

# **LOVELAND CITY SCHOOL DISTRICT**

**Loveland, Ohio**

**2022**

## **Annual Financial Information Statement**

This Annual Financial Information Statement pertains to the operations of Loveland City School District for the fiscal year ending June 30, 2022.

This Annual Financial Information Statement is intended to satisfy the District's Continuing Disclosure obligations for providing annual financial information and operating data in compliance with Securities and Exchange Commission Rule 15c2-12.

Questions regarding information contained in this Annual Financial Information Statement should be directed to: Robert Giuffré, Interim Treasurer, Board of Education, Loveland City School District, 757 South Lebanon Road, Loveland, Ohio 45140.

The date of this Annual Financial Information Statement is October 1, 2022.

**TABLE OF CONTENTS**

Page

**REGARDING THIS ANNUAL FINANCIAL INFORMATION STATEMENT..... 1**

**GENERAL INFORMATION AND OPERATING DATA CONCERNING THE BOARD OF  
EDUCATION AND THE SCHOOL DISTRICT..... 2**

    About the District.....2

    Organization of the District.....3

    Overlapping Governmental Entities.....3

    Population.....4

    Economic Activity and Employment.....4

    Enrollment.....5

    Existing School Facilities.....5

    Organization and Officials of the Board of Education.....5

    Budget Procedure.....6

    State Performance Standards.....6

    Employees.....8

    Pension Obligations.....8

    Accrued Fringe Benefits.....10

**FINANCIAL MATTERS..... 10**

    Introduction.....10

    Financial Duties.....11

    Budgeting, Tax Levy and Appropriations Procedures.....11

    Financial Reports and Examinations of Accounts.....12

    Accounting - Basis and Policies.....12

    Insurance.....13

    Investment Policy.....14

    Sources of Income.....15

    Financial Condition.....15

**AD VALOREM TAX REVENUES..... 16**

    Ad Valorem Tax Base.....16

    Changes to Assessed Valuation.....19

    Assessed Valuation of the School District.....20

    Largest Taxpayers.....20

    Collections and Delinquencies of Ad Valorem Taxes.....20

    Unvoted and Voted Taxes for Local Purposes.....21

    Voting Records.....23

    State Funding for Public Schools.....24

**BOARD OF EDUCATION DEBT AND OTHER LONG-TERM OBLIGATIONS..... 25**

    Security For and Sources of Payment of General Obligation Debt.....25

    Direct Debt Limitations.....26

    Indirect Debt Limitation.....29

    Outstanding Debt.....30

    Lease Obligations.....30

    Future Financings.....30

    School Funding Litigation.....30

    General Litigation.....31

**CONCLUDING STATEMENT..... 32**

**APPENDIX A UNAUDITED FINANCIAL REPORT OF THE BOARD OF EDUCATION .....A-1**  
**APPENDIX B SUMMARY OF ANNUAL APPROPRIATION RESOLUTION**  
**LOVELAND CITY SCHOOL DISTRICT 2022-23 ..... B-1**  
**2022 ADDENDUM VOLUNTARY DISCLOSURE REGARDING THE IMPACT OF THE**  
**COVID-19 PANDEMIC**

## **REGARDING THIS ANNUAL FINANCIAL INFORMATION STATEMENT**

This Annual Financial Information Statement does not constitute an offering of any security of the Board of Education of the Loveland City School District (the “School District” or “District”), Counties of Hamilton, Clermont and Warren, Ohio.

The information herein is subject to change without notice. The delivery of this Annual Financial Information Statement shall not create any implication that there has been no change in the affairs of the School District since the date hereof.

Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity or agency except the School District will have, at the request of the School District, passed upon the accuracy or adequacy of this Annual Financial Information Statement.

This Annual Financial Information Statement, which includes the cover page and Appendices A and B, has been prepared by the School District, pursuant to Continuing Disclosure Agreements and Certificates entered into by the School District in compliance with Securities and Exchange Commission Rule 15c-2-12 for outstanding obligations of the School District. Certain information contained herein is not required to be supplied under the Rule and the School District is under no obligation to provide this additional information in the future.

All financial and other information presented in this Annual Financial Information Statement has been provided by the School District from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the School District. No representation is made that past experience, as is shown by the financial and other information, will necessarily continue or be repeated in the future.

Insofar as the statements contained in this Annual Financial Information Statement involve matters of opinion or estimates, even if not expressly stated as such, such statements are made as such and not as representations of fact or certainty, no representation is made that any of such statements have been or will be realized, and such statements should be regarded as suggesting independent investigation or consultation of other sources prior to the making of investment decisions. Certain information may not be current; however, attempts were made to date and document sources of information.

References herein to provisions of Ohio law, whether codified in the Ohio Revised Code (the “Revised Code”) or uncodified, or to the provisions of the Ohio Constitution or the School District’s resolutions, are references to such provisions as they presently exist. Any of these provisions may from time to time be amended, repealed or supplemented.

Certain information contained in this Annual Financial Information Statement is attributed to the Ohio Municipal Advisory Council (OMAC). OMAC compiles information from official and other sources. OMAC believes the information it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guaranty its accuracy. OMAC has not reviewed this Annual Financial Information Statement to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

Certain information contained in this Annual Financial Information Statement is attributed to the County Auditor of the county or counties in which the District is located. The County Auditor maintains records of certain tax information for subdivisions within its jurisdiction, which the District believes to be accurate and reliable, but such information is not independently confirmed or verified and the accuracy

thereof is not guaranteed. The County Auditor has not reviewed this Annual Financial Information Statement.

As used in this Annual Financial Information Statement, “School District” means Loveland City School District; and “State” or “Ohio” means the State of Ohio.

Additional information concerning this Annual Financial Information Statement, as well as copies of the basic documentation relating to any outstanding obligations of the School District, is available from Robert Giuffré, Interim Treasurer, Board of Education, Loveland City School District, 757 South Lebanon Road, Loveland, Ohio 45140, (513) 683-5600.

## **GENERAL INFORMATION AND OPERATING DATA CONCERNING THE BOARD OF EDUCATION AND THE SCHOOL DISTRICT**

There follows in this Annual Financial Information Statement a brief description of the District, together with certain information concerning its governmental organization, its indebtedness, current major revenue sources and general and specific funds.

### **About the District**

The School District boundaries are located in three counties: Hamilton County, Clermont County and Warren County. A very small portion of Loveland City schools is in Warren County and the remaining school district is split evenly between Hamilton County and Clermont County.

The District is 21 miles northeast of Cincinnati and approximately 50 miles southeast of Dayton. It is comprised of the City of Loveland, and portions of the Townships of Symmes, Miami, Hamilton and Goshen.

The administrative staff consists of the Superintendent, Director of Human Resources, Business Manager, Food Service Director, Transportation Supervisor, Maintenance Supervisor, 6 Principals, 6 Assistant Principals, Treasurer, Assistant Treasurer, Coordinator of Technology and Innovation, Director of Communication and Community Engagement, Director of Student Services, Athletic Director, Payroll Coordinator, Assistant Superintendent of Teaching and Learning, and System Administrator.

The District employs 300 certificated personnel.

The District employs 210 non-instructional staff members including food service, secretarial, transportation, custodian, maintenance and educational aides.

The District provided transportation in 2021-22 for 2,151 public school students, 288 non-public school students, and 69 special needs students in the area.

**Organization of the District**

Effective with the 2021-2022 school year the District organization was as follows:

<u>Types of Schools</u>	<u>Grades</u>	<u>Enrollment</u>
1 – Early Childhood	Pre-K – 1	398
1 – Primary	1-2	582
1 – Elementary	3-4	616
1 – Intermediate School	5-6	664
1 – Middle School	7-8	669
<u>1</u> – High School	9-12	<u>1,277</u>
6 Total		4,206

The major sources of revenue to the District are local property taxes on real and personal property, along with State aid. Other funds, such as lunch and special classes are funded for their expenditures by designated State and Federal grants. (See “Sources of Income” herein.)

**Overlapping Governmental Entities**

The major political subdivisions overlapping all or a portion of the territory of the School District, and the approximate percentages of the assessed valuation of such subdivisions located within the School District are as follows:

<u>Subdivision</u>	<u>% of Assessed Valuation Within School District</u>	<u>Net Debt</u>
Clermont County	9.07%	\$ 0
Hamilton County	2.17	3,052,648
Warren County	0.18	26,514
Loveland City	84.14	5,738,348
Goshen Township	8.21	0
Hamilton Township	0.82	4,551
Miami Township	27.75	1,424,963
Symmes Township	32.25	1,833,413
Great Oaks Career Center JVSD	4.21	0

*Source: Ohio Municipal Advisory Council*

Each of these entities operates independently under and is governed by Ohio law with its own budget, tax rate and sources of revenue. All such entities may levy unvoted ad valorem property taxes within the “ten-mill limitation” discussed herein at “BOARD OF EDUCATION DEBT AND OTHER LONG-TERM OBLIGATIONS - Indirect Debt Limitation.”

## Population

Population statistics for the City of Loveland and the Counties of Hamilton and Clermont are as follows:

<u>Year</u>	<u>City of Loveland</u>		<u>Hamilton County</u>		<u>Clermont County</u>	
	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>
1970	7,126	-	924,018	-	95,725	-
1980	9,106	27.79%	873,224	(5.50)%	128,483	34.22%
1990	9,990	9.71	866,228	(0.80)	150,187	16.89
2000	11,677	16.89	845,303	(2.42)	177,977	18.50
2010	12,081	3.46	802,374	(5.08)	197,363	10.89
2020	13,307	10.15	830,639	3.52	208,601	5.69
2021*	13,191	(0.87)	826,139	(0.54)	209,642	0.50

*\*As of July 1*

*Source: U.S. Census Bureau*

## Economic Activity and Employment

Average unemployment rates for the School District are not available; however, civilian labor force statistics for Hamilton, Clermont and Warren Counties, as well as State and national figures, are as follows:

<u>Year</u>	<u>Average Unemployment Rates*</u>				
	<u>Hamilton County</u>	<u>Clermont County</u>	<u>Warren County</u>	<u>State</u>	<u>Nation</u>
2018	4.1%	4.1%	3.8%	4.5%	3.9%
2019	3.8	3.8	3.5	4.2	3.7
2020	7.9	6.9	6.4	8.2	8.1
2021	4.9	4.3	4.0	5.1	5.3
2022**	4.1	4.0	3.6	4.4	3.8

*\*Not seasonally adjusted*

*\*\*As of July; County and State figures are preliminary*

*Source: Ohio Department of Job and Family Services*

## Enrollment

Actual enrollment in the School District for the school year 2017-18 through 2021-22 is shown in the table below:

<u>School Year</u>	<u>Grades</u>			<u>Total Enrollment</u>
	<u>K</u>	<u>1-12</u>	<u>JVS</u>	
2017-2018	274	4,178	33	4,485
2018-2019	298	4,255	37	4,590
2019-2020	191	4,145	49	4,385
2020-2021	191	3,965	38	4,194
2021-2022	304	3,806	49	4,161

*Source: Records of the Treasurer of the Board of Education*

## Existing School Facilities

The following is a description of the existing school facilities, including name of school and grades housed:

<u>Building</u>	<u>Grades Housed</u>	<u>Date of Original Construction</u>	<u>Date of Construction/ Addition</u>	<u>Description of Addition</u>
Loveland High School	9-12	1992	2000	1 Gym; 17 Classrooms
Loveland Middle School	7-8	1962	2000	1 Cafeteria; 6 Classrooms
Loveland Early Childhood Center	PreK, K	1963	2000	Renovation of Interior Facility
Loveland Elementary School	3-4	1941	2000	Renovation of Entire Facility
Loveland Intermediate School	5-6	2000		
Loveland Primary School	1-2	1957	2000	Renovation of Entire Facility

*Source: Treasurer of the Board of Education*

## Organization and Officials of the Board of Education

The Board of Education is a body politic and corporate and, as such, can be sued and can sue, can enter into contracts and can be contracted with, can acquire, hold, possess and dispose of real and personal property, and take and hold in trust for the use and benefit of the District, any grant or devise of land, and any donation or bequest of money or other personal property. It is comprised of five members who are elected for overlapping four-year terms.

The Board of Education is charged with the duties and responsibilities of managing the affairs of the District pursuant to the laws governing public education in Ohio. The Board of Education directly employs the Superintendent and Treasurer. The Board of Education serves as the legislative body of the District.

The Treasurer is appointed for a term not longer than five years and serves as the fiscal officer of the Board of Education and, with the president of the Board of Education, executes all conveyances made by the Board of Education.



The Superintendent is appointed for a term not longer than five years and is the executive officer of the Board of Education. The Superintendent is responsible for administering Board-adopted policies, is expected to provide leadership in all phases of policy formulation and is the chief advisor to the Board of Education on all aspects of the educational program and total operation of schools in the District.

The Board of Education employs all certified employees and classified employees upon the recommendation of the Superintendent.

The current members of the Board of Education are as follows:

BOARD OF EDUCATION

<u>NAME</u>	<u>TERM EXPIRES</u>	<u>YEARS AS MEMBER</u>	<u>OCCUPATION</u>
Kevin Dougherty	12/31/23	2	Retired Kroger Executive
Dr. Kathryn Lorenz	12/31/23	31	Professor
Jonathan Eilert	12/31/25	New	Reverend
Dr. Eric Schwetschenau	12/31/25	2	MD – Otolaryngology
Eileen Washburn	12/31/25	4	Teacher

Superintendent. Mike Broadwater began serving as Superintendent of Loveland City Schools on August 1, 2021. Prior to becoming Superintendent, Mr. Broadwater served as an Assistant Superintendent of Business Operations and Human Resources, a Principal, and Assistant Principal and a teacher of mathematics and computer science. He earned his Master’s degree in Secondary Administration from Kent State University.

Treasurer. Robert Giuffré was named the Interim Treasurer of Loveland City Schools as of August 1, 2021. Prior to this appointment, he spent 30 years in school finance as an auditor, treasurer and consultant serving as treasurer for five districts. Mr. Giuffré start his career as a treasurer for Loveland City Schools serving the District from November of 1992 through February of 1999. Mr. Giuffré was an investment advisor and consultant for businesses and individuals for a decade. Mr. Giuffré earned his Bachelor’s Degree from Columbia College of Missouri, and is a non-practicing certified public accountant (CPA)

**Budget Procedure**

Prior to 1986, the District’s fiscal year was the calendar year. Since July 1, 1986, the fiscal year for all Ohio school districts has run from July 1 to June 30. Each spring, the Administration reviews the enrollment projections along with the objectives of the upcoming fiscal year. A tentative budget is prepared for review by the Administration and the Board of Education. The budget is then approved at a public meeting of said Board.

**State Performance Standards**

The State has created and implemented a report card methodology which is reflected in the school district report cards issued in September 2022 and thereafter. This new methodology uses a one- to five-star rating system, and this star rating system replaces the prior letter grade rating system that assigned grades such as “A” and “B.” Under the star rating methodology, school district performance is classified into six components: (a) Achievement, (b) Progress, (c) Early Literacy, (d) Gap Closing, (e) Graduation, and (f) College, Career, Workforce and Military Readiness. Except for College, Career, Workforce and Military Readiness, which currently is not included in the overall report card rating or rated as an individual

component, each component is assigned a rating of “1” to “5” based on the school district’s performance. Some components are assigned a rating based upon a single measure, while other components are assigned a rating based upon the combination of ratings assigned to multiple measures. Overall Ratings were not assigned for the 2021-2022 school year, but in future years the Overall Rating will be determined by combining the individual component ratings.

As part of the State’s response to COVID-19, House Bill No. 67 of the 134th General Assembly provided, in part, that if a school district or building was subject to penalties or sanctions for the 2020-2021 academic year, those penalties or sanctions will remain in place for the 2021-2022 academic year.

The District received the following report card from the State based on its performance during the 2021-2022 school year:

<u>Component</u>	<u>Star Rating</u>
<b>District Overall Grade</b>	N/A
<b>Achievement</b>	<b>5</b>
Performance Index (99.4/107.3 (92.7%))	
<b>Progress</b>	<b>5</b>
<b>Early Literacy</b>	<b>5</b>
Proficiency in Third Grade Reading (82.3%)	
Promotion to Fourth Grade (97.9%)	
Improving K-3 Literacy (NC)	
Component Percent (88.5)	
<b>Gap Closing</b>	<b>5</b>
Annual Performance Goals (75.9%)	
Chronic Absence (12.8%)	
Gifted	
Value Added Rating (5 stars)	
Value Added Met? (Met)	
Performance Index (115.927)	
Performance Index Met? (Met)	
Total Points (83.0)	
Gifted Identification and Services Met? (Not Met)	
<b>Graduation</b>	<b>5</b>
Four-Year Graduation Rate (97.5%)	
Five-Year Graduation Rate (98.7%)	
<b>College, Career, Workforce and Military Readiness*</b>	N/A
Readiness (174.0/355) (49.0%)	

*\*Provided for informational purposes only; this component will not be rated and will not factor into the overall rating until the 2024-2025 school year at the earliest.*

*Source: Ohio Department of Education*

*For more information, go to <https://reportcard.education.ohio.gov/>*

## Employees

The Board employs 465 full time and 45 part-time employees (including non-teaching personnel). In fiscal year 2021-2022, the Board paid \$33,657,994 in salaries and wages to these employees (including substitutes) and \$11,443,718 for fringe benefits which include state employer retirement contributions, workers' compensation insurance coverage, unemployment compensation, severance payments, and medical, dental and life insurance premiums. Of the Board's current employees, 288 are certified by the Ohio Department of Education serving as classroom teachers, education specialists and administrators and hold at least a bachelor's degree and 232 of whom hold an advanced degree. The starting salary for a teacher with a bachelor's degree for the period beginning September 1, 2022 is \$44,167. The maximum teacher salary in 2022-23 for a Master's degree plus 30 additional semester hours is \$100,922.

Of the Board of Education's teachers and educational specialists, 251 are members of the Loveland Education Association (the "Association") which is a labor organization affiliated with the Ohio Education Association. The present contract between the Board of Education and the Association commenced July 1, 2021 and expires June 30, 2023. Historically, the Loveland Board of Education and Association have agreed to labor contracts of a three-year duration.

Of the 210 non-certified employees of the District, 146 are members of the Ohio Association of Public School Employees. This contract with the District became effective July 1, 2021, and expires June 30, 2023.

The Board of Education has never experienced any work stoppages. In the opinion of the Board of Education, labor relations with its employees are currently very good.

## Pension Obligations

The tables below show the employee and employer contributions to the retirement programs of certificated and classified employees of the District for the fiscal years 2017-18 through 2021-22:

### RETIREMENT PROGRAMS

#### STATE TEACHERS' RETIREMENT - CERTIFIED EMPLOYEES

<u>Year</u>	<u>Member Contribution</u>		<u>Employer Contribution</u>	
	<u>Percent</u>	<u>\$ Amount</u>	<u>Percent</u>	<u>\$ Amount</u>
2017-18	14%	\$3,459,449	14%	\$3,751,898
2018-19	14%	3,663,192	14%	4,019,985
2019-20	14%	3,787,741	14%	4,335,087
2020-21	14%	3,368,099	14%	3,672,577
2021-22	14%	3,424,584	14%	4,001,786

SCHOOL EMPLOYEE RETIREMENT – NON-CERTIFIED EMPLOYEES

<u>Year</u>	<u>Member Contribution</u>		<u>Employer Contribution</u>	
	<u>Percent</u>	<u>\$ Amount</u>	<u>Percent</u>	<u>\$ Amount</u>
2017-18	10%	\$777,115	14%	\$1,220,558
2018-19	10%	822,714	14%	1,433,764
2019-20	10%	817,711	14%	1,432,123
2020-21	10%	654,784	14%	1,040,517
2021-22	10%	688,201	14%	1,297,277

*Source: Records of the Treasurer of the Board of Education*

The Board of Education’s annual contributions to STRS and SERS are treated as a current expense and are paid primarily from its General Fund. Payments are deducted by the State from each monthly School Foundation Program payment. Current law establishes maximum contribution rates to STRS of 14.0% and to SERS of 10.00% for the employees’ portion and 14% for the employer’s portion.

The deduction is made as stated above. When each payroll is posted to the accounting system, each individual non-general fund is charged for the retirement cost associated with that fund. The remaining retirement cost is prorated as a General Fund expenditure for that month. This is done at the end of the month as part of the month end close down process.

STRS and SERS are not subject to the funding and vesting requirements of the Federal Employee Retirement Income Security Act of 1974.

Both STRS and SERS were created by and operate pursuant to Ohio law. The General Assembly could determine to amend the format of either system and could revise rates or methods of contribution to be made by the Board of Education into the pension funds and revise benefits or benefit levels.

On September 12, 2012, the General Assembly passed SB 341 and SB 342 modifying SERS and STRS respectively. The Governor signed both bills on September 26, 2012. Each bill became effective January 7, 2013.

SB 341 changes multiple aspects of SERS in ways expected to enhance its ability to amortize its unfunded actuarial accrued liabilities within thirty years. Some of the changes made by SB 341 include: (1) an increase in minimum age and service requirements with respect to certain employees and (2) a reduction in disability benefits with respect to certain employees. SB 341 permits the SERS Board to modify minimum age and service requirements as necessary to amortize its unfunded actuarial accrued liabilities within thirty years.

SB 342 changes numerous aspects of STRS in ways expected to enhance its ability to amortize its unfunded actuarial accrued liabilities within thirty years. Some of the changes made by SB 342 include: (1) an increase in the minimum age and service requirements with respect to certain employees, (2) an increase in the STRS employee contribution rate from 10% to 14%, in annual increments of 1% a year, starting July 1, 2013, (3) a change in the method by which benefits for certain employees are calculated that is expected to result in a reduction of such benefits, (4) a reduction in the annual cost of living adjustment applied to benefits with a temporary freeze in cost of living adjustments and (5) a reduction in disability benefits to certain employees. SB 342 permits the STRS Board to modify minimum age and service requirements, employee contributions and cost of living adjustments as necessary to amortize its unfunded actuarial accrued liabilities within thirty years.

## **Accrued Fringe Benefits**

All union members, both certified and classified, and full-time exempt employees are eligible to enroll in health, dental and life insurance program. The Board's insurance contributions range from nothing to 100% depending upon the employee's occupation, status and hire date with the District.

All employees accrue 1.25 days of sick leave per month. Union members and classified exempt employees may accrue up to 260 days maximum. Administrators may accrue up to 300 days maximum, but can only cash out for severance 250 days.

Twelve month employees receive vacation based upon years of service starting at two weeks after their first year up to five weeks after twenty years of service with the District. Administrators begin in their first year of employment with 24 days of vacation or swap days of vacation.

The superintendent, treasurer and exempt employees of the District are permitted to carry over vacation to the following contract year. The superintendent and treasurer can receive compensation in lieu of vacation days without prior Board authorization.

## **FINANCIAL MATTERS**

### **Introduction**

The Board of Education's fiscal year corresponds with the July 1 to June 30, school year. The levy and collection of taxes are made on a calendar year basis.

The responsibilities for the major financial functions of the Board of Education are divided between the Board of Education and the Treasurer.

The Treasurer is the fiscal officer of the Board of Education, its fiscal and chief accounting officer, and serves the Board of Education as financial advisor. The Treasurer keeps the accounts of the Board of Education and is responsible for accurate statements of all moneys received and expended and of all taxes. At the end of each fiscal year, the Treasurer must examine the accounts of all offices and departments of the Board of Education. The Treasurer is not to allow the amount set aside for any appropriation to be overdrawn, or the amount appropriated for any one item of expense to be drawn upon for any other purpose, or allow a voucher to be paid unless sufficient funds are in the treasury of the Board of Education to the credit of the fund upon which such voucher is drawn.

Other important financial functions relating to the District include:

(a) General financial recommendations and planning, and budget and annual appropriation preparation by the Treasurer and the Superintendent;

(b) Express approval of all budgeting and appropriations of moneys by the Board of Education;

(c) Examinations of accounts by the Bureau of Inspection and Supervision of Public Offices (the "Bureau of Inspection") in the office of the Auditor of the State, which by law is required to inspect and supervise the accounts and reports of the offices of each taxing district or public institution of the State, including the Board of Education;

(d) Assessment of real property by the County Auditor, who is elected at large within the County, subject to supervision by the Ohio Tax Commissioner (the “Tax Commissioner”) who is appointed by the Governor and confirmed by the Ohio General Assembly;

(e) Assessment of public utility property and tangible personal property by the Tax Commissioner; and

(f) Billing and collection of property taxes and assessments by the County Treasurer, who is elected at large within the County.

### **Financial Duties**

Most financial duties with respect to School District funds and accounts are statutorily imposed upon the treasurer of the Board of Education. Other significant financial functions are performed by the following persons:

(1) County Auditor assesses real and personal property for taxation, subject to supervision by the State Tax Commissioner and State Board of Tax Appeals. The Auditor is elected at large from within the County.

(2) State Tax Commissioner assesses railroad and public utility property for taxation.

(3) The Bureau of Inspection and Supervision of Public Offices in the office of the Auditor of the State of Ohio examines, inspects and supervises the accounts and reports of each taxing district and public institution in the State, including the District.

### **Budgeting, Tax Levy and Appropriations Procedures**

Detailed provisions for budgeting by the Board of Education, tax levies and appropriations are made in the Revised Code.

In general, the budgetary process begins six months or more before the start of the fiscal year for which the budget is to be adopted, and involves review by County officials at several stages. Significant steps in the budgetary process are summarized as follows:

1. On or before January 15 of each year, the Board of Education administration prepares, and, after a public hearing, the Board of Education adopts, a tax budget for the succeeding fiscal year. The tax budget must show estimated receipts and expenditures and indicate the amount of ad valorem property taxes, both inside and outside the ten-mill limitation, as hereinafter described, that must be levied in such fiscal year.

2. The proposed tax budget is filed with the County Auditor on or before January 20 of each year, who presents it to the County Budget Commission, which is comprised of the County Auditor, County Treasurer and County Prosecuting Attorney. On or before March 1 of each year, the County Budget Commission reviews the tax budget, makes any necessary changes in the amount of ad valorem property taxes to be levied, and in particular, ascertains that sufficient ad valorem property taxes are to be levied, both inside and outside the ten-mill limitation, to pay all debt charges.

3. The County Budget Commission then certifies the results of its review to the Board of Education. Before April 1 of each year, the Board of Education approves the tax levies as

determined by the County Budget Commission and certifies them to the appropriate County officials, who bill and collect the ad valorem property taxes as approved. Real property taxes are payable in two installments, the first usually in February and the second in July.

4. No later than October 1 of each year, the Board of Education adopts an annual appropriation resolution for the current fiscal year, which may not contain amounts in excess of those approved by the County Budget Commission. The annual appropriation resolution is certified to the County Auditor, who must certify that the amounts appropriated do not exceed current estimated receipts. Temporary appropriation measures may be enacted pending adoption of the annual appropriation resolution.

In addition to the procedure discussed above, Ohio law provides for amendments to the amounts certified by the County Budget Commission and for supplemental appropriation measures by the Board of Education to reflect changes in the amounts of estimated receipts and expenditures of the Board of Education as the fiscal year progresses.

### **Financial Reports and Examinations of Accounts**

The District maintains its accounts, appropriations and other fiscal records in accordance with the procedure established and prescribed by the Auditor of State. The Auditor of State is charged by Ohio law with responsibility for inspecting and supervising the accounts and reports of all taxing districts and public institutions in the State, including the Board of Education. The most recent examination of the Board of Education by the Auditor of State was completed through June 30, 2021. No material unusual circumstances or conditions were reported to exist during the period of examination. The Fiscal Year 2022 Audit had not been released on the Ohio Auditor of State's website at the time of this filing.

The Board of Education has retained Plattenburg & Associates, Inc. to complete the audit for the District for fiscal year 2021 and 2022. Plattenburg & Associates, Inc. prepares the District's GAAP statement.

The financial statements of the Loveland City School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Those principles provide, among other things, for (i) the use of the modified accrual basis of accounting with respect to revenues and expenditures of "governmental funds" (e.g. the general fund, debt service fund, and special revenue funds) and certain trust and agency funds; (ii) a full accrual basis of accounting for revenues and expenditures of proprietary funds (e.g. utility funds) and certain other trust funds; and (iii) recognition of interfund transfers in the accounting period during which the interfund receivables and payables arise.

### **Accounting - Basis and Policies**

All Board of Education expenditures are made in accordance with the annual appropriation resolution adopted at the beginning of the fiscal year at a total not to exceed the Amended Certificate of Estimated Resources certified by the County Budget Commission.

All receipts are classified in accordance with the guidelines prescribed by the office of the Auditor of the State.

Other special funds for grants and restricted monies and their related budgets are maintained in accordance with the agreements or specific purposes designated for these funds. These funds are also maintained in accordance with guidelines of the Auditor of State and are included in the two-year audits conducted by the Department of Audit.

The Board of Education's fiscal year corresponds with the July 1 to June 30 school year. The collection of taxes is made on a calendar year basis.

The responsibilities for the major financial functions of the Board of Education are divided between the Board of Education and the Treasurer. The Treasurer is the fiscal officer of the Board of Education, its chief accounting officer, and serves the Board of Education as financial advisor. The Treasurer keeps the accounts of the Board of Education and is responsible for accurate statements of all moneys received and expended and of all taxes. At the end of each fiscal year, the Treasurer must examine the accounts of all offices and departments of the Board of Education. The Treasurer is not to allow the amount set aside for any appropriation to be overdrawn, or the amount appropriated for any one item of expense to be drawn upon for any other purpose, or allow a voucher to be paid unless sufficient funds are in the treasury of the Board of Education to the credit of the fund upon which such voucher is drawn.

All school districts in the State are required by the Ohio Revised Code to file a modified accrual basis of accounting (GAAP) Statement. The District has completed its conversion and published its first GAAP financial statements for fiscal year 1997.

## **Insurance**

The Board of Education maintains comprehensive insurance coverage with private carriers for real property, building contents, general liability and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. The auto liability coverage is \$4,000,000 and uninsured motorist coverage is \$1,000,000. Real property and contents are insured by blanket coverage in the amount of \$123,732,686, which is 90% of the property valuation. The general liability coverage provides for \$4,000,000 coverage per occurrence and \$5,000,000 per year.

Pursuant to statutes enacted in November 1985, the liability of political subdivisions, including boards of education in Ohio, has been significantly reduced. As a general rule, Ohio law provides that political subdivisions such as the Board of Education have immunity from liability in damages for injury, death, or loss to persons or property allegedly caused by an act or omission of such political subdivisions or their employees in connection with governmental and proprietary functions, as defined in the Ohio statutes. The statutes have no effect on any liability imposed by federal law or other federal cause of action. Pursuant to Ohio law, there are, however, five areas in which a political subdivision may be held liable for such loss. These include the negligent operation of a motor vehicle on public roads, highways or streets; negligent performance of proprietary functions; failure to keep public roads, highways, streets, sidewalks, bridges or public grounds open, in repair, and free from nuisance; negligence of employees within or upon the grounds of buildings used in the performance of governmental functions, excluding jails, juvenile detention workhouses and other detention facilities; and liability specifically imposed by statute. Ohio law also imposes a two-year statute of limitations and puts limits on the damages which may be recovered from such political subdivisions. No punitive or exemplary damages can be recovered, and any insurance benefits are deducted from any award against a political subdivision. Although there is no limitation with respect to compensatory damages representing a person's economic loss, there is a \$250,000 per person ceiling on the compensatory damage that represents a person's non-economic loss in cases other than wrongful death, in which case there is no maximum limitation.



## Investment Policy

The Board supports and authorizes a safe and sound investment program. Such a program is viewed as a critical ingredient of sound fiscal management, the purpose of which is to secure a maximum yield of interest revenues to supplement other District revenues for the support of the education program of the District.

The Board of Education believes:

1. All interim and inactive funds should be held in interest-bearing accounts or investments to earn the maximum return possible on the funds available for investment while complying with District policy and State Statutes, specifically Chapter 135 of the Ohio Revised Code;
2. The primary objective shall be the preservation of capital and protection of principal while earning investment interest. The District should not enter into investment transactions which will expose itself to an undue risk;
3. When financially effective, i.e. when the rate of return is within 1/4 of one percent, excess interim funds should be deposited in the State Treasurer Asset Reserve (STAR) Ohio; and
4. Investment practices must always be in compliance with State laws.

The Treasurer has the responsibility for ensuring that depository, investment, agency and repurchase agreements are properly executed and kept on file as required by ORC Chapter 135 and that where appropriate agreements are filed with the Auditor of State's Office. Agreements entered into by the Treasurer on behalf of the District should be approved by the Board in advance whenever possible.

The Treasurer has the responsibility for investing interim and excess active funds as allowed by ORC Chapter 135. The Treasurer will provide to the Board a monthly report of returns on investments. Any investments entered into by the Treasurer on behalf of the District will be subject to Board approval at the next regular session of the Board of Education.

The Board of Education pools its cash for investment purposes, and investment income is distributed to various funds based upon their average daily cash balances. Interest earned by the Board of Education in fiscal year 2021-22 totaled \$74,213.36.

[This Space Intentionally Left Blank]

## Sources of Income

The following chart shows the sources and uses of income for the General Fund of the Board of Education for the fiscal year 2017-18 through 2021-22:

<u>SOURCES OF INCOME - GENERAL FUND</u>					
	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
<u>LOCAL</u>					
Real Estate	\$32,167,926	\$30,256,622	\$31,576,984	\$32,072,166	\$32,892,669
Personal Tangible	-0-	-0-	-0-	-0-	-0-
Mfr Homes	489	556	622	112	508
Investment Earnings	294,865	533,389	328,934	45,051	66,264
Other	1,854,324	2,145,421	2,129,786	2,042,864	2,000,728
<u>STATE</u>					
Foundation	13,449,206	13,321,763	12,343,374	13,058,016	12,431,498
Rollback & Homestead	3,723,861	3,733,062	3,741,912	3,757,918	3,772,527
Other	<u>239,283</u>	<u>242,142</u>	<u>247,198</u>	<u>186,912</u>	<u>271,306</u>
<b>TOTAL</b>	<b><u>\$51,729,954</u></b>	<b><u>\$50,232,955</u></b>	<b><u>\$50,368,810</u></b>	<b><u>\$51,163,039</u></b>	<b><u>\$51,435,500</u></b>

Source: Records of the Treasurer of the Board of Education

## Financial Condition

<u>GENERAL FUND</u>					
<u>Year Ending</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Cash Balance</u>	<u>Ending Unencumbered Balance</u>
06/30/18	\$15,095,585	\$51,729,954	\$48,883,871	\$17,941,668	\$17,300,223
06/30/19	17,941,668	50,232,955	53,029,454	15,145,170	14,822,204
06/30/20	15,145,170	50,368,810	53,171,978	12,342,002	11,855,399
06/30/21	12,342,002	51,163,039	48,882,943	14,622,098	14,015,059
06/30/22	14,622,098	51,435,500	51,087,171	14,970,426	14,749,104

## AD VALOREM TAX REVENUES

### Ad Valorem Tax Base

During Tax Year 2017, the County experienced the statutory sexennial reappraisal of real property, whereby the true value of real property was adjusted to reflect current market values. Ohio law requires that the County Auditor reassess real property at any time he finds that the true or taxable value thereof has changed, and in the third calendar year following the year in which a sexennial reappraisal is completed if ordered by the Tax Commissioner.

Existing law requires that taxable real property be assessed at not more than 35% of its true value except that taxable real property devoted exclusively to agricultural use is to be assessed at not more than 35% of its current agricultural use value as determined by the County Auditor in accordance with rules adopted by the Ohio Commissioner of Taxation (the "Commissioner") for such purpose. The assessment ratio has been fixed at 35% under existing rules of the Commissioner. The County Auditor is required to adjust (but without individual appraisal of properties except in the sexennial reappraisal) taxable real property values triennially to reflect true values. Any taxable real property which the owner thereof, under rules and regulations promulgated by the Chief of the Ohio Division of Forestry, declares is devoted exclusively to forestry or timber growing is taxed at 50% of the local tax rate upon its true value.

Given the standard assessment base determined under the provisions noted above, legislation effective in 1976 and recent legislation enacted pursuant to a constitutional amendment approved by the voters of Ohio in November 1980, have provided for a two-phase tax reduction of real property taxes, with respect to taxes other than taxes levied at a rate required to produce a specified amount of tax money (i.e. for payment of debt charges), taxes levied inside the ten-mill limitation, or taxes authorized by a municipal charter.

(1) The County Auditor must annually classify all real property into two classes: (a) residential/agricultural real property, and (b) nonresidential/agricultural real property. The Commissioner then determines the amount of carryover property in each such case for each taxing district, "carryover property" being defined as all real property on the current year's tax list except: (a) land and improvements that were not taxed by the district in both the preceding year and the current year, and (b) land and improvements that were not in the same class in both the preceding year and the current year. The Commissioner must determine annually by what percent (the "Tax Reduction Factor"), if any, the sums that would otherwise be levied by a tax against the carryover property in each class would have to be reduced to equal the amount that would be levied if the full rate thereof were imposed against the total taxable value of such property in the preceding tax year. Thereafter, the County Auditor must reduce the sum to be levied by the tax against each parcel of real property in the district by the Tax Reduction Factor certified by the Commissioner for its class. However, if said reduction for either class of property could cause the total taxes charged and payable for current expenses of a school district, other than a joint vocational school district, prior to the statutory ten percent reduction, discussed hereinafter, to be less than two percent of the taxable value of all real property in that class that is subject to taxation, the Commissioner, upon notification thereof by the County Auditor, must adjust the Tax Reduction Factor as required by law.

(2) The County Auditor must reduce the sums remaining thereafter to be levied against parcels of real property by ten percent; such reduction is reimbursed by the State to the County for distribution to the affected subdivisions after deduction of a statutorily determined fee to be used by the Department of Taxation for administrative purposes. Since June 26, 2003, only one-half of this reduction has been reimbursed from state sources. The taxes remaining after such reduction constitute the real and public utility property tax chargeable and payable on such property.

In addition, Ohio law provides a two and one half percent (2.5%) real property tax reduction for certain owner-occupied properties. Historically, the two and one half percent reduction has been reimbursed by the State to the School District.

The 2014-2015 State Budget eliminated the ten percent reduction and the two and a half percent reduction discussed above for taxes levied under new or replacement levies of the School District approved at elections held after October 11, 2013. The State continued to reimburse the School District for revenues lost as a result of to these rollbacks on existing tax levies, renewal tax levies and tax levies within the ten mill limitation, discussed below, in the same manner as it did before the 2014-2015 State Budget.

The State also provides a homestead exemption to certain elderly or disabled property owners, which enables qualified owners to shield a portion of the value of their home from property taxes. This reduction is reimbursed by the State to the School District. The 2014-2015 State Budget placed certain additional restrictions on the availability of the homestead exemption for those not eligible for the exemption as of tax year 2013.

While the aforesaid tax reductions may not affect the determination of the principal amount of notes that may be issued in anticipation of any tax levies or the amount of notes or bonds for any planned improvements, if funds for the payment of debt service charges on notes or bonds payable from taxes so reduced are insufficient for such purpose, then the reduction of taxes is adjusted to the extent necessary to provide sufficient funds from real property taxes for the payment of such debt charges.

Failure of the County Auditor to supply to the Tax Commissioner the information required to determine the Tax Reduction Factor may result in substantial withholding of State revenues to the local government until such time as the County Auditor supplies such information.

A corporation with taxable property in more than one county must also make, directly to the Tax Commissioner, a single combined return, listing all taxable property. Distribution of the funds so generated is normally made by the Tax Commissioner to the respective county auditors during the last quarter of each calendar year.

Recent changes to the assessment of tangible personal property enacted by the Ohio General Assembly include:

(a) Beginning in 2006, taxation affecting three classes of tangible personal property used in business changed. Tangible personal property taxes on (i) manufacturing equipment, (ii) furniture and fixtures and (iii) inventory was phased-out over a four year period, ending in 2009. Tangible personal property taxes on a fourth class, telephone, telegraph and interexchange communication companies, were phased-out from 2007-2011. A portion of the commercial activities tax (the "CAT tax"), implemented in 2005, replaced the tax on business tangible personal property. Prior to the passage of Am.Sub. HB 153, effective June 30, 2011 ("HB 153"), as part of the CAT tax, gross rents and royalties from tangible personal property, as well as gross receipts from the sale of tangible personal property (among several other categories of receipts) were credited to the State's general revenue fund and used to reimburse school districts and other local taxing units for the phase-out of taxes on business tangible personal property. These payments are commonly referred to as "replacement payments."

The application of the CAT to certain types of business receipts has been the subject of litigation. On September 17, 2009, the Ohio Supreme Court held that the CAT is not an excise tax "upon the sale or purchase of food" and does not violate the State's constitutional prohibitions against such a tax. On July 26, 2011, an Ohio appellate court held that the CAT "is not a tax upon motor vehicle fuel" and, thus, upheld the constitutionality of the application of the CAT to gross receipts from the sales of motor fuels. The Ohio

Supreme Court has reversed the appellate court and declared that the allocation to non-highway purposes of revenue derived from the application of Ohio's CAT to gross receipts from the sale of motor vehicle fuel violates the Ohio Constitution. The Court determined the decision would be prospective and that such revenue would be held until properly appropriated by the General Assembly.

The division of CAT tax revenue among these sources was scheduled to be phased-out in 2018, with the State's general fund receiving 100% of the CAT tax revenues thereafter. HB 153 has generally accelerated the phase-out and reduces the reimbursement payments, depending on the type of levy and the financial resources of each particular school district or other taxing unit.

Generally, HB 153 accelerates the phase-down of the reimbursement amounts for fixed-rate levies by means of a formula based on a school district's or taxing unit's reliance on such reimbursements as a percentage of its total budget (or "total resources"), rather than by a fixed fractional reduction of reimbursement amounts through 2019, as provided under prior law. For example, under this formula for reimbursement, certain thresholds for fixed-rate levy loss reimbursement (which, in some cases, apply to current expense fixed-rate levies) have been established for school districts (2% for fiscal year 2012 and 4% for fiscal year 2013 and thereafter) and for other taxing units (4% for fiscal year 2012 and 6% for fiscal year 2013 and thereafter). If a school district or other taxing unit does not receive reimbursement (also referred to as an "allocation") for fixed-rate levy loss in an amount equal to these respective minimum thresholds, then the school district or other taxing unit receives no reimbursement. By the end of fiscal year 2013, fixed-rate levy loss reimbursements were reduced or terminated. Reimbursement for fixed-rate levies other than current expense levies were reduced by 50% for school districts by 2013 and 75% for municipalities by 2013. Reimbursement will continue to be paid for fixed-sum and unvoted debt levy losses although the phase-out period has generally been accelerated. Fixed-sum levy losses and losses on unvoted debt levies will be calculated in a manner similar to the manner in which losses for fixed-rate levies are calculated.

For additional information regarding expected changes to reimbursement amounts, please reference the following website: [http://www.tax.ohio.gov/personal\\_property/phaseout.aspx](http://www.tax.ohio.gov/personal_property/phaseout.aspx) and <http://www.ode.state.oh.us/GD/Templates/Pages/ODE/ODEDetail.aspx?Page=3&TopicRelationID=990&Content=137784>.

On November 15, 2015, the Governor signed Substitute Senate Bill No. 208 ("SB 208") which changed the schedule for phasing out tangible personal property replacement payments for school districts. Pursuant to SB 208, beginning in Fiscal Year 2018, the phase-down schedule implemented by HB 153 described above was replaced with one that phases tangible personal property replacement payments down each year solely on the basis of a fixed portion of each district's taxable property valuation. Starting with Fiscal Year 2018, such replacement payments will decline by 1/16 of 1% (0.0625%) of a district's taxable property valuation averaged over the three-year period from 2014 to 2016. In each succeeding Fiscal Year, replacement payments will equal the previous Fiscal Year's replacement payment amount minus 0.0625% of the three-year average valuation (based on the period from 2014 to 2016), until the replacement payments are reduced to zero.

(b) Beginning with tax year 2006, the percentages used to determine the assessed value of electric company personal property used in the production of electricity were reduced to 24% of true value; taxable transmission and distribution property are assessed at 85% of true value (50% of true value for rural electric companies). The State is to reimburse school districts and other local taxing districts for a portion of the revenues lost due to this reduction in tax valuation with proceeds of a kilowatt-hour excise tax imposed on electricity consumers as well as natural gas distribution tax revenue (the “Utility Taxes”). The reimbursement paid to school districts and other taxing units as a result of the lower Utility Taxes are commonly referred to as “replacement payments.” Prior to the passage of Am. Sub. H.B. 153, effective June 30, 2011 (“HB 153”), qualifying levy reimbursements to school districts were scheduled to be distributed, in full, through 2016 (or, for fixed-rate levies, the reimbursement period could end prior to 2016 if increases in a school district’s state aid exceeded its fixed-rate reimbursement measured against 2002 levels) with no further reimbursements thereafter for losses resulting from the reduction in tax valuation against utility property. Reimbursements for such losses to other taxing units were scheduled to be made through 2017 on a declining basis after 2006. HB 153 changes the manner in which replacement payments are made to school districts and local taxing units.

Generally, reimbursement for fixed-rate levy loss is calculated by determining the difference between personal property taxes due using the higher assessed rates under a pre-determined prior year (which prior year varies depending on whether the property is electric or gas) and taxes due using lower rates under the new law. Similar to determining reimbursement amounts for business tangible personal property losses, HB 153 provides a methodology for determining reimbursement amounts for fixed-rate levies by means of a formula based on a school district’s or taxing unit’s reliance on such reimbursements as a percentage of its total budget (or “total resources”). For example, under this recently implemented formula for reimbursement, certain thresholds for fixed-rate levy loss reimbursement (which, in some cases, apply to current expense fixed-rate levies) have been established for school districts (2% for fiscal year 2012 and 4% for fiscal year 2013 and thereafter) and for other taxing units (4% for fiscal year 2012 and 6% for fiscal year 2013 and thereafter). If a school district or other taxing unit does not receive reimbursement (also referred to as an “allocation”) for fixed-rate levy loss in an amount equal to these respective minimum thresholds, then the school district or other taxing unit receives no reimbursement. By the end of fiscal year 2013, fixed-rate levy loss reimbursements will be either reduced or terminated. Reimbursement for fixed-rate levies other than current expense levies will be reduced by 50% for school districts by 2013 and 75% for municipalities by 2013. Reimbursement will continue to be paid for fixed-sum and unvoted debt levy losses with reimbursement for all but ¼ of a mill per dollar. Fixed-sum levy losses and losses on unvoted debt levies will be calculated in a manner similar to the manner in which losses for fixed-rate levies are calculated.

For additional information regarding expected changes to reimbursement amounts, please reference the following website: [http://www.tax.ohio.gov/personal\\_property/phaseout.aspx](http://www.tax.ohio.gov/personal_property/phaseout.aspx). Also, see the last paragraph under subparagraph (a) above regarding the changes that began in Fiscal Year 2018, to the phase-down of tangible personal property replacement payments reflected in SB 208.

### **Changes to Assessed Valuation**

The Ohio General Assembly has exercised from time to time its power to revise Ohio law applicable to the determination of assessed valuation of property subject to ad valorem taxation and the amount of tax proceeds produced by ad valorem taxation against such property, as evidenced by the replacement of the tangible personal property tax with a portion of the revenues from the CAT tax. It is anticipated that the General Assembly will continue to make similar revisions.

**Assessed Valuation of the School District**

The assessed valuation of property within the School District subject to levy of ad valorem taxes over the last five years is indicated in the following table:

ASSESSED VALUATION

<u>Tax Year</u>	<u>Real (a)</u>	<u>Public Utility</u>	<u>Total Assessed Valuation</u>	<u>Increase Over Previous Year</u>
2017	\$854,402,840	\$15,654,850	\$870,057,690	8.24%
2018	861,389,900	16,613,160	878,003,060	0.91%
2019	869,419,800	17,523,670	886,943,470	1.02%
2020	929,427,440	18,655,710	948,083,150	6.89%
2021	956,695,830	20,462,820	977,158,650	3.07

(a) Other than public utility

Source: County Auditors of Hamilton, Clermont and Warren Counties

**Largest Taxpayers**

The largest taxpayers within the School District for tax collection year 2022 (tax year 2021) are shown in the following table:

PRINCIPAL TAXPAYERS  
REAL ESTATE AND PUBLIC UTILITY PROPERTY TAX

<u>Taxpayer</u>	<u>Tax Valuation</u>
1. Duke Energy Ohio Hamilton Co.	\$8,530,320
2. Duke Energy Ohio Clermont Co.	7,915,740
3. River Ridge Apartments	6,465,700
4. Robert McCabe Real Estate Group	3,872,140
5. Gold Medal Products Co.	3,482,500
6. Duke Energy C/O Tax Department	2,711,050
7. Arrowhead Owner 1 LLC et al	2,248,050
8. Deer Ridge Apartments LTD	2,222,560
9. LRC Westover Forest LP	1,850,070
10. Clermont Golf LTD	1,691,390

Source: County Auditors of Hamilton, Clermont and Warren Counties

**Collections and Delinquencies of Ad Valorem Taxes**

Real property taxes which remain unpaid for a period of one year after they are due are certified delinquent. Foreclosure proceedings to enforce collection are required to be instituted if delinquent taxes have not been paid within the year following the certification of delinquent taxes. In addition to foreclosure proceedings, delinquent real property taxes may be collected by the appointment of a receiver or by forfeiture of the property. Another law provides for notice by publication and mass foreclosure proceedings and sales after three years' delinquency and may facilitate the County Auditor's method of collecting delinquencies under the circumstances covered by the law. Taxes other than those in real estate are, in general, certified delinquent if they remain unpaid for one year. In addition to the remedies of foreclosure,

receivership and forfeiture, such delinquent taxes may be collected through civil action in the local courts. The delinquent taxes that are collected become part of the current collection and are distributed as current collections to the respective subdivisions. Special assessments levied by the various subdivisions are collected with the real property taxes; upon collection, delinquent special assessments are remitted to the levying subdivisions. The preceding is a general description of such procedures which varies in practice among Ohio counties.

The following table sets forth the amounts billed for ad valorem real estate and public utility taxes and tangible personal property taxes for the School District on the tax duplicate for the collection years 2017 through 2021 (valuation years 2016 through 2020):

**REAL ESTATE, PUBLIC UTILITY AND  
TANGIBLE PERSONAL PROPERTY TAX COLLECTION PERCENTAGES**

Collection <u>Year</u>	<u>Taxes Levied</u>	<u>Taxes Collected*</u>	<u>Percentage Collected*</u>
2017	\$34,435,214	\$30,606,843	89%
2018	35,017,969	31,226,265	89%
2019	35,627,438	31,452,224	88%
2020	35,344,612	32,072,278	91%
2021	35,778,272	32,893,176	92%

*\*Current taxes and delinquencies collected*

*Source: Ohio Department of Taxation*

**Unvoted and Voted Taxes for Local Purposes**

To meet current expenses of subdivisions, the laws of Ohio authorize two types of ad valorem tax levies - unvoted and voted.

Unvoted ad valorem tax levies are permitted by the State Constitution and the Revised Code so long as all such unvoted taxes do not exceed one per cent (ten mills) of any property’s assessed valuation. This limitation is known as the “ten-mill limitation” and such unvoted taxes are referred to as the “inside millage”.

Ohio law permits voted ad valorem tax levies outside the one percent limitation when approved by a majority of the electors of a taxing District voting on the proposition. A voted tax levy for a board of education is generally initiated by a resolution of the board of education to place such a levy on the ballot at a general, primary or special election.

[This Space Intentionally Left Blank]



The following chart lists the effective rates of taxation for the General Fund and Bond Retirement Fund of the Board of Education for the tax years 2017-2021 (collection years 2018-2022):

RATES OF TAXATION				
<u>Year</u>	<u>MILLS – GENERAL FUND</u>			<u>MILLS</u>
	<u>Inside</u>	<u>Outside</u>	<u>Total</u>	<u>Bond Retirement Fund</u>
2017 Valuation 2018 Collection	4.56	37.58	42.14	1.75
2018 Valuation 2019 Collection	4.56	37.58	42.14	1.75
2019 Valuation 2020 Collection	4.56	37.58	42.14	1.75
2020 Valuation 2021 Collection	4.56	37.02	41.58	1.05
2021 Valuation 2022 Collection	4.56	36.93	41.49	1.05

*Source: Treasurer of the Board of Education*

[This Space Intentionally Left Blank]

## Voting Records

The following tables show the history of bond issue and operating levy elections for the District since 1983, during which time the voters of the District have approved 67% of the proposed bond issues and 75% of the proposed operating levies:

### HISTORY OF BOND ISSUE ELECTIONS

<u>Date</u>	<u>Amount</u>	<u>For</u>	<u>Against</u>	<u>% For</u>	<u>Purpose</u>
05/07/91	\$ 16,297,000	1,610	1,527	51.32	New Buildings, Land and Renovation
11/03/98	32,000,000	4,667	3,555	56.76	Buildings and Renovations
11/05/19	118,515,000	2,447	8,634	22.08	Construction Improvements and School Facilities

### HISTORY OF OPERATING LEVIES

<u>Date</u>	<u>Millage</u>	<u>For</u>	<u>Against</u>	<u>% For</u>	<u>Duration</u>
03/22/83	4.90	1,066	490	68.50	Continuing
11/06/84	6.50	3,360	2,534	57.00	Continuing
05/03/88	6.50	1,633	1,246	56.70	Continuing
08/06/96	5.60	1,225	1,282	48.86	Continuing
11/05/96	5.60	5,756	4,023	58.86	Continuing
03/02/04	12.00*	3,608	3,453	51.10	Continuing
03/04/08	8.50	4,468	5,813	43.46	Continuing
11/04/08	3.50	8,327	6,093	57.75	Continuing
05/03/11	3.50	4,450	2,137	67.56	Continuing
05/06/14	5.60	3,685	2,137	59.48	Continuing
11/05/19	10.36**	2,447	8,634	22.08	Continuing
03/17/20	6.95	3,901	5,870	39.92	Continuing

\* 12 mill levy consisted of 7 mills for operating expenses and 5 mills for general, ongoing permanent improvements.

\*\*10.36 mill levy consisted of 3.41 mills for the acquisition, construction, enlargement, renovation, and financing of permanent improvements and 6.95 mills for current operating expenses.

Source: Records of the Treasurer of the Board of Education

## State Funding for Public Schools

There are certain restrictions on participation in the state funding program; for example, the school district must levy at least 20 mills for operating purposes, certain reporting and accounting requirements must be met, schools in the district must be open for a minimum number of days or hours for instructional purposes, and teachers' salaries must meet certain criteria. Failure to comply with these requirements may result in the elimination or reduction of benefits received by a school district.

The Board of Education currently participates in the state funding program. As shown in the following table, the Board of Education relies on the state funding program for approximately 24% of its operating revenues:

<u>Fiscal Year</u>	<u>General Fund Revenues</u>	<u>State Funding Program</u>	<u>Percentage of General Fund Revenues Consisting of State Funding Programs</u>
2018	\$51,729,954	\$13,481,419	26%
2019	50,232,955	13,321,763	27%
2020	50,368,810	12,343,374	25%
2021	51,163,039	13,058,016	25%
2022	51,435,500	12,431,599	24%

Since the funding for the State Funding Program must be appropriated by the General Assembly for each biennium, there can be no assurance that current funding levels will be continued. From time to time there may be an increase, a stabilization or a reduction of the level of State assistance to school districts.

On June 30, 2021, Ohio Governor Mike DeWine signed Amended Substitute House Bill 110 ("HB 110"), which is the State budget for the 2022-2023 fiscal biennium and provides the State funding formula for Ohio schools for fiscal years 2022 and 2023.

The new school funding formula implemented by HB 110 (the "New Formula") changes how State funding for public schools is calculated and differs significantly from the prior formula. Under the New Formula, a per-pupil base cost will be computed for each school district based upon five cost components representing that district's costs in educating its students. The five cost components used for each district are (i) teacher base cost, (ii) student support base cost, (iii) leadership and accountability base cost, (iv) building leadership and operations base cost, and (v) athletic co-curricular activities base cost. The funding responsibility for each district's per-pupil base cost is allocated between the State and that district based upon a per-pupil local capacity amount that is determined uniquely for each district under the New Formula. The determination of each district's per-pupil local capacity amount considers the residents' income of that district and that district's property valuation. While the State's share of each district's per-pupil base cost is based on the district's per-pupil local capacity amount, no district's State share will be less than five percent.

In addition to the State's share of per-pupil base cost, a district's core foundation funding under the New Formula may also include targeted assistance funds (which are based on wealth and capacity as compared to other districts), special education and related services funding, funds for English learners and for economically disadvantaged and gifted students, and funds for career-technical education and associated services. HB 110 also provides for temporary transitional aid to certain districts for fiscal years 2022 and 2023.

HB 110 specifies that the New Formula's funding mechanisms are only authorized for fiscal years 2022 and 2023. The form and funding levels of future school funding provisions that the General Assembly may enact cannot be predicted.

## **BOARD OF EDUCATION DEBT AND OTHER LONG-TERM OBLIGATIONS**

The following describes the security for the Board of Education's general obligation debt, applicable statutory and constitutional debt limitations, and outstanding and projected bond and note indebtedness and certain other long term financial obligations of the Board of Education. The Board of Education is not and has never been in default in the payment of debt service on any of its general obligation bonds or notes.

### **Security For and Sources of Payment of General Obligation Debt**

Unvoted Debt. The basic security for unvoted general obligation debt of the District is the District's ability to levy, and its levy pursuant to constitutional and statutory requirements, ad valorem taxes on all real and tangible personal property subject to ad valorem taxation by the District, within the ten-mill limitation imposed by Ohio law (see "Indirect Debt Limitation" below). This tax must be in sufficient amount to pay (to the extent not paid from other sources) as it becomes due the debt service on unvoted District general obligation bonds, both outstanding and in anticipation of which notes are outstanding. The law provides that the levy necessary for debt service has priority over any levy for current expenses within the ten-mill limitation; however, that priority may be subject to the provisions of federal bankruptcy law and other laws affecting creditors' rights. See the discussion in this Section, under "Indirect Debt Limitation," of the ten-mill limitation, and the priority of claim thereon for debt service on unvoted general obligation debt of the District and all overlapping taxing subdivisions. The District has approximately \$900,000 unvoted general obligation debt outstanding.

Voted Debt. The basic security for voted District general obligation debt is the authorization by the electors for the School District to levy, ad valorem taxes without limitation as to rate or amount on all real and tangible personal property subject to ad valorem taxation by the District. This tax is outside of the tax limitations referred to above under "Unvoted Debt," and is calculated to be in sufficient amount to pay (to the extent not paid from other sources) as it becomes due the debt service on voted District general obligation bonds, both outstanding and in anticipation of which notes are outstanding, subject to the provisions of federal bankruptcy law and other laws affecting creditors' rights. The District has approximately \$3,915,000 voted general obligation debt outstanding.

Notes in Anticipation of Bonds. While general obligation bond anticipation notes run, Ohio law requires the District to levy ad valorem property taxes in an amount not less than that which would have been levied if bonds had been issued without the prior issuance of the notes, provided that such levy need not actually be collected if payment of debt service on such notes is, in fact, to be provided from other sources, such as proceeds from the sale of renewal notes or bonds.

In general, such notes, including renewals of such notes, may be issued and outstanding from time to time up to a maximum period of twenty years from the date of issuance of the original notes. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to, and payable not later than, those principal maturities that would have been required if the bonds had been issued at the expiration of the initial five year period.

Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes. The ability of the Board of Education to retire its outstanding bond

anticipation notes from the proceeds of the sale of either bonds or renewal notes will be dependent upon the marketability of those obligations under market conditions prevailing at the time of such sale.

### **Direct Debt Limitations**

The Revised Code provides that the aggregate principal amount of voted and unvoted “net indebtedness” of a school district may not exceed nine percent of the total value of all property in such board’s school district as listed and assessed for taxation, and that the aggregate principal amount of unvoted “net indebtedness” of such school district may not exceed one-tenth of one percent of such value, except for energy conservation bond anticipation notes which may not exceed nine-tenths of one percent.

Within the nine percent limitation, a bond issue may not be submitted to a vote of the electorate in an amount which will make a district’s “net indebtedness” (after issuance of the bonds) exceed four percent of its assessed valuation, unless the State Tax Commissioner and the State Superintendent of Public Instruction, acting under policies adopted by the State Board of Education, consent thereto. Such consents have been obtained by the District.

In calculating “net indebtedness,” the Revised Code exempts certain self-supporting, revenue and special assessment obligations.

Other infrequently-issued types of obligations are also excluded from the calculation of net indebtedness. The District has no such obligations outstanding. Notes issued in anticipation of bonds excluded from the calculation of net indebtedness are also excluded from such calculation. In calculating net indebtedness, amounts in a school district’s bond retirement fund allocable to the principal amount of bonds otherwise included in the amount of net indebtedness are deducted from the total net indebtedness of such school district.

Under Section 133.06(E) of the Revised Code, if a board of education determines that its students are not being adequately serviced by existing facilities, and that sufficient funds to provide such facilities cannot be obtained when needed by the issuance of bonds within the nine percent limitation, it may, upon certain showings as to projected growth in its assessed valuation, qualify as a “special needs district,” and thereby be permitted to incur net indebtedness, calculated as described above, in a sum not exceeding the aggregate of (a) nine percent of assessed valuation, plus (b) an amount arrived at by multiplying the current assessed valuation by the percentage by which current assessed valuation has increased over the assessed valuation as of the first day of the sixtieth month preceding the month in which the board of education of the special needs district determines to submit to the electors the question of the issuance of the indebtedness proposed to be issued. The Board of Education has no present plans to make use of Section 133.06(E).

The total principal amount of voted and unvoted general obligation debt that could be issued by the Board of Education, subject to the nine percent total direct debt limitation is \$87,944,278.50 and the District's net debt subject to such nine percent limitation presently outstanding is \$4,815,000.00, leaving a borrowing capacity of \$83,129,278.50 within the nine percent limitation.

The total unvoted District general obligation debt that could be issued subject to the one-tenth of one percent unvoted direct debt limitation is \$977,158.65. The net District debt subject to such one-tenth of one percent limitation presently outstanding, is \$-0-, leaving a balance of \$977,158.65 of additional unvoted non-exempt debt that could be issued by the Board of Education under such one-tenth of one percent limitation. However, as described below, the District's ability to incur unvoted debt in this amount is restricted by the indirect debt limitation. In the case of unvoted general obligation debt issued within the one-tenth of one percent limitation, both the direct and the indirect debt limitations must be met. Such is also the case for energy conservation bond anticipation notes issued within the nine-tenths of one percent limitation.

The total unvoted District general obligation debt that could be issued subject to the nine-tenths of one percent unvoted direct debt limitation is \$8,794,427.85. The net District debt subject to such nine-tenths of one percent limitation presently outstanding is \$900,000.00, leaving a balance of \$7,894,427.85 of additional unvoted non-exempt debt that could be issued by the Board of Education under such nine-tenths of one percent limitation.

[This Space Intentionally Left Blank]

**Principal Amounts of Outstanding Debt;  
Leeway for Additional Debt Within  
Direct Debt Limitations**

Total Assessed Valuation	\$977,158,650.00
A Total Debt	4,815,000.00
B Exempt Debt	0.00
C Total Non Exempt Debt	4,815,000.00
D 1/10 of 1% Tax Valuation	977,158.65
E Total limited tax non-exempt bonds outstanding subject to indirect limitation	0.00
F Debt leeway within the 1/10th of 1% unvoted debt limitation but subject to indirect limitation	977,158.65
G 9/10 of 1% of tax valuation	8,794,427.85
H Total limited tax non-exempt bonds subject to 9/10th of 1% limit	900,000.00
I Debt leeway within the 9/10th of 1% unvoted debt limitation but subject to indirect debt limitations	7,894,427.85
J 9% of tax valuation	87,944,278.50
K Total non-exempt bonds outstanding	4,815,000.00
L Debt leeway within 9% direct debt limitation	83,129,278.50

## **Indirect Debt Limitation**

Ohio boards of education may issue voted general obligation debt within the direct debt limitation described above. Ad valorem taxes, without limitation as to rate or amount, to pay debt service on such voted bonds, are authorized by the electors at the same time the bonds are authorized. Certain other subdivisions may also issue voted debt.

The Ohio Constitution and the Revised Code, by limiting the amount of ad valorem taxes which may be levied without a vote to one percent (or ten mills) of the valuation of the property to be taxed, while requiring that an ad valorem tax sufficient to pay debt service be levied whenever general obligation indebtedness is incurred, operate to indirectly limit the amount of unvoted bonds that may be issued. This indirect limitation on the amount of unvoted general obligation indebtedness is commonly known as the “ten-mill limitation.”

Typically, the various taxing subdivisions levy the full ten mills of unvoted taxes permitted by Ohio law (which is sometimes referred to as the “inside millage”), regardless of whether such millage is needed for debt service, and this inside millage is allocated by the County Budget Commission among the overlapping subdivisions pursuant to a formula contained in the Revised Code.

The inside millage allocated to a taxing subdivision is required by Ohio law to be used first for the payment of debt service on unvoted general obligation debt of the subdivision, unless provision has been made for its payment from other sources, and the balance may be used for general fund purposes of the subdivision. To the extent that this inside millage is required for debt service of a taxing subdivision (which may exceed the formula allocation for that subdivision), the amount that would otherwise be available to that subdivision for general fund purposes is reduced. Since the inside millage that may actually be required to pay debt service on unvoted general obligation debt of a subdivision may exceed the formula allocation of inside millage to such subdivision, such excess reduces the amount of inside millage available to overlapping subdivisions.

In determining whether additional unvoted bonds may be issued within this indirect debt limitation, the outstanding unvoted general obligation indebtedness of the issuing board of education and all overlapping political subdivisions must be considered, including general obligation indebtedness which is expected to be paid from sources other than ad valorem taxes. Since the indirect debt limit results from tax limitations and the requirement to levy taxes to pay bonds, it has application only to bonds that are payable from taxes either initially or in the event other non-tax revenues pledged to pay such bonds prove to be insufficient.

Unlike the direct debt limitations, the test for applying the indirect debt limitation may not be expressed in terms of a percentage of tax valuation. The amount of bonds that may be issued under this indirect debt limitation is determined by whether the amount required for debt service on the proposed bonds in a given year is greater than the number of dollars that will be produced by a tax levy equal to the inside millage available. The inside millage available is determined by subtracting from ten mills the number of mills required for unvoted outstanding general obligation bonds of the issuing board of education and all other political subdivisions that overlap such board of education. In arriving at the available inside millage, the inside millage that is actually being used by the overlapping subdivision at the time to pay debt service on unvoted general obligation debt is not considered; instead, it is the inside millage that could be required to pay all such debt and the inside millage that could be required to retire the proposed issue, if no funds were available from other sources, that is considered.

A constitutional amendment designed to remove this indirect debt limitation was defeated by the voters of Ohio at an election held on June 8, 1976.



## Outstanding Debt

The District currently has the following outstanding bonds, notes and other debt obligations as of October 1, 2022:

<u>General Obligation Bonds</u>					
<u>Date</u>	<u>Purpose</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Original Amount Outstanding</u>	<u>Amount Outstanding</u>
08/06/09	Energy Cons. (QSCB)	7.19%*	06/15/24	\$6,015,000.00	\$ 900,000.00
12/04/12	Refunding	2.00 – 4.00%	12/01/24	8,325,000.00	3,915,000.00

\* Tax Credit Rate, not Interest Rate

## Lease Obligations

The Board of Education has no outstanding lease obligations.

## Future Financings

The District has no future financing plans at this time.

## School Funding Litigation

Between 1997 and 2003, the Ohio Supreme Court released several decisions in the case *DeRolph v. State of Ohio*, in which the Plaintiffs challenged the constitutionality of the way the State funded public schools at that time. The original decision from the Ohio Supreme Court on May 24, 1997 held that the State's school funding system at that time was unconstitutional and that property taxes may not be the primary means for providing the finances for a thorough and efficient system of schools. The decision was stayed for twelve months to give the State Legislature time to develop a revised system. The Supreme Court remanded the case to the trial court to retain jurisdiction until legislation was passed that provided adequate school funding in conformity with the Ohio Constitution and the decision of the Supreme Court.

In response to the case, the State General Assembly enacted laws that changed the basic State funding of Ohio school districts and established an increased minimum base cost per pupil for an adequate education, with the funding to be provided from State and local sources. However, in a decision released in May of 2000, the Ohio Supreme Court held that the State's revised method of funding public schools was still unconstitutional. Despite attempts to reach a settlement, the case again reached the Ohio Supreme Court in 2001 and 2002. In its opinion released December 11, 2002, the Ohio Supreme Court ruled that the State's then-current school funding system was unconstitutional and directed the State to enact a school funding scheme that was thorough and efficient. However, in 2003, the Ohio Supreme Court prohibited the lower court from proceeding further in the case, effectively ending the litigation. Plaintiffs petitioned the United States Supreme Court for a Writ of Certiorari, but the Petition was denied, thereby ending the *DeRolph* case.

In June 2021, the General Assembly enacted HB 110, which implemented a new school funding formula (the "New Formula") for Ohio schools in an effort to bring the State's school funding system into conformity with the Ohio Constitution. The New Formula is effective for fiscal years 2022 and 2023 and differs significantly from prior funding formulae. The constitutionality of the New Formula has not been determined. See "AD VALOREM TAX REVENUES - State Funding for Public Schools" for a discussion of the New Formula.

**General Litigation**

To the knowledge of the District, no litigation or administrative action or proceeding is pending or threatened directly affecting the security for the District's general obligation debt.

[This Space Intentionally Left Blank]

**CONCLUDING STATEMENT**

This Official Statement has been duly authorized and prepared by, and executed and delivered for and on behalf of, the Board of Education by its Interim Treasurer.

**BOARD OF EDUCATION  
LOVELAND CITY SCHOOL DISTRICT**

By:           /s/ Robert Giuffré            
Interim Treasurer

Dated: October 1, 2022

26037169

**APPENDIX A  
UNAUDITED FINANCIAL REPORT OF THE  
BOARD OF EDUCATION**

**For Fiscal Year Ending 06/30/22**

## Loveland City Schools Cash Summary Report

Full Account Code	Description	Initial Cash	MTD Received	FYTD Received	MTD Expended	FYTD Expended	Fund Balance	Encumbrance	Unencumbered Balance
<b>Fund: 001</b>									
001-0000	GENERAL FUND	\$ 14,622,097.72	\$ 1,053,664.13	\$ 51,435,500.07	\$ 4,669,801.06	\$ 51,087,171.43	\$ 14,970,426.36	\$ 221,322.22	\$ 14,749,104.14
		<b>\$ 14,622,097.72</b>	<b>\$ 1,053,664.13</b>	<b>\$ 51,435,500.07</b>	<b>\$ 4,669,801.06</b>	<b>\$ 51,087,171.43</b>	<b>\$ 14,970,426.36</b>	<b>\$ 221,322.22</b>	<b>\$ 14,749,104.14</b>
<b>Fund: 002</b>									
002-0000	BOND RETIREMENT	1,840,687.11	0.00	1,065,954.47	0.00	1,342,530.11	1,564,111.47	0.00	1,564,111.47
		<b>\$ 1,840,687.11</b>	<b>\$ 0.00</b>	<b>\$ 1,065,954.47</b>	<b>\$ 0.00</b>	<b>\$ 1,342,530.11</b>	<b>\$ 1,564,111.47</b>	<b>\$ 0.00</b>	<b>\$ 1,564,111.47</b>
<b>Fund: 003</b>									
003-0000	PERMANENT IMPROVEMENT	2,052,492.91	1,087.05	3,806,271.36	395,315.45	4,395,193.37	1,463,570.90	1,789,981.60	(326,410.70)
		<b>\$ 2,052,492.91</b>	<b>\$ 1,087.05</b>	<b>\$ 3,806,271.36</b>	<b>\$ 395,315.45</b>	<b>\$ 4,395,193.37</b>	<b>\$ 1,463,570.90</b>	<b>\$ 1,789,981.60</b>	<b>\$ (326,410.70)</b>
<b>Fund: 006</b>									
006-0000	LUNCHROOM FUND	19,418.56	230,392.13	2,056,184.33	112,159.00	1,202,798.60	872,804.29	2,473.56	870,330.73
006-9023	Supply Chain Assistance Fund	0.00	75,751.44	75,751.44	0.00	0.00	75,751.44	0.00	75,751.44
		<b>\$ 19,418.56</b>	<b>\$ 306,143.57</b>	<b>\$ 2,131,935.77</b>	<b>\$ 112,159.00</b>	<b>\$ 1,202,798.60</b>	<b>\$ 948,555.73</b>	<b>\$ 2,473.56</b>	<b>\$ 946,082.17</b>
<b>Fund: 007</b>									
007-9001	Neediest Kids of All Grant	99.90	146.58	446.58	0.00	0.00	546.48	0.00	546.48
007-9222	"Be the One" Scholarship	0.00	0.00	1,000.00	0.00	1,000.00	0.00	0.00	0.00
007-9218	LHS Psychology - Hicks	998.21	0.00	0.00	0.00	0.00	998.21	0.00	998.21
		<b>\$ 1,098.11</b>	<b>\$ 146.58</b>	<b>\$ 1,446.58</b>	<b>\$ 0.00</b>	<b>\$ 1,000.00</b>	<b>\$ 1,544.69</b>	<b>\$ 0.00</b>	<b>\$ 1,544.69</b>
<b>Fund: 018</b>									
018-9015	Book Fair LPS	8,626.00	20.90	17,542.42	0.00	11,712.11	14,456.31	0.00	14,456.31
018-9113	LIS Principal - Faculty	2,579.32	0.00	1,790.57	199.49	435.62	3,934.27	0.00	3,934.27
018-9011	Book Fair LHS	1,622.12	142.71	577.90	0.00	0.00	2,200.02	0.00	2,200.02
018-9101	LHS Principal - Students	10,122.66	1,330.00	97,141.49	60,302.17	96,179.34	11,084.81	1,020.00	10,064.81
018-9014	Book Fair LES	14,789.62	62.00	22,371.81	0.00	17,022.65	20,138.78	0.00	20,138.78
018-9106	L.E.C.C. Principal - Students	17,640.18	0.00	5,533.11	1,148.31	4,400.53	18,772.76	1,739.73	17,033.03
018-9016	Book Fair LECC	6,823.04	9.94	91.92	0.00	726.48	6,188.48	0.00	6,188.48
018-9111	LHS Principal - Faculty	408.49	0.00	422.43	0.00	830.92	0.00	0.00	0.00
018-9116	L.E.C.C. Principal - Faculty	2,079.70	781.23	6,338.85	1,226.20	2,416.07	6,002.48	0.00	6,002.48
018-9099	Districtwide	21,956.74	698.01	2,307.96	581.56	20,755.95	3,508.75	1,057.76	2,450.99
018-9112	LMS Principal - Faculty	3,090.16	0.00	1,653.00	908.63	3,679.16	1,064.00	600.00	464.00
018-9115	LPS Principal - Faculty	3,964.06	1,741.60	4,107.57	492.69	3,351.54	4,720.09	0.00	4,720.09
018-9114	LES Principal - Faculty	6,156.74	0.00	2,627.04	559.70	3,910.69	4,873.09	0.00	4,873.09
018-9100	HYPE Committee	52.11	0.00	1,045.00	0.00	0.00	1,097.11	0.00	1,097.11
018-9110	LHS - Student Parking Permit	70,672.83	0.00	39,265.00	4,554.00	65,708.44	44,229.39	0.00	44,229.39
018-9102	LMS Principal - Students	4,587.96	1,417.00	10,285.89	6,016.00	9,730.58	5,143.27	0.00	5,143.27
018-9103	LIS Principal - Students	26,344.50	1,350.00	32,060.58	3,851.51	32,838.89	25,566.19	311.20	25,254.99
018-9104	LES Principal - Students	36,390.04	0.00	17,253.58	170.00	7,749.57	45,894.05	0.00	45,894.05
018-9105	LPS Principal - Students	9,035.94	215.00	20,756.14	2,371.60	14,018.07	15,774.01	(48.62)	15,822.63
018-9012	Book Fair LMS/LIS	2,821.47	0.00	20,152.87	0.00	19,717.89	3,256.45	0.00	3,256.45

## Loveland City Schools Cash Summary Report

Full Account Code	Description	Initial Cash	MTD Received	FYTD Received	MTD Expended	FYTD Expended	Fund Balance	Encumbrance	Unencumbered Balance
018-9117	LHS Turf Field	\$ 69,090.50	\$ 3,058.75	\$ 18,211.88	\$ 0.00	\$ 15,780.00	\$ 71,522.38	\$ 0.00	\$ 71,522.38
		<b>\$ 318,854.18</b>	<b>\$ 10,827.14</b>	<b>\$ 321,537.01</b>	<b>\$ 82,381.86</b>	<b>\$ 330,964.50</b>	<b>\$ 309,426.69</b>	<b>\$ 4,680.07</b>	<b>\$ 304,746.62</b>
<b>Fund:</b>	<b>019</b>								
019-9299	LEAAD Loveland Legacy Donation	1,000.00	0.00	0.00	0.00	0.00	1,000.00	0.00	1,000.00
019-9301	Gene Haas Foundation Robotics Grant	0.00	0.00	4,000.00	0.00	0.00	4,000.00	0.00	4,000.00
019-9300	School Nurse/Aide Prof. Dev.	0.00	0.00	3,000.00	0.00	0.00	3,000.00	0.00	3,000.00
019-9022	Life Food Pantry Nurse Fund	0.00	0.00	2,000.00	0.00	312.77	1,687.23	0.00	1,687.23
019-9291	GENYOUth Food Service Grant	395.00	0.00	0.00	0.00	0.00	395.00	0.00	395.00
019-9228	Mosaic Donation	5,000.00	0.00	0.00	0.00	0.00	5,000.00	0.00	5,000.00
019-9280	LEAAD Clermont County Mental Health and Recov	15.21	0.00	0.00	0.00	0.00	15.21	0.00	15.21
019-9119	Title III FY19	2,219.89	0.00	0.00	0.00	0.00	2,219.89	0.00	2,219.89
019-9120	Title III FY20	743.96	0.00	0.00	0.00	0.00	743.96	0.00	743.96
019-9223	Scholarships for Seniors Staff Donations	918.56	1,555.24	1,655.24	0.00	1,000.00	1,573.80	0.00	1,573.80
019-9103	Loveland Moose Lodge	2,080.49	0.00	0.00	0.00	35.71	2,044.78	0.00	2,044.78
019-9221	Title III FY21	7,584.70	0.00	0.00	0.00	0.00	7,584.70	0.00	7,584.70
019-9290	1N5.org Mental Health grant	1,855.00	0.00	0.00	0.00	0.00	1,855.00	0.00	1,855.00
019-9260	LEAAD Prevention First Grant	366.98	0.00	0.00	0.00	0.00	366.98	0.00	366.98
019-9302	HC Caring for Our Watersheds	0.00	0.00	3,171.05	2,048.04	2,778.05	393.00	294.29	98.71
		<b>\$ 22,179.79</b>	<b>\$ 1,555.24</b>	<b>\$ 13,826.29</b>	<b>\$ 2,048.04</b>	<b>\$ 4,126.53</b>	<b>\$ 31,879.55</b>	<b>\$ 294.29</b>	<b>\$ 31,585.26</b>
<b>Fund:</b>	<b>024</b>								
024-0000	SECTION 125 ACCOUNT	32,250.26	0.00	0.00	0.00	0.00	32,250.26	0.00	32,250.26
		<b>\$ 32,250.26</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 32,250.26</b>	<b>\$ 0.00</b>	<b>\$ 32,250.26</b>
<b>Fund:</b>	<b>027</b>								
027-0000	Worker's Compensation Self Insurance	583,105.01	0.00	0.00	42,647.77	145,508.70	437,596.31	0.00	437,596.31
		<b>\$ 583,105.01</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 42,647.77</b>	<b>\$ 145,508.70</b>	<b>\$ 437,596.31</b>	<b>\$ 0.00</b>	<b>\$ 437,596.31</b>
<b>Fund:</b>	<b>200</b>								
200-9228	LHS Photography Club	421.26	0.00	1,100.00	0.00	1,511.48	9.78	0.00	9.78
200-9213	LHS Green Team	1,313.71	2,600.00	2,742.69	170.00	170.00	3,886.40	480.00	3,406.40
200-9200	LHS Yearbook	19,579.43	150.00	11,254.00	371.33	11,478.70	19,354.73	13,550.00	5,804.73
200-9026	Class of 2026	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
200-9251	Tiger Brigade	125.00	0.00	100.00	0.00	0.00	225.00	0.00	225.00
200-9023	Class of 2023	2,046.85	0.00	21,174.69	150.00	10,647.10	12,574.44	0.00	12,574.44
200-9244	LHS Math Team	451.00	0.00	1,458.00	0.00	773.60	1,135.40	0.00	1,135.40
200-9249	Dance Team	255.00	0.00	0.00	0.00	0.00	255.00	0.00	255.00
200-9234	LHS Ski Club	2,772.22	0.00	9,843.08	0.00	8,311.45	4,303.85	0.00	4,303.85
200-9207	LMS Drama Club	34,847.67	0.00	13,453.08	232.78	10,818.55	37,482.20	0.00	37,482.20
200-9022	Class of 2022	12,257.16	0.00	(200.00)	463.75	3,792.67	8,264.49	0.00	8,264.49

As Of Period: 06/30/2022

## Loveland City Schools

### Cash Summary Report

Full Account Code	Description	Initial Cash	MTD Received	FYTD Received	MTD Expended	FYTD Expended	Fund Balance	Encumbrance	Unencumbered Balance
200-9245	Spectrum	\$ 245.04	\$ 0.00	\$ 100.00	\$ 0.00	\$ 0.00	\$ 345.04	\$ 0.00	\$ 345.04
200-9218	LHS Student Council	4,252.45	0.00	23,065.74	(356.00)	15,292.18	12,026.01	30.00	11,996.01
200-9221	LHS National Honors Society	2,153.01	0.00	2,395.86	85.19	2,175.98	2,372.89	0.00	2,372.89
200-9206	LHS Drama Club	38,857.05	0.00	27,422.51	1,480.77	15,636.19	50,643.37	0.00	50,643.37
200-9252	Hope Squad	2,023.72	360.00	1,814.00	0.00	2,265.72	1,572.00	0.00	1,572.00
200-9201	LMS Yearbook	15,150.94	0.00	450.00	0.00	0.00	15,600.94	0.00	15,600.94
200-9222	LMS Nat'l Jr. Honor Society	198.09	0.00	340.00	90.00	475.00	63.09	0.00	63.09
200-9247	LHS Debate Club	1,068.79	0.00	0.00	0.00	0.00	1,068.79	0.00	1,068.79
200-9250	UNICEF Club	978.28	474.00	474.00	0.00	0.00	1,452.28	0.00	1,452.28
200-9209	LHS START	284.07	0.00	0.00	0.00	121.26	162.81	0.00	162.81
200-9217	LMS Student Council	1,110.24	0.00	5,047.56	83.50	3,545.53	2,612.27	0.00	2,612.27
200-9208	LHS Thespian Club	1,706.50	0.00	344.08	0.00	304.00	1,746.58	0.00	1,746.58
200-9025	Class of 2025	0.00	0.00	4,916.65	0.00	1,609.98	3,306.67	0.00	3,306.67
200-9219	LHS Newspaper	1,254.28	0.00	1,662.11	633.00	1,710.50	1,205.89	0.00	1,205.89
200-9254	International Club LHS	464.75	0.00	0.00	0.00	0.00	464.75	0.00	464.75
200-9230	LHS Science Olymics	1,743.41	0.00	0.00	0.00	471.12	1,272.29	0.00	1,272.29
200-9256	Bracelets for Awareness	0.00	0.00	331.40	0.00	0.00	331.40	331.40	0.00
200-9248	Archery Club	430.00	0.00	0.00	0.00	0.00	430.00	0.00	430.00
200-9240	Robotics Club	24,809.89	0.00	298.85	0.00	6,049.51	19,059.23	0.00	19,059.23
200-9214	LINK Crew	424.83	0.00	593.00	596.00	596.00	421.83	0.00	421.83
200-9205	LHS Literary Magazine	163.87	0.00	0.00	0.00	0.00	163.87	0.00	163.87
200-9243	Invisible Children LIS	47.33	0.00	0.00	0.00	0.00	47.33	0.00	47.33
200-9253	Senior Service	18.14	0.00	0.00	0.00	0.00	18.14	0.00	18.14
200-9210	LHS SADD Club	3,218.25	0.00	0.00	0.00	75.00	3,143.25	0.00	3,143.25
200-9203	LHS Art Club	56.96	0.00	0.00	0.00	0.00	56.96	0.00	56.96
200-9024	Class of 2024	11,060.92	0.00	889.00	0.00	926.57	11,023.35	0.00	11,023.35
200-9236	LIS ECOLOGY CLUB	48.44	0.00	0.00	0.00	0.00	48.44	0.00	48.44
200-9257	Interalliance Club	0.00	0.00	216.66	0.00	0.00	216.66	0.00	216.66
200-9255	Spirit Club	0.00	0.00	750.00	0.00	709.89	40.11	0.00	40.11
200-9238	Community Based Instruction	2,971.41	3,457.63	6,018.63	0.00	1,395.98	7,594.06	94.14	7,499.92
		<b>\$ 188,809.96</b>	<b>\$ 7,041.63</b>	<b>\$ 138,055.59</b>	<b>\$ 4,000.32</b>	<b>\$ 100,863.96</b>	<b>\$ 226,001.59</b>	<b>\$ 14,485.54</b>	<b>\$ 211,516.05</b>
<b>Fund:</b>	<b>300</b>								
300-0000	LHS ATHLETIC FUND	63,500.81	4,410.00	325,598.92	9,375.03	204,124.71	184,975.02	21,564.44	163,410.58
300-9020	LHS Athletics	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
300-9301	LMS Lacrosse	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
300-9300	LMS Athletic Fund	46,668.92	2,480.00	65,587.24	2,661.51	51,537.51	60,718.65	7,463.12	53,255.53
300-903F	Fitness Center - UC Health	0.00	0.00	25,000.00	0.00	25,000.00	0.00	0.00	0.00
		<b>\$ 110,169.73</b>	<b>\$ 6,890.00</b>	<b>\$ 416,186.16</b>	<b>\$ 12,036.54</b>	<b>\$ 280,662.22</b>	<b>\$ 245,693.67</b>	<b>\$ 29,027.56</b>	<b>\$ 216,666.11</b>
<b>Fund:</b>	<b>401</b>								
401-9222	St. Columban FY22-23 Auxiliary	0.00	2.26	408,856.75	8,938.66	406,655.30	2,201.45	67,587.65	(65,386.20)

## Loveland City Schools Cash Summary Report

Full Account Code	Description	Initial Cash	MTD Received	FYTD Received	MTD Expended	FYTD Expended	Fund Balance	Encumbrance	Unencumbered Balance
<b>Fund: 451</b>		<b>\$ 0.00</b>	<b>\$ 2.26</b>	<b>\$ 408,856.75</b>	<b>\$ 8,938.66</b>	<b>\$ 406,655.30</b>	<b>\$ 2,201.45</b>	<b>\$ 67,587.65</b>	<b>\$ (65,386.20)</b>
451-9223	FY23 Connectivity Grant	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
451-9222	Connectivity Grant	0.00	0.00	10,800.00	10,800.00	10,800.00	0.00	0.00	0.00
		<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 10,800.00</b>	<b>\$ 10,800.00</b>	<b>\$ 10,800.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>Fund: 499</b>									
499-9222	School Bus Purchase Program	0.00	0.00	0.00	0.00	0.00	0.00	135,000.00	(135,000.00)
		<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 135,000.00</b>	<b>\$ (135,000.00)</b>
<b>Fund: 507</b>									
507-9321	ESSER 2 FY23	(1,348,363.91)	0.00	1,348,363.91	0.00	0.00	0.00	0.00	0.00
507-9231	ARP Homeless	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
507-9022	ARP Homeless FY22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
507-9421	ESSER 3 FY24	(290,984.96)	0.00	833,512.08	6,661.07	751,112.82	(208,585.70)	678,000.00	(886,585.70)
		<b>\$ (1,639,348.87)</b>	<b>\$ 0.00</b>	<b>\$ 2,181,875.99</b>	<b>\$ 6,661.07</b>	<b>\$ 751,112.82</b>	<b>\$ (208,585.70)</b>	<b>\$ 678,000.00</b>	<b>\$ (886,585.70)</b>
<b>Fund: 516</b>									
516-9223	IDEA Part B FY23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
516-9022	ARP IDEA Part B	0.00	0.00	44,232.80	0.00	75,477.69	(31,244.89)	0.00	(31,244.89)
516-9222	IDEA Part B FY22	0.00	0.00	907,459.81	46,667.91	954,856.72	(47,396.91)	55,379.07	(102,775.98)
		<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 951,692.61</b>	<b>\$ 46,667.91</b>	<b>\$ 1,030,334.41</b>	<b>\$ (78,641.80)</b>	<b>\$ 55,379.07</b>	<b>\$ (134,020.87)</b>
<b>Fund: 551</b>									
551-9222	LIMITED ENG PROF FY22	0.00	0.00	0.00	0.00	360.44	(360.44)	29.72	(390.16)
551-9223	LIMITED ENG PROF FY22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 360.44</b>	<b>\$ (360.44)</b>	<b>\$ 29.72</b>	<b>\$ (390.16)</b>
<b>Fund: 572</b>									
572-9222	TITLE I-A FY22	0.00	0.00	375,936.49	12,823.64	410,561.29	(34,624.80)	2,169.50	(36,794.30)
572-9022	Expanding Opportunities for Each Child	0.00	14,001.70	14,326.70	6,836.58	21,163.28	(6,836.58)	0.00	(6,836.58)
572-9223	TITLE I-A FY23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		<b>\$ 0.00</b>	<b>\$ 14,001.70</b>	<b>\$ 390,263.19</b>	<b>\$ 19,660.22</b>	<b>\$ 431,724.57</b>	<b>\$ (41,461.38)</b>	<b>\$ 2,169.50</b>	<b>\$ (43,630.88)</b>
<b>Fund: 584</b>									
584-9223	Title IV-A FY22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
584-9222	Title IV-A FY22	0.00	0.00	14,724.99	0.00	14,724.99	0.00	0.00	0.00
		<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 14,724.99</b>	<b>\$ 0.00</b>	<b>\$ 14,724.99</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>Fund: 587</b>									
587-9022	ARP IDEA Early Childhood FY22	0.00	3,556.12	7,188.44	1,816.16	9,004.60	(1,816.16)	0.00	(1,816.16)
587-9223	IDEA Early Childhood Spec Ed FY22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
587-9222	IDEA Early Childhood Spec Ed FY22	0.00	2,927.85	17,567.10	1,951.90	19,519.00	(1,951.90)	0.00	(1,951.90)
		<b>\$ 0.00</b>	<b>\$ 6,483.97</b>	<b>\$ 24,755.54</b>	<b>\$ 3,768.06</b>	<b>\$ 28,523.60</b>	<b>\$ (3,768.06)</b>	<b>\$ 0.00</b>	<b>\$ (3,768.06)</b>



### Loveland City Schools Cash Summary Report

Full Account Code	Description	Initial Cash	MTD Received	FYTD Received	MTD Expended	FYTD Expended	Fund Balance	Encumbrance	Unencumbered Balance
<b>Fund:</b>	<b>590</b>								
590-9222	TITLE II-A FY22	\$ 0.00	\$ 299.00	\$ 88,165.20	\$ 278.00	\$ 88,443.20	\$ (278.00)	\$ 5,757.00	\$ (6,035.00)
590-9223	TITLE II-A FY22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		<b>\$ 0.00</b>	<b>\$ 299.00</b>	<b>\$ 88,165.20</b>	<b>\$ 278.00</b>	<b>\$ 88,443.20</b>	<b>\$ (278.00)</b>	<b>\$ 5,757.00</b>	<b>\$ (6,035.00)</b>
<b>Grand Total</b>		<b>\$ \$ 1,408,142.27</b>		<b>\$ \$ 5,417,163.96</b>		<b>\$ \$ 3,006,187.78</b>		<b>\$ \$ 18,151,814.47</b>	<b>\$ 16,893,975.51</b>

**APPENDIX B**  
**SUMMARY OF ANNUAL APPROPRIATION RESOLUTION**  
**LOVELAND CITY SCHOOL DISTRICT**  
**2022-23**

GENERAL FUND

Instruction	
Total Regular Instruction	\$24,573,049.75
Total Special Instruction	9,038,767.54
Total Vocational Instruction	146,584.25
Total Other Instruction	<u>265,087.17</u>
 TOTAL INSTRUCTION	 \$34,023,488.71
 Supporting Services	
Total Support Services - Pupils	\$4,605,075.77
Total Support Services - Instructional Staff	1,680,672.98
Total Support Services - Board of Education	102,898.67
Total Support Services - Administration	3,735,683.16
Total Support Services - Fiscal	1,252,660.80
Total Support Services - Business	296,716.79
Total Support Services - Maintenance and Plant Operations	3,119,479.66
Total Support Services - Pupil Transportation	3,307,219.59
Total Support Services - Central	625,519.59
Total Support Services – Food Service	<u>3,090.00</u>
 TOTAL SUPPORT SERVICES	 \$18,729,017.01
Extra Curricular Activities	\$ 1,205,442.28
Repayment of Debt	0.00
Site Improvement	30,800.00
Contingencies	1,590,000.00
Transfer Out	<u>0.00</u>
 TOTAL GENERAL FUND	 <u>\$55,578,748.00</u>

**2022 ADDENDUM  
VOLUNTARY DISCLOSURE  
REGARDING THE IMPACT OF THE COVID-19 PANDEMIC**

*The District is providing this Addendum on a voluntary basis and by releasing such Addendum undertakes and assumes no obligation to further update the information contained herein except as otherwise required by law.*

*This Addendum is current only as of date of this Annual Information Statement to which it is attached and the District makes no representation as to the accuracy or completeness of the information contained herein after the release of such Annual Information Statement.*

\*\*\*\*\*

**Information previously provided by the District**

The Single Audit of the District for the Fiscal Year ended June 30, 2021 (the “FY 2021 Audit”)<sup>†</sup> and the FY 2022 Unaudited Financial Statements (attached as *Appendix A* hereto), provide information regarding the impact of the COVID-19 Pandemic on the District as of the respective dates thereof.

**Additional Information**

***Federal Assistance.***

*General.* The U.S. Congress has adopted the following legislation in order to provide federal assistance in managing the collateral effects of the COVID-19 Pandemic:

(a) In March 2020, three separate measures including (i) the Coronavirus Preparedness and Response Supplemental Appropriations Act, (ii) the Families First Coronavirus Response Act, and (iii) the Coronavirus, Relief and Economic Security (or “CARES”) Act, providing approximately \$3 trillion to deliver fast and direct economic assistance to American workers, families and small businesses;

(b) In December 2020, the Coronavirus Response and Relief Supplemental Appropriations Act (the “CRRSA Act”), providing approximately \$900 billion in additional assistance; and

(c) In March 2021, the American Rescue Plan Act of 2021 (the “ARP Act”), providing approximately \$1.9 trillion in additional assistance.

*Coronavirus Relief Fund.* The CARES Act established the \$150 billion Coronavirus Relief Fund (“CRF”) to provide assistance to states and eligible units of local governments to cover costs that (a) are necessary expenditures incurred due to the public health emergency with respect to COVID-19, (b) were not accounted for in the budget most recently approved as of March 27, 2020 and (c) are expenditures that

---

<sup>†</sup> The FY 2021 Audit is available from the Electronic Municipal Market Access website of the Municipal Securities Rulemaking Board under the applicable issues of the District and from the website of the Ohio Auditor of State at: <https://ohioauditor.gov/auditsearch/Search.aspx>. The references to these websites are for the purpose of accessing the audited financials of the District only; the District does not make any representation as to the accuracy of the information appearing on such website. The District does not undertake any obligation to maintain or update such website or such information contained on such website.

were incurred from March 1, 2020 through December 31, 2021 (as extended in the CRRSA). Ohio received approximately \$4.5 billion from the CRF, which included approximately \$1.2 billion to be distributed to local government units smaller than 500,000 in population. Approximately \$100 million was allocated to traditional school districts and nonpublic schools to be used for expenses such as protective equipment, cleaning and sanitation and remote learning, with the restrictions in use described above. The School District was awarded \$235,174 in CRF assistance, all of which has been spent or applied to reimbursement for eligible expenditures as of the date hereof.

*ESSER Funds.* In addition to the Coronavirus Relief Fund, the CARES Act also established the Education Stabilization Fund (the “Stabilization Fund”), with a FY 2020 appropriations level of \$30.75 billion. The CRRSA Act provided an additional \$82 billion for the Stabilization Fund, which were to remain available through September 30, 2022. The Stabilization Fund is comprised of three emergency relief funds for public and non-public institutions of higher education and elementary and secondary schools, including the Elementary and Secondary School Emergency Relief (“ESSER”) Fund. The ESSER Fund was established with a FY 2020 appropriations level of \$13.2 billion (the “ESSER I Fund”), the CRRSA Act provided an additional \$54.3 billion (the “ESSER II Fund”) in assistance, and the ARP Act will provide an additional \$122 billion in assistance (the “ARP ESSER Fund”). The State was awarded an additional allocation of approximately \$4.4 billion from such ARP ESSER Fund.

The ESSER I Fund guidelines provided that local education agencies can use funds from the ESSER I and the ESSER II Funds for purposes including any activity authorized under various federal education laws, coordination of preparedness and response to the coronavirus emergency, technology acquisition, mental health services, and activities related to summer learning. However, with respect to the ARP ESSER Fund, local education agencies must reserve at least 20 percent of its total allocation to address learning loss through the implementation of evidence-based interventions (e.g. after school or summer learning programs) while the remaining ARP ESSER Fund allocation may be used for the same allowable purposes provided for under the ESSER I and ESSER II Funds. States must distribute at least 90% of funds to local education agencies based on their proportional share of Title I-A funds under the Elementary and Secondary Education Act. States have the option to reserve 10% of their respective allocation for emergency needs, as determined by each state, to address issues in responding to the COVID-19 Pandemic.

Each state receiving monies from the ESSER I Fund must meet the reporting requirements of Section 15011 of the CARES Act. In addition, states receiving monies from the ESSER II Fund must not only meet the same reporting requirements applicable to the ESSER I Fund, but must also submit a report to the U.S. Department of Education within six months of award detailing the use thereof, including how such funding is being used to measure and address learning loss among students disproportionately affected by the COVID-19 Pandemic and school closures. States receiving monies from the ARP ESSER Fund must comply with all reporting requirements at such time and manner and containing such information as the U.S. Department of Education may reasonably require. Further, any local education agency that receives funding from the ARP ESSER Fund must, within 30 days of receiving such funds, make publicly available a plan for the safe return to in-person instruction and continuity of services.

The District was awarded \$353,033.83 from the ESSER I Fund, all of which has been spent or applied to reimbursement for eligible expenditures as of the date hereof. The District was then awarded \$1,356,692 in additional funding from the ESSER II Fund, all of which has been spent or applied to reimbursement for eligible expenditures as of the date hereof. The District was later awarded approximately \$3,049,102 in additional funding under the ARP ESSER Fund, of which \$1,577,024.04 has been spent or applied to reimbursement for eligible expenditures as of the date hereof. The District has used and/or anticipates using ESSER I, ESSER II, and ARP ESSER funds for maintaining existing staff, acquiring HVAC upgrades and hiring additional staff to assist with learning loss issues due to the COVID-19 Pandemic.

Other legislation may be currently pending and/or may in the future be proposed in the U.S. House of Representatives and/or the U.S. Senate. It cannot be predicted whether, when or in what form any such additional Congressional legislation may be proposed or passed by the U.S. Congress.

***Reductions in State Funding.***

As a result of the impact of the COVID-19 Pandemic on the 2020-2021 State Biennium Budget, on May 5, 2020, Governor DeWine announced a State budget reduction for the final two months of FY 2020 in the amount of \$775 million, including a \$300 million reduction in State funding appropriated for school districts (“State Foundation Aid”) in FY 2020 (which represented a 3.7 percent reduction) and a \$55 million reduction in other education budget line items.

On June 19, 2020, Governor DeWine signed Substitute House Bill No. 164 (H.B. 164), which included funding provisions for school districts for Fiscal Years 2020 and 2021. H.B. 164 requires the Ohio Department of Education to make payments to school districts that have seen more than a ten percent decrease in the taxable value of utility tangible personal property that have at least one power plant within their respective territories. Such payments were made for both Fiscal Years 2020 and 2021. Additionally, H.B. 164 provides that if a school district experienced an increase in the taxable value of utility tangible personal property which resulted in a deduction from the district’s State Foundation Aid, such district must be credited the deducted amount. Finally, H.B. 164 requires the Ohio Department of Education to make an additional payment to any school district that received, for FY 2020, a combined amount of State Foundation Aid (after the State budget reductions and taking into account any funding received from the CARES Act) that is less than 94% of its State Foundation Aid for FY 2020, as calculated before the State budget reductions described above.

On July 6, 2020, the Ohio Department of Education had announced that the 3.7 percent budget reduction in State Foundation Aid for FY 2020 would continue in FY 2021. However, on January 22, 2021, Governor DeWine signed an executive order partially restoring K-12 State Foundation Aid with a net \$140 million reduction for FY 2021.

The amount of the reduction in State Foundation Aid for the District in FY 2020 was \$1,010,851. The revised reduction in State Foundation Aid for the District in FY 2021 was \$456,462. The new Fair School Funding Plan was approved in the FY 2022 - 2023 State Budget (as further discussed in the body of this Annual Financial Information Statement).

***Property Tax Revenues.*** While the effects of the COVID-19 Pandemic on the local economy have the potential to adversely impact property tax revenues, to date, neither property tax valuation nor property tax revenues have been impacted in a materially adverse manner.

\*\*\*\*\*

While the COVID-19 Pandemic has the potential to adversely affect the finances of the District, to date, the COVID-19 Pandemic has not had a material adverse impact thereon. The federal relief funds received by the District have assisted the District in managing such impact and covering necessary expenditures. The District cannot predict the full effect that the COVID-19 Pandemic will have on its financial condition or operations and will continue to monitor the impact.