



Dave Yost • Auditor of State



CITY OF LOUISVILLE  
STARK COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	1

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# Dave Yost • Auditor of State

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

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the discretely presented component unit and the aggregate remaining fund information of the City of Louisville, Stark County, (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 14, 2017.

### ***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*.

101 Central Plaza South, 700 Chase Tower, Canton, Ohio 44702-1509  
Phone: 330-438-0617 or 800-443-9272 Fax: 330-471-0001

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***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 communication is not suitable for any other purpose.

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 14, 2017

# City of Louisville, Ohio *CAFR*

## Comprehensive Annual Financial Report



For the Year Ended  
December 31, 2016







# CITY OF LOUISVILLE, OHIO

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## Comprehensive Annual Financial Report

Year Ended December 31, 2016

Prepared By: Department of Finance



***City of Louisville, Ohio***  
**Comprehensive Annual Financial Report**  
**Year Ended December 31, 2016**

Table of Contents

<b>Introductory Section</b>	<b>Page</b>
Letter of Transmittal.....	v
Public Officials Roster .....	xiii
Organization Chart .....	xiv
Certificate of Achievement.....	xv
<b>Financial Section</b>	
Independent Auditor’s Report .....	1
Management’s Discussion and Analysis .....	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position .....	19
Statement of Activities .....	20
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	22
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	23
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	25
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual - General Fund.....	26
Statement of Fund Net Position – Proprietary Funds .....	27
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds .....	28
Statement of Cash Flows – Proprietary Funds .....	29
Notes to the Basic Financial Statements .....	30
Required Supplementary Information:	
Schedule of the City’s Proportionate Share of the Net Pension Liability .....	69
Schedule of the City’s Contributions .....	70
Notes to Required Supplementary Information.....	71
Combining Statements:	
Combining Statements – Nonmajor Governmental Funds:	
Fund Descriptions.....	73
Combining Balance Sheet – Nonmajor Governmental Funds.....	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	75
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	78

**City of Louisville, Ohio**  
**Comprehensive Annual Financial Report**  
**Year Ended December 31, 2016**

Table of Contents  
(Continued)

	<b>Page</b>
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:	
Major Fund:	
General Fund .....	81
Nonmajor Funds:	
Street Construction, Maintenance and Repair Fund .....	84
State Highway Fund .....	85
Motor Vehicle License Fund .....	86
Mayor’s Court Computerization Fund .....	87
Emergency Services Charges Fund .....	88
Law Enforcement Education Fund .....	89
Law Enforcement Trust Fund .....	90
Storm Water Fund .....	91
Debt Retirement Fund .....	92
Capital Improvements Fund .....	93

Individual Fund Schedules of Revenues, Expenses and Changes in Net Position - Budget (Non-GAAP Basis) and Actual:	
Major Funds:	
Water Fund .....	95
Sewer Fund .....	96

**Statistical Section**

Net Position by Component - Last Ten Years .....	S-2
Changes in Net Position - Last Ten Years .....	S-4
Fund Balances, Governmental Funds - Last Ten Years .....	S-8
Changes in Fund Balance, Governmental Funds - Last Ten Years .....	S-10
Assessed and Estimated Actual Value of Taxable Property - Last Ten Collection Years .....	S-11
Property Tax Levies and Collections - Last Ten Calendar Years .....	S-12
Schedules of Principal Taxpayers - Real Property – Current Year and Nine Years Ago .....	S-13
Schedules of Principal Taxpayers - Public Utility - Current Year and Nine Years Ago .....	S-14
Income Tax Rates and Collections - Last Ten Calendar Years .....	S-15
Ratios of Outstanding Debt by Type - Last Ten Years .....	S-16
Ratios of General Bonded Debt Outstanding - Last Ten Years .....	S-17
Legal Debt Margin Information - Last Ten Years .....	S-18
Direct and Overlapping Governmental Activities Debt - December 31, 2016 .....	S-19

***City of Louisville, Ohio***  
**Comprehensive Annual Financial Report**  
**Year Ended December 31, 2016**

Table of Contents  
(Continued)

	<b>Page</b>
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.....	S-20
Schedule of Principal Employers – Current year and Nine Years Ago.....	S-22
Demographic and Economic Statistics - Last Ten Years .....	S-23
Operating Indicators by Function/Program - Last Ten Years .....	S-24
Full-Time Equivalent City Government Employees by Function/Program - Last Ten Years.....	S-26
Capital Assets Statistics by Function/Program - Last Ten Years .....	S-27



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## INTRODUCTORY SECTION







## Department of Finance

June 14, 2017

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

We are pleased to present our 2016 Comprehensive Annual Financial Report (CAFR) for the City of Louisville for your review. This report, for the year ended December 31, 2016, has been prepared using generally accepted accounting principles for governments, and contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the City of Louisville ("the City"). This report represents the commitment of the City to adhere to nationally recognized standards of excellence in financial reporting. Ohio law requires that every general purpose local government prepare and publish their financial statements in accordance with generally accepted accounting principles (GAAP) and have an annual audit. This report is published to fulfill that requirement for the year ended December 31, 2016.

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

State statutes require the City to be subjected to an annual examination by the Auditor of State. Either the Auditor of State of Ohio or, if the Auditor permits, an independent public accounting firm conducts these audits. The Auditor of State of Ohio performed these services and has issued an unmodified ("clean") opinion on the City's financial statements for the year ended December 31, 2016. 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 three additional acute-care hospitals located in the County: Doctors Hospital of Stark County (183 beds), Alliance Community Hospital (184 beds) and Massillon Community Hospital (268 beds). Heartland Behavioral Healthcare Hospital, a 157-bed public adult psychiatric hospital operated by the State, is also located in the County.

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

### ***Reporting Entity***

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

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

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

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

### ***The Budget as a Policy Document***

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

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

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

### ***Relevant Financial Policies***

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

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

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

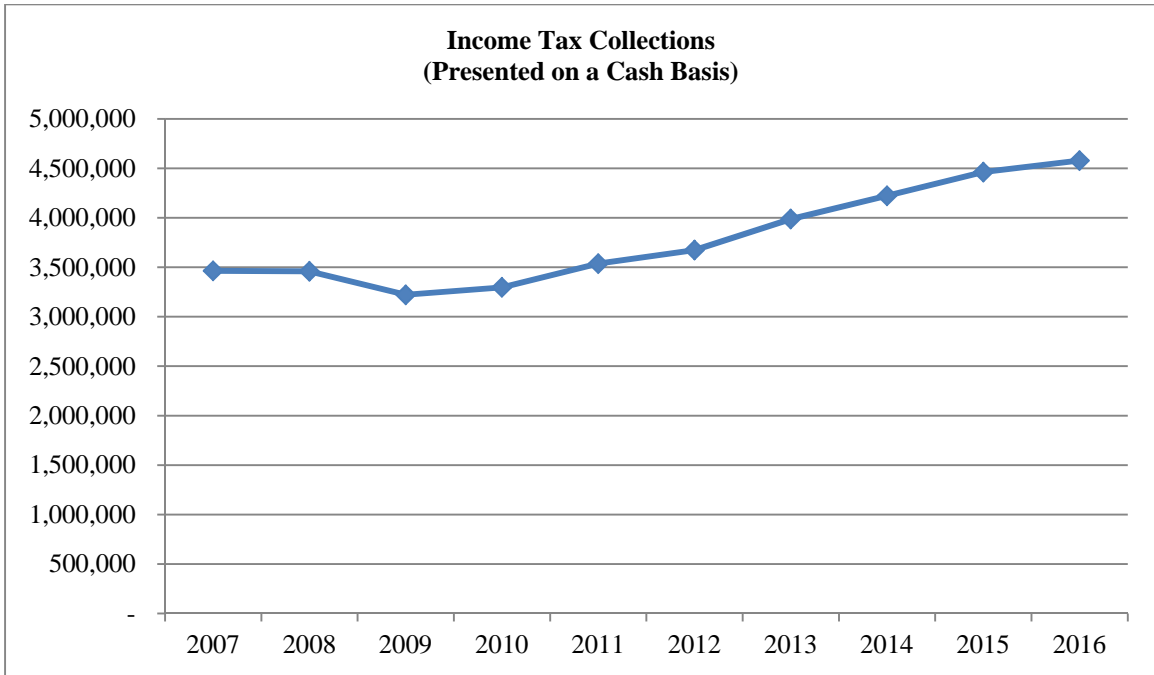
### ***Local Economy***

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

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

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

Income Tax Collections: The City of Louisville's income tax is governed and administered by Chapters 191 and 192 of City Ordinances 1174 and 15-38, respectively, which was originally passed on December 29, 1958, and the Internal Revenue Code. Louisville income tax is levied at 2% of all salaries, wages, commissions and other compensations earned by residents, sixteen years of age or older, and for nonresidents' labor performed or services rendered within Louisville City limits. Income tax revenue comprises 87% of the funding for general City operations.



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

The History of Property Tax Collections: The second largest source of revenue to the City of Louisville is property tax. Louisville is a growing community and property tax revenue has grown 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>
2007	\$ 439,061	10.61 %
2008	443,835	1.09
2009	405,895	(8.55)
2010	376,972	(7.13)
2011	373,338	(0.96)
2012	386,280	3.47
2013	329,343	(14.74)
2014	362,778	10.15
2015	356,032	(1.86)
2016	420,399	18.08

## ***Long-Term Financial Planning***

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

The City continues to adhere to a pay as you go philosophy as it relates to small projects and equipment purchases. By only borrowing for large projects, capital leases and keeping debt levels low, it provides the City the opportunity to borrow in low interest environments. By continuing to pay down its debt the City reduced its overall debt principal by \$508,897 in 2016.

## ***Major Initiatives***

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

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

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

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

During 2016, expenditures included the repair and rebuilding of neighborhood streets, curbing improvements, and miscellaneous roadway sealing and patching throughout the City. The City was able to utilize funds from the water and sewer funds for replacement of water and sewer lines, fire hydrants and appurtenances and underground utilities, roadway earthwork and miscellaneous base and drainage work.

## *Awards and Acknowledgements*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Louisville, Ohio for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

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

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

Respectfully submitted,



Jina E. Turowski  
Finance Director



***City of Louisville, Ohio***

Public Officials Roster

December 31, 2016

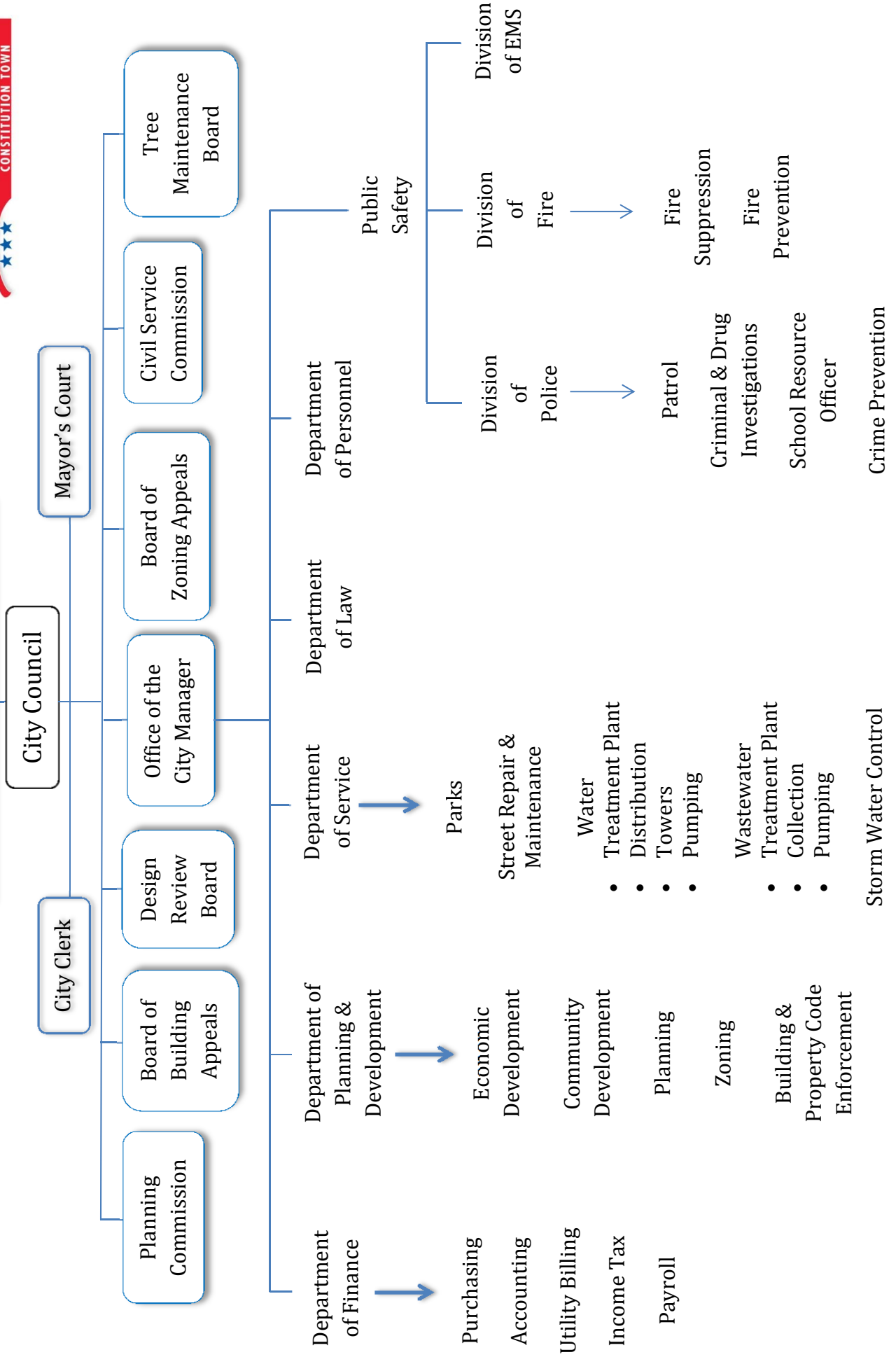
**Elected Officials**

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

**Appointed Officials**

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

# Citizens of Louisville





Government Finance Officers Association

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

Presented to

**City of Louisville  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**

Executive Director/CEO



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## FINANCIAL SECTION





# Dave Yost • Auditor of State

## 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 aggregate remaining fund information of City of Louisville, Stark County, Ohio (the City), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for 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 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 City of Louisville, Stark County, Ohio, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

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

*Supplementary and Other Information*

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

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules 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, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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



***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2017, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 14, 2017

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***City of Louisville, Ohio***  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2016**  
**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, 2016. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the transmittal letter, basic financial statements and notes to enhance their understanding of the City's financial performance.

**Financial Highlights**

Key financial highlights for 2016 are as follows:

- The total net position of the City increased \$1,937,408. Net position of governmental activities increased \$332,056, which represents a 2.4% increase over 2015. Net position of business-type activities increased \$1,605,352 or 10.9% from 2015.
- General revenues for governmental activities, accounted for \$4,360,458 or 74.8% of total governmental activities revenue. Program specific revenues accounted for \$1,472,688 or 25.2% of total governmental activities revenue.
- The City had \$5,501,090 in expenses related to governmental activities; only \$1,472,688 of these expenses were offset by program specific charges for services and sales and operating grants, contributions and interest. General revenues of \$4,360,458 were adequate to provide for these programs.
- The general fund, the City's largest and only major governmental fund, had revenues of \$4,261,079 in 2016, or 78.9% of total governmental funds. Expenditures of the general fund were \$4,770,350, or 77.2% of total governmental funds. The general fund balance increased \$104,633 or 3.8% in 2016.
- During the year the City entered into a capital lease to replace a ladder truck in the amount of \$921,479 for the fire department.

**Using this Comprehensive Annual Financial Report (CAFR)**

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

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

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

***City of Louisville, Ohio***  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2016**  
**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 2016"? These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. These two statements report the City's net position and changes in this position. This change in net position is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions and other factors.

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

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

**Reporting the City's Most Significant Funds**

***Fund Financial Statements***

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

***City of Louisville, Ohio***  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2016**  
**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 76-79 in this report. The basic governmental fund financial statements can be found on pages 22-26 of this report.

***Proprietary Funds***

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

***Notes to the Financial Statements***

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

***Other Information***

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

**City of Louisville, Ohio**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2016**  
**Unaudited**

**Government-Wide Financial Analysis**

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

Table 1 below provides a summary of the City's net position for 2016 compared to 2015:

**Table 1**  
**Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Assets</u>						
Current and other assets	\$ 5,554,114	\$ 5,049,976	\$ 6,466,897	\$ 5,031,955	\$ 12,021,011	\$ 10,081,931
Capital assets	<u>13,330,112</u>	<u>12,618,110</u>	<u>11,346,315</u>	<u>11,428,294</u>	<u>24,676,427</u>	<u>24,046,404</u>
Total assets	<u>18,884,226</u>	<u>17,668,086</u>	<u>17,813,212</u>	<u>16,460,249</u>	<u>36,697,438</u>	<u>34,128,335</u>
<u>Deferred outflows of resources</u>						
Pension	<u>1,450,019</u>	<u>415,246</u>	<u>248,428</u>	<u>86,679</u>	<u>1,698,447</u>	<u>501,925</u>
<u>Liabilities</u>						
Other liabilities	193,170	275,568	83,877	127,782	277,047	403,350
Long-term liabilities:						
Due within one year	304,451	288,783	323,700	306,115	628,151	594,898
Due within more than one year:						
Net pension liability	3,996,858	2,754,837	683,835	518,092	4,680,693	3,272,929
Other amounts	<u>1,049,935</u>	<u>375,424</u>	<u>626,263</u>	<u>878,858</u>	<u>1,676,198</u>	<u>1,254,282</u>
Total liabilities	<u>5,544,414</u>	<u>3,694,612</u>	<u>1,717,675</u>	<u>1,830,847</u>	<u>7,262,089</u>	<u>5,525,459</u>
<u>Deferred inflows of resources</u>						
Property taxes	397,687	386,149	-	-	397,687	386,149
Pension	<u>75,185</u>	<u>17,668</u>	<u>31,634</u>	<u>9,102</u>	<u>106,819</u>	<u>26,770</u>
Total deferred inflows of resources	<u>472,872</u>	<u>403,817</u>	<u>31,634</u>	<u>9,102</u>	<u>504,506</u>	<u>412,919</u>
<u>Net Position</u>						
Net investment in capital assets	12,281,304	12,229,376	10,502,851	10,336,346	22,784,155	22,565,722
Restricted	845,644	750,487	-	-	845,644	750,487
Unrestricted	<u>1,190,011</u>	<u>1,005,040</u>	<u>5,809,480</u>	<u>4,370,633</u>	<u>6,999,491</u>	<u>5,375,673</u>
Total net position	<u>\$ 14,316,959</u>	<u>\$ 13,984,903</u>	<u>\$ 16,312,331</u>	<u>\$ 14,706,979</u>	<u>\$ 30,629,290</u>	<u>\$ 28,691,882</u>

***City of Louisville, Ohio***  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2016**  
**Unaudited**

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2016, the City's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$30,629,290. This amounts to \$14,316,959 in governmental activities and \$16,312,331 in business-type activities.

The largest portion of the City's net position 74.4% 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, 2016, were \$22,784,155. 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, 2016, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's governmental net position, \$845,644 or 5.9%, represent resources that are subject to external restrictions on how they may be used. Of total restricted net position, \$29,950 for debt service, \$681,999 for transportation, \$3,549 for safety services programs, \$116,059 for capital projects and \$14,087 for other purposes. The remaining balance of governmental unrestricted net position of \$1,190,011 may be used to meet the City's ongoing obligations to citizens and creditors.

The City's statement of activities, prepared on an accrual basis of accounting, includes an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows. The City is also reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting in the statement of net position. The net pension liability is the largest single liability reported by the City at December 31, 2016.

Table 2 shows the changes in net position for governmental and business-type activities for years 2016 and 2015.

**City of Louisville, Ohio**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2016**  
**Unaudited**

**Table 2**  
**Changes in Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 887,956	\$ 783,329	\$ 2,438,265	\$ 2,546,596	\$ 3,326,221	\$ 3,329,925
Operating grants, contributions and interest	584,732	577,606	-	-	584,732	577,606
Capital grants and contributions	-	27,250	-	-	-	27,250
General revenues:						
Property and other taxes	423,129	359,702	-	-	423,129	359,702
Municipal income taxes	3,538,813	3,318,897	1,178,276	1,103,516	4,717,089	4,422,413
Grants and entitlements	220,627	219,958	-	-	220,627	219,958
Gain on sale of capital assets	119,017	-	-	-	119,017	-
Investment earnings	22,758	4,445	-	-	22,758	4,445
Other	36,114	53,186	2,975	560	39,089	53,746
Total revenues	<u>\$ 5,833,146</u>	<u>\$ 5,344,373</u>	<u>\$ 3,619,516</u>	<u>\$ 3,650,672</u>	<u>\$ 9,452,662</u>	<u>\$ 8,995,045</u>
<b>Program Expenses</b>						
<i>Governmental Activities:</i>						
General government	\$ 1,045,516	\$ 1,118,995	\$ -	\$ -	\$ 1,045,516	\$ 1,118,995
Security of persons and property	2,895,871	2,500,837	-	-	2,895,871	2,500,837
Public health and welfare	94,167	90,079	-	-	94,167	90,079
Transportation	996,489	835,810	-	-	996,489	835,810
Community environment	261,543	291,723	-	-	261,543	291,723
Leisure time activities	181,311	201,622	-	-	181,311	201,622
Interest and fiscal charges	26,193	14,623	-	-	26,193	14,623
<i>Business-Type Activities:</i>						
Water	-	-	1,056,055	1,106,846	1,056,055	1,106,846
Sewer	-	-	958,109	966,393	958,109	966,393
Total program expenses	<u>5,501,090</u>	<u>5,053,689</u>	<u>2,014,164</u>	<u>2,073,239</u>	<u>7,515,254</u>	<u>7,126,928</u>
Change in net position						
before transfers	<u>332,056</u>	<u>290,684</u>	<u>1,605,352</u>	<u>1,577,433</u>	<u>1,937,408</u>	<u>1,868,117</u>
Transfers	<u>-</u>	<u>124,125</u>	<u>-</u>	<u>(124,125)</u>	<u>-</u>	<u>-</u>
Change in net position	332,056	414,809	1,605,352	1,453,308	1,937,408	1,868,117
Net position, beginning of year	<u>13,984,903</u>	<u>13,570,094</u>	<u>14,706,979</u>	<u>13,253,671</u>	<u>28,691,882</u>	<u>26,823,765</u>
Net position, end of year	<u>\$ 14,316,959</u>	<u>\$ 13,984,903</u>	<u>\$ 16,312,331</u>	<u>\$ 14,706,979</u>	<u>\$ 30,629,290</u>	<u>\$ 28,691,882</u>

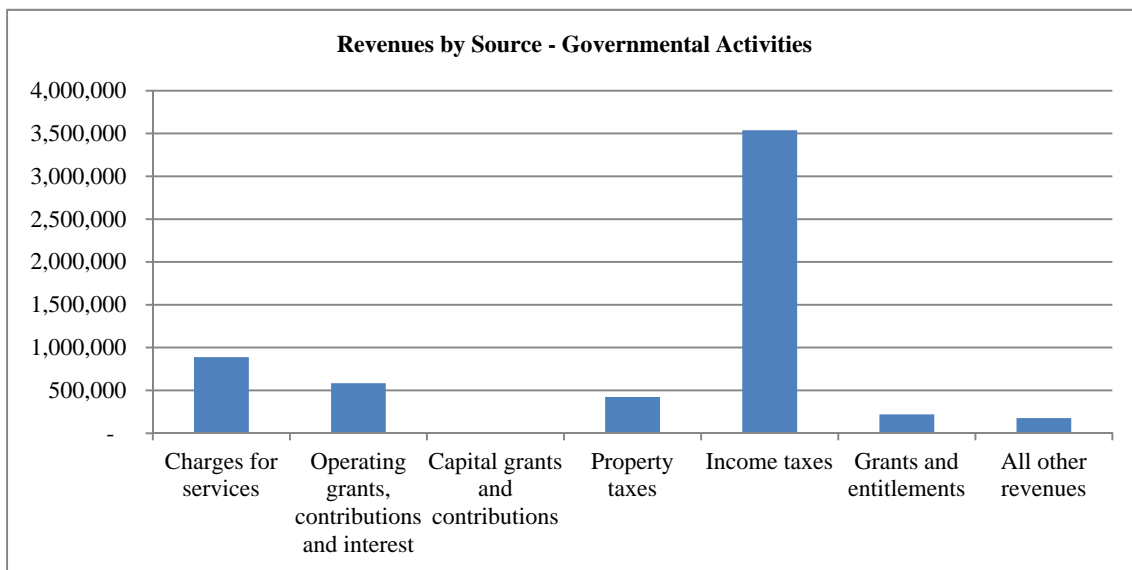


**City of Louisville, Ohio**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2016**  
**Unaudited**

**Governmental Activities**

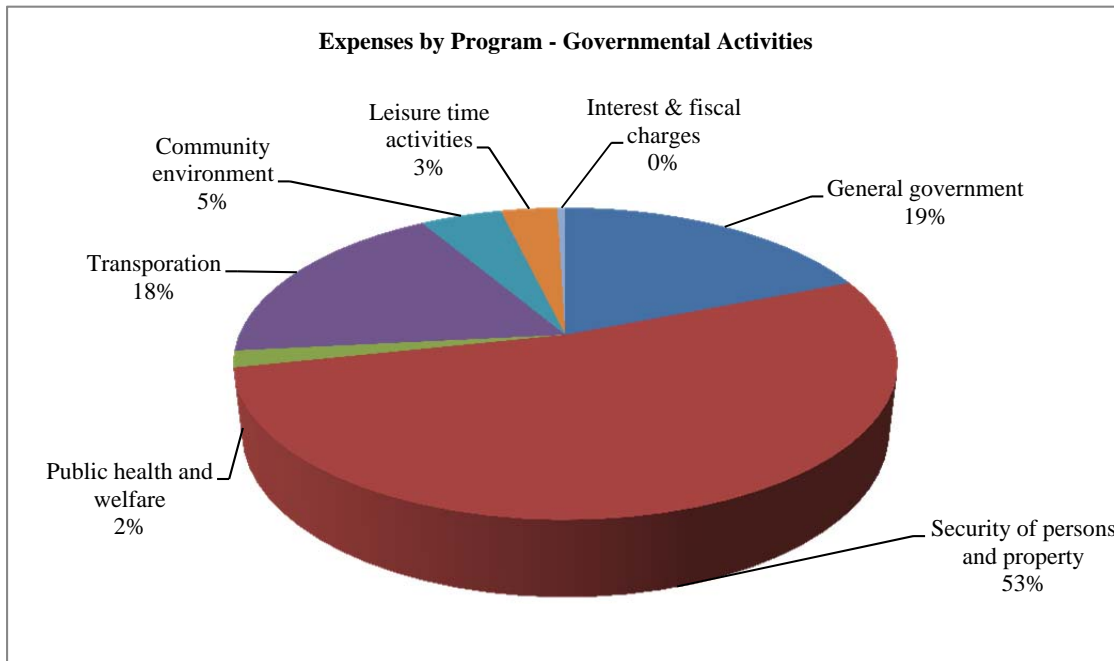
Governmental activities net position increased \$332,056 or 2.4% in 2016 from 2015. This increase was not due to any one item but rather an overall increase in revenues exceeding the overall increase in expenses. The City's funding for these governmental activities comes from a variety of sources, the most significant being the \$3,538,813 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 2016, the City received \$220,627 in unrestricted intergovernmental revenues or 3.8% of total revenues.



Program restricted charges for services and operating and capital grants, contributions and interest represent monies the City is awarded that are required to be used for specific purposes. In 2016, the City received \$887,956 in charges for services and a combined total of \$584,732 in various operating grants, contributions and interest.

**City of Louisville, Ohio**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2016**  
**Unaudited**



The City's governmental activity expenses totaled \$5,501,090 in 2016, with security of persons and property, general government and transportation representing the largest portion of this figure at 89.8%. The City's governmental activity expenses increased by \$447,401 from 2015, this was mainly related to an increase in salaries and pension expense.

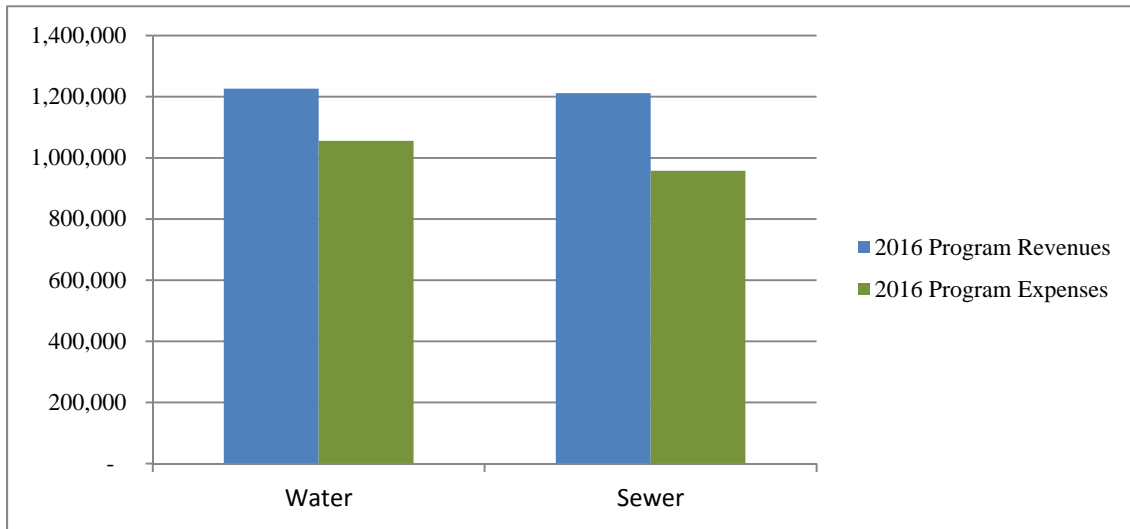
Security of persons and property, which primarily supports the operations of the City's police, fire and emergency medical services, accounts for \$2,895,871 of expenses, or 52.6% of total governmental expenses of the City. These expenses were funded by \$375,043 in charges to users of services, operating grants, contributions and interest. General government expenses, which primarily include legislative, executive and financial management, totaled \$1,045,516 or 19% of total governmental expenses. General government expenses were covered by \$255,490 of direct charges to users and capital grants and contributions.

At \$996,489 or 18.1%, 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 \$779,755 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 \$2,438,265 and expenses of \$2,014,164 for the year 2016. Business-type activities reported an increase in net position of \$1,605,352, or 10.9% as compared to 2015. For this year, the increase in net position was attributed to an increase in municipal income taxes and an overall decrease in expenses from conservative spending. The increase in municipal income tax is a result of a slight improvement in the local economy.

**City of Louisville, Ohio**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2016**  
**Unaudited**



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

	2016	2016	2015	2015
	Governmental	Business-Type	Governmental	Business-Type
	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>
Deferred outflows - pension	\$ 1,450,019	\$ 248,428	\$ 415,246	\$ 86,679
Deferred inflows - pension	(75,185)	(31,634)	(17,668)	(9,102)
Net pension liability	<u>(3,996,858)</u>	<u>(683,835)</u>	<u>(2,754,837)</u>	<u>(518,092)</u>
Impact of GASB 68 on net position	<u>\$ (2,622,024)</u>	<u>\$ (467,041)</u>	<u>\$ (2,357,259)</u>	<u>\$ (440,515)</u>

**City of Louisville, Ohio**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2016**  
**Unaudited**

**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, 2016, governmental funds reported a combined fund balance of \$4,002,005, an increase of \$274,100 as compared to the prior year. Of this amount \$1,979,422 or 49.5% has an unassigned fund balance that is available for spending at the discretion of the City. The remainder fund balance of \$2,022,583 consists of \$187,961 or 4.7% as nonspendable, related to materials and supplies and prepaid items that are not in spendable form; \$575,760 or 14.4% that is restricted for various purposes; \$411,280 or 10.3% committed for emergency service charges and storm water and \$847,582 or 21.1% 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 2016, the fund balance of the general fund was \$2,863,839, a 3.8% increase from the prior year. The reason for the increase in the general fund balance was primarily due an increase in property tax revenues along with conservative spending.

Table 4 below reports year 2016 balances compared to 2015:

**Table 4**  
**Change in Fund Balance**

	Fund Balance			
	December 31, 2016	December 31, 2015	Increase (Decrease)	Percent Change
General	\$ 2,863,839	\$ 2,759,206	\$ 104,633	3.8%
Other governmental funds	<u>1,138,166</u>	<u>968,699</u>	<u>169,467</u>	17.5%
	<u>\$ 4,002,005</u>	<u>\$ 3,727,905</u>	<u>\$ 274,100</u>	

**City of Louisville, Ohio**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2016**  
**Unaudited**

Table 5 below assists in illustrating the changes in financial activities for the general fund for year 2016 balances compared to 2015:

**Table 5**  
**Change in Financial Activities for the General Fund**

	December 31, <u>2016</u>	December 31, <u>2015</u>	Increase (Decrease)	Percent Change
<u>Revenues:</u>				
Income tax	\$ 3,249,996	\$ 3,317,368	\$ (67,372)	-2.0%
Property and other taxes	418,783	358,493	60,290	16.8%
Charges for services	125,885	123,359	2,526	2.0%
Licenses and permits	151,959	137,931	14,028	10.2%
Fines and forfeitures	27,570	23,668	3,902	16.5%
Intergovernmental	227,624	221,173	6,451	2.9%
Investment income	22,758	4,445	18,313	412.0%
Contributions and donations	4,014	6,310	(2,296)	-36.4%
Other	32,490	50,147	(17,657)	-35.2%
Total revenue	<u>\$ 4,261,079</u>	<u>\$ 4,242,894</u>	<u>\$ 18,185</u>	
<u>Expenditures:</u>				
Current:				
General government	\$ 950,184	\$ 991,094	\$ (40,910)	-4.1%
Security of persons and property	2,123,503	2,000,335	123,168	6.2%
Public health and welfare	94,167	90,079	4,088	4.5%
Community environment	253,266	291,349	(38,083)	-13.1%
Leisure time activities	111,898	121,746	(9,848)	-8.1%
Capital outlay	1,091,683	33,532	1,058,151	3155.6%
Debt service:				
Principal retirement	144,529	36,068	108,461	300.7%
Interest and fiscal charges	1,120	2,207	(1,087)	-49.3%
Total expenditures	<u>\$ 4,770,350</u>	<u>\$ 3,566,410</u>	<u>\$ 1,203,940</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.

The most significant changes from the original budgeted revenues as compared to the final budgeted amounts were an increase of \$207,900 primarily of municipal income tax, property tax and intergovernmental revenues. This difference was mainly caused by the municipal tax and intergovernmental revenues being unknown at the original budgeting process. Actual revenues were lower than the final budgeted amount by \$27,057 mainly due to a decrease in other revenue received during the year.

***City of Louisville, Ohio***  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2016**  
**Unaudited**

Final budgeted expenditures were less than the original budgeted expenditures by \$167,000. This was due to decreases in security of persons and property, community environment and leisure time activity expenditures from what was originally budgeted. Actual expenditures of \$4,189,511 for the year were \$121,412 less than the \$4,310,923 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 2016, the City had \$24,676,427 (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, \$13,330,112 was reported in governmental activities and \$11,346,315 was reported in business-type activities. Table 6 below reports the year 2016 balances compared to 2015:

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 544,655	\$ 544,655	\$ 312,987	\$ 312,987	\$ 857,642	\$ 857,642
Right of ways	812,350	812,350	-	-	812,350	812,350
Land improvements	197,321	264,340	13,166	20,563	210,487	284,903
Buildings and building improvements	934,452	938,501	3,813,535	3,994,871	4,747,987	4,933,372
Machinery and equipment	383,493	402,812	198,777	179,949	582,270	582,761
Vehicles	1,878,422	1,177,528	330,845	384,152	2,209,267	1,561,680
Infrastructure	8,481,940	8,477,074	6,501,271	6,420,238	14,983,211	14,897,312
Construction in progress	<u>97,479</u>	<u>850</u>	<u>175,734</u>	<u>115,534</u>	<u>273,213</u>	<u>116,384</u>
Total	<u>\$13,330,112</u>	<u>\$12,618,110</u>	<u>\$11,346,315</u>	<u>\$11,428,294</u>	<u>\$24,676,427</u>	<u>\$24,046,404</u>

The most significant change during 2016 to the amount of net capital assets was due to an increase of vehicles and construction in progress due from the addition of a new ladder truck for the fire department and ongoing construction projects. See Note 7 to the basic financial statements for detail on the governmental and business-type activities capital assets.

***City of Louisville, Ohio***  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2016**  
**Unaudited**

***Debt Administration***

At December 31, 2016, the City had total long-term debt outstanding of \$1,892,272. Of this total, \$409,891 is due within one year and \$1,482,381 is due in more than one year.

**Table 7**  
**Outstanding Debt, at December 31**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
General obligation bonds	\$ 135,660	\$ 160,917	\$ 594,743	\$ 741,749	\$ 730,403	\$ 902,666
OPWC loans	-	-	167,688	215,980	167,688	215,980
OWDA loan	-	-	29,435	32,294	29,435	32,294
Capital leases	913,148	227,817	51,598	101,925	964,746	329,742
Total	<u>\$ 1,048,808</u>	<u>\$ 388,734</u>	<u>\$ 843,464</u>	<u>\$ 1,091,948</u>	<u>\$ 1,892,272</u>	<u>\$ 1,480,682</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 \$36,210.

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

At December 31, 2016 the City's overall legal debt margin was \$16,868,768, with an unvoted debt margin of \$8,836,021. The City's credit rating remained unchanged in 2016 as compared to 2015. See Note 9 and 10 to the basic financial statements for details on the City's long-term obligations.

**Current Issues Affecting Financial Condition**

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

**Contacting the City's Financial Management**

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





**City of Louisville, Ohio**

**Statement of Net Position**

**December 31, 2016**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	LCIC
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 3,421,531	\$ 5,597,777	\$ 9,019,308	\$ 108,881
Receivables:				
Income tax	982,359	327,453	1,309,812	-
Property and other taxes	425,549	-	425,549	-
Accounts	189,998	505,904	695,902	-
Special assessments	-	20,000	20,000	-
Due from other governments	346,716	-	346,716	-
Materials and supplies inventory	139,282	3,943	143,225	-
Loans receivable	-	-	-	8,204
Prepaid items	48,679	11,820	60,499	377
Land held for resale	-	-	-	30,994
Noncurrent loans receivable	-	-	-	30,089
Nondepreciable capital assets	1,454,484	488,721	1,943,205	-
Depreciable capital assets, net	11,875,628	10,857,594	22,733,222	-
<b>Total assets</b>	<b>18,884,226</b>	<b>17,813,212</b>	<b>36,697,438</b>	<b>178,545</b>
<u>Deferred outflows of resources:</u>				
Pension	1,450,019	248,428	1,698,447	-
<u>Liabilities:</u>				
Accounts payable	36,841	11,762	48,603	-
Contracts payable	1,500	31,876	33,376	-
Accrued wages and benefits	33,381	8,692	42,073	-
Due to other governments	31,175	7,577	38,752	-
Undistributed monies	7,439	-	7,439	-
Income tax refunds payable	65,372	21,791	87,163	-
Accrued interest payable	16,029	1,175	17,204	-
Claims payable	1,433	1,004	2,437	-
Long-term liabilities:				
Due within one year	304,451	323,700	628,151	-
Due in more than one year:				
Net pension liability	3,996,858	683,835	4,680,693	-
Other amounts due in more than one year	1,049,935	626,263	1,676,198	-
<b>Total liabilities</b>	<b>5,544,414</b>	<b>1,717,675</b>	<b>7,262,089</b>	<b>-</b>
<u>Deferred inflows of resources:</u>				
Property taxes	397,687	-	397,687	-
Pension	75,185	31,634	106,819	-
<b>Total deferred inflows of resources</b>	<b>472,872</b>	<b>31,634</b>	<b>504,506</b>	<b>-</b>
<u>Net position:</u>				
Net investment in capital assets	12,281,304	10,502,851	22,784,155	-
Restricted for:				
Capital projects	116,059	-	116,059	-
Debt service	29,950	-	29,950	-
Transportation	681,999	-	681,999	-
Safety services	3,549	-	3,549	-
Other purposes	14,087	-	14,087	-
Unrestricted	1,190,011	5,809,480	6,999,491	178,545
<b>Total net position</b>	<b>\$ 14,316,959</b>	<b>\$ 16,312,331</b>	<b>\$ 30,629,290</b>	<b>\$ 178,545</b>

See accompanying notes to the basic financial statements.

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

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions
<u>Governmental Activities:</u>				
General government	\$ 1,045,516	\$ 255,490	\$ -	\$ -
Security of persons and property	2,895,871	368,166	6,877	-
Public health and welfare	94,167	-	-	-
Transportation	996,489	201,900	577,855	-
Community environment	261,543	56,855	-	-
Leisure time activities	181,311	5,545	-	-
Interest and fiscal charges	26,193	-	-	-
Total governmental activities	<u>5,501,090</u>	<u>887,956</u>	<u>584,732</u>	<u>-</u>
<u>Business-Type Activities:</u>				
Water	1,056,055	1,226,405	-	-
Sewer	958,109	1,211,860	-	-
Total business-type activities	<u>2,014,164</u>	<u>2,438,265</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 7,515,254</u>	<u>\$ 3,326,221</u>	<u>\$ 584,732</u>	<u>\$ -</u>
<u>Component Unit:</u>				
LCIC	<u>\$ 4,964</u>	<u>\$ 7</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  
Gain on sale of capital assets  
Investment earnings  
Other  
Total general revenues

Change in net position

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

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position			Component Unit
Primary Government			LCIC
Governmental Activities	Business-Type Activities	Total	
\$ (790,026)	\$ -	\$ (790,026)	\$ -
(2,520,828)	-	(2,520,828)	-
(94,167)	-	(94,167)	-
(216,734)	-	(216,734)	-
(204,688)	-	(204,688)	-
(175,766)	-	(175,766)	-
(26,193)	-	(26,193)	-
<u>(4,028,402)</u>	<u>-</u>	<u>(4,028,402)</u>	<u>-</u>
-	170,350	170,350	-
<u>-</u>	<u>253,751</u>	<u>253,751</u>	<u>-</u>
-	424,101	424,101	-
<u>(4,028,402)</u>	<u>424,101</u>	<u>(3,604,301)</u>	<u>-</u>
-	-	-	(4,957)
423,129	-	423,129	-
3,538,813	-	3,538,813	-
-	869,245	869,245	-
-	309,031	309,031	-
220,627	-	220,627	-
119,017	-	119,017	-
22,758	-	22,758	1,916
36,114	2,975	39,089	-
<u>4,360,458</u>	<u>1,181,251</u>	<u>5,541,709</u>	<u>1,916</u>
332,056	1,605,352	1,937,408	(3,041)
13,984,903	14,706,979	28,691,882	181,586
<u>\$ 14,316,959</u>	<u>\$ 16,312,331</u>	<u>\$ 30,629,290</u>	<u>\$ 178,545</u>

**City of Louisville, Ohio**

**Balance Sheet**

**Governmental Funds**

**December 31, 2016**

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Equity in pooled cash and cash equivalents	\$ 2,590,003	\$ 831,528	\$ 3,421,531
<b>Receivables:</b>			
Income tax	982,359	-	982,359
Property and other taxes	425,549	-	425,549
Accounts	27,953	162,045	189,998
Due from other governments	124,763	221,953	346,716
Materials and supplies inventory	-	139,282	139,282
Prepaid items	36,835	11,844	48,679
<b>Total assets</b>	<b>\$ 4,187,462</b>	<b>\$ 1,366,652</b>	<b>\$ 5,554,114</b>
<b>Liabilities, deferred inflows of resources and fund balances</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 23,749	\$ 13,092	\$ 36,841
Contracts payable	-	1,500	1,500
Accrued wages and benefits	27,384	5,997	33,381
Due to other governments	27,224	3,951	31,175
Undistributed monies	7,439	-	7,439
Income tax refunds payable	65,372	-	65,372
Claims payable	1,316	117	1,433
<b>Total liabilities</b>	<b>152,484</b>	<b>24,657</b>	<b>177,141</b>
<b>Deferred inflows of resources:</b>			
Property taxes	397,687	-	397,687
Unavailable revenue - other	752,770	203,829	956,599
Unavailable revenue - delinquent property taxes	20,682	-	20,682
<b>Total deferred inflows of resources</b>	<b>1,171,139</b>	<b>203,829</b>	<b>1,374,968</b>
<b>Fund balances:</b>			
Nonspendable	36,835	151,126	187,961
Restricted	-	575,760	575,760
Committed	-	411,280	411,280
Assigned	847,582	-	847,582
Unassigned	1,979,422	-	1,979,422
<b>Total fund balances</b>	<b>2,863,839</b>	<b>1,138,166</b>	<b>4,002,005</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 4,187,462</b>	<b>\$ 1,366,652</b>	<b>\$ 5,554,114</b>

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, 2016**

Total governmental fund balances		\$	4,002,005
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			13,330,112
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	\$	20,682	
Income taxes		670,456	
Intergovernmental		230,136	
Charges for services		56,007	
Total			977,281
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	\$	1,450,019	
Deferred inflows - pension		(75,185)	
Net pension liability		(3,996,858)	
Total			(2,622,024)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(16,029)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:			
General obligation bonds	\$	(135,000)	
Premium on bonds		(660)	
Capital lease payable		(913,148)	
Compensated absences		(269,368)	
Police pension liability		(36,210)	
Total			(1,354,386)
Net position of governmental activities		\$	<u>14,316,959</u>

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, 2016**

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Income tax	\$ 3,249,996	\$ -	\$ 3,249,996
Property and other taxes	418,783	-	418,783
Charges for services	125,885	545,491	671,376
Licenses and permits	151,959	-	151,959
Fines and forfeitures	27,570	5,229	32,799
Intergovernmental	227,624	576,092	803,716
Investment income	22,758	1,166	23,924
Contributions and donations	4,014	5,477	9,491
Other	32,490	2,980	35,470
Total revenue	<u>4,261,079</u>	<u>1,136,435</u>	<u>5,397,514</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	950,184	3,188	953,372
Security of persons and property	2,123,503	269,543	2,393,046
Public health and welfare	94,167	-	94,167
Transportation	-	626,022	626,022
Community environment	253,266	-	253,266
Leisure time activities	111,898	-	111,898
Capital outlay	1,091,683	380,733	1,472,416
<b>Debt service:</b>			
Principal retirement	144,529	116,619	261,148
Interest and fiscal charges	1,120	9,613	10,733
Total expenditures	<u>4,770,350</u>	<u>1,405,718</u>	<u>6,176,068</u>
Excess of revenues under expenditures	<u>(509,271)</u>	<u>(269,283)</u>	<u>(778,554)</u>
<b>Other financing sources (uses):</b>			
Sale of capital assets	131,175	-	131,175
Inception of capital lease	921,479	-	921,479
Transfers - in	-	438,750	438,750
Transfers - out	(438,750)	-	(438,750)
Total other financing sources (uses)	<u>613,904</u>	<u>438,750</u>	<u>1,052,654</u>
Net change in fund balance	104,633	169,467	274,100
Fund balances at beginning of year	2,759,206	968,699	3,727,905
Fund balances at end of year	<u>\$ 2,863,839</u>	<u>\$ 1,138,166</u>	<u>\$ 4,002,005</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, 2016**

Net change in fund balances - Total governmental funds \$ 274,100

*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	\$ 1,472,416	
Depreciation expense	(748,256)	
		724,160
Excess of capital outlay over depreciation expense		

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (12,158)

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	\$ 4,346	
Income taxes	288,817	
Intergovernmental	4,494	
Charges for services	19,348	
Other	(390)	
		316,615
Net change in deferred inflows of resources during the year		

Contractually required pension contributions are reported as expenditures in the governmental funds; however, the statement of net position reports these amounts as deferred outflows. 309,837

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (574,602)

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	\$ (31,376)	
Decrease in police pension liability	1,271	
Increase in accrued interest	(15,717)	
Amortization of premium	257	
		(45,565)
Total additional expenditures		

Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 25,000

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. 236,148

Some capital additions were financed through capital leases. 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. (921,479)

Change in net position of governmental activities \$ 332,056

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, 2016**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Municipal income tax	\$ 3,300,000	\$ 3,438,000	\$ 3,434,679	\$ (3,321)
Property and other taxes	391,500	420,425	420,399	(26)
Charges for services	127,350	125,900	125,885	(15)
Licenses and permits	150,150	156,650	152,405	(4,245)
Fines and forfeitures	26,200	28,075	28,009	(66)
Intergovernmental	222,600	232,050	231,592	(458)
Interest	5,000	22,300	22,758	458
Contributions and donations	4,000	4,100	4,014	(86)
Other	42,800	50,000	30,702	(19,298)
<b>Total revenues</b>	<b>4,269,600</b>	<b>4,477,500</b>	<b>4,450,443</b>	<b>(27,057)</b>
<b>Expenditures:</b>				
Current:				
General government	1,256,148	1,300,624	1,233,169	67,455
Security of persons and property	2,547,658	2,450,333	2,416,568	33,765
Public health and welfare	99,600	108,250	107,729	521
Community environment	377,517	300,316	281,443	18,873
Leisure time activities	197,000	151,400	150,602	798
<b>Total expenditures</b>	<b>4,477,923</b>	<b>4,310,923</b>	<b>4,189,511</b>	<b>121,412</b>
Excess of revenues over (under) expenditures	(208,323)	166,577	260,932	94,355
Other financing sources (uses):				
Sale of capital assets	92,500	131,175	131,175	-
Advances - in	-	116,000	116,000	-
Advances - out	-	(116,000)	(116,000)	-
Transfers - in	-	25	7	(18)
Transfers - out	(438,750)	(438,775)	(438,757)	18
<b>Total other financing sources (uses)</b>	<b>(346,250)</b>	<b>(307,575)</b>	<b>(307,575)</b>	<b>-</b>
Net change in fund balance	(554,573)	(140,998)	(46,643)	94,355
Fund balance at beginning of year	2,273,402	2,273,402	2,273,402	-
Prior year encumbrances appropriated	120,673	120,673	120,673	-
<b>Fund balance at end of year</b>	<b>\$ 1,839,502</b>	<b>\$ 2,253,077</b>	<b>\$ 2,347,432</b>	<b>\$ 94,355</b>

See accompanying notes to the basic financial statements.



**City of Louisville, Ohio**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**December 31, 2016**

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
<u>Assets:</u>			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 3,150,286	\$ 2,447,491	\$ 5,597,777
Receivables:			
Income tax	261,962	65,491	327,453
Accounts	249,117	256,787	505,904
Special assessments	10,000	10,000	20,000
Materials and supplies inventory	1,569	2,374	3,943
Prepaid items	6,353	5,467	11,820
Total current assets	<u>3,679,287</u>	<u>2,787,610</u>	<u>6,466,897</u>
Noncurrent assets:			
Capital assets:			
Land	213,279	99,708	312,987
Construction in progress	16,788	158,946	175,734
Depreciable capital assets, net	5,805,521	5,052,073	10,857,594
Total noncurrent assets	<u>6,035,588</u>	<u>5,310,727</u>	<u>11,346,315</u>
Total assets	<u><u>9,714,875</u></u>	<u><u>8,098,337</u></u>	<u><u>17,813,212</u></u>
<u>Deferred outflows of resources:</u>			
Pension	<u>142,832</u>	<u>105,596</u>	<u>248,428</u>
<u>Liabilities:</u>			
Current liabilities:			
Accounts payable	4,283	7,479	11,762
Contracts payable	9,401	22,475	31,876
Accrued wages and benefits	5,105	3,587	8,692
Due to other governments	4,464	3,113	7,577
Income tax refunds payable	17,433	4,358	21,791
Accrued interest payable	959	216	1,175
Claims payable	251	753	1,004
Compensated absences payable	36,800	30,037	66,837
Capital lease payable	-	51,598	51,598
OPWC loans payable	48,292	-	48,292
OWDA loans payable	2,973	-	2,973
General obligation bonds payable	133,200	20,800	154,000
Total current liabilities	<u>263,161</u>	<u>144,416</u>	<u>407,577</u>
Long-term liabilities:			
Compensated absences payable	21,575	18,087	39,662
OPWC loans payable, net of current portion	119,396	-	119,396
OWDA loans payable, net of current portion	26,462	-	26,462
General obligation bonds payable, net of current portion	351,680	89,063	440,743
Net pension liability	370,522	313,313	683,835
Total long-term liabilities	<u>889,635</u>	<u>420,463</u>	<u>1,310,098</u>
Total liabilities	<u><u>1,152,796</u></u>	<u><u>564,879</u></u>	<u><u>1,717,675</u></u>
<u>Deferred inflows of resources:</u>			
Pension	<u>17,902</u>	<u>13,732</u>	<u>31,634</u>
<u>Net position:</u>			
Net investment in capital assets	5,353,585	5,149,266	10,502,851
Unrestricted	3,333,424	2,476,056	5,809,480
Total net position	<u><u>\$ 8,687,009</u></u>	<u><u>\$ 7,625,322</u></u>	<u><u>\$ 16,312,331</u></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, 2016**

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
<u>Operating revenues:</u>			
Charges for services	\$ 1,218,321	\$ 1,206,060	\$ 2,424,381
Tap-in fees	8,084	5,800	13,884
Total operating revenues	<u>1,226,405</u>	<u>1,211,860</u>	<u>2,438,265</u>
<u>Operating expenses:</u>			
Personal services	328,364	233,419	561,783
Fringe benefits	118,165	89,637	207,802
Contractual services	280,872	325,563	606,435
Supplies and materials	65,523	66,143	131,666
Depreciation	249,354	238,536	487,890
Total operating expenses	<u>1,042,278</u>	<u>953,298</u>	<u>1,995,576</u>
Operating income	<u>184,127</u>	<u>258,562</u>	<u>442,689</u>
<u>Nonoperating revenues (expenses):</u>			
Municipal income tax	869,245	309,031	1,178,276
Other non-operating revenues	-	2,975	2,975
Interest and fiscal charges	(13,777)	(4,811)	(18,588)
Total nonoperating revenues (expenses)	<u>855,468</u>	<u>307,195</u>	<u>1,162,663</u>
Income before transfers	<u>1,039,595</u>	<u>565,757</u>	<u>1,605,352</u>
Transfers - in	-	5,967	5,967
Transfers - out	(5,967)	-	(5,967)
Total transfers	<u>(5,967)</u>	<u>5,967</u>	<u>-</u>
Change in net position	1,033,628	571,724	1,605,352
Net position at beginning of year	<u>7,653,381</u>	<u>7,053,598</u>	<u>14,706,979</u>
Net position at end of year	<u>\$ 8,687,009</u>	<u>\$ 7,625,322</u>	<u>\$ 16,312,331</u>

See accompanying notes to the basic financial statements.

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

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
Cash flows from operating activities:			
Cash received from customers	\$ 1,221,680	\$ 1,203,813	\$ 2,425,493
Cash payments for employee services and benefits	(434,944)	(309,661)	(744,605)
Cash payments to suppliers for goods and services	(372,513)	(415,088)	(787,601)
Net cash provided by operating activities	414,223	479,064	893,287
Cash flows from noncapital financing activities:			
Income taxes received	808,963	334,602	1,143,565
Net cash provided by noncapital financing activities	808,963	334,602	1,143,565
Cash flows from capital and related financing activities:			
Interest paid on bonds and capital leases	(15,266)	(5,570)	(20,836)
Principal payment on bonds, loans and capital lease	(176,151)	(70,327)	(246,478)
Acquisition of capital assets	(64,944)	(321,025)	(385,969)
Proceeds from sale of capital assets	-	2,975	2,975
Net cash used for capital and related financing activities	(256,361)	(393,947)	(650,308)
Net increase in cash and cash equivalents	966,825	419,719	1,386,544
Cash and cash equivalents at beginning of year	2,183,461	2,027,772	4,211,233
Cash and cash equivalents at end of year	\$ 3,150,286	\$ 2,447,491	\$ 5,597,777
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 184,127	\$ 258,562	\$ 442,689
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	249,354	238,536	487,890
Change in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	(7,225)	(10,547)	(17,772)
Special assessment receivable	2,500	2,500	5,000
Materials and supplies inventory	2,028	45	2,073
Prepaid items	(4,319)	(3,424)	(7,743)
Increase in deferred outflows of resources - pension	(96,943)	(64,806)	(161,749)
Increase (decrease) in liabilities:			
Accounts payable	(27,915)	(23,186)	(51,101)
Claims payable	(254)	177	(77)
Accrued wages and benefits	249	141	390
Compensated absences	7,135	6,339	13,474
Due to other governments	(3,835)	(4,227)	(8,062)
Net pension liability	96,238	69,505	165,743
Increase in deferred inflows of resources - pension	13,083	9,449	22,532
Net cash provided by operating activities	\$ 414,223	\$ 479,064	\$ 893,287
Noncash capital and related financing activities:			
Transfer in of capital asset	\$ -	\$ 5,967	\$ 5,967
Transfer out of capital asset	(5,967)	-	(5,967)
Total noncash capital and related financing activities	\$ (5,967)	\$ 5,967	\$ -

See accompanying notes to the basic financial statements.

***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. City Government and Reporting Entity**

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

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

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

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

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

**B. Basis of Presentation**

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

***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

Government-wide Financial Statements

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

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

Fund Financial Statements

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

**C. Fund Accounting**

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

Governmental Funds

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

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

***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

Proprietary Funds

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

Enterprise Funds

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

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

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

**D. Measurement Focus and Basis of Accounting**

Government-wide Financial Statements

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

Fund Financial Statements

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

***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

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

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

Revenues - Exchange and Nonexchange Transactions

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

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

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

Deferred Outflows/Inflows of Resources

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

***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

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, 2016, but which were levied to finance fiscal year 2017 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported on the governmental funds balance sheet, and represents revenues which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, intergovernmental grants, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position and the proprietary funds statement of fund net position. (See Note 15)

Expenses/Expenditures

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

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

**E. Budgets and Budgetary Accounting**

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

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

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

On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31. Further amendments may be made during the year if the Finance Director determines that revenue to be collected will be greater or less than the prior estimates and the budget commission finds the revised estimates to be reasonable. The amounts set forth in the financial statements as the original budgeted amounts represent estimates from the certificate of estimated resources when the original appropriations were adopted, whereas the final budgeted amounts, represent estimates from the final amended certificate issued for 2016.



***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

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

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

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

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

**F. Deposits and Investments**

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

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

During 2016, investments were limited to interest in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at fair value, which is based on quoted market prices.

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

***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

For 2016, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

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

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

**G. Inventory of Supplies**

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

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2016 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure or expense is reported in the year in which services are consumed.

**I. Capital Assets and Depreciation**

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

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

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

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

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

**J. Net pension liability and pension expense**

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

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

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

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

***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

**K. Compensated Absences**

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

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

**L. Accrued Liabilities and Long-term Obligations**

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

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

**M. Fund Balance**

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

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

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

***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

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

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

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

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

**N. Contributions of Capital**

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

**O. Bond Premiums**

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

**P. Interfund Balances**

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

***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

**Q. Interfund Transactions**

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

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

**R. Net Position**

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

**S. Operating Revenues and Expenses**

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

**T. Estimates**

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

***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

**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 funds and all other governmental funds are as follows:

Fund Balances	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Nonspendable</u>			
Materials and			
supplies inventory	\$ -	\$ 139,282	\$ 139,282
Prepays	<u>36,835</u>	<u>11,844</u>	<u>48,679</u>
Total nonspendable	<u>36,835</u>	<u>151,126</u>	<u>187,961</u>
<u>Restricted for</u>			
Streets and highways	-	411,845	411,845
Court activities	-	14,087	14,087
Police services	-	3,549	3,549
Capital improvements	-	116,059	116,059
Debt service payments	<u>-</u>	<u>30,220</u>	<u>30,220</u>
Total restricted	<u>-</u>	<u>575,760</u>	<u>575,760</u>
<u>Committed</u>			
Fire and EMS services	-	190,774	190,774
Storm water	<u>-</u>	<u>220,506</u>	<u>220,506</u>
Total committed	<u>-</u>	<u>411,280</u>	<u>411,280</u>
<u>Assigned</u>			
Various purchases on order*	225,582	-	225,582
Next year's budget	<u>622,000</u>	<u>-</u>	<u>622,000</u>
Total assigned	<u>847,582</u>	<u>-</u>	<u>847,582</u>
Unassigned (deficit)	<u>1,979,422</u>	<u>-</u>	<u>1,979,422</u>
Total fund balances	<u>\$ 2,863,839</u>	<u>\$ 1,138,166</u>	<u>\$ 4,002,005</u>

\*Purchases on order consist primarily of materials and supplies and contractual services.

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING**

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

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

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

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

Net Change in Fund Balance	
	<u>General</u>
GAAP Basis	\$ 104,633
Revenue accruals	(616,108)
Expenditure accruals	707,403
Encumbrances (Budget Basis)	
outstanding at year end	<u>(242,571)</u>
Budget Basis	<u>\$ (46,643)</u>



***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

**NOTE 4 – DEPOSITS AND INVESTMENTS**

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**A. Primary Government**

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

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

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

**A. Deposits**

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

As of December 31, 2016, the carrying amount of the City's deposits was \$2,085,327 and the bank balance was \$2,115,012. The City's deposits were not exposed to custodial credit risk as they were either insured or secured by a collateral pool of eligible securities held at the Federal Reserve in a pledge account.

**B. Investments**

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

	Fair		
<u>Investment Type</u>	<u>Value</u>	<u>Maturity</u>	<u>Rating</u> <sup>(1)</sup>
STAR Ohio	\$6,933,571	51.6 <sup>(2)</sup>	AAAm

<sup>(1)</sup> Standard and Poor's rating

<sup>(2)</sup> Days (Average)

***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

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, 2016. 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 2016 amounted to \$22,758, which includes \$15,866 assigned from other City funds.

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

**B. Component Unit**

Deposits

The carrying amount and bank balance of the Louisville Community Improvement Corporation's deposits at December 31, 2016 were \$108,881. 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**

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Receivables at December 31, 2016 for governmental funds consisted primarily of municipal income taxes, property and other taxes, amounts due from other governments and accounts.

***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

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	\$ 152,054
Homestead and rollback	29,464
Local government	63,354
Motor vehicle tax	27,387
Permissive sales tax	42,512
Public utility property tax reimbursement	12,348
State and Federal grants	1,661
Other	<u>17,936</u>
Total	<u>\$ 346,716</u>

**NOTE 6 – INTERFUND TRANSFERS**

Interfund transfers for the year ended December 31, 2016, consisted of the following:

<u>Transfer to</u>	<u>Transfer from</u>
	<u>General fund</u>
Other governmental funds	\$ 438,750

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.

Transfers of \$5,967 in capital assets between water and sewer during 2016 are reported as transfers on the proprietary statement of revenues, expenses and changes in fund net position.

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

**NOTE 7 - CAPITAL ASSETS**

Governmental Activities: The summary of the governmental capital asset activity as of December 31, 2016 follows:

<b><u>Governmental activities</u></b>	<u>Balance</u> <u>12/31/2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2016</u>
Capital assets, not being depreciated:				
Land	\$ 544,655	\$ -	\$ -	\$ 544,655
Right of ways	812,350	-	-	812,350
Construction in progress	<u>850</u>	<u>96,629</u>	<u>-</u>	<u>97,479</u>
Total capital assets, not being depreciated	<u>1,357,855</u>	<u>96,629</u>	<u>-</u>	<u>1,454,484</u>
Capital assets, being depreciated:				
Land improvements	797,824	-	-	797,824
Buildings and building improvements	1,892,982	55,595	-	1,948,577
Machinery and equipment	746,575	45,584	-	792,159
Vehicles	3,003,503	978,253	(640,837)	3,340,919
Infrastructure	<u>9,679,874</u>	<u>296,355</u>	<u>-</u>	<u>9,976,229</u>
Total capital assets, being depreciated	<u>16,120,758</u>	<u>1,375,787</u>	<u>(640,837)</u>	<u>16,855,708</u>
Less accumulated depreciation:				
Land improvements	(533,484)	(67,019)	-	(600,503)
Buildings and building improvements	(954,481)	(59,644)	-	(1,014,125)
Machinery and equipment	(343,763)	(64,903)	-	(408,666)
Vehicles	(1,825,975)	(265,201)	628,679	(1,462,497)
Infrastructure	<u>(1,202,800)</u>	<u>(291,489)</u>	<u>-</u>	<u>(1,494,289)</u>
Total accumulated depreciation	<u>(4,860,503)</u>	<u>(748,256)</u>	<u>628,679</u>	<u>(4,980,080)</u>
Total capital assets being depreciated, net	<u>11,260,255</u>	<u>627,531</u>	<u>(12,158)</u>	<u>11,875,628</u>
Governmental activities capital assets, net	<u>\$ 12,618,110</u>	<u>\$ 724,160</u>	<u>\$ (12,158)</u>	<u>\$ 13,330,112</u>

Depreciation Expense: Depreciation expense charged to governmental functions for the year ending December 31, 2016 is as follows:

	<u>Amount</u>
General government	\$ 65,927
Security of persons and property	258,095
Transportation	356,508
Leisure time activities	<u>67,726</u>
	<u>\$ 748,256</u>

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

Business-type Activities: The summary of the business-type activities' capital asset activity as of December 31, 2016 follows:

<b><u>Business-type activities</u></b>	Balance <u>12/31/2015</u>	Increases	Decreases	Balance <u>12/31/2016</u>
Capital assets, not being depreciated:				
Land	\$ 312,987	\$ -	\$ -	\$ 312,987
Construction in progress	<u>115,534</u>	<u>319,240</u>	<u>(259,040)</u>	<u>175,734</u>
Total capital assets, not being depreciated	<u>428,521</u>	<u>319,240</u>	<u>(259,040)</u>	<u>488,721</u>
Capital assets, being depreciated:				
Land improvements	73,970	-	-	73,970
Buildings and building improvements	9,216,401	-	-	9,216,401
Machinery and equipment	251,115	40,230	-	291,345
Vehicles	586,249	-	(16,017)	570,232
Infrastructure	<u>12,746,536</u>	<u>311,448</u>	<u>(5,967)</u>	<u>13,052,017</u>
Total capital assets, being depreciated	<u>22,874,271</u>	<u>351,678</u>	<u>(21,984)</u>	<u>23,203,965</u>
Less accumulated depreciation:				
Land improvements	(53,407)	(7,397)	-	(60,804)
Buildings and building improvements	(5,221,530)	(181,336)	-	(5,402,866)
Machinery and equipment	(71,166)	(21,402)	-	(92,568)
Vehicles	(202,097)	(53,307)	16,017	(239,387)
Infrastructure	<u>(6,326,298)</u>	<u>(224,448)</u>	<u>-</u>	<u>(6,550,746)</u>
Total accumulated depreciation	<u>(11,874,498)</u>	<u>(487,890)</u>	<u>16,017</u>	<u>(12,346,371)</u>
Total capital assets being depreciated, net	<u>10,999,773</u>	<u>(136,212)</u>	<u>(5,967)</u>	<u>10,857,594</u>
Business-type activities capital assets, net	<u>\$ 11,428,294</u>	<u>\$ 183,028</u>	<u>\$ (265,007)</u>	<u>\$ 11,346,315</u>

Depreciation Expense: Depreciation expense charged to business-type activities for the year ending December 31, 2016 is as follows:

	<u>Amount</u>
Water	\$ 249,354
Sewer	<u>238,536</u>
Total	<u>\$ 487,890</u>

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

**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, 2016 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>
<b><u>Governmental activities</u></b>					
<b><u>General obligation bonds</u></b>					
2011 Refunding bonds	\$ 160,000	\$ -	\$ (25,000)	\$ 135,000	\$ 26,000
2011 Refunding premium	917	-	(257)	660	-
Total general obligation bonds	<u>160,917</u>	<u>-</u>	<u>(25,257)</u>	<u>135,660</u>	<u>26,000</u>
<b><u>Other long-term obligations</u></b>					
Police pension liability, 4.25%	37,481	-	(1,271)	36,210	1,326
Compensated absences	237,992	165,114	(133,738)	269,368	150,097
Capital leases	227,817	921,479	(236,148)	913,148	127,028
Net pension liability:					
OPERS	1,005,710	368,914	-	1,374,624	-
OP&F	<u>1,749,127</u>	<u>873,107</u>	<u>-</u>	<u>2,622,234</u>	<u>-</u>
Total other long-term obligations	<u>3,258,127</u>	<u>2,328,614</u>	<u>(371,157)</u>	<u>5,215,584</u>	<u>278,451</u>
Total governmental activities	<u>\$ 3,419,044</u>	<u>\$ 2,328,614</u>	<u>\$ (396,414)</u>	<u>\$ 5,351,244</u>	<u>\$ 304,451</u>

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

Business-type Activities: A summary of the business-type activities' debt and other long-term obligations as of December 31, 2016 follows:

	Balance January 1	Additions	Reductions	Amount Outstanding December 31	Amount Due in One Year
<b><u>Business-type activities</u></b>					
<u>General obligation bonds</u>					
2011 Refunding bonds	\$ 735,000	\$ -	\$ (145,000)	\$ 590,000	\$ 154,000
Unamortized premium	6,749	-	(2,006)	4,743	-
Total general obligation bonds	741,749	-	(147,006)	594,743	154,000
<u>Other long-term obligations</u>					
1996 Ohio Public Works					
Commission Loan 0%	48,826	-	(24,413)	24,413	24,413
2001 Ohio Public Works					
Commission Loan 0%	167,154	-	(23,879)	143,275	23,879
2005 Ohio Water Development					
Authority Loan 3.98%	32,294	-	(2,859)	29,435	2,973
Capital lease	101,925	-	(50,327)	51,598	51,598
Compensated absences	93,025	73,111	(59,637)	106,499	66,837
Net pension liability:					
OPERS - Water portion	274,284	96,238	-	370,522	-
OPERS - Sewer portion	243,808	69,505	-	313,313	-
Total other long-term obligations	961,316	238,854	(161,115)	1,039,055	169,700
Total business-type activities	\$ 1,703,065	\$ 238,854	\$ (308,121)	\$ 1,633,798	\$ 323,700

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

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

Loans: The \$24,413 loan outstanding is an interest-free loan from the Ohio Public Works Commission (OPWC) for a water line project, and requires equal payments over twenty years. The \$143,275 OPWC Loan outstanding is an interest-free loan for a water tower, and requires equal payments over twenty years. The \$29,435 Ohio Water Development Authority (OWDA) Loan outstanding is a loan for the East Well Field conversion and raw water main, and requires principal and interest payments over twenty years.

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

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

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

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

The annual requirements to amortize all bonded debt and loans as of December 31, 2016, including interest payments of \$10,080 and \$46,993, respectively for governmental and business-type activities, are as follows:

Governmental Activities:

	General Obligation Debt		Police Pension
	Principal	Interest	Installment
2017	\$ 26,000	\$ 3,245	\$ 1,326
2018	26,000	2,660	1,383
2019	27,000	2,075	1,442
2020	28,000	1,400	1,504
2021	28,000	700	1,569
2022-2026	-	-	8,915
2027-2031	-	-	11,000
2032-2035	-	-	9,071
	<u>\$ 135,000</u>	<u>\$ 10,080</u>	<u>\$ 36,210</u>

Business-type Activities:

	General Obligation Debt		OWDA Loan		OPWC Loans
	Principal	Interest	Principal	Interest	Principal
2017	\$ 154,000	\$ 14,105	\$ 2,973	\$ 1,142	\$ 48,292
2018	104,000	10,640	3,093	1,023	23,879
2019	108,000	8,300	3,217	898	23,879
2020	112,000	5,600	3,347	769	23,879
2021	112,000	2,800	3,481	635	23,879
2022-2025	-	-	13,324	1,081	23,880
	<u>\$ 590,000</u>	<u>\$ 41,445</u>	<u>\$ 29,435</u>	<u>\$ 5,548</u>	<u>\$ 167,688</u>



***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

**NOTE 10 – CAPITALIZED LEASE**

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

Governmental and business-type activities capital assets consisting of vehicles have been capitalized in the amount of \$1,498,605 and \$351,791, respectively. The depreciation expense of these assets is reported within governmental and business-type activities. The capitalized amount equals a portion of the present value of the future minimum lease payments and the down payment respectively, at the time of acquisition. The remaining portion of the capital lease was used for noncapitalizable improvements.

Following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2016:

<u>Year</u>	<u>Lease Payments</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2017	\$ 159,269	\$ 52,901
2018	159,269	-
2019	107,374	-
2020	107,374	-
2021	107,374	-
2022-2025	<u>429,496</u>	<u>-</u>
Total minimum lease payments	1,070,156	52,901
Less: amount representing interest	<u>(157,008)</u>	<u>(1,303)</u>
Total	<u>\$ 913,148</u>	<u>\$ 51,598</u>

**NOTE 11 - PROPERTY TAX**

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

***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

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. 2016 public utility property taxes became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2017 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, 2016 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 2016 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, 2016, was \$2.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2015 property tax receipts were based are as follows:

<u>Property Category</u>	<u>Valuations for 2016 Collections</u>	
	<u>Assessed Value</u>	<u>Percent</u>
<u>Real Property</u>		
Residential and agricultural	\$ 127,138,870	79.14 %
Commercial and industrial	29,387,600	18.29
Public utilities	<u>4,128,460</u>	<u>2.57</u>
Total	<u>\$ 160,654,930</u>	<u>100.00 %</u>

**NOTE 12 - INCOME TAX**

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

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

*City of Louisville, Ohio*  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

**NOTE 13 - CONTINGENCIES**

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

**NOTE 14 – COMMITMENTS**

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As of December 31, 2016, the general fund has contractual commitments for preliminary design costs for the renovation of City Hall in the amount of \$163,616.

**NOTE 15 - DEFINED BENEFIT PENSION PLANS**

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Net pension liability

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

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

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

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

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

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

Ohio Public Employees Retirement System

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

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

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

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

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

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

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

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

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

	<u>State and Local</u>
<b>2016 Statutory maximum contribution rates</b>	
Employer	14.00 %
Employee	10.00 %
<b>2016 Actual contribution rates</b>	
Employer:	
Pension	12.00 %
Post-employment health care benefits	<u>2.00</u>
Total employer	<u>14.00 %</u>
Employee	<u>10.00 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$188,452 for 2016. Of this amount, \$19,404 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](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

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

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

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

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

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

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

	<u>Police</u>	<u>Firefighters</u>
<b>2016 Statutory maximum contribution rates</b>		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2016 through December 31, 2016	12.25 %	12.25 %
<b>2016 Actual contribution rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment health care benefits	0.50	0.50
Total employer	19.50 %	24.00 %
Employee:		
January 1, 2016 through December 31, 2016	12.25 %	12.25 %

***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$179,805 for 2016. Of this amount, \$15,618 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, 2016, the specific liability of the City was \$36,210 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, 2015 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, 2015 and was determined by rolling forward the total pension liability as of January 1, 2015 to December 31, 2015. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net pension liability - prior measurement date	0.012634%	0.033764%	
Proportion of the net pension liability - current measurement date	<u>0.011884%</u>	<u>0.040762%</u>	
Change in proportionate share	<u>-0.000750%</u>	<u>0.006998%</u>	
Proportionate share of the net pension liability	\$ 2,058,459	\$ 2,622,234	\$ 4,680,693
Pension expense	\$ 257,223	\$ 402,325	\$ 659,548

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

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

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$ 605,058	\$ 426,799	\$ 1,031,857
Changes in proportionate share and difference between City contributions and proportionate share of contributions	-	298,333	298,333
City contributions subsequent to the measurement date	<u>188,452</u>	<u>179,805</u>	<u>368,257</u>
Total deferred outflows of resources	<u>\$ 793,510</u>	<u>\$ 904,937</u>	<u>\$ 1,698,447</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 39,773	\$ 7,363	\$ 47,136
Changes in proportionate share and difference between City contributions and proportionate share of contributions	<u>59,683</u>	<u>-</u>	<u>59,683</u>
Total deferred inflows of resources	<u>\$ 99,456</u>	<u>\$ 7,363</u>	<u>\$ 106,819</u>

\$368,257 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Year ending December 31:			
2017	\$ 104,794	\$ 168,454	\$ 273,248
2018	114,470	168,454	282,924
2019	149,414	168,451	317,865
2020	136,924	145,700	282,624
2021	-	56,065	56,065
Thereafter	<u>-</u>	<u>10,645</u>	<u>10,645</u>
Total	<u>\$ 505,602</u>	<u>\$ 717,769</u>	<u>\$ 1,223,371</u>

**Actuarial Assumptions - OPERS**

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



***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

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

Wage inflation	3.75 percent
Future salary increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment rate of return	8 percent
Actuarial cost method	Individual entry age

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

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

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

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

OPERS manages investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the traditional pension plan, the defined benefit component of the Combined Plan, the annuitized accounts of the member-directed plan and the member-directed retiree medical accounts funded through the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.4% for 2015.

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 2015 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	23.00 %	2.31 %
Domestic equities	20.70	5.84
Real estate	10.00	4.25
Private equity	10.00	9.25
International equities	18.30	7.40
Other investments	<u>18.00</u>	<u>4.59</u>
Total	<u>100.00</u> %	<u>5.27</u> %

**Discount Rate** The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future 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 8 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7 percent) or one percentage point higher (9 percent) than the current rate:

	1% Decrease <u>(7.00%)</u>	Current discount rate <u>(8.00%)</u>	1% Increase <u>(9.00%)</u>
City's proportionate share of the net pension liability	\$ 3,279,627	\$ 2,058,459	\$ 1,028,441

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

**Changes between Measurement Date and Report Date** In October 2016, the OPERS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8.0 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the City’s net pension liability is expected to be significant.

**Actuarial Assumptions – OP&F**

OP&F’s total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015 and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

Valuation date	January 1, 2015
Actuarial cost method	Entry age normal
Investment rate of return	8.25 percent
Projected salary increases	4.25 percent to 11 percent
Payroll increases	3.75 percent
Inflation assumptions	3.25 percent
Cost of living adjustments	2.60 percent and 3.00 percent

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected real rates of return for each major asset class included in OP&F’s target asset allocation as of December 31, 2015 are summarized below:

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

Asset class	Target <u>Allocation</u>	10 year expected <u>real rate of return**</u>	30 year expected <u>real rate of return**</u>
Cash and cash equivalents	- %	- %	- %
Domestic equity	16.00	6.50	7.80
Non-US equity	16.00	6.70	8.00
Core fixed income *	20.00	3.50	5.35
Global inflation protected *	20.00	3.50	4.73
High yield	15.00	6.35	7.21
Real estate	12.00	5.80	7.43
Private markets	8.00	9.50	10.73
Timber	5.00	6.55	7.35
Master limited partnerships	<u>8.00</u>	9.65	10.75
Total	<u>120.00</u> %		

\* Levered 2x

\*\*Numbers are net of expected inflation

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

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

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

	1% Decrease	Current discount rate	1% Increase
	<u>7.25</u>	<u>8.25%</u>	<u>9.25%</u>
City's proportionate share of the net pension liability	\$ 3,458,375	\$ 2,622,234	\$ 1,913,940

*City of Louisville, Ohio*  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

**NOTE 16 - POSTEMPLOYMENT BENEFITS**

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Ohio Public Employees Retirement System

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

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

In order to qualify for health care coverage, age-and-service retirees under the traditional pension and combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2015 CAFR for details.

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority requiring employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2016, the City contributed at a rate of 14.0% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units. Active members do not make contributions to the OPEB plan.

***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

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 2.0% during calendar year 2016. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the RMA for participants in the member-directed plan for 2016 was 4.0%.

Actual employer contributions for the years ending December 31, 2016, 2015 and 2014 which were used to fund postemployment benefits were \$35,291, \$32,154 and \$33,499, respectively. The full amount has been contributed for 2015 and 2014. Approximately 90.8% has been contributed for 2016. \$3,234, representing the unpaid contribution for fiscal year 2016, is recorded as due to other governments. The actual contribution and the actuarially required contribution amounts are the same.

Ohio Police and Fire Pension Fund

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

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

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

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

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

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

***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to healthcare was 0.5% of covered payroll from January 1, 2016 through December 31, 2016. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's total contributions to OP&F for police and fire health care for the years ended December 31, 2016, 2015 and 2014 were \$4,631, \$4,422 and \$3,232, respectively, 91 percent has been contributed, for 2016 with the remainder being reported as a liability. \$401, representing the unpaid contribution for fiscal year 2016, is recorded as due to other governments.

**NOTE 17 - RISK MANAGEMENT**

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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 770 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 \$2,437 reported in the funds at December 31, 2016 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.

***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

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 2016 and 2015 were:

	Year ended <u>12/31/2016</u>	Year ended <u>12/31/2015</u>
Unpaid claims, beginning of fiscal year	\$ 3,688	\$ 1,965
Incurred claims (including IBNRs)	31,881	41,463
Claim payments	<u>(33,132)</u>	<u>(39,740)</u>
Unpaid claims, end of fiscal year	<u>\$ 2,437</u>	<u>\$ 3,688</u>

**NOTE 18 – JOINTLY GOVERNED ORGANIZATION**

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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 2016, the City did not contribute to the Council. Financial statements of the Council can be obtained from the Stark County Council of Governments P.O. Box 21451, Canton, Ohio 44701-1451.

**NOTE 19 – DISCRETELY PRESENTED COMPONENT UNIT**

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

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



***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

**NOTE 20 – CONDUIT DEBT OBLIGATIONS**

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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, 2016 there were two series of Healthcare and Housing Facility Bonds outstanding, with an aggregate principal amount of \$3.225 million.

**NOTE 21 – TAX ABATEMENTS**

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

During 2016, the City abated property taxes totaling \$4,887 within the Community Reinvestment Area.

The City has a 100% exemption property tax abatement agreement with an independent living housing facility. The housing facility is required to present identified improvements to the facility and must also create and retain a certain number of jobs. The amount of the abatement is deducted from the recipient's tax bill. No taxes were abated during 2016.

The City also has a 100% exemption property tax abatement agreement with a local business. The local business is required to present identified improvements to their 12,000 square foot facility and must create and retain a certain number of jobs. The amount of the abatement is deducted from the recipient's tax bill. This abatement amounted to \$4,887.

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

**NOTE 22 – SUBSEQUENT EVENTS**

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The City was awarded a \$1,500,000 interest-free loan from the Ohio Public Works Commission (OPWC) for a wastewater clarifier project, and requires equal payments over thirty years. Construction is set to begin in July 2017.

**Required Supplementary Information**

**City of Louisville, Ohio**

**Required Supplementary Information**

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

**Last Three Years (1)**

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

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

(2) Restated during 2015.

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Ohio Public Employees Retirement System - Traditional Plan</b>				
Contractually required contribution	\$ 188,452	\$ 173,633	\$ 173,428	\$ 181,634
Contributions in relation to contractually required contribution	<u>(188,452)</u>	<u>(173,633)</u>	<u>(173,428)</u>	<u>(181,634)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered employee payroll	\$ 1,570,433	\$ 1,446,942	\$ 1,445,233	\$ 1,397,185
Contributions as a percentage of covered employee payroll	12.00%	12.00%	12.00%	13.00%

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Ohio Police and Fire Pension Fund</b>				
Contractually required contribution	\$ 179,805	\$ 171,602	\$ 132,460	\$ 91,791
Contributions in relation to contractually required contribution	<u>(179,805)</u>	<u>(171,602)</u>	<u>(132,460)</u>	<u>(91,791)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered employee payroll	\$ 846,141	\$ 854,166	\$ 650,589	\$ 537,418
Contributions as a percentage of covered employee payroll	21.25%	20.09%	20.36%	17.08%

(1) Information prior to 2013 is not available.

***City of Louisville, Ohio***  
**Notes to Required Supplementary Information**  
**For the Year Ended December 31, 2016**

**Ohio Public Employees Retirement System - Traditional Plan**

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for year 2014, 2015 and 2016.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for year 2014, 2015 and 2016. See the notes to the basic financials for the methods and assumptions in this calculation.

**Ohio Police and Fire Pension Fund**

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for year 2014, 2015 and 2016.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for year 2014, 2015 and 2016. See the notes to the basic financials for the methods and assumptions in this calculation.

## **Combining Statements**

## Combining Statements – Nonmajor Governmental Funds

### **Nonmajor Special Revenue Funds**

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

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

### **Nonmajor Debt Service Fund**

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

### **Nonmajor Capital Projects Fund**

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

**City of Louisville, Ohio**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 683,749	\$ 30,220	\$ 117,559	\$ 831,528
Receivables:				
Accounts	162,045	-	-	162,045
Due from other governments	221,953	-	-	221,953
Materials and supplies inventory	139,282	-	-	139,282
Prepaid items	11,844	-	-	11,844
Total assets	<u>\$ 1,218,873</u>	<u>\$ 30,220</u>	<u>\$ 117,559</u>	<u>\$ 1,366,652</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ 13,092	\$ -	\$ -	\$ 13,092
Contracts payable	-	-	1,500	1,500
Accrued wages and benefits	5,997	-	-	5,997
Due to other governments	3,951	-	-	3,951
Claims payable	117	-	-	117
Total liabilities	<u>23,157</u>	<u>-</u>	<u>1,500</u>	<u>24,657</u>
Deferred inflows of resources:				
Unavailable revenue - other	<u>203,829</u>	<u>-</u>	<u>-</u>	<u>203,829</u>
Fund balances:				
Nonspendable	151,126	-	-	151,126
Restricted	429,481	30,220	116,059	575,760
Committed	411,280	-	-	411,280
Total fund balances	<u>991,887</u>	<u>30,220</u>	<u>116,059</u>	<u>1,138,166</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,218,873</u>	<u>\$ 30,220</u>	<u>\$ 117,559</u>	<u>\$ 1,366,652</u>



**City of Louisville, Ohio**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

**Nonmajor Governmental Funds**

**For the Year Ended December 31, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Charges for services	\$ 545,491	\$ -	\$ -	\$ 545,491
Fines and forfeitures	5,229	-	-	5,229
Intergovernmental	576,092	-	-	576,092
Investment income	1,166	-	-	1,166
Contributions and donations	5,477	-	-	5,477
Other	2,980	-	-	2,980
Total revenue	<u>1,136,435</u>	<u>-</u>	<u>-</u>	<u>1,136,435</u>
Expenditures:				
Current:				
General government	2,278	-	910	3,188
Security of persons and property	269,543	-	-	269,543
Transportation	626,022	-	-	626,022
Capital outlay	375,533	-	5,200	380,733
Debt service:			-	
Principal retirement	91,619	25,000	-	116,619
Interest and fiscal charges	5,868	3,745	-	9,613
Total expenditures	<u>1,370,863</u>	<u>28,745</u>	<u>6,110</u>	<u>1,405,718</u>
Excess of revenues under expenditures	<u>(234,428)</u>	<u>(28,745)</u>	<u>(6,110)</u>	<u>(269,283)</u>
Other financing sources:				
Transfers - in	<u>410,000</u>	<u>28,750</u>	<u>-</u>	<u>438,750</u>
Net change in fund balance	175,572	5	(6,110)	169,467
Fund balances at beginning of year	816,315	30,215	122,169	968,699
Fund balances at end of year	<u>\$ 991,887</u>	<u>\$ 30,220</u>	<u>\$ 116,059</u>	<u>\$ 1,138,166</u>

**City of Louisville, Ohio**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2016**

	Street Construction, Maintenance and Repair Fund	State Highway Fund	Motor Vehicle License Fund	Mayor's Court Computerization Fund
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 222,052	\$ 46,071	\$ 85,582	\$ 14,087
<b>Receivables:</b>				
Accounts	400	-	-	-
Due from other governments	165,983	13,458	42,512	-
Materials and supplies inventory	128,836	10,446	-	-
Prepaid items	6,879	304	-	-
Total assets	<u>\$ 524,150</u>	<u>\$ 70,279</u>	<u>\$ 128,094</u>	<u>\$ 14,087</u>
<b>Liabilities, deferred inflows of resources and fund balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 3,038	\$ 49	\$ 5,649	\$ -
Accrued wages and benefits	3,980	-	-	-
Due to other governments	3,558	-	-	-
Claims payable	117	-	-	-
Total liabilities	<u>10,693</u>	<u>49</u>	<u>5,649</u>	<u>-</u>
<b>Deferred inflows of resources:</b>				
Unavailable revenue - other	<u>110,409</u>	<u>8,952</u>	<u>28,461</u>	<u>-</u>
<b>Fund balances:</b>				
Nonspendable	135,715	10,750	-	-
Restricted	267,333	50,528	93,984	14,087
Committed	-	-	-	-
Total fund balances	<u>403,048</u>	<u>61,278</u>	<u>93,984</u>	<u>14,087</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 524,150</u>	<u>\$ 70,279</u>	<u>\$ 128,094</u>	<u>\$ 14,087</u>

Emergency Services Charges Fund	Law Enforcement Education Fund	Law Enforcement Trust Fund	Storm Water Fund	Total Nonmajor Special Revenue Funds
\$ 132,688	\$ 1,688	\$ 1,614	\$ 179,967	\$ 683,749
120,859	-	247	40,539	162,045
-	-	-	-	221,953
-	-	-	-	139,282
4,661	-	-	-	11,844
<u>\$ 258,208</u>	<u>\$ 1,688</u>	<u>\$ 1,861</u>	<u>\$ 220,506</u>	<u>\$ 1,218,873</u>
\$ 4,356	\$ -	\$ -	\$ -	\$ 13,092
2,017	-	-	-	5,997
393	-	-	-	3,951
-	-	-	-	117
<u>6,766</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,157</u>
<u>56,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203,829</u>
4,661	-	-	-	151,126
-	1,688	1,861	-	429,481
190,774	-	-	220,506	411,280
<u>195,435</u>	<u>1,688</u>	<u>1,861</u>	<u>220,506</u>	<u>991,887</u>
<u>\$ 258,208</u>	<u>\$ 1,688</u>	<u>\$ 1,861</u>	<u>\$ 220,506</u>	<u>\$ 1,218,873</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, 2016**

	Street Construction, Maintenance and Repair Fund	State Highway Fund	Motor Vehicle License Fund	Mayor's Court Computerization Fund
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	2,982
Intergovernmental	341,771	27,711	204,210	-
Investment income	-	-	1,166	-
Contributions and donations	1,000	-	-	-
Other	2,980	-	-	-
Total revenue	<u>345,751</u>	<u>27,711</u>	<u>205,376</u>	<u>2,982</u>
Expenditures:				
Current:				
General government	-	-	-	2,278
Security of persons and property	-	-	-	-
Transportation	510,825	15,284	5,649	-
Capital outlay	10,983	-	296,355	-
Debt service:				
Principal retirement	41,045	3,328	-	-
Interest and fiscal charges	1,128	91	-	-
Total expenditures	<u>563,981</u>	<u>18,703</u>	<u>302,004</u>	<u>2,278</u>
Excess of revenues over (under) expenditures	<u>(218,230)</u>	<u>9,008</u>	<u>(96,628)</u>	<u>704</u>
Other financing sources:				
Transfers - in	<u>360,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Net change in fund balance	141,770	9,008	(46,628)	704
Fund balances at beginning of year	261,278	52,270	140,612	13,383
Fund balances at end of year	<u>\$ 403,048</u>	<u>\$ 61,278</u>	<u>\$ 93,984</u>	<u>\$ 14,087</u>

Emergency Services Charges Fund	Law Enforcement Education Fund	Law Enforcement Trust Fund	Storm Water Fund	Total Nonmajor Special Revenue Funds
\$ 346,571	\$ -	\$ -	\$ 198,920	\$ 545,491
-	1,215	1,032	-	5,229
2,400	-	-	-	576,092
-	-	-	-	1,166
4,477	-	-	-	5,477
-	-	-	-	2,980
<u>353,448</u>	<u>1,215</u>	<u>1,032</u>	<u>198,920</u>	<u>1,136,435</u>
-	-	-	-	2,278
266,861	1,796	886	-	269,543
-	-	-	94,264	626,022
-	-	-	68,195	375,533
47,246	-	-	-	91,619
4,649	-	-	-	5,868
<u>318,756</u>	<u>1,796</u>	<u>886</u>	<u>162,459</u>	<u>1,370,863</u>
<u>34,692</u>	<u>(581)</u>	<u>146</u>	<u>36,461</u>	<u>(234,428)</u>
-	-	-	-	410,000
34,692	(581)	146	36,461	175,572
160,743	2,269	1,715	184,045	816,315
<u>\$ 195,435</u>	<u>\$ 1,688</u>	<u>\$ 1,861</u>	<u>\$ 220,506</u>	<u>\$ 991,887</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, 2016**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Municipal income tax	\$ 3,300,000	\$ 3,438,000	\$ 3,434,679	\$ (3,321)
Property and other taxes	391,500	420,425	420,399	(26)
Charges for services	127,350	125,900	125,885	(15)
Licenses and permits	150,150	156,650	152,405	(4,245)
Fines and forfeitures	26,200	28,075	28,009	(66)
Intergovernmental	222,600	232,050	231,592	(458)
Interest	5,000	22,300	22,758	458
Contributions and donations	4,000	4,100	4,014	(86)
Other	42,800	50,000	30,702	(19,298)
<b>Total revenues</b>	<b>4,269,600</b>	<b>4,477,500</b>	<b>4,450,443</b>	<b>(27,057)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government</b>				
<b>Office of city council</b>				
Personal services	43,325	43,125	42,792	333
Operations and maintenance	21,999	16,199	15,813	386
<b>Total office of city council</b>	<b>65,324</b>	<b>59,324</b>	<b>58,605</b>	<b>719</b>
<b>Office of the city manager</b>				
Personal services	289,331	291,831	245,270	46,561
Operations and maintenance	18,076	11,276	10,137	1,139
<b>Total office of the city manager</b>	<b>307,407</b>	<b>303,107</b>	<b>255,407</b>	<b>47,700</b>
<b>Department of finance and tax</b>				
Personal services	346,100	346,800	341,204	5,596
Operations and maintenance	38,552	34,352	33,951	401
<b>Total department of finance and tax</b>	<b>384,652</b>	<b>381,152</b>	<b>375,155</b>	<b>5,997</b>
<b>Mayor's court</b>				
Personal services	10,450	10,650	10,328	322
Operations and maintenance	16,750	18,150	8,988	9,162
<b>Total mayor's court</b>	<b>27,200</b>	<b>28,800</b>	<b>19,316</b>	<b>9,484</b>
<b>Civil service commission</b>				
Operations and maintenance	13,205	11,855	11,669	186
<b>Total civil service commission</b>	<b>13,205</b>	<b>11,855</b>	<b>11,669</b>	<b>186</b>
<b>Division of lands and buildings</b>				
Personal services	22,925	22,525	22,046	479
Operations and maintenance	188,985	284,735	283,830	905
<b>Total division of lands and buildings</b>	<b>211,910</b>	<b>307,260</b>	<b>305,876</b>	<b>1,384</b>

(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, 2016**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Department of law				
Personal services	48,650	49,450	48,475	975
Operations and maintenance	20,000	20,550	20,515	35
Total department of law	68,650	70,000	68,990	1,010
Other administrative				
Operations and maintenance	177,800	139,126	138,151	975
Total general government	1,256,148	1,300,624	1,233,169	67,455
Security of persons and property				
Division of police				
Personal services	1,402,992	1,395,992	1,371,036	24,956
Operations and maintenance	360,543	337,318	336,558	760
Total division of police	1,763,535	1,733,310	1,707,594	25,716
Division of fire				
Personal services	275,100	289,300	284,323	4,977
Operations and maintenance	319,417	279,017	278,388	629
Total division of fire	594,517	568,317	562,711	5,606
Division of street lighting				
Operations and maintenance	161,000	126,400	126,095	305
Division of traffic control maintenance				
Operations and maintenance	15,725	13,025	12,804	221
Division of fire prevention/inspections				
Personal services	10,050	6,450	5,520	930
Operations and maintenance	2,831	2,831	1,844	987
Total division of fire prevention/inspections	12,881	9,281	7,364	1,917
Total security of persons and property	2,547,658	2,450,333	2,416,568	33,765
Public health and welfare				
Board of health				
Operations and maintenance	99,600	108,250	107,729	521
Community environment				
Division of planning and development				
Personal services	176,861	177,461	174,699	2,762
Operations and maintenance	127,856	57,955	43,201	14,754
Total division of planning and development	304,717	235,416	217,900	17,516

(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, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Division of housing and building code				
Personal services	66,575	60,975	59,833	1,142
Operations and maintenance	6,225	3,925	3,710	215
Total division of housing and building code	72,800	64,900	63,543	1,357
Total community environment	377,517	300,316	281,443	18,873
Leisure time activities				
Division of parks				
Personal services	98,650	58,050	57,826	224
Operations and maintenance	83,350	83,350	82,776	574
Total division of parks	182,000	141,400	140,602	798
Special events				
Operations and maintenance	15,000	10,000	10,000	-
Total leisure time activities	197,000	151,400	150,602	798
Total expenditures	4,477,923	4,310,923	4,189,511	121,412
Excess of revenues over (under) expenditures	(208,323)	166,577	260,932	94,355
Other financing sources (uses):				
Sale of capital assets	92,500	131,175	131,175	-
Advances - in	-	116,000	116,000	-
Advances - out	-	(116,000)	(116,000)	-
Transfers - in	-	25	7	(18)
Transfers - out	(438,750)	(438,775)	(438,757)	18
Total other financing sources (uses)	(346,250)	(307,575)	(307,575)	-
Net change in fund balance	(554,573)	(140,998)	(46,643)	94,355
Fund balance at beginning of year	2,273,402	2,273,402	2,273,402	-
Prior year encumbrances appropriated	120,673	120,673	120,673	-
Fund balance at end of year	\$ 1,839,502	\$ 2,253,077	\$ 2,347,432	\$ 94,355

**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, 2016**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Intergovernmental	\$ 332,000	\$ 340,500	\$ 340,463	\$ (37)
Contributions and donations	-	1,000	1,000	-
Other	-	2,600	2,580	(20)
Total revenues	<u>332,000</u>	<u>344,100</u>	<u>344,043</u>	<u>(57)</u>
<b>Expenditures:</b>				
Current:				
Transportation				
Division of street maintenance				
Personal services	357,919	355,819	350,372	5,447
Operations and maintenance	219,682	174,082	173,151	931
Total division of street maintenance	<u>577,601</u>	<u>529,901</u>	<u>523,523</u>	<u>6,378</u>
Division of snow and ice removal				
Operations and maintenance	141,287	145,487	141,905	3,582
Total expenditures	<u>718,888</u>	<u>675,388</u>	<u>665,428</u>	<u>9,960</u>
Excess of revenues under expenditures	<u>(386,888)</u>	<u>(331,288)</u>	<u>(321,385)</u>	<u>9,903</u>
Other financing sources:				
Sale of capital assets	5,000	-	-	-
Transfers - in	360,000	360,000	360,000	-
Total other financing sources	<u>365,000</u>	<u>360,000</u>	<u>360,000</u>	<u>-</u>
Net change in fund balance	(21,888)	28,712	38,615	9,903
Fund balance at beginning of year	114,353	114,353	114,353	-
Prior year encumbrances appropriated	<u>7,888</u>	<u>7,888</u>	<u>7,888</u>	<u>-</u>
Fund balance at end of year	<u>\$ 100,353</u>	<u>\$ 150,953</u>	<u>\$ 160,856</u>	<u>\$ 9,903</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, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 27,000	\$ 27,650	\$ 27,605	\$ (45)
<u>Expenditures:</u>				
Current:				
Transportation				
Division of street maintenance				
Personal services	10	10	10	-
Operations and maintenance	22,806	15,406	14,994	412
Total division of street maintenance	22,816	15,416	15,004	412
Division of snow and ice removal				
Operations and maintenance	8,140	8,340	8,238	102
Total expenditures	30,956	23,756	23,242	514
Net change in fund balance	(3,956)	3,894	4,363	469
Fund balance at beginning of year	39,907	39,907	39,907	-
Prior year encumbrances appropriated	156	156	156	-
Fund balance at end of year	\$ 36,107	\$ 43,957	\$ 44,426	\$ 469

**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, 2016**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$ 232,000	\$ 208,950	\$ 208,945	\$ (5)
Interest	200	1,600	1,166	(434)
Total revenues	<u>232,200</u>	<u>210,550</u>	<u>210,111</u>	<u>(439)</u>
<u>Expenditures:</u>				
Current:				
Transportation				
Division of street construction				
Operations and maintenance	346,000	316,000	302,004	13,996
Excess of revenues under expenditures	<u>(113,800)</u>	<u>(105,450)</u>	<u>(91,893)</u>	<u>13,557</u>
Other financing sources (uses):				
Advances - in	-	116,000	116,000	-
Advances - out	-	(116,000)	(116,000)	-
Transfers - in	50,000	50,000	50,000	-
Total other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net change in fund balance	(63,800)	(55,450)	(41,893)	13,557
Fund balance at beginning of year	<u>121,826</u>	<u>121,826</u>	<u>121,826</u>	<u>-</u>
Fund balance at end of year	<u>\$ 58,026</u>	<u>\$ 66,376</u>	<u>\$ 79,933</u>	<u>\$ 13,557</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, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and forfeitures	\$ 3,000	\$ 3,050	\$ 3,034	\$ (16)
<u>Expenditures:</u>				
Current:				
General government				
Mayor's court				
Operations and maintenance	2,500	2,300	2,278	22
Net change in fund balance	500	750	756	6
Fund balance at beginning of year	13,331	13,331	13,331	-
Fund balance at end of year	\$ 13,831	\$ 14,081	\$ 14,087	\$ 6

**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, 2016**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Charges for services	\$ 330,600	\$ 334,000	\$ 332,894	\$ (1,106)
Intergovernmental	-	2,400	2,400	-
Contributions and donations	-	4,500	4,477	(23)
Total revenues	<u>330,600</u>	<u>340,900</u>	<u>339,771</u>	<u>(1,129)</u>
<u>Expenditures:</u>				
Current:				
Security of persons and property				
Division of emergency services				
Personal services	149,800	165,300	161,962	3,338
Operations and maintenance	184,858	167,858	161,750	6,108
Total expenditures	<u>334,658</u>	<u>333,158</u>	<u>323,712</u>	<u>9,446</u>
Net change in fund balance	(4,058)	7,742	16,059	8,317
Fund balance at beginning of year	114,597	114,597	114,597	-
Prior year encumbrances appropriated	<u>58</u>	<u>58</u>	<u>58</u>	<u>-</u>
Fund balance at end of year	<u>\$ 110,597</u>	<u>\$ 122,397</u>	<u>\$ 130,714</u>	<u>\$ 8,317</u>

**City of Louisville, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Law Enforcement Education Fund**  
**For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and forfeitures	\$ 2,500	\$ 1,225	\$ 1,215	\$ (10)
<u>Expenditures:</u>				
Current:				
Security of persons and property				
Division of police				
Operations and maintenance	2,000	1,800	1,796	4
Net change in fund balance	500	(575)	(581)	(6)
Fund balance at beginning of year	2,269	2,269	2,269	-
Fund balance at end of year	\$ 2,769	\$ 1,694	\$ 1,688	\$ (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, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and forfeitures	\$ 7,000	\$ 800	\$ 785	\$ (15)
<u>Expenditures:</u>				
Current:				
Security of persons and property				
Division of police				
Operations and maintenance	5,000	900	886	14
Net change in fund balance	2,000	(100)	(101)	(1)
Fund balance at beginning of year	1,715	1,715	1,715	-
Fund balance at end of year	<u>\$ 3,715</u>	<u>\$ 1,615</u>	<u>\$ 1,614</u>	<u>\$ (1)</u>



**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, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for services	\$ 172,800	\$ 194,000	\$ 194,349	\$ 349
<u>Expenditures:</u>				
Current:				
Transportation				
Division of storm water maintenance				
Operations and maintenance	203,643	185,443	183,493	1,950
Net change in fund balance	(30,843)	8,557	10,856	2,299
Fund balance at beginning of year	144,834	144,834	144,834	-
Prior year encumbrances appropriated	9,668	9,668	9,668	-
Fund balance at end of year	\$ 123,659	\$ 163,059	\$ 165,358	\$ 2,299

**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, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Debt service:				-
Principal retirement	25,000	25,000	25,000	-
Interest and fiscal charges	3,750	3,750	3,745	5
Total expenditures	28,750	28,750	28,745	5
Excess of revenues under expenditures	(28,750)	(28,750)	(28,745)	5
Other financing sources:				
Transfers - in	28,750	28,750	28,750	-
Net change in fund balance	-	-	5	5
Fund balance at beginning of year	30,215	30,215	30,215	-
Fund balance at end of year	\$ 30,215	\$ 30,215	\$ 30,220	\$ 5

**City of Louisville, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Capital Improvements Fund**  
**For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ 15,000	\$ -	\$ (15,000)
<u>Expenditures:</u>				
Current:				
General government				
Division of lands and buildings				
Operations and maintenance	95,000	19,000	18,910	90
Net change in fund balance	(95,000)	(4,000)	(18,910)	(14,910)
Fund balance at beginning of year	122,169	122,169	122,169	-
Fund balance at end of year	<u>\$ 27,169</u>	<u>\$ 118,169</u>	<u>\$ 103,259</u>	<u>\$ (14,910)</u>

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, 2016**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Charges for services	\$ 1,165,200	\$ 1,234,750	\$ 1,213,596	\$ (21,154)
Tap-in fees	8,000	8,100	8,084	(16)
Total revenues	1,173,200	1,242,850	1,221,680	(21,170)
<u>Expenses:</u>				
Personal services	312,300	328,650	328,115	535
Fringe benefits	110,822	107,172	106,892	280
Contractual services	338,503	275,153	273,389	1,764
Materials and supplies	88,586	77,311	76,927	384
Capital outlay	474,005	154,705	153,461	1,244
Total expenses	1,324,216	942,991	938,784	4,207
Operating income (loss)	(151,016)	299,859	282,896	(16,963)
Nonoperating revenue (expenses):				
Municipal income taxes	1,100,000	1,147,000	1,022,363	(124,637)
Principal retirement	(176,150)	(176,175)	(176,151)	24
Interest and fiscal charges	(15,300)	(15,275)	(15,266)	9
Total nonoperating revenue (expenses)	908,550	955,550	830,946	(124,604)
Income before other financing sources (uses)	757,534	1,255,409	1,113,842	(141,567)
Other financing sources (uses):				
Sale of capital assets	2,500	-	-	-
Transfers - in	294,450	294,450	294,450	-
Transfers - out	(870,350)	(507,850)	(507,850)	-
Total other financing sources (uses)	(573,400)	(213,400)	(213,400)	-
Change in fund position	184,134	1,042,009	900,442	(141,567)
Net position at beginning of year	2,144,220	2,144,220	2,144,220	-
Prior year encumbrances appropriated	39,241	39,241	39,241	-
Net position at end of year	\$ 2,367,595	\$ 3,225,470	\$ 3,083,903	\$ (141,567)

**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, 2016**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Charges for services	\$ 1,123,000	\$ 1,208,100	\$ 1,198,013	\$ (10,087)
Tap-in fees	6,000	5,800	5,800	-
Total revenues	1,129,000	1,213,900	1,203,813	(10,087)
<u>Expenses:</u>				
Personal services	229,700	237,975	233,278	4,697
Fringe benefits	78,829	76,854	76,500	354
Contractual services	405,669	357,769	355,758	2,011
Materials and supplies	97,897	94,897	94,549	348
Capital outlay	1,209,012	409,812	406,303	3,509
Total expenses	2,021,107	1,177,307	1,166,388	10,919
Operating income (loss)	(892,107)	36,593	37,425	832
Nonoperating revenue (expenses):				
Municipal income tax	-	-	121,202	121,202
Sale of capital assets	-	2,975	2,975	-
Principal retirement	(20,000)	(20,000)	(20,000)	-
Interest and fiscal charges	(2,999)	(2,999)	(2,996)	3
Total nonoperating revenue (expenses)	(22,999)	(20,024)	101,181	121,205
Income (loss) before transfers	(915,106)	16,569	138,606	122,037
Other financing sources:				
Transfers - in	575,900	213,400	213,400	-
Change in fund position	(339,206)	229,969	352,006	122,037
Net position at beginning of year	1,844,766	1,844,766	1,844,766	-
Prior year encumbrances appropriated	183,006	183,006	183,006	-
Net position at end of year	\$ 1,688,566	\$ 2,257,741	\$ 2,379,778	\$ 122,037

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## 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.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial position has changed over time.	<b>S2 - S10</b>
<b>Revenue Capacity</b> 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.	<b>S11 - S15</b>
<b>Debt Capacity</b> 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.	<b>S16 - S21</b>
<b>Economic and Demographic Information</b> 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.	<b>S22 - S23</b>
<b>Operating Information</b> 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.	<b>S24 - S27</b>

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>2016</u>	<u>2015</u>	Restated <u>2014 (2)</u>	<u>2013</u>	Restated <u>2012 (3)</u>
<b><u>Governmental Activities</u></b>					
Net investment in capital assets	\$ 12,281,304	\$ 12,229,376	\$ 12,214,763	\$ 12,033,892	\$ 11,560,990
Restricted	845,644	750,487	592,027	731,396	1,162,743
Unrestricted	<u>1,190,011</u>	<u>1,005,040</u>	<u>763,304</u>	<u>3,360,551</u>	<u>2,922,623</u>
Total governmental activities net position	<u>14,316,959</u>	<u>13,984,903</u>	<u>13,570,094</u>	<u>16,125,839</u>	<u>15,646,356</u>
<b><u>Business-Type Activities</u></b>					
Net investment in capital assets	10,502,851	10,336,346	9,916,725	9,923,854	9,675,807
Unrestricted	<u>5,809,480</u>	<u>4,370,633</u>	<u>3,336,946</u>	<u>2,718,611</u>	<u>2,080,876</u>
Total business-type activities net position	<u>16,312,331</u>	<u>14,706,979</u>	<u>13,253,671</u>	<u>12,642,465</u>	<u>11,756,683</u>
<b><u>Primary Government</u></b>					
Net investment in capital assets	22,784,155	22,565,722	22,131,488	21,957,746	21,236,797
Restricted	845,644	750,487	592,027	731,396	1,162,743
Unrestricted	<u>6,999,491</u>	<u>5,375,673</u>	<u>4,100,250</u>	<u>6,079,162</u>	<u>5,003,499</u>
Total primary government net position	<u>\$ 30,629,290</u>	<u>\$ 28,691,882</u>	<u>\$ 26,823,765</u>	<u>\$ 28,768,304</u>	<u>\$ 27,403,039</u>

Source: City of Louisville basic financial statements.

(1) Accrual basis of accounting.

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

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

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

Restated				
<u>2011 (4)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 5,930,971	\$ 4,238,952	\$ 3,251,988	\$ 2,867,010	\$ 2,372,382
593,508	916,049	1,011,949	754,129	649,066
<u>2,604,346</u>	<u>2,065,143</u>	<u>1,842,352</u>	<u>1,627,341</u>	<u>1,881,609</u>
<u>9,128,825</u>	<u>7,220,144</u>	<u>6,106,289</u>	<u>5,248,480</u>	<u>4,903,057</u>
8,520,159	8,083,638	7,415,753	7,134,730	5,702,061
<u>1,854,803</u>	<u>1,696,699</u>	<u>1,706,905</u>	<u>1,432,666</u>	<u>1,870,595</u>
<u>10,374,962</u>	<u>9,780,337</u>	<u>9,122,658</u>	<u>8,567,396</u>	<u>7,572,656</u>
14,451,130	12,322,590	10,667,741	10,001,740	8,074,443
593,508	916,049	1,011,949	754,129	649,066
<u>4,459,149</u>	<u>3,761,842</u>	<u>3,549,257</u>	<u>3,060,007</u>	<u>3,752,204</u>
<u>\$ 19,503,787</u>	<u>\$ 17,000,481</u>	<u>\$ 15,228,947</u>	<u>\$ 13,815,876</u>	<u>\$ 12,475,713</u>

**CITY OF LOUISVILLE, OHIO**

**Changes in Net Position (1)**

**Last Ten Years**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012 (2)</u>
<b>Expenses</b>					
Governmental Activities:					
General government	\$ 1,045,516	\$ 1,118,995	\$ 1,181,784	\$ 1,063,115	\$ 1,257,674
Security of persons and property	2,895,871	2,500,837	2,398,630	2,169,438	2,179,718
Public health and welfare	94,167	90,079	81,088	79,746	66,050
Transportation	996,489	835,810	1,068,168	1,014,335	675,174
Community environment	261,543	291,723	295,526	204,758	160,529
Leisure time activities	181,311	201,622	205,010	209,294	192,361
Interest and fiscal charges	26,193	14,623	7,611	11,125	7,464
Total governmental activities expenses	<u>5,501,090</u>	<u>5,053,689</u>	<u>5,237,817</u>	<u>4,751,811</u>	<u>4,538,970</u>
Business-Type Activities:					
Water	1,056,055	1,106,846	1,151,358	1,103,801	1,161,768
Sewer	958,109	966,393	1,092,329	1,095,660	1,113,201
Storm water	-	-	-	-	86,353
Total business-type activities expenses	<u>2,014,164</u>	<u>2,073,239</u>	<u>2,243,687</u>	<u>2,199,461</u>	<u>2,361,322</u>
Total primary government expenses	<u>\$ 7,515,254</u>	<u>\$ 7,126,928</u>	<u>\$ 7,481,504</u>	<u>\$ 6,951,272</u>	<u>\$ 6,900,292</u>
<b>Program Revenues</b>					
Governmental Activities:					
Charges for services					
General government	\$ 255,490	\$ 238,558	\$ 238,853	\$ 232,077	\$ 434,958
Security of persons and property	368,166	335,212	282,619	384,506	322,745
Transportation	201,900	154,036	142,775	137,923	10,375
Community environment	56,855	48,819	49,813	42,119	7,739
Leisure time activities	5,545	6,704	7,005	8,153	5,590
Operating grants, contributions and interest	584,732	577,606	486,861	472,525	927,554
Capital grants and contributions	-	27,250	21,175	133,801	4,992,360
Total governmental activities program revenues	<u>1,472,688</u>	<u>1,388,185</u>	<u>1,229,101</u>	<u>1,411,104</u>	<u>6,701,321</u>
Business-Type Activities:					
Charges for services					
Water	1,226,405	1,304,450	1,140,104	1,045,752	996,464
Sewer	1,211,860	1,242,146	1,090,972	1,027,080	994,360
Storm water	-	-	-	-	139,494
Operating grants, contributions and interest	-	-	-	9,940	1,392,596
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>2,438,265</u>	<u>2,546,596</u>	<u>2,231,076</u>	<u>2,082,772</u>	<u>3,522,914</u>
Total primary government program revenues	<u>\$ 3,910,953</u>	<u>\$ 3,934,781</u>	<u>\$ 3,460,177</u>	<u>\$ 3,493,876</u>	<u>\$ 10,224,235</u>
<b>Net (expense)/revenue</b>					
Governmental activities	\$ (4,028,402)	\$ (3,665,504)	\$ (4,008,716)	\$ (3,340,707)	\$ 2,162,351
Business-type activities	424,101	473,357	(12,611)	(116,689)	1,161,592
Total primary government net expense	<u>\$ (3,604,301)</u>	<u>\$ (3,192,147)</u>	<u>\$ (4,021,327)</u>	<u>\$ (3,457,396)</u>	<u>\$ 3,323,943</u>

**CITY OF LOUISVILLE, OHIO**

**Changes in Net Position (1)**

**Last Ten Years**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012 (2)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Property taxes levied for:					
General purposes	\$ 423,129	\$ 359,702	\$ 348,892	\$ 345,077	\$ 376,095
Income tax levied for:					
General purposes	3,538,813	3,318,897	3,214,022	3,007,404	2,817,361
Grants and entitlements not restricted to specific programs	220,627	219,958	234,565	362,979	412,228
Gain on sale of capital assets	119,017	-	1,206	-	-
Investment earnings	22,758	4,445	1,798	380	1,485
Other	36,114	53,186	32,981	104,350	23,288
Transfers	-	124,125	-	-	(604,950)
Total governmental activities	<u>4,360,458</u>	<u>4,080,313</u>	<u>3,833,464</u>	<u>3,820,190</u>	<u>3,025,507</u>
Business-Type Activities:					
Income tax levied for:					
Water utility services	869,245	729,063	601,286	505,613	473,485
Sewer utility services	309,031	374,453	469,956	496,858	465,638
Investment earnings	-	-	-	-	98
Grants and entitlements not restricted to specific programs	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-
Capital contributions	-	-	-	-	-
Other	2,975	560	-	-	5,631
Transfers	-	(124,125)	-	-	604,950
Total business-type activities	<u>1,181,251</u>	<u>979,951</u>	<u>1,071,242</u>	<u>1,002,471</u>	<u>1,549,802</u>
Total primary government	<u>\$ 5,541,709</u>	<u>\$ 5,060,264</u>	<u>\$ 4,904,706</u>	<u>\$ 4,822,661</u>	<u>\$ 4,575,309</u>
<b>Change in net position</b>					
Governmental activities	\$ 332,056	\$ 414,809	\$ (175,252)	\$ 479,483	\$ 5,187,858
Business-type activities	1,605,352	1,453,308	1,058,631	885,782	2,711,394
Total primary government	<u>\$ 1,937,408</u>	<u>\$ 1,868,117</u>	<u>\$ 883,379</u>	<u>\$ 1,365,265</u>	<u>\$ 7,899,252</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.

**CITY OF LOUISVILLE, OHIO**

**Changes in Net Position (1)**

**Last Ten Years**

**Continued**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Expenses</b>					
Governmental Activities:					
General government	\$ 1,041,834	\$ 891,233	\$ 907,759	\$ 1,001,777	\$ 709,418
Security of persons and property	2,008,185	2,183,465	2,086,776	2,137,745	2,284,434
Public health and welfare	65,093	50,860	77,436	44,190	18,274
Transportation	519,001	681,247	512,414	919,320	762,015
Community environment	169,936	147,504	204,539	203,848	193,968
Leisure time activities	234,722	214,946	377,890	414,988	375,795
Interest and fiscal charges	16,096	17,085	21,268	15,826	36,998
Total governmental activities expenses	<u>4,054,867</u>	<u>4,186,340</u>	<u>4,188,082</u>	<u>4,737,694</u>	<u>4,380,902</u>
Business-Type Activities:					
Water	1,144,617	1,199,786	1,020,190	969,468	958,590
Sewer	1,082,752	1,074,184	1,059,981	1,198,911	972,275
Storm water	90,263	60,182	-	-	-
Total business-type activities expenses	<u>2,317,632</u>	<u>2,334,152</u>	<u>2,080,171</u>	<u>2,168,379</u>	<u>1,930,865</u>
Total primary government expenses	<u>\$ 6,372,499</u>	<u>\$ 6,520,492</u>	<u>\$ 6,268,253</u>	<u>\$ 6,906,073</u>	<u>\$ 6,311,767</u>
<b>Program Revenues</b>					
Governmental Activities:					
Charges for services					
General government	\$ 391,958	\$ 234,515	\$ 202,740	\$ 218,902	\$ 166,347
Security of persons and property	284,646	329,559	359,129	292,330	219,194
Transportation	8,142	-	2,655	3,261	-
Community environment	4,470	4,535	5,740	4,126	7,887
Leisure time activities	6,058	31,227	78,195	69,806	83,516
Operating grants, contributions and interest	457,775	684,907	551,468	717,972	846,837
Capital grants and contributions	1,330,182	405,488	206,169	101,973	-
Total governmental activities program revenues	<u>2,483,231</u>	<u>1,690,231</u>	<u>1,406,096</u>	<u>1,408,370</u>	<u>1,323,781</u>
Business-Type Activities:					
Charges for services					
Water	950,304	863,578	797,045	756,040	735,974
Sewer	938,589	882,329	974,631	943,715	936,872
Storm water	114,048	130,395	-	-	-
Operating grants, contributions and interest	126,853	-	-	-	-
Capital grants and contributions	-	385,583	92,696	-	-
Total business-type activities program revenues	<u>2,129,794</u>	<u>2,261,885</u>	<u>1,864,372</u>	<u>1,699,755</u>	<u>1,672,846</u>
Total primary government program revenues	<u>\$ 4,613,025</u>	<u>\$ 3,952,116</u>	<u>\$ 3,270,468</u>	<u>\$ 3,108,125</u>	<u>\$ 2,996,627</u>
<b>Net (expense)/revenue</b>					
Governmental activities	\$ (1,571,636)	\$ (2,496,109)	\$ (2,781,986)	\$ (3,329,324)	\$ (3,057,121)
Business-type activities	(187,838)	(72,267)	(215,799)	(468,624)	(258,019)
Total primary government net expense	<u>\$ (1,759,474)</u>	<u>\$ (2,568,376)</u>	<u>\$ (2,997,785)</u>	<u>\$ (3,797,948)</u>	<u>\$ (3,315,140)</u>

**CITY OF LOUISVILLE, OHIO**

**Changes in Net Position (1)**

**Last Ten Years**

**Continued**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Property taxes levied for:					
General purposes	\$ 248,169	\$ 496,221	\$ 409,330	\$ 382,049	\$ 388,416
Income tax levied for:					
General purposes	2,663,045	2,497,694	2,366,926	2,720,310	2,505,101
Grants and entitlements not restricted to specific programs	499,385	363,559	576,332	476,932	675,554
Gain on sale of capital assets	-	-	-	-	-
Investment earnings	1,629	2,967	3,465	35,851	80,345
Other	6,541	136,573	130,514	156,111	92,090
Transfers	67,421	112,950	153,228	84,609	-
Total governmental activities	<u>3,486,190</u>	<u>3,609,964</u>	<u>3,639,795</u>	<u>3,855,862</u>	<u>3,741,506</u>
Business-Type Activities:					
Income tax levied for:					
Water utility services	408,241	262,921	402,106	427,932	374,217
Sewer utility services	478,852	569,643	448,213	459,763	427,388
Investment earnings	-	-	-	-	-
Grants and entitlements not restricted to specific programs	-	-	73,970	704,787	93,876
Gain on sale of capital assets	-	-	-	-	-
Capital contributions	-	-	-	-	-
Other	7,398	10,332	-	-	-
Transfers	(67,421)	(112,950)	(153,228)	(84,609)	-
Total business-type activities	<u>827,070</u>	<u>729,946</u>	<u>771,061</u>	<u>1,507,873</u>	<u>895,481</u>
Total primary government	<u>\$ 4,313,260</u>	<u>\$ 4,339,910</u>	<u>\$ 4,410,856</u>	<u>\$ 5,363,735</u>	<u>\$ 4,636,987</u>
<b>Change in net position</b>					
Governmental activities	\$ 1,914,554	\$ 1,113,855	\$ 857,809	\$ 526,538	\$ 684,385
Business-type activities	639,232	657,679	555,262	1,039,249	637,462
Total primary government	<u>\$ 2,553,786</u>	<u>\$ 1,771,534</u>	<u>\$ 1,413,071</u>	<u>\$ 1,565,787</u>	<u>\$ 1,321,847</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.

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>Restated 2012 (2)</u>
<b>General Fund</b>					
Nonspendable	\$ 36,835	\$ 9,656	\$ 8,490	\$ 7,810	\$ 2,272
Assigned	847,582	534,215	102,453	1,030,771	152,936
Unassigned	1,979,422	2,215,335	2,425,929	1,650,589	2,478,854
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
<b>Total general fund</b>	<u>\$ 2,863,839</u>	<u>\$ 2,759,206</u>	<u>\$ 2,536,872</u>	<u>\$ 2,689,170</u>	<u>\$ 2,634,062</u>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ 151,126	\$ 115,007	\$ 52,442	\$ 63,643	\$ 65,191
Restricted	575,760	511,700	434,601	558,624	434,006
Committed	411,280	341,992	350,370	348,895	365,060
Unassigned	-	-	-	-	(206,796)
Reserved	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
<b>Total all other governmental funds</b>	<u>\$ 1,138,166</u>	<u>\$ 968,699</u>	<u>\$ 837,413</u>	<u>\$ 971,162</u>	<u>\$ 657,461</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>2011</u>	Restated <u>2010 (3)</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 3,141	\$ 32,564	\$ -	\$ -	\$ -
53,805	28,886	-	-	-
2,138,647	1,721,833	-	-	-
-	-	46,232	123,510	72,746
-	-	<u>1,570,808</u>	<u>1,313,692</u>	<u>1,763,654</u>
<u>\$ 2,195,593</u>	<u>\$ 1,783,283</u>	<u>\$ 1,617,040</u>	<u>\$ 1,437,202</u>	<u>\$ 1,836,400</u>
\$ 16,522	\$ 122,502	\$ -	\$ -	\$ -
452,329	495,281	-	-	-
183,195	192,040	-	-	-
(83,585)	(4,993)	-	-	-
-	-	124,347	29,837	58,627
-	-	384,404	430,865	358,102
-	-	49,130	139,975	91,218
-	-	<u>16,516</u>	<u>9,721</u>	<u>9,721</u>
<u>\$ 568,461</u>	<u>\$ 804,830</u>	<u>\$ 574,397</u>	<u>\$ 610,398</u>	<u>\$ 517,668</u>

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b><u>Revenues</u></b>										
Taxes	\$ 3,668,779	\$ 3,675,861	\$ 3,551,081	\$ 3,369,640	\$ 3,131,479	\$ 2,955,928	\$ 2,959,442	\$ 2,816,445	\$ 2,879,462	\$ 2,994,049
Charges for services	671,376	591,617	569,033	573,919	555,012	489,370	558,729	561,915	507,209	443,924
Fines, licenses and permits	184,758	166,889	197,463	184,963	179,437	182,907	137,544	154,015	124,224	101,463
Intergovernmental revenues	803,716	816,170	745,403	1,368,270	4,024,929	2,169,197	1,721,226	1,003,338	1,073,524	1,344,029
Investment income	23,924	4,664	1,909	392	1,588	1,777	3,484	18,365	92,687	152,328
Contributions and donations	9,491	8,310	4,050	5,025	14,981	10,680	14,356	14,200	12,363	36,400
Rentals	-	-	-	-	-	-	11,307	24,193	15,518	23,351
Other	35,470	54,002	34,729	108,625	74,677	47,697	75,153	52,330	205,464	160,205
Total revenues	<u>5,397,514</u>	<u>5,317,513</u>	<u>5,103,668</u>	<u>5,610,834</u>	<u>7,982,103</u>	<u>5,857,556</u>	<u>5,481,241</u>	<u>4,644,801</u>	<u>4,910,451</u>	<u>5,255,749</u>
<b><u>Expenditures</u></b>										
General government	953,372	1,058,754	1,116,650	1,013,492	1,187,652	883,541	847,125	883,666	967,127	674,596
Security of persons and property	2,393,046	2,265,913	2,189,232	2,004,392	2,019,392	1,878,556	2,055,272	1,981,918	1,991,839	2,186,734
Public health and welfare	94,167	90,079	81,088	79,746	66,050	65,093	50,860	77,436	44,190	18,274
Transportation	626,022	512,457	791,766	768,679	567,702	440,086	610,206	457,680	852,425	657,354
Community environment	253,266	291,349	286,094	196,848	158,639	149,141	151,145	211,481	205,416	194,113
Leisure time activities	111,898	121,746	128,965	136,631	123,443	130,297	149,882	335,071	346,014	345,696
Capital outlay	1,472,416	458,588	1,028,059	941,200	3,575,978	2,173,898	1,098,608	505,922	1,011,044	591,752
Debt service:										
Principal retirement	261,148	150,045	156,500	114,352	88,377	67,415	104,290	100,144	23,000	73,814
Interest and fiscal charges	10,733	14,962	7,987	11,539	7,553	12,798	17,177	21,355	15,908	37,074
Issuance costs	-	-	-	-	-	5,873	-	-	-	-
Total expenditures	<u>6,176,068</u>	<u>4,963,893</u>	<u>5,786,341</u>	<u>5,266,879</u>	<u>7,794,786</u>	<u>5,806,698</u>	<u>5,084,565</u>	<u>4,574,673</u>	<u>5,456,963</u>	<u>4,779,407</u>
Excess of revenues over (under) expenditures	<u>(778,554)</u>	<u>353,620</u>	<u>(682,673)</u>	<u>343,955</u>	<u>187,317</u>	<u>50,858</u>	<u>396,676</u>	<u>70,128</u>	<u>(546,512)</u>	<u>476,342</u>
<b><u>Other financing sources (uses)</u></b>										
Bonds issued	-	-	-	-	-	235,000	-	-	-	-
Inception of capital lease	921,479	-	377,126	-	190,000	120,000	-	-	155,434	-
Premium on bonds issued	-	-	-	-	-	2,301	-	-	-	-
Sale of capital assets	131,175	-	19,500	24,854	-	-	-	73,709	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	(232,218)	-	-	-	-
Transfers in	438,750	454,150	471,700	316,620	282,250	415,866	449,260	445,788	657,017	424,635
Transfers out	(438,750)	(454,150)	(471,700)	(316,620)	(282,250)	(415,866)	(449,260)	(445,788)	(572,408)	(424,635)
Total other financing sources (uses)	<u>1,052,654</u>	<u>-</u>	<u>396,626</u>	<u>24,854</u>	<u>190,000</u>	<u>125,083</u>	<u>-</u>	<u>73,709</u>	<u>240,043</u>	<u>-</u>
Net change in fund balance	<u>\$ 274,100</u>	<u>\$ 353,620</u>	<u>\$ (286,047)</u>	<u>\$ 368,809</u>	<u>\$ 377,317</u>	<u>\$ 175,941</u>	<u>\$ 396,676</u>	<u>\$ 143,837</u>	<u>\$ (306,469)</u>	<u>\$ 476,342</u>
Debt service as a percentage of noncapital expenditures	5.8%	3.7%	3.5%	2.9%	2.3%	2.2%	3.0%	3.0%	0.9%	2.6%

S-10

Source: City of Louisville basic financial statements.  
(1) 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		
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	410,513,910	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	394,490,986	34.75%	2.80
2012	151,437,700	432,679,143	3,541,180	9,094,394	-	-	154,978,880	441,773,537	34.79%	2.80
2011	150,983,120	431,380,343	3,386,030	8,695,941	-	-	154,369,150	440,076,284	34.80%	2.80
2010	150,819,270	430,912,200	3,202,410	8,224,371	102,620	205,240	154,124,300	439,341,811	34.80%	2.80
2009	157,324,730	449,499,229	3,145,410	8,077,985	201,070	2,010,700	160,671,210	459,587,913	34.67%	2.80
2008	155,453,660	444,153,314	3,045,550	7,821,526	4,648,576	7,437,722	163,147,786	459,412,562	34.36%	2.80
2007	153,045,720	437,273,486	3,631,830	9,327,200	8,283,620	66,268,960	164,961,170	512,869,645	30.46%	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 2007-2016 and the other half at 25% of true value.
- (3) Tangible personal property is assessed at 12.5% for 2007, 6.25% for 2008 and 0% for 2009-2016.

**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>
2016	\$ 449,790	\$ 442,776	98.44%	\$ 20,682	4.60%	\$ 77.90
2015	403,370	394,577	97.82%	15,977	3.96%	79.00
2014	399,609	390,425	97.70%	14,767	3.70%	79.00
2013	387,670	379,681	97.94%	14,810	3.82%	73.70
2012	433,912	424,825	97.91%	14,414	3.32%	71.20
2011	432,205	421,559	97.54%	19,526	4.52%	70.70
2010	431,515	423,913	98.24%	21,005	4.87%	69.70
2009	446,879	437,592	97.92%	49,380	11.05%	69.20
2008	456,814	445,017	97.42%	19,950	4.37%	69.30
2007	461,891	449,811	97.38%	8,861	1.92%	69.90

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**

	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
<b><u>Taxpayer</u></b>						
Chesapeake Land Development Co LLC	\$ 4,949,400	1	3.16%	\$ -		0.00%
HP Products Inc.	1,722,380	2	1.10%	1,703,600	2	1.11%
Arc Ralvlohoool LLC	1,640,490	3	1.05%	-		0.00%
Louisville Ventures LTD	1,316,430	4	0.84%	1,610,970	3	1.05%
Jewel Acquisition LLC	1,292,500	5	0.83%	2,023,430	1	1.32%
McKinley Development Company LTD	600,390	6	0.38%	1,160,310	4	0.76%
Groffre Investments	582,010	7	0.37%	-		0.00%
CRC Ohio Properties LLC	525,000	8	0.34%	-		0.00%
Aultman Health Foundation	518,250	9	0.33%	-		0.00%
Metzger J B Co.	515,100	10	0.33%	567,290	8	0.37%
Rhodes Roy T	-		0.00%	751,140	5	0.49%
Peters Frederick K & Judith R	-		0.00%	695,900	6	0.45%
WNBC LLC	-		0.00%	591,500	7	0.39%
Geitgey Donald W Jr & Sue Ann	-		0.00%	484,620	9	0.32%
Caeta Enterprises LTD	-		0.00%	461,840	10	0.30%
Total of above	<u>\$ 13,661,950</u>		<u>8.73%</u>	<u>\$ 10,050,600</u>		<u>6.57%</u>
Total City	<u>\$ 156,526,470</u>			<u>\$ 153,045,720</u>		

Source: Stark County Auditor

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

	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
<b><u>Taxpayer</u></b>						
Ohio Power	\$ 3,889,780	1	94.22%	\$ 2,659,280	1	73.22%
East Ohio Gas Co.	238,680	2	5.78%	192,340	4	5.30%
Ohio Bell Telephone Co.	-		0.00%	330,810	2	9.11%
Norfolk Southern	-		0.00%	193,910	3	5.34%
Columbia Gas of Ohio	-		0.00%	20	5	0.00%
Total of above	<u>\$ 4,128,460</u>		<u>100.00%</u>	<u>\$ 3,376,360</u>		<u>92.97%</u>
Total City	<u>\$ 4,128,460</u>			<u>\$ 3,631,830</u>		

Source: Stark County Auditor

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

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentage of Taxes from Individuals</u>	<u>Percentage Change from Prior Year</u>
2016	2.00%	\$ 4,578,245	\$ 2,783,713	60.80%	\$ 237,393	5.19%	\$ 1,557,139	34.01%	2.60%
2015	2.00%	4,462,328	2,778,171	62.26%	273,911	6.14%	1,410,246	31.60%	5.68%
2014	2.00%	4,222,348	2,714,872	64.30%	174,282	4.13%	1,333,194	31.57%	5.89%
2013	2.00%	3,987,405	2,417,243	60.62%	260,830	6.54%	1,309,333	32.84%	8.54%
2012	2.00%	3,673,573	2,283,392	62.16%	217,054	5.91%	1,173,127	31.93%	3.85%
2011	2.00%	3,537,290	2,160,932	61.09%	218,115	6.17%	1,158,243	32.74%	7.29%
2010	2.00%	3,296,913	1,977,803	59.99%	237,806	7.21%	1,081,304	32.80%	0.83%
2009	2.00%	3,269,768	1,907,604	58.34%	206,364	6.31%	1,155,800	35.35%	-5.45%
2008	2.00%	3,458,404	1,998,918	57.80%	251,892	7.28%	1,207,593	34.92%	-0.15%
2007	2.00%	3,463,645	1,898,430	54.81%	280,748	8.11%	1,284,467	37.08%	3.93%

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			
2016	\$ 135,660	\$ 913,148	\$ -	\$ 594,743	\$ 167,688	\$ 29,435	\$ 51,598	\$ 1,892,272	0.75%	\$206
2015	160,917	227,817	-	741,749	215,980	32,294	101,925	1,480,682	0.62%	161
2014	186,214	352,862	-	889,133	264,272	35,042	151,012	1,878,535	0.82%	204
2013	210,550	108,236	109,571	1,032,882	288,420	37,684	198,890	1,986,233	0.91%	216
2012	234,924	182,208	219,142	1,478,711	336,712	40,224	57,476	2,549,397	1.18%	278
2011	237,301	78,585	-	1,808,224	385,004	42,666	112,872	2,664,652	1.23%	290
2010	254,000	-	-	2,122,030	433,296	45,013	225,145	3,079,484	1.42%	335
2009	279,000	79,290	-	2,494,636	481,588	47,270	115,392	3,497,176	1.67%	393
2008	303,000	155,434	-	2,845,477	529,880	49,439	221,670	4,104,900	1.96%	461
2007	326,000	-	-	3,179,670	578,172	51,525	-	4,135,367	1.46%	464

(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>
2016	\$ 730,403	0.45%	\$ 79.51	0.29%
2015	902,666	0.63%	98.27	0.38%
2014	1,075,347	0.75%	117.06	0.47%
2013	1,243,432	0.90%	135.36	0.57%
2012	1,713,635	1.11%	186.55	0.80%
2011	2,045,525	1.33%	222.68	0.94%
2010	2,376,030	1.54%	258.66	1.09%
2009	2,773,636	1.73%	311.50	1.33%
2008	3,148,477	1.93%	353.60	1.51%
2007	3,505,670	2.13%	393.72	1.24%

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**

<b>Legal Debt Margin Calculation for Year Ending December 31, 2016</b>	<b>Unvoted</b>	<b>Overall</b>
Total assessed valuation	\$ 160,654,930	\$ 160,654,930
Debt limitation - 5.5% of assessed valuation	<u>8,836,021</u>	
Debt limitation - 10.5% of assessed valuation		<u>16,868,768</u>
Debt applicable to limitation:		
Total bonded debt and loans	927,526	927,526
Exempt debt:		
OWDA loans	29,435	29,435
OPWC loans	167,688	167,688
Debt payable from income tax	730,403	730,403
Total debt applicable to limitation	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 8,836,021</u>	<u>\$ 16,868,768</u>

S-18

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$ 17,320,923	\$ 17,130,518	\$ 16,870,477	\$ 16,183,052	\$ 16,208,761	\$ 16,272,872	\$ 14,537,634	\$ 14,987,257	\$ 15,128,267	\$ 16,868,768
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	17,320,923	17,130,518	16,870,477	16,183,052	16,208,761	16,272,872	14,537,634	14,987,257	15,128,267	16,868,768
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, 2016**

<b>Governmental Unit</b>	<u>Debt Outstanding</u>	<u>Percentage applicable to City (1)</u>	<u>Amount applicable to City</u>
Direct - City of Louisville:			
General Obligation Bonds	\$ 135,660	100.00%	\$ 135,660
Capital Leases	913,148	100.00%	<u>913,148</u>
Total direct debt			<u>1,048,808</u>
Overlapping:			
Louisville Schools	19,055,000	44.98%	8,570,939
County of Stark	16,918,083	2.17%	<u>367,122</u>
Total overlapping debt			<u>8,938,061</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 9,986,869</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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b><u>General Obligation Debt</u></b>					
Assessed value	\$ 160,654,930	\$ 144,078,730	\$ 142,735,780	\$ 138,453,660	\$ 154,978,880
Population	9,186	9,186	9,186	9,186	9,186
Debt outstanding	\$ 730,403	\$ 902,666	\$ 1,075,347	\$ 1,353,003	\$ 1,932,777
Ratio of debt to assessed value	0.45%	0.63%	0.75%	0.98%	1.25%
Debt per capita	\$ 79.51	\$ 98.27	\$ 117.06	\$ 147.29	\$ 210.40
<b><u>General Bonded Debt</u></b>					
Debt service	\$ 28,745	\$ 29,245	\$ 28,725	\$ 29,205	\$ 6,954
General governmental expenditures	\$ 6,176,068	\$ 4,963,893	\$ 5,786,341	\$ 5,266,879	\$ 7,794,786
Ratio of debt service to general governmental expenditures	0.47%	0.59%	0.50%	0.55%	0.09%
<b><u>Water Revenue Bond</u></b>					
Revenues <sup>1</sup>	\$ 2,095,650	\$ 2,033,513	\$ 1,741,390	\$ 1,556,331	\$ 1,471,978
Operating expenses <sup>2</sup>	\$ 792,924	\$ 844,251	\$ 879,951	\$ 839,301	\$ 917,703
Net revenue available for debt service	\$ 1,302,726	\$ 1,189,262	\$ 861,439	\$ 717,030	\$ 554,275
Debt service requirements	-	-	-	-	-
Coverage	100.00%	100.00%	100.00%	100.00%	100.00%

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

Source: City of Louisville basic financial statements.

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	154,369,150	\$ 154,124,300	\$ 160,671,210	\$ 163,147,786	\$ 164,961,170
	9,186	9,186	8,904	8,904	8,904
\$	2,022,301	\$ 2,395,000	\$ 2,805,000	\$ 3,195,000	\$ 3,570,000
	1.31%	1.55%	1.75%	1.96%	2.16%
\$	220.15	\$ 260.72	\$ 315.03	\$ 358.83	\$ 400.94
\$	52,883	\$ 38,898	\$ 38,930	\$ 38,907	\$ 57,495
\$	5,806,698	\$ 5,084,565	\$ 4,574,673	\$ 5,456,963	\$ 4,779,407
	0.91%	0.77%	0.85%	0.71%	1.20%
\$	1,365,943	\$ 1,152,855	\$ 1,199,151	\$ 1,152,543	\$ 1,110,191
\$	866,865	\$ 933,926	\$ 742,980	\$ 636,032	\$ 706,800
\$	499,078	\$ 218,929	\$ 456,171	\$ 516,511	\$ 403,391
	-	-	-	-	-
	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>2016</u>		<u>Employees</u>	<u>2007</u>	
			<u>Rank</u>	<u>Employment</u>		<u>Rank</u>	<u>Employment</u>
Louisville Board of Education	Public education	594	1	9.22%	382	1	18.41%
HP Products Inc.	Specialty tubing	388	2	6.02%	359	3	17.30%
St. Joseph's Hospice	Hospice facility	311	3	4.83%	240	4	11.57%
J&J Foods LLC/Tamarkin Company	Grocery	184	4	2.86%	375	2	18.07%
Jewel Acquisition LLC/J&L Specialty Steel, Inc.	Stainless steel	171	5	2.65%	125	5	6.02%
City of Louisville	Municipal government	101	6	1.57%	116	6	5.59%
St Thomas Aquinas	Private education	95	7	1.47%	102	7	4.92%
Chesapeake	Petroleum Operations	86	8	1.33%	-	-	0.00%
OTC Transformer	Transformer rebuilding	82	9	1.27%	-	-	0.00%
County of Stark	Municipal government	73	10	1.13%	84	8	4.05%
Midlake Products	Manufacturing	-	-	0.00%	73	9	3.52%
Montrose Chrysler	Car dealership	-	-	0.00%	53	10	2.55%
<b>Total Top Ten Employers</b>		<u>2,085</u>		<u>32.37%</u>	<u>1,909</u>		<u>92.00%</u>
<b>Total employment within the City</b>		<u>6,442</u>			<u>2,075</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>
2016	9,186	\$251,191,170	\$27,345	2,917	5.2%	4.7%
2015	9,186	237,494,844	25,854	3,053	5.1%	4.6%
2014	9,186	229,199,886	24,951	3,065	4.6%	4.7%
2013	9,186	218,075,640	23,740	3,110	6.9%	6.6%
2012	9,186	215,384,142	23,447	3,192	6.7%	7.6%
2011	9,186	216,918,204	23,614	3,215	8.1%	7.6%
2010	9,186	217,340,760	23,660	3,260	11.3%	10.1%
2009	8,904	208,923,456	23,464	3,199	8.0%	7.7%
2008	8,904	208,923,456	23,464	3,170	8.0%	7.7%
2007	8,904	283,147,200	31,800	3,209	6.2%	5.8%

(1) Source: U. S. Census

(a) Year 2007 - 2009, 2000 Federal Census

(b) Year 2010 - 2016, 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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>General government</b>					
Council and clerk					
Number of legislation passed	46	54	64	63	60
Number of planning commission docket items	5	11	9	15	21
Number of zoning board of appeals docket items	6	12	9	9	10
Finance Department					
Number of W-2's issued	101	101	99	102	101
Number of checks issued	2,427	2,776	2,256	2,125	2,171
Amount of checks paid	\$ 4,213,385	\$ 4,443,726	\$ 4,422,424	\$ 5,023,591	\$ 6,448,318
Interest earnings for fiscal year (cash basis)	\$ 23,924	\$ 4,664	\$ 1,909	\$ 393	\$ 1,896
General fund year end cash balances	\$ 2,582,564	\$ 2,387,398	\$ 2,108,631	\$ 2,231,635	\$ 1,027,817
Income tax fund year end cash balances	\$ -	\$ -	\$ -	\$ -	\$ -
Water revenue fund year end cash balances	\$ 1,428,466	\$ 1,158,658	\$ 827,630	\$ 690,658	\$ 513,860
Sewer revenue fund year end cash balances	\$ 1,293,825	\$ 992,037	\$ 800,457	\$ 624,099	\$ 488,286
Property tax revenue	\$ 420,399	\$ 356,032	\$ 362,778	\$ 329,344	\$ 397,244
Income Tax Department					
Number of individual returns	4,322	3,618	3,648	3,790	3,366
Number of business returns	522	544	517	536	500
Number of business withholding accounts	789	712	678	666	662
Income tax receipts collected	\$ 4,578,245	\$ 4,462,328	\$ 4,222,348	\$ 3,987,405	\$ 3,673,573
Building Department Indicators					
Residential permits issued	7	7	9	9	2
Estimated value of residential permits	\$ 1,782,300	\$ 1,549,400	\$ 1,901,958	\$ 2,099,864	\$ 360,000
Commercial/institutional permits issued	-	11	1	1	4
Estimated value of commercial/insitutional permits	\$ -	\$ 6,600,000	\$ 4,000,000	\$ 845,000	\$ 13,285,000
Total zoning permit fees	5,270	8,712	5,221	5,864	7,034
<b>Security of persons &amp; property</b>					
Police					
Total calls for services	5,477	5,818	5,624	5,769	6,413
Number of traffic citations issued	397	412	578	556	661
Number of criminal arrests	192	178	183	261	416
Number of accident reports completed	191	196	193	170	200
Number of motor vehicle accidents	191	196	193	170	200
Gasoline costs of fleet	\$ 27,541	\$ 30,311	\$ 43,480	\$ 40,364	\$ 39,515
Fire					
EMS calls	1,065	1,326	1,003	1,100	1,027
EMS collections	\$ 331,949	\$ 322,675	\$ 302,621	\$ 339,301	\$ 305,431
Fire calls	16	15	19	382	349
<b>Leisure time activities</b>					
Recreation					
Adult volleyball and softball leagues	-	-	-	-	-
Youth baseball leagues	-	-	-	-	-
Jump rope clinics	-	-	-	-	-
Fishing derbies (2 per year)	-	-	-	-	55
Bowling leagues (kids)	-	-	-	-	-
<b>Transportation</b>					
Amount spent on paving streets	\$ 296,355	\$ 315,518	\$ 287,510	\$ 178,693	\$ 124,875
Gasoline fuel in gallons	18,331	20,163	27,386	20,079	25,748
Cost of salt purchased	\$ 78,183	\$ 53,990	\$ 127,740	\$ 83,731	\$ 86,082
Cost of salt per ton	\$ 54	\$ 54	\$ 54	\$ 44	\$ 48
<b>Utility Departments</b>					
Total water billed (in dollars)	\$ 1,066,118	\$ 1,012,388	\$ 978,683	\$ 954,261	\$ 932,046
Total sewer billed (in dollars)	\$ 1,188,041	\$ 1,103,260	\$ 1,065,724	\$ 1,026,263	\$ 995,861
Total storm water billed (in dollars)	\$ 194,166	\$ 140,140	\$ 139,945	\$ 138,938	\$ 138,683
Water bills issued	21,554	21,476	21,468	21,462	21,559
Average water treated daily (million gallons/day)	860,000	854,000	821,000	974,000	850,000
Total flow of wastewater treatment plant (millions of gallons)	476.0	499.8	576.7	480.2	438.5
Average daily flow (millions of gallons per day)	1.3	1.4	1.6	1.3	1.2
Tons of dry sludge removed	139.76	136.14	166.25	201.00	87.49

Source: City of Louisville



	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
	55	76	73	58	66
	15	9	17	16	30
	15	10	12	8	25
	100	107	120	118	116
	1,965	2,327	2,585	2,718	2,591
\$	4,295,131	\$ 5,333,471	\$ 3,483,854	\$ 5,580,210	\$ 3,538,207
\$	1,469	\$ 6,242	\$ 22,487	\$ 94,094	\$ 146,200
\$	619,763	\$ 1,378,449	\$ 1,275,097	\$ 377,761	\$ 686,697
\$	-	\$ -	\$ -	\$ 651,097	\$ 714,309
\$	424,203	\$ 366,130	\$ 251,353	\$ 138,146	\$ 111,487
\$	313,473	\$ 203,009	\$ 132,385	\$ 35,888	\$ 643,743
\$	390,212	\$ 414,335	\$ 448,812	\$ 388,954	\$ 472,997
	3,286	3,323	3,378	3,201	3,377
	457	464	442	422	449
	384	381	500	485	446
\$	3,537,290	\$ 3,296,913	\$ 3,221,415	\$ 3,548,403	\$ 3,463,645
	3	4	6	8	19
\$	1,243,771	\$ 720,000	\$ 1,004,900	\$ 1,303,780	\$ 3,876,895
	2	5	3	1	-
\$	686,076	\$ 35,684,160	\$ 1,519,000	\$ 2,210,358	\$ 4,500,000
	4,470	4,535	4,413	5,096	6,826
	5,495	4,486	4,052	4,070	4,121
	438	555	507	455	593
	391	388	266	236	264
	207	181	179	184	192
	207	181	179	184	192
\$	40,318	\$ 29,637	\$ 21,612	\$ 33,243	\$ 24,939
	885	965	916	798	919
\$	259,033	\$ 312,588	\$ 323,875	\$ 270,048	\$ 187,866
	280	350	473	561	325
	-	-	300	300	250
	-	-	800	800	800
	-	-	100	100	60
	70	80	80	80	60
	-	-	60	60	50
\$	118,087	\$ 124,325	\$ 90,786	\$ 320,000	\$ 149,480
	28,458	27,427	24,564	22,581	22,119
\$	56,237	\$ 18,632	\$ 38,045	\$ 44,995	\$ 43,950
\$	45	\$ 46	\$ 47	\$ 34	\$ 34
\$	881,575	\$ 765,648	\$ 736,910	\$ 664,630	\$ 641,529
\$	904,161	\$ 864,779	\$ 866,087	\$ 800,908	\$ 796,070
\$	108,242	\$ 111,044	\$ 111,426	\$ 111,332	\$ 110,460
	21,865	21,485	21,508	21,457	21,426
	843,835	864,000	931,000	990,000	960,330
	615	476	500	500	541
	2	1	2	2	2
	159	157	225	182	191

**CITY OF LOUISVILLE, OHIO**

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

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General government</b>										
City Manager	2.70	2.70	2.70	2.80	2.80	2.00	2.00	2.00	2.00	2.00
Finance	4.50	4.50	4.50	4.50	4.50	3.50	4.00	4.50	4.50	4.50
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	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Council	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Civil service	0.00	0.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50
<b>Security of persons and property</b>										
Police	14.50	15.00	15.50	15.00	14.00	14.50	11.50	12.50	12.00	12.00
Fire and EMS	9.50	11.00	13.00	11.00	12.00	12.00	14.00	14.50	15.00	15.00
Dispatchers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.50	5.50	5.50
Administration	3.00	3.00	1.00	1.00	0.50	0.50	0.50	0.00	0.50	0.50
School crossing guards	5.00	5.00	5.00	4.50	4.50	3.00	2.50	4.00	5.50	5.50
<b>Leisure time activities: Recreation</b>										
Parks	4.25	4.00	3.00	4.50	7.00	6.00	6.00	6.00	9.50	9.50
<b>Community environment</b>										
Building	2.05	1.80	1.80	2.80	3.00	3.00	2.00	2.50	4.50	4.50
<b>Transportation</b>										
Service	4.50	4.50	7.50	4.00	3.00	3.00	3.00	8.00	6.00	6.00
<b>Basic utility services</b>										
Water	5.00	5.00	3.75	5.00	5.00	5.00	4.50	1.50	4.50	4.50
Sewer	4.00	4.00	2.75	5.00	5.00	4.50	4.00	4.00	3.00	3.00
Totals:	<u>64.00</u>	<u>65.50</u>	<u>66.00</u>	<u>63.60</u>	<u>64.80</u>	<u>60.50</u>	<u>57.50</u>	<u>68.50</u>	<u>76.00</u>	<u>76.50</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	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Government</b>										
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	4	4	4	4	4	4
Inspection vehicles	1	1	1	1	1	1	1	1	1	1
<b>Security: Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Square footage of building	1,200	1,200	1,200	1,200	7,500	7,500	7,500	7,500	7,500	7,500
Vehicles	12	10	11	12	11	13	11	10	10	8
<b>Security: Fire</b>										
Stations	2	2	2	2	2	2	2	2	2	1
Number of fire hydrants	566	564	564	577	644	611	611	534	534	300
Square footage of building	4,500	4,500	4,500	4,500	7,500	7,500	7,500	7,500	7,500	7,500
Vehicles	9	9	9	8	8	8	8	9	9	8
<b>Leisure time activities: Recreation</b>										
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	5	8	5	0	1	1	1
<b>Tranportation services</b>										
Streets (miles)	56.1	56.1	55.7	55.7	55.7	55.0	55.0	55.0	55.0	55.0
Number of streetlights	857	857	857	857	857	687	687	687	687	687
Number of traffic lights	9	9	9	9	7	7	7	7	7	7
Service vehicles	13	12	13	11	13	21	21	21	18	18
Storm sewers (miles)	42.1	42.1	42.1	42.1	42.1	40	40	40	40	40
<b>Sewer Department</b>										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Sanitary sewers (miles)	42.8	42.8	42.3	42.3	42.3	42	42	42	42	42
Vehicles	3	2	2	4	2	2	2	2	2	2
<b>Water Department</b>										
Water lines (miles)	54.2	54.2	53.3	53.3	53.3	52	52	52	52	52
Vehicles	2	2	2	4	1	1	1	1	2	2

Source: City of Louisville

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# Dave Yost • Auditor of State

CITY OF LOUISVILLE

ASHLAND COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
JULY 6, 2017