

**CITY OF CENTERVILLE, OHIO**  
**Audit Reports Required by**  
**Government Auditing Standards**  
**Year Ended December 31, 2003**





**Auditor of State  
Betty Montgomery**

Members of Council  
City of Centerville

We have reviewed the Independent Auditor's Report of the City of Centerville, Montgomery County, prepared by Clark, Schaefer, Hackett & Co. for the audit period January 1, 2003 through December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

November 4, 2004

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**CITY OF CENTERVILLE, OHIO**

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Clark, Schaefer, Hackett & Co.  
CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

Report on Compliance and on Internal Control over  
Financial Reporting Based on an Audit of Financial Statements Performed  
in Accordance with *Government Auditing Standards*

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Centerville, Ohio (the City) as of and for the year ended December 31, 2003 and have issued our report thereon dated August 19, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted other matters involving compliance that we have reported to management of the City in a separate letter dated August 19, 2004

## Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City in a separate letter dated August 19, 2004.

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

*Clark, Schaefer, Hackett & Co.*

Middletown, Ohio  
August 19, 2004

**CITY OF CENTERVILLE, OHIO**

Schedule of Prior Findings and Questioned Costs

December 31, 2003

Findings:

None

Questioned Costs:

None





# Comprehensive Annual Financial Report

For the Fiscal Year Ended  
December 31, 2003

# **City of Centerville, Ohio**

**Comprehensive Annual Financial Report**

**For the Fiscal Year Ended December 31, 2003**

*Prepared by:*

Department of Finance

Mark Schlagheck

Finance Director

# City of Centerville, Ohio

Comprehensive Annual Financial Report  
For the Year Ended December 31, 2003

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## Comprehensive Annual Financial Report For the Year Ended December 31, 2003

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# City of Centerville, Ohio

Comprehensive Annual Financial Report  
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# Introductory Section



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

August 31, 2004

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, 2003 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.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. We believe the data presented in this report is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the City. Further, we believe all disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This Comprehensive Annual Financial Report incorporates financial reporting standards established by Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Statement No. 34 was developed to make annual financial reports of governments more comprehensive and easier to understand and use. All required elements of Statement No. 34 were implemented in the 2003 CAFR.

The Comprehensive Annual Financial Report is presented in three sections:

1. The introductory section, which is unaudited, includes this transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting, a list of principal officials and an organizational chart.



2. The financial section of the report is structured in the form of a “financial reporting pyramid” that allows the reader to move from less detailed financial reports to more detailed reports. The financial section includes the Independent Auditors’ Report, the Management’s Discussion and Analysis (unaudited), the Basic Financial Statements including the Notes to the Basic Financial Statements, and Required Supplementary Information. Finally, the supplemental financial section contains specific combining statements of individual funds for the reader who desires more detailed financial statements.
3. The statistical section presents selected financial and demographic information, generally presented on a multi-year basis. This section is unaudited.

## **City Overview**

The City 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 which 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 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.

## **Economic Condition and Outlook**

The City has a population of 23,133 according to the U.S. Census Bureau’s 2003 estimate. Centerville is home to over 700 businesses. The City continues to see moderate growth in both residential and business development. In the recent past, several residential subdivisions have been under development. The largest of these developments is Yankee Trace which surrounds the City’s golf facility, The Golf Club at Yankee Trace. When complete, the Yankee Trace development will include over 1,000 residential units.

Despite the slowest economy in a decade, the City remains fiscally strong. Built on a diversified base of small businesses, Centerville was, and continues to be, well positioned to weather the economic downturn. In 2003, over fifty new businesses opened within the City. The employers with the largest workforce within Centerville include the school district, multiple retirement communities, a retail store, several auto dealerships and small manufacturers.

The unemployment rate for Montgomery County has historically been less than the State of Ohio and the United States. However, for 2003, those rates were 6.3% for the County, 6.1% for the State and 6.0% for the United States.

## **Major Initiatives**

### ***For the Year:***

- The municipal income tax rate remained at 1.75% for the twenty-second consecutive year, the municipal property tax rate remained at its lowest rate for the twenty-fifth year, and waste collection fees remained constant for the twelfth year.
- The City maintained its municipal bond rating of Aa3 from Moody's Investor Services. This rating helps to lower the interest rate on any future bonds the City may issue.
- The Golf Club at Yankee Trace was ranked as one of the top ten municipal golf courses in the United States by *Golf Digest*. The course received a rating of 4 ½ out of a possible 5 stars.
- Throughout 2003, the City worked jointly with Washington Township on developing a new comprehensive plan. When complete, this long-range plan will help staffs and elected officials in Centerville and Washington Township guide the growth and development of the community for the next twenty years.
- The City received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for its 2002 comprehensive annual financial report, the highest recognition in governmental accounting and financial reporting.
- In August 2003, the City celebrated the one-year anniversary of the opening of the nine-hole, 3,143-yard Vintage Course. With the addition of the Vintage Course, The Golf Club at Yankee Trace now offers golfers twenty-seven holes to challenge their game.
- For the fifth year, the City and The Golf Club at Yankee Trace played host to the Dayton Open, part of the PGA TOUR's Nationwide Tour. This professional golf tournament, which was held in July 2003, attracted many future stars of the PGA TOUR and a record number of spectators (35,000+). The event, presented by the Dayton Area Toyota Dealers, has raised nearly \$400,000 for local charities over the last five years. Support from more than 600 volunteers and 60 businesses made the event an overwhelming success.

### ***For the Future:***

- A cooperative effort between the City and private investors is behind a downtown enhancement plan that includes additional public parking, new buildings, new landscaping, new lighting and an outdoor plaza in the center of town. A \$100,000 Montgomery County ED/GE grant will help fund the effort.
- The contracts for the remodeling and reuse of the lower level of the Municipal Building (formerly occupied by the Police Department) were awarded in late 2003, with the work slated for completion by mid-2004.

- Centerville will continue to set aside money for the construction of a new public works facility. By the end of 2004, \$4,000,000 will have been designated for this project for which construction is tentatively scheduled for late 2005.

## **Financial Information**

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

In addition, the City maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council. Activities of all funds are included in the annual appropriated budget. The level of budgetary control (i.e. the level at which expenditures cannot exceed the appropriated amount) is at the fund level. The City also maintains an encumbrance accounting system as one method of maintaining budgetary control.

## ***Risk Management***

Centerville is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. For fiscal year 2003, the City contracted with the Selective Insurance Company for coverage of these various risks.

The City is a member of a workers' compensation group rating plan, which allows local governments to group the experience of employers for workers compensation rating purposes. Centerville pays the State Workers' Compensation System a premium based on salaries paid. The City also provides medical, dental and life insurance to all full time employees. In 2003, the City paid 100% of the premiums for these coverages for the majority of our employees.

## **Other Information**

### ***Independent Audit***

State statute requires an annual audit by the State Auditor's Office or, at the State Auditor's discretion, by an independent certified public accounting firm. The City and the State Auditor's Office selected the firm of Clark, Schaefer, Hackett & Company to perform the 2003 audit of the City. The auditor's unqualified opinion is included 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, 2002. This was the third 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 for another certificate.

### *Acknowledgements*

The preparation of the comprehensive annual financial report was made possible by the dedicated services of the Department of Finance. Our sincere 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

Mark Schlagheck  
Mark Schlagheck  
Finance Director

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

Presented to

**City of Centerville,  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2002

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

# City of Centerville, Ohio

## List of Elected and Appointed Officials December 31, 2003

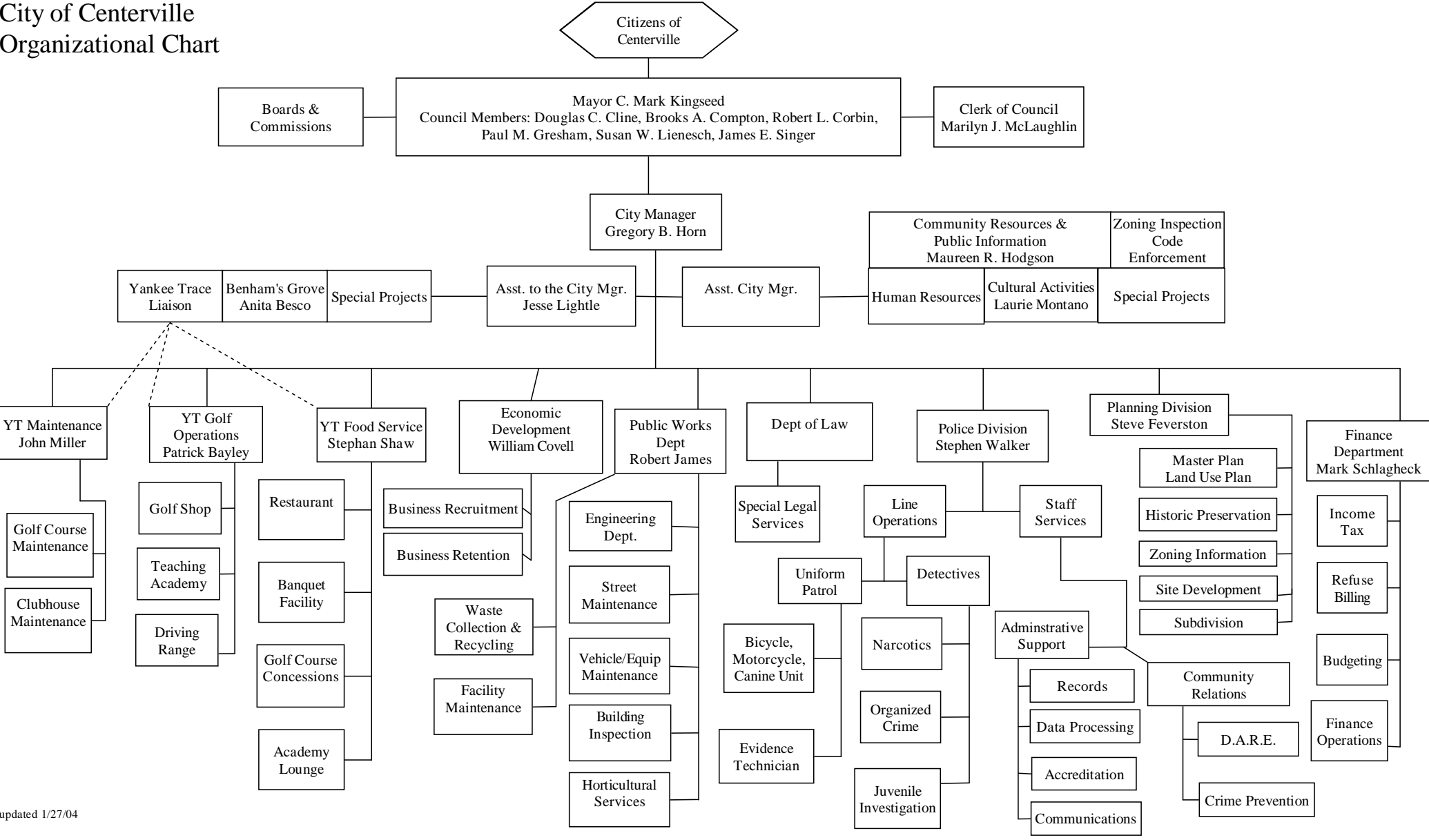
### Elected Officials

Mayor and Councilmember .....	C. Mark Kingseed
Deputy Mayor and Councilmember .....	Douglas C. Cline
Councilmember.....	James E. Singer
Councilmember.....	Susan W. Lienesch
Councilmember.....	Paul M. Gresham
Councilmember.....	Robert L. Corbin
Councilmember.....	vacant

### Appointed Officials

City Manager .....	Gregory B. Horn
Clerk of Council .....	Marilyn J. McLaughlin
Municipal Attorney.....	Robert N. Farquhar
Chief of Police .....	Stephen E. Walker
Finance Director .....	Mark A. Schlagheck
Public Works Director .....	Robert A. James
Assistant City Manager.....	Judith A. Gilleland
City Engineer .....	Norbert A. Hoffman
City Planner .....	Steve A. Feverston
Assistant to the City Manager.....	Jesse K. Lightle

# City of Centerville Organizational Chart



updated 1/27/04

# Financial Section



Clark, Schaefer, Hackett & Co.  
CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Centerville, Ohio (the City) as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Centerville, Ohio as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis – For State and Local Governments*; Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; Statement No. 38, *Certain Financial Statement Note Disclosures*; Statement No. 41, *Budgetary Comparison Schedules – Perspective Differences*, and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of January 1, 2003. This results in a change in the format and content of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2004 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 3 – 14 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

*Clark, Schaefer, Hackett PC.*

Middletown, Ohio  
August 19, 2004

# City of Centerville, Ohio

## Management's Discussion and Analysis For the Fiscal Year Ended December 31, 2003 (Unaudited)

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The management of the City of Centerville provides the following information as an introduction, overview and analysis of the City's financial statements for the year ended December 31, 2003. Readers should also review the basic financial statements on pages 16-25 to further enhance their understanding of the City's financial performance.

### **Using this Annual Financial Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can first understand the City of Centerville as a financial whole. The statements then proceed to provide an increasingly detailed look at specific financial information.

The Statement of Net Assets and Statement of Activities (referred to collectively as the government-wide statements) provide information about the activities as an entire operating entity, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The proprietary funds' statements are prepared on the same basis as the government-wide statements.

### **Reporting on the City of Centerville as a Whole**

#### ***Statement of Net Assets and Statement of Activities***

These government-wide statements answer the question, "How did the City as a whole do financially during 2003?" They are prepared on the accrual basis of accounting, much the same way as for a private enterprise. This basis of accounting includes all assets and liabilities and takes into account all of the reporting year's revenues and expenses regardless of when the cash was received or paid.

- *The Statement of Net Assets.* This statement (page 16) reports all assets and liabilities of the City as of December 31, 2003. The difference between total assets and total liabilities is reported as "net assets". Increases in net assets generally indicate an improvement in financial position while decreases may indicate a deterioration of financial position.
- *The Statement of Activities.* This statement (page 17) serves the purpose of the traditional income statement. It provides consolidated reporting of the results of all activities of the City for the year ended December 31, 2003. Changes in net assets are recorded in the period in which the underlying event takes place, which may differ from the period in which cash is received or disbursed. The Statement of Activities displays the expense of the City's various programs net of related revenues, as well as a separate presentation of revenues available for general purposes.

# City of Centerville, Ohio

## Management's Discussion and Analysis For the Fiscal Year Ended December 31, 2003 (Unaudited)

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### Reporting on the City of Centerville's Most Significant Funds

#### *Fund Financial Statements*

These statements provide financial position and results of the City's major funds. A fund is an accounting entity created to account for a specific activity or purpose. Major funds of the City of Centerville are the General Fund, the Special Assessment Bond Retirement Fund, the Capital Improvement Fund, the Waste Collection Fund, and the Golf Course Operations Fund. The creation of some funds is mandated by law and others are created by management to demonstrate financial compliance with budgetary or legal requirements. Funds are classified into three broad categories: governmental funds, proprietary funds, and fiduciary funds.

- *Governmental funds.* Governmental funds are used to account for "governmental-type" activities. Unlike the government-wide financial statements, governmental fund statements use a "flow of financial resources" measurement focus. That is to say, the operating statement of a governmental fund attempts to answer the question "Are there more or less resources that can be spent in the near future as a result of events and transactions of the reporting period?" Increases in spendable resources are reported in the operating statement as "revenues" or "other financing sources." Decreases in spendable resources are reported as "expenditures" or "other financing uses." We describe the differences between governmental funds and governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) in reconciliations presented beside the governmental fund financial statements on pages 18 - 21.

The City of Centerville maintains eighteen separate governmental funds. The governmental fund financial statements on pages 18 through 21 separately display the governmental funds considered to be major funds. All other governmental funds - the "non-major" funds - are combined into a single column. Detailed financial data for each of the non-major governmental funds is provided in combining statements in the supplementary information section of this report.

- *Proprietary funds.* There are two types of proprietary funds: enterprise funds and internal service funds.
  - Enterprise funds – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises for which either 1) the intent is that the costs (expenses, including depreciation) be recovered primarily through user charges, or 2) determination of net income is appropriate for management control, accountability or other purposes.

The City of Centerville's Waste Collection Fund and Golf Course Operations Fund are

## City of Centerville, Ohio

### Management's Discussion and Analysis For the Fiscal Year Ended December 31, 2003 (Unaudited)

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considered to be major funds and are displayed separately in the proprietary fund statements on pages 22 through 24. The City has one other proprietary fund, the activities of which are presented in one column for non-major funds.

- Internal service funds – Often, governments wish to allocate the cost of providing certain centralized services to the other departments of the government entity that use the services. An internal service fund is the appropriate accounting mechanism when it is the intent of the government to recover the full cost of providing the service through user charges to other departments.

The City of Centerville's two internal service funds are combined into a single column in the proprietary fund financial statements. Detailed financial data for those funds can be found in the combining statements in the supplementary information section of this report.

- *Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the City government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

A Fiduciary fund statement is on page 25 of this report.

#### **Other Information**

##### ***Notes to the Basic Financial Statements***

The notes provide additional and explanatory data. They are an integral part of the basic financial statements.

##### ***Required Supplementary Information***

In addition to the basic financial statements and notes, this report also contains required supplementary information (RSI). RSI includes budgetary schedules for the general fund. This data is on pages 47 to 50 of this report.

#### **The City of Centerville as a Whole**

The following table presents condensed information on net assets as of December 31, 2003 and 2002:

## City of Centerville, Ohio

### Management's Discussion and Analysis For the Fiscal Year Ended December 31, 2003 (Unaudited)

#### Net Assets (in millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
<u>Assets:</u>						
Current and other assets	\$ 37.69	\$ 37.76	\$ 1.23	\$ 1.34	\$ 38.92	\$ 39.10
Capital assets	<u>38.70</u>	<u>37.99</u>	<u>19.15</u>	<u>19.45</u>	<u>57.85</u>	<u>57.44</u>
Total assets	<u>76.39</u>	<u>75.75</u>	<u>20.38</u>	<u>20.79</u>	<u>96.77</u>	<u>96.54</u>
<u>Liabilities:</u>						
Long-term liabilities	26.61	26.55	0.14	0.01	26.75	26.56
Other liabilities	<u>2.53</u>	<u>2.48</u>	<u>0.43</u>	<u>0.58</u>	<u>2.96</u>	<u>3.06</u>
Total liabilities	<u>29.14</u>	<u>29.03</u>	<u>0.57</u>	<u>0.59</u>	<u>29.71</u>	<u>29.62</u>
<u>Net Assets:</u>						
Invested in capital assets, net of debt	12.65	12.07	19.15	19.45	31.80	31.52
Restricted	16.12	16.74	0.00	0.00	16.12	16.74
Unrestricted	<u>18.48</u>	<u>17.91</u>	<u>0.66</u>	<u>0.75</u>	<u>19.14</u>	<u>18.66</u>
Total net assets	<u>\$ 47.25</u>	<u>\$ 46.72</u>	<u>\$ 19.81</u>	<u>\$ 20.20</u>	<u>\$ 67.06</u>	<u>\$ 66.92</u>

In total, net assets increased from \$66.92 million to \$67.06 million in 2003. Unrestricted net assets, which are available for future use as directed by City Council, increased \$0.48 million or 2.57%. Unrestricted net assets of the City's governmental activities increased \$0.57 million while unrestricted net assets of the business-type activities decreased \$0.09 million. Increases in net assets generally indicate an improvement in financial position.

The component, "invested in capital assets, net of related debt," increased \$0.28 million from \$31.52 million at December 31, 2002 to \$31.80 million at December 31, 2003. Generally, this means capital asset additions and bond principal repayments were more than depreciation expense and net book value of disposals by \$0.28 million.

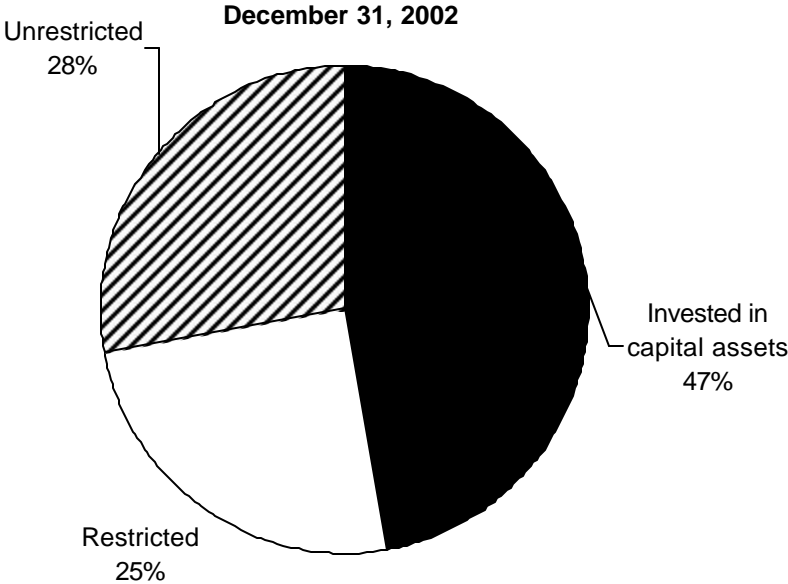
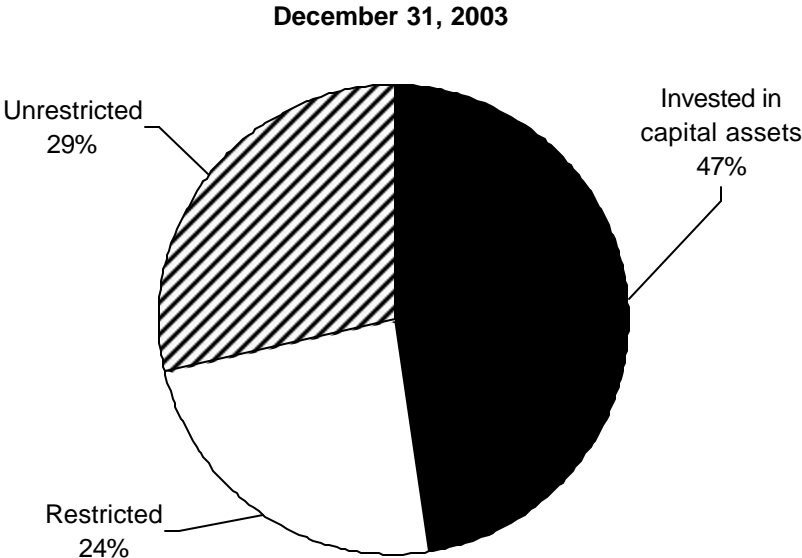
Restricted net assets are subject to external restrictions as to their use. This category decreased approximately \$0.62 million from \$16.74 million at December 31, 2002 to \$16.12 million at December 31, 2003. This decrease restricted net assets was due to the reduction in special assessment receivables.

**City of Centerville, Ohio**

**Management's Discussion and Analysis  
For the Fiscal Year Ended December 31, 2003  
(Unaudited)**

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The following pie charts graphically illustrate these year-to-year changes in the components of net assets.



## City of Centerville, Ohio

### Management's Discussion and Analysis For the Fiscal Year Ended December 31, 2003 (Unaudited)

The following table presents condensed information on the changes in net assets for the years ended December 31, 2003 and 2002.

#### Changes in Net Assets (in millions)

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 1.32	1.12	\$ 4.70	\$ 4.55	\$6.02	\$5.67
Operating grants and contributions	1.12	1.18	-	-	1.12	1.18
Capital grants and contributions	0.13	2.00	-	-	0.13	2.00
General revenues:						
Income taxes	9.24	8.88	-	-	9.24	8.88
Property taxes	1.28	1.09	-	-	1.28	1.09
Other taxes	0.96	1.27	-	-	0.96	1.27
Grants and other contributions not restricted to specific programs	0.94	0.84	-	-	0.94	0.84
Investment earnings	0.13	0.72	-	0.04	0.13	0.76
Gain on sale of capital assets	0.60	0.87	(0.05)	0.05	0.55	0.92
Miscellaneous	<u>0.12</u>	<u>0.12</u>	<u>-</u>	<u>-</u>	<u>0.12</u>	<u>0.12</u>
Total revenues	<u>15.84</u>	<u>18.09</u>	<u>4.65</u>	<u>4.64</u>	<u>20.49</u>	<u>22.73</u>
<b>Expenses</b>						
General government	5.23	5.71	-	-	5.23	5.71
Public safety	5.07	6.50	-	-	5.07	6.50
Community environment	0.23	0.23	-	-	0.23	0.23
Recreation	0.34	0.30	-	-	0.34	0.30
Transportation	3.13	2.90	-	-	3.13	2.90
Cost of lots	-	0.17	-	-	-	0.17
Interest on long-term debt	1.06	1.43	-	-	1.06	1.43
Waste collection	-	-	1.23	1.13	1.23	1.13
Golf course operations	-	-	3.92	3.77	3.92	3.77
Other business-type activities	<u>-</u>	<u>-</u>	<u>0.13</u>	<u>0.11</u>	<u>0.13</u>	<u>0.11</u>
Total expenses	<u>15.06</u>	<u>17.24</u>	<u>5.28</u>	<u>5.01</u>	<u>20.34</u>	<u>22.25</u>
Excess before transfers	0.78	0.85	(0.63)	(0.37)	0.15	0.48
Transfers	<u>(0.24)</u>	<u>(0.18)</u>	<u>0.24</u>	<u>0.18</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>\$ 0.54</u>	<u>\$ 0.67</u>	<u>\$(0.39)</u>	<u>\$(0.19)</u>	<u>\$0.15</u>	<u>\$0.48</u>



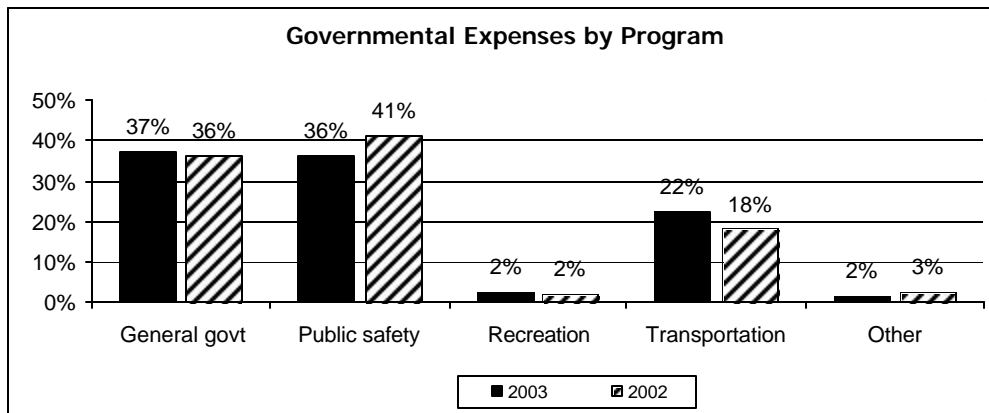
## City of Centerville, Ohio

### Management's Discussion and Analysis For the Fiscal Year Ended December 31, 2003 (Unaudited)

The change in net assets was an increase of \$0.15 million for the year ended December 31, 2003 as compared to a increase of \$0.48 million for the prior year. Total revenues decreased \$2.24 million or 9.85%. Total expenses decreased \$1.91 million or 8.58%.

While total revenues for governmental activities decreased 12.44%, the components of total revenues fluctuated more widely. Capital grants and contributions decreased approximately \$1.87 million due to the one-time receipt of funding in 2002. Other taxes decreased \$0.31 million because of inheritance taxes, which tends to fluctuate from year to year. Investment earnings decreased \$0.59 million due to the declining investment market. These decreases were offset by increases in income taxes (\$0.36 million) and property taxes (\$0.19 million).

Expenses of governmental activities break down as follows:



Total governmental expenses decreased 12.65% or \$2.18 million. Public safety, consisting of the police division, comprises about 36% of governmental activities' expenses. Transportation, which consists of street repair and maintenance activities, accounts for about 22% of expenses. General government, consisting of the city management department, the finance department and the clerk of council's department among others, accounts for about 37% of expenses.

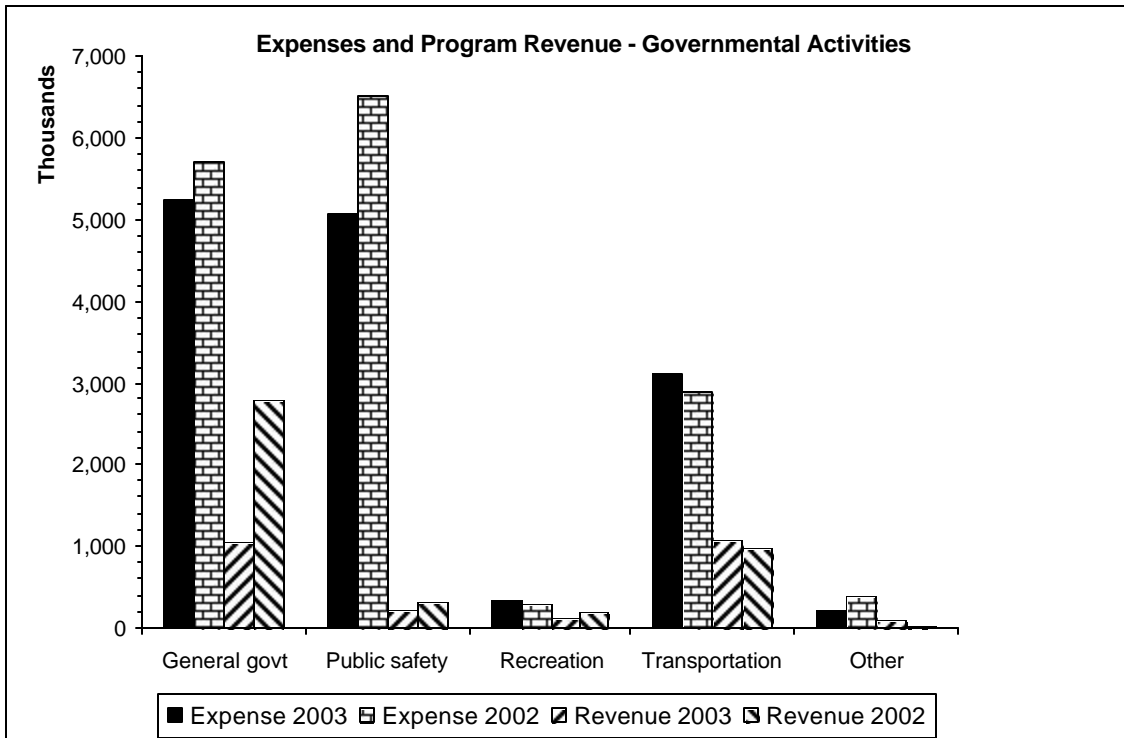
The Statement of Activities reports the expenses of each of the governmental activities programs and the related program revenue that offsets the cost of each program. The amount by which the cost of a particular program exceeds its program revenue represents the extent to which that program must be subsidized by general revenues, such as income taxes, property taxes and unrestricted contributions. The following table and graph summarize the net cost of each program:

# City of Centerville, Ohio

## Management's Discussion and Analysis For the Fiscal Year Ended December 31, 2003 (Unaudited)

### Expenses and Program Revenue – Governmental Activities (in millions)

	<u>Year Ended December 31, 2003</u>			<u>Year Ended December 31, 2002</u>		
	<u>Expense</u>	<u>Program revenue</u>	<u>Net program cost</u>	<u>Expense</u>	<u>Program revenue</u>	<u>Net program cost</u>
General government	\$ 5.23	\$ 1.05	\$ (4.18)	\$ 5.71	\$ 2.78	\$ (2.93)
Public safety	5.07	0.21	(4.86)	6.50	0.33	(6.17)
Recreation	0.34	0.12	(0.22)	0.30	0.18	(0.12)
Transportation	3.13	1.08	(2.05)	2.90	0.98	(1.92)
Other	<u>0.23</u>	<u>0.10</u>	<u>(0.13)</u>	<u>0.40</u>	<u>0.03</u>	<u>(0.37)</u>
Total governmental activities	<u>\$ 14.00</u>	<u>\$ 2.56</u>	<u>\$ (11.44)</u>	<u>\$ 15.81</u>	<u>\$ 4.30</u>	<u>\$ (11.51)</u>



Overall, the net program cost of governmental activities decreased by \$0.07 million or 0.61%. Public safety's net program cost decreased by \$1.31 million over 2002. This was due to the completion of the new police facility in 2002. Transportation's net program cost increased by \$0.13 million.

Program expenses decreased \$1.81 million from 2002. A decrease of \$1.43 million was noted in public safety due to the completion of a new police facility in 2002.

## City of Centerville, Ohio

### Management's Discussion and Analysis For the Fiscal Year Ended December 31, 2003 (Unaudited)

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Program revenue decreased \$1.74 million from \$4.30 million to \$2.56 million. General government program revenue decreased by \$1.73 million due to one-time capital grants that were received in 2002 and long-term special assessments that were generated in 2002.

#### *Business-type activities*

Business-type activities' net assets decreased \$0.39 million from \$20.20 million to \$19.81 million. The majority of this decrease was in the invested in capital assets.

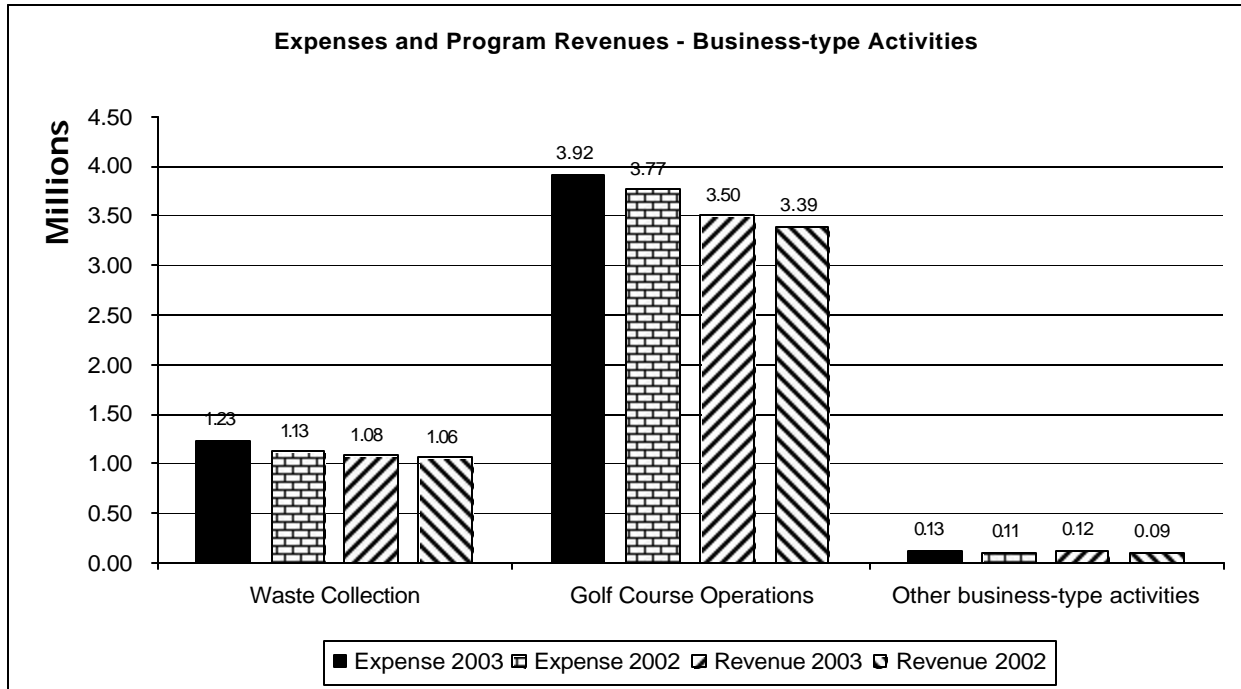
It is the City's policy that the revenues of the City's business-type activities (waste collection and golf course operations) are expected to cover all program costs. The following table and graph summarize the expenses and program revenues for business-type activities:

#### **Expenses and Program Revenue – Business-type Activities** (in millions)

	<b><u>For Year Ended December 31, 2003</u></b>			<b><u>For Year Ended December 31, 2002</u></b>		
	<b><u>Expense</u></b>	<b><u>Program revenue</u></b>	<b><u>Net program cost</u></b>	<b><u>Expense</u></b>	<b><u>Program revenue</u></b>	<b><u>Net program cost</u></b>
Waste collection	\$ 1.23	\$ 1.08	\$ (0.15)	\$ 1.13	\$ 1.06	\$ (0.07)
Golf course operations	3.92	3.50	(0.42)	3.77	3.39	(0.38)
Other business-type activities	<u>0.13</u>	<u>0.12</u>	<u>(0.01)</u>	<u>0.11</u>	<u>0.09</u>	<u>(0.02)</u>
Total business-type activities	<b><u>\$ 5.28</u></b>	<b><u>\$ 4.70</u></b>	<b><u>\$ (0.58)</u></b>	<b><u>\$ 5.01</u></b>	<b><u>\$ 4.54</u></b>	<b><u>\$ (0.47)</u></b>

## City of Centerville, Ohio

### Management's Discussion and Analysis For the Fiscal Year Ended December 31, 2003 (Unaudited)



Program revenue and expenses for business-type activities remained relatively consistent from last year. Specifically, program revenues from golf course operations increased \$0.11 million due to increased food and beverage sales. Program expenses for the golf course operations increased \$0.15 million due to an increased cost of operations associated with an additional nine golf holes be open for the entire year in 2003. Program expenses in waste collection increased \$0.10 million due to the overall increased costs of operation, primarily salaries and benefits.

The operating deficit in the waste collection activity is currently under review by management. The City is reviewing options to reverse the trend of operating deficits.

#### **Individual funds summary and analysis**

Governmental funds, as stated earlier, focus on spendable resources and near-term inflows and outflows of those resources. As such, fund balance measures net resources available for spending at the end of the fiscal year, subject to any stated restrictions on their use.

The combined fund balance of the City's governmental funds at December 31, 2003 was \$17.51 million as compared to \$17.30 million at December 31, 2002. (See the governmental funds' balance sheets on pages 18 – 19).

## City of Centerville, Ohio

### Management's Discussion and Analysis For the Fiscal Year Ended December 31, 2003 (Unaudited)

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The General Fund is the primary operating fund of the City of Centerville, accounting for such activities as police protection, general government (administration, finance, engineering, building inspection), community environment (planning) and recreation. The General Fund balance increased \$0.58 million for the year ended December 31, 2003. Total general fund revenues decreased \$0.60 million or 4.36%. Declines in investment income and the completion of lot sales in 2002 were the primary reason for this decrease.

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

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. The fund balance actually decreased by \$0.83 million in 2003. However, this decrease was planned and coincided with the completion of several capital improvement projects. Of the remaining fund balance, an additional \$1.0 million was designated for the future construction of a public works facility. As of December 31, 2003, \$3.0 million of the estimated \$5.0 million needed to complete this new facility had been designated.

#### **General fund budgetary highlights**

The original and final budget for the general fund were the same as no supplemental appropriations were necessary during the year. In addition, actual revenues exceeded budgetary estimates by nearly \$0.5 million. At the same time, actual expenditures were nearly \$0.6 million less than budgetary estimates. Other financing uses exceeded budgetary estimates by over \$0.2 million, but this amount was covered by the increase in revenue.

#### **Capital asset and debt administration**

##### *Capital asset activity*

Significant capital activity for the year included:

- Completed concrete repair (curb, pavement and sidewalk) and asphalt resurfacing at locations throughout the City totaling nearly \$1.0 million.
- Spent approximately \$0.92 million for the purchase of land for current and future development in the Architectural Preservation District.
- Completed sidewalk and parking improvements in the City's Architectural Preservation District totaling \$0.15 million.

# City of Centerville, Ohio

## Management's Discussion and Analysis For the Fiscal Year Ended December 31, 2003 (Unaudited)

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- Increased construction in progress to \$0.12 million for the ongoing renovation of the municipal building. This project will be complete in 2004.
- Spent over \$0.13 million for stormwater drainage improvements throughout the City.

Additional detail on the capital asset activity for the year ended December 31, 2003 is presented in the Notes to the Basic Financial Statements in note D on pages 38 – 39.

### ***Debt***

Ohio law restricts the amount of debt that a City may issue. The aggregate principal amount of unvoted “net indebtedness” may not exceed 5.5% of the assessed valuation for property tax purposes of all real and personal property located within the City. Certain debt with a repayment source other than general tax revenues, is excluded from the definition of net indebtedness. Under that definition, the City has no net indebtedness as of December 31, 2003, leaving a legal debt margin for unvoted debt of approximately \$30.80 million.

An additional statutory limitation restricts total indebtedness – both voted and unvoted – to 10.5% of the real and personal property assessed valuation. That limitation would restrict total City net indebtedness to \$58.80 million, leaving a total debt margin of approximately \$58.80 million.

A summary of debt outstanding at December 31, 2003 and 2002 is as follows:

	<u>December 31, 2003</u>	<u>December 31, 2002</u>
<i>Governmental-type activities:</i>		
General obligation bonds	\$ 19,125,000	\$ 17,970,000
Special assessment bonds	<u>7,776,000</u>	<u>7,951,000</u>
Total	<u>\$ 26,901,000</u>	<u>\$ 25,921,000</u>

Additional detailed data for all debt of the City of Centerville is presented in the Notes to the Basic Financial Statements in note I on pages 43 - 46 and in the Statistical Section of this report on pages 91 - 96.

### **Contacting the City's Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with an overview of the City's finances. If you have questions or need additional financial information, please contact Mark Schlagheck, Finance Director, City of Centerville, 100 W. Spring Valley Road, Centerville, Ohio 45458.



**CITY OF CENTERVILLE  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2003**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Pooled cash and cash equivalents	\$ 3,596,139	\$ 326,959	\$ 3,923,098
Investments	13,363,824	540,394	13,904,218
Receivables (net):			
Taxes	3,706,856	-	3,706,856
Accounts	1,127,785	87,673	1,215,458
Interest	66,974	2,694	69,668
Special assessments	15,402,433	-	15,402,433
Internal balances	(2,057)	2,057	-
Inventory	56,438	239,009	295,447
Prepaid items	196,786	34,068	230,854
Deferred charges	179,261	-	179,261
Capital assets:			
Capital assets not subject to depreciation:			
Land and land improvements	3,104,582	15,166,876	18,271,458
Construction in progress	123,240	-	123,240
Capital assets net of accumulated depreciation	<u>35,475,266</u>	<u>3,983,558</u>	<u>39,458,824</u>
 Total assets	 <u>\$ 76,397,527</u>	 <u>\$ 20,383,288</u>	 <u>\$ 96,780,815</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 564,386	\$ 113,332	\$ 677,718
Accrued liabilities	520,211	95,204	615,415
Deferred revenue	1,342,819	197,759	1,540,578
Deposit liability	-	21,950	21,950
Accrued interest payable	101,142	-	101,142
Noncurrent liabilities:			
Due within one year	1,044,382	27,085	1,071,467
Due in more than one year	<u>25,566,975</u>	<u>121,408</u>	<u>25,688,383</u>
 Total liabilities	 <u>29,139,915</u>	 <u>576,738</u>	 <u>29,716,653</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	12,654,880	19,150,434	31,805,314
Restricted for:			
Debt service	15,546,088	-	15,546,088
Other purposes	574,908	-	574,908
Unrestricted	<u>18,481,736</u>	<u>656,116</u>	<u>19,137,852</u>
 Total net assets	 <u>47,257,612</u>	 <u>19,806,550</u>	 <u>67,064,162</u>
 Total liabilities and net assets	 <u>\$ 76,397,527</u>	 <u>\$ 20,383,288</u>	 <u>\$ 96,780,815</u>

See Notes to the Basic Financial Statements.



**CITY OF CENTERVILLE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>							
General government	\$ 5,233,702	\$ 1,023,450	\$ -	\$ 26,357	\$ (4,183,895)		\$ (4,183,895)
Public safety	5,067,412	185,895	22,728	-	(4,858,789)		(4,858,789)
Community environment	226,539	120	-	100,000	(126,419)		(126,419)
Recreation	337,779	105,785	16,914	-	(215,080)		(215,080)
Transportation	3,132,375	280	1,076,441	-	(2,055,654)		(2,055,654)
Interest on long-term debt	1,058,305	-	-	-	(1,058,305)		(1,058,305)
Total governmental activities	<u>15,056,112</u>	<u>1,315,530</u>	<u>1,116,083</u>	<u>126,357</u>	<u>(12,498,142)</u>		<u>(12,498,142)</u>
<b>Business-type activities:</b>							
Waste Collection	1,232,981	1,083,707	-	-		\$ (149,274)	(149,274)
Golf Course Operations	3,924,753	3,500,997	-	-		(423,756)	(423,756)
Other business-type activities	126,307	119,600	-	-		(6,707)	(6,707)
Total business-type activities	<u>5,284,041</u>	<u>4,704,304</u>	<u>-</u>	<u>-</u>		<u>(579,737)</u>	<u>(579,737)</u>
<b>Total</b>	<u>\$ 20,340,153</u>	<u>\$ 6,019,834</u>	<u>\$ 1,116,083</u>	<u>\$ 126,357</u>	<u>(12,498,142)</u>	<u>(579,737)</u>	<u>(13,077,879)</u>
<b>General revenues:</b>							
Taxes:							
Income taxes					9,236,374	-	9,236,374
Property taxes					1,284,929	-	1,284,929
Other taxes					963,872	-	963,872
Grants and contributions not restricted to specific programs					943,425	-	943,425
Investment earnings					131,640	4,088	135,728
(Loss) gain on sale/disposal of capital assets					600,529	(48,546)	551,983
Miscellaneous					116,076	-	116,076
Transfers					(235,000)	235,000	-
Total general revenues and transfers					<u>13,041,845</u>	<u>190,542</u>	<u>13,232,387</u>
Change in net assets					543,703	(389,195)	154,508
Net assets - beginning, as restated					<u>46,713,909</u>	<u>20,195,745</u>	<u>66,909,654</u>
Net assets - ending					<u>\$ 47,257,612</u>	<u>\$19,806,550</u>	<u>\$ 67,064,162</u>

See Notes to the Basic Financial Statements.

**CITY OF CENTERVILLE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2003**

	General	Special Assessment Debt Retirement	Capital Improvements	Non-major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Pooled cash and cash equivalents	\$ 903,458	\$ 139,227	\$ 669,471	\$ 1,478,867	\$ 3,191,023
Investments	4,119,595	4,406	5,513,077	3,242,996	12,880,074
Receivables (net):					
Taxes	3,706,856	-	-	-	3,706,856
Accounts	509,296	-	7,304	611,185	1,127,785
Interest	20,539	22	27,491	16,510	64,562
Special assessments	-	15,402,433	-	-	15,402,433
Inventory	-	-	-	56,438	56,438
Prepaid items	173,289	-	-	23,497	196,786
Total assets	<u>\$ 9,433,033</u>	<u>\$ 15,546,088</u>	<u>\$ 6,217,343</u>	<u>\$ 5,429,493</u>	<u>\$ 36,625,957</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 232,245	\$ -	\$ 300,788	\$ 31,105	\$ 564,138
Accrued liabilities	457,144	-	-	63,067	520,211
Deferred revenue	2,714,517	14,761,204	103,835	455,611	18,035,167
Total liabilities	<u>3,403,906</u>	<u>14,761,204</u>	<u>404,623</u>	<u>549,783</u>	<u>19,119,516</u>
Fund Balances:					
Reserved for:					
Debt service	-	784,884	-	3,026,776	3,811,660
Inventory	-	-	-	56,438	56,438
Prepaid items	173,289	-	-	23,497	196,786
Encumbrances	75,524	-	1,182,956	227,090	1,485,570
Unreserved, designated for capital projects	-	-	3,000,000	-	3,000,000
Unreserved, reported in:					
General fund	5,780,314	-	-	-	5,780,314
Special revenue funds	-	-	-	686,461	686,461
Capital projects funds	-	-	1,629,764	859,448	2,489,212
Total fund balances	<u>6,029,127</u>	<u>784,884</u>	<u>5,812,720</u>	<u>4,879,710</u>	<u>17,506,441</u>
Total liabilities and fund balances	<u>\$ 9,433,033</u>	<u>\$ 15,546,088</u>	<u>\$ 6,217,343</u>	<u>\$ 5,429,493</u>	<u>\$ 36,625,957</u>

See Notes to the Basic Financial Statements.

**CITY OF CENTERVILLE  
RECONCILIATION OF TOTAL  
GOVERNMENTAL FUND BALANCES TO NET  
ASSETS OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2003**

Total governmental fund balances \$ 17,506,441

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

Capital assets used in governmental  
activities are not financial resources and  
therefore are not reported in the funds. 37,572,038

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

Income taxes receivable	1,019,084
Other taxes and intergovernmental receivables	906,690
Special assessments	14,761,204
Other receivables	5,370
Deferred charge	179,261

Internal service funds are used to charge  
the costs of certain activities to individual funds.

The assets and liabilities of the internal service  
funds are included in governmental activities  
in the statement of net assets. 2,020,023

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

Bonds payable	(25,964,522)
Compensated absences	(563,149)
Capital lease payable	(83,686)
Accrued interest on long-term debt	(101,142)

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Net assets of governmental activities \$ 47,257,612

**CITY OF CENTERVILLE  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	General	Special Assessment Debt Retirement	Capital Improvements	Non-major Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Local taxes	\$ 11,625,368	\$ -	\$ -	\$ -	\$ 11,625,368
Intergovernmental revenues	919,061	-	-	1,021,341	1,940,402
Special assessments	-	667,587	-	-	667,587
Charges for services	25,988	-	-	281	26,269
Fines, licenses and permits	308,815	-	-	1,637	310,452
Investment income	17,697	4,149	15,396	56,898	94,140
Lot sales	-	-	-	646,128	646,128
Rent	-	-	-	728,240	728,240
Miscellaneous receipts and reimbursements	260,995	-	946	52,849	314,790
<b>Total revenues</b>	<b>13,157,924</b>	<b>671,736</b>	<b>16,342</b>	<b>2,507,374</b>	<b>16,353,376</b>
<b>EXPENDITURES:</b>					
Current:					
General government	4,354,119	33,183	-	287,841	4,675,143
Public safety	4,839,393	-	-	77,030	4,916,423
Community environment	229,265	-	-	-	229,265
Recreation	308,807	-	-	30,669	339,476
Transportation	-	-	-	1,584,698	1,584,698
Capital outlay	-	-	2,599,981	353,977	2,953,958
Debt service:					
Principal	34,293	175,000	-	140,000	349,293
Interest and other charges	3,788	427,260	-	642,817	1,073,865
<b>Total expenditures</b>	<b>9,769,665</b>	<b>635,443</b>	<b>2,599,981</b>	<b>3,117,032</b>	<b>16,122,121</b>
Excess (deficiency) of revenues over (under) expenditures	3,388,259	36,293	(2,583,639)	(609,658)	231,255
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from the issuance of refunding bonds	-	-	-	16,327,317	16,327,317
Proceeds from capital leases	27,000	-	-	-	27,000
Transfers in	-	-	1,750,000	850,000	2,600,000
Transfers out	(2,835,000)	-	-	-	(2,835,000)
Payment to escrow agent	-	-	-	(16,148,056)	(16,148,056)
<b>Total other financing sources (uses)</b>	<b>(2,808,000)</b>	<b>-</b>	<b>1,750,000</b>	<b>1,029,261</b>	<b>(28,739)</b>
Net change in fund balances	580,259	36,293	(833,639)	419,603	202,516
Fund balances, beginning of year, as restated	5,448,868	748,591	6,646,359	4,460,107	17,303,925
Fund balances, end of year	\$ 6,029,127	\$ 784,884	\$ 5,812,720	\$ 4,879,710	\$ 17,506,441

**CITY OF CENTERVILLE  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

Net change in fund balances - total governmental funds \$ 202,516

*Amounts reported for governmental activities in the Statement of Activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital asset additions	2,675,593
Current year depreciation	(1,937,713)

Some assets reported in governmental activities are not financial resources and, therefore, are not reported in the funds.

Deferred charges	(179,261)
------------------	-----------

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the Statement of Activities, gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets. There were no proceeds.

(14,070)

Revenues in the statement of activities that do not provide

Income taxes	5,959
Special assessments	(641,230)
Investment income	5,370
Other revenue	125,410

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

349,293

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.

Interest payable	15,560
Vacation and sick leave benefits	(39,504)

Internal service funds are used by management to charge the costs of certain activities, such as the central garage, to individual funds. The net revenue (expense) of the internal service funds related to governmental activities is reported with governmental activities.

(24,220)

Change in net assets of governmental activities

\$ 543,703

**CITY OF CENTERVILLE  
BALANCE SHEET  
PROPRIETARY FUNDS  
DECEMBER 31, 2003**

	Business-type Activities				Governmental Activities - Internal Service Funds
	Waste Collection	Golf Course Operations	Non-major Enterprise Funds	Totals	
<b>ASSETS</b>					
Current assets:					
Pooled cash and cash equivalents	\$ 121,595	\$ 61,190	\$ 144,174	\$ 326,959	\$ 405,116
Investments	540,394	-	-	540,394	483,750
Receivables (net):					
Accounts	47,274	40,399	-	87,673	-
Interest	2,694	-	-	2,694	2,412
Inventory	-	239,009	-	239,009	-
Prepaid items	19,661	14,407	-	34,068	-
Total current assets	<u>731,618</u>	<u>355,005</u>	<u>144,174</u>	<u>1,230,797</u>	<u>891,278</u>
Noncurrent assets:					
Capital assets:					
Capital assets not subject to depreciation:					
Land and land improvements	-	15,166,876	-	15,166,876	-
Capital assets net of					
accumulated depreciation	<u>2,546</u>	<u>3,635,371</u>	<u>345,641</u>	<u>3,983,558</u>	<u>1,131,050</u>
Total noncurrent assets	<u>2,546</u>	<u>18,802,247</u>	<u>345,641</u>	<u>19,150,434</u>	<u>1,131,050</u>
Total assets	<u>\$ 734,164</u>	<u>\$ 19,157,252</u>	<u>\$ 489,815</u>	<u>\$ 20,381,231</u>	<u>\$ 2,022,328</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 41,991	\$ 71,341	\$ -	\$ 113,332	\$ 248
Accrued liabilities	28,876	66,328	-	95,204	-
Deferred revenue	197,759	-	-	197,759	-
Deposit liability	-	21,950	-	21,950	-
	<u>268,626</u>	<u>159,619</u>	<u>-</u>	<u>428,245</u>	<u>248</u>
Noncurrent liabilities:					
Capital lease payable	-	10,991	-	10,991	-
Compensated absences	89,359	48,143	-	137,502	-
Total noncurrent liabilities	<u>89,359</u>	<u>59,134</u>	<u>-</u>	<u>148,493</u>	<u>-</u>
Total liabilities	<u>357,985</u>	<u>218,753</u>	<u>-</u>	<u>576,738</u>	<u>248</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	2,546	18,802,247	345,641	19,150,434	1,131,050
Unrestricted	<u>373,633</u>	<u>136,252</u>	<u>144,174</u>	<u>654,059</u>	<u>891,030</u>
Total net assets	<u>376,179</u>	<u>18,938,499</u>	<u>489,815</u>	<u>19,804,493</u>	<u>2,022,080</u>
Total liabilities and net assets	<u>\$ 734,164</u>	<u>\$ 19,157,252</u>	<u>\$ 489,815</u>	<u>\$ 20,381,231</u>	<u>\$ 2,022,328</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				2,057	
Total net assets from above				<u>19,804,493</u>	
Net assets of business-type activities				<u>\$ 19,806,550</u>	

See Notes to the Basic Financial Statements.

**CITY OF CENTERVILLE**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

	Business-type Activities			Totals	Governmental Activities - Internal Service Funds
	Waste Collection	Golf Course Operations	Non-major Enterprise Funds		
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 1,075,972	\$ 3,454,956	\$ 119,600	\$ 4,650,528	\$ 308,520
Other revenue	<u>7,735</u>	<u>46,041</u>	<u>-</u>	<u>53,776</u>	<u>22,865</u>
Total operating revenues	<u>1,083,707</u>	<u>3,500,997</u>	<u>119,600</u>	<u>4,704,304</u>	<u>331,385</u>
<b>OPERATING EXPENSES:</b>					
Salaries and wages	585,124	1,274,644	-	1,859,768	-
Fringe benefits	165,778	230,419	-	396,197	-
Purchased services	285,289	1,109,396	-	1,394,685	33,809
Supplies and materials	79,029	871,390	3,952	954,371	1,091
Other expenses	108,976	244,966	-	353,942	-
Depreciation	<u>1,014</u>	<u>193,514</u>	<u>122,355</u>	<u>316,883</u>	<u>347,548</u>
Total operating expenses	<u>1,225,210</u>	<u>3,924,329</u>	<u>126,307</u>	<u>5,275,846</u>	<u>382,448</u>
Operating income (loss)	<u>(141,503)</u>	<u>(423,332)</u>	<u>(6,707)</u>	<u>(571,542)</u>	<u>(51,063)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Investment income	2,837	-	1,251	4,088	4,841
Gain (loss) on disposal of assets	-	(48,546)	-	(48,546)	14,050
Interest expense	<u>-</u>	<u>(243)</u>	<u>-</u>	<u>(243)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>2,837</u>	<u>(48,789)</u>	<u>1,251</u>	<u>(44,701)</u>	<u>18,891</u>
Income (loss) before transfers	(138,666)	(472,121)	(5,456)	(616,243)	(32,172)
Transfers in	<u>-</u>	<u>235,000</u>	<u>-</u>	<u>235,000</u>	<u>-</u>
Change in net assets	(138,666)	(237,121)	(5,456)	(381,243)	(32,172)
Total net assets - beginning of year, as restated	<u>514,845</u>	<u>19,175,620</u>	<u>495,271</u>		<u>2,054,252</u>
Total net assets - end of year	<u>\$ 376,179</u>	<u>\$ 18,938,499</u>	<u>\$ 489,815</u>		<u>\$ 2,022,080</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>(7,952)</u>	
Change in net assets of business-type activities				<u>\$ (389,195)</u>	

See Notes to the Basic Financial Statements.

**CITY OF CENTERVILLE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Business-type Activities				Governmental Activities- Internal Service Funds
	Waste Collection	Golf Course Operations	Non-major Enterprise Fund	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 1,086,682	\$ 3,438,309	\$ 119,600	\$ 4,644,591	\$ 331,385
Cash paid to suppliers and employees	(1,232,214)	(3,711,027)	(3,952)	(4,947,193)	(34,817)
Other receipts	7,735	45,789	-	53,524	-
Net cash provided (used) by operating activities	<u>(137,797)</u>	<u>(226,929)</u>	<u>115,648</u>	<u>(249,078)</u>	<u>296,568</u>
Cash flows from non-capital financing activities:					
Transfers, net	-	235,000	-	235,000	-
Cash flows from capital and related financing activities:					
Purchase of property and equipment	-	(1,000)	(56,091)	(57,091)	(321,730)
Proceeds from sale of property and equipment	-	-	-	-	14,050
Principal payments on capital lease	-	(6,614)	-	(6,614)	-
Interest payments on capital lease	-	(243)	-	(243)	-
Net cash used by capital and related financing activities	<u>-</u>	<u>(7,857)</u>	<u>(56,091)</u>	<u>(63,948)</u>	<u>(307,680)</u>
Cash flows from investing activities:					
Purchase of investments	(548,395)	-	-	(548,395)	(490,912)
Sale of investments	664,225	-	-	664,225	650,836
Interest received	8,145	-	1,251	9,396	9,592
Net cash provided (used) by investing activities	<u>123,975</u>	<u>-</u>	<u>1,251</u>	<u>125,226</u>	<u>169,516</u>
Increase (decrease) in cash and cash equivalents	(13,822)	214	60,808	47,200	158,404
Cash and cash equivalents at beginning of year	<u>135,417</u>	<u>60,976</u>	<u>83,366</u>	<u>279,759</u>	<u>246,712</u>
Cash and cash equivalents at end of year	<u>\$ 121,595</u>	<u>\$ 61,190</u>	<u>\$ 144,174</u>	<u>\$ 326,959</u>	<u>\$ 405,116</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	<u>\$ (141,503)</u>	<u>\$ (423,332)</u>	<u>\$ (6,707)</u>	<u>\$ (571,542)</u>	<u>\$ (51,063)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	1,014	193,514	122,355	316,883	347,548
Change in operating assets and liabilities:					
Net receivables	5,753	(8,969)	-	(3,216)	-
Prepaid expenses	(2,094)	(1,287)	-	(3,381)	-
Inventory	-	34,470	-	34,470	-
Net liabilities	(967)	(21,325)	-	(22,292)	83
Total adjustments	<u>3,706</u>	<u>196,403</u>	<u>122,355</u>	<u>322,464</u>	<u>347,631</u>
Net cash provided by operating activities	<u>\$ (137,797)</u>	<u>\$ (226,929)</u>	<u>\$ 115,648</u>	<u>\$ (249,078)</u>	<u>\$ 296,568</u>
Non-cash investing, capital and financing activities:					
Change in fair value of investments	\$ (8,001)	\$ -	\$ -	\$ (8,001)	\$ (7,162)

See Notes to the Basic Financial Statements.



**CITY OF CENTERVILLE  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2003**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Pooled cash and cash equivalents	\$ <u>47,418</u>
<b>LIABILITIES</b>	
Undistributed monies	\$ <u>47,418</u>

See Notes to the Basic Financial Statements

# City of Centerville, Ohio

## Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2003

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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, sanitation, recreation, public improvements, planning and zoning and general administrative services.

For financial reporting purposes, the City includes in this report all funds, agencies, boards, commissions, and departments in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 criteria for determining the entity and component units. Under the provisions of GASB Statement No. 14, the City of Centerville is the primary government, since it is a special purpose government that has a separate elected governing body; functions as a separate legal entity; and is fiscally independent of other state and local governments. As used in GASB Statement No. 14, fiscally independent means that the City may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue debt. As required by accounting principles generally accepted in the United States of America, these basic financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data is combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. There are no blended or discretely presented component units at December 31, 2003.

#### B. Basis of Presentation

##### Government-wide financial statements

The statement of net assets and the statement of activities display information about the City as a whole. These statements distinguish between activities that are governmental in nature, which are normally supported by taxes and intergovernmental revenues; and business-type activities, which rely to a significant extent upon fees and charges for support. Interfund and

# City of Centerville, Ohio

## Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2003 (continued)

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internal service fund activities are generally eliminated to avoid the “doubling-up” effect on revenues and expenses. The government-wide financial statements do not include the assets and liabilities of the City’s agency funds.

The 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.

The government-wide statement of activities presents a comparison between expenses and program revenues for each segment of the business-type activities of the City and for each governmental program. Program revenues include charges paid by the recipients of the goods or services as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business-type segment is self-supporting or relies upon general revenues of the City.

The caption “Capital assets, net of related debt” consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Net assets are reported as restricted when constraints placed upon their use are either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. The net assets restricted for other purposes result from special revenue funds and the restrictions on their net asset use.

### Fund Financial Statements

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, 2003 (continued)

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The accounting policies and financial reporting practices of the City conform to accounting principles generally accepted in the United States of America for local governments as prescribed by the GASB.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses). Fund accounting segregates funds according to the intended purpose and is used to aid management in demonstrating compliance with financial-related legal and contractual provisions.

### Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. 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.

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

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

### Proprietary (Business-type) Funds

The proprietary funds are used to account for the City's ongoing activities that are similar to those found in the private sector where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

# City of Centerville, Ohio

## Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2003 (continued)

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

Agency Fund – A fund used to account for assets held in a fiduciary capacity on behalf of others.

### **C. Basis of Accounting**

***Governmental Funds.*** The accounting and financial reporting treatment that applies to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in current financial resources.

The modified accrual basis of accounting is used for all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be reasonably determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers revenues available if they are collected within 60 days after year end. Expenditures are recorded generally when the related fund liability is incurred. Principal and interest of general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services. Fines, permits and parking meter revenues are not susceptible to accrual because they are generally not measurable until received in cash.

The City reports deferred revenues on its governmental funds' balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

# City of Centerville, Ohio

## Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2003 (continued)

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Because governmental funds' financial statements use a different measurement focus and basis of accounting than the government-wide statements, governmental funds' financial statements include reconciliations to the government-wide statements.

***Proprietary Funds.*** All proprietary funds – enterprise funds and internal service funds - are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet.

Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. 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. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The accrual basis of accounting is utilized by proprietary funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

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

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

#### **1. Deposits and Investments**

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

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

For purposes of the statements of cash flows and for presentation on the statement of net

# City of Centerville, Ohio

## Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2003 (continued)

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assets/balance sheet, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

### **2. Inventories and Prepaid Items**

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of inventory items are recorded as expenditures in governmental fund-types when purchased and expenses in proprietary fund-types when used. Reported inventories in governmental fund-types are offset by a fund balance reserve which indicates they do not constitute "available spendable resources" and are not available for appropriations.

Payments made to vendors for services that will benefit periods beyond December 31, 2003 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

### **3. 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 \$500 and an estimated useful life in excess of one year.

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

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

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

# City of Centerville, Ohio

## Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2003 (continued)

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<u>Description</u>	<u>Estimated Useful Life (In Years)</u>
Land improvements	10 to 25
Buildings and improvements	10 to 45
Machinery and equipment	3 to 20
Infrastructure	23 to 50

#### **4. Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. 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.

#### **5. Bond Discounts, Premiums and Issuance Costs**

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

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

#### **6. Pensions**

The provision for pension costs are recorded when the related payroll is accrued and the obligation is incurred.

#### **7. Reserves and Designations**

Reserves are portions of fund equity that are not appropriable for expenditures/expenses or that are legally restricted to a specific future use, or both.



# City of Centerville, Ohio

## Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2003 (continued)

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

### **8. Estimates**

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

### **9. 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.

### **10. Financial Disclosure**

Private-sector standards of accounting and reporting issued on or before November 30, 1989, are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and proprietary funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

## **2. Change in Accounting Principles and Restatement of Prior Year Fund Equity**

### **A. Change in Accounting Principles**

## City of Centerville, Ohio

### Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2003 (continued)

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For 2003, the City has implemented GASB Statement No. 34, “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments,” GASB Statement No. 37, “Basic Financial Statements for State and Local Governments: Omnibus,” GASB Statement No. 38, “Certain Financial Statement Note Disclosures,” GASB Statement No. 41, “Budgetary Comparison Schedules – Perspective Differences,” and GASB Interpretation No. 6, “Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.”

GASB Statement No. 34 creates new basic financial statements for reporting on the City’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column.

The government-wide financial statements split programs between governmental and business-type activities. The beginning net asset amount for governmental activities reflects the following changes in fund balance for governmental funds at December 31, 2002, caused by the conversion to the accrual basis of accounting.

GASB Statement No. 37 clarifies certain provisions of Statement No. 34, including the required content of the MD & A, the classification of program revenues and the criteria for determining major funds. GASB Statement No. 38 modifies, establishes and rescinds certain financial statement note disclosures.

GASB Statement No. 41 only applies when there are significant perspective differences that prevent an entity from associating the estimated revenues and appropriations from its legally adopted budget to the major revenue sources and functional expenditures that are reported in the general and major special revenue funds. This statement did not apply to the City for 2003.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice. The City restated the fund liability for compensated absences that were not matured as of December 31, 2003.

#### **B. Restatement of Fund Equity**

The restatements for GASB Statement No. 34 and GASB Interpretation No. 6 had the

# City of Centerville, Ohio

## Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2003 (continued)

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following effects on fund balance of the major and non-major funds of the City as they were previously reported.

	<b>Governmental Activities</b>
Fund Balances, December 31, 2002	\$17,303,925
GASB Statement No. 34 Adjustments:	
Deferred Assets:	
Income Tax Receivable	1,013,125
Special Assessments Receivable	15,402,434
Intergovernmental Receivables	781,280
Capital Assets	36,834,158
Accrued Interest Payable	
Long-term Liabilities:	
Bonds Payable	(25,921,000)
Capital Lease Payable	(103,909)
Compensated Absences Payable	(523,645)
Internal Service	2,054,252
Internal Balances	<u>(10,009)</u>
Governmental Activities Net Assets, December 31, 2002	<u>\$46,713,909</u>

### 3. Detailed Notes on All Funds

#### A. Pooled cash and investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Pooled cash and cash equivalents" and "Investments."

**Deposits** - At December 31, 2003, the carrying amount of the City's cash deposits was \$1,671,284 and the bank balance was \$1,842,393. Of the bank balance, \$100,000 was covered by federal depository insurance and the remainder is insured or collateralized with securities held by the City or its safekeeping agent in the City's name.

**Investments** - All investments are reported at fair value which is based on quoted market prices. The Ohio Revised Code and the City's investment policy authorize the City to invest in the State Treasury Asset Reserve of Ohio, certificates of deposit, repurchase agreements, United States treasury bills and notes, federal agency securities, bankers' acceptances and commercial paper of the highest rating. The above legislative investment policy applies to all

# City of Centerville, Ohio

## Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2003 (continued)

funds and fund types. All deposits are made to authorized public depositories and contracts with such institutions are in accordance with the Ohio Revised Code and the City's investment policy.

The City invests funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2003. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. The State operates the pool in accordance with ORC Section 135.45. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2003.

The City's investments are categorized to give an indication of the level of risk assumed by the entity at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the City's name.

	<b>Category</b>			
	<b><u>1</u></b>	<b><u>2</u></b>	<b><u>Uncategorized</u></b>	<b><u>Fair Value</u></b>
Federal Agency Securities		\$14,083,999		\$13,894,111
Money Market Mutual Funds			\$10,105	<u>10,107</u>
Subtotal - Investments				13,904,218
STAR Ohio (classified as pooled cash and cash equivalents)			2,299,232	<u>2,299,232</u>
Total				<u>\$16,203,450</u>

### **B. 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

# City of Centerville, Ohio

## Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2003 (continued)

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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.

### C. Property Taxes

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the City. Property taxes are levied each December 31<sup>st</sup> on the assessed value listed as of the prior December 31<sup>st</sup>. Assessed values are established for real property at 35 percent of true value, for public utility property at 100% of true value, and for tangible property at 25% of true value (excluding the first \$10,000 of value). Property market values are required to be updated every three years and revalued every six years. The last revaluation was completed in 2002.

The property tax calendar is as follows:

Levy date	December 31, 2002
Lien date	December 31, 2002
Tax bill mailed	January 20, 2003
First installment payment due	February 15, 2003
Second installment payment due	July 15, 2003

The assessed values for the City at December 31, 2002, were as follows:

	Assessed Value
Real Estate	\$518,155,020
Tangible Personal Property	29,120,843
Public Utility Personal Property	<u>12,762,920</u>
Total	<u>\$560,038,783</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.

**City of Centerville, Ohio**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2003  
(continued)

**D. Capital Assets**

Capital asset activity for the year ended December 31, 2003 was as follows:

Governmental Activities	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<i>Capital assets not being depreciated:</i>				
Land	\$ 2,185,832	\$ 918,750	\$ -	\$3,104,582
Construction in progress	<u>-</u>	<u>123,240</u>	<u>-</u>	<u>123,240</u>
Subtotal	<u>2,185,832</u>	<u>1,041,990</u>	<u>-</u>	<u>3,227,822</u>
 <i>Capital assets being depreciated:</i>				
Building and improvements	7,566,280	54,449	-	7,620,729
Machinery and equipment	5,372,818	573,289	(213,786)	5,732,321
General infrastructure	<u>39,170,085</u>	<u>1,345,034</u>	<u>-</u>	<u>40,515,119</u>
Subtotal	<u>52,109,183</u>	<u>1,972,772</u>	<u>(213,786)</u>	<u>53,868,169</u>
 <i>Less accumulated depreciation for:</i>				
Building and improvements	758,865	173,566	-	932,431
Machinery and equipment	2,803,136	634,864	(196,347)	3,241,653
General infrastructure	<u>1,476,831</u>	<u>1,476,831</u>	<u>-</u>	<u>14,218,819</u>
Subtotal	<u>16,303,989</u>	<u>2,285,261</u>	<u>(196,347)</u>	<u>18,392,903</u>
 Net capital assets	 <u>\$37,991,026</u>	 <u>\$729,501</u>	 <u>(\$17,439)</u>	 <u>\$38,703,088</u>

Depreciation was charged to governmental activities as follows:

General government	\$ 108,708
Public safety	390,212
Community environment	5,632
Recreation	37,563
Transportation	<u>1,621,698</u>
Total governmental activities depreciation expense	<u>\$2,163,813</u>
Portion of internal service funds' depreciation included above allocable to business-type activities	<u>121,448</u>
Total additions to accumulated depreciation of governmental activities	<u>\$2,285,261</u>

**City of Centerville, Ohio**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2003  
(continued)

Business-type Activities	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<i>Capital assets not being depreciated:</i>				
Land and land improvements	\$ <u>15,166,876</u>	\$ _____ -	\$ _____ -	<u>\$15,166,876</u>
<i>Capital assets being depreciated:</i>				
Building and improvements	4,037,103	-	-	4,037,103
Machinery and equipment	<u>1,621,951</u>	<u>68,251</u>	<u>(256,420)</u>	<u>1,433,782</u>
Subtotal	<u>5,659,054</u>	<u>68,251</u>	<u>(256,420)</u>	<u>5,470,885</u>
<i>Less accumulated depreciation for:</i>				
Building and improvements	589,593	89,172	-	\$678,765
Machinery and equipment	<u>785,987</u>	<u>227,711</u>	<u>(205,136)</u>	<u>808,562</u>
Subtotal	<u>1,375,580</u>	<u>316,883</u>	<u>(205,136)</u>	<u>1,487,327</u>
Net capital assets	<u>\$19,450,350</u>	<u>(\$248,632)</u>	<u>(\$51,284)</u>	<u>\$19,150,434</u>

Depreciation was charged to business-type activities as follows:

Waste collection	\$ 1,014
Golf course operations	193,514
Other business-type activities	<u>122,355</u>
Total business-type activities depreciation expense	<u>\$316,883</u>
Portion of internal service funds' depreciation allocable to business-type activities	<u>121,448</u>
Total additions to accumulated depreciation of business-type activities	<u>\$438,331</u>

**E. Pension Plans**

All City employees are covered by one of two pension plans: the Ohio Public Employees Retirement System and the Ohio Police and Fire Pension Fund.

1. Ohio Public Employees Retirement System (OPERS)

OPERS administers three separate pension plans. (1) The Traditional Pension Plan (TP) – a cost sharing multiple-employer defined benefit pension plan. (2) The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Members accumulate retirement assets equal to the value of member

## City of Centerville, Ohio

### Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2003 (continued)

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and (vested) employer contributions plus any investment earnings thereon. (3) The Combined Plan (CO) – a cost sharing multiple-employer defined benefit pension plan. Employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215 or by calling 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2003, member and employer contribution rates were consistent across all three plans (TP, MD, and CO). Plan members are required to contribute 8.5% of their annual covered salary and the City is required to contribute 13.55%. The City's required contributions to PERS for the years ended December 31, 2003, 2002 and 2001, were \$798,353, \$656,053, and \$558,988, respectively.

#### 2. Ohio Police and Fire Pension Fund (OP &F)

OP&F is a cost-sharing, multiple-employer defined benefit pension plan which provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 742 of the Ohio Revised Code. The Ohio Police and Fire Pension Fund 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 calling (614) 228-2975.

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.5% for police and 24.0% for firefighters. The City's contributions to the plan for police for the years ending December 31, 2002, 2001, and 2000 were \$503,050, \$469,628, and \$440,443,



# City of Centerville, Ohio

## Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2003 (continued)

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respectively. The unpaid contribution for 2003 was \$147,283 and is recorded as a liability within the respective fund.

### **F. Post-employment Benefits**

In addition to the pension benefits described in Note E, both the Public Employees Retirement System of Ohio and the Police and Fire Pension Fund provide post-retirement health care coverage, commonly referred to as OPEB (other post-employment benefits). For both systems, the Ohio Revised Code provides the authority for public employers to fund postretirement health care through their contributions.

#### **1. Ohio Public Employees Retirement System**

OPERS administers three separate pension plans, the Traditional Plan (TP), the Member-Directed Plan (MD) and the Combined Plan (CO), all of which are described in note E. OPERS provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit for members of both the TP and CO plans. Members of the MD plan do not qualify for post-employment health care coverage. Health care coverage for disability recipients and primary survivor recipients is available.

The 2003 employer contribution rate was 13.55%, of which 5.0% was used to fund health care. The City's contribution for the year ended December 31, 2003, was \$294,595 to fund post-employment benefits.

OPEB are advanced funded on an actuarially determined basis using the following assumptions. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2002 was 8.00%. Individual base pay was assumed to increase 4.00% compounded annually with no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.5% to 6.3%. Health care costs were assumed to increase 4.00% annually.

The number of active contributing participants to the TP and CO plans was 364,881 as of December 31, 2002, the date the latest actuarial review was performed. The

# City of Centerville, Ohio

## Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2003 (continued)

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actuarially determined accrued liability for OPEBs at December 31, 2002, are \$18.7 billion with net assets available for OPEB of \$10.0 billion, leaving an unfunded actuarial liability of \$8.7 billion.

### 2. Ohio Police and Fire Pension Fund

The plan provides post-retirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis.

Health care funding and accounting is on a pay-as-you-go basis. The Ohio Revised Code provides that health care costs paid shall be included in the employer's contribution rate. The 2003 employer contribution rate was 19.5% of covered payroll for Police and 24% of covered payroll for Fire of which 7.75% was used to fund health care. The City's contribution for the year ended December 31, 2003, was \$199,711 to pay post-employment benefits.

The number of participants eligible to receive health care benefits as of December 31, 2002, the date of the last actuarial valuation available, was 13,527 for Police and 10,396 for Firefighters. The plan's total health care expenses for the year ended December 31, 2002 were \$141,028,006, which was net of member contributions of \$12,623,875.

### G. Interfund Transfers

Interfund transfers in the basic financial statements for the year ended December 31, 2003 were:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 0	\$2,835,000
Capital Improvements	1,750,000	0
Non-major Governmental	850,000	0
Golf Course Operations	<u>235,000</u>	<u>0</u>
Total	<u>\$2,835,000</u>	<u>\$2,835,000</u>

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

# City of Centerville, Ohio

## Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2003 (continued)

### H. Capital Lease

The City has entered into a lease agreement as lessee for financing the acquisition of \$142,000 of machinery and equipment. The City has also financed the acquisition of \$11,160 of equipment for its Golf Course Operations by means of leases. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The future minimum lease payments under the capital leases, together with the present value of the net minimum lease payments as of December 31, 2003, were as follows:

	Governmental Activities	Golf Course Operations
2004	\$36,941	\$2,436
2005	36,941	2,436
2006	5,904	2,436
2007	5,904	2,436
2008	<u>2,469</u>	<u>2,233</u>
Total minimum lease payments	88,159	11,977
Less: amount representing interest	<u>(4,473)</u>	<u>(986)</u>
Present value of minimum lease payments	<u>\$83,686</u>	<u>\$10,991</u>

### I. Long-term Debt

Long-term liability activity for the year ended December 31, 2003, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
<b>General Obligation Bonds:</b>					
Recreational Facilities-Series 1993, 4.50%-5.80%	\$6,725,000	\$ 0	6,725,000	\$ 0	\$ 0
Capital Facilities-Series 1995, 4.30%-5.625%	7,960,000	0	7,960,000	0	0
Capital Facilities-Series 2001, 3.50%-5.125%	3,285,000	0	85,000	3,200,000	85,000
Various Purpose Refunding- Series 2003, 2.00%-5.25%	0	15,980,000	55,000	15,925,000	635,000
Less deferred amounts:					
For issuance premium	0	347,317	0	347,317	0
On refunding	<u>0</u>	<u>(1,283,795)</u>	<u>0</u>	<u>(1,283,795)</u>	<u>0</u>
Total general obligation bonds	17,970,000	15,043,522	14,825,000	18,188,522	720,000

## City of Centerville, Ohio

### Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2003 (continued)

<b>Special Assessment Bonds:</b>					
Street Improvement-Series 1987, 6.375%	52,000	0	10,000	42,000	11,000
Street Improvement-Series 1990, 7.90%	129,000	0	15,000	114,000	14,000
Street Improvement-Series 1994, 5.40% -6.60%	265,000	0	15,000	250,000	15,000
Street Improvement-Series 1995, 4.30% -5.625%	1,015,000	0	20,000	995,000	25,000
Street Improvement-Series 1998- 1, 4.05% -5.35%	1,095,000	0	20,000	1,075,000	25,000
Street Improvement-Series 1998- 2, 3.50% -5.00%	1,175,000	0	25,000	1,150,000	25,000
Street Improvement-Series 1999, 4.20% -5.75%	1,510,000	0	25,000	1,485,000	25,000
Street Improvement-Series 2000, 4.65% -5.75%	1,070,000	0	20,000	1,050,000	20,000
Street Improvement-Series 2001, 3.70% -5.50%	990,000	0	15,000	975,000	20,000
Street Improvement-Series 2002, 4.20% -5.30%	<u>650,000</u>	<u>0</u>	<u>10,000</u>	<u>640,000</u>	<u>10,000</u>
<b>Total Special Assessment Bonds</b>	<b>7,951,000</b>	<b>0</b>	<b>175,000</b>	<b>7,776,000</b>	<b>190,000</b>
<b>Other:</b>					
Capital leases	103,909	27,000	47,223	83,686	34,382
Compensated absences	<u>523,645</u>	<u>402,097</u>	<u>362,593</u>	<u>563,149</u>	<u>100,000</u>
<b>Total Other</b>	<b>627,554</b>	<b>429,097</b>	<b>409,816</b>	<b>646,835</b>	<b>134,382</b>
<b>Total-Governmental Activities</b>					
<b>Long-term Liabilities</b>	<b><u>\$26,548,554</u></b>	<b><u>\$15,472,619</u></b>	<b><u>\$15,409,816</u></b>	<b><u>\$26,611,357</u></b>	<b><u>\$1,044,382</u></b>
<b>Business-type Activities:</b>					
<b>Other:</b>					
Capital leases	\$ 9,183	\$11,160	\$ 9,352	\$ 10,991	\$ 2,085
Compensated absences	<u>119,073</u>	<u>65,605</u>	<u>47,176</u>	<u>137,502</u>	<u>25,000</u>
<b>Total-Business-type Activities</b>					
<b>Long-term Liabilities</b>	<b><u>\$128,256</u></b>	<b><u>\$76,765</u></b>	<b><u>\$56,528</u></b>	<b><u>\$148,493</u></b>	<b><u>\$27,085</u></b>

Outstanding general obligation bonds consist of street improvement, municipal and golf course and related structures and operational costs. General obligation bonds are direct obligations of the City for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property in the government.

Special assessment bonds maturing through 2032 consist of street, sidewalk and curb improvement issues which are payable from the proceeds of assessments against individual property owners. These bonds are backed by the full faith and credit of the City. In the

## City of Centerville, Ohio

### Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2003 (continued)

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 Unvoted Debt Retirement Fund and the Golf Course Debt Retirement Fund. The special assessment bonds will be paid through the Special Assessment Bond Retirement Fund. Capital lease will be paid through the General Fund. Compensated absences will be paid through the General Fund and the Street Construction and Maintenance Fund.

The following table summarizes the City's future long-term bond service requirements as of December 31, 2003:

<b>Year Ending</b>	<b><u>General Obligation</u></b>		<b><u>Special Assessment</u></b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
<b>December 31:</b>				
2004	\$ 720,000	\$ 792,298	\$ 190,000	\$ 418,732
2005	740,000	776,623	195,000	409,420
2006	755,000	760,473	204,000	399,620
2007	765,000	744,023	206,000	389,279
2008	790,000	726,915	199,000	378,708
2009-2013	4,415,000	3,164,974	1,157,000	1,723,979
2014-2018	5,345,000	2,192,273	1,300,000	1,397,950
2019-2023	4,180,000	893,900	1,635,000	1,016,191
2024-2028	1,415,000	121,888	1,990,000	519,299
2029-2032	<u>0</u>	<u>0</u>	<u>700,000</u>	<u>65,080</u>
<b>Total</b>	<b><u>\$19,125,000</u></b>	<b><u>\$10,173,367</u></b>	<b><u>\$7,776,000</u></b>	<b><u>\$6,718,258</u></b>

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, 2003, the City had a legal debt margin for total debt of \$59,098,754 and a legal debt margin for unvoted debt of \$30,956,490.

In 2003, the City issued \$15,980,000 of general obligation refunding bonds to provide resources to purchase U.S. Government State and Local Governments Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$14,685,000 of general obligation bonds. As a result, the refunded

# City of Centerville, Ohio

## Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2003 (continued)

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bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. This advance refunding was undertaken to reduce total debt service payments over the next twenty-two years by \$449,198 and resulted in an economic gain of \$510,217.

To provide for the Bethany Lutheran Village Continuing Care Facility, the City has issued three series of Health Care Variable Rate Demand 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, 2003, Health Care Variable Rate Demand Revenue Bonds outstanding aggregated \$3,600,000.

### **J. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. For fiscal year 2003, the City contracted with the Selective Insurance Company for coverage of these various risks. Settled claims have not exceeded this commercial coverage in any of the past five years. There has been no significant reductions in insurance coverage from the previous year.

The City is a member of a workers' compensation group rating plan, which allows local governments to group the experience of employers for workers compensation rating purposes. The City pays the State Workers' Compensation System a premium based on salaries paid. The City also provides medical, dental and life insurance to all full time employees. In 2003, the City paid 100% of the premiums for these coverages.

### **K. 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 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 government.

**City of Centerville**  
**Required Supplementary Information**  
**Schedule of Revenue, Expenditures, & Changes in Fund Balances -**  
**Budget and Actual - Budgetary (Non-GAAP) Basis**  
**General Fund**  
**For the Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Local Taxes	\$ 10,964,450	\$ 10,995,408	\$ 11,508,113	\$ 512,705
Intergovernmental revenues	890,750	877,414	858,993	(18,421)
Charges for services	26,500	26,500	25,988	(512)
Fines, licenses, and permits	266,800	266,800	311,704	44,904
Interest earned	125,000	125,000	69,581	(55,419)
Miscellaneous and reimbursements	228,660	241,996	255,936	13,940
Total revenues	<u>12,502,160</u>	<u>12,533,118</u>	<u>13,030,315</u>	<u>497,197</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	4,689,627	4,689,627	4,440,940	248,687
Public safety	5,164,540	5,164,540	4,990,813	173,727
Community environment	283,524	283,524	245,578	37,946
Recreation	453,583	453,583	322,630	130,953
Total expenditures	<u>10,591,274</u>	<u>10,591,274</u>	<u>9,999,961</u>	<u>591,313</u>
Excess (deficiency) of revenues over expenditures	1,910,886	1,941,844	3,030,354	1,088,510
<b>Other financing sources (uses):</b>				
Transfers (out)	<u>(2,600,000)</u>	<u>(2,600,000)</u>	<u>(2,835,000)</u>	<u>(235,000)</u>
Total other financing sources (uses)	<u>(2,600,000)</u>	<u>(2,600,000)</u>	<u>(2,835,000)</u>	<u>(235,000)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(689,114)	(658,156)	195,354	853,510
Fund balance at beginning of year	<u>4,736,614</u>	<u>4,736,614</u>	<u>4,736,614</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,047,500</u>	<u>\$ 4,078,458</u>	<u>\$ 4,931,968</u>	<u>\$ 853,510</u>

# City of Centerville, Ohio

## Notes to the Required Supplementary Information For the Fiscal Year Ended December 31, 2003

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### **1. Basis of Budgeting**

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

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

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

### **2. Budgets 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.



## City of Centerville, Ohio

### Notes to the Required Supplementary Information For the Fiscal Year Ended December 31, 2003 (continued)

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- (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 fund level. 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.

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

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

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

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

# City of Centerville, Ohio

## Notes to the Required Supplementary Information For the Fiscal Year Ended December 31, 2003 (continued)

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### 3. Reconciliation of Budget Basis to GAAP Basis

The adjustments necessary to convert the results of operations and fund balances at end of the year on the GAAP basis to the budget basis are as follows:

	<b>General Fund</b>
GAAP basis	\$ 580,259
Net adjustment for revenue accruals	(127,609)
Net adjustment for expenditure accruals	(105,221)
Net adjustment for encumbrances	<u>(152,075)</u>
Budget basis	<u>\$ 195,354</u>

## City of Centerville Non-Major 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.

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

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

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

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

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

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

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

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

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

## City of Centerville Non-Major Fund Descriptions

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### Non-Major Debt Service Funds

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

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

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

### Non-Major Capital Projects Funds

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

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

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

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



**CITY OF CENTERVILLE  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2003**

	Non-major Special Revenue Funds	Non-major Debt Service Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
<b>ASSETS</b>				
Pooled cash and cash equivalents	\$ 537,886	\$ 156,507	\$ 784,474	\$ 1,478,867
Investments	173,362	2,788,991	280,643	3,242,996
Receivables (net):				
Accounts	538,784	72,401	-	611,185
Interest	864	14,247	1,399	16,510
Inventory	56,438	-	-	56,438
Prepaid items	23,497	-	-	23,497
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 1,330,831</u>	<u>\$ 3,032,146</u>	<u>\$ 1,066,516</u>	<u>\$ 5,429,493</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 30,389	\$ -	\$ 716	\$ 31,105
Accrued liabilities	63,067	-	-	63,067
Deferred revenue	450,241	5,370	-	455,611
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>543,697</u>	<u>5,370</u>	<u>716</u>	<u>549,783</u>
Fund Balances:				
Reserved for:				
Debt service	-	3,026,776	-	3,026,776
Inventory	56,438	-	-	56,438
Prepaid Items	23,497	-	-	23,497
Encumbrances	20,738	-	206,352	227,090
Unreserved	686,461	-	859,448	1,545,909
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>787,134</u>	<u>3,026,776</u>	<u>1,065,800</u>	<u>4,879,710</u>
	<u>\$ 1,330,831</u>	<u>\$ 3,032,146</u>	<u>\$ 1,066,516</u>	<u>\$ 5,429,493</u>

**CITY OF CENTERVILLE  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Non-major Special Revenue Funds	Non-major Debt Service Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 1,021,341	\$ -	\$ -	\$ 1,021,341
Charges for services	281	-	-	281
Fines, licenses and permits	1,637	-	-	1,637
Investment income	8,184	38,768	9,946	56,898
Lot sales	-	646,128	-	646,128
Rent	-	728,240	-	728,240
Miscellaneous	<u>34,457</u>	<u>18,392</u>	<u>-</u>	<u>52,849</u>
 Total revenues	 <u>1,065,900</u>	 <u>1,431,528</u>	 <u>9,946</u>	 <u>2,507,374</u>
<b>EXPENDITURES:</b>				
Current:				
General government	108,580	179,261	-	287,841
Public safety	77,030	-	-	77,030
Recreation	30,669	-	-	30,669
Transportation	1,584,698	-	-	1,584,698
Capital outlay	195,000	-	158,977	353,977
Debt service:				
Principal	-	140,000	-	140,000
Interest	<u>-</u>	<u>642,817</u>	<u>-</u>	<u>642,817</u>
 Total expenditures	 <u>1,995,977</u>	 <u>962,078</u>	 <u>158,977</u>	 <u>3,117,032</u>
 Deficiency of revenues over (under) expenditures	 <u>(930,077)</u>	 <u>469,450</u>	 <u>(149,031)</u>	 <u>(609,658)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of bonds	-	16,327,317	-	16,327,317
Transfers in	750,000	100,000	-	850,000
Payment to escrow agent	<u>-</u>	<u>(16,148,056)</u>	<u>-</u>	<u>(16,148,056)</u>
 Total other financing sources (uses)	 <u>750,000</u>	 <u>279,261</u>	 <u>-</u>	 <u>1,029,261</u>
 Net change in fund balances	 (180,077)	 748,711	 (149,031)	 419,603
 Fund balances, beginning of year, as restated	 <u>967,211</u>	 <u>2,278,065</u>	 <u>1,214,831</u>	 <u>4,460,107</u>
 Fund balances, end of year	 <u>\$ 787,134</u>	 <u>\$ 3,026,776</u>	 <u>\$ 1,065,800</u>	 <u>\$ 4,879,710</u>

**CITY OF CENTERVILLE  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2003**

(continued)

	Street Construction & Maintenance	State Highway	Permissive Tax	Law Enforcement	Enforcement & Education
<b>ASSETS</b>					
Pooled cash and cash equivalents	\$ 280,704	\$ 28,982	\$ 11,114	\$ 60,616	\$ 5,902
Investments	103,340	-	-	-	-
Receivables (net):					
Accounts	494,159	38,971	4,668	-	986
Interest	515	-	-	-	-
Inventory	56,438	-	-	-	-
Prepaid items	23,497	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 958,653</u>	<u>\$ 67,953</u>	<u>\$ 15,782</u>	<u>\$ 60,616</u>	<u>\$ 6,888</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 16,243	\$ 6,219	\$ -	\$ -	\$ -
Accrued liabilities	63,067	-	-	-	-
Deferred revenue	416,474	33,767	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>495,784</u>	<u>39,986</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Reserved for:					
Inventory	56,438	-	-	-	-
Prepaid items	23,497	-	-	-	-
Encumbrances	3,756	-	-	-	-
Unreserved	379,178	27,967	15,782	60,616	6,888
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>462,869</u>	<u>27,967</u>	<u>15,782</u>	<u>60,616</u>	<u>6,888</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balances	<u>\$ 958,653</u>	<u>\$ 67,953</u>	<u>\$ 15,782</u>	<u>\$ 60,616</u>	<u>\$ 6,888</u>



**CITY OF CENTERVILLE  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2003**

	Drug Law	Friends of Benham's Grove	Hospital Insurance	Police Operations Project	Non-major Special Revenue Funds Totals
<b>ASSETS</b>					
Pooled cash and investments	\$ 786	\$ 18,983	\$ 73,467	\$ 57,332	\$ 537,886
Investments	-	-	44,014	26,008	173,362
Receivables (net):					
Accounts	-	-	-	-	538,784
Interest	-	-	219	130	864
Inventory	-	-	-	-	56,438
Prepaid items	-	-	-	-	23,497
	<u>786</u>	<u>18,983</u>	<u>117,700</u>	<u>83,470</u>	<u>1,330,831</u>
Total assets	\$ 786	\$ 18,983	\$ 117,700	\$ 83,470	\$ 1,330,831
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ -	\$ 32	\$ -	\$ 7,895	\$ 30,389
Accrued liabilities	-	-	-	-	63,067
Deferred revenue	-	-	-	-	450,241
	<u>-</u>	<u>32</u>	<u>-</u>	<u>7,895</u>	<u>543,697</u>
Total liabilities	-	32	-	7,895	543,697
Fund Balances:					
Reserved for:					
Inventory	-	-	-	-	56,438
Prepaid items	-	-	-	-	23,497
Encumbrances	-	97	-	16,885	20,738
Unreserved	<u>786</u>	<u>18,854</u>	<u>117,700</u>	<u>58,690</u>	<u>686,461</u>
Total fund balances	<u>786</u>	<u>18,951</u>	<u>117,700</u>	<u>75,575</u>	<u>787,134</u>
Total liabilities and fund balances	\$ 786	\$ 18,983	\$ 117,700	\$ 83,470	\$ 1,330,831

**CITY OF CENTERVILLE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

(continued)

	Street Construction & Maintenance	State Highway	Permissive Tax	Law Enforcement	Enforcement & Education
<b>REVENUES:</b>					
Intergovernmental revenues	\$ 774,025	\$ 61,665	\$ 185,651	\$ -	\$ -
Charges for services	281	-	-	-	-
Fines, licenses and permits	-	-	-	-	1,637
Investment income	2,937	297	1,156	824	97
Miscellaneous	15,868	-	-	196	7,538
	<u>793,111</u>	<u>61,962</u>	<u>186,807</u>	<u>1,020</u>	<u>9,272</u>
Total revenues					
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	24,919	8,457
Recreation	-	-	-	-	-
Transportation	1,516,321	68,377	-	-	-
Capital outlay	-	-	195,000	-	-
	<u>1,516,321</u>	<u>68,377</u>	<u>195,000</u>	<u>24,919</u>	<u>8,457</u>
Total expenditures					
Excess (deficiency) of revenues over (under) expenditures	<u>(723,210)</u>	<u>(6,415)</u>	<u>(8,193)</u>	<u>(23,899)</u>	<u>815</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	26,790	(6,415)	(8,193)	(23,899)	815
Fund balances, beginning of year, as restated	<u>436,079</u>	<u>34,382</u>	<u>23,975</u>	<u>84,515</u>	<u>6,073</u>
Fund balances, end of year	<u>\$ 462,869</u>	<u>\$ 27,967</u>	<u>\$ 15,782</u>	<u>\$ 60,616</u>	<u>\$ 6,888</u>

**CITY OF CENTERVILLE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

	Drug Law	Friends of Benham's Grove	Hospital Insurance	Police Operations Project	Non-major Special Revenue Funds Totals
<b>REVENUES:</b>					
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ 1,021,341
Charges for services	-	-	-	-	281
Fines, licenses and permits	-	-	-	-	1,637
Investment income	9	439	1,526	899	8,184
Miscellaneous	-	8,855	-	2,000	34,457
	<u>9</u>	<u>9,294</u>	<u>1,526</u>	<u>2,899</u>	<u>1,065,900</u>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	108,580	-	108,580
Public safety	-	-	-	43,654	77,030
Recreation	-	30,669	-	-	30,669
Transportation	-	-	-	-	1,584,698
Capital outlay	-	-	-	-	195,000
	<u>-</u>	<u>30,669</u>	<u>108,580</u>	<u>43,654</u>	<u>1,995,977</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9</u>	<u>(21,375)</u>	<u>(107,054)</u>	<u>(40,755)</u>	<u>(930,077)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	750,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,000</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,000</u>
Net change in fund balances	9	(21,375)	(107,054)	(40,755)	(180,077)
Fund balances, beginning of year	<u>777</u>	<u>40,326</u>	<u>224,754</u>	<u>116,330</u>	<u>967,211</u>
Fund balances, end of year	<u>\$ 786</u>	<u>\$ 18,951</u>	<u>\$ 117,700</u>	<u>\$ 75,575</u>	<u>\$ 787,134</u>

**CITY OF CENTERVILLE  
 COMBINING BALANCE SHEET  
 NON-MAJOR DEBT SERVICE FUNDS  
 DECEMBER 31, 2003**

	Unvoted Debt Retirement	Golf Course Debt Retirement	Non-major Debt Service Funds Totals
<b>ASSETS</b>			
Pooled cash and cash equivalents	\$ 83,215	\$ 73,292	\$ 156,507
Investments	-	2,788,991	2,788,991
Receivables (net):			
Accounts	-	72,401	72,401
Interest	-	14,247	14,247
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 83,215</u>	<u>\$ 2,948,931</u>	<u>\$ 3,032,146</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Deferred revenue	\$ -	\$ 5,370	\$ 5,370
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>-</u>	<u>5,370</u>	<u>5,370</u>
 Fund Balances:			
Reserved for:			
Debt service	<u>83,215</u>	<u>2,943,561</u>	<u>3,026,776</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>83,215</u>	<u>2,943,561</u>	<u>3,026,776</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balances	<u>\$ 83,215</u>	<u>\$ 2,948,931</u>	<u>\$ 3,032,146</u>

**CITY OF CENTERVILLE  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES  
NON-MAJOR DEBT SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Unvoted Debt Retirement	Golf Course Debt Retirement	Non-major Debt Service Funds Totals
<b>REVENUES:</b>			
Investment income	\$ 2,196	\$ 36,572	\$ 38,768
Lot sales	-	646,128	646,128
Rent	-	728,240	728,240
Miscellaneous	<u>-</u>	<u>18,392</u>	<u>18,392</u>
Total revenues	<u>2,196</u>	<u>1,429,332</u>	<u>1,431,528</u>
<b>EXPENDITURES:</b>			
Current:			
General government	13,445	165,816	179,261
Debt service:			
Principal	5,000	135,000	140,000
Interest and fiscal charges	<u>35,368</u>	<u>607,449</u>	<u>642,817</u>
Total expenditures	<u>53,813</u>	<u>908,265</u>	<u>962,078</u>
Excess (deficiency) of revenues over (under) expenditures	(51,617)	521,067	469,450
<b>OTHER FINANCING USES:</b>			
Proceeds from sale of bonds	1,224,549	15,102,768	16,327,317
Transfers in	100,000	-	100,000
Payment to escrow agent	<u>(1,211,104)</u>	<u>(14,936,952)</u>	<u>(16,148,056)</u>
Total other financing uses	<u>113,445</u>	<u>165,816</u>	<u>279,261</u>
Net change in fund balances	61,828	686,883	748,711
Fund balances, beginning of year, as restated	<u>21,387</u>	<u>2,256,678</u>	<u>2,278,065</u>
Fund balances, end of year	<u>\$ 83,215</u>	<u>\$ 2,943,561</u>	<u>\$ 3,026,776</u>

**CITY OF CENTERVILLE  
COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2003**

	<u>Recreational Projects</u>	<u>Capital Equipment Purchase</u>	<u>Special Assessment Improvements</u>	<u>Non-major Capital Projects Funds Totals</u>
<b>ASSETS</b>				
Pooled cash and cash equivalents	\$ 290,879	\$ 15,437	\$ 478,158	\$ 784,474
Investments	72,856	79,183	128,604	280,643
Receivables (net):				
Interest	<u>363</u>	<u>395</u>	<u>641</u>	<u>1,399</u>
 Total assets	 <u>\$ 364,098</u>	 <u>\$ 95,015</u>	 <u>\$ 607,403</u>	 <u>\$ 1,066,516</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	<u>\$ -</u>	<u>\$ 716</u>	<u>\$ -</u>	<u>\$ 716</u>
 Total liabilities	 <u>-</u>	 <u>716</u>	 <u>-</u>	 <u>716</u>
 Fund Balances:				
Reserved for:				
Encumbrances	22,724	725	182,903	206,352
Unreserved	<u>341,374</u>	<u>93,574</u>	<u>424,500</u>	<u>859,448</u>
 Total fund balances	 <u>364,098</u>	 <u>94,299</u>	 <u>607,403</u>	 <u>1,065,800</u>
 Total liabilities and fund balances	 <u>\$ 364,098</u>	 <u>\$ 95,015</u>	 <u>\$ 607,403</u>	 <u>\$ 1,066,516</u>

**CITY OF CENTERVILLE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

	Recreational Projects	Capital Equipment Purchase	Special Assessment Improvements	Non-major Capital Projects Funds Totals
<b>REVENUES:</b>				
Investment income	\$ 3,551	\$ 846	\$ 5,549	\$ 9,946
Total revenues	<u>3,551</u>	<u>846</u>	<u>5,549</u>	<u>9,946</u>
<b>EXPENDITURES:</b>				
Capital outlay	<u>30,139</u>	<u>97,062</u>	<u>31,776</u>	<u>158,977</u>
Total expenditures	<u>30,139</u>	<u>97,062</u>	<u>31,776</u>	<u>158,977</u>
Net change in fund balances	(26,588)	(96,216)	(26,227)	(149,031)
Fund balances, beginning of year, as restated	<u>390,686</u>	<u>190,515</u>	<u>633,630</u>	<u>1,214,831</u>
Fund balances, end of year	<u>\$ 364,098</u>	<u>\$ 94,299</u>	<u>\$ 607,403</u>	<u>\$ 1,065,800</u>

**CITY OF CENTERVILLE  
 COMBINING BALANCE SHEET  
 NON-MAJOR ENTERPRISE FUND  
 DECEMBER 31, 2003**

	Yankee Trace Equipment Purchase
<b>ASSETS</b>	
Current assets:	
Pooled cash and cash equivalents	\$ 144,174
Total current assets	<u>144,174</u>
Noncurrent assets:	
Capital assets:	
Capital assets net of accumulated depreciation	<u>345,641</u>
Total noncurrent assets	<u>345,641</u>
Total assets	<u>\$ 489,815</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	<u>\$ -</u>
Total current liabilities	<u>-</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	345,641
Unrestricted	<u>144,174</u>
Total net assets	<u>489,815</u>
Total liabilities and net assets	<u>\$ 489,815</u>



**CITY OF CENTERVILLE  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
 FUND NET ASSETS - NON-MAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2003**

	Yankee Trace Equipment Purchase
<b>OPERATING REVENUES:</b>	
Charges for services	\$ 119,600
Total operating revenues	<u>119,600</u>
<b>OPERATING EXPENSES:</b>	
Supplies and materials	3,952
Depreciation	<u>122,355</u>
Total operating expenses	<u>126,307</u>
Operating income (loss)	<u>(6,707)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
Investment income	<u>1,251</u>
Total nonoperating revenues (expenses)	<u>1,251</u>
Income (loss)	<u>(5,456)</u>
Change in net assets	(5,456)
Net assets, beginning of year	<u>495,271</u>
Net assets, end of year	<u>\$ 489,815</u>

**CITY OF CENTERVILLE  
 COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR ENTERPRISE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2003**

	Yankee Trace Equipment Purchase
Cash flows from operating activities:	
Cash received from customers	\$ 119,600
Cash paid to suppliers and employees	<u>(3,952)</u>
Net cash provided (used) by operating activities	<u>115,648</u>
Cash flows from capital and related financing activities:	
Purchase of property and equipment	<u>(56,091)</u>
Net cash used by capital and related financing activities	<u>(56,091)</u>
Cash flows from investing activities:	
Interest received	<u>1,251</u>
Net cash provided (used) by investing activities	<u>1,251</u>
Increase (decrease) in cash and cash equivalents	60,808
Cash and cash equivalents at beginning of year	<u>83,366</u>
Cash and cash equivalents at end of year	<u>\$ 144,174</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	<u>\$ (6,707)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	<u>122,355</u>
Total adjustments	<u>122,355</u>
Net cash provided by operating income	<u>\$ 115,648</u>

**CITY OF CENTERVILLE  
COMBINING BALANCE SHEET  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2003**

	Central Vehicle Purchase	Insurance Deductible	Internal Service Totals
<b>ASSETS</b>			
Current assets:			
Pooled cash and cash equivalents	\$ 288,538	\$ 116,578	\$ 405,116
Investments	344,647	139,103	483,750
Receivables (net):			
Accrued interest	<u>1,718</u>	<u>694</u>	<u>2,412</u>
Total current assets	<u>634,903</u>	<u>256,375</u>	<u>891,278</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	<u>1,131,050</u>	<u>-</u>	<u>1,131,050</u>
Total noncurrent assets	<u>1,131,050</u>	<u>-</u>	<u>1,131,050</u>
Total assets	<u>\$ 1,765,953</u>	<u>\$ 256,375</u>	<u>\$ 2,022,328</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	<u>\$ -</u>	<u>\$ 248</u>	<u>\$ 248</u>
Total current liabilities	<u>-</u>	<u>248</u>	<u>248</u>
Total liabilities	<u>-</u>	<u>248</u>	<u>248</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	1,131,050	-	1,131,050
Unrestricted	<u>634,903</u>	<u>256,127</u>	<u>891,030</u>
Total net assets	<u>1,765,953</u>	<u>256,127</u>	<u>2,022,080</u>
Total liabilities and net assets	<u>\$ 1,765,953</u>	<u>\$ 256,375</u>	<u>\$ 2,022,328</u>

**CITY OF CENTERVILLE  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Central Vehicle Purchase	Insurance Deductible	Internal Service Totals
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 308,520	\$ -	\$ 308,520
Other revenue	<u>-</u>	<u>22,865</u>	<u>22,865</u>
Total operating revenues	<u>308,520</u>	<u>22,865</u>	<u>331,385</u>
<b>OPERATING EXPENSES:</b>			
Purchased services	-	33,809	33,809
Supplies and materials	1,091	-	1,091
Depreciation	<u>347,548</u>	<u>-</u>	<u>347,548</u>
Total operating expenses	<u>348,639</u>	<u>33,809</u>	<u>382,448</u>
Operating income (loss)	<u>(40,119)</u>	<u>(10,944)</u>	<u>(51,063)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment income	3,312	1,529	4,841
Gain (loss) on disposal of assets	<u>14,050</u>	<u>-</u>	<u>14,050</u>
Total nonoperating revenues (expenses)	<u>17,362</u>	<u>1,529</u>	<u>18,891</u>
Income (loss)	(22,757)	(9,415)	(32,172)
Change in net assets	(22,757)	(9,415)	(32,172)
Net assets, beginning of year	<u>1,788,710</u>	<u>265,542</u>	<u>2,054,252</u>
Net assets, end of year	<u>\$ 1,765,953</u>	<u>\$ 256,127</u>	<u>\$ 2,022,080</u>

**CITY OF CENTERVILLE  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Central Vehicle Purchase	Insurance Deductible	Total Internal Service
Cash flows from operating activities:			
Cash received from customers	\$ 308,520	\$ 22,865	\$ 331,385
Cash paid to suppliers and employees	<u>(1,091)</u>	<u>(33,726)</u>	<u>(34,817)</u>
Net cash provided by operating activities	<u>307,429</u>	<u>(10,861)</u>	<u>296,568</u>
Cash flows from capital and related financing activities:			
Purchase of property and equipment	(321,730)	-	(321,730)
Proceeds from sale of property and equipment	<u>14,050</u>	<u>-</u>	<u>14,050</u>
Net cash used by capital and related financing activities	<u>(307,680)</u>	<u>-</u>	<u>(307,680)</u>
Cash flows from investing activities:			
Purchase of investments	(349,750)	(141,162)	(490,912)
Sale of investments	495,200	155,636	650,836
Interest received	<u>6,698</u>	<u>2,894</u>	<u>9,592</u>
Net cash provided (used) by investing activities	<u>152,148</u>	<u>17,368</u>	<u>169,516</u>
Increase (decrease) in cash and cash equivalents	151,897	6,507	158,404
Cash and cash equivalents at beginning of year	<u>136,641</u>	<u>110,071</u>	<u>246,712</u>
Cash and cash equivalents at end of year	<u>\$ 288,538</u>	<u>\$ 116,578</u>	<u>\$ 405,116</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ (40,119)	\$ (10,944)	\$ (51,063)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	347,548	-	347,548
Change in operating assets and liabilities:			
Net liabilities	<u>-</u>	<u>83</u>	<u>83</u>
Total adjustments	<u>347,548</u>	<u>83</u>	<u>347,631</u>
Net cash provided by operating income	<u>\$ 307,429</u>	<u>\$ (10,861)</u>	<u>\$ 296,568</u>
Non-cash investing, capital and financing activities:			
Change in fair value of investments	\$ (5,103)	\$ (2,059)	\$ (7,162)

**CITY OF CENTERVILLE  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2003**

	Agency Funds Totals
<b>ASSETS</b>	
Pooled cash and cash equivalents	<u>\$ 47,418</u>
Total assets	<u><u>\$ 47,418</u></u>
<b>LIABILITIES</b>	
Undistributed monies	<u><u>\$ 47,418</u></u>

**CITY OF CENTERVILLE  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Balance at January 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at December 31, 2003</u>
<b><u>Agency Fund</u></b>				
<b>ASSETS</b>				
Pooled cash and cash equivalents	\$ 4,116	\$ 160,774	\$ 117,472	\$ 47,418
Receivables:				
Accounts	36,635	-	36,635	-
Prepaid items	<u>1,171</u>	<u>-</u>	<u>1,171</u>	<u>-</u>
Total assets	<u>\$ 41,922</u>	<u>\$ 160,774</u>	<u>\$ 155,278</u>	<u>\$ 47,418</u>
<b>LIABILITIES</b>				
Undistributed monies	<u>\$ 41,922</u>	<u>\$ 5,758</u>	<u>\$ 262</u>	<u>\$ 47,418</u>

**City of Centerville**  
**Schedule of Revenue, Expenditures, & Changes in Fund Balances -**  
**Budget and Actual - Budgetary (Non-GAAP) Basis**  
**Street Construction and Maintenance Fund**  
**For the Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental revenues	\$ 717,000	\$ 717,000	\$ 751,962	\$ 34,962
Charges for services	350	350	579	229
Interest earned	7,000	7,000	3,952	(3,048)
Miscellaneous and reimbursements	18,400	18,400	15,869	(2,531)
Total revenues	<u>742,750</u>	<u>742,750</u>	<u>772,362</u>	<u>29,612</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Transportation	<u>1,691,949</u>	<u>1,691,949</u>	<u>1,579,223</u>	<u>112,726</u>
Total expenditures	<u>1,691,949</u>	<u>1,691,949</u>	<u>1,579,223</u>	<u>112,726</u>
Excess (deficiency) of revenues over expenditures	(949,199)	(949,199)	(806,861)	142,338
<b>Other financing sources (uses):</b>				
Operating transfers in	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>-</u>
Total other financing sources (uses)	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(199,199)	(199,199)	(56,861)	142,338
Fund balance at beginning of year	<u>423,616</u>	<u>423,616</u>	<u>423,616</u>	<u>-</u>
Fund balance at end of year	<u>\$ 224,417</u>	<u>\$ 224,417</u>	<u>\$ 366,755</u>	<u>\$ 142,338</u>



**City of Centerville**  
**Schedule of Revenue, Expenditures, & Changes in Fund Balances -**  
**Budget and Actual - Budgetary (Non-GAAP) Basis**  
**State Highway Fund**  
**For the Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ 58,600	\$ 58,600	\$ 60,970	\$ 2,370
Interest earned	750	750	297	(453)
Total revenues	<u>59,350</u>	<u>59,350</u>	<u>61,267</u>	<u>1,917</u>
Expenditures:				
Current:				
Transportation	<u>66,728</u>	<u>72,328</u>	<u>71,240</u>	<u>1,088</u>
Total expenditures	<u>66,728</u>	<u>72,328</u>	<u>71,240</u>	<u>1,088</u>
Excess (deficiency) of revenues over expenditures	(7,378)	(12,978)	(9,973)	3,005
Fund balance at beginning of year	<u>33,119</u>	<u>33,119</u>	<u>33,119</u>	<u>-</u>
Fund balance at end of year	<u>\$ 25,741</u>	<u>\$ 20,141</u>	<u>\$ 23,146</u>	<u>\$ 3,005</u>

**City of Centerville**  
**Schedule of Revenue, Expenditures, & Changes in Fund Balances -**  
**Budget and Actual - Budgetary (Non-GAAP) Basis**  
**Permissive Tax Fund**  
**For the Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ 183,000	\$ 183,000	\$ 185,653	\$ 2,653
Interest earned	<u>2,500</u>	<u>2,500</u>	<u>1,156</u>	<u>(1,344)</u>
Total revenues	<u>185,500</u>	<u>185,500</u>	<u>186,809</u>	<u>1,309</u>
Expenditures:				
Capital outlay	<u>195,000</u>	<u>195,000</u>	<u>195,000</u>	<u>-</u>
Total expenditures	<u>195,000</u>	<u>195,000</u>	<u>195,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(9,500)	(9,500)	(8,191)	1,309
Fund balance at beginning of year	<u>19,306</u>	<u>19,306</u>	<u>19,306</u>	<u>-</u>
Fund balance at end of year	<u>\$ 9,806</u>	<u>\$ 9,806</u>	<u>\$ 11,115</u>	<u>\$ 1,309</u>

**City of Centerville**  
**Schedule of Revenue, Expenditures, & Changes in Fund Balances -**  
**Budget and Actual - Budgetary (Non-GAAP) Basis**  
**Law Enforcement Fund**  
**For the Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 1,900	\$ 1,900	\$ 823	\$ (1,077)
Miscellaneous and reimbursements	<u>5,000</u>	<u>5,000</u>	<u>197</u>	<u>(4,803)</u>
Total revenues	6,900	6,900	1,020	(5,880)
Expenditures:				
Current:				
Public safety	<u>27,600</u>	<u>27,600</u>	<u>24,919</u>	<u>2,681</u>
Total expenditures	27,600	27,600	24,919	2,681
Excess (deficiency) of revenues over expenditures	(20,700)	(20,700)	(23,899)	(3,199)
Other financing sources (uses):				
Sale of fixed assets	<u>500</u>	<u>500</u>	<u>-</u>	<u>(500)</u>
Total other financing sources (uses)	500	500	-	(500)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(20,200)	(20,200)	(23,899)	(3,699)
Fund balance at beginning of year	<u>84,516</u>	<u>84,516</u>	<u>84,516</u>	<u>-</u>
Fund balance at end of year	<u>\$ 64,316</u>	<u>\$ 64,316</u>	<u>\$ 60,617</u>	<u>\$ (3,699)</u>

**City of Centerville**  
**Schedule of Revenue, Expenditures, & Changes in Fund Balances -**  
**Budget and Actual - Budgetary (Non-GAAP) Basis**  
**Enforcement and Education Fund**  
**For the Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, licenses, and permits	\$ 2,600	\$ 2,600	\$ 1,767	\$ (833)
Interest earned	170	170	97	(73)
Miscellaneous and reimbursements	<u>7,500</u>	<u>7,500</u>	<u>6,617</u>	<u>(883)</u>
Total revenues	10,270	10,270	8,481	(1,789)
Expenditures:				
Current:				
Public safety	<u>10,783</u>	<u>10,783</u>	<u>10,206</u>	<u>577</u>
Total expenditures	10,783	10,783	10,206	577
Excess (deficiency) of revenues over expenditures	(513)	(513)	(1,725)	(1,212)
Fund balance at beginning of year	<u>7,627</u>	<u>7,627</u>	<u>7,627</u>	<u>-</u>
Fund balance at end of year	<u>\$ 7,114</u>	<u>\$ 7,114</u>	<u>\$ 5,902</u>	<u>\$ (1,212)</u>

**City of Centerville**  
**Schedule of Revenue, Expenditures, & Changes in Fund Balances -**  
**Budget and Actual - Budgetary (Non-GAAP) Basis**  
**Drug Law Fund**  
**For the Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 20	\$ 20	\$ 9	\$ (11)
Total revenues	20	20	9	(11)
Expenditures:				
Current:				
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	20	20	9	(11)
Fund balance at beginning of year	<u>776</u>	<u>776</u>	<u>776</u>	<u>-</u>
Fund balance at end of year	<u>\$ 796</u>	<u>\$ 796</u>	<u>\$ 785</u>	<u>\$ (11)</u>

**City of Centerville**  
**Schedule of Revenue, Expenditures, & Changes in Fund Balances -**  
**Budget and Actual - Budgetary (Non-GAAP) Basis**  
**Friends of Benham's Grove Fund**  
**For the Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 1,000	\$ 1,000	\$ 439	\$ (561)
Miscellaneous and reimbursements	<u>4,000</u>	<u>4,000</u>	<u>8,855</u>	<u>4,855</u>
Total revenues	5,000	5,000	9,294	4,294
Expenditures:				
Current:				
Recreation	<u>4,000</u>	<u>30,000</u>	<u>30,766</u>	<u>(766)</u>
Total expenditures	4,000	30,000	30,766	(766)
Excess (deficiency) of revenues over expenditures	1,000	(25,000)	(21,472)	3,528
Fund balance at beginning of year	<u>40,326</u>	<u>40,326</u>	<u>40,326</u>	<u>-</u>
Fund balance at end of year	<u>\$ 41,326</u>	<u>\$ 15,326</u>	<u>\$ 18,854</u>	<u>\$ 3,528</u>

**City of Centerville**  
**Schedule of Revenue, Expenditures, & Changes in Fund Balances -**  
**Budget and Actual - Budgetary (Non-GAAP) Basis**  
**Hospital Insurance Fund**  
**For the Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 1,959</u>	<u>\$ (541)</u>
Total revenues	2,500	2,500	1,959	(541)
Expenditures:				
Current:				
General government	<u>108,580</u>	<u>108,580</u>	<u>108,580</u>	<u>-</u>
Total expenditures	108,580	108,580	108,580	-
Excess (deficiency) of revenues over expenditures	(106,080)	(106,080)	(106,621)	(541)
Fund balance at beginning of year	<u>224,755</u>	<u>224,755</u>	<u>224,755</u>	<u>-</u>
Fund balance at end of year	<u>\$ 118,675</u>	<u>\$ 118,675</u>	<u>\$ 118,134</u>	<u>\$ (541)</u>

**City of Centerville**  
**Schedule of Revenue, Expenditures, & Changes in Fund Balances -**  
**Budget and Actual - Budgetary (Non-GAAP) Basis**  
**Police Operations Project Fund**  
**For the Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 2,000	\$ 2,000	\$ 1,154	\$ (846)
Miscellaneous and reimbursements	<u>5,000</u>	<u>5,000</u>	<u>2,000</u>	<u>(3,000)</u>
Total revenues	7,000	7,000	3,154	(3,846)
Expenditures:				
Current:				
Public safety	18,605	18,605	11,699	6,906
Capital outlay	<u>22,185</u>	<u>62,185</u>	<u>51,919</u>	<u>10,266</u>
Total expenditures	40,790	80,790	63,618	17,172
Excess (deficiency) of revenues over expenditures	(33,790)	(73,790)	(60,464)	13,326
Fund balance at beginning of year	<u>119,409</u>	<u>119,409</u>	<u>119,409</u>	<u>-</u>
Fund balance at end of year	<u>\$ 85,619</u>	<u>\$ 45,619</u>	<u>\$ 58,945</u>	<u>\$ 13,326</u>

**City of Centerville**  
**Schedule of Revenue, Expenditures, & Changes in Fund Balances -**  
**Budget and Actual - Budgetary (Non-GAAP) Basis**  
**Unvoted Debt Retirement Fund**  
**For the Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 1,200	\$ 1,200	\$ 2,196	\$ 996
Total revenues	<u>1,200</u>	<u>1,200</u>	<u>2,196</u>	<u>996</u>
Expenditures:				
Debt service:				
Principal	50,000	5,000	5,000	-
Interest and fiscal charges	<u>59,550</u>	<u>54,550</u>	<u>35,368</u>	<u>19,182</u>
Total expenditures	<u>109,550</u>	<u>59,550</u>	<u>40,368</u>	<u>19,182</u>
Excess (deficiency) of revenues over expenditures	(108,350)	(58,350)	(38,172)	20,178
Other financing sources (uses):				
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total other financing sources (uses)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(8,350)	41,650	61,828	20,178
Fund balance at beginning of year	<u>21,388</u>	<u>21,388</u>	<u>21,388</u>	<u>-</u>
Fund balance at end of year	<u>\$ 13,038</u>	<u>\$ 63,038</u>	<u>\$ 83,216</u>	<u>\$ 20,178</u>

**City of Centerville**  
**Schedule of Revenue, Expenditures, & Changes in Fund Balances -**  
**Budget and Actual - Budgetary (Non-GAAP) Basis**  
**Golf Course Debt Retirement Fund**  
**For the Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 50,000	\$ 50,000	\$ 53,010	\$ 3,010
Sale of lots	757,000	757,000	716,340	(40,660)
Miscellaneous and reimbursements	<u>828,240</u>	<u>828,240</u>	<u>728,240</u>	<u>(100,000)</u>
Total revenues	1,635,240	1,635,240	1,497,590	(137,650)
Expenditures:				
Debt service:				
Principal	455,000	135,000	135,000	-
Interest and fiscal charges	<u>910,290</u>	<u>730,290</u>	<u>607,449</u>	<u>122,841</u>
Total expenditures	1,365,290	865,290	742,449	122,841
Excess (deficiency) of revenues over expenditures	269,950	769,950	755,141	(14,809)
Fund balance at beginning of year	<u>2,132,457</u>	<u>2,132,457</u>	<u>2,132,457</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,402,407</u>	<u>\$ 2,902,407</u>	<u>\$ 2,887,598</u>	<u>\$ (14,809)</u>

**City of Centerville**  
**Schedule of Revenue, Expenditures, & Changes in Fund Balances -**  
**Budget and Actual - Budgetary (Non-GAAP) Basis**  
**Special Assessment Debt Retirement Fund**  
**For the Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 639,350	\$ 639,350	\$ 669,501	\$ 30,151
Interest earned	<u>6,400</u>	<u>6,400</u>	<u>4,192</u>	<u>(2,208)</u>
Total revenues	645,750	645,750	673,693	27,943
Expenditures:				
Current:				
General government	32,000	37,740	33,183	4,557
Debt service:				
Principal	175,000	175,000	175,000	-
Interest and fiscal charges	<u>427,260</u>	<u>427,260</u>	<u>427,260</u>	<u>-</u>
Total expenditures	634,260	640,000	635,443	4,557
Excess (deficiency) of revenues over expenditures	11,490	5,750	38,250	32,500
Fund balance at beginning of year	<u>105,448</u>	<u>105,448</u>	<u>105,448</u>	<u>-</u>
Fund balance at end of year	<u>\$ 116,938</u>	<u>\$ 111,198</u>	<u>\$ 143,698</u>	<u>\$ 32,500</u>

**City of Centerville**  
**Schedule of Revenue, Expenditures, & Changes in Fund Balances -**  
**Budget and Actual - Budgetary (Non-GAAP) Basis**  
**Capital Improvements Fund**  
**For the Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ 125,000	\$ 125,000	\$ -	\$ (125,000)
Interest earned	132,000	132,000	69,545	(62,455)
Miscellaneous and reimbursements	-	-	946	946
Total revenues	<u>257,000</u>	<u>257,000</u>	<u>70,491</u>	<u>(186,509)</u>
Expenditures:				
Capital outlay	<u>5,121,456</u>	<u>5,121,456</u>	<u>3,828,326</u>	<u>1,293,130</u>
Total expenditures	<u>5,121,456</u>	<u>5,121,456</u>	<u>3,828,326</u>	<u>1,293,130</u>
Excess (deficiency) of revenues over expenditures	(4,864,456)	(4,864,456)	(3,757,835)	1,106,621
Other financing sources (uses):				
Transfers in	<u>1,750,000</u>	<u>1,750,000</u>	<u>1,750,000</u>	<u>-</u>
Total other financing sources (uses)	<u>1,750,000</u>	<u>1,750,000</u>	<u>1,750,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(3,114,456)	(3,114,456)	(2,007,835)	1,106,621
Fund balance at beginning of year	<u>6,798,273</u>	<u>6,798,273</u>	<u>6,798,273</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,683,817</u>	<u>\$ 3,683,817</u>	<u>\$ 4,790,438</u>	<u>\$ 1,106,621</u>

**City of Centerville**  
**Schedule of Revenue, Expenditures, & Changes in Fund Balances -**  
**Budget and Actual - Budgetary (Non-GAAP) Basis**  
**Recreational Projects Fund**  
**For the Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 12,000	\$ 12,000	\$ 4,267	\$ (7,733)
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>4,267</u>	<u>(7,733)</u>
Expenditures:				
Capital outlay	<u>174,316</u>	<u>174,316</u>	<u>52,727</u>	<u>121,589</u>
Total expenditures	<u>174,316</u>	<u>174,316</u>	<u>52,727</u>	<u>121,589</u>
Excess (deficiency) of revenues over expenditures	(162,316)	(162,316)	(48,460)	113,856
Fund balance at beginning of year	<u>390,550</u>	<u>390,550</u>	<u>390,550</u>	<u>-</u>
Fund balance at end of year	<u>\$ 228,234</u>	<u>\$ 228,234</u>	<u>\$ 342,090</u>	<u>\$ 113,856</u>



**City of Centerville**  
**Schedule of Revenue, Expenditures, & Changes in Fund Balances -**  
**Budget and Actual - Budgetary (Non-GAAP) Basis**  
**Capital Equipment Purchase Fund**  
**For the Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 2,000	\$ 2,000	\$ 1,624	\$ (376)
Total revenues	2,000	2,000	1,624	(376)
Expenditures:				
Capital outlay	118,775	118,775	104,609	14,166
Total expenditures	118,775	118,775	104,609	14,166
Excess (deficiency) of revenues over expenditures	(116,775)	(116,775)	(102,985)	13,790
Fund balance at beginning of year	197,653	197,653	197,653	-
Fund balance at end of year	\$ 80,878	\$ 80,878	\$ 94,668	\$ 13,790

**City of Centerville**  
**Schedule of Revenue, Expenditures, & Changes in Fund Balances -**  
**Budget and Actual - Budgetary (Non-GAAP) Basis**  
**Special Assessment Improvements Fund**  
**For the Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Interest earned	\$ 12,000	\$ 12,000	\$ 6,813	\$ (5,187)
Total revenues	12,000	12,000	6,813	(5,187)
Expenditures:				
Capital outlay	31,112	256,112	214,685	41,427
Total expenditures	31,112	256,112	214,685	41,427
Excess (deficiency) of revenues over expenditures	(19,112)	(244,112)	(207,872)	36,240
Fund balance at beginning of year	633,630	633,630	633,630	-
Fund balance at end of year	\$ 614,518	\$ 389,518	\$ 425,758	\$ 36,240



# Statistical Section

**CITY OF CENTERVILLE, OHIO**  
 General Fund Expenditures by Function  
 Last Ten Years

<u>Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Community Environment</u>	<u>Recreation</u>	<u>Cost of Lots</u>	<u>Debt Service</u>	<u>Total</u>
2003	\$ 4,354,119	\$ 4,839,393	\$ 229,265	\$ 308,807	\$ -	\$ 38,081	\$ 9,769,665
2002	4,139,483	4,491,363	228,481	331,551	171,111	39,677	9,401,666
2001	4,047,976	3,924,003	222,035	360,426	465,350	8,640	9,028,430
2000	3,664,056	3,611,464	203,051	347,284	760,450	18,699	8,605,004
1999	3,499,509	3,457,981	180,843	425,353	590,200	-	8,153,886
1998	3,208,842	3,308,311	429,639	320,375	510,750	-	7,777,917
1997	2,920,129	3,165,281	376,821	445,398	658,300	-	7,565,929
1996	3,270,535	2,781,713	401,333	223,938	442,650	-	7,120,169
1995	2,114,985	2,745,441	421,869	219,633	295,100	-	5,797,028
1994	3,009,601	2,438,698	396,922	1,008,760	-	-	6,853,981

Source: Finance Department, City of Centerville

**CITY OF CENTERVILLE, OHIO**

General Fund Revenues by Source

Last Ten Years

<u>Year</u>	<u>Local Taxes</u>	<u>Inter-governmental</u>	<u>Charges for Services</u>	<u>Fines, Licenses and Permits</u>	<u>Interest Earned</u>
2003	\$ 11,625,368	\$ 919,061	\$ 25,988	\$ 308,815	\$ 17,697
2002	11,408,207	879,998	44,284	286,748	241,961
2001	11,287,865	870,597	30,452	318,403	186,372
2000	11,275,083	816,120	35,933	321,238	333,983
1999	10,724,323	799,672	29,543	259,743	183,762
1998	9,035,221	2,346,212	32,720	316,182	153,393
1997	8,192,543	1,294,834	45,922	304,547	103,703
1996	6,309,085	1,371,518	51,313	301,666	83,314
1995	4,660,356	1,390,470	60,819	215,428	83,953
1994	4,543,310	1,103,364	28,352	162,757	71,088

Source: Finance Department, City of Centerville

<u>Sale of Lots</u>	<u>Miscellaneous</u>	<u>Total</u>
\$ -	\$ 260,995	\$ 13,157,924
716,204	182,514	13,759,916
939,214	118,180	13,751,083
1,519,020	155,583	14,456,960
1,143,604	166,592	13,307,239
1,011,566	329,040	13,224,334
1,244,689	175,650	11,361,888
806,656	176,737	9,100,289
533,917	155,324	7,100,267
104,947	552,743	6,566,561

**CITY OF CENTERVILLE, OHIO**

## Property Tax Levies and Collections

## Last Ten Years

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections To Tax Levy</u>
2003	\$ 1,322,681	\$ 1,305,596	\$ 22,126	\$ 1,327,722	100.38%
2002	1,185,463	1,168,410	27,344	1,195,754	100.87%
2001	1,168,383	1,149,444	25,006	1,174,450	100.52%
2000	1,150,828	1,132,106	26,776	1,158,882	100.70%
1999	1,088,920	1,063,995	13,037	1,077,033	98.91%
1998	1,113,734	1,109,067	23,236	1,132,303	101.67%
1997	1,138,357	1,123,686	24,423	1,148,109	100.86%
1996	1,036,472	1,023,907	23,457	1,047,364	101.05%
1995	1,018,282	998,222	20,327	1,018,549	100.03%
1994	1,001,929	970,097	24,032	994,130	99.22%

Source: County Auditor, Montgomery County, Ohio

**CITY OF CENTERVILLE, OHIO**  
Municipal Income Tax Receipts (Cash Basis)  
Last Ten Years

<u>Year</u>	<u>Amount</u>	<u>% change</u>
2003	\$ 9,216,377	3.56%
2002	8,899,240	0.04%
2001	8,895,896	2.75%
2000	8,657,970	4.53%
1999	8,282,809	3.53%
1998	8,000,116	14.25%
1997	7,002,375	7.97%
1996	6,485,425	4.88%
1995	6,183,755	0.16%
1994	6,173,851	4.33%

Source: Finance Department, City of Centerville



**CITY OF CENTERVILLE, OHIO**

Assessed and Estimated Actual Value of Property

Last Ten Years

Collection Year	Real	Public Utility Personal	Tangible Personal	Total Assessed Value	(1) Estimated Value
2003	\$ 518,155,020	\$ 12,762,920	\$ 29,120,843	\$ 560,038,783	\$ 1,611,429,604
2002	459,488,570	12,490,310	29,655,641	501,634,521	1,445,640,584
2001	448,369,510	15,979,680	29,983,962	494,333,152	1,419,150,318
2000	441,096,120	16,878,640	28,910,686	486,885,446	1,395,097,645
1999	412,613,990	18,692,690	29,334,972	460,641,652	1,317,478,695
1998	398,544,910	17,534,230	25,019,921	441,099,061	1,258,704,688
1997	388,494,970	17,476,020	22,688,137	428,659,127	1,220,597,290
1996	351,180,550	17,477,930	21,395,490	390,053,970	1,108,816,244
1995	345,112,460	19,788,700	18,448,218	383,349,378	1,082,315,631
1994	340,657,600	18,136,280	18,486,303	377,280,183	1,067,862,050

Source: County Auditor, Montgomery County, Ohio

(1) This is calculated by dividing the assessed value by the assessment percentage. The percentages for 2000 were 35 percent for real property and public utility real, 88 percent for public utility tangible personal, and 25 percent for tangible personal and interexchange telecom public utility.

**CITY OF CENTERVILLE, OHIO**

Property Tax Rates - Direct and Overlapping Governments

(Per \$1,000 of Assessed Valuation)

Last Ten Years

<u>Collection Year</u>	<u>City of Centerville</u>	<u>Centerville City School District</u>	<u>Montgomery County</u>	<u>Washington Township</u>	<u>Washington-Centerville Public Library</u>	<u>Total</u>
2003	\$2.35	\$60.75	\$17.24	\$7.90	\$3.03	\$91.27
2002	2.35	60.75	17.24	7.9	1.63	89.87
2001	2.35	60.75	17.24	7.90	1.63	89.87
2000	2.35	55.85	16.64	7.90	1.63	84.37
1999	2.35	56.05	16.64	7.90	1.63	84.57
1998	2.51	56.48	16.64	7.40	1.63	84.66
1997	2.64	56.48	16.64	7.40	1.63	84.79
1996	2.64	56.48	16.64	7.40	1.63	84.79
1995	2.64	56.48	16.64	7.40	1.63	84.79
1994	2.64	52.21	16.14	7.40	0.00	78.39

Source: County Auditor, Montgomery County, Ohio

**CITY OF CENTERVILLE, OHIO**

Principal Taxpayers

December 31, 2003

Real Estate	2002 Real Property Assessed Valuation For Collection in 2003	Percentage of Total Assessed Valuation
Cross Pointe Associates	\$5,198,470	0.93%
Steeplechase Advisors Ltd.	4,754,130	0.85%
Roselawn Center LP	2,801,700	0.50%
Woods I LLC	2,742,290	0.49%
Chevy Chase Park	2,028,290	0.36%
Oberer Holdings II	1,985,630	0.35%
Elder Beerman Stores	1,933,750	0.35%
The Franciscan at St. Leonard	1,725,620	0.31%
Sexton Hillside Ltd.	1,683,560	0.30%
Bethany Commons at Yankee Trace	1,655,820	0.30%
Public Utilities		
Dayton Power & Light Co.	\$6,022,580	1.08%
Ohio Bell Telephone Co.	5,001,800	0.89%
Vectren Energy Delivery	810,200	0.14%
Tangible Personal Property		
Voss Chevrolet, Inc.	\$3,010,760	0.54%
Bob Ross Buick, Inc.	2,915,170	0.52%
Planet Ford	1,989,500	0.36%
Time Warner Entertainment	1,791,820	0.32%
Autorama, Inc.	1,178,560	0.21%
Dayton Wheel Concepts, Inc.	977,130	0.17%
Tom Harrigan Chrysler	973,990	0.17%
Dimco Gray Company	956,460	0.17%
Elder Beerman Store, Inc.	948,710	0.17%
Voss Dodge	788,420	0.14%
All Others	506,164,423	90.38%
Total Assessed Valuation	\$560,038,783	100.00%

Source: County Auditor, Montgomery County, Ohio

**CITY OF CENTERVILLE, OHIO**  
Special Assessments Billings and Collections  
Last Ten Years

Collection Year	Billed	Amount Collected	Percent Collected
2003	\$ 643,143	\$ 669,501	104.10%
2002	599,045	613,056	102.34%
2001	530,360	536,249	101.11%
2000	446,931	448,306	100.31%
1999	248,656	255,719	102.84%
1998	165,144	138,072	83.61%
1997	168,108	206,051	122.57%
1996	170,006	135,242	79.55%
1995	89,972	90,009	100.04%
1994	57,507	57,507	100.00%

Source: County Auditor, Montgomery County, Ohio

**CITY OF CENTERVILLE, OHIO**

Computation of Legal Debt Margins

December 31, 2003

	Overall Debt Limit 10.50%	Total Unvoted Debt Limit 5.50%
	<u>10.50%</u>	<u>5.50%</u>
Total assessed property value	\$ 560,038,783	\$ 560,038,783
Debt limit	58,804,072	30,802,133
<hr/>		
Total Outstanding Debt as of December 31, 2003		
Bonds	26,901,000	26,901,000
<hr/>		
Less Exempt Debt		
General obligation bonds issued in anticipation of the collection of special assessments	7,776,000	7,776,000
General obligation bonds issued in anticipation of the collection of municipal income tax	<u>19,125,000</u>	<u>19,125,000</u>
Net Debt	-	-
Legal Debt Margin (1)	<u>\$ 58,804,072</u>	<u>\$ 30,802,133</u>

(1) The legal debt margin was determined without considering the fund balances in the Debt Service Funds.

Source: Finance Department, City of Centerville

**CITY OF CENTERVILLE, OHIO**

Ratio of Annual Debt Service Expenditures for General Obligation  
Bonded Debt to Total General Fund Expenditures  
Last Ten Years

<u>Year</u>	<u>Debt Principal and Interest</u>	<u>General Fund Expenditures</u>	<u>Ratio</u>
2003	\$ 782,817	\$ 9,769,665	8.01%
2002	1,396,112	9,401,666	14.85%
2001	1,224,683	9,028,430	13.56%
2000	1,114,898	8,605,004	12.96%
1999	1,224,270	8,153,886	15.01%
1998	1,324,034	7,777,917	17.02%
1997	1,341,472	7,565,929	17.73%
1996	1,348,666	7,120,169	18.94%
1995	733,313	5,797,028	12.65%
1994	745,616	6,853,981	10.88%

Source: Finance Department, City of Centerville

**CITY OF CENTERVILLE, OHIO**

Ratio of Net General Obligation Bonded Debt to Assessed Value and  
Net General Obligation Bonded Debt per Capita  
Last Ten Years

<u>Collection Year</u>	<u>Population (1)</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt (2)</u>	<u>Debt Service Monies Available (3)</u>
2003	23,024	\$ 560,038,783	\$ 19,125,000	\$ 3,021,351
2002	23,024	501,634,521	17,970,000	2,278,065
2001	23,024	494,333,152	18,365,000	1,962,978
2000	23,024	486,885,446	15,450,000	1,602,834
1999	23,285	460,641,652	15,795,000	1,857,735
1998	23,404	441,099,061	16,135,000	700,851
1997	23,324	428,659,127	16,555,000	815,422
1996	23,250	390,053,970	16,975,000	495,052
1995	22,678	383,349,378	17,375,000	9,339,022
1994	22,683	377,280,183	8,425,000	122,905

- Source:
- (1) U.S. Census Bureau Population Division
  - (2) Excludes special assessment bonded debt.
  - (3) Excludes debt service money available to pay special assessment bonded debt.

	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
\$	16,103,649	2.88%	\$ 699.43
	15,691,935	3.13%	681.55
	16,402,022	3.32%	712.39
	13,847,166	2.84%	601.42
	13,937,265	3.03%	598.55
	15,434,149	3.50%	659.47
	15,739,578	3.67%	674.82
	16,479,948	4.23%	708.81
	8,035,978	2.10%	354.35
	8,302,095	2.20%	366.01



**CITY OF CENTERVILLE, OHIO**

Computation of Direct and Overlapping Bonded Debt - General Obligation Bonds

December 31, 2003

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable To City (1)</u>	<u>Amount Applicable To City of Centerville</u>
<b>Direct:</b>			
City of Centerville	\$ 19,125,000	100.00%	\$ 19,125,000
<b>Overlapping:</b>			
Centerville City School District	16,475,000	38.14%	6,283,565
Washington Township Park District	52,500	38.20%	20,055
Montgomery County	34,615,260	5.58%	1,931,532
Washington-Centerville Library District	1,070,000	38.14%	408,098
Miami Valley Regional Transit Authority	11,580,000	5.58%	<u>646,164</u>
		Subtotal - Overlapping	9,289,414
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 28,414,414</u></u>

Source: Ohio Municipal Advisory Council

(1) Calculated by the Ohio Municipal Advisory Council.

**CITY OF CENTERVILLE, OHIO**

Demographic Statistics

Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Montgomery County (3)</u>
2003	23,133	8,055	6.30%
2002	23,062	7,821	5.60%
2001	23,032	7,419	4.30%
2000	23,024	7,446	3.80%
1999	23,285	7,371	3.80%
1998	23,404	7,295	4.10%
1997	23,324	7,221	4.00%
1996	23,250	7,295	4.40%
1995	22,678	7,233	4.00%
1994	22,683	7,188	4.90%

- Source: (1) U.S. Census Bureau Population Division  
(2) Centerville City School District Board of Education  
(3) Ohio Department of Job and Family Services

**CITY OF CENTERVILLE, OHIO**

Property Value, Construction and Bank Deposits

Last Ten Years

<u>Year</u>	<u>Property Values (1)</u>	<u>Value of Construction Permits (2)</u>	<u>County Bank Deposits (3)</u>
2003	\$ 1,480,442,914	\$ 38,765,244	\$ 249,614,000
2002	1,312,824,486	45,299,041	241,447,000
2001	1,281,055,743	42,526,970	224,099,000
2000	1,260,274,629	33,166,657	191,473,000
1999	1,178,897,114	21,771,515	2,994,378,000
1998	1,138,699,743	24,276,587	3,264,705,000
1997	1,109,985,629	27,319,741	3,530,314,000
1996	1,003,373,000	38,751,513	3,899,145,000
1995	986,035,600	28,523,191	3,995,114,000
1994	973,307,429	20,812,020	4,034,766,000

(1) Estimated actual real property values (public utility real property not included).

Source: County Auditor, Montgomery County, Ohio

(2) Source: Public Works Department, City of Centerville

(3) Source: Federal Reserve Bank of Cleveland.

Decrease for 2000 due to bank restructuring. Deposits at year end no longer held in Montgomery County, but in Cuyahoga County.

**CITY OF CENTERVILLE, OHIO**

Miscellaneous Statistics

December 31, 2003

Date Settled:	1796
Date Incorporated as a City:	December 2, 1968
Form of Government:	Council/Manager
Land Area:	10.08 square miles
Miles of Streets:	105 miles
Number of Employees:	
Full-time	143
Part-time	24
Seasonal	120
Sworn police officers	42
Waste Collection:	
Volume of waste	7,406 tons
Volume of recyclable	1,594 tons
The Golf Club at Yankee Trace:	
Rounds of golf:	
Championship course (18 holes)	34,064
Vintage course (9 holes)	9,563





**Auditor of State  
Betty Montgomery**

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Facsimile 614-466-4490

**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  
NOVEMBER 23, 2004**