



Dave Yost • Auditor of State

CITY OF LOUISVILLE
STARK COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

City of Louisville
Stark County
215 South Mill Street
Louisville, Ohio 44641

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund and the discretely presented component unit and the remaining fund information of the City of Louisville, Stark County, (the City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 28, 2018.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

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

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

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

June 28, 2018

City of Louisville, Ohio

Comprehensive Annual Financial Report



For the year ended

December 31, 2017



CITY OF LOUISVILLE, OHIO

Comprehensive Annual Financial Report

Year Ended December 31, 2017

Prepared By: Department of Finance



City of Louisville, Ohio
Comprehensive Annual Financial Report
Year Ended December 31, 2017

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Year Ended December 31, 2017

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INTRODUCTORY SECTION





Department of Finance

June 28, 2018

To the Citizens, Mayor-Councilmember, and Members of Council of the City of Louisville, Ohio:

We are pleased to present our 2017 Comprehensive Annual Financial Report (CAFR) for the City of Louisville for your review. This report, for the year ended December 31, 2017, has been prepared using generally accepted accounting principles for governments, and contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the City of Louisville ("the City"). This report represents the commitment of the City to adhere to nationally recognized standards of excellence in financial reporting. Ohio law requires that every general purpose local government prepare and publish their financial statements in accordance with generally accepted accounting principles (GAAP) and have at a minimum a biennial audit. The City chooses to have an annual audit and this report is published to fulfill that requirement for the year ended December 31, 2017.

Responsibility for both the accuracy of the data and completeness and fairness of the entire presentation rests with the management of the City, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements.

State statutes require the City to be subjected to an annual examination by the Auditor of State. Either the Auditor of State of Ohio or, if the Auditor permits, an independent public accounting firm conducts these audits. The Auditor of State of Ohio performed these services and has issued an unmodified ("clean") opinion on the City's financial statements for the year ended December 31, 2017. The Independent Auditors' Report on the basic financial statements is included in the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditors' Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Louisville, encompassing an area of approximately 5.4 square miles, is located in the east central portion of Stark County, Ohio. The City had a population of 9,186 as reported in 2010 by the Bureau of Census. State Route 44 (North Chapel Street) and State Route 153 (Main Street) intersect in the City's business district, and United States Route 62 passes through the northwestern corner of the City. In addition to the highway system, Norfolk Southern Corporation operates a railroad line running between Chicago and New York that passes through the center of the City.

Louisville is a “home-rule” city as defined by the State of Ohio Revised Code and operates pursuant to its Charter under a Council-Manager form of government. The Mayor-Councilmember and four Council members are elected at large on a nonpartisan ballot for four-year, staggered terms. The City Council appoints the City Manager, who has full responsibility for carrying out Council policies and administering City operations. The City Manager appoints, with consent of Council, the Finance Director and City Law Director. The Mayor-Councilmember and Council appoint boards and commissions, which include the Board of Zoning Appeals, Planning Commission, Tree Commission and Civil Service Commission.

Louisville has the proud history of being nationally recognized as Constitution Town. This is in honor of the ratification of the U.S. Constitution in 1789. In 1952, a Louisville resident, Mrs. Olga T. Weber, petitioned municipal officials to establish a Constitution Day. Louisville’s presiding Mayor, Gerald A. Romary, proclaimed September 17, 1952 as that day in the City. The following April, Mrs. Weber requested that the Ohio General Assembly proclaim September 17 as statewide Constitution Day. A bill to that effect was introduced, passed and signed by Governor Frank J. Lausche. Additionally, in August 1953, at Mrs. Weber’s urging, the United States Senate passed a resolution designating September 17-23 as Constitution Week. It was approved and signed by President Dwight D. Eisenhower. On April 15, 1957, the City Council of Louisville declared the City “Constitution Town”. The Ohio State Archaeological and Historical Society later donated four historical markers explaining Louisville’s role as originator of Constitution Day. These markers are placed at each of the main entrances to the City.

The City’s population has steadily increased over the last 100 years. Even during the decade of the 1970’s, when every other city in Stark County’s population declined, Louisville still continued to grow. The most active decades of growth were the 1920s and 1950s. Percentage population gains during those two time periods were 55.9% and 34.6%, respectively.

The City is empowered to levy a property tax on real property located within its boundaries. It also is empowered by Ohio statute to extend its corporate limits by annexation, which it has done from time to time. The development of the Colonial Foundry and the Superior Sheet Steel Corporation contributed directly to the large population growth during the sub-urbanization trends and the City’s active annexation program. When Louisville passed the 5,000-population mark in the 1950s, its status was changed from a village to a city.

Water service within the City is provided by the City water system and is purchased directly by the consumers. Sewage collection and disposal is also provided by the City. Electricity is obtained from American Electric Power (AEP), and natural gas is supplied by Dominion East Ohio Gas Company. Fire protection is provided by the City’s Fire Suppression and Emergency Medical Services Department. Solid waste collection is provided by private contractors selected by residents (the City does not contract with those private contractors), and solid waste from the City is sent to American Landfill.

The City carries several types of insurance: property, fleet, general liability, public officials’ liability, police professional liability, paramedic liability, employee medical, dental, vision, prescription and life insurances, and State of Ohio Workers’ Compensation. In addition to the City’s administrative policies concerning risk control, each major department has its own risk control policies and procedures which are designed to control exposures to risk by employees and citizens.

Profile of the City

The City of Louisville residents are served by a diversified set of nearby transportation facilities, including State highways, 44 and 153, U.S. Highway 62 and I-77 in Canton. It is served by Norfolk Southern Corporation for freight rail services, Amtrak for passenger rail services located in nearby Alliance, and is served by passenger and freight air services at Akron-Canton Regional Airport, located within 20 miles of the City. Public mass transit for the area is provided by the Stark Area Regional Transit Authority (SARTA) which offers fixed route and curb service within and between the cities of Stark County.

Banking and financial services are provided to the City area by offices of local commercial banks and savings banks, all of which have their principal offices elsewhere.

Two daily newspapers and one weekly newspaper serve the City. The City is within the broadcast area of numerous television stations and AM and FM radio stations. Multichannel cable TV service, including educational, governmental and public access channels, is provided by Spectrum.

A quality education for our children is provided by the Louisville City School District. The individual schools have earned many state and national recognitions, including the National Blue Ribbon School of Excellence Award and the U.S. News & World Report's "Top High Schools in America" Silver Award.

Within commuting distance are several public and private two-year and four-year colleges and universities, including the University of Mount Union, the University of Akron, Kent State University, Northeast Ohio Medical University, Walsh University, Malone University and the Stark State College.

The City is served by two acute-care hospitals located nearby in the City of Canton: Aultman Hospital (682 beds) and Mercy Medical Center (476 beds); and an additional acute-care hospital located in the County: Alliance Community Hospital (184 beds). Heartland Behavioral Healthcare Hospital, a 157-bed public adult psychiatric hospital operated by the State, is also located in the County.

The YMCA, Arts in Stark and the Louisville-Nimishillen Historical Society are located in the City. Within a 20-minute drive from the City are the locations of the Pro Football Hall of Fame and McKinley Presidential Library and Museum. These and other facilities in the area offer an extensive variety of cultural and educational programs to the residents of Louisville. The City of Louisville owns seven parks totaling 120 acres offering residents a variety of activities to improve health and fitness. Various features include a fish pond, walking trails, children play areas, picnic areas, sports fields, skate ramps, volleyball and basketball courts. Pavilions with restrooms, electrical amenities, and grilling are available for special occasions.

Reporting Entity

A reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading. For financial reporting purposes, the City includes in this report all funds, agencies, boards, and commissions that are controlled by, or dependent on, the City's legislative branch. "Controlled by" or "dependent on" the City is determined on the basis of budget adoption, taxing authority, outstanding debts secured by revenues or general taxing authority of the City, and/or the City's obligation to fund any deficits that may occur. A more detailed description of the reporting entity can be found in Note 1(A) of the notes to the basic financial statements.

The City provides the full range of municipal services contemplated by its charter. These services include security of persons and property (police and fire), public health and welfare, leisure time activities, community environment, basic utility services (water and sewer), transportation (street maintenance, ice and snow removal), and general government (administration). Council and the City Manager have ultimate responsibility for these services. The services are explained in more detail as follows:

- *Security of persons and property* - To reduce the amounts and effect of external harms and to ensure an atmosphere of personal security from external events. This includes, but is not limited to, Police, Emergency Medical Services, Fire and Street Lighting.

- *Public health and welfare* - To provide for the physical well-being of the citizenry by providing basic preventative health care or assistance when needed. This consists mainly of the City's share of the cost of the Stark County Health Department, which provides services to the citizens of Louisville.
- *Leisure time activities* - To provide support of special events and park areas for activities that are varied, safe, and enjoyable for individuals, groups and families.
- *Community environment*- To provide a satisfactory living environment for the citizenry, including decent housing and pleasant surroundings that are conducive to personal and family well-being. This program includes Planning, Zoning, Building Inspections and Code Enforcement.
- *Basic utility services* - To provide the citizenry with utility services at an affordable price that also assures necessary supply. This includes water and sewage treatment.
- *Transportation* - To purchase, construct, maintain and repair facilities and equipment needed to transport people, goods, and supplies quickly, safely and pleasurably. This includes the Maintenance Division for streets and highways.
- *General government* - To provide general administrative services to ensure that the aforementioned programs are administered in a manner consistent with, and in the best interest of, the citizenry. This includes City Manager, Finance, Law, Personnel, Mayor's Court, and City Council.

The Budget as a Policy Document

The budget is a policy document that sets service levels for the City. The goal is to provide the Council with a management tool to establish broad goals and objectives within which the administration will operate. That is, emphasis should not necessarily be placed entirely upon the expenditure limitation aspect of budgeting; rather, expenditure control should be exercised administratively in conjunction with policy decisions. Just as citizens evaluate the effectiveness of government on the basis of delivered services, the intent of the budget preparation process is to focus policy attention upon the means and ends to achieve the desired goals of government.

While the adopted budget establishes appropriation levels, specific procedures for controlling expenditures continue to be developed, expanded, and refined to ensure that day-to-day execution is in compliance with the approved program. The City Manager, in conjunction with the Director of Finance, is responsible for reviewing all requests for expenditures initiated by designated requisitioning authorities to determine their compliance with the adopted budget. The City designs its budget of expenditures/expenses based on the collaborative efforts of the City's management and department heads. The budget/appropriation is at the fund/department/object (personal services/other expenses). The budget is then presented to Council for approval in the legislative process. Prior to submitting the budget to Council, the Director of Finance determines if the resources are available or anticipated to be collected during the year. This estimated revenue must be submitted to the County Auditor for certification that sufficient resources are available to cover appropriations, and upon this certification the appropriation measure is then in effect.

These budget control procedures are important management tools which allow more effective use of the dollars spent in the total City program. As a necessary by-product, these procedures also ensure compliance with State and Federal financial statutes, City Council and administration policies, and the City Charter.

Relevant Financial Policies

It is the mission of the City to develop, maintain and implement financial accounting policies and procedures and protect and optimize the financial resources of the City. The City provides a sound accounting system for safeguarding the City's assets through recording and reporting of financial transactions according to mandated laws and guidelines of the Federal law, Ohio Revised Codes, GAAP, and the City's Codified Ordinances. The department goals are to develop sound fiscal policies, provide solid financial management for the City, maintain reserves and fiscal integrity, and protect the assets of the citizens of Louisville.

The City's positive financial position and outlook are largely due to alignment of the City's budget with the strategies identified in the City's Comprehensive Plan ("Plan"). The 2000 Plan was updated in 2015, and outlines the City's vision and strategies for community services and facilities, housing, economic development, land use and infrastructure. The Plan serves as a resourceful guide for Council and management to responsibly and efficiently allocate the City resources.

The City's investment policy is to invest public funds in a manner which will ensure the preservation of capital while providing the highest investment return with the maximum security, meeting the daily cash flow needs of the City, and conforming to all State and local statutes governing the investment of public funds.

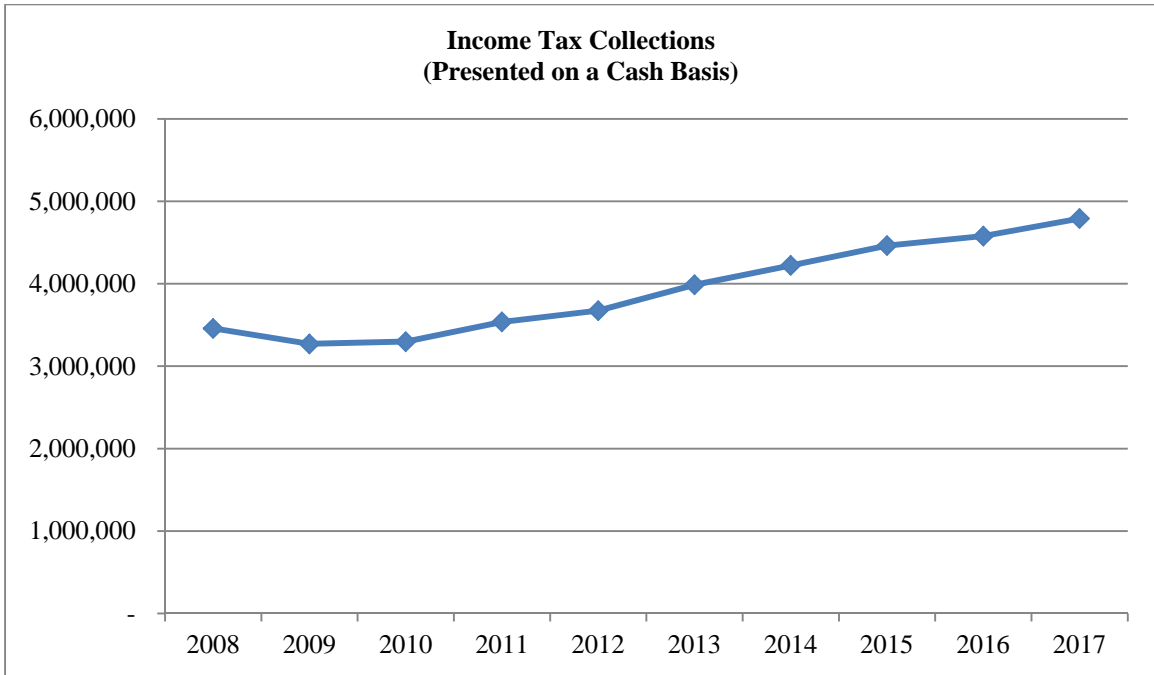
Local Economy

The City's economy benefits from the strong retail, manufacturing and warehousing bases of the County and surrounding areas. The area's well-established transportation network, with access to rail, air, water and land travel, provides access to regional markets. The City is within 20 miles of the Akron-Canton Regional Airport, the state-of-the-art, 28-acre Northeast Ohio Intermodal Terminal (NEOMODAL), and Foreign Trade Zone No. 181.

Once dominated by the steel industry, the City's economic base continues to diversify. In 2009, the City revised its Unified Development Code to enable further development of properties and expansion of economic opportunities in the City. The revised Code expanded enterprise zones, tax abatements (including abatements for community development) and a revolving loan fund (through the City's Community Improvement Corporation).

The City's residential base includes new construction as well as century homes ranging in value from \$150,000 to \$400,000. Prior to 2008, the City was experiencing annual growth in its housing stock as evidenced by increased population. The City currently expects construction of new housing in the City to resume with improvement in the general economy.

Income Tax Collections: The City of Louisville's income tax is governed and administered by Chapters 191 and 192 of the City Charter, which was originally passed on December 29, 1958, and the Internal Revenue Code. Louisville income tax is levied at 2% of all salaries, wages, commissions and other compensations earned by residents, sixteen years of age or older, and for nonresidents' labor performed or services rendered within Louisville City limits. Income tax revenue comprises 77% of the funding for general City operations.



The City's income tax ordinance provides for 75% be used for general operations and 25% be used for enterprise operations of the City. Effective January 1, 2007, an income tax credit allowance of 60% is allowed for taxes paid to another municipality for residential filers.

The History of Property Tax Collections: The second largest source of revenue to the City of Louisville's general fund is property tax. Louisville is a growing community and property tax revenue has fluctuated under Ohio Law since the City levies 2.8 inside (unvoted) tax mills.

**Property Tax Revenue
(Presented on a Cash Basis)**

<u>Year</u>	<u>Collections</u>	<u>Percentage Increase (Decrease)</u>
2008	\$ 443,835	1.09 %
2009	405,895	(8.55)
2010	376,972	(7.13)
2011	373,338	(0.96)
2012	386,280	3.47
2013	329,343	(14.74)
2014	362,778	10.15
2015	356,032	(1.86)
2016	420,399	18.08
2017	405,928	(3.44)

Long-Term Financial Planning

As part of the annual budget process, the City Manager and City Council review five-year capital budget projections. Based on these estimates, financial strategies are developed to maximize services supplied and infrastructure improvements needed.

The City continues to adhere to a pay as you go philosophy as it relates to small projects and equipment purchases. By only borrowing for large projects, capital leases and keeping debt levels low, it provides the City the opportunity to borrow in low interest environments. By continuing to pay down its debt the City reduced its overall debt principal by \$409,891 in 2017.

Major Initiatives

The City continues to explore further annexation options. At the request of property owners outside but adjacent to the City, the City annexed 135.659 acres in 2014. Water and sewer utilities were extended to these properties in 2015, and the owners plan to develop the land with businesses as allowed by the City's zoning code.

The City received grants and other funds to develop the Beck Industrial Commerce Center. Upon completion of development in 2013, Chesapeake, a major oil and gas company, purchased the entire industrial park and relocated its regional headquarters to the site. The complex includes 80 acres housing a five-story building with over 200,000 square feet of space. Located in the southwest portion of the City, the Beck Industrial Commerce Center also includes 200 acres of green-fields for further industrial development between State Route 44 and Beck Road. The Beck Industrial Commerce Center property aids the City in improving its economic development by revitalizing non-residential resources, encouraging commercial and industrial development within the City's tax base, expanding current businesses and employment opportunities to reflect a diversifying market, and hopes to attract more employers to raise the tax base. The Beck Industrial Commerce Center development is expected to create over 500 jobs in the Louisville area. With the Beck Industrial Commerce Center, the City, along with its private partners, Groffre Investments, enabled offering of premium industrial sites for this business development.

The City partnered with JENCAR Developers Inc., property owners of vacant land located at the intersection of US 62 and Broadway. During 2016, the City extended water lines and constructed and installed a sanitary package duplex pump station, force main and gravity sewer lines to serve the future sanitary needs of this area. JENCAR is currently developing the land with Redwood Living's distinctive single-story apartment rental homes, along with future retail businesses.

In 2016, the City applied for and received notification of award from Ohio Public Works Commission for a \$1.5m, thirty-year, zero-percent loan to assist with replacing the final clarifiers at the wastewater treatment plant in 2017. Total cost of this project is estimated to be \$3,548,188. The City's local share of \$2,048,188 will be funded with utility income tax.

During 2017, expenditures included the repair and rebuilding of neighborhood streets, city-owned sidewalks, curbing improvements, and miscellaneous roadway sealing and patching throughout the City. The City was able to utilize funds from the water and sewer funds for replacement of water and sewer lines, fire hydrants and appurtenances and underground utilities, roadway earthwork and miscellaneous base and drainage work.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Louisville, Ohio for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) whose contents conform to program standards. The CAFR must satisfy both Generally Accepted Accounting Principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Louisville has received a Certificate of Achievement consecutively since 1991. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA for award consideration.

The Ohio Auditor of State also presented the Finance Director with an Award of Distinction for excellence in financial reporting of the City's CAFR. To receive this award, the entity must file timely CAFRs; the audit report may not contain any findings for recovery, material citations, material weaknesses, significant deficiencies, Single Audit findings or questioned costs; and the entity's management letter must contain no comments related to ethics referrals, questioned costs less than \$10,000, lack of timely report submission, reconciliation, failure to obtain a timely single audit, findings for recovery less than \$100, or public meetings or public records. This achievement award is valid for a period of one year only. The City's Finance Director has received an Award of Distinction consecutively since 2013.

Successful preparation of a report of this scope could not have been accomplished without the dedication of the Finance Department staff. Further appreciation is extended to the Office of the City Manager, City Council, Stark County Auditor's Office, and City department heads and staff, for their assistance with research and gathering pertinent information in compiling this report.

In addition, we would like to thank the residents and taxpayers of the City of Louisville for entrusting us with the administration of their local government.

Respectfully submitted,



Jina E. Turowski
Finance Director

City of Louisville, Ohio

Public Officials Roster

December 31, 2017

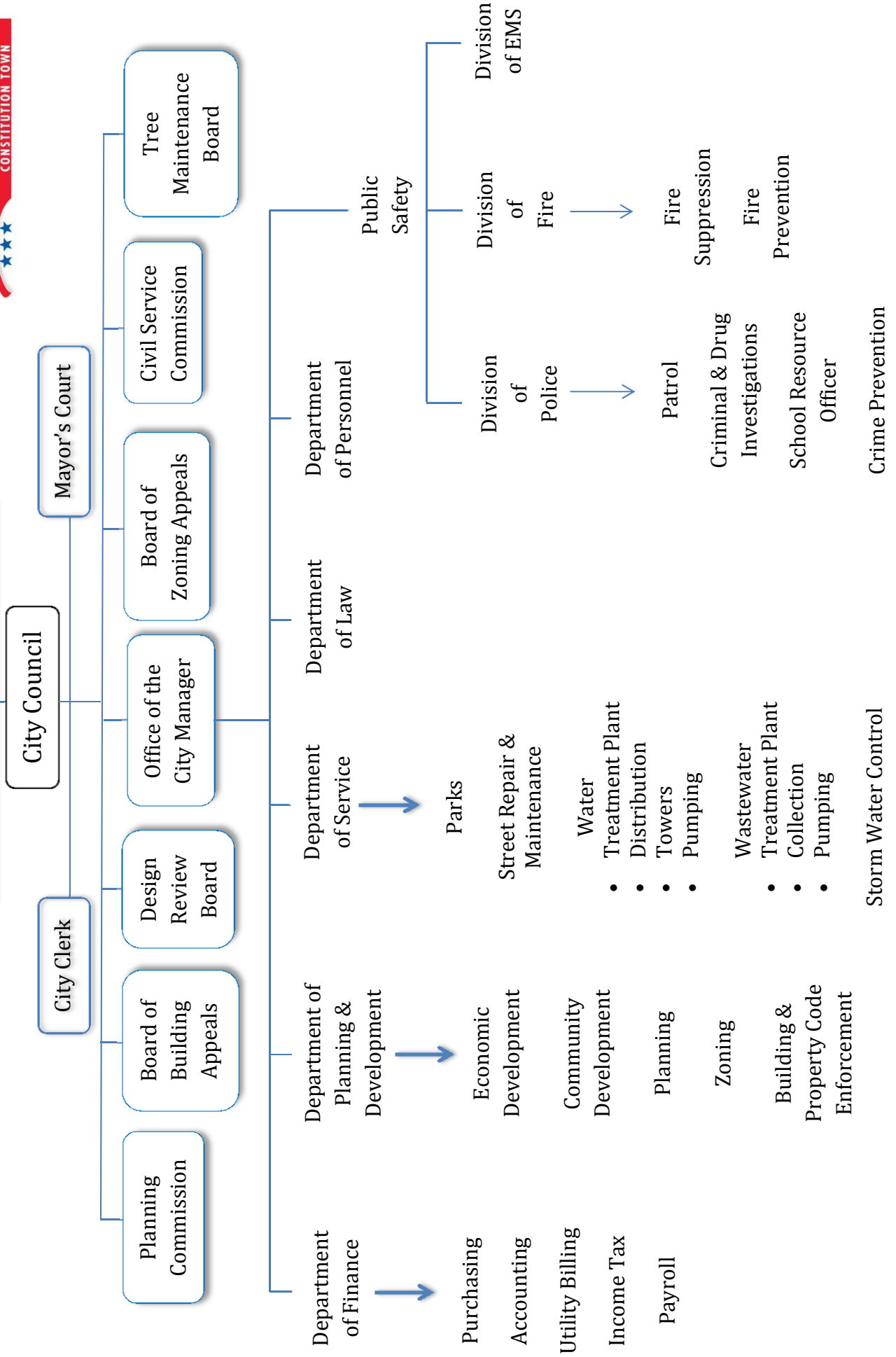
Elected Officials

Patricia Fallot	Mayor – Councilmember
Joan Aljancic	Councilmember
Cheryle Casar	Councilmember
Richard Flory	Councilmember
Richard Guiley	Councilmember

Appointed Officials

E. Thomas Ault	City Manager
Peggy Howald.....	City Clerk
Jina Turowski.....	Finance Director
Robert Duffrin	Law Director
Rodney Bordner.....	Fire Chief
Andrew Turowski	Police Chief
Daniel Millsap	Service Director
Vincent Marion.....	Planning & Economic Development Director

Citizens of Louisville





Government Finance Officers Association

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

Presented to

**City of Louisville
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION





Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

City of Louisville
Stark County
215 South Mill St.
Louisville, Ohio 44641

To the City Council

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the discretely presented component unit and the remaining fund information of the City of Louisville, Stark County, Ohio (the City), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the discretely presented component unit and the remaining fund information of the City of Louisville, Stark County, Ohio, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2018, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

June 28, 2018



City of Louisville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

The management's discussion and analysis of the City of Louisville's (the "City") financial statements provides an overall review of the City's financial activities for the year ended December 31, 2017. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the transmittal letter, basic financial statements and notes to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2017 are as follows:

- The total net position of the City increased \$1,161,063. Net position of governmental activities decreased \$354,431, which represents a 2.5% decrease over 2016. Net position of business-type activities increased \$1,515,494 or 9.3% from 2016.
- General revenues for governmental activities, accounted for \$4,325,821 or 74.0% of total governmental activities revenue. Program specific revenues accounted for \$1,520,472 or 26.0% of total governmental activities revenue.
- The City had \$6,200,724 in expenses related to governmental activities; only \$1,520,472 of these expenses were offset by program specific charges for services and sales and operating grants, contributions and interest. General revenues of \$4,325,821 were not adequate to provide for these programs.
- The general fund, the City's largest and only major governmental fund, had revenues of \$4,668,518 in 2017, or 79.0% of total governmental funds. Expenditures of the general fund were \$4,003,040, or 73.7% of total governmental funds. The general fund balance increased \$196,845 or 6.9% in 2017.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the City as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide summary information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those finances.

Fund financial statements provide the next level of detail. For governmental funds, these statements show how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor governmental funds presented in total in one column. In the case of the City, there is one major governmental fund and two major business-type funds.

City of Louisville, Ohio
Management's Discussion and Analysis
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Reporting the City as a Whole

Statement of Net Position and Statement of Activities

While this document contains a number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and answers the question, "How did we do financially during 2017"? These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. These two statements report the City's net position and changes in this position. This change in net position is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions and other factors.

In the statement of net position and the statement of activities, the City is divided into two distinct kinds of activities:

- **Governmental Activities** – Most of the City's programs and services are reported here including general government, security of persons and property, transportation and community environment. These services are funded primarily by taxes and intergovernmental revenues including federal and state grants and other shared revenues.
- **Business-Type Activities** – These services are provided on a fee-for-usage basis to recover all or a significant portion of the expenses of the goods or services provided. The City's business-type activities include water and sewer services.

Reporting the City's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds. Fund financial reports provide detailed information about the activities within the City's major fund. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The City's only major governmental fund is the general fund. An analysis of the City's major governmental fund begins on page 14.

City of Louisville, Ohio
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Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the major fund, which was identified earlier. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements, which can be found on pages 76-79 in this report. The basic governmental fund financial statements can be found on pages 22-26 of this report.

Proprietary Funds

Proprietary funds (water and sewer) have historically operated as enterprise funds and are used to report the same functions presented as business-type activities in the government-wide financial statements. Since they use the same basis of accounting as business-type activities, these fund statements will essentially match the information provided in statements for the City as a whole. The basic proprietary fund financial statements can be found on pages 27-29 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 30-67 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents the required supplementary information which can be found on pages 68-71 and the combining and individual fund statements and schedules, which can be found beginning on page 74 of this report.

City of Louisville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Government-Wide Financial Analysis

The statement of net position provides the perspective of the City as a whole.

Table 1 below provides a summary of the City's net position for 2017 compared to 2016:

Table 1
Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Assets</u>						
Current and other assets	\$ 6,027,552	\$ 5,554,114	\$ 7,973,673	\$ 6,466,897	\$ 14,001,225	\$ 12,021,011
Capital assets	<u>12,904,428</u>	<u>13,330,112</u>	<u>11,172,661</u>	<u>11,346,315</u>	<u>24,077,089</u>	<u>24,676,427</u>
Total assets	<u>18,931,980</u>	<u>18,884,226</u>	<u>19,146,334</u>	<u>17,813,212</u>	<u>38,078,314</u>	<u>36,697,438</u>
<u>Deferred outflows of resources</u>						
Pension	<u>1,438,406</u>	<u>1,450,019</u>	<u>345,073</u>	<u>248,428</u>	<u>1,783,479</u>	<u>1,698,447</u>
<u>Liabilities</u>						
Other liabilities	234,304	193,170	101,177	83,877	335,481	277,047
Long-term liabilities:						
Due within one year	330,840	304,451	184,792	323,700	515,632	628,151
Due within more than one year:						
Net pension liability	4,406,267	3,996,858	867,487	683,835	5,273,754	4,680,693
Other amounts	<u>915,960</u>	<u>1,049,935</u>	<u>494,998</u>	<u>626,263</u>	<u>1,410,958</u>	<u>1,676,198</u>
Total liabilities	<u>5,887,371</u>	<u>5,544,414</u>	<u>1,648,454</u>	<u>1,717,675</u>	<u>7,535,825</u>	<u>7,262,089</u>
<u>Deferred inflows of resources</u>						
Property taxes	405,218	397,687	-	-	405,218	397,687
Pension	<u>115,269</u>	<u>75,185</u>	<u>15,128</u>	<u>31,634</u>	<u>130,397</u>	<u>106,819</u>
Total deferred inflows of resources	<u>520,487</u>	<u>472,872</u>	<u>15,128</u>	<u>31,634</u>	<u>535,615</u>	<u>504,506</u>
<u>Net Position</u>						
Net investment in capital assets	12,008,865	12,281,304	10,587,689	10,502,851	22,596,554	22,784,155
Restricted	963,782	845,644	-	-	963,782	845,644
Unrestricted	<u>989,881</u>	<u>1,190,011</u>	<u>7,240,136</u>	<u>5,809,480</u>	<u>8,230,017</u>	<u>6,999,491</u>
Total net position	<u>\$ 13,962,528</u>	<u>\$ 14,316,959</u>	<u>\$ 17,827,825</u>	<u>\$ 16,312,331</u>	<u>\$ 31,790,353</u>	<u>\$ 30,629,290</u>

City of Louisville, Ohio
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Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2017, the City's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$31,790,353. This amounts to \$13,962,528 in governmental activities and \$17,827,825 in business-type activities.

The largest portion of the City's net position 71.1% reflects its investment in capital assets less any related debt used to acquire those assets. Capital assets include land, right of ways, land improvements, buildings and improvements, machinery and equipment, vehicles, infrastructure, and construction in progress. Capital assets, net of related debt to acquire the assets at December 31, 2017, were \$22,596,554. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2017, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's governmental net position, \$963,782 or 6.9%, represent resources that are subject to external restrictions on how they may be used. Of total restricted net position, \$30,103 for debt service, \$809,065 for transportation, \$15,578 for safety services programs, \$93,947 for capital projects and \$15,089 for other purposes. The remaining balance of governmental unrestricted net position of \$989,881 may be used to meet the City's ongoing obligations to citizens and creditors.

The City's statement of activities, prepared on an accrual basis of accounting, includes an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows. The City is also reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting in the statement of net position. The net pension liability is the largest single liability reported by the City at December 31, 2017.

Table 2 shows the changes in net position for governmental and business-type activities for years 2017 and 2016.

City of Louisville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
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Table 2
Changes in Net Position

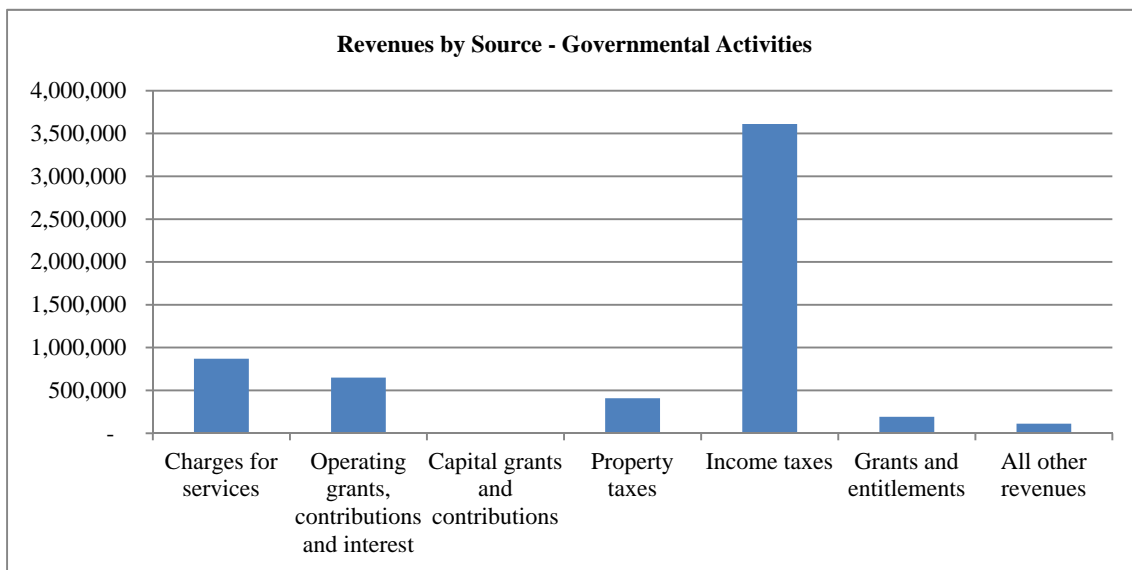
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues						
Program revenues:						
Charges for services	\$ 870,200	\$ 887,956	\$ 2,494,773	\$ 2,438,265	\$ 3,364,973	\$ 3,326,221
Operating grants, contributions and interest	650,272	584,732	-	-	650,272	584,732
General revenues:						
Property and other taxes	409,494	423,129	-	-	409,494	423,129
Municipal income taxes	3,611,791	3,538,813	1,203,925	1,178,276	4,815,716	4,717,089
Grants and entitlements	192,844	220,627	-	-	192,844	220,627
Gain on sale of capital assets	-	119,017	-	-	-	119,017
Investment earnings	71,596	22,758	-	-	71,596	22,758
Other	40,096	36,114	-	2,975	40,096	39,089
Total revenues	<u>\$ 5,846,293</u>	<u>\$ 5,833,146</u>	<u>\$ 3,698,698</u>	<u>\$ 3,619,516</u>	<u>\$ 9,544,991</u>	<u>\$ 9,452,662</u>
Program Expenses						
<i>Governmental Activities:</i>						
General government	\$ 1,452,835	\$ 1,045,516	\$ -	\$ -	\$ 1,452,835	\$ 1,045,516
Security of persons and property	3,042,626	2,895,871	-	-	3,042,626	2,895,871
Public health and welfare	113,804	94,167	-	-	113,804	94,167
Transportation	1,063,987	996,489	-	-	1,063,987	996,489
Community environment	308,542	261,543	-	-	308,542	261,543
Leisure time activities	185,225	181,311	-	-	185,225	181,311
Interest and fiscal charges	33,705	26,193	-	-	33,705	26,193
<i>Business-Type Activities:</i>						
Water	-	-	1,172,017	1,056,055	1,172,017	1,056,055
Sewer	-	-	1,011,187	958,109	1,011,187	958,109
Total program expenses	<u>6,200,724</u>	<u>5,501,090</u>	<u>2,183,204</u>	<u>2,014,164</u>	<u>8,383,928</u>	<u>7,515,254</u>
Change in net position	(354,431)	332,056	1,515,494	1,605,352	1,161,063	1,937,408
Net position, beginning of year	<u>14,316,959</u>	<u>13,984,903</u>	<u>16,312,331</u>	<u>14,706,979</u>	<u>30,629,290</u>	<u>28,691,882</u>
Net position, end of year	<u>\$ 13,962,528</u>	<u>\$ 14,316,959</u>	<u>\$ 17,827,825</u>	<u>\$ 16,312,331</u>	<u>\$ 31,790,353</u>	<u>\$ 30,629,290</u>

City of Louisville, Ohio
Management's Discussion and Analysis
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Governmental Activities

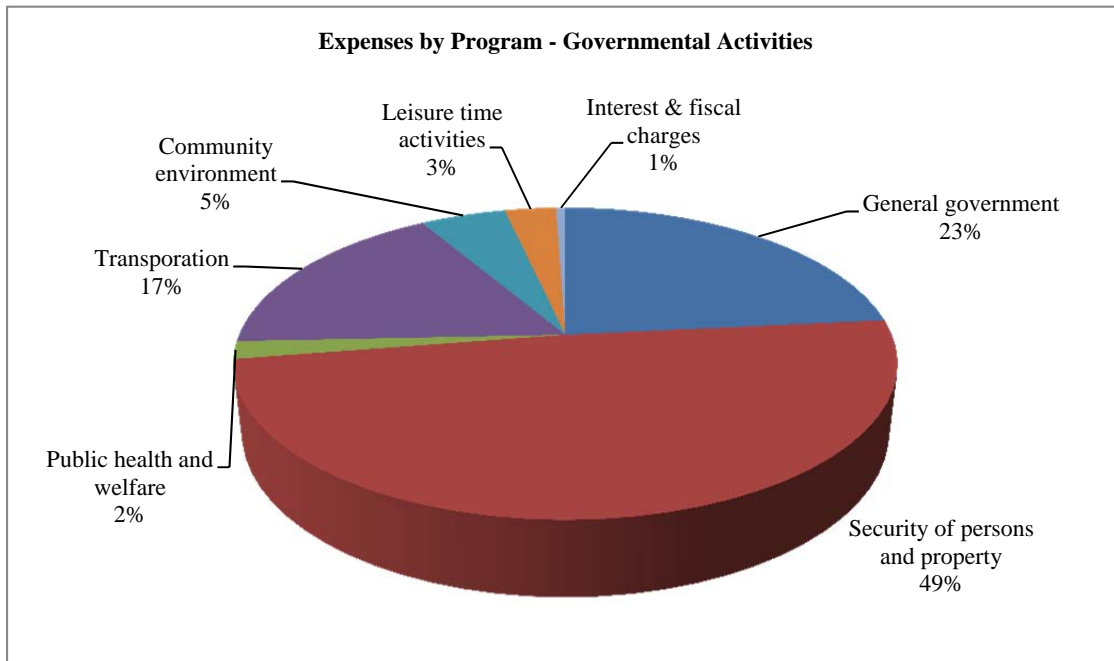
Governmental activities net position decreased \$354,431 or 2.5% in 2017 from 2016. This decrease was not due to any one item but rather an overall increase in expenses and only a slight increase in revenues. The City's funding for these governmental activities comes from a variety of sources, the most significant being the \$3,611,791 of municipal income tax. See Note 12 for further information on income tax revenues.

Intergovernmental revenue (i.e. state shared support) represents a large source of general revenue for governmental activities. In 2017, the City received \$192,844 in unrestricted intergovernmental revenues or 3.3% of total revenues.



Program restricted charges for services and operating grants, contributions and interest represent monies the City is awarded that are required to be used for specific purposes. In 2017, the City received \$870,200 in charges for services and a combined total of \$650,272 in various operating grants, contributions and interest.

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The City's governmental activity expenses totaled \$6,200,724 in 2017, with security of persons and property, general government and transportation representing the largest portion of this figure at 89%. The City's governmental activity expenses increased by \$699,634 from 2016, this was mainly related to an increase in salaries and pension expense.

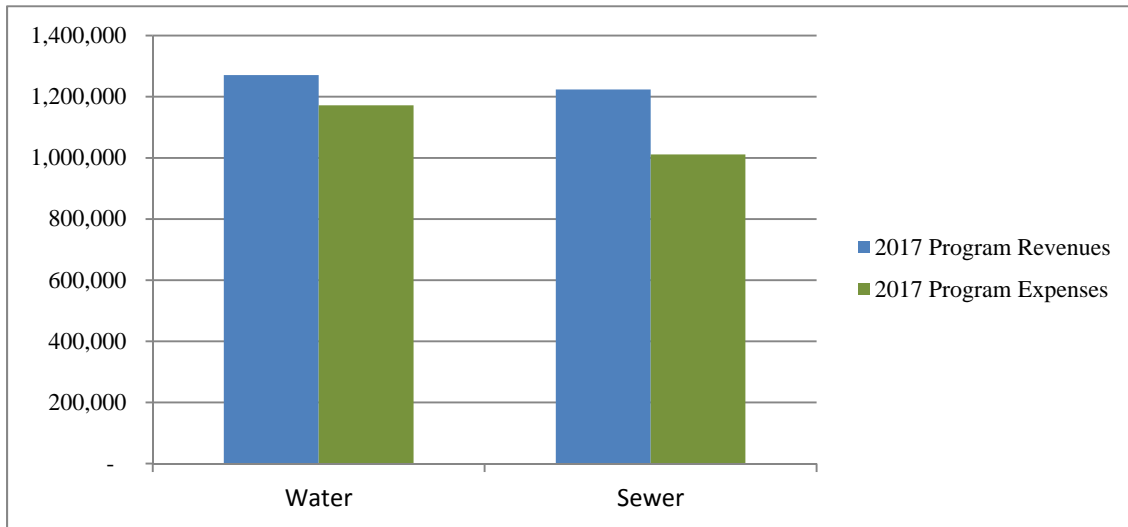
Security of persons and property, which primarily supports the operations of the City's police, fire and emergency medical services, accounts for \$3,042,626 of expenses, or 49% of total governmental expenses of the City. These expenses were funded by \$349,998 in charges to users of services, operating grants, contributions and interest. General government expenses, which primarily include legislative, executive and financial management, totaled \$1,452,835 or 23% of total governmental expenses. General government expenses were covered by \$267,264 of direct charges to users and operating grants, contributions, and interest.

At 1,063,987 or 17%, transportation represents the City's third largest category of governmental activity expenses. This category of governmental expenses supports the operations of the maintenance division for street and highway activities. These expenses were funded by \$840,186 in direct charges to users, operating grants, contributions and interest.

Business-Type Activities

The water and sewer funds represent the City's business-type activities. These programs had program revenues of \$2,494,773 and expenses of \$2,183,204 for the year 2017. Business-type activities reported an increase in net position of \$1,515,494, or 9.3% as compared to 2016. For this year, the increase in net position was attributed to an increase in municipal income taxes and an increase in charges for services. The increase in municipal income tax is a result of a slight improvement in the local economy.

City of Louisville, Ohio
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In a prior year, the City implemented the accounting standard for pension plans. As a result of implementing the new accounting standard, the City is reporting a significant net pension liability, related deferred inflows of resources and an increase in expenses related to pension for the fiscal year which have a negative effect on net position. In addition, the City is reporting deferred outflows of resources, which have a positive consequence on net position. The increase in pension expense is the difference between the contractually required contributions and the pension expense resulting from the change in the net pension liability that is not reported as deferred inflows or outflows. These two amounts can be found in the reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities. To further explain the impact of this accounting standard on the City's net position, additional information is presented below.

	2017 Governmental <u>Activities</u>	2016 Governmental <u>Activities</u>	2017 Business-Type <u>Activities</u>	2016 Business-Type <u>Activities</u>
Deferred outflows - pension	\$ 1,438,406	\$ 1,450,019	\$ 345,073	\$ 248,428
Deferred inflows - pension	(115,269)	(75,185)	(15,128)	(31,634)
Net pension liability	<u>(4,406,267)</u>	<u>(3,996,858)</u>	<u>(867,487)</u>	<u>(683,835)</u>
Impact of GASB 68 on net position	<u>\$ (3,083,130)</u>	<u>\$ (2,622,024)</u>	<u>\$ (537,542)</u>	<u>\$ (467,041)</u>

City of Louisville, Ohio
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Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. At December 31, 2017, governmental funds reported a combined fund balance of \$4,489,428, an increase of \$487,423 as compared to the prior year. Of this amount \$1,942,340 or 43.3% has an unassigned fund balance that is available for spending at the discretion of the City. The remainder fund balance of \$2,547,088 consists of \$158,190 or 3.5% as nonspendable, related to materials and supplies and prepaid items that are not in spendable form; \$756,385 or 16.8% that is restricted for various purposes; \$551,172 or 12.3% committed for emergency service charges and storm water and \$1,081,341 or 24.1% assigned for next years budget and purchases on order.

The general fund is the main governmental operating fund of the City. At the end of 2017, the fund balance of the general fund was \$3,060,684, a 6.9% increase from the prior year. The reason for the increase in the general fund balance was primarily due an increase in income tax revenues along with conservative spending.

Table 4 below reports year 2017 balances compared to 2016:

Table 4
Change in Fund Balance

	Fund Balance			
	December 31, 2017	December 31, 2016	Increase (Decrease)	Percent Change
General	\$ 3,060,684	\$ 2,863,839	\$ 196,845	6.9%
Other governmental funds	<u>1,428,744</u>	<u>1,138,166</u>	<u>290,578</u>	25.5%
	<u>\$ 4,489,428</u>	<u>\$ 4,002,005</u>	<u>\$ 487,423</u>	

City of Louisville, Ohio
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Table 5 below assists in illustrating the changes in financial activities for the general fund for year 2017 balances compared to 2016:

Table 5
Change in Financial Activities for the General Fund

	December 31, <u>2017</u>	December 31, <u>2016</u>	Increase (Decrease)	Percent Change
<u>Revenues:</u>				
Income tax	\$ 3,626,452	\$ 3,249,996	\$ 376,456	11.6%
Property and other taxes	403,782	418,783	(15,001)	-3.6%
Charges for services	133,338	125,885	7,453	5.9%
Licenses and permits	141,509	151,959	(10,450)	-6.9%
Fines and forfeitures	35,401	27,570	7,831	28.4%
Intergovernmental	216,344	227,624	(11,280)	-5.0%
Investment income	71,596	22,758	48,838	214.6%
Contributions and donations	6,600	4,014	2,586	64.4%
Other	33,496	32,490	1,006	3.1%
Total revenue	<u>\$ 4,668,518</u>	<u>\$ 4,261,079</u>	<u>\$ 407,439</u>	
<u>Expenditures:</u>				
Current:				
General government	\$ 1,027,949	\$ 950,184	\$ 77,765	8.2%
Security of persons and property	2,235,983	2,123,503	112,480	5.3%
Public health and welfare	113,804	94,167	19,637	20.9%
Community environment	263,441	253,266	10,175	4.0%
Leisure time activities	115,646	111,898	3,748	3.3%
Capital outlay	138,843	1,091,683	(952,840)	-87.3%
Debt service:				
Principal retirement	78,281	144,529	(66,248)	-45.8%
Interest and fiscal charges	29,093	1,120	27,973	2497.6%
Total expenditures	<u>\$ 4,003,040</u>	<u>\$ 4,770,350</u>	<u>\$ (767,310)</u>	

Budgeting Highlights - General Fund

The City's budgeting process is prescribed by the Ohio Revised Code (ORC) and the provisions of the City's Charter. Essentially the budget is the City's appropriations that are restricted by the amounts of anticipated revenues certified by the County Budget Commission in accordance with the ORC. Therefore, the City's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity, then the appropriations can be adjusted accordingly.

Final general fund budgeted revenues and other financing sources increased \$251,900, from \$4,432,100 to the final budgeted amount of \$4,684,000 for the year end December 31, 2017. This increase was primarily for an increase in municipal income tax revenues. This is due to the municipal tax revenues being unknown at the original budgeting process. Actual revenues were lower than the final budgeted amount by \$31,160 mainly due to a decrease in intergovernmental revenue received during the year.

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Final budgeted expenditures and other financing uses were less than the original budgeted expenditures and other financing uses by \$347,375. This was due to decreases in general government, security of persons and property and community environment expenditures from what was originally budgeted. Actual expenditures and other financing uses of \$4,645,625 for the year were \$303,671 less than the \$4,949,296 final budgeted amounts. The majority of this change was reported in general government and security of persons and property due to conservative spending.

Capital Assets and Debt Administration

Capital Assets

At the end of 2017, the City had \$24,077,089 (net of accumulated depreciation) invested in land, right of ways, land improvements, buildings and improvements, machinery and equipment, vehicles, infrastructure and construction in progress. Of this total, \$12,904,428 was reported in governmental activities and \$11,172,661 was reported in business-type activities. Table 6 below reports the year 2017 balances compared to 2016:

Table 6
Capital Assets, at December 31
(Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 380,520	\$ 544,655	\$ 312,987	\$ 312,987	\$ 693,507	\$ 857,642
Right of ways	812,350	812,350	-	-	812,350	812,350
Land improvements	145,233	197,321	7,608	13,166	152,841	210,487
Buildings and building improvements	876,248	934,452	3,632,198	3,813,535	4,508,446	4,747,987
Machinery and equipment	410,011	383,493	232,478	198,777	642,489	582,270
Vehicles	1,621,548	1,878,422	278,339	330,845	1,899,887	2,209,267
Infrastructure	8,644,147	8,481,940	6,392,927	6,501,271	15,037,074	14,983,211
Construction in progress	14,371	97,479	316,124	175,734	330,495	273,213
Total	<u>\$12,904,428</u>	<u>\$13,330,112</u>	<u>\$11,172,661</u>	<u>\$11,346,315</u>	<u>\$24,077,089</u>	<u>\$24,676,427</u>

The most significant change during 2017 to the amount of net capital assets was due to an increase of infrastructure and ongoing construction projects. See Note 7 to the basic financial statements for detail on the governmental and business-type activities capital assets.

City of Louisville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Debt Administration

At December 31, 2017, the City had total long-term debt outstanding of \$1,480,535. Of this total, \$288,347 is due within one year and \$1,192,188 is due in more than one year.

Table 7
Outstanding Debt, at December 31

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
General obligation bonds	\$ 109,443	\$ 135,660	\$ 439,114	\$ 594,743	\$ 548,557	\$ 730,403
OPWC loans	-	-	119,396	167,688	119,396	167,688
OWDA loan	-	-	26,462	29,435	26,462	29,435
Capital leases	<u>786,120</u>	<u>913,148</u>	<u>-</u>	<u>51,598</u>	<u>786,120</u>	<u>964,746</u>
Total	<u>\$ 895,563</u>	<u>\$ 1,048,808</u>	<u>\$ 584,972</u>	<u>\$ 843,464</u>	<u>\$ 1,480,535</u>	<u>\$ 1,892,272</u>

In addition to the outstanding debt listed above, the City has other long-term obligations. These other obligations include police pension obligations from past service costs in the amount of \$34,884.

All governmental long-term general obligation debt will be repaid by the debt retirement debt service fund. The Ohio Public Works Commission (OPWC) loans will be repaid with utility income tax from the water capital enterprise fund. The business-type general obligation bonds will be repaid from both the water and sewer capital enterprise funds. The Ohio Water Development Authority (OWDA) will be repaid with utility income tax from the water capital enterprise fund.

At December 31, 2017 the City's overall legal debt margin was \$17,376,709, with an unvoted debt margin of \$9,102,086. The City's credit rating remained unchanged in 2017 as compared to 2016. See Note 9 and 10 to the basic financial statements for details on the City's long-term obligations.

Current Issues Affecting Financial Condition

The City of Louisville is strong financially. In addition, the City of Louisville's systems of budgeting and internal controls are well regarded and the City is well prepared to meet the challenges of the future. In conclusion, management has been committed to provide the residents of the City of Louisville with full disclosure of the financial position of the City.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jina Turowski, City of Louisville Finance Director, 215 South Mill Street, Louisville, Ohio 44641, (330) 875-3434, or visit our web site at www.louisvilleohio.com.



City of Louisville, Ohio

Statement of Net Position

December 31, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	LCIC
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 3,972,723	\$ 7,098,127	\$ 11,070,850	\$ 115,899
Receivables:				
Income tax	1,001,815	333,938	1,335,753	-
Property and other taxes	436,646	-	436,646	-
Accounts	163,588	526,093	689,681	-
Due from other governments	294,590	-	294,590	-
Materials and supplies inventory	111,441	4,415	115,856	-
Loans receivable	-	-	-	8,580
Prepaid items	46,749	11,100	57,849	406
Land held for resale	-	-	-	195,129
Noncurrent loans receivable	-	-	-	21,488
Nondepreciable capital assets	1,207,241	629,111	1,836,352	-
Depreciable capital assets, net	11,697,187	10,543,550	22,240,737	-
Total assets	18,931,980	19,146,334	38,078,314	341,502
<u>Deferred outflows of resources:</u>				
Pension	1,438,406	345,073	1,783,479	-
<u>Liabilities:</u>				
Accounts payable	52,529	17,573	70,102	-
Contracts payable	-	37,398	37,398	-
Accrued wages and benefits	55,882	13,569	69,451	-
Due to other governments	36,254	7,858	44,112	-
Undistributed monies	6,526	-	6,526	-
Income tax refunds payable	65,692	21,898	87,590	-
Accrued interest payable	14,465	886	15,351	-
Claims payable	2,956	1,995	4,951	-
Long-term liabilities:				
Due within one year	330,840	184,792	515,632	-
Due in more than one year:				
Net pension liability	4,406,267	867,487	5,273,754	-
Other amounts due in more than one year	915,960	494,998	1,410,958	-
Total liabilities	5,887,371	1,648,454	7,535,825	-
<u>Deferred inflows of resources:</u>				
Property taxes	405,218	-	405,218	-
Pension	115,269	15,128	130,397	-
Total deferred inflows of resources	520,487	15,128	535,615	-
<u>Net position:</u>				
Net investment in capital assets	12,008,865	10,587,689	22,596,554	-
Restricted for:				
Capital projects	93,947	-	93,947	-
Debt service	30,103	-	30,103	-
Transportation	809,065	-	809,065	-
Safety services	15,578	-	15,578	-
Other purposes	15,089	-	15,089	-
Unrestricted	989,881	7,240,136	8,230,017	341,502
Total net position	\$ 13,962,528	\$ 17,827,825	\$ 31,790,353	\$ 341,502

See accompanying notes to the basic financial statements.

City of Louisville, Ohio
Statement of Activities
For the Year Ended December 31, 2017

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions
<u>Governmental Activities:</u>				
General government	\$ 1,452,835	\$ 259,659	\$ 7,605	\$ -
Security of persons and property	3,042,626	345,998	4,000	-
Public health and welfare	113,804	-	-	-
Transportation	1,063,987	201,519	638,667	-
Community environment	308,542	57,826	-	-
Leisure time activities	185,225	5,198	-	-
Interest and fiscal charges	33,705	-	-	-
Total governmental activities	<u>6,200,724</u>	<u>870,200</u>	<u>650,272</u>	<u>-</u>
<u>Business-Type Activities:</u>				
Water	1,172,017	1,270,817	-	-
Sewer	<u>1,011,187</u>	<u>1,223,956</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>2,183,204</u>	<u>2,494,773</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 8,383,928</u>	<u>\$ 3,364,973</u>	<u>\$ 650,272</u>	<u>\$ -</u>
<u>Component Unit:</u>				
LCIC	<u>\$ 2,740</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ 164,135</u>

General revenues:
Property taxes levied for:
 General purposes
Income tax levied for:
 General purposes
 Water utility services
 Sewer utility services
Grants and entitlements not restricted to specific programs
Investment earnings
Other
Total general revenues

Change in net position

Net position, beginning of year
Net position, end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position			Component Unit
Primary Government			LCIC
Governmental Activities	Business-Type Activities	Total	
\$ (1,185,571)	\$ -	\$ (1,185,571)	\$ -
(2,692,628)	-	(2,692,628)	-
(113,804)	-	(113,804)	-
(223,801)	-	(223,801)	-
(250,716)	-	(250,716)	-
(180,027)	-	(180,027)	-
(33,705)	-	(33,705)	-
<u>(4,680,252)</u>	<u>-</u>	<u>(4,680,252)</u>	<u>-</u>
-	98,800	98,800	-
-	212,769	212,769	-
-	311,569	311,569	-
<u>(4,680,252)</u>	<u>311,569</u>	<u>(4,368,683)</u>	<u>-</u>
-	-	-	161,402
409,494	-	409,494	-
3,611,791	-	3,611,791	-
-	898,261	898,261	-
-	305,664	305,664	-
192,844	-	192,844	-
71,596	-	71,596	1,555
40,096	-	40,096	-
<u>4,325,821</u>	<u>1,203,925</u>	<u>5,529,746</u>	<u>1,555</u>
(354,431)	1,515,494	1,161,063	162,957
<u>14,316,959</u>	<u>16,312,331</u>	<u>30,629,290</u>	<u>178,545</u>
<u>\$ 13,962,528</u>	<u>\$ 17,827,825</u>	<u>\$ 31,790,353</u>	<u>\$ 341,502</u>

City of Louisville, Ohio

Balance Sheet

Governmental Funds

December 31, 2017

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 2,797,189	\$ 1,175,534	\$ 3,972,723
Receivables:			
Income tax	1,001,815	-	1,001,815
Property and other taxes	436,646	-	436,646
Accounts	24,551	139,037	163,588
Due from other governments	108,996	185,594	294,590
Materials and supplies inventory	-	111,441	111,441
Prepaid items	37,003	9,746	46,749
Total assets	<u>\$ 4,406,200</u>	<u>\$ 1,621,352</u>	<u>\$ 6,027,552</u>
Liabilities, deferred inflows of resources and fund balances			
Liabilities:			
Accounts payable	\$ 37,253	\$ 15,276	\$ 52,529
Accrued wages and benefits	47,645	8,237	55,882
Due to other governments	31,743	4,511	36,254
Undistributed monies	6,526	-	6,526
Income tax refunds payable	65,692	-	65,692
Claims payable	1,859	1,097	2,956
Total liabilities	<u>190,718</u>	<u>29,121</u>	<u>219,839</u>
Deferred inflows of resources:			
Property taxes	405,218	-	405,218
Unavailable revenue - other	723,186	163,487	886,673
Unavailable revenue - delinquent property taxes	26,394	-	26,394
Total deferred inflows of resources	<u>1,154,798</u>	<u>163,487</u>	<u>1,318,285</u>
Fund balances:			
Nonspendable	37,003	121,187	158,190
Restricted	-	756,385	756,385
Committed	-	551,172	551,172
Assigned	1,081,341	-	1,081,341
Unassigned	1,942,340	-	1,942,340
Total fund balances	<u>3,060,684</u>	<u>1,428,744</u>	<u>4,489,428</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,406,200</u>	<u>\$ 1,621,352</u>	<u>\$ 6,027,552</u>

See accompanying notes to the basic financial statements.

City of Louisville, Ohio

**Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2017**

Total governmental fund balances \$ 4,489,428

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

Capital assets used in governmental activities are not financial resources and therefore
are not reported in the funds. 12,904,428

Other long-term assets are not available to pay for current-period expenditures and
therefore are offset by deferred inflows of resources in the funds:

Property and other taxes	\$ 26,394	
Income taxes	655,795	
Intergovernmental	185,356	
Charges for services	45,522	
Total	<u>913,067</u>	913,067

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

Deferred outflows - pension	\$ 1,438,406	
Deferred inflows - pension	(115,269)	
Net pension liability	<u>(4,406,267)</u>	
Total		(3,083,130)

Accrued interest payable is not due and payable in the current period and therefore is not
reported in the funds. (14,465)

Long-term liabilities are not due and payable in the current period and therefore are not
reported in the funds:

General obligation bonds	\$ (109,000)	
Premium on bonds	(443)	
Capital lease payable	(786,120)	
Compensated absences	(316,353)	
Police pension liability	(34,884)	
Total	<u>(1,246,800)</u>	(1,246,800)

Net position of governmental activities \$ 13,962,528

See accompanying notes to the basic financial statements.

City of Louisville, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2017

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Income tax	\$ 3,626,452	\$ -	\$ 3,626,452
Property and other taxes	403,782	-	403,782
Charges for services	133,338	542,005	675,343
Licenses and permits	141,509	-	141,509
Fines and forfeitures	35,401	18,234	53,635
Intergovernmental	216,344	676,386	892,730
Investment income	71,596	2,743	74,339
Contributions and donations	6,600	1,000	7,600
Other	33,496	1,621	35,117
Total revenue	4,668,518	1,241,989	5,910,507
Expenditures:			
Current:			
General government	1,027,949	19,702	1,047,651
Security of persons and property	2,235,983	286,795	2,522,778
Public health and welfare	113,804	-	113,804
Transportation	-	599,030	599,030
Community environment	263,441	-	263,441
Leisure time activities	115,646	-	115,646
Capital outlay	138,843	444,094	582,937
Debt service:			
Principal retirement	78,281	74,747	153,028
Interest and fiscal charges	29,093	6,393	35,486
Total expenditures	4,003,040	1,430,761	5,433,801
Excess of revenues under expenditures	665,478	(188,772)	476,706
Other financing sources (uses):			
Sale of capital assets	10,717	-	10,717
Transfers - in	-	479,350	479,350
Transfers - out	(479,350)	-	(479,350)
Total other financing sources (uses)	(468,633)	479,350	10,717
Net change in fund balance	196,845	290,578	487,423
Fund balances at beginning of year	2,863,839	1,138,166	4,002,005
Fund balances at end of year	\$ 3,060,684	\$ 1,428,744	\$ 4,489,428

See accompanying notes to the basic financial statements.

City of Louisville, Ohio

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2017**

Net change in fund balances - Total governmental funds		\$ 487,423
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.		
In the current period, these amounts are:		
Capital outlay	\$ 582,937	
Depreciation expense	(800,530)	
Excess of depreciation expense over capital outlay		(217,593)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(208,091)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These activities consist of:		
Property and other taxes	\$ 5,712	
Income taxes	(14,661)	
Intergovernmental	(44,780)	
Charges for services	(10,485)	
Net change in deferred inflows of resources during the year		(64,214)
Contractually required pension contributions are reported as expenditures in the governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		333,981
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(795,087)
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Increase in compensated absences	\$ (46,985)	
Decrease in police pension liability	1,326	
Decrease in accrued interest	1,564	
Amortization of premium	217	
Total additional expenditures		(43,878)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
		26,000
Payment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
		<u>127,028</u>
Change in net position of governmental activities		<u><u>\$ (354,431)</u></u>

See accompanying notes to the basic financial statements.

City of Louisville, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal income tax	\$ 3,418,300	\$ 3,592,700	\$ 3,592,655	\$ (45)
Property and other taxes	414,500	405,950	405,928	(22)
Charges for services	134,175	133,350	133,338	(12)
Licenses and permits	143,500	144,675	144,611	(64)
Fines and forfeitures	26,300	35,475	35,426	(49)
Intergovernmental	223,475	244,375	218,332	(26,043)
Interest	18,000	71,000	71,596	596
Contributions and donations	5,000	6,600	6,600	-
Other	39,750	38,050	32,547	(5,503)
Total revenues	4,423,000	4,672,175	4,641,033	(31,142)
Expenditures:				
Current:				
General government	1,510,651	1,320,151	1,166,313	153,838
Security of persons and property	2,677,239	2,572,564	2,456,137	116,427
Public health and welfare	109,300	116,325	115,833	492
Community environment	324,627	277,977	267,914	10,063
Leisure time activities	194,404	181,829	158,988	22,841
Total expenditures	4,816,221	4,468,846	4,165,185	303,661
Excess of revenues over (under) expenditures	(393,221)	203,329	475,848	272,519
Other financing sources (uses):				
Sale of capital assets	8,000	10,725	10,717	(8)
Transfers - in	1,100	1,100	1,090	(10)
Transfers - out	(480,450)	(480,450)	(480,440)	10
Total other financing sources (uses)	(471,350)	(468,625)	(468,633)	(8)
Net change in fund balance	(864,571)	(265,296)	7,215	272,511
Fund balance at beginning of year	2,347,432	2,347,432	2,347,432	-
Prior year encumbrances appropriated	242,571	242,571	242,571	-
Fund balance at end of year	\$ 1,725,432	\$ 2,324,707	\$ 2,597,218	\$ 272,511

See accompanying notes to the basic financial statements.

City of Louisville, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2017

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
<u>Assets:</u>			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 2,817,438	\$ 4,280,689	\$ 7,098,127
Receivables:			
Income tax	187,005	146,933	333,938
Accounts	267,219	258,874	526,093
Materials and supplies inventory	1,372	3,043	4,415
Prepaid items	5,355	5,745	11,100
Total current assets	3,278,389	4,695,284	7,973,673
Noncurrent assets:			
Capital assets:			
Land	213,279	99,708	312,987
Construction in progress	57,307	258,817	316,124
Depreciable capital assets, net	5,684,648	4,858,902	10,543,550
Total noncurrent assets	5,955,234	5,217,427	11,172,661
Total assets	9,233,623	9,912,711	19,146,334
<u>Deferred outflows of resources:</u>			
Pension	200,365	144,708	345,073
<u>Liabilities:</u>			
Current liabilities:			
Accounts payable	13,732	3,841	17,573
Contracts payable	21,992	15,406	37,398
Accrued wages and benefits	7,127	6,442	13,569
Due to other governments	4,524	3,334	7,858
Income tax refunds payable	12,263	9,635	21,898
Accrued interest payable	709	177	886
Claims payable	954	1,041	1,995
Compensated absences payable	30,899	22,921	53,820
OPWC loans payable	23,879	-	23,879
OWDA loans payable	3,093	-	3,093
General obligation bonds payable	83,200	20,800	104,000
Total current liabilities	202,372	83,597	285,969
Long-term liabilities:			
Compensated absences payable	22,490	18,508	40,998
OPWC loans payable, net of current portion	95,517	-	95,517
OWDA loans payable, net of current portion	23,369	-	23,369
General obligation bonds payable, net of current portion	267,463	67,651	335,114
Net pension liability	503,702	363,785	867,487
Total long-term liabilities	912,541	449,944	1,362,485
Total liabilities	1,114,913	533,541	1,648,454
<u>Deferred inflows of resources:</u>			
Pension	8,784	6,344	15,128
<u>Net position:</u>			
Net investment in capital assets	5,458,713	5,128,976	10,587,689
Unrestricted	2,851,578	4,388,558	7,240,136
Total net position	\$ 8,310,291	\$ 9,517,534	\$ 17,827,825

See accompanying notes to the basic financial statements.

City of Louisville, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
<u>Operating revenues:</u>			
Charges for services	\$ 1,266,367	\$ 1,218,906	\$ 2,485,273
Tap-in fees	4,450	5,050	9,500
Total operating revenues	<u>1,270,817</u>	<u>1,223,956</u>	<u>2,494,773</u>
<u>Operating expenses:</u>			
Personal services	326,469	231,182	557,651
Fringe benefits	188,842	101,525	290,367
Contractual services	334,566	361,156	695,722
Supplies and materials	61,061	71,641	132,702
Depreciation	249,694	242,436	492,130
Total operating expenses	<u>1,160,632</u>	<u>1,007,940</u>	<u>2,168,572</u>
Operating income	<u>110,185</u>	<u>216,016</u>	<u>326,201</u>
<u>Nonoperating revenues (expenses):</u>			
Municipal income tax	600,839	603,086	1,203,925
Interest and fiscal charges	(11,385)	(3,247)	(14,632)
Total nonoperating revenues (expenses)	<u>589,454</u>	<u>599,839</u>	<u>1,189,293</u>
Income before transfers	<u>699,639</u>	<u>815,855</u>	<u>1,515,494</u>
Transfers - in	-	1,076,357	1,076,357
Transfers - out	(1,076,357)	-	(1,076,357)
Total transfers	<u>(1,076,357)</u>	<u>1,076,357</u>	<u>-</u>
Change in net position	(376,718)	1,892,212	1,515,494
Net position at beginning of year	<u>8,687,009</u>	<u>7,625,322</u>	<u>16,312,331</u>
Net position at end of year	<u>\$ 8,310,291</u>	<u>\$ 9,517,534</u>	<u>\$ 17,827,825</u>

See accompanying notes to the basic financial statements.

City of Louisville, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
Cash flows from operating activities:			
Cash received from customers	\$ 1,263,993	\$ 1,231,869	\$ 2,495,862
Cash payments for employee services and benefits	(450,190)	(332,460)	(782,650)
Cash payments to suppliers for goods and services	(387,054)	(436,988)	(824,042)
Net cash provided by operating activities	426,749	462,421	889,170
Cash flows from noncapital financing activities:			
Transfers to other funds	(1,076,357)	-	(1,076,357)
Transfers from other funds	-	1,076,357	1,076,357
Income taxes received	670,626	526,921	1,197,547
Net cash provided by (used for) noncapital financing activities	(405,731)	1,603,278	1,197,547
Cash flows from capital and related financing activities:			
Interest paid on bonds and capital leases	(12,651)	(3,898)	(16,549)
Principal payment on bonds, loans and capital lease	(184,466)	(72,398)	(256,864)
Acquisition of capital assets	(156,749)	(156,205)	(312,954)
Net cash used for capital and related financing activities	(353,866)	(232,501)	(586,367)
Net increase (decrease) in cash and cash equivalents	(332,848)	1,833,198	1,500,350
Cash and cash equivalents at beginning of year	3,150,286	2,447,491	5,597,777
Cash and cash equivalents at end of year	\$ 2,817,438	\$ 4,280,689	\$ 7,098,127
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 110,185	\$ 216,016	\$ 326,201
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	249,694	242,436	492,130
Change in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	(18,102)	(2,087)	(20,189)
Special assessment receivable	10,000	10,000	20,000
Materials and supplies inventory	197	(669)	(472)
Prepaid items	998	(278)	720
Increase in deferred outflows of resources - pension	(57,533)	(39,112)	(96,645)
Increase (decrease) in liabilities:			
Accounts payable	9,449	(3,638)	5,811
Claims payable	703	288	991
Accrued wages and benefits	2,022	2,855	4,877
Compensated absences	(4,986)	(6,695)	(11,681)
Due to other governments	60	221	281
Net pension liability	133,180	50,472	183,652
Decrease in deferred inflows of resources - pension	(9,118)	(7,388)	(16,506)
Net cash provided by operating activities	\$ 426,749	\$ 462,421	\$ 889,170

See accompanying notes to the basic financial statements.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Louisville (the “City”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. City Government and Reporting Entity

The City operates under its Charter and is governed by an elected Mayor-Council Member and four other Council Members.

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are fairly presented and complete. The primary government consists of all funds, departments, boards and commissions that are not legally separate from the City. The City provides municipal services such as police, fire fighting and prevention, parks and recreation, and street maintenance. The City also operates certain enterprise operations such as a sewage treatment plant and a water treatment plant. The operations of all of these services are included in the reporting entity.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt or the levying of taxes. The City has assumed a financial burden of the Louisville Community Improvement Corporation (LCIC) as a result of various transactions including the sale and purchase of land. Also, the majority of the LCIC's board is appointed by the City. The City has chosen the discrete method of presentation of the LCIC because it provides services to the primary government and the citizens of the City as opposed to only the primary government. The discrete method of presentation requires component unit data to be reported together with, but separately from the data of the primary government in the government-wide financial statements. See Note 19 for more information.

A complete copy of the LCIC financial statements may be obtained by contacting the City's Finance Department.

The City is associated with the Stark County Council of Governments, which is defined as a Jointly Governed Organization. This organization is presented in Note 18.

B. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government and its component unit. The statements of the primary government distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

C. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are two categories of funds: governmental and proprietary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. The acquisition, use, and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of financial position and changes in financial position. The difference between governmental fund assets and liabilities and deferred inflows of resources is reported as fund balance. The City's only major governmental fund is the general fund.

General Fund: The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the laws and regulations of the City and/or the general laws of Ohio.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Proprietary Funds

Proprietary funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon determination of changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise.

Enterprise Funds

Enterprise activities are financed and operated in a manner similar to private sector business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's major enterprise funds are:

Water Fund: The water fund accounts for the provision of water treatment and distribution to its residential and commercial users located within the City.

Sewer Fund: The sewer fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

D. Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, liabilities, deferred outflows of resources and deferred inflows of resources associated with the operation of the City are included on the statement of net position. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position. Internal transactions are eliminated within the governmental funds as well as within the business-type funds, provided they are from dissimilar programs. In addition, internal balances within the governmental funds have been eliminated.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Like the government-wide statements, all proprietary funds and the component unit are accounted for on a flow of economic resources measurement focus. All assets, liabilities, deferred outflows of resources and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement revenues, expenses and changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting and proprietary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, “available” means expected to be received within sixty days of year-end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 11). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline and motor vehicle license taxes), fines and forfeitures, grants and entitlements, fees and rentals.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources related to pension are explained in Note 15.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenues. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance fiscal year 2018 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported on the governmental funds balance sheet, and represents revenues which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, intergovernmental grants, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position and the proprietary funds statement of fund net position. (See Note 15)

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reported in the basic financial statements:

Tax Budget: A tax budget of estimated revenue and expenditures for all funds is submitted to the County Auditor, Secretary of the County Budget Commission, by July 20th of each year, for the period January 1 to December 31 of the following year. All City funds are legally required to be budgeted. The purpose of the tax budget is to reflect the need for existing (or increased) tax rates.

Estimated Resources: The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews revenue estimates. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the Official Certificate of Estimated Resources, which states the projected revenue of each fund.

On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31. Further amendments may be made during the year if the Finance Director determines that revenue to be collected will be greater or less than the prior estimates and the budget commission finds the revised estimates to be reasonable. The amounts set forth in the financial statements as the original budgeted amounts represent estimates from the certificate of estimated resources when the original appropriations were adopted, whereas the final budgeted amounts, represent estimates from the final amended certificate issued for 2017.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Appropriations: An appropriation ordinance (the appropriated budget), to control the level of expenditures for all funds, must be legally enacted on or about January 1. Appropriations may not exceed estimated resources as established in the Official Amended Certificate of Estimated Resources. Supplemental appropriations may be adopted by Council action. Amounts shown as original budgeted amounts in the financial statements represent carried-over appropriations plus the first appropriation ordinance for that fund that covered the entire year, whereas the final budgeted amount includes these same appropriated amounts and all supplemental appropriations. During the year, several supplemental appropriation measures were passed.

The City administration may at any time transfer an unencumbered appropriation balance or portion thereof between general classifications of expenditures within an office, department or agency. Within the last three months of the budget year, Council may, by resolution, transfer any unencumbered appropriation balance or portion thereof from one department to another.

The Appropriated Budget: The legal level of control has been established by Council at the department level for all funds. Administrative control is maintained through the establishment of detailed line-item budgets. Appropriated funds may not be expended for purposes other than those designated in the appropriation ordinance without authority from Council. Expenditures plus encumbrances may not legally exceed appropriations at the level of appropriation adopted by Council. The appropriations set by Council must remain fixed unless amended by Council ordinance. The Finance Director may make more detailed appropriation allocations as long as the allocations are within Council's appropriated amount.

Lapsing of Appropriations: At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried over for the subsequent year's expenditures and is not reappropriated.

F. Deposits and Investments

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Each fund's interest in the pool is presented as "Equity in pooled cash and cash equivalents" on the financial statements.

Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating repurchase agreements, which are reported at cost.

During 2017, investments were limited to interest in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at fair value, which is based on quoted market prices.

The City's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Interest allocation is determined by the Ohio Constitution, state statutes and local ordinances adopted under City Charter. Under these provisions, City funds that may be required to receive interest allocations are: 1) special tax levy funds, 2) the motor vehicle license fund and 3) under certain circumstances, the capital projects fund. All remaining interest is credited to the general fund.

For purposes of the statement of cash flows and for presentation on the statement of net position, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments, if not purchased from the pool.

G. Inventory of Supplies

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure/expense in the governmental and proprietary funds when used under the consumption method.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2017 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure or expense is reported in the year in which services are consumed.

I. Capital Assets and Depreciation

Governmental capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$5,000. The City's infrastructure consists of roads and water and sewer lines. All infrastructure assets belonging to business-type activities are reported as such, whereas infrastructure belonging to governmental activities is reported prospectively beginning in 2004. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized for business-type activities.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

All reported capital assets are depreciated except for land, right of ways and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City’s historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Governmental and Business-Type Activities Estimated Useful Life</u>
Buildings	30 - 40 years
Building improvements	10 - 40 years
Land improvements	10 - 20 years
Machinery, equipment and vehicles	3 - 15 years
Infrastructure	40 years

J. Net pension liability and pension expense

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

The current accounting standard requires Cities to report their proportionate share of the net pension liability using the earnings approach to pension accounting instead of the funding approach as previously used. The funding approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan’s net pension liability. Under the new standards, the net pension liability equals the City’s proportionate share of each plan’s collective present value of estimated future pension benefits attributable to active and inactive employees’ past service minus plan assets available to pay these benefits.

Pension obligations, whether funded or unfunded, are part of the employment exchange. The employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. The unfunded portion of this benefit of exchange is a liability of the City. However, the City is not responsible for key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Benefit provisions and both employer and employee contribution rates are determined by State statute. The employee and employer enter the employment exchange with the knowledge that the exchange is limited by law. The pension system is responsible for the administration of the plan.

There is no repayment schedule for the net pension liability. The City has no control over the changes in pension benefits, contribution rates, and return on investments affecting the balance of the net pension liability. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not identify the responsible party for the unfunded portion. Due to the unique nature of how the pension liability is satisfied, this liability is separately identified within the long-term liability section of the government-wide statement of net position and proprietary funds statement of fund net position.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments. The entire compensated absences liability is reported on the government-wide financial statements.

L. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences and the net pension liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases and long-term loans are recognized as a liability on the fund financial statements when due.

M. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances). Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party, such as citizens, public interest groups, or the judiciary, to use resources created by enabling legislation only for the purposes specified by the legislation.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council or a City official (typically the Finance Director) delegated that authority by City Charter or ordinance, or by State Statute.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) fund balances are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

N. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

O. Bond Premiums

In governmental fund types, bond premiums are recognized in the current period. Bond premiums for proprietary fund types are deferred and amortized over the term of the bonds using the bonds outstanding method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds payable.

P. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables." Interfund loans, which do not represent available expendable resources, are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Q. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, most of which are in the form of transfers of resources to provide services, construct assets and service debt. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers. These amounts are eliminated in the governmental activities column of the statement of net position.

Transactions that constitute reimbursements for expenditures or expenses initially made from a fund that are properly allocable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditures and expenses in the fund that is reimbursed.

R. Net Position

Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes includes amounts to provide general government services. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

S. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for sewer treatment and water services. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

T. Estimates

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

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 2 – FUND BALANCE

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

Fund Balances	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Nonspendable</u>			
Materials and			
supplies inventory	\$ -	\$ 111,441	\$ 111,441
Prepays	<u>37,003</u>	<u>9,746</u>	<u>46,749</u>
Total nonspendable	<u>37,003</u>	<u>121,187</u>	<u>158,190</u>
<u>Restricted for</u>			
Streets and highways	-	601,446	601,446
Court activities	-	15,089	15,089
Police services	-	15,578	15,578
Capital improvements	-	93,947	93,947
Debt service payments	-	<u>30,325</u>	<u>30,325</u>
Total restricted	<u>-</u>	<u>756,385</u>	<u>756,385</u>
<u>Committed</u>			
Fire and EMS services	-	202,481	202,481
Storm water	-	<u>348,691</u>	<u>348,691</u>
Total committed	<u>-</u>	<u>551,172</u>	<u>551,172</u>
<u>Assigned</u>			
General government	92,003	-	92,003
Security of persons and property	74,541	-	74,541
Public health and welfare	2,065	-	2,065
Community environment	8,279	-	8,279
Leisure time activities	2,505	-	2,505
Next year's budget	<u>901,948</u>	<u>-</u>	<u>901,948</u>
Total assigned	<u>1,081,341</u>	<u>-</u>	<u>1,081,341</u>
Unassigned	<u>1,942,340</u>	<u>-</u>	<u>1,942,340</u>
Total fund balances	<u>\$ 3,060,684</u>	<u>\$ 1,428,744</u>	<u>\$ 4,489,428</u>

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

The statement of revenues, expenditures, and changes in fund balances - budget (Non-GAAP basis) and actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- a. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- b. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- c. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
- d. Encumbrances are treated as expenditures (budget basis) rather than assigned fund balance (GAAP basis).
- e. The revenues, expenditures and other financing sources and uses of the general fund include activity that is budgeted within a special revenue fund (GAAP basis). However, on the budgetary basis, the activity of the special revenue fund is excluded resulting in perspective differences.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance	
	<u>General</u>
GAAP Basis	\$ 196,845
Revenue accruals	(26,395)
Expenditure accruals	36,737
Encumbrances (Budget Basis) outstanding at year end	<u>(199,972)</u>
Budget Basis	<u><u>\$ 7,215</u></u>

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 4 – DEPOSITS AND INVESTMENTS

A. Primary Government

The City's Charter specifies that deposits and investments of the City will adhere to State statutes, except as modified by Council Ordinance. The charter of the City and the City's investment policy indicate that the Director of Finance has responsibility for selecting depositories and investing funds that are not required to be used for a period of six months or more. Under these provisions, the City is to limit deposits and investments of City funds to insured demand deposit accounts, certificates of deposit, United States treasury obligations, obligations of any federal government agency or instrumentality, repurchase agreements, banker's acceptances, bonds and other obligations of the State of Ohio or the City of Louisville, Ohio, without regard to length of maturity or interest rate, no-load money market funds, NOW accounts, Super NOW accounts, or any other similar account authorized by the Federal Reserve's Depository Institutions Deregulation Committee, provided that such accounts are secured by collateral, and the State Treasury Asset Reserve (Star Ohio).

Before transacting a repurchase agreement with a particular broker/dealer, a master repurchase agreement must be entered into between the City and that particular broker.

The City had \$410 in undeposited cash on hand which is included as part of "equity in pooled cash and cash equivalents."

A. Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the federal deposit insurance corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The City's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

As of December 31, 2017, the carrying amount of the City's deposits was \$4,062,531 and the bank balance was \$4,164,172. The City's deposits were not exposed to custodial credit risk as they were either insured or secured by a collateral pool of eligible securities held at the Federal Reserve in a pledge account.

B. Investments

As of December 31, the City had the following investment and maturity:

	Fair		
<u>Investment Type</u>	<u>Value</u>	<u>Maturity</u>	<u>Rating</u> ⁽¹⁾
STAR Ohio	\$7,007,909	52.1 ⁽²⁾	AAAm

⁽¹⁾ Standard and Poor's rating

⁽²⁾ Days (Average)

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The preceding table identifies the City's recurring fair value measurement as of December 31, 2017. As previously discussed, Star Ohio is reported at its net asset value.

Interest earnings are distributed to certain special revenue funds based on daily cash balances and the remainder is reported in the general fund. Interest revenue credited to the general fund during 2017 amounted to \$71,596, which includes \$52,202 assigned from other City funds.

Credit risk is the possibility that an issuer or other counterparty to an investment will not fulfill its obligation. Standard and Poor's has assigned STAR Ohio an AAAM rating. The City's investment policy allows certain investments, however does not specify credit ratings.

B. Component Unit

Deposits

The carrying amount of the Louisville Community Improvement Corporation's deposits was \$115,899 and the bank balance was \$116,155 at December 31, 2017. Of the bank balances, none of the monies were collateralized with securities held by the pledging financial institution's trust department or agent but not in the Corporation's name.

NOTE 5 - RECEIVABLES

Receivables at December 31, 2017 for governmental funds consisted primarily of municipal income taxes, property and other taxes, amounts due from other governments and accounts.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Due from other governments consists primarily of entitlements to be received from the state. A summary of the intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amount</u>
Cents per gallon and excise tax	\$ 150,128
Homestead and rollback	29,266
Local government	58,058
Motor vehicle tax	28,510
Permissive sales tax	6,956
State and Federal grants	2,592
Other	<u>19,080</u>
Total	<u>\$ 294,590</u>

NOTE 6 – INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2017, consisted of the following:

<u>Transfer to</u>	<u>Transfer from</u>	
	<u>General fund</u>	<u>Water fund</u>
Other governmental funds	<u>\$ 479,350</u>	<u>\$ -</u>
Enterprise funds:		
Sewer fund	<u>-</u>	<u>1,076,357</u>
Total transfers	<u>\$ 479,350</u>	<u>\$ 1,076,357</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 7 - CAPITAL ASSETS

Governmental Activities: The summary of the governmental capital asset activity as of December 31, 2017 follows:

<u>Governmental activities</u>	<u>Balance</u> <u>12/31/2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2017</u>
Capital assets, not being depreciated:				
Land	\$ 544,655	\$ -	\$ (164,135)	\$ 380,520
Right of ways	812,350	-	-	812,350
Construction in progress	<u>97,479</u>	<u>216,534</u>	<u>(299,642)</u>	<u>14,371</u>
Total capital assets, not being depreciated	<u>1,454,484</u>	<u>216,534</u>	<u>(463,777)</u>	<u>1,207,241</u>
Capital assets, being depreciated:				
Land improvements	797,824	-	-	797,824
Buildings and building improvements	1,948,577	-	-	1,948,577
Machinery and equipment	792,159	95,720	(6,537)	881,342
Vehicles	3,340,919	49,402	(45,028)	3,345,293
Infrastructure	<u>9,976,229</u>	<u>488,964</u>	<u>-</u>	<u>10,465,193</u>
Total capital assets, being depreciated	<u>16,855,708</u>	<u>634,086</u>	<u>(51,565)</u>	<u>17,438,229</u>
Less accumulated depreciation:				
Land improvements	(600,503)	(52,088)	-	(652,591)
Buildings and building improvements	(1,014,125)	(58,204)	-	(1,072,329)
Machinery and equipment	(408,666)	(68,793)	6,128	(471,331)
Vehicles	(1,462,497)	(294,688)	33,440	(1,723,745)
Infrastructure	<u>(1,494,289)</u>	<u>(326,757)</u>	<u>-</u>	<u>(1,821,046)</u>
Total accumulated depreciation	<u>(4,980,080)</u>	<u>(800,530)</u>	<u>39,568</u>	<u>(5,741,042)</u>
Total capital assets being depreciated, net	<u>11,875,628</u>	<u>(166,444)</u>	<u>(11,997)</u>	<u>11,697,187</u>
Governmental activities capital assets, net	<u>\$ 13,330,112</u>	<u>\$ 50,090</u>	<u>\$ (475,774)</u>	<u>\$ 12,904,428</u>

Depreciation Expense: Depreciation expense charged to governmental functions for the year ending December 31, 2017 is as follows:

	<u>Amount</u>
General government	\$ 61,199
Security of persons and property	292,976
Transportation	388,740
Leisure time activities	<u>57,615</u>
	<u>\$ 800,530</u>

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Business-type Activities: The summary of the business-type activities' capital asset activity as of December 31, 2017 follows:

<u>Business-type activities</u>	Balance 12/31/2016	Increases	Decreases	Balance 12/31/2017
Capital assets, not being depreciated:				
Land	\$ 312,987	\$ -	\$ -	\$ 312,987
Construction in progress	<u>175,734</u>	<u>140,390</u>	<u>-</u>	<u>316,124</u>
Total capital assets, not being depreciated	<u>488,721</u>	<u>140,390</u>	<u>-</u>	<u>629,111</u>
Capital assets, being depreciated:				
Land improvements	73,970	-	-	73,970
Buildings and building improvements	9,216,401	-	-	9,216,401
Machinery and equipment	291,345	55,989	-	347,334
Vehicles	570,232	-	-	570,232
Infrastructure	<u>13,052,017</u>	<u>122,097</u>	<u>-</u>	<u>13,174,114</u>
Total capital assets, being depreciated	<u>23,203,965</u>	<u>178,086</u>	<u>-</u>	<u>23,382,051</u>
Less accumulated depreciation:				
Land improvements	(60,804)	(5,558)	-	(66,362)
Buildings and building improvements	(5,402,866)	(181,337)	-	(5,584,203)
Machinery and equipment	(92,568)	(22,288)	-	(114,856)
Vehicles	(239,387)	(52,506)	-	(291,893)
Infrastructure	<u>(6,550,746)</u>	<u>(230,441)</u>	<u>-</u>	<u>(6,781,187)</u>
Total accumulated depreciation	<u>(12,346,371)</u>	<u>(492,130)</u>	<u>-</u>	<u>(12,838,501)</u>
Total capital assets being depreciated, net	<u>10,857,594</u>	<u>(314,044)</u>	<u>-</u>	<u>10,543,550</u>
Business-type activities capital assets, net	<u>\$ 11,346,315</u>	<u>\$ (173,654)</u>	<u>\$ -</u>	<u>\$ 11,172,661</u>

Depreciation Expense: Depreciation expense charged to business-type activities for the year ending December 31, 2017 is as follows:

	<u>Amount</u>
Water	\$ 249,694
Sewer	<u>242,436</u>
Total	<u>\$ 492,130</u>

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 8 - COMPENSATED ABSENCES

City employees earn vacation leave at varying rates based upon length of service, from two to six weeks per year. Vacation is required to be taken within two years of the date it is earned, except for certain circumstances. In the event of a termination of employment, death, or retirement, employees (or their estates) are paid for unused vacation leave.

City employees earn sick leave at the rate of 4.6 hours for each 80 hours worked. Sick leave accrual is continuous, without limit. In the case of death or retirement, full-time employees hired prior to January 1, 2006, (or the employees' estates) with ten years or more of service are paid a maximum of 1,200 hours of accumulated, unused sick leave. Full-time employees hired on or after January 1, 2006, with ten or more years of service with the City, are paid 50% of accumulated, unused sick leave to a maximum of 1,200 hours plus 25% for hours in excess of 1,200 to a maximum of 2,400 hours.

NOTE 9 - BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS

Governmental Activities: A summary of the governmental activities' debt and other long-term obligations as of December 31, 2017 follows:

	Balance <u>January 1</u>	<u>Additions</u>	<u>Reductions</u>	Amount Outstanding <u>December 31</u>	Amount Due in <u>One Year</u>
<u>Governmental activities</u>					
<u>General obligation bonds</u>					
2011 Refunding bonds	\$ 135,000	\$ -	\$ (26,000)	\$ 109,000	\$ 26,000
2011 Refunding premium	660	-	(217)	443	-
Total general obligation bonds	<u>135,660</u>	<u>-</u>	<u>(26,217)</u>	<u>109,443</u>	<u>26,000</u>
<u>Other long-term obligations</u>					
Police pension liability, 4.25%	36,210	-	(1,326)	34,884	1,383
Compensated absences	269,368	197,082	(150,097)	316,353	172,082
Capital leases	913,148	-	(127,028)	786,120	131,375
Net pension liability:					
OPERS	1,374,624	556,233	-	1,930,857	-
OP&F	2,622,234	-	(146,824)	2,475,410	-
Total other long-term obligations	<u>5,215,584</u>	<u>753,315</u>	<u>(425,275)</u>	<u>5,543,624</u>	<u>304,840</u>
Total governmental activities	<u>\$ 5,351,244</u>	<u>\$ 753,315</u>	<u>\$ (451,492)</u>	<u>\$ 5,653,067</u>	<u>\$ 330,840</u>

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Business-type Activities: A summary of the business-type activities' debt and other long-term obligations as of December 31, 2017 follows:

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Amount</u> <u>Outstanding</u> <u>December 31</u>	<u>Amount</u> <u>Due in</u> <u>One Year</u>
<u>Business-type activities</u>					
<u>General obligation bonds</u>					
2011 Refunding bonds	\$ 590,000	\$ -	\$ (154,000)	\$ 436,000	\$ 104,000
Unamortized premium	<u>4,743</u>	<u>-</u>	<u>(1,629)</u>	<u>3,114</u>	<u>-</u>
Total general obligation bonds	<u>594,743</u>	<u>-</u>	<u>(155,629)</u>	<u>439,114</u>	<u>104,000</u>
<u>Other long-term obligations</u>					
1996 Ohio Public Works					
Commission Loan 0%	24,413	-	(24,413)	-	-
2001 Ohio Public Works					
Commission Loan 0%	143,275	-	(23,879)	119,396	23,879
2005 Ohio Water Development					
Authority Loan 3.98%	29,435	-	(2,973)	26,462	3,093
Capital lease	51,598	-	(51,598)	-	-
Compensated absences	106,499	55,156	(66,837)	94,818	53,820
Net pension liability:					
OPERS - Water portion	370,522	133,180	-	503,702	-
OPERS - Sewer portion	<u>313,313</u>	<u>50,472</u>	<u>-</u>	<u>363,785</u>	<u>-</u>
Total other long-term obligations	<u>1,039,055</u>	<u>238,808</u>	<u>(169,700)</u>	<u>1,108,163</u>	<u>80,792</u>
Total business-type activities	<u>\$ 1,633,798</u>	<u>\$ 238,808</u>	<u>\$ (325,329)</u>	<u>\$ 1,547,277</u>	<u>\$ 184,792</u>

General obligation bonds: General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. General obligation bonds are to be repaid from voted and unvoted general property taxes.

During 2011, the City issued \$2,020,000 Limited Tax General Obligation Refunding Bonds (LTGO) which includes serial and term bonds with interest rates ranging from 2.00% to 2.50%. The LTGO bonds were used to refund the \$845,000, 1993 Capital Facilities Refunding and Improvement Bonds and the \$1,175,000, 2001 Various Purpose Bonds, which were called on February 1, 2012 and subsequently redeemed. The obligations are to be paid from the debt retirement, water and sewer funds.

Loans: The 1996 Ohio Public Works Commission (OPWC) loan was paid off during the year. This was an interest-free loan for a water line project, and required equal payments over twenty years. The \$119,396 OPWC Loan outstanding is an interest-free loan for a water tower, and requires equal payments over twenty years. The \$26,462 Ohio Water Development Authority (OWDA) Loan outstanding is a loan for the East Well Field conversion and raw water main, and requires principal and interest payments over twenty years.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Police pension liability: The City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire personnel in 1967. The liability is payable semiannually from the general fund.

Compensated absences: Sick leave benefits will be paid from the fund from which the person is paid. Most sick leave is paid from the general fund and the water and sewer enterprise funds.

The City pays net pension liability obligations from the fund benefitting from employee services.

The annual requirements to amortize all bonded debt and loans as of December 31, 2017, including interest payments of \$6,835 and \$31,746, respectively for governmental and business-type activities, are as follows:

Governmental Activities:

	General Obligation Debt		Police Pension
	Principal	Interest	Installment
2018	\$ 26,000	\$ 2,660	\$ 1,383
2019	27,000	2,075	1,442
2020	28,000	1,400	1,504
2021	28,000	700	1,569
2022	-	-	1,636
2023-2027	-	-	9,297
2028-2032	-	-	11,473
2033-2035	-	-	6,580
	<u>\$ 109,000</u>	<u>\$ 6,835</u>	<u>\$ 34,884</u>

Business-type Activities:

	General Obligation Debt		OWDA Loan		OPWC Loan
	Principal	Interest	Principal	Interest	Principal
2018	\$ 104,000	\$ 10,640	\$ 3,093	\$ 1,023	\$ 23,879
2019	108,000	8,300	3,217	898	23,879
2020	112,000	5,600	3,347	769	23,879
2021	112,000	2,800	3,481	635	23,879
2022	-	-	3,621	495	23,880
2023-2025	-	-	9,703	586	-
	<u>\$ 436,000</u>	<u>\$ 27,340</u>	<u>\$ 26,462</u>	<u>\$ 4,406</u>	<u>\$ 119,396</u>

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 10 – CAPITALIZED LEASE

In the prior year, the City entered into a capital lease for the acquisition of an aerial ladder truck. The City also has prior capital leases for the acquisition of a Freightliner VAC truck to be used in the sewer fund, and an ambulance to be used in governmental activities. Capital lease payments are reflected as debt service payments in the basic financial statements for the governmental funds. These expenditures are reflected as function expenditures on a budgetary basis.

Governmental and business-type activities capital assets consisting of vehicles have been capitalized in the amount of \$1,175,453 and \$351,791, respectively. The depreciation expense of these assets is reported within governmental and business-type activities. The capitalized amount equals a portion of the present value of the future minimum lease payments and the down payment respectively, at the time of acquisition. The remaining portion of the capital lease was used for noncapitalizable improvements.

Following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2017:

<u>Year</u>	Lease Payments Governmental <u>Activities</u>
2018	\$ 159,269
2019	107,374
2020	107,374
2021	107,374
2022	107,374
2023-2025	<u>322,122</u>
Total minimum lease payments	910,887
Less: amount representing interest	<u>(124,767)</u>
Total	<u>\$ 786,120</u>

The final payment on the VAC truck of \$52,901, including interest of \$1,303, was paid for the business-type activities capital lease during 2017.

NOTE 11 - PROPERTY TAX

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2017 public utility property taxes became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Louisville. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2017 and for which there is an enforceable legal claim. In the governmental funds, the current portion of the receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2017 operations and the collection of delinquent taxes has been offset by deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On the accrual basis, collectible delinquent property taxes have been recorded as a revenue while on a modified accrual basis the revenue is a deferred inflow.

The full tax rate for all City operations for the year ended December 31, 2017, was \$2.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2016 property tax receipts were based are as follows:

<u>Property Category</u>	<u>Valuations for 2017 Collections</u>	
	<u>Assessed Value</u>	<u>Percent</u>
<u>Real Property</u>		
Residential and agricultural	\$ 127,439,870	77.01 %
Commercial and industrial	33,896,680	20.48
Public utilities	<u>4,155,920</u>	<u>2.51</u>
Total	<u>\$ 165,492,470</u>	<u>100.00 %</u>

NOTE 12 - INCOME TAX

The City's municipal income tax rate is levied on gross salaries, wages and other personal service compensation earned by residents both in and out of the City and to earnings of nonresidents (except certain transients) earned in the City. It also applies to net income of business organizations conducted within the City. Beginning January 1, 1988, the municipal income tax rate was increased by .5% to 2%, with the increase designated for the purpose of expansion of the City's wastewater treatment and water facilities as approved by voters. Tax receipts are therefore allocated 75% to the general fund and 25% to the enterprise funds.

The City allows a credit of 60% on income tax earned outside the City and paid to another municipality.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 13 - CONTINGENCIES

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, City management believes such disallowance, if any, will be immaterial.

NOTE 14 –COMMITMENTS

As of December 31, 2017, the sewer fund has contractual commitments for a clarifier project in the amount of \$2,321,834.

NOTE 15 - DEFINED BENEFIT PENSION PLANS

Net pension liability

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

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

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

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

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

Ohio Public Employees Retirement System

Plan Description – City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. 1.) The traditional pension plan (TP) - a cost-sharing, multiple-employer defined benefit pension plan. 2.) The member-directed plan (MD) - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Members accumulate retirement assets equal to the value of the member and (vested) employer contributions, plus any investment earnings thereon. 3.) The combined plan (CP) - a cost-sharing, multiple-employer defined benefit pension plan. Employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the MD. While members (e.g. City employees) may elect the MD and the CP, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional plan.

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

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

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

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

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

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

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

	<u>State and Local</u>
2017 Statutory maximum contribution rates	
Employer	14.00 %
Employee	10.00 %
2017 Actual contribution rates	
Employer:	
Pension	13.00 %
Post-employment health care benefits	<u>1.00</u>
Total employer	<u>14.00 %</u>
Employee	<u>10.00 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$211,473 for 2017. Of this amount, \$22,837 is reported as due to other governments.

Ohio Police and Fire Pension Fund

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

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

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

	<u>Police</u>	<u>Firefighters</u>
2017 Statutory maximum contribution rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2017 through December 31, 2017	12.25 %	12.25 %
2017 Actual contribution rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment health care benefits	<u>0.50</u>	<u>0.50</u>
Total employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2017 through December 31, 2017	12.25 %	12.25 %

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Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$188,064 for 2017. Of this amount, \$18,874 is reported as due to other governments.

In addition to current contributions, the City pays installments on a specific liability of the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2017, the specific liability of the City was \$34,884 payable in semi-annual payments through the year 2035.

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

The net pension liability for OPERS was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2016 and was determined by rolling forward the total pension liability as of January 1, 2016 to December 31, 2016. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability - prior measurement date	0.011884%	0.040762%	
Proportion of the net pension liability - current measurement date	<u>0.012323%</u>	<u>0.039082%</u>	
Change in proportionate share	<u>0.000439%</u>	<u>-0.001680%</u>	
Proportionate share of the net pension liability	\$ 2,798,344	\$ 2,475,410	\$ 5,273,754
Pension expense	\$ 581,072	\$ 350,072	\$ 931,144

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At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 3,793	\$ 701	\$ 4,494
Changes of assumptions	443,852	-	443,852
Net difference between projected and actual earnings on pension plan investments	416,738	240,725	657,463
Changes in proportion and differences between City contributions and proportionate share of contributions	37,283	240,850	278,133
City contributions subsequent to the measurement date	<u>211,473</u>	<u>188,064</u>	<u>399,537</u>
Total deferred outflows of resources	<u>\$ 1,113,139</u>	<u>\$ 670,340</u>	<u>\$ 1,783,479</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 16,654	\$ 5,698	\$ 22,352
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>32,145</u>	<u>75,900</u>	<u>108,045</u>
Total deferred inflows of resources	<u>\$ 48,799</u>	<u>\$ 81,598</u>	<u>\$ 130,397</u>

\$399,537 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year ending December 31:			
2018	\$ 340,010	\$ 133,949	\$ 473,959
2019	375,399	133,952	509,351
2020	149,672	112,137	261,809
2021	(12,214)	26,191	13,977
2022	-	(4,082)	(4,082)
Thereafter	<u>-</u>	<u>(1,469)</u>	<u>(1,469)</u>
Total	<u>\$ 852,867</u>	<u>\$ 400,678</u>	<u>\$ 1,253,545</u>

Actuarial Assumptions - OPERS

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

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Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation	3.25 percent
Future salary increases, including inflation	3.25 percent to 10.75 percent
COLA or Ad Hoc COLA	3 percent, simple
Investment rate of return	7.5 percent
Actuarial cost method	Individual entry age

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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

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

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3% for 2016.

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The allocation of investment assets within the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

<u>Asset class</u>	Target <u>allocation</u>	Weighted average long-term expected real rate of return <u>(arithmetic)</u>
Fixed income	23.00 %	2.75 %
Domestic equities	20.70	6.34
Real estate	10.00	4.75
Private equity	10.00	8.97
International equities	18.30	7.95
Other investments	<u>18.00</u>	<u>4.92</u>
Total	<u>100.00</u> %	<u>5.66</u> %

Discount Rate The discount rate used to measure the total pension liability was 7.5 percent. A discount rate of 8 percent was used in the prior measurement date. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5 percent) or one percentage point higher (8.5 percent) than the current rate:

	1% Decrease <u>(6.50%)</u>	Current discount rate <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
City's proportionate share of the net pension liability	\$ 4,275,095	\$ 2,798,344	\$ 1,567,732

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Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016 and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

Valuation date	January 1, 2016
Actuarial cost method	Entry age normal
Investment rate of return	8.25 percent
Projected salary increases	4.25 percent to 11 percent
Payroll increases	3.75 percent
Inflation assumptions	3.25 percent
Cost of living adjustments	2.60 percent and 3.00 percent

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected real rates of return for each major asset class included in OP&F’s target asset allocation as of December 31, 2016 are summarized below:

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Asset class	Target Allocation	Long-term expected real rate of return**
Cash and cash equivalents	- %	0.00 %
Domestic equity	16.00	5.21
Non-US equity	16.00	5.40
Core fixed income *	20.00	2.37
Global inflation protected securities*	20.00	2.33
High yield	15.00	4.48
Real estate	12.00	5.65
Private markets	8.00	7.99
Real Assets	5.00	6.87
Master limited partnerships	<u>8.00</u>	7.36
Total	<u>120.00</u> %	

* Levered 2x.

**numbers are net of expected inflation

OP&F's Board of Trustees has incorporated the "risk parity" concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

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

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

	1% Decrease <u>(7.25%)</u>	Current discount rate <u>(8.25%)</u>	1% Increase <u>(9.25%)</u>
City's proportionate share of the net pension liability	\$ 3,296,947	\$ 2,475,410	\$ 1,779,138

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Changes Between Measurement Date and Report Date

In October 2017, the OP&F Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25 percent to 8.0 percent. Although the exact amount of these changes is not known, it has the potential to impact the City's net pension liability.

NOTE 16 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage, commonly referred to as OPEB (other postemployment benefits). The Ohio Public Employees Retirement System administers three separate pension plans: the traditional plan (TP) – a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan (MD) – a defined contribution plan; and the combined plan (CO) – a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority requiring employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2017, the City contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB plan.

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Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0% during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0.0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the RMA for participants in the Member-Directed Plan for 2017 was 4.0%.

Actual employer contributions for the years ending December 31, 2017, 2016 and 2015 which were used to fund postemployment benefits were \$17,876, \$35,291 and \$32,154, respectively. The full amount has been contributed for 2016 and 2015. Approximately 90.17% has been contributed for 2017. \$1,757, representing the unpaid contribution for fiscal year 2017, is recorded as due to other governments. The actual contribution and the actuarially required contribution amounts are the same.

Ohio Police and Fire Pension Fund

The City of Louisville contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined benefit postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at www.op-f.org.

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

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

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The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to healthcare was 0.5% of covered payroll from January 1, 2017 through December 31, 2017. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's total contributions to OP&F for police and fire health care for the years ended December 31, 2017, 2016 and 2015 were \$4,482, \$4,631 and \$4,422, respectively. 89.16 percent has been contributed for 2017, with the remainder being reported as a liability. \$486, representing the unpaid contribution for fiscal year 2017, is recorded as due to other governments.

NOTE 17 - RISK MANAGEMENT

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

The City has contracted with Ohio Government Risk Management Plan, an Ohio government risk management program. The Plan was formed in June 1988 for the primary purpose of managing third-party liability claims against its members. The Plan provides property, liability, error and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members. The Plan has chosen to adopt the forms and endorsements of conventional insurance coverage and to reinsure these coverages 100%, rather than utilize a risk pool of member funds to pay individual and collective losses up to a given retention, and then have excess reinsurance coverage above the retention amount. Therefore, the City is only responsible for its self-retention (deductible) amount. The City's settled claims have not exceeded insurance coverage and has not had any reduction in insurance coverage in the past three years.

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The City has elected to provide dental and vision benefits through a self-insurance program. The City does not use a single fund to account for and finance its risks of loss in this program. This plan provides a dental plan with a \$50 per person deductible, and no deductible for the vision plan. A third party administrator reviews all claims, which are then paid by the City. The City pays all individual claims from the fund in which the employee's wages are paid. The City contracts with a health insurance company to provide medical/health benefits for the City's employees. The City remits a payment to the insurance provider based on the number of participants.

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The claims liability of \$4,951 reported in the funds at December 31, 2017 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims (IBNR), be reported. The claims liability is based on an estimate supplied by the City's third party administrator. Changes in the fund's claims liability amount in 2017 and 2016 were:

	Year ended <u>12/31/2017</u>	Year ended <u>12/31/2016</u>
Unpaid claims, beginning of fiscal year	\$ 2,437	\$ 3,688
Incurred claims (including IBNRs)	37,288	31,881
Claim payments	<u>(34,774)</u>	<u>(33,132)</u>
Unpaid claims, end of fiscal year	<u>\$ 4,951</u>	<u>\$ 2,437</u>

NOTE 18 – JOINTLY GOVERNED ORGANIZATION

The City participates in the Stark County Council of Governments (the Council), which is a statutorily created political subdivision of the State. The Council is jointly governed among Stark County, municipalities and townships with twenty-four participants providing twenty-seven representatives, which direct the operations of the Stark County Metropolitan Narcotics Unit and the Stark County Crime Laboratory. The City appoints one representative which has a membership share based on the percentage of contractual financial contributions to the total funding. Each participant is entitled to vote its percentage share. The board exercises total authority over the operation of the Council including budgeting, appropriation, contracting and designating management. Continued existence of the Council is dependent on the County's continued participation. The Council does not provide specific financial benefits or impose specific financial burdens on the City. The City does not have an equity interest in the Council. During 2017, the City did not contribute to the Council. Financial statements of the Council can be obtained from the Stark County Council of Governments P.O. Box 21451, Canton, Ohio 44701-1451.

NOTE 19 – DISCRETELY PRESENTED COMPONENT UNIT

The component unit column in the basic financial statements identifies the financial data of the City's component unit, Louisville Community Improvement Corporation. It is reported separately to emphasize that it is legally separate from the City.

Louisville Community Improvement Corporation (LCIC): The Louisville Community Improvement Corporation is a not-for-profit, community improvement corporation, as authorized under Chapter 1724 of the Ohio Revised Code. The sole purpose for which the LCIC was organized was to advance, encourage, and promote the industrial, commercial, and civic development of the City of Louisville, Ohio by acting as a designated agency of the City, for the industrial, commercial, distribution, and research development. Complete financial statements can be obtained from the Louisville Community Improvement Corporation.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 20 – CONDUIT DEBT OBLIGATIONS

The City has issued Healthcare and Housing Facility Revenue Bonds to provide financial assistance to St. Joseph Care Center for the acquisition and construction of healthcare facilities deemed to be in the public interest. The bonds are secured by a letter of credit from Huntington National Bank. Upon repayment of the bonds, ownership of the acquired facilities transfers back to St. Joseph Care Center through a sale and leaseback type transaction. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds.

In accordance with the Governmental Accounting Standards Board, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2017 there were two series of Healthcare and Housing Facility Bonds outstanding, with an aggregate principal amount of \$2.470 million.

NOTE 21 – TAX ABATEMENTS

The City entered into property tax abatement agreements with local businesses under Chapter 3735 of the Ohio Revised Code for Community Reinvestment Areas. The City Council may grant property tax abatements for the purpose of attracting and retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate within the boundaries of the Community Reinvestment Areas of the City.

The City has a 100% exemption property tax abatement agreement with an independent living housing facility. The housing facility is required to present identified improvements to the facility and must also create and retain a certain number of jobs. The amount of the abatement is deducted from the recipient's tax bill. No taxes were abated during 2017.

The City also has a 100% exemption property tax abatement agreement with a local business. The local business is required to present identified improvements to their 12,000 square foot facility and must create and retain a certain number of jobs. The amount of the abatement is deducted from the recipient's tax bill. This abatement amounted to \$2,947, of this amount, \$166 would have gone to the City.

The City will recapture abated taxes with the creation and preservation of employment opportunities within the City improving the overall economic climate of the City.

NOTE 22 – SUBSEQUENT EVENTS

The City was awarded a \$1,500,000 interest-free loan from the Ohio Public Works Commission (OPWC) for a wastewater clarifier project, and requires equal payments over thirty years. Construction was delayed in 2017. Loan proceeds are expected to be received in 2018.

Required Supplementary Information

City of Louisville, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Last Four Years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Ohio Public Employees Retirement System - Traditional Plan				
City's proportion of the net pension liability	0.012323%	0.011884%	0.012634%	0.012634%
City's proportionate share of the net pension liability	\$ 2,798,344	\$ 2,058,459	\$ 1,523,802	\$ 1,489,384
City's covered employee payroll	\$ 1,570,433	\$ 1,446,942	\$ 1,445,233	\$ 1,397,185
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	178.19%	142.26%	105.44%	106.60%
Plan fiduciary net position as a percentage of total pension liability	77.25%	81.08%	86.45%	86.36%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Ohio Police and Fire Pension Fund				
City's proportion of the net pension liability	0.039082%	0.040762%	0.033764%	0.033764%
City's proportionate share of the net pension liability	\$ 2,475,410	\$ 2,622,234	\$ 1,749,127	\$ 1,644,422
City's covered employee payroll	\$ 846,141	\$ 854,166	\$ 650,589	\$ 537,418
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	292.55%	306.99%	268.85%	305.99%
Plan fiduciary net position as a percentage of total pension liability	68.36%	66.77%	71.71% (2)	72.53% (2)

(1) Information prior to 2014 is not available and the amounts presented are as of the City's measurement date which is the prior year end.

(2) Restated during 2015.

City of Louisville, Ohio
Required Supplementary Information
Schedule of the City's Contributions
Last Five Years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Ohio Public Employees Retirement System - Traditional Plan					
Contractually required contribution	\$ 211,473	\$ 188,452	\$ 173,633	\$ 173,428	\$ 181,634
Contributions in relation to contractually required contribution	<u>(211,473)</u>	<u>(188,452)</u>	<u>(173,633)</u>	<u>(173,428)</u>	<u>(181,634)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered employee payroll	\$ 1,626,715	\$ 1,570,433	\$ 1,446,942	\$ 1,445,233	\$ 1,397,185
Contributions as a percentage of covered employee payroll	13.00%	12.00%	12.00%	12.00%	13.00%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Ohio Police and Fire Pension Fund					
Contractually required contribution	\$ 188,064	\$ 179,805	\$ 171,602	\$ 132,460	\$ 91,791
Contributions in relation to contractually required contribution	<u>(188,064)</u>	<u>(179,805)</u>	<u>(171,602)</u>	<u>(132,460)</u>	<u>(91,791)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered employee payroll	\$ 885,007	\$ 846,141	\$ 854,166	\$ 650,589	\$ 537,418
Contributions as a percentage of covered employee payroll	21.25%	21.25%	20.09%	20.36%	17.08%

(1) Information prior to 2013 is not available.

City of Louisville, Ohio
Notes to Required Supplementary Information
For the Year Ended December 31, 2017

Ohio Public Employees Retirement System - Traditional Plan

Changes in benefit terms: There were no changes in benefit terms from the amounts reported.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2017. See the notes to the basic financials for the methods and assumptions in this calculation.

Ohio Police and Fire Pension Fund

Changes in benefit terms: There were no changes in benefit terms from the amounts reported.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions. See the notes to the basic financials for the methods and assumptions in this calculation.

Combining Statements

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes. A description of the City's special revenue funds follows:

- Street Construction, Maintenance and Repair - To account for restricted revenue derived from gasoline taxes and vehicle registration fees at the State and County level; used to support the street maintenance and snow removal departments.
- State Highway - To account for the portion (7 ½%) of gasoline taxes and vehicle registration fees restricted for maintenance of state highways.
- Motor Vehicle License - To account for vehicle registration fees received via the municipal permissive tax; used entirely for the purchase of material restricted to resurfacing City streets.
- Mayor's Court Computerization - To account for additional court fees restricted for computerization of the Mayor's court and for the acquisition and maintenance of legal research services for the Mayor's court.
- Emergency Services Charges - To account for fees committed to paramedic services of the Fire and EMS Departments.
- Law Enforcement Education - To account for fine monies restricted to educate the general public regarding drunk driving.
- Law Enforcement Trust - To account for forfeiture monies restricted to educate the general public regarding drug abuse.
- Storm Water – To account for the storm water user's fee committed for storm water maintenance and repairs.

Nonmajor Debt Service Fund

The debt service fund is used to account for the accumulation of resources that are restricted, committed or assigned for the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the government is obligated in some manner for the payment.

Nonmajor Capital Projects Fund

The capital projects fund is established to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

City of Louisville, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,051,262	\$ 30,325	\$ 93,947	\$ 1,175,534
Receivables:				
Accounts	139,037	-	-	139,037
Due from other governments	185,594	-	-	185,594
Materials and supplies inventory	111,441	-	-	111,441
Prepaid items	9,746	-	-	9,746
Total assets	<u>\$ 1,497,080</u>	<u>\$ 30,325</u>	<u>\$ 93,947</u>	<u>\$ 1,621,352</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ 15,276	\$ -	\$ -	\$ 15,276
Accrued wages and benefits	8,237	-	-	8,237
Due to other governments	4,511	-	-	4,511
Claims payable	1,097	-	-	1,097
Total liabilities	<u>29,121</u>	<u>-</u>	<u>-</u>	<u>29,121</u>
Deferred inflows of resources:				
Unavailable revenue - other	<u>163,487</u>	<u>-</u>	<u>-</u>	<u>163,487</u>
Fund balances:				
Nonspendable	121,187	-	-	121,187
Restricted	632,113	30,325	93,947	756,385
Committed	551,172	-	-	551,172
Total fund balances	<u>1,304,472</u>	<u>30,325</u>	<u>93,947</u>	<u>1,428,744</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,497,080</u>	<u>\$ 30,325</u>	<u>\$ 93,947</u>	<u>\$ 1,621,352</u>

City of Louisville, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Charges for services	\$ 542,005	\$ -	\$ -	\$ 542,005
Fines and forfeitures	18,234	-	-	18,234
Intergovernmental	668,781	-	7,605	676,386
Investment income	2,743	-	-	2,743
Contributions and donations	1,000	-	-	1,000
Other	1,621	-	-	1,621
Total revenue	<u>1,234,384</u>	<u>-</u>	<u>7,605</u>	<u>1,241,989</u>
Expenditures:				
Current:				
General government	2,856	-	16,846	19,702
Security of persons and property	286,795	-	-	286,795
Transportation	599,030	-	-	599,030
Capital outlay	431,223	-	12,871	444,094
Debt service:			-	
Principal retirement	48,747	26,000	-	74,747
Interest and fiscal charges	3,148	3,245	-	6,393
Total expenditures	<u>1,371,799</u>	<u>29,245</u>	<u>29,717</u>	<u>1,430,761</u>
Excess of revenues under expenditures	<u>(137,415)</u>	<u>(29,245)</u>	<u>(22,112)</u>	<u>(188,772)</u>
Other financing sources:				
Transfers - in	<u>450,000</u>	<u>29,350</u>	<u>-</u>	<u>479,350</u>
Net change in fund balance	312,585	105	(22,112)	290,578
Fund balances at beginning of year	991,887	30,220	116,059	1,138,166
Fund balances at end of year	<u>\$ 1,304,472</u>	<u>\$ 30,325</u>	<u>\$ 93,947</u>	<u>\$ 1,428,744</u>

City of Louisville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017

	Street Construction, Maintenance and Repair Fund	State Highway Fund	Motor Vehicle License Fund	Mayor's Court Computerization Fund
Assets:				
Equity in pooled cash and cash equivalents	\$ 412,618	\$ 61,758	\$ 73,049	\$ 15,158
Receivables:				
Accounts	-	-	-	-
Due from other governments	165,240	13,398	6,956	-
Materials and supplies inventory	103,083	8,358	-	-
Prepaid items	6,711	317	-	-
Total assets	<u>\$ 687,652</u>	<u>\$ 83,831</u>	<u>\$ 80,005</u>	<u>\$ 15,158</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ 3,256	\$ 102	\$ -	\$ 69
Accrued wages and benefits	5,255	-	-	-
Due to other governments	3,958	-	-	-
Claims payable	1,037	-	-	-
Total liabilities	<u>13,506</u>	<u>102</u>	<u>-</u>	<u>69</u>
Deferred inflows of resources:				
Unavailable revenue - other	<u>109,118</u>	<u>8,847</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	109,794	8,675	-	-
Restricted	455,234	66,207	80,005	15,089
Committed	-	-	-	-
Total fund balances	<u>565,028</u>	<u>74,882</u>	<u>80,005</u>	<u>15,089</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 687,652</u>	<u>\$ 83,831</u>	<u>\$ 80,005</u>	<u>\$ 15,158</u>

Emergency Services Charges Fund	Law Enforcement Education Fund	Law Enforcement Trust Fund	Storm Water Fund	Total Nonmajor Special Revenue Funds
\$ 162,886	\$ 1,706	\$ 13,872	\$ 310,215	\$ 1,051,262
97,733	-	-	41,304	139,037
-	-	-	-	185,594
-	-	-	-	111,441
2,718	-	-	-	9,746
<u>\$ 263,337</u>	<u>\$ 1,706</u>	<u>\$ 13,872</u>	<u>\$ 351,519</u>	<u>\$ 1,497,080</u>
\$ 9,021	\$ -	\$ -	\$ 2,828	\$ 15,276
2,982	-	-	-	8,237
553	-	-	-	4,511
60	-	-	-	1,097
<u>12,616</u>	<u>-</u>	<u>-</u>	<u>2,828</u>	<u>29,121</u>
<u>45,522</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>163,487</u>
2,718	-	-	-	121,187
-	1,706	13,872	-	632,113
202,481	-	-	348,691	551,172
<u>205,199</u>	<u>1,706</u>	<u>13,872</u>	<u>348,691</u>	<u>1,304,472</u>
<u>\$ 263,337</u>	<u>\$ 1,706</u>	<u>\$ 13,872</u>	<u>\$ 351,519</u>	<u>\$ 1,497,080</u>

City of Louisville, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2017

	Street Construction, Maintenance and Repair Fund	State Highway Fund	Motor Vehicle License Fund	Mayor's Court Computerization Fund
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	3,858
Intergovernmental	346,409	28,088	81,491	-
Investment income	-	-	2,743	-
Contributions and donations	1,000	-	-	-
Other	1,621	-	-	-
Total revenue	<u>349,030</u>	<u>28,088</u>	<u>84,234</u>	<u>3,858</u>
Expenditures:				
Current:				
General government	-	-	-	2,856
Security of persons and property	-	-	-	-
Transportation	525,122	14,484	-	-
Capital outlay	11,928	-	198,213	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>537,050</u>	<u>14,484</u>	<u>198,213</u>	<u>2,856</u>
Excess of revenues over (under) expenditures	<u>(188,020)</u>	<u>13,604</u>	<u>(113,979)</u>	<u>1,002</u>
Other financing sources:				
Transfers - in	<u>350,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	161,980	13,604	(13,979)	1,002
Fund balances at beginning of year	403,048	61,278	93,984	14,087
Fund balances at end of year	<u>\$ 565,028</u>	<u>\$ 74,882</u>	<u>\$ 80,005</u>	<u>\$ 15,089</u>

Emergency Services Charges Fund	Law Enforcement Education Fund	Law Enforcement Trust Fund	Storm Water Fund	Total Nonmajor Special Revenue Funds
\$ 342,107	\$ -	\$ -	\$ 199,898	\$ 542,005
-	1,417	12,959	-	18,234
4,000	-	-	208,793	668,781
-	-	-	-	2,743
-	-	-	-	1,000
-	-	-	-	1,621
<u>346,107</u>	<u>1,417</u>	<u>12,959</u>	<u>408,691</u>	<u>1,234,384</u>
-	-	-	-	2,856
284,448	1,399	948	-	286,795
-	-	-	59,424	599,030
-	-	-	221,082	431,223
48,747	-	-	-	48,747
3,148	-	-	-	3,148
<u>336,343</u>	<u>1,399</u>	<u>948</u>	<u>280,506</u>	<u>1,371,799</u>
<u>9,764</u>	<u>18</u>	<u>12,011</u>	<u>128,185</u>	<u>(137,415)</u>
-	-	-	-	450,000
9,764	18	12,011	128,185	312,585
195,435	1,688	1,861	220,506	991,887
<u>\$ 205,199</u>	<u>\$ 1,706</u>	<u>\$ 13,872</u>	<u>\$ 348,691</u>	<u>\$ 1,304,472</u>

Individual Fund Schedules of Revenues, Expenditures and
Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual

City of Louisville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal income tax	\$ 3,418,300	\$ 3,592,700	\$ 3,592,655	\$ (45)
Property and other taxes	414,500	405,950	405,928	(22)
Charges for services	134,175	133,350	133,338	(12)
Licenses and permits	143,500	144,675	144,611	(64)
Fines and forfeitures	26,300	35,475	35,426	(49)
Intergovernmental	223,475	244,375	218,332	(26,043)
Interest	18,000	71,000	71,596	596
Contributions and donations	5,000	6,600	6,600	-
Other	39,750	38,050	32,547	(5,503)
Total revenues	4,423,000	4,672,175	4,641,033	(31,142)
Expenditures:				
Current:				
General government				
Office of city council				
Personal services	44,100	44,375	44,184	191
Operations and maintenance	20,527	13,177	13,142	35
Total office of city council	64,627	57,552	57,326	226
Office of the city manager				
Personal services	301,836	293,786	241,244	52,542
Operations and maintenance	14,877	13,577	11,900	1,677
Total office of the city manager	316,713	307,363	253,144	54,219
Department of finance and tax				
Personal services	362,800	352,325	340,380	11,945
Operations and maintenance	49,965	42,990	42,853	137
Total department of finance and tax	412,765	395,315	383,233	12,082
Mayor's court				
Personal services	8,775	8,475	8,107	368
Operations and maintenance	18,225	10,725	10,704	21
Total mayor's court	27,000	19,200	18,811	389
Civil service commission				
Operations and maintenance	12,565	12,915	12,891	24
Total civil service commission	12,565	12,915	12,891	24
Division of lands and buildings				
Personal services	27,400	17,325	16,237	1,088
Operations and maintenance	358,794	235,994	152,195	83,799
Total division of lands and buildings	386,194	253,319	168,432	84,887

(Continued)

City of Louisville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Department of law				
Personal services	49,550	49,550	47,699	1,851
Operations and maintenance	20,775	27,400	27,392	8
Total department of law	70,325	76,950	75,091	1,859
Other administrative				
Operations and maintenance	220,462	197,537	197,385	152
Total general government	1,510,651	1,320,151	1,166,313	153,838
Security of persons and property				
Division of police				
Personal services	1,562,966	1,486,616	1,372,374	114,242
Operations and maintenance	358,066	361,916	361,100	816
Total division of police	1,921,032	1,848,532	1,733,474	115,058
Division of fire				
Personal services	287,500	290,325	290,094	231
Operations and maintenance	300,012	281,837	281,549	288
Total division of fire	587,512	572,162	571,643	519
Division of street lighting				
Operations and maintenance	130,060	115,260	114,876	384
Division of traffic control maintenance				
Operations and maintenance	25,410	31,660	31,292	368
Division of fire prevention/inspections				
Personal services	10,225	4,450	4,370	80
Operations and maintenance	3,000	500	482	18
Total division of fire prevention/inspections	13,225	4,950	4,852	98
Total security of persons and property	2,677,239	2,572,564	2,456,137	116,427
Public health and welfare				
Board of health				
Operations and maintenance	109,300	116,325	115,833	492
Community environment				
Division of planning and development				
Personal services	184,175	179,025	172,942	6,083
Operations and maintenance	67,927	36,627	33,362	3,265
Total division of planning and development	252,102	215,652	206,304	9,348

(Continued)

City of Louisville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Division of housing and building code				
Personal services	67,200	58,050	57,378	672
Operations and maintenance	5,325	4,275	4,232	43
Total division of housing and building code	72,525	62,325	61,610	715
Total community environment	324,627	277,977	267,914	10,063
Leisure time activities				
Division of parks				
Personal services	69,950	55,925	53,547	2,378
Operations and maintenance	116,954	118,404	97,941	20,463
Total division of parks	186,904	174,329	151,488	22,841
Special events				
Operations and maintenance	7,500	7,500	7,500	-
Total leisure time activities	194,404	181,829	158,988	22,841
Total expenditures	4,816,221	4,468,846	4,165,185	303,661
Excess of revenues over (under) expenditures	(393,221)	203,329	475,848	272,519
Other financing sources (uses):				
Sale of capital assets	8,000	10,725	10,717	(8)
Transfers - in	1,100	1,100	1,090	(10)
Transfers - out	(480,450)	(480,450)	(480,440)	10
Total other financing sources (uses)	(471,350)	(468,625)	(468,633)	(8)
Net change in fund balance	(864,571)	(265,296)	7,215	272,511
Fund balance at beginning of year	2,347,432	2,347,432	2,347,432	-
Prior year encumbrances appropriated	242,571	242,571	242,571	-
Fund balance at end of year	\$ 1,725,432	\$ 2,324,707	\$ 2,597,218	\$ 272,511

City of Louisville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 332,000	\$ 345,875	\$ 345,861	\$ (14)
Contributions and donations	1,000	1,000	1,000	-
Other	2,150	2,025	2,021	(4)
Total revenues	335,150	348,900	348,882	(18)
Expenditures:				
Current:				
Transportation				
Division of street maintenance				
Personal services	385,550	360,675	348,651	12,024
Operations and maintenance	149,443	122,943	120,942	2,001
Total division of street maintenance	534,993	483,618	469,593	14,025
Division of snow and ice removal				
Operations and maintenance	207,603	133,878	133,161	717
Total expenditures	742,596	617,496	602,754	14,742
Excess of revenues under expenditures	(407,446)	(268,596)	(253,872)	14,724
Other financing sources:				
Transfers - in	350,000	350,000	350,000	-
Net change in fund balance	(57,446)	81,404	96,128	14,724
Fund balance at beginning of year	160,856	160,856	160,856	-
Prior year encumbrances appropriated	61,196	61,196	61,196	-
Fund balance at end of year	\$ 164,606	\$ 303,456	\$ 318,180	\$ 14,724

City of Louisville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 27,000	\$ 28,050	\$ 28,043	\$ (7)
<u>Expenditures:</u>				
Current:				
Transportation				
Division of street maintenance				
Operations and maintenance	18,319	10,294	10,179	115
Division of snow and ice removal				
Operations and maintenance	10,326	8,201	8,177	24
Total expenditures	28,645	18,495	18,356	139
Net change in fund balance	(1,645)	9,555	9,687	132
Fund balance at beginning of year	44,426	44,426	44,426	-
Prior year encumbrances appropriated	1,645	1,645	1,645	-
Fund balance at end of year	\$ 44,426	\$ 55,626	\$ 55,758	\$ 132

City of Louisville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle License Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$ 87,000	\$ 88,600	\$ 88,586	\$ (14)
Interest	1,000	2,700	2,743	43
Total revenues	88,000	91,300	91,329	29
<u>Expenditures:</u>				
Current:				
Transportation				
Division of street construction				
Operations and maintenance	205,649	205,649	203,862	1,787
Excess of revenues under expenditures	(117,649)	(114,349)	(112,533)	1,816
Other financing sources:				
Transfers - in	100,000	100,000	100,000	-
Net change in fund balance	(17,649)	(14,349)	(12,533)	1,816
Fund balance at beginning of year	79,933	79,933	79,933	-
Prior year encumbrances appropriated	5,649	5,649	5,649	-
Fund balance at end of year	\$ 67,933	\$ 71,233	\$ 73,049	\$ 1,816

City of Louisville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Mayor's Court Computerization Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and forfeitures	\$ 3,100	\$ 3,875	\$ 3,858	\$ (17)
<u>Expenditures:</u>				
Current:				
General government				
Mayor's court				
Operations and maintenance	3,100	2,800	2,787	13
Net change in fund balance	-	1,075	1,071	(4)
Fund balance at beginning of year	14,087	14,087	14,087	-
Fund balance at end of year	\$ 14,087	\$ 15,162	\$ 15,158	\$ (4)

City of Louisville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Services Charges Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Charges for services	\$ 319,500	\$ 354,975	\$ 354,959	\$ (16)
Intergovernmental	-	7,800	4,000	(3,800)
Contributions and donations	500	-	-	-
Total revenues	<u>320,000</u>	<u>362,775</u>	<u>358,959</u>	<u>(3,816)</u>
<u>Expenditures:</u>				
Current:				
Security of persons and property				
Division of emergency services				
Personal services	169,700	168,525	168,444	81
Operations and maintenance	188,274	161,699	161,558	141
Total expenditures	<u>357,974</u>	<u>330,224</u>	<u>330,002</u>	<u>222</u>
Net change in fund balance	(37,974)	32,551	28,957	(3,594)
Fund balance at beginning of year	130,714	130,714	130,714	-
Prior year encumbrances appropriated	1,974	1,974	1,974	-
Fund balance at end of year	<u>\$ 94,714</u>	<u>\$ 165,239</u>	<u>\$ 161,645</u>	<u>\$ (3,594)</u>

City of Louisville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Education Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and forfeitures	\$ 1,400	\$ 1,425	\$ 1,417	\$ (8)
<u>Expenditures:</u>				
Current:				
Security of persons and property				
Division of police				
Operations and maintenance	1,400	1,400	1,399	1
Net change in fund balance	-	25	18	(7)
Fund balance at beginning of year	1,688	1,688	1,688	-
Fund balance at end of year	\$ 1,688	\$ 1,713	\$ 1,706	\$ (7)

City of Louisville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Trust Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and forfeitures	\$ 1,000	\$ 13,225	\$ 13,206	\$ (19)
<u>Expenditures:</u>				
Current:				
Security of persons and property				
Division of police				
Operations and maintenance	1,000	950	948	2
Net change in fund balance	-	12,275	12,258	(17)
Fund balance at beginning of year	1,614	1,614	1,614	-
Fund balance at end of year	\$ 1,614	\$ 13,889	\$ 13,872	\$ (17)

City of Louisville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Storm Water Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Charges for services	\$ 195,600	\$ 199,700	\$ 199,690	\$ (10)
Intergovernmental	<u>221,750</u>	<u>208,793</u>	<u>208,793</u>	<u>-</u>
Total revenues	<u>417,350</u>	<u>408,493</u>	<u>408,483</u>	<u>(10)</u>
<u>Expenditures:</u>				
Current:				
Transportation				
Division of storm water maintenance				
Operations and maintenance	<u>492,059</u>	<u>288,377</u>	<u>284,303</u>	<u>4,074</u>
Net change in fund balance	(74,709)	120,116	124,180	4,064
Fund balance at beginning of year	165,358	165,358	165,358	-
Prior year encumbrances appropriated	<u>14,609</u>	<u>14,609</u>	<u>14,609</u>	<u>-</u>
Fund balance at end of year	<u>\$ 105,258</u>	<u>\$ 300,083</u>	<u>\$ 304,147</u>	<u>\$ 4,064</u>

City of Louisville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Debt Retirement Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Debt service:				-
Principal retirement	26,000	26,000	26,000	-
Interest and fiscal charges	3,250	3,250	3,245	5
Total expenditures	29,250	29,250	29,245	5
Excess of revenues under expenditures	(29,250)	(29,250)	(29,245)	5
Other financing sources:				
Transfers - in	29,350	29,350	29,350	-
Net change in fund balance	100	100	105	5
Fund balance at beginning of year	30,220	30,220	30,220	-
Fund balance at end of year	\$ 30,320	\$ 30,320	\$ 30,325	\$ 5

City of Louisville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvements Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ 7,600	\$ 7,605	\$ 5
<u>Expenditures:</u>				
Current:				
General government				
Division of lands and buildings				
Operations and maintenance	74,300	66,300	66,299	1
Net change in fund balance	(74,300)	(58,700)	(58,694)	6
Fund balance at beginning of year	103,259	103,259	103,259	-
Prior year encumbrances appropriated	14,300	14,300	14,300	-
Fund balance at end of year	\$ 43,259	\$ 58,859	\$ 58,865	\$ 6

Individual Fund Schedules of Revenues, Expenses and
Changes in Net Position – Budget (Non-GAAP Basis) and Actual

City of Louisville, Ohio
Schedule of Revenues, Expenditures and Changes
In Net Position - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Charges for services	\$ 1,193,000	\$ 1,264,050	\$ 1,259,543	\$ (4,507)
Tap-in fees	9,000	4,450	4,450	-
Total revenues	1,202,000	1,268,500	1,263,993	(4,507)
<u>Expenses:</u>				
Personal services	320,725	324,550	324,447	103
Fringe benefits	153,888	140,888	125,743	15,145
Contractual services	290,169	285,119	284,577	542
Materials and supplies	61,530	64,880	61,878	3,002
Capital outlay	389,421	250,421	242,846	7,575
Total expenses	1,215,733	1,065,858	1,039,491	26,367
Operating income	(13,733)	202,642	224,502	21,860
Nonoperating revenue (expenses):				
Municipal income taxes	1,139,700	1,197,600	1,197,547	(53)
Principal retirement	(184,425)	(184,475)	(184,466)	9
Interest and fiscal charges	(12,725)	(12,675)	(12,651)	24
Total nonoperating revenue (expenses)	942,550	1,000,450	1,000,430	(20)
Income before other financing sources (uses)	928,817	1,203,092	1,224,932	21,840
Other financing sources (uses):				
Transfers - in	168,150	168,150	168,150	-
Transfers - out	(1,771,428)	(1,771,428)	(1,771,428)	-
Total other financing sources (uses)	(1,603,278)	(1,603,278)	(1,603,278)	-
Change in fund position	(674,461)	(400,186)	(378,346)	21,840
Net position at beginning of year	3,083,903	3,083,903	3,083,903	-
Prior year encumbrances appropriated	66,383	66,383	66,383	-
Net position at end of year	\$ 2,475,825	\$ 2,750,100	\$ 2,771,940	\$ 21,840

City of Louisville, Ohio
Schedule of Revenues, Expenditures and Changes
In Net Position - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Charges for services	\$ 1,158,000	\$ 1,226,850	\$ 1,226,819	\$ (31)
Tap-in fees	6,000	5,050	5,050	-
Total revenues	1,164,000	1,231,900	1,231,869	(31)
<u>Expenses:</u>				
Personal services	239,575	228,425	228,327	98
Fringe benefits	121,992	115,117	104,133	10,984
Contractual services	501,773	418,698	414,076	4,622
Materials and supplies	90,451	75,526	73,374	2,152
Capital outlay	3,552,473	3,521,073	2,548,204	972,869
Total expenses	4,506,264	4,358,839	3,368,114	990,725
Operating loss	(3,342,264)	(3,126,939)	(2,136,245)	990,694
Nonoperating expenses:				
Principal retirement	(20,800)	(20,800)	(20,800)	-
Interest and fiscal charges	(2,599)	(2,599)	(2,596)	3
Total nonoperating expenses	(23,399)	(23,399)	(23,396)	3
Loss before other financing sources	(3,365,663)	(3,150,338)	(2,159,641)	990,697
Other financing sources:				
Proceeds of OPWC loans	1,500,000	1,500,000	-	(1,500,000)
Transfers - in	1,603,278	1,603,278	1,603,278	-
Total other financing sources	3,103,278	3,103,278	1,603,278	(1,500,000)
Change in fund position	(262,385)	(47,060)	(556,363)	(509,303)
Net position at beginning of year	2,379,778	2,379,778	2,379,778	-
Prior year encumbrances appropriated	67,713	67,713	67,713	-
Net position at end of year	\$ 2,185,106	\$ 2,400,431	\$ 1,891,128	\$ (509,303)

STATISTICAL SECTION



Statistical Section

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial position has changed over time.	S2 - S10
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the City's ability to generate its most significant local revenue source(s), the property tax and the income tax.	S11 - S15
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S16 - S21
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	S22 - S23
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S24 - S27

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF LOUISVILLE, OHIO
Net Position by Component (1)
Last Ten Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	Restated <u>2014 (2)</u>	<u>2013</u>
<u>Governmental Activities</u>					
Net investment in capital assets	\$ 12,008,865	\$ 12,281,304	\$ 12,229,376	\$ 12,214,763	\$ 12,033,892
Restricted	963,782	845,644	750,487	592,027	731,396
Unrestricted	<u>989,881</u>	<u>1,190,011</u>	<u>1,005,040</u>	<u>763,304</u>	<u>3,360,551</u>
Total governmental activities net position	<u><u>13,962,528</u></u>	<u><u>14,316,959</u></u>	<u><u>13,984,903</u></u>	<u><u>13,570,094</u></u>	<u><u>16,125,839</u></u>
<u>Business-Type Activities</u>					
Net investment in capital assets	10,587,689	10,502,851	10,336,346	9,916,725	9,923,854
Unrestricted	<u>7,240,136</u>	<u>5,809,480</u>	<u>4,370,633</u>	<u>3,336,946</u>	<u>2,718,611</u>
Total business-type activities net position	<u><u>17,827,825</u></u>	<u><u>16,312,331</u></u>	<u><u>14,706,979</u></u>	<u><u>13,253,671</u></u>	<u><u>12,642,465</u></u>
<u>Primary Government</u>					
Net investment in capital assets	22,596,554	22,784,155	22,565,722	22,131,488	21,957,746
Restricted	963,782	845,644	750,487	592,027	731,396
Unrestricted	<u>8,230,017</u>	<u>6,999,491</u>	<u>5,375,673</u>	<u>4,100,250</u>	<u>6,079,162</u>
Total primary government net position	<u><u>\$ 31,790,353</u></u>	<u><u>\$ 30,629,290</u></u>	<u><u>\$ 28,691,882</u></u>	<u><u>\$ 26,823,765</u></u>	<u><u>\$ 28,768,304</u></u>

Source: City of Louisville basic financial statements.

(1) Accrual basis of accounting.

(2) The City implemented GASB 68 during 2015 and as a result 2014 was restated.

(3) The City reclassified the storm water fund as a governmental fund during 2013 and as a result 2012 was restated.

(4) The City implemented GASB 65 during 2012 and as a result 2011 was restated.

	Restated <u>2012 (3)</u>	Restated <u>2011 (4)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	11,560,990	\$ 5,930,971	\$ 4,238,952	\$ 3,251,988	\$ 2,867,010
	1,162,743	593,508	916,049	1,011,949	754,129
	<u>2,922,623</u>	<u>2,604,346</u>	<u>2,065,143</u>	<u>1,842,352</u>	<u>1,627,341</u>
	<u>15,646,356</u>	<u>9,128,825</u>	<u>7,220,144</u>	<u>6,106,289</u>	<u>5,248,480</u>
	9,675,807	8,520,159	8,083,638	7,415,753	7,134,730
	<u>2,080,876</u>	<u>1,854,803</u>	<u>1,696,699</u>	<u>1,706,905</u>	<u>1,432,666</u>
	<u>11,756,683</u>	<u>10,374,962</u>	<u>9,780,337</u>	<u>9,122,658</u>	<u>8,567,396</u>
	21,236,797	14,451,130	12,322,590	10,667,741	10,001,740
	1,162,743	593,508	916,049	1,011,949	754,129
	<u>5,003,499</u>	<u>4,459,149</u>	<u>3,761,842</u>	<u>3,549,257</u>	<u>3,060,007</u>
\$	<u>27,403,039</u>	<u>19,503,787</u>	<u>17,000,481</u>	<u>15,228,947</u>	<u>13,815,876</u>

CITY OF LOUISVILLE, OHIO

Changes in Net Position (1)

Last Ten Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenses					
Governmental Activities:					
General government	\$ 1,452,835	\$ 1,045,516	\$ 1,118,995	\$ 1,181,784	\$ 1,063,115
Security of persons and property	3,042,626	2,895,871	2,500,837	2,398,630	2,169,438
Public health and welfare	113,804	94,167	90,079	81,088	79,746
Transportation	1,063,987	996,489	835,810	1,068,168	1,014,335
Community environment	308,542	261,543	291,723	295,526	204,758
Leisure time activities	185,225	181,311	201,622	205,010	209,294
Interest and fiscal charges	33,705	26,193	14,623	7,611	11,125
Total governmental activities expenses	<u>6,200,724</u>	<u>5,501,090</u>	<u>5,053,689</u>	<u>5,237,817</u>	<u>4,751,811</u>
Business-Type Activities:					
Water	1,172,017	1,056,055	1,106,846	1,151,358	1,103,801
Sewer	1,011,187	958,109	966,393	1,092,329	1,095,660
Storm water	-	-	-	-	-
Total business-type activities expenses	<u>2,183,204</u>	<u>2,014,164</u>	<u>2,073,239</u>	<u>2,243,687</u>	<u>2,199,461</u>
Total primary government expenses	<u>\$ 8,383,928</u>	<u>\$ 7,515,254</u>	<u>\$ 7,126,928</u>	<u>\$ 7,481,504</u>	<u>\$ 6,951,272</u>
Program Revenues					
Governmental Activities:					
Charges for services					
General government	\$ 259,659	\$ 255,490	\$ 238,558	\$ 238,853	\$ 232,077
Security of persons and property	345,998	368,166	335,212	282,619	384,506
Transportation	201,519	201,900	154,036	142,775	137,923
Community environment	57,826	56,855	48,819	49,813	42,119
Leisure time activities	5,198	5,545	6,704	7,005	8,153
Operating grants, contributions and interest	650,272	584,732	577,606	486,861	472,525
Capital grants and contributions	-	-	27,250	21,175	133,801
Total governmental activities program revenues	<u>1,520,472</u>	<u>1,472,688</u>	<u>1,388,185</u>	<u>1,229,101</u>	<u>1,411,104</u>
Business-Type Activities:					
Charges for services					
Water	1,270,817	1,226,405	1,304,450	1,140,104	1,045,752
Sewer	1,223,956	1,211,860	1,242,146	1,090,972	1,027,080
Storm water	-	-	-	-	-
Operating grants, contributions and interest	-	-	-	-	9,940
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>2,494,773</u>	<u>2,438,265</u>	<u>2,546,596</u>	<u>2,231,076</u>	<u>2,082,772</u>
Total primary government program revenues	<u>\$ 4,015,245</u>	<u>\$ 3,910,953</u>	<u>\$ 3,934,781</u>	<u>\$ 3,460,177</u>	<u>\$ 3,493,876</u>
Net (expense)/revenue					
Governmental activities	\$ (4,680,252)	\$ (4,028,402)	\$ (3,665,504)	\$ (4,008,716)	\$ (3,340,707)
Business-type activities	311,569	424,101	473,357	(12,611)	(116,689)
Total primary government net expense	<u>\$ (4,368,683)</u>	<u>\$ (3,604,301)</u>	<u>\$ (3,192,147)</u>	<u>\$ (4,021,327)</u>	<u>\$ (3,457,396)</u>

CITY OF LOUISVILLE, OHIO

Changes in Net Position (1)

Last Ten Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property taxes levied for:					
General purposes	\$ 409,494	\$ 423,129	\$ 359,702	\$ 348,892	\$ 345,077
Income tax levied for:					
General purposes	3,611,791	3,538,813	3,318,897	3,214,022	3,007,404
Grants and entitlements not restricted to specific programs	192,844	220,627	219,958	234,565	362,979
Gain on sale of capital assets	-	119,017	-	1,206	-
Investment earnings	71,596	22,758	4,445	1,798	380
Other	40,096	36,114	53,186	32,981	104,350
Transfers	-	-	124,125	-	-
Total governmental activities	<u>4,325,821</u>	<u>4,360,458</u>	<u>4,080,313</u>	<u>3,833,464</u>	<u>3,820,190</u>
Business-Type Activities:					
Income tax levied for:					
Water utility services	898,261	869,245	729,063	601,286	505,613
Sewer utility services	305,664	309,031	374,453	469,956	496,858
Investment earnings	-	-	-	-	-
Grants and entitlements not restricted to specific programs	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-
Capital contributions	-	-	-	-	-
Other	-	2,975	560	-	-
Transfers	-	-	(124,125)	-	-
Total business-type activities	<u>1,203,925</u>	<u>1,181,251</u>	<u>979,951</u>	<u>1,071,242</u>	<u>1,002,471</u>
Total primary government	<u>\$ 5,529,746</u>	<u>\$ 5,541,709</u>	<u>\$ 5,060,264</u>	<u>\$ 4,904,706</u>	<u>\$ 4,822,661</u>
Change in net position					
Governmental activities	\$ (354,431)	\$ 332,056	\$ 414,809	\$ (175,252)	\$ 479,483
Business-type activities	1,515,494	1,605,352	1,453,308	1,058,631	885,782
Total primary government	<u>\$ 1,161,063</u>	<u>\$ 1,937,408</u>	<u>\$ 1,868,117</u>	<u>\$ 883,379</u>	<u>\$ 1,365,265</u>

Source: City of Louisville basic financial statements.

(1) Accrual basis of accounting.

(2) The storm water fund was moved to governmental activities in 2013 and as a result 2012 was restated.

CITY OF LOUISVILLE, OHIO

Changes in Net Position (1)

Last Ten Years

Continued

	<u>2012 (2)</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenses					
Governmental Activities:					
General government	\$ 1,257,674	\$ 1,041,834	\$ 891,233	\$ 907,759	\$ 1,001,777
Security of persons and property	2,179,718	2,008,185	2,183,465	2,086,776	2,137,745
Public health and welfare	66,050	65,093	50,860	77,436	44,190
Transportation	675,174	519,001	681,247	512,414	919,320
Community environment	160,529	169,936	147,504	204,539	203,848
Leisure time activities	192,361	234,722	214,946	377,890	414,988
Interest and fiscal charges	7,464	16,096	17,085	21,268	15,826
Total governmental activities expenses	<u>4,538,970</u>	<u>4,054,867</u>	<u>4,186,340</u>	<u>4,188,082</u>	<u>4,737,694</u>
Business-Type Activities:					
Water	1,161,768	1,144,617	1,199,786	1,020,190	969,468
Sewer	1,113,201	1,082,752	1,074,184	1,059,981	1,198,911
Storm water	86,353	90,263	60,182	-	-
Total business-type activities expenses	<u>2,361,322</u>	<u>2,317,632</u>	<u>2,334,152</u>	<u>2,080,171</u>	<u>2,168,379</u>
Total primary government expenses	<u>\$ 6,900,292</u>	<u>\$ 6,372,499</u>	<u>\$ 6,520,492</u>	<u>\$ 6,268,253</u>	<u>\$ 6,906,073</u>
Program Revenues					
Governmental Activities:					
Charges for services					
General government	\$ 434,958	\$ 391,958	\$ 234,515	\$ 202,740	\$ 218,902
Security of persons and property	322,745	284,646	329,559	359,129	292,330
Transportation	10,375	8,142	-	2,655	3,261
Community environment	7,739	4,470	4,535	5,740	4,126
Leisure time activities	5,590	6,058	31,227	78,195	69,806
Operating grants, contributions and interest	927,554	457,775	684,907	551,468	717,972
Capital grants and contributions	4,992,360	1,330,182	405,488	206,169	101,973
Total governmental activities program revenues	<u>6,701,321</u>	<u>2,483,231</u>	<u>1,690,231</u>	<u>1,406,096</u>	<u>1,408,370</u>
Business-Type Activities:					
Charges for services					
Water	996,464	950,304	863,578	797,045	756,040
Sewer	994,360	938,589	882,329	974,631	943,715
Storm water	139,494	114,048	130,395	-	-
Operating grants, contributions and interest	1,392,596	126,853	-	-	-
Capital grants and contributions	-	-	385,583	92,696	-
Total business-type activities program revenues	<u>3,522,914</u>	<u>2,129,794</u>	<u>2,261,885</u>	<u>1,864,372</u>	<u>1,699,755</u>
Total primary government program revenues	<u>\$ 10,224,235</u>	<u>\$ 4,613,025</u>	<u>\$ 3,952,116</u>	<u>\$ 3,270,468</u>	<u>\$ 3,108,125</u>
Net (expense)/revenue					
Governmental activities	\$ 2,162,351	\$ (1,571,636)	\$ (2,496,109)	\$ (2,781,986)	\$ (3,329,324)
Business-type activities	1,161,592	(187,838)	(72,267)	(215,799)	(468,624)
Total primary government net expense	<u>\$ 3,323,943</u>	<u>\$ (1,759,474)</u>	<u>\$ (2,568,376)</u>	<u>\$ (2,997,785)</u>	<u>\$ (3,797,948)</u>

CITY OF LOUISVILLE, OHIO

Changes in Net Position (1)

Last Ten Years

Continued

	<u>2012 (2)</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property taxes levied for:					
General purposes	\$ 376,095	\$ 248,169	\$ 496,221	\$ 409,330	\$ 382,049
Income tax levied for:					
General purposes	2,817,361	2,663,045	2,497,694	2,366,926	2,720,310
Grants and entitlements not restricted to specific programs	412,228	499,385	363,559	576,332	476,932
Gain on sale of capital assets	-	-	-	-	-
Investment earnings	1,485	1,629	2,967	3,465	35,851
Other	23,288	6,541	136,573	130,514	156,111
Transfers	(604,950)	67,421	112,950	153,228	84,609
Total governmental activities	<u>3,025,507</u>	<u>3,486,190</u>	<u>3,609,964</u>	<u>3,639,795</u>	<u>3,855,862</u>
Business-Type Activities:					
Income tax levied for:					
Water utility services	473,485	408,241	262,921	402,106	427,932
Sewer utility services	465,638	478,852	569,643	448,213	459,763
Investment earnings	98	-	-	-	-
Grants and entitlements not restricted to specific programs	-	-	-	73,970	704,787
Gain on sale of capital assets	-	-	-	-	-
Capital contributions	-	-	-	-	-
Other	5,631	7,398	10,332	-	-
Transfers	604,950	(67,421)	(112,950)	(153,228)	(84,609)
Total business-type activities	<u>1,549,802</u>	<u>827,070</u>	<u>729,946</u>	<u>771,061</u>	<u>1,507,873</u>
Total primary government	<u>\$ 4,575,309</u>	<u>\$ 4,313,260</u>	<u>\$ 4,339,910</u>	<u>\$ 4,410,856</u>	<u>\$ 5,363,735</u>
Change in net position					
Governmental activities	\$ 5,187,858	\$ 1,914,554	\$ 1,113,855	\$ 857,809	\$ 526,538
Business-type activities	2,711,394	639,232	657,679	555,262	1,039,249
Total primary government	<u>\$ 7,899,252</u>	<u>\$ 2,553,786</u>	<u>\$ 1,771,534</u>	<u>\$ 1,413,071</u>	<u>\$ 1,565,787</u>

Source: City of Louisville basic financial statements.

(1) Accrual basis of accounting.

(2) The storm water fund was moved to governmental activities in 2013 and as a result 2012 was restated.

CITY OF LOUISVILLE, OHIO
Fund Balances, Governmental Funds (1)
Last Ten Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund					
Nonspendable	\$ 37,003	\$ 36,835	\$ 9,656	\$ 8,490	\$ 7,810
Assigned	1,081,341	847,582	534,215	102,453	1,030,771
Unassigned	1,942,340	1,979,422	2,215,335	2,425,929	1,650,589
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total general fund	<u>\$ 3,060,684</u>	<u>\$ 2,863,839</u>	<u>\$ 2,759,206</u>	<u>\$ 2,536,872</u>	<u>\$ 2,689,170</u>
All Other Governmental Funds					
Nonspendable	\$ 121,187	\$ 151,126	\$ 115,007	\$ 52,442	\$ 63,643
Restricted	756,385	575,760	511,700	434,601	558,624
Committed	551,172	411,280	341,992	350,370	348,895
Unassigned	-	-	-	-	-
Reserved	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Total all other governmental funds	<u>\$ 1,428,744</u>	<u>\$ 1,138,166</u>	<u>\$ 968,699</u>	<u>\$ 837,413</u>	<u>\$ 971,162</u>

Source: City of Louisville basic financial statements.

(1) Modified accrual basis of accounting.

(2) The City reclassified the storm water fund as a governmental fund during 2013 and as a result 2012 was restated.

(3) Change in fund balance due to implementing Governmental Accounting Standards Board Statement 54 in 2010.

Restated <u>2012 (2)</u>	<u>2011</u>	Restated <u>2010 (3)</u>	<u>2009</u>	<u>2008</u>
\$ 2,272	\$ 3,141	\$ 32,564	\$ -	\$ -
152,936	53,805	28,886	-	-
2,478,854	2,138,647	1,721,833	-	-
-	-	-	46,232	123,510
-	-	-	1,570,808	1,313,692
<u>\$ 2,634,062</u>	<u>\$ 2,195,593</u>	<u>\$ 1,783,283</u>	<u>\$ 1,617,040</u>	<u>\$ 1,437,202</u>
\$ 65,191	\$ 16,522	\$ 122,502	\$ -	\$ -
434,006	452,329	495,281	-	-
365,060	183,195	192,040	-	-
(206,796)	(83,585)	(4,993)	-	-
-	-	-	124,347	29,837
-	-	-	384,404	430,865
-	-	-	49,130	139,975
-	-	-	16,516	9,721
<u>\$ 657,461</u>	<u>\$ 568,461</u>	<u>\$ 804,830</u>	<u>\$ 574,397</u>	<u>\$ 610,398</u>

CITY OF LOUISVILLE, OHIO
Changes in Fund Balance, Governmental Funds (1)
Last Ten Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Revenues</u>										
Taxes	\$ 4,030,234	\$ 3,668,779	\$ 3,675,861	\$ 3,551,081	\$ 3,369,640	\$ 3,131,479	\$ 2,955,928	\$ 2,959,442	\$ 2,816,445	\$ 2,879,462
Charges for services	675,343	671,376	591,617	569,033	573,919	555,012	489,370	558,729	561,915	507,209
Fines, licenses and permits	195,144	184,758	166,889	197,463	184,963	179,437	182,907	137,544	154,015	124,224
Intergovernmental revenues	892,730	803,716	816,170	745,403	1,368,270	4,024,929	2,169,197	1,721,226	1,003,338	1,073,524
Investment income	74,339	23,924	4,664	1,909	392	1,588	1,777	3,484	18,365	92,687
Contributions and donations	7,600	9,491	8,310	4,050	5,025	14,981	10,680	14,356	14,200	12,363
Rentals	-	-	-	-	-	-	-	11,307	24,193	15,518
Other	35,117	35,470	54,002	34,729	108,625	74,677	47,697	75,153	52,330	205,464
Total revenues	<u>5,910,507</u>	<u>5,397,514</u>	<u>5,317,513</u>	<u>5,103,668</u>	<u>5,610,834</u>	<u>7,982,103</u>	<u>5,857,556</u>	<u>5,481,241</u>	<u>4,644,801</u>	<u>4,910,451</u>
<u>Expenditures</u>										
General government	1,047,651	953,372	1,058,754	1,116,650	1,013,492	1,187,652	883,541	847,125	883,666	967,127
Security of persons and property	2,522,778	2,393,046	2,265,913	2,189,232	2,004,392	2,019,392	1,878,556	2,055,272	1,981,918	1,991,839
Public health and welfare	113,804	94,167	90,079	81,088	79,746	66,050	65,093	50,860	77,436	44,190
Transportation	599,030	626,022	512,457	791,766	768,679	567,702	440,086	610,206	457,680	852,425
Community environment	263,441	253,266	291,349	286,094	196,848	158,639	149,141	151,145	211,481	205,416
Leisure time activities	115,646	111,898	121,746	128,965	136,631	123,443	130,297	149,882	335,071	346,014
Capital outlay	582,937	1,472,416	458,588	1,028,059	941,200	3,575,978	2,173,898	1,098,608	505,922	1,011,044
Debt service:										
Principal retirement	153,028	261,148	150,045	156,500	114,352	88,377	67,415	104,290	100,144	23,000
Interest and fiscal charges	35,486	10,733	14,962	7,987	11,539	7,553	12,798	17,177	21,355	15,908
Issuance costs	-	-	-	-	-	-	5,873	-	-	-
Total expenditures	<u>5,433,801</u>	<u>6,176,068</u>	<u>4,963,893</u>	<u>5,786,341</u>	<u>5,266,879</u>	<u>7,794,786</u>	<u>5,806,698</u>	<u>5,084,565</u>	<u>4,574,673</u>	<u>5,456,963</u>
Excess of revenues over (under) expenditures	<u>476,706</u>	<u>(778,554)</u>	<u>353,620</u>	<u>(682,673)</u>	<u>343,955</u>	<u>187,317</u>	<u>50,858</u>	<u>396,676</u>	<u>70,128</u>	<u>(546,512)</u>
<u>Other financing sources (uses)</u>										
Bonds issued	-	-	-	-	-	-	235,000	-	-	-
Inception of capital lease	-	921,479	-	377,126	-	190,000	120,000	-	-	155,434
Premium on bonds issued	-	-	-	-	-	-	2,301	-	-	-
Sale of capital assets	10,717	131,175	-	19,500	24,854	-	-	-	73,709	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	(232,218)	-	-	-
Transfers in	479,350	438,750	454,150	471,700	316,620	282,250	415,866	449,260	445,788	657,017
Transfers out	(479,350)	(438,750)	(454,150)	(471,700)	(316,620)	(282,250)	(415,866)	(449,260)	(445,788)	(572,408)
Total other financing sources (uses)	<u>10,717</u>	<u>1,052,654</u>	<u>-</u>	<u>396,626</u>	<u>24,854</u>	<u>190,000</u>	<u>125,083</u>	<u>-</u>	<u>73,709</u>	<u>240,043</u>
Net change in fund balance	<u>\$ 487,423</u>	<u>\$ 274,100</u>	<u>\$ 353,620</u>	<u>\$ (286,047)</u>	<u>\$ 368,809</u>	<u>\$ 377,317</u>	<u>\$ 175,941</u>	<u>\$ 396,676</u>	<u>\$ 143,837</u>	<u>\$ (306,469)</u>
Debt service as a percentage of noncapital expenditures	3.9%	5.8%	3.7%	3.5%	2.9%	2.3%	2.2%	3.0%	3.0%	0.9%

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Source: City of Louisville basic financial statements.
(1) Modified accrual basis of accounting.

CITY OF LOUISVILLE, OHIO
Assessed and Estimated Actual Value of Taxable Property
Last Ten Collection Years

Collection Year	Real Property (1)		Public Utility (2)		Tangible Personal Property (3)		Total		Weighted Average Tax Rate	Total City Direct Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2017	\$ 161,336,550	\$ 460,961,571	\$ 4,155,920	\$ 10,673,158	\$ -	\$ -	\$ 165,492,470	\$ 471,634,729	34.77%	\$ 2.80
2016	156,526,470	447,218,486	4,128,460	10,602,636	-	-	160,654,930	457,821,122	34.77%	2.80
2015	140,134,930	400,385,514	3,943,800	10,128,395	-	-	144,078,730	410,513,909	34.75%	2.80
2014	138,789,440	396,541,257	3,946,340	10,134,919	-	-	142,735,780	406,676,176	34.75%	2.80
2013	134,678,410	384,795,457	3,775,250	9,695,528	-	-	138,453,660	394,490,985	34.75%	2.80
2012	151,437,700	432,679,143	3,541,180	9,094,394	-	-	154,978,880	441,773,537	34.79%	2.80
2011	150,983,120	431,380,343	3,386,030	8,695,941	-	-	154,369,150	440,076,284	34.80%	2.80
2010	150,819,270	430,912,200	3,202,410	8,224,371	102,620	205,240	154,124,300	439,341,811	34.80%	2.80
2009	157,324,730	449,499,229	3,145,410	8,077,985	201,070	2,010,700	160,671,210	459,587,914	34.67%	2.80
2008	155,453,660	444,153,314	3,045,550	7,821,526	4,648,576	7,437,722	163,147,786	459,412,562	34.36%	2.80

Source: Stark County Auditor

- (1) Real estate value is assessed at 35% of appraised market value.
- (2) Public utility personal property is assessed at 88% of true value for half of 2008-2017 and the other half at 25% of true value.
- (3) Tangible personal property is assessed at 6.25% for 2008 and 0% for 2009-2017.

CITY OF LOUISVILLE, OHIO
Property Tax Levies and Collections
Last Ten Calendar Years

<u>Year</u>	<u>Current Tax Levy</u>	<u>(1) Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Outstanding Delinquent Taxes to Current Tax Levy</u>	<u>Total Direct Tax Rate</u>
2017	\$ 463,802	\$ 454,323	97.96%	\$ 26,394	5.69%	\$ 77.80
2016	449,790	442,776	98.44%	20,682	4.60%	77.90
2015	403,370	394,577	97.82%	15,977	3.96%	79.00
2014	399,609	390,425	97.70%	14,767	3.70%	79.00
2013	387,670	379,681	97.94%	14,810	3.82%	73.70
2012	433,912	424,825	97.91%	14,414	3.32%	71.20
2011	432,205	421,559	97.54%	19,526	4.52%	70.70
2010	431,515	423,913	98.24%	21,005	4.87%	69.70
2009	446,879	437,592	97.92%	49,380	11.05%	69.20
2008	456,814	445,017	97.42%	19,950	4.37%	69.30

Source: Stark County Auditor

(1) Represents amounts collected by the County for the City during the year indicated.

CITY OF LOUISVILLE, OHIO
Schedules of Principal Taxpayers - Real Property
Current Year and Nine Years Ago

	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
<u>Taxpayer</u>						
Chesapeake Land Development Co LLC	\$ 4,949,400	1	3.07%	\$ -		0.00%
St. Joseph Care Center	2,778,890	2	1.72%	-		0.00%
HP Products Inc.	1,811,350	3	1.12%	1,573,780	3	1.01%
Arc Ralvlohoool LLC	1,640,490	4	1.02%	-		0.00%
Stone Ridge Village LLC	1,362,640	5	0.84%	-		0.00%
Jewel Acquisition LLC	1,350,080	6	0.84%	2,023,430	1	1.30%
Louisville Ventures LTD	1,321,190	7	0.82%	1,610,970	2	1.04%
McKinley Development Company LTD	600,390	8	0.37%	1,160,310	4	0.75%
Groffre Investments	590,550	9	0.37%	748,970	6	0.48%
CRC Ohio Properties LLC	525,000	10	0.32%	-		0.00%
Metzger J B Co.	-		0.00%	567,290	8	0.36%
Rhodes Roy T	-		0.00%	751,140	5	0.48%
WNBC LLC	-		0.00%	591,500	7	0.38%
Peters Frederick K & Judith R	-		0.00%	536,740	9	0.35%
Geitgey Donald W Jr & Sue Ann	-		0.00%	484,620	10	0.31%
Total of above	<u>\$ 16,929,980</u>		<u>10.49%</u>	<u>\$ 10,048,750</u>		<u>6.46%</u>
Total City	<u>\$ 161,336,550</u>			<u>\$ 155,453,660</u>		

Source: Stark County Auditor

CITY OF LOUISVILLE, OHIO
Schedules of Principal Taxpayers - Public Utility
Current Year and Nine Years Ago

	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
<u>Taxpayer</u>						
Ohio Power	\$ 3,904,080	1	93.94%	\$ 2,856,490	1	93.79%
East Ohio Gas Co.	242,680	2	5.84%	191,040	3	6.27%
GE Capital	9,160	3	0.22%	-		0.00%
Ohio Bell Telephone Co.	-		0.00%	252,990	2	8.31%
Norfolk Southern	-		0.00%	122,730	4	4.03%
Time Warner Entertainment	-		0.00%	116,580	5	3.83%
Total of above	<u>\$ 4,155,920</u>		<u>100.00%</u>	<u>\$ 3,539,830</u>		<u>116.23%</u>
Total City	<u>\$ 4,155,920</u>			<u>\$ 3,045,550</u>		

Source: Stark County Auditor

CITY OF LOUISVILLE, OHIO
Income Tax Rates and Collections
Last Ten Calendar Years

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentage of Taxes from Individuals</u>	<u>Percentage Change from Prior Year</u>
2017	2.00%	\$ 4,790,202	\$ 2,929,582	61.16%	\$ 211,205	4.41%	\$ 1,649,415	34.43%	4.63%
2016	2.00%	4,578,245	2,783,713	60.80%	237,393	5.19%	1,557,139	34.01%	2.60%
2015	2.00%	4,462,328	2,778,171	62.26%	273,911	6.14%	1,410,246	31.60%	5.68%
2014	2.00%	4,222,348	2,714,872	64.30%	174,282	4.13%	1,333,194	31.57%	5.89%
2013	2.00%	3,987,405	2,417,243	60.62%	260,830	6.54%	1,309,333	32.84%	8.54%
2012	2.00%	3,673,573	2,283,392	62.16%	217,054	5.91%	1,173,127	31.93%	3.85%
2011	2.00%	3,537,290	2,160,932	61.09%	218,115	6.17%	1,158,243	32.74%	7.29%
2010	2.00%	3,296,913	1,977,803	59.99%	237,806	7.21%	1,081,304	32.80%	0.83%
2009	2.00%	3,269,768	1,907,604	58.34%	206,364	6.31%	1,155,800	35.35%	-5.45%
2008	2.00%	3,458,404	1,998,918	57.80%	251,892	7.28%	1,207,593	34.92%	-0.15%

Source: City income tax records. The City is legally prohibited from disclosing individual revenue payers and therefore this schedule is presented as an alternative.

CITY OF LOUISVILLE, OHIO
Ratios of Outstanding Debt by Type
Last Ten Years

Fiscal Year	Governmental Activities (1)			Business-Type Activities (1)				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Loans	General Obligation Bonds	OPWC Loans	OWDA Loans	Capital Leases			
2017	\$ 109,443	\$ 786,120	\$ -	\$ 439,114	\$ 119,396	\$ 26,462	\$ -	\$ 1,480,535	0.58%	\$161
2016	135,660	913,148	-	594,743	167,688	29,435	51,598	1,892,272	0.75%	206
2015	160,917	227,817	-	741,749	215,980	32,294	101,925	1,480,682	0.62%	161
2014	186,214	352,862	-	889,133	264,272	35,042	151,012	1,878,535	0.82%	204
2013	210,550	108,236	109,571	1,032,882	288,420	37,684	198,890	1,986,233	0.91%	216
2012	234,924	182,208	219,142	1,478,711	336,712	40,224	57,476	2,549,397	1.18%	278
2011	237,301	78,585	-	1,808,224	385,004	42,666	112,872	2,664,652	1.23%	290
2010	254,000	-	-	2,122,030	433,296	45,013	225,145	3,079,484	1.42%	335
2009	279,000	79,290	-	2,494,636	481,588	47,270	115,392	3,497,176	1.67%	393
2008	303,000	155,434	-	2,845,477	529,880	49,439	221,670	4,104,900	1.96%	461

(1) Details regarding the City's outstanding debt can be found in Note 9 in the current financial statements.

Source: City of Louisville basic financial statements.

CITY OF LOUISVILLE, OHIO

Ratios of General Bonded Debt Outstanding (1)

Last Ten Years

<u>General Bonded Debt Outstanding</u>				
<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Outstanding Debt Per Capita</u>	<u>Outstanding Debt to Personal Income</u>
2017	\$ 548,557	0.33%	\$ 59.72	0.22%
2016	730,403	0.45%	79.51	0.29%
2015	902,666	0.63%	98.27	0.38%
2014	1,075,347	0.75%	117.06	0.47%
2013	1,243,432	0.90%	135.36	0.57%
2012	1,713,635	1.11%	186.55	0.80%
2011	2,045,525	1.33%	222.68	0.94%
2010	2,376,030	1.54%	258.66	1.09%
2009	2,773,636	1.73%	311.50	1.33%
2008	3,148,477	1.93%	353.60	1.51%

Source: City of Louisville basic financial statements.

(1) Details regarding the City's outstanding debt can be found in Note 9 in the current financial statements.

CITY OF LOUISVILLE, OHIO
Legal Debt Margin Information
Last Ten Years

Legal Debt Margin Calculation for Year Ending December 31, 2016	Unvoted	Overall
Total assessed valuation	\$ 165,492,470	\$ 165,492,470
Debt limitation - 5.5% of assessed valuation	9,102,086	
Debt limitation - 10.5% of assessed valuation		17,376,709
Debt applicable to limitation:		
Total bonded debt and loans	694,415	694,415
Exempt debt:		
OWDA loans	26,462	26,462
OPWC loans	119,396	119,396
Debt payable from income tax	548,557	548,557
Total debt applicable to limitation	-	-
Legal debt margin	<u>\$ 9,102,086</u>	<u>\$ 17,376,709</u>

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	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt limit	\$ 17,130,518	\$ 16,870,477	\$ 16,183,052	\$ 16,208,761	\$ 16,272,872	\$ 14,537,634	\$ 14,987,257	\$ 15,128,267	\$ 16,868,768	\$ 17,376,709
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	17,130,518	16,870,477	16,183,052	16,208,761	16,272,872	14,537,634	14,987,257	15,128,267	16,868,768	17,376,709
Total net debt applicable to limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: City of Louisville basic financial statements.

CITY OF LOUISVILLE, OHIO
Direct and Overlapping Governmental Activities Debt
December 31, 2017

Governmental Unit	<u>Debt Outstanding</u>	<u>Percentage applicable to City (1)</u>	<u>Amount applicable to City</u>
Direct - City of Louisville:			
General Obligation Bonds	\$ 109,443	100.00%	\$ 109,443
Capital Leases	786,120	100.00%	<u>786,120</u>
Total direct debt			<u>895,563</u>
Overlapping:			
Louisville Schools	24,615,000	44.98%	11,071,827
County of Stark	26,418,935	2.26%	<u>597,068</u>
Total overlapping debt			<u>11,668,895</u>
Total direct and overlapping debt			<u><u>\$ 12,564,458</u></u>

Source: Stark County Auditor's Office and Louisville City Schools

(1) Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

CITY OF LOUISVILLE, OHIO

**Ratio of Outstanding General Obligation Debt to Assessed Value and per Capita
and Ratio of Annual Debt Service Expenditures for General Bonded Debt
to Total General Governmental Expenditures and
Revenue Bond Coverage
Last Ten Years**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>General Obligation Debt</u>					
Assessed value	\$ 165,492,470	\$ 160,654,930	\$ 144,078,730	\$ 142,735,780	\$ 138,453,660
Population	9,186	9,186	9,186	9,186	9,186
Debt outstanding	\$ 548,557	\$ 730,403	\$ 902,666	\$ 1,075,347	\$ 1,353,003
Ratio of debt to assessed value	0.33%	0.45%	0.63%	0.75%	0.98%
Debt per capita	\$ 59.72	\$ 79.51	\$ 98.27	\$ 117.06	\$ 147.29
<u>General Bonded Debt</u>					
Debt service	\$ 29,245	\$ 28,745	\$ 29,245	\$ 28,725	\$ 29,205
General governmental expenditures	\$ 5,433,801	\$ 6,176,068	\$ 4,963,893	\$ 5,786,341	\$ 5,266,879
Ratio of debt service to general governmental expenditures	0.54%	0.47%	0.59%	0.50%	0.55%
<u>Water Revenue Bond</u>					
Revenues ¹	\$ 1,871,656	\$ 2,095,650	\$ 2,033,513	\$ 1,741,390	\$ 1,556,331
Operating expenses ²	\$ 910,838	\$ 792,924	\$ 844,251	\$ 879,951	\$ 839,301
Net revenue available for debt service	\$ 960,818	\$ 1,302,726	\$ 1,189,262	\$ 861,439	\$ 717,030
Debt service requirements	-	-	-	-	-
Coverage	100.00%	100.00%	100.00%	100.00%	100.00%

Notes: ¹ Total revenue including local taxes and interest. ² Total operating expenses exclusive of depreciation.

Source: City of Louisville basic financial statements.

	<u>2012</u>		<u>2011</u>		<u>2010</u>		<u>2009</u>		<u>2008</u>
\$	154,978,880	\$	154,369,150	\$	154,124,300	\$	160,671,210	\$	163,147,786
	9,186		9,186		9,186		8,904		8,904
\$	1,932,777	\$	2,022,301	\$	2,395,000	\$	2,805,000	\$	3,195,000
	1.25%		1.31%		1.55%		1.75%		1.96%
\$	210.40	\$	220.15	\$	260.72	\$	315.03	\$	358.83
\$	6,954	\$	52,883	\$	38,898	\$	38,930	\$	38,907
\$	7,794,786	\$	5,806,698	\$	5,084,565	\$	4,574,673	\$	5,456,963
	0.09%		0.91%		0.77%		0.85%		0.71%
\$	1,471,978	\$	1,365,943	\$	1,152,855	\$	1,199,151	\$	1,152,543
\$	917,703	\$	866,865	\$	933,926	\$	742,980	\$	636,032
\$	554,275	\$	499,078	\$	218,929	\$	456,171	\$	516,511
	-		-		-		-		-
	100.00%		100.00%		100.00%		100.00%		100.00%

CITY OF LOUISVILLE, OHIO
Schedules of Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>Industry</u>	<u>2017</u>			<u>2008</u>		
		<u>Employees</u>	<u>Rank</u>	<u>Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Employment</u>
Louisville Board of Education	Public education	598	1	9.37%	382	1	15.89%
HP Products Inc.	Specialty tubing	395	2	6.19%	366	2	15.23%
St. Joseph's Hospice	Hospice facility	358	3	5.61%	299	3	12.44%
J&J Foods LLC/Tamarkin Company	Grocery	167	4	2.62%	128	4	5.32%
Jewel Acquisition LLC/J&L Specialty Steel, Inc.	Stainless steel	163	5	2.55%	128	5	5.32%
City of Louisville	Municipal government	96	6	1.50%	116	7	4.83%
OTC Transformer	Transformer rebuilding	92	7	1.44%	-		0.00%
Chesapeake	Petroleum Operations	86	8	1.35%	-		0.00%
St Thomas Aquinas	Private education	84	9	1.32%	105	8	4.37%
County of Stark	Municipal government	82	10	1.29%	-		0.00%
Midlake Products	Manufacturing	-		0.00%	122	6	5.07%
Montrose Chrysler	Car dealership	-		0.00%	44	9	1.83%
Magnetic Technologies	Transformers	-		0.00%	26	10	1.08%
Total Top Ten Employers		<u>2,121</u>		<u>33.24%</u>	<u>1,716</u>		<u>71.38%</u>
Total employment within the City		<u>6,381</u>			<u>2,404</u>		

Source: City of Louisville

CITY OF LOUISVILLE, OHIO
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (4)</u>	<u>Personal Income Per Capita (3)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (3)</u>	
					<u>Stark County</u>	<u>State of Ohio</u>
2017	9,186	\$254,939,058	\$27,753	2,857	5.2%	5.0%
2016	9,186	251,191,170	27,345	2,917	5.2%	4.7%
2015	9,186	237,494,844	25,854	3,053	5.1%	4.6%
2014	9,186	229,199,886	24,951	3,065	4.6%	4.7%
2013	9,186	218,075,640	23,740	3,110	6.9%	6.6%
2012	9,186	215,384,142	23,447	3,192	6.7%	7.6%
2011	9,186	216,918,204	23,614	3,215	8.1%	7.6%
2010	9,186	217,340,760	23,660	3,260	11.3%	10.1%
2009	8,904	208,923,456	23,464	3,199	8.0%	7.7%
2008	8,904	208,923,456	23,464	3,170	8.0%	7.7%

(1) Source: U. S. Census

(a) Year 2008 - 2009, 2000 Federal Census

(b) Year 2010 - 2017, 2010 Federal Census

(2) Source: Ohio Department of Education

(3) Source: Ohio Department of Job and Family Services

(4) Computation of per capita personal income multiplied by population

Note: Information directly related the City of Louisville is not available.

CITY OF LOUISVILLE, OHIO

Operating Indicators by Function/Program

Last Ten Years

Function/Program	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General government					
Council and clerk					
Number of legislation passed	41	46	54	64	63
Number of planning commission docket items	6	5	11	9	15
Number of zoning board of appeals docket items	8	6	12	9	9
Finance Department					
Number of W-2's issued	94	101	101	99	102
Number of checks issued	2,240	2,427	2,776	2,256	2,125
Amount of checks paid	\$ 3,834,480	\$ 4,213,385	\$ 4,443,726	\$ 4,422,424	\$ 5,023,591
Interest earnings for fiscal year (cash basis)	\$ 74,339	\$ 23,924	\$ 4,664	\$ 1,909	\$ 393
General fund year end cash balances	\$ 2,790,663	\$ 2,582,564	\$ 2,387,398	\$ 2,108,631	\$ 2,231,635
Income tax fund year end cash balances	\$ -	\$ -	\$ -	\$ -	\$ -
Water revenue fund year end cash balances	\$ 1,620,652	\$ 1,428,466	\$ 1,158,658	\$ 827,630	\$ 690,658
Sewer revenue fund year end cash balances	\$ 1,724,482	\$ 1,293,825	\$ 992,037	\$ 800,457	\$ 624,099
Property tax revenue	\$ 405,928	\$ 420,399	\$ 356,032	\$ 362,778	\$ 329,344
Income Tax Department					
Number of individual returns	4,293	4,322	3,618	3,648	3,790
Number of business returns	533	522	544	517	536
Number of business withholding accounts	721	789	712	678	666
Income tax receipts collected	\$ 4,790,202	\$ 4,578,245	\$ 4,462,328	\$ 4,222,348	\$ 3,987,405
Building Department Indicators					
Residential permits issued	3	7	7	9	9
Estimated value of residential permits	\$ 699,700	\$ 1,782,300	\$ 1,549,400	\$ 1,901,958	\$ 2,099,864
Commercial/institutional permits issued	2	-	11	1	1
Estimated value of commercial/insitutional permits	\$ 535,000	\$ -	\$ 6,600,000	\$ 4,000,000	\$ 845,000
Total zoning permit fees	7,750	5,270	8,712	5,221	5,864
Security of persons & property					
Police					
Total calls for services	5,424	5,477	5,818	5,624	5,769
Number of traffic citations issued	469	397	412	578	556
Number of criminal arrests	165	192	178	183	261
Number of accident reports completed	169	191	196	193	170
Number of motor vehicle accidents	169	191	196	193	170
Gasoline costs of fleet	\$ 28,128	\$ 27,541	\$ 30,311	\$ 43,480	\$ 40,364
Fire					
EMS calls	1,164	1,065	1,326	1,003	1,100
EMS collections	\$ 351,689	\$ 331,949	\$ 322,675	\$ 302,621	\$ 339,301
Fire calls	15	16	15	19	382
Leisure time activities					
Recreation					
Adult volleyball and softball leagues	-	-	-	-	-
Youth baseball leagues	-	-	-	-	-
Jump rope clinics	-	-	-	-	-
Fishing derbies (2 per year)	-	-	-	-	-
Bowling leagues (kids)	-	-	-	-	-
Transportation					
Amount spent on paving streets	\$ 203,862	\$ 296,355	\$ 315,518	\$ 287,510	\$ 178,693
Gasoline fuel in gallons	18,055	18,331	20,163	27,386	20,079
Cost of salt purchased	\$ 36,754	\$ 78,183	\$ 53,990	\$ 127,740	\$ 83,731
Cost of salt per ton	\$ 55	\$ 54	\$ 54	\$ 54	\$ 44
Utility Departments					
Total water billed (in dollars)	\$ 1,094,401	\$ 1,066,118	\$ 1,012,388	\$ 978,683	\$ 954,261
Total sewer billed (in dollars)	\$ 1,213,172	\$ 1,188,041	\$ 1,103,260	\$ 1,065,724	\$ 1,026,263
Total storm water billed (in dollars)	\$ 201,040	\$ 194,166	\$ 140,140	\$ 139,945	\$ 138,938
Water bills issued	21,653	21,554	21,476	21,468	21,462
Average water treated daily (million gallons/day)	860,000	860,000	854,000	821,000	974,000
Total flow of wastewater treatment plant (millions of gallons)	564.5	476.0	499.8	576.7	480.2
Average daily flow (millions of gallons per day)	1.6	1.3	1.4	1.6	1.3
Tons of dry sludge removed	215.41	139.76	136.14	166.25	201.00

Source: City of Louisville

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
	60	55	76	73	58
	21	15	9	17	16
	10	15	10	12	8
	101	100	107	120	118
	2,171	1,965	2,327	2,585	2,718
\$	6,448,318	\$ 4,295,131	\$ 5,333,471	\$ 3,483,854	\$ 5,580,210
\$	1,896	\$ 1,469	\$ 6,242	\$ 22,487	\$ 94,094
\$	1,027,817	\$ 619,763	\$ 1,378,449	\$ 1,275,097	\$ 377,761
\$	-	\$ -	\$ -	\$ -	\$ 651,097
\$	513,860	\$ 424,203	\$ 366,130	\$ 251,353	\$ 138,146
\$	488,286	\$ 313,473	\$ 203,009	\$ 132,385	\$ 35,888
\$	397,244	\$ 390,212	\$ 414,335	\$ 448,812	\$ 388,954
	3,366	3,286	3,323	3,378	3,201
	500	457	464	442	422
	662	384	381	500	485
\$	3,673,573	\$ 3,537,290	\$ 3,296,913	\$ 3,221,415	\$ 3,548,403
	2	3	4	6	8
\$	360,000	\$ 1,243,771	\$ 720,000	\$ 1,004,900	\$ 1,303,780
	4	2	5	3	1
\$	13,285,000	\$ 686,076	\$ 35,684,160	\$ 1,519,000	\$ 2,210,358
	7,034	4,470	4,535	4,413	5,096
	6,413	5,495	4,486	4,052	4,070
	661	438	555	507	455
	416	391	388	266	236
	200	207	181	179	184
	200	207	181	179	184
\$	39,515	\$ 40,318	\$ 29,637	\$ 21,612	\$ 33,243
	1,027	885	965	916	798
\$	305,431	\$ 259,033	\$ 312,588	\$ 323,875	\$ 270,048
	349	280	350	473	561
	-	-	-	300	300
	-	-	-	800	800
	-	-	-	100	100
	55	70	80	80	80
	-	-	-	60	60
\$	124,875	\$ 118,087	\$ 124,325	\$ 90,786	\$ 320,000
	25,748	28,458	27,427	24,564	22,581
\$	86,082	\$ 56,237	\$ 18,632	\$ 38,045	\$ 44,995
\$	48	\$ 45	\$ 46	\$ 47	\$ 34
\$	932,046	\$ 881,575	\$ 765,648	\$ 736,910	\$ 664,630
\$	995,861	\$ 904,161	\$ 864,779	\$ 866,087	\$ 800,908
\$	138,683	\$ 108,242	\$ 111,044	\$ 111,426	\$ 111,332
	21,559	21,865	21,485	21,508	21,457
	850,000	843,835	864,000	931,000	990,000
	438.5	615	476	500	500
	1.2	2	1	2	2
	87.49	159	157	225	182

CITY OF LOUISVILLE, OHIO

**Full-Time Equivalent City Government Employees by Function/Program
Last Ten Years**

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government										
City Manager	2.70	2.70	2.70	2.70	2.80	2.80	2.00	2.00	2.00	2.00
Finance	4.50	4.50	4.50	4.50	4.50	4.50	3.50	4.00	4.50	4.50
Law	0.47	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Planning	2.00	2.00	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
Council	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Civil service	0.00	0.00	0.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Security of persons and property										
Police	14.00	14.50	15.00	15.50	15.00	14.00	14.50	11.50	12.50	12.00
Fire and EMS	9.00	9.50	11.00	13.00	11.00	12.00	12.00	14.00	14.50	15.00
Dispatchers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.50	5.50
Administration	3.00	3.00	3.00	1.00	1.00	0.50	0.50	0.50	0.00	0.50
School crossing guards	5.00	5.00	5.00	5.00	4.50	4.50	3.00	2.50	4.00	5.50
Leisure time activities: Recreation										
Parks	4.20	4.25	4.00	3.00	4.50	7.00	6.00	6.00	6.00	9.50
Community environment										
Building	1.80	2.05	1.80	1.80	2.80	3.00	3.00	2.00	2.50	4.50
Transportation										
Service	4.75	4.50	4.50	7.50	4.00	3.00	3.00	3.00	8.00	6.00
Basic utility services										
Water	5.00	5.00	5.00	3.75	5.00	5.00	5.00	4.50	1.50	4.50
Sewer	3.75	4.00	4.00	2.75	5.00	5.00	4.50	4.00	4.00	3.00
Totals:	<u>62.67</u>	<u>64.00</u>	<u>65.50</u>	<u>66.00</u>	<u>63.60</u>	<u>64.80</u>	<u>60.50</u>	<u>57.50</u>	<u>68.50</u>	<u>76.00</u>

Source: City Payroll Department W2 Audit Listing

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

CITY OF LOUISVILLE, OHIO
Capital Assets Statistics by Function/Program
Last Ten Years

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
Square footage occupied	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Administrative vehicles	1	1	1	1	1	4	4	4	4	4
Inspection vehicles	1	1	1	1	1	1	1	1	1	1
Security: Police										
Stations	1	1	1	1	1	1	1	1	1	1
Square footage of building	2,500	2,500	2,500	2,500	2,500	965	965	965	965	965
Vehicles	9	12	10	11	12	11	13	11	10	10
Security: Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Number of fire hydrants	566	566	564	564	577	644	611	611	534	534
Square footage of building	4,500	4,500	4,500	4,500	4,500	7,500	7,500	7,500	7,500	7,500
Vehicles	9	9	9	9	8	8	8	8	9	9
Leisure time activities: Recreation										
Number of parks	7	7	7	7	7	7	7	7	7	7
Total park acreage	126	126	126	126	126	126	126	126	126	126
Number of libraries	1	1	1	1	1	1	1	1	1	1
Number of baseball diamonds	8	8	8	8	8	8	8	8	8	8
Number of soccer fields	7	7	7	7	7	7	7	7	7	7
Vehicles	3	3	3	3	5	8	5	0	1	1
Tranportation services										
Streets (miles)	56.1	56.1	56.1	55.7	55.7	55.7	55.0	55.0	55.0	55.0
Number of streetlights	857	857	857	857	857	857	687	687	687	687
Number of traffic lights	9	9	9	9	9	7	7	7	7	7
Service vehicles	13	13	12	13	11	13	21	21	21	18
Storm sewers (miles)	42.1	42.1	42.1	42.1	42.1	42.1	40	40	40	40
Sewer Department										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Sanitary sewers (miles)	42.8	42.8	42.8	42.3	42.3	42.3	42	42	42	42
Vehicles	4	3	2	2	4	2	2	2	2	2
Water Department										
Water lines (miles)	54.2	54.2	54.2	53.3	53.3	53.3	52	52	52	52
Vehicles	1	2	2	2	4	1	1	1	1	2

Source: City of Louisville





Dave Yost • Auditor of State

CITY OF LOUISVILLE

STARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 17, 2018