



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

CITY OF LOVELAND, OHIO
HAMILTON COUNTY
REGULAR AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2021



88 East Broad Street
Columbus, Ohio 43215
IPARreport@ohioauditor.gov
(800) 282-0370

City Council
City of Loveland
120 West Loveland Avenue
Loveland, Ohio 45140

We have reviewed the *Independent Auditors' Report* of the City of Loveland, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2021 through December 31, 2021. 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 Loveland is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 19, 2022

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Loveland, Ohio:

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Loveland, Ohio ("City"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 27, 2022.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompany schedule of findings and responses as item 2021-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompany schedule of findings and responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 27, 2022

City of Loveland
Schedule of Findings and Responses
Year Ended December 31, 2021

2021-001 Financial Reporting

During the course of our audit, we identified a misstatement in the financial statements that was not initially identified by the City's internal control over financial reporting. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. In this case, the internal controls over the preparation and review of the City's financial statements did not operate as designed. The City contracts with a third-party consultant to prepare its year-end financial statements. While the City may rely on the consultant to provide technical assistance and financial statement preparation, it is still the responsibility of the City to review the financials prepared by the consultant for errors and omissions.

An audit adjustment to the financial statements was necessary to correct an error in the Sanitation Fund due to an overstatement of accounts payable.

We recommend the City enhance its internal controls over financial reporting with steps such as management's review of conversion documentation for completeness and accuracy and improved communication with hired consultants to ensure the preparation of complete, accurate and reliable financial statements in conformity with generally accepted accounting principles.

Views of Responsible Officials: We will enhance our internal controls over financial reporting with steps such as additional management analysis of the financial statements.



City of Loveland

**City of Loveland
Schedule of Prior Audit Findings
Year Ended December 31, 2021**

2020-001 Financial Reporting

A misstatement in the financial statements was identified that was not initially identified by the City's internal control over financial reporting.

Status: Repeated as Finding 2021-001.

City of Loveland

**Annual Comprehensive Financial Report
For the Year Ended December 31, 2021**





CITY OF LOVELAND, OHIO

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE YEAR ENDED
December 31, 2021**

Prepared by:
Department of Finance

Mark Medlar
Director of Finance



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INTRODUCTORY SECTION





City of Loveland

CITY OF LOVELAND

120 West Loveland Avenue • Loveland, Ohio 45140
Mark Medlar, Director of Finance

phone (513) 683-0150

fax (513) 583-3040

June 27, 2022

To the citizens of the City of Loveland, Ohio:

We are pleased to present the Annual Comprehensive Financial Report for the City of Loveland for the fiscal year ending December 31, 2021. This report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

This report represents the City's commitment to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designated to fairly set forth the financial position and results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been presented.

This letter should be read in conjunction with the Management Discussion and Analysis (MD&A) that can be found immediately following the Independent Auditor's Report.

THE CITY OF LOVELAND

The City of Loveland is an energetic southwestern Ohio community uniquely situated within three counties: Clermont, Hamilton, and Warren. The City covers approximately 5.2 square miles and serves a population of 13,485 residents. Both the nationally recognized Little Miami Scenic Bike Trail and the Little Miami State and National Scenic River run through its downtown.

The population of Loveland was estimated at 1,000 by 1876 and its incorporation as a village was accomplished in the same year. City status (population more than 5,000) was achieved in 1960 and adoption of a Home Rule Charter followed in 1961. The City of Loveland is a home rule municipality that operates under a Council-Manager form of government, which combines the political leadership of elected officials with managerial experience of an appointed local government manager. The City's responsibilities and structure are outlined in the revised City Charter, which was approved by the voters in 1991, last amended in 2019.

***Letter of Transmittal
For the Year Ended December 31, 2021***

City Council is comprised of seven members elected from the City at large on a nonpartisan basis to serve overlapping four-year terms. The Mayor is selected from among the Council members to serve a two-year term as presiding officer at City Council meetings and as the official head of the City for legislative and ceremonial purposes. The City Council hires an appointed City Manager to be the City's full-time chief executive officer and they also appoint the Clerk of Council, City Solicitor, and the Director of Finance. The latest amended charter changed the reporting relationship of the Director of Finance to the City Manager. Council retains the power to confirm approval or dismissal of the Director of Finance upon recommendation by the City Manager.

General legislative power lies with City Council as the elected representatives of the citizens. Acting as a whole, the Council is responsible for establishing City goals, adopting an annual budget, and passing other ordinances and resolutions necessary for governing citizens, as well as setting the strategic management direction of City policy. The City Manager is responsible for the overall administration of the City; implementing Council's objectives; preparing the annual budget and administering it upon adoption by Council; executing and overseeing all contracts for services and the purchase of materials, supplies and equipment; and keeping City Council advised on the needs and state of the City.

The City provides a wide range of municipal services, including police, planning and zoning, code enforcement, public works, parks and recreation, and general administration. Fire protection and emergency medical services are provided by the Loveland-Symmes Fire Department, which is a private fire company that contracts with the City of Loveland and nearby Symmes Township.

The City operates a waterworks system and storm water utility. The City contracts, currently with Rumpke, for the provision of curbside waste and recycling services for residents. Sewer service is provided by the Metropolitan Sewer District.

The City Council has established various boards and commissions to help in its many efforts to enhance the City. All of these boards and commissions are staffed by volunteers. The following is a list of City Charter established boards and commissions in Loveland. Council may create other advisory boards, Commissions and Committees as may be deemed necessary.

- Civil Service Commission
- Planning and Zoning Commission
- Board of Zoning Appeals
- Recreation Board
- Finance Commission

ECONOMIC CONDITIONS AND OUTLOOK

The City of Loveland is ideally located about 15 miles northeast of the Cincinnati city limits with access along Interstate Highway 275 and State Route 48. The City's economy is diverse with a mix of residential, office, and retail uses. Primary employers include the Loveland City School District, McCluskey Automotive, OneSource Employee Management, Swimsafe Pool Management, Kroger, Sheakley HR LLC, and Robert McCabe Company. The City is also home to many recreational retail outlets that take advantage of the Little Miami State and National Scenic River and Little Miami Scenic Bike Trail.

***Letter of Transmittal
For the Year Ended December 31, 2021***

Management is optimistic about the future of the local economy based on annual income tax revenue growth, through compliance efforts and the relocation or expansion of current businesses, along with economic development efforts throughout the City, particularly in the downtown business district, and industrial park. City administration and City Council remain focused on improving the financial stability of Loveland and developing two-year goals to address economic vitality and infrastructure objectives for the future.

MAJOR INITIATIVES

In 2018, the City's downtown district completed the recovery from the devastating fires of May 2017 which severely damaged three commercial buildings in the 200 block of West Loveland. Since the completion of the fire damaged buildings, the downtown district has seen continued growth largely within the hospitality sector. As the popularity of the downtown district continues, the city has begun addressing the lack of parking. This effort includes the purchasing of property for the construction of a new parking facility which is currently in the final planning/design stage. The hope is that the new project will not only assist existing downtown businesses, but that it will also serve as an economic development tool for additional business start-ups and new jobs.

The City continues to invest in core infrastructure.

- The City increased its annual road rehabilitation program significantly in the 2021 operating budget with a total funding exceeding \$1,000,000 for the first time in the history of the city and followed that up with an appropriation of \$1,200,000 in 2022.
- The City is completing a two-year rehabilitation of Main and Chestnut Streets. The project includes replacement of water mains circa 1900, repairing the roadways and adding new traffic signals.
- The City discovered a collapsed storm sewer culvert on Miami Drive which had potentially significant ramifications to neighboring properties in addition to possibly severing an adjacent sanitary sewer main. The major project is nearing completion.
- Slippage along Broadway Street has been a concern of the City for many years. The road and the hillside were being monitored and the problem continued to worsen. The city secured funding for a stabilization of the hillside which was completed in June of 2021. This problem could have caused a collapse of the roadway and hillside.
- Working out of a building that was constructed in 1973, the Public Works Director and City Engineer have dealt with continued flooding, mold and general decay. In 2021, City Council executed a contract for a new Public Works Office and Storage Building which will be completed in the fall of 2022. The new building will be solar powered and allow for additional city equipment to be stored indoors.

***Letter of Transmittal
For the Year Ended December 31, 2021***

During 2021, the City permitted nine new single-family homes and zero multi-family units. In 2021, the City worked to help develop the ChimneyRidge Development on Butterworth Road which will be the site of the 2022 Homearama, presented by the Cincinnati Home Builders Association.

While the number of homes being permitted has dropped, the average home valuation of those permitted in 2021 was \$721,674. This was up from the average of \$390,145 in 2020.

In terms of private investment, 2021 building and zoning reports indicate a total of \$12,476,970 was invested within the City in new construction. Notable commercial improvements in 2021 included additions at the Quilters Studio on West Loveland, and the Children's Academy of Loveland. During the year, the McCluskey Chevrolet headquarters expanded its operations and downtown, interior alterations on Karl Brown Way resulted in the opening of the Tahona Kitchen and Bar and Rodi Italian.

During 2021, the City of Loveland was recognized for achievements in a variety of areas and by a diverse group of organizations which included:

- **Certificate of Achievement for Excellence in Financial Reporting:** The City of Loveland was recognized by the Government Finance Officers Association for its 2020 Annual Comprehensive Financial Report. The Certificate of Achievement is the highest form of recognition in the area of government accounting and financial reporting and its attainment represents a significant accomplishment by a government and its management. This was the ninth year the City received this distinction.

- **GFOA Distinguished Budget Award:** The City compiles its annual budget in document form. The budget presents anticipated revenues and expenditures by fund and department by category with additional supporting documentation that explains the budgetary process and individual departmental goals. The City's 2021 budget was submitted to the Government Finance Officers Association (GFOA) and received the Distinguished Budget Presentation Award. This was the fifth year the City received this award.

INTERNAL CONTROLS

Accounting Controls

The City's budgetary accounting system was designed to provide reasonable assurance that:

1. The City's assets are protected against loss and unauthorized use or disposition; and
2. Reliable financial reports for preparing financial statements and providing accountability for assets are maintained.

***Letter of Transmittal
For the Year Ended December 31, 2021***

The concept of reasonable assurance states that internal controls should be evaluated using the following criteria:

1. The expense associated with providing the internal controls should not exceed the benefits likely to be derived from their implementation; and
2. The evaluation of the offsetting costs and benefits involves estimates and judgment by the City Administration and members of the Finance Department.

All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary Control

Budgetary control is maintained within the personnel services and non-personnel categories within each department through the encumbering of estimated purchase amounts prior to the release of formal purchase orders to vendors. Purchase orders which result in an overrun above appropriated balances are not released until additional appropriations are made available via amendments to the annual appropriations ordinance.

RELEVANT FINANCIAL POLICIES

It is a goal of the City to develop, maintain, and implement financial accounting policies and procedures and protect and optimize the financial resources of the City. The City makes every reasonable effort to provide a sound accounting system for safeguarding the City's assets through the recording and reporting of financial transactions according to mandated laws and guidelines of the Federal law, Ohio Revised Codes, Generally Accepted Accounting Principles (GAAP), and the Codified Ordinances of the City of Loveland.

The City has a long-range capital improvement plan, five-year pro forma reports for major funds, and policies creating emergency reserves for the General Fund and other major funds in accordance with Government Finance Officers Association guidelines. The City also has policies regarding investments and debt limitations.

INDEPENDENT AUDIT

The basic financial statements of the City of Loveland were audited by Clark Schaefer Hackett. The independent auditors' unqualified opinion has been included in this report.

***Letter of Transmittal
For the Year Ended December 31, 2021***

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 Loveland for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

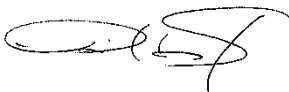
A Certificate of Achievement is valid for a period of one year only. The City of Loveland has received a Certificate of Achievement for the last nine consecutive years (fiscal years ended 2012-2020). We believe our current report continues to conform to the Certificate of Achievement program requirements, and it will be submitted to the GFOA for consideration.

ACKNOWLEDGMENTS

This report could not have been completed without the assistance of the entire administrative staff of the various departments of the City. We would also like to acknowledge our financial consultants Donald J. Schonhardt & Associates, Inc. for their help in formulating this report.

Our sincere gratitude is also extended to the Loveland City Council and its Finance Commission for their continued interest and support in the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



David Kennedy
City Manager



Mark Medlar
Director of Finance



CITY OF LOVELAND, OHIO

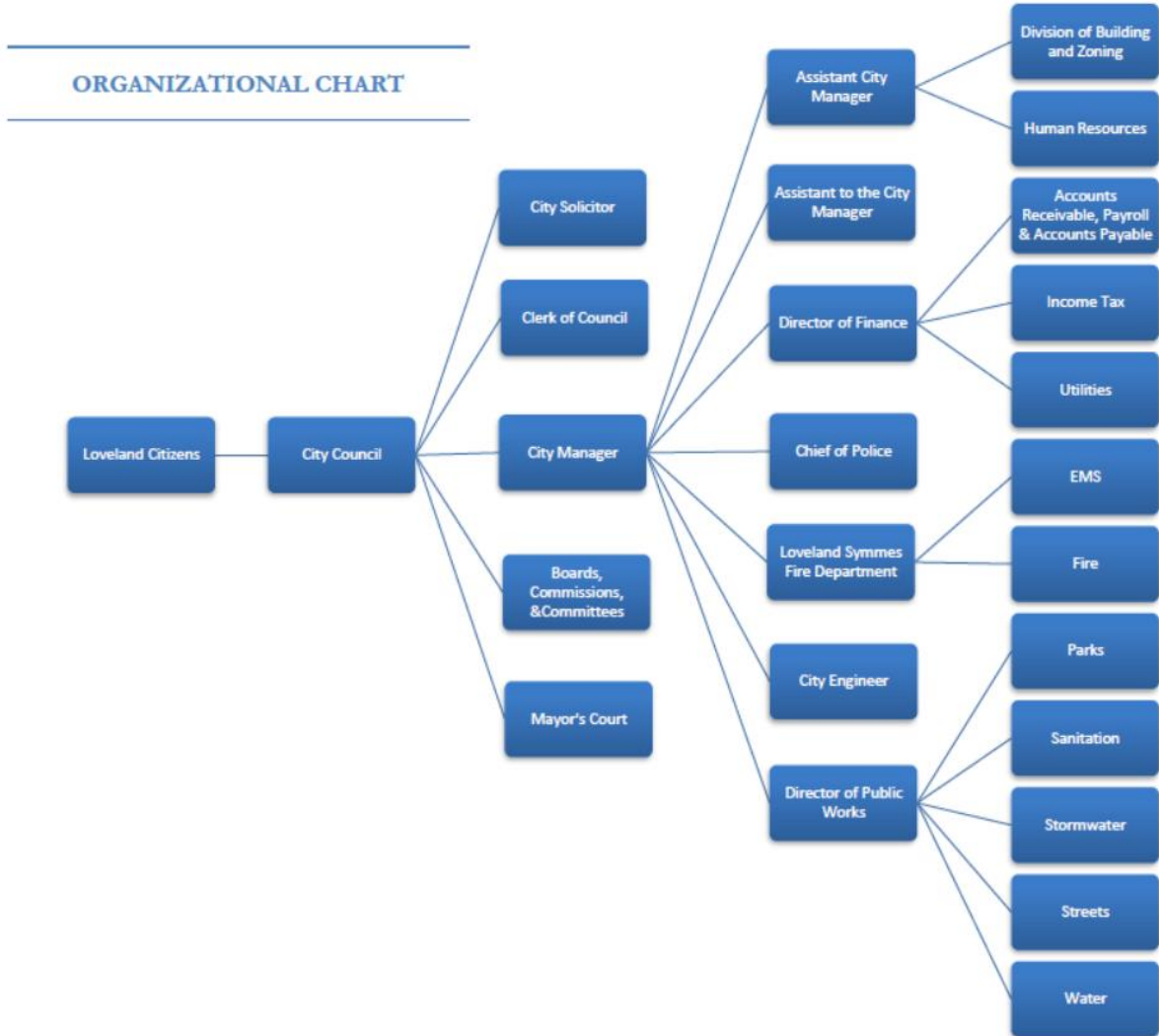
***List of Principal Officials
For the Year Ended December 31, 2021***

<i>Council</i>	<i>Title</i>	<i>Years of Service *</i>	<i>Term expires</i>
Kathy Bailey	Mayor	6 years, 1 month	December 2023
Ted Phelps	Vice Mayor	8 years, 1 month	December 2025
Andy Bateman	Council Member	2 year, 1 month	December 2023
Kent Blair	Council Member	4 years	December 2023
Tim Butler	Council Member	4 years, 1 month	December 2025
John Hart	Council Member	1 month	December 2025
Kip Ping	Council Member	1 month	December 2025

<i>Appointed Officials</i>	<i>Title</i>
David Kennedy	City Manager
Misty Brents	Clerk of Council
Joseph Braun	City Solicitor
Mark Medlar	Director of Finance

* Denotes length of service on City Council, not necessarily solely in the capacity which they now hold.

***City Organizational Chart
For the Year Ended December 31, 2021***



***Government Finance Officers Association of the United States and Canada
Certificate of Achievement for Excellence in Financial Reporting***



Government Finance Officers Association

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

Presented to

**City of Loveland
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the City Council
City of Loveland, Ohio:

Report on the Audit of the Financial Statements

Opinions

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 Loveland, Ohio (the "City") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 Loveland, Ohio, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows, and the respective budgetary comparisons for the General Fund, Paramedic Fund, Fire & EMS Fund and Community Improvement Corporation Fund, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*.) Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Loveland, Ohio and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Loveland, Ohio's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Loveland, Ohio's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Loveland, Ohio's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance on them.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2022 on our consideration of the City of Loveland, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Loveland's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Loveland's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 27, 2022



***Management's Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

The discussion and analysis of the City of Loveland's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2021. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2021 are as follows:

- ❑ In total, net position increased \$3,266,401. Net position of governmental activities increased \$1,797,135, which represents a 7% increase from 2020. Net position of business-type activities increased \$1,469,266, or 15% from 2020.
- ❑ General revenues accounted for \$10,794,137 in revenue or 51% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$10,527,035 or 49% of total revenues of \$21,321,172.
- ❑ The City had \$10,829,681 in expenses related to governmental activities; only \$1,994,293 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$10,790,443 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$8,162,766 in revenues and \$7,134,780 in expenditures. The general fund's fund balance increased from \$9,608,659 to \$10,557,928.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis*, the *basic financial statements*, *required supplemental information*, and an optional section that presents *combining and individual statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, liabilities, and deferred outflows/inflows of resources, with the difference being reported as net position. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how it has changed. Net position is one way to measure the City's financial health.

- Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as the City's tax base and the condition of the City's capital assets.

The government-wide financial statements of the City are divided into two categories:

- ***Governmental Activities*** – Most of the City's programs and services are reported here including police protection, parks and recreation, planning, zoning, street maintenance and other governmental services.
- ***Business-Type Activities*** – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's water, sewer, storm water and sanitation services are reported as business-type activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

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

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

**Management’s Discussion and Analysis
For the Year Ended December 31, 2021**

Unaudited

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the 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. All of the City’s fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a comparison of the City’s net position at December 31, 2021 and 2020:

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$18,800,803	\$15,965,864	\$2,688,361	\$3,105,533	\$21,489,164	\$19,071,397
Net OPEB Asset	166,117	0	70,336	0	236,453	0
Capital Assets, Net	26,574,167	26,182,434	17,606,674	16,624,265	44,180,841	42,806,699
Total Assets	<u>45,541,087</u>	<u>42,148,298</u>	<u>20,365,371</u>	<u>19,729,798</u>	<u>65,906,458</u>	<u>61,878,096</u>
Deferred Outflows of Resources	1,659,205	1,816,908	115,060	246,249	1,774,265	2,063,157
Net Pension Liability	5,393,376	5,516,810	506,010	680,734	5,899,386	6,197,544
Net OPEB Liability	652,497	1,841,054	0	548,864	652,497	2,389,918
Other Long-term Liabilities	6,917,923	5,266,583	7,768,289	8,167,592	14,686,212	13,434,175
Other Liabilities	849,294	349,321	348,274	440,263	1,197,568	789,584
Total Liabilities	<u>13,813,090</u>	<u>12,973,768</u>	<u>8,622,573</u>	<u>9,837,453</u>	<u>22,435,663</u>	<u>22,811,221</u>
Deferred Inflows of Resources	5,703,914	5,105,285	473,126	223,128	6,177,040	5,328,413
Net Position						
Net Investment in Capital Assets	21,188,747	21,320,995	10,862,533	9,558,275	32,051,280	30,879,270
Restricted	4,381,209	3,267,704	0	0	4,381,209	3,267,704
Unrestricted	2,113,332	1,297,454	522,199	357,191	2,635,531	1,654,645
Total Net Position	<u>\$27,683,288</u>	<u>\$25,886,153</u>	<u>\$11,384,732</u>	<u>\$9,915,466</u>	<u>\$39,068,020</u>	<u>\$35,801,619</u>

An increase in current assets was the result of an increase in cash, which can be attributed to an overall effort to maintain expense below revenues, as well as proceeds received from the issuance of general obligation bonds. The issuance of bonds resulted in a corresponding increase in long term debt, which was offset by a substantial decrease in the net OPEB liability. Fluctuations in deferred outflows and inflows of resources can be attributed to changes in the net pension and net OPEB liabilities, resulting in an overall increase in net position of 9%.

The net pension liability (NPL) is reported by the City pursuant to GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27.” The net OPEB liability (NOL) is reported by the City pursuant to GASB Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,” which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City’s actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

***Management's Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*.

GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

CITY OF LOVELAND, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2021**

Unaudited

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Changes in Net Position – The following table shows the changes in net position for 2021 and 2020:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues:						
Charges for Services and Sales	\$750,176	\$650,687	\$7,738,311	\$7,561,064	\$8,488,487	\$8,211,751
Operating Grants and Contributions	1,152,392	1,735,383	30,822	25,162	1,183,214	1,760,545
Capital Grants and Contributions	91,725	93,403	763,609	0	855,334	93,403
Total Program Revenues	1,994,293	2,479,473	8,532,742	7,586,226	10,527,035	10,065,699
General Revenues:						
Property Taxes	4,006,978	3,835,943	0	0	4,006,978	3,835,943
Municipal Income Taxes	5,716,851	5,090,110	0	0	5,716,851	5,090,110
Other Local Taxes	148,475	154,846	0	0	148,475	154,846
Intergovernmental, Unrestricted	662,542	852,651	0	0	662,542	852,651
Investment Earnings	7,648	121,497	3,694	4,282	11,342	125,779
Miscellaneous	247,949	168,504	0	0	247,949	168,504
Total General Revenues	10,790,443	10,223,551	3,694	4,282	10,794,137	10,227,833
Total Revenues	12,784,736	12,703,024	8,536,436	7,590,508	21,321,172	20,293,532
Program Expenses						
Security of Persons and Property	6,739,242	7,072,582	0	0	6,739,242	7,072,582
Leisure Time Activities	463,498	647,383	0	0	463,498	647,383
Community Environment	170,852	267,964	0	0	170,852	267,964
Transportation	926,477	1,016,545	0	0	926,477	1,016,545
General Government	2,283,416	2,684,061	0	0	2,283,416	2,684,061
Interest and Fiscal Charges	246,196	185,010	0	0	246,196	185,010
Water	0	0	1,700,423	1,844,571	1,700,423	1,844,571
Sewer	0	0	3,984,545	4,046,434	3,984,545	4,046,434
Stormwater	0	0	339,246	353,833	339,246	353,833
Sanitation	0	0	1,200,876	1,227,910	1,200,876	1,227,910
Total Expenses	10,829,681	11,873,545	7,225,090	7,472,748	18,054,771	19,346,293
Change in Net Position before Transfers	1,955,055	829,479	1,311,346	117,760	3,266,401	947,239
Transfers	(157,920)	0	157,920	0	0	0
Total Change in Net Position	1,797,135	829,479	1,469,266	117,760	3,266,401	947,239
Beginning Net Position	25,886,153	25,056,674	9,915,466	9,797,706	35,801,619	34,854,380
Ending Net Position	\$27,683,288	\$25,886,153	\$11,384,732	\$9,915,466	\$39,068,020	\$35,801,619

Governmental Activities

Net position of governmental activities increased \$1,797,135, or 7%. An increase in charges for services can be attributed in part to recreation fees, as community activities returned to pre-pandemic levels. Also contributing to the increase in charges for services was an increase in parking fees, which was the result of newly assessed parking fees at a City owned lot.

CITY OF LOVELAND, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2021**

Unaudited

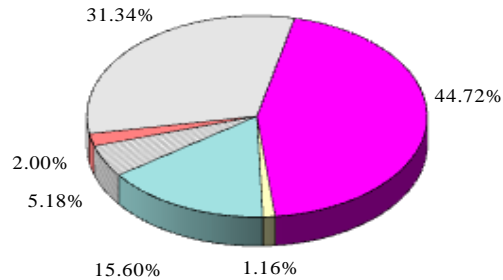
Coronavirus Relief Funding received in the prior year resulted in a subsequent decrease in operating grants in 2021. Refunds received from the Ohio Bureau of Workers' Compensation in the prior year resulted in a subsequent decrease in unrestricted intergovernmental revenue in the current year.

An overall decrease in expenses can be directly attributed to changes in the net pension and net OPEB liabilities.

The City receives an income tax, which is based on 1.00% of all salaries, wages, commissions and other compensation and on net profits earned from businesses and residents living within the City.

Property taxes and income taxes made up 31% and 45% respectively, of revenues for governmental activities in 2021. The City's reliance upon tax revenues is demonstrated by the following graph indicating 77% of total revenues from general tax revenues:

Revenue Sources	2021	Percent of Total
Property Taxes	\$4,006,978	31.34%
Municipal Income Taxes	5,716,851	44.72%
Other Local Taxes	148,475	1.16%
Program Revenues	1,994,293	15.60%
Intergovernmental, Unrestricted	662,542	5.18%
General Other	255,597	2.00%
Total Revenue	\$12,784,736	100.00%



Business-Type Activities

Net position of the business-type activities increased \$1,469,266, or 15%. Charges for services remained consistent with the prior year. Capital grants included Ohio Public Works Commission funds received for water line improvements at Main and Chestnut Streets and a stabilization project at Broadway Street. An overall decrease in expenses can be attributed to changes in the net pension and net OPEB liabilities.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$12,687,874, which is an increase from last year's balance of \$10,255,647. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2021 and 2020:

	Fund Balance December 31, 2021	Fund Balance December 31, 2020	Increase (Decrease)
General	\$10,557,928	\$9,608,659	\$949,269
Paramedic	585,114	531,490	53,624
Fire and EMS	582,709	564,014	18,695
Community Improvement Corporation	168,656	186,428	(17,772)
Historic Loveland TIF	(1,889,558)	(2,022,571)	133,013
Nonmajor Governmental	2,683,025	1,387,627	1,295,398
Total	\$12,687,874	\$10,255,647	\$2,432,227

***Management's Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

General Fund – The City’s General Fund balance change is due to many factors. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2021 <u>Revenues</u>	2020 <u>Revenues</u>	Increase (Decrease)
Property Taxes	\$1,088,276	\$962,300	\$125,976
Municipal Income Tax	5,975,674	5,054,386	921,288
Intergovernmental Revenue	400,126	600,598	(200,472)
Charges for Services	210,383	88,541	121,842
Licenses and Permits	246,090	242,882	3,208
Special Assessments	1,550	48,162	(46,612)
Fines and Forfeitures	55,806	33,803	22,003
All Other Revenue	184,861	112,213	72,648
Total	<u>\$8,162,766</u>	<u>\$7,142,885</u>	<u>\$1,019,881</u>

General Fund revenues increased approximately 14% when compared with the previous year. An increase in income taxes can be attributed to improving economic conditions. An increase in intergovernmental revenue in the prior year due to refunds received from the Ohio Bureau of Workers’ Compensation resulted in a subsequent decrease in intergovernmental revenue in the current year. An increase in charges for services was the result of newly assessed parking fees at a City owned lot.

	2021 <u>Expenditures</u>	2020 <u>Expenditures</u>	Increase (Decrease)
Current:			
Security of Persons and Property	\$3,493,751	\$3,411,143	\$82,608
Leisure Time Activities	563,962	489,150	74,812
Community Environment	256,567	243,260	13,307
General Government	2,754,614	2,005,078	749,536
Debt Service:			
Principal Retirement	56,046	20,915	35,131
Interest and Fiscal Charges	9,840	3,125	6,715
Total	<u>\$7,134,780</u>	<u>\$6,172,671</u>	<u>\$962,109</u>

General Fund expenditures increased \$962,109, or 16% from the prior year, which was mostly the result of an increase in general government. Increases in general government can mostly be attributed to outlays for the construction of a downtown parking garage as well as the purchase of land for a new fire station.

Paramedic Fund – The Paramedic Fund reported an increase in fund balance of \$53,624. Revenues and expenditures were consistent with the prior year.

Fire and EMS Fund – The Fire and EMS Fund balance increased \$18,695. Revenues were consistent with the prior year. Outlays for rescue equipment resulted in an increase in expenditures.

Community Improvement Corporation Fund – The Community Improvement Corporation Fund balance decreased from \$186,428 to \$168,656. Revenues and expenditures were minimal.

***Management's Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

Historic Loveland TIF Fund – The Historic Loveland TIF Fund balance increased \$133,013. An interfund loan payable reported on the balance sheet is the primary factor causing a negative year end fund balance of \$1,889,558. Revenues and expenditures were consistent with the prior year.

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. During the course of 2021 the City amended its General Fund budget several times.

For the General Fund, original and final revenue estimates were not materially different. Actual budget basis revenues were 17% higher than final estimates due mostly to an increase in income tax revenues. Original appropriations, final appropriations, and actual budget basis expenditures were not materially different. The General Fund had an adequate fund balance to cover expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2021 the City had \$44,180,841 net of accumulated depreciation invested in land, buildings, improvements, infrastructure, equipment and vehicles. Of this total, \$26,574,167 was related to governmental activities and \$17,606,674 to the business-type activities. The following tables show 2021 and 2020 balances:

	Governmental Activities		Increase (Decrease)
	2021	2020	
Land	\$6,399,020	\$6,828,136	(\$429,116)
Construction In Progress	359,026	97,924	261,102
Buildings	9,361,534	9,776,035	(414,501)
Improvements Other than Buildings	1,662,509	1,662,509	0
Machinery and Equipment	5,544,890	4,685,486	859,404
Infrastructure	23,866,949	23,285,161	581,788
Less: Accumulated Depreciation	(20,619,761)	(20,152,817)	(466,944)
Totals	<u>\$26,574,167</u>	<u>\$26,182,434</u>	<u>\$391,733</u>

	Business-Type Activities		Increase (Decrease)
	2021	2020	
Land	\$920,027	\$920,027	\$0
Construction in Progress	1,668,686	71,775	1,596,911
Buildings and Improvements	5,527,952	5,512,711	15,241
Utility Structures in Service	22,456,227	22,381,322	74,905
Machinery and Equipment	903,157	903,157	0
Less: Accumulated Depreciation	(13,869,375)	(13,164,727)	(704,648)
Totals	<u>\$17,606,674</u>	<u>\$16,624,265</u>	<u>\$982,409</u>

***Management’s Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

In governmental activities capital assets, additions included police department vehicles and equipment, and improvements to City Hall. Infrastructure additions were the result of routine street improvements. Construction in progress included downtown parking garage construction and public works building improvements. Disposals included the White Pillars Homestead, Christman property, and public safety equipment.

Business-type capital asset activity included water line improvements at Main and Chestnut Streets, a Broadway Street stabilization project, Butterworth Road Sewer extension project, and drainage improvements at East Loveland Avenue. For additional information on the City’s capital assets see Note 7.

Debt and Other Long-Term Obligations

The following table summarizes the City’s debt and other long-term obligations as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Governmental Activities:		
General Obligation Bonds	\$4,500,732	\$3,297,894
Special Obligation TIF Bonds	550,000	550,000
Capital Leases Payable	1,544,050	1,074,340
Compensated Absences	323,141	344,349
Total Governmental Activities	<u>\$6,917,923</u>	<u>\$5,266,583</u>
Business-Type Activities:		
General Obligation Bonds	\$4,370,673	\$4,668,043
Ohio Public Works Commission Loans	3,336,354	3,437,616
Compensated Absences	61,262	61,933
Total Business-Type Activities	<u>7,768,289</u>	<u>8,167,592</u>
Totals	<u>\$14,686,212</u>	<u>\$13,434,175</u>

Under current state statutes, the City’s general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. At December 31, 2021, the City’s outstanding debt was below the legal limit. Additional information on the City’s long-term debt can be found in Note 11.

ECONOMIC FACTORS

Economic development remains a priority for City staff. In February of 2020, City Council adopted two-year strategic goals including a continuing effort to build and promote a vibrant downtown. The City will also strive to advance economic health through balanced business expansion, retention, attraction, incubation, and placement of businesses to advance an environment conducive to maintaining the quality of life to which our residents and business communities have become accustomed.

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, investors, creditors and any other stakeholders with a general overview of the City's finances and to show the City's fiscal accountability for revenues received. If you have questions about this report or would like additional financial information please contact the Department of Finance, City of Loveland, 120 West Loveland Ave., Loveland, Ohio 45140.



CITY OF LOVELAND, OHIO

**Statement of Net Position
December 31, 2021**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled Cash and Investments	\$ 11,947,459	\$ 1,457,993	\$ 13,405,452
Receivables:			
Taxes	5,434,638	0	5,434,638
Payment in Lieu of Taxes	282,304	0	282,304
Accounts	90,248	1,203,552	1,293,800
Intergovernmental	825,053	26,430	851,483
Interest	0	386	386
Special Assessments	731	0	731
Inventory of Supplies at Cost	49,714	0	49,714
Restricted Assets:			
Cash and Cash Equivalents	170,656	0	170,656
Net OPEB Asset	166,117	70,336	236,453
Capital Assets:			
Capital Assets Not Being Depreciated	6,758,046	2,588,713	9,346,759
Capital Assets Being Depreciated, Net	19,816,121	15,017,961	34,834,082
Total Assets	45,541,087	20,365,371	65,906,458
Deferred Outflows of Resources:			
Deferred Charge on Debt Refunding	5,502	8,500	14,002
Pension	1,049,354	71,530	1,120,884
OPEB	604,349	35,030	639,379
Total Deferred Outflows of Resources	1,659,205	115,060	1,774,265
Liabilities:			
Accounts Payable	53,536	17,720	71,256
Accrued Wages and Benefits	75,739	9,909	85,648
Intergovernmental Payable	18,267	310,069	328,336
Unearned Revenue	688,476	0	688,476
Accrued Interest Payable	13,276	10,576	23,852
Long Term Liabilities:			
Due Within One Year	725,968	643,919	1,369,887
Due in More Than One Year:			
Net Pension Liability	5,393,376	506,010	5,899,386
Net OPEB Liability	652,497	0	652,497
Other Amounts Due in More Than One Year	6,191,955	7,124,370	13,316,325
Total Liabilities	13,813,090	8,622,573	22,435,663
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	3,996,276	0	3,996,276
Deferred Gain on Debt Refunding	0	39,832	39,832
Pension	935,639	218,395	1,154,034
OPEB	771,999	214,899	986,898
Total Deferred Inflows of Resources	5,703,914	473,126	6,177,040

CITY OF LOVELAND, OHIO

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Position:			
Net Investment in Capital Assets	21,188,747	10,862,533	32,051,280
Restricted For:			
Capital Projects	1,204,214	0	1,204,214
Debt Service	335,418	0	335,418
Streets and Highways	1,005,363	0	1,005,363
Public Safety	1,667,558	0	1,667,558
Community Development	168,656	0	168,656
Unrestricted	2,113,332	522,199	2,635,531
Total Net Position	<u>\$ 27,683,288</u>	<u>\$ 11,384,732</u>	<u>\$ 39,068,020</u>

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

**Statement of Activities
For the Year Ended December 31, 2021**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 6,739,242	\$ 532,061	\$ 154,049	\$ 24,757
Leisure Time Activities	463,498	34,650	0	0
Community Environment	170,852	100,892	0	0
Transportation	926,477	8,925	998,343	0
General Government	2,283,416	73,648	0	66,968
Interest and Fiscal Charges	246,196	0	0	0
Total Governmental Activities	10,829,681	750,176	1,152,392	91,725
Business-Type Activities:				
Water	1,700,423	2,041,506	0	556,659
Sewer	3,984,545	4,004,428	0	0
Stormwater	339,246	448,442	0	206,950
Sanitation	1,200,876	1,243,935	30,822	0
Total Business-Type Activities	7,225,090	7,738,311	30,822	763,609
Totals	\$ 18,054,771	\$ 8,488,487	\$ 1,183,214	\$ 855,334

General Revenues and Transfers

Property Taxes
Municipal Income Taxes
Other Local Taxes
Intergovernmental, Unrestricted
Investment Earnings
Miscellaneous
Transfers
Total General Revenues and Transfers
Change in Net Position
Net Position Beginning of Year
Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (6,028,375)	\$ 0	\$ (6,028,375)
(428,848)	0	(428,848)
(69,960)	0	(69,960)
80,791	0	80,791
(2,142,800)	0	(2,142,800)
(246,196)	0	(246,196)
<u>(8,835,388)</u>	<u>0</u>	<u>(8,835,388)</u>
0	897,742	897,742
0	19,883	19,883
0	316,146	316,146
0	73,881	73,881
<u>0</u>	<u>1,307,652</u>	<u>1,307,652</u>
\$ (8,835,388)	\$ 1,307,652	\$ (7,527,736)
4,006,978	0	4,006,978
5,716,851	0	5,716,851
148,475	0	148,475
662,542	0	662,542
7,648	3,694	11,342
247,949	0	247,949
(157,920)	157,920	0
<u>10,632,523</u>	<u>161,614</u>	<u>10,794,137</u>
1,797,135	1,469,266	3,266,401
25,886,153	9,915,466	35,801,619
<u>\$ 27,683,288</u>	<u>\$ 11,384,732</u>	<u>\$ 39,068,020</u>

CITY OF LOVELAND, OHIO

**Balance Sheet
Governmental Funds
December 31, 2021**

	General Fund	Paramedic Fund	Fire and EMS Fund
Assets:			
Pooled Cash and Investments	\$ 7,004,131	\$ 548,497	\$ 591,295
Receivables:			
Taxes	2,730,291	935,642	1,133,885
Payment in Lieu of Taxes	0	0	0
Accounts	53,089	37,159	0
Intergovernmental	212,293	56,087	35,409
Special Assessments	731	0	0
Interfund Loans Receivable	2,524,390	0	0
Inventory of Supplies, at Cost	0	0	0
Restricted Assets:			
Cash and Cash Equivalents	0	0	0
Total Assets	\$ 12,524,925	\$ 1,577,385	\$ 1,760,589
Liabilities:			
Accounts Payable	\$ 43,167	\$ 1,006	\$ 2,522
Accrued Wages and Benefits Payable	72,260	0	0
Intergovernmental Payable	11,644	0	6,623
Interfund Loans Payable	0	0	0
Unearned Revenue	0	0	0
Total Liabilities	127,071	1,006	9,145
Deferred Inflows of Resources:			
Unavailable Amounts	732,688	89,205	76,132
Property Tax Levy for Next Fiscal Year	1,107,238	902,060	1,092,603
Total Deferred Inflows of Resources	1,839,926	991,265	1,168,735
Fund Balances:			
Nonspendable	2,524,390	0	0
Restricted	0	585,114	582,709
Assigned	394,189	0	0
Unassigned	7,639,349	0	0
Total Fund Balances	10,557,928	585,114	582,709
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 12,524,925	\$ 1,577,385	\$ 1,760,589

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

Community Improvement Corporation Fund	Historic Loveland TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 0	\$ 162,409	\$ 3,641,127	\$ 11,947,459
0	0	634,820	5,434,638
0	282,304	0	282,304
0	0	0	90,248
0	0	521,264	825,053
0	0	0	731
0	0	210,967	2,735,357
0	0	49,714	49,714
170,656	0	0	170,656
<u>\$ 170,656</u>	<u>\$ 444,713</u>	<u>\$ 5,057,892</u>	<u>\$ 21,536,160</u>
\$ 2,000	\$ 0	\$ 4,841	\$ 53,536
0	0	3,479	75,739
0	0	0	18,267
0	2,051,967	683,390	2,735,357
0	0	688,476	688,476
<u>2,000</u>	<u>2,051,967</u>	<u>1,380,186</u>	<u>3,571,375</u>
0	0	382,610	1,280,635
0	282,304	612,071	3,996,276
<u>0</u>	<u>282,304</u>	<u>994,681</u>	<u>5,276,911</u>
0	0	49,714	2,574,104
168,656	0	2,468,871	3,805,350
0	0	441,512	835,701
0	(1,889,558)	(277,072)	5,472,719
<u>168,656</u>	<u>(1,889,558)</u>	<u>2,683,025</u>	<u>12,687,874</u>
<u>\$ 170,656</u>	<u>\$ 444,713</u>	<u>\$ 5,057,892</u>	<u>\$ 21,536,160</u>

***Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
December 31, 2021***

Total Governmental Fund Balances \$ 12,687,874

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

Capital Assets used in governmental activities are not
resources and therefore are not reported in the funds. 26,574,167

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

Property Taxes	137,686	
Income Taxes	544,477	
Special Assessments	731	
Intergovernmental Revenues	597,741	1,280,635
	<u>597,741</u>	

The net pension and OPEB liabilities are not due and payable in the current
period, and the net OPEB asset is not an expendable financial resource;
therefore, the liabilities/asset and related deferred inflows/outflows are not
reported in the governmental funds.

Deferred Outflows - Pension	1,049,354	
Deferred Inflows - Pension	(935,639)	
Net Pension Liability	(5,393,376)	
Deferred Outflows - OPEB	604,349	
Deferred Inflows - OPEB	(771,999)	
Net OPEB Asset	166,117	
Net OPEB Liability	<u>(652,497)</u>	(5,933,691)

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

General Obligation Bonds Payable	(4,500,732)	
Special Obligation TIF Bonds Payable	(550,000)	
Deferred Loss on Debt Refunding	5,502	
Capital Leases	(1,544,050)	
Compensated Absences Payable	(323,141)	
Accrued Interest Payable	<u>(13,276)</u>	<u>(6,925,697)</u>

Net Position of Governmental Activities \$ 27,683,288

See accompanying notes to the basic financial statements



CITY OF LOVELAND, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021**

	General Fund	Paramedic Fund	Fire and EMS Fund
Revenues:			
Property Taxes	\$ 1,088,276	\$ 902,465	\$ 1,092,033
Municipal Income Tax	5,975,674	0	0
Intergovernmental Revenue	400,126	111,055	69,251
Charges for Services	210,383	360,521	0
Licenses and Permits	246,090	0	0
Investment Earnings	0	0	0
Special Assessments	1,550	0	0
Fines and Forfeitures	55,806	0	0
All Other Revenue	184,861	0	2,352
Total Revenues	8,162,766	1,374,041	1,163,636
Expenditures:			
Current:			
Security of Persons and Property	3,493,751	1,320,417	1,389,936
Leisure Time Activities	563,962	0	0
Community Environment	256,567	0	0
Transportation	0	0	0
General Government	2,754,614	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	56,046	0	133,870
Interest & Fiscal Charges	9,840	0	50,530
Total Expenditures	7,134,780	1,320,417	1,574,336
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,027,986	53,624	(410,700)
Other Financing Sources (Uses):			
Sale of Capital Assets	18,626	0	0
Bond Issuance	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0
Premium on Debt Issuance	0	0	0
Refunding Bonds Issued	0	0	0
Other Financing Sources - Capital Leases	109,626	0	550,000
Transfers In	0	0	0
Transfers Out	(206,969)	0	(120,605)
Total Other Financing Sources (Uses)	(78,717)	0	429,395
Net Change in Fund Balances	949,269	53,624	18,695
Fund Balances at Beginning of Year	9,608,659	531,490	564,014
Decrease in Inventory	0	0	0
Fund Balances End of Year	\$ 10,557,928	\$ 585,114	\$ 582,709

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

Community Improvement Corporation Fund	Historic Loveland TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 0	\$ 279,649	\$ 611,347	\$ 3,973,770
0	0	0	5,975,674
0	90,354	1,223,152	1,893,938
0	0	0	570,904
0	0	8,925	255,015
0	0	7,648	7,648
0	0	10,652	12,202
0	0	6,188	61,994
176	1,563	58,997	247,949
<u>176</u>	<u>371,566</u>	<u>1,926,909</u>	<u>12,999,094</u>
0	0	838,873	7,042,977
0	0	0	563,962
0	0	0	256,567
0	0	1,119,169	1,119,169
17,948	0	145,732	2,918,294
0	107,824	257,509	365,333
0	0	278,592	468,508
0	0	200,594	260,964
<u>17,948</u>	<u>107,824</u>	<u>2,840,469</u>	<u>12,995,774</u>
(17,772)	263,742	(913,560)	3,320
0	0	350,000	368,626
0	0	1,305,000	1,305,000
0	0	(1,085,336)	(1,085,336)
0	0	298,152	298,152
0	0	981,000	981,000
0	0	0	659,626
0	0	546,048	546,048
0	(130,729)	(170,760)	(629,063)
<u>0</u>	<u>(130,729)</u>	<u>2,224,104</u>	<u>2,444,053</u>
(17,772)	133,013	1,310,544	2,447,373
186,428	(2,022,571)	1,387,627	10,255,647
0	0	(15,146)	(15,146)
<u>\$ 168,656</u>	<u>\$ (1,889,558)</u>	<u>\$ 2,683,025</u>	<u>\$ 12,687,874</u>

***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, 2021***

Net Change in Fund Balances - Total Governmental Funds \$ 2,447,373

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. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital Outlay	2,313,619	
Depreciation Expense	(948,018)	
		1,365,601

The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets. (973,868)

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

Increase in Property Tax Revenue	33,208	
Decrease in Income Tax Revenue	(258,823)	
Increase in Intergovernmental Revenue	12,721	
Decrease in Special Assessments Revenue	(1,464)	
		(214,358)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:

Pension	508,149	
OPEB	8,927	
		517,076

Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities/assets are reported as pension/OPEB expense in the statement of activities:

Pension	(495,559)	
OPEB	836,880	
		341,321

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position.

General Obligation Bond Issuance	(2,286,000)	
Premium on Debt Issuance	(298,152)	
Capital Lease Issuance	(659,626)	
		(3,243,778)

(Continued)

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

General Obligation Bond Principal Payment	278,592	
Payment to Refunded Bond Escrow Agent	1,080,000	
Deferred Loss on Bond Refunding	(917)	
Capital Lease Payment	189,916	
Premium Amortization	<u>22,722</u>	1,570,313

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (1,701)

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 the governmental funds.

Compensated Absences	4,302	
Change in Inventory	<u>(15,146)</u>	<u>(10,844)</u>

Change in Net Position of Governmental Activities \$ 1,797,135

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 978,510	\$ 1,087,824	\$ 1,087,824	\$ 0
Municipal Income Tax	4,556,455	4,556,455	5,802,624	1,246,169
Intergovernmental Revenue	334,140	364,255	395,524	31,269
Charges for Services	723,948	723,948	727,649	3,701
Licenses and Permits	287,000	287,000	248,576	(38,424)
Special Assessments	2,100	2,100	1,550	(550)
Fines and Forfeitures	50,000	50,000	51,826	1,826
All Other Revenues	197,894	197,894	184,861	(13,033)
Total Revenues	<u>7,130,047</u>	<u>7,269,476</u>	<u>8,500,434</u>	<u>1,230,958</u>
Expenditures:				
Current:				
Security of Persons and Property	3,453,950	3,453,950	3,470,125	(16,175)
Leisure Time Activities	622,805	577,805	572,926	4,879
Community Environment	282,754	282,754	257,979	24,775
General Government	3,195,451	3,540,951	3,707,988	(167,037)
Total Expenditures	<u>7,554,960</u>	<u>7,855,460</u>	<u>8,009,018</u>	<u>(153,558)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(424,913)	(585,984)	491,416	1,077,400
Other Financing Sources (Uses):				
Sale of Capital Assets	100	100	18,626	18,526
Transfers Out	(215,865)	(215,865)	(206,969)	8,896
Advances In	1,010,944	1,010,944	0	(1,010,944)
Advances Out	(46,680)	(46,680)	(46,680)	0
Total Other Financing Sources (Uses):	<u>748,499</u>	<u>748,499</u>	<u>(235,023)</u>	<u>(983,522)</u>
Net Change in Fund Balance	323,586	162,515	256,393	93,878
Fund Balance at Beginning of Year	4,601,957	4,601,957	4,601,957	0
Prior Year Encumbrances	297,945	297,945	297,945	0
Fund Balance at End of Year	<u>\$ 5,223,488</u>	<u>\$ 5,062,417</u>	<u>\$ 5,156,295</u>	<u>\$ 93,878</u>

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Paramedic Fund
For the Year Ended December 31, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 894,586	\$ 902,060	\$ 902,060	\$ 0
Intergovernmental Revenue	113,718	111,055	111,055	0
Charges for Services	325,000	325,000	373,566	48,566
Total Revenues	<u>1,333,304</u>	<u>1,338,115</u>	<u>1,386,681</u>	<u>48,566</u>
Expenditures:				
Current:				
Security of Persons and Property	1,680,414	1,680,414	1,323,287	357,127
Total Expenditures	<u>1,680,414</u>	<u>1,680,414</u>	<u>1,323,287</u>	<u>357,127</u>
Net Change in Fund Balance	(347,110)	(342,299)	63,394	405,693
Fund Balance at Beginning of Year	482,176	482,176	482,176	0
Prior Year Encumbrances	374	374	374	0
Fund Balance at End of Year	<u>\$ 135,440</u>	<u>\$ 140,251</u>	<u>\$ 545,944</u>	<u>\$ 405,693</u>

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Fire and EMS Fund
For the Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 1,082,111	\$ 1,091,545	\$ 1,091,545	\$ 0
Intergovernmental Revenue	72,241	69,251	69,251	0
All Other Revenues	0	0	2,352	2,352
Total Revenues	<u>1,154,352</u>	<u>1,160,796</u>	<u>1,163,148</u>	<u>2,352</u>
Expenditures:				
Current:				
Security of Persons and Property	<u>1,635,358</u>	<u>1,635,358</u>	<u>1,084,721</u>	<u>550,637</u>
Total Expenditures	<u>1,635,358</u>	<u>1,635,358</u>	<u>1,084,721</u>	<u>550,637</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(481,006)	(474,562)	78,427	552,989
Other Financing Sources (Uses):				
Transfers Out	<u>(120,605)</u>	<u>(120,605)</u>	<u>(120,605)</u>	<u>0</u>
Total Other Financing Sources (Uses):	<u>(120,605)</u>	<u>(120,605)</u>	<u>(120,605)</u>	<u>0</u>
Net Change in Fund Balance	(601,611)	(595,167)	(42,178)	552,989
Fund Balance at Beginning of Year	571,821	571,821	571,821	0
Prior Year Encumbrances	44,016	44,016	44,016	0
Fund Balance at End of Year	<u>\$ 14,226</u>	<u>\$ 20,670</u>	<u>\$ 573,659</u>	<u>\$ 552,989</u>

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Community Improvement Corporation Fund
For the Year Ended December 31, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 0	\$ 0	\$ 176	\$ 176
Total Revenues	<u>0</u>	<u>0</u>	<u>176</u>	<u>176</u>
Expenditures:				
Current:				
General Government	115,918	115,918	20,054	95,864
Total Expenditures	<u>115,918</u>	<u>115,918</u>	<u>20,054</u>	<u>95,864</u>
Net Change in Fund Balance	(115,918)	(115,918)	(19,878)	96,040
Fund Balance at Beginning of Year	181,534	181,534	181,534	0
Prior Year Encumbrances	5,000	5,000	5,000	0
Fund Balance at End of Year	<u>\$ 70,616</u>	<u>\$ 70,616</u>	<u>\$ 166,656</u>	<u>\$ 96,040</u>
See accompanying notes to the basic financial statements				

CITY OF LOVELAND, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2021**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Stormwater
Assets:			
<i>Current Assets:</i>			
Pooled Cash and Investments	\$ 776,866	\$ 203,159	\$ 377,195
Receivables:			
Accounts	296,140	638,948	70,790
Intergovernmental	0	0	0
Interest	105	200	22
<i>Total Current Assets</i>	<u>1,073,111</u>	<u>842,307</u>	<u>448,007</u>
<i>Non Current Assets:</i>			
Net OPEB Asset	45,394	7,200	7,095
Capital Assets:			
Capital Assets Not Being Depreciated	1,442,105	601,402	545,206
Capital Assets Being Depreciated, Net	<u>11,014,924</u>	<u>724,869</u>	<u>3,242,580</u>
<i>Total Non Current Assets</i>	<u>12,502,423</u>	<u>1,333,471</u>	<u>3,794,881</u>
Total Assets	<u>13,575,534</u>	<u>2,175,778</u>	<u>4,242,888</u>
Deferred Outflows of Resources:			
Deferred Charge on Debt Refunding	0	0	8,500
Pension	46,163	7,322	7,218
OPEB	<u>22,608</u>	<u>3,584</u>	<u>3,540</u>
Total Deferred Outflows of Resources	<u>68,771</u>	<u>10,906</u>	<u>19,258</u>
Liabilities:			
<i>Current Liabilities:</i>			
Accounts Payable	13,847	2,537	446
Accrued Wages and Benefits	5,667	0	4,242
Intergovernmental Payable	403	309,666	0
Compensated Absences Payable - Current	13,798	0	8,735
Accrued Interest Payable	9,925	0	651
General Obligation Bonds Payable - Current	203,000	0	105,000
OPWC Loans Payable - Current	<u>240,668</u>	<u>0</u>	<u>72,718</u>
<i>Total Current Liabilities</i>	<u>487,308</u>	<u>312,203</u>	<u>191,792</u>
<i>Long Term Liabilities:</i>			
Compensated Absences Payable	38,729	0	0
General Obligation Bonds Payable	3,857,673	0	205,000
OPWC Loans Payable	2,114,969	0	907,999
Net Pension Liability	<u>326,572</u>	<u>51,802</u>	<u>51,049</u>
<i>Total Long Term Liabilities</i>	<u>6,337,943</u>	<u>51,802</u>	<u>1,164,048</u>
Total Liabilities	<u>6,825,251</u>	<u>364,005</u>	<u>1,355,840</u>

CITY OF LOVELAND, OHIO

Sanitation	Total
\$ 100,773	\$ 1,457,993
197,674	1,203,552
26,430	26,430
59	386
<u>324,936</u>	<u>2,688,361</u>
10,647	70,336
0	2,588,713
35,588	15,017,961
<u>46,235</u>	<u>17,677,010</u>
<u>371,171</u>	<u>20,365,371</u>
0	8,500
10,827	71,530
5,298	35,030
<u>16,125</u>	<u>115,060</u>
890	17,720
0	9,909
0	310,069
0	22,533
0	10,576
0	308,000
0	313,386
<u>890</u>	<u>992,193</u>
0	38,729
0	4,062,673
0	3,022,968
<u>76,587</u>	<u>506,010</u>
<u>76,587</u>	<u>7,630,380</u>
<u>77,477</u>	<u>8,622,573</u>

(Continued)

CITY OF LOVELAND, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2021**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Stormwater
Deferred Inflows of Resources:			
Deferred Gain on Debt Refunding	39,832	0	0
Pension	140,951	22,356	22,031
OPEB	138,695	22,000	21,678
Total Deferred Inflows of Resources	<u>319,478</u>	<u>44,356</u>	<u>43,709</u>
Net Position:			
Net Investment in Capital Assets	6,995,105	1,326,271	2,505,569
Unrestricted	(495,529)	452,052	357,028
Total Net Position	<u>\$ 6,499,576</u>	<u>\$ 1,778,323</u>	<u>\$ 2,862,597</u>

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

<u>Sanitation</u>	<u>Total</u>
0	39,832
33,057	218,395
32,526	214,899
<u>65,583</u>	<u>473,126</u>
35,588	10,862,533
208,648	522,199
<u>\$ 244,236</u>	<u>\$ 11,384,732</u>

CITY OF LOVELAND, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2021**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Stormwater
Operating Revenues:			
Charges for Services	\$ 2,022,892	\$ 4,002,406	\$ 446,338
Total Operating Revenues	<u>2,022,892</u>	<u>4,002,406</u>	<u>446,338</u>
Operating Expenses:			
Personal Services	328,364	46,364	43,449
Contractual Services	610,904	3,891,198	116,238
Materials and Supplies	91,557	0	12,318
Depreciation	503,007	46,983	147,490
Total Operating Expenses	<u>1,533,832</u>	<u>3,984,545</u>	<u>319,495</u>
Operating Income	489,060	17,861	126,843
Nonoperating Revenues (Expenses):			
Intergovernmental Grants	0	0	0
Investment Earnings	1,002	1,917	213
Interest Expense	(166,591)	0	(19,751)
Other Nonoperating Revenue	18,614	2,022	2,104
Total Nonoperating Revenues (Expenses)	<u>(146,975)</u>	<u>3,939</u>	<u>(17,434)</u>
Income Before Transfers and Contributions	342,085	21,800	109,409
Transfers and Contributions:			
Transfers In	86,823	0	0
Transfers Out	0	(952)	(1,904)
Capital Contributions	556,659	0	281,855
Total Transfers and Contributions	<u>643,482</u>	<u>(952)</u>	<u>279,951</u>
Change in Net Position	985,567	20,848	389,360
Net Position Beginning of Year	5,514,009	1,757,475	2,473,237
Net Position End of Year	<u>\$ 6,499,576</u>	<u>\$ 1,778,323</u>	<u>\$ 2,862,597</u>

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

<u>Sanitation</u>	<u>Total</u>
\$ 1,239,629	\$ 7,711,265
<u>1,239,629</u>	<u>7,711,265</u>
73,971	492,148
1,106,159	5,724,499
13,578	117,453
7,168	704,648
<u>1,200,876</u>	<u>7,038,748</u>
38,753	672,517
30,822	30,822
562	3,694
0	(186,342)
4,306	27,046
<u>35,690</u>	<u>(124,780)</u>
74,443	547,737
0	86,823
(952)	(3,808)
0	838,514
<u>(952)</u>	<u>921,529</u>
73,491	1,469,266
<u>170,745</u>	<u>9,915,466</u>
<u>\$ 244,236</u>	<u>\$ 11,384,732</u>

CITY OF LOVELAND, OHIO

***Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021***

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Stormwater
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$2,046,491	\$4,014,696	\$448,648
Cash Payments for Goods and Services	(691,346)	(3,892,165)	(128,330)
Cash Payments to Employees	(613,185)	(96,080)	(93,936)
Net Cash Provided (Used) by Operating Activities	741,960	26,451	226,382
<u>Cash Flows from Noncapital Financing Activities:</u>			
Intergovernmental Grants	0	0	0
Transfers In from Other Funds	86,823	0	0
Transfers Out to Other Funds	0	(952)	(1,904)
Net Cash Provided (Used) by Noncapital Financing Activities	86,823	(952)	(1,904)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(596,809)	(532,522)	(505,556)
Capital Contributions	556,659	0	206,950
OPWC Loan Issuance	0	0	206,950
OPWC Loan Retirement	(240,668)	0	(67,544)
Principal Paid on General Obligation Bonds	(195,000)	0	(100,000)
Interest Paid on All Debt	(131,038)	0	(11,564)
Net Cash Used for Capital and Related Financing Activities	(606,856)	(532,522)	(270,764)
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	969	1,855	206
Net Cash Provided by Investing Activities	969	1,855	206
Net Increase (Decrease) in Cash and Cash Equivalents	222,896	(505,168)	(46,080)
Cash and Cash Equivalents at Beginning of Year	553,970	708,327	423,275
Cash and Cash Equivalents at End of Year	\$776,866	\$203,159	\$377,195

CITY OF LOVELAND, OHIO

<u>Sanitation</u>	<u>Total</u>
\$1,231,409	\$7,741,244
(1,198,295)	(5,910,136)
<u>(144,076)</u>	<u>(947,277)</u>
(110,962)	883,831
29,554	29,554
0	86,823
<u>(952)</u>	<u>(3,808)</u>
<u>28,602</u>	<u>112,569</u>
0	(1,634,887)
0	763,609
0	206,950
0	(308,212)
0	(295,000)
<u>0</u>	<u>(142,602)</u>
0	(1,410,142)
544	3,574
<u>544</u>	<u>3,574</u>
(81,816)	(410,168)
182,589	1,868,161
<u>\$100,773</u>	<u>\$1,457,993</u>

(Continued)

CITY OF LOVELAND, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Stormwater
<u>Reconciliation of Operating Income to</u>			
<u>Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income	\$489,060	\$17,861	\$126,843
Adjustments to Reconcile Operating Income to			
Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	503,007	46,983	147,490
Nonoperating Revenue	18,614	2,022	2,104
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
(Increase) Decrease in Accounts Receivable	4,985	10,268	206
Decrease in Prepaid Items	3,501	578	542
Increase in Net OPEB Asset	(45,394)	(7,200)	(7,095)
Decrease in Deferred Outflows of Resources	78,102	12,890	13,163
Increase (Decrease) in Accounts Payable	11,133	1,089	222
Increase in Accrued Wages and Benefits	1,587	0	802
Decrease in Intergovernmental Payable	(802)	(2,188)	(124)
Increase (Decrease) in Compensated Absences	3,732	0	(4,403)
Decrease in Net Pension Liability	(110,053)	(19,427)	(18,362)
Decrease in Net OPEB Liability	(352,047)	(57,430)	(55,963)
Increase in Deferred Inflows of Resources	136,535	21,005	20,957
Total Adjustments	252,900	8,590	99,539
Net Cash Provided (Used) by Operating Activities	<u>\$741,960</u>	<u>\$26,451</u>	<u>\$226,382</u>

Schedule of Noncash Investing, Capital and Financing Activities:

During 2021, the Stormwater Fund received \$74,905 of capital contributions from Governmental Activities.

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

<u>Sanitation</u>	<u>Total</u>
\$38,753	\$672,517
7,168	704,648
4,306	27,046
(12,526)	2,933
838	5,459
(10,647)	(70,336)
18,534	122,689
(78,564)	(66,120)
0	2,389
(187)	(3,301)
0	(671)
(26,882)	(174,724)
(83,424)	(548,864)
31,669	210,166
<u>(149,715)</u>	<u>211,314</u>
<u>(\$110,962)</u>	<u>\$883,831</u>

CITY OF LOVELAND, OHIO

***Statement of Net Position
Fiduciary Fund
December 31, 2021***

	<u>Custodial Fund</u>
Assets:	
Restricted Assets:	
Cash and Cash Equivalents with Fiscal Agent	\$ 2,151
Total Assets	<u>2,151</u>
Liabilities:	
Due to Others	<u>2,151</u>
Total Liabilities	<u>2,151</u>
Net Position:	
Total Net Position	<u>\$ 0</u>

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

***Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended December 31, 2021***

	<u>Custodial Fund</u>
Additions:	
Fines and Forfeiture Collections for other Governments	\$ 22,709
Total Additions	<u>22,709</u>
Deductions:	
Distribution of Fines and Forfeitures to other Governments	<u>22,709</u>
Total Deductions	<u>22,709</u>
Change in Net Position	0
Net Position at Beginning of Year	0
Net Position End of Year	<u>\$ 0</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Loveland, Ohio (the "City") is a home-rule municipal corporation created under the laws of the State of Ohio. The City operates under its own Charter. The current Charter, which provides for a Council-Manager form of government, was adopted on July 25, 1961.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (the "GASB") Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 39, *"Determining Whether Certain Organizations Are Component Units"* and GASB Statement No. 61, *"The Financial Reporting Entity; Omnibus"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity includes all funds, agencies, boards and commissions that are part of the primary government, which include the following services: police protection, parks and recreation, planning, zoning, street maintenance, and other governmental services. The City also provides refuse collection services (on a contractual basis) and owns and operates a water treatment and distribution system, a wastewater treatment and collection system and a storm water collection system, each of which is reported as an enterprise fund. In addition, the City has included the Community Improvement Corporation of Loveland (CIC) as a blended component unit.

The Community Improvement Corporation of Loveland (CIC), a non-profit organization, is a five-member board comprised of two elected or appointed officials of the City to be appointed by the Mayor and confirmed by Council, and three residents, business owners, or property owners of the City to be appointed by the Mayor and confirmed by Council. Although it is legally separate from the City, the CIC is reported as if it were part of the primary government due to the City being the primary source of debt retirement funding for the CIC. The CIC is responsible for research and development of the City, including the assurance that mortgage payments will be made to foster such development, the acquisition, construction, equipment and improvement of buildings, structures and other properties, the acquisition of sites for such development, the lease, sale and subdivision of such sites and incurring of debt in order to carry out such development, and to make loans to any individual or business entity in order to carry out such development purpose for the City. Funding to finance the CIC comes from the sale of properties owned by the CIC and contributions from the City and private sources.

B. Basis of Presentation - Fund Accounting

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The following fund types are used by the City:

Governmental Funds - are those funds through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's major governmental funds:

General - This fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. Principal sources of revenue are municipal income taxes and shared tax revenues. Primary expenditures are for police protection, community environment and general government.

Paramedic - This fund is used to account for the City's paramedic services, which are funded by property taxes and fees.

Fire and EMS - This fund is used to account for costs primarily related to facility maintenance, insurance, utilities, dispatching and debt service for Fire and EMS services, which are funded by property taxes.

Community Improvement Corporation - This fund is used to account for the activities of the Loveland Community Improvement Corporation (CIC). The CIC of Loveland serves an economic development agency by advancing, encouraging, and promoting the industrial, economic, commercial, and civic development of the City. Funding comes from the sale of properties owned by the CIC and contributions from the City and private sources.

Historic Loveland TIF - This fund is used to account for the TIF monies being collected for the redevelopment of the Historic Loveland area.

Proprietary Funds - The proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets, liabilities, and deferred outflows/inflows of resources associated with the operation of the proprietary funds are included on the balance sheet. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the governing body is that the costs (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 following are the City's major enterprise funds:

Water - This fund is used to account for the operation of the City's water treatment and distribution systems.

Sewer - This fund is used to account for the operation of the City's sewage treatment and collection systems.

Stormwater - This fund is used to account for the operation of the City's stormwater system.

Sanitation - This fund is used to account for the operation of the City's refuse collection system.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Fiduciary funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. The City's fiduciary fund is a custodial fund which accounts for the activity of the mayor's court.

C. Basis of Presentation - Financial Statements

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

Interfund receivables and payables between governmental and business-type activities have been eliminated in the government-wide statement of net position. Interfund services provided and used are not eliminated through the process of consolidation.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, current liabilities, deferred outflows/inflows of resources and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary and fiduciary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, liabilities, and deferred outflows/inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

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

Revenue considered susceptible to accrual at year end includes income taxes, interest on investments, and state levied locally shared taxes (including motor vehicle license fees, gasoline tax, and local government assistance). Other revenue, including licenses, permits, certain charges for services, and miscellaneous revenues are recorded as revenue when received in cash because generally these revenues are not measurable until received.

Special assessments receivable which are measurable but not available are recorded as deferred inflows of resources. Property taxes which are measurable at December 31, 2021 but which are not intended to finance 2021 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources. Property taxes are further described in Note 4.

The accrual basis of accounting is utilized for reporting purposes by the government-wide statements, proprietary funds, and the custodial fund. Revenues are recognized when they are earned and expenses recognized when incurred.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds other than custodial funds are legally required to be budgeted and appropriated; however only governmental funds are required to be reported. The primary level of budgetary control is at the personal services and non-personal services object level within each fund. Budgetary modifications may only be made by ordinance of the City Council.

1. Tax Budget

By July 15, the Manager submits an annual tax budget for the following fiscal year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2021.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the personal services and non-personal services object level within each fund. The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of City Council. The budgetary figures which appear in the “Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the General Fund and Major Special Revenue Funds” are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

4. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Encumbrances outstanding at year end, however, are not reported as expenditures in the accompanying basic financial statements.

5. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

6. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. Encumbrances are recorded as the equivalent of expenditures on the budgetary basis.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the "Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual" for the General Fund and the Major Special Revenue Funds:

	Net Change in Fund Balance			
	General Fund	Paramedic Fund	Fire and EMS Fund	Community Improvement Corporation Fund
GAAP Basis (as reported)	\$949,269	\$53,624	\$18,695	(\$17,772)
Increase (Decrease):				
Accrued Revenues at December 31, 2021 received during 2022	(1,161,863)	(37,623)	(559)	0
Accrued Revenues at December 31, 2020 received during 2021	954,758	50,263	71	0
Accrued Expenditures at December 31, 2021 paid during 2022	127,071	1,006	9,145	2,000
Accrued Expenditures at December 31, 2020 paid during 2021	(142,402)	(1,323)	(51,894)	(106)
2020 Prepays for 2021	25,241	0	0	0
Change in Interfund Balances	(46,680)	0	0	0
Outstanding Encumbrances	(449,001)	(2,553)	(17,636)	(4,000)
Budget Basis	\$256,393	\$63,394	(\$42,178)	(\$19,878)

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits and the State Treasurer's Asset Reserve (STAR Ohio). STAR Ohio is considered a cash equivalent because it is a highly liquid investment with an original maturity date of three months or less.

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintains its own cash and investment account. For purposes of the statement of cash flows, the proprietary funds' share of equity in pooled deposits and investments are considered to be cash equivalents. See Note 3 "Cash, Cash Equivalents, and Investments."

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The City allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" and GASB Statement No. 72, "Fair Value Measurement and Application," the City records all its investments at fair value except for nonparticipating investment contracts which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. See Note 3 "Cash, Cash Equivalents, and Investments".

The City's investment in the State Treasury Asset Reserve of Ohio (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 and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For fiscal year 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

H. Inventory

On the government-wide financial statements inventories are presented at cost on a first-in, first-out basis and are expensed when used. Inventories of governmental funds are stated at cost. The cost of inventory items is recorded as an expenditure in the governmental funds when purchased.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life threshold of three or more years.

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at their acquisition value as of the date received. Capital assets include land, improvements to land, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Estimated historical costs for governmental activities capital asset values were initially determined at December 31, 1987 by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

2. Property, Plant and Equipment – Business-Type Activities

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed capital assets are recorded at their acquisition value as of the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Position and in the respective funds.

3. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Governmental and Business-Type Activities Estimated Lives (Years)
Land Improvements	20
Buildings	25 – 50
Building Improvements	20 – 30
Infrastructure	10 – 20
Machinery, Equipment, Furniture, Fixtures and Vehicles	3 – 30

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Long-Term Obligations

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General/Special Obligation Bonds	General Bond Retirement Fund Water Fund, Stormwater Fund
Ohio Public Works Commission Loans	Water Fund, Stormwater Fund
Capital Leases	General Fund, Fire and EMS Fund
Compensated Absences/Net Pension Liability/Net OPEB Liability	General Fund Street Maintenance Fund Water Fund Sewer Fund Sanitation Fund Stormwater Fund

K. Compensated Absences

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments. For governmental funds, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." In the government-wide statement of net position, "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account.

Compensated absences are expensed in the water and stormwater enterprise funds when earned. The related liability is reported within the fund.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Restricted Assets

Certain cash and cash equivalents are classified as restricted on the balance sheet because these funds are being held by a trustee, an agent or by the City for specified purposes.

M. Intergovernmental Revenues

In governmental funds, grants awarded on a non-reimbursement basis, entitlements and shared revenues are recorded as intergovernmental receivables and revenues when measurable and available. Reimbursable grants are recorded as intergovernmental receivables and revenues when the related expenditures are made.

Grants received for proprietary fund operations are recognized as revenues when measurable and earned. Such resources restricted for the construction of capital assets are recorded as contributed capital.

N. Pension/OPEB

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

O. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures 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. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented in the financial statements.

P. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2021 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Fund Balances

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally contractually required to be maintained intact.

Restricted – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision making authority. For the City, these constraints consist of ordinances passed by City Council. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts.

Assigned – Assigned fund balance consists of amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The City has no formal policy authorizing a body or official to assign amounts for specific purposes.

Unassigned – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted (committed, assigned and unassigned) resources as they are needed.

R. Net Position

Net position represents the difference between assets, liabilities, and deferred outflows/inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows for the deferred charge on debt refunding and for deferred pension/OPEB amounts. The deferred charge on debt refunding is reported in the government-wide statement of net position and proprietary funds statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources are reported for pension/OPEB amounts on the government-wide and proprietary funds statement of net position. See Notes 8 and 9.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for delinquent property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension/OPEB are reported on the government-wide and proprietary funds statement of net position. See Notes 8 and 9.

T. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water treatment and distribution, wastewater collection and treatment, storm water collection and refuse collection. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

U. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City and that are either unusual in nature or infrequent in occurrence. The City had no special or extraordinary items to report during 2021.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

V. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 2 – FUND BALANCE

A. Classification

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

<u>Fund Balances</u>	<u>General Fund</u>	<u>Paramedic Fund</u>	<u>Fire and EMS Fund</u>	<u>Community Improvement Corporation Fund</u>	<u>Historic Loveland TIF Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:							
Interfund Loans Receivable	\$2,524,390	\$0	\$0	\$0	\$0	\$0	\$2,524,390
Supplies Inventory	0	0	0	0	0	49,714	49,714
Total Nonspendable	<u>2,524,390</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>49,714</u>	<u>2,574,104</u>
Restricted:							
Fire and EMS Services	0	585,114	582,709	0	0	185,200	1,353,023
Street Maintenance	0	0	0	0	0	655,270	655,270
Law Enforcement	0	0	0	0	0	19,623	19,623
Court Computer Improvements	0	0	0	0	0	17,066	17,066
Community Environment	0	0	0	168,656	0	0	168,656
Lighting District Improvements	0	0	0	0	0	52,080	52,080
Debt Retirement	0	0	0	0	0	335,418	335,418
Capital Improvements	0	0	0	0	0	1,204,214	1,204,214
Total Restricted	<u>0</u>	<u>585,114</u>	<u>582,709</u>	<u>168,656</u>	<u>0</u>	<u>2,468,871</u>	<u>3,805,350</u>
Assigned:							
Materials and Supplies	394,189	0	0	0	0	0	394,189
Capital Improvements	0	0	0	0	0	441,512	441,512
Total Assigned	<u>394,189</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>441,512</u>	<u>835,701</u>
Unassigned (Deficits):	<u>7,639,349</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,889,558)</u>	<u>(277,072)</u>	<u>5,472,719</u>
Total Fund Balances	<u>\$10,557,928</u>	<u>\$585,114</u>	<u>\$582,709</u>	<u>\$168,656</u>	<u>(\$1,889,558)</u>	<u>\$2,683,025</u>	<u>\$12,687,874</u>

B. Stabilization Arrangements

Resolutions have been passed by City Council establishing emergency reserves for the General Fund, Fire and EMS Fund, and Stormwater Fund. The General Fund emergency reserve balance shall not be less than 15% of regular General Fund operating revenues. The emergency reserve balance in the Fire and EMS Fund shall be a minimum of 5% of normal operating expenditures. The Stormwater Fund emergency reserve shall be a minimum of 10% of normal operating expenses. In cases of fiscal emergency, expenditures from the reserves shall be made pursuant only to a resolution of City Council.

At December 31, 2021, emergency reserve balances for the General Fund, Fire and EMS Fund, and Stormwater Fund were \$1,068,317, \$164,806, and \$44,296, respectively. The General, Fire and EMS, and Stormwater Fund reserves are reported in the General Fund.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments.

Statutes require the classification of funds held by the City into three categories. Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “near cash” status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds - those funds which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the City’s deposits may not be returned to it. The City has no deposit policy for custodial risk beyond the requirements of State statute.

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

At year end the carrying amount of the City’s deposits was \$7,218,871 and the bank balance was \$8,175,484. Federal depository insurance covered \$3,789,312 of the bank balance and \$4,386,172 was exposed to custodial risk and was collateralized with securities held in the Ohio Pooled Collateral System.

B. Investments

The City's investments at December 31, 2021 were as follows:

	Fair Value	Credit Rating	Fair Value Hierarchy	Investment Maturities (in Years)		
				less than 1	1-3	3-5
STAR Ohio ³	\$4,846,547	AAAm ¹	NA	\$4,846,547	\$0	\$0
Money Market Fund ³	2,901	AAAm ¹	NA	2,901	0	0
Marketable CD's	1,509,940	AAA ²	Level 2	476,514	792,310	241,116
Total Investments	\$6,359,388			\$5,325,962	\$792,310	\$241,116

¹ Standard & Poor’s

² All are fully FDIC insured and therefore have an implied AAA credit rating

³ Reported at amortized cost

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date, the City has no policy beyond that of the Ohio Revised Code.

Concentration of Credit Risk – The City places no limit on the amount that may be invested in one issuer.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

B. Investments (Continued)

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Of the City’s investment in repurchase agreements, the entire balance is collateralized by underlying securities pledged by the investment’s counterparty, not in the name of the City.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Level 2 inputs are significant other observable inputs. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs.

NOTE 4 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property located in the City. Real property taxes (other than public utility) collected during 2021 were levied after October 1, 2020 on assessed values as of January 1, 2020, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. The last revaluation was completed for tax year 2020 for Clermont County, 2018 for Warren County, and 2017 for Hamilton County. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder is payable by June 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurers collect property taxes on behalf of all taxing districts in the counties including the City of Loveland. The County Auditors periodically remit to the City its portion of the taxes collected.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 4 – TAXES (Continued)

A. Property Taxes (Continued)

The assessed values upon which the 2021 property tax receipts were based were as follows:

	County		
	Hamilton	Clermont	Warren
Real Property:			
Residential/Agricultural	\$271,941,610	\$83,157,160	\$43,018,580
Personal Property:			
Public Utility Personal Property	7,769,250	1,717,870	393,320
Total Assessed Value	<u>\$279,710,860</u>	<u>\$84,875,030</u>	<u>\$43,411,900</u>
Tax Rate/Assessed Value	\$12.10/\$1,000	\$11.65/\$1,000	\$11.82/\$1,000

Tax Abatements

In 1989, the City of Loveland via Resolution 1989-62 and in conjunction with sections 3735.75 through 3735.70 of the Ohio Revised Code, established a Community Reinvestment Area (CRA) tax incentive program. The City’s CRA program is a competitive tax incentive program which based on the adoption date the program is classified as a “pre-1994” program. “Pre-1994” programs allow for the most attractive terms. Businesses may receive 100% abatement on real property tax improvements for up to 15 years. The following determines if a project will get the full abatement value:

1. The business may receive one year of tax abatement for each \$250,000 invested in the building, up to a five year maximum.
2. The business may receive one year of tax abatement for each ten (10) new employees to be employed in the building, up to a five year maximum.
3. The business may receive one year of tax abatement for each \$200,000 of new payroll in the new building, up to a five year maximum.

If an abatement lasts four (4) or more years, the City requires that the business make a payment-in-lieu-of-taxes to the Loveland City School District equal to 15% of the value of the tax abatement. Thus, in the fourth and subsequent years, the actual value of the abatement is 85% of the real estate taxes that would have been paid on the value of the improvements.

Below is information relevant to the disclosure of these programs for the year ending December 31, 2021.

Tax Abatement Program	Total Amount of Taxes Abated For the year 2021
<i>Community Reinvestment Area (CRA)</i>	
Manufacturing/Industrial	\$58,114
	<u>\$58,114</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 4 – TAXES (Continued)

B. Income Tax

The City levies a tax of 1.00% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% of the tax paid to another municipality to a maximum of the total amount assessed.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. For 2021, all income tax proceeds were recorded in the General Fund.

NOTE 5 - RECEIVABLES

Receivables at December 31, 2021 consisted of property and income taxes, payment in lieu of taxes, accounts receivable, special assessments, interest, and intergovernmental receivables arising from shared revenues.

NOTE 6 – TRANSFERS AND INTERFUND LOANS

A. Transfers

Following is a summary of transfers in and out for all funds for 2021:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General Fund	\$0	\$206,969
Fire and EMS Fund	0	120,605
Historic Loveland TIF Fund	0	130,729
Nonmajor Governmental Funds	546,048	170,760
Total Governmental Funds	546,048	629,063
Enterprise Funds:		
Water Fund	86,823	0
Sewer Fund	0	952
Stormwater Fund	0	1,904
Sanitation Fund	0	952
Total Enterprise Funds	86,823	3,808
Totals	\$632,871	\$632,871

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 6 – TRANSFERS AND INTERFUND LOANS (Continued)

A. Transfers (Continued)

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

The General Fund, Fire and EMS Fund, Historic Loveland TIF Fund, Nonmajor Governmental Funds, and Enterprise Funds provided transfers to the Debt Service Fund during the year for debt retirement. The General Fund provided transfers to the Street Maintenance and Special Projects Funds for capital improvements.

B. Interfund Loans

Interfund balances at December 31, 2021 consist of the following individual fund receivables and payables:

<u>Fund</u>	<u>Interfund Loans Receivable</u>	<u>Interfund Loans Payable</u>
Governmental Funds:		
General Fund	\$2,524,390	\$0
Historic Loveland TIF Fund	0	2,051,967
Nonmajor Governmental Funds	<u>210,967</u>	<u>683,390</u>
Totals	<u>\$2,735,357</u>	<u>\$2,735,357</u>

The interfund loan receivable and payable balances result from the General Fund and Special Projects Fund advances of monies to other funds to assist with cashflow.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 7 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2021:

Historical Cost:

Class	December 31, 2020	Additions	Deletions	December 31, 2021
Capital assets not being depreciated:				
Land	\$6,828,136	\$280,000	(\$709,116)	\$6,399,020
Construction in Progress	97,924	299,994	(38,892)	359,026
Subtotal	<u>6,926,060</u>	<u>579,994</u>	<u>(748,008)</u>	<u>6,758,046</u>
Capital assets being depreciated:				
Buildings	9,776,035	38,892	(453,393)	9,361,534
Improvements Other than Buildings	1,662,509	0	0	1,662,509
Machinery and Equipment	4,685,486	969,915	(110,511)	5,544,890
Infrastructure	23,285,161	763,710	(181,922)	23,866,949
Total Cost	<u>\$46,335,251</u>	<u>\$2,352,511</u>	<u>(\$1,493,834)</u>	<u>\$47,193,928</u>

Accumulated Depreciation:

Class	December 31, 2020	Additions	Deletions	December 31, 2021
Buildings	(\$3,317,185)	(\$187,832)	\$255,535	(\$3,249,482)
Improvements Other than Buildings	(881,082)	(42,492)	0	(923,574)
Machinery and Equipment	(3,186,379)	(317,182)	110,511	(3,393,050)
Infrastructure	(12,768,171)	(400,512)	115,028	(13,053,655)
Total Depreciation	<u>(\$20,152,817)</u>	<u>(\$948,018) *</u>	<u>\$481,074</u>	<u>(\$20,619,761)</u>
Net Value:	<u>\$26,182,434</u>			<u>\$26,574,167</u>

* Depreciation was charged to governmental functions as follows:

Security of Persons and Property	\$348,623
Leisure Time Activities	87,150
Transportation	440,386
General Government	71,859
Total Depreciation Expense	<u>\$948,018</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 7 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by category of changes in business-type activities capital assets at December 31, 2021:

Historical Cost:

Class	December 31, 2020	Additions	Deletions	December 31, 2021
Capital assets not being depreciated:				
Land	\$920,027	\$0	\$0	\$920,027
Construction In Progress	71,775	1,596,911	0	1,668,686
Subtotal	991,802	1,596,911	0	2,588,713
Capital assets being depreciated:				
Buildings and Improvements	5,512,711	15,241	0	5,527,952
Utility Structures in Service	22,381,322	74,905	0	22,456,227
Machinery and Equipment	903,157	0	0	903,157
Total Cost	\$29,788,992	\$1,687,057	\$0	\$31,476,049

Accumulated Depreciation:

Class	December 31, 2020	Additions	Deletions	December 31, 2021
Buildings and Improvements	(\$2,631,338)	(\$185,248)	\$0	(\$2,816,586)
Utility Structures in Service	(10,076,888)	(432,681)	0	(10,509,569)
Machinery and Equipment	(456,501)	(86,719)	0	(543,220)
Total Depreciation	(\$13,164,727)	(\$704,648)	\$0	(\$13,869,375)

Net Value:

	\$16,624,265			\$17,606,674
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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 8 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member’s pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member’s FAS for the first 30 years of service.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member’s FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS’s Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. For additional information, see the Plan Statement in the OPERS Annual Comprehensive Financial Report.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	State and Local
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2021 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$240,470 for 2021.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OPF)

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit. (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3.00% of their base pension or disability benefit.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>Police</u>
2021 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee	12.25 %
2021 Actual Contribution Rates	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	<u>0.50</u>
Total Employer	<u>19.50 %</u>
Employee	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$339,209 for 2021.

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

The net pension liability for OPERS was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$1,701,120	\$4,198,266	\$5,899,386
Proportion of the Net Pension Liability-2021	0.011488%	0.061584%	
Proportion of the Net Pension Liability-2020	<u>0.011360%</u>	<u>0.058668%</u>	
Percentage Change	<u>0.000128%</u>	<u>0.002916%</u>	
Pension Expense	\$130,125	\$391,647	\$521,772

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$0	\$70,405	\$70,405
Differences between expected and actual experience	0	175,505	175,505
Change in proportionate share	0	295,295	295,295
City contributions subsequent to the measurement date	<u>240,470</u>	<u>339,209</u>	<u>579,679</u>
Total Deferred Outflows of Resources	<u>\$240,470</u>	<u>\$880,414</u>	<u>\$1,120,884</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$663,049	\$203,640	\$866,689
Differences between expected and actual experience	71,159	163,553	234,712
Change in proportionate share	<u>0</u>	<u>52,633</u>	<u>52,633</u>
Total Deferred Inflows of Resources	<u>\$734,208</u>	<u>\$419,826</u>	<u>\$1,154,034</u>

\$579,679 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2022	(\$279,904)	\$51,650	(\$228,254)
2023	(93,593)	165,314	71,721
2024	(270,281)	(139,242)	(409,523)
2025	(90,430)	17,101	(73,329)
2026	<u>0</u>	<u>26,556</u>	<u>26,556</u>
Total	<u>(\$734,208)</u>	<u>\$121,379</u>	<u>(\$612,829)</u>

Actuarial Assumptions - OPERS

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2020 and December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>December 31, 2020</u>
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	0.5 percent simple through 2021. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age
	<u>December 31, 2019</u>
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	1.4 percent simple through 2020. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	9.00	4.75
Total	100.00 %	5.43 %

Discount Rate The discount rate used to measure the total pension liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$3,244,900	\$1,701,120	\$417,474

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2020 is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2020, compared with January 1, 2019, are presented below.

	January 1, 2020	January 1, 2019
Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	2.2 percent simple	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

For the January 1, 2020 valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

For the January 1, 2020 valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016. The prior experience study was completed December 31, 2011.

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2020 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds *	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

* levered 2x

Note: Assumptions are geometric

OPF’s Board of Trustees has incorporated the “risk parity” concept into OPF’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2020, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2019 was 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$5,844,521	\$4,198,266	\$2,820,513

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 9 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

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

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have 20 or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2021.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$8,927 for 2021.

OPEB Liabilities (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability (Asset)	(\$236,453)	\$652,497	\$416,044
Proportion of the Net OPEB Liability (Asset)-2021	0.013272%	0.061584%	
Proportion of the Net OPEB Liability-2020	0.013107%	0.058668%	
Percentage Change	<u>0.000165%</u>	<u>0.002916%</u>	
OPEB Expense	(\$1,365,754)	\$113,122	(\$1,252,632)

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$116,239	\$360,468	\$476,707
Change in proportionate share	1,456	152,289	153,745
City contributions subsequent to the measurement date	0	8,927	8,927
Total Deferred Outflows of Resources	<u>\$117,695</u>	<u>\$521,684</u>	<u>\$639,379</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	\$125,936	\$24,249	\$150,185
Changes in assumptions	383,121	104,019	487,140
Differences between expected and actual experience	213,397	107,626	321,023
Change in proportionate share	0	28,550	28,550
Total Deferred Inflows of Resources	<u>\$722,454</u>	<u>\$264,444</u>	<u>\$986,898</u>

\$8,927 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2022	(\$315,050)	\$55,351	(\$259,699)
2023	(220,142)	61,091	(159,051)
2024	(54,726)	52,043	(2,683)
2025	(14,841)	56,591	41,750
2026	0	12,979	12,979
2027	0	7,924	7,924
2028	0	2,334	2,334
Total	<u>(\$604,759)</u>	<u>\$248,313</u>	<u>(\$356,446)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	6.00 percent
Prior Measurement date	3.16 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior Measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.00 percent
Prior Measurement date	2.75 percent
Health Care Cost Trend Rate:	
Current measurement date	8.5 percent initial, 3.5 percent ultimate in 2035
Prior Measurement date	10.5 percent initial, 3.5 percent ultimate in 2030
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)

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

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	100.00 %	4.43 %

Discount Rate A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.00 percent.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 6.00 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB liability (asset)	(\$58,795)	(\$236,453)	(\$382,499)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates and the expected net OPEB liability (asset) if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability (asset)	(\$242,214)	(\$236,453)	(\$230,004)

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee’s entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate	2.96 percent	3.56 percent
Cost of Living Adjustments	2.2 percent simple	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016. The prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized below:

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

* levered 2x

Note: Assumptions are geometric

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.12 percent at December 31, 2020 and 2.75 percent at December 31, 2019, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 2.96 percent for 2020 and 3.56 percent for 2019. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.96 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96 percent), or one percentage point higher (3.96 percent) than the current rate.

	1% Decrease (1.96%)	Current Discount Rate (2.96%)	1% Increase (3.96%)
City's proportionate share of the net OPEB liability	\$813,626	\$652,497	\$519,584

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 10 – COMPENSATED ABSENCES

All full-time City employees earn sick leave at the rate of 10 hours per calendar month of active service, up to a limit of 1,424 hours. Upon retirement from the City any employee, with 15 years of active service, receives one hour of monetary compensation for every two hours of unused sick leave. A retiring employee’s payout may not exceed 1,248 hours of unused sick leave. The monetary compensation is the hourly rate of compensation of the employee at the time of retirement.

All full-time City employees earn vacation at varying rates based upon length of service. An employee may carry forward up to one year of vacation credit, plus six days, to the next year. Upon separation from the City, the employee (or his estate) is paid for his accumulated unused vacation leave balance, which is not to exceed the carryover for one year.

In the government-wide statement of net position, “Compensated Absences Payable” is recorded within the “Due within one year” account and the long-term portion of the liability is recorded within the “Due in more than one year” account. The amount decreased from a beginning of year balance of \$344,349 to a year-end balance of \$323,141.

At December 31, 2021 the total accumulated unpaid time recorded in the Governmental Activities was as follows:

	<u>Hours</u>	<u>Amount</u>
Sick Leave	3,463	\$134,253
Vacation/Compensatory	<u>4,870</u>	<u>188,888</u>
Total	<u>8,333</u>	<u>\$323,141</u>

Compensated absences attributable to the Enterprise Funds of \$61,262 have been recorded within the Enterprise Funds and are not included in the above figures.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 11 – LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2021 were as follows:

		Balance December 31, 2020	Issued	(Retired)	Balance December 31, 2021	Amount Due Within One Year
Governmental Activities Debt:						
General Obligation Bonds:						
2017 Land Acquisition Refunding Bonds	1-2.63%	\$315,000	\$0	(\$40,000)	\$275,000	\$45,000
2011 HVAC	2-4.6%	190,000	0	(190,000)	0	0
2011 Parking and Municipal Real Estate	2-4.6%	890,000	0	(890,000)	0	0
2021 Various Purpose Refunding Bonds	3-4.0%	0	981,000	(75,000)	906,000	82,000
2021 Service Building	3-4.0%	0	1,305,000	0	1,305,000	45,000
2012 Various Purpose Refunding Bonds	1-2.5%	155,000	0	(80,000)	75,000	75,000
2016 Training Tower	3.59%	443,518	0	(33,592)	409,926	34,798
2018 Safety Center	2-4%	1,250,000	0	(50,000)	1,200,000	55,000
		<u>3,243,518</u>	<u>2,286,000</u>	<u>(1,358,592)</u>	<u>4,170,926</u>	<u>336,798</u>
Bond Premium		54,376	298,152	(22,722)	329,806	0
Total General Obligation Bonds		<u>3,297,894</u>	<u>2,584,152</u>	<u>(1,381,314)</u>	<u>4,500,732</u>	<u>336,798</u>
Special Obligation TIF Bonds:						
2017 Downtown Revitalization	3.75%	550,000	0	0	550,000	0
Governmental Activities Other Long-Term Obligations:						
Capital Leases		1,074,340	659,626	(189,916)	1,544,050	200,282
Compensated Absences		344,349	180,748	(201,956)	323,141	188,888
Total Governmental Activities		<u>\$5,266,583</u>	<u>\$3,424,526</u>	<u>(\$1,773,186)</u>	<u>\$6,917,923</u>	<u>\$725,968</u>

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CITY OF LOVELAND, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 11 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

		Balance December 31, 2020	Issued	(Retired)	Balance December 31, 2021	Amount Due Within One Year
Business-Type Activities Debt:						
General Obligation Bonds:						
2017 Stormwater Refunding Bonds	1-2.63%	\$140,000	\$0	(\$30,000)	\$110,000	\$15,000
2012 Stormwater System Refunding	1-2.50%	215,000	0	(70,000)	145,000	75,000
2012 Stormwater System Refunding	1-2.75%	55,000	0	0	55,000	15,000
2013 Water Tower Bond	1-4.00%	3,180,000	0	(3,180,000)	0	0
2021 Water Tower Refunding Bonds	3-4.0%	0	2,879,000	(130,000)	2,749,000	138,000
2018 Water Tower Maintenance Bond	2-4.00%	980,000	0	(65,000)	915,000	65,000
		<u>4,570,000</u>	<u>2,879,000</u>	<u>(3,475,000)</u>	<u>3,974,000</u>	<u>308,000</u>
Bond Premium		98,043	379,616	(80,986)	396,673	0
Total General Obligation Bonds		<u>4,668,043</u>	<u>3,258,616</u>	<u>(3,555,986)</u>	<u>4,370,673</u>	<u>308,000</u>
Ohio Public Works Commission Loans:*						
2002 West Loveland Waterline	0.00%	37,500	0	(15,000)	22,500	15,000
2003 West Loveland Avenue Storm Drainage	0.00%	66,678	0	(16,670)	50,008	16,670
2004 Elysion Extension	0.00%	119,177	0	(23,836)	95,341	23,836
2005 Walker Extension	0.00%	105,231	0	(19,132)	86,099	19,132
2007 Downtown Water Line	0.00%	182,626	0	(24,350)	158,276	24,350
2008 Broadway and Hanna	0.00%	81,779	0	(9,622)	72,157	9,622
2011 Waterline Replacement	0.00%	280,560	0	(23,380)	257,180	23,380
2011 Bellwood Storm Drainage	0.00%	175,348	0	(14,612)	160,736	14,612
2012 Wall Street Waterline	0.00%	264,337	0	(24,030)	240,307	24,030
2012 Park Center Waterline	0.00%	217,276	0	(16,714)	200,562	16,714
2012 Fallis Road Waterline	0.00%	335,105	0	(26,808)	308,297	26,808
2013 Twightwee Waterline	0.00%	163,794	0	(11,700)	152,094	11,700
2013 Stoneybrook Storm Drainage	0.00%	202,710	0	(13,980)	188,730	13,980
2015 Union-Cemetery Waterline	0.00%	451,980	0	(28,248)	423,732	28,248
2015 Fifth Street Reconstruction	0.00%	27,831	0	(1,796)	26,035	1,796
2017 Loveland Madeira Storm Sewer	0.00%	368,744	0	(20,486)	348,258	20,486
2019 SR 48 and Loveland/Miamiville Waterline	0.00%	356,940	0	(17,848)	339,092	17,848
2021 Broadway Street Stabilization	0.00%	0	206,950	0	206,950	5,174
Total Ohio Public Works Commission Loans		<u>3,437,616</u>	<u>206,950</u>	<u>(308,212)</u>	<u>3,336,354</u>	<u>313,386</u>
Business-Type Activities Other Long-Term Obligations:						
Compensated Absences		61,933	25,067	(25,738)	61,262	22,533
Total Business-Type Activities		<u>\$8,167,592</u>	<u>\$3,490,633</u>	<u>(\$3,889,936)</u>	<u>\$7,768,289</u>	<u>\$643,919</u>

*The Ohio Public Works Commission Loans are direct borrowings.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 11 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

A. Principal and Interest Requirements

A summary of the City's future long-term debt funding requirements, including principal and interest payments as of December 31, 2021, follows:

Years	Governmental Activities			
	General Obligation Bonds		Special Obligation Bonds	
	Principal	Interest	Principal	Interest
2022	\$336,798	\$138,686	\$0	\$20,625
2023	267,047	129,374	0	20,625
2024	268,341	121,406	0	20,625
2025	278,681	113,302	0	20,625
2026	285,070	104,880	550,000	20,625
2027-2031	1,394,989	378,694	0	0
2032-2036	749,000	178,900	0	0
2037-2041	591,000	48,430	0	0
Totals	\$4,170,926	\$1,213,672	\$550,000	\$103,125

Years	Business-Type Activities			
	General Obligation Bonds		OPWC Loans*	
	Principal	Interest	Principal	Interest
2022	\$308,000	\$126,913	\$313,386	\$0
2023	309,000	118,482	311,052	0
2024	254,000	110,224	303,551	0
2025	235,000	102,730	286,888	0
2026	240,000	95,758	253,491	0
2027-2031	1,253,000	350,576	1,098,323	0
2032-2036	1,161,000	133,050	600,397	0
2037-2041	214,000	6,420	164,092	0
2042	0	0	5,174	0
Totals	\$3,974,000	\$1,044,153	\$3,336,354	\$0

*The Ohio Public Works Commission Loans are direct borrowings.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 11 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

B. Debt Defeasance

In May 2021 the City defeased \$3,180,000 of Water Tower Improvement General Obligation Bonds issued in 2013 through the issuance of \$2,879,000 of General Obligation Refunding Bonds. In addition, the City defeased \$1,080,000 of Various Purpose General Obligation Bonds issued in 2011 through the issuance of \$981,000 of General Obligation Refunding Bonds. The net proceeds of the refunding bonds have been used to currently refund the 2013 and 2011 bonds. The City decreased its aggregate debt service payments over the life of the refunded bonds by \$771,982 which resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$701,354.

NOTE 12 - CAPITAL LEASE COMMITMENTS

The City leases various public safety vehicles and related equipment. The cost of the leased assets and the related liability are accounted for in the Governmental Activities capital assets and long-term debt accounts. The original cost of the assets under capital lease is \$2,236,304.

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2021:

<u>Year Ending December 31,</u>	<u>Governmental Capital Leases</u>
2022	\$254,575
2023	254,575
2024	232,634
2025	191,666
2026	156,192
2027-2031	546,784
2032-2035	<u>182,144</u>
Minimum Lease Payments	1,818,570
Less: Amount representing interest at the City's incremental borrowing rate of interest	<u>(274,520)</u>
Present value of minimum lease payments	<u><u>\$1,544,050</u></u>

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 13 - INSURANCE AND 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; injuries to employees; and natural disasters.

Medical coverage is offered to employees through a self-funded insurance plan. The plan is offered to local governments state-wide through the Jefferson Health Plan (JHP) in Steubenville, Ohio and administered by United Healthcare of Ohio. The City makes payments to the Risk Management Agency based on actuarial estimates of the amounts needed to pay claims and actual amounts needed to pay fixed costs (premiums for stop-loss coverage and medical conversion and administrative fees and services). Effective August 2015, the JHP modified its bylaws, which eliminated the liability for claims-run out. In addition, withdrawing members waive all claims and rights to any reserve or surplus balance held by the benefits pool.

The City also pays unemployment claims to the State of Ohio as incurred.

The City continues to carry commercial insurance for other risks of loss through the Public Entities Pool (PEP) of Ohio. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages during the past three years.

Workers' Compensation claims are covered through the City's participation in the State of Ohio's program. The City pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on accident history and administrative costs.

NOTE 14 - COMPLIANCE AND ACCOUNTABILITY

The fund deficits of \$1,889,558 in the Historic Loveland TIF Fund and \$277,072 in the Recreation Land TIF Fund (capital projects funds) arose from the recognition of interfund loans payable in the individual fund balance sheet.

NOTE 15 - CONTINGENCIES

The City is a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 16 – SIGNIFICANT COMMITMENTS

At December 31, 2021 the City had encumbrance commitments in the Governmental Funds as follows:

<u>Fund</u>	<u>Encumbrances</u>
General Fund	\$449,001
Paramedic Fund	2,553
Fire and EMS Fund	17,636
Community Improvement Corporation Fund	4,000
Historic Loveland TIF Fund	17,440
Other Governmental Funds	1,245,489
Total Governmental Funds	<u>\$1,736,119</u>

The City had the following contractual commitments at December 31, 2021:

<u>Project</u>	<u>Remaining Contractual Commitment</u>	<u>Expected Date of Completion</u>
Public Works Office and Garage	\$1,202,472	2022
Butterworth Road Sewer Extension	1,005	2022
Main and Chestnut Street Improvements	455	2022
	<u>\$1,203,932</u>	

NOTE 17 – CHANGE IN ACCOUNTING PRINCIPLE

For 2021, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 89, “Accounting for Interest Cost Incurred before the End of a Construction Period.”

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. The implementation of this statement had no effect on beginning of year net position/fund balance.



REQUIRED SUPPLEMENTARY INFORMATION

***Schedule of the City's Proportionate Share of the Net Pension Liability
Last Eight Years***

Ohio Public Employees Retirement System

Year	2014	2015	2016
City's proportion of the net pension liability (asset)	0.011898%	0.011898%	0.011766%
City's proportionate share of the net pension liability (asset)	\$1,402,619	\$1,435,031	\$2,038,055
City's covered payroll	\$1,604,000	\$1,554,658	\$1,462,883
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	87.45%	92.31%	139.32%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2014	2015	2016
City's proportion of the net pension liability (asset)	0.058369%	0.058369%	0.057384%
City's proportionate share of the net pension liability (asset)	\$2,842,739	\$3,023,743	\$3,691,570
City's covered payroll	\$1,341,209	\$1,281,795	\$1,295,679
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	211.95%	235.90%	284.91%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2014 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability, which is the prior year end.

See notes to the required supplementary information

CITY OF LOVELAND, OHIO

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
0.010582%	0.009995%	0.011294%	0.011360%	0.011488%
\$2,402,977	\$1,567,941	\$3,093,196	\$2,245,380	\$1,701,120
\$1,370,233	\$1,304,031	\$1,527,236	\$1,600,686	\$1,617,014
175.37%	120.24%	202.54%	140.28%	105.20%
77.25%	84.66%	74.70%	82.17%	86.88%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
0.054576%	0.053348%	0.058461%	0.058668%	0.061584%
\$3,456,759	\$3,274,180	\$4,771,963	\$3,952,164	\$4,198,266
\$1,303,800	\$1,294,747	\$1,403,389	\$1,560,074	\$1,662,895
265.13%	252.88%	340.03%	253.33%	252.47%
68.36%	70.91%	63.07%	69.89%	70.65%

***Schedule of City Pension Contributions
Last Nine Years***

Ohio Public Employees Retirement System

Year	2013	2014	2015
Contractually required contribution	\$208,520	\$186,559	\$175,546
Contributions in relation to the contractually required contribution	<u>208,520</u>	<u>186,559</u>	<u>175,546</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$1,604,000	\$1,554,658	\$1,462,883
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2013	2014	2015
Contractually required contribution	\$212,984	\$243,541	\$246,179
Contributions in relation to the contractually required contribution	<u>212,984</u>	<u>243,541</u>	<u>246,179</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$1,341,209	\$1,281,795	\$1,295,679
Contributions as a percentage of covered payroll	15.88%	19.00%	19.00%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2013 is not available. See notes to the required supplementary information.

CITY OF LOVELAND, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$164,428	\$169,524	\$213,813	\$224,096	\$226,382	\$240,470
<u>164,428</u>	<u>169,524</u>	<u>213,813</u>	<u>224,096</u>	<u>226,382</u>	<u>240,470</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,370,233	\$1,304,031	\$1,527,236	\$1,600,686	\$1,617,014	\$1,717,643
12.00%	13.00%	14.00%	14.00%	14.00%	14.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$247,722	\$246,002	\$266,644	\$296,414	\$315,950	\$339,209
<u>247,722</u>	<u>246,002</u>	<u>266,644</u>	<u>296,414</u>	<u>315,950</u>	<u>339,209</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,303,800	\$1,294,747	\$1,403,389	\$1,560,074	\$1,662,895	\$1,785,311
19.00%	19.00%	19.00%	19.00%	19.00%	19.00%

***Schedule of the City's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability
Last Five Years***

Ohio Public Employees Retirement System

Year	2017	2018	2019
City's proportion of the net OPEB liability (asset)	0.011597%	0.011004%	0.012337%
City's proportionate share of the net OPEB liability (asset)	\$1,171,312	\$1,194,926	\$1,608,452
City's covered payroll	\$1,370,233	\$1,304,031	\$1,527,236
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	85.48%	91.63%	105.32%
Plan fiduciary net position as a percentage of the total OPEB liability	54.05%	54.14%	46.33%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2017	2018	2019
City's proportion of the net OPEB liability (asset)	0.054576%	0.053348%	0.058461%
City's proportionate share of the net OPEB liability (asset)	\$2,590,578	\$3,022,598	\$532,377
City's covered payroll	\$1,303,800	\$1,294,747	\$1,403,389
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	198.69%	233.45%	37.94%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2017 is not available.

The schedule is reported as of the measurement date of the Net OPEB Liability, which is the prior year end.

See notes to the required supplementary information

CITY OF LOVELAND, OHIO

<u>2020</u>	<u>2021</u>
0.013107%	0.013272%
\$1,810,415	(\$236,453)
\$1,600,686	\$1,617,014
113.10%	(14.62%)
47.80%	115.57%

<u>2020</u>	<u>2021</u>
0.058668%	0.061584%
\$579,503	\$652,497
\$1,560,074	\$1,662,895
37.15%	39.24%
47.08%	45.42%

***Schedule of City's Other Postemployment Benefit (OPEB) Contributions
Last Nine Years***

Ohio Public Employees Retirement System

Year	2013	2014	2015
Contractually required contribution	\$16,040	\$31,093	\$29,258
Contributions in relation to the contractually required contribution	<u>16,040</u>	<u>31,093</u>	<u>29,258</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$1,604,000	\$1,554,658	\$1,462,883
Contributions as a percentage of covered payroll	1.00%	2.00%	2.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2013	2014	2015
Contractually required contribution	\$48,552	\$6,409	\$6,478
Contributions in relation to the contractually required contribution	<u>48,552</u>	<u>6,409</u>	<u>6,478</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$1,341,209	\$1,281,795	\$1,295,679
Contributions as a percentage of covered payroll	3.62%	0.50%	0.50%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2013 is not available.

See notes to the required supplementary information

CITY OF LOVELAND, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$27,405	\$13,040	\$0	\$0	\$0	\$0
<u>27,405</u>	<u>13,040</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,370,233	\$1,304,031	\$1,527,236	\$1,600,686	\$1,617,014	\$1,717,643
2.00%	1.00%	0.00%	0.00%	0.00%	0.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$6,519	\$6,474	\$7,017	\$7,800	\$8,314	\$8,927
<u>6,519</u>	<u>6,474</u>	<u>7,017</u>	<u>7,800</u>	<u>8,314</u>	<u>8,927</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,303,800	\$1,294,747	\$1,403,389	\$1,560,074	\$1,662,895	\$1,785,311
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2021.

Changes in assumptions:

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%
- Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality Table.

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2019: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 7.50% to 7.20%

2020: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 3.00% to 1.4% for post 1/7/13 retirees.

2021: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 1.4% to 0.5% for post 1/7/13 retirees.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2021.

Changes in assumptions:

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET PENSION LIABILITY (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND (Continued)

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%
- For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006
- For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET OPEB LIABILITY (ASSET)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2021.

Changes in assumptions:

For 2018, the single discount rate changed from 4.23% to 3.85%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.85% to 3.96%.
- Reduction in actuarial assumed rate of return from 6.50% to 6.00%
- Change in health care cost trend rate from 7.5% to 10%
- The Municipal Bond Rate changed from 3.31% to 3.71%

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.96% to 3.16%.
- Change in health care cost trend rate from 10.0% to 10.5%
- The Municipal Bond Rate changed from 3.71% to 2.75%

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.16% to 6.00%.
- Change in health care cost trend rate from 10.5% to 8.5%
- The Municipal Bond Rate changed from 2.75% to 2.00%

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

2018: There were no changes in benefit terms.

2019: The retiree health care model and the current self-insured health care plan were replaced with a stipend-based health care model.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET OPEB LIABILITY (ASSET) (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND (Continued)

Changes in assumptions:

2018: The single discount rate changed from 3.79% to 3.24%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.24% to 4.66%.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 4.66% to 3.56%.

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.56% to 2.96%.

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*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES
INCLUDE THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS.*

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to trusts or major capital projects) that are legally restricted or committed to expenditures for specified purposes.

Sick Leave Reserve/Escrow Fund

To account for reserve balances set aside for budget stabilization as well as for payouts to retirees for sick, vacation and compensatory time accrued through their employment with the City.(The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

Street Maintenance Fund

To account for revenues distributed by the State from the motor vehicle registration and gasoline tax. Expenditures may only be used for City street construction, maintenance and repair.

Coronavirus Relief Fund

This fund is used to account for Coronavirus Relief funds received through passage of the CARES Act. These funds can be used for necessary expenditures incurred due to the Covid-19 public health emergency.(The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Enforcement and Education Fund

To account for resources used to educate the public regarding laws governing the operation of motor vehicles while under the influence of alcohol.

FEMA Fund

To account for federal resources used for emergency management of disasters.(The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Permissive Motor Vehicle License Tax Fund

To account for permissive auto license taxes levied for street construction, maintenance and repair.

Fire Protection Fund

To account for the activities provided by the City's fire protection service funded by property taxes.

State Highway Fund

To account for revenues distributed by the State from the motor vehicle registration and gasoline tax designated for construction, maintenance and repair of State highways located within the City.

(Continued)

Special Revenue Funds (Continued)

Mayors Court Computer Fund

To account for the assessment fee charged to each issued citation to be used only for the purchase and maintenance of computerizing the Mayor's Court operations.

Lighting District Fund

To account for assessments to be used for electric utility charges.

American Rescue Plan Act (ARPA) Fund

This fund is used to account for Coronavirus State and Local Fiscal Recovery funds received as part of the American Rescue Plan Act. The funds are to be used to support the response and recovery from the COVID-19 public health emergency. (The Statement of Revenues, Expenditures and Changes in Fund Balances is not presented because there are no revenues or expenditures to report for the fiscal year.)

Debt Service Funds

The Debt Service Funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment levies when the government is obligated in some manner for payment.

General Bond Retirement Fund

This fund is used to account for the accumulation of resources to be used for the retirement of general obligation debt.

Debt Retirement Sinking Fund

To account for the accumulation of resources for retirement of the special obligation tax increment financing bonds.

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

Recreation Land TIF Fund

To account for service payments (in lieu of taxes) as a result of a tax increment financing agreement. Proceeds from the Christman Land TIF bond issuance were used to purchase land in the TIF district which will be developed into a City park.

Training Tower Building Fund

To account for debt proceeds used to construct a fire training tower for the Loveland-Symmes Fire Department.

Special Projects Fund

To account for the accumulation of resources for the City's various capital projects.

CITY OF LOVELAND, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Pooled Cash and Investments	\$ 1,464,632	\$ 335,418	\$ 1,841,077	\$ 3,641,127
Receivables:				
Taxes	634,820	0	0	634,820
Intergovernmental	521,264	0	0	521,264
Interfund Loans Receivable	0	0	210,967	210,967
Inventory of Supplies, at Cost	49,714	0	0	49,714
Total Assets	\$ 2,670,430	\$ 335,418	\$ 2,052,044	\$ 5,057,892
Liabilities:				
Accounts Payable	\$ 4,841	\$ 0	\$ 0	\$ 4,841
Accrued Wages and Benefits Payable	3,479	0	0	3,479
Interfund Loans Payable	0	0	683,390	683,390
Unearned Revenue	688,476	0	0	688,476
Total Liabilities	696,796	0	683,390	1,380,186
Deferred Inflows of Resources:				
Unavailable Amounts	382,610	0	0	382,610
Property Tax Levy for Next Fiscal Year	612,071	0	0	612,071
Total Deferred Inflows of Resources	994,681	0	0	994,681
Fund Balances:				
Nonspendable	49,714	0	0	49,714
Restricted	929,239	335,418	1,204,214	2,468,871
Assigned	0	0	441,512	441,512
Unassigned	0	0	(277,072)	(277,072)
Total Fund Balances	978,953	335,418	1,368,654	2,683,025
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,670,430	\$ 335,418	\$ 2,052,044	\$ 5,057,892

CITY OF LOVELAND, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2021**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property Taxes	\$ 611,347	\$ 0	\$ 0	\$ 611,347
Intergovernmental Revenue	1,198,395	24,757	0	1,223,152
Licenses and Permits	8,925	0	0	8,925
Investment Earnings	0	0	7,648	7,648
Special Assessments	10,652	0	0	10,652
Fines and Forfeitures	6,188	0	0	6,188
All Other Revenue	8,997	0	50,000	58,997
Total Revenues	<u>1,844,504</u>	<u>24,757</u>	<u>57,648</u>	<u>1,926,909</u>
Expenditures:				
Current:				
Security of Persons and Property	838,873	0	0	838,873
Transportation	1,119,169	0	0	1,119,169
General Government	145,732	0	0	145,732
Capital Outlay	0	0	257,509	257,509
Debt Service:				
Principal Retirement	0	278,592	0	278,592
Interest & Fiscal Charges	0	199,206	1,388	200,594
Total Expenditures	<u>2,103,774</u>	<u>477,798</u>	<u>258,897</u>	<u>2,840,469</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(259,270)	(453,041)	(201,249)	(913,560)
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	350,000	350,000
Bond Issuance	0	0	1,305,000	1,305,000
Payment to Refunded Bond Escrow Agent	0	(1,085,336)	0	(1,085,336)
Premium on Debt Issuance	0	298,152	0	298,152
Refunding Bonds Issued	0	981,000	0	981,000
Transfers In	75,000	401,048	70,000	546,048
Transfers Out	(37,257)	(86,823)	(46,680)	(170,760)
Total Other Financing Sources (Uses)	<u>37,743</u>	<u>508,041</u>	<u>1,678,320</u>	<u>2,224,104</u>
Net Change in Fund Balances	(221,527)	55,000	1,477,071	1,310,544
Fund Balances at Beginning of Year	1,215,626	280,418	(108,417)	1,387,627
Increase (Decrease) in Inventory	(15,146)	0	0	(15,146)
Fund Balances End of Year	<u>\$ 978,953</u>	<u>\$ 335,418</u>	<u>\$ 1,368,654</u>	<u>\$ 2,683,025</u>

CITY OF LOVELAND, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021**

	Street Maintenance Fund	Enforcement and Education Fund	Permissive Motor Vehicle License Tax Fund	Fire Protection Fund
Assets:				
Pooled Cash and Investments	\$ 276,628	\$ 19,623	\$ 63,424	\$ 185,650
Receivables:				
Taxes	0	0	0	634,820
Intergovernmental	370,080	0	83,184	37,994
Inventory of Supplies, at Cost	49,714	0	0	0
Total Assets	<u>\$ 696,422</u>	<u>\$ 19,623</u>	<u>\$ 146,608</u>	<u>\$ 858,464</u>
Liabilities:				
Accounts Payable	\$ 4,077	\$ 0	\$ 0	\$ 764
Accrued Wages and Benefits Payable	3,479	0	0	0
Unearned Revenue	0	0	0	0
Total Liabilities	<u>7,556</u>	<u>0</u>	<u>0</u>	<u>764</u>
Deferred Inflows of Resources:				
Unavailable Amounts	246,720	0	55,457	60,429
Property Tax Levy for Next Fiscal Year	0	0	0	612,071
Total Deferred Inflows of Resources	<u>246,720</u>	<u>0</u>	<u>55,457</u>	<u>672,500</u>
Fund Balances:				
Nonspendable	49,714	0	0	0
Restricted	392,432	19,623	91,151	185,200
Total Fund Balances	<u>442,146</u>	<u>19,623</u>	<u>91,151</u>	<u>185,200</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 696,422</u>	<u>\$ 19,623</u>	<u>\$ 146,608</u>	<u>\$ 858,464</u>

CITY OF LOVELAND, OHIO

State Highway Fund	Mayors Court Computer Fund	Lighting District Fund	ARPA Fund	Total Nonmajor Special Revenue Funds
\$ 161,685	\$ 17,066	\$ 52,080	\$ 688,476	\$ 1,464,632
0	0	0	0	634,820
30,006	0	0	0	521,264
0	0	0	0	49,714
<u>\$ 191,691</u>	<u>\$ 17,066</u>	<u>\$ 52,080</u>	<u>\$ 688,476</u>	<u>\$ 2,670,430</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,841
0	0	0	0	3,479
0	0	0	688,476	688,476
<u>0</u>	<u>0</u>	<u>0</u>	<u>688,476</u>	<u>696,796</u>
20,004	0	0	0	382,610
0	0	0	0	612,071
<u>20,004</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>994,681</u>
0	0	0	0	49,714
171,687	17,066	52,080	0	929,239
<u>171,687</u>	<u>17,066</u>	<u>52,080</u>	<u>0</u>	<u>978,953</u>
<u>\$ 191,691</u>	<u>\$ 17,066</u>	<u>\$ 52,080</u>	<u>\$ 688,476</u>	<u>\$ 2,670,430</u>

CITY OF LOVELAND, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021**

	Street Maintenance Fund	Coronavirus Relief Fund	Enforcement and Education Fund	FEMA Fund
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenue	754,459	142,828	0	0
Licenses and Permits	0	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	408	0
All Other Revenue	8,997	0	0	0
Total Revenues	<u>763,456</u>	<u>142,828</u>	<u>408</u>	<u>0</u>
Expenditures:				
Current:				
Security of Persons and Property	0	156,980	0	3,864
Transportation	905,797	0	0	0
General Government	0	133,827	0	0
Total Expenditures	<u>905,797</u>	<u>290,807</u>	<u>0</u>	<u>3,864</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(142,341)	(147,979)	408	(3,864)
Other Financing Sources (Uses):				
Transfers In	75,000	0	0	0
Transfers Out	(37,257)	0	0	0
Total Other Financing Sources (Uses)	<u>37,743</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(104,598)	(147,979)	408	(3,864)
Fund Balances at Beginning of Year	561,890	147,979	19,215	3,864
Decrease in Inventory	(15,146)	0	0	0
Fund Balances End of Year	<u>\$ 442,146</u>	<u>\$ 0</u>	<u>\$ 19,623</u>	<u>\$ 0</u>

CITY OF LOVELAND, OHIO

Permissive Motor Vehicle License Tax Fund	Fire Protection Fund	State Highway Fund	Mayors Court Computer Fund	Lighting District Fund	Total Nonmajor Special Revenue Funds
\$ 0	\$ 611,347	\$ 0	\$ 0	\$ 0	\$ 611,347
164,706	75,230	61,172	0	0	1,198,395
8,925	0	0	0	0	8,925
0	0	0	0	10,652	10,652
0	0	0	5,780	0	6,188
0	0	0	0	0	8,997
<u>173,631</u>	<u>686,577</u>	<u>61,172</u>	<u>5,780</u>	<u>10,652</u>	<u>1,844,504</u>
0	678,029	0	0	0	838,873
179,750	0	33,622	0	0	1,119,169
0	0	0	966	10,939	145,732
<u>179,750</u>	<u>678,029</u>	<u>33,622</u>	<u>966</u>	<u>10,939</u>	<u>2,103,774</u>
(6,119)	8,548	27,550	4,814	(287)	(259,270)
0	0	0	0	0	75,000
0	0	0	0	0	(37,257)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>37,743</u>
(6,119)	8,548	27,550	4,814	(287)	(221,527)
97,270	176,652	144,137	12,252	52,367	1,215,626
0	0	0	0	0	(15,146)
<u>\$ 91,151</u>	<u>\$ 185,200</u>	<u>\$ 171,687</u>	<u>\$ 17,066</u>	<u>\$ 52,080</u>	<u>\$ 978,953</u>

CITY OF LOVELAND, OHIO

***Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2021***

	General Bond Retirement Fund	Debt Retirement Sinking Fund	Total Nonmajor Debt Service Funds
Assets:			
Pooled Cash and Investments	\$ 60,418	\$ 275,000	\$ 335,418
Total Assets	<u>\$ 60,418</u>	<u>\$ 275,000</u>	<u>\$ 335,418</u>
Liabilities:			
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances:			
Restricted	60,418	275,000	335,418
Total Fund Balances	<u>60,418</u>	<u>275,000</u>	<u>335,418</u>
Total Liabilities and Fund Balances	<u>\$ 60,418</u>	<u>\$ 275,000</u>	<u>\$ 335,418</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2021**

	General Bond Retirement Fund	Debt Retirement Sinking Fund	Total Nonmajor Debt Service Funds
Revenues:			
Intergovernmental Revenue	\$ 24,757	\$ 0	\$ 24,757
Total Revenues	<u>24,757</u>	<u>0</u>	<u>24,757</u>
Expenditures:			
Debt Service:			
Principal Retirement	278,592	0	278,592
Interest & Fiscal Charges	199,206	0	199,206
Total Expenditures	<u>477,798</u>	<u>0</u>	<u>477,798</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(453,041)	0	(453,041)
Other Financing Sources (Uses):			
Payment to Refunded Bond Escrow Agent	(1,085,336)	0	(1,085,336)
Premium on Debt Issuance	298,152	0	298,152
Refunding Bonds Issued	981,000	0	981,000
Transfers In	346,048	55,000	401,048
Transfers Out	(86,823)	0	(86,823)
Total Other Financing Sources (Uses)	<u>453,041</u>	<u>55,000</u>	<u>508,041</u>
Net Change in Fund Balances	0	55,000	55,000
Fund Balances at Beginning of Year	60,418	220,000	280,418
Fund Balances End of Year	<u>\$ 60,418</u>	<u>\$ 275,000</u>	<u>\$ 335,418</u>

CITY OF LOVELAND, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2021**

	Recreation Land TIF Fund	Training Tower Building Fund	Special Projects Fund	Total Nonmajor Capital Projects Funds
Assets:				
Pooled Cash and Investments	\$ 406,318	\$ 354	\$ 1,434,405	\$ 1,841,077
Interfund Loans Receivable	0	0	210,967	210,967
Total Assets	<u>\$ 406,318</u>	<u>\$ 354</u>	<u>\$ 1,645,372</u>	<u>\$ 2,052,044</u>
Liabilities:				
Interfund Loans Payable	\$ 683,390	\$ 0	\$ 0	\$ 683,390
Total Liabilities	<u>683,390</u>	<u>0</u>	<u>0</u>	<u>683,390</u>
Fund Balances:				
Restricted	0	354	1,203,860	1,204,214
Assigned	0	0	441,512	441,512
Unassigned	(277,072)	0	0	(277,072)
Total Fund Balances	<u>(277,072)</u>	<u>354</u>	<u>1,645,372</u>	<u>1,368,654</u>
Total Liabilities and Fund Balances	<u>\$ 406,318</u>	<u>\$ 354</u>	<u>\$ 1,645,372</u>	<u>\$ 2,052,044</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021**

	Recreation Land TIF Fund	Training Tower Building Fund	Special Projects Fund	Total Nonmajor Capital Project Funds
Revenues:				
Investment Earnings	\$ 0	\$ 0	\$ 7,648	\$ 7,648
All Other Revenue	50,000	0	0	50,000
Total Revenues	<u>50,000</u>	<u>0</u>	<u>7,648</u>	<u>57,648</u>
Expenditures:				
Capital Outlay	0	0	257,509	257,509
Debt Service:				
Interest & Fiscal Charges	0	0	1,388	1,388
Total Expenditures	<u>0</u>	<u>0</u>	<u>258,897</u>	<u>258,897</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	50,000	0	(251,249)	(201,249)
Other Financing Sources (Uses):				
Sale of Capital Assets	350,000	0	0	350,000
Bond Issuance	0	0	1,305,000	1,305,000
Transfers In	0	0	70,000	70,000
Transfers Out	(46,680)	0	0	(46,680)
Total Other Financing Sources (Uses)	<u>303,320</u>	<u>0</u>	<u>1,375,000</u>	<u>1,678,320</u>
Net Change in Fund Balances	353,320	0	1,123,751	1,477,071
Fund Balances at Beginning of Year	(630,392)	354	521,621	(108,417)
Fund Balances End of Year	<u>\$ (277,072)</u>	<u>\$ 354</u>	<u>\$ 1,645,372</u>	<u>\$ 1,368,654</u>

CITY OF LOVELAND, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 978,510	\$ 1,087,824	\$ 1,087,824	\$ 0
Municipal Income Tax	4,556,455	4,556,455	5,802,624	1,246,169
Intergovernmental Revenue	334,140	364,255	395,524	31,269
Charges for Services	723,948	723,948	727,649	3,701
Licenses and Permits	287,000	287,000	248,576	(38,424)
Special Assessments	2,100	2,100	1,550	(550)
Fines and Forfeitures	50,000	50,000	51,826	1,826
All Other Revenue	197,894	197,894	184,861	(13,033)
Total Revenues	<u>7,130,047</u>	<u>7,269,476</u>	<u>8,500,434</u>	<u>1,230,958</u>
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	2,763,790	2,763,790	2,807,453	(43,663)
Other Expenditures	690,160	690,160	662,672	27,488
Total Security of Persons and Property	<u>3,453,950</u>	<u>3,453,950</u>	<u>3,470,125</u>	<u>(16,175)</u>
Leisure Time Activities:				
Parks and Recreation:				
Personal Services	360,841	360,841	368,080	(7,239)
Other Expenditures	261,964	216,964	204,846	12,118
Total Leisure Time Activities	<u>622,805</u>	<u>577,805</u>	<u>572,926</u>	<u>4,879</u>
Community Environment:				
Building and Zoning:				
Personal Services	180,904	180,904	182,038	(1,134)
Other Expenditures	101,850	101,850	75,941	25,909
Total Community Environment	<u>282,754</u>	<u>282,754</u>	<u>257,979</u>	<u>24,775</u>

(Continued)

CITY OF LOVELAND, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2021***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
General Government:				
City Council:				
Personal Services	66,426	66,426	66,212	214
Other Expenditures	15,550	15,550	12,648	2,902
Total City Council	<u>81,976</u>	<u>81,976</u>	<u>78,860</u>	<u>3,116</u>
City Manager:				
Personal Services	528,564	528,564	512,002	16,562
Total City Manager	<u>528,564</u>	<u>528,564</u>	<u>512,002</u>	<u>16,562</u>
Mayor's Court:				
Personal Services	84,618	84,618	90,789	(6,171)
Other Expenditures	21,950	21,950	8,788	13,162
Total Mayor's Court	<u>106,568</u>	<u>106,568</u>	<u>99,577</u>	<u>6,991</u>
Administration:				
Personal Services	3,960	3,960	4,162	(202)
Other Expenditures	16,400	16,400	13,934	2,466
Total Administration	<u>20,360</u>	<u>20,360</u>	<u>18,096</u>	<u>2,264</u>
Finance and Income Tax:				
Personal Services	335,892	335,892	368,079	(32,187)
Other Expenditures	12,950	12,950	3,774	9,176
Total Finance and Income Tax	<u>348,842</u>	<u>348,842</u>	<u>371,853</u>	<u>(23,011)</u>
Solicitor:				
Other Expenditures	85,500	85,500	131,882	(46,382)
Total Solicitor	<u>85,500</u>	<u>85,500</u>	<u>131,882</u>	<u>(46,382)</u>
General Operations:				
Other Expenditures	2,000,685	2,346,185	2,472,812	(126,627)
Total General Operations	<u>2,000,685</u>	<u>2,346,185</u>	<u>2,472,812</u>	<u>(126,627)</u>

(Continued)

CITY OF LOVELAND, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Engineer:				
Personal Services	19,706	19,706	21,482	(1,776)
Other Expenditures	3,250	3,250	1,424	1,826
Total Engineer	<u>22,956</u>	<u>22,956</u>	<u>22,906</u>	<u>50</u>
Total General Government	<u>3,195,451</u>	<u>3,540,951</u>	<u>3,707,988</u>	<u>(167,037)</u>
Total Expenditures	<u>7,554,960</u>	<u>7,855,460</u>	<u>8,009,018</u>	<u>(153,558)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(424,913)	(585,984)	491,416	1,077,400
Other Financing Sources (Uses):				
Sale of Capital Assets	100	100	18,626	18,526
Transfers Out	(215,865)	(215,865)	(206,969)	8,896
Advances In	1,010,944	1,010,944	0	(1,010,944)
Advances Out	(46,680)	(46,680)	(46,680)	0
Total Other Financing Sources (Uses)	<u>748,499</u>	<u>748,499</u>	<u>(235,023)</u>	<u>(983,522)</u>
Net Change in Fund Balance	323,586	162,515	256,393	93,878
Fund Balance at Beginning of Year	4,601,957	4,601,957	4,601,957	0
Prior Year Encumbrances	297,945	297,945	297,945	0
Fund Balance at End of Year	<u>\$ 5,223,488</u>	<u>\$ 5,062,417</u>	<u>\$ 5,156,295</u>	<u>\$ 93,878</u>

CITY OF LOVELAND, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund – Paramedic Fund
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 894,586	\$ 902,060	\$ 902,060	\$ 0
Intergovernmental Revenue	113,718	111,055	111,055	0
Charges for Services	325,000	325,000	373,566	48,566
Total Revenues	<u>1,333,304</u>	<u>1,338,115</u>	<u>1,386,681</u>	<u>48,566</u>
Expenditures:				
Security of Persons and Property:				
Other Expenditures	1,680,414	1,680,414	1,323,287	357,127
Total Expenditures	<u>1,680,414</u>	<u>1,680,414</u>	<u>1,323,287</u>	<u>357,127</u>
Net Change in Fund Balance	(347,110)	(342,299)	63,394	405,693
Fund Balance at Beginning of Year	482,176	482,176	482,176	0
Prior Year Encumbrances	374	374	374	0
Fund Balance at End of Year	<u>\$ 135,440</u>	<u>\$ 140,251</u>	<u>\$ 545,944</u>	<u>\$ 405,693</u>

CITY OF LOVELAND, OHIO***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund – Fire and EMS Fund
For the Year Ended December 31, 2021***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 1,082,111	\$ 1,091,545	\$ 1,091,545	\$ 0
Intergovernmental Revenue	72,241	69,251	69,251	0
All Other Revenues	0	0	2,352	2,352
Total Revenues	<u>1,154,352</u>	<u>1,160,796</u>	<u>1,163,148</u>	<u>2,352</u>
Expenditures:				
Security of Persons and Property:				
Other Expenditures	<u>1,635,358</u>	<u>1,635,358</u>	<u>1,084,721</u>	<u>550,637</u>
Total Expenditures	<u>1,635,358</u>	<u>1,635,358</u>	<u>1,084,721</u>	<u>550,637</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(481,006)	(474,562)	78,427	552,989
Other Financing Sources (Uses):				
Transfers Out	<u>(120,605)</u>	<u>(120,605)</u>	<u>(120,605)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(120,605)</u>	<u>(120,605)</u>	<u>(120,605)</u>	<u>0</u>
Net Change in Fund Balance	(601,611)	(595,167)	(42,178)	552,989
Fund Balance at Beginning of Year	571,821	571,821	571,821	0
Prior Year Encumbrances	<u>44,016</u>	<u>44,016</u>	<u>44,016</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 14,226</u>	<u>\$ 20,670</u>	<u>\$ 573,659</u>	<u>\$ 552,989</u>

CITY OF LOVELAND, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund –Community Improvement Corporation Fund
For the Year Ended December 31, 2021***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
All Other Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 176</u>	<u>\$ 176</u>
Total Revenues	<u> 0</u>	<u> 0</u>	<u> 176</u>	<u> 176</u>
Expenditures:				
General Government:				
Other Expenditures	<u> 115,918</u>	<u> 115,918</u>	<u> 20,054</u>	<u> 95,864</u>
Total Expenditures	<u> 115,918</u>	<u> 115,918</u>	<u> 20,054</u>	<u> 95,864</u>
 Net Change in Fund Balance	 <u>(115,918)</u>	 <u>(115,918)</u>	 <u>(19,878)</u>	 <u> 96,040</u>
 Fund Balance at Beginning of Year	 <u> 181,534</u>	 <u> 181,534</u>	 <u> 181,534</u>	 <u> 0</u>
Prior Year Encumbrances	<u> 5,000</u>	<u> 5,000</u>	<u> 5,000</u>	<u> 0</u>
Fund Balance at End of Year	<u><u>\$ 70,616</u></u>	<u><u>\$ 70,616</u></u>	<u><u>\$ 166,656</u></u>	<u><u>\$ 96,040</u></u>

CITY OF LOVELAND, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Fund – Historic Loveland TIF Fund
For the Year Ended December 31, 2021***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$ 279,649	\$ 279,649	\$ 0
Intergovernmental Revenue	80,264	90,354	10,090
All Other Revenues	1,563	1,563	0
Total Revenues	<u>361,476</u>	<u>371,566</u>	<u>10,090</u>
Expenditures:			
Capital Outlay:			
Other Expenditures	95,727	125,264	(29,537)
Total Expenditures	<u>95,727</u>	<u>125,264</u>	<u>(29,537)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	265,749	246,302	(19,447)
Other Financing Sources (Uses):			
Transfers Out	(179,235)	(130,729)	48,506
Total Other Financing Sources (Uses)	<u>(179,235)</u>	<u>(130,729)</u>	<u>48,506</u>
Net Change in Fund Balance	86,514	115,573	29,059
Fund Balance at Beginning of Year	18,896	18,896	0
Prior Year Encumbrances	10,500	10,500	0
Fund Balance at End of Year	<u>\$ 115,910</u>	<u>\$ 144,969</u>	<u>\$ 29,059</u>

CITY OF LOVELAND, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
General Government:			
Other Expenditures	1,393,450	0	1,393,450
Total Expenditures	1,393,450	0	1,393,450
Net Change in Fund Balance	(1,393,450)	0	1,393,450
Fund Balance at Beginning of Year	1,393,450	1,393,450	0
Fund Balance at End of Year	\$ 0	\$ 1,393,450	\$ 1,393,450

CITY OF LOVELAND, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
STREET MAINTENANCE FUND			
Revenues:			
Intergovernmental Revenue	\$ 720,000	\$ 747,538	\$ 27,538
All Other Revenues	8,789	8,997	208
Total Revenues	<u>728,789</u>	<u>756,535</u>	<u>27,746</u>
Expenditures:			
Transportation:			
Personal Services	397,565	394,130	3,435
Other Expenditures	<u>721,829</u>	<u>513,846</u>	<u>207,983</u>
Total Expenditures	<u>1,119,394</u>	<u>907,976</u>	<u>211,418</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(390,605)	(151,441)	239,164
Other Financing Sources (Uses):			
Transfers In	75,000	75,000	0
Transfers Out	<u>(37,257)</u>	<u>(37,257)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>37,743</u>	<u>37,743</u>	<u>0</u>
Net Change in Fund Balance	(352,862)	(113,698)	239,164
Fund Balance at Beginning of Year	357,999	357,999	0
Prior Year Encumbrances	<u>25,656</u>	<u>25,656</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 30,793</u>	<u>\$ 269,957</u>	<u>\$ 239,164</u>

CITY OF LOVELAND, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenue	\$ 158,310	\$ 147,979	\$ (10,331)
Total Revenues	<u>158,310</u>	<u>147,979</u>	<u>(10,331)</u>
Expenditures:			
Security of Persons and Property:			
Other Expenditures	156,980	156,980	0
General Government:			
Other Expenditures	<u>146,228</u>	<u>135,897</u>	<u>10,331</u>
Total Expenditures	<u>303,208</u>	<u>292,877</u>	<u>10,331</u>
Net Change in Fund Balance	(144,898)	(144,898)	0
Fund Balance at Beginning of Year	3,250	3,250	0
Prior Year Encumbrances	<u>141,648</u>	<u>141,648</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF LOVELAND, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 500	\$ 408	\$ (92)
Total Revenues	<u>500</u>	<u>408</u>	<u>(92)</u>
Expenditures:			
Security of Persons and Property:			
Other Expenditures	19,139	0	19,139
Total Expenditures	<u>19,139</u>	<u>0</u>	<u>19,139</u>
 Net Change in Fund Balance	(18,639)	408	19,047
 Fund Balance at Beginning of Year	19,215	19,215	0
Fund Balance at End of Year	<u>\$ 576</u>	<u>\$ 19,623</u>	<u>\$ 19,047</u>

CITY OF LOVELAND, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021**

	FEMA FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Security of Persons and Property:			
Other Expenditures	3,864	3,864	0
Total Expenditures	3,864	3,864	0
Net Change in Fund Balance	(3,864)	(3,864)	0
Fund Balance at Beginning of Year	1,258	1,258	0
Prior Year Encumbrances	2,606	2,606	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0

CITY OF LOVELAND, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PERMISSIVE MOTOR VEHICLE LICENSE TAX FUND			
Revenues:			
Intergovernmental Revenue	\$ 160,000	\$ 163,187	\$ 3,187
Licenses and Permits	12,000	8,925	(3,075)
Total Revenues	<u>172,000</u>	<u>172,112</u>	<u>112</u>
Expenditures:			
Transportation:			
Other Expenditures	<u>223,545</u>	<u>179,750</u>	<u>43,795</u>
Total Expenditures	<u>223,545</u>	<u>179,750</u>	<u>43,795</u>
Net Change in Fund Balance	(51,545)	(7,638)	43,907
Fund Balance at Beginning of Year	<u>71,062</u>	<u>71,062</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 19,517</u>	<u>\$ 63,424</u>	<u>\$ 43,907</u>

CITY OF LOVELAND, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$ 611,073	\$ 611,073	\$ 0
Intergovernmental Revenue	75,230	75,230	0
Total Revenues	<u>686,303</u>	<u>686,303</u>	<u>0</u>
Expenditures:			
Security of Persons and Property:			
Other Expenditures	856,177	682,437	173,740
Total Expenditures	<u>856,177</u>	<u>682,437</u>	<u>173,740</u>
Net Change in Fund Balance	(169,874)	3,866	173,740
Fund Balance at Beginning of Year	177,111	177,111	0
Prior Year Encumbrances	3,455	3,455	0
Fund Balance at End of Year	<u>\$ 10,692</u>	<u>\$ 184,432</u>	<u>\$ 173,740</u>

CITY OF LOVELAND, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	STATE HIGHWAY FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental Revenue	\$ 57,050	\$ 60,611	\$ 3,561
Total Revenues	<u>57,050</u>	<u>60,611</u>	<u>3,561</u>
Expenditures:			
Transportation:			
Other Expenditures	<u>185,282</u>	<u>33,622</u>	<u>151,660</u>
Total Expenditures	<u>185,282</u>	<u>33,622</u>	<u>151,660</u>
Net Change in Fund Balance	(128,232)	26,989	155,221
Fund Balance at Beginning of Year	69,914	69,914	0
Prior Year Encumbrances	<u>64,782</u>	<u>64,782</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 6,464</u>	<u>\$ 161,685</u>	<u>\$ 155,221</u>

CITY OF LOVELAND, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

MAYORS COURT COMPUTER FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 6,000	\$ 5,364	\$ (636)
Total Revenues	<u>6,000</u>	<u>5,364</u>	<u>(636)</u>
Expenditures:			
General Government:			
Other Expenditures	15,000	966	14,034
Total Expenditures	<u>15,000</u>	<u>966</u>	<u>14,034</u>
Net Change in Fund Balance	(9,000)	4,398	13,398
Fund Balance at Beginning of Year	12,122	12,122	0
Fund Balance at End of Year	<u>\$ 3,122</u>	<u>\$ 16,520</u>	<u>\$ 13,398</u>

CITY OF LOVELAND, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 10,739	\$ 10,652	\$ (87)
Total Revenues	<u>10,739</u>	<u>10,652</u>	<u>(87)</u>
Expenditures:			
General Government:			
Other Expenditures	<u>62,289</u>	<u>10,939</u>	<u>51,350</u>
Total Expenditures	<u>62,289</u>	<u>10,939</u>	<u>51,350</u>
 Net Change in Fund Balance	(51,550)	(287)	51,263
 Fund Balance at Beginning of Year	<u>52,367</u>	<u>52,367</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 817</u>	<u>\$ 52,080</u>	<u>\$ 51,263</u>

CITY OF LOVELAND, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenue	\$ 688,476	\$ 688,476	\$ 0
Total Revenues	<u>688,476</u>	<u>688,476</u>	<u>0</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	688,476	688,476	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 688,476</u>	<u>\$ 688,476</u>	<u>\$ 0</u>

CITY OF LOVELAND, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Debt Service:			
Principal Retirement	345,103	345,103	0
Interest and Fiscal Charges	166,726	166,726	0
Total Expenditures	511,829	511,829	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(511,829)	(511,829)	0
Other Financing Sources (Uses):			
Debt Issuance Premium	144,832	144,832	0
Transfers In	366,997	366,997	0
Total Other Financing Sources (Uses)	511,829	511,829	0
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	60,418	60,418	0
Fund Balance at End of Year	\$ 60,418	\$ 60,418	\$ 0

CITY OF LOVELAND, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2021***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
General Government:			
Other Expenditures	275,000	0	275,000
Total Expenditures	275,000	0	275,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(275,000)	0	275,000
Other Financing Sources (Uses):			
Transfers In	55,000	55,000	0
Total Other Financing Sources (Uses)	55,000	55,000	0
Net Change in Fund Balance	(220,000)	55,000	275,000
Fund Balance at Beginning of Year	220,000	220,000	0
Fund Balance at End of Year	\$ 0	\$ 275,000	\$ 275,000

CITY OF LOVELAND, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 0	\$ 50,000	\$ 50,000
Total Revenues	<u>0</u>	<u>50,000</u>	<u>50,000</u>
Expenditures:			
General Government:			
Other Expenditures	6,317	0	6,317
Total Expenditures	<u>6,317</u>	<u>0</u>	<u>6,317</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,317)	50,000	56,317
Other Financing Sources (Uses):			
Sale of Assets	0	350,000	350,000
Transfers Out	(46,680)	(46,680)	0
Advances In	46,680	46,680	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>350,000</u>	<u>350,000</u>
Net Change in Fund Balance	(6,317)	400,000	406,317
Fund Balance at Beginning of Year	6,318	6,318	0
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 406,318</u>	<u>\$ 406,317</u>

CITY OF LOVELAND, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021***

TRAINING TOWER BUILDING FUND

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>354</u>	<u>354</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 354</u>	<u>\$ 354</u>	<u>\$ 0</u>

CITY OF LOVELAND, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 50,000	\$ 45,335	\$ (4,665)
Total Revenues	50,000	45,335	(4,665)
Expenditures:			
Capital Outlay:			
Other Expenditures	1,619,155	1,499,903	119,252
Total Expenditures	1,619,155	1,499,903	119,252
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,569,155)	(1,454,568)	114,587
Other Financing Sources (Uses):			
Bond Issuance	1,234,598	1,303,612	69,014
Transfers In	70,000	70,000	0
Total Other Financing Sources (Uses)	1,304,598	1,373,612	69,014
Net Change in Fund Balance	(264,557)	(80,956)	183,601
Fund Balance at Beginning of Year	222,173	222,173	0
Prior Year Encumbrances	41,229	41,229	0
Fund Balance at End of Year	\$ (1,155)	\$ 182,446	\$ 183,601

STATISTICAL SECTION



STATISTICAL TABLES

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

Contents

Financial Trends	S 2 – S 13
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
Revenue Capacity	S 14 – S 16
These schedules contain information to help the reader understand and assess the factors affecting the City’s ability to generate its most significant local revenue source, the income tax.	
Debt Capacity	S 18 – S 25
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Economic and Demographic Information	S 26 – S 29
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 30 – S 35
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	
Sources Note:	
Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.	

City of Loveland, Ohio

*Net Position by Component
Last Ten Years
(accrual basis of accounting)*

	*	*	*	
	2012	2013	2014	2015
Governmental Activities:				
Net Investment in Capital Assets	\$15,270,813	\$16,042,573	\$19,348,404	\$18,469,680
Restricted	3,250,298	2,679,663	1,466,093	1,662,026
Unrestricted	3,173,831	4,640,392	(216,362)	918,195
Total Governmental Activities Net Position	<u>\$21,694,942</u>	<u>\$23,362,628</u>	<u>\$20,598,135</u>	<u>\$21,049,901</u>
Business-type Activities:				
Net Investment in Capital Assets	\$9,655,406	\$9,836,758	\$9,343,559	\$9,452,972
Restricted	0	0	0	0
Unrestricted	1,738,906	2,177,421	2,024,449	1,808,310
Total Business-type Activities Net Position	<u>\$11,394,312</u>	<u>\$12,014,179</u>	<u>\$11,368,008</u>	<u>\$11,261,282</u>
Primary Government:				
Net Investment in Capital Assets	\$24,926,219	\$25,879,331	\$28,691,963	\$27,922,652
Restricted	3,250,298	2,679,663	1,466,093	1,662,026
Unrestricted	4,912,737	6,817,813	1,808,087	2,726,505
Total Primary Government Net Position	<u>\$33,089,254</u>	<u>\$35,376,807</u>	<u>\$31,966,143</u>	<u>\$32,311,183</u>

*Restated

Source: Finance Director's Office

City of Loveland, Ohio

*					
2016	2017	2018	2019	2020	2021
\$19,372,310	\$19,515,289	\$19,470,195	\$21,354,268	\$21,320,995	\$21,188,747
1,741,174	2,582,085	3,082,182	2,738,327	3,267,704	4,381,209
1,242,738	(1,546,806)	(987,439)	964,079	1,297,454	2,113,332
<u>\$22,356,222</u>	<u>\$20,550,568</u>	<u>\$21,564,938</u>	<u>\$25,056,674</u>	<u>\$25,886,153</u>	<u>\$27,683,288</u>
\$9,402,549	\$9,384,084	\$9,450,023	\$9,558,726	\$9,558,275	\$10,862,533
0	0	0	0	0	0
2,013,249	1,415,095	379,312	238,980	357,191	522,199
<u>\$11,415,798</u>	<u>\$10,799,179</u>	<u>\$9,829,335</u>	<u>\$9,797,706</u>	<u>\$9,915,466</u>	<u>\$11,384,732</u>
\$28,774,859	\$28,899,373	\$28,920,218	\$30,912,994	\$30,879,270	\$32,051,280
1,741,174	2,582,085	3,082,182	2,738,327	3,267,704	4,381,209
3,255,987	(131,711)	(608,127)	1,203,059	1,654,645	2,635,531
<u>\$33,772,020</u>	<u>\$31,349,747</u>	<u>\$31,394,273</u>	<u>\$34,854,380</u>	<u>\$35,801,619</u>	<u>\$39,068,020</u>

City of Loveland, Ohio

*Changes in Net Position
Last Ten Years
(accrual basis of accounting)*

	2012	2013	2014	2015
Expenses				
Governmental Activities:				
Security of Persons and Property	\$4,837,756	\$4,774,133	\$4,788,410	\$5,453,273
Leisure Time Activities	523,757	459,669	557,894	499,115
Community Environment	172,262	184,344	189,090	230,338
Transportation	905,724	925,791	1,089,455	1,152,321
General Government	1,954,219	1,625,043	2,218,449	2,329,335
Interest and Fiscal Charges	391,273	172,961	163,308	227,739
<i>Total Governmental Activities Expenses</i>	<u>8,784,991</u>	<u>8,141,941</u>	<u>9,006,606</u>	<u>9,892,121</u>
Business-type Activities:				
Water	2,008,015	1,371,256	2,002,504	2,076,354
Sewer	3,297,500	3,474,707	3,675,503	3,839,457
Stormwater	422,135	370,944	436,323	354,508
Sanitation	1,043,202	1,099,467	1,091,547	1,064,171
<i>Total Business-type Activities Expenses</i>	<u>6,770,852</u>	<u>6,316,374</u>	<u>7,205,877</u>	<u>7,334,490</u>
<i>Total Primary Government Expenses</i>	<u><u>\$15,555,843</u></u>	<u><u>\$14,458,315</u></u>	<u><u>\$16,212,483</u></u>	<u><u>\$17,226,611</u></u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$192,509	\$181,463	\$182,785	\$485,461
Leisure Time Activities	26,505	29,500	40,500	30,270
Community Environment	178,239	158,425	165,852	137,929
Transportation	26,505	29,500	40,500	30,270
General Government	71,170	65,042	92,168	110,989
Operating Grants and Contributions	710,800	679,478	676,950	827,199
Capital Grants and Contributions	0	104,150	836,473	446,948
<i>Total Governmental Activities Program Revenues</i>	<u>1,205,728</u>	<u>1,247,558</u>	<u>2,035,228</u>	<u>2,069,066</u>

City of Loveland, Ohio

2016	2017	2018	2019	2020	2021
\$5,618,023	\$5,633,283	\$6,127,457	\$3,994,878	\$7,072,582	\$6,739,242
547,141	571,890	606,679	732,085	647,383	463,498
225,430	231,565	205,287	263,089	267,964	170,852
875,995	890,979	1,000,071	1,237,520	1,016,545	926,477
1,769,444	1,670,528	1,572,391	1,907,524	2,684,061	2,283,416
214,338	237,372	208,954	192,818	185,010	246,196
<u>9,250,371</u>	<u>9,235,617</u>	<u>9,720,839</u>	<u>8,327,914</u>	<u>11,873,545</u>	<u>10,829,681</u>
1,629,209	1,635,665	2,687,529	1,887,236	1,844,571	1,700,423
3,931,317	3,969,609	4,228,739	3,900,701	4,046,434	3,984,545
316,694	341,908	356,470	403,698	353,833	339,246
1,160,450	1,166,271	1,190,149	1,228,695	1,227,910	1,200,876
<u>7,037,670</u>	<u>7,113,453</u>	<u>8,462,887</u>	<u>7,420,330</u>	<u>7,472,748</u>	<u>7,225,090</u>
<u>\$16,288,041</u>	<u>\$16,349,070</u>	<u>\$18,183,726</u>	<u>\$15,748,244</u>	<u>\$19,346,293</u>	<u>\$18,054,771</u>
\$509,839	\$489,297	\$465,256	\$569,468	\$464,282	\$532,061
26,000	77,000	4,550	16,600	4,075	34,650
139,613	150,818	134,286	104,907	144,424	100,892
26,000	77,000	4,550	16,600	2,500	8,925
95,394	6,461	26,267	25,384	35,406	73,648
765,072	717,431	739,541	933,613	1,735,383	1,152,392
281,482	260,860	73,004	295,162	93,403	91,725
<u>1,843,400</u>	<u>1,778,867</u>	<u>1,447,454</u>	<u>1,961,734</u>	<u>2,479,473</u>	<u>1,994,293</u>

(continued)

City of Loveland, Ohio

Changes in Net Position Last Ten Years (accrual basis of accounting)

	2012	2013	2014	2015
Business-type Activities:				
Charges for Services				
Water	1,619,459	1,584,915	1,589,706	1,679,873
Sewer	3,280,557	3,747,355	3,763,128	3,990,202
Stormwater	446,027	444,496	432,907	437,155
Sanitation	1,053,516	1,095,765	1,093,114	1,138,687
Operating Grants and Contributions	42,044	36,918	37,475	32,489
Capital Grants and Contributions	0	0	51,350	1,299
<i>Total Business-type Activities Program Revenues</i>	<u>6,441,603</u>	<u>6,909,449</u>	<u>6,967,680</u>	<u>7,279,705</u>
<i>Total Primary Government Program Revenues</i>	<u>7,647,331</u>	<u>8,157,007</u>	<u>9,002,908</u>	<u>9,348,771</u>
Net (Expense)/Revenue				
Governmental Activities	(7,579,263)	(6,894,383)	(6,971,378)	(7,823,055)
Business-type Activities	(329,249)	593,075	(238,197)	(54,785)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u><u>(\$7,908,512)</u></u>	<u><u>(\$6,301,308)</u></u>	<u><u>(\$7,209,575)</u></u>	<u><u>(\$7,877,840)</u></u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes	\$2,834,027	\$2,879,782	\$2,872,211	\$3,224,922
Municipal Income Taxes	3,566,706	3,598,230	3,634,505	4,067,529
Other Local Taxes	152,759	161,261	156,184	151,224
Intergovernmental, Unrestricted	874,364	793,951	596,562	603,570
Investment Earnings	32,693	37,912	36,690	31,671
Miscellaneous	232,421	435,555	318,017	143,964
Transfers	215,616	(26,792)	47,340	51,941
<i>Total Governmental Activities</i>	<u>7,908,586</u>	<u>7,879,899</u>	<u>7,661,509</u>	<u>8,274,821</u>
Business-type Activities:				
Investment Earnings	0	0	0	0
Transfers	(215,616)	26,792	(47,340)	(51,941)
<i>Total Business-type Activities</i>	<u>(215,616)</u>	<u>26,792</u>	<u>(47,340)</u>	<u>(51,941)</u>
<i>Total Primary Government</i>	<u><u>\$7,692,970</u></u>	<u><u>\$7,906,691</u></u>	<u><u>\$7,614,169</u></u>	<u><u>\$8,222,880</u></u>
Change in Net Position				
Governmental Activities	\$329,323	\$985,516	\$690,131	\$451,766
Business-type Activities	(544,865)	619,867	(285,537)	(106,726)
<i>Total Primary Government Change in Net Position</i>	<u><u>(\$215,542)</u></u>	<u><u>\$1,605,383</u></u>	<u><u>\$404,594</u></u>	<u><u>\$345,040</u></u>

Source: Finance Director's Office

City of Loveland, Ohio

2016	2017	2018	2019	2020	2021
1,669,782	1,675,413	1,733,174	1,811,604	1,947,584	2,041,506
3,983,094	3,932,224	4,041,076	3,935,132	3,986,116	4,004,428
431,533	443,771	447,207	449,995	453,680	448,442
1,124,066	1,141,690	1,163,059	1,162,874	1,173,684	1,243,935
34,026	32,272	49,057	26,429	25,162	30,822
0	0	60,883	0	0	763,609
7,242,501	7,225,370	7,494,456	7,386,034	7,586,226	8,532,742
9,085,901	9,004,237	8,941,910	9,347,768	10,065,699	10,527,035
(7,406,971)	(7,456,750)	(8,273,385)	(6,366,180)	(9,394,072)	(8,835,388)
204,831	111,917	(968,431)	(34,296)	113,478	1,307,652
(\$7,202,140)	(\$7,344,833)	(\$9,241,816)	(\$6,400,476)	(\$9,280,594)	(\$7,527,736)
\$3,273,696	\$3,463,847	\$3,714,377	\$3,750,809	\$3,835,943	\$4,006,978
4,381,413	4,385,652	4,495,030	4,773,872	5,090,110	5,716,851
155,423	151,433	165,372	159,253	154,846	148,475
561,963	564,817	572,734	641,921	852,651	662,542
35,133	68,775	108,661	241,238	121,497	7,648
254,762	335,047	222,703	282,033	168,504	247,949
50,902	43,412	8,878	8,790	0	(157,920)
8,713,292	9,012,983	9,287,755	9,857,916	10,223,551	10,632,523
587	3,127	7,465	11,457	4,282	3,694
(50,902)	(43,412)	(8,878)	(8,790)	0	157,920
(50,315)	(40,285)	(1,413)	2,667	4,282	161,614
\$8,662,977	\$8,972,698	\$9,286,342	\$9,860,583	\$10,227,833	\$10,794,137
\$1,306,321	\$1,556,233	\$1,014,370	\$3,491,736	\$829,479	\$1,797,135
154,516	71,632	(969,844)	(31,629)	117,760	1,469,266
\$1,460,837	\$1,627,865	\$44,526	\$3,460,107	\$947,239	\$3,266,401

City of Loveland, Ohio

*Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	*			
	2012	2013	2014	2015
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Assigned	60,149	407,220	245,738	937,705
Unassigned	3,241,068	3,765,277	4,301,272	4,544,994
<i>Total General Fund</i>	<u>3,301,217</u>	<u>4,172,497</u>	<u>4,547,010</u>	<u>5,482,699</u>
All Other Governmental Funds				
Nonspendable	\$2,610,992	\$31,158	\$37,775	\$19,787
Restricted	781,979	2,289,299	1,097,524	1,255,059
Assigned	0	0	0	0
Unassigned	(1,141,994)	(286,805)	(2,001,065)	(2,459,974)
<i>Total All Other Governmental Funds</i>	<u>2,250,977</u>	<u>2,033,652</u>	<u>(865,766)</u>	<u>(1,185,128)</u>
<i>Total Governmental Funds</i>	<u>\$5,552,194</u>	<u>\$6,206,149</u>	<u>\$3,681,244</u>	<u>\$4,297,571</u>

*Restated

Source: Finance Director's Office

City of Loveland, Ohio

2016	2017	2018	2019	2020	2021
\$0	\$0	\$39,319	\$2,470,339	\$2,502,951	\$2,524,390
6,627	86,329	13,866	43,268	229,189	394,189
6,894,401	7,827,774	8,826,304	6,036,923	6,876,519	7,639,349
<u>6,901,028</u>	<u>7,914,103</u>	<u>8,879,489</u>	<u>8,550,530</u>	<u>9,608,659</u>	<u>10,557,928</u>
\$84,453	\$66,204	\$60,075	\$62,913	\$67,077	\$49,714
1,351,823	2,107,784	3,764,360	2,187,101	2,711,253	3,805,350
0	0	0	649,540	521,621	441,512
<u>(3,322,056)</u>	<u>(2,677,476)</u>	<u>(2,691,731)</u>	<u>(2,682,876)</u>	<u>(2,652,963)</u>	<u>(2,166,630)</u>
<u>(1,885,780)</u>	<u>(503,488)</u>	<u>1,132,704</u>	<u>216,678</u>	<u>646,988</u>	<u>2,129,946</u>
<u>\$5,015,248</u>	<u>\$7,410,615</u>	<u>\$10,012,193</u>	<u>\$8,767,208</u>	<u>\$10,255,647</u>	<u>\$12,687,874</u>

City of Loveland, Ohio

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

	2012	2013	2014	2015
Revenues:				
Property Taxes	\$2,875,721	\$2,887,385	\$2,870,722	\$3,209,671
Municipal Income Tax	3,496,995	3,722,897	3,723,125	3,956,067
Intergovernmental Revenue	1,559,656	1,583,098	2,108,775	1,875,764
Charges for Services	75,933	78,118	78,596	387,922
Licenses and Permits	313,988	337,581	367,765	331,424
Investment Earnings	32,693	37,912	36,690	31,671
Special Assessments	112,305	92,902	109,106	109,950
Fines and Forfeitures	132,509	121,463	122,785	115,692
All Other Revenue	232,421	435,555	318,017	143,964
Total Revenues	8,832,221	9,296,911	9,735,581	10,162,125
Expenditures:				
Current:				
Security of Persons and Property	4,542,557	4,578,183	5,833,472	5,110,692
Leisure Time Activities	405,289	344,436	434,864	396,848
Community Environment	183,688	184,730	189,090	230,762
Transportation	646,133	712,908	780,618	695,119
General Government	2,087,152	1,730,094	2,263,090	1,418,460
Capital Outlay	226,810	347,122	1,353,063	1,040,598
Debt Service:				
Principal Retirement	643,828	573,500	572,243	651,817
Interest and Fiscal Charges	347,441	202,174	159,283	223,455
Total Expenditures	9,082,898	8,673,147	11,585,723	9,767,751
Excess (Deficiency) of Revenues Over (Under) Expenditures	(250,677)	623,764	(1,850,142)	394,374

City of Loveland, Ohio

2016	2017	2018	2019	2020	2021
\$3,288,628	\$3,428,837	\$3,718,153	\$3,773,117	\$3,821,112	\$3,973,770
4,418,607	4,446,776	4,496,060	4,811,133	5,054,386	5,975,674
1,432,747	1,505,028	1,371,840	1,756,248	2,691,971	1,893,938
429,928	413,289	419,501	516,571	462,195	570,904
331,804	437,249	279,848	283,014	245,382	255,015
35,133	68,775	108,661	241,238	121,497	7,648
50,995	48,997	40,610	14,495	58,905	12,202
97,714	95,542	67,241	78,362	37,438	61,994
254,762	335,047	222,703	282,033	168,504	247,949
<u>10,340,318</u>	<u>10,779,540</u>	<u>10,724,617</u>	<u>11,756,211</u>	<u>12,661,390</u>	<u>12,999,094</u>
5,138,967	5,452,714	5,497,421	6,068,700	6,663,860	7,042,977
448,081	541,706	481,425	588,387	489,150	563,962
221,275	213,703	199,538	228,504	243,260	256,567
657,364	714,686	670,877	825,808	825,938	1,119,169
1,319,812	1,556,810	1,615,625	2,828,052	2,295,740	2,918,294
1,722,184	281,266	515,863	1,952,691	465,305	365,333
622,121	1,167,976	361,263	402,947	393,571	468,508
208,405	232,132	204,608	195,536	187,701	260,964
<u>10,338,209</u>	<u>10,160,993</u>	<u>9,546,620</u>	<u>13,090,625</u>	<u>11,564,525</u>	<u>12,995,774</u>
2,109	618,547	1,177,997	(1,334,414)	1,096,865	3,320

(continued)

City of Loveland, Ohio

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

	2012	2013	2014	2015
Other Financing Sources (Uses):				
Sale of Capital Assets	9,505	8,088	7,859	63,000
Other Financing Sources - Capital Leases	0	0	1,137,762	125,000
Loan Proceeds	0	0	465,000	0
Ohio Public Works Commission Loan Issuance	75,698	0	0	0
Issuance of General Obligation Bonds	0	215,000	0	0
Refunding General Obligation Bonds Issued	715,000	0	0	0
Premium on General Obligation Bonds	0	20,616	0	0
Payment to Refunded Bond Escrow Agent	(704,589)	0	0	0
Transfers In	889,160	745,216	1,237,184	741,647
Transfers Out	(673,544)	(699,063)	(1,189,844)	(689,706)
Total Other Financing Sources (Uses)	<u>311,230</u>	<u>289,857</u>	<u>1,657,961</u>	<u>239,941</u>
Special Items:	0	0	(2,339,341)	0
Net Change in Fund Balance	<u>\$60,553</u>	<u>\$913,621</u>	<u>(\$2,531,522)</u>	<u>\$634,315</u>
Debt Service as a Percentage of Noncapital Expenditures	11.59%	9.66%	8.43%	9.65%

Source: Finance Director's Office

City of Loveland, Ohio

2016	2017	2018	2019	2020	2021
0	572,681	14,153	7,374	275,195	368,626
0	204,027	0	69,065	112,055	659,626
0	0	0	0	0	0
0	0	0	0	0	0
600,000	550,000	1,350,000	0	0	1,305,000
0	410,000	0	0	0	981,000
0	0	60,418	0	0	298,152
0	0	0	0	0	(1,085,336)
779,387	964,061	754,680	923,652	707,127	546,048
(728,485)	(905,700)	(745,802)	(914,862)	(707,127)	(629,063)
<u>650,902</u>	<u>1,795,069</u>	<u>1,433,449</u>	<u>85,229</u>	<u>387,250</u>	<u>2,444,053</u>
0	0	0	0	0	0
<u>\$653,011</u>	<u>\$2,413,616</u>	<u>\$2,611,446</u>	<u>(\$1,249,185)</u>	<u>\$1,484,115</u>	<u>\$2,447,373</u>
9.47%	15.44%	6.48%	6.24%	5.52%	6.83%

City of Loveland, Ohio

*Income Tax Revenues by Source, Governmental Funds
Last Ten Years*

Tax year	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Income Tax Rate	1.00%	1.00%	1.00%	1.00%
Estimated Personal Income	\$333,848,600	\$356,901,800	\$350,423,300	\$376,604,700
Total Tax Collected (net of refunds)	\$3,338,486	\$3,569,018	\$3,504,233	\$3,766,047
Income Tax Receipts				
Withholding	1,848,693	1,969,933	1,947,710	2,124,522
Percentage	55%	55%	55%	57%
Corporate	454,367	448,949	440,386	427,054
Percentage	14%	13%	13%	11%
Individuals	1,035,426	1,150,136	1,116,137	1,214,471
Percentage	31%	32%	32%	32%

Source: City Income Tax Department

City of Loveland, Ohio

2016	2017	2018	2019	2020	2021
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
\$408,809,222	\$418,071,710	\$430,636,734	\$450,627,638	\$466,161,300	\$550,566,000
\$4,088,092	\$4,180,717	\$4,306,367	\$4,506,276	\$4,661,613	\$5,505,660
2,348,990	2,353,645	2,598,637	2,697,480	2,901,269	3,460,927
57%	56%	60%	60%	62%	63%
470,445	457,553	320,046	425,472	294,774	526,477
12%	11%	8%	9%	6%	9%
1,268,657	1,369,519	1,387,684	1,383,324	1,465,570	1,518,256
31%	33%	32%	31%	32%	28%

City of Loveland, Ohio

Income Tax Statistics Current Year and Nine Years Ago

Tax Year 2020 (filed in 2021)				
	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$24,999	1,084	25.96%	\$10,553,251	2.51%
25,000 - 49,999	700	16.77%	26,319,143	6.25%
50,000 - 74,999	602	14.42%	37,002,995	8.79%
75,000 - 99,999	420	10.06%	36,701,408	8.72%
Over 100,000	1,369	32.79%	310,363,740	73.73%
Total	4,175	100.00%	\$420,940,537	100.00%

Tax Year 2011 (filed in 2012)				
	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	1,176	28.31%	\$9,960,967	3.26%
20,000 - 49,999	969	23.32%	33,319,653	10.91%
50,000 - 74,999	554	13.33%	34,408,628	11.26%
75,000 - 99,999	408	9.82%	35,456,514	11.61%
Over 100,000	1,048	25.22%	192,352,856	62.96%
Total	4,155	100.00%	\$305,498,618	100.00%

Source: City Income Tax Department



City of Loveland, Ohio

Ratios of Outstanding Debt By Type Last Ten Years

	2012	2013	2014	2015
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$4,365,300	\$4,006,800	\$3,485,000	\$3,055,000
Special Obligation TIF Bonds	0	0	0	0
Installment Loan	0	0	414,557	325,830
Capital Leases	0	0	1,137,762	1,129,672
Business-type Activities ⁽¹⁾				
General Obligation Bonds Payable	\$2,005,581	\$5,340,440	\$5,102,169	\$4,862,098
Ohio Public Works Commission Loans	3,953,604	4,139,964	3,875,285	4,136,015
Capital Leases	7,206	1,470	0	0
Total Primary Government	<u>\$10,331,691</u>	<u>\$13,488,674</u>	<u>\$14,014,773</u>	<u>\$13,508,615</u>
Population ⁽²⁾				
City of Loveland	12,160	12,160	12,160	12,160
Outstanding Debt Per Capita	\$850	\$1,109	\$1,153	\$1,111
Income ⁽³⁾				
Personal	\$354,133,758	\$355,735,000	\$350,423,300	\$376,604,700
Percentage of Personal Income	2.92%	3.79%	4.00%	3.59%

Sources:

- (1) Finance Director's Office
- (2) US Bureau of Census of Population
- (3) City Income Tax Department

City of Loveland, Ohio

2016	2017	2018	2019	2020	2021
\$3,186,641	\$2,737,469	\$3,882,668	\$3,573,343	\$3,297,894	\$4,500,732
0	550,000	550,000	550,000	550,000	550,000
234,176	0	0	0	0	0
1,067,564	1,207,050	1,111,006	1,083,428	1,074,340	1,544,050
\$4,622,027	\$4,381,956	\$5,276,121	\$4,974,582	\$4,668,043	\$4,370,673
3,788,661	3,849,052	3,542,975	3,582,798	3,437,616	3,336,354
0	0	0	0	0	0
<u>\$12,899,069</u>	<u>\$12,725,527</u>	<u>\$14,362,770</u>	<u>\$13,764,151</u>	<u>\$13,027,893</u>	<u>\$14,301,809</u>
12,160	12,160	12,160	12,160	13,485	13,485
\$1,061	\$1,047	\$1,181	\$1,132	\$966	\$1,061
\$408,809,222	\$418,071,710	\$430,636,734	\$450,627,638	\$466,161,300	\$550,566,000
3.16%	3.04%	3.34%	3.05%	2.79%	2.60%

City of Loveland, Ohio

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2012	2013	2014	2015
Population ⁽¹⁾	12,160	12,160	12,160	12,160
Estimated Actual Value ⁽²⁾	\$817,585,218	\$829,313,737	\$870,983,339	\$888,604,349
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$6,370,881	\$9,347,240	\$8,587,169	\$7,917,098
Resources Available to Pay Principal ⁽⁴⁾	\$5,491	\$0	\$0	\$0
Net General Bonded Debt	\$6,365,390	\$9,347,240	\$8,587,169	\$7,917,098
Ratio of Net Bonded Debt to Estimated Actual Value	0.78%	1.13%	0.99%	0.89%
Net Bonded Debt per Capita	\$523.47	\$768.69	\$706.18	\$651.08

Source:

- (1) U.S. Bureau of Census of Population
- (2) County Auditor
- (3) Includes all general obligation bonded debt
- (4) Includes only Debt Service funds available for general obligation bonded debt

City of Loveland, Ohio

2016	2017	2018	2019	2020	2021
12,160	12,160	12,160	12,160	13,485	13,485
\$910,246,336	\$984,511,119	\$1,005,437,394	\$1,017,313,686	\$1,148,705,916	\$1,170,014,593
\$7,808,668	\$7,669,425	\$9,708,789	\$9,097,925	\$8,515,937	\$9,421,405
\$0	\$0	\$170,418	\$225,418	\$280,418	\$335,418
\$7,808,668	\$7,669,425	\$9,538,371	\$8,872,507	\$8,235,519	\$9,085,987
0.86%	0.78%	0.95%	0.87%	0.72%	0.78%
\$642.16	\$630.71	\$784.41	\$729.65	\$610.72	\$673.78



City of Loveland, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2021*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Loveland (1)</u>	<u>Amount Applicable to the City of Loveland</u>
Direct:			
City of Loveland	\$6,594,782	100.00%	\$6,594,782
Overlapping:			
Hamilton County	140,675,000	1.25%	1,758,438
Warren County	19,485,000	0.53%	103,271
Loveland City School District	5,265,000	35.80%	1,884,870
Sycamore Community School District	137,035,598	1.09%	1,493,688
Little Miami School District	101,154,888	3.20%	3,236,956
		Subtotal	<u>8,477,223</u>
		Total	<u>\$15,072,005</u>

Source: Hamilton County Auditor, Warren County Auditor, Clermont County Auditor

(1) Percentages determined by dividing each overlapping subdivisions' assessed valuation within the City by the subdivisions' total assessed valuation.

City of Loveland, Ohio

Debt Limitations Last Ten Years

	2012	2013	2014	2015
<u>Total Debt</u>				
Net Assessed Valuation	\$289,666,570	\$294,117,190	\$308,967,430	\$315,281,720
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	30,414,990	30,882,305	32,441,580	33,104,581
City Debt Outstanding (2)	4,365,300	4,006,800	3,485,000	3,055,000
Less: Applicable Debt Service Fund Amounts	(5,491)	0	0	0
Net Indebtedness Subject to Limitation	<u>4,359,809</u>	<u>4,006,800</u>	<u>3,485,000</u>	<u>3,055,000</u>
Overall Legal Debt Margin	<u>\$26,055,181</u>	<u>\$26,875,505</u>	<u>\$28,956,580</u>	<u>\$30,049,581</u>
Debt Margin as a Percentage of Debt Limit	85.67%	87.03%	89.26%	90.77%
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$289,666,570	\$294,117,190	\$308,967,430	\$315,281,720
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	15,931,661	16,176,445	16,993,209	17,340,495
City Debt Outstanding (2)	4,365,300	4,006,800	3,485,000	3,055,000
Less: Applicable Debt Service Fund Amounts	(5,491)	0	0	0
Net Indebtedness Subject to Limitation	<u>4,359,809</u>	<u>4,006,800</u>	<u>3,485,000</u>	<u>3,055,000</u>
Overall Legal Debt Margin	<u>\$11,571,852</u>	<u>\$12,169,645</u>	<u>\$13,508,209</u>	<u>\$14,285,495</u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.
Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Source: Finance Director's Office

City of Loveland, Ohio

2016	2017	2018	2019	2020	2021
\$322,994,330	\$349,283,750	\$356,980,000	\$361,415,410	\$407,997,790	\$415,793,160
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
33,914,405	36,674,794	37,482,900	37,948,618	42,839,768	43,658,282
3,186,641	2,737,469	3,822,250	3,515,946	3,243,518	4,170,926
0	0	(170,418)	(225,418)	(280,418)	(335,418)
3,186,641	2,737,469	3,651,832	3,290,528	2,963,100	3,835,508
\$30,727,764	\$33,937,325	\$33,831,068	\$34,658,090	\$39,876,668	\$39,822,774
90.60%	92.54%	90.26%	91.33%	93.08%	91.21%
\$322,994,330	\$349,283,750	\$356,980,000	\$361,415,410	\$407,997,790	\$415,793,160
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
17,764,688	19,210,606	19,633,900	19,877,848	22,439,878	22,868,624
3,186,641	2,737,469	3,822,250	3,515,946	3,243,518	4,170,926
0	0	(170,418)	(225,418)	(280,418)	(335,418)
3,186,641	2,737,469	3,651,832	3,290,528	2,963,100	3,835,508
\$14,578,047	\$16,473,137	\$15,982,068	\$16,587,320	\$19,476,778	\$19,033,116

City of Loveland, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2012	2013	2014	2015
Population (1)				
City of Loveland	12,160	12,160	12,160	12,160
Hamilton County	802,374	802,374	802,374	802,374
Income (2)				
Total Personal	\$354,133,758	\$355,735,000	\$350,423,300	\$376,604,700
Per Capita	29,123	29,255	28,818	30,971
Unemployment Rate (3)				
Federal	7.8%	7.4%	6.2%	4.9%
State	6.7%	7.4%	5.7%	4.9%
Hamilton County	7.0%	7.1%	5.3%	4.4%
Civilian Work Force Estimates (3)				
State	5,696,700	5,766,000	5,719,000	5,719,500
Hamilton County	408,600	403,300	404,116	404,100

Sources:

- (1) U.S. Bureau of Census of Population
- (2) City Income Tax Department
- (3) State Department of Labor Statistics

City of Loveland

2016	2017	2018	2019	2020	2021
12,160	12,160	12,160	12,160	13,485	13,485
802,374	802,374	802,374	802,374	817,473	817,473
\$408,809,222	\$418,071,710	\$430,636,734	\$450,627,638	\$466,161,300	\$550,566,000
33,619	34,381	35,414	37,058	34,569	40,828
4.7%	4.1%	3.9%	3.5%	6.7%	3.9%
4.9%	4.7%	4.6%	4.2%	5.5%	4.5%
4.0%	4.0%	4.2%	4.4%	4.9%	3.0%
5,751,600	5,664,800	5,788,200	5,779,300	5,763,300	5,731,474
408,900	402,900	414,700	415,000	410,248	415,496



City of Loveland, Ohio

Principal Employers Current Year and Nine Years Ago

		2021	
Employer	Nature of Business	Employees	Rank
Loveland Board of Education	Education	730	1
Onesource Employee Management	Business Management	684	2
Kroger Limited Partnership	Retail	269	3
Robert McCabe Company, Inc.	Retail	221	4
Swimsafe Pool Management Inc.	Retail	204	5
Federal Express Corporation	Shipping	169	6
Online Cars LLC	Retail	141	7
Sheakley HR LLC	Business Management	100	8
Eads Fence Company Inc.	Retail	95	9
Workhorse Technologies Inc.	Technology	90	10
Total		<u>2,703</u>	
Total Employment within the City (1)		<u>N/A</u>	

		2012	
Employer	Nature of Business	Employees	Rank
Loveland City Schools	Education	856	1
Kroger	Grocery	221	2
Lodge Care Center	Long Term Care Facility	189	3
Fed Ex	Shipping	141	4
Pure Romance	Retailer	126	5
McCabe Lumber	Retailer	87	6
SST Bearings	Manufacturing	83	7
Amano Cincinnati, Inc	Manufacturing	70	8
Pioneer Cladding & Glazing	Manufacturing	68	9
London Computer Systems	Internet Services	60	10
Total		<u>1,901</u>	
Total Employment within the City (1)		<u>N/A</u>	

(1) - Total employment within the City is not available.

Source: City Income Tax Department

City of Loveland, Ohio

Full Time Equivalent Employees by Function Last Ten Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Activities				
General Government				
Finance	5.50	5.00	5.00	5.00
Mayor's Court	1.00	1.00	1.00	1.00
City Manager's Office	2.75	2.50	2.50	1.50
Council/Clerk of Council	1.00	1.00	1.00	0.50
Security of Persons and Property				
Police	21.75	21.00	19.00	19.00
Community Environment				
Engineering	1.00	1.50	1.00	1.00
Building and Zoning	2.00	2.00	1.50	1.50
Business-Type Activities				
Utilities, Streets, Storm, Sanitation and Parks (Public Works Department)				
	<u>15.50</u>	<u>14.25</u>	<u>12.75</u>	<u>12.75</u>
<i>Total Employees</i>	<u><u>50.50</u></u>	<u><u>48.25</u></u>	<u><u>43.75</u></u>	<u><u>42.25</u></u>

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: Finance Director's Office

City of Loveland

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
5.00	5.00	5.00	5.00	5.00	5.00
1.00	1.00	1.00	1.00	1.00	1.00
1.50	1.50	3.00	3.00	3.50	3.50
0.50	0.50	0.50	0.50	0.50	0.50
19.00	19.00	19.50	19.50	22.50	22.50
1.00	1.00	1.00	1.00	1.00	1.25
1.50	1.50	1.50	2.00	2.00	2.00
<u>12.75</u>	<u>12.75</u>	<u>13.75</u>	<u>14.75</u>	<u>14.50</u>	<u>14.75</u>
<u>42.25</u>	<u>42.25</u>	<u>45.25</u>	<u>46.75</u>	<u>50.00</u>	<u>50.50</u>

City of Loveland, Ohio

Operating Indicators by Function Last Ten Years

	2012	2013	2014	2015
Governmental Activities				
General Government				
Court				
Number of Criminal Cases	297	204	201	135
Number of Traffic Cases	1,221	1,199	1,037	920
Licenses and Permits				
Number of Residential Building Permits	133	168	177	181
Number of Commercial Building Permits	77	94	91	134
Number of Residential Building Inspections	407	421	413	476
Number of Commercial Building Inspections	163	177	112	153
Security of Persons and Property				
Police				
Number of Calls for Service	10,507	12,275	13,804	14,160
Number of Criminal Arrests	536	630	565	502
Number of DUI Arrests	26	36	31	44
Number of Traffic Accidents	180	156	163	181
Transportation				
Street				
Number of Streets Resurfaced	6	6	2	3
Business-Type Activities				
Water				
Number of Service Connections	4,875	4,891	4,923	4,996
Daily Average Consumption (MGD)	1.258M	1.230M	1.212M	1.240M
Peak Daily Consumption (MGD)	2.52M	1.80M	2.39M	2.06M

Source: Finance Director's Office

City of Loveland

2016	2017	2018	2019	2020	2021
98	77	68	47	16	26
814	656	591	588	237	503
169	200	140	149	144	143
93	144	103	105	69	65
434	349	266	413	357	346
123	149	254	462	239	164
12,360	10,661	10,457	9,644	8,653	7,813
389	337	380	343	227	215
46	66	34	20	24	7
186	205	205	210	140	136
6	8	16	20	11	10
5,037	5,060	5,080	5,094	5,099	5,099
1.201M	1.156M	1.153M	1.046M	1.130M	1.160M
2.32M	2.21M	2.07M	2.15M	2.47M	2.20M

City of Loveland, Ohio

Capital Asset Statistics by Function Last Ten Years

	2012	2013	2014	2015
Governmental Activities				
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	13	14	14	14
Fire/EMS				
Vehicles	15	15	15	16
Transportation				
Street				
Number of Paved Streets	206	202	202	201
Total Paved Miles	104	102	102	109
Signal Controlled Intersections	13	13	13	13
Licensed Vehicles	13	13	13	24
Leisure Time Activities				
Parks and Recreation				
Land (acres)	99	99	99	99
Buildings	5	5	5	5
Parks	10	10	10	10
Playgrounds	7	7	7	7
Tennis Courts	7	7	7	7
Skate Board Park	1	1	1	1
Baseball/Softball Diamonds	10	10	10	10
Basketball Courts	3	3	3	3
Soccer Fields	8	8	8	8
Business-Type Activities				
Utilities				
Water				
Water Towers	3	3	4	4
Waterlines (Miles)	76	76	76	78
Water Treatment Plants	1	1	1	1
Buildings	8	8	8	8
Licensed Vehicles	5	5	5	11
Pump Stations	3	3	3	3
Storage Capacity (thousands of gallons)	4,000	4,000	5,000	5,000

Source: Finance Director's Office

City of Loveland

2016	2017	2018	2019	2020	2021
1	1	1	1	1	1
13	14	15	17	17	17
17	17	19	19	21	21
201	209	209	209	209	209
109	109	109	109	109	109
13	13	13	13	13	13
25	25	25	25	25	21
99	99	99	99	99	99
5	5	5	5	5	5
10	10	10	10	10	10
7	7	7	7	7	7
7	7	7	7	7	4
1	1	1	1	1	1
9	9	9	9	9	9
4	4	4	4	4	4
8	8	8	8	8	8
4	4	4	4	4	4
78	79	79	79	79	79
1	1	1	1	1	1
8	8	8	8	8	8
11	11	11	11	11	9
3	3	3	3	3	3
5,000	5,555	5,555	5,555	5,555	5,000



OHIO AUDITOR OF STATE KEITH FABER



CITY OF LOVELAND

HAMILTON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/1/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov