

City of Loveland, Ohio
Annual
Comprehensive
Financial Report For
the Year Ended
December 31, 2023





CITY OF LOVELAND, OHIO

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE YEAR ENDED
December 31, 2023**

Prepared by:
Department of Finance

Mark Medlar
Director of Finance



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CITY OF LOVELAND

HAMILTON, CLERMONT AND WARREN COUNTIES, OHIO

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INTRODUCTORY SECTION





City of Loveland

CITY OF LOVELAND

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Mark Medlar, Director of Finance

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June 26, 2024

To The Members of City Council and
All 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, 2023. 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 Auditors' 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, and last amended in 2019.

Letter of Transmittal

For the Year Ended December 31, 2023

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, Oasis Lawn Care, Kroger, and Mike's Car Wash Headquarters. 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, 2023

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. 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. The city is also focusing on a complete overhaul of its Loveland Madeira Road Business Corridor. A main focus of the city's 2022 Comprehensive Master Plan, the corridor improvements have been broken into three phases with 2 fully funded. Scheduled to begin in 2026, the revitalization of this important corridor will create new jobs and spur private investments resulting in additional property and income taxes for the city.

MAJOR INITIATIVES

As the city continues to invest in its downtown business district and is completing construction of a new 150 space parking lot, it has invested in the completion of key planning documents. Within a three-year span, the city completed four master plans, Downton Streetscape, Strategic Downtown, Nisbet Park and a Comprehensive Master Plan. Each of these plans are active documents with elements of all four plans either in the development or construction phase. From these plans the city is investing in Nisbet Park and just submitted its first funding application for new streetscaping in the downtown district. Over 4 million dollars has been secured for a revitalization of the Loveland Madeira Road Business Corridor. Within the corridor, the city owns a key piece of property, Chestnut Street. The 6.8-acre land was remediated thanks to a \$3.1 million Ohio Department of Development Brownfield Remediation grant and access to Loveland Madeira Road was secured when the city purchases an adjacent parcel. This property is being marketed by a professional broker and its redevelopment will benefit by the city's revitalization efforts.

The City continues to invest in core infrastructure.

- The City increased its annual road rehabilitation program significantly in 2021 and continues its focus on repairing its road network.
- The City enacted a Water Main Replacement Fee for the sole purpose of completing planned water main replacement projects which have been largely deferred and typically require debt service to complete. These funds will be utilized for the first time in 2024 as the city makes 2 important water main replacements on Loveland Miami Road and Cherokee Drive
- The City is focused on completing deferred improvements to its city hall, including a new roof, drainage, and multiple interior improvements.
- The City continues to make systematic improvements to traffic flow with turn lane improvements and upgrades to traffic signals.
- In 2024, the City will commence construction on a new downtown fire station.
- The City continues investing in its park system with over \$1,200,000 in capital projects since 2018.

Letter of Transmittal

For the Year Ended December 31, 2023

While large residential subdivisions are becoming less commonplace, the city is witnessing infill type development as parcels are being purchased and repurposed with upscale residential units. Although the number of single family homes the city is permitting annually is decreasing, the average home valuation increased to \$408,000 in 2023.

In terms of private investment, 2023 building and zoning reports indicate a total of \$15,526,371 was invested within the City in new construction. The city's commerce park remains nearly fully occupied and continues as an important component to the city's income tax revenues.

During 2023, 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 2022 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 eleventh 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 2024 budget was submitted to the Government Finance Officers Association (GFOA) and received the Distinguished Budget Presentation Award. This was the eleventh 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, 2023***

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' unmodified opinion has been included in this report.

Letter of Transmittal

For the Year Ended December 31, 2023

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, 2022. 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.

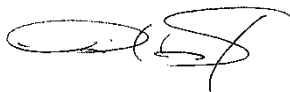
A Certificate of Achievement is valid for a period of one year only. The City of Loveland has received a Certificate of Achievement for the last eleven consecutive years (fiscal years ended 2012-2022). We believe our current report continues to conform to the Certificate of Achievement program requirements, 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



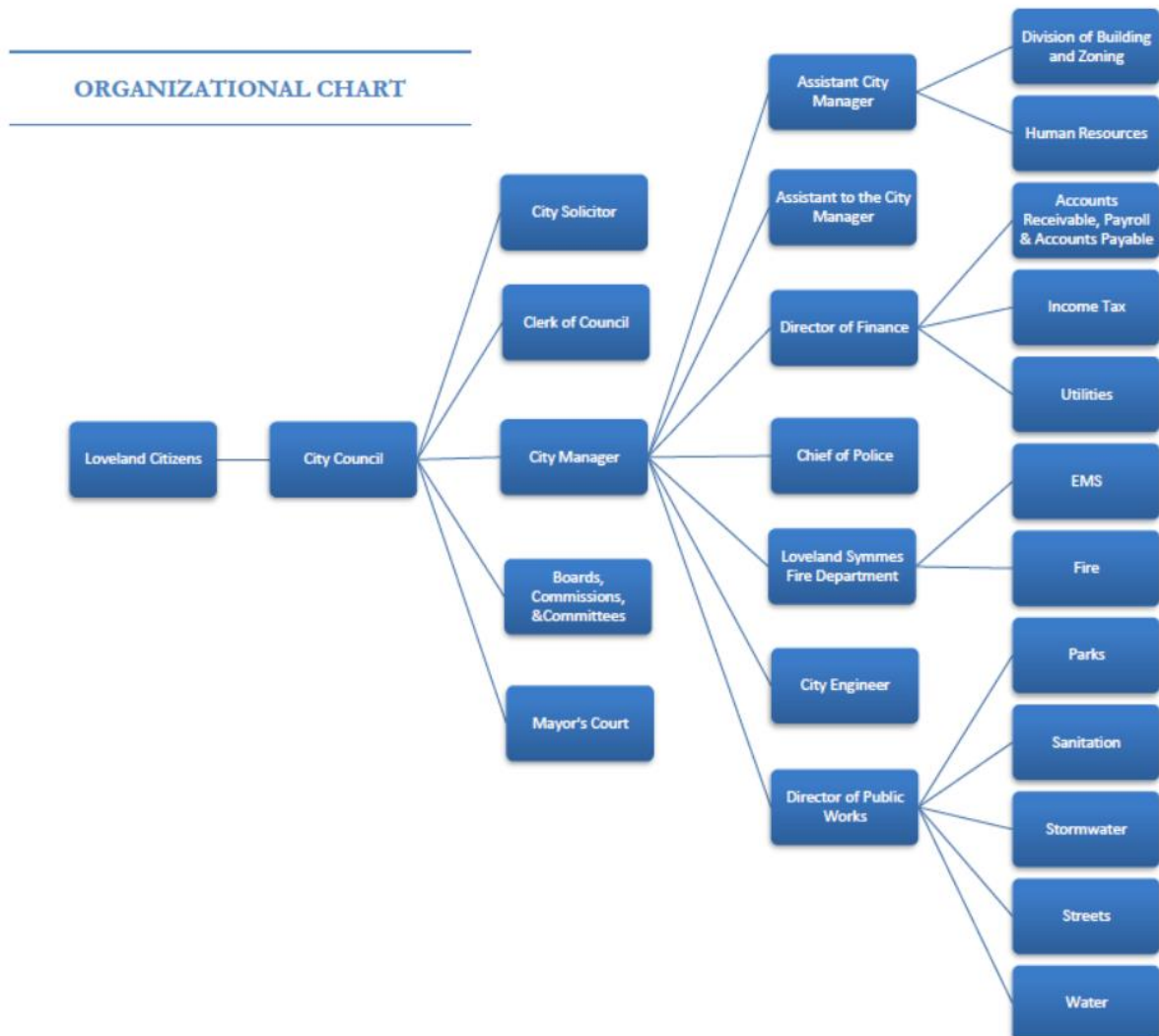
CITY OF LOVELAND, OHIO

List of Principal Officials For the Year Ended December 31, 2023

<i>Council</i>	<i>Title</i>	<i>Years of Service *</i>	<i>Term expires</i>
Kathy Bailey	Mayor	8 years, 1 month	December 2027
Ted Phelps	Vice Mayor	10 years, 1 month	December 2025
Andy Bateman	Council Member	4 year, 1 month	December 2027
Brian Goodyear	Council Member	1 month	December 2027
John Hart	Council Member	2 year, 1 month	December 2025
Neal Oury	Council Member	5 years, 7 months	December 2025
Kip Ping	Council Member	2 year, 1 month	December 2025
<i>Appointed Officials</i>		<i>Title</i>	
David Kennedy	City Manager		
Misty Clark	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, 2023***



***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, 2022

Christopher P. Morill

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 accompanying 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, 2023, 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 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, 2023, and the respective changes in financial position and, where applicable, cash flows, and the respective budgetary comparisons for the General Fund, Paramedic Fund, Fire and EMS Fund, Community Improvement Corporation Fund and American Rescue Plan Act 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, 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'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 the City'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 the City'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 GAAS, 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 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 basic 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 GAAS. 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 thereon.

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 26, 2024 on our consideration of the City'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'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's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 26, 2024



***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

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, 2023. 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 2023 are as follows:

- ❑ In total, net position increased \$1,469,321. Net position of governmental activities increased \$766,237, which represents a 3% increase from 2022. Net position of business-type activities increased \$703,084, or 6% from 2022.
- ❑ General revenues accounted for \$13,253,930 in revenue or 48% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$14,596,630 or 52% of total revenues of \$27,850,560.
- ❑ The City had \$18,485,391 in expenses related to governmental activities; only \$6,161,670 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$13,241,079 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$12,797,921 in revenues and \$13,651,780 in expenditures. The general fund's fund balance decreased from \$11,877,868 to \$9,563,708.

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.

***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

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, 2023**

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, 2023 and 2022:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$18,765,022	\$19,840,996	\$3,321,795	\$2,883,498	\$22,086,817	\$22,724,494
Net OPEB Asset	0	300,163	0	127,661	0	427,824
Capital Assets, Net	31,457,549	28,700,797	17,400,226	17,834,540	48,857,775	46,535,337
Total Assets	50,222,571	48,841,956	20,722,021	20,845,699	70,944,592	69,687,655
Deferred Outflows of Resources	4,114,986	2,280,103	502,256	129,252	4,617,242	2,409,355
Net Pension Liability	8,907,436	4,659,226	1,033,953	307,070	9,941,389	4,966,296
Net OPEB Liability	545,364	690,768	24,740	0	570,104	690,768
Other Long-term Liabilities	6,090,959	6,425,269	7,364,972	8,054,412	13,455,931	14,479,681
Other Liabilities	2,000,122	1,654,612	414,150	400,874	2,414,272	2,055,486
Total Liabilities	17,543,881	13,429,875	8,837,815	8,762,356	26,381,696	22,192,231
Deferred Inflows of Resources	5,756,753	7,421,498	110,966	640,183	5,867,719	8,061,681
Net Position						
Net Investment in Capital Assets	25,818,644	22,659,376	10,868,820	10,690,759	36,687,464	33,350,135
Restricted	3,303,080	2,752,109	0	0	3,303,080	2,752,109
Unrestricted	1,915,199	4,859,201	1,406,676	881,653	3,321,875	5,740,854
Total Net Position	\$31,036,923	\$30,270,686	\$12,275,496	\$11,572,412	\$43,312,419	\$41,843,098

A 3% decrease in current assets was mostly the result of a decrease in cash. This was offset by a 5% increase in capital assets, resulting in an overall increase in assets of 2%. An increase in the net pension liability was the largest factor contributing to a 19% increase in liabilities. Fluctuations in deferred outflows and deferred inflows of resources can be attributed to changes in the net pension and net OPEB liabilities/asset.

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, 2023***

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, 2023****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 2023 and 2022:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,038,937	\$979,947	\$8,371,345	\$7,797,688	\$9,410,282	\$8,777,635
Operating Grants and Contributions	4,576,928	987,096	63,615	22,360	4,640,543	1,009,456
Capital Grants and Contributions	545,805	55,344	0	75,000	545,805	130,344
Total Program Revenues	6,161,670	2,022,387	8,434,960	7,895,048	14,596,630	9,917,435
General Revenues:						
Property Taxes	4,819,258	4,042,748	0	0	4,819,258	4,042,748
Municipal Income Taxes	6,819,660	7,001,717	0	0	6,819,660	7,001,717
Other Local Taxes	135,803	145,429	0	0	135,803	145,429
Intergovernmental, Unrestricted	662,390	689,214	0	0	662,390	689,214
Investment Earnings	484,445	84,206	12,851	8,884	497,296	93,090
Miscellaneous	319,523	271,944	0	0	319,523	271,944
Total General Revenues	13,241,079	12,235,258	12,851	8,884	13,253,930	12,244,142
Total Revenues	19,402,749	14,257,645	8,447,811	7,903,932	27,850,560	22,161,577
Program Expenses						
Security of Persons and Property	8,688,947	7,369,537	0	0	8,688,947	7,369,537
Leisure Time Activities	917,783	657,357	0	0	917,783	657,357
Community Environment	330,630	232,689	0	0	330,630	232,689
Transportation	1,379,059	1,011,156	0	0	1,379,059	1,011,156
General Government	6,994,579	2,382,933	0	0	6,994,579	2,382,933
Interest and Fiscal Charges	174,393	192,851	0	0	174,393	192,851
Water	0	0	2,112,907	1,860,081	2,112,907	1,860,081
Sewer	0	0	4,009,677	3,928,097	4,009,677	3,928,097
Stormwater	0	0	414,417	459,846	414,417	459,846
Sanitation	0	0	1,358,847	1,291,952	1,358,847	1,291,952
Total Expenses	18,485,391	11,846,523	7,895,848	7,539,976	26,381,239	19,386,499
Change in Net Position before Transfers	917,358	2,411,122	551,963	363,956	1,469,321	2,775,078
Transfers	(151,121)	176,276	151,121	(176,276)	0	0
Total Change in Net Position	766,237	2,587,398	703,084	187,680	1,469,321	2,775,078
Beginning Net Position	30,270,686	27,683,288	11,572,412	11,384,732	41,843,098	39,068,020
Ending Net Position	\$31,036,923	\$30,270,686	\$12,275,496	\$11,572,412	\$43,312,419	\$41,843,098

Governmental Activities

Net position of governmental activities increased \$766,237, or 3%. An increase in charges for services can be attributed to an increase in EMS service receipts as well as charges for school resource officers. A new fire and ems levy approved in 2022 resulted in an increase in property taxes.

CITY OF LOVELAND, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2023

Unaudited

The City was awarded a \$3.3 million grant as part of the State of Ohio Brownfield Remediation Program. The grant funding is being used for environmental remediation and cleanup at the City-owned Chestnut Street property. This resulted in an increase in both operating grants and general government expense.

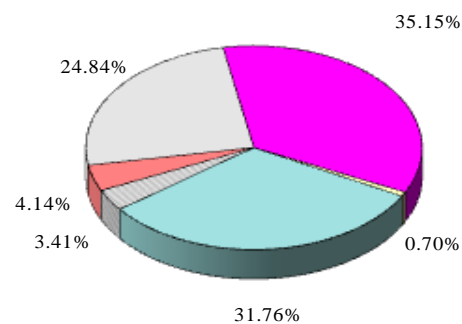
Capital grants and contributions included Ohio Public Works Commission Grants received for improvements to Harrison Avenue. An increase in investment earnings was the result of an increase in interest rates.

An overall increase in expenses can be attributed to changes in the net pension and net OPEB liabilities/asset.

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 25% and 35% respectively, of revenues for governmental activities in 2023. The City's reliance upon tax revenues is demonstrated by the following graph indicating 61% of total revenues from general tax revenues:

Revenue Sources	2023	Percent of Total
Property Taxes	\$4,819,258	24.84%
Municipal Income Taxes	6,819,660	35.15%
Other Local Taxes	135,803	0.70%
Program Revenues	6,161,670	31.76%
Intergovernmental, Unrestricted	662,390	3.41%
General Other	803,968	4.14%
Total Revenue	<u>\$19,402,749</u>	<u>100.00%</u>



Business-Type Activities

Net position of the business-type activities increased \$703,084, or 6%. An increase in charges for services can be attributed to the addition of a water main replacement fee which began collection in 2023. An overall increase in expenses can be attributed to changes in the net pension and net OPEB liabilities/asset.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$10,263,763, which is a decrease from last year's balance of \$12,010,627. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2023 and 2022:

CITY OF LOVELAND, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2023

Unaudited

	Fund Balance December 31, 2023	Fund Balance December 31, 2022	Increase (Decrease)
General	\$9,563,708	\$11,877,868	(\$2,314,160)
Paramedic	543,919	537,709	6,210
Fire and EMS	645,328	430,521	214,807
Community Improvement Corporation	111,165	144,956	(33,791)
American Rescue Plan Act	0	0	0
Historic Loveland TIF	(1,849,001)	(1,846,706)	(2,295)
Nonmajor Governmental	1,248,644	866,279	382,365
Total	<u>\$10,263,763</u>	<u>\$12,010,627</u>	<u>(\$1,746,864)</u>

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:

	2023 Revenues	2022 Revenues	Increase (Decrease)
Property Taxes	\$1,121,745	\$1,123,936	(\$2,191)
Municipal Income Tax	6,781,673	6,811,640	(29,967)
Intergovernmental Revenue	3,954,954	488,933	3,466,021
Charges for Services	349,580	296,340	53,240
Licenses and Permits	239,250	261,843	(22,593)
Investment Earnings	6,756	0	6,756
Special Assessments	1,525	7,965	(6,440)
Fines and Forfeitures	55,198	70,293	(15,095)
All Other Revenue	287,240	259,815	27,425
Total	<u>\$12,797,921</u>	<u>\$9,320,765</u>	<u>\$3,477,156</u>

General Fund revenues increased approximately 37% when compared with the previous year. A substantial increase in intergovernmental revenue was due to a \$3.3 million grant received as part of the State of Ohio Brownfield Remediation Program. An increase in charges for services can be attributed to an increase in charges for school resource officers.

	2023 Expenditures	2022 Expenditures	Increase (Decrease)
Current:			
Security of Persons and Property	\$4,255,264	\$3,722,809	\$532,455
Leisure Time Activities	826,046	631,126	194,920
Community Environment	325,857	276,662	49,195
General Government	8,150,554	3,143,549	5,007,005
Debt Service:			
Principal Retirement	88,060	65,039	23,021
Interest and Fiscal Charges	5,999	10,298	(4,299)
Total	<u>\$13,651,780</u>	<u>\$7,849,483</u>	<u>\$5,802,297</u>

***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

General Fund expenditures increased \$5,802,297, or 74% from the prior year. An increase in general government can be attributed in part to environmental remediation and cleanup at the City-owned Chestnut Street property. Increases in security of persons and property and leisure time activities included various capital purchases. The addition of new employees as well as a cost of living adjustment also contributed to an increase in overall expenditures.

Paramedic Fund – The Paramedic Fund reported an increase in fund balance of \$6,210, or 1%. Revenues and expenditures were consistent with the prior year.

Fire and EMS Fund – The Fire and EMS Fund balance increased \$214,807, or 50%. A new fire and ems levy approved by the voters in 2022 resulted in a substantial increase in property tax revenue. Expenditures included outlays for rescue equipment as well as an increase in contractual payments to the Loveland Symmes Fire Department.

Community Improvement Corporation Fund – The Community Improvement Corporation Fund balance decreased from \$144,956 to \$111,165. Revenues and expenditures were minimal.

American Rescue Plan Act Fund – The American Rescue Plan Act Fund is reporting \$1,382,450 in pooled cash and investments at year end, which is offset by unearned revenue.

Historic Loveland TIF Fund – The Historic Loveland TIF Fund balance decreased \$2,295. An interfund loan payable reported on the balance sheet is the primary factor causing a negative year end fund balance of \$1,849,001. 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 2023 the City amended its General Fund budget several times.

For the General Fund, original estimated, final estimated, and actual budget basis revenues and 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 2023 the City had \$48,857,775 net of accumulated depreciation invested in land, buildings, improvements, infrastructure, equipment and vehicles. Of this total, \$31,457,549 was related to governmental activities and \$17,400,226 to the business-type activities. The following tables show 2023 and 2022 balances:

CITY OF LOVELAND, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2023**

Unaudited

	Governmental Activities		Increase (Decrease)
	2023	2022	
Land	\$6,759,582	\$6,759,582	\$0
Construction In Progress	886,726	1,532,098	(645,372)
Buildings	11,682,481	9,388,989	2,293,492
Improvements Other than Buildings	1,917,426	1,892,451	24,975
Machinery and Equipment	6,414,989	5,484,291	930,698
Infrastructure	25,613,252	24,454,812	1,158,440
Leased Equipment	282,350	282,350	0
SBITA	71,710	0	71,710
Less: Accumulated Depreciation	(22,170,967)	(21,093,776)	(1,077,191)
Totals	<u>\$31,457,549</u>	<u>\$28,700,797</u>	<u>\$2,756,752</u>

	Business-Type Activities		Increase (Decrease)
	2023	2022	
Land	\$920,027	\$920,027	\$0
Construction in Progress	212,258	6,801	205,457
Buildings and Improvements	5,527,952	5,527,952	0
Utility Structures in Service	25,138,591	25,052,319	86,272
Machinery and Equipment	934,225	920,090	14,135
Less: Accumulated Depreciation	(15,332,827)	(14,592,649)	(740,178)
Totals	<u>\$17,400,226</u>	<u>\$17,834,540</u>	<u>(\$434,314)</u>

In governmental activities capital assets, additions to machinery and equipment included vehicle and equipment purchases for the police, fire, and street departments. Infrastructure additions were the result of routine street improvements. Building additions included improvements to the public works building. Construction in progress included improvements to State Route 48, improvements to Harrison Avenue, and construction of a new downtown fire station.

Business-type capital asset activity included sewer system improvements at East Loveland Avenue as well as water system equipment. Construction in progress consisted of storm water improvements at Harrison Avenue. For additional information on the City's capital assets see Note 7.

**Management's Discussion and Analysis
For the Year Ended December 31, 2023****Unaudited****Debt and Other Long-Term Obligations**

The following table summarizes the City's debt and other long-term obligations as of December 31, 2023 and 2022:

	2023	2022
Governmental Activities:		
General Obligation Bonds	\$3,851,443	\$4,141,212
Special Obligation TIF Bonds	550,000	550,000
Installment Loans	1,048,235	1,191,688
Leases Payable	139,623	217,311
SBITA	53,272	0
Compensated Absences	448,386	325,058
Total Governmental Activities	<u>\$6,090,959</u>	<u>\$6,425,269</u>
Business-Type Activities:		
General Obligation Bonds	\$3,702,449	\$4,037,061
Ohio Public Works Commission Loans	3,611,926	3,955,482
Compensated Absences	50,597	61,869
Total Business-Type Activities	<u>7,364,972</u>	<u>8,054,412</u>
Totals	<u>\$13,455,931</u>	<u>\$14,479,681</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, 2023, 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 March of 2024, City Council adopted two-year strategic goals including a continuing effort to build and promote a vibrant downtown. Additionally, the city begins a long-term process of revitalizing the Loveland Madeira Road Business Corridor which was a strategy outlined in the 2022 Comprehensive Master Plan. This three phase, 12 million dollar project, includes 2 phases which have already been awarded grant funding and will commence in 2026. The revitalization of this important corridor will lead to new jobs and increased private investment.

The city's long time focus of revitalizing the city owned Chestnut Street property into a job creation, income producing land, was given a boost when the City received over \$3,000,000 in grant funding from the Ohio Brownfield Fund. The property is now nearly completely remediated. Meanwhile access to the future office/light industrial site was boosted by the city's acquisition of a structure which has since been razed and now provides direct access from Loveland Madeira Road to Chestnut Street property.

As always, 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, 2023**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled Cash and Investments	\$ 10,483,754	\$ 1,901,879	\$ 12,385,633
Receivables:			
Taxes	6,564,018	0	6,564,018
Payment in Lieu of Taxes	289,477	0	289,477
Accounts	89,466	1,316,608	1,406,074
Intergovernmental	1,135,952	26,115	1,162,067
Interest	0	705	705
Special Assessments	4,662	0	4,662
Leases	69,306	69,306	138,612
Inventory of Supplies at Cost	91,320	0	91,320
Prepays	37,067	7,182	44,249
Capital Assets:			
Capital Assets Not Being Depreciated	7,646,308	1,132,285	8,778,593
Capital Assets Being Depreciated, Net	23,811,241	16,267,941	40,079,182
Total Assets	50,222,571	20,722,021	70,944,592
Deferred Outflows of Resources:			
Deferred Charge on Debt Refunding	3,668	0	3,668
Pension	3,538,899	428,952	3,967,851
OPEB	572,419	73,304	645,723
Total Deferred Outflows of Resources	4,114,986	502,256	4,617,242
Liabilities:			
Accounts Payable	98,734	97,789	196,523
Accrued Wages and Benefits	96,458	11,495	107,953
Intergovernmental Payable	22,244	295,680	317,924
Unearned Revenue	1,770,850	0	1,770,850
Accrued Interest Payable	11,836	9,186	21,022
Long Term Liabilities:			
Due Within One Year	727,366	625,049	1,352,415
Due in More Than One Year:			
Net Pension Liability	8,907,436	1,033,953	9,941,389
Net OPEB Liability	545,364	24,740	570,104
Other Amounts Due in More Than One Year	5,363,593	6,739,923	12,103,516
Total Liabilities	17,543,881	8,837,815	26,381,696

(Continued)

	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	4,882,801	0	4,882,801
Leases	67,952	67,952	135,904
Deferred Gain on Debt Refunding	0	34,854	34,854
Pension	278,014	0	278,014
OPEB	527,986	8,160	536,146
Total Deferred Inflows of Resources	5,756,753	110,966	5,867,719
Net Position:			
Net Investment in Capital Assets	25,818,644	10,868,820	36,687,464
Restricted For:			
Debt Service	445,418	0	445,418
Streets and Highways	1,030,135	0	1,030,135
Public Safety	1,716,362	0	1,716,362
Community Development	111,165	0	111,165
Unrestricted	1,915,199	1,406,676	3,321,875
Total Net Position	\$ 31,036,923	\$ 12,275,496	\$ 43,312,419

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO**Statement of Activities
For the Year Ended December 31, 2023**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 8,688,947	\$ 814,349	\$ 74,849	\$ 24,757
Public Health and Welfare Services	0	0	12,866	0
Leisure Time Activities	917,783	35,375	0	130,886
Community Environment	330,630	104,070	0	0
Transportation	1,379,059	14,875	1,009,482	390,162
General Government	6,994,579	70,268	3,479,731	0
Interest and Fiscal Charges	174,393	0	0	0
Total Governmental Activities	18,485,391	1,038,937	4,576,928	545,805
Business-Type Activities:				
Water	2,112,907	2,592,432	37,500	0
Sewer	4,009,677	4,063,784	0	0
Stormwater	414,417	465,072	0	0
Sanitation	1,358,847	1,250,057	26,115	0
Total Business-Type Activities	7,895,848	8,371,345	63,615	0
Totals	\$ 26,381,239	\$ 9,410,282	\$ 4,640,543	\$ 545,805

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
\$ (7,774,992)	\$ 0	\$ (7,774,992)
12,866	0	12,866
(751,522)	0	(751,522)
(226,560)	0	(226,560)
35,460	0	35,460
(3,444,580)	0	(3,444,580)
(174,393)	0	(174,393)
<u>(12,323,721)</u>	<u>0</u>	<u>(12,323,721)</u>
0	517,025	517,025
0	54,107	54,107
0	50,655	50,655
0	(82,675)	(82,675)
<u>0</u>	<u>539,112</u>	<u>539,112</u>
<u>\$ (12,323,721)</u>	<u>\$ 539,112</u>	<u>\$ (11,784,609)</u>
4,819,258	0	4,819,258
6,819,660	0	6,819,660
135,803	0	135,803
662,390	0	662,390
484,445	12,851	497,296
319,523	0	319,523
(151,121)	151,121	0
<u>13,089,958</u>	<u>163,972</u>	<u>13,253,930</u>
766,237	703,084	1,469,321
<u>30,270,686</u>	<u>11,572,412</u>	<u>41,843,098</u>
<u>\$ 31,036,923</u>	<u>\$ 12,275,496</u>	<u>\$ 43,312,419</u>

CITY OF LOVELAND, OHIO

**Balance Sheet
Governmental Funds
December 31, 2023**

	General Fund	Paramedic Fund	Fire and EMS Fund	Community Improvement Corporation Fund
Assets:				
Pooled Cash and Investments	\$ 5,593,200	\$ 500,124	\$ 647,743	\$ 111,165
Receivables:				
Taxes	3,236,337	908,344	1,804,516	0
Payment in Lieu of Taxes	0	0	0	0
Accounts	48,949	40,517	0	0
Intergovernmental	471,237	55,456	35,832	0
Special Assessments	4,662	0	0	0
Leases	69,306	0	0	0
Interfund Loans Receivable	2,714,640	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Prepaid Items	34,077	0	0	0
Total Assets	\$ 12,172,408	\$ 1,504,441	\$ 2,488,091	\$ 111,165
Liabilities:				
Accounts Payable	\$ 62,769	\$ 595	\$ 2,109	\$ 0
Accrued Wages and Benefits Payable	91,551	0	0	0
Intergovernmental Payable	13,935	0	8,309	0
Interfund Loans Payable	0	0	0	0
Unearned Revenue	0	0	0	0
Total Liabilities	168,255	595	10,418	0
Deferred Inflows of Resources:				
Unavailable Amounts	978,983	86,228	98,091	0
Property Tax Levy for Next Fiscal Year	1,393,510	873,699	1,734,254	0
Leases	67,952	0	0	0
Total Deferred Inflows of Resources	2,440,445	959,927	1,832,345	0
Fund Balances:				
Nonspendable	2,748,717	0	0	0
Restricted	0	543,919	645,328	111,165
Assigned	450,618	0	0	0
Unassigned	6,364,373	0	0	0
Total Fund Balances	9,563,708	543,919	645,328	111,165
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 12,172,408	\$ 1,504,441	\$ 2,488,091	\$ 111,165

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

American Rescue Plan Act Fund	Historic Loveland TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,382,450	\$ 202,966	\$ 2,046,106	\$ 10,483,754
0	0	614,821	6,564,018
0	289,477	0	289,477
0	0	0	89,466
0	0	573,427	1,135,952
0	0	0	4,662
0	0	0	69,306
0	0	210,967	2,925,607
0	0	91,320	91,320
0	0	2,990	37,067
<u>\$ 1,382,450</u>	<u>\$ 492,443</u>	<u>\$ 3,539,631</u>	<u>\$ 21,690,629</u>
\$ 0	\$ 0	\$ 33,261	\$ 98,734
0	0	4,907	96,458
0	0	0	22,244
0	2,051,967	873,640	2,925,607
1,382,450	0	388,400	1,770,850
<u>1,382,450</u>	<u>2,051,967</u>	<u>1,300,208</u>	<u>4,913,893</u>
0	0	398,918	1,562,220
0	289,477	591,861	4,882,801
0	0	0	67,952
<u>0</u>	<u>289,477</u>	<u>990,779</u>	<u>6,512,973</u>
0	0	94,310	2,843,027
0	0	1,349,049	2,649,461
0	0	670,662	1,121,280
0	(1,849,001)	(865,377)	3,649,995
<u>0</u>	<u>(1,849,001)</u>	<u>1,248,644</u>	<u>10,263,763</u>
<u>\$ 1,382,450</u>	<u>\$ 492,443</u>	<u>\$ 3,539,631</u>	<u>\$ 21,690,629</u>

***Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
December 31, 2023***

Total Governmental Fund Balances \$ 10,263,763

***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. 31,457,549

Other long-term assets are not available to pay for current-
period expenditures and therefore are deferred in the funds. 1,562,220

The net pension and OPEB liabilities are not due and payable in the current
period, therefore, the liabilities and related deferred inflows/outflows are not
reported in the governmental funds.

Deferred Outflows - Pension	3,538,899	
Deferred Inflows - Pension	(278,014)	
Net Pension Liability	(8,907,436)	
Deferred Outflows - OPEB	572,419	
Deferred Inflows - OPEB	(527,986)	
Net OPEB Liability	<u>(545,364)</u>	(6,147,482)

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	(3,851,443)	
Special Obligation TIF Bonds Payable	(550,000)	
Deferred Loss on Debt Refunding	3,668	
Installment Loans	(1,048,235)	
Leases	(139,623)	
SBITA	(53,272)	
Compensated Absences Payable	(448,386)	
Accrued Interest Payable	<u>(11,836)</u>	<u>(6,099,127)</u>

Net Position of Governmental Activities \$ 31,036,923

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, 2023

	General Fund	Paramedic Fund	Fire and EMS Fund	Community Improvement Corporation Fund
Revenues:				
Property Taxes	\$ 1,121,745	\$ 915,994	\$ 1,847,385	\$ 0
Municipal Income Tax	6,781,673	0	0	0
Intergovernmental Revenue	3,954,954	110,877	77,000	0
Charges for Services	349,580	489,724	0	0
Licenses and Permits	239,250	0	0	0
Investment Earnings	6,756	0	0	0
Special Assessments	1,525	0	0	0
Fines and Forfeitures	55,198	0	0	0
All Other Revenue	287,240	0	0	0
Total Revenues	12,797,921	1,516,595	1,924,385	0
Expenditures:				
Current:				
Security of Persons and Property	4,255,264	1,513,715	1,461,597	0
Leisure Time Activities	826,046	0	0	0
Community Environment	325,857	0	0	0
Transportation	0	0	0	0
General Government	8,150,554	0	0	37,121
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	88,060	1,152	146,911	1,152
Interest & Fiscal Charges	5,999	0	40,947	0
Total Expenditures	13,651,780	1,514,867	1,649,455	38,273
Excess (Deficiency) of Revenues Over (Under) Expenditures	(853,859)	1,728	274,930	(38,273)
Other Financing Sources (Uses):				
Sale of Capital Assets	9,508	0	0	0
SBITA Issuance	40,336	4,482	13,446	4,482
Transfers In	0	0	0	0
Transfers Out	(1,510,145)	0	(73,569)	0
Total Other Financing Sources (Uses)	(1,460,301)	4,482	(60,123)	4,482
Net Change in Fund Balances	(2,314,160)	6,210	214,807	(33,791)
Fund Balances at Beginning of Year	11,877,868	537,709	430,521	144,956
Increase in Inventory	0	0	0	0
Fund Balances End of Year	\$ 9,563,708	\$ 543,919	\$ 645,328	\$ 111,165

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

Historic Loveland TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 287,322	\$ 620,108	\$ 4,792,554
0	0	6,781,673
1,904	1,611,271	5,756,006
0	3,375	842,679
0	11,500	250,750
0	477,689	484,445
0	10,598	12,123
0	5,575	60,773
7,434	24,849	319,523
<u>296,660</u>	<u>2,764,965</u>	<u>19,300,526</u>
0	617,405	7,847,981
0	0	826,046
0	0	325,857
0	1,087,620	1,087,620
0	55,369	8,243,044
134,776	2,041,935	2,176,711
0	269,351	506,626
0	149,916	196,862
<u>134,776</u>	<u>4,221,596</u>	<u>21,210,747</u>
161,884	(1,456,631)	(1,910,221)
0	11,700	21,208
0	8,964	71,710
0	1,871,451	1,871,451
<u>(164,179)</u>	<u>(69,222)</u>	<u>(1,817,115)</u>
<u>(164,179)</u>	<u>1,822,893</u>	<u>147,254</u>
(2,295)	366,262	(1,762,967)
(1,846,706)	866,279	12,010,627
0	16,103	16,103
<u>\$ (1,849,001)</u>	<u>\$ 1,248,644</u>	<u>\$ 10,263,763</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, 2023***

Net Change in Fund Balances - Total Governmental Funds \$ (1,762,967)

*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	3,916,636	
Depreciation Expense	(1,154,515)	2,762,121

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. (5,369)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 102,223

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

Pension	627,336	
OPEB	11,082	638,418

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

Pension	(1,300,524)	
OPEB	(17,825)	(1,318,349)

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

SBITA Issuance		(71,710)
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(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	267,047	
Amortization of Deferred Loss on Bond Refunding	(917)	
Installment Loan Principal Payment	143,453	
Lease Payment	77,688	
SBITA Payment	18,438	
Premium Amortization	<u>22,722</u>	528,431

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

664

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	(123,328)	
Change in Inventory	<u>16,103</u>	<u>(107,225)</u>

Change in Net Position of Governmental Activities

\$ 766,237

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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 1,125,067	\$ 1,125,067	\$ 1,132,565	\$ 7,498
Municipal Income Tax	6,293,779	6,770,319	6,832,539	62,220
Intergovernmental Revenue	3,730,876	3,730,876	3,764,439	33,563
Charges for Services	752,549	752,549	694,828	(57,721)
Licenses and Permits	265,000	265,000	243,057	(21,943)
Special Assessments	2,100	2,100	1,525	(575)
Fines and Forfeitures	50,000	50,000	54,899	4,899
All Other Revenues	187,147	187,147	287,240	100,093
Total Revenues	12,406,518	12,883,058	13,011,092	128,034
Expenditures:				
Current:				
Security of Persons and Property	4,273,518	4,478,018	4,392,455	85,563
Leisure Time Activities	720,567	891,567	844,392	47,175
Community Environment	391,635	404,035	339,526	64,509
General Government	8,917,671	9,051,006	8,869,009	181,997
Total Expenditures	14,303,391	14,824,626	14,445,382	379,244
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,896,873)	(1,941,568)	(1,434,290)	507,278
Other Financing Sources (Uses):				
Sale of Capital Assets	100	100	9,508	9,408
Transfers Out	(1,510,145)	(1,510,145)	(1,510,145)	0
Advances Out	0	(100,250)	(100,250)	0
Total Other Financing Sources (Uses):	(1,510,045)	(1,610,295)	(1,600,887)	9,408
Net Change in Fund Balance	(3,406,918)	(3,551,863)	(3,035,177)	516,686
Fund Balance at Beginning of Year	5,431,571	5,431,571	5,431,571	0
Prior Year Encumbrances	1,148,775	1,148,775	1,148,775	0
Fund Balance at End of Year	\$ 3,173,428	\$ 3,028,483	\$ 3,545,169	\$ 516,686

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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 879,170	\$ 879,170	\$ 943,715	\$ 64,545
Intergovernmental Revenue	111,084	111,084	110,877	(207)
Charges for Services	325,000	325,000	528,688	203,688
Total Revenues	1,315,254	1,315,254	1,583,280	268,026
Expenditures:				
Current:				
Security of Persons and Property	1,547,470	1,547,470	1,531,700	15,770
Total Expenditures	1,547,470	1,547,470	1,531,700	15,770
Net Change in Fund Balance	(232,216)	(232,216)	51,580	283,796
Fund Balance at Beginning of Year	331,945	331,945	331,945	0
Prior Year Encumbrances	74,618	74,618	74,618	0
Fund Balance at End of Year	\$ 174,347	\$ 174,347	\$ 458,143	\$ 283,796

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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 1,744,372	\$ 1,744,373	\$ 1,826,639	\$ 82,266
Intergovernmental Revenue	82,516	82,516	77,000	(5,516)
Total Revenues	1,826,888	1,826,889	1,903,639	76,750
Expenditures:				
Current:				
Security of Persons and Property	2,255,476	2,255,477	1,731,272	524,205
Total Expenditures	2,255,476	2,255,477	1,731,272	524,205
Excess (Deficiency) of Revenues Over (Under) Expenditures	(428,588)	(428,588)	172,367	600,955
Other Financing Sources (Uses):				
Transfers Out	(98,327)	(98,327)	(73,569)	24,758
Total Other Financing Sources (Uses):	(98,327)	(98,327)	(73,569)	24,758
Net Change in Fund Balance	(526,915)	(526,915)	98,798	625,713
Fund Balance at Beginning of Year	288,052	288,052	288,052	0
Prior Year Encumbrances	238,863	238,863	238,863	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 625,713	\$ 625,713

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, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Current:				
General Government	144,954	144,954	35,166	109,788
Total Expenditures	144,954	144,954	35,166	109,788
 Net Change in Fund Balance	(144,954)	(144,954)	(35,166)	109,788
 Fund Balance at Beginning of Year	141,648	141,648	141,648	0
Prior Year Encumbrances	3,308	3,308	3,308	0
Fund Balance at End of Year	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 109,790</u>	<u>\$ 109,788</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 – American Rescue Plan Act (ARPA) Fund
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Current:				
General Government	1,376,953	1,376,953	21,038	1,355,915
Total Expenditures	1,376,953	1,376,953	21,038	1,355,915
Net Change in Fund Balance	(1,376,953)	(1,376,953)	(21,038)	1,355,915
Fund Balance at Beginning of Year	1,403,488	1,403,488	1,403,488	0
Fund Balance at End of Year	\$ 26,535	\$ 26,535	\$ 1,382,450	\$ 1,355,915

See accompanying notes to the basic financial statements



CITY OF LOVELAND, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2023**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Stormwater
Assets:			
<i>Current Assets:</i>			
Pooled Cash and Investments	\$ 1,296,858	\$ 265,249	\$ 299,334
Receivables:			
Accounts	387,702	657,502	71,152
Intergovernmental	0	0	0
Interest	204	350	39
Leases	24,418	0	0
Prepaid Items	4,624	761	730
<i>Total Current Assets</i>	<u>1,713,806</u>	<u>923,862</u>	<u>371,255</u>
<i>Non Current Assets:</i>			
Leases Receivable	44,888	0	0
Capital Assets:			
Capital Assets Not Being Depreciated	860,537	59,490	212,258
Capital Assets Being Depreciated, Net	11,203,167	1,209,039	3,831,546
<i>Total Non Current Assets</i>	<u>12,108,592</u>	<u>1,268,529</u>	<u>4,043,804</u>
Total Assets	<u>13,822,398</u>	<u>2,192,391</u>	<u>4,415,059</u>
Deferred Outflows of Resources:			
Pension	277,171	44,776	41,974
OPEB	47,366	7,652	7,173
Total Deferred Outflows of Resources	<u>324,537</u>	<u>52,428</u>	<u>49,147</u>
Liabilities:			
<i>Current Liabilities:</i>			
Accounts Payable	6,984	1,562	1,068
Accrued Wages and Benefits	7,751	0	3,744
Intergovernmental Payable	1,662	294,018	0
Compensated Absences Payable - Current	15,985	0	4,881
Accrued Interest Payable	8,962	0	224
General Obligation Bonds Payable - Current	214,000	0	40,000
OPWC Loans Payable - Current	253,928	0	96,255
<i>Total Current Liabilities</i>	<u>509,272</u>	<u>295,580</u>	<u>146,172</u>

CITY OF LOVELAND, OHIO

<u>Sanitation</u>	<u>Total</u>
\$ 40,438	\$ 1,901,879
200,252	1,316,608
26,115	26,115
112	705
0	24,418
1,067	7,182
<u>267,984</u>	<u>3,276,907</u>
0	44,888
0	1,132,285
24,189	16,267,941
<u>24,189</u>	<u>17,445,114</u>
<u>292,173</u>	<u>20,722,021</u>
65,031	428,952
11,113	73,304
<u>76,144</u>	<u>502,256</u>
88,175	97,789
0	11,495
0	295,680
0	20,866
0	9,186
0	254,000
0	350,183
<u>88,175</u>	<u>1,039,199</u>

(Continued)

CITY OF LOVELAND, OHIO**Statement of Net Position
Proprietary Funds
December 31, 2023**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Stormwater
<i>Long Term Liabilities:</i>			
Compensated Absences Payable	29,731	0	0
General Obligation Bonds Payable	3,388,449	0	60,000
OPWC Loans Payable	2,178,957	0	1,082,786
Net Pension Liability	668,101	107,928	101,172
Net OPEB Liability	15,985	2,582	2,423
<i>Total Long Term Liabilities</i>	<u>6,281,223</u>	<u>110,510</u>	<u>1,246,381</u>
Total Liabilities	<u>6,790,495</u>	<u>406,090</u>	<u>1,392,553</u>
Deferred Inflows of Resources:			
Leases	67,952	0	0
Deferred Gain on Debt Refunding	34,854	0	0
OPEB	5,274	852	797
Total Deferred Inflows of Resources	<u>108,080</u>	<u>852</u>	<u>797</u>
Net Position:			
Net Investment in Capital Assets	6,811,339	1,268,529	2,764,763
Unrestricted	437,021	569,348	306,093
Total Net Position	<u>\$ 7,248,360</u>	<u>\$ 1,837,877</u>	<u>\$ 3,070,856</u>

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

<u>Sanitation</u>	<u>Total</u>
0	29,731
0	3,448,449
0	3,261,743
156,752	1,033,953
<u>3,750</u>	<u>24,740</u>
<u>160,502</u>	<u>7,798,616</u>
<u>248,677</u>	<u>8,837,815</u>
0	67,952
0	34,854
<u>1,237</u>	<u>8,160</u>
<u>1,237</u>	<u>110,966</u>
24,189	10,868,820
<u>94,214</u>	<u>1,406,676</u>
<u>\$ 118,403</u>	<u>\$ 12,275,496</u>

CITY OF LOVELAND, OHIO

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Stormwater
Operating Revenues:			
Charges for Services	\$ 2,575,743	\$ 4,051,429	\$ 452,394
Total Operating Revenues	<u>2,575,743</u>	<u>4,051,429</u>	<u>452,394</u>
Operating Expenses:			
Personal Services	715,391	111,776	104,355
Contractual Services	608,620	3,839,542	126,008
Materials and Supplies	189,715	0	16,643
Depreciation	514,431	58,359	162,470
Total Operating Expenses	<u>2,028,157</u>	<u>4,009,677</u>	<u>409,476</u>
Operating Income (Loss)	547,586	41,752	42,918
Nonoperating Revenues (Expenses):			
Intergovernmental Grants	37,500	0	0
Investment Earnings	8,544	3,051	336
Interest Expense	(84,750)	0	(4,941)
Other Nonoperating Revenue	16,689	12,355	12,678
Total Nonoperating Revenues (Expenses)	<u>(22,017)</u>	<u>15,406</u>	<u>8,073</u>
Income (Loss) Before Transfers and Contributions	525,569	57,158	50,991
Transfers and Contributions:			
Transfers Out	(18,112)	(9,056)	(18,112)
Capital Contributions	0	0	205,457
Total Transfers and Contributions	<u>(18,112)</u>	<u>(9,056)</u>	<u>187,345</u>
Change in Net Position	507,457	48,102	238,336
Net Position Beginning of Year	<u>6,740,903</u>	<u>1,789,775</u>	<u>2,832,520</u>
Net Position End of Year	<u>\$ 7,248,360</u>	<u>\$ 1,837,877</u>	<u>\$ 3,070,856</u>

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

<u>Sanitation</u>	<u>Total</u>
\$ 1,246,946	\$ 8,326,512
<u>1,246,946</u>	<u>8,326,512</u>
161,708	1,093,230
1,173,797	5,747,967
18,424	224,782
4,918	740,178
<u>1,358,847</u>	<u>7,806,157</u>
(111,901)	520,355
26,115	63,615
920	12,851
0	(89,691)
3,111	44,833
<u>30,146</u>	<u>31,608</u>
(81,755)	551,963
(9,056)	(54,336)
0	205,457
<u>(9,056)</u>	<u>151,121</u>
(90,811)	703,084
209,214	11,572,412
<u>\$ 118,403</u>	<u>\$ 12,275,496</u>

CITY OF LOVELAND, OHIO

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Stormwater
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$2,598,597	\$4,056,339	\$464,800
Cash Payments for Goods and Services	(793,139)	(3,832,188)	(143,222)
Cash Payments to Employees	(710,881)	(110,930)	(112,916)
Net Cash Provided (Used) by Operating Activities	1,094,577	113,221	208,662
<u>Cash Flows from Noncapital Financing Activities:</u>			
Intergovernmental Grants	37,500	0	0
Transfers Out to Other Funds	(18,112)	(9,056)	(18,112)
Net Cash Provided (Used) by Noncapital Financing Activities	19,388	(9,056)	(18,112)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(48,655)	(51,752)	0
OPWC Loan Retirement	(247,299)	0	(96,257)
Principal Paid on General Obligation Bonds	(204,000)	0	(105,000)
Interest Paid on All Debt	(113,334)	0	(5,146)
Net Cash Used for Capital and Related Financing Activities	(613,288)	(51,752)	(206,403)
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	8,586	3,171	349
Net Cash Provided by Investing Activities	8,586	3,171	349
Net Increase (Decrease) in Cash and Cash Equivalents	509,263	55,584	(15,504)
Cash and Cash Equivalents at Beginning of Year	787,595	209,665	314,838
Cash and Cash Equivalents at End of Year	\$1,296,858	\$265,249	\$299,334

CITY OF LOVELAND, OHIO

<u>Sanitation</u>	<u>Total</u>
\$1,247,817	\$8,367,553
(1,191,130)	(5,959,679)
<u>(159,414)</u>	<u>(1,094,141)</u>
<u>(102,727)</u>	<u>1,313,733</u>
29,186	66,686
<u>(9,056)</u>	<u>(54,336)</u>
<u>20,130</u>	<u>12,350</u>
0	(100,407)
0	(343,556)
0	(309,000)
<u>0</u>	<u>(118,480)</u>
0	(871,443)
946	13,052
<u>946</u>	<u>13,052</u>
(81,651)	467,692
<u>122,089</u>	<u>1,434,187</u>
<u>\$40,438</u>	<u>\$1,901,879</u>

(Continued)

CITY OF LOVELAND, OHIO

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2023

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Stormwater
<u>Reconciliation of Operating Income (Loss) to</u>			
<u>Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$547,586	\$41,752	\$42,918
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	514,431	58,359	162,470
Nonoperating Revenue	16,689	12,355	12,678
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
(Increase) Decrease in Accounts Receivable	7,519	(7,445)	(272)
Decrease in Lease Receivable	29,651	0	0
Increase in Prepaid Items	(809)	(26)	(103)
Decrease in Net OPEB Asset	81,211	13,379	13,911
Increase in Deferred Outflows of Resources	(242,316)	(38,883)	(35,059)
Increase (Decrease) in Accounts Payable	3,930	(169)	429
Increase (Decrease) in Accrued Wages and Benefits	935	0	(41)
Increase (Decrease) in Intergovernmental Payable	1,266	7,523	(1,000)
Decrease in Compensated Absences	(7,987)	0	(3,285)
Increase in Net Pension Liability	472,762	75,747	67,706
Increase in Net OPEB Liability	15,985	2,582	2,423
Decrease in Deferred Inflows of Resources	(346,276)	(51,953)	(54,113)
Total Adjustments	546,991	71,469	165,744
Net Cash Provided (Used) by Operating Activities	<u>\$1,094,577</u>	<u>\$113,221</u>	<u>\$208,662</u>

Schedule of Noncash Investing, Capital and Financing Activities:

During 2023, the Stormwater Fund received \$205,457 of capital contributions from Governmental Activities.

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

<u>Sanitation</u>	<u>Total</u>
(\$111,901)	\$520,355
4,918	740,178
3,111	44,833
(2,240)	(2,438)
0	29,651
(152)	(1,090)
19,160	127,661
(56,746)	(373,004)
1,091	5,281
0	894
0	7,789
0	(11,272)
110,668	726,883
3,750	24,740
(74,386)	(526,728)
9,174	793,378
<u>(\$102,727)</u>	<u>\$1,313,733</u>

***Statement of Net Position
Fiduciary Fund
December 31, 2023***

	<u>Custodial Fund</u>
Assets:	
Restricted Assets:	
Cash and Cash Equivalents with Fiscal Agent	<u>\$ 1,763</u>
Total Assets	<u>1,763</u>
Liabilities:	<u>0</u>
Net Position:	
Restricted For:	
Court Bonds	<u>1,763</u>
Total Net Position	<u><u>\$ 1,763</u></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, 2023***

	<u>Custodial Fund</u>
Additions:	
Fines and Forfeiture Collections for other Governments	<u>\$ 14,866</u>
Total Additions	<u>14,866</u>
Deductions:	
Distribution of Fines and Forfeitures to other Governments	<u>15,149</u>
Total Deductions	<u>15,149</u>
Change in Net Position	(283)
Net Position at Beginning of Year	<u>2,046</u>
Net Position End of Year	<u><u>\$ 1,763</u></u>
See accompanying notes to the basic financial statements	

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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, 2023***

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.

American Rescue Plan Act 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.

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, 2023***

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, 2023***

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, 2023***

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, 2023 but which are not intended to finance 2023 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, 2023***

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 2023.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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, 2023

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	American Rescue Plan Act Fund
GAAP Basis (as reported)	(\$2,314,160)	\$6,210	\$214,807	(\$33,791)	\$0
Increase (Decrease):					
Accrued Revenues at December 31, 2023					
received during 2024	(1,460,525)	(44,390)	(8,003)	0	0
Accrued Revenues at December 31, 2022					
received during 2023	1,316,770	83,822	8,587	0	0
Accrued Expenditures at December 31, 2023					
paid during 2024	236,207	595	10,418	0	0
Accrued Expenditures at December 31, 2022					
paid during 2023	(181,382)	(1,090)	(12,533)	0	0
2023 Prepays for 2024	(34,077)	0	0	0	0
2022 Prepays for 2023	29,562	0	0	0	0
Change in Interfund Balances	(100,250)	0	0	0	0
Outstanding Encumbrances	(527,322)	(20,820)	(93,148)	(1,375)	0
Perspective Difference:					
Activity of Funds Reclassified for GAAP Reporting Purposes	0	27,253	(21,330)	0	(21,038)
Budget Basis	(\$3,035,177)	\$51,580	\$98,798	(\$35,166)	(\$21,038)

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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 2023, 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, 2023***

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. Lease and SBITA assets are measured at the present value of payments expected to be made during the lease/SBITA term.

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. Lease and SBITA assets are measured at the present value of payments expected to be made during the lease/SBITA term.

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:

<u>Description</u>	<u>Estimated Lives (Years)</u>
Land Improvements	20
Buildings	25 – 50
Building Improvements	20 – 30
Infrastructure	10 – 20
Machinery and Equipment	3 – 30
Lease/SBITA Assets	5

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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
Leases/Installment Loans	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
SBITA	General Fund, Street Maintenance Fund Fire and EMS Fund, Paramedic Fund Fire Protection Fund Community Improvement Corporation 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, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. 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.

M. 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.

N. 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.

O. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2023 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, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. 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.

Q. 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, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. 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 assets 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 assets 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.

S. 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.

T. 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 2023.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U. 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.

V. Leases Receivable

Lease receivables are measured at the present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. Deferred inflows of resources related to lease receivables are recorded initially as equal to the amount of the initial measurement of the lease receivable and subsequently recognized as revenue in a systematic and rational manner over the term of the lease.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023****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:

Fund Balances	General Fund	Paramedic Fund	Fire and EMS Fund	Community Improvement Corporation Fund	Historic Loveland TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:							
Interfund Loans	\$2,714,640	\$0	\$0	\$0	\$0	\$0	\$2,714,640
Supplies Inventory	0	0	0	0	0	91,320	91,320
Prepaid Items	34,077	0	0	0	0	2,990	37,067
Total Nonspendable	2,748,717	0	0	0	0	94,310	2,843,027
Restricted:							
Fire and EMS Services	0	543,919	645,328	0	0	189,798	1,379,045
Street Maintenance	0	0	0	0	0	619,143	619,143
Law Enforcement	0	0	0	0	0	17,646	17,646
Court Computer	0	0	0	0	0	23,137	23,137
Community Environment	0	0	0	111,165	0	0	111,165
Addiction Treatment	0	0	0	0	0	1,120	1,120
Lighting District	0	0	0	0	0	52,787	52,787
Debt Retirement	0	0	0	0	0	445,418	445,418
Total Restricted	0	543,919	645,328	111,165	0	1,349,049	2,649,461
Assigned:							
Materials and Supplies	450,618	0	0	0	0	0	450,618
Capital Improvements	0	0	0	0	0	670,662	670,662
Total Assigned	450,618	0	0	0	0	670,662	1,121,280
Unassigned (Deficits):	6,364,373	0	0	0	(1,849,001)	(865,377)	3,649,995
Total Fund Balances	\$9,563,708	\$543,919	\$645,328	\$111,165	(\$1,849,001)	\$1,248,644	\$10,263,763

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, 2023, 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, 2023***

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, 2023**

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 \$5,360,447 and the bank balance was \$5,901,064. Federal depository insurance covered \$4,176,969 of the bank balance and \$1,724,095 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, 2023 were as follows:

	Fair Value	Credit Rating	Fair Value Hierarchy	Investment Maturities (in Years)		
	Fair Value	Rating	Hierarchy	less than 1	1-3	3-5
STAR Ohio ³	\$4,942,110	AAAm ¹	NA	\$4,942,110	\$0	\$0
Money Market Fund ³	55,264	AAAm ¹	NA	55,264	0	0
Marketable CD's	2,029,575	AAA ²	Level 2	585,307	1,444,268	0
Total Investments	<u>\$7,026,949</u>			<u>\$5,582,681</u>	<u>\$1,444,268</u>	<u>\$0</u>

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, 2023***

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 2023 were levied after October 1, 2022 on assessed values as of January 1, 2022, 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 2023 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, 2023**

NOTE 4 – TAXES (Continued)**A. Property Taxes (Continued)**

The assessed values upon which the 2023 property tax receipts were based were as follows:

	County		
	Hamilton	Clermont	Warren
Real Property:			
Residential/Agricultural	\$273,504,460	\$84,442,980	\$50,985,520
Personal Property:			
Public Utility Personal Property	8,579,560	1,779,370	455,720
Total Assessed Value	<u>\$282,084,020</u>	<u>\$86,222,350</u>	<u>\$51,441,240</u>
Tax Rate/Assessed Value	\$13.85/\$1,000	\$12.27/\$1,000	\$13.57/\$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, 2023.

<u>Tax Abatement Program</u>	<u>Total Amount of Taxes Abated For the year 2023</u>
<i>Community Reinvestment Area (CRA)</i>	
Manufacturing/Industrial	<u>\$67,648</u>
	<u>\$67,648</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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 2023, all income tax proceeds were recorded in the General Fund.

NOTE 5 - RECEIVABLES

Receivables at December 31, 2023 consisted of property and income taxes, payment in lieu of taxes, accounts receivable, special assessments, interest, leases, 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 2023:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General Fund	\$0	\$1,510,145
Fire and EMS Fund	0	73,569
Historic Loveland TIF Fund	0	164,179
Nonmajor Governmental Funds	1,871,451	69,222
Total Governmental Funds	<u>1,871,451</u>	<u>1,817,115</u>
Enterprise Funds:		
Water Fund	0	18,112
Sewer Fund	0	9,056
Stormwater Fund	0	18,112
Sanitation Fund	0	9,056
Total Enterprise Funds	<u>0</u>	<u>54,336</u>
Totals	<u><u>\$1,871,451</u></u>	<u><u>\$1,871,451</u></u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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, 2023 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	\$2,714,640	\$0
Historic Loveland TIF Fund	0	2,051,967
Nonmajor Governmental Funds	<u>210,967</u>	<u>873,640</u>
Totals	<u>\$2,925,607</u>	<u>\$2,925,607</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, 2023**

NOTE 7 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2023:

Historical Cost:

Class	December 31, 2022	Additions	Deletions	December 31, 2023
Capital assets not being depreciated:				
Land	\$6,759,582	\$0	\$0	\$6,759,582
Construction in Progress	1,532,098	1,048,755	(1,694,127)	886,726
Subtotal	8,291,680	1,048,755	(1,694,127)	7,646,308
Capital assets being depreciated:				
Buildings	9,388,989	2,293,492	0	11,682,481
Improvements Other than Buildings	1,892,451	24,975	0	1,917,426
Machinery and Equipment	5,484,291	1,013,391	(82,693)	6,414,989
Infrastructure	24,454,812	1,158,440	0	25,613,252
Intangible Right-to-use Asset:				
Equipment	282,350	0	0	282,350
SBITA	0	71,710	0	71,710
Total Cost	\$49,794,573	\$5,610,763	(\$1,776,820)	\$53,628,516

Accumulated Depreciation:

Class	December 31, 2022	Additions	Deletions	December 31, 2023
Buildings	(\$3,434,814)	(\$239,430)	\$0	(\$3,674,244)
Improvements Other than Buildings	(970,379)	(52,175)	0	(1,022,554)
Machinery and Equipment	(3,635,316)	(311,215)	77,324	(3,869,207)
Infrastructure	(12,982,678)	(464,672)	0	(13,447,350)
Intangible Right-to-use Asset:				
Equipment	(70,589)	(70,589)	0	(141,178)
SBITA	0	(16,434)	0	(16,434)
Total Depreciation	(\$21,093,776)	(\$1,154,515) *	\$77,324	(\$22,170,967)
Net Value:	<u>\$28,700,797</u>			<u>\$31,457,549</u>

* Depreciation was charged to governmental functions as follows:

Security of Persons and Property	\$402,338
Leisure Time Activities	76,772
Transportation	477,289
General Government	198,116
Total Depreciation Expense	<u>\$1,154,515</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

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, 2023:

Historical Cost:

Class	December 31, 2022	Additions	Deletions	December 31, 2023
<i>Capital assets not being depreciated:</i>				
Land	\$920,027	\$0	\$0	\$920,027
Construction In Progress	6,801	205,457	0	212,258
Subtotal	926,828	205,457	0	1,132,285
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	5,527,952	0	0	5,527,952
Utility Structures in Service	25,052,319	86,272	0	25,138,591
Machinery and Equipment	920,090	14,135	0	934,225
Total Cost	<u>\$32,427,189</u>	<u>\$305,864</u>	<u>\$0</u>	<u>\$32,733,053</u>

Accumulated Depreciation:

Class	December 31, 2022	Additions	Deletions	December 31, 2023
Buildings and Improvements	(\$3,001,961)	(\$185,375)	\$0	(\$3,187,336)
Utility Structures in Service	(10,966,456)	(478,721)	0	(11,445,177)
Machinery and Equipment	(624,232)	(76,082)	0	(700,314)
Total Depreciation	<u>(\$14,592,649)</u>	<u>(\$740,178)</u>	<u>\$0</u>	<u>(\$15,332,827)</u>
<i>Net Value:</i>	<u>\$17,834,540</u>			<u>\$17,400,226</u>

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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. Effective January 1, 2022, the Combined Plan is no longer available for member selection. 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, 2023***

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 Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C 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, 2023***

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. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit. 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
2023 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2023 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$295,177 for 2023.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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.

Members who retired prior to July 24, 1986 or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

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>
2023 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee	12.25 %
2023 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 \$421,134 for 2023.

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, 2022, 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, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. 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	\$3,430,190	\$6,511,199	\$9,941,389
Proportion of the Net Pension Liability-2023	0.011612%	0.068546%	
Proportion of the Net Pension Liability-2022	<u>0.011828%</u>	<u>0.063021%</u>	
Percentage Change	<u>(0.000216%)</u>	<u>0.005525%</u>	
Pension Expense	\$477,133	\$963,896	\$1,441,029

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in assumptions	\$36,238	\$587,288	\$623,526
Differences between expected and actual experience	113,937	97,666	211,603
Net difference between projected and actual earnings on pension plan investments	977,711	947,951	1,925,662
Change in proportionate share	8,467	482,282	490,749
City contributions subsequent to the measurement date	295,177	421,134	716,311
Total Deferred Outflows of Resources	<u>\$1,431,530</u>	<u>\$2,536,321</u>	<u>\$3,967,851</u>
Deferred Inflows of Resources			
Changes in assumptions	\$0	\$126,967	\$126,967
Differences between expected and actual experience	0	148,343	148,343
Change in proportionate share	0	2,704	2,704
Total Deferred Inflows of Resources	<u>\$0</u>	<u>\$278,014</u>	<u>\$278,014</u>

\$716,311 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2024	\$141,211	\$274,412	\$415,623
2025	228,402	449,194	677,596
2026	287,787	461,764	749,551
2027	478,953	612,408	1,091,361
2028	0	39,395	39,395
Total	<u>\$1,136,353</u>	<u>\$1,837,173</u>	<u>\$2,973,526</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. 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

The total pension liability in the December 31, 2022 and December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2022
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 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)	3 percent simple through 2023. 2.05 percent simple, thereafter
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2021
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 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)	3 percent simple through 2022. 2.05 percent simple, thereafter
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1 percent for 2022.

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 long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real estate 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. Best estimates of geometric rates of return were provided by the Board's investment consultant.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	22.00 %	2.62 %
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other Investments	5.00	3.27
Total	100.00 %	

Discount Rate The discount rate used to measure the total pension liability was 6.9 percent. The discount rate for the prior year was 6.9 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 6.9 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 (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability	\$5,138,310	\$3,430,190	\$2,009,340

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2022 is based on the results of an actuarial valuation date of January 1, 2022, 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, 2022, compared with January 1, 2021, are presented below.

	January 1, 2022	January 1, 2021
Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	7.5 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	2.2 percent simple

For the January 1, 2022 valuation, mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

The most recent experience study was completed for the five year period ended December 31, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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, 2022 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	18.60	4.80
Non-US Equity	12.40	5.50
Private Markets	10.00	7.90
Core Fixed Income *	25.00	2.50
High Yield Fixed Income	7.00	4.40
Private Credit	5.00	5.90
U.S. Inflation Linked Bonds*	15.00	2.00
Midstream Energy Infrastructure	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Private Real Estate	12.00	5.30
Commodities	2.00	3.60
Total	<u>125.00 %</u>	

* levered 2.5x

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, 2023***

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2022, the total pension liability was calculated using the discount rate of 7.50 percent. The discount rate used for 2021 was 7.50 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 7.50 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 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$8,589,524	\$6,511,199	\$4,783,482

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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 (asset). Resulting adjustments to the net OPEB liability (asset) 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 (asset)* 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.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)

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.

Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)

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. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. 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 2023, 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.

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 2023. 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 2023 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 2023.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)

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. OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. 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. OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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, 2023***

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 2023, 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 \$11,082 for 2023.

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, 2021, rolled forward to the measurement date of December 31, 2022, 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, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. 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	\$82,078	\$488,026	\$570,104
Proportion of the Net OPEB Liability-2023	0.013018%	0.068546%	
Proportion of the Net OPEB Liability-2022	0.013659%	0.063021%	
Percentage Change	<u>(0.000641%)</u>	<u>0.005525%</u>	
OPEB Expense	(\$148,240)	\$121,424	(\$26,816)

CITY OF LOVELAND, OHIO**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023****NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)**

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in assumptions	\$80,171	\$243,201	\$323,372
Differences between expected and actual experience	0	29,122	29,122
Net difference between projected and actual earnings on OPEB plan investments	163,016	41,861	204,877
Change in proportionate share	0	77,270	77,270
City contributions subsequent to the measurement date	0	11,082	11,082
Total Deferred Outflows of Resources	<u>\$243,187</u>	<u>\$402,536</u>	<u>\$645,723</u>
Deferred Inflows of Resources			
Changes in assumptions	\$6,597	\$399,167	\$405,764
Differences between expected and actual experience	20,475	96,227	116,702
Change in proportionate share	0	13,680	13,680
Total Deferred Inflows of Resources	<u>\$27,072</u>	<u>\$509,074</u>	<u>\$536,146</u>

\$11,082 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 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2024	\$26,917	\$22,305	\$49,222
2025	59,617	27,239	86,856
2026	50,832	(18,030)	32,802
2027	78,749	(10,799)	67,950
2028	0	(40,499)	(40,499)
2029	0	(44,962)	(44,962)
2030	0	(50,830)	(50,830)
2031	0	(2,044)	(2,044)
Total	<u>\$216,115</u>	<u>(\$117,620)</u>	<u>\$98,495</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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, 2021, rolled forward to the measurement date of December 31, 2022. 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	2.75 percent
Projected Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	5.22 percent
Prior measurement date	6.00 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	4.05 percent
Prior measurement date	1.84 percent
Health Care Cost Trend Rate:	
Current measurement date	5.5 percent initial, 3.5 percent ultimate in 2036
Prior measurement date	5.5 percent initial, 3.5 percent ultimate in 2034
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 15.6 percent for 2022.

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 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 rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.56 %
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other investments	6.00	1.84
Total	100.00 %	

Discount Rate A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022. A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. 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 4.05 percent (Fidelity Index's "20-Year Municipal GO AA Index").

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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 2054. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2054, 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 5.22 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 (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
City's proportionate share of the net OPEB liability (asset)	\$279,366	\$82,078	(\$80,712)

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 2023 is 5.50 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)	\$76,936	\$82,078	\$87,872

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, 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, 2022, with actuarial liabilities rolled forward to December 31, 2022	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	7.5 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 percent	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate	4.27 percent	2.84 percent
Cost of Living Adjustments	2.2 percent simple	2.2 percent simple

For the January 1, 2022 valuation, mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)

For the January 1, 2022 valuation, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

The most recent experience study was completed for the five year period ended December 31, 2021.

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 OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a 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 average 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, 2022 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	18.60	4.80
Non-US Equity	12.40	5.50
Private Markets	10.00	7.90
Core Fixed Income *	25.00	2.50
High Yield Fixed Income	7.00	4.40
Private Credit	5.00	5.90
U.S. Inflation Linked Bonds*	15.00	2.00
Midstream Energy Infrastructure	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Private Real Estate	12.00	5.30
Commodities	2.00	3.60
Total	<u>125.00 %</u>	

* levered 2.5x

Note: Assumptions are geometric

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 9 - DEFINED BENEFIT OPEB PLANS (Continued)

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 2022, the total OPEB liability was calculated using the discount rate of 4.27 percent. For 2021, the total OPEB liability was calculated using the discount rate of 2.84 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 7.50 percent for 2022, and 7.50 percent for 2021. 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 3.65 percent at December 31, 2022 and 2.05 percent at December 31, 2021, was blended with the long-term rate of 7.50 percent, which resulted in a blended discount rate of 4.27 percent for 2022 and 2.84 percent for 2021. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2035. The long-term expected rate of return on health care investments was applied to projected costs through 2035, and the municipal bond rate was applied to all health care costs after that date.

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 4.27 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 (3.27 percent), or one percentage point higher (5.27 percent) than the current rate.

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
City's proportionate share of the net OPEB liability	\$600,959	\$488,026	\$392,683

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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 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. For governmental funds, the amount increased from a beginning of year balance of \$325,058 to a year-end balance of \$448,386. The balance attributable to proprietary funds decreased from a beginning of year balance of \$61,869 to a year-end balance of \$50,597.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

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

Long-term debt and other long-term obligations of the City at December 31, 2023 were as follows:

		Balance December 31, 2022	Issued	(Retired)	Balance December 31, 2023	Amount Due Within One Year
Governmental Activities Debt:						
General Obligation Bonds:						
2017 Land Acquisition Refunding Bonds	1-2.63%	\$230,000	\$0	(\$45,000)	\$185,000	\$45,000
2021 Various Purpose Refunding Bonds	3-4.0%	824,000	0	(\$80,000)	744,000	83,000
2021 Service Building	3-4.0%	1,260,000	0	(\$51,000)	1,209,000	48,000
2016 Training Tower	3.59%	375,128	0	(\$36,047)	339,081	37,341
2018 Safety Center	2-4%	1,145,000	0	(\$55,000)	1,090,000	55,000
		3,834,128	0	(267,047)	3,567,081	268,341
Bond Premium		307,084	0	(22,722)	284,362	0
Total General Obligation Bonds		4,141,212	0	(289,769)	3,851,443	268,341
Special Obligation TIF Bonds:						
2017 Downtown Revitalization	3.75%	550,000	0	0	550,000	0
Installment Loans:						
2014 Fire Engines	3.88%	574,085	0	(72,950)	501,135	75,780
2015 Fire Equipment	4.25%	66,271	0	(8,327)	57,944	8,681
2017 Medic Unit	3.17%	62,028	0	(30,530)	31,498	31,498
2021 Heavy Rescue Unit	2.84%	489,304	0	(31,646)	457,658	32,544
Total Installment Loans		1,191,688	0	(143,453)	1,048,235	148,503
Governmental Activities Other Long-Term Obligations:						
Leases		217,311	0	(77,688)	139,623	59,702
Subscription Based Information						
Technology Arrangements (SBITA)		0	71,710	(18,438)	53,272	16,652
Compensated Absences		325,058	295,618	(172,290)	448,386	234,168
Total Governmental Activities		\$6,425,269	\$367,328	(\$701,638)	\$6,090,959	\$727,366

CITY OF LOVELAND, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

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

		Balance December 31, 2022	Issued	(Retired)	Balance December 31, 2023	Amount Due Within One Year
Business-Type Activities Debt:						
General Obligation Bonds:						
2017 Stormwater Refunding Bonds	1-2.63%	\$95,000	\$0	(\$15,000)	\$80,000	\$20,000
2012 Stormwater System Refunding	1-2.50%	70,000	0	(70,000)	0	0
2012 Stormwater System Refunding	1-2.75%	40,000	0	(20,000)	20,000	20,000
2021 Water Tower Refunding Bonds	3-4.0%	2,611,000	0	(139,000)	2,472,000	144,000
2018 Water Tower Maintenance Bond	2-4.00%	850,000	0	(65,000)	785,000	70,000
		3,666,000	0	(309,000)	3,357,000	254,000
Bond Premium		371,061	0	(25,612)	345,449	0
Total General Obligation Bonds		4,037,061	0	(334,612)	3,702,449	254,000
Ohio Public Works Commission Loans:*						
2002 West Loveland Waterline	0.00%	7,500	0	(7,500)	0	0
2003 West Loveland Avenue Storm Drainage	0.00%	33,338	0	(16,670)	16,668	16,668
2004 Elysion Extension	0.00%	71,505	0	(23,836)	47,669	23,836
2005 Walker Extension	0.00%	66,967	0	(19,132)	47,835	19,132
2007 Downtown Water Line	0.00%	133,926	0	(24,350)	109,576	24,350
2008 Broadway and Hanna	0.00%	62,536	0	(9,622)	52,914	9,622
2011 Waterline Replacement	0.00%	233,800	0	(23,380)	210,420	23,380
2011 Bellwood Storm Drainage	0.00%	146,124	0	(14,612)	131,512	14,612
2012 Wall Street Waterline	0.00%	216,276	0	(24,030)	192,246	24,030
2012 Park Center Waterline	0.00%	183,848	0	(16,714)	167,134	16,714
2012 Fallis Road Waterline	0.00%	281,489	0	(26,808)	254,681	26,808
2013 Twightwee Waterline	0.00%	140,394	0	(11,700)	128,694	11,700
2013 Stoneybrook Storm Drainage	0.00%	174,750	0	(13,980)	160,770	13,980
2015 Union-Cemetery Waterline	0.00%	395,484	0	(28,249)	367,235	28,248
2015 Fifth Street Reconstruction	0.00%	24,239	0	(1,796)	22,443	1,796
2017 Loveland Madeira Storm Sewer	0.00%	327,772	0	(20,486)	307,286	20,486
2019 SR 48 and Loveland/Miamiville Waterline	0.00%	321,244	0	(17,848)	303,396	17,848
2021 Broadway Street Stabilization	0.00%	201,776	0	(10,348)	191,428	10,348
2022 Main and Chesnut Water Line Replacement	0.00%	565,215	0	(14,130)	551,085	28,260
2022 Miamiview Drive Culvert Replacement	0.00%	367,299	0	(18,365)	348,934	18,365
Total Ohio Public Works Commission Loans		3,955,482	0	(343,556)	3,611,926	350,183
Business-Type Activities Other Long-Term Obligations:						
Compensated Absences		61,869	14,565	(25,837)	50,597	20,866
Total Business-Type Activities		\$8,054,412	\$14,565	(\$704,005)	\$7,364,972	\$625,049

*The Ohio Public Works Commission Loans are direct borrowings.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023****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, 2023, follows:

Years	Governmental Activities					
	General Obligation Bonds		Special Obligation Bonds		Installment Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$268,341	\$121,406	\$0	\$20,625	\$148,503	\$35,896
2025	278,681	113,302	0	20,625	121,239	30,665
2026	285,070	104,880	550,000	20,625	125,627	26,276
2027	299,509	94,898	0	0	130,178	21,725
2028	260,999	94,898	0	0	134,897	17,007
2029-2033	1,121,481	329,846	0	0	300,455	33,591
2034-2038	803,000	152,430	0	0	87,336	3,736
2039-2042	250,000	28,850	0	0	0	0
Totals	<u>\$3,567,081</u>	<u>\$1,040,510</u>	<u>\$550,000</u>	<u>\$61,875</u>	<u>\$1,048,235</u>	<u>\$168,896</u>

Years	Business-Type Activities			
	General Obligation Bonds		OPWC Loans *	
	Principal	Interest	Principal	Interest
2024	\$254,000	\$110,224	\$350,183	\$0
2025	235,000	102,730	333,514	0
2026	240,000	95,758	300,116	0
2027	252,000	87,096	290,552	0
2028	237,000	79,610	278,375	0
2029-2033	1,317,000	260,880	1,188,231	0
2034-2038	822,000	62,460	598,424	0
2039-2043	0	0	272,534	0
Totals	<u>\$3,357,000</u>	<u>\$798,758</u>	<u>\$3,611,926</u>	<u>\$0</u>

*The Ohio Public Works Commission Loans are direct borrowings.

Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 12 – LEASES**A. Leases Receivable**

The City leases land to various third parties for cell towers. In 2023 the City received \$59,302 in lease payments. The total lease receivable balance at December 31, 2023 was \$69,306 in the General Fund and \$69,306 in the Water Fund.

B. Leases Payable

The City leases various public safety vehicles and related equipment. The lease liability is accounted for as Governmental Activities other long-term obligations.

The following is a schedule of future lease payments as of December 31, 2023:

Years	Governmental Activities	
	Leases	
	Principal	Interest
2024	\$59,702	\$8,089
2025	54,850	4,470
2026	18,607	1,433
2027	6,464	320
Totals	<u>\$139,623</u>	<u>\$14,312</u>

NOTE 13 – SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The City has entered into multiple Subscription Based Information Technology Arrangements (SBITAs) for the right to use various software platforms. The cost of the SBITA assets is \$71,710, the accumulated depreciation is \$16,434 and the net book value is \$55,276, which is included in the Governmental Activities Capital Assets and the related liability is included in the Governmental Activities Long-Term Liabilities.

The following is a schedule of future SBITA payments as of December 31, 2023:

Years	Governmental Activities	
	SBITA	
	Principal	Interest
2024	\$16,652	\$3,463
2025	17,734	2,380
2026	18,886	1,228
Totals	<u>\$53,272</u>	<u>\$7,071</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 14 - 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 15 - COMPLIANCE AND ACCOUNTABILITY

The fund deficits of \$1,849,001 in the Historic Loveland TIF Fund and \$865,377 in the Recreation Land TIF Fund (capital projects funds) arose from the recognition of interfund loans payable in the individual fund balance sheet.

NOTE 16 - 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, 2023***

NOTE 17 – SIGNIFICANT COMMITMENTS

At December 31, 2023 the City had encumbrance commitments in the Governmental Funds as follows:

<u>Fund</u>	<u>Encumbrances</u>
General Fund	\$527,322
Paramedic Fund	20,820
Fire and EMS Fund	93,148
Community Improvement Corporation Fund	1,375
Historic Loveland TIF Fund	5,759
Other Governmental Funds	906,834
Total Governmental Funds	<u>\$1,555,258</u>

The City had the following contractual commitments at December 31, 2023:

<u>Project</u>	<u>Remaining Contractual Commitment</u>	<u>Expected Date of Completion</u>
West Loveland Avenue Bridge Congestion Mitigation Study	\$171,187	2025
State Route 48 Turn Lane	20,051	2024
Chestnut Street Environmental Oversight	50,742	2024
Loveland Madeira Systemic Safety Sidewalk	351,551	2025
East Avenue Bridge Replacement	800,000	2024
	<u>\$1,393,531</u>	

NOTE 18 – CHANGE IN ACCOUNTING PRINCIPLE

For 2023 the City implemented Governmental Accounting Standards Board (GASB) Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements,” and Statement No. 96, “Subscription-Based Information Technology Arrangements.”

GASB Statement No. 94 clarifies accounting and financial reporting requirements for public-private and public-public partnership arrangements and availability payment arrangements.

GASB Statement No. 96 provides guidance on accounting and financial reporting for subscription-based information technology arrangements for government end users.

The implementation of these Statements had no effect on beginning net position/fund balance.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LOVELAND, OHIO

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

Ohio Public Employees Retirement System

Year	2014	2015	2016	2017
City's proportion of the net pension liability (asset)	0.011898%	0.011898%	0.011766%	0.010582%
City's proportionate share of the net pension liability (asset)	\$1,402,619	\$1,435,031	\$2,038,055	\$2,402,977
City's covered payroll	\$1,604,000	\$1,554,658	\$1,462,883	\$1,370,233
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	87.45%	92.31%	139.32%	175.37%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%	77.25%

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

Ohio Police and Fire Pension Fund

Year	2014	2015	2016	2017
City's proportion of the net pension liability (asset)	0.058369%	0.058369%	0.057384%	0.054576%
City's proportionate share of the net pension liability (asset)	\$2,842,739	\$3,023,743	\$3,691,570	\$3,456,759
City's covered payroll	\$1,341,209	\$1,281,795	\$1,295,679	\$1,303,800
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	211.95%	235.90%	284.91%	265.13%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%	68.36%

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 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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.009995%	0.011294%	0.011360%	0.011488%	0.011828%	0.011612%
\$1,567,941	\$3,093,196	\$2,245,380	\$1,701,120	\$1,029,081	\$3,430,190
\$1,304,031	\$1,527,236	\$1,600,686	\$1,617,014	\$1,717,643	\$1,800,064
120.24%	202.54%	140.28%	105.20%	59.91%	190.56%
84.66%	74.70%	82.17%	86.88%	92.62%	75.74%

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.053348%	0.058461%	0.058668%	0.061584%	0.063021%	0.068546%
\$3,274,180	\$4,771,963	\$3,952,164	\$4,198,266	\$3,937,215	\$6,511,199
\$1,294,747	\$1,403,389	\$1,560,074	\$1,662,895	\$1,785,311	\$1,925,100
252.88%	340.03%	253.33%	252.47%	220.53%	338.23%
70.91%	63.07%	69.89%	70.65%	75.03%	62.90%

CITY OF LOVELAND, OHIO

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

Ohio Public Employees Retirement System

Year	2014	2015	2016	2017
Contractually required contribution	\$186,559	\$175,546	\$164,428	\$169,524
Contributions in relation to the contractually required contribution	186,559	175,546	164,428	169,524
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$1,554,658	\$1,462,883	\$1,370,233	\$1,304,031
Contributions as a percentage of covered payroll	12.00%	12.00%	12.00%	13.00%

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

Ohio Police and Fire Pension Fund

Year	2014	2015	2016	2017
Contractually required contribution	\$243,541	\$246,179	\$247,722	\$246,002
Contributions in relation to the contractually required contribution	243,541	246,179	247,722	246,002
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$1,281,795	\$1,295,679	\$1,303,800	\$1,294,747
Contributions as a percentage of covered payroll	19.00%	19.00%	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.

See notes to the required supplementary information

CITY OF LOVELAND, OHIO

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$213,813	\$224,096	\$226,382	\$240,470	\$252,009	\$295,177
<u>213,813</u>	<u>224,096</u>	<u>226,382</u>	<u>240,470</u>	<u>252,009</u>	<u>295,177</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,527,236	\$1,600,686	\$1,617,014	\$1,717,643	\$1,800,064	\$2,108,407
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$266,644	\$296,414	\$315,950	\$339,209	\$365,769	\$421,134
<u>266,644</u>	<u>296,414</u>	<u>315,950</u>	<u>339,209</u>	<u>365,769</u>	<u>421,134</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,403,389	\$1,560,074	\$1,662,895	\$1,785,311	\$1,925,100	\$2,216,495
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 (Asset)
Last Seven 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>	<u>2022</u>	<u>2023</u>
0.013107%	0.013272%	0.013659%	0.013018%
\$1,810,415	(\$236,453)	(\$427,824)	\$82,078
\$1,600,686	\$1,617,014	\$1,717,643	\$1,800,064
113.10%	(14.62%)	(24.91%)	4.56%
47.80%	115.57%	128.23%	94.79%

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.058668%	0.061584%	0.063021%	0.068546%
\$579,503	\$652,497	\$690,768	\$488,026
\$1,560,074	\$1,662,895	\$1,785,311	\$1,925,100
37.15%	39.24%	38.69%	25.35%
47.08%	45.42%	46.86%	52.59%

CITY OF LOVELAND, OHIO

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

Ohio Public Employees Retirement System

Year	2014	2015	2016	2017
Contractually required contribution	\$31,093	\$29,258	\$27,405	\$13,040
Contributions in relation to the contractually required contribution	31,093	29,258	27,405	13,040
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$1,554,658	\$1,462,883	\$1,370,233	\$1,304,031
Contributions as a percentage of covered payroll	2.00%	2.00%	2.00%	1.00%

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

Ohio Police and Fire Pension Fund

Year	2014	2015	2016	2017
Contractually required contribution	\$6,409	\$6,478	\$6,519	\$6,474
Contributions in relation to the contractually required contribution	6,409	6,478	6,519	6,474
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$1,281,795	\$1,295,679	\$1,303,800	\$1,294,747
Contributions as a percentage of covered payroll	0.50%	0.50%	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.

See notes to the required supplementary information

CITY OF LOVELAND, OHIO

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$0	\$0	\$0	\$0	\$0	\$0
<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>	<u>\$0</u>	<u>\$0</u>
\$1,527,236	\$1,600,686	\$1,617,014	\$1,717,643	\$1,800,064	\$2,108,407
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$7,017	\$7,800	\$8,314	\$8,927	\$9,626	\$11,082
<u>7,017</u>	<u>7,800</u>	<u>8,314</u>	<u>8,927</u>	<u>9,626</u>	<u>11,082</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,403,389	\$1,560,074	\$1,662,895	\$1,785,311	\$1,925,100	\$2,216,495
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2023.

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.

2022: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 0.5% to 3.00% for post 1/7/13 retirees.
- Reduction in actuarial assumed rate of return from 7.20% to 6.90%.
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

2023: 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, 2023***

NET PENSION LIABILITY (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2023.

Changes in assumptions:

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

2018: 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 8.25% 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.

2022: 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%

2023: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table
- Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table
- Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table
- Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

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, and 2023.

2022: Group plans for non-Medicare retirees and re-employed retirees replaced with individual medical plans. OPERS will provide a subsidy or allowance via an HRA.

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%

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- Change in health care cost trend rate from 8.5% to 5.5%
- The Municipal Bond Rate changed from 2.00% to 1.84%
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET OPEB LIABILITY (ASSET) (Continued)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (Continued)

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The Municipal Bond Rate changed from 1.84% to 4.05%
- The single discount rate changed from 6.00% to 5.22%.

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.

2020 - 2023: There were no changes in benefit terms.

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%.
- The payroll growth rate changed from 2.75% to 3.25%.

2022: 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 2.96% to 2.84%.
- The investment rate of return changed from 8.0% to 7.5%.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET OPEB LIABILITY (ASSET) (Continued)

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

2023: 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 2.84% to 4.27%.
- Mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table
- Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table
- Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table
- Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table

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*C*OMBINING AND *I*NDIVIDUAL *F*UND
*S*TATEMENTS AND *S*CHEDULES

*T*HE 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.

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.

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.

One Ohio Opioid Settlement Fund

To account for revenues distributed by the State for opioid settlements from drug manufacturers and distributors. It is designated for resources to assist with community drug recovery, prevention and treatment.

(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.

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.

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, 2023**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Pooled Cash and Investments	\$ 749,224	\$ 445,418	\$ 851,464	\$ 2,046,106
Receivables:				
Taxes	614,821	0	0	614,821
Intergovernmental	548,482	0	24,945	573,427
Interfund Loans Receivable	0	0	210,967	210,967
Inventory of Supplies, at Cost	91,320	0	0	91,320
Prepaid Items	2,990	0	0	2,990
Total Assets	\$ 2,006,837	\$ 445,418	\$ 1,087,376	\$ 3,539,631
Liabilities:				
Accounts Payable	\$ 13,210	\$ 0	\$ 20,051	\$ 33,261
Accrued Wages and Benefits Payable	4,907	0	0	4,907
Interfund Loans Payable	0	0	873,640	873,640
Unearned Revenue	0	0	388,400	388,400
Total Liabilities	18,117	0	1,282,091	1,300,208
Deferred Inflows of Resources:				
Unavailable Amounts	398,918	0	0	398,918
Property Tax Levy for Next Fiscal Year	591,861	0	0	591,861
Total Deferred Inflows of Resources	990,779	0	0	990,779
Fund Balances:				
Nonspendable	94,310	0	0	94,310
Restricted	903,631	445,418	0	1,349,049
Assigned	0	0	670,662	670,662
Unassigned	0	0	(865,377)	(865,377)
Total Fund Balances	997,941	445,418	(194,715)	1,248,644
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,006,837	\$ 445,418	\$ 1,087,376	\$ 3,539,631

CITY OF LOVELAND, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2023**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property Taxes	\$ 620,108	\$ 0	\$ 0	\$ 620,108
Intergovernmental Revenue	1,085,628	24,757	500,886	1,611,271
Charges for Services	3,375	0	0	3,375
Licenses and Permits	11,500	0	0	11,500
Investment Earnings	0	0	477,689	477,689
Special Assessments	10,598	0	0	10,598
Fines and Forfeitures	5,575	0	0	5,575
All Other Revenue	24,849	0	0	24,849
Total Revenues	<u>1,761,633</u>	<u>24,757</u>	<u>978,575</u>	<u>2,764,965</u>
Expenditures:				
Current:				
Security of Persons and Property	617,405	0	0	617,405
Transportation	1,087,620	0	0	1,087,620
General Government	10,369	0	45,000	55,369
Capital Outlay	0	0	2,041,935	2,041,935
Debt Service:				
Principal Retirement	2,304	267,047	0	269,351
Interest & Fiscal Charges	0	149,916	0	149,916
Total Expenditures	<u>1,717,698</u>	<u>416,963</u>	<u>2,086,935</u>	<u>4,221,596</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	43,935	(392,206)	(1,108,360)	(1,456,631)
Other Financing Sources (Uses):				
Sale of Capital Assets	11,700	0	0	11,700
SBITA Issuance	8,964	0	0	8,964
Transfers In	200,000	447,206	1,224,245	1,871,451
Transfers Out	(18,112)	0	(51,110)	(69,222)
Total Other Financing Sources (Uses)	<u>202,552</u>	<u>447,206</u>	<u>1,173,135</u>	<u>1,822,893</u>
Net Change in Fund Balances	246,487	55,000	64,775	366,262
Fund Balances at Beginning of Year	735,351	390,418	(259,490)	866,279
Increase in Inventory	16,103	0	0	16,103
Fund Balances End of Year	<u>\$ 997,941</u>	<u>\$ 445,418</u>	<u>\$ (194,715)</u>	<u>\$ 1,248,644</u>

CITY OF LOVELAND, OHIO**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023**

	Street Maintenance Fund	Enforcement and Education Fund	Permissive Motor Vehicle License Tax Fund	Fire Protection Fund
Assets:				
Pooled Cash and Investments	\$ 115,518	\$ 17,646	\$ 127,137	\$ 188,892
Receivables:				
Taxes	0	0	0	614,821
Intergovernmental	387,063	0	92,469	37,567
Inventory of Supplies, at Cost	91,320	0	0	0
Prepaid Items	2,990	0	0	0
Total Assets	<u>\$ 596,891</u>	<u>\$ 17,646</u>	<u>\$ 219,606</u>	<u>\$ 841,280</u>
Liabilities:				
Accounts Payable	\$ 11,897	\$ 0	\$ 0	\$ 1,313
Accrued Wages and Benefits Payable	4,907	0	0	0
Total Liabilities	<u>16,804</u>	<u>0</u>	<u>0</u>	<u>1,313</u>
Deferred Inflows of Resources:				
Unavailable Amounts	258,042	0	61,646	58,308
Property Tax Levy for Next Fiscal Year	0	0	0	591,861
Total Deferred Inflows of Resources	<u>258,042</u>	<u>0</u>	<u>61,646</u>	<u>650,169</u>
Fund Balances:				
Nonspendable	94,310	0	0	0
Restricted	227,735	17,646	157,960	189,798
Total Fund Balances	<u>322,045</u>	<u>17,646</u>	<u>157,960</u>	<u>189,798</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 596,891</u>	<u>\$ 17,646</u>	<u>\$ 219,606</u>	<u>\$ 841,280</u>

CITY OF LOVELAND, OHIO

State Highway Fund	One Ohio Opioid Settlement Fund	Mayors Court Computer Fund	Lighting District Fund	Total Nonmajor Special Revenue Funds
\$ 222,987	\$ 1,120	\$ 23,137	\$ 52,787	\$ 749,224
0	0	0	0	614,821
31,383	0	0	0	548,482
0	0	0	0	91,320
0	0	0	0	2,990
<u>\$ 254,370</u>	<u>\$ 1,120</u>	<u>\$ 23,137</u>	<u>\$ 52,787</u>	<u>\$ 2,006,837</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,210
0	0	0	0	4,907
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18,117</u>
20,922	0	0	0	398,918
0	0	0	0	591,861
<u>20,922</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>990,779</u>
0	0	0	0	94,310
233,448	1,120	23,137	52,787	903,631
<u>233,448</u>	<u>1,120</u>	<u>23,137</u>	<u>52,787</u>	<u>997,941</u>
<u>\$ 254,370</u>	<u>\$ 1,120</u>	<u>\$ 23,137</u>	<u>\$ 52,787</u>	<u>\$ 2,006,837</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, 2023

	Street Maintenance Fund	Enforcement and Education Fund	Permissive Motor Vehicle License Tax Fund	Fire Protection Fund
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 620,108
Intergovernmental Revenue	752,167	0	184,498	75,110
Charges for Services	3,375	0	0	0
Licenses and Permits	0	0	11,500	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	715	0	0
All Other Revenue	24,849	0	0	0
Total Revenues	780,391	715	195,998	695,218
Expenditures:				
Current:				
Security of Persons and Property	0	3,021	0	598,523
Transportation	956,139	0	119,682	0
General Government	0	0	0	0
Debt Service:				
Principal Retirement	1,152	0	0	1,152
Total Expenditures	957,291	3,021	119,682	599,675
Excess (Deficiency) of Revenues Over (Under) Expenditures	(176,900)	(2,306)	76,316	95,543
Other Financing Sources (Uses):				
Sale of Capital Assets	11,700	0	0	0
SBITA Issuance	4,482	0	0	4,482
Transfers In	200,000	0	0	0
Transfers Out	(18,112)	0	0	0
Total Other Financing Sources (Uses)	198,070	0	0	4,482
Net Change in Fund Balances	21,170	(2,306)	76,316	100,025
Fund Balances at Beginning of Year	284,772	19,952	81,644	89,773
Increase in Inventory	16,103	0	0	0
Fund Balances End of Year	\$ 322,045	\$ 17,646	\$ 157,960	\$ 189,798

CITY OF LOVELAND, OHIO

State Highway Fund	One Ohio Opioid Settlement Fund	Mayors Court Computer Fund	Lighting District Fund	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 620,108
60,987	12,866	0	0	1,085,628
0	0	0	0	3,375
0	0	0	0	11,500
0	0	0	10,598	10,598
0	0	4,860	0	5,575
0	0	0	0	24,849
<u>60,987</u>	<u>12,866</u>	<u>4,860</u>	<u>10,598</u>	<u>1,761,633</u>
0	15,861	0	0	617,405
11,799	0	0	0	1,087,620
0	0	0	10,369	10,369
0	0	0	0	2,304
<u>11,799</u>	<u>15,861</u>	<u>0</u>	<u>10,369</u>	<u>1,717,698</u>
49,188	(2,995)	4,860	229	43,935
0	0	0	0	11,700
0	0	0	0	8,964
0	0	0	0	200,000
0	0	0	0	(18,112)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>202,552</u>
49,188	(2,995)	4,860	229	246,487
184,260	4,115	18,277	52,558	735,351
0	0	0	0	16,103
<u>\$ 233,448</u>	<u>\$ 1,120</u>	<u>\$ 23,137</u>	<u>\$ 52,787</u>	<u>\$ 997,941</u>

CITY OF LOVELAND, OHIO

***Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2023***

	General Bond Retirement Fund	Debt Retirement Sinking Fund	Total Nonmajor Debt Service Funds
Assets:			
Pooled Cash and Investments	\$ 60,418	\$ 385,000	\$ 445,418
Total Assets	<u>\$ 60,418</u>	<u>\$ 385,000</u>	<u>\$ 445,418</u>
Liabilities:	\$ 0	\$ 0	\$ 0
Fund Balances:			
Restricted	60,418	385,000	445,418
Total Fund Balances	<u>60,418</u>	<u>385,000</u>	<u>445,418</u>
Total Liabilities and Fund Balances	<u>\$ 60,418</u>	<u>\$ 385,000</u>	<u>\$ 445,418</u>

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2023***

	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	267,047	0	267,047
Interest & Fiscal Charges	149,916	0	149,916
Total Expenditures	<u>416,963</u>	<u>0</u>	<u>416,963</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(392,206)	0	(392,206)
Other Financing Sources (Uses):			
Transfers In	392,206	55,000	447,206
Total Other Financing Sources (Uses)	<u>392,206</u>	<u>55,000</u>	<u>447,206</u>
Net Change in Fund Balances	0	55,000	55,000
Fund Balances at Beginning of Year	<u>60,418</u>	<u>330,000</u>	<u>390,418</u>
Fund Balances End of Year	<u>\$ 60,418</u>	<u>\$ 385,000</u>	<u>\$ 445,418</u>

CITY OF LOVELAND, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2023**

	Recreation Land TIF Fund	Special Projects Fund	Total Nonmajor Capital Projects Funds
Assets:			
Pooled Cash and Investments	\$ 8,263	\$ 843,201	\$ 851,464
Receivables:			
Intergovernmental	0	24,945	24,945
Interfund Loans Receivable	0	210,967	210,967
Total Assets	<u>\$ 8,263</u>	<u>\$ 1,079,113</u>	<u>\$ 1,087,376</u>
Liabilities:			
Accounts Payable	\$ 0	\$ 20,051	\$ 20,051
Interfund Loans Payable	873,640	0	873,640
Unearned Revenue	0	388,400	388,400
Total Liabilities	<u>873,640</u>	<u>408,451</u>	<u>1,282,091</u>
Fund Balances:			
Assigned	0	670,662	670,662
Unassigned	(865,377)	0	(865,377)
Total Fund Balances	<u>(865,377)</u>	<u>670,662</u>	<u>(194,715)</u>
Total Liabilities and Fund Balances	<u>\$ 8,263</u>	<u>\$ 1,079,113</u>	<u>\$ 1,087,376</u>

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2023***

	Recreation Land TIF Fund	Special Projects Fund	Total Nonmajor Capital Project Funds
Revenues:			
Intergovernmental Revenue	\$ 0	\$ 500,886	\$ 500,886
Investment Earnings	0	477,689	477,689
Total Revenues	<u>0</u>	<u>978,575</u>	<u>978,575</u>
Expenditures:			
Current:			
General Government	45,000	0	45,000
Capital Outlay	0	2,041,935	2,041,935
Total Expenditures	<u>45,000</u>	<u>2,041,935</u>	<u>2,086,935</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(45,000)	(1,063,360)	(1,108,360)
Other Financing Sources (Uses):			
Transfers In	0	1,224,245	1,224,245
Transfers Out	(51,110)	0	(51,110)
Total Other Financing Sources (Uses)	<u>(51,110)</u>	<u>1,224,245</u>	<u>1,173,135</u>
Net Change in Fund Balances	(96,110)	160,885	64,775
Fund Balances at Beginning of Year	<u>(769,267)</u>	<u>509,777</u>	<u>(259,490)</u>
Fund Balances End of Year	<u>\$ (865,377)</u>	<u>\$ 670,662</u>	<u>\$ (194,715)</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, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 1,125,067	\$ 1,125,067	\$ 1,132,565	\$ 7,498
Municipal Income Tax	6,293,779	6,770,319	6,832,539	62,220
Intergovernmental Revenue	3,730,876	3,730,876	3,764,439	33,563
Charges for Services	752,549	752,549	694,828	(57,721)
Licenses and Permits	265,000	265,000	243,057	(21,943)
Special Assessments	2,100	2,100	1,525	(575)
Fines and Forfeitures	50,000	50,000	54,899	4,899
All Other Revenue	187,147	187,147	287,240	100,093
Total Revenues	12,406,518	12,883,058	13,011,092	128,034
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	3,260,140	3,400,140	3,356,241	43,899
Other Expenditures	1,013,378	1,077,878	1,036,214	41,664
Total Security of Persons and Property	4,273,518	4,478,018	4,392,455	85,563
Leisure Time Activities:				
Parks and Recreation:				
Personal Services	404,151	414,151	402,620	11,531
Other Expenditures	316,416	477,416	441,772	35,644
Total Leisure Time Activities	720,567	891,567	844,392	47,175
Community Environment:				
Building and Zoning:				
Personal Services	195,099	207,499	202,862	4,637
Other Expenditures	196,536	196,536	136,664	59,872
Total Community Environment	391,635	404,035	339,526	64,509
General Government:				
City Council:				
Personal Services	67,957	69,157	68,745	412
Other Expenditures	11,500	11,500	13,062	(1,562)
Total City Council	79,457	80,657	81,807	(1,150)

(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, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
City Manager:				
Personal Services	555,267	630,267	626,792	3,475
Other Expenditures	0	0	1,220	(1,220)
Total City Manager	555,267	630,267	628,012	2,255
Mayor's Court:				
Personal Services	101,471	101,471	99,274	2,197
Other Expenditures	23,749	30,449	24,044	6,405
Total Mayor's Court	125,220	131,920	123,318	8,602
Administration:				
Personal Services	3,600	3,600	0	3,600
Other Expenditures	17,500	17,500	10,986	6,514
Total Administration	21,100	21,100	10,986	10,114
Finance and Income Tax:				
Personal Services	378,666	378,666	370,306	8,360
Other Expenditures	48,969	56,969	44,661	12,308
Total Finance and Income Tax	427,635	435,635	414,967	20,668
Solicitor:				
Other Expenditures	87,478	87,478	51,972	35,506
Total Solicitor	87,478	87,478	51,972	35,506
General Operations:				
Other Expenditures	7,596,749	7,606,500	7,525,578	80,922
Total General Operations	7,596,749	7,606,500	7,525,578	80,922
Engineer:				
Personal Services	21,515	50,199	27,704	22,495
Other Expenditures	3,250	7,250	4,665	2,585
Total Engineer	24,765	57,449	32,369	25,080
Total General Government	8,917,671	9,051,006	8,869,009	181,997
Total Expenditures	14,303,391	14,824,626	14,445,382	379,244
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(1,896,873)	(1,941,568)	(1,434,290)	507,278

(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, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Sale of Capital Assets	100	100	9,508	9,408
Transfers Out	(1,510,145)	(1,510,145)	(1,510,145)	0
Advances Out	0	(100,250)	(100,250)	0
Total Other Financing Sources (Uses)	(1,510,045)	(1,610,295)	(1,600,887)	9,408
Net Change in Fund Balance	(3,406,918)	(3,551,863)	(3,035,177)	516,686
Fund Balance at Beginning of Year	5,431,571	5,431,571	5,431,571	0
Prior Year Encumbrances	1,148,775	1,148,775	1,148,775	0
Fund Balance at End of Year	<u>\$ 3,173,428</u>	<u>\$ 3,028,483</u>	<u>\$ 3,545,169</u>	<u>\$ 516,686</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, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 879,170	\$ 879,170	\$ 943,715	\$ 64,545
Intergovernmental Revenue	111,084	111,084	110,877	(207)
Charges for Services	325,000	325,000	528,688	203,688
Total Revenues	1,315,254	1,315,254	1,583,280	268,026
Expenditures:				
Security of Persons and Property:				
Other Expenditures	1,547,470	1,547,470	1,531,700	15,770
Total Expenditures	1,547,470	1,547,470	1,531,700	15,770
Net Change in Fund Balance	(232,216)	(232,216)	51,580	283,796
Fund Balance at Beginning of Year	331,945	331,945	331,945	0
Prior Year Encumbrances	74,618	74,618	74,618	0
Fund Balance at End of Year	\$ 174,347	\$ 174,347	\$ 458,143	\$ 283,796

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, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 1,744,372	\$ 1,744,373	\$ 1,826,639	\$ 82,266
Intergovernmental Revenue	82,516	82,516	77,000	(5,516)
Total Revenues	1,826,888	1,826,889	1,903,639	76,750
Expenditures:				
Security of Persons and Property:				
Other Expenditures	2,255,476	2,255,477	1,731,272	524,205
Total Expenditures	2,255,476	2,255,477	1,731,272	524,205
Excess (Deficiency) of Revenues Over (Under) Expenditures	(428,588)	(428,588)	172,367	600,955
Other Financing Sources (Uses):				
Transfers Out	(98,327)	(98,327)	(73,569)	24,758
Total Other Financing Sources (Uses)	(98,327)	(98,327)	(73,569)	24,758
Net Change in Fund Balance	(526,915)	(526,915)	98,798	625,713
Fund Balance at Beginning of Year	288,052	288,052	288,052	0
Prior Year Encumbrances	238,863	238,863	238,863	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 625,713	\$ 625,713

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, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
General Government:				
Other Expenditures	144,954	144,954	35,166	109,788
Total Expenditures	144,954	144,954	35,166	109,788
Net Change in Fund Balance	(144,954)	(144,954)	(35,166)	109,788
Fund Balance at Beginning of Year	141,648	141,648	141,648	0
Prior Year Encumbrances	3,308	3,308	3,308	0
Fund Balance at End of Year	\$ 2	\$ 2	\$ 109,790	\$ 109,788

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 –American Rescue Plan Act (ARPA) Fund
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
General Government:				
Other Expenditures	1,376,953	1,376,953	21,038	1,355,915
Total Expenditures	1,376,953	1,376,953	21,038	1,355,915
Net Change in Fund Balance	(1,376,953)	(1,376,953)	(21,038)	1,355,915
Fund Balance at Beginning of Year	1,403,488	1,403,488	1,403,488	0
Fund Balance at End of Year	\$ 26,535	\$ 26,535	\$ 1,382,450	\$ 1,355,915

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, 2023***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$ 285,127	\$ 287,322	\$ 2,195
Intergovernmental Revenue	0	1,904	1,904
All Other Revenues	0	7,434	7,434
Total Revenues	285,127	296,660	11,533
Expenditures:			
Capital Outlay:			
Other Expenditures	316,790	140,535	176,255
Total Expenditures	316,790	140,535	176,255
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,663)	156,125	187,788
Other Financing Sources (Uses):			
Transfers Out	(164,179)	(164,179)	0
Total Other Financing Sources (Uses)	(164,179)	(164,179)	0
Net Change in Fund Balance	(195,842)	(8,054)	187,788
Fund Balance at Beginning of Year	204,667	204,667	0
Prior Year Encumbrances	594	594	0
Fund Balance at End of Year	\$ 9,419	\$ 197,207	\$ 187,788

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, 2023***

SICK LEAVE RESERVE/ES CROW FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
General Government:			
Other Expenditures	1,518,182	0	1,518,182
Total Expenditures	1,518,182	0	1,518,182
Net Change in Fund Balance	(1,518,182)	0	1,518,182
Fund Balance at Beginning of Year	1,518,182	1,518,182	0
Fund Balance at End of Year	\$ 0	\$ 1,518,182	\$ 1,518,182

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, 2023***

STREET MAINTENANCE FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenue	\$ 720,000	\$ 742,405	\$ 22,405
Charges for Services	3,375	3,375	0
All Other Revenues	9,668	24,849	15,181
Total Revenues	733,043	770,629	37,586
Expenditures:			
Transportation:			
Personal Services	466,361	459,371	6,990
Other Expenditures	563,148	511,555	51,593
Total Expenditures	1,029,509	970,926	58,583
Excess (Deficiency) of Revenues Over (Under) Expenditures	(296,466)	(200,297)	96,169
Other Financing Sources (Uses):			
Proceeds from the Sale of Fixed Assets	11,700	11,700	0
Transfers In	200,000	200,000	0
Transfers Out	(18,112)	(18,112)	0
Total Other Financing Sources (Uses)	193,588	193,588	0
Net Change in Fund Balance	(102,878)	(6,709)	96,169
Fund Balance at Beginning of Year	66,529	66,529	0
Prior Year Encumbrances	33,055	33,055	0
Fund Balance at End of Year	\$ (3,294)	\$ 92,875	\$ 96,169

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, 2023***

ENFORCEMENT AND EDUCATION FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 500	\$ 715	\$ 215
Total Revenues	500	715	215
Expenditures:			
Security of Persons and Property:			
Other Expenditures	20,122	16,113	4,009
Total Expenditures	20,122	16,113	4,009
 Net Change in Fund Balance	(19,622)	(15,398)	4,224
 Fund Balance at Beginning of Year	19,952	19,952	0
Fund Balance at End of Year	\$ 330	\$ 4,554	\$ 4,224

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, 2023***

PERMISSIVE MOTOR VEHICLE LICENSE TAX FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenue	\$ 180,173	\$ 179,056	\$ (1,117)
Licenses and Permits	5,000	11,500	6,500
Total Revenues	185,173	190,556	5,383
Expenditures:			
Transportation:			
Other Expenditures	208,707	119,682	89,025
Total Expenditures	208,707	119,682	89,025
Net Change in Fund Balance	(23,534)	70,874	94,408
Fund Balance at Beginning of Year	56,263	56,263	0
Fund Balance at End of Year	\$ 32,729	\$ 127,137	\$ 94,408

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, 2023***

FIRE PROTECTION FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$ 595,567	\$ 603,546	\$ 7,979
Intergovernmental Revenue	75,250	75,110	(140)
Total Revenues	670,817	678,656	7,839
Expenditures:			
Security of Persons and Property:			
Other Expenditures	722,424	627,035	95,389
Total Expenditures	722,424	627,035	95,389
Net Change in Fund Balance	(51,607)	51,621	103,228
Fund Balance at Beginning of Year	15,366	15,366	0
Prior Year Encumbrances	41,609	41,609	0
Fund Balance at End of Year	\$ 5,368	\$ 108,596	\$ 103,228

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, 2023***

STATE HIGHWAY FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenue	\$ 59,000	\$ 60,195	\$ 1,195
Total Revenues	59,000	60,195	1,195
Expenditures:			
Transportation:			
Other Expenditures	189,831	11,799	178,032
Total Expenditures	189,831	11,799	178,032
Net Change in Fund Balance	(130,831)	48,396	179,227
Fund Balance at Beginning of Year	174,591	174,591	0
Fund Balance at End of Year	\$ 43,760	\$ 222,987	\$ 179,227

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, 2023***

ONE OHIO OPIOID SETTLEMENT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenue	\$ 12,866	\$ 12,866	\$ 0
Total Revenues	12,866	12,866	0
Expenditures:			
Security of Persons and Property:			
Other Expenditures	15,861	15,861	0
Total Expenditures	15,861	15,861	0
Net Change in Fund Balance	(2,995)	(2,995)	0
Fund Balance at Beginning of Year	4,115	4,115	0
Fund Balance at End of Year	\$ 1,120	\$ 1,120	\$ 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, 2023***

MAYORS COURT COMPUTER FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 5,000	\$ 6,187	\$ 1,187
Total Revenues	<u>5,000</u>	<u>6,187</u>	<u>1,187</u>
Expenditures:			
General Government:			
Other Expenditures	15,000	3,660	11,340
Total Expenditures	<u>15,000</u>	<u>3,660</u>	<u>11,340</u>
 Net Change in Fund Balance	(10,000)	2,527	12,527
 Fund Balance at Beginning of Year	<u>16,691</u>	<u>16,691</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 6,691</u></u>	<u><u>\$ 19,218</u></u>	<u><u>\$ 12,527</u></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, 2023***

LIGHTING DISTRICT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 10,500	\$ 10,598	\$ 98
Total Revenues	10,500	10,598	98
Expenditures:			
General Government:			
Other Expenditures	62,806	10,698	52,108
Total Expenditures	62,806	10,698	52,108
 Net Change in Fund Balance	 (52,306)	 (100)	 52,206
 Fund Balance at Beginning of Year	 52,295	 52,295	 0
Prior Year Encumbrances	263	263	0
Fund Balance at End of Year	\$ 252	\$ 52,458	\$ 52,206

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, 2023***

GENERAL BOND RETIREMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Debt Service:			
Principal Retirement	236,447	236,447	0
Interest and Fiscal Charges	126,180	126,180	0
Total Expenditures	362,627	362,627	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(362,627)	(362,627)	0
Other Financing Sources (Uses):			
Transfers In	362,627	362,627	0
Total Other Financing Sources (Uses)	362,627	362,627	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, 2023***

DEBT RETIREMENT SINKING FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
General Government:			
Other Expenditures	385,000	0	385,000
Total Expenditures	385,000	0	385,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(385,000)	0	385,000
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	(330,000)	55,000	385,000
Fund Balance at Beginning of Year	330,000	330,000	0
Fund Balance at End of Year	\$ 0	\$ 385,000	\$ 385,000

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, 2023***

RECREATION LAND TIF FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
General Government:			
Other Expenditures	50,207	45,000	5,207
Total Expenditures	50,207	45,000	5,207
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,207)	(45,000)	5,207
Other Financing Sources (Uses):			
Transfers Out	(51,110)	(51,110)	0
Advances In	100,250	100,250	0
Total Other Financing Sources (Uses)	49,140	49,140	0
Net Change in Fund Balance	(1,067)	4,140	5,207
Fund Balance at Beginning of Year	4,123	4,123	0
Fund Balance at End of Year	\$ 3,056	\$ 8,263	\$ 5,207

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, 2023***

SPECIAL PROJECTS FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenue	\$ 469,341	\$ 494,341	\$ 25,000
Investment Earnings	416,050	455,240	39,190
Total Revenues	885,391	949,581	64,190
Expenditures:			
Capital Outlay:			
Other Expenditures	2,588,365	2,538,738	49,627
Total Expenditures	2,588,365	2,538,738	49,627
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,702,974)	(1,589,157)	113,817
Other Financing Sources (Uses):			
Transfers In	1,224,245	1,224,245	0
Total Other Financing Sources (Uses)	1,224,245	1,224,245	0
Net Change in Fund Balance	(478,729)	(364,912)	113,817
Fund Balance at Beginning of Year	64,077	64,077	0
Prior Year Encumbrances	325,805	325,805	0
Fund Balance at End of Year	\$ (88,847)	\$ 24,970	\$ 113,817

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)

	*			*
	2014	2015	2016	2017
Governmental Activities:				
Net Investment in Capital Assets	\$19,348,404	\$18,469,680	\$19,372,310	\$19,515,289
Restricted	1,466,093	1,662,026	1,741,174	2,582,085
Unrestricted	(216,362)	918,195	1,242,738	(1,546,806)
Total Governmental Activities Net Position	<u>\$20,598,135</u>	<u>\$21,049,901</u>	<u>\$22,356,222</u>	<u>\$20,550,568</u>
Business-type Activities:				
Net Investment in Capital Assets	\$9,343,559	\$9,452,972	\$9,402,549	\$9,384,084
Restricted	0	0	0	0
Unrestricted	2,024,449	1,808,310	2,013,249	1,415,095
Total Business-type Activities Net Position	<u>\$11,368,008</u>	<u>\$11,261,282</u>	<u>\$11,415,798</u>	<u>\$10,799,179</u>
Primary Government:				
Net Investment in Capital Assets	\$28,691,963	\$27,922,652	\$28,774,859	\$28,899,373
Restricted	1,466,093	1,662,026	1,741,174	2,582,085
Unrestricted	1,808,087	2,726,505	3,255,987	(131,711)
Total Primary Government Net Position	<u>\$31,966,143</u>	<u>\$32,311,183</u>	<u>\$33,772,020</u>	<u>\$31,349,747</u>

*Restated

Source: Finance Director's Office

City of Loveland, Ohio

2018	2019	2020	2021	2022	2023
\$19,470,195	\$21,354,268	\$21,320,995	\$21,188,747	\$22,659,376	\$25,818,644
3,082,182	2,738,327	3,267,704	4,381,209	2,752,109	3,303,080
(987,439)	964,079	1,297,454	2,113,332	4,859,201	1,915,199
<u>\$21,564,938</u>	<u>\$25,056,674</u>	<u>\$25,886,153</u>	<u>\$27,683,288</u>	<u>\$30,270,686</u>	<u>\$31,036,923</u>
\$9,450,023	\$9,558,726	\$9,558,275	\$10,862,533	\$10,690,759	\$10,868,820
0	0	0	0	0	0
379,312	238,980	357,191	522,199	881,653	1,406,676
<u>\$9,829,335</u>	<u>\$9,797,706</u>	<u>\$9,915,466</u>	<u>\$11,384,732</u>	<u>\$11,572,412</u>	<u>\$12,275,496</u>
\$28,920,218	\$30,912,994	\$30,879,270	\$32,051,280	\$33,350,135	\$36,687,464
3,082,182	2,738,327	3,267,704	4,381,209	2,752,109	3,303,080
(608,127)	1,203,059	1,654,645	2,635,531	5,740,854	3,321,875
<u>\$31,394,273</u>	<u>\$34,854,380</u>	<u>\$35,801,619</u>	<u>\$39,068,020</u>	<u>\$41,843,098</u>	<u>\$43,312,419</u>

City of Loveland, Ohio

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

	2014	2015	2016
Expenses			
Governmental Activities:			
Security of Persons and Property	\$4,788,410	\$5,453,273	\$5,618,023
Leisure Time Activities	557,894	499,115	547,141
Community Environment	189,090	230,338	225,430
Transportation	1,089,455	1,152,321	875,995
General Government	2,218,449	2,329,335	1,769,444
Interest and Fiscal Charges	163,308	227,739	214,338
<i>Total Governmental Activities Expenses</i>	<u>9,006,606</u>	<u>9,892,121</u>	<u>9,250,371</u>
Business-type Activities:			
Water	2,002,504	2,076,354	1,629,209
Sewer	3,675,503	3,839,457	3,931,317
Stormwater	436,323	354,508	316,694
Sanitation	1,091,547	1,064,171	1,160,450
<i>Total Business-type Activities Expenses</i>	<u>7,205,877</u>	<u>7,334,490</u>	<u>7,037,670</u>
<i>Total Primary Government Expenses</i>	<u>\$16,212,483</u>	<u>\$17,226,611</u>	<u>\$16,288,041</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
Security of Persons and Property	\$182,785	\$485,461	\$509,839
Leisure Time Activities	40,500	30,270	26,000
Community Environment	165,852	137,929	139,613
Transportation	40,500	30,270	26,000
General Government	92,168	110,989	95,394
Operating Grants and Contributions	676,950	827,199	765,072
Capital Grants and Contributions	836,473	446,948	281,482
<i>Total Governmental Activities Program Revenues</i>	<u>2,035,228</u>	<u>2,069,066</u>	<u>1,843,400</u>

City of Loveland, Ohio

2017	2018	2019	2020	2021	2022	2023
\$5,633,283	\$6,127,457	\$3,994,878	\$7,072,582	\$6,739,242	\$7,369,537	\$8,688,947
571,890	606,679	732,085	647,383	463,498	657,357	917,783
231,565	205,287	263,089	267,964	170,852	232,689	330,630
890,979	1,000,071	1,237,520	1,016,545	926,477	1,011,156	1,379,059
1,670,528	1,572,391	1,907,524	2,684,061	2,283,416	2,382,933	6,994,579
237,372	208,954	192,818	185,010	246,196	192,851	174,393
9,235,617	9,720,839	8,327,914	11,873,545	10,829,681	11,846,523	18,485,391
1,635,665	2,687,529	1,887,236	1,844,571	1,700,423	1,860,081	2,112,907
3,969,609	4,228,739	3,900,701	4,046,434	3,984,545	3,928,097	4,009,677
341,908	356,470	403,698	353,833	339,246	459,846	414,417
1,166,271	1,190,149	1,228,695	1,227,910	1,200,876	1,291,952	1,358,847
7,113,453	8,462,887	7,420,330	7,472,748	7,225,090	7,539,976	7,895,848
\$16,349,070	\$18,183,726	\$15,748,244	\$19,346,293	\$18,054,771	\$19,386,499	\$26,381,239
\$489,297	\$465,256	\$569,468	\$464,282	\$532,061	\$721,344	\$814,349
77,000	4,550	16,600	4,075	34,650	38,850	35,375
150,818	134,286	104,907	144,424	100,892	121,958	104,070
77,000	4,550	16,600	2,500	8,925	13,250	14,875
6,461	26,267	25,384	35,406	73,648	84,545	70,268
717,431	739,541	933,613	1,735,383	1,152,392	987,096	4,576,928
260,860	73,004	295,162	93,403	91,725	55,344	545,805
1,778,867	1,447,454	1,961,734	2,479,473	1,994,293	2,022,387	6,161,670

(continued)

City of Loveland, Ohio

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

	2014	2015	2016
Business-type Activities:			
Charges for Services			
Water	1,589,706	1,679,873	1,669,782
Sewer	3,763,128	3,990,202	3,983,094
Stormwater	432,907	437,155	431,533
Sanitation	1,093,114	1,138,687	1,124,066
Operating Grants and Contributions	37,475	32,489	34,026
Capital Grants and Contributions	51,350	1,299	0
<i>Total Business-type Activities Program Revenues</i>	<u>6,967,680</u>	<u>7,279,705</u>	<u>7,242,501</u>
<i>Total Primary Government Program Revenues</i>	<u>9,002,908</u>	<u>9,348,771</u>	<u>9,085,901</u>
Net (Expense)/Revenue			
Governmental Activities	(6,971,378)	(7,823,055)	(7,406,971)
Business-type Activities	(238,197)	(54,785)	204,831
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$7,209,575)</u>	<u>(\$7,877,840)</u>	<u>(\$7,202,140)</u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Property Taxes	\$2,872,211	\$3,224,922	\$3,273,696
Municipal Income Taxes	3,634,505	4,067,529	4,381,413
Other Local Taxes	156,184	151,224	155,423
Intergovernmental, Unrestricted	596,562	603,570	561,963
Investment Earnings	36,690	31,671	35,133
Miscellaneous	318,017	143,964	254,762
Transfers	47,340	51,941	50,902
<i>Total Governmental Activities</i>	<u>7,661,509</u>	<u>8,274,821</u>	<u>8,713,292</u>
Business-type Activities:			
Investment Earnings	0	0	587
Transfers	(47,340)	(51,941)	(50,902)
<i>Total Business-type Activities</i>	<u>(47,340)</u>	<u>(51,941)</u>	<u>(50,315)</u>
<i>Total Primary Government</i>	<u>\$7,614,169</u>	<u>\$8,222,880</u>	<u>\$8,662,977</u>
Change in Net Position			
Governmental Activities	\$690,131	\$451,766	\$1,306,321
Business-type Activities	(285,537)	(106,726)	154,516
<i>Total Primary Government Change in Net Position</i>	<u>\$404,594</u>	<u>\$345,040</u>	<u>\$1,460,837</u>

Source: Finance Director's Office

City of Loveland, Ohio

2017	2018	2019	2020	2021	2022	2023
1,675,413	1,733,174	1,811,604	1,947,584	2,041,506	2,165,913	2,592,432
3,932,224	4,041,076	3,935,132	3,986,116	4,004,428	3,941,485	4,063,784
443,771	447,207	449,995	453,680	448,442	448,482	465,072
1,141,690	1,163,059	1,162,874	1,173,684	1,243,935	1,241,808	1,250,057
32,272	49,057	26,429	25,162	30,822	22,360	63,615
0	60,883	0	0	763,609	75,000	0
7,225,370	7,494,456	7,386,034	7,586,226	8,532,742	7,895,048	8,434,960
9,004,237	8,941,910	9,347,768	10,065,699	10,527,035	9,917,435	14,596,630
(7,456,750)	(8,273,385)	(6,366,180)	(9,394,072)	(8,835,388)	(9,824,136)	(12,323,721)
111,917	(968,431)	(34,296)	113,478	1,307,652	355,072	539,112
(\$7,344,833)	(\$9,241,816)	(\$6,400,476)	(\$9,280,594)	(\$7,527,736)	(\$9,469,064)	(\$11,784,609)
\$3,463,847	\$3,714,377	\$3,750,809	\$3,835,943	\$4,006,978	\$4,042,748	\$4,819,258
4,385,652	4,495,030	4,773,872	5,090,110	5,716,851	7,001,717	6,819,660
151,433	165,372	159,253	154,846	148,475	145,429	135,803
564,817	572,734	641,921	852,651	662,542	689,214	662,390
68,775	108,661	241,238	121,497	7,648	84,206	484,445
335,047	222,703	282,033	168,504	247,949	271,944	319,523
43,412	8,878	8,790	0	(157,920)	176,276	(151,121)
9,012,983	9,287,755	9,857,916	10,223,551	10,632,523	12,411,534	13,089,958
3,127	7,465	11,457	4,282	3,694	8,884	12,851
(43,412)	(8,878)	(8,790)	0	157,920	(176,276)	151,121
(40,285)	(1,413)	2,667	4,282	161,614	(167,392)	163,972
\$8,972,698	\$9,286,342	\$9,860,583	\$10,227,833	\$10,794,137	\$12,244,142	\$13,253,930
\$1,556,233	\$1,014,370	\$3,491,736	\$829,479	\$1,797,135	\$2,587,398	\$766,237
71,632	(969,844)	(31,629)	117,760	1,469,266	187,680	703,084
\$1,627,865	\$44,526	\$3,460,107	\$947,239	\$3,266,401	\$2,775,078	\$1,469,321

City of Loveland, Ohio

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

	2014	2015	2016	2017
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Assigned	245,738	937,705	6,627	86,329
Unassigned	4,301,272	4,544,994	6,894,401	7,827,774
<i>Total General Fund</i>	<u>4,547,010</u>	<u>5,482,699</u>	<u>6,901,028</u>	<u>7,914,103</u>
 All Other Governmental Funds				
Nonspendable	\$37,775	\$19,787	\$84,453	\$66,204
Restricted	1,097,524	1,255,059	1,351,823	2,107,784
Assigned	0	0	0	0
Unassigned	(2,001,065)	(2,459,974)	(3,322,056)	(2,677,476)
<i>Total All Other Governmental Funds</i>	<u>(865,766)</u>	<u>(1,185,128)</u>	<u>(1,885,780)</u>	<u>(503,488)</u>
 <i>Total Governmental Funds</i>	<u>\$3,681,244</u>	<u>\$4,297,571</u>	<u>\$5,015,248</u>	<u>\$7,410,615</u>

Source: Finance Director's Office

City of Loveland, Ohio

2018	2019	2020	2021	2022	2023
\$39,319	\$2,470,339	\$2,502,951	\$2,524,390	\$2,643,952	\$2,748,717
13,866	43,268	229,189	394,189	3,303,623	450,618
8,826,304	6,036,923	6,876,519	7,639,349	5,930,293	6,364,373
8,879,489	8,550,530	9,608,659	10,557,928	11,877,868	9,563,708
\$60,075	\$62,913	\$67,077	\$49,714	\$77,686	\$94,310
3,764,360	2,187,101	2,711,253	3,805,350	2,265,558	2,649,461
0	649,540	521,621	441,512	405,488	670,662
(2,691,731)	(2,682,876)	(2,652,963)	(2,166,630)	(2,615,973)	(2,714,378)
1,132,704	216,678	646,988	2,129,946	132,759	700,055
\$10,012,193	\$8,767,208	\$10,255,647	\$12,687,874	\$12,010,627	\$10,263,763

City of Loveland, Ohio

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

	2014	2015	2016	2017
Revenues:				
Property Taxes	\$2,870,722	\$3,209,671	\$3,288,628	\$3,428,837
Municipal Income Tax	3,723,125	3,956,067	4,418,607	4,446,776
Intergovernmental Revenue	2,108,775	1,875,764	1,432,747	1,505,028
Charges for Services	78,596	387,922	429,928	413,289
Licenses and Permits	367,765	331,424	331,804	437,249
Investment Earnings	36,690	31,671	35,133	68,775
Special Assessments	109,106	109,950	50,995	48,997
Fines and Forfeitures	122,785	115,692	97,714	95,542
All Other Revenue	318,017	143,964	254,762	335,047
Total Revenues	9,735,581	10,162,125	10,340,318	10,779,540
Expenditures:				
Current:				
Security of Persons and Property	5,833,472	5,110,692	5,138,967	5,452,714
Leisure Time Activities	434,864	396,848	448,081	541,706
Community Environment	189,090	230,762	221,275	213,703
Transportation	780,618	695,119	657,364	714,686
General Government	2,263,090	1,418,460	1,319,812	1,556,810
Capital Outlay	1,353,063	1,040,598	1,722,184	281,266
Debt Service:				
Principal Retirement	572,243	651,817	622,121	1,167,976
Interest and Fiscal Charges	159,283	223,455	208,405	232,132
Total Expenditures	11,585,723	9,767,751	10,338,209	10,160,993
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,850,142)	394,374	2,109	618,547

City of Loveland, Ohio

2018	2019	2020	2021	2022	2023
\$3,718,153	\$3,773,117	\$3,821,112	\$3,973,770	\$4,055,579	\$4,792,554
4,496,060	4,811,133	5,054,386	5,975,674	6,811,640	6,781,673
1,371,840	1,756,248	2,691,971	1,893,938	1,738,068	5,756,006
419,501	516,571	462,195	570,904	746,396	842,679
279,848	283,014	245,382	255,015	275,093	250,750
108,661	241,238	121,497	7,648	84,206	484,445
40,610	14,495	58,905	12,202	18,794	12,123
67,241	78,362	37,438	61,994	76,563	60,773
222,703	282,033	168,504	247,949	271,944	319,523
10,724,617	11,756,211	12,661,390	12,999,094	14,078,283	19,300,526
5,497,421	6,068,700	6,663,860	7,042,977	7,107,464	7,847,981
481,425	588,387	489,150	563,962	631,126	826,046
199,538	228,504	243,260	256,567	276,662	325,857
670,877	825,808	825,938	1,119,169	1,162,385	1,087,620
1,615,625	2,828,052	2,295,740	2,918,294	3,183,077	8,243,044
515,863	1,952,691	465,305	365,333	1,942,204	2,176,711
361,263	402,947	393,571	468,508	540,414	506,626
204,608	195,536	187,701	260,964	215,432	196,862
9,546,620	13,090,625	11,564,525	12,995,774	15,058,764	21,210,747
1,177,997	(1,334,414)	1,096,865	3,320	(980,481)	(1,910,221)

(continued)

City of Loveland, Ohio

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

	2014	2015	2016	2017
Other Financing Sources (Uses):				
Sale of Capital Assets	7,859	63,000	0	572,681
Other Financing Sources - Leases	1,137,762	125,000	0	204,027
Loan Proceeds	465,000	0	0	0
SBITA Issuance	0	0	0	0
Issuance of General Obligation Bonds	0	0	600,000	550,000
Refunding General Obligation Bonds Issued	0	0	0	410,000
Premium on General Obligation Bonds	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	1,237,184	741,647	779,387	964,061
Transfers Out	(1,189,844)	(689,706)	(728,485)	(905,700)
Total Other Financing Sources (Uses)	1,657,961	239,941	650,902	1,795,069
Special Items:	(2,339,341)	0	0	0
Net Change in Fund Balance	(\$2,531,522)	\$634,315	\$653,011	\$2,413,616
Debt Service as a Percentage of Noncapital Expenditures	8.43%	9.65%	9.47%	15.44%

Source: Finance Director's Office

City of Loveland, Ohio

2018	2019	2020	2021	2022	2023
14,153	7,374	275,195	368,626	32,890	21,208
0	69,065	112,055	659,626	68,565	0
0	0	0	0	0	0
0	0	0	0	0	71,710
1,350,000	0	0	1,305,000	0	0
0	0	0	981,000	0	0
60,418	0	0	298,152	0	0
0	0	0	(1,085,336)	0	0
754,680	923,652	707,127	546,048	909,466	1,871,451
(745,802)	(914,862)	(707,127)	(629,063)	(733,190)	(1,817,115)
1,433,449	85,229	387,250	2,444,053	277,731	147,254
0	0	0	0	0	0
\$2,611,446	(\$1,249,185)	\$1,484,115	\$2,447,373	(\$702,750)	(\$1,762,967)
6.48%	6.24%	5.52%	6.83%	6.55%	4.07%

City of Loveland, Ohio

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	2014	2015	2016	2017
Income Tax Rate	1.00%	1.00%	1.00%	1.00%
Estimated Personal Income	\$350,423,300	\$376,604,700	\$408,809,222	\$418,071,710
Total Tax Collected (net of refunds)	\$3,504,233	\$3,766,047	\$4,088,092	\$4,180,717
Income Tax Receipts				
Withholding	1,947,710	2,124,522	2,348,990	2,353,645
Percentage	55%	57%	57%	56%
Corporate	440,386	427,054	470,445	457,553
Percentage	13%	11%	12%	11%
Individuals	1,116,137	1,214,471	1,268,657	1,369,519
Percentage	32%	32%	31%	33%

Source: City Income Tax Department

City of Loveland, Ohio

2018	2019	2020	2021	2022	2023
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
\$430,636,734	\$450,627,638	\$466,161,300	\$550,566,000	\$677,027,700	\$683,253,800
\$4,306,367	\$4,506,276	\$4,661,613	\$5,505,660	\$6,770,277	\$6,832,538
2,598,637	2,697,480	2,901,269	3,460,927	3,869,885	4,007,672
60%	60%	62%	63%	57%	58%
320,046	425,472	294,774	526,477	1,081,788	941,558
8%	9%	6%	9%	16%	14%
1,387,684	1,383,324	1,465,570	1,518,256	1,818,604	1,883,308
32%	31%	32%	28%	27%	28%

City of Loveland, Ohio

Income Tax Statistics Current Year and Nine Years Ago

Tax Year 2022 (filed in 2023)				
	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$24,999	903	21.49%	\$10,678,388	2.50%
25,000 - 49,999	727	17.30%	27,631,955	6.46%
50,000 - 74,999	583	13.87%	35,861,079	8.39%
75,000 - 99,999	438	10.42%	38,189,620	8.93%
Over 100,000	1,551	36.92%	315,151,885	73.72%
Total	4,202	100.00%	\$427,512,927	100.00%

Tax Year 2013 (filed in 2014)				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$24,999	1,195	31.35%	\$12,281,403	3.98%
25,000 - 49,999	693	18.18%	25,725,371	8.34%
50,000 - 74,999	474	12.43%	29,021,251	9.41%
75,000 - 99,999	374	9.81%	32,330,452	10.48%
Over 100,000	1,076	28.23%	209,131,026	67.79%
Total	3,812	100.00%	\$308,489,503	100.00%

Source: City Income Tax Department



City of Loveland, Ohio

Ratios of Outstanding Debt By Type Last Ten Years

	2014	2015	2016	2017
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$3,485,000	\$3,055,000	\$3,186,641	\$2,737,469
Special Obligation TIF Bonds	0	0	0	550,000
Installment Loans	1,552,319	1,455,502	1,301,740	1,207,050
Leases	0	0	0	0
SBITA	0	0	0	0
Business-type Activities ⁽¹⁾				
General Obligation Bonds Payable	\$5,102,169	\$4,862,098	\$4,622,027	\$4,381,956
Ohio Public Works Commission Loans	3,875,285	4,136,015	3,788,661	3,849,052
Total Primary Government	<u>\$14,014,773</u>	<u>\$13,508,615</u>	<u>\$12,899,069</u>	<u>\$12,725,527</u>
Population ⁽²⁾				
City of Loveland	12,160	12,160	12,160	12,160
Outstanding Debt Per Capita	\$1,153	\$1,111	\$1,061	\$1,047
Income ⁽³⁾				
Personal	\$350,423,300	\$376,604,700	\$408,809,222	\$418,071,710
Percentage of Personal Income	4.00%	3.59%	3.16%	3.04%

Sources:

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

City of Loveland, Ohio

2018	2019	2020	2021	2022	2023
\$3,882,668	\$3,573,343	\$3,297,894	\$4,500,732	\$4,141,212	\$3,851,443
550,000	550,000	550,000	550,000	550,000	550,000
1,111,006	1,014,363	914,135	1,330,265	1,191,688	1,048,235
0	69,065	160,205	213,785	217,311	139,623
0	0	0	0	0	53,272
\$5,276,121	\$4,974,582	\$4,668,043	\$4,370,673	\$4,037,061	\$3,702,449
3,542,975	3,582,798	3,437,616	3,336,354	3,955,482	3,611,926
<u>\$14,362,770</u>	<u>\$13,764,151</u>	<u>\$13,027,893</u>	<u>\$14,301,809</u>	<u>\$14,092,754</u>	<u>\$12,956,948</u>
12,160	12,160	13,485	13,485	13,485	13,485
\$1,181	\$1,132	\$966	\$1,061	\$1,045	\$961
\$430,636,734	\$450,627,638	\$466,161,300	\$550,566,000	\$677,027,700	\$683,253,800
3.34%	3.05%	2.79%	2.60%	2.08%	1.90%

City of Loveland, Ohio

***Ratios of General Bonded Debt Outstanding
Last Ten Years***

Year	2014	2015	2016	2017
Population ⁽¹⁾	12,160	12,160	12,160	12,160
Estimated Actual Value ⁽²⁾	\$870,983,339	\$888,604,349	\$910,246,336	\$984,511,119
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$8,587,169	\$7,917,098	\$7,808,668	\$7,669,425
Resources Available to Pay Principal ⁽⁴⁾	\$0	\$0	\$0	\$0
Net General Bonded Debt	\$8,587,169	\$7,917,098	\$7,808,668	\$7,669,425
Ratio of Net Bonded Debt to Estimated Actual Value	0.99%	0.89%	0.86%	0.78%
Net Bonded Debt per Capita	\$706.18	\$651.08	\$642.16	\$630.71

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

2018	2019	2020	2021	2022	2023
12,160	12,160	13,485	13,485	13,485	13,485
\$1,005,437,394	\$1,017,313,686	\$1,148,705,916	\$1,170,014,593	\$1,180,669,261	\$1,459,672,741
\$9,708,789	\$9,097,925	\$8,515,937	\$9,421,405	\$8,728,273	\$8,103,892
\$170,418	\$225,418	\$280,418	\$335,418	\$390,418	\$445,418
\$9,538,371	\$8,872,507	\$8,235,519	\$9,085,987	\$8,337,855	\$7,658,474
0.95%	0.87%	0.72%	0.78%	0.71%	0.52%
\$784.41	\$729.65	\$610.72	\$673.78	\$618.31	\$567.93



City of Loveland, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2023*

<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	\$5,642,573	100.00%	\$5,642,573
Overlapping:			
Hamilton County	124,816,000	1.31%	1,635,090
Loveland City School District	1,855,000	35.01%	649,436
Sycamore Community School District	124,945,252	1.15%	1,436,870
Little Miami School District	95,803,192	3.21%	3,075,282
		Subtotal	<u>6,796,678</u>
		Total	<u><u>\$12,439,251</u></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

	2014	2015	2016	2017
Total Debt				
Net Assessed Valuation	\$308,967,430	\$315,281,720	\$322,994,330	\$349,283,750
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	32,441,580	33,104,581	33,914,405	36,674,794
City Debt Outstanding (2)	3,485,000	3,055,000	3,186,641	2,737,469
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation	3,485,000	3,055,000	3,186,641	2,737,469
Overall Legal Debt Margin	\$28,956,580	\$30,049,581	\$30,727,764	\$33,937,325
Debt Margin as a Percentage of Debt Limit	89.26%	90.77%	90.60%	92.54%
Unvoted Debt				
Net Assessed Valuation	\$308,967,430	\$315,281,720	\$322,994,330	\$349,283,750
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	16,993,209	17,340,495	17,764,688	19,210,606
City Debt Outstanding (2)	3,485,000	3,055,000	3,186,641	2,737,469
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation	3,485,000	3,055,000	3,186,641	2,737,469
Overall Legal Debt Margin	\$13,508,209	\$14,285,495	\$14,578,047	\$16,473,137

(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

2018	2019	2020	2021	2022	2023
\$356,980,000	\$361,415,410	\$407,997,790	\$415,793,160	\$419,747,610	\$518,084,600
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
37,482,900	37,948,618	42,839,768	43,658,282	44,073,499	54,398,883
3,822,250	3,515,946	3,243,518	4,170,926	3,834,128	3,567,081
(170,418)	(225,418)	(280,418)	(335,418)	(390,418)	(445,418)
3,651,832	3,290,528	2,963,100	3,835,508	3,443,710	3,121,663
\$33,831,068	\$34,658,090	\$39,876,668	\$39,822,774	\$40,629,789	\$51,277,220
90.26%	91.33%	93.08%	91.21%	92.19%	94.26%
\$356,980,000	\$361,415,410	\$407,997,790	\$415,793,160	\$419,747,610	\$518,084,600
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
19,633,900	19,877,848	22,439,878	22,868,624	23,086,119	28,494,653
3,822,250	3,515,946	3,243,518	4,170,926	3,834,128	3,567,081
(170,418)	(225,418)	(280,418)	(335,418)	(390,418)	(445,418)
3,651,832	3,290,528	2,963,100	3,835,508	3,443,710	3,121,663
\$15,982,068	\$16,587,320	\$19,476,778	\$19,033,116	\$19,642,409	\$25,372,990

City of Loveland, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2014	2015	2016	2017
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	\$350,423,300	\$376,604,700	\$408,809,222	\$418,071,710
Per Capita	28,818	30,971	33,619	34,381
Unemployment Rate ⁽³⁾				
Federal	6.2%	4.9%	4.7%	4.1%
State	5.7%	4.9%	4.9%	4.7%
Hamilton County	5.3%	4.4%	4.0%	4.0%
Civilian Work Force Estimates ⁽³⁾				
State	5,719,000	5,719,500	5,751,600	5,664,800
Hamilton County	404,116	404,100	408,900	402,900

Sources:

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

City of Loveland, Ohio

2018	2019	2020	2021	2022	2023
12,160	12,160	13,485	13,485	13,485	13,485
802,374	802,374	817,473	817,473	817,473	817,473
\$430,636,734	\$450,627,638	\$466,161,300	\$550,566,000	\$677,027,700	\$683,253,800
35,414	37,058	34,569	40,828	50,206	50,668
3.9%	3.5%	6.7%	3.9%	3.5%	3.7%
4.6%	4.2%	5.5%	4.5%	4.1%	3.6%
4.2%	4.4%	4.9%	3.0%	3.0%	2.8%
5,788,200	5,779,300	5,763,300	5,731,474	5,720,223	5,739,180
414,700	415,000	410,248	415,496	416,040	423,789



City of Loveland, Ohio

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2023	
		Employees	Rank
Onesource Employee Management	Business Management	747	1
Loveland Schools	Education	730	2
Robert McCabe Company Inc.	Home Improvement	212	3
Federal Express Corporation	Shipping	124	4
Oasis Turf Tree Inc.	Service	118	5
Eads Fence Company Inc.	Retail	102	6
Loveland Symmes Fire Department	Fire/Rescue	79	7
City of Loveland	Government	72	8
Mike's Car Wash Inc.	Service	70	9
McCormick Equipment Company	Warehouse Equipment	59	10
Total		2,313	
Total Employment within the City (1)		N/A	

Employer	Nature of Business	2014	
		(2) Employees	Rank
Loveland Schools	Education	0	1
Onesource Employee Management	Business Management	0	2
London Computer Systems	Computer Software	0	3
McCormick Equipment Company	Warehouse Equipment	0	4
Robert McCabe Company Inc.	Home Improvement	0	5
Kroger Limited Partnership	Retail	0	6
City of Loveland	Government	0	7
Washing Systems LLC	Research and Development	0	8
Pure Romance Parties Inc	Retail	0	9
International Paper Company	Paper and Packaging	0	10
Total		0	
Total Employment within the City (1)		N/A	

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

(2) - Amounts not available for this year.

Source: City Income Tax Department

City of Loveland, Ohio

Full Time Equivalent Employees by Function Last Ten Years

	2014	2015	2016	2017
Governmental Activities				
General Government				
Finance	5.00	5.00	5.00	5.00
Mayor's Court	1.00	1.00	1.00	1.00
City Manager's Office	2.50	1.50	1.50	1.50
Council/Clerk of Council	1.00	0.50	0.50	0.50
Security of Persons and Property				
Police	19.00	19.00	19.00	19.00
Community Environment				
Engineering	1.00	1.00	1.00	1.00
Building and Zoning	1.50	1.50	1.50	1.50
Business-Type Activities				
Utilities, Streets, Storm, Sanitation and Parks (Public Works Department)				
	12.75	12.75	12.75	12.75
<i>Total Employees</i>	<u>43.75</u>	<u>42.25</u>	<u>42.25</u>	<u>42.25</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, Ohio

2018	2019	2020	2021	2022	2023
5.00	5.00	5.00	5.00	5.00	5.00
1.00	1.00	1.00	1.00	1.00	1.00
3.00	3.00	3.50	3.50	3.50	4.00
0.50	0.50	0.50	0.50	0.50	0.50
19.50	19.50	22.50	22.50	24.50	26.00
1.00	1.00	1.00	1.25	1.25	1.25
1.50	2.00	2.00	2.00	2.00	2.00
13.75	14.75	14.50	14.75	14.75	15.75
45.25	46.75	50.00	50.50	52.50	55.50

City of Loveland, Ohio

Operating Indicators by Function Last Ten Years

	2014	2015	2016	2017
Governmental Activities				
General Government				
Court				
Number of Criminal Cases	201	135	98	77
Number of Traffic Cases	1,037	920	814	656
Licenses and Permits				
Number of Residential Building Permits	177	181	169	200
Number of Commercial Building Permits	91	134	93	144
Number of Residential Building Inspections	413	476	434	349
Number of Commercial Building Inspections	112	153	123	149
Security of Persons and Property				
Police				
Number of Calls for Service	13,804	14,160	12,360	10,661
Number of Criminal Arrests	565	502	389	337
Number of DUI Arrests	31	44	46	66
Number of Traffic Accidents	163	181	186	205
Transportation				
Street				
Number of Streets Resurfaced	2	3	6	8
Business-Type Activities				
Water				
Number of Service Connections	4,923	4,996	5,037	5,060
Daily Average Consumption (MGD)	1.212M	1.240M	1.201M	1.156M
Peak Daily Consumption (MGD)	2.39M	2.06M	2.32M	2.21M

Source: Finance Director's Office

City of Loveland, Ohio

2018	2019	2020	2021	2022	2023
68	47	16	26	31	23
591	588	237	503	765	599
140	149	144	143	196	201
103	105	69	65	79	76
266	413	357	346	229	582
254	462	239	164	83	228
10,457	9,644	8,653	7,813	10,424	11,432
380	343	227	215	246	290
34	20	24	7	17	17
205	210	140	136	158	127
16	20	11	10	25	22
5,080	5,094	5,099	5,099	5,103	5,099
1.153M	1.046M	1.130M	1.160M	1.15M	1.17M
2.07M	2.15M	2.47M	2.20M	2.02M	2.01M

City of Loveland, Ohio

Capital Asset Statistics by Function Last Ten Years

	2014	2015	2016	2017
Governmental Activities				
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	14	14	13	14
Fire/EMS				
Vehicles	15	16	17	17
Transportation				
Street				
Number of Paved Streets	202	201	201	209
Total Paved Miles	102	109	109	109
Signal Controlled Intersections	13	13	13	13
Licensed Vehicles	13	24	25	25
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	9	9
Basketball Courts	3	3	4	4
Soccer Fields	8	8	8	8
Business-Type Activities				
Utilities				
Water				
Water Towers	4	4	4	4
Waterlines (Miles)	76	78	78	79
Water Treatment Plants	1	1	1	1
Buildings	8	8	8	8
Licensed Vehicles	5	11	11	11
Pump Stations	3	3	3	3
Storage Capacity (thousands of gallons)	5,000	5,000	5,000	5,555

Source: Finance Director's Office

City of Loveland, Ohio

2018	2019	2020	2021	2022	2023
1	1	1	1	1	1
15	17	17	17	17	18
19	19	21	21	23	23
209	209	209	209	209	209
109	109	109	109	109	109
13	13	13	13	13	13
25	25	25	21	21	22
99	99	99	99	158	158
5	5	5	5	8	8
10	10	10	10	10	10
7	7	7	7	7	7
7	7	7	4	4	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
79	79	79	79	79	79
1	1	1	1	1	1
8	8	8	8	8	8
11	11	11	9	9	9
3	3	3	3	3	3
5,555	5,555	5,555	5,000	5,000	5,000

