

CITY OF LOVELAND, OHIO

Independent Auditors' Report on
Internal Controls and Compliance

Year Ended December 31, 2014



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, 2014 through December 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 28, 2015

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

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Loveland, Ohio:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Loveland, Ohio ("City") as of and for the year ended December 31, 2014 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 19, 2015.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and responses as 2014-001 to be a material weakness.

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.

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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 is required to be reported under *Government Auditing Standards*.

City's Response to the Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express not opinion on it.

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 19, 2015

CITY OF LOVELAND, OHIO
Schedule of Findings and Responses
Year Ended December 31, 2014

2014-001 Financial Reporting

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

We identified two material misstatements which required restating prior year's fund balance and net position.

- In 2013, the City understated income tax receivable and did not properly recognize revenue in accordance with the revenue recognition criteria required by generally accepted accounting principles. Fund balance in the General Fund was overstated by \$199,173 and net position for the Governmental Activities was understated by \$682,170 as of December 31, 2013.
- In the current year, the City made a change in the methodology in which utility accounts receivable were calculated to ensure both billed and unbilled utility accounts receivable were recorded. However, unbilled receivables were not recognized in 2013 and thus, net position in the Water Fund, Sewer Fund, Stormwater Fund and Sanitation fund were understated as of December 31, 2013.

In addition to the above adjustments, which required restatements to correct prior period errors, three other material audit adjustments were required to fairly present the current year financial statements. These included adjustments to correct income tax receivable and income tax revenue due to the same issue as the restatement noted above, an adjustment to properly classify governmental fund balances, and adjustments to properly report land held for resale and capital assets.

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

Views of Responsible Officials: The City concurs with these adjustments which have been posted to the financial statements.

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City of Loveland, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2014





CITY OF LOVELAND, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
December 31, 2014

Prepared by:
Department of Finance

Corey Schmidt
Director of Finance



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INTRODUCTORY SECTION





CITY OF LOVELAND

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Corey Schmidt, Director of Finance

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June 19, 2015

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, 2014. 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 is the City management's representations concerning the finances of the City of Loveland and management assumes full responsibility for the completeness and reliability of all information presented in this report. The City's financial statements have been audited by Clark Schaefer Hackett. The purpose of this independent audit was to provide reasonable assurance that the basic financial statements of the City for the year ended December 31, 2014, are free of material misstatements and findings. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall basic financial statement presentation.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

***Letter of Transmittal
For the Year Ended December 31, 2014***

PROFILE OF THE CITY

The City of Loveland is a vibrant southwestern Ohio community uniquely situated in 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 City 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. 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 service for residents. Sewer service is provided by the Metropolitan Sewer District.

The City 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 who live in Loveland and the following is a select list of boards and commissions in Loveland:

- Beautification Committee
- Civil Service Commission
- Finance Committee
- Planning and Zoning Commission
- Recreation Board
- Tree and Environment Committee

***Letter of Transmittal
For the Year Ended December 31, 2014***

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates. The City's economy is diverse with a mix of residential, office, and retail uses and the City's primary employers are the Loveland City School District, OneSource Employee Management, McCormick Equipment Company, Robert McCabe Company, Kroger Limited Partnership, and London Computer Systems. 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.

Like many municipalities in the State of Ohio, the City of Loveland has been impacted by significant reductions in State funding and State tax law reforms. These reductions and reforms included:

- Decreased property values resulting in lower property tax revenues.
- Reduced revenue sharing from the State of Ohio. Historically, the State has shared dollars with municipalities through the Local Government Fund. Revenue distributions from this fund were significantly reduced beginning July 1, 2012.
- Failure of a municipal income tax levy in November 2012 that proposed increasing Loveland's income tax rate from 1.0% to 1.25%.
- Elimination of the estate tax by the State of Ohio effective December 31, 2012.

In light of these cuts, the City has eliminated several positions in each department, changed employee benefits, and deferred capital investment over the last five years. The cuts would have been deeper had it not been for growth in income tax collections over the last five years. Management is optimistic about the future of the local economy based on increases in income tax collections and economic development efforts throughout the City, particularly in the downtown and industrial park. Such activity is needed to preserve current service levels when faced with potential further cuts to revenue sources on which the City has historically relied.

MAJOR INITIATIVES

Despite the aforementioned financial challenges mentioned above, the City continued to invest in core infrastructure during 2014, including the construction of a new water tower, a continued annual road rehabilitation program and sidewalk repair program and waterline and storm water infrastructure replacement projects. A description of the major capital projects for 2014 is provided below:

- **1 Million Gallon (MG) Water Tower** - A contract to install a new 1 MG elevated water storage tank in the Commerce Park off Union Cemetery Road was awarded to CB&I Constructors, Inc. on April 24, 2013. Construction started in July, 2013 and will be fully completed in the spring of 2015.
- **Water Line Replacement on Union Cemetery** - The City of Loveland successfully applied for grant funding and a 0% interest loan from the Ohio Public Works Commission (OPWC) for a joint project with Symmes Township and Hamilton County. Hamilton County and Symmes Township each have partial grants and matching funds that they contributed to the project, including full depth pavement base repairs, limited section of new sidewalk, installation of berms, new turn lane at Lebanon Road, and storm sewer improvements. The City's water main replacement was completed in 2014, but repaving the road (the only remaining City portion of the project) is to be completed in 2015.

Letter of Transmittal

For the Year Ended December 31, 2014

- **Water Storage Tank Maintenance** – The City repainted and repaired two water storage tanks in 2014 that were in need of maintenance to extend the useful life of these critical assets.
- **Fifth Street Reconstruction** - The City of Loveland successfully applied for a partial grant and 0% percent interest loan from the Ohio Public Works Commission (OPWC) for the reconstruction of Fifth Street. The improvements included pavement resurfacing, installation of a new t-type turnaround, storm sewer system replacements, installing concrete vertical curb and gutter to replace roadside ditches, replacing driveway aprons with new concrete aprons, and seeding. The project was completed in 2014 with only punch items remaining to be completed in 2015.
- **Annual Street Project** – The City successfully applied for County Vehicle Tax Funds from Warren County to use toward paving Lyon Avenue within the City limits. In addition to the pavement of Lyon Avenue, the City completed the repaving of Lebanon Road from Loveland-Madeira Road to West Loveland Avenue.
- **Annual Sidewalk Program** – During 2014, half of the Fox Meadow Farms subdivision (Scranton Ct., Sinclair Ct., Wheaton Ct., Albright Dr., Brandenburg Dr., Rollins Dr., Stockton Dr., Vanderbilt Dr. and Wittenberg Dr.) participated in the annual sidewalk program.

The City's investment in infrastructure remained strong, largely as a result of a strategic water system plan management and the pursuit of intergovernmental partnerships and low-cost funding sources.

During 2014, 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 2013 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 second 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 2014 budget was submitted to the Government Finance Officers Association (GFOA) and received the Distinguished Budget Presentation Award.
- **Loveland Police Department AAA Traffic Award:** The Loveland Police Division was awarded the Gold Service Award from the American Automobile Association (AAA) at the organization's annual awards banquet on December 3, 2013. The Police Division also received a Gold Award in 2014. This is a national program that entails various safety efforts within a community, including traffic enforcement, traffic education in our schools, participation in multi-jurisdictional Task Forces, and customized initiatives designed to make streets safer.

***Letter of Transmittal
For the Year Ended December 31, 2014***

- **Loveland-Symmes Fire Department Accreditation:** The Loveland-Symmes Fire Department received re-accreditation from the Commission on Ambulance Accreditation International. With this achievement, LSFDF is one of only 10 communities in the country that are dual accredited.

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.

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 personal 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 limits.

***Letter of Transmittal
For the Year Ended December 31, 2014***

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 auditors Clark Schaefer Hackett and 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



Corey Schmidt
Director of Finance

CITY OF LOVELAND, OHIO

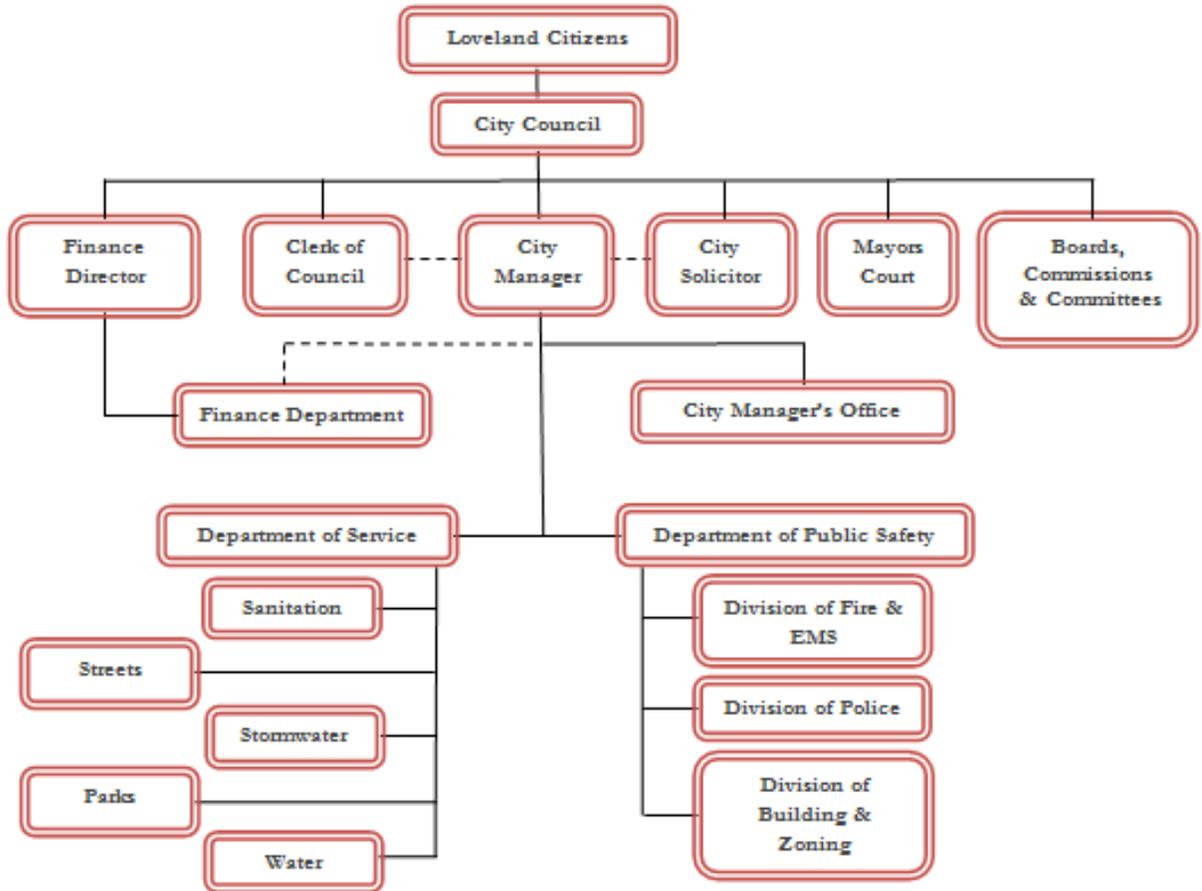
***List of Principal Officials
For the Year Ended December 31, 2014***

<i>Council</i>	<i>Title</i>	<i>Years of Service *</i>	<i>Term expires</i>
Linda Cox	Mayor	5 years, 1 month	December 2017
Mark Fitzgerald	Vice Mayor	8 years, 1 month	December 2015
Pam Gross	Council Member	1 year, 1 month	December 2017
Paulette Leeper	Council Member	8 years, 1 month	December 2015
Ted Phelps	Council Member	1 year, 1 month	December 2017
Angela Settell	Council Member	4 years, 1 month	December 2015
Rob Weisgerber	Council Member	16 years, 1 month	December 2017

<i>Appointed Officials</i>	<i>Title</i>
David Kennedy	City Manager
Misty Cheshire	Clerk of Council
Franklin A. Klaine, Jr.	City Solicitor
Corey Schmidt	Finance Director

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

**City Organizational Chart
For the Year Ended December 31, 2014**



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



Government Finance Officers Association

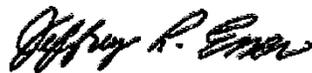
**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Loveland
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013



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, 2014, 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.

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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, 2014, and the respective changes in financial position and, where applicable, cash flows and the respective budgetary comparisons for the General Fund, Paramedic Fund, Fire & EMS Fund, and Fire Protection Fund thereof 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 as listed 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 combining and individual nonmajor fund financial statements and schedules, introductory section, 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 information is 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 19, 2015 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 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 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 19, 2015



The discussion and analysis of the City of Loveland's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2014. 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 2014 are as follows:

- ❑ In total, net position increased \$404,594. Net position of governmental activities increased \$690,131, which represents a 3% increase from 2013. Net position of business-type activities decreased \$285,537, or 2% from 2013.
- ❑ General revenues accounted for \$7,614,169 in revenue or 46% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$9,002,908 or 54% of total revenues of \$16,617,077.
- ❑ The City had \$9,006,606 in expenses related to governmental activities; only \$2,035,228 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$7,614,169 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$5,610,640 in revenues and other financing sources and \$5,236,127 in expenditures and other financing uses. The general fund's fund balance increased from \$4,172,497 to \$4,547,010.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis*, the *basic financial statements*, 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, 2014**

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, 2014 and 2013:

	Governmental Activities		Business-type Activities		Total	
	Restated		Restated		Restated	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$9,035,635	\$11,408,130	\$2,579,111	\$4,067,652	\$11,614,746	\$15,475,782
Capital Assets, Net	24,369,164	20,027,295	18,248,153	17,544,868	42,617,317	37,572,163
Total Assets	<u>33,404,799</u>	<u>31,435,425</u>	<u>20,827,264</u>	<u>21,612,520</u>	<u>54,232,063</u>	<u>53,047,945</u>
Deferred Outflows of Resources	16,559	22,078	72,860	82,574	89,419	104,652
Long-term Debt Outstanding	5,337,447	4,300,823	9,036,105	9,522,189	14,373,552	13,823,012
Other Liabilities	947,420	971,336	135,377	158,726	1,082,797	1,130,062
Total Liabilities	<u>6,284,867</u>	<u>5,272,159</u>	<u>9,171,482</u>	<u>9,680,915</u>	<u>15,456,349</u>	<u>14,953,074</u>
Deferred Inflows of Resources	3,083,732	2,822,716	0	0	3,083,732	2,822,716
Net Position						
Net Investment in Capital Assets	19,348,404	16,042,573	9,343,559	9,836,758	28,691,963	25,879,331
Restricted	1,466,093	2,679,663	0	0	1,466,093	2,679,663
Unrestricted	3,238,262	4,640,392	2,385,083	2,177,421	5,623,345	6,817,813
Total Net Position	<u>\$24,052,759</u>	<u>\$23,362,628</u>	<u>\$11,728,642</u>	<u>\$12,014,179</u>	<u>\$35,781,401</u>	<u>\$35,376,807</u>

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**Management's Discussion and Analysis
For the Year Ended December 31, 2014**

Unaudited

Changes in Net Position – The following table shows the changes in net position for fiscal year 2014 and 2013:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues:						
Charges for Services and Sales	\$521,805	\$463,930	\$6,878,855	\$6,872,531	\$7,400,660	\$7,336,461
Operating Grants and Contributions	676,950	679,478	37,475	36,918	714,425	716,396
Capital Grants and Contributions	836,473	104,150	51,350	0	887,823	104,150
Total Program Revenues	<u>2,035,228</u>	<u>1,247,558</u>	<u>6,967,680</u>	<u>6,909,449</u>	<u>9,002,908</u>	<u>8,157,007</u>
General Revenues:						
Property Taxes	2,872,211	2,879,782	0	0	2,872,211	2,879,782
Municipal Income Taxes	3,634,505	3,598,230	0	0	3,634,505	3,598,230
Other Local Taxes	156,184	161,261	0	0	156,184	161,261
Intergovernmental, Unrestricted	596,562	793,951	0	0	596,562	793,951
Investment Earnings	36,690	37,912	0	0	36,690	37,912
Miscellaneous	318,017	435,555	0	0	318,017	435,555
Total General Revenues	<u>7,614,169</u>	<u>7,906,691</u>	<u>0</u>	<u>0</u>	<u>7,614,169</u>	<u>7,906,691</u>
Total Revenues	<u>9,649,397</u>	<u>9,154,249</u>	<u>6,967,680</u>	<u>6,909,449</u>	<u>16,617,077</u>	<u>16,063,698</u>
Program Expenses						
Security of Persons and Property	4,788,410	4,774,133	0	0	4,788,410	4,774,133
Leisure Time Activities	557,894	459,669	0	0	557,894	459,669
Community Environment	189,090	184,344	0	0	189,090	184,344
Transportation	1,089,455	925,791	0	0	1,089,455	925,791
General Government	2,218,449	1,625,043	0	0	2,218,449	1,625,043
Interest and Fiscal Charges	163,308	172,961	0	0	163,308	172,961
Water	0	0	2,002,504	1,371,256	2,002,504	1,371,256
Sewer	0	0	3,675,503	3,474,707	3,675,503	3,474,707
Stormwater	0	0	436,323	370,944	436,323	370,944
Sanitation	0	0	1,091,547	1,099,467	1,091,547	1,099,467
Total Expenses	<u>9,006,606</u>	<u>8,141,941</u>	<u>7,205,877</u>	<u>6,316,374</u>	<u>16,212,483</u>	<u>14,458,315</u>
Change in Net Position before Transfers	642,791	1,012,308	(238,197)	593,075	404,594	1,605,383
Transfers	47,340	(26,792)	(47,340)	26,792	0	0
Total Change in Net Position	690,131	985,516	(285,537)	619,867	404,594	1,605,383
Beginning Net Position - Restated	23,362,628	22,377,112	12,014,179	11,394,312	35,376,807	33,771,424
Ending Net Position	<u>\$24,052,759</u>	<u>\$23,362,628</u>	<u>\$11,728,642</u>	<u>\$12,014,179</u>	<u>\$35,781,401</u>	<u>\$35,376,807</u>

Governmental Activities

Net position of the City's governmental activities increased \$690,131 or 3% in 2014. The decrease in unrestricted intergovernmental revenues can be attributed to a decrease in estate taxes. An increase in capital grants and contributions can be attributed to OPWC grants received for improvements to Fifth Street and Union Cemetery Road. Expenses increased 11%, which can mostly be attributed to an increase in general government. This increase in general government expense can be attributed to costs associated with the development of Loveland Station, a privately owned downtown development consisting of apartments and commercial space. Improvements to Loveland Station paid for by the City consisted of the design and engineering of a railroad quiet zone as well as costs to make the property building ready. In 2014 the City began using a new method to distribute Public Works employee wage and benefit costs to more accurately reflect how employee time is spent. This resulted in an increase in leisure time activities and transportation expenses.

CITY OF LOVELAND, OHIO

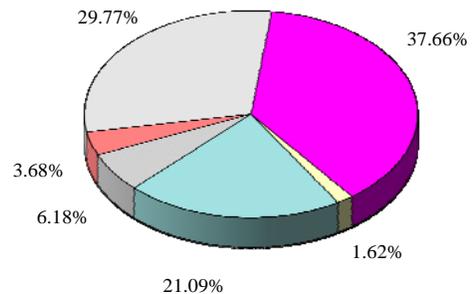
**Management's Discussion and Analysis
For the Year Ended December 31, 2014**

Unaudited

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 30% and 38% respectively of revenues for governmental activities for the City in fiscal year 2014. The City's reliance upon tax revenues is demonstrated by the following graph indicating 69% of total revenues from general tax revenues:

Revenue Sources	2014	Percent of Total
Property Taxes	\$2,872,211	29.77%
Municipal Income Taxes	3,634,505	37.66%
Other Local Taxes	156,184	1.62%
Program Revenues	2,035,228	21.09%
Intergovernmental, Unrestricted	596,562	6.18%
General Other	354,707	3.68%
Total Revenue	\$9,649,397	100.00%



Business-Type Activities

Net position of the business-type activities decreased \$285,537, or 2%. Increases in expenses can be attributed to increases in contractual costs for maintenance in the Water department. This included \$300,000 for water tower maintenance and painting.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$3,681,244, which is a decrease from last year's balance of \$6,206,149. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2014 and 2013:

	Fund Balance December 31, 2014	Restated Fund Balance December 31, 2013	Increase (Decrease)
General	\$4,547,010	\$4,172,497	\$374,513
Paramedic	70,530	116,648	(46,118)
Fire and EMS	28,387	259,723	(231,336)
Fire Protection	84,554	48,069	36,485
Historic Loveland TIF	(1,475,937)	663,176	(2,139,113)
Nonmajor Governmental	426,700	946,036	(519,336)
Total	\$3,681,244	\$6,206,149	(\$2,524,905)

***Management's Discussion and Analysis
For the Year Ended December 31, 2014***

Unaudited

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

	2014 Revenues	2013 Revenues	Increase (Decrease)
Property Taxes	\$781,984	\$779,895	\$2,089
Municipal Income Tax	3,723,125	3,722,897	228
Intergovernmental Revenue	330,595	548,031	(217,436)
Charges for Services	18,596	18,118	478
Licenses and Permits	327,265	308,081	19,184
Special Assessments	1,048	8,010	(6,962)
Fines and Forfeitures	114,259	114,969	(710)
All Other Revenue	242,971	214,302	28,669
Total	\$5,539,843	\$5,714,303	(\$174,460)

General Fund revenues decreased approximately 3% when compared with the previous year. This decrease can mostly be attributed to a decrease in estate tax receipts.

	2014 Expenditures	2013 Expenditures	Increase (Decrease)
Security of Persons and Property	\$2,462,140	\$2,586,647	(\$124,507)
Leisure Time Activities	434,864	344,336	90,528
Community Environment	189,090	184,730	4,360
General Government	1,458,941	1,367,027	91,914
Total	\$4,545,035	\$4,482,740	\$62,295

Overall, General Fund expenditures remained stable, increasing \$62,295, or approximately 1% from the prior year. In 2013 the City paid off a police pension liability related to past service cost. This payoff resulted in an increase in security of persons and property in the prior year and a subsequent decrease in the current year. In 2014 the City began using a new method to distribute Public Works employee wage and benefit costs to more accurately reflect how employee time is spent. This resulted in an increase in leisure time activities. In 2014 the City hired a consulting firm to conduct the search for a new City Manager. In addition, the former City manager had a one-year salary severance in his resignation agreement. Both of these resulted in an increase in general government expenditures.

Paramedic Fund – Revenues and expenditures in the Paramedic Fund remained consistent with the prior year, resulting in a decrease in fund balance of \$46,118.

Fire and EMS Fund – The Fire and EMS Fund balance decreased \$231,336. Revenues remained consistent with the previous year. Expenditures and other financing sources increased significantly due to the issuance of a capital lease for two fire engines.

Fire Protection Fund – Revenues and expenditures in the Fire Protection Fund remained consistent with the prior year, resulting in an increase in fund balance of \$36,485.

***Management's Discussion and Analysis
For the Year Ended December 31, 2014***

Unaudited

Historic Loveland TIF Fund – The Historic Loveland TIF Fund reported a decrease in fund balance of \$2,139,113, which can mostly be attributed to the reclassification of land held for resale. The City previously purchased land in the Historic Loveland District with the intent to sell individual parcels of land for development. As of December 31, 2014, the City no longer intends to sell the land. This reclassification of land held for resale resulted in a special item of \$1,749,140. 2014 revenues in this fund were minimal.

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 fiscal year 2014 the City amended its General Fund budget several times, none significant.

For the General Fund, original revenue estimates, final revenue estimates, and actual budget basis revenues were not materially different. Final budgeted expenditures were not materially different from original estimates. Actual budget basis expenditures were 11% less than final budget estimates due to controlled costs across all General Fund departments. The General Fund had an adequate fund balance to cover expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2014 the City had \$42,617,317 net of accumulated depreciation invested in land, buildings, improvements, infrastructure, equipment and vehicles. Of this total, \$24,369,164 was related to governmental activities and \$18,248,153 to the business-type activities. The following tables show fiscal year 2014 and 2013 balances:

	Governmental Activities		Increase (Decrease)
	2014	2013	
Land	\$6,633,060	\$3,768,719	\$2,864,341
Construction In Progress	704,960	0	704,960
Buildings	7,501,745	7,501,745	0
Improvements Other than Buildings	934,424	1,475,452	(541,028)
Machinery and Equipment	4,016,673	4,707,768	(691,095)
Infrastructure	19,993,630	20,109,595	(115,965)
Less: Accumulated Depreciation	(15,415,328)	(17,535,984)	2,120,656
Totals	<u>\$24,369,164</u>	<u>\$20,027,295</u>	<u>\$4,341,869</u>

CITY OF LOVELAND, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2014**

Unaudited

	Business-Type Activities		Increase (Decrease)
	2014	2013	
Land	\$920,027	\$920,027	\$0
Construction in Progress	51,350	2,123,251	(2,071,901)
Buildings and Improvements	5,346,806	2,607,324	2,739,482
Utility Structures in Service	20,640,441	21,633,510	(993,069)
Machinery and Equipment	700,356	604,287	96,069
Less: Accumulated Depreciation	(9,410,827)	(10,343,531)	932,704
Totals	<u>\$18,248,153</u>	<u>\$17,544,868</u>	<u>\$703,285</u>

In governmental activities capital assets, the City purchased the site of the former Loveland Lanes bowling alley, which contributed to an increase in land. Also contributing to an increase in land was the reclassification of \$2,339,341 of land previously classified as land held for resale to capital assets. In addition, the City purchased a pumper fire truck, an aerial ladder fire truck, and an ambulance. An increase in construction in progress can be attributed to improvements to Fifth Street and Union Cemetery Road. In business-type activities capital assets, the Commerce Park Water tower project, Stoneybrook Stormwater improvements project, and West High Pump Station project contributed to an increase in buildings and improvements. In both governmental and business-type capital assets, significant amounts of assets were disposed of during 2014. For additional information on the City's capital assets see Note 7.

Debt

At December 31, 2014, the City had \$8,505,000 in bonds outstanding, \$665,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2014 and 2013:

	2014	2013
Governmental Activities:		
General Obligation Bonds	\$3,485,000	\$4,006,800
Installment Loan	414,557	0
Capital Leases Payable	1,137,762	0
Compensated Absences	300,128	294,023
Total Governmental Activities	<u>\$5,337,447</u>	<u>\$4,300,823</u>
Business-Type Activities:		
General Obligation Bonds	\$5,020,000	\$5,253,200
Premium on Refunding Bonds	82,169	87,240
Ohio Public Works Commission Loans	3,875,285	4,139,964
Compensated Absences	58,651	40,315
Capital Leases Payable	0	1,470
Total Business-Type Activities	<u>9,036,105</u>	<u>9,522,189</u>
Totals	<u>\$14,373,552</u>	<u>\$13,823,012</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, 2014, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 12.

ECONOMIC FACTORS

- On May 6, 2014, the citizens approved a 1.75 mill fire and EMS levy that is estimated to produce roughly \$500,000 annually beginning in 2015, which will address the previous structural insolvency in the funds that support fire and EMS.
- The City's staff continues to aggressively work towards retaining, expanding and attracting businesses to the City of Loveland. The City continues meeting with existing businesses and realtors to assure that all are aware of available incentives, contact information and relevant developments within the city which may impact their businesses. Considerable focus was placed on the Commerce Park businesses in an effort to understand their particular operations and build a connection with the city. Notable projects included:

Loveland Station:

During the fall of 2014 the City approved an amended development agreement and transferred the property known as Loveland Station to River Trails Flats, LLC. The project, which began construction soon after the transfer and development agreement approval, will include 94 apartment units and 15,000 square feet of commercial space. The development agreement provided for the developer to construct 125 public parking spaces which will benefit the businesses located in the downtown district.

Indian Motors:

The former Volkswagen Dealership at 10575 Loveland Madeira Road was transformed into an American Heritage Motorcycle Dealership. The dealership, which opened in December 2014, sells the Indian and Victory motorcycles. The total private investment for the project is \$500,000.

The Patio:

City staff also assisted with the eventual purchase, and reuse of the site at 700 Loveland Madeira Road (The Patio). The existing structure was razed in early 2015 and will be replaced with a 6,350 multi-tenant commercial development.

Senior Housing:

In May of 2014 the City issued permits for the \$5,000,000 Senior Housing Project by PIRHL Development located at Third Street and East Loveland Avenue. The project will include 40 units and is scheduled to open in the early summer of 2015.

Bowling Alley

During the summer of 2014, the Community Improvement Corporation purchased 897 Loveland Madeira Road (formerly Loveland Lanes Bowling Alley) for \$525,000. Following the purchase, items within the building were auctioned and removed. The City submitted a grant application through the Hamilton County Urban Land Assistance Program (ULAP) in an effort to secure funding for the demolition of the structure. The total grant request is \$44,777 which would remove the building including three (3) feet below grade and allow for the removal of the remaining asbestos. The property will then be marketed for redevelopment.

- Private residential and commercial investment also increased in 2014 as measured by permit activity. Nearly \$31 million in new estimated valuation was added from private residential and commercial building and improvements. This compares to just over \$18 million in new estimated valuation in 2013. Residential development in the White Pillars and Butterworth Glen subdivisions contributed to the continued increase in estimated valuation.

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.

**Statement of Net Position
December 31, 2014**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled Cash and Investments	\$ 3,328,528	\$ 2,006,541	\$ 5,335,069
Receivables:			
Taxes	4,471,335	0	4,471,335
Accounts	49,314	947,519	996,833
Intergovernmental	596,074	0	596,074
Interest	1,449	0	1,449
Special Assessments	7,816	0	7,816
Internal Balances	400,589	(400,589)	0
Inventory of Supplies at Cost	37,775	25,640	63,415
Restricted Assets:			
Cash and Cash Equivalents	53,026	0	53,026
Cash and Cash Equivalents with Fiscal Agent	89,729	0	89,729
Capital Assets:			
Capital Assets Not Being Depreciated	7,338,020	971,377	8,309,397
Capital Assets Being Depreciated, Net	17,031,144	17,276,776	34,307,920
Total Assets	33,404,799	20,827,264	54,232,063
Deferred Outflows of Resources:			
Deferred Charge on Debt Refunding	16,559	72,860	89,419
Liabilities:			
Accounts Payable	100,605	89,447	190,052
Accrued Wages and Benefits	158,590	27,935	186,525
Intergovernmental Payable	200	0	200
Claims Payable	56,659	0	56,659
Accrued Interest Payable	11,366	17,995	29,361
Special Obligation Notes Payable	620,000	0	620,000
Long Term Liabilities:			
Due Within One Year	734,044	597,760	1,331,804
Due in More Than One Year	4,603,403	8,438,345	13,041,748
Total Liabilities	6,284,867	9,171,482	15,456,349
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	3,083,732	0	3,083,732
Net Position:			
Net Investment in Capital Assets	19,348,404	9,343,559	28,691,963
Restricted For:			
Capital Projects	757,234	0	757,234
Streets and Highways	300,114	0	300,114
Public Safety	408,745	0	408,745
Unrestricted	3,238,262	2,385,083	5,623,345
Total Net Position	\$ 24,052,759	\$ 11,728,642	\$ 35,781,401

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

**Statement of Activities
For the Year Ended December 31, 2014**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 4,788,410	\$ 182,785	\$ 13,324	\$ 0
Leisure Time Activities	557,894	40,500	0	0
Community Environment	189,090	165,852	0	0
Transportation	1,089,455	40,500	663,626	836,473
General Government	2,218,449	92,168	0	0
Interest and Fiscal Charges	163,308	0	0	0
Total Governmental Activities	9,006,606	521,805	676,950	836,473
Business-Type Activities:				
Water	2,002,504	1,589,706	0	0
Sewer	3,675,503	3,763,128	0	0
Stormwater	436,323	432,907	0	51,350
Sanitation	1,091,547	1,093,114	37,475	0
Total Business-Type Activities	7,205,877	6,878,855	37,475	51,350
Totals	\$ 16,212,483	\$ 7,400,660	\$ 714,425	\$ 887,823

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 - Restated
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
\$ (4,592,301)	\$ 0	\$ (4,592,301)
(517,394)	0	(517,394)
(23,238)	0	(23,238)
451,144	0	451,144
(2,126,281)	0	(2,126,281)
(163,308)	0	(163,308)
<u>(6,971,378)</u>	<u>0</u>	<u>(6,971,378)</u>
0	(412,798)	(412,798)
0	87,625	87,625
0	47,934	47,934
0	39,042	39,042
<u>0</u>	<u>(238,197)</u>	<u>(238,197)</u>
<u>\$ (6,971,378)</u>	<u>\$ (238,197)</u>	<u>\$ (7,209,575)</u>
2,872,211	0	2,872,211
3,634,505	0	3,634,505
156,184	0	156,184
596,562	0	596,562
36,690	0	36,690
318,017	0	318,017
47,340	(47,340)	0
<u>7,661,509</u>	<u>(47,340)</u>	<u>7,614,169</u>
690,131	(285,537)	404,594
<u>23,362,628</u>	<u>12,014,179</u>	<u>35,376,807</u>
<u>\$ 24,052,759</u>	<u>\$ 11,728,642</u>	<u>\$ 35,781,401</u>

CITY OF LOVELAND, OHIO

**Balance Sheet
Governmental Funds
December 31, 2014**

	General Fund	Paramedic Fund	Fire and EMS Fund	Fire Protection Fund
Assets:				
Pooled Cash and Investments	\$ 2,279,462	\$ 70,823	\$ 34,347	\$ 84,531
Receivables:				
Taxes	2,136,238	824,729	949,517	560,851
Accounts	48,289	0	0	0
Intergovernmental	151,986	50,402	33,079	35,577
Interest	0	0	0	0
Special Assessments	7,816	0	0	0
Interfund Loans Receivable	1,850,032	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Cash and Cash Equivalents with Fiscal Agent	89,729	0	0	0
Total Assets	\$ 6,563,552	\$ 945,954	\$ 1,016,943	\$ 680,959
Liabilities:				
Accounts Payable	\$ 69,300	\$ 301	\$ 5,975	\$ 0
Accrued Wages and Benefits Payable	142,959	0	0	0
Intergovernmental Payable	82	0	0	0
Claims Payable	56,659	0	0	0
Interfund Loans Payable	0	0	0	0
Special Obligation Notes Payable	0	0	0	0
Total Liabilities	269,000	301	5,975	0
Deferred Inflows of Resources:				
Unavailable Amounts	950,990	70,744	44,681	51,504
Property Tax Levy for Next Fiscal Year	796,552	804,379	937,900	544,901
Total Deferred Inflows of Resources	1,747,542	875,123	982,581	596,405
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	0	70,530	28,387	84,554
Assigned	245,738	0	0	0
Unassigned	4,301,272	0	0	0
Total Fund Balances	4,547,010	70,530	28,387	84,554
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,563,552	\$ 945,954	\$ 1,016,943	\$ 680,959

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

Historic Loveland TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 163,147	\$ 696,218	\$ 3,328,528
0	0	4,471,335
0	1,025	49,314
0	325,030	596,074
0	1,449	1,449
0	0	7,816
0	327,488	2,177,520
0	37,775	37,775
0	53,026	53,026
0	0	89,729
<u>\$ 163,147</u>	<u>\$ 1,442,011</u>	<u>\$ 10,812,566</u>
\$ 7,596	\$ 17,433	\$ 100,605
0	15,631	158,590
0	118	200
0	0	56,659
1,011,488	765,443	1,776,931
620,000	0	620,000
<u>1,639,084</u>	<u>798,625</u>	<u>2,712,985</u>
0	216,686	1,334,605
0	0	3,083,732
0	216,686	4,418,337
0	37,775	37,775
0	914,053	1,097,524
0	0	245,738
<u>(1,475,937)</u>	<u>(525,128)</u>	<u>2,300,207</u>
<u>(1,475,937)</u>	<u>426,700</u>	<u>3,681,244</u>
<u>\$ 163,147</u>	<u>\$ 1,442,011</u>	<u>\$ 10,812,566</u>

CITY OF LOVELAND, OHIO

***Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
December 31, 2014***

Total Governmental Fund Balances \$ 3,681,244

***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. 24,369,164

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

Property Taxes	80,402	
Income Taxes	792,723	
Special Assessments	7,816	
Intergovernmental Revenues	<u>453,664</u>	1,334,605

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	(3,485,000)	
Deferred Loss on Debt Refunding	16,559	
Installment Loan	(414,557)	
Capital Leases	(1,137,762)	
Compensated Absences Payable	(300,128)	
Accrued Interest Payable	<u>(11,366)</u>	<u>(5,332,254)</u>

Net Position of Governmental Activities \$ 24,052,759

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, 2014**

	General Fund	Paramedic Fund	Fire and EMS Fund	Fire Protection Fund
Revenues:				
Property Taxes	\$ 781,984	\$ 800,174	\$ 452,336	\$ 542,069
Municipal Income Tax	3,723,125	0	0	0
Intergovernmental Revenue	330,595	107,975	60,359	73,144
Charges for Services	18,596	60,000	0	0
Licenses and Permits	327,265	0	0	0
Investment Earnings	0	0	0	0
Special Assessments	1,048	0	0	0
Fines and Forfeitures	114,259	0	0	0
All Other Revenue	242,971	0	22,487	18,600
Total Revenues	5,539,843	968,149	535,182	633,813
Expenditures:				
Current:				
Security of Persons and Property	2,462,140	1,014,267	1,759,737	597,328
Leisure Time Activities	434,864	0	0	0
Community Environment	189,090	0	0	0
Transportation	0	0	0	0
General Government	1,458,941	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest & Fiscal Charges	0	0	0	0
Total Expenditures	4,545,035	1,014,267	1,759,737	597,328
Excess (Deficiency) of Revenues Over (Under) Expenditures	994,808	(46,118)	(1,224,555)	36,485
Other Financing Sources (Uses):				
Sale of Capital Assets	7,859	0	0	0
Loan Proceeds	0	0	0	0
Other Financing Sources - Capital Leases	0	0	1,137,762	0
Transfers In	62,938	0	0	0
Transfers Out	(691,092)	0	(144,543)	0
Total Other Financing Sources (Uses)	(620,295)	0	993,219	0
Special Item: Land Held for Resale Reclassification	0	0	0	0
Net Change in Fund Balances	374,513	(46,118)	(231,336)	36,485
Fund Balances at Beginning of Year - Restated	4,172,497	116,648	259,723	48,069
Increase in Inventory	0	0	0	0
Fund Balances End of Year	\$ 4,547,010	\$ 70,530	\$ 28,387	\$ 84,554

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

Historic Loveland TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,550	\$ 291,609	\$ 2,870,722
0	0	3,723,125
30	1,536,672	2,108,775
0	0	78,596
0	40,500	367,765
9,133	27,557	36,690
0	108,058	109,106
0	8,526	122,785
0	33,959	318,017
<u>11,713</u>	<u>2,046,881</u>	<u>9,735,581</u>
0	0	5,833,472
0	0	434,864
0	0	189,090
0	780,618	780,618
0	804,149	2,263,090
283,901	1,069,162	1,353,063
0	572,243	572,243
<u>12,800</u>	<u>146,483</u>	<u>159,283</u>
<u>296,701</u>	<u>3,372,655</u>	<u>11,585,723</u>
(284,988)	(1,325,774)	(1,850,142)
0	0	7,859
0	465,000	465,000
0	0	1,137,762
0	1,174,246	1,237,184
<u>(104,985)</u>	<u>(249,224)</u>	<u>(1,189,844)</u>
<u>(104,985)</u>	<u>1,390,022</u>	<u>1,657,961</u>
(1,749,140)	(590,201)	(2,339,341)
(2,139,113)	(525,953)	(2,531,522)
663,176	946,036	6,206,149
0	6,617	6,617
<u>\$ (1,475,937)</u>	<u>\$ 426,700</u>	<u>\$ 3,681,244</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, 2014***

Net Change in Fund Balances - Total Governmental Funds \$ (2,531,522)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlay	2,909,425	
Depreciation Expense	(906,897)	2,002,528

The net effect of various miscellaneous transactions involving capital assets is to increase net position.

Reclassification of Land Held for Resale to Capital Assets		2,339,341
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Increase in Property Tax Revenue	1,489	
Decrease in Income Tax Revenue	(88,620)	
Increase in Intergovernmental Revenue	1,210	
Decrease in Special Assessments Revenue	(263)	(86,184)

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

Installment Loan Issuance	(465,000)	
Capital Lease Issuance	(1,137,762)	(1,602,762)

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	521,800	
Amortization of Deferred Loss on Bond Refunding	(5,519)	
Installment Loan Principal Payment	50,443	566,724

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

1,494

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	(6,105)	
Change in Inventory	6,617	512

Change in Net Position of Governmental Activities \$ 690,131

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, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 776,542	\$ 785,632	\$ 785,649	\$ 17
Municipal Income Tax	3,625,000	3,625,000	3,695,641	70,641
Intergovernmental Revenue	297,872	332,306	331,500	(806)
Charges for Services	466,773	466,773	468,369	1,596
Licenses and Permits	230,000	301,500	326,938	25,438
Special Assessments	1,000	1,048	1,048	0
Fines and Forfeitures	112,000	114,000	115,766	1,766
All Other Revenues	114,523	98,061	128,219	30,158
Total Revenues	<u>5,623,710</u>	<u>5,724,320</u>	<u>5,853,130</u>	<u>128,810</u>
Expenditures:				
Current:				
Security of Persons and Property	2,722,518	2,629,195	2,487,950	141,245
Leisure Time Activities	451,980	453,419	430,277	23,142
Community Environment	221,050	213,888	184,081	29,807
General Government	2,235,712	2,262,665	1,846,477	416,188
Total Expenditures	<u>5,631,260</u>	<u>5,559,167</u>	<u>4,948,785</u>	<u>610,382</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,550)	165,153	904,345	739,192
Other Financing Sources (Uses):				
Sale of Capital Assets	5,000	7,023	7,859	836
Transfers In	0	62,938	62,938	0
Transfers Out	(396,994)	(905,035)	(905,035)	0
Advances In	38,000	38,000	38,000	0
Advances Out	(341,000)	(341,000)	(341,000)	0
Total Other Financing Sources (Uses):	<u>(694,994)</u>	<u>(1,138,074)</u>	<u>(1,137,238)</u>	<u>836</u>
Net Change in Fund Balance	(702,544)	(972,921)	(232,893)	740,028
Fund Balance at Beginning of Year	1,092,245	1,092,245	1,092,245	0
Prior Year Encumbrances	1,800	1,800	1,800	0
Fund Balance at End of Year	<u>\$ 391,501</u>	<u>\$ 121,124</u>	<u>\$ 861,152</u>	<u>\$ 740,028</u>

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Paramedic Fund
For the Year Ended December 31, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 791,074	\$ 804,379	\$ 804,396	\$ 17
Intergovernmental Revenue	105,930	107,975	107,975	0
Charges for Services	60,000	60,000	60,000	0
Total Revenues	<u>957,004</u>	<u>972,354</u>	<u>972,371</u>	<u>17</u>
Expenditures:				
Current:				
Security of Persons and Property	<u>1,055,786</u>	<u>1,075,512</u>	<u>1,034,531</u>	<u>40,981</u>
Total Expenditures	<u>1,055,786</u>	<u>1,075,512</u>	<u>1,034,531</u>	<u>40,981</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(98,782)	(103,158)	(62,160)	40,998
Fund Balance at Beginning of Year	<u>113,983</u>	<u>113,983</u>	<u>113,983</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 15,201</u>	<u>\$ 10,825</u>	<u>\$ 51,823</u>	<u>\$ 40,998</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, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 447,211	\$ 454,713	\$ 454,722	\$ 9
Intergovernmental Revenue	59,217	60,359	60,359	0
All Other Revenues	32,000	22,487	22,487	0
Total Revenues	<u>538,428</u>	<u>537,559</u>	<u>537,568</u>	<u>9</u>
Expenditures:				
Current:				
Security of Persons and Property	661,777	675,097	644,523	30,574
Total Expenditures	<u>661,777</u>	<u>675,097</u>	<u>644,523</u>	<u>30,574</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(123,349)	(137,538)	(106,955)	30,583
Other Financing Sources (Uses):				
Transfers Out	(144,543)	(144,543)	(144,543)	0
Total Other Financing Sources (Uses):	<u>(144,543)</u>	<u>(144,543)</u>	<u>(144,543)</u>	<u>0</u>
Net Change in Fund Balance	(267,892)	(282,081)	(251,498)	30,583
Fund Balance at Beginning of Year	56,793	56,793	56,793	0
Prior Year Encumbrances	229,052	229,052	229,052	0
Fund Balance at End of Year	<u>\$ 17,953</u>	<u>\$ 3,764</u>	<u>\$ 34,347</u>	<u>\$ 30,583</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 Protection Fund
For the Year Ended December 31, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 535,889	\$ 544,901	\$ 544,912	\$ 11
Intergovernmental Revenue	71,759	73,144	73,144	0
All Other Revenues	18,600	18,600	18,600	0
Total Revenues	<u>626,248</u>	<u>636,645</u>	<u>636,656</u>	<u>11</u>
Expenditures:				
Current:				
Security of Persons and Property	636,386	669,685	624,773	44,912
Total Expenditures	<u>636,386</u>	<u>669,685</u>	<u>624,773</u>	<u>44,912</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,138)	(33,040)	11,883	44,923
Fund Balance at Beginning of Year	45,648	45,648	45,648	0
Fund Balance at End of Year	<u>\$ 35,510</u>	<u>\$ 12,608</u>	<u>\$ 57,531</u>	<u>\$ 44,923</u>

See accompanying notes to the basic financial statements



CITY OF LOVELAND, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2014**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Stormwater
Assets:			
<i>Current Assets:</i>			
Pooled Cash and Investments	\$ 939,768	\$ 875,332	\$ 97,287
Receivables:			
Accounts	193,613	551,154	56,422
Inventory of Supplies at Cost	25,640	0	0
<i>Total Current Assets</i>	<u>1,159,021</u>	<u>1,426,486</u>	<u>153,709</u>
<i>Non Current Assets:</i>			
Capital Assets:			
Capital Assets Not Being Depreciated	860,537	59,490	51,350
Capital Assets Being Depreciated, Net	12,563,908	1,074,335	3,586,100
Total Assets	<u>14,583,466</u>	<u>2,560,311</u>	<u>3,791,159</u>
Deferred Outflows of Resources:			
Deferred Charge on Debt Refunding	4,860	0	68,000
Liabilities:			
<i>Current Liabilities:</i>			
Accounts Payable	16,612	1,154	654
Accrued Wages and Benefits	18,144	1,089	7,501
Compensated Absences Payable - Current	13,214	0	9,391
Interfund Loans Payable	0	400,589	0
Accrued Interest Payable	15,408	0	2,587
General Obligation Bonds Payable - Current	140,000	0	95,000
OPWC Loans Payable - Current	294,897	0	45,258
<i>Total Current Liabilities</i>	<u>498,275</u>	<u>402,832</u>	<u>160,391</u>
<i>Long Term Liabilities:</i>			
Compensated Absences Payable	36,046	0	0
General Obligation Bonds Payable	3,982,169	0	885,000
OPWC Loans Payable	2,886,709	0	648,421
Total Liabilities	<u>7,403,199</u>	<u>402,832</u>	<u>1,693,812</u>
Net Position:			
Net Investment in Capital Assets	6,125,530	1,133,825	2,031,771
Unrestricted	1,059,597	1,023,654	133,576
Total Net Position	<u>\$ 7,185,127</u>	<u>\$ 2,157,479</u>	<u>\$ 2,165,347</u>

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

Sanitation	Total
\$ 94,154	\$ 2,006,541
146,330	947,519
0	25,640
240,484	2,979,700
0	971,377
52,433	17,276,776
292,917	21,227,853
0	72,860
71,027	89,447
1,201	27,935
0	22,605
0	400,589
0	17,995
0	235,000
0	340,155
72,228	1,133,726
0	36,046
0	4,867,169
0	3,535,130
72,228	9,572,071
52,433	9,343,559
168,256	2,385,083
\$ 220,689	\$ 11,728,642

CITY OF LOVELAND, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2014**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Stormwater
Operating Revenues:			
Charges for Services	\$ 1,575,116	\$ 3,762,284	\$ 424,800
Other Operating Revenue	14,590	844	8,107
Total Operating Revenues	1,589,706	3,763,128	432,907
Operating Expenses:			
Personal Services	419,149	27,888	103,099
Contractual Services	755,318	3,569,583	151,919
Materials and Supplies	283,885	21,814	15,694
Depreciation	387,368	56,125	129,104
Total Operating Expenses	1,845,720	3,675,410	399,816
Operating Income (Loss)	(256,014)	87,718	33,091
Nonoperating Revenues (Expenses):			
Intergovernmental Grants	0	0	0
Interest Expense	(146,559)	(93)	(36,507)
Loss on Disposal of Capital Assets	(10,225)	0	0
Total Nonoperating Revenues (Expenses)	(156,784)	(93)	(36,507)
Income (Loss) Before Transfers and Contributions	(412,798)	87,625	(3,416)
Transfers and Contributions:			
Transfers In	26,856	0	0
Transfers Out	(11,718)	(26,856)	(29,763)
Capital Contributions	0	0	51,350
Total Transfers and Contributions	15,138	(26,856)	21,587
Change in Net Position	(397,660)	60,769	18,171
Net Position Beginning of Year - Restated	7,582,787	2,096,710	2,147,176
Net Position End of Year	\$ 7,185,127	\$ 2,157,479	\$ 2,165,347

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

<u>Sanitation</u>	<u>Total</u>
\$ 1,091,486	\$ 6,853,686
1,628	25,169
<u>1,093,114</u>	<u>6,878,855</u>
74,200	624,336
990,608	5,467,428
16,199	337,592
10,401	582,998
<u>1,091,408</u>	<u>7,012,354</u>
1,706	(133,499)
37,475	37,475
(139)	(183,298)
0	(10,225)
<u>37,336</u>	<u>(156,048)</u>
39,042	(289,547)
0	26,856
(5,859)	(74,196)
0	51,350
<u>(5,859)</u>	<u>4,010</u>
33,183	(285,537)
<u>187,506</u>	<u>12,014,179</u>
<u>\$ 220,689</u>	<u>\$ 11,728,642</u>

CITY OF LOVELAND, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Stormwater
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$1,581,273	\$3,726,859	\$432,628
Cash Payments for Goods and Services	(1,057,026)	(3,598,497)	(170,446)
Cash Payments to Employees	(396,015)	(27,244)	(100,851)
Net Cash Provided by Operating Activities	128,232	101,118	161,331
<u>Cash Flows from Noncapital Financing Activities:</u>			
Intergovernmental Grants	0	0	0
Transfers In from Other Funds	26,856	0	0
Transfers Out to Other Funds	(11,718)	(26,856)	(29,763)
Advances Out to Other Funds	0	(55,000)	0
Net Cash Provided (Used) by Noncapital Financing Activities	15,138	(81,856)	(29,763)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(1,155,242)	0	(114,712)
Capital Contributions	0	0	51,350
OPWC Loan Issuance	0	0	76,152
OPWC Loan Retirement	(309,553)	0	(31,278)
Principal Paid on General Obligation Bonds	(125,000)	(3,200)	(98,200)
Principal Paid on Capital Leases	0	0	0
Interest Paid on All Debt	(151,573)	(100)	(30,816)
Net Cash Used for Capital and Related Financing Activities	(1,741,368)	(3,300)	(147,504)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,597,998)	15,962	(15,936)
Cash and Cash Equivalents at Beginning of Year	2,537,766	859,370	113,223
Cash and Cash Equivalents at End of Year	\$939,768	\$875,332	\$97,287

CITY OF LOVELAND, OHIO

<u>Sanitation</u>	<u>Total</u>
\$1,088,630	\$6,829,390
(1,008,461)	(5,834,430)
<u>(74,068)</u>	<u>(598,178)</u>
6,101	396,782
37,475	37,475
0	26,856
(5,859)	(74,196)
<u>0</u>	<u>(55,000)</u>
31,616	(64,865)
(26,554)	(1,296,508)
0	51,350
0	76,152
0	(340,831)
(6,800)	(233,200)
(1,470)	(1,470)
<u>(165)</u>	<u>(182,654)</u>
<u>(34,989)</u>	<u>(1,927,161)</u>
2,728	(1,595,244)
<u>91,426</u>	<u>3,601,785</u>
<u>\$94,154</u>	<u>\$2,006,541</u>

(Continued)

CITY OF LOVELAND, OHIO

***Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014***

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Stormwater
<u>Reconciliation of Operating Income (Loss) to</u>			
<u>Net Cash Provided by Operating Activities:</u>			
Operating Income (Loss)	(\$256,014)	\$87,718	\$33,091
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided by Operating Activities:			
Depreciation Expense	387,368	56,125	129,104
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(8,433)	(36,269)	(279)
Increase in Inventory	(2,238)	0	0
Decrease in Accounts Payable	(15,206)	(7,100)	(2,833)
Decrease in Intergovernmental Payable	(379)	0	0
Increase in Accrued Wages and Benefits	5,029	644	2,017
Increase in Compensated Absences	18,105	0	231
Total Adjustments	384,246	13,400	128,240
Net Cash Provided by Operating Activities	<u>\$128,232</u>	<u>\$101,118</u>	<u>\$161,331</u>

See accompanying notes to the basic financial statements

CITY OF LOVELAND, OHIO

<u>Sanitation</u>	<u>Total</u>
\$1,706	(\$133,499)
10,401	582,998
(4,484)	(49,465)
0	(2,238)
(1,654)	(26,793)
0	(379)
132	7,822
0	18,336
<u>4,395</u>	<u>530,281</u>
<u>\$6,101</u>	<u>\$396,782</u>

CITY OF LOVELAND, OHIO

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2014***

	<u>Agency</u>
Assets:	
Restricted Assets:	
Cash and Cash Equivalents with Fiscal Agent	\$ 15,400
Total Assets	<u>15,400</u>
Liabilities:	
Due to Others	<u>15,400</u>
Total Liabilities	<u>\$ 15,400</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

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, 2014***

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.

Fire Protection - This fund is used to account for the activities provided by the City's fire protection service 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, 2014***

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, 2014***

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, 2014***

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 at December 31, are recorded as deferred inflows of resources. Property taxes which are measurable at December 31, 2014 but which are not intended to finance 2014 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources. Property taxes are further described in Note 4.

The accrual basis of accounting is utilized for reporting purposes by the government-wide statements, proprietary funds and the 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, 2014***

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 2014.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

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, 2014**

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	Fire Protection Fund
GAAP Basis (as reported)	\$374,513	(\$46,118)	(\$231,336)	\$36,485
Increase (Decrease):				
Accrued Revenues at December 31, 2014 received during 2015	(2,536,548)	(8)	(15)	(23)
Accrued Revenues at December 31, 2013 received during 2014	1,948,070	4,230	2,401	2,866
Accrued Expenditures at December 31, 2014 paid during 2015	269,000	301	5,975	0
Accrued Expenditures at December 31, 2013 paid during 2014	(217,877)	(1,565)	(28,523)	(445)
Outstanding Encumbrances	(30,544)	(19,000)	0	(27,000)
Perspective Difference:				
Activity of Funds Reclassified for GAAP Reporting Purposes	(39,507)	0	0	0
Budget Basis	<u>(\$232,893)</u>	<u>(\$62,160)</u>	<u>(\$251,498)</u>	<u>\$11,883</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

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 3 "Cash and Cash Equivalents."

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City reports its investments at fair value, except for nonparticipating investment contracts which are reported at cost, which approximates fair value. Fair value is determined by quoted market prices. See Note 3, "Cash and Cash Equivalents."

The City invested funds in STAR Ohio during 2014. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2014.

H. Inventory

On the government-wide financial statements and in the proprietary funds, 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.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets and Depreciation (Continued)

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:

<u>Description</u>	<u>Governmental and Business-Type Activities Estimated Lives (Years)</u>
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, 2014***

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, Sewer Fund Stormwater Fund, Sanitation Fund
Ohio Public Works Commission Loans	Water Fund, Stormwater Fund
Capital Leases	Fire and EMS Fund, Sanitation 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences (Continued)

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.

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.

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, 2014***

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide 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.

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 and special assessments 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 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.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Special Item

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 purchased land in prior years with the intent to sell the land for economic development purposes. As of December 31, 2014, the City no longer intends to sell the land. This reclassification of land held for resale resulted in a special item in the Governmental Funds of \$2,339,341.

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.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 2 – FUND BALANCE

A. Classification

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

<u>Fund Balances</u>	<u>General Fund</u>	<u>Paramedic Fund</u>	<u>Fire and EMS Fund</u>	<u>Fire Protection Fund</u>	<u>Historic Loveland TIF Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:							
Supplies Inventory	\$0	\$0	\$0	\$0	\$0	\$37,775	\$37,775
Total Nonspendable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>37,775</u>	<u>37,775</u>
Restricted:							
Fire and EMS Services	0	70,530	28,387	84,554	0	0	183,471
Street Maintenance	0	0	0	0	0	98,474	98,474
Law Enforcement	0	0	0	0	0	7,564	7,564
Court Computer Improvements	0	0	0	0	0	10,879	10,879
Lighting District Improvements	0	0	0	0	0	39,902	39,902
Capital Improvements	0	0	0	0	0	757,234	757,234
Total Restricted	<u>0</u>	<u>70,530</u>	<u>28,387</u>	<u>84,554</u>	<u>0</u>	<u>914,053</u>	<u>1,097,524</u>
Assigned:							
Fiscal 2015 Budget Deficit	102,053	0	0	0	0	0	102,053
Nature Preserve/Playground	40,000	0	0	0	0	0	40,000
McCoy Trail Project	103,685	0	0	0	0	0	103,685
Total Assigned	<u>245,738</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>245,738</u>
Unassigned (Deficits):	<u>4,301,272</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,475,937)</u>	<u>(525,128)</u>	<u>2,300,207</u>
Total Fund Balances	<u>\$4,547,010</u>	<u>\$70,530</u>	<u>\$28,387</u>	<u>\$84,554</u>	<u>(\$1,475,937)</u>	<u>\$426,700</u>	<u>\$3,681,244</u>

B. Stabilization Arrangements

Resolutions have been passed by City Council establishing emergency reserves for the General Fund, Fire and EMS Fund, Water 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 Water Fund and Stormwater Fund emergency reserves shall each 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, 2014, Emergency Reserve balances for the General Fund, Fire and EMS Fund, Stormwater Fund, and Water Fund were \$1,021,201, \$25,000, \$110,000, and \$222,386, respectively. The General, Fire and EMS, and Stormwater Fund reserves are reported in the General Fund. The Water Fund emergency reserve is reported within the Water Fund.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 3 - CASH AND CASH EQUIVALENTS

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, 2014**

NOTE 3 - CASH AND CASH EQUIVALENTS (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 \$3,314,297 and the bank balance was \$3,449,402. Federal depository insurance covered \$3,405,667 of the bank balance and \$43,735 was collateralized by the financial institutions' public entity deposit pools in the manner described above.

In addition, the City had \$89,729 in Cash with Fiscal Agent which is being held for payment of employee medical claims through the City's participation in the Jefferson Health Plan.

B. Investments

The City's investments at December 31, 2014 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
Repurchase Agreements	\$840,381	N/A	\$840,381	\$0	\$0
STAR Ohio	100,106	AAAm ¹	100,106	0	0
Money Market Fund	5,840	AA+ ¹ /Aaa ²	5,840	0	0
FNMA	211,010	AA+ ¹ /Aaa ²	0	0	211,010
FHLB	200,294	AA+ ¹ /Aaa ²	200,294	0	0
FHLMC	731,567	AA+ ¹ /Aaa ²	520,404	0	211,163
Total Investments	<u>\$2,089,198</u>		<u>\$1,667,025</u>	<u>\$0</u>	<u>\$422,173</u>

¹ Standard & Poor's

² Moody's Investor Service

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 3 - CASH AND CASH EQUIVALENTS (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 the City may invest in one issuer. Of the City's total investments, 55% are in Federal and State Securities, 40% is invested in a repurchase agreement, and the remaining 5% 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 4 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property located in the City. Real property taxes (other than public utility) collected during 2014 were levied after October 1, 2013 on assessed values as of January 1, 2013, 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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 4 – TAXES (Continued)

A. Property Taxes (Continued)

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.

The assessed values upon which the 2014 property tax receipts were based were as follows:

	County		
	Hamilton	Clermont	Warren
Real Property:			
Residential/Agricultural	\$207,568,070	\$56,908,040	\$23,236,370
Personal Property:			
Public Utility Personal Property	5,085,150	1,058,830	260,730
Total Assessed Value	<u>\$212,653,220</u>	<u>\$57,966,870</u>	<u>\$23,497,100</u>
Tax Rate/Assessed Value	\$10.35/\$1,000	\$9.90/\$1,000	\$10.07/\$1,000

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 2014, all income tax proceeds were recorded in the General Fund.

NOTE 5 - RECEIVABLES

Receivables at December 31, 2014 consisted of property and income taxes, accounts receivable, special assessments, interest, and intergovernmental receivables arising from shared revenues.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 6 – TRANSFERS AND INTERFUND ACTIVITY

A. Transfers

Following is a summary of transfers in and out for all funds for 2014:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General Fund	\$62,938	\$691,092
Fire and EMS Fund	0	144,543
Historic Loveland TIF Fund	0	104,985
Nonmajor Governmental Funds	1,174,246	249,224
Total Governmental Funds	1,237,184	1,189,844
Enterprise Funds:		
Water Fund	26,856	11,718
Sewer Fund	0	26,856
Stormwater Fund	0	29,763
Sanitation Fund	0	5,859
Total Enterprise Funds	26,856	74,196
Totals	\$1,264,040	\$1,264,040

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 2014 the General Fund transferred \$514,370 to the Special Projects Fund for costs associated with the Loveland Station downtown development.

B. Interfund Activity

Interfund balances at December 31, 2014 consist of the following individual fund receivables and payables:

<u>Fund</u>	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
Governmental Funds:		
General Fund	\$1,850,032	\$0
Historic Loveland TIF Fund	0	1,011,488
Nonmajor Governmental Funds	327,488	765,443
Total Governmental Funds	2,177,520	1,776,931
Enterprise Fund:		
Sewer Fund	0	400,589
Totals	\$2,177,520	\$2,177,520

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 7 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2014:

Historical Cost:

Class	December 31, 2013	Additions*	Deletions	December 31, 2014
<i>Capital assets not being depreciated:</i>				
Land	\$3,768,719	\$2,864,341	\$0	\$6,633,060
Construction in Progress	0	704,960	0	704,960
Subtotal	3,768,719	3,569,301	0	7,338,020
<i>Capital assets being depreciated:</i>				
Buildings	7,501,745	0	0	7,501,745
Improvements Other than Buildings	1,475,452	0	(541,028)	934,424
Machinery and Equipment	4,707,768	1,489,687	(2,180,782)	4,016,673
Infrastructure	20,109,595	189,778	(305,743)	19,993,630
Total Cost	\$37,563,279	\$5,248,766	(\$3,027,553)	\$39,784,492

Accumulated Depreciation:

Class	December 31, 2013	Additions	Deletions	December 31, 2014
Buildings	(\$2,142,886)	(\$153,142)	\$0	(\$2,296,028)
Improvements Other than Buildings	(1,198,180)	(30,531)	541,028	(687,683)
Machinery and Equipment	(3,672,274)	(372,270)	2,180,782	(1,863,762)
Infrastructure	(10,522,644)	(350,954)	305,743	(10,567,855)
Total Depreciation	(\$17,535,984)	(\$906,897) **	\$3,027,553	(\$15,415,328)
<i>Net Value:</i>	\$20,027,295			\$24,369,164

* In 2014 the City reclassified \$2,339,341 of land previously classified as land held for resale to capital assets. The \$2,864,341 of land additions includes the \$2,339,341 of reclassified land held for resale.

** Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$321,173
Leisure Time Activities	110,659
Transportation	442,039
General Government	33,026
Total Depreciation Expense	\$906,897

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 7 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by category of changes in business-type activities capital assets at December 31, 2014:

Historical Cost:

Class	December 31, 2013	Additions	Deletions	December 31, 2014
Capital assets not being depreciated:				
Land	\$920,027	\$0	\$0	\$920,027
Construction In Progress	2,123,251	51,350	(2,123,251)	51,350
Subtotal	3,043,278	51,350	(2,123,251)	971,377
Capital assets being depreciated:				
Buildings and Improvements	2,607,324	2,832,818	(93,336)	5,346,806
Utility Structures in Service	21,633,510	279,600	(1,272,669)	20,640,441
Machinery and Equipment	604,287	255,991	(159,922)	700,356
Total Cost	<u>\$27,888,399</u>	<u>\$3,419,759</u>	<u>(\$3,649,178)</u>	<u>\$27,658,980</u>

Accumulated Depreciation:

Class	December 31, 2013	Additions	Deletions	December 31, 2014
Buildings and Improvements	(\$1,484,809)	(\$125,836)	\$93,336	(\$1,517,309)
Utility Structures in Service	(8,429,166)	(402,554)	1,272,669	(7,559,051)
Machinery and Equipment	(429,556)	(54,608)	149,697	(334,467)
Total Depreciation	<u>(\$10,343,531)</u>	<u>(\$582,998)</u>	<u>\$1,515,702</u>	<u>(\$9,410,827)</u>
Net Value:	<u>\$17,544,868</u>			<u>\$18,248,153</u>

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 8 – DEFINED BENEFIT PENSION PLANS

All of the City’s full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

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

The following information was provided by OPERS to assist the City in complying with GASB Statement No. 27, “Accounting for Pensions by State and Local Government Employers.”

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in one of the three pension plans administered by OPERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, 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.

The ORC provides statutory authority for employee and employer contributions. For 2014, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2014 employer contribution rate for local government employer units was 14.00% of covered payroll, which is the maximum contribution rate set by State statutes. Employer contribution rates are actuarially determined. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits. The portion of employer contributions allocated to pension obligations for members in the Traditional and Combined Plans was 12.0% for calendar year 2014. The contribution requirements of plan members and the City are established and may be amended by the OPERS Board. The City’s contributions for pension obligations to OPERS for the years ending December 31, 2014, 2013, and 2012 were \$191,826, \$214,532 and \$182,712, respectively, which were equal to the required contributions for each year. Contributions to the member-directed plan for 2014 were \$1,542 made by the City and \$1,102 made by the plan members.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

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

All City full-time police officers participate in OP&F, a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the ORC. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements 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, by calling (614) 228-2975, or by visiting www.op-f.org.

From January 1, 2014 through July 1, 2014 plan members were required to contribute 10.75% of their annual covered salary. From July 2, 2014 through December 31, 2014 plan members were required to contribute 11.5% of their annual covered salary. Throughout 2014 employers were required to contribute 19.5% for police officers. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2014, 19.0% of annual covered salary for police was the portion used to fund pension obligations. The City's contributions for pension obligations to the OP&F Fund for the years ending December 31, 2014, 2013, and 2012 were \$243,640, \$303,177 and \$162,843 for police officers, which were equal to the required contributions for each year.

NOTE 9 - 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.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B Premium reimbursement, to qualifying member of both the Traditional Pension and the Combined Plans. Members of the Member Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 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. OPERS’ eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2013 CAFR for details.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

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

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/investments/cafr.shtml>, 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 2014, 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 14.00% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional and Combined Plans was 2.0% for calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to healthcare remains at 2% for both plans, as recommended by the OPERS actuary. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree 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 OPERS for the years ending December 31, 2014, 2013, and 2012 were \$31,971, \$16,502 and \$73,085, respectively, which were equal to the required contributions for each year.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

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

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 employers. 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.

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 2014, 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, 2014, 2013, and 2012 were \$6,412, \$69,034 and \$86,211 for police, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 10 – COMPENSATED ABSENCES

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

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

In the government-wide statement of net position, “Compensated Absences Payable” is recorded within the “Due within one year” account and the long-term portion of the liability is recorded within the “Due in more than one year” account. The amount increased from a beginning of year balance of \$294,023 to a year-end balance of \$300,128.

At December 31, 2014 the total accumulated unpaid sick leave time recorded in the Governmental Activities was as follows:

	<u>Hours</u>	<u>Amount</u>
Sick Leave	10,454	\$171,904
Vacation/Compensatory	<u>4,070</u>	<u>128,224</u>
Total	<u><u>14,524</u></u>	<u><u>\$300,128</u></u>

Compensated absences attributable to the Enterprise Funds of \$58,651 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, 2014**

NOTE 11 - NOTES PAYABLE

Note Payable activity of the City for the year ended December 31, 2014, was as follows:

	Issue Date	Balance January 1, 2014	Issued	(Retired)	Balance December 31, 2014
Capital Projects Notes Payable:					
3.00% Recreation Land Acquisition	02/13/13	\$655,000	\$0	(\$655,000)	\$0
3.00% Recreation Land Acquisition	02/11/14	0	620,000	0	620,000
Total Capital Project Notes Payable		<u>\$655,000</u>	<u>\$620,000</u>	<u>(\$655,000)</u>	<u>\$620,000</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 12 - LONG-TERM OBLIGATIONS

Long-term obligations of the City at December 31, 2014 were as follows:

		Balance December 31, 2013	Issued	(Retired)	Balance December 31, 2014	Amount Due Within One Year
Governmental Activities:						
General Obligation Bonds:						
2005 Various Purpose Refunding Bonds	4.25%	\$730,000	\$0	(\$170,000)	\$560,000	\$180,000
2005 North End T.I.F.	4.16%	75,000	0	(75,000)	0	0
2007 Christman Park Land T.I.F.	4.13%	525,000	0	(30,000)	495,000	30,000
2007 P.W. Buildings	4.13%	205,000	0	(50,000)	155,000	50,000
2009 Street Dump Truck	1.00%	6,800	0	(6,800)	0	0
2009 Lever Park	1.00%	30,000	0	(30,000)	0	0
2011 HVAC	2-4.6%	280,000	0	(10,000)	270,000	10,000
2011 Parking and Municipal Real Estate	2-4.6%	1,295,000	0	(55,000)	1,240,000	55,000
2012 Various Purpose Refunding Bonds	1-2.5%	645,000	0	(65,000)	580,000	70,000
2013 Ambulance	1-1.5%	215,000	0	(30,000)	185,000	35,000
Total General Obligation Bonds		<u>4,006,800</u>	<u>0</u>	<u>(521,800)</u>	<u>3,485,000</u>	<u>430,000</u>
Installment Loan:						
2014 Land Purchase	3.25%	0	465,000	(50,443)	414,557	88,727
Capital Leases		0	1,137,762	0	1,137,762	87,093
Compensated Absences		294,023	142,945	(136,840)	300,128	128,224
Total Governmental Activities		<u>\$4,300,823</u>	<u>\$1,745,707</u>	<u>(\$709,083)</u>	<u>\$5,337,447</u>	<u>\$734,044</u>

CITY OF LOVELAND, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 12 - LONG-TERM OBLIGATIONS (Continued)

Long-term obligations of the City at December 31, 2014 were as follows:

		Balance December 31, 2013	Issued	(Retired)	Balance December 31, 2014	Amount Due Within One Year
Business-Type Activities:						
General Obligation Bonds:						
2003 Stormwater System	3.00%	\$50,000	\$0	(\$50,000)	\$0	\$0
2005 Stormwater System	4.48%	120,000	0	(15,000)	105,000	15,000
2007 Stormwater System	4.25%	225,000	0	(10,000)	215,000	15,000
2009 Water Refunding Bonds	1.00%	680,000	0	(125,000)	555,000	135,000
2009 Stormwater Dump Truck	1.00%	3,200	0	(3,200)	0	0
2009 Sewer Dump Truck	1.00%	3,200	0	(3,200)	0	0
2009 Sanitation Dump Truck	1.00%	6,800	0	(6,800)	0	0
2012 Stormwater System Refunding	1-2.50%	615,000	0	(15,000)	600,000	60,000
2012 Stormwater System Refunding	1-2.75%	65,000	0	(5,000)	60,000	5,000
2013 Water Tower Bond	1-4.00%	3,485,000	0	0	3,485,000	5,000
Bond Premium		87,240	0	(5,071)	82,169	0
Total General Obligation Bonds		<u>5,340,440</u>	<u>0</u>	<u>(238,271)</u>	<u>5,102,169</u>	<u>235,000</u>
Ohio Public Works Commission Loans:						
1994 East Loveland Avenue	3.00%	31,345	0	(20,741)	10,604	10,604
1994 West Booster	3.00%	12,176	0	(12,176)	0	0
1995 Lever Water Tower	3.00%	153,675	0	(36,720)	116,955	37,830
1996 Maderia Road Waterline	0.00%	98,519	0	(28,147)	70,372	28,147
1999 State Route 48 North	3.00%	149,197	0	(23,052)	126,145	23,749
2002 West Loveland Waterline	0.00%	135,000	0	(15,000)	120,000	15,000
2003 West Loveland Avenue Storm Drainage	0.00%	175,028	0	(16,666)	158,362	16,666
2004 Elyson Extension	0.00%	274,104	0	(23,831)	250,273	23,831
2005 Walker Extension	0.00%	229,591	0	(19,133)	210,458	19,133
2007 Downtown Water Line	0.00%	340,903	0	(24,350)	316,553	24,350
2008 Broadway and Hanna	0.00%	144,318	0	(9,621)	134,697	9,621
2011 Waterline Replacement	0.00%	432,530	0	(23,380)	409,150	23,380
2011 Bellwood Storm Drainage	0.00%	270,329	0	(14,612)	255,717	14,612
2012 Wall Street Waterline	0.00%	420,536	0	(24,030)	396,506	24,030
2012 Park Center Waterline	0.00%	325,914	0	(16,714)	309,200	16,714
2012 Fallis Road Waterline	0.00%	509,359	0	(26,808)	482,551	26,808
2013 Twightwee Waterline	0.00%	233,992	0	(5,850)	228,142	11,700
2013 Stoneybrook Storm Drainage	0.00%	203,448	76,152	0	279,600	13,980
Total Ohio Public Works Commission Loans		<u>4,139,964</u>	<u>76,152</u>	<u>(340,831)</u>	<u>3,875,285</u>	<u>340,155</u>
Other Long-Term Obligations:						
Compensated Absences		40,315	35,054	(16,718)	58,651	22,605
Capital Leases		1,470	0	(1,470)	0	0
Total Other Long-Term Obligations		<u>41,785</u>	<u>35,054</u>	<u>(18,188)</u>	<u>58,651</u>	<u>22,605</u>
Total Business-Type Activities		<u>\$9,522,189</u>	<u>\$111,206</u>	<u>(\$597,290)</u>	<u>\$9,036,105</u>	<u>\$597,760</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 12 - 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, 2014, follows:

Years	Governmental Activities			
	General Obligation Bonds		Installment Loan	
	Principal	Interest	Principal	Interest
2015	\$430,000	\$122,627	\$88,727	\$12,159
2016	435,000	109,513	91,654	9,232
2017	455,000	97,849	94,677	6,209
2018	225,000	80,699	97,801	3,085
2019	220,000	74,700	41,698	339
2020-2024	840,000	283,238	0	0
2025-2029	645,000	136,124	0	0
2030-2034	235,000	16,330	0	0
Totals	\$3,485,000	\$921,080	\$414,557	\$31,024

Years	Business-Type Activities			
	General Obligation Bonds		OPWC Loans	
	Principal	Interest	Principal	Interest
2015	\$235,000	\$159,098	\$340,155	\$6,993
2016	235,000	153,113	331,423	4,974
2017	235,000	146,479	319,264	3,055
2018	250,000	139,471	265,802	1,389
2019	235,000	131,230	266,587	603
2020-2024	1,200,000	574,031	1,160,821	0
2025-2029	910,000	432,934	798,723	0
2030-2034	1,010,000	266,600	392,510	0
2035-2037	710,000	57,400	0	0
Totals	\$5,020,000	\$2,060,356	\$3,875,285	\$17,014

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 12 - 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 \$555,000 at December 31, 2014, 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 \$1,175,000 at December 31, 2014, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advanced refunding.

NOTE 13 - CAPITAL LEASE COMMITMENTS

The City leases two fire engines and radio 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 \$1,137,762.

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, 2014:

<u>Year Ending December 31,</u>	<u>Governmental Capital Leases</u>
2015	\$134,514
2016	134,514
2017	95,224
2018	95,224
2019	95,224
2020-2024	476,122
2025-2029	476,123
Minimum Lease Payments	1,506,945
Less: Amount representing interest at the City's incremental borrowing rate of interest	(369,183)
Present value of minimum lease payments	<u>\$1,137,762</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 14 - INSURANCE AND RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Medical coverage is offered to employees through a self-funded insurance plan. The plan is offered to local governments state-wide through the Jefferson Health Plan (JHP) in Steubenville, Ohio and administered by United Healthcare of Ohio.

In 2014, the City began participating in the plan and makes payment 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). The City's independent advisor has actuarially determined that \$56,659 is a good and sufficient provision for incurred but not reported claims as of December 31, 2014. This amount is non-discounted and is based upon historical claims experience.

Changes in the claims liability in 2014 were as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
2014	\$0	\$248,119	(\$191,460)	\$56,659

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 15 - COMPLIANCE AND ACCOUNTABILITY

The fund deficit of \$1,475,937 in the Historic Loveland TIF Fund (capital projects fund) arose from the recognition of interfund loans payable and notes payable in the individual fund balance sheet. The fund deficits of \$26,696 in the Street Maintenance Fund, \$121,615 in the Community Improvement Corporation Fund, (special revenue funds) and \$339,042 in the Recreation Land TIF Fund (capital projects fund) 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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 16 - CONTINGENCIES

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

NOTE 17 – SIGNIFICANT COMMITMENTS

At December 31, 2014 the City had encumbrance commitments in the Governmental Funds as follows:

<u>Fund</u>	<u>Encumbrances</u>
General Fund	\$30,544
Paramedic Fund	19,000
Fire Protection Fund	27,000
Historic Loveland TIF Fund	5,721
Other Governmental Funds	<u>230,000</u>
Total Governmental Funds	<u><u>\$312,265</u></u>

The City had the following contractual commitments at December 31, 2014:

<u>Project</u>	<u>Remaining Contractual Commitment</u>	<u>Expected Date of Completion</u>
Union Cemetery Waterline and Roadway	\$776,501	June 2015
1 MG Commerce Park Water Tower	147,206	June 2015
Fifth Street Stormwater and Roadway	49,548	April 2015
Duke Energy Downtown Overhead Utility Relocation	<u>220,000</u>	September 2015
	<u><u>\$1,193,255</u></u>	

NOTE 18 – RESTATEMENT OF NET POSITION/FUND BALANCE

Adjustments were necessary to beginning of year net position/fund balance due to corrections in accounting for income taxes receivable and utilities receivable. This correction resulted in changes to beginning of year net position/fund balance as detailed below:

	<u>Governmental Activities</u>	<u>Governmental Funds</u>	<u>General Fund</u>	<u>Business-Type Activities</u>
Net Position/Fund Balance at December 31, 2013	\$22,680,458	\$6,405,322	\$4,371,670	\$11,744,095
Income Taxes/Utilities Receivable Correction	<u>682,170</u>	<u>(199,173)</u>	<u>(199,173)</u>	<u>270,084</u>
Net Position/Fund Balance, as Restated	<u><u>\$23,362,628</u></u>	<u><u>\$6,206,149</u></u>	<u><u>\$4,172,497</u></u>	<u><u>\$12,014,179</u></u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Stormwater Fund</u>	<u>Sanitation Fund</u>
Net Position/Fund Balance at December 31, 2013	\$7,530,778	\$1,942,613	\$2,130,193	\$140,511
Income Taxes/Utilities Receivable Correction	<u>52,009</u>	<u>154,097</u>	<u>16,983</u>	<u>46,995</u>
Net Position/Fund Balance, as Restated	<u><u>\$7,582,787</u></u>	<u><u>\$2,096,710</u></u>	<u><u>\$2,147,176</u></u>	<u><u>\$187,506</u></u>

*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.

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.

North End TIF Fund

To account for service payments (in lieu of taxes) as a result of a tax increment financing agreement. Proceeds from the North End TIF bond issuance were used to complete improvements around project sites in the north end of the City. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Reserves of Loveland TIF Fund

To account for service payments (in lieu of taxes) as a result of a tax increment financing agreement. These monies pay for improvements in the Reserves of Loveland housing development. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Special Projects Fund

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

Issue II Improvement Fund

To account for road and bridge construction projects funded by state grants from the Ohio Public Works Commission, pursuant to Auditor of State specifications. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Pooled Cash and Investments	\$ 226,170	\$ 470,048	\$ 696,218
Receivables:			
Accounts	1,025	0	1,025
Intergovernmental	325,030	0	325,030
Interest	0	1,449	1,449
Interfund Loans Receivable	0	327,488	327,488
Inventory of Supplies, at Cost	37,775	0	37,775
Restricted Assets:			
Cash and Cash Equivalents	53,026	0	53,026
Total Assets	\$ 643,026	\$ 798,985	\$ 1,442,011
Liabilities:			
Accounts Payable	\$ 12,640	\$ 4,793	\$ 17,433
Accrued Wages and Benefits Payable	15,631	0	15,631
Intergovernmental Payable	118	0	118
Interfund Loans Payable	389,443	376,000	765,443
Total Liabilities	417,832	380,793	798,625
Deferred Inflows of Resources:			
Unavailable Amounts	216,686	0	216,686
Total Deferred Inflows of Resources	216,686	0	216,686
Fund Balances:			
Nonspendable	37,775	0	37,775
Restricted	156,819	757,234	914,053
Unassigned	(186,086)	(339,042)	(525,128)
Total Fund Balances	8,508	418,192	426,700
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 643,026	\$ 798,985	\$ 1,442,011

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 291,609	\$ 291,609
Intergovernmental Revenue	681,617	0	855,055	1,536,672
Licenses and Permits	40,500	0	0	40,500
Investment Earnings	0	0	27,557	27,557
Special Assessments	34,223	0	73,835	108,058
Fines and Forfeitures	8,526	0	0	8,526
All Other Revenue	32,701	0	1,258	33,959
Total Revenues	797,567	0	1,249,314	2,046,881
Expenditures:				
Current:				
Transportation	780,618	0	0	780,618
General Government	579,844	0	224,305	804,149
Capital Outlay	0	0	1,069,162	1,069,162
Debt Service:				
Principal Retirement	50,443	521,800	0	572,243
Interest & Fiscal Charges	8,407	138,076	0	146,483
Total Expenditures	1,419,312	659,876	1,293,467	3,372,655
Excess (Deficiency) of Revenues Over (Under) Expenditures	(621,745)	(659,876)	(44,153)	(1,325,774)
Other Financing Sources (Uses):				
Loan Proceeds	465,000	0	0	465,000
Transfers In	0	659,876	514,370	1,174,246
Transfers Out	(56,049)	0	(193,175)	(249,224)
Total Other Financing Sources (Uses)	408,951	659,876	321,195	1,390,022
Special Item: Land Held for Resale Reclassification	0	0	(590,201)	(590,201)
Net Change in Fund Balances	(212,794)	0	(313,159)	(525,953)
Fund Balances at Beginning of Year	214,685	0	731,351	946,036
Increase in Inventory	6,617	0	0	6,617
Fund Balances End of Year	\$ 8,508	\$ 0	\$ 418,192	\$ 426,700

CITY OF LOVELAND, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014**

	Street Maintenance Fund	Enforcement and Education Fund	Permissive Motor Vehicle License Tax Fund	State Highway Fund
Assets:				
Pooled Cash and Investments	\$ 91,404	\$ 7,564	\$ 71,492	\$ 2,445
Receivables:				
Accounts	0	0	0	0
Intergovernmental	235,155	0	72,175	17,700
Inventory of Supplies, at Cost	37,775	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Total Assets	<u>\$ 364,334</u>	<u>\$ 7,564</u>	<u>\$ 143,667</u>	<u>\$ 20,145</u>
Liabilities:				
Accounts Payable	\$ 3,629	\$ 0	\$ 0	\$ 5,422
Accrued Wages and Benefits Payable	15,631	0	0	0
Intergovernmental Payable	0	0	0	0
Interfund Loans Payable	215,000	0	0	0
Total Liabilities	<u>234,260</u>	<u>0</u>	<u>0</u>	<u>5,422</u>
Deferred Inflows of Resources:				
Unavailable Amounts	156,770	0	48,116	11,800
Total Deferred Inflows of Resources	<u>156,770</u>	<u>0</u>	<u>48,116</u>	<u>11,800</u>
Fund Balances:				
Nonspendable	37,775	0	0	0
Restricted	0	7,564	95,551	2,923
Unassigned	(64,471)	0	0	0
Total Fund Balances	<u>(26,696)</u>	<u>7,564</u>	<u>95,551</u>	<u>2,923</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 364,334</u>	<u>\$ 7,564</u>	<u>\$ 143,667</u>	<u>\$ 20,145</u>

CITY OF LOVELAND, OHIO

Community Improvement Corporation Fund	Mayors Court Computer Fund	Lighting District Fund	Total Nonmajor Special Revenue Funds
\$ 0	\$ 9,854	\$ 43,411	\$ 226,170
0	1,025	0	1,025
0	0	0	325,030
0	0	0	37,775
53,026	0	0	53,026
<u>\$ 53,026</u>	<u>\$ 10,879</u>	<u>\$ 43,411</u>	<u>\$ 643,026</u>
\$ 80	\$ 0	\$ 3,509	\$ 12,640
0	0	0	15,631
118	0	0	118
174,443	0	0	389,443
<u>174,641</u>	<u>0</u>	<u>3,509</u>	<u>417,832</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>216,686</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>216,686</u>
0	0	0	37,775
0	10,879	39,902	156,819
<u>(121,615)</u>	<u>0</u>	<u>0</u>	<u>(186,086)</u>
<u>(121,615)</u>	<u>10,879</u>	<u>39,902</u>	<u>8,508</u>
<u>\$ 53,026</u>	<u>\$ 10,879</u>	<u>\$ 43,411</u>	<u>\$ 643,026</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2014**

	Street Maintenance Fund	Enforcement and Education Fund	Permissive Motor Vehicle License Tax Fund	State Highway Fund
Revenues:				
Intergovernmental Revenue	\$ 475,193	\$ 0	\$ 170,656	\$ 35,768
Licenses and Permits	0	0	40,500	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	955	0	0
All Other Revenue	21,232	0	0	0
Total Revenues	<u>496,425</u>	<u>955</u>	<u>211,156</u>	<u>35,768</u>
Expenditures:				
Current:				
Transportation	534,859	0	170,923	74,836
General Government	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest & Fiscal Charges	0	0	0	0
Total Expenditures	<u>534,859</u>	<u>0</u>	<u>170,923</u>	<u>74,836</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(38,434)	955	40,233	(39,068)
Other Financing Sources (Uses):				
Loan Proceeds	0	0	0	0
Transfers Out	(56,049)	0	0	0
Total Other Financing Sources (Uses)	<u>(56,049)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(94,483)	955	40,233	(39,068)
Fund Balances at Beginning of Year	61,170	6,609	55,318	41,991
Increase in Inventory	6,617	0	0	0
Fund Balances End of Year	<u>\$ (26,696)</u>	<u>\$ 7,564</u>	<u>\$ 95,551</u>	<u>\$ 2,923</u>

CITY OF LOVELAND, OHIO

Community Improvement Corporation Fund	Mayors Court Computer Fund	Lighting District Fund	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 681,617
0	0	0	40,500
0	0	34,223	34,223
0	7,571	0	8,526
11,469	0	0	32,701
<u>11,469</u>	<u>7,571</u>	<u>34,223</u>	<u>797,567</u>
0	0	0	780,618
541,001	5,954	32,889	579,844
50,443	0	0	50,443
8,407	0	0	8,407
<u>599,851</u>	<u>5,954</u>	<u>32,889</u>	<u>1,419,312</u>
(588,382)	1,617	1,334	(621,745)
465,000	0	0	465,000
0	0	0	(56,049)
<u>465,000</u>	<u>0</u>	<u>0</u>	<u>408,951</u>
(123,382)	1,617	1,334	(212,794)
1,767	9,262	38,568	214,685
0	0	0	6,617
<u>\$ (121,615)</u>	<u>\$ 10,879</u>	<u>\$ 39,902</u>	<u>\$ 8,508</u>

CITY OF LOVELAND, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2014**

	Recreation Land TIF Fund	Special Projects Fund	Total Nonmajor Capital Projects Funds
Assets:			
Pooled Cash and Investments	\$ 36,958	\$ 433,090	\$ 470,048
Receivables:			
Interest	0	1,449	1,449
Interfund Loans Receivable	0	327,488	327,488
Total Assets	<u>\$ 36,958</u>	<u>\$ 762,027</u>	<u>\$ 798,985</u>
Liabilities:			
Accounts Payable	\$ 0	\$ 4,793	\$ 4,793
Interfund Loans Payable	376,000	0	376,000
Total Liabilities	<u>376,000</u>	<u>4,793</u>	<u>380,793</u>
Fund Balances:			
Restricted	0	757,234	757,234
Unassigned	(339,042)	0	(339,042)
Total Fund Balances	<u>(339,042)</u>	<u>757,234</u>	<u>418,192</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 36,958</u>	<u>\$ 762,027</u>	<u>\$ 798,985</u>



**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2014**

	Recreation Land TIF Fund	North End TIF Fund	Reserves of Loveland TIF Fund	Special Projects Fund
Revenues:				
Property Taxes	\$ 0	\$ 289,438	\$ 2,171	\$ 0
Intergovernmental Revenue	0	45,767	0	148,774
Investment Earnings	0	0	0	27,557
Special Assessments	0	0	0	73,835
All Other Revenue	0	0	0	1,258
Total Revenues	<u>0</u>	<u>335,205</u>	<u>2,171</u>	<u>251,424</u>
Expenditures:				
Current:				
General Government	0	224,305	0	0
Capital Outlay	0	0	136	408,512
Total Expenditures	<u>0</u>	<u>224,305</u>	<u>136</u>	<u>408,512</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	110,900	2,035	(157,088)
Other Financing Sources (Uses):				
Transfers In	0	0	0	514,370
Transfers Out	(52,237)	(138,903)	(2,035)	0
Total Other Financing Sources (Uses)	<u>(52,237)</u>	<u>(138,903)</u>	<u>(2,035)</u>	<u>514,370</u>
Special Item: Land Held for Resale Reclassification	0	0	0	(590,201)
Net Change in Fund Balances	(52,237)	(28,003)	0	(232,919)
Fund Balances at Beginning of Year	<u>(286,805)</u>	<u>28,003</u>	<u>0</u>	<u>990,153</u>
Fund Balances End of Year	<u>\$ (339,042)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 757,234</u>

CITY OF LOVELAND, OHIO

Issue II Improvement Fund	Total Nonmajor Capital Project Funds
\$ 0	\$ 291,609
660,514	855,055
0	27,557
0	73,835
0	1,258
<u>660,514</u>	<u>1,249,314</u>
0	224,305
<u>660,514</u>	<u>1,069,162</u>
<u>660,514</u>	<u>1,293,467</u>
0	(44,153)
0	514,370
<u>0</u>	<u>(193,175)</u>
<u>0</u>	<u>321,195</u>
0	(590,201)
0	(313,159)
<u>0</u>	<u>731,351</u>
<u>\$ 0</u>	<u>\$ 418,192</u>

CITY OF LOVELAND, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 776,542	\$ 785,632	\$ 785,649	\$ 17
Municipal Income Tax	3,625,000	3,625,000	3,695,641	70,641
Intergovernmental Revenue	297,872	332,306	331,500	(806)
Charges for Services	466,773	466,773	468,369	1,596
Licenses and Permits	230,000	301,500	326,938	25,438
Special Assessments	1,000	1,048	1,048	0
Fines and Forfeitures	112,000	114,000	115,766	1,766
All Other Revenue	114,523	98,061	128,219	30,158
Total Revenues	5,623,710	5,724,320	5,853,130	128,810
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	2,111,462	2,082,319	1,993,993	88,326
Other Expenditures	611,056	546,876	493,957	52,919
Total Security of Persons and Property	2,722,518	2,629,195	2,487,950	141,245
Leisure Time Activities:				
Parks and Recreation:				
Personal Services	290,567	293,819	290,818	3,001
Other Expenditures	161,413	159,600	139,459	20,141
Total Leisure Time Activities	451,980	453,419	430,277	23,142
Community Environment:				
Building and Zoning:				
Personal Services	131,350	136,945	135,102	1,843
Other Expenditures	89,700	76,943	48,979	27,964
Total Community Environment	221,050	213,888	184,081	29,807

(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, 2014***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
General Government:				
City Council:				
Personal Services	62,061	61,990	61,242	748
Other Expenditures	9,000	11,900	13,243	(1,343)
Total City Council	<u>71,061</u>	<u>73,890</u>	<u>74,485</u>	<u>(595)</u>
City Manager:				
Personal Services	368,642	263,441	259,549	3,892
Total City Manager	<u>368,642</u>	<u>263,441</u>	<u>259,549</u>	<u>3,892</u>
Mayor's Court:				
Personal Services	82,019	82,207	82,056	151
Other Expenditures	30,500	31,784	29,362	2,422
Total Mayor's Court	<u>112,519</u>	<u>113,991</u>	<u>111,418</u>	<u>2,573</u>
Administration:				
Personal Services	7,100	2,033	1,833	200
Other Expenditures	10,000	99,788	98,993	795
Total Administration	<u>17,100</u>	<u>101,821</u>	<u>100,826</u>	<u>995</u>
Finance and Income Tax:				
Personal Services	348,502	339,648	332,556	7,092
Other Expenditures	13,350	12,525	9,481	3,044
Total Finance and Income Tax	<u>361,852</u>	<u>352,173</u>	<u>342,037</u>	<u>10,136</u>
Solicitor:				
Other Expenditures	85,000	75,000	64,945	10,055
Total Solicitor	<u>85,000</u>	<u>75,000</u>	<u>64,945</u>	<u>10,055</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, 2014***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
General Operations:				
Personal Services	19,155	119,467	119,488	(21)
Other Expenditures	1,180,087	1,141,626	751,256	390,370
Total General Operations	1,199,242	1,261,093	870,744	390,349
Engineer:				
Personal Services	16,796	17,031	17,697	(666)
Other Expenditures	3,500	4,225	4,776	(551)
Total Engineer	20,296	21,256	22,473	(1,217)
Total General Government	2,235,712	2,262,665	1,846,477	416,188
Total Expenditures	5,631,260	5,559,167	4,948,785	610,382
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,550)	165,153	904,345	739,192
Other Financing Sources (Uses):				
Sale of Capital Assets	5,000	7,023	7,859	836
Transfers In	0	62,938	62,938	0
Transfers Out	(396,994)	(905,035)	(905,035)	0
Advances In	38,000	38,000	38,000	0
Advances Out	(341,000)	(341,000)	(341,000)	0
Total Other Financing Sources (Uses)	(694,994)	(1,138,074)	(1,137,238)	836
Net Change in Fund Balance	(702,544)	(972,921)	(232,893)	740,028
Fund Balance at Beginning of Year	1,092,245	1,092,245	1,092,245	0
Prior Year Encumbrances	1,800	1,800	1,800	0
Fund Balance at End of Year	\$ 391,501	\$ 121,124	\$ 861,152	\$ 740,028

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
For the Year Ended December 31, 2014***

	PARAMEDIC FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Property Taxes	\$ 791,074	\$ 804,379	\$ 804,396	\$ 17
Intergovernmental Revenue	105,930	107,975	107,975	0
Charges for Services	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>0</u>
Total Revenues	<u>957,004</u>	<u>972,354</u>	<u>972,371</u>	<u>17</u>
Expenditures:				
Security of Persons and Property:				
Other Expenditures	<u>1,055,786</u>	<u>1,075,512</u>	<u>1,034,531</u>	<u>40,981</u>
Total Expenditures	<u>1,055,786</u>	<u>1,075,512</u>	<u>1,034,531</u>	<u>40,981</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(98,782)	(103,158)	(62,160)	40,998
Fund Balance at Beginning of Year	<u>113,983</u>	<u>113,983</u>	<u>113,983</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 15,201</u>	<u>\$ 10,825</u>	<u>\$ 51,823</u>	<u>\$ 40,998</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
For the Year Ended December 31, 2014**

FIRE AND EMS FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 447,211	\$ 454,713	\$ 454,722	\$ 9
Intergovernmental Revenue	59,217	60,359	60,359	0
All Other Revenues	32,000	22,487	22,487	0
Total Revenues	<u>538,428</u>	<u>537,559</u>	<u>537,568</u>	<u>9</u>
Expenditures:				
Security of Persons and Property:				
Other Expenditures	661,777	675,097	644,523	30,574
Total Expenditures	<u>661,777</u>	<u>675,097</u>	<u>644,523</u>	<u>30,574</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(123,349)	(137,538)	(106,955)	30,583
Other Financing Sources (Uses):				
Transfers Out	(144,543)	(144,543)	(144,543)	0
Total Other Financing Sources (Uses)	<u>(144,543)</u>	<u>(144,543)</u>	<u>(144,543)</u>	<u>0</u>
Net Change in Fund Balance	(267,892)	(282,081)	(251,498)	30,583
Fund Balance at Beginning of Year	56,793	56,793	56,793	0
Prior Year Encumbrances	229,052	229,052	229,052	0
Fund Balance at End of Year	<u>\$ 17,953</u>	<u>\$ 3,764</u>	<u>\$ 34,347</u>	<u>\$ 30,583</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
For the Year Ended December 31, 2014***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 535,889	\$ 544,901	\$ 544,912	\$ 11
Intergovernmental Revenue	71,759	73,144	73,144	0
All Other Revenues	18,600	18,600	18,600	0
Total Revenues	<u>626,248</u>	<u>636,645</u>	<u>636,656</u>	<u>11</u>
Expenditures:				
Security of Persons and Property:				
Other Expenditures	<u>636,386</u>	<u>669,685</u>	<u>624,773</u>	<u>44,912</u>
Total Expenditures	<u>636,386</u>	<u>669,685</u>	<u>624,773</u>	<u>44,912</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,138)	(33,040)	11,883	44,923
Fund Balance at Beginning of Year	<u>45,648</u>	<u>45,648</u>	<u>45,648</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 35,510</u>	<u>\$ 12,608</u>	<u>\$ 57,531</u>	<u>\$ 44,923</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
For the Year Ended December 31, 2014***

HISTORIC LOVELAND TIF FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$ 2,550	\$ 2,550	\$ 0
Intergovernmental Revenue	<u>30</u>	<u>30</u>	<u>0</u>
Total Revenues	<u>2,580</u>	<u>2,580</u>	<u>0</u>
Expenditures:			
Capital Outlay:			
Other Expenditures	<u>408,347</u>	<u>289,405</u>	<u>118,942</u>
Total Capital Outlay	408,347	289,405	118,942
Debt Service:			
Principal Retirement	674,595	674,595	0
Interest and Fiscal Charges	<u>10,271</u>	<u>10,271</u>	<u>0</u>
Total Expenditures	<u>1,093,213</u>	<u>974,271</u>	<u>118,942</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,090,633)	(971,691)	118,942
Other Financing Sources (Uses):			
Sale of Land	180,000	180,000	0
Proceeds from Special Obligation Notes	629,133	629,133	0
Transfers Out	(104,985)	(104,985)	0
Advances In	<u>300,000</u>	<u>300,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>1,004,148</u>	<u>1,004,148</u>	<u>0</u>
Net Change in Fund Balance	(86,485)	32,457	118,942
Fund Balance at Beginning of Year	101,714	101,714	0
Prior Year Encumbrances	<u>23,255</u>	<u>23,255</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 38,484</u>	<u>\$ 157,426</u>	<u>\$ 118,942</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, 2014***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	<u>\$ 115,180</u>	<u>\$ 115,180</u>	<u>\$ 0</u>
Total Revenues	<u>115,180</u>	<u>115,180</u>	<u>0</u>
Expenditures:			
General Government:			
Personal Services	1,391,432	3,666	1,387,766
Other Expenditures	<u>111,507</u>	<u>111,507</u>	<u>0</u>
Total Expenditures	<u>1,502,939</u>	<u>115,173</u>	<u>1,387,766</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,387,759)	7	1,387,766
Other Financing Sources (Uses):			
Transfers In	<u>39,500</u>	<u>39,500</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>39,500</u>	<u>39,500</u>	<u>0</u>
Net Change in Fund Balance	(1,348,259)	39,507	1,387,766
Fund Balance at Beginning of Year	<u>1,348,259</u>	<u>1,348,259</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 1,387,766</u>	<u>\$ 1,387,766</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, 2014***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
STREET MAINTENANCE FUND			
Revenues:			
Intergovernmental Revenue	\$ 462,000	\$ 472,448	\$ 10,448
All Other Revenues	12,498	21,232	8,734
Total Revenues	474,498	493,680	19,182
Expenditures:			
Transportation:			
Personal Services	359,582	357,328	2,254
Other Expenditures	239,055	182,424	56,631
Total Expenditures	598,637	539,752	58,885
Excess (Deficiency) of Revenues Over (Under) Expenditures	(124,139)	(46,072)	78,067
Other Financing Sources (Uses):			
Transfers Out	(56,049)	(56,049)	0
Advances In	15,000	15,000	0
Total Other Financing Sources (Uses)	(41,049)	(41,049)	0
Net Change in Fund Balance	(165,188)	(87,121)	78,067
Fund Balance at Beginning of Year	172,906	172,906	0
Prior Year Encumbrances	5,619	5,619	0
Fund Balance at End of Year	\$ 13,337	\$ 91,404	\$ 78,067

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, 2014***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 995	\$ 1,030	\$ 35
Total Revenues	<u>995</u>	<u>1,030</u>	<u>35</u>
Expenditures:			
Security of Persons and Property:			
Other Expenditures	<u>5,646</u>	<u>0</u>	<u>5,646</u>
Total Expenditures	<u>5,646</u>	<u>0</u>	<u>5,646</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,651)	1,030	5,681
Fund Balance at Beginning of Year	<u>6,534</u>	<u>6,534</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,883</u>	<u>\$ 7,564</u>	<u>\$ 5,681</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, 2014***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenue	\$ 165,985	\$ 169,010	\$ 3,025
Licenses and Permits	<u>39,500</u>	<u>40,500</u>	<u>1,000</u>
Total Revenues	<u>205,485</u>	<u>209,510</u>	<u>4,025</u>
Expenditures:			
Transportation:			
Other Expenditures	<u>221,525</u>	<u>170,923</u>	<u>50,602</u>
Total Expenditures	<u>221,525</u>	<u>170,923</u>	<u>50,602</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,040)	38,587	54,627
Fund Balance at Beginning of Year	<u>32,905</u>	<u>32,905</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 16,865</u>	<u>\$ 71,492</u>	<u>\$ 54,627</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, 2014***

	STATE HIGHWAY FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental Revenue	\$ 34,600	\$ 35,561	\$ 961
Total Revenues	<u>34,600</u>	<u>35,561</u>	<u>961</u>
Expenditures:			
Transportation:			
Other Expenditures	<u>76,843</u>	<u>75,832</u>	<u>1,011</u>
Total Expenditures	<u>76,843</u>	<u>75,832</u>	<u>1,011</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(42,243)	(40,271)	1,972
Fund Balance at Beginning of Year	27,716	27,716	0
Prior Year Encumbrances	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 473</u>	<u>\$ 2,445</u>	<u>\$ 1,972</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, 2014***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 10,474	\$ 11,469	\$ 995
Total Revenues	10,474	11,469	995
Expenditures:			
General Government:			
Other Expenditures	116,211	75,803	40,408
Total General Government	116,211	75,803	40,408
Debt Service:			
Principal Retirement	50,443	50,443	0
Interest and Fiscal Charges	8,407	8,407	0
Total Expenditures	175,061	134,653	40,408
Excess (Deficiency) of Revenues Over (Under) Expenditures	(164,587)	(123,184)	41,403
Other Financing Sources (Uses):			
Transfers In	174,443	174,443	0
Total Other Financing Sources (Uses)	174,443	174,443	0
Net Change in Fund Balance	9,856	51,259	41,403
Fund Balance at Beginning of Year	1,767	1,767	0
Fund Balance at End of Year	\$ 11,623	\$ 53,026	\$ 41,403

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, 2014***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 5,700	\$ 7,046	\$ 1,346
Total Revenues	<u>5,700</u>	<u>7,046</u>	<u>1,346</u>
Expenditures:			
General Government:			
Other Expenditures	<u>12,335</u>	<u>5,954</u>	<u>6,381</u>
Total Expenditures	<u>12,335</u>	<u>5,954</u>	<u>6,381</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,635)	1,092	7,727
Fund Balance at Beginning of Year	<u>8,762</u>	<u>8,762</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,127</u>	<u>\$ 9,854</u>	<u>\$ 7,727</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, 2014***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 34,223	\$ 34,223	\$ 0
Total Revenues	<u>34,223</u>	<u>34,223</u>	<u>0</u>
Expenditures:			
General Government:			
Other Expenditures	<u>64,031</u>	<u>29,380</u>	<u>34,651</u>
Total Expenditures	<u>64,031</u>	<u>29,380</u>	<u>34,651</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,808)	4,843	34,651
Other Financing Sources (Uses):			
Fund Balance at Beginning of Year	<u>38,568</u>	<u>38,568</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,760</u>	<u>\$ 43,411</u>	<u>\$ 34,651</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, 2014**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
Debt Service:			
Principal Retirement	521,800	521,800	0
Interest and Fiscal Charges	<u>138,076</u>	<u>138,076</u>	<u>0</u>
Total Expenditures	<u>659,876</u>	<u>659,876</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(659,876)	(659,876)	0
Other Financing Sources (Uses):			
Transfers In	<u>659,876</u>	<u>659,876</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>659,876</u>	<u>659,876</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, 2014**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
Debt Service:			
Interest and Fiscal Charges	<u>27,718</u>	<u>0</u>	<u>27,718</u>
Total Expenditures	<u>27,718</u>	<u>0</u>	<u>27,718</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,718)	0	27,718
Other Financing Sources (Uses):			
Transfers Out	(52,238)	(52,237)	1
Advances In	<u>26,000</u>	<u>26,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(26,238)</u>	<u>(26,237)</u>	<u>1</u>
Net Change in Fund Balance	(53,956)	(26,237)	27,719
Fund Balance at Beginning of Year	<u>63,195</u>	<u>63,195</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 9,239</u>	<u>\$ 36,958</u>	<u>\$ 27,719</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, 2014***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)			
Revenues:						
Property Taxes	\$ 289,438	\$ 289,438	\$ 0			
Intergovernmental Revenue	45,767	45,767	0			
Total Revenues	<u>335,205</u>	<u>335,205</u>	<u>0</u>			
Expenditures:						
General Government:						
Other Expenditures	224,305	224,305	0			
Total Expenditures	<u>224,305</u>	<u>224,305</u>	<u>0</u>			
Excess (Deficiency) of Revenues Over (Under) Expenditures				110,900	110,900	0
Other Financing Sources (Uses):						
Transfers Out	(138,903)	(138,903)	0			
Total Other Financing Sources (Uses)	<u>(138,903)</u>	<u>(138,903)</u>	<u>0</u>			
Net Change in Fund Balance	(28,003)	(28,003)	0			
Fund Balance at Beginning of Year	28,003	28,003	0			
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, 2014**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$ 2,171	\$ 2,171	\$ 0
Total Revenues	<u>2,171</u>	<u>2,171</u>	<u>0</u>
Expenditures:			
Capital Outlay:			
Other Expenditures	<u>136</u>	<u>136</u>	<u>0</u>
Total Expenditures	<u>136</u>	<u>136</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,035	2,035	0
Other Financing Sources (Uses):			
Transfers Out	<u>(2,035)</u>	<u>(2,035)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(2,035)</u>	<u>(2,035)</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, 2014***

SPECIAL PROJECTS FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenue	\$ 148,689	\$ 148,774	\$ 85
Investment Earnings	20,000	26,056	6,056
Special Assessments	73,835	73,835	0
All Other Revenues	1,258	1,258	0
Total Revenues	<u>243,782</u>	<u>249,923</u>	<u>6,141</u>
Expenditures:			
Capital Outlay:			
Other Expenditures	<u>824,528</u>	<u>633,769</u>	<u>190,759</u>
Total Expenditures	<u>824,528</u>	<u>633,769</u>	<u>190,759</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(580,746)	(383,846)	196,900
Other Financing Sources (Uses):			
Transfers In	514,370	514,370	0
Advances In	<u>17,000</u>	<u>17,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>531,370</u>	<u>531,370</u>	<u>0</u>
Net Change in Fund Balance	(49,376)	147,524	196,900
Fund Balance at Beginning of Year	39,156	39,156	0
Prior Year Encumbrances	<u>14,265</u>	<u>14,265</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,045</u>	<u>\$ 200,945</u>	<u>\$ 196,900</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, 2014**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenue	\$ 660,514	\$ 660,514	\$ 0
Total Revenues	<u>660,514</u>	<u>660,514</u>	<u>0</u>
Expenditures:			
Capital Outlay:			
Other Expenditures	<u>660,514</u>	<u>660,514</u>	<u>0</u>
Total Expenditures	<u>660,514</u>	<u>660,514</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	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>

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.

CITY OF LOVELAND, OHIO

***Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended December 31, 2014***

	Balance December 31, 2013	Additions	Deductions	Balance December 31, 2014
<u>Mayor's Court Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	\$17,295	\$163,321	(\$165,216)	\$15,400
Total Assets	\$17,295	\$163,321	(\$165,216)	\$15,400
Liabilities:				
Due to Others	\$17,295	\$163,321	(\$165,216)	\$15,400
Total Liabilities	\$17,295	\$163,321	(\$165,216)	\$15,400

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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities:				
Net Investment in Capital Assets	\$14,207,002	\$15,395,203	\$14,830,399	\$13,937,128
Restricted	4,498,421	3,969,165	4,200,529	3,305,252
Unrestricted	(341,243)	(616,173)	(707,089)	851,135
Total Governmental Activities Net Position	<u>\$18,364,180</u>	<u>\$18,748,195</u>	<u>\$18,323,839</u>	<u>\$18,093,515</u>
Business-type Activities:				
Net Investment in Capital Assets	\$11,316,432	\$11,557,627	\$12,277,363	\$12,231,619
Restricted	0	0	0	0
Unrestricted	3,658,025	3,440,553	3,406,114	2,621,728
Total Business-type Activities Net Position	<u>\$14,974,457</u>	<u>\$14,998,180</u>	<u>\$15,683,477</u>	<u>\$14,853,347</u>
Primary Government:				
Net Investment in Capital Assets	\$25,523,434	\$26,952,830	\$27,107,762	\$26,168,747
Restricted	4,498,421	3,969,165	4,200,529	3,305,252
Unrestricted	3,316,782	2,824,380	2,699,025	3,472,863
Total Primary Government Net Position	<u>\$33,338,637</u>	<u>\$33,746,375</u>	<u>\$34,007,316</u>	<u>\$32,946,862</u>

*Restated

Source: Finance Director's Office

City of Loveland

2009	2010	2011	*	*	2014
2009	2010	2011	2012	2013	2014
\$13,217,802	\$13,337,321	\$13,154,734	\$15,270,813	\$16,042,573	\$19,348,404
3,906,402	4,083,734	3,572,372	3,250,298	2,679,663	1,466,093
1,935,108	2,127,266	2,645,239	3,173,831	4,640,392	3,238,262
<u>\$19,059,312</u>	<u>\$19,548,321</u>	<u>\$19,372,345</u>	<u>\$21,694,942</u>	<u>\$23,362,628</u>	<u>\$24,052,759</u>
\$12,778,863	\$12,477,954	\$12,112,597	\$9,655,406	\$9,836,758	\$9,343,559
0	0	0	0	0	0
1,808,016	1,403,373	1,819,854	1,738,906	2,177,421	2,385,083
<u>\$14,586,879</u>	<u>\$13,881,327</u>	<u>\$13,932,451</u>	<u>\$11,394,312</u>	<u>\$12,014,179</u>	<u>\$11,728,642</u>
\$25,996,665	\$25,815,275	\$25,267,331	\$24,926,219	\$25,879,331	\$28,691,963
3,906,402	4,083,734	3,572,372	3,250,298	2,679,663	1,466,093
3,743,124	3,530,639	4,465,093	4,912,737	6,817,813	5,623,345
<u>\$33,646,191</u>	<u>\$33,429,648</u>	<u>\$33,304,796</u>	<u>\$33,089,254</u>	<u>\$35,376,807</u>	<u>\$35,781,401</u>

City of Loveland

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

	2005	2006	2007	2008
Expenses				
Governmental Activities:				
Security of Persons and Property	\$3,719,720	\$4,346,319	\$4,612,689	\$5,343,477
Leisure Time Activities	403,470	450,602	767,098	517,700
Community Environment	171,196	190,075	202,433	203,022
Transportation	940,464	955,852	822,605	1,035,895
General Government	3,979,065	2,509,016	3,377,258	2,801,985
Interest and Fiscal Charges	297,141	404,929	216,768	240,374
<i>Total Governmental Activities Expenses</i>	<u>9,511,056</u>	<u>8,856,793</u>	<u>9,998,851</u>	<u>10,142,453</u>
Business-type Activities:				
Water	1,432,013	1,473,226	1,217,657	1,422,913
Sewer	1,755,232	2,047,054	2,048,683	2,764,222
Stormwater	793,667	433,421	410,702	557,324
Sanitation	959,381	852,792	1,121,598	1,089,836
<i>Total Business-type Activities Expenses</i>	<u>4,940,293</u>	<u>4,806,493</u>	<u>4,798,640</u>	<u>5,834,295</u>
<i>Total Primary Government Expenses</i>	<u>\$14,451,349</u>	<u>\$13,663,286</u>	<u>\$14,797,491</u>	<u>\$15,976,748</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$210,744	\$212,250	\$187,830	\$180,356
Leisure Time Activities	35,672	28,500	11,500	20,000
Community Environment	127,866	108,819	100,258	92,605
Transportation	35,171	29,000	12,001	18,000
General Government	9,248	14,562	14,430	21,180
Operating Grants and Contributions	560,818	594,683	668,860	671,422
Capital Grants and Contributions	620,895	1,260,667	1,132,005	835,491
<i>Total Governmental Activities Program Revenues</i>	<u>1,600,414</u>	<u>2,248,481</u>	<u>2,126,884</u>	<u>1,839,054</u>

City of Loveland

2009	2010	2011	2012	2013	2014
\$5,029,548	\$5,337,088	\$5,110,699	\$4,837,756	\$4,774,133	\$4,788,410
535,168	944,693	509,744	523,757	459,669	557,894
209,411	236,337	221,506	172,262	184,344	189,090
1,104,950	1,334,262	1,019,091	905,724	925,791	1,089,455
2,345,473	2,062,417	2,068,656	1,954,219	1,625,043	2,218,449
191,634	192,228	344,242	391,273	172,961	163,308
<u>9,416,184</u>	<u>10,107,025</u>	<u>9,273,938</u>	<u>8,784,991</u>	<u>8,141,941</u>	<u>9,006,606</u>
1,539,006	1,546,890	1,483,481	2,008,015	1,371,256	2,002,504
2,488,670	3,065,893	3,002,905	3,297,500	3,474,707	3,675,503
506,995	444,412	479,090	422,135	370,944	436,323
1,129,758	1,187,767	982,682	1,043,202	1,099,467	1,091,547
<u>5,664,429</u>	<u>6,244,962</u>	<u>5,948,158</u>	<u>6,770,852</u>	<u>6,316,374</u>	<u>7,205,877</u>
<u>\$15,080,613</u>	<u>\$16,351,987</u>	<u>\$15,222,096</u>	<u>\$15,555,843</u>	<u>\$14,458,315</u>	<u>\$16,212,483</u>
\$192,611	\$198,239	\$189,146	\$192,509	\$181,463	\$182,785
0	0	0	26,505	29,500	40,500
57,371	81,992	135,082	178,239	158,425	165,852
5,250	13,692	13,748	26,505	29,500	40,500
15,180	57,206	70,734	71,170	65,042	92,168
864,967	573,445	663,752	710,800	679,478	676,950
286,503	948,474	29,910	0	104,150	836,473
<u>1,421,882</u>	<u>1,873,048</u>	<u>1,102,372</u>	<u>1,205,728</u>	<u>1,247,558</u>	<u>2,035,228</u>

(continued)

City of Loveland

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

	2005	2006	2007	2008
Business-type Activities:				
Charges for Services				
Water	1,700,946	1,726,449	1,634,041	1,266,286
Sewer	1,712,197	1,973,690	2,143,691	2,329,042
Stormwater	382,111	414,910	384,368	388,463
Sanitation	927,371	969,340	795,395	1,209,719
Operating Grants and Contributions	0	22,187	26,839	32,983
Capital Grants and Contributions	2,422,415	0	205,322	116,009
<i>Total Business-type Activities Program Revenues</i>	<u>7,145,040</u>	<u>5,106,576</u>	<u>5,189,656</u>	<u>5,342,502</u>
<i>Total Primary Government Program Revenues</i>	<u>8,745,454</u>	<u>7,355,057</u>	<u>7,316,540</u>	<u>7,181,556</u>
Net (Expense)/Revenue				
Governmental Activities	(7,910,642)	(6,608,312)	(7,871,967)	(8,303,399)
Business-type Activities	2,204,747	300,083	391,016	(491,793)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$5,705,895)</u>	<u>(\$6,308,229)</u>	<u>(\$7,480,951)</u>	<u>(\$8,795,192)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes	\$2,100,856	\$2,438,196	\$2,985,089	\$3,072,053
Municipal Income Taxes	2,443,582	2,730,911	2,965,645	2,824,928
Other Local Taxes	128,096	128,247	132,328	131,863
Intergovernmental, Unrestricted	1,452,550	709,874	882,095	1,086,197
Investment Earnings	253,651	343,815	407,997	159,585
Miscellaneous	487,977	364,924	368,738	460,112
Transfers	251,231	276,360	(294,281)	338,337
<i>Total Governmental Activities</i>	<u>7,117,943</u>	<u>6,992,327</u>	<u>7,447,611</u>	<u>8,073,075</u>
Business-type Activities:				
Transfers	(251,231)	(276,360)	294,281	(338,337)
<i>Total Business-type Activities</i>	<u>(251,231)</u>	<u>(276,360)</u>	<u>294,281</u>	<u>(338,337)</u>
<i>Total Primary Government</i>	<u>\$6,866,712</u>	<u>\$6,715,967</u>	<u>\$7,741,892</u>	<u>\$7,734,738</u>
Change in Net Position				
Governmental Activities	(\$792,699)	\$384,015	(\$424,356)	(\$230,324)
Business-type Activities	1,953,516	23,723	685,297	(830,130)
<i>Total Primary Government Change in Net Position</i>	<u>\$1,160,817</u>	<u>\$407,738</u>	<u>\$260,941</u>	<u>(\$1,060,454)</u>

Source: Finance Director's Office

City of Loveland

2009	2010	2011	2012	2013	2014
1,386,316	1,433,636	1,534,373	1,619,459	1,584,915	1,589,706
2,349,649	2,882,618	3,259,099	3,280,557	3,747,355	3,763,128
359,229	402,697	437,022	446,027	444,496	432,907
948,542	1,078,338	1,098,143	1,053,516	1,095,765	1,093,114
539,008	32,822	47,017	42,044	36,918	37,475
0	0	0	0	0	51,350
<u>5,582,744</u>	<u>5,830,111</u>	<u>6,375,654</u>	<u>6,441,603</u>	<u>6,909,449</u>	<u>6,967,680</u>
<u>7,004,626</u>	<u>7,703,159</u>	<u>7,478,026</u>	<u>7,647,331</u>	<u>8,157,007</u>	<u>9,002,908</u>
(7,994,302)	(8,233,977)	(8,171,566)	(7,579,263)	(6,894,383)	(6,971,378)
(81,685)	(414,851)	427,496	(329,249)	593,075	(238,197)
<u>(\$8,075,987)</u>	<u>(\$8,648,828)</u>	<u>(\$7,744,070)</u>	<u>(\$7,908,512)</u>	<u>(\$6,301,308)</u>	<u>(\$7,209,575)</u>
\$3,205,528	\$3,348,829	\$2,787,525	\$2,834,027	\$2,879,782	\$2,872,211
3,102,429	3,575,815	3,363,631	3,566,706	3,598,230	3,634,505
138,338	142,245	181,457	152,759	161,261	156,184
1,367,957	867,124	860,409	874,364	793,951	596,562
166,647	60,479	75,345	32,693	37,912	36,690
794,417	437,793	350,851	232,421	435,555	318,017
184,783	290,701	376,372	215,616	(26,792)	47,340
<u>8,960,099</u>	<u>8,722,986</u>	<u>7,995,590</u>	<u>7,908,586</u>	<u>7,879,899</u>	<u>7,661,509</u>
(184,783)	(290,701)	(376,372)	(215,616)	26,792	(47,340)
<u>(184,783)</u>	<u>(290,701)</u>	<u>(376,372)</u>	<u>(215,616)</u>	<u>26,792</u>	<u>(47,340)</u>
<u>\$8,775,316</u>	<u>\$8,432,285</u>	<u>\$7,619,218</u>	<u>\$7,692,970</u>	<u>\$7,906,691</u>	<u>\$7,614,169</u>
\$965,797	\$489,009	(\$175,976)	\$329,323	\$985,516	\$690,131
(266,468)	(705,552)	51,124	(544,865)	619,867	(285,537)
<u>\$699,329</u>	<u>(\$216,543)</u>	<u>(\$124,852)</u>	<u>(\$215,542)</u>	<u>\$1,605,383</u>	<u>\$404,594</u>

City of Loveland

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	13,136	10,889	17,993	250
Unreserved	<u>89,881</u>	<u>(85,676)</u>	<u>(102,504)</u>	<u>(168,501)</u>
<i>Total General Fund</i>	<u>103,017</u>	<u>(74,787)</u>	<u>(84,511)</u>	<u>(168,251)</u>
All Other Governmental Funds				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Unassigned	0	0	0	0
Reserved	86,525	253,614	78,232	75,330
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	3,579,051	3,030,043	2,977,059	2,301,279
Debt Service Funds	0	0	0	0
Capital Projects Funds	<u>393,671</u>	<u>287,646</u>	<u>726,388</u>	<u>556,079</u>
<i>Total All Other Governmental Funds</i>	<u>4,059,247</u>	<u>3,571,303</u>	<u>3,781,679</u>	<u>2,932,688</u>
<i>Total Governmental Funds</i>	<u><u>\$4,162,264</u></u>	<u><u>\$3,496,516</u></u>	<u><u>\$3,697,168</u></u>	<u><u>\$2,764,437</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

*

2009	2010	2011	2012	2013	2014
\$0	\$0	\$0	\$0	\$0	\$0
0	0	16,986	60,149	407,220	245,738
0	0	2,863,996	3,241,068	3,765,277	4,301,272
24,505	54,291	0	0	0	0
2,001,983	2,563,780	0	0	0	0
<u>2,026,488</u>	<u>2,618,071</u>	<u>2,880,982</u>	<u>3,301,217</u>	<u>4,172,497</u>	<u>4,547,010</u>
\$0	\$0	\$2,600,937	\$2,610,992	\$31,158	\$37,775
0	0	937,726	781,979	2,289,299	1,097,524
0	0	(938,059)	(1,141,994)	(286,805)	(2,001,065)
114,103	134,303	0	0	0	0
696,367	691,493	0	0	0	0
0	0	0	0	0	0
854,876	576,303	0	0	0	0
<u>1,665,346</u>	<u>1,402,099</u>	<u>2,600,604</u>	<u>2,250,977</u>	<u>2,033,652</u>	<u>(865,766)</u>
<u>\$3,691,834</u>	<u>\$4,020,170</u>	<u>\$5,481,586</u>	<u>\$5,552,194</u>	<u>\$6,206,149</u>	<u>\$3,681,244</u>

City of Loveland

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

	2005	2006	2007	2008
Revenues:				
Property Taxes	\$2,090,574	\$2,389,645	\$2,964,146	\$3,073,984
Municipal Income Tax	2,400,335	2,743,318	3,097,973	2,807,415
Intergovernmental Revenue	3,321,930	2,127,895	2,682,436	1,891,950
Charges for Services	69,248	74,562	74,432	81,180
Licenses and Permits	198,709	166,319	123,759	130,605
Investment Earnings	242,767	325,297	430,665	164,384
Special Assessments	0	0	0	0
Fines and Forfeitures	150,744	152,250	127,828	120,356
All Other Revenue	512,486	364,924	368,738	460,112
Total Revenues	8,986,793	8,344,210	9,869,977	8,729,986
Expenditures:				
Current:				
Security of Persons and Property	3,816,152	4,032,737	4,367,726	4,990,380
Leisure Time Activities	296,215	340,382	330,872	350,259
Community Environment	171,196	190,075	202,433	203,022
Transportation	583,054	569,508	707,969	644,154
General Government	1,988,533	2,374,938	3,239,895	2,720,210
Capital Outlay	2,446,662	856,324	1,981,773	426,210
Debt Service:				
Principal Retirement	481,995	545,991	603,658	629,211
Interest and Fiscal Charges	301,384	403,130	209,385	246,205
Total Expenditures	10,085,191	9,313,085	11,643,711	10,209,651
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,098,398)	(968,875)	(1,773,734)	(1,479,665)

City of Loveland

2009	2010	2011	2012	2013	2014
\$3,214,895	\$3,457,467	\$2,720,526	\$2,875,721	\$2,887,385	\$2,870,722
3,104,703	3,483,522	3,447,047	3,496,995	3,722,897	3,723,125
2,349,684	2,600,644	1,577,254	1,559,656	1,583,098	2,108,775
75,180	81,769	144,706	75,933	78,118	78,596
62,621	95,684	307,596	313,988	337,581	367,765
166,704	60,997	75,345	32,693	37,912	36,690
0	35,437	81,369	112,305	92,902	109,106
132,611	138,239	129,146	132,509	121,463	122,785
513,636	437,793	350,851	232,421	435,555	318,017
<u>9,620,034</u>	<u>10,391,552</u>	<u>8,833,840</u>	<u>8,832,221</u>	<u>9,296,911</u>	<u>9,735,581</u>

4,768,110	4,753,802	4,865,064	4,542,557	4,578,183	5,833,472
415,471	607,256	391,113	405,289	344,436	434,864
209,411	236,337	209,694	183,688	184,730	189,090
697,418	686,513	595,393	646,133	712,908	780,618
2,325,495	1,910,296	2,074,607	2,087,152	1,730,094	2,263,090
160,224	1,369,902	318,937	226,810	347,122	1,353,063
652,671	683,162	685,212	643,828	573,500	572,243
187,969	188,266	329,285	347,441	202,174	159,283
<u>9,416,769</u>	<u>10,435,534</u>	<u>9,469,305</u>	<u>9,082,898</u>	<u>8,673,147</u>	<u>11,585,723</u>

203,265	(43,982)	(635,465)	(250,677)	623,764	(1,850,142)
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(continued)

City of Loveland

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

	2005	2006	2007	2008
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Other Financing Sources - Capital Leases	0	0	0	0
Loan Proceeds	0	0	0	0
Ohio Public Works Commission Loan Issuance	461,360	0	487,003	192,423
Issuance of General Obligation Bonds	0	0	1,150,000	0
Refunding General Obligation Bonds Issued	2,529,181	0	0	0
Premium on General Obligation Bonds	0	0	903	0
Payment to Refunded Bond Escrow Agent	(1,657,828)	0	0	0
Transfers In	1,933,090	2,455,672	2,681,575	2,998,318
Transfers Out	(1,681,859)	(2,179,312)	(2,346,922)	(2,659,981)
Total Other Financing Sources (Uses)	<u>1,583,944</u>	<u>276,360</u>	<u>1,972,559</u>	<u>530,760</u>
Special Items:	0	0	0	0
Net Change in Fund Balance	<u>\$485,546</u>	<u>(\$692,515)</u>	<u>\$198,825</u>	<u>(\$948,905)</u>
Debt Service as a Percentage of Noncapital Expenditures	8.44%	12.14%	7.90%	10.16%

Source: Finance Director's Office

City of Loveland

2009	2010	2011	2012	2013	2014
337,309	90,866	11,400	9,505	8,088	7,859
0	0	0	0	0	1,137,762
0	0	0	0	0	465,000
0	0	0	75,698	0	0
190,800	0	1,700,000	0	215,000	0
0	0	0	715,000	0	0
2,355	0	0	0	20,616	0
0	0	0	(704,589)	0	0
1,833,531	840,449	946,651	889,160	745,216	1,237,184
(1,648,748)	(549,748)	(570,279)	(673,544)	(699,063)	(1,189,844)
<u>715,247</u>	<u>381,567</u>	<u>2,087,772</u>	<u>311,230</u>	<u>289,857</u>	<u>1,657,961</u>
0	0	0	0	0	(2,339,341)
<u>\$918,512</u>	<u>\$337,585</u>	<u>\$1,452,307</u>	<u>\$60,553</u>	<u>\$913,621</u>	<u>(\$2,531,522)</u>
9.37%	8.77%	10.99%	11.59%	9.66%	8.43%

City of Loveland

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Income Tax Rate	1.00%	1.00%	1.00%	1.00%
Total Tax Collected	\$2,602,265	\$2,708,828	\$3,097,973	\$3,083,907
Income Tax Receipts				
Withholding	1,467,191	1,568,743	1,698,902	1,779,420
Percentage	57%	58%	55%	58%
Corporate	245,288	268,232	433,910	284,731
Percentage	9%	10%	14%	9%
Individuals	889,786	871,853	965,161	1,019,756
Percentage	34%	32%	31%	33%

Source: City Income Tax Department

City of Loveland

2009	2010	2011	2012	2013	2014
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
\$3,085,883	\$2,728,206	\$3,155,299	\$3,338,486	\$3,572,018	\$3,504,233
1,744,064	1,655,743	1,855,112	1,848,693	1,969,933	1,947,710
57%	61%	59%	55%	55%	55%
311,667	277,815	359,024	454,367	451,949	440,386
10%	10%	11%	14%	13%	13%
1,030,152	794,648	941,163	1,035,426	1,150,136	1,116,137
33%	29%	30%	31%	32%	32%

City of Loveland

Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2014

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

Local Taxes Paid by Residents

Taxes Paid to Loveland

Taxes Credited to Other Municipalities

Tax Dollars

\$3,007,773

1,619,570

\$4,627,343

Calendar Year 2005

Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	2,060	39.22%	\$13,462,684	5.14%
20,000 - 49,999	1,337	25.45%	43,348,641	16.56%
50,000 - 74,999	612	11.65%	42,568,077	16.27%
75,000 - 99,999	520	9.90%	42,598,548	16.28%
Over 100,000	724	13.78%	119,724,506	45.75%
Total	5,253	100.00%	\$261,702,456	100.00%

Local Taxes Paid by Residents

Taxes Paid to Loveland

Taxes Credited to Other Municipalities

Tax Dollars

\$2,617,025

1,435,549

\$4,052,574

Source: City Income Tax Department



City of Loveland

Ratios of Outstanding Debt By Type Last Ten Years

	2005	2006	2007	2008
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$4,183,770	\$3,859,289	\$4,629,808	\$4,245,327
Installment Loan	0	0	0	0
Capital Leases	154,688	99,768	42,841	14,514
Business-type Activities ⁽¹⁾				
General Obligation Bonds Payable	\$3,050,000	\$2,895,000	\$3,015,000	\$2,835,000
Ohio Public Works Commission Loans	2,711,385	2,495,394	2,763,737	2,716,949
Capital Leases	116,560	79,658	42,890	28,397
Total Primary Government	<u>\$10,216,403</u>	<u>\$9,429,109</u>	<u>\$10,494,276</u>	<u>\$9,840,187</u>
Population ⁽²⁾				
City of Loveland	N/A	N/A	N/A	11,990
Outstanding Debt Per Capita	N/A	N/A	N/A	\$821
Income ⁽³⁾				
Personal	N/A	N/A	N/A	309,797,300
Percentage of Personal Income	N/A	N/A	N/A	3.18%

Sources:

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

City of Loveland

2009	2010	2011	2012	2013	2014
\$4,016,646	\$3,568,665	\$4,853,800	\$4,365,300	\$4,006,800	\$3,485,000
0	0	0	0	0	414,557
0	0	0	0	0	1,137,762
\$2,524,593	\$2,322,493	\$2,128,895	\$2,005,581	\$5,340,440	\$5,102,169
2,489,278	2,259,616	2,787,751	3,953,604	4,139,964	3,875,285
23,088	18,005	12,714	7,206	1,470	0
<u>\$9,053,605</u>	<u>\$8,168,779</u>	<u>\$9,783,160</u>	<u>\$10,331,691</u>	<u>\$13,488,674</u>	<u>\$14,014,773</u>
12,057	12,081	12,160	12,160	12,160	12,160
\$751	\$676	\$805	\$850	\$1,109	\$1,153
308,573,200	291,930,200	329,104,400	354,133,758	355,735,000	350,423,300
2.93%	2.80%	2.97%	2.92%	3.79%	4.00%

City of Loveland

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2005	2006	2007	2008
Population ⁽¹⁾	N/A	N/A	N/A	11,990
Estimated Actual Value ⁽²⁾	\$815,190,737	\$846,637,383	\$852,016,118	\$881,770,754
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$7,233,770	\$6,754,289	\$7,644,808	\$7,080,327
Resources Available to Pay Principal ⁽⁴⁾	\$17,860	\$17,860	\$2,000	\$2,000
Net General Bonded Debt	\$7,215,910	\$6,736,429	\$7,642,808	\$7,078,327
Ratio of Net Bonded Debt to Estimated Actual Value	0.89%	0.80%	0.90%	0.80%
Net Bonded Debt per Capita	N/A	N/A	N/A	\$590.35

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

2009	2010	2011	2012	2013	2014
12,057	12,081	12,160	12,160	12,160	12,160
\$869,841,435	\$868,174,531	\$815,086,437	\$817,585,218	\$829,313,737	\$870,983,339
\$6,541,239	\$5,891,158	\$6,982,695	\$6,370,881	\$9,347,240	\$8,587,169
\$2,000	\$2,914	\$61,516	\$5,491	\$0	\$0
\$6,539,239	\$5,888,244	\$6,921,179	\$6,365,390	\$9,347,240	\$8,587,169
0.75%	0.68%	0.85%	0.78%	1.13%	0.99%
\$542.36	\$487.40	\$569.18	\$523.47	\$768.69	\$706.18



City of Loveland

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2014*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Loveland (1)</u>	<u>Amount Applicable to the City of Loveland</u>
Direct:			
City of Loveland	\$5,037,319	100.00%	\$5,037,319
Overlapping:			
Hamilton County	72,460,000	1.19%	862,274
Loveland City School District	15,235,000	33.70%	5,134,195
Sycamore Community School District	48,531,952	1.12%	543,558
Little Miami School District	56,201,385	3.24%	1,820,925
Great Oaks Career Center	12,985,000	1.56%	202,566
		Subtotal	<u>8,563,518</u>
		Total	<u><u>\$13,600,837</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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>Total Debt</u>				
Net Assessed Valuation	\$285,407,532	\$294,272,802	\$295,162,276	\$308,724,620
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	29,967,791	30,898,644	30,992,039	32,416,085
City Debt Outstanding (2)	4,183,770	3,859,289	4,629,808	4,245,327
Less: Applicable Debt Service Fund Amounts	<u>(17,860)</u>	<u>(17,860)</u>	<u>(2,000)</u>	<u>(2,000)</u>
Net Indebtedness Subject to Limitation	<u>4,165,910</u>	<u>3,841,429</u>	<u>4,627,808</u>	<u>4,243,327</u>
Overall Legal Debt Margin	<u>\$25,801,881</u>	<u>\$27,057,215</u>	<u>\$26,364,231</u>	<u>\$28,172,758</u>
Debt Margin as a Percentage of Debt Limit	86.10%	87.57%	85.07%	86.91%
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$285,407,532	\$294,272,802	\$295,162,276	\$308,724,620
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	15,697,414	16,185,004	16,233,925	16,979,854
City Debt Outstanding (2)	4,183,770	3,859,289	4,629,808	4,245,327
Less: Applicable Debt Service Fund Amounts	<u>(17,860)</u>	<u>(17,860)</u>	<u>(2,000)</u>	<u>(2,000)</u>
Net Indebtedness Subject to Limitation	<u>4,165,910</u>	<u>3,841,429</u>	<u>4,627,808</u>	<u>4,243,327</u>
Overall Legal Debt Margin	<u>\$11,531,504</u>	<u>\$12,343,575</u>	<u>\$11,606,117</u>	<u>\$12,736,527</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

2009	2010	2011	2012	2013	2014
\$307,784,940	\$306,931,824	\$288,674,650	\$289,666,570	\$294,117,190	\$308,967,430
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
32,317,419	32,227,842	30,310,838	30,414,990	30,882,305	32,441,580
4,016,646	3,568,665	4,853,800	4,365,300	4,006,800	3,485,000
(2,000)	(2,914)	(61,516)	(5,491)	0	0
4,014,646	3,565,751	4,792,284	4,359,809	4,006,800	3,485,000
\$28,302,773	\$28,662,091	\$25,518,554	\$26,055,181	\$26,875,505	\$28,956,580
87.58%	88.94%	84.19%	85.67%	87.03%	89.26%
\$307,784,940	\$306,931,824	\$288,674,650	\$289,666,570	\$294,117,190	\$308,967,430
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
16,928,172	16,881,250	15,877,106	15,931,661	16,176,445	16,993,209
4,016,646	3,568,665	4,853,800	4,365,300	4,006,800	3,485,000
(2,000)	(2,914)	(61,516)	(5,491)	0	0
4,014,646	3,565,751	4,792,284	4,359,809	4,006,800	3,485,000
\$12,913,526	\$13,315,499	\$11,084,822	\$11,571,852	\$12,169,645	\$13,508,209

City of Loveland

Demographic and Economic Statistics Last Seven 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
12,160	12,160	12,160
802,374	802,374	802,374
354,133,758	355,735,000	350,423,300
29,123	29,255	28,818
7.8%	7.4%	6.2%
6.7%	7.4%	5.7%
7.0%	7.1%	5.3%
5,696,700	5,766,000	5,719,000
408,600	403,300	404,116



City of Loveland

Principal Employers Current Year and Nine Years Ago

2014

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

2005

<u>Employer</u>	<u>Nature of Business</u>	<u>Rank (1)</u>
Loveland Schools	Education	1
Boyko	Healthcare	2
FedEx	Shipping	3
SST Bearing	Manufacturing	4
Kroger Limited Partnership	Retail	5
City of Loveland	Government	6
Amano Cincinnati Inc	Manufacturing	7
HumaCare	Business Management	8
Rand Loveland	Construction	9
McCormick Equipment Company	Warehouse Equipment	10

(1) Based on total payroll. Total employment is unavailable.

Source: City Income Tax Department

City of Loveland

Full Time Equivalent Employees by Function Last Seven 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>
5.00	5.00
0.00	0.00
1.00	1.00
2.50	2.50
1.00	1.00
21.00	19.00
1.50	1.00
2.00	1.50
<u>14.25</u>	<u>12.75</u>
<u>48.25</u>	<u>43.75</u>

City of Loveland

Operating Indicators by Function Last Seven 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

<u>2012</u>	<u>2013</u>	<u>2014</u>
297	204	201
1,221	1,199	1,037
133	149	169
77	60	71
379	421	386
121	177	104
10,507	12,275	13,804
536	630	565
26	36	31
180	156	163
6	6	2
4,875	4,891	4,923
1.258M	1.230M	1.212M
2.52M	1.80M	2.39M

City of Loveland

Capital Asset Statistics by Function Last Seven 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

<u>2012</u>	<u>2013</u>	<u>2014</u>
1	1	1
13	14	14
15	15	15
206	202	202
104	102	102
13	13	13
13	13	13
99	99	99
5	5	5
10	10	10
7	7	7
7	7	7
1	1	1
10	10	10
3	3	3
8	8	8
3	3	4
76	76	76
1	1	1
8	8	8
5	5	5
3	3	3
4,000	4,000	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
SEPTEMBER 10, 2015**