Centerville, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2016

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	State Highway	Law Enforcement	Enforcement and Education	Drug Law
Assets:				
Equity in Pooled Cash and Investments	\$126,067	\$262,318	\$35,778	\$1,026
Receivables (Net):				
Intergovernmental	37,006	0	0	0
Inventory	25,311	0	0	0
Total Assets	<u>188,384</u>	<u>262,318</u>	<u>35,778</u>	<u>1,026</u>
Liabilities:				
Accounts Payable	9,476	0	0	0
Total Liabilities	<u>9,476</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources:				
Grants and Other Taxes	24,572	0	0	0
Total Deferred Inflows of Resources	<u>24,572</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Nonspendable	25,311	0	0	0
Restricted	129,025	262,318	35,778	1,026
Total Fund Balances	<u>154,336</u>	<u>262,318</u>	<u>35,778</u>	<u>1,026</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$188,384</u>	<u>\$262,318</u>	<u>\$35,778</u>	<u>\$1,026</u>

Police Grants	Total Nonmajor Special Revenue Funds
\$235,458	\$660,647
0	37,006
<u>0</u>	<u>25,311</u>
<u>235,458</u>	<u>722,964</u>
<u>0</u>	<u>9,476</u>
<u>0</u>	<u>9,476</u>
<u>0</u>	<u>24,572</u>
<u>0</u>	<u>24,572</u>
0	25,311
<u>235,458</u>	<u>663,605</u>
<u>235,458</u>	<u>688,916</u>
<u>\$235,458</u>	<u>\$722,964</u>

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, 2016

	State Highway	Law Enforcement	Enforcement and Education	Drug Law
Revenues:				
Investment Earnings	\$925	\$2,259	\$314	\$9
Intergovernmental	83,234	0	0	0
Fines, Licenses & Permits	0	0	1,481	0
Other Revenues	0	8,054	0	0
<b>Total Revenues</b>	<b>84,159</b>	<b>10,313</b>	<b>1,795</b>	<b>9</b>
Expenditures:				
Current:				
Public Safety	0	0	0	0
Transportation	59,565	0	0	0
<b>Total Expenditures</b>	<b>59,565</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>24,594</b>	<b>10,313</b>	<b>1,795</b>	<b>9</b>
Fund Balance - Beginning of Year	152,210	252,005	33,983	1,017
Change in Reserve for Inventory	(22,468)	0	0	0
<b>Fund Balance - End of Year</b>	<b>\$154,336</b>	<b>\$262,318</b>	<b>\$35,778</b>	<b>\$1,026</b>

Police Grants	Total Nonmajor Special Revenue Funds
\$2,346	\$5,853
63,693	146,927
0	1,481
0	8,054
<u>66,039</u>	<u>162,315</u>
80,238	80,238
0	59,565
<u>80,238</u>	<u>139,803</u>
(14,199)	22,512
249,657	688,872
0	(22,468)
<u>\$235,458</u>	<u>\$688,916</u>

City of Centerville, Ohio  
Schedule of Revenues, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
State Highway Fund  
For the Fiscal Year Ended December 31, 2016

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ 84,000	\$ 84,000	\$ 76,639	\$ (7,361)
Interest earned	1,000	1,000	925	(75)
Total revenues	85,000	85,000	77,564	(7,436)
Expenditures:				
Transportation				
Other expenditures	100,700	100,700	51,525	49,175
Total expenditures	100,700	100,700	51,525	49,175
Excess (deficiency) of revenues over expenditures	(15,700)	(15,700)	26,039	41,739
Fund balance at beginning of year	93,884	93,884	93,884	-
Fund balance at end of year	\$ 78,184	\$ 78,184	\$ 119,923	\$ 41,739

City of Centerville, Ohio  
Schedule of Revenues, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Law Enforcement Fund  
For the Fiscal Year Ended December 31, 2016

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 2,500	\$ 2,500	\$ 2,259	\$ (241)
Miscellaneous and reimbursements	-	-	7,562	7,562
Total revenues	2,500	2,500	9,821	7,321
Expenditures:				
Public Safety				
Other expenditures	6,350	6,350	(492)	6,842
Total expenditures	6,350	6,350	(492)	6,842
Excess (deficiency) of revenues over expenditures	(3,850)	(3,850)	10,313	14,163
Fund balance at beginning of year	252,006	252,006	252,006	-
Fund balance at end of year	\$ 248,156	\$ 248,156	\$ 262,319	\$ 14,163



City of Centerville, Ohio  
Schedule of Revenues, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Enforcement and Education Fund  
For the Fiscal Year Ended December 31, 2016

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, licenses, and permits	\$ 1,500	\$ 1,500	\$ 1,481	\$ (19)
Interest earned	250	250	314	64
Total revenues	1,750	1,750	1,795	45
Expenditures:				
Public Safety				
Other expenditures	1,000	1,000	-	1,000
Total expenditures	1,000	1,000	-	1,000
Excess (deficiency) of revenues over expenditures	750	750	1,795	1,045
Fund balance at beginning of year	33,986	33,986	33,986	-
Fund balance at end of year	\$ 34,736	\$ 34,736	\$ 35,781	\$ 1,045

City of Centerville, Ohio  
Schedule of Revenues, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Drug Law Fund  
For the Fiscal Year Ended December 31, 2016

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 10	\$ 10	\$ 9	\$ (1)
Total revenues	10	10	9	(1)
Expenditures:				
Public Safety				
Other expenditures	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	10	10	9	(1)
Fund balance at beginning of year	1,016	1,016	1,016	-
Fund balance at end of year	\$ 1,026	\$ 1,026	\$ 1,025	\$ (1)

City of Centerville, Ohio  
 Schedule of Revenues, Expenditures, & Changes in Fund Balances -  
 Budget and Actual - Budgetary (Non-GAAP) Basis  
 Police Grants Fund  
 For the Fiscal Year Ended December 31, 2016

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenue	\$ 35,000	\$ 35,000	\$ 63,693	\$ 28,693
Interest earned	<u>3,000</u>	<u>3,000</u>	<u>2,346</u>	<u>(654)</u>
Total revenues	38,000	38,000	66,039	28,039
Expenditures:				
Public Safety				
Other expenditures	<u>-</u>	<u>81,000</u>	<u>80,238</u>	<u>762</u>
Total expenditures	-	81,000	80,238	762
Excess (deficiency) of revenues over expenditures	38,000	(43,000)	(14,199)	28,801
Fund balance at beginning of year	<u>249,656</u>	<u>249,656</u>	<u>249,656</u>	<u>-</u>
Fund balance at end of year	<u>\$ 287,656</u>	<u>\$ 206,656</u>	<u>\$ 235,457</u>	<u>\$ 28,801</u>

City of Centerville, Ohio  
 Combining Balance Sheet  
 Nonmajor Debt Service Funds  
 December 31, 2016

	Unvoted Debt Retirement	TIF Debt Retirement	Total Nonmajor Debt Service Funds
Assets:			
Equity in Pooled Cash and Investments	\$2,067	\$146,006	\$148,073
Total Assets	<u>2,067</u>	<u>146,006</u>	<u>148,073</u>
Liabilities:			
Accounts Payable	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:			
Restricted	0	146,006	146,006
Assigned	2,067	0	2,067
Total Fund Balances	<u>2,067</u>	<u>146,006</u>	<u>148,073</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$2,067</u>	<u>\$146,006</u>	<u>\$148,073</u>

City of Centerville, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Debt Service Funds  
For the Fiscal Year Ended December 31, 2016

	Unvoted Debt Retirement	TIF Debt Retirement	Total Nonmajor Debt Service Funds
Revenues:			
Investment Earnings	\$88	\$2,939	\$3,027
Total Revenues	88	2,939	3,027
Expenditures:			
Debt Service:			
Principal	40,552	5,000	45,552
Interest and Other Charges	5,500	283,825	289,325
Total Expenditures	46,052	288,825	334,877
Excess of Revenues Over (Under) Expenditures	(45,964)	(285,886)	(331,850)
Other Financing Sources (Uses):			
Transfers In	46,052	0	46,052
Total Other Financing Sources (Uses)	46,052	0	46,052
Net Change in Fund Balance	88	(285,886)	(285,798)
Fund Balance - Beginning of Year	1,979	431,892	433,871
Fund Balance - End of Year	\$2,067	\$146,006	\$148,073

City of Centerville, Ohio  
Schedule of Revenues, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Unvoted Debt Retirement Fund  
For the Fiscal Year Ended December 31, 2016

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 100	\$ 100	\$ 88	\$ (12)
Total revenues	100	100	88	(12)
Expenditures:				
Debt service	46,052	46,052	46,052	-
Total expenditures	46,052	46,052	46,052	-
Excess (deficiency) of revenues over expenditures	(45,952)	(45,952)	(45,964)	(12)
Other financing sources (uses):				
Transfers in	46,052	46,052	46,052	-
Total other financing sources (uses)	46,052	46,052	46,052	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	100	100	88	(12)
Fund balance at beginning of year	1,980	1,980	1,980	-
Fund balance at end of year	<u>\$ 2,080</u>	<u>\$ 2,080</u>	<u>\$ 2,068</u>	<u>\$ (12)</u>

Fund balance at beginning of year  
Schedule of Revenues, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
TIF Debt Retirement Fund  
For the Fiscal Year Ended December 31, 2016

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
TIF Payments In Lieu of Taxes	\$ -	\$ -	\$ -	\$ -
Interest earned	5,000	5,000	2,939	(2,061)
Debt Issuance	-	-	-	-
Total revenues	5,000	5,000	2,939	(2,061)
Expenditures:				
Debt service	288,825	288,825	288,825	-
Total expenditures	288,825	288,825	288,825	-
Excess (deficiency) of revenues over expenditures	(283,825)	(283,825)	(285,886)	(2,061)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(283,825)	(283,825)	(285,886)	(2,061)
Fund balance at beginning of year	431,892	431,892	431,892	-
Fund balance at end of year	<u>\$ 148,067</u>	<u>\$ 148,067</u>	<u>\$ 146,006</u>	<u>\$ (2,061)</u>

City of Centerville, Ohio  
Schedule of Revenues, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Special Assessment Debt Retirement Fund  
For the Fiscal Year Ended December 31, 2016

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 7,000	\$ 7,000	\$ 6,426	\$ (574)
Special assessments	<u>458,520</u>	<u>458,520</u>	<u>484,586</u>	<u>26,066</u>
Total revenues	465,520	465,520	491,012	25,492
Expenditures:				
Debt service	<u>499,054</u>	<u>499,054</u>	<u>497,235</u>	<u>1,819</u>
Total expenditures	499,054	499,054	497,235	1,819
Excess (deficiency) of revenues over expenditures	(33,534)	(33,534)	(6,223)	27,311
Fund balance at beginning of year	<u>483,573</u>	<u>483,573</u>	<u>483,573</u>	<u>-</u>
Fund balance at end of year	<u>\$ 450,039</u>	<u>\$ 450,039</u>	<u>\$ 477,350</u>	<u>\$ 27,311</u>

City of Centerville, Ohio  
 Combining Balance Sheet  
 Nonmajor Capital Projects Funds  
 December 31, 2016

	Capital Equipment Purchase	Special Assessment Improvements	TIF MVHS Capital Projects	Total Nonmajor Capital Projects Funds
Assets:				
Equity in Pooled Cash and Investments	\$734,698	\$508,484	\$222,486	\$1,465,668
Total Assets	<u>734,698</u>	<u>508,484</u>	<u>222,486</u>	<u>1,465,668</u>
Liabilities:				
Accounts Payable	0	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Restricted	0	508,484	0	508,484
Assigned	734,698	0	222,486	957,184
Total Fund Balances	<u>734,698</u>	<u>508,484</u>	<u>222,486</u>	<u>1,465,668</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$734,698</u>	<u>\$508,484</u>	<u>\$222,486</u>	<u>\$1,465,668</u>

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, 2016

	Capital Equipment Purchase	Special Assessment Improvements	TIF MVHS Capital Projects	Total Nonmajor Capital Projects Funds
<b>Revenues:</b>				
Investment Earnings	\$6,100	\$4,517	\$1,553	\$12,170
Special Assessments	0	17,023	0	17,023
Revenue in Lieu of Taxes	0	0	84,856	84,856
Other Revenues	30,989	0	0	30,989
<b>Total Revenues</b>	<b>37,089</b>	<b>21,540</b>	<b>86,409</b>	<b>145,038</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	0	0	629	629
Capital Outlay	248,428	0	0	248,428
<b>Total Expenditures</b>	<b>248,428</b>	<b>0</b>	<b>629</b>	<b>249,057</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(211,339)</b>	<b>21,540</b>	<b>85,780</b>	<b>(104,019)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	400,000	0	0	400,000
<b>Total Other Financing Sources (Uses)</b>	<b>400,000</b>	<b>0</b>	<b>0</b>	<b>400,000</b>
<b>Net Change in Fund Balance</b>	<b>188,661</b>	<b>21,540</b>	<b>85,780</b>	<b>295,981</b>
<b>Fund Balance - Beginning of Year</b>	<b>546,037</b>	<b>486,944</b>	<b>136,706</b>	<b>1,169,687</b>
<b>Fund Balance - End of Year</b>	<b>\$734,698</b>	<b>\$508,484</b>	<b>\$222,486</b>	<b>\$1,465,668</b>



City of Centerville, Ohio  
Schedule of Revenues, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Capital Improvements Fund  
For the Fiscal Year Ended December 31, 2016

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 803,560	\$ 803,560	\$ 297,124	\$ (506,436)
Charges for Services	-	-	535	535
Interest earned	25,000	25,000	25,596	596
Sale of property	-	-	41,729	41,729
Miscellaneous and reimbursements	-	-	51,477	51,477
Total revenues	828,560	828,560	416,461	(412,099)
<b>Expenditures:</b>				
General Government				
Other expenditures	3,866,310	3,866,310	2,809,988	1,056,322
Total expenditures	3,866,310	3,866,310	2,809,988	1,056,322
Excess (deficiency) of revenues over expenditures	(3,037,750)	(3,037,750)	(2,393,527)	644,223
<b>Other financing sources (uses):</b>				
Transfers in	2,500,000	2,500,000	2,500,000	-
Total other financing sources (uses)	2,500,000	2,500,000	2,500,000	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(537,750)	(537,750)	106,473	644,223
Fund balance at beginning of year	2,313,286	2,313,286	2,313,286	-
Fund balance at end of year	\$ 1,775,536	\$ 1,775,536	\$ 2,419,760	\$ 644,223

City of Centerville, Ohio  
Schedule of Revenues, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
TIF Capital Projects Fund  
For the Fiscal Year Ended December 31, 2016

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ 137,660	\$ 137,660
Special assessments	-	-	1,095,870	1,095,870
Interest earned	-	-	25,369	25,369
Miscellaneous and reimbursements	-	-	-	-
Total revenues	-	-	1,258,899	1,258,899
<b>Expenditures:</b>				
General Government				
Other expenditures	3,250,000	3,250,000	3,706,501	(456,501)
Total expenditures	3,250,000	3,250,000	3,706,501	(456,501)
Excess (deficiency) of revenues over expenditures	(3,250,000)	(3,250,000)	(2,447,602)	802,398
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(3,250,000)	(3,250,000)	(2,447,602)	802,398
Fund balance at beginning of year	3,280,899	3,280,899	3,280,899	-
Fund balance at end of year	\$ 30,899	\$ 30,899	\$ 833,297	\$ 802,398

City of Centerville, Ohio  
Schedule of Revenues, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Special Assessment Improvements Fund  
For the Fiscal Year Ended December 31, 2016

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 17,000	\$ 17,000	\$ 17,023	\$ 23
Interest earned	4,500	4,500	4,517	17
Debt issuance	702,171	702,171	-	(702,171)
Total revenues	723,671	723,671	21,540	(702,131)
Expenditures:				
General Government				
Other expenditures	702,171	702,171	-	702,171
Total expenditures	702,171	702,171	-	702,171
Excess (deficiency) of revenues over expenditures	21,500	21,500	21,540	40
Fund balance at beginning of year	486,946	486,946	486,946	-
Fund balance at end of year	\$ 508,446	\$ 508,446	\$ 508,486	\$ 40

City of Centerville, Ohio  
Schedule of Revenues, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
TIF MVHS Projects Fund  
For the Fiscal Year Ended December 31, 2016

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Local Taxes	\$ 108,000	\$ 108,000	\$ 84,856	\$ (23,144)
Interest Earnings	100	100	1,553	1,453
Miscellaneous and reimbursements	-	-	-	-
Total revenues	108,100	108,100	86,409	(21,691)
Expenditures:				
General Government				
Other expenditures	5,000	5,000	629	4,371
Total expenditures	5,000	5,000	629	4,371
Excess (deficiency) of revenues over expenditures	103,100	103,100	85,780	(17,320)
Other financing sources (uses):				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	103,100	103,100	85,780	(17,320)
Fund balance at beginning of year	136,705	136,705	136,705	-
Fund balance at end of year	\$ 239,805	\$ 239,805	\$ 222,485	\$ (17,320)

City of Centerville, Ohio  
Schedule of Revenues, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Capital Equipment Purchase Fund  
For the Fiscal Year Ended December 31, 2016

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 5,000	\$ 5,000	\$ 6,100	\$ 1,100
Miscellaneous	413,400	413,400	30,990	(382,410)
Total revenues	418,400	418,400	37,090	(381,310)
Expenditures:				
General Government				
Other expenditures	602,300	602,300	248,428	353,872
Total expenditures	602,300	602,300	248,428	353,872
Excess (deficiency) of revenues over expenditures	(183,900)	(183,900)	(211,338)	(27,438)
Other financing sources (uses):				
Transfers in	400,000	400,000	400,000	-
Total other financing sources (uses)	400,000	400,000	400,000	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	216,100	216,100	188,662	(27,438)
Fund balance at beginning of year	546,036	546,036	546,036	-
Fund balance at end of year	\$ 762,136	\$ 762,136	\$ 734,698	\$ (27,438)

## City of Centerville, Ohio

### Fund Descriptions

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#### **Other General Funds**

With the implementation of GASB Statement Number 54, certain funds that the City prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue funds and have been included with the General Fund in the governmental fund financial statements. The City has only presented the budget schedules for these funds.

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

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

City of Centerville, Ohio  
Schedule of Revenues, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Friends of Benham's Grove Fund <sup>1</sup>  
For the Fiscal Year Ended December 31, 2016

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 100	\$ 100	\$ 99	\$ (1)
Miscellaneous and reimbursements	<u>6,650</u>	<u>6,650</u>	<u>960</u>	<u>(5,690)</u>
Total revenues	6,750	6,750	1,059	(5,691)
Expenditures:				
Recreation				
Other expenditures	<u>6,750</u>	<u>6,750</u>	<u>2,418</u>	<u>4,332</u>
Total expenditures	6,750	6,750	2,418	4,332
Excess (deficiency) of revenues over expenditures	-	-	(1,359)	(1,359)
Fund balance at beginning of year	<u>11,094</u>	<u>11,094</u>	<u>11,094</u>	-
Fund balance at end of year	<u>\$ 11,094</u>	<u>\$ 11,094</u>	<u>\$ 9,735</u>	<u>\$ (1,359)</u>

(1) This fund is combined with the General Fund in GAAP statements.

City of Centerville, Ohio  
Schedule of Revenues, Expenditures, & Changes in Fund Balances -  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Police Operations Project Fund <sup>1</sup>  
For the Fiscal Year Ended December 31, 2016

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 500	\$ 500	\$ 644	\$ 144
Total revenues	500	500	644	144
Expenditures:				
Public Safety				
Other expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total expenditures	1,000	1,000	-	1,000
Excess (deficiency) of revenues over expenditures	(500)	(500)	644	1,144
Fund balance at beginning of year	<u>71,193</u>	<u>71,193</u>	<u>71,193</u>	-
Fund balance at end of year	<u>\$ 70,693</u>	<u>\$ 70,693</u>	<u>\$ 71,837</u>	<u>\$ 1,144</u>

(1) This fund is combined with the General Fund in GAAP statements.

City of Centerville, Ohio  
Combining Statement of Net Position  
Internal Service Funds  
December 31, 2016

	Central Vehicle Purchase	Self-Insurance Medical	Insurance Deductible	Total Internal Service Funds
Current Assets:				
Equity in Pooled Cash and Investments	\$699,258	\$473,236	\$26,879	\$1,199,373
Total Current Assets	699,258	473,236	26,879	1,199,373
Depreciable Capital Assets, Net	1,306,334	0	0	1,306,334
Total Noncurrent Assets	1,306,334	0	0	1,306,334
Total Assets	2,005,592	473,236	26,879	2,505,707
Liabilities:				
Current Liabilities:				
Accounts Payable	0	0	338	338
Total Liabilities	0	0	338	338
Net Position:				
Net Investment in Capital Assets	1,306,334	0	0	1,306,334
Unrestricted	699,258	473,236	26,541	1,199,035
Total Net Position	\$2,005,592	\$473,236	\$26,541	\$2,505,369

City of Centerville, Ohio  
Combining Statement of Revenues, Expenses  
and Changes in Fund Net Position  
Internal Service Funds  
For the Fiscal Year Ended December 31, 2016

	Central Vehicle Purchase	Self-Insurance Medical	Insurance Deductible	Total Internal Service Funds
Operating Revenues:				
Charges for Services	\$289,570	\$1,330,896	\$0	\$1,620,466
Other Revenues	0	0	4,399	4,399
Total Operating Revenues	<u>289,570</u>	<u>1,330,896</u>	<u>4,399</u>	<u>1,624,865</u>
Operating Expenses:				
Purchased Services	0	0	58,101	58,101
Supplies and Materials	11,498	0	0	11,498
Depreciation	381,964	0	0	381,964
Other Expense	0	0	2,500	2,500
Claims	0	1,117,568	0	1,117,568
Total Operating Expenses	<u>393,462</u>	<u>1,117,568</u>	<u>60,601</u>	<u>1,571,631</u>
Operating Income (Loss)	<u>(103,892)</u>	<u>213,328</u>	<u>(56,202)</u>	<u>53,234</u>
Non-Operating Revenues (Expenses):				
Investment Earnings	7,083	0	473	7,556
Gain on Disposal of Capital Assets	18,443	0	0	18,443
Total Non-Operating Revenues (Expenses)	<u>25,526</u>	<u>0</u>	<u>473</u>	<u>25,999</u>
Change in Net Position	(78,366)	213,328	(55,729)	79,233
Net Position - Beginning of Year	<u>2,083,958</u>	<u>259,908</u>	<u>82,270</u>	<u>2,426,136</u>
Net Position - End of Year	<u>\$2,005,592</u>	<u>\$473,236</u>	<u>\$26,541</u>	<u>\$2,505,369</u>

City of Centerville, Ohio  
Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended December 31, 2016

	Central Vehicle Purchase	Self-Insurance Medical	Insurance Deductible	Total Internal Service Funds
Cash Flows from Operating Activities:				
Cash Received from Customers	\$289,570	\$1,330,896	\$4,399	\$1,624,865
Cash Payments to Employees	0	0	(60,833)	(60,833)
Cash Payments to Suppliers	(11,498)	0	(2,500)	(13,998)
Cash Payments for Claims	0	(1,117,568)	0	(1,117,568)
Net Cash Provided (Used) by Operating Activities	278,072	213,328	(58,934)	432,466
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(450,153)	0	0	(450,153)
Gain on Disposal of Capital Assets	18,443	0	0	18,443
Net Cash Provided (Used) by Capital and Related Financing Activities	(431,710)	0	0	(431,710)
Cash Flows from Investing Activities:				
Earnings on Investments	7,083	0	473	7,556
Net Cash Provided (Used) by Cash Flows from Investing Activities	7,083	0	473	7,556
Net Increase (Decrease) in Cash and Cash Equivalents	(146,555)	213,328	(58,461)	8,312
Cash and Cash Equivalents - Beginning of Year	845,813	259,908	85,340	1,191,061
Cash and Cash Equivalents - End of Year	699,258	473,236	26,879	1,199,373
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(103,892)	213,328	(56,202)	53,234
Adjustments:				
Depreciation	381,964	0	0	381,964
Changes in Assets & Liabilities:				
Increase (Decrease) in Payables	0	0	(2,732)	(2,732)
Net Cash Provided (Used) by Operating Activities	\$278,072	\$213,328	(\$58,934)	\$432,466



City of Centerville, Ohio  
Statement of Changes In Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended December 31, 2016

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	Agency Fund			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$372,744	\$719,623	\$177,120	\$915,247
Total Assets	<u>372,744</u>	<u>719,623</u>	<u>177,120</u>	<u>915,247</u>
Liabilities:				
Accounts Payable	0	2,014	0	2,014
Undistributed Monies	372,744	717,609	177,120	913,233
Total Liabilities	<u>\$372,744</u>	<u>\$719,623</u>	<u>\$177,120</u>	<u>\$915,247</u>

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# Statistical Section





**City of Centerville, Ohio**  
Statistical Section

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

**Contents**

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

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

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

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

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

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

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

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

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

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

***Sources***

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

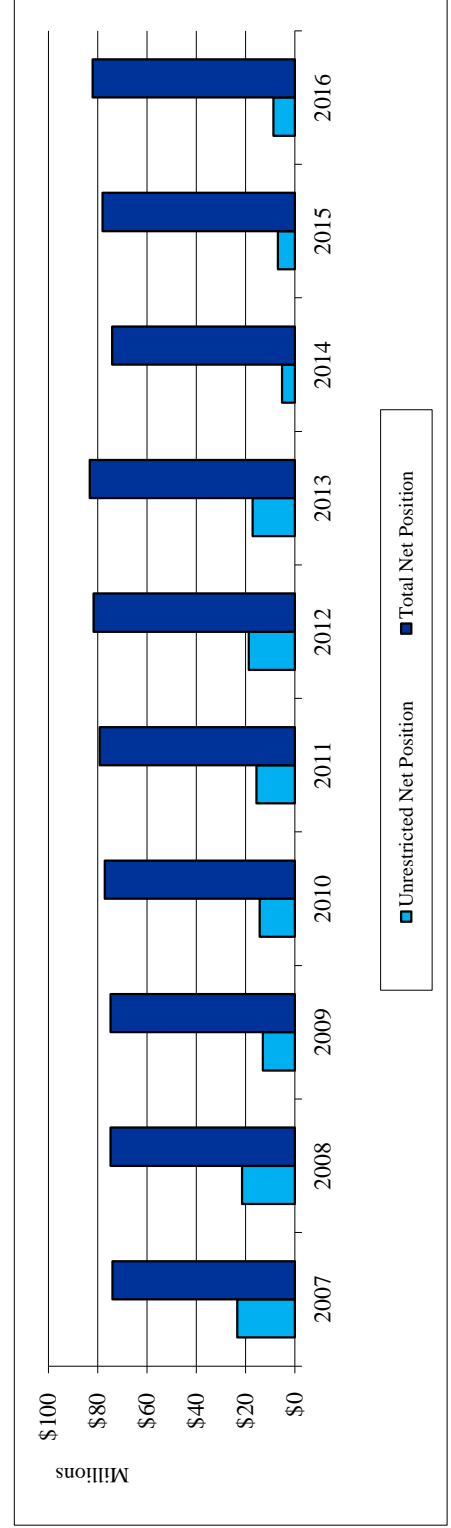


**Schedule 1**

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities:										
Net investment in capital assets	\$ 17,894,980	\$ 19,613,962	\$ 24,604,731	\$ 40,098,262	\$ 39,255,568	\$ 38,096,137	\$ 38,942,917	\$ 41,293,351	\$ 44,528,877	\$ 45,641,394
Restricted	14,040,906	14,946,987	18,377,007	15,273,979	14,697,393	12,246,392	12,007,221	11,560,436	10,133,340	10,734,146
Unrestricted	22,839,677	21,085,466	12,788,888	13,822,659	15,443,474	18,154,274	16,496,732	5,567,938	7,009,910	8,866,514
Total governmental activities net position	54,775,563	55,646,415	55,770,626	69,194,900	69,396,435	68,496,803	67,446,870	58,421,725	61,672,127	65,242,054
Business-type activities:										
Net investment in capital assets	18,703,791	18,902,761	18,746,671	6,192,798	9,252,994	9,615,094	14,732,195	15,716,382	16,064,955	16,642,252
Restricted	0	0	0	1,291,866	319,734	2,921,719	351,200	351,200	351,200	351,200
Unrestricted	604,615	292,921	251,398	421,897	204,199	605,890	704,293	(392,043)	(88,510)	(194,141)
Total business-type activities net position	19,308,406	19,195,682	18,998,069	7,906,561	9,776,927	13,142,703	15,787,688	15,675,539	16,327,645	16,799,311
Total										
Net investment in capital assets	36,598,771	38,516,723	43,351,402	46,291,060	48,508,562	47,711,231	53,675,112	57,009,733	60,593,832	62,283,646
Restricted	14,040,906	14,946,987	18,377,007	16,565,845	15,017,127	15,168,111	12,358,421	11,911,636	10,484,540	11,085,346
Unrestricted	23,444,292	21,378,387	13,040,286	14,244,556	15,647,673	18,760,164	17,201,025	5,175,895	6,921,400	8,672,373
Total net position	\$ 74,083,969	\$ 74,842,097	\$ 74,768,695	\$ 77,101,461	\$ 79,173,362	\$ 81,639,506	\$ 83,234,558	\$ 74,097,264	\$ 77,999,772	\$ 82,041,365

Source: City of Centerville, Ohio,  
Finance Department



**Schedule 2**

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 5,654,478	\$ 5,058,930	\$ 5,325,348	\$ 4,527,738	\$ 4,920,870	\$ 4,974,806	\$ 4,837,041	\$ 4,707,720	\$ 4,583,121	\$ 5,297,659
Public safety	5,929,666	6,696,189	6,380,789	6,453,724	6,814,464	6,505,994	6,585,920	6,519,809	7,431,420	7,480,622
Community environment	269,732	279,440	318,856	311,971	264,650	250,836	288,406	223,463	239,454	270,706
Recreation	340,320	346,219	449,597	305,028	308,379	291,908	330,822	232,550	240,024	272,933
Transportation	3,564,160	3,755,978	3,810,418	4,605,002	4,233,694	4,190,140	4,444,780	4,609,430	5,181,136	3,648,465
Interest and other charges	1,180,046	1,166,734	1,122,739	404,629	386,256	370,007	326,705	217,123	263,947	450,852
Bond Issuance Costs	0	0	0	0	0	0	0	0	206,025	-
Total governmental activities expenses	16,938,402	17,303,490	17,407,747	16,608,092	16,928,313	16,583,691	16,813,674	16,510,095	18,145,127	17,421,237
Business-type activities:										
Waste collection	1,231,440	1,313,378	1,269,212	1,373,087	1,634,734	1,483,622	1,244,933	1,270,737	1,231,207	1,368,345
Golf course*	4,036,938	4,068,620	3,912,575	3,878,151	3,681,797	3,299,097	3,322,195	3,374,878	3,243,923	3,300,445
Golf course equipment purchases*	134,794	23,874	264,021	0	0	0	0	0	0	0
Total business-type activities expenses	5,403,172	5,405,872	5,445,808	5,251,238	5,316,531	4,782,719	4,567,128	4,645,615	4,475,130	4,668,790
Total expenses	\$ 22,341,574	\$ 22,709,362	\$ 22,853,555	\$ 21,859,330	\$ 22,244,844	\$ 21,366,410	\$ 21,380,802	\$ 21,155,710	\$ 22,620,257	\$ 22,090,027
<b>Program revenues</b>										
Governmental activities:										
General government	\$ 2,563,768	\$ 1,899,923	\$ 1,807,830	\$ 1,142,745	\$ 1,175,710	\$ 629,043	\$ 721,762	\$ 403,760	\$ 594,967	\$ 629,972
Public safety	220,194	183,639	115,415	446,149	475,204	206,373	123,416	124,888	175,507	157,794
Community environment	100	0	0	0	0	0	0	55,525	0	1,095,870
Recreation	154,566	137,681	142,969	151,487	150,526	176,343	186,131	343,902	408,923	203,707
Transportation	1,324,464	1,094,854	990,740	1,512,741	1,010,827	1,009,736	1,009,722	1,229,937	4,652,387	1,773,951
Total governmental activities program revenues	4,263,092	3,316,097	3,056,954	3,253,122	2,812,267	2,021,495	2,041,031	2,158,012	5,831,784	3,861,294
Business-type activities:										
Waste collection	1,335,906	1,364,427	1,355,461	1,349,642	1,370,233	1,369,371	1,376,850	1,388,621	1,425,879	1,387,756
Golf course*	3,805,475	3,632,659	3,513,628	3,647,031	3,432,372	3,720,572	3,342,943	3,312,023	3,548,341	3,717,637
Golf course equipment purchases*	101,637	148,740	205,266	0	0	0	0	0	0	0
Total business-type activities program revenues	5,243,018	5,145,826	5,074,355	4,996,673	4,802,605	5,089,943	4,719,793	4,700,644	4,974,220	5,105,393
Total program revenues	\$ 9,506,110	\$ 8,461,923	\$ 8,131,309	\$ 8,249,795	\$ 7,614,872	\$ 7,111,438	\$ 6,760,824	\$ 6,858,656	\$ 10,806,004	\$ 8,966,687

\* In 2010, the golf course equipment purchase fund and golf course debt retirement fund were combined into the golf course fund.



Schedule 2 (continued)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Net (Expense) Revenue</b>										
Governmental activities:										
General government	\$ (3,090,710)	\$ (3,159,007)	\$ (3,517,518)	\$ (3,384,993)	\$ (3,745,160)	\$ (4,345,763)	\$ (4,115,279)	\$ (4,303,960)	\$ (3,988,154)	\$ (4,667,687)
Public safety	(5,709,472)	(6,512,550)	(6,265,374)	(6,007,575)	(6,339,260)	(6,299,621)	(6,462,504)	(6,394,921)	(7,255,913)	(7,322,828)
Community environment	(269,632)	(279,440)	(318,856)	(311,971)	(264,650)	(250,836)	(288,406)	(167,938)	(239,454)	825,164
Recreation	(185,754)	(208,538)	(306,628)	(153,541)	(157,853)	(115,565)	(144,691)	111,352	168,899	(69,226)
Transportation	(2,239,696)	(2,661,124)	(2,819,678)	(3,092,261)	(3,222,867)	(3,180,404)	(3,435,058)	(3,379,493)	(528,749)	(1,874,514)
Interest and other charges	(1,180,046)	(1,166,734)	(1,122,739)	(404,629)	(386,256)	(370,007)	(326,705)	(217,123)	(469,972)	(450,852)
Total governmental activities	(12,675,310)	(13,987,393)	(14,350,793)	(13,354,970)	(14,116,046)	(14,562,196)	(14,772,643)	(14,352,083)	(12,313,343)	(13,559,943)
Business-type activities:										
Waste collection	104,466	51,049	86,249	(23,445)	(264,501)	(114,251)	131,917	117,884	194,672	19,411
Golf course operations	(231,463)	(435,961)	(398,947)	(231,120)	(249,425)	421,475	20,748	(62,855)	304,418	417,192
Golf course equipment purchases	(33,157)	124,866	(58,755)	-	0	0	0	0	0	0
Total business-type activities	(160,154)	(260,046)	(371,453)	(254,565)	(513,926)	307,224	152,665	55,029	499,090	436,603
Total Net Expense	\$ (12,835,464)	\$ (14,247,439)	\$ (14,722,246)	\$ (13,609,535)	\$ (14,629,972)	\$ (14,254,972)	\$ (14,619,978)	\$ (14,297,054)	\$ (11,814,253)	\$ (13,123,340)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Income taxes	10,631,431	10,727,974	10,675,126	11,044,385	12,109,247	12,654,982	13,255,407	12,888,194	12,654,246	14,419,096
Property taxes	1,425,970	1,408,488	1,422,543	1,375,916	1,552,250	1,208,289	1,310,538	1,352,405	1,387,805	1,371,013
Estate taxes	1,372,484	1,797,828	954,495	1,602,523	1,329,517	2,014,816	792,683	204,189	-	0
Unrestricted Grants and contributions	970,556	828,058	1,092,388	1,605,345	1,170,041	336,862	555,049	859,883	1,258,990	952,085
Revenue in lieu of taxes	0	0	0	0	0	0	0	190,838	-	84,856
Investment earnings	1,317,758	843,798	280,848	142,867	169,851	169,693	67,416	193,056	165,799	169,700
Gain on sale/disposal of capital assets	2,400	-	0	0	0	0	0	0	0	0
Miscellaneous	288,719	112,576	199,604	137,595	350,675	307,922	245,448	167,546	205,905	143,120
Special item: insurance settlement	-	0	0	0	0	0	0	0	0	0
Transfers	(100,000)	(97,500)	(150,000)	(1,384,000)	(2,364,000)	(3,030,000)	(2,499,000)	(395,000)	(109,000)	(10,000)
Total governmental activities	15,909,318	15,621,222	14,475,004	14,524,631	14,317,581	13,662,564	13,727,541	15,461,111	15,563,745	17,129,870
Business-type activities:										
Unrestricted Grants and contributions	0	0	0	0	0	0	0	0	0	0
Investment earnings	46,898	44,820	13,314	27,234	20,292	14,897	29,409	12,016	15,480	14,601
Gain on sale/disposal of capital assets	-	5,002	10,526	6,436	-	13,655	54,074	495,104	28,536	10,462
Transfers	100,000	97,500	150,000	1,384,000	2,364,000	3,030,000	2,499,000	395,000	109,000	10,000
Total business-type activities	146,898	147,322	173,840	1,417,670	2,384,292	3,058,552	2,582,483	902,120	153,016	35,063
<b>Total</b>	\$ 16,056,216	\$ 15,768,544	\$ 14,648,844	\$ 15,942,301	\$ 16,701,873	\$ 16,721,116	\$ 16,310,024	\$ 16,363,231	\$ 15,716,761	\$ 17,164,933
Changes in Net Assets										
Governmental activities	\$ 3,234,008	\$ 1,633,829	\$ 124,211	\$ 1,169,661	\$ 201,535	\$ (899,632)	\$ (1,045,102)	\$ 1,109,028	\$ 3,250,402	\$ 3,569,927
Business-type activities	(13,256)	(112,724)	(197,613)	1,163,105	1,870,366	3,365,776	2,735,148	957,149	652,106	471,666
Total	\$ 3,220,752	\$ 1,521,105	\$ (73,402)	\$ 2,332,766	\$ 2,071,901	\$ 2,466,144	\$ 1,690,046	\$ 2,066,177	\$ 3,902,508	\$ 4,041,593

\* In 2010, the golf course equipment purchase fund and golf course debt retirement fund were combined into the golf course fund.

Schedule 3

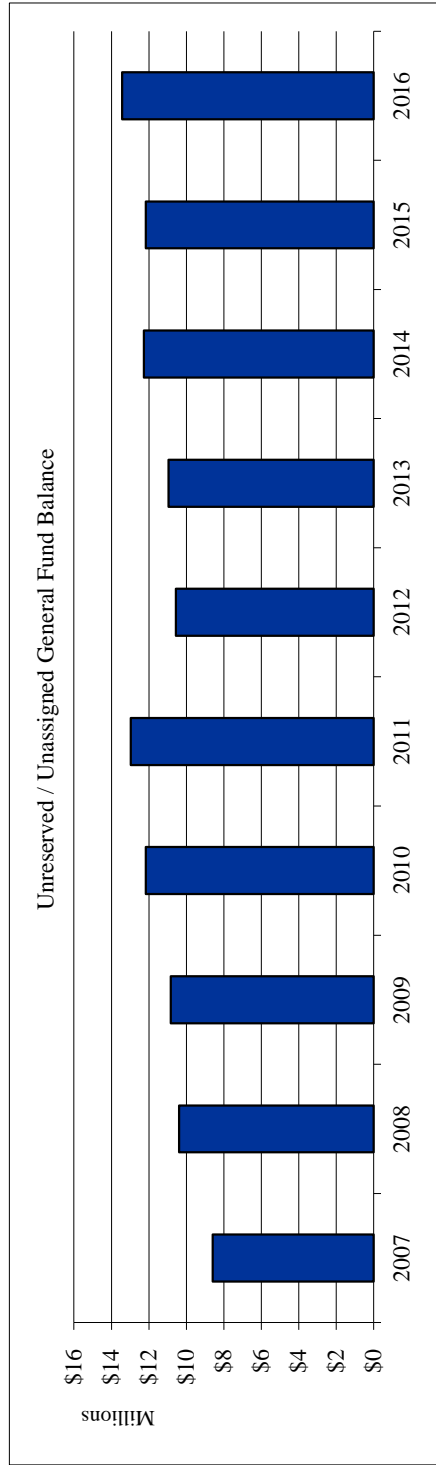
City of Centerville, Ohio  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Fund</b>										
Reserved	\$ 205,300	\$ 191,363	\$ 100,483	\$ 84,567						
Unreserved	8,594,722	10,389,316	10,838,298	12,161,229	86,327	71,031	72,816	72,225	7,134	14,022
Nonspendable					66,051	2,237,654	256,097	0	1,379,574	179,792
Assigned					12,959,459	10,556,628	10,954,144	12,261,517	12,160,884	13,423,099
Unassigned					\$13,111,837	\$12,865,313	\$11,283,057	\$12,333,742	\$13,547,592	\$13,616,913
Total general fund	\$ 9,005,322	\$10,772,042	\$11,039,264	\$12,330,363	\$13,111,837	\$12,865,313	\$11,283,057	\$12,333,742	\$13,547,592	\$13,616,913

**All Other Governmental Funds**

Reserved	\$ 3,824,525	\$ 3,529,890	\$ 4,495,864	\$ 968,953						
Unreserved, reported in:										
Designated for capital projects	6,000,000	6,000,000	0	0						
Special revenue funds	1,014,034	715,552	830,407	1,146,445						
Debt service funds	0	0	0	588,674						
Capital projects funds	2,287,572	1,092,947	1,629,839	1,938,885						
Nonspendable					97,671	116,580	93,997	267,857	175,203	112,703
Restricted					2,369,702	2,771,364	3,170,946	2,492,895	5,722,904	3,663,268
Assigned					2,231,416	2,636,346	2,060,800	2,669,565	2,711,312	3,089,939
Unassigned					0	0	(21,227)	(2,371,457)	0	0
Total all other governmental funds	\$16,950,656	\$14,868,279	\$11,451,974	\$ 5,611,910	\$ 4,698,789	\$ 5,524,290	\$ 5,304,516	\$ 3,058,860	\$ 8,609,419	\$ 6,865,910

\* GASB Statement Number 54 implemented in 2011. Prior year amounts have not been restated.



Schedule 4

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

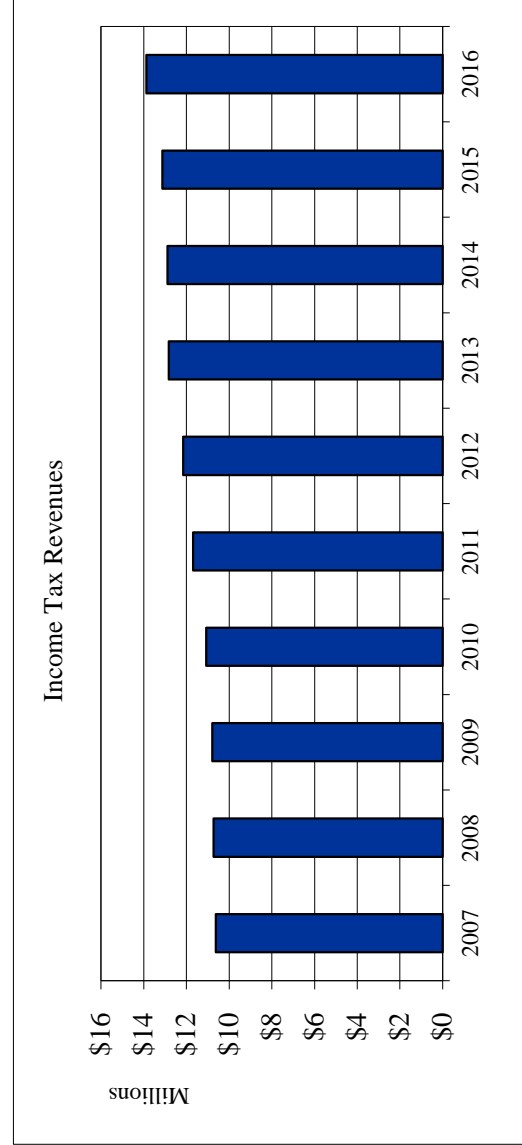
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Revenues:</b>										
Local taxes	\$ 11,805,299	\$ 12,141,850	\$ 12,205,328	\$ 12,415,470	\$ 13,139,217	\$ 13,478,234	\$ 13,944,415	\$ 14,338,276	\$ 14,748,502	\$ 14,837,429
Intergovernmental revenue	5,261,646	4,579,295	3,859,680	5,691,747	4,404,979	3,737,724	2,805,959	2,539,104	3,411,223	2,302,176
Special assessments	626,432	639,090	611,434	653,430	645,114	664,390	639,612	561,431	525,708	1,608,169
Charges for services	52,126	56,023	244,532	286,024	311,042	346,123	354,466	347,548	544,763	616,774
Fines, licenses and permits	283,277	233,597	193,744	239,551	420,750	357,324	268,131	330,828	322,369	285,528
Investment income	1,292,551	899,298	245,371	188,225	164,604	167,104	68,590	183,705	164,920	148,502
Lot sales	0	0	0	0	0	0	0	0	0	0
Rent	819,395	824,253	826,908	0	0	0	0	0	0	0
Revenue in lieu of taxes	0	0	0	0	0	0	0	190,838	0	84,856
Other revenue	523,943	289,502	194,941	475,595	350,464	307,921	245,445	167,545	205,905	101,391
Total revenues	20,664,669	19,662,908	18,381,938	19,950,042	19,436,170	19,058,820	18,326,618	18,659,275	19,923,390	19,984,825
<b>Expenditures:</b>										
Current:										
General government	4,746,269	4,828,726	4,994,283	4,357,833	4,585,005	4,713,589	4,620,352	4,450,048	4,520,137	4,789,597
Public safety	5,714,067	6,294,673	5,983,254	6,060,143	6,417,524	6,080,788	6,122,936	6,088,834	6,843,645	6,596,850
Community environment	268,817	275,363	311,352	289,572	289,791	236,503	282,126	245,177	239,293	231,337
Recreation	283,056	284,971	398,661	251,645	247,852	233,255	271,869	174,644	179,775	196,498
Transportation	1,913,893	2,174,233	2,167,538	2,759,094	2,248,977	2,196,400	2,318,042	2,815,942	3,057,008	2,290,409
Capital outlay	4,547,690	3,691,297	6,307,488	4,179,368	1,675,639	1,280,937	3,008,960	4,715,440	5,939,732	6,715,207
Debt service:										
Principal	976,706	1,010,299	1,057,956	352,196	357,579	363,966	784,356	329,751	340,149	345,552
Interest and other charges	1,133,500	1,111,923	1,068,124	396,992	381,753	365,600	197,068	219,200	237,778	462,378
Bond issuance	0	0	0	0	0	0	108,390	0	206,025	0
Total expenditures	19,583,998	19,671,485	22,288,656	18,646,843	16,204,120	15,471,038	17,714,099	19,039,036	21,563,542	21,627,828
Excess (deficiency) of revenues Over (Under) expenditures	1,080,671	(8,577)	(3,906,718)	1,303,199	3,232,050	3,587,782	612,519	(379,761)	(1,640,152)	(1,643,003)
<b>Other Financing Sources (Uses):</b>										
Transfers in	2,625,000	2,700,000	2,919,501	2,465,000	2,465,000	3,065,000	3,814,000	3,596,052	11,686,890	4,546,052
Issuance of long-term debt	0	0	0	0	0	0	0	0	8,245,000	0
Premium on issuance	0	0	0	0	0	0	0	0	341,316	0
Sale of refunding bonds	0	0	0	0	0	0	5,750,000	0	0	0
Payments to refunded bond escrow agent	0	0	0	0	0	0	(5,727,654)	0	0	0
Premium on sale of refunded bonds	0	0	0	0	0	0	86,044	0	0	0
Sale of capital assets	2,400	21,825	23,221	1,755	1,000	1,514	0	0	0	41,729
Transfers out	(2,725,000)	(2,797,500)	(3,069,501)	(3,849,000)	(4,829,000)	(6,095,000)	(6,313,000)	(3,991,052)	(11,795,890)	(4,556,052)
Total other financing sources (uses)	(97,600)	(75,675)	(126,779)	(1,382,245)	(2,363,000)	(3,028,486)	(2,390,610)	(395,000)	8,477,316	31,729
Net change in fund balances	\$ 983,071	\$ (84,252)	\$ (4,033,497)	\$ (79,046)	\$ 869,050	\$ 559,296	\$ (1,778,091)	\$ (774,761)	\$ 6,837,164	\$ (1,611,274)
Debt service as a percentage of noncapital expenditures	14.03%	13.28%	13.30%	5.18%	5.09%	5.14%	6.67%	3.83%	4.44%	5.42%

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

Collection Year	Individual		Net Profits	Total	Income Tax Rate
	Withheld by Employer	Non-Withholding			
2007	7,463,667	1,969,654	1,197,889	10,631,210	1.75%
2008	7,430,109	2,097,410	1,205,843	10,733,362	1.75%
2009	7,447,029	2,034,358	1,301,398	10,782,785	1.75%
2010	7,659,730	2,014,851	1,396,973	11,071,554	1.75%
2011	8,189,169	1,456,369	2,036,033	11,681,571	1.75%
2012	8,521,201	2,080,983	1,557,613	12,159,797	1.75%
2013	8,747,546	2,373,743	1,709,643	12,830,932	1.75%
2014	9,018,594	1,589,839	2,279,490	12,887,923	1.75%
2015	9,322,080	2,312,370	1,497,887	13,132,337	1.75%
2016	9,802,315	2,399,847	1,678,362	13,880,524	1.75%

Source: City of Centerville, Ohio, Finance Department

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



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

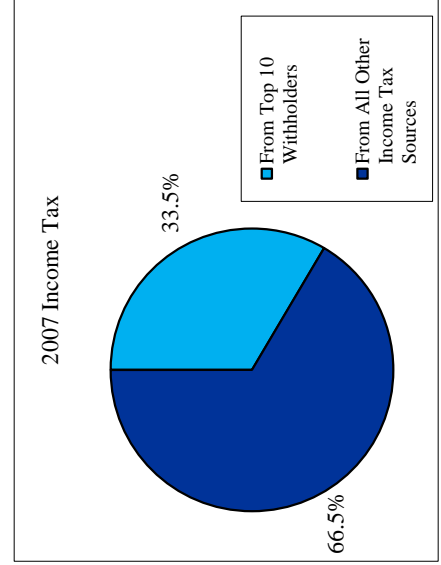
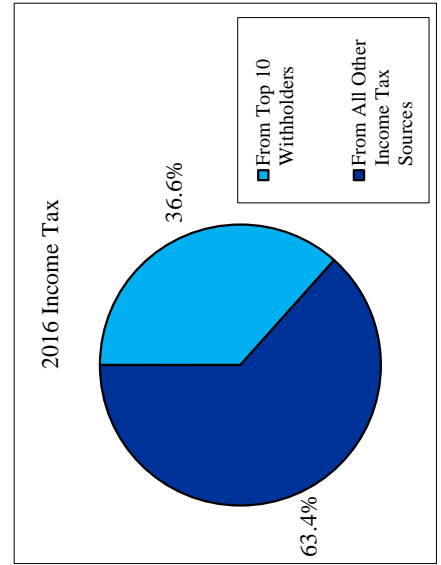
2016		2007	
Rank	Name	Rank	Name
1	Centerville Board of Education	1	Centerville Board of Education
2	Federal Government	2	Federal Government
3	Miami Valley Hospital	4	Lutheran Social Services <sup>(1)</sup>
4	Graceworks Lutheran Services <sup>(1)</sup>	8	City of Centerville
5	Premier Health Specialists	7	Voss Auto Network, Inc.
6	Franciscan at St. Leonard	6	Franciscan at St. Leonard
7	Voss Auto Network, Inc.	-	National City Corporation
8	City of Centerville	9	Kroger Company
9	Kroger Company	-	Bob Ross Buick, Inc.
10	Huffy Corporation	-	Heartland Employment Services

Combined percentage of total income taxes:  
 36.6%

Combined percentage of total income taxes:  
 33.5%

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

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



Schedule 7

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities	\$ 15,404,170	\$ 14,663,082	\$ 719,647	\$ 639,690	\$ 559,734	\$ 474,777	\$ -	\$ -	\$ 8,586,316	\$ 8,567,663
Business Type Activities	-	-	13,167,346	12,446,215	9,270,084	8,608,953	3,935,361	3,188,289	2,416,217	1,629,145
Total General Obligation Bonds	\$ 15,404,170	\$ 14,663,082	\$ 13,886,993	\$ 13,085,905	\$ 9,829,818	\$ 9,083,730	\$ 3,935,361	\$ 3,188,289	\$ 11,002,533	\$ 10,196,808
Percent of estimated actual property value	2.38%	2.26%	2.11%	1.97%	1.51%	1.44%	0.62%	0.50%	1.72%	1.58%
Per capita	\$667	\$635	\$606	\$545	\$410	\$379	\$164	\$133	\$458	\$425
Special Assessment Bonds	6,981,000	6,782,000	6,568,000	6,339,000	6,105,000	5,870,000	5,780,000	5,490,000	5,190,000	4,890,000
Promissory Notes	0	814,034	795,078	756,882	718,303	679,337	639,981	600,230	560,081	519,529
Total Gross Indebtedness	\$ 22,385,170	\$ 22,259,116	\$ 21,250,071	\$ 20,181,787	\$ 16,653,121	\$ 15,633,067	\$ 10,355,342	\$ 9,278,519	\$ 16,752,614	\$ 15,606,337
Percent of personal income	3.31%	3.19%	3.19%	2.38%	1.96%	1.84%	1.22%	1.09%	1.97%	1.84%
Per capita	\$969	\$964	\$928	\$841	\$694	\$651	\$431	\$387	\$698	\$650
Less debt not subject to limitation: General Obligation Bonds issued in anticipation of the collection Special Assessment Bonds issued in anticipation of the collection										
Net debt within limitations for both Voted and Unvoted debt	6,981,000	6,782,000	6,568,000	6,339,000	6,105,000	5,870,000	5,780,000	5,490,000	5,190,000	4,890,000
Debt limitation for both Voted and Unvoted debt 10.5% of assessed valuation	0	814,034	795,078	756,882	718,303	679,337	639,981	600,230	560,081	519,529
Legal Debt Margin within 10.5% limitation	\$ 67,864,813	\$ 68,043,973	\$ 69,005,034	\$ 69,673,830	\$ 68,303,535	\$ 66,145,496	\$ 66,505,686	\$ 67,230,558	\$ 67,231,911	\$ 67,917,346
Net debt within limitations for both Voted and Unvoted debt as a percentage of debt limit	0.00%	1.20%	1.15%	1.09%	1.05%	1.03%	0.96%	0.89%	0.83%	0.76%
Debt limitation for Unvoted debt 5.5% of assessed valuation	\$ 35,548,235	\$ 35,642,081	\$ 36,145,494	\$ 36,495,816	\$ 35,778,042	\$ 34,647,641	\$ 34,836,312	\$ 35,216,007	\$ 35,216,715	\$ 35,575,753
Legal Debt Margin within 5.5% limitation	\$ 35,548,235	\$ 34,828,047	\$ 35,350,416	\$ 35,738,934	\$ 35,059,739	\$ 33,968,304	\$ 34,196,331	\$ 34,615,777	\$ 34,656,634	\$ 35,056,224
Net debt within limitations for Unvoted debt as a percentage of debt limit	0.00%	2.28%	2.20%	2.07%	2.01%	1.96%	1.84%	1.70%	1.59%	1.46%

Source: City of Centerville, Ohio, Finance Department

**City of Centerville, Ohio**  
**Direct and Overlapping General Obligation Debt**  
**As of December 31, 2016**

Jurisdiction	Net Debt Outstanding	Percentage Applicable To City	Amount Applicable To City of Centerville
<b>Direct:</b>			
City of Centerville	\$ 14,043,379	100.00%	\$ 14,043,379
<b>Overlapping:</b>			
Montgomery County	0	7.10%	0
Centerville City School District	46,990,531	37.54%	17,640,245
Centerville-Washington Park District	0	37.56%	0
Greene County	29,330,000	0.21%	61,593
Bellbrook-Sugarcreek Local School District	29,310,000	1.59%	466,029
Greene County Joint Vocational School	0	0.21%	0
Sugarcreek Township	1,030,000	2.31%	23,793
		Subtotal - Overlapping	18,191,660
			<u>\$ 32,235,039</u>

Source: Ohio Municipal Advisory Council

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

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

Year	Population (1)(a)	Per Capita Income (1)(b)	Personal Income	School Enrollment (2)	Unemployment Rate Montgomery County (3)	Total Assessed Property Value (4)
2007	23,100	30,210	697,851,000	8,307	6.2%	646,331,552
2008	22,937	30,210	692,926,770	8,336	7.4%	648,037,838
2009	22,904	30,210	691,929,840	8,287	12.8%	657,190,800
2010	23,999	35,403	849,636,597	8,350	10.0%	663,560,290
2011	23,999	35,403	849,636,597	8,344	8.3%	650,509,860
2012	23,999	35,403	849,636,597	8,391	7.0%	629,957,100
2013	23,999	35,403	849,636,597	8,391	7.1%	633,387,490
2014	23,999	35,403	849,636,597	8,372	4.8%	640,291,030
2015	23,999	35,403	849,636,597	8,375	4.7%	640,303,910
2016	23,999	35,403	849,636,597	8,254	4.6%	646,831,870

Source: (1) U.S. Census Bureau Population Division

(a) For years 2007-2009, population listed is from the Census estimates; population for 2010-2016 is from the 2010 Census.

(b) For years 2007-2009, per capita income is from the 2000 Census. For 2010-2016, per capita income is from the 2010 Census.

(2) Centerville City School District Board of Education

(3) Ohio Department of Job and Family Services (rate for December of each year)

(4) Montgomery County Auditor



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

	2016	2007
Employer	Approximate Number of Employees (Full-time and Part-time)	Approximate Number of Employees (Full-time and Part-time)
	Rank	Rank
Centerville Board of Education <sup>(1)</sup>	1,900	1,270
Miami Valley Hospital South (campus-wide)	1,500	0
Graceworks Lutheran Services <sup>(2)</sup>	930	620
Franciscan at St. Leonard	625	365
Kroger	600	230
Heartland of Centerville	275	310
Voss Auto Network	270	195
City of Centerville	252	250
Costco	250	0
Fortis College <sup>(3)</sup>	150	171

Source: City of Centerville, Economic Development Department

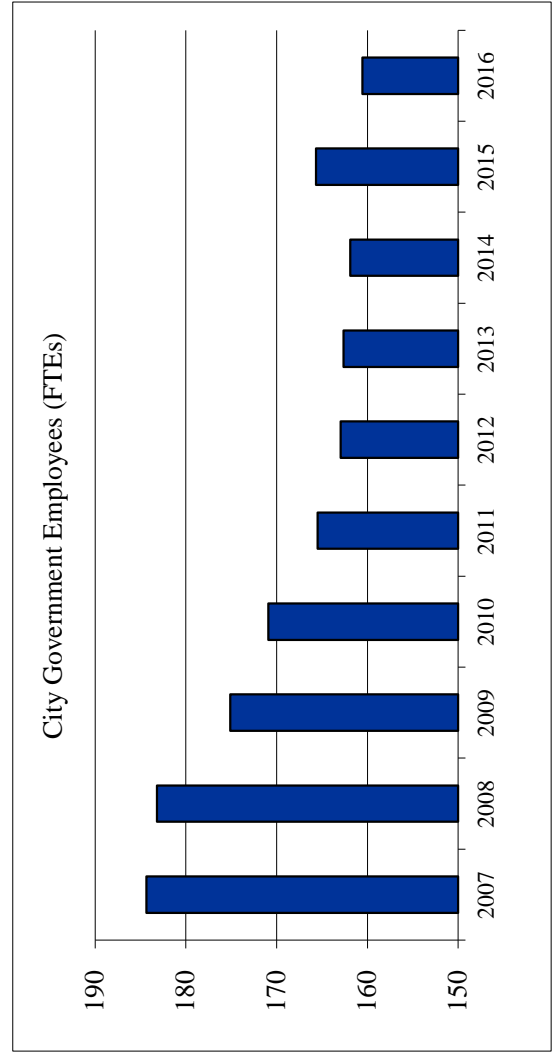
**Note:**

- <sup>(1)</sup> Total number of employees within the City of Centerville is not available.
- <sup>(2)</sup> Formerly known as Lutheran Social Services; currently doing business as Graceworks Lutheran Services: Bethany Village.
- <sup>(3)</sup> Formerly known as RETS Tech Center.

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

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government	30.55	29.40	29.35	29.22	29.89	30.62	30.32	30.57	29.17	26.24
Public safety	57.60	56.10	55.10	55.10	53.10	52.10	51.60	51.60	52.60	54.60
Community environment	3.60	3.60	4.00	4.00	3.10	2.60	3.10	3.10	2.60	2.60
Recreation	3.50	3.50	3.50	3.50	3.55	3.45	3.45	2.45	3.05	2.05
Transportation	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	25.08	25.08
Waste collection	12.00	12.00	12.00	12.00	10.86	9.18	9.18	9.18	9.18	9.18
Golf course	56.10	57.60	50.15	46.10	44.00	44.00	44.00	44.00	44.00	40.80
<b>Total</b>	<b>184.35</b>	<b>183.20</b>	<b>175.10</b>	<b>170.92</b>	<b>165.50</b>	<b>162.95</b>	<b>162.65</b>	<b>161.90</b>	<b>165.68</b>	<b>160.55</b>

Source: City of Centerville, Ohio, Finance Department



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

<u>Function/program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government										
Purchase orders issued	2,400	2,533	2,426	2,371	2,459	2,465	2,307	2,712	2,143	2,244
Payroll checks/direct deposits issued	6,175	6,013	5,655	5,772	5,706	5,375	5,343	5,325	5,374	5,227
Accounts payable checks issued	6,475	6,376	6,042	5,789	5,305	5,326	5,314	5,389	5,368	5,172
Ordinances and resolutions passed	95	96	65	84	87	88	91	83	89	100
Number of volunteer hours	12,717	11,685	13,327	13,283	11,535	11,171	11,255	11,346	12,115	12,800
Public Safety										
Total arrests	1,511	1,551	1,478	1,683	1,740	1,554	1,588	1,256	1,230	1,089
Traffic citations	3,542	3,422	3,289	3,657	4,218	3,954	3,833	3,799	2,782	2,856
Public Works										
Miles of street	107	107	107	108	108	112	112	112	110	110
Tons of road salt used	1,994	2,696	1,695	2,678	1,101	1,265	2,070	1,988	1,471	2,000
Building Inspection										
Building permits issued	1,376	1,218	948	1,214	1,244	1,207	1,049	645	787	585
Electrical permits issued	265	234	204	259	279	248	262	263	262	215
Residential unit permits issued	58	15	4	7	12	27	19	17	6	1
Waste Collection										
Tons collected	7,098	7,765	6,739	6,464	6,615	6,281	6,118	6,122	6,194	6,300
Recyclable tons	1,507	1,407	1,328	1,292	1,401	1,328	1,374	1,279	1,200	1,300
Golf Course										
Rounds of golf	53,896	53,275	53,334	52,705	48,206	56,761	48,858	50,283	54,318	54,000
Rounds of golf - cart usage	39,990	39,919	40,547	41,427	38,137	45,022	38,960	40,501	43,568	42,500
Gallons of water used (thousands)	99,400	42,000	55,800	60,200	31,000	48,000	18,000	22,322	22,322	25,207
Food Service Operations										
Wedding receptions hosted	42	41	50	50	46	41	34	31	31	32
Other banquet functions hosted	556	528	491	491	483	450	439	432	432	448

Source: City of Centerville, Ohio, Appropriation Budgets for applicable years. Actual statistics for 2007-2015.

Estimated statistics for 2016.

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

<u>Function/program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>General Government</b>										
Municipal Buildings	1	1	1	1	1	1	1	1	1	1
Square Footage	17,123	17,123	17,123	17,123	17,123	17,123	17,123	17,123	17,123	17,123
<b>Public Safety</b>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Square Footage	38,458	38,458	38,458	38,458	38,458	38,458	38,458	38,458	38,458	38,458
<b>Public Works</b>										
Public Works Facility	1	1	1	1	1	1	1	1	1	1
Square Footage	17,541	17,541	17,541	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Miles of street	107	107	107	108	108	112	112	112	114	114
Lane miles of street	240	240	240	241	241	250	250	250	255	255
<b>Recreation</b>										
Number of parks	1	1	1	1	1	1	1	1	1	1
Area of parks (acres)	62.386	62.386	62.386	62.386	62.386	62.386	62.386	62.386	62.386	62.386
Benham's Grove (acres)	7.017	7.017	7.017	7.017	7.017	7.017	7.017	7.017	7.017	7.017
<b>Golf Course</b>										
Holes	27	27	27	27	27	27	27	27	27	27
Club House (square footage)	29,517	29,517	29,517	29,517	29,517	29,517	29,517	29,517	29,517	29,517

Source: City of Centerville, Ohio, Finance Department



# Dave Yost • 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  
JULY 11, 2017**