



OHIO AUDITOR OF STATE
KEITH FABER



CITY OF LOUISVILLE
STARK COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 28, 2020, wherein we noted the City disclosed a subsequent event regarding the financial impact of COVID-19 and the ensuing emergency measures.

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.



Keith Faber
Auditor of State

Columbus, Ohio

September 28, 2020

City of Louisville, Ohio

Comprehensive Annual Financial Report



For the year ended
December 31, 2019



CITY OF LOUISVILLE, OHIO

Comprehensive Annual Financial Report

Year Ended December 31, 2019

Prepared By: Department of Finance

City of Louisville, Ohio
Comprehensive Annual Financial Report
Year Ended December 31, 2019

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Comprehensive Annual Financial Report
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INTRODUCTORY SECTION





Department of Finance

September 28, 2020

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

We are pleased to present our 2019 Comprehensive Annual Financial Report (CAFR) for the City of Louisville for your review. This report, for the year ended December 31, 2019, 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 City 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, 2019.

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 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, 2019. 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 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 park, ice rink, splash pad, 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. In 2019, the City obtained feedback and began creating strategies to implement the Plan with appropriate methodologies to foster economic development, improve facilities and services, and increase connectivity and collaboration within the community.

The City's investment policy, as updated in 2019, 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.

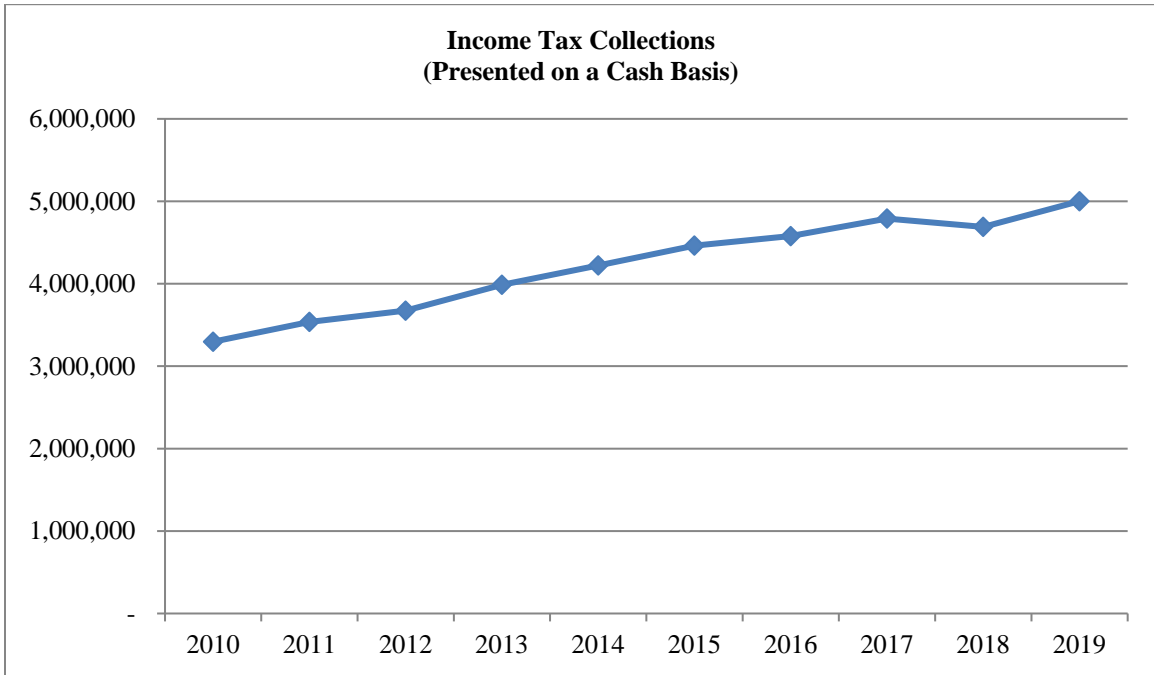
Local Economy

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. Following the adoption of a Comprehensive Land Use Plan in 2016, the Louisville Community Reinvestment Area was expanded to incentivize investment as well as the development of 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's Codified Ordinances 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.



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>
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)
2018	401,273	(1.15)
2019	459,090	14.41

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.

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. In 2019, Encino Energy purchased the entire industrial park from Chesapeake. 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 \$1,500,000, thirty-year, zero-percent loan to assist with replacing the final clarifiers at the wastewater treatment plant; (1,267,592.56 final loan amount). Total cost of this project was estimated at \$3,548,188, with completion in 2019. The City's local share of \$2,048,188 will be funded with utility income tax.

In 2018 the City applied for and received notification of award from the Ohio Public Works Commission for a \$207,000 grant and a \$1,173,000, thirty-year, zero-percent loan to assist with the Water Treatment Plant improvement project. The remainder of the project is funded by thirty-year low interest loan through the Ohio Water Development Authority. This project is currently under construction and is expected to be completed in 2020.

During 2019, expenditures included an annual asphalt pavement replacement program, a city sidewalk replacement program, a curb replacement program, and miscellaneous other roadway repairs including crack sealing, concrete roadway replacement program, and asphalt roadway repairs throughout the City. The City was able to utilize funds from the water, sanitary sewer, and storm sewer funds for the replacement of water lines and fire hydrants and appurtenances. The City replaced approximately 1,400 of 10" water main at a bid cost of \$355,739. The City, along with donations from the Louisville Ohio Rotary installed a new splash pad at Aljancic Park. The City installed approximately 1,700 feet of new storm sewer lines and 17 catch basins on Edmar St., as well as various other storm sewer projects at multiple locations throughout the City.

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, 2018. 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.

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,



Sonja Herwick
Finance Director

City of Louisville, Ohio

Public Officials Roster

December 31, 2019

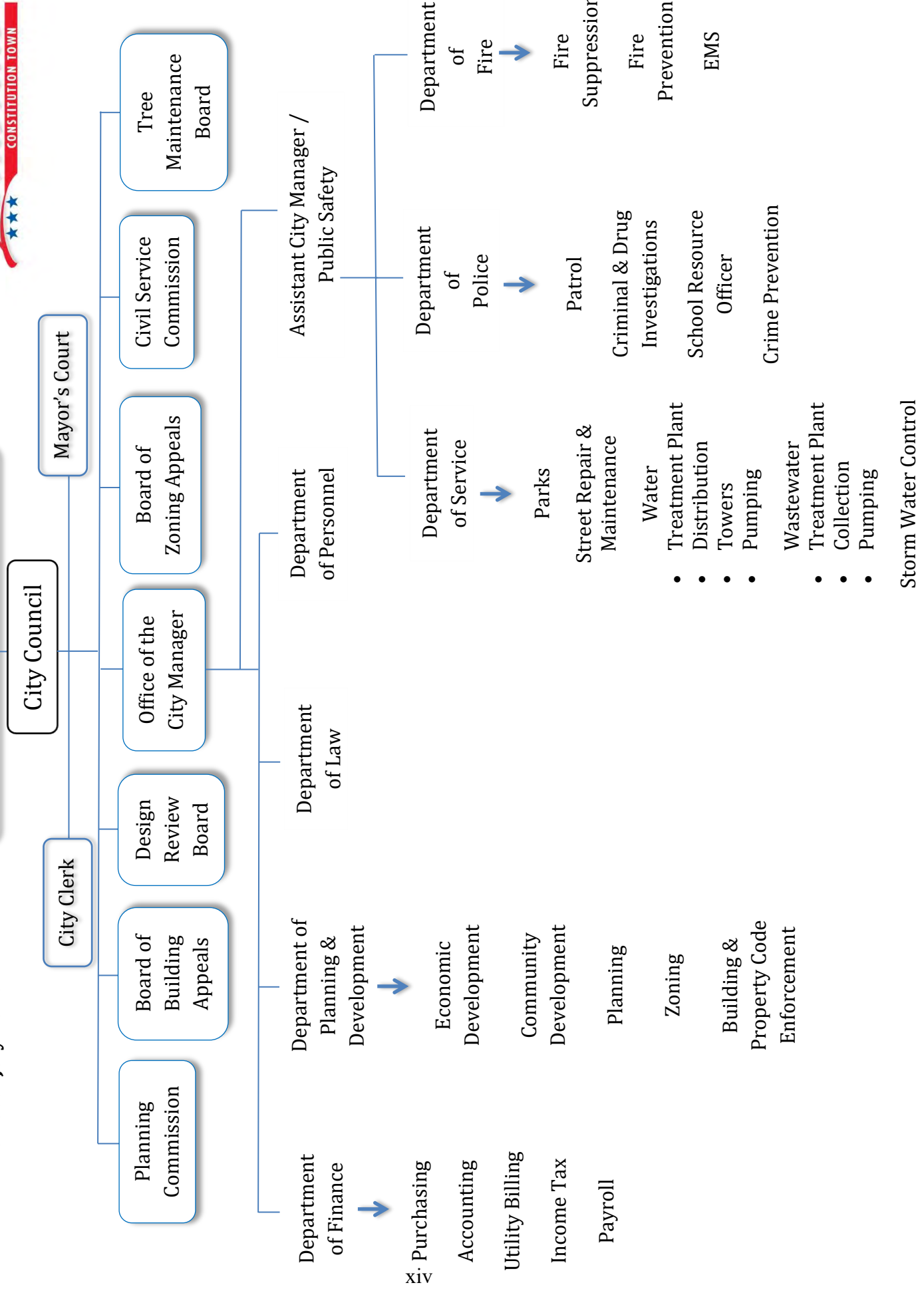
Elected Officials

Patricia Fallot	Mayor – Councilmember
Joan Aljancic	Councilmember
Dick Slackford	Councilmember
Richard Guiley	Councilmember
Corey Street	Councilmember

Appointed Officials

Larry Collins	City Manager
Tiffany Justice.....	City Clerk
Sonja Herwick	Finance Director
Robert Duffrin	Law Director
Rodney Bordner.....	Fire Chief
Andrew Turowski	Police Chief
Daniel Millsap	Service Director
Vincent Marion.....	Director of Planning & Development
Magan Denzer.....	Deputy City Clerk

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, 2018

Christopher P. Morrill

Executive Director/CEO



FINANCIAL SECTION





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INDEPENDENT AUDITOR'S REPORT

City of Louisville
Stark County
215 South Mill Street
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, 2019, 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Street, Construction, Maintenance and Repair funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 20 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. We did not modify our opinion regarding this matter.

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 and other post-employment benefit liabilities and pension and other post-employment benefit 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 September 28, 2020, 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.



Keith Faber
Auditor of State

Columbus, Ohio

September 28, 2020



City of Louisville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
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, 2019. 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 2019 are as follows:

- The total net position of the City increased \$2,966,992. Net position of governmental activities increased \$1,712,929, which represents a 15.8% increase over 2018. Net position of business-type activities increased \$1,254,063 or 6.7% from 2018.
- General revenues for governmental activities, accounted for \$5,362,361 or 76.1% of total governmental activities revenue. Program specific revenues accounted for \$1,687,543 or 23.9% of total governmental activities revenue.
- The City had \$5,336,975 in expenses related to governmental activities; only \$1,687,543 of these expenses were offset by program specific charges for services and sales and operating and capital grants, contributions and interest. General revenues of \$5,362,361 were adequate to provide for these programs.
- The general fund, the City's largest and a major governmental fund, had revenues of \$5,677,033 in 2019, or 81.7% of total governmental funds. Expenditures of the general fund were \$4,807,703, or 73.3% of total governmental funds. The general fund balance increased \$215,255 or 7.0% in 2019.
- During 2019, the City had an inception of capital lease in the amount of \$120,000 and \$169,968 for the acquisition of dump truck and loader, respectively.

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 are two major governmental funds and two major business-type funds.

City of Louisville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

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 2019"? 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 funds. 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 major governmental funds are the general fund and the street construction, maintenance and repair fund. An analysis of the City's major governmental funds begins on page 14.

City of Louisville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

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 94-97 in this report. The basic governmental fund financial statements can be found on pages 22-27 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 28-31 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 32-78 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 80-88 and the combining and individual fund statements and schedules, which can be found beginning on page 92 of this report.

Government-Wide Financial Analysis

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

City of Louisville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

Table 1 below provides a summary of the City's net position for 2019 compared to 2018:

Table 1
Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Assets</u>						
Current and other assets	\$ 6,923,891	\$ 6,244,105	\$ 8,539,402	\$ 7,820,955	\$ 15,463,293	\$ 14,065,060
Capital assets	<u>12,858,310</u>	<u>12,832,055</u>	<u>14,640,149</u>	<u>13,828,633</u>	<u>27,498,459</u>	<u>26,660,688</u>
Total assets	<u>19,782,201</u>	<u>19,076,160</u>	<u>23,179,551</u>	<u>21,649,588</u>	<u>42,961,752</u>	<u>40,725,748</u>
<u>Deferred outflows of resources</u>						
Pension	1,673,305	896,872	299,107	155,266	1,972,412	1,052,138
OPEB	<u>351,293</u>	<u>310,618</u>	<u>44,987</u>	<u>31,076</u>	<u>396,280</u>	<u>341,694</u>
Total deferred outflows of resources	<u>2,024,598</u>	<u>1,207,490</u>	<u>344,094</u>	<u>186,342</u>	<u>2,368,692</u>	<u>1,393,832</u>
<u>Liabilities</u>						
Other liabilities	358,911	284,163	122,453	146,241	481,364	430,404
Long-term liabilities:						
Due within one year	405,366	314,987	337,047	191,858	742,413	506,845
Due within more than one year:						
Net pension liability	5,543,467	3,739,380	1,017,728	590,550	6,561,195	4,329,930
Net OPEB liability	1,512,444	3,178,502	515,191	422,277	2,027,635	3,600,779
Other amounts	<u>761,264</u>	<u>882,446</u>	<u>1,476,332</u>	<u>1,527,932</u>	<u>2,237,596</u>	<u>2,410,378</u>
Total liabilities	<u>8,581,452</u>	<u>8,399,478</u>	<u>3,468,751</u>	<u>2,878,858</u>	<u>12,050,203</u>	<u>11,278,336</u>
<u>Deferred inflows of resources</u>						
Property taxes	447,578	456,496	-	-	447,578	456,496
Pension	97,600	473,571	21,747	145,692	119,347	619,263
OPEB	<u>119,599</u>	<u>106,464</u>	<u>3,842</u>	<u>36,138</u>	<u>123,441</u>	<u>142,602</u>
Total deferred inflows of resources	<u>664,777</u>	<u>1,036,531</u>	<u>25,589</u>	<u>181,830</u>	<u>690,366</u>	<u>1,218,361</u>
<u>Net Position</u>						
Net investment in capital assets	12,151,973	12,094,042	12,942,821	12,207,266	25,094,794	24,301,308
Restricted	1,296,951	1,090,384	-	-	1,296,951	1,090,384
Unrestricted	<u>(888,354)</u>	<u>(2,336,785)</u>	<u>7,086,484</u>	<u>6,567,976</u>	<u>6,198,130</u>	<u>4,231,191</u>
Total net position	<u>\$ 12,560,570</u>	<u>\$ 10,847,641</u>	<u>\$ 20,029,305</u>	<u>\$ 18,775,242</u>	<u>\$ 32,589,875</u>	<u>\$ 29,622,883</u>

City of Louisville, Ohio
Management's Discussion and Analysis
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Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2019, the City's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$32,589,875. This amounts to \$12,560,570 in governmental activities and \$20,029,305 in business-type activities.

The largest portion of the City's net position, 77%, 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, 2019, were \$25,094,794. 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, 2019, the City is able to report positive balances of the three categories of net position, for the government as a whole.

A portion of the City's governmental net position, \$1,296,951 or 10.3%, represent resources that are subject to external restrictions on how they may be used. Of total restricted net position, \$30,248 for debt service, \$930,250 for transportation, \$84,630 for safety services programs, \$235,890 for capital projects and \$15,993 for other purposes. The remaining deficit balance of governmental unrestricted net position of \$888,354 is not available 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 and annual OPEB expense equal to its proportionate share of each plan's change in net pension liability and net OPEB liability not accounted for as deferred inflows/outflows.

Table 2 shows the changes in net position for governmental and business-type activities for years 2019 and 2018.

City of Louisville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

Table 2
Changes in Net Position

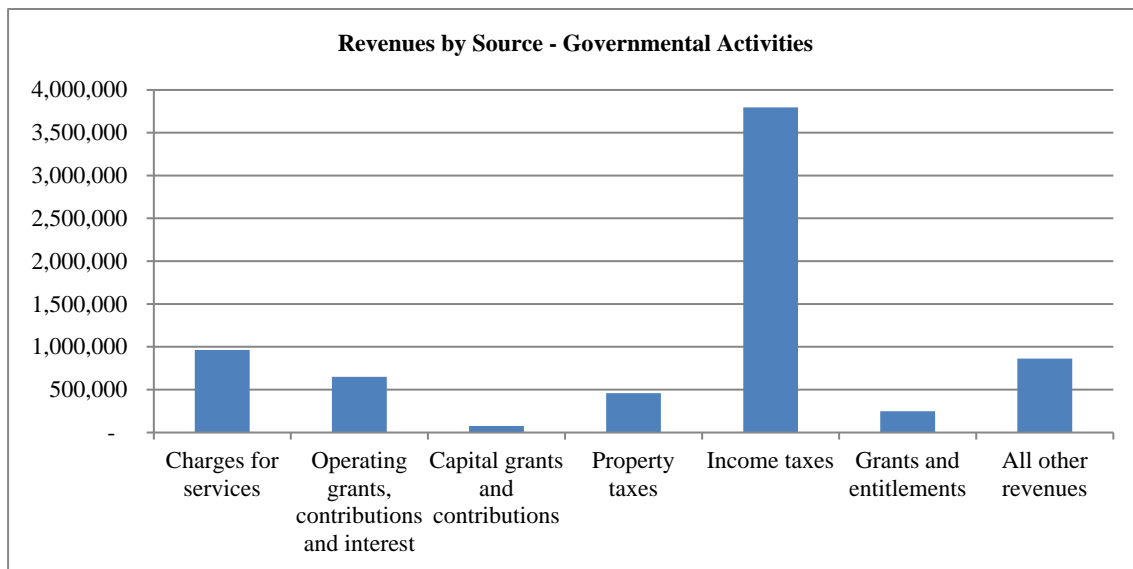
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues						
Program revenues:						
Charges for services	\$ 962,342	\$ 1,019,141	\$ 2,828,308	\$ 2,682,540	\$ 3,790,650	\$ 3,701,681
Operating grants, contributions and interest	649,395	576,082	-	-	649,395	576,082
Capital grants and contributions	75,806	-	9,965	-	85,771	-
General revenues:						
Property and other taxes	457,861	399,997	-	-	457,861	399,997
Municipal income taxes	3,794,626	3,536,558	1,264,870	1,178,652	5,059,496	4,715,210
Grants and entitlements	247,161	258,997	-	-	247,161	258,997
Investment earnings	309,251	168,956	-	-	309,251	168,956
Other	553,462	184,262	-	1,775	553,462	186,037
Total revenues	<u>\$ 7,049,904</u>	<u>\$ 6,143,993</u>	<u>\$ 4,103,143</u>	<u>\$ 3,862,967</u>	<u>\$ 11,153,047</u>	<u>\$ 10,006,960</u>
Program Expenses						
<i>Governmental Activities:</i>						
General government	\$ 1,499,084	\$ 1,316,959	\$ -	\$ -	\$ 1,499,084	\$ 1,316,959
Security of persons and property	1,608,618	3,426,558	-	-	1,608,618	3,426,558
Public health and welfare	74,924	95,667	-	-	74,924	95,667
Transportation	1,518,504	1,175,784	-	-	1,518,504	1,175,784
Community environment	399,922	298,476	-	-	399,922	298,476
Leisure time activities	206,336	182,535	-	-	206,336	182,535
Interest and fiscal charges	29,587	35,323	-	-	29,587	35,323
<i>Business-Type Activities:</i>						
Water	-	-	1,431,940	1,160,327	1,431,940	1,160,327
Sewer	-	-	1,417,140	1,361,080	1,417,140	1,361,080
Total program expenses	<u>5,336,975</u>	<u>6,531,302</u>	<u>2,849,080</u>	<u>2,521,407</u>	<u>8,186,055</u>	<u>9,052,709</u>
Change in net position	1,712,929	(387,309)	1,254,063	1,341,560	2,966,992	954,251
Net position, beginning of year	<u>10,847,641</u>	<u>11,234,950</u>	<u>18,775,242</u>	<u>17,433,682</u>	<u>29,622,883</u>	<u>28,668,632</u>
Net position, end of year	<u>\$ 12,560,570</u>	<u>\$ 10,847,641</u>	<u>\$ 20,029,305</u>	<u>\$ 18,775,242</u>	<u>\$ 32,589,875</u>	<u>\$ 29,622,883</u>

City of Louisville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
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Governmental Activities

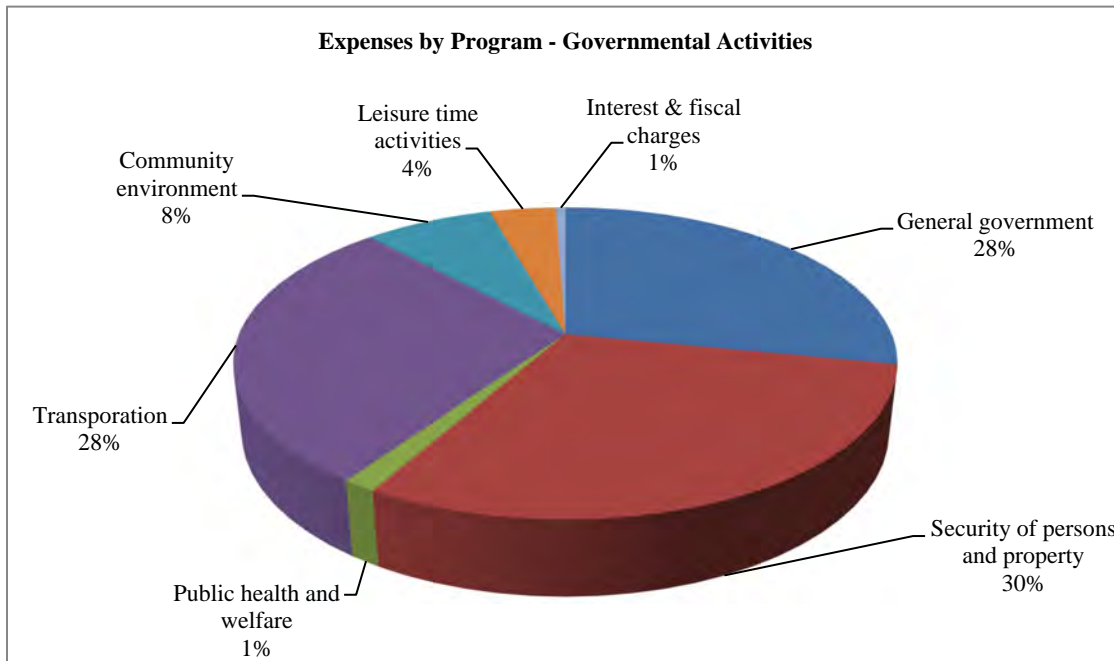
Governmental activities net position increased \$1,712,929 or 15.8% in 2019 from 2018. This increase was not due to any one item but rather an overall decrease in expenses and an increase in revenues. The City's funding for these governmental activities comes from a variety of sources, the most significant being the \$3,794,626 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 2019, the City received \$247,161 in unrestricted intergovernmental revenues or 3.5% 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 2019, the City received \$962,342 in charges for services, a combined total of \$649,395 in various operating grants, contributions and interest and a combined total of \$75,806 in various capital grants and contributions.

City of Louisville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
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The City's governmental activity expenses totaled \$5,336,975 in 2019, with security of persons and property, general government and transportation representing the largest portion of this figure at 86.7%. The City's governmental activity expenses decreased by \$1,194,327 from 2018, this was mainly related to a decrease in OPEB expense.

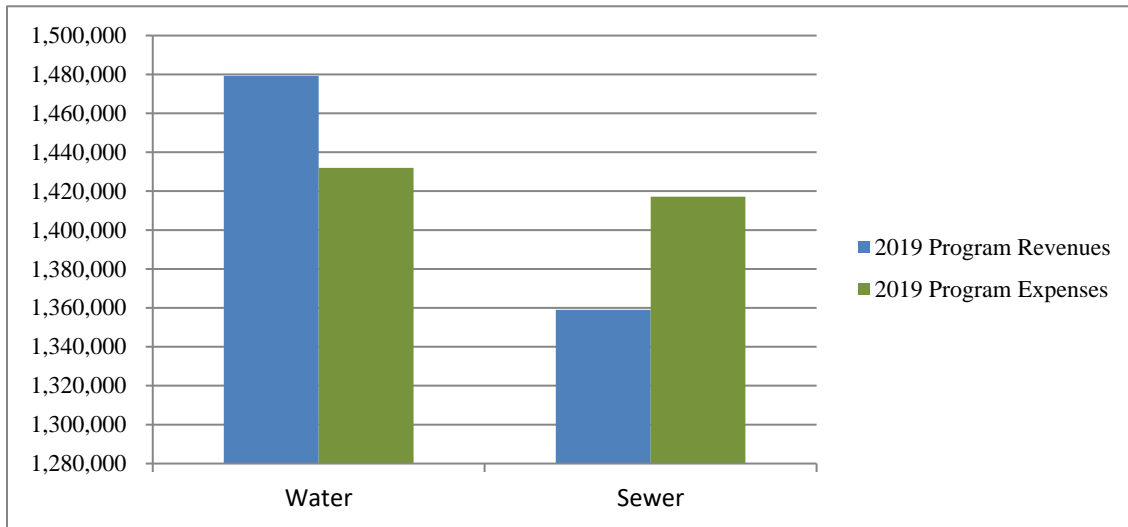
Security of persons and property, which primarily supports the operations of the City's police, fire and emergency medical services, accounts for \$1,608,618 of expenses, or 30.1% of total governmental expenses of the City. These expenses were funded by \$396,289 in charges to users of services, operating grants, contributions and interest. General government expenses, which primarily include legislative, executive and financial management, totaled \$1,499,084 or 28.1% of total governmental expenses. General government expenses were covered by \$197,841 of direct charges to users.

At \$1,518,504 or 28.5%, 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 \$880,430 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 \$2,828,308 and expenses of \$2,849,080 for the year 2019. Business-type activities reported an increase in net position of \$1,254,063, or 6.7% as compared to 2018. For this year, the increase in net position was attributed to an increase in charges for services and current year revenues exceeding current year expenses.

City of Louisville, Ohio
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As a result of implementing the accounting standards for pension and OPEB, the City is reporting a net pension liability, net OPEB liability, related deferred inflows of resources and an increase in expenses for the year which have a negative effect on net position. In addition, the City is reporting deferred outflows of resources related to pension and OPEB, which have a positive impact on net position. The increase in pension and OPEB expense is the difference between the contractually required contributions and the pension and OPEB expense resulting from the change in the liability that is not reported as deferred inflows or outflows. These 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 these accounting standards on the City's net position, additional information is presented below.

	2019 Governmental Activities	2018 Governmental Activities	2019 Business-Type Activities	2018 Business-Type Activities
Deferred outflows - pension	\$ 1,673,305	\$ 896,872	\$ 299,107	\$ 155,266
Deferred outflows - OPEB	351,293	310,618	44,987	31,076
Deferred inflows - pension	(97,600)	(473,571)	(21,747)	(145,692)
Deferred inflows - OPEB	(119,599)	(106,464)	(3,842)	(36,138)
Net pension liability	(5,543,467)	(3,739,380)	(1,017,728)	(590,550)
Net OPEB liability	(1,512,444)	(3,178,502)	(515,191)	(422,277)
Impact of GASBs 68 and 75 on net position	<u>\$ (5,248,512)</u>	<u>\$ (6,290,427)</u>	<u>\$ (1,214,414)</u>	<u>\$ (1,008,315)</u>

City of Louisville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
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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, 2019, governmental funds reported a combined fund balance of \$5,230,968, an increase of \$512,374 as compared to the prior year. Of this amount \$2,448,717 or 46.8% has an unassigned fund balance that is available for spending at the discretion of the City. The remainder fund balance of \$2,782,251 consists of \$214,633 or 4.1% as nonspendable, related to materials and supplies and prepaid items that are not in spendable form; \$1,005,255 or 19.2% that is restricted for various purposes; \$775,105 or 14.8% committed for emergency service charges and storm water and \$787,258 or 15.1% 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 2019, the fund balance of the general fund was \$3,270,262, a 7.0% increase from the prior year. The reason for the increase in the general fund balance was primarily due an increase in other revenues.

At the end of 2019, the street construction, maintenance and repair fund balance was \$681,905, a 11.2% increase from the prior year. The reason for the increase in the street construction, maintenance and repair fund balance was primarily due an increase in other revenues and inception of capital lease.

Table 3 below reports year 2019 balances compared to 2018:

Table 3
Change in Fund Balance

	Fund Balance		Increase	Percent
	December 31,	December 31,	(Decrease)	Change
	<u>2019</u>	<u>2018</u>		
General	\$ 3,270,262	\$ 3,055,007	\$ 215,255	7.0%
Street construction, maintenance and repair	681,905	613,192	68,713	11.2%
Other governmental funds	<u>1,278,801</u>	<u>1,050,395</u>	<u>228,406</u>	21.7%
	<u>\$ 5,230,968</u>	<u>\$ 4,718,594</u>	<u>\$ 512,374</u>	

City of Louisville, Ohio
Management's Discussion and Analysis
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Table 4 below assists in illustrating the changes in financial activities for the general fund for year 2019 balances compared to 2018:

Table 4
Change in Financial Activities for the General Fund

	December 31, <u>2019</u>	December 31, <u>2018</u>	Increase (Decrease)	Percent Change
<u>Revenues:</u>				
Income tax	\$ 3,703,175	\$ 3,669,464	\$ 33,711	0.9%
Property and other taxes	466,399	399,604	66,795	16.7%
Charges for services	142,990	141,956	1,034	0.7%
Licenses and permits	174,045	163,820	10,225	6.2%
Fines and forfeitures	34,098	29,751	4,347	14.6%
Intergovernmental	259,143	265,018	(5,875)	-2.2%
Investment income	309,251	168,956	140,295	83.0%
Contributions and donations	41,953	6,913	35,040	506.9%
Other	545,979	162,641	383,338	235.7%
Total revenue	<u>\$ 5,677,033</u>	<u>\$ 5,008,123</u>	<u>\$ 668,910</u>	
<u>Expenditures:</u>				
Current:				
General government	\$ 1,208,233	\$ 1,206,388	\$ 1,845	0.2%
Security of persons and property	2,409,095	2,490,555	(81,460)	-3.3%
Public health and welfare	74,924	95,667	(20,743)	-21.7%
Community environment	316,886	270,729	46,157	17.0%
Leisure time activities	132,755	107,188	25,567	23.9%
Capital outlay	512,296	321,414	190,882	59.4%
Debt service:				
Principal retirement	125,101	120,656	4,445	3.7%
Interest and fiscal charges	28,413	32,858	(4,445)	-13.5%
Total expenditures	<u>\$ 4,807,703</u>	<u>\$ 4,645,455</u>	<u>\$ 162,248</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 \$729,200, from \$4,871,225 to the final budgeted amount of \$5,600,425 for the year end December 31, 2019. This increase was primarily for an increase in other and municipal income tax revenues. This is due to the other and municipal tax revenues being unknown at the original budgeting process. Actual revenues were less than the final budgeted amount by \$17,877 mainly due to an increase in other revenues received during the year.

City of Louisville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

Final budgeted expenditures and other financing uses were more than the original budgeted expenditures and other financing uses by \$14,487. This was due to increases in leisure time activities and transfers out from what was originally budgeted. Actual expenditures and other financing uses of \$5,643,552 for the year were \$196,521 less than the \$5,840,073 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 2019, the City had \$27,498,459 (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, \$12,858,310 was reported in governmental activities and \$14,640,149 was reported in business-type activities. Table 5 below reports the year 2019 balances compared to 2018:

Table 5
Capital Assets, at December 31
(Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 486,277	\$ 449,020	\$ 352,487	\$ 312,987	\$ 838,764	\$ 762,007
Right of ways	812,350	812,350	-	-	812,350	812,350
Land improvements	238,201	119,995	1,437	4,312	239,638	124,307
Buildings and building improvements	1,044,977	818,203	3,270,306	3,450,861	4,315,283	4,269,064
Machinery and equipment	508,838	434,818	838,384	672,167	1,347,222	1,106,985
Vehicles	1,403,679	1,419,166	256,638	239,681	1,660,317	1,658,847
Infrastructure	8,363,988	8,672,973	5,981,517	6,215,133	14,345,505	14,888,106
Construction in progress	-	105,530	3,939,380	2,933,492	3,939,380	3,039,022
Total	<u>\$12,858,310</u>	<u>\$12,832,055</u>	<u>\$14,640,149</u>	<u>\$13,828,633</u>	<u>\$27,498,459</u>	<u>\$26,660,688</u>

The most significant change during 2019 to the amount of net capital assets was due to an increase of 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, 2019
Unaudited

Debt Administration

At December 31, 2019, the City had total long-term debt outstanding of \$2,490,801. Of this total, \$464,025 is due within one year and \$2,026,776 is due in more than one year.

Table 6
Outstanding Debt, at December 31

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
General obligation bonds	\$ 56,135	\$ 83,268	\$ 224,948	\$ 333,884	\$ 281,083	\$ 417,152
OPWC loans	-	-	1,339,230	1,263,979	1,339,230	1,263,979
OWDA loan	-	-	49,488	23,504	49,488	23,504
Capital leases	<u>737,338</u>	<u>783,006</u>	<u>83,662</u>	<u>-</u>	<u>821,000</u>	<u>783,006</u>
Total	<u>\$ 793,473</u>	<u>\$ 866,274</u>	<u>\$ 1,697,328</u>	<u>\$ 1,621,367</u>	<u>\$ 2,490,801</u>	<u>\$ 2,487,641</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 \$32,059.

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 and sewer capital enterprise funds. 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, 2019 the City's overall legal debt margin was \$19,444,674, with an unvoted debt margin of \$10,185,305. The City's credit rating remained unchanged in 2019 as compared to 2018. 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 Sonja Herwick, 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, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	LCIC
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 4,614,866	\$ 7,587,509	\$ 12,202,375	\$ 186,521
Receivables:				
Income tax	1,067,660	355,886	1,423,546	-
Property and other taxes	476,501	-	476,501	-
Accounts	171,339	580,287	751,626	-
Accrued interest	19,597	-	19,597	-
Due from other governments	359,295	-	359,295	-
Materials and supplies inventory	164,012	5,724	169,736	-
Loans receivable	-	-	-	9,391
Prepaid items	50,621	9,996	60,617	408
Land held for resale	-	-	-	111,252
Noncurrent loans receivable	-	-	-	3,076
Nondepreciable capital assets	1,298,627	4,291,867	5,590,494	-
Depreciable capital assets, net	11,559,683	10,348,282	21,907,965	-
Total assets	19,782,201	23,179,551	42,961,752	310,648
<u>Deferred outflows of resources:</u>				
Pension	1,673,305	299,107	1,972,412	-
OPEB	351,293	44,987	396,280	-
Total deferred outflows of resources	2,024,598	344,094	2,368,692	-
<u>Liabilities:</u>				
Accounts payable	64,708	30,655	95,363	-
Contracts payable	-	41,603	41,603	-
Accrued wages and benefits	152,828	15,812	168,640	-
Due to other governments	55,108	10,430	65,538	-
Undistributed monies	5,412	-	5,412	-
Income tax refunds payable	68,691	22,897	91,588	-
Accrued interest payable	11,165	466	11,631	-
Claims payable	999	590	1,589	-
Long-term liabilities:				
Due within one year	405,366	337,047	742,413	-
Due in more than one year:				
Net pension liability	5,543,467	1,017,728	6,561,195	-
Net OPEB liability	1,512,444	515,191	2,027,635	-
Other amounts due in more than one year	761,264	1,476,332	2,237,596	-
Total liabilities	8,581,452	3,468,751	12,050,203	-
<u>Deferred inflows of resources:</u>				
Property taxes	447,578	-	447,578	-
Pension	97,600	21,747	119,347	-
OPEB	119,599	3,842	123,441	-
Total deferred inflows of resources	664,777	25,589	690,366	-
<u>Net position:</u>				
Net investment in capital assets	12,151,973	12,942,821	25,094,794	-
Restricted for:				
Capital projects	235,890	-	235,890	-
Debt service	30,248	-	30,248	-
Transportation	930,250	-	930,250	-
Safety services	84,630	-	84,630	-
Other purposes	15,933	-	15,933	31,883
Unrestricted	(888,354)	7,086,484	6,198,130	278,765
Total net position	\$ 12,560,570	\$ 20,029,305	\$ 32,589,875	\$ 310,648

See accompanying notes to the basic financial statements.

City of Louisville, Ohio
Statement of Activities
For the Year Ended December 31, 2019

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions
<u>Governmental Activities:</u>				
General government	\$ 1,499,084	\$ 185,434	\$ 12,407	\$ -
Security of persons and property	1,608,618	373,112	23,177	-
Public health and welfare	74,924	-	-	-
Transportation	1,518,504	225,813	613,811	40,806
Community environment	399,922	172,960	-	-
Leisure time activities	206,336	5,023	-	35,000
Interest and fiscal charges	29,587	-	-	-
Total governmental activities	<u>5,336,975</u>	<u>962,342</u>	<u>649,395</u>	<u>75,806</u>
<u>Business-Type Activities:</u>				
Water	1,431,940	1,469,313	-	9,965
Sewer	1,417,140	1,358,995	-	-
Total business-type activities	<u>2,849,080</u>	<u>2,828,308</u>	<u>-</u>	<u>9,965</u>
Total primary government	<u>\$ 8,186,055</u>	<u>\$ 3,790,650</u>	<u>\$ 649,395</u>	<u>\$ 85,771</u>
<u>Component Unit:</u>				
LCIC	<u>\$ 18,748</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ -</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			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	LCIC
\$ (1,301,243)	\$ -	\$ (1,301,243)	\$ -
(1,212,329)	-	(1,212,329)	-
(74,924)	-	(74,924)	-
(638,074)	-	(638,074)	-
(226,962)	-	(226,962)	-
(166,313)	-	(166,313)	-
(29,587)	-	(29,587)	-
<u>(3,649,432)</u>	<u>-</u>	<u>(3,649,432)</u>	<u>-</u>
-	47,338	47,338	-
<u>-</u>	<u>(58,145)</u>	<u>(58,145)</u>	<u>-</u>
-	(10,807)	(10,807)	-
<u>(3,649,432)</u>	<u>(10,807)</u>	<u>(3,660,239)</u>	<u>-</u>
-	-	-	(18,740)
457,861	-	457,861	-
3,794,626	-	3,794,626	-
-	717,152	717,152	-
-	547,718	547,718	-
247,161	-	247,161	-
309,251	-	309,251	3,774
553,462	-	553,462	-
<u>5,362,361</u>	<u>1,264,870</u>	<u>6,627,231</u>	<u>3,774</u>
1,712,929	1,254,063	2,966,992	(14,966)
10,847,641	18,775,242	29,622,883	325,614
<u>\$ 12,560,570</u>	<u>\$ 20,029,305</u>	<u>\$ 32,589,875</u>	<u>\$ 310,648</u>

City of Louisville, Ohio

Balance Sheet

Governmental Funds

December 31, 2019

	General	Street Construction, Maintenance and Repair	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 2,988,393	\$ 482,894	\$ 1,143,579	\$ 4,614,866
Receivables:				
Income tax	1,067,660	-	-	1,067,660
Property and other taxes	476,501	-	-	476,501
Accounts	35,228	-	136,111	171,339
Accrued interest	19,597	-	-	19,597
Due from other governments	97,792	235,023	26,480	359,295
Materials and supplies inventory	-	151,711	12,301	164,012
Prepaid items	34,287	5,546	10,788	50,621
Total assets	\$ 4,719,458	\$ 875,174	\$ 1,329,259	\$ 6,923,891
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ 61,367	\$ 1,803	\$ 1,538	\$ 64,708
Accrued wages and benefits	113,904	33,858	5,066	152,828
Due to other governments	46,974	7,734	400	55,108
Undistributed monies	5,412	-	-	5,412
Income tax refunds payable	68,691	-	-	68,691
Claims payable	728	271	-	999
Total liabilities	297,076	43,666	7,004	347,746
Deferred inflows of resources:				
Property taxes	447,578	-	-	447,578
Unavailable revenue - other	686,293	149,603	43,454	879,350
Unavailable revenue - delinquent property taxes	18,249	-	-	18,249
Total deferred inflows of resources	1,152,120	149,603	43,454	1,345,177
Fund balances:				
Nonspendable	34,287	157,257	23,089	214,633
Restricted	-	524,648	480,607	1,005,255
Committed	-	-	775,105	775,105
Assigned	787,258	-	-	787,258
Unassigned	2,448,717	-	-	2,448,717
Total fund balances	3,270,262	681,905	1,278,801	5,230,968
Total liabilities, deferred inflows of resources and fund balances	\$ 4,719,458	\$ 875,174	\$ 1,329,259	\$ 6,923,891

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, 2019**

Total governmental fund balances \$ 5,230,968

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. 12,858,310

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	\$	18,249	
Income taxes		614,340	
Intergovernmental		229,527	
Charges for services		30,988	
Other		4,495	
Total		897,599	897,599

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	\$	1,673,305	
Deferred inflows - pension		(97,600)	
Net pension liability		(5,543,467)	
Deferred outflows - OPEB		351,293	
Deferred inflows - OPEB		(119,599)	
Net OPEB liability		(1,512,444)	
Total		(5,248,512)	(5,248,512)

Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds. (11,165)

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

General obligation bonds	\$	(56,000)	
Premium on bonds		(135)	
Capital lease payable		(737,338)	
Compensated absences		(341,098)	
Police pension liability		(32,059)	
Total		(1,166,630)	(1,166,630)

Net position of governmental activities \$ 12,560,570

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, 2019

	General	Street Construction, Maintenance and Repair	Other Governmental Funds	Total Governmental Funds
Revenues:				
Income tax	\$ 3,703,175	\$ -	\$ -	\$ 3,703,175
Property and other taxes	466,399	-	-	466,399
Charges for services	142,990	-	637,641	780,631
Licenses and permits	174,045	-	-	174,045
Fines and forfeitures	34,098	-	6,791	40,889
Intergovernmental	259,143	439,280	162,257	860,680
Investment income	309,251	-	5,072	314,323
Contributions and donations	41,953	1,000	-	42,953
Other	545,979	20,849	81	566,909
Total revenue	<u>5,677,033</u>	<u>461,129</u>	<u>811,842</u>	<u>6,950,004</u>
Expenditures:				
Current:				
General government	1,208,233	-	13,992	1,222,225
Security of persons and property	2,409,095	-	351,150	2,760,245
Public health and welfare	74,924	-	-	74,924
Transportation	-	627,435	358,114	985,549
Community environment	316,886	-	-	316,886
Leisure time activities	132,755	-	-	132,755
Capital outlay	512,296	193,500	135,180	840,976
Debt service:				
Principal retirement	125,101	40,567	27,000	192,668
Interest and fiscal charges	28,413	914	2,075	31,402
Total expenditures	<u>4,807,703</u>	<u>862,416</u>	<u>887,511</u>	<u>6,557,630</u>
Excess of revenues over (under) expenditures	<u>869,330</u>	<u>(401,287)</u>	<u>(75,669)</u>	<u>392,374</u>
Other financing sources (uses):				
Inception of capital lease	-	120,000	-	120,000
Transfers - in	-	350,000	304,075	654,075
Transfers - out	(654,075)	-	-	(654,075)
Total other financing sources (uses)	<u>(654,075)</u>	<u>470,000</u>	<u>304,075</u>	<u>120,000</u>
Net change in fund balance	215,255	68,713	228,406	512,374
Fund balances at beginning of year	<u>3,055,007</u>	<u>613,192</u>	<u>1,050,395</u>	<u>4,718,594</u>
Fund balances at end of year	<u>\$ 3,270,262</u>	<u>\$ 681,905</u>	<u>\$ 1,278,801</u>	<u>\$ 5,230,968</u>

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, 2019**

Net change in fund balances - Total governmental funds \$ 512,374

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.

In the current period, these amounts are:

Capital outlay	\$ 840,976	
Depreciation expense	(814,721)	
Excess of capital outlay over depreciation expense		26,255

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	\$ (8,538)	
Income taxes	91,451	
Intergovernmental	38,329	
Charges for services	(21,872)	
Other	530	
Net change in deferred inflows of resources during the year		99,900

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

Pension		367,983
OPEB		5,137

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

Pension		(1,019,666)
OPEB		1,688,461

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	\$ (43,440)	
Decrease in police pension liability	1,442	
Decrease in accrued interest	1,682	
Amortization of premium	133	
Total additional expenditures		(40,183)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 27,000

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. 165,668

In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net position, the lease obligation is reported as a liability. (120,000)

Change in net position of governmental activities \$ 1,712,929

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, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal income tax	\$ 3,617,000	\$ 3,752,000	\$ 3,751,140	\$ (860)
Property and other taxes	460,000	460,000	459,090	(910)
Charges for services	144,000	144,000	142,990	(1,010)
Licenses and permits	152,825	173,325	172,960	(365)
Fines and forfeitures	32,000	34,000	34,218	218
Intergovernmental	269,800	278,900	250,912	(27,988)
Interest	148,800	159,700	180,102	20,402
Contributions and donations	5,000	41,800	41,953	153
Other	39,975	550,025	542,523	(7,502)
Total revenues	4,869,400	5,593,750	5,575,888	(17,862)
Expenditures:				
Current:				
General government	1,569,137	1,557,587	1,531,714	25,873
Security of persons and property	2,906,178	2,850,889	2,703,479	147,410
Public health and welfare	145,516	111,444	95,435	16,009
Community environment	401,281	368,456	363,019	5,437
Leisure time activities	247,574	295,799	294,007	1,792
Total expenditures	5,269,686	5,184,175	4,987,654	196,521
Excess of revenues over (under) expenditures	(400,286)	409,575	588,234	178,659
Other financing sources (uses):				
Sale of capital assets	-	4,850	4,837	(13)
Transfers - in	1,825	1,825	1,823	(2)
Transfers - out	(555,900)	(655,898)	(655,898)	-
Total other financing sources (uses)	(554,075)	(649,223)	(649,238)	(15)
Net change in fund balance	(954,361)	(239,648)	(61,004)	178,644
Fund balance at beginning of year	2,313,515	2,313,515	2,313,515	-
Prior year encumbrances appropriated	304,661	304,661	304,661	-
Fund balance at end of year	\$ 1,663,815	\$ 2,378,528	\$ 2,557,172	\$ 178,644

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
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$ 339,000	\$ 410,500	\$ 410,271	\$ (229)
Contributions and donations	1,000	1,000	1,000	-
Other	2,000	1,500	1,499	(1)
Total revenues	<u>342,000</u>	<u>413,000</u>	<u>412,770</u>	<u>(230)</u>
<u>Expenditures:</u>				
Current:				
Transportation	<u>887,409</u>	<u>854,834</u>	<u>833,247</u>	<u>21,587</u>
Excess of revenues under expenditures	<u>(545,409)</u>	<u>(441,834)</u>	<u>(420,477)</u>	<u>21,357</u>
Other financing sources:				
Sale of capital assets	2,000	19,350	19,350	-
Transfers - in	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>
Total other financing sources	<u>352,000</u>	<u>369,350</u>	<u>369,350</u>	<u>-</u>
Net change in fund balance	(193,409)	(72,484)	(51,127)	21,357
Fund balance at beginning of year	404,137	404,137	404,137	-
Prior year encumbrances appropriated	<u>72,659</u>	<u>72,659</u>	<u>72,659</u>	<u>-</u>
Fund balance at end of year	<u>\$ 283,387</u>	<u>\$ 404,312</u>	<u>\$ 425,669</u>	<u>\$ 21,357</u>

See accompanying notes to the basic financial statements.

City of Louisville, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2019

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
<u>Assets:</u>			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 3,763,065	\$ 3,824,444	\$ 7,587,509
Receivables:			
Income tax	227,767	128,119	355,886
Accounts	295,207	285,080	580,287
Materials and supplies inventory	2,376	3,348	5,724
Prepaid items	4,955	5,041	9,996
Total current assets	4,293,370	4,246,032	8,539,402
Noncurrent assets:			
Capital assets:			
Land	252,779	99,708	352,487
Construction in progress	705,076	3,234,304	3,939,380
Depreciable capital assets, net	5,560,595	4,787,687	10,348,282
Total noncurrent assets	6,518,450	8,121,699	14,640,149
Total assets	10,811,820	12,367,731	23,179,551
<u>Deferred outflows of resources:</u>			
Pension	173,675	125,432	299,107
OPEB	26,121	18,866	44,987
Total deferred outflows of resources	199,796	144,298	344,094
<u>Liabilities:</u>			
Current liabilities:			
Accounts payable	10,582	20,073	30,655
Contracts payable	15,278	26,325	41,603
Accrued wages and benefits	11,598	4,214	15,812
Due to other governments	5,819	4,611	10,430
Income tax refunds payable	14,654	8,243	22,897
Accrued interest payable	373	93	466
Claims payable	241	349	590
Compensated absences payable	38,817	31,055	69,872
Capital lease payable	-	83,662	83,662
OPWC loans payable	23,879	42,253	66,132
OWDA loans payable	5,381	-	5,381
General obligation bonds payable	89,600	22,400	112,000
Total current liabilities	216,222	243,278	459,500
Long-term liabilities:			
Compensated absences payable	25,151	21,028	46,179
OPWC loans payable, net of current portion	47,759	1,225,339	1,273,098
OWDA loans payable, net of current portion	44,107	-	44,107
General obligation bonds payable, net of current portion	90,167	22,781	112,948
Net pension liability	590,939	426,789	1,017,728
Net OPEB liability	299,143	216,048	515,191
Total long-term liabilities	1,097,266	1,911,985	3,009,251
Total liabilities	1,313,488	2,155,263	3,468,751

City of Louisville, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2019
(Continued)

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
<u>Deferred inflows of resources:</u>			
Pension	12,627	9,120	21,747
OPEB	2,231	1,611	3,842
Total deferred inflows of resources	<u>14,858</u>	<u>10,731</u>	<u>25,589</u>
<u>Net position:</u>			
Net investment in capital assets	6,217,557	6,725,264	12,942,821
Unrestricted	3,465,713	3,620,771	7,086,484
Total net position	<u>\$ 9,683,270</u>	<u>\$ 10,346,035</u>	<u>\$ 20,029,305</u>

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, 2019

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
<u>Operating revenues:</u>			
Charges for services	\$ 1,440,313	\$ 1,335,345	\$ 2,775,658
Tap-in fees	29,000	23,650	52,650
Total operating revenues	1,469,313	1,358,995	2,828,308
<u>Operating expenses:</u>			
Personal services	378,012	366,428	744,440
Fringe benefits	264,580	233,463	498,043
Contractual services	416,983	439,571	856,554
Supplies and materials	79,051	90,413	169,464
Depreciation	286,516	286,026	572,542
Total operating expenses	1,425,142	1,415,901	2,841,043
Operating income (loss)	44,171	(56,906)	(12,735)
<u>Nonoperating revenues (expenses):</u>			
Municipal income tax	717,152	547,718	1,264,870
Intergovernmental	9,965	-	9,965
Interest and fiscal charges	(6,798)	(1,239)	(8,037)
Total nonoperating revenues (expenses)	720,319	546,479	1,266,798
Change in net position	764,490	489,573	1,254,063
Net position at beginning of year	8,918,780	9,856,462	18,775,242
Net position at end of year	\$ 9,683,270	\$ 10,346,035	\$ 20,029,305

See accompanying notes to the basic financial statements.

City of Louisville, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
Cash flows from operating activities:			
Cash received from customers	\$ 1,456,391	\$ 1,346,676	\$ 2,803,067
Cash payments for employee services and benefits	(509,028)	(507,934)	(1,016,962)
Cash payments to suppliers for goods and services	(532,732)	(552,389)	(1,085,121)
Net cash provided by operating activities	414,631	286,353	700,984
Cash flows from noncapital financing activities:			
Income taxes received	669,656	580,719	1,250,375
Net cash provided by noncapital financing activities	669,656	580,719	1,250,375
Cash flows from capital and related financing activities:			
Loan issued	33,643	99,130	132,773
Interest paid on bonds and loans	(7,538)	(1,660)	(9,198)
Principal payment on bonds and loans and capital lease	(113,496)	(107,906)	(221,402)
Acquisition of capital assets	(675,252)	(498,587)	(1,173,839)
Net cash used for capital and related financing activities	(762,643)	(509,023)	(1,271,666)
Net increase in cash and cash equivalents	321,644	358,049	679,693
Cash and cash equivalents at beginning of year	3,441,421	3,466,395	6,907,816
Cash and cash equivalents at end of year	\$ 3,763,065	\$ 3,824,444	\$ 7,587,509
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 44,171	\$ (56,906)	\$ (12,735)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	286,516	286,026	572,542
Change in assets, deferred outflows, liabilities and inflows of resources:			
(Increase) decrease in assets and deferred outflows of resources:			
Accounts receivable	(12,922)	(8,216)	(21,138)
Materials and supplies inventory	55	(3,107)	(3,052)
Prepaid items	965	1,215	2,180
Deferred outflows of resources - pension/OPEB	(91,598)	(66,154)	(157,752)
Increase (decrease) in liabilities and deferred inflows of resources:			
Accounts payable	(36,662)	(22,725)	(59,387)
Claims payable	(99)	154	55
Accrued wages and benefits	4,339	(2,745)	1,594
Compensated absences	8,915	8,713	17,628
Due to other governments	(317)	(2,485)	(2,802)
Net pension liability	248,039	179,139	427,178
Net OPEB liability	53,950	38,964	92,914
Deferred inflows of resources - pension/OPEB	(90,721)	(65,520)	(156,241)
Net cash provided by operating activities	\$ 414,631	\$ 286,353	\$ 700,984
Noncash capital and related financing activities:			
Capital lease	\$ -	\$ 169,968	\$ 169,968

See accompanying notes to the basic financial statements.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 18 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 17.

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, 2019

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 major governmental funds are the general fund and the street construction, maintenance and repair fund.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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.

Street Construction, Maintenance and Repair Fund – 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.

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.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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.

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.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension and other postemployment benefits (OPEB). The deferred outflows of resources related to pension and OPEB are explained in Notes 14 and 15.

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, 2019, but which were levied to finance fiscal year 2020 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 and OPEB are reported on the government-wide statement of net position and the proprietary funds statement of fund net position. (See Notes 14 and 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.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 2019.

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 and within each department, the amount for personal services. 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.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 2019, investments were limited to interest in the State Treasury Asset Reserve of Ohio (STAR Ohio), certificates of deposits, commercial paper and government-sponsored enterprise investments. The government-sponsored enterprise (GSE) investments, which are not backed by the full faith and credit of the federal government, were held as investments at year-end by the City. The GSE investments held were issued from Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC). 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.

For 2019, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice is appreciated 24 hours in advance of all deposits and withdrawals exceeding \$25 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.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2019 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.

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. Pension and other postemployment benefits (OPEB)

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

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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

Pension and OPEB 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 and other postemployment benefits. 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/OPEB 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 pension and OPEB plans.

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

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.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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/OPEB 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. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

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.

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.

City of Louisville, Ohio
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For the Year Ended December 31, 2019

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.

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.

City of Louisville, Ohio
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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, 2019

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	General	Street Construction, Maintenance and Repair	Other Governmental Funds	Total Governmental Funds
<u>Nonspendable</u>				
Materials and supplies inventory	\$ -	\$ 151,711	\$ 12,301	\$ 164,012
Prepays	34,287	5,546	10,788	50,621
Total nonspendable	<u>34,287</u>	<u>157,257</u>	<u>23,089</u>	<u>214,633</u>
<u>Restricted for</u>				
Streets and highways	-	524,648	113,789	638,437
Court activities	-	-	15,933	15,933
Police services	-	-	84,630	84,630
Capital improvements	-	-	235,890	235,890
Debt service payments	-	-	30,365	30,365
Total restricted	<u>-</u>	<u>524,648</u>	<u>480,607</u>	<u>1,005,255</u>
<u>Committed</u>				
Fire and EMS services	-	-	233,735	233,735
Storm water	-	-	541,370	541,370
Total committed	<u>-</u>	<u>-</u>	<u>775,105</u>	<u>775,105</u>
<u>Assigned</u>				
General government	58,829	-	-	58,829
Security of persons and property	129,537	-	-	129,537
Public health and welfare	20,061	-	-	20,061
Community environment	48,534	-	-	48,534
Leisure time activities	7,443	-	-	7,443
Next year's budget	522,854	-	-	522,854
Total assigned	<u>787,258</u>	<u>-</u>	<u>-</u>	<u>787,258</u>
Unassigned	<u>2,448,717</u>	<u>-</u>	<u>-</u>	<u>2,448,717</u>
Total fund balances	<u>\$ 3,270,262</u>	<u>\$ 681,905</u>	<u>\$ 1,278,801</u>	<u>\$ 5,230,968</u>

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 and street construction, maintenance and repair are 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).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and the street construction, maintenance and repair fund.

	Net Change in Fund Balance	
	<u>General</u>	Street Construction, Maintenance and Repair
GAAP Basis	\$ 215,255	\$ 68,713
Revenue accruals	(94,485)	(149,009)
Expenditure accruals	139,897	86,394
Encumbrances (Budget Basis) outstanding at year end	<u>(321,671)</u>	<u>(57,225)</u>
Budget Basis	<u>\$ (61,004)</u>	<u>\$ (51,127)</u>

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 4 – DEPOSITS AND INVESTMENTS

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. The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose fair value at all times shall be at least one hundred five percent of the deposits being secured. If the institution participates in the Ohio Pooled Collateral System (OPCS), the total fair value of the securities pledged can be one hundred two percent or lower if permitted by the Treasurer of State.

The City's financial institution participates in the OPCS and was approved for a reduced collateral floor of 50 percent. At year-end, the carrying amount of the City's deposits was \$2,232,140, and \$645,057 of the City's total bank balance of \$2,343,432 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

B. Investments

As of December 31, the City had the following investments and maturities:

Investment Type	Fair Value	Percentage of Investments	Investment Maturities (in years)		
			< 1 year	< 2 years	3-5 years
Federal Home Loan Mortgage Corporation Bonds	\$ 300,417	3.01%	\$ -	\$ -	\$ 300,417
Federal Home Loan Bank Bonds	250,010	2.51%	-	-	250,010
Federal Farm Credit Bank Bonds	458,647	4.60%	-	-	458,647
Federal National Mortgage Association Bonds	265,665	2.66%	-	265,665	-
Commerical paper	2,426,389	24.34%	2,426,389	-	-
Negotiable certificates of deposit	5,237,598	52.53%	839,042	940,869	3,457,687
STAR Ohio	745,298	7.48%	745,298	-	-
Government obligation mutual sweep	<u>285,801</u>	<u>2.87%</u>	<u>285,801</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 9,969,825</u>	<u>100.00%</u>	<u>\$ 4,296,530</u>	<u>\$ 1,206,534</u>	<u>\$ 4,466,761</u>

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, 2019. 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 2019 amounted to \$309,251, which includes \$233,553 assigned from other City funds.

Custodial Credit Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the City must meet a set of prescribed standards and be periodically reviewed. The investments in the Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), Federal Farm Credit Bank (FFCB) and Federal National Mortgage Association (FNMA) are held by the counterparty's trust department or agent and not in the City's name. All of the City's negotiable certificates of deposit are registered securities.

Interest Rate Risk - In accordance with the investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio in years, unless matched to a specific obligation of debt of the City.

Credit Risk - The City's investment policy limits its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The City's investments in FHLB, FHLMC, FFCB and FNMA have an Aaa credit rating from Moody's. The City's investment in STAR Ohio has an AAAM credit rating from S&P. The City's investments in commercial paper and negotiable certificates of deposit were not rated or the ratings were unavailable.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Component Unit

Deposits

The carrying amount of the Louisville Community Improvement Corporation’s deposits was \$186,521 and the bank balance was \$186,521 at December 31, 2019. 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, 2019 for governmental funds consisted primarily of municipal income taxes, property and other taxes, amounts due from other governments and accounts.

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	\$ 229,610
Homestead and rollback	31,788
Local government	58,458
Motor vehicle tax	24,805
Permissive sales tax	7,088
State and Federal grants	<u>7,546</u>
Total	<u>\$ 359,295</u>

NOTE 6 – INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2019, consisted of the following:

<u>Transfer to</u>	<u>Transfer from</u>
	<u>General fund</u>
Street Construction, Maintenance and Repair fund	\$ 350,000
Other governmental funds	<u>304,075</u>
Total transfers	<u>\$ 654,075</u>

City of Louisville, Ohio
Notes to the Basic Financial Statements
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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.

NOTE 7 - CAPITAL ASSETS

Governmental Activities: The summary of the governmental capital asset activity as of December 31, 2019 follows:

<u>Governmental activities</u>	<u>Balance</u> <u>12/31/2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2019</u>
Capital assets, not being depreciated:				
Land	\$ 449,020	\$ 37,257	\$ -	\$ 486,277
Right of ways	812,350	-	-	812,350
Construction in progress	<u>105,530</u>	<u>161,741</u>	<u>(267,271)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>1,366,900</u>	<u>198,998</u>	<u>(267,271)</u>	<u>1,298,627</u>
Capital assets, being depreciated:				
Land improvements	812,824	150,943	-	963,767
Buildings and building improvements	1,948,577	288,742	-	2,237,319
Machinery and equipment	934,594	153,538	-	1,088,132
Vehicles	3,381,131	243,093	(172,348)	3,451,876
Infrastructure	<u>10,854,226</u>	<u>72,933</u>	<u>-</u>	<u>10,927,159</u>
Total capital assets, being depreciated	<u>17,931,352</u>	<u>909,249</u>	<u>(172,348)</u>	<u>18,668,253</u>
Less accumulated depreciation:				
Land improvements	(692,829)	(32,737)	-	(725,566)
Buildings and building improvements	(1,130,374)	(61,968)	-	(1,192,342)
Machinery and equipment	(499,776)	(79,518)	-	(579,294)
Vehicles	(1,961,965)	(258,580)	172,348	(2,048,197)
Infrastructure	<u>(2,181,253)</u>	<u>(381,918)</u>	<u>-</u>	<u>(2,563,171)</u>
Total accumulated depreciation	<u>(6,466,197)</u>	<u>(814,721)</u>	<u>172,348</u>	<u>(7,108,570)</u>
Total capital assets being depreciated, net	<u>11,465,155</u>	<u>94,528</u>	<u>-</u>	<u>11,559,683</u>
Governmental activities capital assets, net	<u>\$ 12,832,055</u>	<u>\$ 293,526</u>	<u>\$ (267,271)</u>	<u>\$ 12,858,310</u>

Depreciation Expense: Depreciation expense charged to governmental functions for the year ending December 31, 2019 is as follows:

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

	<u>Amount</u>
General government	\$ 67,410
Security of persons and property	272,818
Transportation	425,730
Leisure time activities	<u>48,763</u>
	<u>\$ 814,721</u>

Business-type Activities: The summary of the business-type activities' capital asset activity as of December 31, 2019 follows:

<u>Business-type activities</u>	<u>Balance</u> <u>12/31/2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2019</u>
Capital assets, not being depreciated:				
Land	\$ 312,987	\$ 39,500	\$ -	\$ 352,487
Construction in progress	<u>2,933,492</u>	<u>1,005,888</u>	<u>-</u>	<u>3,939,380</u>
Total capital assets, not being depreciated	<u>3,246,479</u>	<u>1,045,388</u>	<u>-</u>	<u>4,291,867</u>
Capital assets, being depreciated:				
Land improvements	73,970	-	-	73,970
Buildings and building improvements	9,011,137	-	-	9,011,137
Machinery and equipment	838,586	262,653	-	1,101,239
Vehicles	547,263	76,017	-	623,280
Infrastructure	<u>13,229,449</u>	<u>-</u>	<u>-</u>	<u>13,229,449</u>
Total capital assets, being depreciated	<u>23,700,405</u>	<u>338,670</u>	<u>-</u>	<u>24,039,075</u>
Less accumulated depreciation:				
Land improvements	(69,658)	(2,875)	-	(72,533)
Buildings and building improvements	(5,560,276)	(180,555)	-	(5,740,831)
Machinery and equipment	(166,419)	(96,436)	-	(262,855)
Vehicles	(307,582)	(59,060)	-	(366,642)
Infrastructure	<u>(7,014,316)</u>	<u>(233,616)</u>	<u>-</u>	<u>(7,247,932)</u>
Total accumulated depreciation	<u>(13,118,251)</u>	<u>(572,542)</u>	<u>-</u>	<u>(13,690,793)</u>
Total capital assets being depreciated, net	<u>10,582,154</u>	<u>(233,872)</u>	<u>-</u>	<u>10,348,282</u>
Business-type activities capital assets, net	<u>\$ 13,828,633</u>	<u>\$ 811,516</u>	<u>\$ -</u>	<u>\$ 14,640,149</u>

Depreciation Expense: Depreciation expense charged to business-type activities for the year ending December 31, 2019 is as follows:

	<u>Amount</u>
Water	\$ 286,516
Sewer	<u>286,026</u>
Total	<u>\$ 572,542</u>

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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, 2019 follows:

	Balance January 1	Additions	Reductions	Amount Outstanding December 31	Amount Due in One Year
<u>Governmental activities</u>					
<u>General obligation bonds</u>					
2011 Refunding bonds	\$ 83,000	\$ -	\$ (27,000)	\$ 56,000	\$ 28,000
2011 Refunding premium	268	-	(133)	135	-
Total general obligation bonds	<u>83,268</u>	<u>-</u>	<u>(27,133)</u>	<u>56,135</u>	<u>28,000</u>
<u>Other long-term obligations</u>					
Police pension liability, 4.25%	33,501	-	(1,442)	32,059	1,504
Compensated absences	297,658	204,884	(161,444)	341,098	207,012
Capital leases	783,006	120,000	(165,668)	737,338	168,850
Net pension liability:					
OPERS	1,314,451	950,817	-	2,265,268	-
OP&F	2,424,929	853,270	-	3,278,199	-
Net OPEB liability:					
OPERS	939,909	206,808	-	1,146,717	-
OP&F	2,238,593	-	(1,872,866)	365,727	-
Total other long-term obligations	<u>8,032,047</u>	<u>2,335,779</u>	<u>(2,201,420)</u>	<u>8,166,406</u>	<u>377,366</u>
Total governmental activities	<u>\$ 8,115,315</u>	<u>\$ 2,335,779</u>	<u>\$ (2,228,553)</u>	<u>\$ 8,222,541</u>	<u>\$ 405,366</u>

City of Louisville, Ohio
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For the Year Ended December 31, 2019

Business-type Activities: A summary of the business-type activities' debt and other long-term obligations as of December 31, 2019 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>Business-type activities</u>					
<u>General obligation bonds</u>					
2011 Refunding bonds	\$ 332,000	\$ -	\$ (108,000)	\$ 224,000	\$ 112,000
Unamortized premium	<u>1,884</u>	<u>-</u>	<u>(936)</u>	<u>948</u>	<u>-</u>
Total general obligation bonds	<u>333,884</u>	<u>-</u>	<u>(108,936)</u>	<u>224,948</u>	<u>112,000</u>
<u>Other long-term obligations</u>					
2001 Ohio Public Works					
Commission Loan 0%	95,517	-	(23,879)	71,638	23,879
2018 Ohio Public Works					
Commission Loan 0%	1,168,462	99,130	-	1,267,592	42,253
2005 Ohio Water Development					
Authority Loan 3.98%	23,369	-	(3,217)	20,152	3,347
2018 Ohio Water Development					
Authority Loan 0%	135	20,000	(9,965)	10,170	2,034
2019 Ohio Water Development					
Authority Loan 0%	-	19,166	-	19,166	-
Compensated absences	98,423	74,390	(56,762)	116,051	69,872
Capital lease	-	169,968	(86,306)	83,662	83,662
Net pension liability:					
OPERS - Water portion	342,900	248,039	-	590,939	-
OPERS - Sewer portion	247,650	179,139	-	426,789	-
Net OPEB liability:					
OPERS - Water portion	245,193	53,950	-	299,143	-
OPERS - Sewer portion	<u>177,084</u>	<u>38,964</u>	<u>-</u>	<u>216,048</u>	<u>-</u>
Total other long-term obligations	<u>2,398,733</u>	<u>902,746</u>	<u>(180,129)</u>	<u>3,121,350</u>	<u>225,047</u>
Total business-type activities	<u>\$ 2,732,617</u>	<u>\$ 902,746</u>	<u>\$ (289,065)</u>	<u>\$ 3,346,298</u>	<u>\$ 337,047</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.

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Loans: The \$71,638 OPWC Loan outstanding is an interest-free loan for a water tower, and requires equal payments over twenty years. The 2018 OPWC loan outstanding has not yet been finalized but will require equal payments over thirty years for a wastewater treatment clarifier project. The \$20,152 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. The 2018 OWDA loan is in the planning phase for a water treatment plant project and has not yet been finalized. The 2019 OWDA loan is in the planning phase for a water treatment plant improvement project and has not yet been finalized.

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.

Normally the City would pay net pension/OPEB liability obligations from the fund benefitting from employee services. However, in Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB against the public employer.

The annual requirements to amortize all bonded debt and loans as of December 31, 2019, including interest payments of \$2,100 and \$10,886, respectively for governmental and business-type activities, are as follows:

Governmental Activities:

	General Obligation Debt		Police Pension
	Principal	Interest	Installment
2020	\$ 28,000	\$ 1,400	\$ 1,504
2021	28,000	700	1,569
2022	-	-	1,636
2023	-	-	1,706
2024	-	-	1,780
2025-2029	-	-	10,113
2030-2034	-	-	12,480
2035	-	-	1,271
	<u>\$ 56,000</u>	<u>\$ 2,100</u>	<u>\$ 32,059</u>

City of Louisville, Ohio
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Business-type Activities:

	General Obligation Debt		OWDA Loans		OPWC Loans
	Principal	Interest	Principal	Interest	Principal
2020	\$ 112,000	\$ 5,600	\$ 5,381	\$ 769	\$ 66,132
2021	112,000	2,800	5,515	635	66,132
2022	-	-	5,655	495	66,132
2023	-	-	5,801	349	42,253
2024	-	-	5,952	198	42,253
2025-2029	-	-	2,018	40	211,265
2030-2034	-	-	-	-	211,265
2035-2039	-	-	-	-	211,265
2040-2044	-	-	-	-	211,265
2045-2049	-	-	-	-	211,268
	<u>\$ 224,000</u>	<u>\$ 8,400</u>	<u>\$ 30,322</u>	<u>\$ 2,486</u>	<u>\$ 1,339,230</u>

NOTE 10 – CAPITALIZED LEASE

During 2019, the City entered into a capital lease for the acquisition of a dump truck and a loader. In a prior year, the City entered into a capital lease for the acquisition of an aerial ladder truck and for radios 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 capital assets consisting of vehicles have been capitalized in the amount of \$1,041,479. The depreciation expense of these assets is reported within governmental 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.

For the business-type activities, capital assets consisting of equipment have been capitalized in the statement of net position in the amount of \$169,968. The lease payment were paid for the sewer fund.

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, 2019:

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<u>Year</u>	<u>Lease Payments</u>	
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
2020	\$ 194,995	\$ 86,306
2021	194,993	-
2022	107,374	-
2023	107,374	-
2024	107,374	-
2025	107,374	-
Total minimum lease payments	819,484	86,306
Less: amount representing interest	(82,146)	(2,644)
Total	<u>\$ 737,338</u>	<u>\$ 83,662</u>

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.

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. 2019 public utility property taxes became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 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, 2019 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 2019 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, 2019, was \$2.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2018 property tax receipts were based are as follows:

City of Louisville, Ohio
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<u>Property Category</u>	<u>Valuations for 2019 Collections</u>	
	<u>Assessed Value</u>	<u>Percent</u>
<u>Real Property</u>		
Residential and agricultural	\$ 145,989,040	78.83 %
Commercial and industrial	34,546,430	18.65
Public utilities	<u>4,651,900</u>	<u>2.52</u>
Total	<u>\$ 185,187,370</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% (up to a 2% rate) on income tax earned outside the City and paid to another municipality.

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 - 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.

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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.

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.

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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 <u>ten years after 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

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.

Once a benefit recipient retiring under the Traditional Plan has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided on the member's base benefit. Members retiring under the Combined Plan receive a cost-of-living adjustment on the defined benefit portion of their retirement benefit. 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. Additionally, a death benefit of \$500-\$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional and Combined Plan.

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

City of Louisville, Ohio
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	<u>State and Local</u>
2019 Statutory maximum contribution rates	
Employer	14.00 %
Employee	10.00 %
2019 Actual contribution rates	
Employer:	
Pension	14.00 %
Post-employment health care benefits	-
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 \$231,790 for 2019. Of this amount, \$32,883 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.

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. (See OP&F CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan (DROP) provisions and reduced and unreduced benefits.)

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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 participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 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>
2019 Statutory maximum contribution rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
2019 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	12.25%	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$208,048 for 2019. Of this amount, \$31,179 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, 2019, the specific liability of the City was \$32,059 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, 2018, 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, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. 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:

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	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability - prior measurement date	0.012143%	0.039510%	
Proportion of the net pension liability - current measurement date	<u>0.011987%</u>	<u>0.040161%</u>	
Change in proportionate share	<u>-0.000156%</u>	<u>0.000651%</u>	
Proportionate share of the net pension liability	\$ 3,282,996	\$ 3,278,199	\$ 6,561,195
Pension expense	\$ 745,958	\$ 504,955	\$ 1,250,913

At December 31, 2019, 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	\$ 151	\$ 134,688	\$ 134,839
Changes of assumptions	285,793	86,909	372,702
Net difference between projected and actual earnings on pension plan investments	445,594	403,871	849,465
Changes in proportion and differences between City contributions and proportionate share of contributions	1,531	174,037	175,568
City contributions subsequent to the measurement date	<u>231,790</u>	<u>208,048</u>	<u>439,838</u>
Total deferred outflows of resources	<u>\$ 964,859</u>	<u>\$ 1,007,553</u>	<u>\$ 1,972,412</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 43,108	\$ 3,061	\$ 46,169
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>27,046</u>	<u>46,132</u>	<u>73,178</u>
Total deferred inflows of resources	<u>\$ 70,154</u>	<u>\$ 49,193</u>	<u>\$ 119,347</u>

\$439,838 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year ending December 31:			
2020	\$ 279,039	\$ 250,038	\$ 529,077
2021	135,304	161,723	297,027
2022	41,338	131,894	173,232
2023	207,234	193,889	401,123
2024	-	12,768	12,768
Total	<u>\$ 662,915</u>	<u>\$ 750,312</u>	<u>\$ 1,413,227</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2018 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, includes wage inflation at 3.25 percent COLA or Ad Hoc COLA	3.25 percent to 10.75 percent, Pre January 7, 2013 retirees, 3 percent simple Post January 7, 2013 retirees, 3 percent simple through 2018, then 2.15 percent simple
Investment rate of return	7.2 percent
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of 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.

City of Louisville, Ohio
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During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 2.94% for 2018.

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 2018 and the long-term expected real rates of return:

<u>Asset class</u>	<u>Target allocation</u>	<u>Weighted average long-term expected real rate of return (arithmetic)</u>
Fixed income	23.00%	2.79%
Domestic equities	19.00%	6.21%
Real estate	10.00%	4.90%
Private equity	10.00%	10.81%
International equities	20.00%	7.83%
Other investments	<u>18.00%</u>	<u>5.50%</u>
Total	<u>100.00%</u>	<u>5.95%</u>

Discount Rate The discount rate used to measure the total pension liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future 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 7.2%, 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 (6.2%) or one percentage point higher (8.2%) than the current rate:

	<u>1% Decrease (6.20%)</u>	<u>Current discount rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
City's proportionate share of the net pension liability	\$ 4,849,940	\$ 3,282,996	\$ 1,980,852

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Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018, 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. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2018, are presented below:

Valuation date	January 1, 2018
Actuarial cost method	Entry age normal
Investment rate of return	8.00 percent
Projected salary increases	3.75 percent to 10.5 percent
Payroll increases	3.25 percent
Inflation assumptions	2.75 percent
Cost of living adjustments	3 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68 - 77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60 - 69	60%	45%
70 - 79	75%	70%
80 and up	100%	90%

The most recent experience study was completed December 31, 2016.

City of Louisville, Ohio
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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 geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018 are summarized below:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Cash and cash equivalents	0.00%	0.80%
Domestic equity	16.00%	5.50%
Non-US equity	16.00%	5.90%
Core fixed income *	23.00%	2.60%
U.S. inflation linked bonds*	17.00%	2.30%
High yield	7.00%	4.80%
Private credit	5.00%	7.50%
Real estate	12.00%	6.10%
Private markets	8.00%	8.40%
Real assets	8.00%	7.00%
Master limited partnerships	<u>8.00%</u>	6.40%
 Total	 <u>120.00%</u>	

Note: Assumptions are geometric

* Levered 2x.

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 the 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 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 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.

City of Louisville, Ohio
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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 8.00 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 (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current discount rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$ 4,308,966	\$ 3,278,199	\$ 2,416,844

NOTE 15 - POSTEMPLOYMENT BENEFITS

Net OPEB liability

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

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

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 OPEB are financed; however, the City does receive the benefit of employees' services in exchange for compensation, including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB 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.

City of Louisville, Ohio
Notes to the Basic Financial Statements
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Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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 postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty 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 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

City of Louisville, Ohio
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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 percent 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 percent 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 into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2019.

Ohio Police and Fire Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, and Medicare Part B Premiums to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, 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 75.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

City of Louisville, Ohio
Notes to the Basic Financial Statements
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The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2019, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$5,137 for 2019. Of this amount, \$807 is reported as due to other governments.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net OPEB liability - current measurement date	0.012747%	0.040161%	
Proportion of the net OPEB liability - prior measurement date	<u>0.012544%</u>	<u>0.039510%</u>	
Change in proportionate share	<u>-0.000203%</u>	<u>-0.000651%</u>	
Proportionate share of the net OPEB liability	\$ 1,661,908	\$ 365,727	\$ 2,027,635
OPEB expense	\$ 150,663	\$ (1,792,417)	\$ (1,641,754)

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

City of Louisville, Ohio
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	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 563	\$ -	\$ 563
Changes of assumptions	53,582	189,575	243,157
Net difference between projected and actual earnings on OPEB plan investments	76,189	12,381	88,570
Changes in proportion and differences between City contributions and proportionate share of contributions	14,783	44,070	58,853
City contributions subsequent to the measurement date	-	5,137	5,137
Total deferred outflows of resources	<u>\$ 145,117</u>	<u>\$ 251,163</u>	<u>\$ 396,280</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 4,509	\$ 9,799	\$ 14,308
Changes of assumptions	-	101,251	101,251
Changes in proportion and differences between City contributions and proportionate share of contributions	7,882	-	7,882
Total deferred inflows of resources	<u>\$ 12,391</u>	<u>\$ 111,050</u>	<u>\$ 123,441</u>

\$5,137 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year ending December 31:			
2020	\$ 59,628	\$ 23,600	\$ 83,228
2021	21,945	23,600	45,545
2022	12,771	23,600	36,371
2023	38,383	27,345	65,728
2024	-	21,441	21,441
Thereafter	-	15,390	15,390
Total	<u>\$ 132,727</u>	<u>\$ 134,976</u>	<u>\$ 267,703</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value 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.

City of Louisville, Ohio
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Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage inflation	3.25 percent
Projected salary increases	3.25 to 10.75 percent, includes wage inflation at 3.25 percent
Single discount rate:	
Current measurement date	3.96 percent
Prior measurement date	3.85 percent
Investment rate of return	6.00 percent
Municipal bond rate:	
Current measurement date	3.71 percent
Prior measurement date	3.31 percent
Health care cost trend rate:	
Current measurement date	10.0 percent initial, 3.25 percent, ultimate in 2029
Prior measurement date	7.50 percent initial, 3.25 percent ultimate in 2028
Actuarial cost method	Individual Entry Age Normal

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future 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.

City of Louisville, Ohio
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During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 5.6 percent for 2018.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

<u>Asset class</u>	<u>Target allocation</u>	Weighted average long-term expected real rate of return <u>(arithmetic)</u>
Fixed income	34.00%	2.42%
Domestic equities	21.00%	6.21%
Real estate investment trust	6.00%	5.98%
International equities	22.00%	7.83%
Other investments	<u>17.00%</u>	<u>5.57%</u>
Total	<u>100.00%</u>	<u>5.16%</u>

Discount Rate A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

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Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the City’s proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the City’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.96 percent) or one percentage point higher (4.96 percent) than the current rate:

	1% Decrease <u>(2.96%)</u>	Current discount rate <u>(3.96%)</u>	1% Increase <u>(4.96%)</u>
City's proportionate share of the net OPEB liability	\$ 2,126,200	\$ 1,661,908	\$ 1,292,673

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate <u>Assumption</u>	1% Increase <u></u>
City's proportionate share of the net OPEB liability	\$ 1,597,454	\$ 1,661,908	\$ 1,736,141

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018, rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial cost method	Entry age normal
Investment rate of return	8.0 percent
Projected salary increases	3.75 percent to 10.5 percent
Payroll growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	4.66 percent
Prior measurement date	3.24 percent
Cost of living adjustments	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68 - 77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60 - 69	60%	45%
70 - 79	75%	70%
80 and up	100%	90%

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The most recent experience study was completed for the five year period ended December 31, 2016.

The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 14.

Discount Rate For 2019, the total OPEB liability was calculated using the discount rate of 4.66 percent. For 2018, the total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OPF’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members; therefore, a municipal bond rate of 4.13 percent at December 31, 2018 and 3.16 percent at December 31, 2017 was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 4.66 percent for 2018 and 3.24 percent for 2017. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments until 2031. The long-term expected rate of return on health care investments was applied to projected costs through 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.66 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66 percent), or one percentage point higher (5.66 percent) than the current rate.

	1% Decrease (3.66%)	Current discount rate (4.66%)	1% Increase (5.66%)
City's proportionate share of the net OPEB liability	\$ 445,556	\$ 365,727	\$ 298,718

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

Beginning January 1, 2019 OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years.

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NOTE 16 - 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.

The claims liability of \$1,589 reported in the funds at December 31, 2019 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 2019 and 2018 were:

	Year ended <u>12/31/2019</u>	Year ended <u>12/31/2018</u>
Unpaid claims, beginning of fiscal year	\$ 3,030	\$ 4,951
Incurred claims (including IBNRs)	36,589	33,800
Claim payments	<u>(38,030)</u>	<u>(35,721)</u>
Unpaid claims, end of fiscal year	<u>\$ 1,589</u>	<u>\$ 3,030</u>

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NOTE 17 – 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 2019, 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 18 – 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.

NOTE 19 – 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, 2019 there were two series of Healthcare and Housing Facility Bonds outstanding, with an aggregate principal amount of \$855,000.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 20 – SUBSEQUENT EVENTS

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The City's investment portfolio and the investments of the pension and other employee benefit plan in which the City participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Required Supplementary Information

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

	2019	2018	2017	2016
Ohio Public Employees Retirement System - Traditional Plan				
City's proportion of the net pension liability	0.011987%	0.012143%	0.012323%	0.011884%
City's proportionate share of the net pension liability	\$ 3,282,996	\$ 1,905,001	\$ 2,798,344	\$ 2,058,459
City's covered payroll	\$ 1,798,886	\$ 1,626,715	\$ 1,570,433	\$ 1,446,942
City's proportionate share of the net pension liability as a percentage of its covered payroll	182.50%	117.11%	178.19%	142.26%
Plan fiduciary net position as a percentage of total pension liability	74.70%	84.66%	77.25%	81.08%

	2019	2018	2017	2016
Ohio Police and Fire Pension Fund				
City's proportion of the net pension liability	0.040161%	0.039510%	0.039082%	0.040762%
City's proportionate share of the net pension liability	\$ 3,278,199	\$ 2,424,929	\$ 2,475,410	\$ 2,622,234
City's covered payroll	\$ 963,972	\$ 885,007	\$ 846,141	\$ 854,166
City's proportionate share of the net pension liability as a percentage of its covered payroll	340.07%	274.00%	292.55%	306.99%
Plan fiduciary net position as a percentage of total pension liability	63.07%	70.91%	68.36%	66.77%

(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.

<u>2015</u>	<u>2014</u>
0.012634%	0.012634%
\$ 1,523,802	\$ 1,489,384
\$ 1,445,233	\$ 1,397,185
105.44%	106.60%
86.45%	86.36%

<u>2015</u>	<u>2014</u>
0.033764%	0.033764%
\$ 1,749,127	\$ 1,644,422
\$ 650,589	\$ 537,418
268.85%	305.99%
71.71%	72.53% (2)

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Ohio Public Employees Retirement System - Traditional Plan					
Contractually required contribution	\$ 231,790	\$ 251,844	\$ 211,473	\$ 188,452	\$ 173,633
Contributions in relation to contractually required contribution	<u>(231,790)</u>	<u>(251,844)</u>	<u>(211,473)</u>	<u>(188,452)</u>	<u>(173,633)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 1,655,643	\$ 1,798,886	\$ 1,626,715	\$ 1,570,433	\$ 1,446,942
Contributions as a percentage of covered payroll	14.00%	14.00%	13.00%	12.00%	12.00%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Ohio Police and Fire Pension Fund					
Contractually required contribution	\$ 208,048	\$ 204,844	\$ 188,064	\$ 179,805	\$ 171,602
Contributions in relation to contractually required contribution	<u>(208,048)</u>	<u>(204,844)</u>	<u>(188,064)</u>	<u>(179,805)</u>	<u>(171,602)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 979,049	\$ 963,972	\$ 885,007	\$ 846,141	\$ 854,166
Contributions as a percentage of covered payroll	21.25%	21.25%	21.25%	21.25%	20.09%

(1) Information prior to 2013 is not available.

<u>2014</u>	<u>2013</u>
\$ 173,428	\$ 181,634
<u>(173,428)</u>	<u>(181,634)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 1,445,233	\$ 1,397,185
12.00%	13.00%

<u>2014</u>	<u>2013</u>
\$ 132,460	\$ 91,791
<u>(132,460)</u>	<u>(91,791)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 650,589	\$ 537,418
20.36%	17.08%



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

	<u>2019</u>	<u>2018</u>	<u>2017 (2)</u>
Ohio Public Employees Retirement System			
City's proportion of the net OPEB liability	0.012747%	0.012544%	0.012765%
City's proportionate share of the net OPEB liability	\$ 1,661,908	\$ 1,362,186	\$ 1,289,308
City's covered payroll	\$ 1,798,886	\$ 1,787,600	\$ 1,764,550
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	92.39%	76.20%	73.07%
Plan fiduciary net position as a percentage of total OPEB liability	46.33%	54.14%	54.05%
	<u>2019</u>	<u>2018</u>	<u>2017 (2)</u>
Ohio Police and Fire Pension Fund			
City's proportion of the net OPEB liability	0.040161%	0.039510%	0.039082%
City's proportionate share of the net OPEB liability	\$ 365,727	\$ 2,238,593	\$ 1,855,131
City's covered payroll	\$ 1,055,800	\$ 968,400	\$ 926,200
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	34.64%	231.16%	200.29%
Plan fiduciary net position as a percentage of total OPEB liability	46.57%	14.13%	15.96%

(1) Information prior to 2017 is not available and the amounts presented are as of the City's measurement date which is the prior year end.

(2) Restated during 2018.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Ohio Public Employees Retirement System					
Contractually required contribution	\$ -	\$ -	\$ 17,876	\$ 35,291	\$ 33,309
Contributions in relation to contractually required contribution	<u>-</u>	<u>-</u>	<u>(17,876)</u>	<u>(35,291)</u>	<u>(33,309)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 1,655,643	\$ 1,798,886	\$ 1,787,600	\$ 1,764,550	\$ 1,665,450
Contributions as a percentage of covered payroll	0.00%	0.00%	1.00%	2.00%	2.00%

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Ohio Police and Fire Pension Fund					
Contractually required contribution	\$ 5,137	\$ 5,279	\$ 4,842	\$ 4,631	\$ 4,422
Contributions in relation to contractually required contribution	<u>(5,137)</u>	<u>(5,279)</u>	<u>(4,842)</u>	<u>(4,631)</u>	<u>(4,422)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 1,027,400	\$ 1,055,800	\$ 968,400	\$ 926,200	\$ 884,400
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%	0.50%

(1) Information prior to 2013 is not available.

<u>2014</u>	<u>2013</u>
\$ 33,454	\$ 15,310
<u>(33,454)</u>	<u>(15,310)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 1,672,700	\$ 1,531,000
2.00%	1.00%

<u>2014</u>	<u>2013</u>
\$ 3,477	\$ 21,962
<u>(3,477)</u>	<u>(21,962)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 695,400	\$ 582,546
0.50%	3.77%

City of Louisville, Ohio
Notes to Required Supplementary Information
For the Year Ended December 31, 2019

Pension

Ohio Public Employees Retirement System (OPERS) - 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 2019. 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 significant changes in benefit terms during 2019.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2019. See the notes to the basic financials for the methods and assumptions in this calculation.

OPEB

Ohio Public Employees Retirement System (OPERS)

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 2019. 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 significant changes in benefit terms during 2019.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2019. 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:

- 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, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 879,824	\$ 30,365	\$ 233,390	\$ 1,143,579
Receivables:				
Accounts	133,611	-	2,500	136,111
Due from other governments	26,480	-	-	26,480
Materials and supplies inventory	12,301	-	-	12,301
Prepaid items	10,788	-	-	10,788
Total assets	\$ 1,063,004	\$ 30,365	\$ 235,890	\$ 1,329,259
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ 1,538	\$ -	\$ -	\$ 1,538
Accrued wages and benefits	5,066	-	-	5,066
Due to other governments	400	-	-	400
Total liabilities	7,004	-	-	7,004
Deferred inflows of resources:				
Unavailable revenue - other	43,454	-	-	43,454
Fund balances:				
Nonspendable	23,089	-	-	23,089
Restricted	214,352	30,365	235,890	480,607
Committed	775,105	-	-	775,105
Total fund balances	1,012,546	30,365	235,890	1,278,801
Total liabilities, deferred inflows of resources and fund balances	\$ 1,063,004	\$ 30,365	\$ 235,890	\$ 1,329,259

City of Louisville, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Charges for services	\$ 596,835	\$ -	\$ 40,806	\$ 637,641
Fines and forfeitures	6,791	-	-	6,791
Intergovernmental	149,850	-	12,407	162,257
Investment income	5,072	-	-	5,072
Other	81	-	-	81
Total revenue	<u>758,629</u>	<u>-</u>	<u>53,213</u>	<u>811,842</u>
Expenditures:				
Current:				
General government	3,804	-	10,188	13,992
Security of persons and property	351,150	-	-	351,150
Transportation	358,114	-	-	358,114
Capital outlay	54,324	-	80,856	135,180
Debt service:				
Principal retirement	-	27,000	-	27,000
Interest and fiscal charges	-	2,075	-	2,075
Total expenditures	<u>767,392</u>	<u>29,075</u>	<u>91,044</u>	<u>887,511</u>
Excess of revenues (under) expenditures	<u>(8,763)</u>	<u>(29,075)</u>	<u>(37,831)</u>	<u>(75,669)</u>
Other financing sources:				
Transfers - in	<u>125,000</u>	<u>29,075</u>	<u>150,000</u>	<u>304,075</u>
Net change in fund balance	116,237	-	112,169	228,406
Fund balances at beginning of year	<u>896,309</u>	<u>30,365</u>	<u>123,721</u>	<u>1,050,395</u>
Fund balances at end of year	<u>\$ 1,012,546</u>	<u>\$ 30,365</u>	<u>\$ 235,890</u>	<u>\$ 1,278,801</u>

City of Louisville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019

	State Highway Fund	Motor Vehicle License Fund	Mayor's Court Computerization Fund	Emergency Services Charges Fund
Assets:				
Equity in pooled cash and cash equivalents	\$ 81,576	\$ 18,283	\$ 15,933	\$ 179,480
Receivables:				
Accounts	-	-	-	92,163
Due from other governments	19,392	7,088	-	-
Materials and supplies inventory	12,301	-	-	-
Prepaid items	284	-	-	10,504
Total assets	<u>\$ 113,553</u>	<u>\$ 25,371</u>	<u>\$ 15,933</u>	<u>\$ 282,147</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ 84	\$ -	\$ -	\$ 1,454
Accrued wages and benefits	-	-	-	5,066
Due to other governments	-	-	-	400
Total liabilities	<u>84</u>	<u>-</u>	<u>-</u>	<u>6,920</u>
Deferred inflows of resources:				
Unavailable revenue - other	<u>12,466</u>	<u>-</u>	<u>-</u>	<u>30,988</u>
Fund balances:				
Nonspendable	12,585	-	-	10,504
Restricted	88,418	25,371	15,933	-
Committed	-	-	-	233,735
Total fund balances	<u>101,003</u>	<u>25,371</u>	<u>15,933</u>	<u>244,239</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 113,553</u>	<u>\$ 25,371</u>	<u>\$ 15,933</u>	<u>\$ 282,147</u>

Law Enforcement Education Fund	Law Enforcement Trust Fund	Storm Water Fund	Total Nonmajor Special Revenue Funds
\$ 2,015	\$ 82,615	\$ 499,922	\$ 879,824
-	-	41,448	133,611
-	-	-	26,480
-	-	-	12,301
-	-	-	10,788
<u>\$ 2,015</u>	<u>\$ 82,615</u>	<u>\$ 541,370</u>	<u>\$ 1,063,004</u>
\$ -	\$ -	\$ -	\$ 1,538
-	-	-	5,066
-	-	-	400
-	-	-	7,004
-	-	-	43,454
-	-	-	23,089
2,015	82,615	-	214,352
-	-	541,370	775,105
<u>2,015</u>	<u>82,615</u>	<u>541,370</u>	<u>1,012,546</u>
<u>\$ 2,015</u>	<u>\$ 82,615</u>	<u>\$ 541,370</u>	<u>\$ 1,063,004</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, 2019

	State Highway Fund	Motor Vehicle License Fund	Mayor's Court Computerization Fund	Emergency Services Charges Fund
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ 391,871
Fines and forfeitures	-	-	3,759	-
Intergovernmental	35,617	91,056	-	23,177
Investment income	-	5,072	-	-
Other	-	-	-	81
Total revenue	<u>35,617</u>	<u>96,128</u>	<u>3,759</u>	<u>415,129</u>
Expenditures:				
Current:				
General government	-	-	3,804	-
Security of persons and property	-	-	-	342,151
Transportation	24,718	233,549	-	-
Capital outlay	-	-	-	54,324
Total expenditures	<u>24,718</u>	<u>233,549</u>	<u>3,804</u>	<u>396,475</u>
Excess of revenues over (under) expenditures	<u>10,899</u>	<u>(137,421)</u>	<u>(45)</u>	<u>18,654</u>
Other financing sources:				
Transfers - in	<u>25,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	35,899	(37,421)	(45)	18,654
Fund balances at beginning of year	<u>65,104</u>	<u>62,792</u>	<u>15,978</u>	<u>225,585</u>
Fund balances at end of year	<u>\$ 101,003</u>	<u>\$ 25,371</u>	<u>\$ 15,933</u>	<u>\$ 244,239</u>

Law Enforcement Education Fund	Law Enforcement Trust Fund	Storm Water Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 204,964	\$ 596,835
793	2,239	-	6,791
-	-	-	149,850
-	-	-	5,072
-	-	-	81
<u>793</u>	<u>2,239</u>	<u>204,964</u>	<u>758,629</u>
-	-	-	3,804
499	8,500	-	351,150
-	-	99,847	358,114
-	-	-	54,324
<u>499</u>	<u>8,500</u>	<u>99,847</u>	<u>767,392</u>
<u>294</u>	<u>(6,261)</u>	<u>105,117</u>	<u>(8,763)</u>
-	-	-	125,000
294	(6,261)	105,117	116,237
<u>1,721</u>	<u>88,876</u>	<u>436,253</u>	<u>896,309</u>
<u>\$ 2,015</u>	<u>\$ 82,615</u>	<u>\$ 541,370</u>	<u>\$ 1,012,546</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, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal income tax	\$ 3,617,000	\$ 3,752,000	\$ 3,751,140	\$ (860)
Property and other taxes	460,000	460,000	459,090	(910)
Charges for services	144,000	144,000	142,990	(1,010)
Licenses and permits	152,825	173,325	172,960	(365)
Fines and forfeitures	32,000	34,000	34,218	218
Intergovernmental	269,800	278,900	250,912	(27,988)
Interest	148,800	159,700	180,102	20,402
Contributions and donations	5,000	41,800	41,953	153
Other	39,975	550,025	542,523	(7,502)
Total revenues	4,869,400	5,593,750	5,575,888	(17,862)
Expenditures:				
Current:				
General government				
Office of city council				
Personal services	43,175	41,250	40,100	1,150
Operations and maintenance	31,887	24,587	24,523	64
Total office of city council	75,062	65,837	64,623	1,214
Office of the city manager				
Personal services	252,350	232,600	227,005	5,595
Operations and maintenance	42,775	39,100	38,958	142
Total office of the city manager	295,125	271,700	265,963	5,737
Department of finance and tax				
Personal services	385,275	392,575	384,853	7,722
Operations and maintenance	54,175	47,850	47,750	100
Total department of finance and tax	439,450	440,425	432,603	7,822
Mayor's court				
Personal services	15,800	15,800	15,227	573
Operations and maintenance	17,200	17,200	12,373	4,827
Total mayor's court	33,000	33,000	27,600	5,400
Civil service commission				
Operations and maintenance	27,910	24,460	24,423	37
Division of lands and buildings				
Operations and maintenance	394,371	382,571	378,312	4,259

(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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Department of law				
Personal services	51,375	51,900	50,633	1,267
Operations and maintenance	82,094	82,069	82,059	10
Total department of law	133,469	133,969	132,692	1,277
Other administrative				
Operations and maintenance	170,750	205,625	205,498	127
Total general government	1,569,137	1,557,587	1,531,714	25,873
Security of persons and property				
Division of police				
Personal services	1,590,550	1,564,575	1,438,577	125,998
Operations and maintenance	401,687	387,038	384,939	2,099
Total division of police	1,992,237	1,951,613	1,823,516	128,097
Division of fire				
Personal services	359,275	353,275	335,687	17,588
Operations and maintenance	379,366	393,451	392,929	522
Total division of fire	738,641	746,726	728,616	18,110
Division of street lighting				
Operations and maintenance	128,400	120,300	120,252	48
Division of traffic control maintenance				
Operations and maintenance	31,425	21,900	21,721	179
Division of fire prevention/inspections				
Personal services	10,475	5,425	4,668	757
Operations and maintenance	5,000	4,925	4,706	219
Total division of fire prevention/inspections	15,475	10,350	9,374	976
Total security of persons and property	2,906,178	2,850,889	2,703,479	147,410
Public health and welfare				
Board of health				
Operations and maintenance	145,516	111,444	95,435	16,009
Community environment				
Division of planning and development				
Personal services	199,200	197,500	193,600	3,900
Operations and maintenance	123,856	99,706	99,619	87
Total division of planning and development	323,056	297,206	293,219	3,987

(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, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Division of housing and building code				
Personal services	71,075	65,925	64,527	1,398
Operations and maintenance	7,150	5,325	5,273	52
Total division of housing and building code	78,225	71,250	69,800	1,450
Total community environment	401,281	368,456	363,019	5,437
Leisure time activities				
Division of parks				
Personal services	84,450	78,400	76,749	1,651
Operations and maintenance	123,624	212,899	212,758	141
Total division of parks	208,074	291,299	289,507	1,792
Special events				
Operations and maintenance	39,500	4,500	4,500	-
Total leisure time activities	247,574	295,799	294,007	1,792
Total expenditures	5,269,686	5,184,175	4,987,654	196,521
Excess of revenues over (under) expenditures	(400,286)	409,575	588,234	178,659
Other financing sources (uses):				
Sale of capital assets	-	4,850	4,837	(13)
Transfers - in	1,825	1,825	1,823	(2)
Transfers - out	(555,900)	(655,898)	(655,898)	-
Total other financing sources (uses)	(554,075)	(649,223)	(649,238)	(15)
Net change in fund balance	(954,361)	(239,648)	(61,004)	178,644
Fund balance at beginning of year	2,313,515	2,313,515	2,313,515	-
Prior year encumbrances appropriated	304,661	304,661	304,661	-
Fund balance at end of year	\$ 1,663,815	\$ 2,378,528	\$ 2,557,172	\$ 178,644

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, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$ 339,000	\$ 410,500	\$ 410,271	\$ (229)
Contributions and donations	1,000	1,000	1,000	-
Other	2,000	1,500	1,499	(1)
Total revenues	<u>342,000</u>	<u>413,000</u>	<u>412,770</u>	<u>(230)</u>
<u>Expenditures:</u>				
Current:				
Transportation				
Division of street maintenance				
Personal services	367,300	365,925	358,489	7,436
Operations and maintenance	285,136	254,287	252,866	1,421
Total division of street maintenance	<u>652,436</u>	<u>620,212</u>	<u>611,355</u>	<u>8,857</u>
Division of snow and ice removal				
Operations and maintenance	234,973	234,622	221,892	12,730
Total expenditures	<u>887,409</u>	<u>854,834</u>	<u>833,247</u>	<u>21,587</u>
Excess of revenues under expenditures	<u>(545,409)</u>	<u>(441,834)</u>	<u>(420,477)</u>	<u>21,357</u>
Other financing sources:				
Sale of capital assets	2,000	19,350	19,350	-
Transfers - in	350,000	350,000	350,000	-
Total other financing sources	<u>352,000</u>	<u>369,350</u>	<u>369,350</u>	<u>-</u>
Net change in fund balance	(193,409)	(72,484)	(51,127)	21,357
Fund balance at beginning of year	404,137	404,137	404,137	-
Prior year encumbrances appropriated	<u>72,659</u>	<u>72,659</u>	<u>72,659</u>	<u>-</u>
Fund balance at end of year	<u>\$ 283,387</u>	<u>\$ 404,312</u>	<u>\$ 425,669</u>	<u>\$ 21,357</u>

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, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$ 28,600	\$ 33,300	\$ 33,265	\$ (35)
<u>Expenditures:</u>				
Current:				
Transportation				
Division of street maintenance				
Operations and maintenance	42,075	19,125	18,963	162
Division of snow and ice removal				
Operations and maintenance	19,244	19,244	17,896	1,348
Total expenditures	61,319	38,369	36,859	1,510
Excess of revenues under expenditures	(32,719)	(5,069)	(3,594)	1,475
Other financing sources:				
Transfers - in	25,000	25,000	25,000	-
Net change in fund balance	(7,719)	19,931	21,406	1,475
Fund balance at beginning of year	47,631	47,631	47,631	-
Prior year encumbrances appropriated	5,619	5,619	5,619	-
Fund balance at end of year	<u>\$ 45,531</u>	<u>\$ 73,181</u>	<u>\$ 74,656</u>	<u>\$ 1,475</u>

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, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$ 91,000	\$ 91,000	\$ 90,866	\$ (134)
Interest	<u>7,000</u>	<u>5,000</u>	<u>5,072</u>	<u>72</u>
Total revenues	<u>98,000</u>	<u>96,000</u>	<u>95,938</u>	<u>(62)</u>
<u>Expenditures:</u>				
Current:				
Transportation				
Division of street construction				
Operations and maintenance	<u>240,000</u>	<u>240,000</u>	<u>233,549</u>	<u>6,451</u>
Excess of revenues under expenditures	<u>(142,000)</u>	<u>(144,000)</u>	<u>(137,611)</u>	<u>6,389</u>
Other financing sources:				
Transfers - in	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	(42,000)	(44,000)	(37,611)	6,389
Fund balance at beginning of year	<u>55,894</u>	<u>55,894</u>	<u>55,894</u>	<u>-</u>
Fund balance at end of year	<u>\$ 13,894</u>	<u>\$ 11,894</u>	<u>\$ 18,283</u>	<u>\$ 6,389</u>

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, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Fines and forfeitures	\$ 4,000	\$ 4,000	\$ 3,759	\$ (241)
<u>Expenditures:</u>				
Current:				
General government				
Mayor's court				
Operations and maintenance	4,000	3,825	3,804	21
Net change in fund balance	-	175	(45)	(220)
Fund balance at beginning of year	15,978	15,978	15,978	-
Fund balance at end of year	<u>\$ 15,978</u>	<u>\$ 16,153</u>	<u>\$ 15,933</u>	<u>\$ (220)</u>

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, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Charges for services	\$ 341,000	\$ 387,900	\$ 387,424	\$ (476)
Intergovernmental	-	43,334	23,177	(20,157)
Total revenues	341,000	431,234	410,601	(20,633)
<u>Expenditures:</u>				
Current:				
Security of persons and property				
Division of emergency services				
Personal services	231,100	216,975	205,091	11,884
Operations and maintenance	173,579	207,729	207,260	469
Total expenditures	404,679	424,704	412,351	12,353
Excess of revenues over (under) expenditures	(63,679)	6,530	(1,750)	(8,280)
Other financing sources:				
Sale of capital assets	-	100	81	(19)
Net change in fund balance	(63,679)	6,630	(1,669)	(8,299)
Fund balance at beginning of year	156,590	156,590	156,590	-
Prior year encumbrances appropriated	16,129	16,129	16,129	-
Fund balance at end of year	\$ 109,040	\$ 179,349	\$ 171,050	\$ (8,299)

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and forfeitures	\$ 1,500	\$ 800	\$ 793	\$ (7)
<u>Expenditures:</u>				
Current:				
Security of persons and property				
Division of police				
Operations and maintenance	1,500	500	499	1
Net change in fund balance	-	300	294	(6)
Fund balance at beginning of year	1,721	1,721	1,721	-
Fund balance at end of year	\$ 1,721	\$ 2,021	\$ 2,015	\$ (6)

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and forfeitures	\$ 11,000	\$ 2,200	\$ 2,239	\$ 39
<u>Expenditures:</u>				
Current:				
Security of persons and property				
Division of police				
Operations and maintenance	5,000	8,500	8,500	-
Net change in fund balance	6,000	(6,300)	(6,261)	39
Fund balance at beginning of year	88,876	88,876	88,876	-
Fund balance at end of year	\$ 94,876	\$ 82,576	\$ 82,615	\$ 39

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for services	\$ 200,000	\$ 203,000	\$ 203,023	\$ 23
<u>Expenditures:</u>				
Current:				
Transportation				
Division of storm water maintenance				
Operations and maintenance	185,850	125,675	125,610	65
Net change in fund balance	14,150	77,325	77,413	88
Fund balance at beginning of year	400,137	400,137	400,137	-
Fund balance at end of year	\$ 414,287	\$ 477,462	\$ 477,550	\$ 88

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, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Debt service:				
Principal retirement	27,000	27,000	27,000	-
Interest and fiscal charges	2,075	2,075	2,075	-
Total expenditures	29,075	29,075	29,075	-
Excess of revenues under expenditures	(29,075)	(29,075)	(29,075)	-
Other financing sources:				
Transfers - in	29,075	29,075	29,075	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	30,365	30,365	30,365	-
Fund balance at end of year	\$ 30,365	\$ 30,365	\$ 30,365	\$ -

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, 2019

	<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	\$ -	\$ 40,806	\$ 40,806	\$ -
Intergovernmental	-	12,400	12,407	7
Total revenues	-	53,206	53,213	7
<u>Expenditures:</u>				
Current:				
General government				
Division of lands and buildings				
Operations and maintenance	49,725	91,106	91,096	10
Excess of revenues under expenditures	(49,725)	(37,900)	(37,883)	17
Other financing sources:				
Transfers - in	50,000	150,000	150,000	-
Net change in fund balance	275	112,100	112,117	17
Fund balance at beginning of year	121,273	121,273	121,273	-
Fund balance at end of year	\$ 121,548	\$ 233,373	\$ 233,390	\$ 17

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, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 1,591,225	\$ 1,431,300	\$ 1,427,391	\$ (3,909)
Tap-in fees	9,000	29,000	29,000	-
Other	-	-	-	-
Total revenues	<u>1,600,225</u>	<u>1,460,300</u>	<u>1,456,391</u>	<u>(3,909)</u>
Expenses:				
Personal services	401,900	373,700	373,673	27
Fringe benefits	162,700	145,875	135,472	10,403
Contractual services	326,930	313,254	312,259	995
Materials and supplies	82,680	86,230	85,843	387
Capital outlay	3,151,236	1,156,736	1,155,292	1,444
Total expenses	<u>4,125,446</u>	<u>2,075,795</u>	<u>2,062,539</u>	<u>13,256</u>
Operating loss	<u>(2,525,221)</u>	<u>(615,495)</u>	<u>(606,148)</u>	<u>9,347</u>
Nonoperating revenue (expenses):				
Municipal income taxes	1,102,256	1,147,256	1,146,931	(325)
Principal retirement	(114,400)	(113,510)	(113,496)	14
Interest and fiscal charges	(6,650)	(7,541)	(7,538)	3
Total nonoperating revenue (expenses)	<u>981,206</u>	<u>1,026,205</u>	<u>1,025,897</u>	<u>(308)</u>
Income (loss) before other financing sources (uses)	<u>(1,544,015)</u>	<u>410,710</u>	<u>419,749</u>	<u>9,039</u>
Other financing sources (uses):				
Proceeds of OWDA loans	2,143,900	62,900	33,643	(29,257)
Transfers - in	526,050	926,050	926,050	-
Transfers - out	(1,003,325)	(1,403,325)	(1,403,325)	-
Total other financing sources (uses)	<u>1,666,625</u>	<u>(414,375)</u>	<u>(443,632)</u>	<u>(29,257)</u>
Change in fund position	122,610	(3,665)	(23,883)	(20,218)
Net position at beginning of year	3,287,617	3,287,617	3,287,617	-
Prior year encumbrances appropriated	<u>153,804</u>	<u>153,804</u>	<u>153,804</u>	<u>-</u>
Net position at end of year	<u>\$ 3,564,031</u>	<u>\$ 3,437,756</u>	<u>\$ 3,417,538</u>	<u>\$ (20,218)</u>

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, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Charges for services	\$ 1,250,800	\$ 1,323,200	\$ 1,323,026	\$ (174)
Tap-in fees	10,000	23,700	23,650	(50)
Total revenues	1,260,800	1,346,900	1,346,676	(224)
<u>Expenses:</u>				
Personal services	402,100	369,200	369,173	27
Fringe benefits	165,600	148,700	138,879	9,821
Contractual services	424,649	400,674	400,208	466
Materials and supplies	105,305	97,405	96,188	1,217
Capital outlay	870,145	958,476	800,696	157,780
Total expenses	1,967,799	1,974,455	1,805,144	169,311
Operating loss	(706,999)	(627,555)	(458,468)	169,087
Nonoperating revenue (expenses):				
Municipal income tax	103,444	103,444	103,444	-
Principal retirement	(71,600)	(21,600)	(21,600)	-
Interest and fiscal charges	(1,675)	(1,674)	(1,660)	14
Total nonoperating revenue (expenses)	30,169	80,170	80,184	14
Loss before other financing sources	(676,830)	(547,385)	(378,284)	169,101
Other financing sources:				
Proceeds of OPWC loans	-	99,130	99,130	-
Transfers - in	477,275	477,275	477,275	-
Total other financing sources	477,275	576,405	576,405	-
Change in fund position	(199,555)	29,020	198,121	169,101
Net position at beginning of year	3,279,978	3,279,978	3,279,978	-
Prior year encumbrances appropriated	186,416	186,416	186,416	-
Net position at end of year	\$ 3,266,839	\$ 3,495,414	\$ 3,664,515	\$ 169,101

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>2019</u>	<u>2018</u>	Restated <u>2017 (2)</u>	<u>2016</u>	<u>2015</u>
<u>Governmental Activities</u>					
Net investment in capital assets	\$ 12,151,973	\$ 12,094,042	\$ 12,008,865	\$ 12,281,304	\$ 12,229,376
Restricted	1,296,951	1,090,384	963,782	845,644	750,487
Unrestricted	<u>(888,354)</u>	<u>(2,336,785)</u>	<u>(1,737,697)</u>	<u>1,190,011</u>	<u>1,005,040</u>
Total governmental activities net position	<u><u>12,560,570</u></u>	<u><u>10,847,641</u></u>	<u><u>11,234,950</u></u>	<u><u>14,316,959</u></u>	<u><u>13,984,903</u></u>
<u>Business-Type Activities</u>					
Net investment in capital assets	12,942,821	12,207,266	10,587,689	10,502,851	10,336,346
Unrestricted	<u>7,086,484</u>	<u>6,567,976</u>	<u>6,845,993</u>	<u>5,809,480</u>	<u>4,370,633</u>
Total business-type activities net position	<u><u>20,029,305</u></u>	<u><u>18,775,242</u></u>	<u><u>17,433,682</u></u>	<u><u>16,312,331</u></u>	<u><u>14,706,979</u></u>
<u>Primary Government</u>					
Net investment in capital assets	25,094,794	24,301,308	22,596,554	22,784,155	22,565,722
Restricted	1,296,951	1,090,384	963,782	845,644	750,487
Unrestricted	<u>6,198,130</u>	<u>4,231,191</u>	<u>5,108,296</u>	<u>6,999,491</u>	<u>5,375,673</u>
Total primary government net position	<u><u>\$ 32,589,875</u></u>	<u><u>\$ 29,622,883</u></u>	<u><u>\$ 28,668,632</u></u>	<u><u>\$ 30,629,290</u></u>	<u><u>\$ 28,691,882</u></u>

Source: City of Louisville basic financial statements.

- (1) Accrual basis of accounting.
- (2) The City implemented GASB 75 during 2018 and as a result 2017 was restated.
- (3) The City implemented GASB 68 during 2015 and as a result 2014 was restated.
- (4) The City reclassified the storm water fund as a governmental fund during 2013 and as a result 2012 was restated.
- (5) The City implemented GASB 65 during 2012 and as a result 2011 was restated.

<u>Restated</u> <u>2014 (3)</u>	<u>2013</u>	<u>Restated</u> <u>2012 (4)</u>	<u>Restated</u> <u>2011 (5)</u>	<u>2010</u>
\$ 12,214,763	\$ 12,033,892	\$ 11,560,990	\$ 5,930,971	\$ 4,238,952
592,027	731,396	1,162,743	593,508	916,049
<u>763,304</u>	<u>3,360,551</u>	<u>2,922,623</u>	<u>2,604,346</u>	<u>2,065,143</u>
<u>13,570,094</u>	<u>16,125,839</u>	<u>15,646,356</u>	<u>9,128,825</u>	<u>7,220,144</u>
9,916,725	9,923,854	9,675,807	8,520,159	8,083,638
<u>3,336,946</u>	<u>2,718,611</u>	<u>2,080,876</u>	<u>1,854,803</u>	<u>1,696,699</u>
<u>13,253,671</u>	<u>12,642,465</u>	<u>11,756,683</u>	<u>10,374,962</u>	<u>9,780,337</u>
22,131,488	21,957,746	21,236,797	14,451,130	12,322,590
592,027	731,396	1,162,743	593,508	916,049
<u>4,100,250</u>	<u>6,079,162</u>	<u>5,003,499</u>	<u>4,459,149</u>	<u>3,761,842</u>
<u>\$ 26,823,765</u>	<u>\$ 28,768,304</u>	<u>\$ 27,403,039</u>	<u>\$ 19,503,787</u>	<u>\$ 17,000,481</u>

CITY OF LOUISVILLE, OHIO
Changes in Net Position (1)
Last Ten Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses					
Governmental Activities:					
General government	\$ 1,499,084	\$ 1,316,959	\$ 1,452,835	\$ 1,045,516	\$ 1,118,995
Security of persons and property	1,608,618	3,426,558	3,042,626	2,895,871	2,500,837
Public health and welfare	74,924	95,667	113,804	94,167	90,079
Transportation	1,518,504	1,175,784	1,063,987	996,489	835,810
Community environment	399,922	298,476	308,542	261,543	291,723
Leisure time activities	206,336	182,535	185,225	181,311	201,622
Interest and fiscal charges	29,587	35,323	33,705	26,193	14,623
Total governmental activities expenses	<u>5,336,975</u>	<u>6,531,302</u>	<u>6,200,724</u>	<u>5,501,090</u>	<u>5,053,689</u>
Business-Type Activities:					
Water	1,431,940	1,160,327	1,172,017	1,056,055	1,106,846
Sewer	1,417,140	1,361,080	1,011,187	958,109	966,393
Storm water	-	-	-	-	-
Total business-type activities expenses	<u>2,849,080</u>	<u>2,521,407</u>	<u>2,183,204</u>	<u>2,014,164</u>	<u>2,073,239</u>
Total primary government expenses	<u>\$ 8,186,055</u>	<u>\$ 9,052,709</u>	<u>\$ 8,383,928</u>	<u>\$ 7,515,254</u>	<u>\$ 7,126,928</u>
Program Revenues					
Governmental Activities:					
Charges for services					
General government	\$ 185,434	\$ 292,143	\$ 259,659	\$ 255,490	\$ 238,558
Security of persons and property	373,112	449,375	345,998	368,166	335,212
Transportation	225,813	206,272	201,519	201,900	154,036
Community environment	172,960	65,441	57,826	56,855	48,819
Leisure time activities	5,023	5,910	5,198	5,545	6,704
Operating grants, contributions and interest	649,395	576,082	650,272	584,732	577,606
Capital grants and contributions	75,806	-	-	-	27,250
Total governmental activities program revenues	<u>1,687,543</u>	<u>1,595,223</u>	<u>1,520,472</u>	<u>1,472,688</u>	<u>1,388,185</u>
Business-Type Activities:					
Charges for services					
Water	1,469,313	1,397,230	1,270,817	1,226,405	1,304,450
Sewer	1,358,995	1,285,310	1,223,956	1,211,860	1,242,146
Storm water	-	-	-	-	-
Operating grants, contributions and interest	-	-	-	-	-
Capital grants and contributions	9,965	-	-	-	-
Total business-type activities program revenues	<u>2,838,273</u>	<u>2,682,540</u>	<u>2,494,773</u>	<u>2,438,265</u>	<u>2,546,596</u>
Total primary government program revenues	<u>\$ 4,525,816</u>	<u>\$ 4,277,763</u>	<u>\$ 4,015,245</u>	<u>\$ 3,910,953</u>	<u>\$ 3,934,781</u>
Net (expense)/revenue					
Governmental activities	\$ (3,649,432)	\$ (4,936,079)	\$ (4,680,252)	\$ (4,028,402)	\$ (3,665,504)
Business-type activities	(10,807)	161,133	311,569	424,101	473,357
Total primary government net expense	<u>\$ (3,660,239)</u>	<u>\$ (4,774,946)</u>	<u>\$ (4,368,683)</u>	<u>\$ (3,604,301)</u>	<u>\$ (3,192,147)</u>

CITY OF LOUISVILLE, OHIO
Changes in Net Position (1)
Last Ten Years
Continued

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property taxes levied for:					
General purposes	\$ 457,861	\$ 399,997	\$ 409,494	\$ 423,129	\$ 359,702
Income tax levied for:					
General purposes	3,794,626	3,536,558	3,611,791	3,538,813	3,318,897
Grants and entitlements not restricted to specific programs	247,161	258,997	192,844	220,627	219,958
Gain on sale of capital assets	-	-	-	119,017	-
Investment earnings	309,251	168,956	71,596	22,758	4,445
Other	553,462	184,262	40,096	36,114	53,186
Transfers	-	-	-	-	124,125
Total governmental activities	<u>5,362,361</u>	<u>4,548,770</u>	<u>4,325,821</u>	<u>4,360,458</u>	<u>4,080,313</u>
Business-Type Activities:					
Income tax levied for:					
Water utility services	717,152	600,418	898,261	869,245	729,063
Sewer utility services	547,718	578,234	305,664	309,031	374,453
Investment earnings	-	-	-	-	-
Grants and entitlements not restricted to specific programs	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-
Capital contributions	-	-	-	-	-
Other	-	1,775	-	2,975	560
Transfers	-	-	-	-	(124,125)
Total business-type activities	<u>1,264,870</u>	<u>1,180,427</u>	<u>1,203,925</u>	<u>1,181,251</u>	<u>979,951</u>
Total primary government	<u>\$ 6,627,231</u>	<u>\$ 5,729,197</u>	<u>\$ 5,529,746</u>	<u>\$ 5,541,709</u>	<u>\$ 5,060,264</u>
Change in net position					
Governmental activities	\$ 1,712,929	\$ (387,309)	\$ (354,431)	\$ 332,056	\$ 414,809
Business-type activities	1,254,063	1,341,560	1,515,494	1,605,352	1,453,308
Total primary government	<u>\$ 2,966,992</u>	<u>\$ 954,251</u>	<u>\$ 1,161,063</u>	<u>\$ 1,937,408</u>	<u>\$ 1,868,117</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 as a result 2012 was restated.

CITY OF LOUISVILLE, OHIO
Changes in Net Position (1)
Last Ten Years
Continued

	<u>2014</u>	<u>2013</u>	<u>2012 (2)</u>	<u>2011</u>	<u>2010</u>
Expenses					
Governmental Activities:					
General government	\$ 1,181,784	\$ 1,063,115	\$ 1,257,674	\$ 1,041,834	\$ 891,233
Security of persons and property	2,398,630	2,169,438	2,179,718	2,008,185	2,183,465
Public health and welfare	81,088	79,746	66,050	65,093	50,860
Transportation	1,068,168	1,014,335	675,174	519,001	681,247
Community environment	295,526	204,758	160,529	169,936	147,504
Leisure time activities	205,010	209,294	192,361	234,722	214,946
Interest and fiscal charges	7,611	11,125	7,464	16,096	17,085
Total governmental activities expenses	<u>5,237,817</u>	<u>4,751,811</u>	<u>4,538,970</u>	<u>4,054,867</u>	<u>4,186,340</u>
Business-Type Activities:					
Water	1,151,358	1,103,801	1,161,768	1,144,617	1,199,786
Sewer	1,092,329	1,095,660	1,113,201	1,082,752	1,074,184
Storm water	-	-	86,353	90,263	60,182
Total business-type activities expenses	<u>2,243,687</u>	<u>2,199,461</u>	<u>2,361,322</u>	<u>2,317,632</u>	<u>2,334,152</u>
Total primary government expenses	<u>\$ 7,481,504</u>	<u>\$ 6,951,272</u>	<u>\$ 6,900,292</u>	<u>\$ 6,372,499</u>	<u>\$ 6,520,492</u>
Program Revenues					
Governmental Activities:					
Charges for services					
General government	\$ 238,853	\$ 232,077	\$ 434,958	\$ 391,958	\$ 234,515
Security of persons and property	282,619	384,506	322,745	284,646	329,559
Transportation	142,775	137,923	10,375	8,142	-
Community environment	49,813	42,119	7,739	4,470	4,535
Leisure time activities	7,005	8,153	5,590	6,058	31,227
Operating grants, contributions and interest	486,861	472,525	927,554	457,775	684,907
Capital grants and contributions	21,175	133,801	4,992,360	1,330,182	405,488
Total governmental activities program revenues	<u>1,229,101</u>	<u>1,411,104</u>	<u>6,701,321</u>	<u>2,483,231</u>	<u>1,690,231</u>
Business-Type Activities:					
Charges for services					
Water	1,140,104	1,045,752	996,464	950,304	863,578
Sewer	1,090,972	1,027,080	994,360	938,589	882,329
Storm water	-	-	139,494	114,048	130,395
Operating grants, contributions and interest	-	9,940	1,392,596	126,853	-
Capital grants and contributions	-	-	-	-	385,583
Total business-type activities program revenues	<u>2,231,076</u>	<u>2,082,772</u>	<u>3,522,914</u>	<u>2,129,794</u>	<u>2,261,885</u>
Total primary government program revenues	<u>\$ 3,460,177</u>	<u>\$ 3,493,876</u>	<u>\$ 10,224,235</u>	<u>\$ 4,613,025</u>	<u>\$ 3,952,116</u>
Net (expense)/revenue					
Governmental activities	\$ (4,008,716)	\$ (3,340,707)	\$ 2,162,351	\$ (1,571,636)	\$ (2,496,109)
Business-type activities	(12,611)	(116,689)	1,161,592	(187,838)	(72,267)
Total primary government net expense	<u>\$ (4,021,327)</u>	<u>\$ (3,457,396)</u>	<u>\$ 3,323,943</u>	<u>\$ (1,759,474)</u>	<u>\$ (2,568,376)</u>

CITY OF LOUISVILLE, OHIO

Changes in Net Position (1)

Last Ten Years

Continued

	<u>2014</u>	<u>2013</u>	<u>2012 (2)</u>	<u>2011</u>	<u>2010</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property taxes levied for:					
General purposes	\$ 348,892	\$ 345,077	\$ 376,095	\$ 248,169	\$ 496,221
Income tax levied for:					
General purposes	3,214,022	3,007,404	2,817,361	2,663,045	2,497,694
Grants and entitlements not restricted to specific programs	234,565	362,979	412,228	499,385	363,559
Gain on sale of capital assets	1,206	-	-	-	-
Investment earnings	1,798	380	1,485	1,629	2,967
Other	32,981	104,350	23,288	6,541	136,573
Transfers	-	-	(604,950)	67,421	112,950
Total governmental activities	<u>3,833,464</u>	<u>3,820,190</u>	<u>3,025,507</u>	<u>3,486,190</u>	<u>3,609,964</u>
Business-Type Activities:					
Income tax levied for:					
Water utility services	601,286	505,613	473,485	408,241	262,921
Sewer utility services	469,956	496,858	465,638	478,852	569,643
Investment earnings	-	-	98	-	-
Grants and entitlements not restricted to specific programs	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-
Capital contributions	-	-	-	-	-
Other	-	-	5,631	7,398	10,332
Transfers	-	-	604,950	(67,421)	(112,950)
Total business-type activities	<u>1,071,242</u>	<u>1,002,471</u>	<u>1,549,802</u>	<u>827,070</u>	<u>729,946</u>
Total primary government	<u>\$ 4,904,706</u>	<u>\$ 4,822,661</u>	<u>\$ 4,575,309</u>	<u>\$ 4,313,260</u>	<u>\$ 4,339,910</u>
Change in net position					
Governmental activities	\$ (175,252)	\$ 479,483	\$ 5,187,858	\$ 1,914,554	\$ 1,113,855
Business-type activities	1,058,631	885,782	2,711,394	639,232	657,679
Total primary government	<u>\$ 883,379</u>	<u>\$ 1,365,265</u>	<u>\$ 7,899,252</u>	<u>\$ 2,553,786</u>	<u>\$ 1,771,534</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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund					
Nonspendable	\$ 34,287	\$ 42,236	\$ 37,003	\$ 36,835	\$ 9,656
Assigned	787,258	930,905	1,081,341	847,582	534,215
Unassigned	<u>2,448,717</u>	<u>2,081,866</u>	<u>1,942,340</u>	<u>1,979,422</u>	<u>2,215,335</u>
Total general fund	<u>\$ 3,270,262</u>	<u>\$ 3,055,007</u>	<u>\$ 3,060,684</u>	<u>\$ 2,863,839</u>	<u>\$ 2,759,206</u>
All Other Governmental Funds					
Nonspendable	\$ 180,346	\$ 116,327	\$ 121,187	\$ 151,126	\$ 115,007
Restricted	1,005,255	897,574	756,385	575,760	511,700
Committed	775,105	649,686	551,172	411,280	341,992
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 1,960,706</u>	<u>\$ 1,663,587</u>	<u>\$ 1,428,744</u>	<u>\$ 1,138,166</u>	<u>\$ 968,699</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.

<u>2014</u>	<u>2013</u>	Restated <u>2012 (2)</u>	<u>2011</u>	Restated <u>2010 (3)</u>
\$ 8,490	\$ 7,810	\$ 2,272	\$ 3,141	\$ 32,564
102,453	1,030,771	152,936	53,805	28,886
<u>2,425,929</u>	<u>1,650,589</u>	<u>2,478,854</u>	<u>2,138,647</u>	<u>1,721,833</u>
<u>\$ 2,536,872</u>	<u>\$ 2,689,170</u>	<u>\$ 2,634,062</u>	<u>\$ 2,195,593</u>	<u>\$ 1,783,283</u>
\$ 52,442	\$ 63,643	\$ 65,191	\$ 16,522	\$ 122,502
434,601	558,624	434,006	452,329	495,281
350,370	348,895	365,060	183,195	192,040
<u>-</u>	<u>-</u>	<u>(206,796)</u>	<u>(83,585)</u>	<u>(4,993)</u>
<u>\$ 837,413</u>	<u>\$ 971,162</u>	<u>\$ 657,461</u>	<u>\$ 568,461</u>	<u>\$ 804,830</u>

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

	<u>2019</u>	<u>2018</u>	<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>Revenues</u>										
Taxes	\$ 4,169,574	\$ 4,069,068	\$ 4,030,234	\$ 3,668,779	\$ 3,675,861	\$ 3,551,081	\$ 3,369,640	\$ 3,131,479	\$ 2,955,928	\$ 2,959,442
Charges for services	780,631	693,139	675,343	671,376	591,617	569,033	573,919	555,012	489,370	558,729
Fines, licenses and permits	214,934	285,800	195,144	184,758	166,889	197,463	184,963	179,437	182,907	137,544
Intergovernmental revenues	860,680	829,992	892,730	803,716	816,170	745,403	1,368,270	4,024,929	2,169,197	1,721,226
Investment income	314,323	176,039	74,339	23,924	4,664	1,909	392	1,588	1,777	3,484
Contributions and donations	42,953	8,620	7,600	9,491	8,310	4,050	5,025	14,981	10,680	14,356
Rentals	-	-	-	-	-	-	-	-	-	11,307
Other	566,909	196,703	35,117	35,470	54,002	34,729	108,625	74,677	47,697	75,153
Total revenues	<u>6,950,004</u>	<u>6,259,361</u>	<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>Expenditures</u>										
General government	1,222,225	1,211,723	1,047,651	953,372	1,058,754	1,116,650	1,013,492	1,187,652	883,541	847,125
Security of persons and property	2,760,245	2,796,723	2,522,778	2,393,046	2,265,913	2,189,232	2,004,392	2,019,392	1,878,556	2,055,272
Public health and welfare	74,924	95,667	113,804	94,167	90,079	81,088	79,746	66,050	65,093	50,860
Transportation	985,549	726,615	599,030	626,022	512,457	791,766	768,679	567,702	440,086	610,206
Community environment	316,886	270,729	263,441	253,266	291,349	286,094	196,848	158,639	149,141	151,145
Leisure time activities	132,755	107,188	115,646	111,898	121,746	128,965	136,631	123,443	130,297	149,882
Capital outlay	840,976	777,837	582,937	1,472,416	458,588	1,028,059	941,200	3,575,978	2,173,898	1,098,608
Debt service:										
Principal retirement	192,668	196,952	153,028	261,148	150,045	156,500	114,352	88,377	67,415	104,290
Interest and fiscal charges	31,402	37,116	35,486	10,733	14,962	7,987	11,539	7,553	12,798	17,177
Issuance costs	-	-	-	-	-	-	-	-	5,873	-
Total expenditures	<u>6,557,630</u>	<u>6,220,550</u>	<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>
Excess of revenues over (under) expenditures	<u>392,374</u>	<u>38,811</u>	<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>Other financing sources (uses)</u>										
Bonds issued	-	-	-	-	-	-	-	-	235,000	-
Inception of capital lease	120,000	167,838	-	921,479	-	377,126	-	190,000	120,000	-
Premium on bonds issued	-	-	-	-	-	-	-	-	2,301	-
Sale of capital assets	-	22,517	10,717	131,175	-	19,500	24,854	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	(232,218)	-
Transfers in	654,075	558,700	479,350	438,750	454,150	471,700	316,620	282,250	415,866	449,260
Transfers out	(654,075)	(558,700)	(479,350)	(438,750)	(454,150)	(471,700)	(316,620)	(282,250)	(415,866)	(449,260)
Total other financing sources (uses)	<u>120,000</u>	<u>190,355</u>	<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>
Net change in fund balance	<u>\$ 512,374</u>	<u>\$ 229,166</u>	<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>
Debt service as a percentage of noncapital expenditures	3.9%	4.3%	3.9%	5.8%	3.7%	3.5%	2.9%	2.3%	2.2%	3.0%

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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		
2019	\$ 180,535,470	\$ 515,815,629	\$ 4,651,900	\$ 11,946,925	\$ -	\$ -	\$ 185,187,370	\$ 527,762,554	34.77%	\$ 2.80
2018	163,564,890	467,328,257	4,495,600	11,545,518	-	-	168,060,490	478,873,775	34.76%	2.80
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

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 2010-2019 and the other half at 25% of true value.
- (3) Tangible personal property is assessed at 0% for 2010-2019.

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>
2019	\$ 518,461	\$ 511,459	98.65%	\$ 18,249	3.52%	\$ 76.50
2018	470,526	456,189	96.95%	26,787	5.69%	77.00
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

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

	2019			2010			
	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	\$ 4,204,320	1	2.33%	\$ -		0.00%	2.33
Covington Ridge One LLC	2,993,340	2	1.66%	-		0.00%	1.66
St. Joseph Care Center	2,447,500	3	1.36%	-		0.00%	1.36
HP Products Inc.	1,996,210	4	1.11%	1,832,540	1	1.22%	1.11
Jewel Acquisition LLC	1,363,940	5	0.76%	1,804,200	2	1.20%	0.76
Louisville Ventures LTD	1,293,530	6	0.72%	1,447,780	3	0.96%	0.72
Arc Ralvlohoool LLC	840,000	7	0.47%	-		0.00%	0.47
Groffire Investments	789,040	8	0.44%	734,220	5	0.49%	0.44
McKinley Development Company LTD	563,250	9	0.31%	891,410	4	0.59%	0.31
CRC Ohio Properties LLC	517,930	10	0.29%	594,250	8	0.39%	0.29
Rhodes Roy T	-		0.00%	659,830	6	0.44%	
NOM Louisville LLC	-		0.00%	615,730	7	0.41%	
Metzger J B Co.	-		0.00%	573,500	9	0.38%	
Peters Frederick K & Judith R	-		0.00%	532,570	10	0.35%	
Total of above	<u>\$ 17,009,060</u>		<u>9.45%</u>	<u>\$ 9,686,030</u>		<u>6.42%</u>	
Total City	<u>\$ 180,535,470</u>			<u>\$ 150,819,270</u>			

Source: Stark County Auditor and 2010 City of Louisville CAFR

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

	2019			2010		
	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	\$ 4,394,930	1	94.48%	\$ 3,005,680	1	93.86%
East Ohio Gas Co.	251,420.00	2	5.40%	196,710.00	2	6.14%
Wells Fargo Vender Financial Servies LLC	5,550.00	3	0.12%	-		0.00%
Norfolk Southern	-		0.00%	20	3	0.00%
Total of above	<u>\$ 4,651,900</u>		<u>100.00%</u>	<u>\$ 3,202,410</u>		<u>100.00%</u>
Total City	<u>\$ 4,651,900</u>			<u>\$ 3,202,410</u>		

Source: Stark County Auditor and 2010 City of Louisville CAFR

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>
2019	2.00%	\$ 5,001,516	\$ 3,097,749	61.94%	\$ 254,308	5.08%	\$ 1,649,459	32.98%	6.66%
2018	2.00%	4,689,396	2,959,144	63.10%	181,341	3.87%	1,548,911	33.03%	-2.10%
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%

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			
2019	\$ 56,135	\$ 737,338	\$ -	\$ 224,948	\$ 1,339,230	\$ 49,488	\$ 83,662	\$ 2,490,801	0.96%	\$271
2018	83,268	783,006	-	333,884	1,263,979	23,504	-	2,487,641	1.02%	271
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

(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>	
2019	\$ 281,083	0.15%	\$ 30.60	0.11%	
2018	417,152	0.25%	45.41	0.17%	
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%	

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, 2019	<u>Unvoted</u>	<u>Overall</u>
Total assessed valuation	\$ 185,187,370	\$ 185,187,370
Debt limitation - 5.5% of assessed valuation	<u>10,185,305</u>	
Debt limitation - 10.5% of assessed valuation		<u>19,444,674</u>
Debt applicable to limitation:		
Total bonded debt and loans	1,669,801	1,669,801
Exempt debt:		
OWDA loans	49,488	49,488
OPWC loans	1,339,230	1,339,230
Debt payable from income tax	<u>281,083</u>	<u>281,083</u>
Total debt applicable to limitation	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 10,185,305</u>	<u>\$ 19,444,674</u>

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	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	\$ 16,183,052	\$ 16,208,761	\$ 16,272,872	\$ 14,537,634	\$ 14,987,257	\$ 15,128,267	\$ 16,868,768	\$ 17,376,709	\$ 17,646,351	\$ 19,444,674
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	16,183,052	16,208,761	16,272,872	14,537,634	14,987,257	15,128,267	16,868,768	17,376,709	17,646,351	19,444,674
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, 2019

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	\$ 56,135	100.00%	\$ 56,135
Capital Leases	737,338	100.00%	<u>737,338</u>
Total direct debt			<u>793,473</u>
Overlapping:			
Louisville Schools	23,205,000	45.29%	10,509,545
County of Stark	20,339,088	2.25%	<u>457,629</u>
Total overlapping debt			<u>10,967,174</u>
Total direct and overlapping debt			<u><u>\$ 11,760,647</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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>General Obligation Debt</u>					
Assessed value	\$ 185,187,370	\$ 168,060,490	\$ 165,492,470	\$ 160,654,930	\$ 144,078,730
Population	9,186	9,186	9,186	9,186	9,186
Debt outstanding	\$ 281,083	\$ 417,152	\$ 548,557	\$ 730,403	\$ 902,666
Ratio of debt to assessed value	0.15%	0.25%	0.33%	0.45%	0.63%
Debt per capita	\$ 30.60	\$ 45.41	\$ 59.72	\$ 79.51	\$ 98.27
<u>General Bonded Debt</u>					
Debt service	\$ 29,075	\$ 28,660	\$ 29,245	\$ 28,745	\$ 29,245
General governmental expenditures	\$ 6,557,630	\$ 6,220,550	\$ 5,433,801	\$ 6,176,068	\$ 4,963,893
Ratio of debt service to general governmental expenditures	0.44%	0.46%	0.54%	0.47%	0.59%
<u>Water Revenue Bond</u>					
Revenues ¹	\$ 2,196,430	\$ 1,997,673	\$ 1,871,656	\$ 2,095,650	\$ 2,033,513
Operating expenses ²	\$ 1,138,626	\$ 882,604	\$ 910,838	\$ 792,924	\$ 844,251
Net revenue available for debt service	\$ 1,057,804	\$ 1,115,069	\$ 960,818	\$ 1,302,726	\$ 1,189,262
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>2014</u>		<u>2013</u>		<u>2012</u>		<u>2011</u>		<u>2010</u>
\$	142,735,780	\$	138,453,660	\$	154,978,880	\$	154,369,150	\$	154,124,300
	9,186		9,186		9,186		9,186		9,186
\$	1,075,347	\$	1,353,003	\$	1,932,777	\$	2,022,301	\$	2,395,000
	0.75%		0.98%		1.25%		1.31%		1.55%
\$	117.06	\$	147.29	\$	210.40	\$	220.15	\$	260.72
\$	28,725	\$	29,205	\$	6,954	\$	52,883	\$	38,898
\$	5,786,341	\$	5,266,879	\$	7,794,786	\$	5,806,698	\$	5,084,565
	0.50%		0.55%		0.09%		0.91%		0.77%
\$	1,741,390	\$	1,556,331	\$	1,471,978	\$	1,365,943	\$	1,152,855
\$	879,951	\$	839,301	\$	917,703	\$	866,865	\$	933,926
\$	861,439	\$	717,030	\$	554,275	\$	499,078	\$	218,929
	-		-		-		-		-
	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>Employees</u>	<u>2019</u>		<u>Employees</u>	<u>2010</u>	
			<u>Rank</u>	<u>Employment</u>		<u>Rank</u>	<u>Employment</u>
Louisville Board of Education	Public education	534	1	8.36%	400	1	16.16%
HP Products Inc.	Specialty tubing	482	2	7.54%	318	2	12.85%
St. Joseph's Hospice	Hospice facility	330	3	5.16%	304	3	12.28%
J&J Foods LLC/Tamarkin Company	Grocery	219	4	3.43%	117	5	4.73%
Jewel Acquisition LLC/J&L Specialty Steel, Inc.	Stainless steel	146	5	2.28%	140	4	5.66%
OTC Transformer	Transformer rebuilding	109	6	1.71%	-		0.00%
Encino/Chesapeake	Petroleum Operations	93	7	1.46%	-		0.00%
City of Louisville	Municipal government	91	8	1.42%	107	6	4.32%
County of Stark	Municipal government	81	9	1.27%	-		0.00%
St Thomas Aquinas	Private education	68	10	1.06%	100	7	4.04%
Midlake Products	Manufacturing	-		0.00%	72	8	2.91%
Louisville Pharmacy Inc.	Pharmaceutical	-		0.00%	38	9	1.54%
Magnetic Technologies	Transformers	-		0.00%	38	10	1.54%
Total Top Ten Employers		<u>2,153</u>		<u>33.69%</u>	<u>1,634</u>		<u>66.02%</u>
Total employment within the City		<u>6,391</u>			<u>2,475</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>
2019	9,186	\$258,466,482	\$28,137	3,189	4.5%	4.1%
2018	9,186	244,852,830	26,655	2,927	5.2%	4.8%
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%

(1) Source: U. S. Census

(a) Year 2010 - 2019, 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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General government					
Council and clerk					
Number of legislation passed	57	51	41	46	54
Number of planning commission docket items	5	12	6	5	11
Number of zoning board of appeals docket items	7	6	8	6	12
Finance Department					
Number of W-2's issued	91	92	94	101	101
Number of checks issued	2,347	2,323	2,240	2,427	2,776
Amount of checks paid	\$ 7,691,751	\$ 6,352,690	\$ 3,834,480	\$ 4,213,385	\$ 4,443,726
Interest earnings for fiscal year (cash basis)	\$ 185,174	\$ 176,039	\$ 74,339	\$ 23,924	\$ 4,664
General fund year end cash balances	\$ 2,873,429	\$ 2,611,367	\$ 2,790,663	\$ 2,582,564	\$ 2,387,398
Water revenue fund year end cash balances	\$ 1,979,908	\$ 1,830,770	\$ 1,620,652	\$ 1,428,466	\$ 1,158,658
Sewer revenue fund year end cash balances	\$ 1,958,156	\$ 1,897,128	\$ 1,724,482	\$ 1,293,825	\$ 992,037
Property tax revenue	\$ 459,090	\$ 401,273	\$ 405,928	\$ 420,399	\$ 356,032
Income Tax Department					
Number of individual returns	4,349	4,295	4,293	4,322	3,618
Number of business returns	570	629	533	522	544
Number of business withholding accounts	894	814	721	789	712
Income tax receipts collected	\$ 5,001,516	\$ 4,689,396	\$ 4,790,202	\$ 4,578,245	\$ 4,462,328
Building Department Indicators					
Residential permits issued	20	19	3	7	7
Estimated value of residential permits	\$ 3,878,298	\$ 3,334,907	\$ 699,700	\$ 1,782,300	\$ 1,549,400
Commercial/institutional permits issued	7	3	2	-	11
Estimated value of commercial/insitutional permits	\$ 3,813,000	\$ 390,000	\$ 535,000	\$ -	\$ 6,600,000
Total zoning permit fees	\$ 10,060	\$ 8,015	\$ 7,750	\$ 5,270	\$ 8,712
Security of persons & property					
Police					
Total calls for services	5,441	5,086	5,424	5,477	5,818
Number of traffic citations issued	483	423	469	397	412
Number of criminal arrests	144	174	165	192	178
Number of accident reports completed	115	131	169	191	196
Number of motor vehicle accidents	115	131	169	191	196
Gasoline costs of fleet	\$ 29,148	\$ 31,414	\$ 28,128	\$ 27,541	\$ 30,311
Fire					
EMS calls	1,474	1,300	1,164	1,065	1,326
EMS collections	\$ 387,224	\$ 343,690	\$ 351,689	\$ 331,949	\$ 322,675
Fire calls	17	15	15	16	15
Leisure time activities					
Recreation					
Fishing derbies (2 per year)	-	-	-	-	-
Transportation					
Amount spent on paving streets	\$ 215,200	\$ 193,024	\$ 203,862	\$ 296,355	\$ 315,518
Gasoline fuel in gallons	26,572	18,101	18,055	18,331	20,163
Cost of salt purchased	\$ 108,250	\$ 86,515	\$ 36,754	\$ 78,183	\$ 53,990
Cost of salt per ton	\$ 74	\$ 48	\$ 55	\$ 54	\$ 54
Utility Departments					
Total water billed (in dollars)	\$ 1,187,686	\$ 1,124,951	\$ 1,094,401	\$ 1,066,118	\$ 1,012,388
Total sewer billed (in dollars)	\$ 1,313,933	\$ 1,241,058	\$ 1,213,172	\$ 1,188,041	\$ 1,103,260
Total storm water billed (in dollars)	\$ 207,553	\$ 202,192	\$ 201,040	\$ 194,166	\$ 140,140
Water bills issued	22,021	21,817	21,653	21,554	21,476
Average water treated daily (million gallons/day)	825,000	871,000	860,000	860,000	854,000
Total flow of wastewater treatment plant (millions of gallons)	586.3	614.2	564.5	476.0	499.8
Average daily flow (millions of gallons per day)	1.6	1.7	1.6	1.3	1.4
Tons of dry sludge removed	72.29	200.44	215.41	139.76	136.14

Source: City of Louisville

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
	64	63	60	55	76
	9	15	21	15	9
	9	9	10	15	10
	99	102	101	100	107
	2,256	2,125	2,171	1,965	2,327
\$	4,422,424	\$ 5,023,591	\$ 6,448,318	\$ 4,295,131	\$ 5,333,471
\$	1,909	\$ 393	\$ 1,896	\$ 1,469	\$ 6,242
\$	2,108,631	\$ 2,231,635	\$ 1,027,817	\$ 619,763	\$ 1,378,449
\$	827,630	\$ 690,658	\$ 513,860	\$ 424,203	\$ 366,130
\$	800,457	\$ 624,099	\$ 488,286	\$ 313,473	\$ 203,009
\$	362,778	\$ 329,344	\$ 397,244	\$ 390,212	\$ 414,335
	3,648	3,790	3,366	3,286	3,323
	517	536	500	457	464
	678	666	662	384	381
\$	4,222,348	\$ 3,987,405	\$ 3,673,573	\$ 3,537,290	\$ 3,296,913
	9	9	2	3	4
\$	1,901,958	\$ 2,099,864	\$ 360,000	\$ 1,243,771	\$ 720,000
	1	1	4	2	5
\$	4,000,000	\$ 845,000	\$ 13,285,000	\$ 686,076	\$ 35,684,160
\$	5,221	\$ 5,864	\$ 7,034	\$ 4,470	\$ 4,535
	5,624	5,769	6,413	5,495	4,486
	578	556	661	438	555
	183	261	416	391	388
	193	170	200	207	181
	193	170	200	207	181
\$	43,480	\$ 40,364	\$ 39,515	\$ 40,318	\$ 29,637
	1,003	1,100	1,027	885	965
\$	302,621	\$ 339,301	\$ 305,431	\$ 259,033	\$ 312,588
	19	382	349	280	350
	-	-	55	70	80
\$	287,510	\$ 178,693	\$ 124,875	\$ 118,087	\$ 124,325
	27,386	20,079	25,748	28,458	27,427
\$	127,740	\$ 83,731	\$ 86,082	\$ 56,237	\$ 18,632
\$	54	\$ 44	\$ 48	\$ 45	\$ 46
\$	978,683	\$ 954,261	\$ 932,046	\$ 881,575	\$ 765,648
\$	1,065,724	\$ 1,026,263	\$ 995,861	\$ 904,161	\$ 864,779
\$	139,945	\$ 138,938	\$ 138,683	\$ 108,242	\$ 111,044
	21,468	21,462	21,559	21,865	21,485
	821,000	974,000	850,000	843,835	864,000
	576.7	480.2	438.5	615	476
	1.6	1.3	1.2	2	1
	166.25	201.00	87.49	159	157

CITY OF LOUISVILLE, OHIO

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

<u>Function/Program</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General government										
City Manager	3.00	2.50	2.70	2.70	2.70	2.70	2.80	2.80	2.00	2.00
Finance	5.00	4.00	4.50	4.50	4.50	4.50	4.50	4.50	3.50	4.00
Law	0.50	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	2.00	2.00	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	0.00	0.00	0.50	0.50	0.50	0.50	0.50
Security of persons and property										
Police	15.00	14.50	14.00	14.50	15.00	15.50	15.00	14.00	14.50	11.50
Fire and EMS	8.50	7.00	9.00	9.50	11.00	13.00	11.00	12.00	12.00	14.00
Dispatchers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Administration	3.00	3.00	3.00	3.00	3.00	1.00	1.00	0.50	0.50	0.50
School crossing guards	3.50	3.00	5.00	5.00	5.00	5.00	4.50	4.50	3.00	2.50
Leisure time activities: Recreation										
Parks	3.50	3.00	4.20	4.25	4.00	3.00	4.50	7.00	6.00	6.00
Community environment										
Building	1.50	1.30	1.80	2.05	1.80	1.80	2.80	3.00	3.00	2.00
Transportation										
Service	5.00	5.00	4.75	4.50	4.50	7.50	4.00	3.00	3.00	3.00
Basic utility services										
Water	6.50	4.25	5.00	5.00	5.00	3.75	5.00	5.00	5.00	4.50
Sewer	6.50	5.25	3.75	4.00	4.00	2.75	5.00	5.00	4.50	4.00
Totals:	<u>66.00</u>	<u>57.80</u>	<u>62.70</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>

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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
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	1	1	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	2,500	2,500	965	965	965
Vehicles	10	10	9	12	10	11	12	11	13	11
Security: Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Number of fire hydrants	566	566	566	566	564	564	577	644	611	611
Square footage of building	4,500	4,500	4,500	4,500	4,500	4,500	4,500	7,500	7,500	7,500
Vehicles	8	9	9	9	9	9	8	8	8	8
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	3	3	5	8	5	0
Tranportation services										
Streets (miles)	56.1	56.1	56.1	56.1	56.1	55.7	55.7	55.7	55.0	55.0
Number of streetlights	857	857	857	857	857	857	857	857	687	687
Number of traffic lights	9	9	9	9	9	9	9	7	7	7
Service vehicles	17	17	13	13	12	13	11	13	21	21
Storm sewers (miles)	42.5	42.1	42.1	42.1	42.1	42.1	42.1	42.1	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	42.8	42.8	42.3	42.3	42.3	42	42
Vehicles	3	3	4	3	2	2	4	2	2	2
Water Department										
Water lines (miles)	54.2	54.2	54.2	54.2	54.2	53.3	53.3	53.3	52	52
Vehicles	3	1	1	2	2	2	4	1	1	1

Source: City of Louisville

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF LOUISVILLE

STARK COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 10/15/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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