

CITY OF LOVELAND, OHIO

**Independent Auditor's Report on
Internal Control and Compliance**

Year Ended December 31, 2016



CLARK SCHAEFER HACKETT
CPAS & ADVISORS



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the City of Loveland, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

August 17, 2017

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COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS****INDEPENDENT AUDITORS' REPORT**

To the City Council
City of Loveland, Ohio:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Loveland, Ohio ("City") as of and for the year ended December 31, 2016 and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 21, 2017.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 21, 2017



City of Loveland

Comprehensive Annual Financial Report

For the Year Ended December 31, 2016



L O V E L A N D , O H I O



CITY OF LOVELAND, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
December 31, 2016

Prepared by:
Department of Finance

Kelly Flanigan
Director of Finance



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INTRODUCTORY SECTION





CITY OF LOVELAND

120 West Loveland Avenue • Loveland, Ohio 45140
Kelly Flanigan, Director of Finance

phone (513) 683-0150

fax (513) 583-3040

June 21, 2017

To the citizens of the City of Loveland, Ohio:

We are pleased to present the Comprehensive Annual Financial Report for the City of Loveland for the fiscal year ending December 31, 2016. This report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

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

THE CITY OF LOVELAND

The City of Loveland is an energetic southwestern Ohio community uniquely situated within three counties: Clermont, Hamilton, and Warren. The City covers approximately 5.2 square miles and serves a population of 12,160 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 2003.

***Letter of Transmittal
For the Year Ended December 31, 2016***

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 Finance Director.

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

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, OneSource Employee Management, Kroger, Robert McCabe Company, and Loveland-Symmes Fire Department. 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.

Management is optimistic about the future of the local economy based on 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 and industrial park. City administration and City Council remain focused on improving the financial stability of Loveland and developing goals to address economic vitality and infrastructure objectives for the future.

***Letter of Transmittal
For the Year Ended December 31, 2016***

MAJOR INITIATIVES

In 2016, the City saw a significant year in terms of downtown development and marked the completion of the long-awaited Loveland Station project at 110 and 126 S. Second Street. Pursuant to the Loveland Station Development Agreement, all City projects associated with the development were completed, including relocation of the overhead utility lines around the creation of a Railroad Quiet Zone and renovation of the pavers along the perimeter of the project. The new businesses in the development complement our existing businesses and add to the shopping and dining options for our citizens and visitors. Interest has also spurred in additional residential development downtown, including the eight Broadway Brownstone units and four units on Second Street. Residents can easily utilize the bike trail, visit the local park and patronize downtown businesses in a short walk.

The City also took steps to initiate downtown development with an amendment to the City's Zoning Code permitting brewery type operations. Following the approval of the text amendment, Narrow Path Brewery was granted a conditional use for its operations on Karl Brown Way. Following an extensive remodeling of their building, the new business began full operations in early 2017. Additionally, the City's Planning Commission approved a new coffee shop and juice bar, Fresh Press, at 111 Railroad with direct access to the Little Miami Bike Trail. It is slated to open in early 2017.

The City continued to invest in core infrastructure during 2016. Major capital projects or initiatives included:

- **Wayfinding Project** – The signage and Wayfinding project for the City of Loveland was recommended by the Downtown Parking Advisory Committee in 2015. The first phase of the project took shape in 2016 and included the addition of a historic gateway sign installed at the entrance to the downtown area on West Loveland. Numerous other signs have been constructed and are in various stages of installation.
- **Downtown Traffic Signal Improvements and Study** – A traffic study was completed and in conjunction with City Council Goals, the City focused efforts in improving traffic flow in the downtown district. Radar activation was added to three downtown traffic signals which allows for adjustment to the signal queue based on traffic flow.
- **Linda J. Cox Trailside Parking** – The Historic Bike Trail Parking Spur project wrapped up in 2016 and included the addition of 125 new parking spaces in the newly named Linda J. Cox Trailside Parking lot. The lot is located south of Broadway Street, west of the Little Miami Scenic Trail in Clermont County, Ohio (formerly known as the McCoy Lot). The project includes installation of an asphalt parking lot with site grading, storm sewer, curb, lighting, landscaping, striping, permeable pavers, underground detention system, and multiple walkway connections to ODNR's existing trail.
- **East Loveland Connection Project** – A cooperative effort between the City and the Loveland-Symmes Fire Department (LSFD) resulted in improved connectivity from East Loveland to the downtown district. A new sidewalk and street lights were installed and improvements were made to the parking lot. In addition, a state of the art fire training tower was constructed on the lot and creates valuable training opportunities for LSFD and surrounding departments.

***Letter of Transmittal
For the Year Ended December 31, 2016***

- **Annual Street Project** – The City completed nearly \$300,000 in annual street resurfacing in 2016. The City repaved Bird Dog, Lindenhall, Lycoming, Wilmington, Rutgers and a portion of Lebanon, Cross Alley, Albright, Brandenburg and W. Loveland at the railroad tracks.

In 2016, the City saw the following park improvements:

- Improvements to the picnic shelter at Nisbet.
- Participated in locally organized tree initiative and added trees to various parks.

During 2016, 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 2015 Comprehensive Annual 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 fourth 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 2016 budget was submitted to the Government Finance Officers Association (GFOA) and received the Distinguished Budget Presentation Award. This was the third year the City received this award.
- **2016 Buckeye Trail Town Designation:** The Buckeye Trail Town program provides destination information regarding its trail towns to promote tourism centered on the use of bike trails. Inclusion on the Buckeye Trail Network encourages Buckeye Trail hikers to visit Loveland and step off the trail to patronize local businesses. This promotes a greater amount of visitors into the downtown business district which utilize the trail as their mode of transportations, therefore not impacting vehicular traffic or parking.

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, 2016***

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

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

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

Budgetary Control

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

RELEVANT FINANCIAL POLICIES

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

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

INDEPENDENT AUDIT

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

***Letter of Transmittal
For the Year Ended December 31, 2016***

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 comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2015. 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 comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

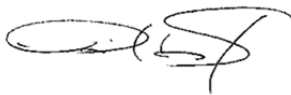
A Certificate of Achievement is valid for a period of one year only. The City of Loveland has received a Certificate of Achievement for the last four consecutive years (fiscal years ended 2012-2015). We believe our current report continues to conform to the Certificate of Achievement program requirements, and it will be submitted to the GFOA for consideration.

ACKNOWLEDGMENTS

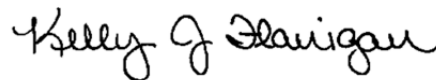
This report could not have been completed without the assistance of the entire administrative staff of the various departments of the City. We would also like to acknowledge our financial consultants Donald J. Schonhardt & Associates, Inc. for their help in formulating this report.

Our sincere gratitude is also extended to the Loveland City Council and its Finance Committee 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



Kelly J. Flanigan
Director of Finance

CITY OF LOVELAND, OHIO

***List of Principal Officials
For the Year Ended December 31, 2016***

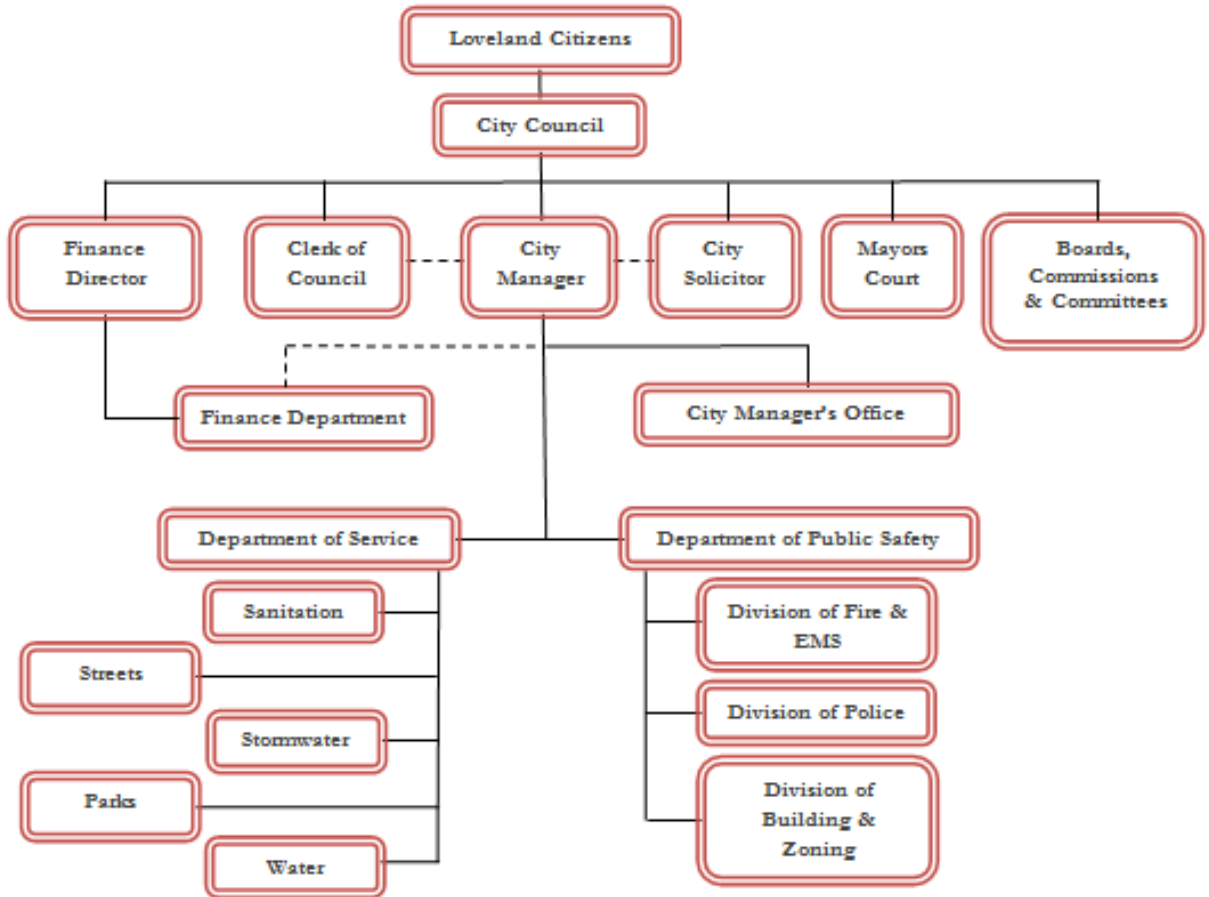
<i>Council</i>	<i>Title</i>	<i>Years of Service *</i>	<i>Term expires</i>
Mark Fitzgerald	Mayor	9 years, 1 month	December 2019
Angela Settell	Vice Mayor	5 years, 1 month	December 2019
Kathy Bailey	Council Member	1 year, 1 month	December 2019
Pam Gross	Council Member	3 years, 1 month	December 2017
Ted Phelps	Council Member	3 years, 1 month	December 2017
Rob Weisgerber	Council Member	18 years, 1 month	December 2017
Stephen Zamagias**	Council Member	9 months	December 2017

<i>Appointed Officials</i>	<i>Title</i>
David Kennedy	City Manager
Misty Cheshire	Clerk of Council
Joseph Braun	City Solicitor
Kelly Flanigan	Finance Director

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

** Linda Cox resigned effective January 31, 2016. Steve Zamagias was appointed on March 22, 2016 to fill the remainder of her term.

**City Organizational Chart
For the Year Ended December 31, 2016**



***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 Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015



Executive Director/CEO



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the City Council
City of Loveland, Ohio:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Loveland, Ohio, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Paramedic Fund, and Fire & EMS Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other 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 introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2017 on our consideration of the City of Loveland'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 of Loveland's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 21, 2017



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, 2016. 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 2016 are as follows:

- ❑ In total, net position increased \$1,460,837. Net position of governmental activities increased \$1,306,321, which represents a 6% increase from 2015. Net position of business-type activities increased \$154,516, or 1% from 2015.
- ❑ General revenues accounted for \$8,662,977 in revenue or 49% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$9,085,901 or 51% of total revenues of \$17,748,878.
- ❑ The City had \$9,250,371 in expenses related to governmental activities; only \$1,843,400 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$8,662,390 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$6,230,023 in revenues and other financing sources and \$4,811,694 in expenditures and other financing uses. The general fund's fund balance increased from \$5,482,699 to \$6,901,028.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

**Management's Discussion and Analysis
For the Year Ended December 31, 2016**

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 Assets and Liabilities.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a comparison of the City's net position at December 31, 2016 and 2015:

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$10,546,696	\$10,088,753	\$3,535,425	\$2,355,279	\$14,082,121	\$12,444,032
Capital Assets, Net	24,405,170	23,554,142	17,759,805	18,387,939	42,164,975	41,942,081
Total Assets	<u>34,951,866</u>	<u>33,642,895</u>	<u>21,295,230</u>	<u>20,743,218</u>	<u>56,247,096</u>	<u>54,386,113</u>
Deferred Outflows of Resources	1,374,730	560,977	296,279	141,825	1,671,009	702,802
Net Pension Liability	5,081,369	4,029,468	648,256	429,306	5,729,625	4,458,774
Other Long-term Liabilities	4,769,690	4,769,882	8,468,367	9,053,395	13,238,057	13,823,277
Other Liabilities	875,388	1,122,277	1,046,563	133,583	1,921,951	1,255,860
Total Liabilities	<u>10,726,447</u>	<u>9,921,627</u>	<u>10,163,186</u>	<u>9,616,284</u>	<u>20,889,633</u>	<u>19,537,911</u>
Deferred Inflows of Resources	3,243,927	3,232,344	12,525	7,477	3,256,452	3,239,821
Net Position						
Net Investment in Capital Assets	19,372,310	18,469,680	9,402,549	9,452,972	28,774,859	27,922,652
Restricted	1,741,174	1,662,026	0	0	1,741,174	1,662,026
Unrestricted	1,242,738	918,195	2,013,249	1,808,310	3,255,987	2,726,505
Total Net Position	<u>\$22,356,222</u>	<u>\$21,049,901</u>	<u>\$11,415,798</u>	<u>\$11,261,282</u>	<u>\$33,772,020</u>	<u>\$32,311,183</u>

The adoption of GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," significantly revised accounting for pension costs and liabilities. 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 the net pension liability to the reported net position and subtracting deferred outflows related to pension.

***Management's Discussion and Analysis
For the Year Ended December 31, 2016***

Unaudited

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

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

GASB notes that pension 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. GASB noted that the unfunded portion of this pension 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 this liability. 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 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 pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system 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 pension system is responsible for the administration of the plan.

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. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, 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 pension 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 is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

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

**Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Unaudited

Changes in Net Position – The following table shows the changes in net position for 2016 and 2015:

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenues:						
Charges for Services and Sales	\$796,846	\$794,919	\$7,208,475	\$7,245,917	\$8,005,321	\$8,040,836
Operating Grants and Contributions	765,072	827,199	34,026	32,489	799,098	859,688
Capital Grants and Contributions	281,482	446,948	0	1,299	281,482	448,247
Total Program Revenues	1,843,400	2,069,066	7,242,501	7,279,705	9,085,901	9,348,771
General Revenues:						
Property Taxes	3,273,696	3,224,922	0	0	3,273,696	3,224,922
Municipal Income Taxes	4,381,413	4,067,529	0	0	4,381,413	4,067,529
Other Local Taxes	155,423	151,224	0	0	155,423	151,224
Intergovernmental, Unrestricted	561,963	603,570	0	0	561,963	603,570
Investment Earnings	35,133	31,671	587	0	35,720	31,671
Miscellaneous	254,762	143,964	0	0	254,762	143,964
Total General Revenues	8,662,390	8,222,880	587	0	8,662,977	8,222,880
Total Revenues	10,505,790	10,291,946	7,243,088	7,279,705	17,748,878	17,571,651
Program Expenses						
Security of Persons and Property	5,618,023	5,453,273	0	0	5,618,023	5,453,273
Leisure Time Activities	547,141	499,115	0	0	547,141	499,115
Community Environment	225,430	230,338	0	0	225,430	230,338
Transportation	875,995	1,152,321	0	0	875,995	1,152,321
General Government	1,769,444	2,329,335	0	0	1,769,444	2,329,335
Interest and Fiscal Charges	214,338	227,739	0	0	214,338	227,739
Water	0	0	1,629,209	2,076,354	1,629,209	2,076,354
Sewer	0	0	3,931,317	3,839,457	3,931,317	3,839,457
Stormwater	0	0	316,694	354,508	316,694	354,508
Sanitation	0	0	1,160,450	1,064,171	1,160,450	1,064,171
Total Expenses	9,250,371	9,892,121	7,037,670	7,334,490	16,288,041	17,226,611
Change in Net Position before Transfers	1,255,419	399,825	205,418	(54,785)	1,460,837	345,040
Transfers	50,902	51,941	(50,902)	(51,941)	0	0
Total Change in Net Position	1,306,321	451,766	154,516	(106,726)	1,460,837	345,040
Beginning Net Position	21,049,901	20,598,135	11,261,282	11,368,008	32,311,183	31,966,143
Ending Net Position	\$22,356,222	\$21,049,901	\$11,415,798	\$11,261,282	\$33,772,020	\$32,311,183

Governmental Activities

Net position of the City's governmental activities increased \$1,306,321 or 6% in 2016. OPWC grants for improvements to Fifth Street and Union Cemetery Road as well as ODNR grants for the McCoy Trail spur and parking lot improvement project received in the prior year resulted in the subsequent decrease in capital grants and contributions in the current year. An increase in income taxes was the result of changes in Ohio municipal income tax regulations as well as increased efforts by the City to collect on delinquent accounts.

***Management’s Discussion and Analysis
For the Year Ended December 31, 2016***

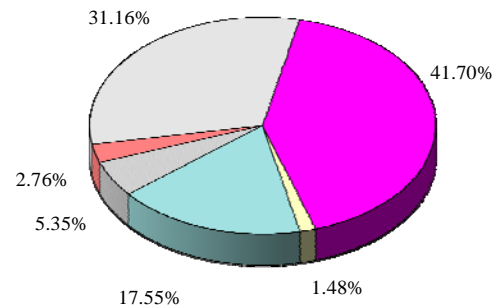
Unaudited

Overall, expenses decreased 6% from the previous year. An increase in contractual costs with the Loveland-Symmes Fire Department as well as for the purchase of supplies resulted in an increase in security of persons. Increased funding from the City for community special events resulted in an increase in leisure time activities. Costs incurred in the prior year for infrastructure improvements to non-City owned streets resulted in the subsequent decrease in transportation and general government in the current year.

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

Property taxes and income taxes made up 31% and 42% respectively, of revenues for governmental activities in 2016. The City’s reliance upon tax revenues is demonstrated by the following graph indicating 74% of total revenues from general tax revenues:

Revenue Sources	2016	Percent of Total
Property Taxes	\$3,273,696	31.16%
Municipal Income Taxes	4,381,413	41.70%
Other Local Taxes	155,423	1.48%
Program Revenues	1,843,400	17.55%
Intergovernmental, Unrestricted	561,963	5.35%
General Other	289,895	2.76%
Total Revenue	\$10,505,790	100.00%



Business-Type Activities

Net position of the business-type activities increased \$154,516, or 1%. Revenues remained consistent with the prior year. Expenses incurred in the prior year for water tank maintenance resulted in the subsequent decrease in water expenses in the current year. An increase in expenses in the sewer department can be attributed to contractual costs paid to the Metropolitan Sewer District, due to increased water consumption in the City. Expenses in the sanitation department increased as a result of the terms of a new refuse collection contract.

**Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Unaudited

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$5,015,248, which is an increase from last year's balance of \$4,297,571. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2016 and 2015:

	Fund Balance December 31, 2016	Fund Balance December 31, 2015	Increase (Decrease)
General	\$6,901,028	\$5,482,699	\$1,418,329
Paramedic	209,322	121,397	87,925
Fire and EMS	435,309	303,891	131,418
Historic Loveland TIF	(2,490,681)	(1,757,234)	(733,447)
Nonmajor Governmental	(39,730)	146,818	(186,548)
Total	\$5,015,248	\$4,297,571	\$717,677

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:

	2016 Revenues	2015 Revenues	Increase (Decrease)
Property Taxes	\$842,263	\$820,310	\$21,953
Municipal Income Tax	4,418,607	3,956,067	462,540
Intergovernmental Revenue	396,786	465,356	(68,570)
Charges for Services	17,803	18,153	(350)
Licenses and Permits	305,804	301,154	4,650
Special Assessments	3,429	1,549	1,880
Fines and Forfeitures	86,346	101,422	(15,076)
All Other Revenue	153,867	103,740	50,127
Total	\$6,224,905	\$5,767,751	\$457,154

General Fund revenues increased approximately 8% when compared with the previous year. An increase in income taxes was the result of changes in Ohio municipal income tax regulations as well as increased efforts by the City to collect on delinquent accounts.

	2016 Expenditures	2015 Expenditures	Increase (Decrease)
Security of Persons and Property	\$2,520,167	\$2,546,866	(\$26,699)
Leisure Time Activities	448,081	396,848	51,233
Community Environment	221,275	230,762	(9,487)
General Government	1,272,341	1,343,615	(71,274)
Total	\$4,461,864	\$4,518,091	(\$56,227)

Overall, General Fund expenditures remained stable, decreasing \$56,227, or approximately 1% from the prior year. Increased funding from the City for community special events resulted in an increase in leisure time activities.

***Management's Discussion and Analysis
For the Year Ended December 31, 2016***

Unaudited

Paramedic Fund – The Paramedic Fund reported an increase in fund balance of \$87,925. Revenues and expenditures were consistent with the prior year.

Fire and EMS Fund – The Fire and EMS Fund balance increased \$131,418. Revenues were consistent with the prior year. An increase in contractual costs with the Loveland-Symmes Fire Department as well as for the purchase of supplies resulted in an increase in security of persons and property. The retirement of lease obligations in the prior year resulted in a decrease in principal payments in 2016.

Historic Loveland TIF Fund – The Historic Loveland TIF Fund balance decreased \$733,447. An interfund loan payable and notes payable reported on the balance sheet are the primary factors causing a negative year end fund balance of \$2,490,681. An increase in expenditures can be attributed to quiet zone rail road crossing improvements and the McCoy trail spur improvement project.

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 2016 the City amended its General Fund budget several times.

For the General Fund, original and final revenue estimates were not materially different. Actual budget basis revenues were 11% higher than final estimates due to an increase in income tax revenues. Final budgeted expenditures were not materially different from original estimates. Actual budget basis expenditures were 21% less than final budget estimates due to budgeted contingencies that were not needed. The General Fund had an adequate fund balance to cover expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2016 the City had \$42,164,975 net of accumulated depreciation invested in land, buildings, improvements, infrastructure, equipment and vehicles. Of this total, \$24,405,170 was related to governmental activities and \$17,759,805 to the business-type activities. The following tables show 2016 and 2015 balances:

	Governmental Activities		Increase (Decrease)
	2016	2015	
Land	\$6,803,060	\$6,633,060	\$170,000
Construction In Progress	45,567	275,630	(230,063)
Buildings	8,149,101	7,501,745	647,356
Improvements Other than Buildings	1,641,674	934,424	707,250
Machinery and Equipment	4,249,521	4,138,807	110,714
Infrastructure	20,660,313	20,360,121	300,192
Less: Accumulated Depreciation	(17,144,066)	(16,289,645)	(854,421)
Totals	<u>\$24,405,170</u>	<u>\$23,554,142</u>	<u>\$851,028</u>

CITY OF LOVELAND, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Unaudited

	Business-Type Activities		Increase (Decrease)
	2016	2015	
Land	\$920,027	\$920,027	\$0
Buildings and Improvements	5,494,012	5,494,012	0
Utility Structures in Service	21,293,975	21,293,975	0
Machinery and Equipment	755,548	734,925	20,623
Less: Accumulated Depreciation	(10,703,757)	(10,055,000)	(648,757)
Totals	<u>\$17,759,805</u>	<u>\$18,387,939</u>	<u>(\$628,134)</u>

In governmental activities capital assets, additions to machinery and equipment included police vehicles as well as the purchase of an ambulance. Infrastructure additions were the result of routine street maintenance. An increase in buildings can be attributed to the construction of a training tower for the Loveland-Symmes fire department. The training tower was constructed on land donated by the Loveland Community Fire Association. An increase in improvements was the result of the McCoy trail spur project.

Business-type capital asset activity included the purchase of a pick-up truck. For additional information on the City's capital assets see Note 8.

Debt

At December 31, 2016, the City had \$7.8 million in bonds outstanding, \$719,172 due within one year. The following table summarizes the City's long-term obligations as of December 31, 2016 and 2015:

	2016	2015
Governmental Activities:		
General Obligation Bonds	\$3,186,641	\$3,055,000
Installment Loan	234,176	325,830
Capital Leases Payable	1,067,564	1,129,672
Net Pension Liability	5,081,369	4,029,468
Compensated Absences	281,309	259,380
Total Governmental Activities	<u>\$9,851,059</u>	<u>\$8,799,350</u>
Business-Type Activities:		
General Obligation Bonds	\$4,622,027	\$4,862,098
Ohio Public Works Commission Loans	3,788,661	4,136,015
Net Pension Liability	648,256	429,306
Compensated Absences	57,679	55,282
Total Business-Type Activities	<u>9,116,623</u>	<u>9,482,701</u>
Totals	<u>\$18,967,682</u>	<u>\$18,282,051</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, 2016, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 13.

ECONOMIC FACTORS

Economic development remains at the forefront for City staff by carrying out Council goals of contributing to the economic vitality of Loveland, while working to retain or assist with expansion efforts of current businesses. During 2016, significant development came to fruition in downtown Loveland and spurred additional development throughout the City.

Notable economic development activities for 2016 included the following:

- The City completed all post-closing obligations of the Loveland Station Development Agreement including the relocation of overhead utilities, construction of the Linda J. Cox Trailside Parking, the Ron Rolke feature and the establishment of a Quiet Zone. Private improvements were completed during the year with all commercial areas occupied and commencing business operations along with the occupancy of residential units which are currently at 98% occupancy. The final component of the project is the developer's construction of the bike storage area near the Broadway side of the development which will be completed in 2017.
- Planning and Zoning Commission approved the Broadway Brownstones development at the site of the old Wagner Building. The eight-unit condominium development within two buildings along Broadway began with the razing of the Wagner Building. Ground breaking will commence in early 2017. Additionally, the Planning and Zoning Commission, following a variance from the Board of Zoning Appeals, approved four (4) detached townhomes on South Second Street overlooking the downtown district.
- Following the approval of the zoning text amendment to permit breweries, Narrow Path Brewery was granted a conditional use for its operations on Karl Brown Way. Following an extensive remodeling of their building, the new business will begin full operations in early 2017. Additionally, the City's Planning Commission approved a new coffee shop at 111 Railroad with direct access to the Little Miami Bike Trail which will also be open for business early in 2017.
- A fire training tower was completed on East Loveland Avenue. The tower offers valuable training opportunities for the Loveland-Symmes Fire Department and surrounding departments. Improvements were also made to the parking lot by the East Loveland Nature Preserve and new sidewalks and street lighting were installed.
- During 2016 two (2) important economic development projects commenced construction. The East Kemper multi-tenant strip center, which will include Starbucks as its anchor tenant, was near completion at years end. Additionally, the McCluskey Automotive Headquarters project began construction in the City's Commerce Park. The project is anticipated to be completed in May of 2017. Combined, the two projects exceed \$10,000,000 in construction costs, will create over one hundred (100) jobs and result in over \$38,000 in new annual income tax revenue.
- The City permitted twenty-three (23) new single family homes in 2016 and approved two phases in the Butterworth Glen subdivision adding forty-eight (48) new lots. The total valuation of the new housing starts was \$7,144,731. This equates to an average valuation of over \$310,000 per household. This was an increase over the 2015 average valuation of \$273,000.

***Management's Discussion and Analysis
For the Year Ended December 31, 2016***

Unaudited

The City continued to aggressively seek alternative funding to return our resident's tax dollars back to work in the City. In total the City completed \$333,408 of grant funded projects in 2016 through the following:

Project	Grant Funds
Nisbet Park Shelter Repairs	\$15,269
Linda J. Cox Trailside Parking	\$295,500
Police Mobile Video Recorders	\$15,448
Police Mobile Recovery Data Kiosk	\$7,191

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, 2016**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled Cash and Investments	\$ 4,587,129	\$ 2,659,471	\$ 7,246,600
Receivables:			
Taxes	4,831,690	0	4,831,690
Accounts	84,796	1,115,897	1,200,693
Intergovernmental	607,444	0	607,444
Interest	435	57	492
Special Assessments	50,799	0	50,799
Internal Balances	240,000	(240,000)	0
Inventory of Supplies at Cost	84,453	0	84,453
Restricted Assets:			
Cash and Cash Equivalents	59,950	0	59,950
Capital Assets:			
Capital Assets Not Being Depreciated	6,848,627	920,027	7,768,654
Capital Assets Being Depreciated, Net	17,556,543	16,839,778	34,396,321
Total Assets	34,951,866	21,295,230	56,247,096
Deferred Outflows of Resources:			
Deferred Charge on Debt Refunding	5,521	53,432	58,953
Pension:			
OPERS	520,641	242,847	763,488
OP&F	848,568	0	848,568
Total Deferred Outflows of Resources	1,374,730	296,279	1,671,009
Liabilities:			
Accounts Payable	107,960	1,008,476	1,116,436
Accrued Wages and Benefits	144,401	22,891	167,292
Intergovernmental Payable	5,553	523	6,076
Refundable Deposits	40,000	0	40,000
Accrued Interest Payable	27,474	14,673	42,147
Special Obligation Notes Payable	550,000	0	550,000
Long Term Liabilities:			
Due Within One Year	759,427	624,870	1,384,297
Due in More Than One Year:			
Net Pension Liability	5,081,369	648,256	5,729,625
Other Amounts Due in More Than One Year	4,010,263	7,843,497	11,853,760
Total Liabilities	10,726,447	10,163,186	20,889,633
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	3,206,707	0	3,206,707
Pension:			
OPERS	26,854	12,525	39,379
OP&F	10,366	0	10,366
Total Deferred Inflows of Resources	3,243,927	12,525	3,256,452

CITY OF LOVELAND, OHIO

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Position:			
Net Investment in Capital Assets	19,372,310	9,402,549	28,774,859
Restricted For:			
Capital Projects	460,139	0	460,139
Streets and Highways	287,863	0	287,863
Public Safety	993,172	0	993,172
Unrestricted	1,242,738	2,013,249	3,255,987
Total Net Position	<u>\$ 22,356,222</u>	<u>\$ 11,415,798</u>	<u>\$ 33,772,020</u>

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

**Statement of Activities
For the Year Ended December 31, 2016**

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 5,618,023	\$ 509,839	\$ 40,605	\$ 194,757
Leisure Time Activities	547,141	26,000	54,707	0
Community Environment	225,430	139,613	0	0
Transportation	875,995	26,000	669,760	86,725
General Government	1,769,444	95,394	0	0
Interest and Fiscal Charges	214,338	0	0	0
Total Governmental Activities	9,250,371	796,846	765,072	281,482
Business-Type Activities:				
Water	1,629,209	1,669,782	0	0
Sewer	3,931,317	3,983,094	0	0
Stormwater	316,694	431,533	0	0
Sanitation	1,160,450	1,124,066	34,026	0
Total Business-Type Activities	7,037,670	7,208,475	34,026	0
Totals	\$ 16,288,041	\$ 8,005,321	\$ 799,098	\$ 281,482

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
\$ (4,872,822)	\$ 0	\$ (4,872,822)
(466,434)	0	(466,434)
(85,817)	0	(85,817)
(93,510)	0	(93,510)
(1,674,050)	0	(1,674,050)
(214,338)	0	(214,338)
<u>(7,406,971)</u>	<u>0</u>	<u>(7,406,971)</u>
0	40,573	40,573
0	51,777	51,777
0	114,839	114,839
0	(2,358)	(2,358)
<u>0</u>	<u>204,831</u>	<u>204,831</u>
\$ (7,406,971)	\$ 204,831	\$ (7,202,140)
3,273,696	0	3,273,696
4,381,413	0	4,381,413
155,423	0	155,423
561,963	0	561,963
35,133	587	35,720
254,762	0	254,762
50,902	(50,902)	0
<u>8,713,292</u>	<u>(50,315)</u>	<u>8,662,977</u>
1,306,321	154,516	1,460,837
21,049,901	11,261,282	32,311,183
<u>\$ 22,356,222</u>	<u>\$ 11,415,798</u>	<u>\$ 33,772,020</u>

CITY OF LOVELAND, OHIO

**Balance Sheet
Governmental Funds
December 31, 2016**

	General Fund	Paramedic Fund	Fire and EMS Fund	Historic Loveland TIF Fund
Assets:				
Pooled Cash and Investments	\$ 3,442,968	\$ 175,333	\$ 445,371	\$ 37,736
Receivables:				
Taxes	2,419,509	841,071	1,001,353	0
Accounts	47,331	36,336	0	0
Intergovernmental	152,200	55,143	34,214	0
Interest	0	0	0	0
Special Assessments	41,009	0	0	0
Due from Other Funds	86,962	0	0	0
Interfund Loans Receivable	2,961,940	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Total Assets	\$ 9,151,919	\$ 1,107,883	\$ 1,480,938	\$ 37,736
Liabilities:				
Accounts Payable	\$ 68,101	\$ 3,126	\$ 5,757	\$ 0
Accrued Wages and Benefits Payable	131,161	0	0	0
Intergovernmental Payable	88	0	5,229	0
Refundable Deposits	0	0	0	0
Due to Other Funds	150,410	0	0	0
Interfund Loans Payable	0	0	0	1,961,488
Accrued Interest Payable	0	0	0	16,929
Special Obligation Notes Payable	0	0	0	550,000
Total Liabilities	349,760	3,126	10,986	2,528,417
Deferred Inflows of Resources:				
Unavailable Amounts	1,046,158	75,303	58,614	0
Property Tax Levy for Next Fiscal Year	854,973	820,132	976,029	0
Total Deferred Inflows of Resources	1,901,131	895,435	1,034,643	0
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	0	209,322	435,309	0
Assigned	6,627	0	0	0
Unassigned	6,894,401	0	0	(2,490,681)
Total Fund Balances	6,901,028	209,322	435,309	(2,490,681)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,151,919	\$ 1,107,883	\$ 1,480,938	\$ 37,736

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

Nonmajor Governmental Funds	Total Governmental Funds
\$ 485,721	\$ 4,587,129
569,757	4,831,690
1,129	84,796
365,887	607,444
435	435
9,790	50,799
150,410	237,372
327,488	3,289,428
84,453	84,453
<u>59,950</u>	<u>59,950</u>
<u>\$ 2,055,020</u>	<u>\$ 13,833,496</u>
\$ 30,976	\$ 107,960
13,240	144,401
236	5,553
40,000	40,000
86,962	237,372
1,087,940	3,049,428
0	16,929
0	550,000
<u>1,259,354</u>	<u>4,151,643</u>
279,823	1,459,898
<u>555,573</u>	<u>3,206,707</u>
<u>835,396</u>	<u>4,666,605</u>
84,453	84,453
707,192	1,351,823
0	6,627
<u>(831,375)</u>	<u>3,572,345</u>
<u>(39,730)</u>	<u>5,015,248</u>
<u>\$ 2,055,020</u>	<u>\$ 13,833,496</u>

CITY OF LOVELAND, OHIO

***Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
December 31, 2016***

Total Governmental Fund Balances \$ 5,015,248

*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. 24,405,170

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

Property Taxes	80,721	
Income Taxes	866,991	
Special Assessments	50,799	
Intergovernmental Revenues	<u>461,387</u>	1,459,898

The net pension liability is not due and payable in the current period;
therefore, the liability and related deferred inflows/outflows are not
reported in governmental funds:

Deferred Outflows - Pension	1,369,209	
Deferred Inflows - Pension	(37,220)	
Net Pension Liability	<u>(5,081,369)</u>	(3,749,380)

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	(3,186,641)	
Deferred Loss on Debt Refunding	5,521	
Installment Loan	(234,176)	
Capital Leases	(1,067,564)	
Compensated Absences Payable	(281,309)	
Accrued Interest Payable	<u>(10,545)</u>	(4,774,714)

Net Position of Governmental Activities \$ 22,356,222

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, 2016**

	General Fund	Paramedic Fund	Fire and EMS Fund	Historic Loveland TIF Fund
Revenues:				
Property Taxes	\$ 842,263	\$ 844,394	\$ 1,021,357	\$ 8,605
Municipal Income Tax	4,418,607	0	0	0
Intergovernmental Revenue	396,786	111,727	72,946	83,500
Charges for Services	17,803	412,125	0	0
Licenses and Permits	305,804	0	0	0
Investment Earnings	0	0	0	8,063
Special Assessments	3,429	0	0	0
Fines and Forfeitures	86,346	0	0	0
All Other Revenue	153,867	0	0	0
Total Revenues	6,224,905	1,368,246	1,094,303	100,168
Expenditures:				
Current:				
Security of Persons and Property	2,520,167	1,280,321	680,421	0
Leisure Time Activities	448,081	0	0	0
Community Environment	221,275	0	0	0
Transportation	0	0	0	0
General Government	1,272,341	0	0	0
Capital Outlay	0	0	0	701,721
Debt Service:				
Principal Retirement	0	0	62,108	0
Interest & Fiscal Charges	0	0	44,260	29,246
Total Expenditures	4,461,864	1,280,321	786,789	730,967
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,763,041	87,925	307,514	(630,799)
Other Financing Sources (Uses):				
Sale of Bonds	0	0	0	0
Transfers In	5,118	0	0	0
Transfers Out	(349,830)	0	(176,096)	(102,648)
Total Other Financing Sources (Uses)	(344,712)	0	(176,096)	(102,648)
Net Change in Fund Balances	1,418,329	87,925	131,418	(733,447)
Fund Balances at Beginning of Year	5,482,699	121,397	303,891	(1,757,234)
Increase in Inventory	0	0	0	0
Fund Balances End of Year	\$ 6,901,028	\$ 209,322	\$ 435,309	\$ (2,490,681)

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

Nonmajor Governmental Funds	Total Governmental Funds
\$ 572,009	\$ 3,288,628
0	4,418,607
767,788	1,432,747
0	429,928
26,000	331,804
27,070	35,133
47,566	50,995
11,368	97,714
100,895	254,762
<u>1,552,696</u>	<u>10,340,318</u>
658,058	5,138,967
0	448,081
0	221,275
657,364	657,364
47,471	1,319,812
1,020,463	1,722,184
560,013	622,121
134,899	208,405
<u>3,078,268</u>	<u>10,338,209</u>
(1,525,572)	2,109
600,000	600,000
774,269	779,387
(99,911)	(728,485)
<u>1,274,358</u>	<u>650,902</u>
(251,214)	653,011
146,818	4,297,571
64,666	64,666
<u>\$ (39,730)</u>	<u>\$ 5,015,248</u>

CITY OF LOVELAND, OHIO

***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, 2016***

Net Change in Fund Balances - Total Governmental Funds		\$ 653,011
<i>Amounts reported for governmental activities in the statement of activities are different because</i>		
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	1,564,123	
Depreciation Expense	(883,095)	681,028
The net effect of various miscellaneous transactions involving capital assets is to increase net position.		
Capital Asset Donations		170,000
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Decrease in Property Tax Revenue	(14,932)	
Decrease in Income Tax Revenue	(37,194)	
Increase in Intergovernmental Revenue	5,770	
Increase in Special Assessments Revenue	41,828	(4,528)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		359,849
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(611,964)
The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position.		
General Obligation Bond Issuance		(600,000)
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	468,359	
Amortization of Deferred Loss on Bond Refunding	(5,519)	
Capital Lease Payment	62,108	
Installment Loan Principal Payment	91,654	616,602
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		(414)
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	(21,929)	
Change in Inventory	64,666	42,737
<i>Change in Net Position of Governmental Activities</i>		<u>\$ 1,306,321</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)
General Fund
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive Negative
Revenues:				
Property Taxes	\$ 835,952	\$ 835,952	\$ 841,580	\$ 5,628
Municipal Income Tax	3,725,000	3,725,000	4,272,609	547,609
Intergovernmental Revenue	305,537	340,447	370,204	29,757
Charges for Services	514,467	514,467	515,479	1,012
Licenses and Permits	250,000	250,000	305,939	55,939
Special Assessments	1,223	1,223	3,429	2,206
Fines and Forfeitures	112,000	112,000	83,736	(28,264)
All Other Revenues	90,711	129,711	149,613	19,902
Total Revenues	5,834,890	5,908,800	6,542,589	633,789
Expenditures:				
Current:				
Security of Persons and Property	2,759,609	2,773,231	2,524,306	248,925
Leisure Time Activities	451,891	509,991	471,100	38,891
Community Environment	252,153	252,153	224,945	27,208
General Government	2,583,463	2,604,963	1,648,770	956,193
Total Expenditures	6,047,116	6,140,338	4,869,121	1,271,217
Excess (Deficiency) of Revenues Over (Under) Expenditures	(212,226)	(231,538)	1,673,468	1,905,006
Other Financing Sources (Uses):				
Sale of Capital Assets	5,000	5,000	0	(5,000)
Transfers Out	(371,911)	(371,911)	(371,910)	1
Advances In	80,000	80,000	80,000	0
Advances Out	(425,611)	(445,611)	(445,611)	0
Total Other Financing Sources (Uses):	(712,522)	(732,522)	(737,521)	(4,999)
Net Change in Fund Balance	(924,748)	(964,060)	935,947	1,900,007
Fund Balance at Beginning of Year	1,175,544	1,175,544	1,175,544	0
Prior Year Encumbrances	7,394	7,394	7,394	0
Fund Balance at End of Year	\$ 258,190	\$ 218,878	\$ 2,118,885	\$ 1,900,007

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, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Property Taxes	\$ 828,015	\$ 828,015	\$ 843,636	\$ 15,621
Intergovernmental Revenue	111,158	111,158	117,068	5,910
Charges for Services	330,000	330,000	401,594	71,594
Total Revenues	<u>1,269,173</u>	<u>1,269,173</u>	<u>1,362,298</u>	<u>93,125</u>
Expenditures:				
Current:				
Security of Persons and Property	<u>1,325,877</u>	<u>1,325,877</u>	<u>1,280,314</u>	<u>45,563</u>
Total Expenditures	<u>1,325,877</u>	<u>1,325,877</u>	<u>1,280,314</u>	<u>45,563</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(56,704)	(56,704)	81,984	138,688
Fund Balance at Beginning of Year	<u>93,349</u>	<u>93,349</u>	<u>93,349</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 36,645</u>	<u>\$ 36,645</u>	<u>\$ 175,333</u>	<u>\$ 138,688</u>

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Fire and EMS Fund
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 989,731	\$ 989,731	\$ 1,020,457	\$ 30,726
Intergovernmental Revenue	71,981	71,981	72,946	965
Total Revenues	<u>1,061,712</u>	<u>1,061,712</u>	<u>1,093,403</u>	<u>31,691</u>
Expenditures:				
Current:				
Security of Persons and Property	1,220,974	1,196,216	786,190	410,026
Total Expenditures	<u>1,220,974</u>	<u>1,196,216</u>	<u>786,190</u>	<u>410,026</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(159,262)	(134,504)	307,213	441,717
Other Financing Sources (Uses):				
Transfers Out	(151,339)	(176,097)	(176,096)	1
Total Other Financing Sources (Uses):	<u>(151,339)</u>	<u>(176,097)</u>	<u>(176,096)</u>	<u>1</u>
Net Change in Fund Balance	(310,601)	(310,601)	131,117	441,718
Fund Balance at Beginning of Year	314,031	314,031	314,031	0
Fund Balance at End of Year	<u>\$ 3,430</u>	<u>\$ 3,430</u>	<u>\$ 445,148</u>	<u>\$ 441,718</u>

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2016**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Stormwater
Assets:			
<i>Current Assets:</i>			
Pooled Cash and Investments	\$ 443,088	\$ 1,844,715	\$ 185,063
Receivables:			
Accounts	225,840	655,353	64,701
Interest	27	0	10
Total Current Assets	<u>668,955</u>	<u>2,500,068</u>	<u>249,774</u>
<i>Non Current Assets:</i>			
Capital Assets:			
Capital Assets Not Being Depreciated	860,537	59,490	0
Capital Assets Being Depreciated, Net	12,391,206	969,764	3,425,855
Total Assets	<u>13,920,698</u>	<u>3,529,322</u>	<u>3,675,629</u>
Deferred Outflows of Resources:			
Deferred Charge on Debt Refunding	2,432	0	51,000
Pension:			
OPERS	155,709	23,915	26,491
Total Deferred Outflows of Resources	<u>158,141</u>	<u>23,915</u>	<u>77,491</u>
Liabilities:			
<i>Current Liabilities:</i>			
Accounts Payable	24,906	904,003	1,012
Accrued Wages and Benefits	14,332	0	8,559
Intergovernmental Payable	523	0	0
Compensated Absences Payable - Current	31,386	0	9,159
Interfund Loans Payable	0	240,000	0
Accrued Interest Payable	12,479	0	2,194
General Obligation Bonds Payable - Current	140,000	0	95,000
OPWC Loans Payable - Current	302,263	0	47,062
Total Current Liabilities	<u>525,889</u>	<u>1,144,003</u>	<u>162,986</u>
<i>Long Term Liabilities:</i>			
Compensated Absences Payable	17,134	0	0
General Obligation Bonds Payable	3,692,027	0	695,000
OPWC Loans Payable	2,849,130	0	590,206
Net Pension Liability	415,650	63,839	70,714
Total Liabilities	<u>7,499,830</u>	<u>1,207,842</u>	<u>1,518,906</u>
Deferred Inflows of Resources:			
Pension:			
OPERS	8,031	1,233	1,366
Total Deferred Inflows of Resources	<u>8,031</u>	<u>1,233</u>	<u>1,366</u>
Net Position:			
Net Investment in Capital Assets	6,270,755	1,029,254	2,049,587
Unrestricted	300,223	1,314,908	183,261
Total Net Position	<u>\$ 6,570,978</u>	<u>\$ 2,344,162</u>	<u>\$ 2,232,848</u>

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

Sanitation	Total
\$ 186,605	\$ 2,659,471
170,003	1,115,897
20	57
356,628	3,775,425
0	920,027
52,953	16,839,778
409,581	21,535,230
0	53,432
36,732	242,847
36,732	296,279
78,555	1,008,476
0	22,891
0	523
0	40,545
0	240,000
0	14,673
0	235,000
0	349,325
78,555	1,911,433
0	17,134
0	4,387,027
0	3,439,336
98,053	648,256
176,608	10,403,186
1,895	12,525
1,895	12,525
52,953	9,402,549
214,857	2,013,249
\$ 267,810	\$ 11,415,798

CITY OF LOVELAND, OHIO

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

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Stormwater
Operating Revenues:			
Charges for Services	\$ 1,659,678	\$ 3,981,633	\$ 429,964
Other Operating Revenue	10,104	1,461	1,569
Total Operating Revenues	1,669,782	3,983,094	431,533
Operating Expenses:			
Personal Services	450,261	89,911	52,252
Contractual Services	489,880	3,767,772	82,731
Materials and Supplies	112,492	22,628	9,921
Depreciation	447,897	51,006	138,916
Total Operating Expenses	1,500,530	3,931,317	283,820
Operating Income (Loss)	169,252	51,777	147,713
Nonoperating Revenues (Expenses):			
Intergovernmental Grants	0	0	0
Investment Earnings	156	301	40
Interest Expense	(128,679)	0	(32,874)
Total Nonoperating Revenues (Expenses)	(128,523)	301	(32,834)
Income (Loss) Before Transfers	40,729	52,078	114,879
Transfers:			
Transfers Out	(10,880)	0	(34,582)
Total Transfers	(10,880)	0	(34,582)
Change in Net Position	29,849	52,078	80,297
Net Position Beginning of Year	6,541,129	2,292,084	2,152,551
Net Position End of Year	\$ 6,570,978	\$ 2,344,162	\$ 2,232,848

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

<u>Sanitation</u>	<u>Total</u>
\$ 1,121,765	\$ 7,193,040
2,301	15,435
<u>1,124,066</u>	<u>7,208,475</u>
115,609	708,033
1,018,834	5,359,217
15,069	160,110
10,938	648,757
<u>1,160,450</u>	<u>6,876,117</u>
(36,384)	332,358
34,026	34,026
90	587
0	(161,553)
<u>34,116</u>	<u>(126,940)</u>
(2,268)	205,418
<u>(5,440)</u>	<u>(50,902)</u>
<u>(5,440)</u>	<u>(50,902)</u>
(7,708)	154,516
<u>275,518</u>	<u>11,261,282</u>
<u>\$ 267,810</u>	<u>\$ 11,415,798</u>

CITY OF LOVELAND, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Stormwater
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$1,670,377	\$3,930,054	\$429,977
Cash Payments for Goods and Services	(590,756)	(2,888,500)	(92,995)
Cash Payments to Employees	(416,650)	(65,057)	(69,302)
Net Cash Provided (Used) by Operating Activities	662,971	976,497	267,680
<u>Cash Flows from Noncapital Financing Activities:</u>			
Intergovernmental Grants	0	0	0
Transfers Out to Other Funds	(10,880)	0	(34,582)
Advances Out to Other Funds	0	(80,000)	0
Net Cash Provided (Used) by Noncapital Financing Activities	(10,880)	(80,000)	(34,582)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(6,874)	0	(6,874)
OPWC Loan Retirement	(300,292)	0	(47,062)
Principal Paid on General Obligation Bonds	(140,000)	0	(95,000)
Interest Paid on All Debt	(133,490)	0	(24,583)
Net Cash Used for Capital and Related Financing Activities	(580,656)	0	(173,519)
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	129	301	30
Net Cash Provided by Investing Activities	129	301	30
Net Increase in Cash and Cash Equivalents	71,564	896,798	59,609
Cash and Cash Equivalents at Beginning of Year	371,524	947,917	125,454
Cash and Cash Equivalents at End of Year	\$443,088	\$1,844,715	\$185,063

CITY OF LOVELAND, OHIO

<u>Sanitation</u>	<u>Total</u>
\$1,120,587	\$7,150,995
(1,028,471)	(4,600,722)
<u>(99,259)</u>	<u>(650,268)</u>
<u>(7,143)</u>	<u>1,900,005</u>
34,026	34,026
(5,440)	(50,902)
<u>0</u>	<u>(80,000)</u>
<u>28,586</u>	<u>(96,876)</u>
(6,875)	(20,623)
0	(347,354)
0	(235,000)
<u>0</u>	<u>(158,073)</u>
<u>(6,875)</u>	<u>(761,050)</u>
<u>70</u>	<u>530</u>
<u>70</u>	<u>530</u>
14,638	1,042,609
<u>171,967</u>	<u>1,616,862</u>
<u>\$186,605</u>	<u>\$2,659,471</u>

(Continued)

CITY OF LOVELAND, OHIO

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016

	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)	\$169,252	\$51,777	\$147,713
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	447,897	51,006	138,916
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
(Increase) Decrease in Accounts Receivable	595	(53,040)	(1,556)
Increase in Deferred Outflows of Resources	(105,881)	(16,848)	(14,872)
Increase (Decrease) in Accounts Payable	11,689	901,900	(343)
Decrease in Intergovernmental Payable	(73)	0	0
Increase (Decrease) in Accrued Wages and Benefits	(3,649)	(437)	293
Increase (Decrease) in Compensated Absences	3,920	0	(1,523)
Increase (Decrease) in Net Pension Liability	136,087	41,241	(1,034)
Increase in Deferred Inflows of Resources	3,134	898	86
Total Adjustments	493,719	924,720	119,967
Net Cash Provided (Used) by Operating Activities	<u>\$662,971</u>	<u>\$976,497</u>	<u>\$267,680</u>

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

<u>Sanitation</u>	<u>Total</u>
(\$36,384)	\$332,358
10,938	648,757
(3,479)	(57,480)
(26,567)	(164,168)
5,432	918,678
0	(73)
(669)	(4,462)
0	2,397
42,656	218,950
930	5,048
<u>29,241</u>	<u>1,567,647</u>
<u>(\$7,143)</u>	<u>\$1,900,005</u>

CITY OF LOVELAND, OHIO

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2016***

	<u>Agency</u>
Assets:	
Restricted Assets:	
Cash and Cash Equivalents with Fiscal Agent	\$ 14,708
Total Assets	<u>14,708</u>
Liabilities:	
Due to Others	<u>14,708</u>
Total Liabilities	<u>\$ 14,708</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

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 an eleven-member board comprised of one City official, seven council members and three community representatives. Although it is legally separate from the City, the CIC is reported as if it were part of the primary government due to the fact that the CIC board is substantively the same as the City's governing body and the City has a history of providing financial support to 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, 2016***

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.

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, 2016***

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 agency 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 an agency fund which accounts for the activity of the mayor's court. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

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, 2016***

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 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, 2016***

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, 2016 but which are not intended to finance 2016 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources. Property taxes are further described in Note 5.

The accrual basis of accounting is utilized for reporting purposes by the government-wide statements, proprietary funds and the agency 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, 2016***

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 agency 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 2016.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

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 Balances – 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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

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 Balances-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
GAAP Basis (as reported)	\$1,418,329	\$87,925	\$131,418
Increase (Decrease):			
Accrued Revenues at December 31, 2016 received during 2017	(758,918)	(37,115)	(924)
Accrued Revenues at December 31, 2015 received during 2016	682,604	31,167	24
Accrued Expenditures at December 31, 2016 paid during 2017	199,350	3,126	10,986
Accrued Expenditures at December 31, 2015 paid during 2016	(245,984)	(3,119)	(10,164)
Change in Interfund Balances	(302,163)	0	0
Outstanding Encumbrances	(43,796)	0	(223)
Perspective Difference:			
Activity of Funds Reclassified for GAAP Reporting Purposes	(13,475)	0	0
Budget Basis	\$935,947	\$81,984	\$131,117

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, a repurchase agreement 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 4 "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 4, "Cash, Cash Equivalents and Investments".

The City's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For fiscal year 2016, 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 \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 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, 2016***

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

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

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

3. Depreciation

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

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 Obligation Bonds	General Bond Retirement Fund Water Fund, Stormwater Fund
Ohio Public Works Commission Loans	Water Fund, Stormwater Fund
Capital Leases	Fire and EMS Fund
Installment Loan	Community Improvement Corporation Fund
Compensated Absences	General Fund Street Maintenance Fund Water Fund Sewer Fund Sanitation Fund Stormwater Fund

K. Compensated Absences

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Restricted Assets

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

M. Intergovernmental Revenues

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

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

N. Pensions

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

O. Interfund Activity

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

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, 2016***

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 position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows for the deferred charge on debt refunding and for deferred pension 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 amounts on the government-wide and proprietary funds statement of net position. See Note 9.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for delinquent property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide and proprietary funds statement of net position. See Note 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 2016.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

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.

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

For 2016, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 72, “Fair Value Measurement and Application,” and GASB Statement No. 77 “Tax Abatement Disclosures.”

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes, for applying fair value to certain investments, and disclosures related to all fair value measurements. These changes were incorporated in the City’s 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. These changes were incorporated in the City’s 2016 financial statements; however, there was no effect on beginning net position/fund balance.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 3 – 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	Historic Loveland TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Supplies Inventory	\$0	\$0	\$0	\$0	\$84,453	\$84,453
Total Nonspendable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>84,453</u>	<u>84,453</u>
Restricted:						
Fire and EMS Services	0	209,322	435,309	0	103,279	747,910
Street Maintenance	0	0	0	0	93,230	93,230
Law Enforcement	0	0	0	0	8,380	8,380
Court Computer Improvements	0	0	0	0	5,579	5,579
Lighting District Improvements	0	0	0	0	36,585	36,585
Capital Improvements	0	0	0	0	460,139	460,139
Total Restricted	<u>0</u>	<u>209,322</u>	<u>435,309</u>	<u>0</u>	<u>707,192</u>	<u>1,351,823</u>
Assigned:						
Nature/Park Preserve	6,627	0	0	0	0	6,627
Total Assigned	<u>6,627</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,627</u>
Unassigned (Deficits):	6,894,401	0	0	(2,490,681)	(831,375)	3,572,345
Total Fund Balances	<u>\$6,901,028</u>	<u>\$209,322</u>	<u>\$435,309</u>	<u>(\$2,490,681)</u>	<u>(\$39,730)</u>	<u>\$5,015,248</u>

B. Stabilization Arrangements

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

At December 31, 2016, emergency reserve balances for the General Fund, Fire and EMS Fund, and Stormwater Fund were \$998,441, \$110,966, and \$46,794, 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, 2016***

NOTE 4 - 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, 2016**

NOTE 4 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of City cash and deposits is provided by the Federal Deposit Insurance Corporation as well as qualified securities pledged by the institution holding the assets. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end the carrying amount of the City's deposits was \$1,489,071 and the bank balance was \$1,525,564. Federal depository insurance covered \$1,074,708 of the bank balance and \$450,856 was uninsured and collateralized with securities held by the pledging institutions trust department not in the City's name.

B. Investments

The City's investments at December 31, 2016 were as follows:

	Fair Value	Credit Rating	Fair Value Hierarchy	Investment Maturities (in Years)		
				less than 1	1-3	3-5
Repurchase Agreements ⁴	\$2,086,501	N/A	NA	\$2,086,501	\$0	\$0
STAR Ohio ⁴	2,092,163	AAAm ¹	NA	2,092,163	0	0
Marketable CD's	1,050,095	AAA ³	Level 2	0	204,714	845,381
FNMA	603,428	AA+ ¹ /Aaa ²	Level 2	0	603,428	0
Total Investments	<u>\$5,832,187</u>			<u>\$4,178,664</u>	<u>\$808,142</u>	<u>\$845,381</u>

¹ Standard & Poor's

² Moody's Investor Service

³ All are fully FDIC insured and therefore have an implied AAA credit rating

⁴ Reported at amortized cost

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 4 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

B. Investments (Continued)

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. Of the City's total investments, 10% are in Federal and State Securities, 18% are invested in negotiable certificates of deposit, 36% is invested in a repurchase agreement, and the remaining 36% is in STAR Ohio.

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.

NOTE 5 - 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 2016 were levied after October 1, 2015 on assessed values as of January 1, 2015, 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 2014 for Clermont County, 2012 for Warren County, and 2011 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, 2016**

NOTE 5 – TAXES (Continued)

A. Property Taxes (Continued)

The assessed values upon which the 2016 property tax receipts were based were as follows:

	County		
	Hamilton	Clermont	Warren
Real Property:			
Residential/Agricultural	\$212,896,940	\$62,987,440	\$32,307,200
Personal Property:			
Public Utility Personal Property	5,646,830	1,155,700	287,610
Total Assessed Value	<u>\$218,543,770</u>	<u>\$64,143,140</u>	<u>\$32,594,810</u>
Tax Rate/Assessed Value	\$12.10/\$1,000	\$11.65/\$1,000	\$11.92/\$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, 2016.

<u>Tax Abatement Program</u>	<u>Total Amount of Taxes Abated For the year 2016</u>
<i>Community Reinvestment Area (CRA)</i>	
Manufacturing/Industrial	\$2,573
Retail/Financial	1,466
	<u>\$4,039</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 5 – 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 2016, all income tax proceeds were recorded in the General Fund.

NOTE 6 - RECEIVABLES

Receivables at December 31, 2016 consisted of property and income taxes, accounts receivable, special assessments, interest, and intergovernmental receivables arising from shared revenues.

NOTE 7 – TRANSFERS AND INTERFUND ACTIVITY

A. Transfers

Following is a summary of transfers in and out for all funds for 2016:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General Fund	\$5,118	\$349,830
Fire and EMS Fund	0	176,096
Historic Loveland TIF Fund	0	102,648
Nonmajor Governmental Funds	774,269	99,911
Total Governmental Funds	779,387	728,485
Enterprise Funds:		
Water Fund	0	10,880
Stormwater Fund	0	34,582
Sanitation Fund	0	5,440
Total Enterprise Funds	0	50,902
Totals	\$779,387	\$779,387

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 to retire a portion of debt paid by Governmental Activities. In addition, in 2016 the General Fund transferred \$205,000 to the Special Projects Fund for funding of traffic signal improvements and the wayfinding signage program.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 7 – TRANSFERS AND INTERFUND ACTIVITY (Continued)

B. Interfund Activity

Interfund balances at December 31, 2016 consist of the following individual fund receivables and payables:

Fund	Interfund Loans Receivable	Interfund Loans Payable	Due From Other Funds	Due To Other Funds
Governmental Funds:				
General Fund	\$2,961,940	\$0	\$86,962	\$150,410
Historic Loveland TIF Fund	0	1,961,488	0	0
Nonmajor Governmental Funds	327,488	1,087,940	150,410	86,962
Total Governmental Funds	<u>3,289,428</u>	<u>3,049,428</u>	<u>237,372</u>	<u>237,372</u>
Enterprise Fund:				
Sewer Fund	0	240,000	0	0
Totals	<u>\$3,289,428</u>	<u>\$3,289,428</u>	<u>\$237,372</u>	<u>\$237,372</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.

The due to/from other funds balances are between the General Fund and Community Improvement Corporation Fund.

In prior years the Community Improvement Corporation Fund paid \$80,000 toward the purchase of various parcels of land. These deposits will be reimbursed by the General Fund upon future development of the properties.

In prior years the Community Improvement Corporation Fund paid \$70,410 for debt payments on a sewer improvement in the Butterworth Glen subdivision. This amount will be reimbursed by the General Fund.

\$86,962 of the due to/from other funds balance was related to proceeds from the sale of land that is payable to the General Fund from the Community Improvement Corporation Fund.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2016:

Historical Cost:

Class	December 31, 2015	Additions	Deletions	December 31, 2016
Capital assets not being depreciated:				
Land	\$6,633,060	\$170,000	\$0	\$6,803,060
Construction in Progress	275,630	39,477	(269,540)	45,567
Subtotal	6,908,690	209,477	(269,540)	6,848,627
Capital assets being depreciated:				
Buildings	7,501,745	647,356	0	8,149,101
Improvements Other than Buildings	934,424	707,250	0	1,641,674
Machinery and Equipment	4,138,807	139,388	(28,674)	4,249,521
Infrastructure	20,360,121	300,192	0	20,660,313
Total Cost	\$39,843,787	\$2,003,663	(\$298,214)	\$41,549,236

Accumulated Depreciation:

Class	December 31, 2015	Additions	Deletions	December 31, 2016
Buildings	(\$2,449,171)	(\$160,072)	\$0	(\$2,609,243)
Improvements Other than Buildings	(701,320)	(19,737)	0	(721,057)
Machinery and Equipment	(2,217,398)	(348,841)	28,674	(2,537,565)
Infrastructure	(10,921,756)	(354,445)	0	(11,276,201)
Total Depreciation	(\$16,289,645)	(\$883,095) *	\$28,674	(\$17,144,066)
Net Value:	\$23,554,142			\$24,405,170

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$309,327
Leisure Time Activities	94,693
Transportation	427,560
General Government	51,515
Total Depreciation Expense	\$883,095

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 8 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by category of changes in business-type activities capital assets at December 31, 2016:

Historical Cost:

Class	December 31, 2015	Additions	Deletions	December 31, 2016
<i>Capital assets not being depreciated:</i>				
Land	\$920,027	\$0	\$0	\$920,027
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	5,494,012	0	0	5,494,012
Utility Structures in Service	21,293,975	0	0	21,293,975
Machinery and Equipment	734,925	20,623	0	755,548
Total Cost	\$28,442,939	\$20,623	\$0	\$28,463,562

Accumulated Depreciation:

Class	December 31, 2015	Additions	Deletions	December 31, 2016
Buildings and Improvements	(\$1,699,801)	(\$182,493)	\$0	(\$1,882,294)
Utility Structures in Service	(7,968,223)	(415,029)	0	(8,383,252)
Machinery and Equipment	(386,976)	(51,235)	0	(438,211)
Total Depreciation	(\$10,055,000)	(\$648,757)	\$0	(\$10,703,757)

Net Value:

\$18,387,939	\$17,759,805
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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 9 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 9 – 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 CAFR referenced above for additional information):

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

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

	<u>State and Local</u>
2016 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2016 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	<u>2.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$164,428 for 2016.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

Plan Description - City full-time police officers 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.

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 9 – 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>
2016 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee:	
January 1, 2016 through December 31, 2016	12.25 %
2016 Actual Contribution Rates	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	<u>0.50</u>
Total Employer	<u>19.50 %</u>
Employee:	
January 1, 2016 through December 31, 2016	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$247,722 for 2016.

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

The net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City’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	\$2,038,055	\$3,691,570	\$5,729,625
Proportion of the Net Pension Liability-2016	0.011766%	0.057384%	
Proportion of the Net Pension Liability-2015	<u>0.011898%</u>	<u>0.058369%</u>	
Percentage Change	<u>(0.000132%)</u>	<u>(0.000985%)</u>	
Pension Expense	\$270,248	\$453,847	\$724,095

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$599,060	\$600,846	\$1,199,906
City contributions subsequent to the measurement date	<u>164,428</u>	<u>247,722</u>	<u>412,150</u>
Total Deferred Outflows of Resources	<u>\$763,488</u>	<u>\$848,568</u>	<u>\$1,612,056</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	<u>\$39,379</u>	<u>\$10,366</u>	<u>\$49,745</u>
Total Deferred Inflows of Resources	<u>\$39,379</u>	<u>\$10,366</u>	<u>\$49,745</u>

\$412,150 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2017	\$131,020	\$156,222	\$287,242
2018	140,599	156,222	296,821
2019	152,494	156,222	308,716
2020	135,568	124,191	259,759
2021	0	(1,997)	(1,997)
2022	<u>0</u>	<u>(380)</u>	<u>(380)</u>
Total	<u>\$559,681</u>	<u>\$590,480</u>	<u>\$1,150,161</u>

Actuarial Assumptions - OPERS

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 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 2018. 2.8 percent simple, thereafter
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

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

The most recent experience study was completed for the five year period ended December 31, 2010.

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Discount Rate The discount rate used to measure the total pension liability was 8 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 8 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 (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$3,247,122	\$2,038,055	\$1,018,248

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by 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.

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

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

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

The most recent experience study was completed January 1, 2012.

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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, 2015 are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return	30 Year Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %	0.00 %
Domestic Equity	16.00	4.47	7.80
Non-US Equity	16.00	4.47	8.00
Core Fixed Income *	20.00	1.62	5.35
Global Inflation Protected *	20.00	1.33	4.73
High Yield	15.00	3.39	7.21
Real Estate	12.00	3.93	7.43
Private Markets	8.00	6.98	10.73
Timber	5.00	4.92	7.35
Master Limited Partnerships	8.00	7.03	10.75
Total	<u>120.00 %</u>		

* levered 2x

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 1.2 times due to the application of leverage in certain fixed income asset classes.

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

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City’s proportionate share of the net pension liability	\$4,868,687	\$3,691,570	\$2,694,437

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 10 - POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System (“OPERS”)

Plan Description – OPERS administers three separate pension plans: the Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2015 CAFR for details.

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2016, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)

A. Ohio Public Employees Retirement System (“OPERS”) (Continued)

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2016. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% for both plans. The 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 to the RMA for participants in the Member-Directed Plan for 2016 was 4.0%.

The City's contributions for health care to the OPERS for the years ending December 31, 2016, 2015, and 2014 were \$30,275, \$32,441 and \$31,971, respectively, which were equal to the required contributions for each year.

B. Ohio Police and Fire Pension Fund (“OP&F”)

Plan Description – The City contributes to the OP&F sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The ORC permits, but does not mandate, OP&F to provide OPEB benefits. Authority to establish and amend benefits is provided in Chapter 742 of the ORC.

OP&F issues a stand-alone financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F’s website at www.op-f.org.

Funding Policy – The ORC provides for contribution requirements of the participating employers and of plan members to the OP&F. 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% of covered payroll for police. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units. Active members do not make contributions to the OPEB Plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)

B. Ohio Police and Fire Pension Fund (“OP&F”) (Continued)

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2016, the portion of employer contributions allocated to health care was 0.5% of covered payroll for police officers. 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 also is 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 contributions for health care to the OP&F for the years ending December 31, 2016, 2015, and 2014 were \$6,519, \$6,478 and \$6,412, which were equal to the required contributions for each year.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 11 – COMPENSATED ABSENCES

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

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

In the government-wide statement of net position, “Compensated Absences Payable” is recorded within the “Due within one year” account and the long-term portion of the liability is recorded within the “Due in more than one year” account. The amount increased from a beginning of year balance of \$259,380 to a year-end balance of \$281,309.

At December 31, 2016 the total accumulated unpaid time recorded in the Governmental Activities was as follows:

	<u>Hours</u>	<u>Amount</u>
Sick Leave	10,073	\$165,272
Vacation/Compensatory	<u>3,473</u>	<u>116,037</u>
Total	<u><u>13,546</u></u>	<u><u>\$281,309</u></u>

Compensated absences attributable to the Enterprise Funds of \$57,679 have been recorded within the Enterprise Funds and are not included in the above figures.

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CITY OF LOVELAND, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 12 - NOTES PAYABLE

Note Payable activity of the City for the year ended December 31, 2016, was as follows:

	Issue Date	Balance January 1, 2016	Issued	(Retired)	Balance December 31, 2016
Capital Projects Notes Payable:					
3.00% Recreation Land Acquisition	02/10/15	\$585,000	\$0	(\$585,000)	\$0
3.50% Recreation Land Acquisition	02/09/16	0	550,000	0	550,000
Total Capital Project Notes Payable		<u>\$585,000</u>	<u>\$550,000</u>	<u>(\$585,000)</u>	<u>\$550,000</u>

These notes are special obligation revenue notes issued in anticipation of revenues realized from the sale of property acquired with the proceeds of the notes.

NOTE 13 - LONG-TERM OBLIGATIONS

Long-term obligations of the City at December 31, 2016 were as follows:

		Balance December 31, 2015	Issued	(Retired)	Balance December 31, 2016	Amount Due Within One Year
Governmental Activities:						
General Obligation Bonds:						
2005 Various Purpose Refunding Bonds	4.25%	\$380,000	\$0	(\$185,000)	\$195,000	\$195,000
2007 Christman Park Land T.I.F.	4.13%	465,000	0	(30,000)	435,000	30,000
2007 P.W. Buildings	4.13%	105,000	0	(50,000)	55,000	55,000
2011 HVAC	2-4.6%	260,000	0	(10,000)	250,000	15,000
2011 Parking and Municipal Real Estate	2-4.6%	1,185,000	0	(55,000)	1,130,000	55,000
2012 Various Purpose Refunding Bonds	1-2.5%	510,000	0	(70,000)	440,000	70,000
2013 Ambulance	1-1.5%	150,000	0	(35,000)	115,000	35,000
2016 Training Tower	3.59%	0	600,000	(33,359)	566,641	29,172
Total General Obligation Bonds		<u>3,055,000</u>	<u>600,000</u>	<u>(468,359)</u>	<u>3,186,641</u>	<u>484,172</u>
Installment Loan:						
2014 Land Purchase	3.25%	325,830	0	(91,654)	234,176	94,677
Capital Leases		1,129,672	0	(62,108)	1,067,564	64,541
Net Pension Liability:						
Ohio Public Employees Retirement System		1,005,725	384,074	0	1,389,799	0
Ohio Police and Fire Pension Fund		3,023,743	667,827	0	3,691,570	0
Total Net Pension Liability		<u>4,029,468</u>	<u>1,051,901</u>	<u>0</u>	<u>5,081,369</u>	<u>0</u>
Compensated Absences		259,380	154,554	(132,625)	281,309	116,037
Total Governmental Activities		<u>\$8,799,350</u>	<u>\$1,806,455</u>	<u>(\$754,746)</u>	<u>\$9,851,059</u>	<u>\$759,427</u>

CITY OF LOVELAND, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

Long-term obligations of the City at December 31, 2016 were as follows:

		Balance December 31, 2015	Issued	(Retired)	Balance December 31, 2016	Amount Due Within One Year
Business-Type Activities:						
General Obligation Bonds:						
2005 Stormwater System	4.48%	\$90,000	\$0	(\$15,000)	\$75,000	\$15,000
2007 Stormwater System	4.25%	200,000	0	(15,000)	185,000	15,000
2009 Water Refunding Bonds	1.00%	420,000	0	(135,000)	285,000	135,000
2012 Stormwater System Refunding	1-2.50%	540,000	0	(65,000)	475,000	65,000
2012 Stormwater System Refunding	1-2.75%	55,000	0	0	55,000	0
2013 Water Tower Bond	1-4.00%	3,480,000	0	(5,000)	3,475,000	5,000
Bond Premium		77,098	0	(5,071)	72,027	0
Total General Obligation Bonds		<u>4,862,098</u>	<u>0</u>	<u>(240,071)</u>	<u>4,622,027</u>	<u>235,000</u>
Ohio Public Works Commission Loans:						
1995 Lever Water Tower	3.00%	79,125	0	(38,974)	40,151	40,151
1996 Maderia Road Waterline	0.00%	42,225	0	(28,147)	14,078	14,078
1999 State Route 48 North	3.00%	102,396	0	(24,468)	77,928	25,206
2002 West Loveland Waterline	0.00%	105,000	0	(15,000)	90,000	15,000
2003 West Loveland Avenue Storm Drainage	0.00%	141,696	0	(16,673)	125,023	16,673
2004 Elyson Extension	0.00%	226,442	0	(23,840)	202,602	23,840
2005 Walker Extension	0.00%	191,325	0	(19,132)	172,193	19,132
2007 Downtown Water Line	0.00%	292,203	0	(24,352)	267,851	24,352
2008 Broadway and Hanna	0.00%	125,076	0	(9,622)	115,454	9,622
2011 Waterline Replacement	0.00%	385,770	0	(23,380)	362,390	23,380
2011 Bellwood Storm Drainage	0.00%	241,105	0	(14,614)	226,491	14,614
2012 Wall Street Waterline	0.00%	372,476	0	(24,033)	348,443	24,033
2012 Park Center Waterline	0.00%	292,486	0	(16,712)	275,774	16,712
2012 Fallis Road Waterline	0.00%	455,743	0	(26,809)	428,934	26,809
2013 Twightwee Waterline	0.00%	216,442	0	(11,699)	204,743	11,699
2013 Stoneybrook Storm Drainage	0.00%	265,620	0	(13,980)	251,640	13,980
2015 Union-Cemetery Waterline	0.00%	564,976	0	(14,124)	550,852	28,249
2015 Fifth Street Reconstruction	0.00%	35,909	0	(1,795)	34,114	1,795
Total Ohio Public Works Commission Loans		<u>4,136,015</u>	<u>0</u>	<u>(347,354)</u>	<u>3,788,661</u>	<u>349,325</u>
Net Pension Liability:						
Ohio Public Employees Retirement System		429,306	218,950	0	648,256	0
Compensated Absences		<u>55,282</u>	<u>25,528</u>	<u>(23,131)</u>	<u>57,679</u>	<u>40,545</u>
Total Business-Type Activities		<u>\$9,482,701</u>	<u>\$244,478</u>	<u>(\$610,556)</u>	<u>\$9,116,623</u>	<u>\$624,870</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 13 - 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, 2016, follows:

Years	Governmental Activities			
	General Obligation Bonds		Installment Loan	
	Principal	Interest	Principal	Interest
2017	\$484,172	\$118,191	\$94,677	\$6,209
2018	255,219	99,995	97,801	3,085
2019	251,304	92,910	41,698	339
2020	217,427	85,836	0	0
2021	228,592	79,098	0	0
2022-2026	921,937	284,553	0	0
2027-2031	827,990	104,509	0	0
Totals	<u>\$3,186,641</u>	<u>\$865,092</u>	<u>\$234,176</u>	<u>\$9,633</u>

Years	Business-Type Activities			
	General Obligation Bonds		OPWC Loans	
	Principal	Interest	Principal	Interest
2017	\$235,000	\$146,479	\$349,325	\$3,055
2018	250,000	139,471	295,841	1,389
2019	235,000	131,230	296,624	601
2020	240,000	126,593	269,873	0
2021	245,000	121,049	269,874	0
2022-2026	1,080,000	515,391	1,192,818	0
2027-2031	925,000	374,132	837,938	0
2032-2036	1,095,000	184,000	276,368	0
2037	245,000	9,800	0	0
Totals	<u>\$4,550,000</u>	<u>\$1,748,145</u>	<u>\$3,788,661</u>	<u>\$5,045</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

B. Defeasance of General Obligation Debt

In May of 2005 The City issued \$1,715,000 of Various Purpose Refunding General Obligation Bonds to defease the \$1,586,079 of General Obligation Bonds for Various Purposes dated October 1, 1997. The net proceeds of the 2005 Various Purpose Refunding General Obligation Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts, which including interest earned, was and will be used to pay the principal and interest on the refunded bonds. The refunded General Obligation Bonds, which have a balance of \$195,000 at December 31, 2016, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advanced refunding.

In June of 2012 The City issued \$1,415,000 of Various Purpose Refunding General Obligation Bonds to defease \$560,000 of General Obligation Bonds for Stormwater System Improvements dated August 1, 2003, \$55,000 of General Obligation Bonds for Stormwater Improvements dated June 1, 2005 and \$670,000 of Various Purpose General Obligation Bonds dated October 1, 2002. The net proceeds of the 2012 Various Purpose Refunding General Obligation Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts, which including interest earned, was and will be used to pay the principal and interest on the refunded bonds. The refunded General Obligation Bonds, which have a balance of \$945,000 at December 31, 2016, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advanced refunding.

NOTE 14 - CAPITAL LEASE COMMITMENTS

The City leases two fire engines and related equipment. The cost of the leased assets and the related liability are accounted for in the Governmental Activities capital assets and long-term debt accounts. The original cost of the assets under capital lease is \$1,191,531.

The following is a schedule of the future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of December 31, 2016:

<u>Year Ending December 31,</u>	<u>Governmental Capital Leases</u>
2017	\$106,368
2018	106,368
2019	106,368
2020	106,368
2021	106,368
2022-2026	531,840
2027-2029	319,104
Minimum Lease Payments	1,382,784
Less: Amount representing interest at the City's incremental borrowing rate of interest	(315,220)
Present value of minimum lease payments	<u>\$1,067,564</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 15 - 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. 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 in any of the past three fiscal 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 16 - COMPLIANCE AND ACCOUNTABILITY

The fund deficits of \$2,490,681 in the Historic Loveland TIF Fund and \$439,767 in the Recreation Land TIF Fund (capital projects funds) arose from the recognition of interfund loans payable and notes payable in the individual fund balance sheet. The fund deficits of \$29,102 in the Street Maintenance Fund and \$278,053 in the Community Improvement Corporation Fund (special revenue funds) arose from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. The General Fund provides transfers when cash is required, not when accruals occur.

NOTE 17 - 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, 2016***

NOTE 18 – SIGNIFICANT COMMITMENTS

At December 31, 2016 the City had encumbrance commitments in the Governmental Funds as follows:

<u>Fund</u>	<u>Encumbrances</u>
General Fund	\$43,798
Fire and EMS Fund	223
Historic Loveland TIF Fund	4,500
Other Governmental Funds	<u>92,161</u>
Total Governmental Funds	<u><u>\$140,682</u></u>

The City had the following contractual commitments at December 31, 2016:

<u>Project</u>	<u>Remaining Contractual Commitment</u>	<u>Expected Date of Completion</u>
McCoy Park Recreation Improvement Project	\$60,000	July 2017
Wayfinding Signage Project	58,806	June 2017
Railroad Drainage Project	117,500	May 2017
Loveland Madeira Stormwater Road Project	<u>553,900</u>	May 2018
	<u><u>\$790,206</u></u>	

REQUIRED SUPPLEMENTAL INFORMATION

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

Ohio Public Employees Retirement System

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	0.011898%	0.011898%	0.011766%
City's proportionate share of the net pension liability (asset)	\$1,402,619	\$1,435,031	\$2,038,055
City's covered-employee payroll	\$1,604,000	\$1,554,658	\$1,462,883
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	87.45%	92.31%	139.32%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%

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

Ohio Police and Fire Pension Fund

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	0.058369%	0.058369%	0.057384%
City's proportionate share of the net pension liability (asset)	\$2,842,739	\$3,023,743	\$3,691,570
City's covered-employee payroll	\$1,341,209	\$1,281,795	\$1,295,679
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	211.95%	235.90%	284.91%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%

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

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability.

***Schedule of City Contributions
Last Four Years***

Ohio Public Employees Retirement System

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$208,520	\$186,559	\$175,546	\$164,428
Contributions in relation to the contractually required contribution	<u>208,520</u>	<u>186,559</u>	<u>175,546</u>	<u>164,428</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$1,604,000	\$1,554,658	\$1,462,883	\$1,370,233
Contributions as a percentage of covered-employee payroll	13.00%	12.00%	12.00%	12.00%

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

Ohio Police and Fire Pension Fund

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$212,984	\$243,541	\$246,179	\$247,722
Contributions in relation to the contractually required contribution	<u>212,984</u>	<u>243,541</u>	<u>246,179</u>	<u>247,722</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$1,341,209	\$1,281,795	\$1,295,679	\$1,303,800
Contributions as a percentage of covered-employee payroll	15.88%	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.

Information prior to 2013 is not available.



*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Community Improvement Corporation Fund

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.

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

To account for the accumulation of resources to be used for the retirement of general obligation debt. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Capital Projects Funds

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

Recreation Land TIF Fund

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

Training Tower Building Fund

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

Special Projects Fund

This fund is used to account for the accumulation of resources for the City's various capital projects.

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Pooled Cash and Investments	\$ 328,688	\$ 157,033	\$ 485,721
Receivables:			
Taxes	569,757	0	569,757
Accounts	1,129	0	1,129
Intergovernmental	365,887	0	365,887
Interest	0	435	435
Special Assessments	9,790	0	9,790
Due from Other Funds	150,410	0	150,410
Interfund Loans Receivable	0	327,488	327,488
Inventory of Supplies, at Cost	84,453	0	84,453
Restricted Assets:			
Cash and Cash Equivalents	59,950	0	59,950
Total Assets	\$ 1,570,064	\$ 484,956	\$ 2,055,020
Liabilities:			
Accounts Payable	\$ 8,117	\$ 22,859	\$ 30,976
Accrued Wages and Benefits Payable	13,240	0	13,240
Intergovernmental Payable	236	0	236
Refundable Deposits	40,000	0	40,000
Due to Other Funds	86,962	0	86,962
Interfund Loans Payable	646,215	441,725	1,087,940
Total Liabilities	794,770	464,584	1,259,354
Deferred Inflows of Resources:			
Unavailable Amounts	279,823	0	279,823
Property Tax Levy for Next Fiscal Year	555,573	0	555,573
Total Deferred Inflows of Resources	835,396	0	835,396
Fund Balances:			
Nonspendable	84,453	0	84,453
Restricted	247,053	460,139	707,192
Unassigned	(391,608)	(439,767)	(831,375)
Total Fund Balances	(60,102)	20,372	(39,730)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,570,064	\$ 484,956	\$ 2,055,020

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property Taxes	\$ 572,009	\$ 0	\$ 0	\$ 572,009
Intergovernmental Revenue	739,806	24,757	3,225	767,788
Licenses and Permits	26,000	0	0	26,000
Investment Earnings	0	0	27,070	27,070
Special Assessments	11,803	0	35,763	47,566
Fines and Forfeitures	11,368	0	0	11,368
All Other Revenue	99,393	0	1,502	100,895
Total Revenues	1,460,379	24,757	67,560	1,552,696
Expenditures:				
Current:				
Security of Persons and Property	658,058	0	0	658,058
Transportation	657,364	0	0	657,364
General Government	47,471	0	0	47,471
Capital Outlay	0	0	1,020,463	1,020,463
Debt Service:				
Principal Retirement	91,654	468,359	0	560,013
Interest & Fiscal Charges	9,232	125,667	0	134,899
Total Expenditures	1,463,779	594,026	1,020,463	3,078,268
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(3,400)	(569,269)	(952,903)	(1,525,572)
Other Financing Sources (Uses):				
Sale of Bonds	0	0	600,000	600,000
Transfers In	0	569,269	205,000	774,269
Transfers Out	(50,186)	0	(49,725)	(99,911)
Total Other Financing Sources (Uses)	(50,186)	569,269	755,275	1,274,358
Net Change in Fund Balances	(53,586)	0	(197,628)	(251,214)
Fund Balances at Beginning of Year	(71,182)	0	218,000	146,818
Increase in Inventory	64,666	0	0	64,666
Fund Balances End of Year	\$ (60,102)	\$ 0	\$ 20,372	\$ (39,730)

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016**

	Street Maintenance Fund	Enforcement and Education Fund	Permissive Motor Vehicle License Tax Fund	Fire Protection Fund
Assets:				
Pooled Cash and Investments	\$ 112,580	\$ 8,355	\$ 40,302	\$ 103,607
Receivables:				
Taxes	0	0	0	569,757
Accounts	124	25	0	0
Intergovernmental	233,998	0	76,921	37,355
Special Assessments	0	0	0	0
Due from Other Funds	0	0	0	0
Inventory of Supplies, at Cost	84,453	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Total Assets	\$ 431,155	\$ 8,380	\$ 117,223	\$ 710,719
Liabilities:				
Accounts Payable	\$ 6,018	\$ 0	\$ 0	\$ 856
Accrued Wages and Benefits Payable	13,240	0	0	0
Intergovernmental Payable	0	0	0	0
Refundable Deposits	0	0	0	0
Due to Other Funds	0	0	0	0
Interfund Loans Payable	285,000	0	0	0
Total Liabilities	304,258	0	0	856
Deferred Inflows of Resources:				
Unavailable Amounts	155,999	0	51,281	51,011
Property Tax Levy for Next Fiscal Year	0	0	0	555,573
Total Deferred Inflows of Resources	155,999	0	51,281	606,584
Fund Balances:				
Nonspendable	84,453	0	0	0
Restricted	0	8,380	65,942	103,279
Unassigned	(113,555)	0	0	0
Total Fund Balances	(29,102)	8,380	65,942	103,279
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 431,155	\$ 8,380	\$ 117,223	\$ 710,719

CITY OF LOVELAND, OHIO

State Highway Fund	Community Improvement Corporation Fund	Mayors Court Computer Fund	Lighting District Fund	Total Nonmajor Special Revenue Funds
\$ 21,417	\$ 0	\$ 4,599	\$ 37,828	\$ 328,688
0	0	0	0	569,757
0	0	980	0	1,129
17,613	0	0	0	365,887
0	0	0	9,790	9,790
0	150,410	0	0	150,410
0	0	0	0	84,453
0	59,950	0	0	59,950
<u>\$ 39,030</u>	<u>\$ 210,360</u>	<u>\$ 5,579</u>	<u>\$ 47,618</u>	<u>\$ 1,570,064</u>
\$ 0	\$ 0	\$ 0	\$ 1,243	\$ 8,117
0	0	0	0	13,240
0	236	0	0	236
0	40,000	0	0	40,000
0	86,962	0	0	86,962
0	361,215	0	0	646,215
0	488,413	0	1,243	794,770
11,742	0	0	9,790	279,823
0	0	0	0	555,573
<u>11,742</u>	<u>0</u>	<u>0</u>	<u>9,790</u>	<u>835,396</u>
0	0	0	0	84,453
27,288	0	5,579	36,585	247,053
0	(278,053)	0	0	(391,608)
<u>27,288</u>	<u>(278,053)</u>	<u>5,579</u>	<u>36,585</u>	<u>(60,102)</u>
<u>\$ 39,030</u>	<u>\$ 210,360</u>	<u>\$ 5,579</u>	<u>\$ 47,618</u>	<u>\$ 1,570,064</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016**

	Street Maintenance Fund	Enforcement and Education Fund	Permissive Motor Vehicle License Tax Fund	Fire Protection Fund
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 572,009
Intergovernmental Revenue	478,035	0	150,104	75,686
Licenses and Permits	0	0	26,000	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	586	0	0
All Other Revenue	6,192	0	0	25,791
Total Revenues	<u>484,227</u>	<u>586</u>	<u>176,104</u>	<u>673,486</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	658,058
Transportation	468,917	0	170,192	0
General Government	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest & Fiscal Charges	0	0	0	0
Total Expenditures	<u>468,917</u>	<u>0</u>	<u>170,192</u>	<u>658,058</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,310	586	5,912	15,428
Other Financing Sources (Uses):				
Transfers Out	(50,186)	0	0	0
Total Other Financing Sources (Uses)	<u>(50,186)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(34,876)	586	5,912	15,428
Fund Balances at Beginning of Year	(58,892)	7,794	60,030	87,851
Increase in Inventory	64,666	0	0	0
Fund Balances End of Year	<u>\$ (29,102)</u>	<u>\$ 8,380</u>	<u>\$ 65,942</u>	<u>\$ 103,279</u>

CITY OF LOVELAND, OHIO

State Highway Fund	Community Improvement Corporation Fund	Mayors Court Computer Fund	Lighting District Fund	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 572,009
35,981	0	0	0	739,806
0	0	0	0	26,000
0	0	0	11,803	11,803
0	0	10,782	0	11,368
0	67,410	0	0	99,393
<u>35,981</u>	<u>67,410</u>	<u>10,782</u>	<u>11,803</u>	<u>1,460,379</u>
0	0	0	0	658,058
18,255	0	0	0	657,364
0	10,558	22,012	14,901	47,471
0	91,654	0	0	91,654
0	9,232	0	0	9,232
<u>18,255</u>	<u>111,444</u>	<u>22,012</u>	<u>14,901</u>	<u>1,463,779</u>
17,726	(44,034)	(11,230)	(3,098)	(3,400)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(50,186)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(50,186)</u>
17,726	(44,034)	(11,230)	(3,098)	(53,586)
9,562	(234,019)	16,809	39,683	(71,182)
0	0	0	0	64,666
<u>\$ 27,288</u>	<u>\$ (278,053)</u>	<u>\$ 5,579</u>	<u>\$ 36,585</u>	<u>\$ (60,102)</u>

CITY OF LOVELAND, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2016**

	Recreation Land TIF Fund	Training Tower Building Fund	Special Projects Fund	Total Nonmajor Capital Projects Funds
Assets:				
Pooled Cash and Investments	\$ 1,958	\$ 18,749	\$ 136,326	\$ 157,033
Receivables:				
Interest	0	0	435	435
Interfund Loans Receivable	0	0	327,488	327,488
Total Assets	<u>\$ 1,958</u>	<u>\$ 18,749</u>	<u>\$ 464,249</u>	<u>\$ 484,956</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 18,395	\$ 4,464	\$ 22,859
Interfund Loans Payable	441,725	0	0	441,725
Total Liabilities	<u>441,725</u>	<u>18,395</u>	<u>4,464</u>	<u>464,584</u>
Fund Balances:				
Restricted	0	354	459,785	460,139
Unassigned	(439,767)	0	0	(439,767)
Total Fund Balances	<u>(439,767)</u>	<u>354</u>	<u>459,785</u>	<u>20,372</u>
Total Liabilities and Fund Balances	<u>\$ 1,958</u>	<u>\$ 18,749</u>	<u>\$ 464,249</u>	<u>\$ 484,956</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016**

	Recreation Land TIF Fund	Training Tower Building Fund	Special Projects Fund	Total Nonmajor Capital Project Funds
Revenues:				
Intergovernmental Revenue	\$ 0	\$ 0	\$ 3,225	\$ 3,225
Investment Earnings	0	0	27,070	27,070
Special Assessments	0	0	35,763	35,763
All Other Revenue	0	0	1,502	1,502
Total Revenues	0	0	67,560	67,560
Expenditures:				
Capital Outlay	0	599,646	420,817	1,020,463
Total Expenditures	0	599,646	420,817	1,020,463
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(599,646)	(353,257)	(952,903)
Other Financing Sources (Uses):				
Sale of Bonds	0	600,000	0	600,000
Transfers In	0	0	205,000	205,000
Transfers Out	(49,725)	0	0	(49,725)
Total Other Financing Sources (Uses)	(49,725)	600,000	205,000	755,275
Net Change in Fund Balances	(49,725)	354	(148,257)	(197,628)
Fund Balances at Beginning of Year	(390,042)	0	608,042	218,000
Fund Balances End of Year	\$ (439,767)	\$ 354	\$ 459,785	\$ 20,372

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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 835,952	\$ 835,952	\$ 841,580	\$ 5,628
Municipal Income Tax	3,725,000	3,725,000	4,272,609	547,609
Intergovernmental Revenue	305,537	340,447	370,204	29,757
Charges for Services	514,467	514,467	515,479	1,012
Licenses and Permits	250,000	250,000	305,939	55,939
Special Assessments	1,223	1,223	3,429	2,206
Fines and Forfeitures	112,000	112,000	83,736	(28,264)
All Other Revenue	90,711	129,711	149,613	19,902
Total Revenues	5,834,890	5,908,800	6,542,589	633,789
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	2,175,198	2,175,198	2,003,597	171,601
Other Expenditures	584,411	598,033	520,709	77,324
Total Security of Persons and Property	2,759,609	2,773,231	2,524,306	248,925
Leisure Time Activities:				
Parks and Recreation:				
Personal Services	290,746	290,746	280,303	10,443
Other Expenditures	161,145	219,245	190,797	28,448
Total Leisure Time Activities	451,891	509,991	471,100	38,891
Community Environment:				
Building and Zoning:				
Personal Services	164,653	164,653	164,622	31
Other Expenditures	87,500	87,500	60,323	27,177
Total Community Environment	252,153	252,153	224,945	27,208

(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, 2016***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
General Government:				
City Council:				
Personal Services	64,222	64,222	62,907	1,315
Other Expenditures	10,900	13,900	12,397	1,503
Total City Council	<u>75,122</u>	<u>78,122</u>	<u>75,304</u>	<u>2,818</u>
City Manager:				
Personal Services	228,597	228,597	228,551	46
Total City Manager	<u>228,597</u>	<u>228,597</u>	<u>228,551</u>	<u>46</u>
Mayor's Court:				
Personal Services	84,938	84,938	84,906	32
Other Expenditures	30,711	30,711	20,962	9,749
Total Mayor's Court	<u>115,649</u>	<u>115,649</u>	<u>105,868</u>	<u>9,781</u>
Administration:				
Personal Services	2,500	2,500	2,400	100
Other Expenditures	35,531	48,031	46,456	1,575
Total Administration	<u>38,031</u>	<u>50,531</u>	<u>48,856</u>	<u>1,675</u>
Finance and Income Tax:				
Personal Services	296,774	296,774	295,990	784
Other Expenditures	13,815	13,815	6,822	6,993
Total Finance and Income Tax	<u>310,589</u>	<u>310,589</u>	<u>302,812</u>	<u>7,777</u>
Solicitor:				
Other Expenditures	75,000	75,000	74,996	4
Total Solicitor	<u>75,000</u>	<u>75,000</u>	<u>74,996</u>	<u>4</u>
General Operations:				
Other Expenditures	1,718,951	1,724,951	792,845	932,106
Total General Operations	<u>1,718,951</u>	<u>1,724,951</u>	<u>792,845</u>	<u>932,106</u>

(Continued)

CITY OF LOVELAND, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Engineer:				
Personal Services	17,299	17,299	17,296	3
Other Expenditures	4,225	4,225	2,242	1,983
Total Engineer	21,524	21,524	19,538	1,986
Total General Government	2,583,463	2,604,963	1,648,770	956,193
Total Expenditures	6,047,116	6,140,338	4,869,121	1,271,217
Excess (Deficiency) of Revenues Over (Under) Expenditures	(212,226)	(231,538)	1,673,468	1,905,006
Other Financing Sources (Uses):				
Sale of Capital Assets	5,000	5,000	0	(5,000)
Transfers Out	(371,911)	(371,911)	(371,910)	1
Advances In	80,000	80,000	80,000	0
Advances Out	(425,611)	(445,611)	(445,611)	0
Total Other Financing Sources (Uses)	(712,522)	(732,522)	(737,521)	(4,999)
Net Change in Fund Balance	(924,748)	(964,060)	935,947	1,900,007
Fund Balance at Beginning of Year	1,175,544	1,175,544	1,175,544	0
Prior Year Encumbrances	7,394	7,394	7,394	0
Fund Balance at End of Year	\$ 258,190	\$ 218,878	\$ 2,118,885	\$ 1,900,007

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, 2016***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 828,015	\$ 828,015	\$ 843,636	\$ 15,621
Intergovernmental Revenue	111,158	111,158	117,068	5,910
Charges for Services	330,000	330,000	401,594	71,594
Total Revenues	<u>1,269,173</u>	<u>1,269,173</u>	<u>1,362,298</u>	<u>93,125</u>
Expenditures:				
Security of Persons and Property:				
Other Expenditures	<u>1,325,877</u>	<u>1,325,877</u>	<u>1,280,314</u>	<u>45,563</u>
Total Expenditures	<u>1,325,877</u>	<u>1,325,877</u>	<u>1,280,314</u>	<u>45,563</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(56,704)	(56,704)	81,984	138,688
Fund Balance at Beginning of Year	<u>93,349</u>	<u>93,349</u>	<u>93,349</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 36,645</u>	<u>\$ 36,645</u>	<u>\$ 175,333</u>	<u>\$ 138,688</u>

CITY OF LOVELAND, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund – Fire and EMS Fund
For the Year Ended December 31, 2016***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 989,731	\$ 989,731	\$ 1,020,457	\$ 30,726
Intergovernmental Revenue	71,981	71,981	72,946	965
Total Revenues	<u>1,061,712</u>	<u>1,061,712</u>	<u>1,093,403</u>	<u>31,691</u>
Expenditures:				
Security of Persons and Property:				
Other Expenditures	1,220,974	1,196,216	786,190	410,026
Total Expenditures	<u>1,220,974</u>	<u>1,196,216</u>	<u>786,190</u>	<u>410,026</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(159,262)	(134,504)	307,213	441,717
Other Financing Sources (Uses):				
Transfers Out	(151,339)	(176,097)	(176,096)	1
Total Other Financing Sources (Uses)	<u>(151,339)</u>	<u>(176,097)</u>	<u>(176,096)</u>	<u>1</u>
Net Change in Fund Balance	(310,601)	(310,601)	131,117	441,718
Fund Balance at Beginning of Year	314,031	314,031	314,031	0
Fund Balance at End of Year	<u>\$ 3,430</u>	<u>\$ 3,430</u>	<u>\$ 445,148</u>	<u>\$ 441,718</u>

CITY OF LOVELAND, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Fund – Historic Loveland TIF Fund
For the Year Ended December 31, 2016***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$ 7,000	\$ 8,605	\$ 1,605
Intergovernmental Revenue	227,159	227,144	(15)
Total Revenues	<u>234,159</u>	<u>235,749</u>	<u>1,590</u>
Expenditures:			
Capital Outlay:			
Other Expenditures	891,722	865,675	26,047
Total Capital Outlay	<u>891,722</u>	<u>865,675</u>	<u>26,047</u>
Debt Service:			
Principal Retirement	602,501	602,501	0
Interest and Fiscal Charges	11,000	10,202	798
Total Expenditures	<u>1,505,223</u>	<u>1,478,378</u>	<u>26,845</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,271,064)	(1,242,629)	28,435
Other Financing Sources (Uses):			
Proceeds from Special Obligation Notes	558,000	558,063	63
Transfers Out	(102,648)	(102,648)	0
Advances In	270,000	270,000	0
Total Other Financing Sources (Uses)	<u>725,352</u>	<u>725,415</u>	<u>63</u>
Net Change in Fund Balance	(545,712)	(517,214)	28,498
Fund Balance at Beginning of Year	5,898	5,898	0
Prior Year Encumbrances	544,552	544,552	0
Fund Balance at End of Year	<u>\$ 4,738</u>	<u>\$ 33,236</u>	<u>\$ 28,498</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, 2016**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
SICK LEAVE RESERVE/ESCROW FUND			
Revenues:			
Intergovernmental Revenue	\$ 80,000	\$ 99,050	\$ 19,050
Total Revenues	<u>80,000</u>	<u>99,050</u>	<u>19,050</u>
Expenditures:			
General Government:			
Personal Services	734	0	734
Other Expenditures	<u>1,373,186</u>	<u>112,773</u>	<u>1,260,413</u>
Total Expenditures	<u>1,373,920</u>	<u>112,773</u>	<u>1,261,147</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,293,920)	(13,723)	1,280,197
Other Financing Sources (Uses):			
Transfers In	<u>27,198</u>	<u>27,198</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>27,198</u>	<u>27,198</u>	<u>0</u>
Net Change in Fund Balance	(1,266,722)	13,475	1,280,197
Fund Balance at Beginning of Year	<u>1,266,812</u>	<u>1,266,812</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 90</u>	<u>\$ 1,280,287</u>	<u>\$ 1,280,197</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, 2016***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
STREET MAINTENANCE FUND			
Revenues:			
Intergovernmental Revenue	\$ 460,000	\$ 477,395	\$ 17,395
All Other Revenues	7,736	6,068	(1,668)
Total Revenues	467,736	483,463	15,727
Expenditures:			
Transportation:			
Personal Services	324,077	312,982	11,095
Other Expenditures	208,707	160,109	48,598
Total Expenditures	532,784	473,091	59,693
Excess (Deficiency) of Revenues Over (Under) Expenditures	(65,048)	10,372	75,420
Other Financing Sources (Uses):			
Transfers Out	(50,186)	(50,186)	0
Advances In	50,000	50,000	0
Total Other Financing Sources (Uses)	(186)	(186)	0
Net Change in Fund Balance	(65,234)	10,186	75,420
Fund Balance at Beginning of Year	96,430	96,430	0
Fund Balance at End of Year	\$ 31,196	\$ 106,616	\$ 75,420

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, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 500	\$ 650	\$ 150
Total Revenues	<u>500</u>	<u>650</u>	<u>150</u>
Expenditures:			
Security of Persons and Property:			
Other Expenditures	<u>7,012</u>	<u>0</u>	<u>7,012</u>
Total Expenditures	<u>7,012</u>	<u>0</u>	<u>7,012</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,512)	650	7,162
Fund Balance at Beginning of Year	<u>7,705</u>	<u>7,705</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,193</u>	<u>\$ 8,355</u>	<u>\$ 7,162</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, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenue	\$ 136,475	\$ 147,974	\$ 11,499
Licenses and Permits	<u>10,000</u>	<u>26,000</u>	<u>16,000</u>
Total Revenues	<u>146,475</u>	<u>173,974</u>	<u>27,499</u>
Expenditures:			
Transportation:			
Other Expenditures	<u>171,120</u>	<u>171,120</u>	<u>0</u>
Total Expenditures	<u>171,120</u>	<u>171,120</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,645)	2,854	27,499
Fund Balance at Beginning of Year	<u>36,520</u>	<u>36,520</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 11,875</u>	<u>\$ 39,374</u>	<u>\$ 27,499</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, 2016**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
FIRE PROTECTION FUND			
Revenues:			
Property Taxes	\$ 560,912	\$ 571,495	\$ 10,583
Intergovernmental Revenue	75,301	75,686	385
All Other Revenues	18,600	25,791	7,191
Total Revenues	<u>654,813</u>	<u>672,972</u>	<u>18,159</u>
Expenditures:			
Security of Persons and Property:			
Other Expenditures	<u>743,475</u>	<u>658,104</u>	<u>85,371</u>
Total Expenditures	<u>743,475</u>	<u>658,104</u>	<u>85,371</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(88,662)	14,868	103,530
Fund Balance at Beginning of Year	<u>88,663</u>	<u>88,663</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 103,531</u>	<u>\$ 103,530</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, 2016***

	STATE HIGHWAY FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
Revenues:			
Intergovernmental Revenue	\$ 34,500	\$ 35,933	\$ 1,433
Total Revenues	<u>34,500</u>	<u>35,933</u>	<u>1,433</u>
Expenditures:			
Transportation:			
Other Expenditures	<u>37,091</u>	<u>18,255</u>	<u>18,836</u>
Total Expenditures	<u>37,091</u>	<u>18,255</u>	<u>18,836</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,591)	17,678	20,269
Fund Balance at Beginning of Year	<u>3,739</u>	<u>3,739</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,148</u>	<u>\$ 21,417</u>	<u>\$ 20,269</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, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 0</u>
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>0</u>
Expenditures:			
General Government:			
Other Expenditures	<u>26,186</u>	<u>10,322</u>	<u>15,864</u>
Total General Government	<u>26,186</u>	<u>10,322</u>	<u>15,864</u>
Debt Service:			
Principal Retirement	<u>91,654</u>	<u>91,654</u>	<u>0</u>
Interest and Fiscal Charges	<u>9,232</u>	<u>9,232</u>	<u>0</u>
Total Expenditures	<u>127,072</u>	<u>111,208</u>	<u>15,864</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(87,072)</u>	<u>(71,208)</u>	<u>15,864</u>
Other Financing Sources (Uses):			
Sale of Capital Assets	<u>0</u>	<u>3,962</u>	<u>3,962</u>
Advances In	<u>75,886</u>	<u>75,886</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>75,886</u>	<u>79,848</u>	<u>3,962</u>
Net Change in Fund Balance	<u>(11,186)</u>	<u>8,640</u>	<u>19,826</u>
Fund Balance at Beginning of Year	<u>51,310</u>	<u>51,310</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 40,124</u>	<u>\$ 59,950</u>	<u>\$ 19,826</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, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	<u>\$ 12,875</u>	<u>\$ 10,579</u>	<u>\$ (2,296)</u>
Total Revenues	<u>12,875</u>	<u>10,579</u>	<u>(2,296)</u>
Expenditures:			
General Government:			
Other Expenditures	<u>26,406</u>	<u>22,012</u>	<u>4,394</u>
Total Expenditures	<u>26,406</u>	<u>22,012</u>	<u>4,394</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,531)	(11,433)	2,098
Fund Balance at Beginning of Year	<u>16,032</u>	<u>16,032</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,501</u>	<u>\$ 4,599</u>	<u>\$ 2,098</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, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	<u>\$ 9,275</u>	<u>\$ 11,803</u>	<u>\$ 2,528</u>
Total Revenues	<u>9,275</u>	<u>11,803</u>	<u>2,528</u>
Expenditures:			
General Government:			
Other Expenditures	<u>48,034</u>	<u>14,894</u>	<u>33,140</u>
Total Expenditures	<u>48,034</u>	<u>14,894</u>	<u>33,140</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(38,759)	(3,091)	35,668
Fund Balance at Beginning of Year	<u>40,919</u>	<u>40,919</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,160</u>	<u>\$ 37,828</u>	<u>\$ 35,668</u>

CITY OF LOVELAND, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Fund
For the Year Ended December 31, 2016**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenue	\$ 24,757	\$ 24,757	\$ 0
Total Revenues	<u>24,757</u>	<u>24,757</u>	<u>0</u>
Expenditures:			
Debt Service:			
Principal Retirement	468,360	468,359	1
Interest and Fiscal Charges	<u>125,667</u>	<u>125,667</u>	<u>0</u>
Total Expenditures	<u>594,027</u>	<u>594,026</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(569,270)	(569,269)	1
Other Financing Sources (Uses):			
Transfers In	<u>584,033</u>	<u>569,269</u>	<u>(14,764)</u>
Total Other Financing Sources (Uses)	<u>584,033</u>	<u>569,269</u>	<u>(14,764)</u>
Net Change in Fund Balance	14,763	0	(14,763)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 14,763</u>	<u>\$ 0</u>	<u>\$ (14,763)</u>

CITY OF LOVELAND, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016**

RECREATION LAND TIF FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Debt Service:			
Interest and Fiscal Charges	1,957	0	1,957
Total Expenditures	1,957	0	1,957
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,957)	0	1,957
Other Financing Sources (Uses):			
Transfers Out	(49,725)	(49,725)	0
Advances In	49,725	49,725	0
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balance	(1,957)	0	1,957
Fund Balance at Beginning of Year	1,958	1,958	0
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 1,958</u>	<u>\$ 1,957</u>

CITY OF LOVELAND, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
Capital Outlay:			
Other Expenditures	<u>600,000</u>	<u>600,000</u>	<u>0</u>
Total Expenditures	<u>600,000</u>	<u>600,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(600,000)	(600,000)	0
Other Financing Sources (Uses):			
General Obligation Bond Issuance	<u>600,000</u>	<u>600,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>600,000</u>	<u>600,000</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF LOVELAND, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
SPECIAL PROJECTS FUND			
Revenues:			
Intergovernmental Revenue	\$ 14,368	\$ 3,225	\$ (11,143)
Investment Earnings	22,500	44,068	21,568
Special Assessments	32,075	35,763	3,688
All Other Revenues	0	1,502	1,502
Total Revenues	<u>68,943</u>	<u>84,558</u>	<u>15,615</u>
Expenditures:			
Capital Outlay:			
Other Expenditures	<u>626,860</u>	<u>556,307</u>	<u>70,553</u>
Total Expenditures	<u>626,860</u>	<u>556,307</u>	<u>70,553</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(557,917)	(471,749)	86,168
Other Financing Sources (Uses):			
Transfers In	<u>205,000</u>	<u>205,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>205,000</u>	<u>205,000</u>	<u>0</u>
Net Change in Fund Balance	(352,917)	(266,749)	86,168
Fund Balance at Beginning of Year	25,590	25,590	0
Prior Year Encumbrances	<u>329,179</u>	<u>329,179</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,852</u>	<u>\$ 88,020</u>	<u>\$ 86,168</u>

Fiduciary Funds

Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Agency Fund

Mayor's Court Fund

To account for the collection and distribution of court fines and forfeitures.

***Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended December 31, 2016***

	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
<u>Mayor's Court Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	\$8,528	\$136,171	(\$129,991)	\$14,708
Total Assets	\$8,528	\$136,171	(\$129,991)	\$14,708
Liabilities:				
Due to Others	\$8,528	\$136,171	(\$129,991)	\$14,708
Total Liabilities	\$8,528	\$136,171	(\$129,991)	\$14,708

STATISTICAL SECTION



STATISTICAL TABLES

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

Contents

Financial Trends	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 comprehensive annual financial reports for the relevant year.	

City of Loveland

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental Activities:				
Net Investment in Capital Assets	\$14,830,399	\$13,937,128	\$13,217,802	\$13,337,321
Restricted	4,200,529	3,305,252	3,906,402	4,083,734
Unrestricted	(707,089)	851,135	1,935,108	2,127,266
Total Governmental Activities Net Position	<u>\$18,323,839</u>	<u>\$18,093,515</u>	<u>\$19,059,312</u>	<u>\$19,548,321</u>
Business-type Activities:				
Net Investment in Capital Assets	\$12,277,363	\$12,231,619	\$12,778,863	\$12,477,954
Restricted	0	0	0	0
Unrestricted	3,406,114	2,621,728	1,808,016	1,403,373
Total Business-type Activities Net Position	<u>\$15,683,477</u>	<u>\$14,853,347</u>	<u>\$14,586,879</u>	<u>\$13,881,327</u>
Primary Government:				
Net Investment in Capital Assets	\$27,107,762	\$26,168,747	\$25,996,665	\$25,815,275
Restricted	4,200,529	3,305,252	3,906,402	4,083,734
Unrestricted	2,699,025	3,472,863	3,743,124	3,530,639
Total Primary Government Net Position	<u>\$34,007,316</u>	<u>\$32,946,862</u>	<u>\$33,646,191</u>	<u>\$33,429,648</u>

*Restated

Source: Finance Director's Office

City of Loveland

2011	* 2012	* 2013	* 2014	2015	2016
\$13,154,734	\$15,270,813	\$16,042,573	\$19,348,404	\$18,469,680	\$19,372,310
3,572,372	3,250,298	2,679,663	1,466,093	1,662,026	1,741,174
2,645,239	3,173,831	4,640,392	(216,362)	918,195	1,242,738
<u>\$19,372,345</u>	<u>\$21,694,942</u>	<u>\$23,362,628</u>	<u>\$20,598,135</u>	<u>\$21,049,901</u>	<u>\$22,356,222</u>
\$12,112,597	\$9,655,406	\$9,836,758	\$9,343,559	\$9,452,972	\$9,402,549
0	0	0	0	0	0
1,819,854	1,738,906	2,177,421	2,024,449	1,808,310	2,013,249
<u>\$13,932,451</u>	<u>\$11,394,312</u>	<u>\$12,014,179</u>	<u>\$11,368,008</u>	<u>\$11,261,282</u>	<u>\$11,415,798</u>
\$25,267,331	\$24,926,219	\$25,879,331	\$28,691,963	\$27,922,652	\$28,774,859
3,572,372	3,250,298	2,679,663	1,466,093	1,662,026	1,741,174
4,465,093	4,912,737	6,817,813	1,808,087	2,726,505	3,255,987
<u>\$33,304,796</u>	<u>\$33,089,254</u>	<u>\$35,376,807</u>	<u>\$31,966,143</u>	<u>\$32,311,183</u>	<u>\$33,772,020</u>

City of Loveland

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

	2007	2008	2009	2010
Expenses				
Governmental Activities:				
Security of Persons and Property	\$4,612,689	\$5,343,477	\$5,029,548	\$5,337,088
Leisure Time Activities	767,098	517,700	535,168	944,693
Community Environment	202,433	203,022	209,411	236,337
Transportation	822,605	1,035,895	1,104,950	1,334,262
General Government	3,377,258	2,801,985	2,345,473	2,062,417
Interest and Fiscal Charges	216,768	240,374	191,634	192,228
<i>Total Governmental Activities Expenses</i>	<u>9,998,851</u>	<u>10,142,453</u>	<u>9,416,184</u>	<u>10,107,025</u>
Business-type Activities:				
Water	1,217,657	1,422,913	1,539,006	1,546,890
Sewer	2,048,683	2,764,222	2,488,670	3,065,893
Stormwater	410,702	557,324	506,995	444,412
Sanitation	1,121,598	1,089,836	1,129,758	1,187,767
<i>Total Business-type Activities Expenses</i>	<u>4,798,640</u>	<u>5,834,295</u>	<u>5,664,429</u>	<u>6,244,962</u>
<i>Total Primary Government Expenses</i>	<u>\$14,797,491</u>	<u>\$15,976,748</u>	<u>\$15,080,613</u>	<u>\$16,351,987</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$187,830	\$180,356	\$192,611	\$198,239
Leisure Time Activities	11,500	20,000	0	0
Community Environment	100,258	92,605	57,371	81,992
Transportation	12,001	18,000	5,250	13,692
General Government	14,430	21,180	15,180	57,206
Operating Grants and Contributions	668,860	671,422	864,967	573,445
Capital Grants and Contributions	1,132,005	835,491	286,503	948,474
<i>Total Governmental Activities Program Revenues</i>	<u>2,126,884</u>	<u>1,839,054</u>	<u>1,421,882</u>	<u>1,873,048</u>

City of Loveland

2011	2012	2013	2014	2015	2016
\$5,110,699	\$4,837,756	\$4,774,133	\$4,788,410	\$5,453,273	\$5,618,023
509,744	523,757	459,669	557,894	499,115	547,141
221,506	172,262	184,344	189,090	230,338	225,430
1,019,091	905,724	925,791	1,089,455	1,152,321	875,995
2,068,656	1,954,219	1,625,043	2,218,449	2,329,335	1,769,444
344,242	391,273	172,961	163,308	227,739	214,338
<u>9,273,938</u>	<u>8,784,991</u>	<u>8,141,941</u>	<u>9,006,606</u>	<u>9,892,121</u>	<u>9,250,371</u>
1,483,481	2,008,015	1,371,256	2,002,504	2,076,354	1,629,209
3,002,905	3,297,500	3,474,707	3,675,503	3,839,457	3,931,317
479,090	422,135	370,944	436,323	354,508	316,694
982,682	1,043,202	1,099,467	1,091,547	1,064,171	1,160,450
<u>5,948,158</u>	<u>6,770,852</u>	<u>6,316,374</u>	<u>7,205,877</u>	<u>7,334,490</u>	<u>7,037,670</u>
<u>\$15,222,096</u>	<u>\$15,555,843</u>	<u>\$14,458,315</u>	<u>\$16,212,483</u>	<u>\$17,226,611</u>	<u>\$16,288,041</u>
\$189,146	\$192,509	\$181,463	\$182,785	\$485,461	\$509,839
0	26,505	29,500	40,500	30,270	26,000
135,082	178,239	158,425	165,852	137,929	139,613
13,748	26,505	29,500	40,500	30,270	26,000
70,734	71,170	65,042	92,168	110,989	95,394
663,752	710,800	679,478	676,950	827,199	765,072
29,910	0	104,150	836,473	446,948	281,482
<u>1,102,372</u>	<u>1,205,728</u>	<u>1,247,558</u>	<u>2,035,228</u>	<u>2,069,066</u>	<u>1,843,400</u>

(continued)

City of Loveland

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

	2007	2008	2009	2010
Business-type Activities:				
Charges for Services				
Water	1,634,041	1,266,286	1,386,316	1,433,636
Sewer	2,143,691	2,329,042	2,349,649	2,882,618
Stormwater	384,368	388,463	359,229	402,697
Sanitation	795,395	1,209,719	948,542	1,078,338
Operating Grants and Contributions	26,839	32,983	539,008	32,822
Capital Grants and Contributions	205,322	116,009	0	0
<i>Total Business-type Activities Program Revenues</i>	<u>5,189,656</u>	<u>5,342,502</u>	<u>5,582,744</u>	<u>5,830,111</u>
<i>Total Primary Government Program Revenues</i>	<u>7,316,540</u>	<u>7,181,556</u>	<u>7,004,626</u>	<u>7,703,159</u>
Net (Expense)/Revenue				
Governmental Activities	(7,871,967)	(8,303,399)	(7,994,302)	(8,233,977)
Business-type Activities	391,016	(491,793)	(81,685)	(414,851)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$7,480,951)</u>	<u>(\$8,795,192)</u>	<u>(\$8,075,987)</u>	<u>(\$8,648,828)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes	\$2,985,089	\$3,072,053	\$3,205,528	\$3,348,829
Municipal Income Taxes	2,965,645	2,824,928	3,102,429	3,575,815
Other Local Taxes	132,328	131,863	138,338	142,245
Intergovernmental, Unrestricted	882,095	1,086,197	1,367,957	867,124
Investment Earnings	407,997	159,585	166,647	60,479
Miscellaneous	368,738	460,112	794,417	437,793
Transfers	(294,281)	338,337	184,783	290,701
<i>Total Governmental Activities</i>	<u>7,447,611</u>	<u>8,073,075</u>	<u>8,960,099</u>	<u>8,722,986</u>
Business-type Activities:				
Investment Earnings	0	0	0	0
Transfers	294,281	(338,337)	(184,783)	(290,701)
<i>Total Business-type Activities</i>	<u>294,281</u>	<u>(338,337)</u>	<u>(184,783)</u>	<u>(290,701)</u>
<i>Total Primary Government</i>	<u>\$7,741,892</u>	<u>\$7,734,738</u>	<u>\$8,775,316</u>	<u>\$8,432,285</u>
Change in Net Position				
Governmental Activities	(\$424,356)	(\$230,324)	\$965,797	\$489,009
Business-type Activities	685,297	(830,130)	(266,468)	(705,552)
<i>Total Primary Government Change in Net Position</i>	<u>\$260,941</u>	<u>(\$1,060,454)</u>	<u>\$699,329</u>	<u>(\$216,543)</u>

Source: Finance Director's Office

City of Loveland

2011	2012	2013	2014	2015	2016
1,534,373	1,619,459	1,584,915	1,589,706	1,679,873	1,669,782
3,259,099	3,280,557	3,747,355	3,763,128	3,990,202	3,983,094
437,022	446,027	444,496	432,907	437,155	431,533
1,098,143	1,053,516	1,095,765	1,093,114	1,138,687	1,124,066
47,017	42,044	36,918	37,475	32,489	34,026
0	0	0	51,350	1,299	0
6,375,654	6,441,603	6,909,449	6,967,680	7,279,705	7,242,501
7,478,026	7,647,331	8,157,007	9,002,908	9,348,771	9,085,901
(8,171,566)	(7,579,263)	(6,894,383)	(6,971,378)	(7,823,055)	(7,406,971)
427,496	(329,249)	593,075	(238,197)	(54,785)	204,831
(\$7,744,070)	(\$7,908,512)	(\$6,301,308)	(\$7,209,575)	(\$7,877,840)	(\$7,202,140)
\$2,787,525	\$2,834,027	\$2,879,782	\$2,872,211	\$3,224,922	\$3,273,696
3,363,631	3,566,706	3,598,230	3,634,505	4,067,529	4,381,413
181,457	152,759	161,261	156,184	151,224	155,423
860,409	874,364	793,951	596,562	603,570	561,963
75,345	32,693	37,912	36,690	31,671	35,133
350,851	232,421	435,555	318,017	143,964	254,762
376,372	215,616	(26,792)	47,340	51,941	50,902
7,995,590	7,908,586	7,879,899	7,661,509	8,274,821	8,713,292
0	0	0	0	0	587
(376,372)	(215,616)	26,792	(47,340)	(51,941)	(50,902)
(376,372)	(215,616)	26,792	(47,340)	(51,941)	(50,315)
\$7,619,218	\$7,692,970	\$7,906,691	\$7,614,169	\$8,222,880	\$8,662,977
(\$175,976)	\$329,323	\$985,516	\$690,131	\$451,766	\$1,306,321
51,124	(544,865)	619,867	(285,537)	(106,726)	154,516
(\$124,852)	(\$215,542)	\$1,605,383	\$404,594	\$345,040	\$1,460,837

City of Loveland

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	17,993	250	24,505	54,291
Unreserved	<u>(102,504)</u>	<u>(168,501)</u>	<u>2,001,983</u>	<u>2,563,780</u>
<i>Total General Fund</i>	<u>(84,511)</u>	<u>(168,251)</u>	<u>2,026,488</u>	<u>2,618,071</u>
All Other Governmental Funds				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Unassigned	0	0	0	0
Reserved	78,232	75,330	114,103	134,303
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	2,977,059	2,301,279	696,367	691,493
Debt Service Funds	0	0	0	0
Capital Projects Funds	<u>726,388</u>	<u>556,079</u>	<u>854,876</u>	<u>576,303</u>
Total All Other Governmental Funds	<u>3,781,679</u>	<u>2,932,688</u>	<u>1,665,346</u>	<u>1,402,099</u>
<i>Total Governmental Funds</i>	<u><u>\$3,697,168</u></u>	<u><u>\$2,764,437</u></u>	<u><u>\$3,691,834</u></u>	<u><u>\$4,020,170</u></u>

*Restated

Source: Finance Director's Office

Note: The City implemented GASB 54 in 2011 which established new fund balance classifications for governmental funds.

City of Loveland

*

2011	2012	2013	2014	2015	2016
\$0	\$0	\$0	\$0	\$0	\$0
16,986	60,149	407,220	245,738	937,705	6,627
2,863,996	3,241,068	3,765,277	4,301,272	4,544,994	6,894,401
0	0	0	0	0	0
0	0	0	0	0	0
<u>2,880,982</u>	<u>3,301,217</u>	<u>4,172,497</u>	<u>4,547,010</u>	<u>5,482,699</u>	<u>6,901,028</u>
\$2,600,937	\$2,610,992	\$31,158	\$37,775	\$19,787	\$84,453
937,726	781,979	2,289,299	1,097,524	1,255,059	1,351,823
(938,059)	(1,141,994)	(286,805)	(2,001,065)	(2,459,974)	(3,322,056)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>2,600,604</u>	<u>2,250,977</u>	<u>2,033,652</u>	<u>(865,766)</u>	<u>(1,185,128)</u>	<u>(1,885,780)</u>
<u>\$5,481,586</u>	<u>\$5,552,194</u>	<u>\$6,206,149</u>	<u>\$3,681,244</u>	<u>\$4,297,571</u>	<u>\$5,015,248</u>

City of Loveland

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

	2007	2008	2009	2010
Revenues:				
Property Taxes	\$2,964,146	\$3,073,984	\$3,214,895	\$3,457,467
Municipal Income Tax	3,097,973	2,807,415	3,104,703	3,483,522
Intergovernmental Revenue	2,682,436	1,891,950	2,349,684	2,600,644
Charges for Services	74,432	81,180	75,180	81,769
Licenses and Permits	123,759	130,605	62,621	95,684
Investment Earnings	430,665	164,384	166,704	60,997
Special Assessments	0	0	0	35,437
Fines and Forfeitures	127,828	120,356	132,611	138,239
All Other Revenue	368,738	460,112	513,636	437,793
Total Revenues	9,869,977	8,729,986	9,620,034	10,391,552
Expenditures:				
Current:				
Security of Persons and Property	4,367,726	4,990,380	4,768,110	4,753,802
Leisure Time Activities	330,872	350,259	415,471	607,256
Community Environment	202,433	203,022	209,411	236,337
Transportation	707,969	644,154	697,418	686,513
General Government	3,239,895	2,720,210	2,325,495	1,910,296
Capital Outlay	1,981,773	426,210	160,224	1,369,902
Debt Service:				
Principal Retirement	603,658	629,211	652,671	683,162
Interest and Fiscal Charges	209,385	246,205	187,969	188,266
Total Expenditures	11,643,711	10,209,651	9,416,769	10,435,534
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,773,734)	(1,479,665)	203,265	(43,982)

City of Loveland

2011	2012	2013	2014	2015	2016
\$2,720,526	\$2,875,721	\$2,887,385	\$2,870,722	\$3,209,671	\$3,288,628
3,447,047	3,496,995	3,722,897	3,723,125	3,956,067	4,418,607
1,577,254	1,559,656	1,583,098	2,108,775	1,875,764	1,432,747
144,706	75,933	78,118	78,596	387,922	429,928
307,596	313,988	337,581	367,765	331,424	331,804
75,345	32,693	37,912	36,690	31,671	35,133
81,369	112,305	92,902	109,106	109,950	50,995
129,146	132,509	121,463	122,785	115,692	97,714
350,851	232,421	435,555	318,017	143,964	254,762
<u>8,833,840</u>	<u>8,832,221</u>	<u>9,296,911</u>	<u>9,735,581</u>	<u>10,162,125</u>	<u>10,340,318</u>

4,865,064	4,542,557	4,578,183	5,833,472	5,110,692	5,138,967
391,113	405,289	344,436	434,864	396,848	448,081
209,694	183,688	184,730	189,090	230,762	221,275
595,393	646,133	712,908	780,618	695,119	657,364
2,074,607	2,087,152	1,730,094	2,263,090	1,418,460	1,319,812
318,937	226,810	347,122	1,353,063	1,040,598	1,722,184
685,212	643,828	573,500	572,243	651,817	622,121
329,285	347,441	202,174	159,283	223,455	208,405
<u>9,469,305</u>	<u>9,082,898</u>	<u>8,673,147</u>	<u>11,585,723</u>	<u>9,767,751</u>	<u>10,338,209</u>

(635,465)	(250,677)	623,764	(1,850,142)	394,374	2,109
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(continued)

City of Loveland

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

	2007	2008	2009	2010
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	337,309	90,866
Other Financing Sources - Capital Leases	0	0	0	0
Loan Proceeds	0	0	0	0
Ohio Public Works Commission Loan Issuance	487,003	192,423	0	0
Issuance of General Obligation Bonds	1,150,000	0	190,800	0
Refunding General Obligation Bonds Issued	0	0	0	0
Premium on General Obligation Bonds	903	0	2,355	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	2,681,575	2,998,318	1,833,531	840,449
Transfers Out	(2,346,922)	(2,659,981)	(1,648,748)	(549,748)
Total Other Financing Sources (Uses)	<u>1,972,559</u>	<u>530,760</u>	<u>715,247</u>	<u>381,567</u>
Special Items:	0	0	0	0
Net Change in Fund Balance	<u>\$198,825</u>	<u>(\$948,905)</u>	<u>\$918,512</u>	<u>\$337,585</u>
Debt Service as a Percentage of Noncapital Expenditures	7.90%	10.16%	9.37%	8.77%

Source: Finance Director's Office

City of Loveland

2011	2012	2013	2014	2015	2016
11,400	9,505	8,088	7,859	63,000	0
0	0	0	1,137,762	125,000	0
0	0	0	465,000	0	0
0	75,698	0	0	0	0
1,700,000	0	215,000	0	0	600,000
0	715,000	0	0	0	0
0	0	20,616	0	0	0
0	(704,589)	0	0	0	0
946,651	889,160	745,216	1,237,184	741,647	779,387
(570,279)	(673,544)	(699,063)	(1,189,844)	(689,706)	(728,485)
<u>2,087,772</u>	<u>311,230</u>	<u>289,857</u>	<u>1,657,961</u>	<u>239,941</u>	<u>650,902</u>
0	0	0	(2,339,341)	0	0
<u>\$1,452,307</u>	<u>\$60,553</u>	<u>\$913,621</u>	<u>(\$2,531,522)</u>	<u>\$634,315</u>	<u>\$653,011</u>
10.99%	11.59%	9.66%	8.43%	9.65%	9.47%

City of Loveland

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Income Tax Rate	1.00%	1.00%	1.00%	1.00%
Total Tax Collected (net of refunds)	\$3,097,973	\$3,083,907	\$3,085,883	\$2,728,206
Income Tax Receipts				
Withholding	1,698,902	1,779,420	1,744,064	1,655,743
Percentage	55%	58%	57%	61%
Corporate	433,910	284,731	311,667	277,815
Percentage	14%	9%	10%	10%
Individuals	965,161	1,019,756	1,030,152	794,648
Percentage	31%	33%	33%	29%

Source: City Income Tax Department

City of Loveland

2011	2012	2013	2014	2015	2016
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
\$3,155,299	\$3,338,486	\$3,572,018	\$3,504,233	\$3,766,047	\$4,088,091
1,855,112	1,848,693	1,969,933	1,947,710	2,124,522	2,348,990
59%	55%	55%	55%	57%	57%
359,024	454,367	451,949	440,386	427,054	470,444
11%	14%	13%	13%	11%	12%
941,163	1,035,426	1,150,136	1,116,137	1,214,471	1,268,657
30%	31%	32%	32%	32%	31%

City of Loveland

Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2016

Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$24,999	1,345	30.40%	\$14,376,738	3.85%
25,000 - 49,999	784	17.72%	28,848,980	7.72%
50,000 - 74,999	579	13.08%	35,495,347	9.50%
75,000 - 99,999	429	9.69%	37,519,972	10.04%
Over 100,000	1,288	29.11%	257,459,386	68.89%
Total	4,425	100.00%	\$373,700,423	100.00%

Local Taxes Paid by Residents

Taxes Paid to Loveland

Taxes Credited to Other Municipalities (1)

Tax Dollars

\$1,631,933

2,105,071

\$3,737,004

Calendar Year 2007

Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	1,461	31.28%	\$12,535,185	4.23%
20,000 - 49,999	1,183	25.33%	39,742,334	13.41%
50,000 - 74,999	624	13.36%	38,439,576	12.97%
75,000 - 99,999	457	9.79%	39,659,165	13.38%
Over 100,000	945	20.24%	165,920,303	56.01%
Total	4,670	100.00%	\$296,296,563	100.00%

(1) This information is not available for 2007.

Source: City Income Tax Department



City of Loveland

Ratios of Outstanding Debt By Type Last Ten Years

	2007	2008	2009	2010
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$4,629,808	\$4,245,327	\$4,016,646	\$3,568,665
Installment Loan	0	0	0	0
Capital Leases	42,841	14,514	0	0
Business-type Activities ⁽¹⁾				
General Obligation Bonds Payable	\$3,015,000	\$2,835,000	\$2,524,593	\$2,322,493
Ohio Public Works Commission Loans	2,763,737	2,716,949	2,489,278	2,259,616
Capital Leases	42,890	28,397	23,088	18,005
Total Primary Government	<u>\$10,494,276</u>	<u>\$9,840,187</u>	<u>\$9,053,605</u>	<u>\$8,168,779</u>
Population ⁽²⁾				
City of Loveland	N/A	11,990	12,057	12,081
Outstanding Debt Per Capita	N/A	\$821	\$751	\$676
Income ⁽³⁾				
Personal	N/A	309,797,300	308,573,200	291,930,200
Percentage of Personal Income	N/A	3.18%	2.93%	2.80%

Sources:

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

City of Loveland

2011	2012	2013	2014	2015	2016
\$4,853,800	\$4,365,300	\$4,006,800	\$3,485,000	\$3,055,000	\$3,186,641
0	0	0	414,557	325,830	234,176
0	0	0	1,137,762	1,129,672	1,067,564
\$2,128,895	\$2,005,581	\$5,340,440	\$5,102,169	\$4,862,098	\$4,622,027
2,787,751	3,953,604	4,139,964	3,875,285	4,136,015	3,788,661
12,714	7,206	1,470	0	0	0
<u>\$9,783,160</u>	<u>\$10,331,691</u>	<u>\$13,488,674</u>	<u>\$14,014,773</u>	<u>\$13,508,615</u>	<u>\$12,899,069</u>
12,160	12,160	12,160	12,160	12,160	12,160
\$805	\$850	\$1,109	\$1,153	\$1,111	\$1,061
329,104,400	354,133,758	355,735,000	350,423,300	376,604,700	408,809,222
2.97%	2.92%	3.79%	4.00%	3.59%	3.16%

City of Loveland

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2007	2008	2009	2010
Population ⁽¹⁾	N/A	11,990	12,057	12,081
Estimated Actual Value ⁽²⁾	\$852,016,118	\$881,770,754	\$869,841,435	\$868,174,531
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$7,644,808	\$7,080,327	\$6,541,239	\$5,891,158
Resources Available to Pay Principal ⁽⁴⁾	\$2,000	\$2,000	\$2,000	\$2,914
Net General Bonded Debt	\$7,642,808	\$7,078,327	\$6,539,239	\$5,888,244
Ratio of Net Bonded Debt to Estimated Actual Value	0.90%	0.80%	0.75%	0.68%
Net Bonded Debt per Capita	N/A	\$590.35	\$542.36	\$487.40

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

2011	2012	2013	2014	2015	2016
12,160	12,160	12,160	12,160	12,160	12,160
\$815,086,437	\$817,585,218	\$829,313,737	\$870,983,339	\$888,604,349	\$910,246,336
\$6,982,695	\$6,370,881	\$9,347,240	\$8,587,169	\$7,917,098	\$7,808,668
\$61,516	\$5,491	\$0	\$0	\$0	\$0
\$6,921,179	\$6,365,390	\$9,347,240	\$8,587,169	\$7,917,098	\$7,808,668
0.85%	0.78%	1.13%	0.99%	0.89%	0.86%
\$569.18	\$523.47	\$768.69	\$706.18	\$651.08	\$642.16



City of Loveland

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2016*

<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	\$4,488,381	100.00%	\$4,488,381
Overlapping:			
Hamilton County	71,750,000	1.19%	853,825
Loveland City School District	10,695,000	34.09%	3,645,926
Sycamore Community School District	39,655,000	1.12%	444,136
Little Miami School District	51,356,314	3.45%	1,771,793
Great Oaks Career Center	8,630,000	1.56%	134,628
		Subtotal	<u>6,850,308</u>
		Total	<u><u>\$11,338,689</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

Debt Limitations Last Ten Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Total Debt</u>				
Net Assessed Valuation	\$295,162,276	\$308,724,620	\$307,784,940	\$306,931,824
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	30,992,039	32,416,085	32,317,419	32,227,842
City Debt Outstanding (2)	4,629,808	4,245,327	4,016,646	3,568,665
Less: Applicable Debt Service Fund Amounts	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,914)</u>
Net Indebtedness Subject to Limitation	<u>4,627,808</u>	<u>4,243,327</u>	<u>4,014,646</u>	<u>3,565,751</u>
Overall Legal Debt Margin	<u>\$26,364,231</u>	<u>\$28,172,758</u>	<u>\$28,302,773</u>	<u>\$28,662,091</u>
Debt Margin as a Percentage of Debt Limit	85.07%	86.91%	87.58%	88.94%
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$295,162,276	\$308,724,620	\$307,784,940	\$306,931,824
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	16,233,925	16,979,854	16,928,172	16,881,250
City Debt Outstanding (2)	4,629,808	4,245,327	4,016,646	3,568,665
Less: Applicable Debt Service Fund Amounts	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,914)</u>
Net Indebtedness Subject to Limitation	<u>4,627,808</u>	<u>4,243,327</u>	<u>4,014,646</u>	<u>3,565,751</u>
Overall Legal Debt Margin	<u>\$11,606,117</u>	<u>\$12,736,527</u>	<u>\$12,913,526</u>	<u>\$13,315,499</u>

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

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

Source: Finance Director's Office

City of Loveland

2011	2012	2013	2014	2015	2016
\$288,674,650	\$289,666,570	\$294,117,190	\$308,967,430	\$315,281,720	\$322,994,330
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
30,310,838	30,414,990	30,882,305	32,441,580	33,104,581	33,914,405
4,853,800	4,365,300	4,006,800	3,485,000	3,055,000	3,186,641
(61,516)	(5,491)	0	0	0	0
4,792,284	4,359,809	4,006,800	3,485,000	3,055,000	3,186,641
\$25,518,554	\$26,055,181	\$26,875,505	\$28,956,580	\$30,049,581	\$30,727,764
84.19%	85.67%	87.03%	89.26%	90.77%	90.60%
\$288,674,650	\$289,666,570	\$294,117,190	\$308,967,430	\$315,281,720	\$322,994,330
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
15,877,106	15,931,661	16,176,445	16,993,209	17,340,495	17,764,688
4,853,800	4,365,300	4,006,800	3,485,000	3,055,000	3,186,641
(61,516)	(5,491)	0	0	0	0
4,792,284	4,359,809	4,006,800	3,485,000	3,055,000	3,186,641
\$11,084,822	\$11,571,852	\$12,169,645	\$13,508,209	\$14,285,495	\$14,578,047

City of Loveland

Demographic and Economic Statistics Last Nine Years

Calendar Year	2008	2009	2010	2011
Population (1)				
City of Loveland	11,990	12,057	12,081	12,160
Hamilton County	802,374	802,374	802,374	802,374
Income (2)				
Total Personal	309,797,300	308,573,200	291,930,200	329,104,400
Per Capita	25,838	25,593	24,164	27,065
Unemployment Rate (3)				
Federal	5.8%	9.3%	9.6%	8.9%
State	6.6%	10.2%	10.1%	8.6%
Hamilton County	5.6%	8.8%	9.5%	8.6%
Civilian Work Force Estimates (3)				
State	5,986,400	5,970,200	5,897,600	5,806,000
Hamilton County	438,200	438,800	431,400	430,600

Information is not available in this format for years prior to 2008

Sources:

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

City of Loveland

2012	2013	2014	2015	2016
12,160	12,160	12,160	12,160	12,160
802,374	802,374	802,374	802,374	802,374
354,133,758	355,735,000	350,423,300	376,604,700	408,809,222
29,123	29,255	28,818	30,971	33,619
7.8%	7.4%	6.2%	4.9%	4.7%
6.7%	7.4%	5.7%	4.9%	4.9%
7.0%	7.1%	5.3%	4.4%	4.0%
5,696,700	5,766,000	5,719,000	5,719,500	5,751,600
408,600	403,300	404,116	404,100	408,900



City of Loveland

Principal Employers Current Year and Nine Years Ago

		2016	
Employer	Nature of Business	Employees	Rank
Loveland Board of Education	Education	809	1
Onesource Employee Management	Business Management	468	2
Kroger Limited Partnership	Retail	280	3
London Computer Systems	Technology	140	4
Loveland-Symmes Fire Department	Emergency Medical Services	129	5
Robert McCabe Company Inc.	Retail	126	6
Federal Express Corporation	Shipping	115	7
St. Columban	Education	85	8
Eads Fence Company	Retail	81	9
Pure Romance	Retail	53	10
Total		<u>2,286</u>	
Total Employment within the City (1)		<u>N/A</u>	

		2007	
Employer	Nature of Business	Employees	Rank
Loveland Board of Education	Education	400	1
Lodge Care Center	Healthcare	189	2
Kroger Limited Partnership	Retail	150	3
Pure Romance	Retail	125	4
Federal Express Corporation	Shipping	123	5
Amano Cincinnati, Inc	Manufacturing	110	6
McCabe Lumber	Retail	87	7
SST Bearing Corporation	Manufacturing	83	8
Pioneer Cladding and Glazing	Manufacturing	68	9
London Computer Systems	Technology	60	10
Total		<u>1,395</u>	
Total Employment within the City (1)		<u>N/A</u>	

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

Source: City Income Tax Department

City of Loveland

Full Time Equivalent Employees by Function Last Nine Years

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental Activities					
General Government					
Finance	3.00	3.00	6.00	6.50	5.50
Income Tax	5.00	5.00	2.00	0.00	0.00
Mayor's Court	1.00	1.00	1.00	1.00	1.00
City Manager's Office	2.25	2.00	2.75	3.25	2.75
Council/Clerk of Council	1.00	1.00	1.00	1.00	1.00
Security of Persons and Property					
Police	23.50	22.25	22.75	21.75	21.75
Community Environment					
Engineering	1.00	1.00	1.00	1.00	1.00
Building and Zoning	2.00	2.00	2.00	2.00	2.00
Business-Type Activities					
Utilities, Streets, Storm, Sanitation and Parks (Public Works Department)					
	<u>17.50</u>	<u>18.00</u>	<u>17.50</u>	<u>15.25</u>	<u>15.50</u>
<i>Total Employees</i>	<u><u>56.25</u></u>	<u><u>55.25</u></u>	<u><u>56.00</u></u>	<u><u>51.75</u></u>	<u><u>50.50</u></u>

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

Information is not available in this format for years prior to 2008

Source: Finance Director's Office

City of Loveland

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
5.00	5.00	5.00	5.00
0.00	0.00	0.00	0.00
1.00	1.00	1.00	1.00
2.50	2.50	1.50	1.50
1.00	1.00	0.50	0.50
21.00	19.00	19.00	19.00
1.50	1.00	1.00	1.00
2.00	1.50	1.50	1.50
<u>14.25</u>	<u>12.75</u>	<u>12.75</u>	<u>12.75</u>
<u>48.25</u>	<u>43.75</u>	<u>42.25</u>	<u>42.25</u>

City of Loveland

Operating Indicators by Function Last Nine Years

	2008	2009	2010	2011
Governmental Activities				
General Government				
Court				
Number of Criminal Cases	334	189	234	288
Number of Traffic Cases	1,629	1,230	1,327	1,314
Licenses and Permits				
Number of Residential Building Permits	124	114	115	129
Number of Commercial Building Permits	71	48	42	54
Number of Residential Building Inspections	274	205	141	386
Number of Commercial Building Inspections	240	54	89	50
Security of Persons and Property				
Police				
Number of Calls for Service	8,166	10,647	10,402	11,460
Number of Criminal Arrests	622	665	612	789
Number of DUI Arrests	41	38	35	24
Number of Traffic Accidents	162	150	153	161
Transportation				
Street				
Number of Streets Resurfaced	1	0	3	5
Business-Type Activities				
Water				
Number of Service Connections	5,860	5,855	4,858	4,830
Daily Average Consumption (MGD)	1.462M	1.717M	1.792M	1.304M
Peak Daily Consumption (MGD)	2.57M	2.87M	3.17M	2.21M

Information is not available in this format for years prior to 2008

Source: Finance Director's Office

City of Loveland

2012	2013	2014	2015	2016
297	204	201	135	98
1,221	1,199	1,037	920	814
133	168	177	181	169
77	94	91	134	93
407	421	413	476	434
163	177	112	153	123
10,507	12,275	13,804	14,160	12,360
536	630	565	502	389
26	36	31	44	46
180	156	163	181	186
6	6	2	3	6
4,875	4,891	4,923	4,996	5,037
1.258M	1.230M	1.212M	1.240M	1.201M
2.52M	1.80M	2.39M	2.06M	2.32M

City of Loveland

Capital Asset Statistics by Function Last Nine Years

	2008	2009	2010	2011
Governmental Activities				
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	12	12	12	13
Fire/EMS				
Vehicles	12	12	12	12
Transportation				
Street				
Number of Paved Streets	198	198	198	199
Total Paved Miles	102	102	102	102
Signal Controlled Intersections	12	12	13	13
Licensed Vehicles	10	10	10	12
Leisure Time Activities				
Parks and Recreation				
Land (acres)	96	96	99	99
Buildings	5	5	5	5
Parks	10	10	10	10
Playgrounds	7	7	7	7
Tennis Courts	7	7	7	7
Skate Board Park	1	1	1	1
Baseball/Softball Diamonds	10	10	10	10
Basketball Courts	3	3	3	3
Soccer Fields	8	8	8	8
Business-Type Activities				
Utilities				
Water				
Water Towers	3	3	3	3
Waterlines (Miles)	76	76	76	76
Water Treatment Plants	1	1	1	1
Buildings	8	8	8	8
Licensed Vehicles	5	5	5	5
Pump Stations	3	3	3	3
Storage Capacity (thousands of gallons)	4,000	4,000	4,000	4,000

Information is not available in this format for years prior to 2008

Source: Finance Director's Office

City of Loveland

2012	2013	2014	2015	2016
1	1	1	1	1
13	14	14	14	13
15	15	15	16	17
206	202	202	201	201
104	102	102	109	109
13	13	13	13	13
13	13	13	24	25
99	99	99	99	99
5	5	5	5	5
10	10	10	10	10
7	7	7	7	7
7	7	7	7	7
1	1	1	1	1
10	10	10	10	9
3	3	3	3	4
8	8	8	8	8
3	3	4	4	4
76	76	76	78	78
1	1	1	1	1
8	8	8	8	8
5	5	5	11	11
3	3	3	3	3
4,000	4,000	5,000	5,000	5,000





Dave Yost • Auditor of State

CITY OF LOVELAND

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
AUGUST 29, 2017