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*ALGER & ASSOCIATES, Inc*

CERTIFIED PUBLIC ACCOUNTANTS



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CITY OF LOUISVILLE

STARK COUNTY, OHIO



FOR THE YEAR ENDED

DECEMBER 31, 2012





# Dave Yost • Auditor of State

City Council  
City of Louisville  
215 S. Mill Street  
Louisville, Ohio 44641

We have reviewed the *Independent Auditor's Report* of the City of Louisville, Stark County, prepared by Alger & Associates, LLC, for the audit period January 1, 2012 through December 31, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

October 22, 2013

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CITY OF LOUISVILLE  
STARK COUNTY  
FOR THE YEAR ENDING DECEMBER 31, 2012

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# ALGER & ASSOCIATES, Inc

Certified Public Accountants

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

City of Louisville  
Stark County  
215 S. 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 aggregate remaining fund information of City of Louisville, Stark County, (the City) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 22, 2013 wherein we noted the City adopted the provisions of Governmental Accounting Standards Board Statements No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65 *Items Previously Reported as Assets and Liabilities*.

### ***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.

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North Canton, OH 44720  
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### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Alger &  
Associates, Inc.  Digitally signed by Alger &  
Associates, Inc.  
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o=Alger & Associates, Inc., ou,  
email=galger@neo.or.com, c=US  
Date: 2013.10.16 07:32:37 -0400

Alger & Associates, Inc.  
August 22, 2013

CITY OF LOUISVILLE  
 STARK COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
 FOR THE YEAR ENDING DECEMBER 31, 2012

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-001	<u>Ohio Rev. Code Sections 5705.42, 5705.39 and Auditor of State Bulletin 2000-008</u> the City did not initially post monies paid from the Ohio Public Works Commission.	Yes.	



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# CAFR

For the Fiscal Year  
Ended  
December 31, 2012

## City of Louisville, Ohio



## Comprehensive Annual Financial Report



# CITY OF LOUISVILLE, OHIO

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## Comprehensive Annual Financial Report

Year Ended December 31, 2012

PREPARED BY: DEPARTMENT OF FINANCE

Jina Turowski, Finance Director  
Laurie Tournoux, Tax Administrator  
Claudia Sell, Account Clerk  
Amy Brown, Account Clerk



***City of Louisville, Ohio***  
**Comprehensive Annual Financial Report**  
**Year Ended December 31, 2012**

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**Comprehensive Annual Financial Report**  
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***City of Louisville, Ohio***  
**Comprehensive Annual Financial Report**  
**Year Ended December 31, 2012**

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## INTRODUCTORY SECTION





## Department of Finance

August 22, 2013

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

The Comprehensive Annual Financial Report (CAFR) of the City of Louisville (the City), Ohio for the fiscal year ended December 31, 2012 is hereby submitted. This CAFR represents the official report of the City of Louisville's operations and financial position for the year ended December 31, 2012, and has been developed to accurately detail the status of the City finances to Louisville residents and elected officials, investment banks and underwriters and other interested parties. This report is presented in compliance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments". It is intended to provide pertinent and necessary information to the citizens of Louisville.

State law requires that the City prepare their financial statements in accordance with generally accepted accounting principles (GAAP) and to have an audit at least every two years. The financial statements, at a minimum, should be the basic financial statements of the City and include the notes to those statements. Although not required by law, management of the City has decided to prepare this CAFR and to have an annual audit. A further discussion of the audit can be found later in this letter.

Responsibility for accuracy, completeness, and fairness of the presentation and for all disclosure rests with the City's management. We believe that the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included in this report.

### **Background and General Information**

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 business district, and United States Route 62 passes through the northwestern corner of the City. In addition to the highway system, Norfolk and Southern Railroad operates a 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 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.

### **Reporting Entity**

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.

### **Services Provided**

The City provides the full range of municipal services contemplated by its charter. These services include security of persons and property (including police and fire), public health and welfare, leisure time activities, community environment, basic utility services (including water and sewer), transportation (including street maintenance, ice and snow removal), and general government (including administration). 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, and Fire Divisions 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 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 and Building Inspection.
- **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.

### **Controlling Expenditures**

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 policy, and the City Charter.

## Internal Control Structure

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that all assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

## Enterprise Operations

The City owns and operates both a water and sewer utility department. Combined operating revenue for 2012 was \$2,135,949 an increase of 6.2% from 2011's operating revenue. Operating expenses increased 7.8% from 2011, to a total of \$2,326,076.

## Economic Conditions

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

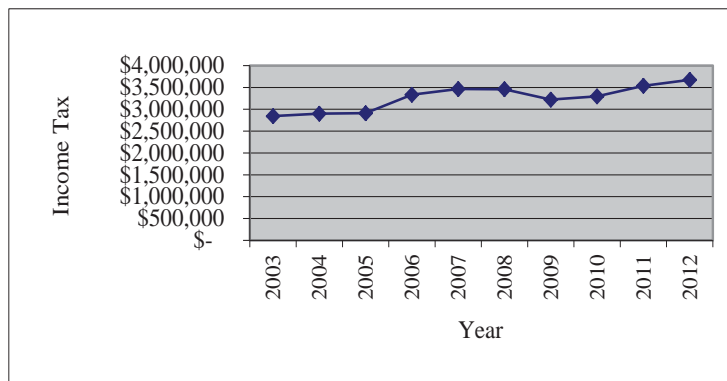
### Local Economy

Louisville was not immune to the downturn in the national economy that took place over the last half of 2008, 2009, and 2010. The City continued to closely monitor the two main revenue sources being income taxes and property taxes. The City's management considers both of these revenues indicators of the strengths or weaknesses of the local economy. In monitoring property tax revenues, the City takes in account several factors, including tax collections, the values of new construction and revaluations. Likewise with income tax, the City must take into account certain factors such as, tax collections, tax refunds, new jobs and the unemployment rate.

Income Tax Collections 2003 - 2012: The economic recovery from the recession that started in 2001 has been very sluggish. The City's financial condition finally turned around in 2006 after six years of budget reductions. This can be seen clearly with the City's income tax collections. Income tax is the City's largest revenue source.

**Income Tax Collections**  
(Presented on a Cash Basis)

<u>Year</u>	<u>Collections</u>
2003	\$ 2,842,964
2004	2,900,015
2005	2,910,456
2006	3,332,796
2007	3,463,645
2008	3,458,404
2009	3,221,415
2010	3,296,913
2011	3,537,290
2012	3,673,573





In 2003 the City saw a 3.1% increase and continued to increase into 2007. Income tax collections at the end of 2005 were 0.2% above the 2004 level. The 2005 and 2006 increases in income tax revenue were mainly attributed to the 50% reduction of the tax credit allowance on income earned outside the City and respective taxes paid to another municipality. Effective January 1, 2007, the income tax credit allowance was changed to 60%. This volatility has resulted in close monitoring of income tax collections.

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. However, the increase in property tax revenue is not large enough to offset the sluggish growth of income tax revenue. That fact becomes clearer when the figures below are reviewed.

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

<u>Year</u>	<u>Collections</u>	<u>Percentage Increase (Decrease)</u>
2003	\$ 378,806	(0.18) %
2004	375,616	(0.84)
2005	404,521	7.70
2006	413,019	2.10
2007	* 449,811	8.91
2008	445,017	(1.07)
2009	437,592	(1.67)
2010	423,913	(3.13)
2011	421,559	(0.56)
2012	444,825	5.52

\* Increase due to revaluation in prior year.

**Long-Term Financial Planning**

The residential growth that the City is experiencing was predicted several years ago. As part of the 1998 goal-setting process, City Council decided to take a closer look at the way the City was developing to ensure a wise use of capital resources and to enhance service delivery for the future needs of its citizens. The City selected Northstar Planning and Design Incorporated to guide the City in this community planning process. In 2000, after months of hard work by many dedicated City and community members, the *Louisville Community Plan* was completed and approved by City Council as a strategic approach to growth management and capital project planning. This document guides City Management through decisions when formulating future budgets and considering possible capital improvements. The Director of Finance, City Manager and other management of the City work closely with local businesses, developers and other employers to be informed of changes in the local economy. As a result, the City adjusts the financial forecasts as a tool to be proactive in managing the City.

**Financial Policy**

The City's Charter was designed several years ago with a mechanism that facilitated constructive budgeting policy. As a part of the budget process, the City Manager is required to present a statement of approved, pending and proposed capital projects to Council for the current budget year.

## **Major Initiatives**

During 2011 and 2012, continuing efforts were made to upgrade services and improve the quality of life for the citizens of the City. The City completed reconstruction of State Route 153, in cooperation with the Ohio Department of Transportation. Another major project, which began in 2010, is the Jobs-Ready Sites Project, in cooperation with private business and Ohio Department of Development to develop future manufacturing sites in an industrial park environment. While this industrial park was near completion (Spring 2013), it was announced on July 15, 2012 that Chesapeake Energy purchased the entire 291-acre site, “Beck Industrial Commerce Park” to construct facilities to its Utica shale headquarters and operations. This is a major capital investment in the City limits that will result in a broad range of job opportunities for area residents and will generate significant new tax revenues to support the local governments.

## **Risk Management**

The types of insurance carried include: general liability, public officials liability, police professional liability, fleet liability, paramedic liability, employee medical insurance, 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.

## **Financial Reporting**

The City has prepared financial statements following GASB Statement No. 34 “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments”. GASB Statement No. 34 creates basic financial statements for reporting on the City’s financial activities as follows:

- Government-wide Financial Statements
- Fund Financial Statements
- Statements of Budgetary Comparisons

As part of this model, management is responsible for preparing a Management’s Discussion and Analysis of the City. This discussion follows the Independent Auditors’ Report, providing an assessment of the City’s finances for 2012 and a discussion of current issues affecting the City.

## **Independent Annual Audit**

The City is not legally required to obtain an independent annual audit. The minimum requirement is for the State of Ohio to perform an audit, directly or indirectly through an independent auditing firm, at least every two years. The City, consistent with the professional manner in which it has conducted its financial affairs, has chosen and funded annual audits. The City’s financial statements have been audited by an independent accounting firm. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2012, are free of material misstatement.

The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Alger & Associates, Inc., Certified Public Accountants, concluded, based upon their audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the year ended December 31, 2012 are fairly presented in conformity with GAAP. The Independent Auditor's Report is presented as the first component of the financial section of this report.

### **Certificate of Achievement**

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, 2011. 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 for seventeen years. 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.

### **Acknowledgments**

Preparation of this report 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.

Respectfully submitted,



Jina E. Turowski  
Finance Director

***City of Louisville, Ohio***

Public Officials Roster

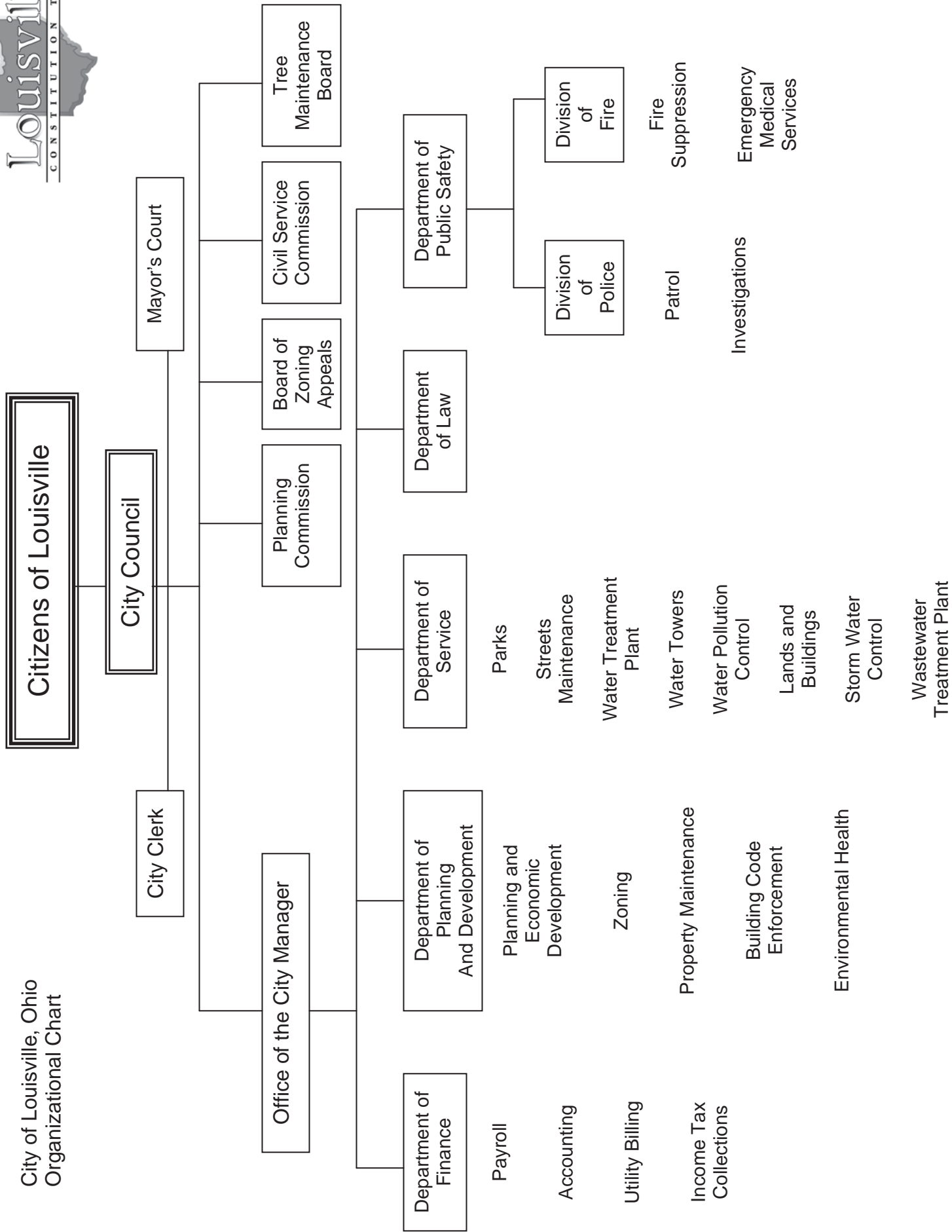
December 31, 2012

**Elected Officials**

Patricia Fallot	Mayor – Councilmember
Cheryle Casar	Councilmember
Guy Guidone	Councilmember
Richard Guiley	Councilmember
Thomas McAlister	Councilmember

**Appointed Officials**

E. Thomas Ault .....	City Manager
Jina Turowski.....	Director of Finance
Peggy Howald.....	City Clerk
Robert Duffrin.....	Law Director
James McBeath .....	Superintendent of Service
Andy Turowski .....	Chief of Police
John Fetty.....	Chief of Fire



# 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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Christopher P. Mouill*

President

*Jeffrey R. Emer*

Executive Director

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## FINANCIAL SECTION







# ALGER & ASSOCIATES, Inc

Certified Public Accountants

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## INDEPENDENT AUDITOR'S REPORT

City of Louisville  
Stark County  
215 S. 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 aggregate remaining fund information of the City of Louisville, Stark County, Ohio (the City), as of and for the year ended December 31, 2012 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.

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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 aggregate remaining fund information of City of Louisville, Stark County, Ohio, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective 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.

***Emphasis of Matter***

As discussed in Note 2 to the financial statements, during 2012, the City of Louisville adopted new accounting guidance in Governmental Accounting Standards Board Statements No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, 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 financial section's combining statements and individual fund schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2013, on our consideration of the Government'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.

Alger &  
Associates, Inc.  Digitally signed by Alger & Associates, Inc.  
DN: cn=Alger & Associates, Inc., o=Alger & Associates,  
Inc., ou=Central Management Services, c=US  
Date: 2013.08.16 07:33:15 -0400

Alger & Associates, Inc.  
August 22, 2013

6927 Burgundy Ave. NW  
North Canton, OH 44720  
Phone - 330-353-5851  
Fax - 330-526-8778



***City of Louisville, Ohio***  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended December 31, 2012**  
**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 fiscal year ended December 31, 2012. 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 2012 are as follows:

- The total net position of the City increased \$7,899,252. Net position of governmental activities increased \$5,187,858, which represents a 56.8% increase over fiscal year 2011. Net position of business-type activities increased \$2,711,394 or 26.1% from fiscal year 2011.
- General revenues including transfers, for governmental activities, accounted for \$3,025,507 or 31.1% of total governmental activities revenue. Program specific revenues accounted for \$6,701,321 or 68.9% of total governmental activities revenue.
- The City had \$4,538,970 in expenses related to governmental activities; these expenses was offset by program specific charges for services and sales, operating grants, contributions and interest and capital grants and contributions.
- The general fund, the City's largest and major governmental fund, had revenues of \$4,066,207 in 2012, or 50.9% of total governmental funds. Expenditures of the general fund were \$3,535,488, or 45.4% of total governmental funds. The general fund balance increased \$438,469 or 20.0% in 2012.

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

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

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

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

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

***Statement of Net Position and Statement of Activities***

While this document contains a number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and answers the question, "How did we do financially during 2012"? These statements include all assets and liabilities 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, sewer and storm water services.

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

***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds. Fund financial reports provide detailed information about the activities within the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The City's major governmental funds are the general fund and the capital improvement capital projects fund. An analysis of the City's major governmental fund begins on page 12.

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal 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 seventeen 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 funds, which were 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 64-67 in this report. The basic governmental fund financial statements can be found on pages 20-24 of this report.

***Proprietary Funds***

Proprietary funds (water, sewer and storm water) 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 25-27 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 29-59 of this report.

***Other Information***

In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules, which can be found beginning on page 62 of this report.

**City of Louisville, Ohio**  
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**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 2012 compared to 2011:

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>Restated 2011</u>	<u>2012</u>	<u>Restated 2011</u>	<u>2012</u>	<u>Restated 2011</u>
<u>Assets</u>						
Current and other assets	\$ 4,845,406	\$ 4,645,538	\$ 2,668,117	\$ 3,871,340	\$ 7,513,523	\$ 8,516,878
Capital assets	<u>10,798,601</u>	<u>6,246,857</u>	<u>12,752,071</u>	<u>10,804,589</u>	<u>23,550,672</u>	<u>17,051,446</u>
Total assets	<u>15,644,007</u>	<u>10,892,395</u>	<u>15,420,188</u>	<u>14,675,929</u>	<u>31,064,195</u>	<u>25,568,324</u>
<u>Liabilities</u>						
Other liabilities	319,240	873,609	91,257	1,859,705	410,497	2,733,314
Long-term liabilities outstanding	<u>678,510</u>	<u>524,624</u>	<u>2,242,575</u>	<u>2,441,262</u>	<u>2,921,085</u>	<u>2,965,886</u>
Total liabilities	<u>997,750</u>	<u>1,398,233</u>	<u>2,333,832</u>	<u>4,300,967</u>	<u>3,331,582</u>	<u>5,699,200</u>
<u>Deferred inflows of resources</u>						
Property taxes	<u>329,574</u>	<u>365,337</u>	-	-	<u>329,574</u>	<u>365,337</u>
<u>Net Position</u>						
Net investment in capital assets	10,381,469	5,930,971	10,871,708	8,520,159	21,253,177	14,451,130
Restricted	1,012,591	587,635	-	-	1,012,591	587,635
Unrestricted	<u>2,922,623</u>	<u>2,610,219</u>	<u>2,214,648</u>	<u>1,854,803</u>	<u>5,137,271</u>	<u>4,465,022</u>
Total net position	<u>\$ 14,316,683</u>	<u>\$ 9,128,825</u>	<u>\$ 13,086,356</u>	<u>\$ 10,374,962</u>	<u>\$ 27,403,039</u>	<u>\$ 19,503,787</u>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2012, the City's assets exceeded liabilities plus deferred inflows of resources by \$27,403,039. This amounts to \$14,316,683 in governmental activities and \$13,086,356 in business-type activities.



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The largest portion of the City's net position 77.6% reflects its investment in capital assets less any related debt used to acquire those assets. Capital assets include land, land improvements, buildings, machinery and equipment, vehicles, infrastructure, and construction in progress. Capital assets, net of related debt to acquire the assets at December 31, 2012, were \$21,253,177. 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, 2012, 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, \$1,012,591 or 7.1%, represent resources that are subject to external restrictions on how they may be used. Of total restricted net position \$29,806 for debt service, \$923,336 for transportation, \$34,145 for safety services programs and \$25,304 for other purposes. The remaining balance of governmental unrestricted net position of \$2,922,623 may be used to meet the government's ongoing obligations to citizens and creditors.

Table 2 below shows the changes in net position for governmental and business-type activities for fiscal years 2012 and 2011.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>Restated 2011</u>	<u>2012</u>	<u>Restated 2011</u>	<u>2012</u>	<u>Restated 2011</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 781,407	\$ 695,274	\$ 2,130,318	\$ 2,002,941	\$ 2,911,725	\$ 2,698,215
Operating grants, contributions, and interest	927,554	457,775	1,392,596	126,853	2,320,150	584,628
Capital grants and contributions	4,992,360	1,330,182	-	-	4,992,360	1,330,182
General revenues:						
Property and other taxes	376,095	248,169	-	-	376,095	248,169
Municipal income taxes	2,817,361	2,663,045	939,123	887,093	3,756,484	3,550,138
Grants and entitlements	412,228	499,385	-	-	412,228	499,385
Investment earnings	1,485	1,629	98	-	1,583	1,629
Other	23,288	6,541	5,631	7,398	28,919	13,939
Total revenues	<u>\$ 10,331,778</u>	<u>\$ 5,902,000</u>	<u>\$ 4,467,766</u>	<u>\$ 3,024,285</u>	<u>\$ 14,799,544</u>	<u>\$ 8,926,285</u>

(Continued)

**City of Louisville, Ohio**  
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**Table 2**  
**Changes in Net Position (Continued)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	Restated		Restated		Restated	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>Program Expenses</b>						
<i>Governmental Activities:</i>						
General government	\$ 1,257,674	\$ 1,041,834	\$ -	\$ -	\$ 1,257,674	\$ 1,041,834
Security of persons and property	2,179,718	2,008,185	-	-	2,179,718	2,008,185
Public health and welfare	66,050	65,093	-	-	66,050	65,093
Transportation	675,174	519,001	-	-	675,174	519,001
Community environment	160,529	169,936	-	-	160,529	169,936
Leisure time activities	192,361	234,722	-	-	192,361	234,722
Interest and fiscal charges	7,464	16,096	-	-	7,464	16,096
<i>Business-Type Activities:</i>						
Water	-	-	1,161,768	1,144,617	1,161,768	1,144,617
Sewer	-	-	1,113,201	1,082,752	1,113,201	1,082,752
Storm sewer	-	-	86,353	90,263	86,353	90,263
Total program expenses	<u>4,538,970</u>	<u>4,054,867</u>	<u>2,361,322</u>	<u>2,317,632</u>	<u>6,900,292</u>	<u>6,372,499</u>
Change in net position before transfers	<u>5,792,808</u>	<u>1,847,133</u>	<u>2,106,444</u>	<u>706,653</u>	<u>7,899,252</u>	<u>2,553,786</u>
Transfers	<u>(604,950)</u>	<u>67,421</u>	<u>604,950</u>	<u>(67,421)</u>	<u>-</u>	<u>-</u>
Change in net position	5,187,858	1,914,554	2,711,394	639,232	7,899,252	2,553,786
Net position, beginning of year, restated	9,128,825	7,220,144	10,374,962	9,780,337	19,503,787	17,000,481
Unamortized debt issuance costs restated	-	(5,873)	-	(44,607)	-	(50,480)
Net position, end of year	<u>\$ 14,316,683</u>	<u>\$ 9,128,825</u>	<u>\$ 13,086,356</u>	<u>\$ 10,374,962</u>	<u>\$ 27,403,039</u>	<u>\$ 19,503,787</u>

**Governmental Activities**

Governmental activities net position increased \$5,187,858 or 56.8% in 2012 over 2011. This increase was due to continued conservative spending measures and contributions received for the State Route 153 construction project. The City's funding for these governmental activities comes from a variety of sources, the most significant being the \$2,817,361 of municipal income tax. See Note 13 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 2012, the City received \$412,228 in unrestricted intergovernmental revenues or 4.0% of total revenues.

***City of Louisville, Ohio***  
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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 2012, the City received \$781,407 in charges for services, a combined total of \$927,554 in various operating grants, contributions and interest and \$4,992,360 in capital grants and contributions.

The City's governmental activity expenses totaled \$4,538,970 in 2012, with security of persons and property, general government and transportation representing the largest portion of this figure at 90.6%. The City's governmental activity expenses increased by \$484,103 from 2011, not related to any one single event.

Security of persons and property, which primarily supports the operations of the City's police, fire and emergency medical services, accounts for \$2,179,718 of expenses, or 48.0% of total governmental expenses of the City. These expenses were funded by \$326,764 in charges to users of services and operating grants. General government expenses, which primarily include legislative, executive and financial management, totaled \$1,257,674 or 27.7% of total governmental expenses. General government expenses were covered by \$2,900,976 of direct charges to users, operating and capital grants and contributions.

At \$675,174 or 14.9%, 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 \$3,460,252 in direct charges to users, operating and capital grants and contributions.

***Business-Type Activities***

The water, sewer and storm water funds represent the City's business-type activities. These programs had program revenues of \$3,522,914 and expenses of \$2,361,322 for fiscal year 2012. Business-type activities reported an increase in net position of \$2,711,394, or 26.1% as compared to 2011. For this year, the increase in net position was attributed to an increase in certain user fees and operating grants and contributions.

***Program Expenses***

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government-wide activities, the total cost of services and the net cost of services for 2012 and 2011. That is, it identifies the cost of these services supported by general revenues.

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**Unaudited**

**Table 3**  
**Program Expenses**

	<u>2012</u>		<u>2011</u>		<u>Net Change</u>	
	<u>Total Cost</u> <u>of Services</u>	<u>Net Cost</u> <u>of Services</u>	<u>Total Cost</u> <u>of Services</u>	<u>Net Cost</u> <u>of Services</u>	<u>Total Cost</u> <u>of Services</u>	<u>Net Cost</u> <u>of Services</u>
<i>Governmental Activities:</i>						
General government	\$ 1,257,674	\$ 1,643,302	\$ 1,041,834	\$ (641,826)	\$ 215,840	\$ 2,285,128
Security of persons and property	2,179,718	(1,852,954)	2,008,185	(1,709,709)	171,533	(143,245)
Public health and welfare	66,050	(66,050)	65,093	(65,093)	957	(957)
Transportation	675,174	2,785,078	519,001	1,255,218	156,173	1,529,860
Community environment	160,529	(152,790)	169,936	(165,466)	(9,407)	12,676
Leisure time activities	192,361	(186,771)	234,722	(228,664)	(42,361)	41,893
Interest and fiscal charges	7,464	(7,464)	16,096	(16,096)	(8,632)	8,632
<i>Business-Type Activities:</i>						
Water	1,161,768	45,425	1,144,617	(194,313)	17,151	239,738
Sewer	1,113,201	(83,077)	1,082,752	(17,310)	30,449	(65,767)
Storm sewer	<u>86,353</u>	<u>1,199,244</u>	<u>90,263</u>	<u>23,785</u>	<u>(3,910)</u>	<u>1,175,459</u>
Total expenses	<u>\$ 6,900,292</u>	<u>\$ 3,323,943</u>	<u>\$ 6,372,499</u>	<u>\$ (1,759,474)</u>	<u>\$ 527,793</u>	<u>\$ 5,083,417</u>

**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. The general fund is the main governmental operating fund of the City. At the end of 2012, the fund balance of the general fund was \$2,634,062, a 20.0% increase from the prior year. The reason for the increase in the general fund balance was primarily due to an increase in income and property tax revenue and conservative budgeting for expenditures. At the end of 2012, the deficit fund balance of the capital improvement fund was \$204,376, a 151.8% decrease from the prior year. The reason for the decrease in the capital improvement fund balance was primarily due to an increase in capital expenditures used for the City's construction projects.

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**Unaudited**

Table 4 below reports year 2012 balances compared to 2011:

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

	Fund Balance		Increase (Decrease)	Percent Change
	December 31, <u>2012</u>	December 31, <u>2011</u>		
General	\$ 2,634,062	\$ 2,195,593	\$ 438,469	20.0%
Capital improvements	(204,376)	(81,165)	(123,211)	151.8%
Other Governmental Funds	<u>711,685</u>	<u>649,626</u>	<u>62,059</u>	9.6%
	<u>\$ 3,141,371</u>	<u>\$ 2,764,054</u>	<u>\$ 377,317</u>	

Table 5 below assists in illustrating the changes in financial activities for the general fund for year 2012 balances compared to 2011:

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

	December 31, <u>2012</u>	December 31, <u>2011</u>	Increase (Decrease)	Percent Change
<u>Revenues:</u>				
Income tax	\$ 2,750,272	\$ 2,674,757	\$ 75,515	2.8%
Property and other taxes	381,207	281,171	100,036	35.6%
Charges for services	248,423	227,524	20,899	9.2%
Licenses and permits	134,719	149,538	(14,819)	-9.9%
Fines and forfeitures	19,303	13,029	6,274	48.2%
Intergovernmental	451,540	456,896	(5,356)	-1.2%
Investment income	1,485	1,629	(144)	-8.8%
Contributions and donations	14,956	8,050	6,906	85.8%
Other	<u>64,302</u>	<u>39,555</u>	<u>24,747</u>	62.6%
Total revenue	<u>\$ 4,066,207</u>	<u>\$ 3,852,149</u>	<u>\$ 214,058</u>	
<u>Expenditures:</u>				
Current:				
General government	\$ 976,563	\$ 859,227	\$ 117,336	13.7%
Security of persons and property	1,769,491	1,628,014	141,477	8.7%
Public health and welfare	66,050	65,093	957	1.5%
Community environment	158,639	149,141	9,498	6.4%
Leisure time activities	123,443	130,297	(6,854)	-5.3%
Capital outlay	393,527	197,355	196,172	99.4%
Debt service:				
Principal retirement	<u>47,775</u>	<u>-</u>	<u>47,775</u>	0.0%
Total expenditures	<u>\$ 3,535,488</u>	<u>\$ 3,029,127</u>	<u>\$ 506,361</u>	

**City of Louisville, Ohio**  
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***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.

There most significant changes from the original budgeted revenues as compared to the final budgeted amounts were an increase of \$257,674 in municipal income tax revenue. This difference was caused by the municipal income tax revenues being unknown at the original budgeting process. Actual revenues were greater than the final budgeted amount by \$1,065 mainly due to an increase in municipal income tax revenue received during the year.

Final budgeted expenditures were less than the original budgeted expenditures by \$141,700. This was due to an overall decrease in expenditures due to the local economy. Actual expenditures of \$3,379,324 for the year were \$39,550 less than the \$3,418,874 final budgeted amounts. The majority of this change was reported in security of persons and property and general government due to conservative spending.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of 2012, the City had \$23,550,672 (net of accumulated depreciation) invested in land, right of ways, land improvements, buildings, machinery and equipment, vehicles, infrastructure and construction in progress. Of this total, \$10,798,601 was reported in governmental activities and \$12,752,071 was reported in business-type activities. Table 6 below reports fiscal year 2012 balances compared to 2011:

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$ 354,232	\$ 197,763	\$ 312,987	\$ 312,987	\$ 667,219	\$ 510,750
Right of ways	812,350	-	-	-	812,350	-
Land improvements	320,644	357,878	42,754	50,151	363,398	408,029
Buildings and building improvements	824,191	735,020	4,451,692	4,609,652	5,275,883	5,344,672
Machinery and equipment	422,076	352,329	125,782	119,082	547,858	471,411
Vehicles	949,759	872,930	329,084	295,787	1,278,843	1,168,717
Infrastructure	5,258,939	419,360	7,489,772	5,167,581	12,748,711	5,586,941
Construction in progress	1,856,410	3,311,577	-	249,349	1,856,410	3,560,926
<b>Total</b>	<b>\$ 10,798,601</b>	<b>\$ 6,246,857</b>	<b>\$ 12,752,071</b>	<b>\$ 10,804,589</b>	<b>\$ 23,550,672</b>	<b>\$ 17,051,446</b>

**City of Louisville, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended December 31, 2012**  
**Unaudited**

The most significant change during 2012 to the amount of net capital assets was due to an increase of \$7,161,770 in infrastructure due to finalizing several construction projects. See Note 8 to the basic financial statements for detail on the governmental and business-type activities capital assets.

**Debt Administration**

At December 31, 2012 the City had total long-term debt outstanding of \$2,549,397. Of this total, \$756,851 is due within one year and \$1,792,546 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>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
General obligation bonds	\$ 234,924	\$ 237,301	\$ 1,478,711	\$ 1,808,224	\$ 1,713,635	\$ 2,045,525
OPWC loans	-	-	336,712	385,004	336,712	385,004
OWDA loan	-	-	40,224	42,666	40,224	42,666
Loan	-	-	219,142	-	219,142	-
Capital leases	<u>182,208</u>	<u>78,585</u>	<u>57,476</u>	<u>112,872</u>	<u>239,684</u>	<u>191,457</u>
Total	<u>\$ 417,132</u>	<u>\$ 315,886</u>	<u>\$ 2,132,265</u>	<u>\$ 2,348,766</u>	<u>\$ 2,549,397</u>	<u>\$ 2,664,652</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 \$40,990.

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 by the water enterprise fund. The business-type general obligation bonds will be repaid from both the water and sewer enterprise funds. The Ohio Water Development Authority (OWDA) will be repaid from the water enterprise fund.

At December 31, 2012 the City's overall legal debt margin was \$16,272,782, with an unvoted debt margin of \$8,523,838. The City's credit rating remained unchanged in 2012 as compared to 2011. See Note 10 and 11 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.

***City of Louisville, Ohio***  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended December 31, 2012**  
**Unaudited**

**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, 2012**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	LCIC
<u>Assets:</u>				
<i>Current Assets</i>				
Equity in pooled cash and cash equivalents	\$ 1,839,611	\$ 2,003,525	\$ 3,843,136	\$ 56,325
Receivables:				
Income tax	809,223	269,741	1,078,964	-
Property and other taxes	349,188	-	349,188	-
Accounts	106,567	391,822	498,389	-
Due from other governments	1,673,354	-	1,673,354	-
Materials and supplies inventory	63,380	2,168	65,548	-
Loans receivable	-	-	-	8,378
Prepaid items	4,083	861	4,944	366
<i>Total Current Assets</i>	<u>4,845,406</u>	<u>2,668,117</u>	<u>7,513,523</u>	<u>65,069</u>
<i>Noncurrent Assets</i>				
Loans receivable	-	-	-	30,633
Nondepreciable capital assets	3,022,992	312,987	3,335,979	30,994
Depreciable capital assets, net	7,775,609	12,439,084	20,214,693	-
<i>Total Noncurrent Assets</i>	<u>10,798,601</u>	<u>12,752,071</u>	<u>23,550,672</u>	<u>61,627</u>
Total assets	<u>15,644,007</u>	<u>15,420,188</u>	<u>31,064,195</u>	<u>126,696</u>
<u>Liabilities:</u>				
<i>Current Liabilities</i>				
Accounts payable	37,491	17,434	54,925	-
Contracts payable	57,573	-	57,573	-
Accrued wages and benefits	73,917	23,004	96,921	-
Matured compensated absences payable	509	292	801	-
Due to other governments	108,356	37,741	146,097	-
Undistributed monies	7,818	-	7,818	-
Income tax refunds payable	30,474	10,158	40,632	-
Accrued interest payable	434	2,628	3,062	-
Claims payable	2,668	-	2,668	-
<i>Total Current Liabilities</i>	<u>319,240</u>	<u>91,257</u>	<u>410,497</u>	<u>-</u>
<i>Noncurrent Liabilities</i>				
Long-term liabilities:				
Due within one year	209,906	728,257	938,163	-
Due in more than one year	468,604	1,514,318	1,982,922	-
<i>Total Noncurrent Liabilities</i>	<u>678,510</u>	<u>2,242,575</u>	<u>2,921,085</u>	<u>-</u>
Total liabilities	<u>997,750</u>	<u>2,333,832</u>	<u>3,331,582</u>	<u>-</u>
<u>Deferred inflows of resources:</u>				
Property taxes	329,574	-	329,574	-
<u>Net position:</u>				
Net investment in capital assets	10,381,469	10,871,708	21,253,177	-
Restricted for:				
Debt service	29,806	-	29,806	-
Transportation	923,336	-	923,336	-
Safety services	34,145	-	34,145	-
Other purposes	25,304	-	25,304	-
Unrestricted	2,922,623	2,214,648	5,137,271	126,696
Total net position	<u>\$ 14,316,683</u>	<u>\$ 13,086,356</u>	<u>\$ 27,403,039</u>	<u>\$ 126,696</u>

See accompanying notes to the basic financial statements.

**City of Louisville, Ohio**  
**Statement of Activities**  
**For the Year Ended December 31, 2012**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions
<u>Governmental Activities:</u>				
General government	\$ 1,257,674	\$ 434,958	\$ 14,956	\$ 2,451,062
Security of persons and property	2,179,718	322,745	4,019	-
Public health and welfare	66,050	-	-	-
Transportation	675,174	10,375	908,579	2,541,298
Community environment	160,529	7,739	-	-
Leisure time activities	192,361	5,590	-	-
Interest and fiscal charges	7,464	-	-	-
Total governmental activities	<u>4,538,970</u>	<u>781,407</u>	<u>927,554</u>	<u>4,992,360</u>
<u>Business-Type Activities:</u>				
Water	1,161,768	996,464	210,729	-
Sewer	1,113,201	994,360	35,764	-
Storm water	86,353	139,494	1,146,103	-
Total business-type activities	<u>2,361,322</u>	<u>2,130,318</u>	<u>1,392,596</u>	<u>-</u>
Total primary government	<u>\$ 6,900,292</u>	<u>\$ 2,911,725</u>	<u>\$ 2,320,150</u>	<u>\$ 4,992,360</u>
<u>Component Unit:</u>				
LCIC	<u>\$ 1,921</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Change in net position

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

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	LCIC
\$ 1,643,302	\$ -	\$ 1,643,302	\$ -
(1,852,954)	-	(1,852,954)	-
(66,050)	-	(66,050)	-
2,785,078	-	2,785,078	-
(152,790)	-	(152,790)	-
(186,771)	-	(186,771)	-
(7,464)	-	(7,464)	-
<u>2,162,351</u>	<u>-</u>	<u>2,162,351</u>	<u>-</u>
-	45,425	45,425	-
-	(83,077)	(83,077)	-
-	1,199,244	1,199,244	-
-	1,161,592	1,161,592	-
<u>2,162,351</u>	<u>1,161,592</u>	<u>3,323,943</u>	<u>-</u>
-	-	-	(1,921)
376,095	-	376,095	-
2,817,361	-	2,817,361	-
-	473,485	473,485	-
-	465,638	465,638	-
412,228	-	412,228	38,250
1,485	98	1,583	1,774
23,288	5,631	28,919	-
(604,950)	604,950	-	-
<u>3,025,507</u>	<u>1,549,802</u>	<u>4,575,309</u>	<u>40,024</u>
5,187,858	2,711,394	7,899,252	38,103
9,128,825	10,374,962	19,503,787	88,593
<u>\$ 14,316,683</u>	<u>\$ 13,086,356</u>	<u>\$ 27,403,039</u>	<u>\$ 126,696</u>

**City of Louisville, Ohio**

**Balance Sheet**

**Governmental Funds**

**December 31, 2012**

	General	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 1,039,795	\$ 242,290	\$ 557,526	\$ 1,839,611
<b>Receivables:</b>				
Income tax	809,223	-	-	809,223
Property and other taxes	349,188	-	-	349,188
Accounts	24,602	-	81,965	106,567
Interfund	1,370,837	-	-	1,370,837
Due from other governments	113,921	1,343,328	216,105	1,673,354
Materials and supplies inventory	-	-	63,380	63,380
Prepaid items	2,272	-	1,811	4,083
<b>Total assets</b>	<b>\$ 3,709,838</b>	<b>\$ 1,585,618</b>	<b>\$ 920,787</b>	<b>\$ 6,216,243</b>
<b>Liabilities, deferred inflows of resources and fund balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 29,600	\$ -	\$ 7,891	\$ 37,491
Contracts payable	38,800	18,773	-	57,573
Interfund payable	-	1,368,417	2,420	1,370,837
Accrued wages and benefits	64,441	-	9,476	73,917
Matured compensated absences payable	509	-	-	509
Due to other governments	91,627	-	16,729	108,356
Undistributed monies	7,818	-	-	7,818
Income tax refunds payable	30,474	-	-	30,474
Claims and judgments payable	2,668	-	-	2,668
<b>Total liabilities</b>	<b>265,937</b>	<b>1,387,190</b>	<b>36,516</b>	<b>1,689,643</b>
<b>Deferred inflows of resources:</b>				
Property taxes	329,574	-	-	329,574
Unavailable revenue - other	465,851	402,804	172,586	1,041,241
Unavailable revenue - delinquent property taxes	14,414	-	-	14,414
<b>Total deferred inflows of resources</b>	<b>809,839</b>	<b>402,804</b>	<b>172,586</b>	<b>1,385,229</b>
<b>Fund balances:</b>				
Nonspendable	2,272	-	65,191	67,463
Restricted	-	-	434,006	434,006
Committed	-	-	214,908	214,908
Assigned	152,936	-	-	152,936
Unassigned	2,478,854	(204,376)	(2,420)	2,272,058
<b>Total fund balances</b>	<b>2,634,062</b>	<b>(204,376)</b>	<b>711,685</b>	<b>3,141,371</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 3,709,838</b>	<b>\$ 1,585,618</b>	<b>\$ 920,787</b>	<b>\$ 6,216,243</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, 2012**

Total governmental fund balances \$ 3,141,371

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

Capital assets used in governmental activities are not financial  
resources and therefore are not reported in funds. 10,798,601

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	\$ 14,414	
Income taxes	386,149	
Intergovernmental	630,571	
Charges for services	24,521	
Total	<u>1,055,655</u>	1,055,655

Accrued interest payable is not due and payable in the current  
period and therefore is not reported in the funds. (434)

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

General obligation bonds	\$ (233,000)	
Premium	(1,924)	
Capital lease payable	(182,208)	
Compensated absences	(220,388)	
Police pension liability	(40,990)	
Total	<u>(678,510)</u>	(678,510)

Net position of governmental activities \$ 14,316,683

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, 2012**

	General	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues:				
Income tax	\$ 2,750,272	\$ -	\$ -	\$ 2,750,272
Property and other taxes	381,207	-	-	381,207
Charges for services	248,423	-	306,589	555,012
Licenses and permits	134,719	-	-	134,719
Fines and forfeitures	19,303	-	25,415	44,718
Intergovernmental	451,540	3,094,459	478,930	4,024,929
Investment income	1,485	-	103	1,588
Contributions and donations	14,956	-	25	14,981
Other	64,302	-	10,375	74,677
Total revenue	<u>4,066,207</u>	<u>3,094,459</u>	<u>821,437</u>	<u>7,982,103</u>
Expenditures:				
Current:				
General government	976,563	209,041	2,048	1,187,652
Security of persons and property	1,769,491	-	249,901	2,019,392
Public health and welfare	66,050	-	-	66,050
Transportation	-	-	567,702	567,702
Community environment	158,639	-	-	158,639
Leisure time activities	123,443	-	-	123,443
Capital outlay	393,527	3,008,629	173,822	3,575,978
Debt service:				
Principal retirement	47,775	-	40,602	88,377
Interest and fiscal charges	-	-	7,553	7,553
Total expenditures	<u>3,535,488</u>	<u>3,217,670</u>	<u>1,041,628</u>	<u>7,794,786</u>
Excess of revenues over (under) expenditures	<u>530,719</u>	<u>(123,211)</u>	<u>(220,191)</u>	<u>187,317</u>
Other financing sources (uses):				
Inception of capital lease	190,000	-	-	190,000
Transfers - in	-	-	282,250	282,250
Transfers - out	<u>(282,250)</u>	<u>-</u>	<u>-</u>	<u>(282,250)</u>
Total other financing sources (uses)	<u>(92,250)</u>	<u>-</u>	<u>282,250</u>	<u>190,000</u>
Net change in fund balance	438,469	(123,211)	62,059	377,317
Fund balances at beginning of year	2,195,593	(81,165)	649,626	2,764,054
Fund balances at end of year	<u>\$ 2,634,062</u>	<u>\$ (204,376)</u>	<u>\$ 711,685</u>	<u>\$ 3,141,371</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, 2012**

Net change in fund balances - Total governmental funds \$ 377,317

*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	\$	3,575,978	
Capital contributions		1,936,704	
Capital assets transferred		(604,950)	
Depreciation expense		(355,988)	
		4,551,744	4,551,744

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These activities consist of:

Property and other taxes	\$	(5,112)	
Income taxes		67,089	
Intergovernmental		355,425	
Charges for services		(4,431)	
		412,971	412,971

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	\$	(53,714)	
Decrease in police pension liability		1,074	
Increase in accrued interest		(288)	
Amortization of:			
Premium		377	
		(52,551)	(52,551)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 2,000

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. 86,377

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. (190,000)

Change in net position of governmental activities \$ 5,187,858

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, 2012**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Municipal income tax	\$ 2,496,726	\$ 2,754,400	\$ 2,755,177	\$ 777
Property and other taxes	355,550	355,550	386,280	30,730
Charges for services	248,500	248,500	248,377	(123)
Licenses and permits	114,356	135,375	135,428	53
Fines and forfeitures	19,200	19,200	19,193	(7)
Intergovernmental	488,668	525,975	495,543	(30,432)
Interest	1,800	1,800	1,793	(7)
Contributions and donations	14,950	14,950	14,956	6
Other	64,150	70,975	71,043	68
<b>Total revenues</b>	<b>3,803,900</b>	<b>4,126,725</b>	<b>4,127,790</b>	<b>1,065</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	1,099,449	1,066,825	1,051,641	15,184
Security of persons and property	1,972,119	1,880,869	1,867,208	13,661
Public health and welfare	80,582	75,082	74,257	825
Community environment	157,473	210,147	203,924	6,223
Leisure time activities	250,951	185,951	182,294	3,657
<b>Total expenditures</b>	<b>3,560,574</b>	<b>3,418,874</b>	<b>3,379,324</b>	<b>39,550</b>
<b>Excess of revenues over expenditures</b>	<b>243,326</b>	<b>707,851</b>	<b>748,466</b>	<b>40,615</b>
<b>Other financing sources (uses):</b>				
Advances - in	-	-	1,444,874	1,444,874
Advances - out	-	-	(1,575,234)	(1,575,234)
Transfers - in	100	100	82	(18)
Transfers - out	(300,700)	(282,350)	(282,332)	18
<b>Total other financing sources (uses)</b>	<b>(300,600)</b>	<b>(282,250)</b>	<b>(412,610)</b>	<b>(130,360)</b>
<b>Net change in fund balance</b>	<b>(57,274)</b>	<b>425,601</b>	<b>335,856</b>	<b>(89,745)</b>
<b>Fund balance at beginning of year</b>	<b>556,266</b>	<b>556,266</b>	<b>556,266</b>	<b>-</b>
<b>Prior year encumbrances appropriated</b>	<b>64,524</b>	<b>64,524</b>	<b>64,524</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 563,516</b>	<b>\$ 1,046,391</b>	<b>\$ 956,646</b>	<b>\$ (89,745)</b>

See accompanying notes to the basic financial statements.



**City of Louisville, Ohio**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**December 31, 2012**

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Storm Water	Total
<b>Assets:</b>				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 891,746	\$ 984,436	\$ 127,343	\$ 2,003,525
Receivables:				
Income tax	129,476	140,265	-	269,741
Accounts	179,336	186,370	26,116	391,822
Materials and supplies inventory	531	1,637	-	2,168
Prepaid items	423	438	-	861
<b>Total current assets</b>	<b>1,201,512</b>	<b>1,313,146</b>	<b>153,459</b>	<b>2,668,117</b>
Noncurrent assets:				
Capital assets:				
Land	213,279	99,708	-	312,987
Depreciable capital assets, net	6,213,348	5,029,835	1,195,901	12,439,084
<b>Total noncurrent assets</b>	<b>6,426,627</b>	<b>5,129,543</b>	<b>1,195,901</b>	<b>12,752,071</b>
<b>Total assets</b>	<b>\$ 7,628,139</b>	<b>\$ 6,442,689</b>	<b>\$ 1,349,360</b>	<b>\$ 15,420,188</b>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	\$ 7,063	\$ 10,371	\$ -	\$ 17,434
Accrued wages and benefits	11,300	11,704	-	23,004
Compensated absences payable	33,288	36,090	-	69,378
Due to other governments	16,681	17,753	3,307	37,741
Income tax refunds payable	4,876	5,282	-	10,158
Matured compensated absences payable	146	146	-	292
Accrued interest payable	1,496	1,132	-	2,628
Capital lease payable	16,380	24,716	16,380	57,476
OPWC loans payable	48,292	-	-	48,292
Loans payable	109,571	-	-	109,571
General obligation bonds payable	117,800	323,200	-	441,000
OWDA loans payable	2,540	-	-	2,540
<b>Total current liabilities</b>	<b>369,433</b>	<b>430,394</b>	<b>19,687</b>	<b>819,514</b>
Long-term liabilities:				
Compensated absences payable	18,675	22,257	-	40,932
Loans payable, net of current portion	109,571	-	-	109,571
OPWC loans payable, net of current portion	288,420	-	-	288,420
OWDA loans payable, net of current portion	37,684	-	-	37,684
General obligation bonds payable, net of current portion	863,358	174,353	-	1,037,711
<b>Total long-term liabilities</b>	<b>1,317,708</b>	<b>196,610</b>	<b>-</b>	<b>1,514,318</b>
<b>Total liabilities</b>	<b>1,687,141</b>	<b>627,004</b>	<b>19,687</b>	<b>2,333,832</b>
<b>Net position:</b>				
Net investment in capital assets	5,068,533	4,607,274	1,195,901	10,871,708
Unrestricted	872,465	1,208,411	133,772	2,214,648
<b>Total net position</b>	<b>\$ 5,940,998</b>	<b>\$ 5,815,685</b>	<b>\$ 1,329,673</b>	<b>\$ 13,086,356</b>

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, 2012**

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Storm Water	Total
<u>Operating revenues:</u>				
Charges for services	\$ 996,464	\$ 994,360	\$ 139,494	\$ 2,130,318
Other	1,931	2,200	1,500	5,631
Total operating revenue	998,395	996,560	140,994	2,135,949
<u>Operating expenses:</u>				
Personal services	310,784	311,053	-	621,837
Fringe benefits	100,530	100,597	-	201,127
Contractual services	340,098	394,356	58,006	792,460
Supplies and materials	166,291	75,723	21,128	263,142
Depreciation	225,994	215,506	6,010	447,510
Total operating expenses	1,143,697	1,097,235	85,144	2,326,076
Operating income (loss)	(145,302)	(100,675)	55,850	(190,127)
<u>Nonoperating revenues (expenses):</u>				
Municipal income tax	473,485	465,638	-	939,123
Interest	98	-	-	98
Contributions	549,749	245,886	1,201,911	1,997,546
Interest and fiscal charges	(18,071)	(15,966)	(1,209)	(35,246)
Total nonoperating revenues (expenses)	1,005,261	695,558	1,200,702	2,901,521
Change in net position	859,959	594,883	1,256,552	2,711,394
Net position at beginning of year, restated	5,081,039	5,220,802	73,121	10,374,962
Net position at end of year	\$ 5,940,998	\$ 5,815,685	\$ 1,329,673	\$ 13,086,356

See accompanying notes to the basic financial statements.

**City of Louisville, Ohio**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2012**

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Storm Water	Total
Cash flows from operating activities:				
Cash received from customers	\$ 995,698	\$ 992,929	\$ 137,454	\$ 2,126,081
Cash payments for employee services and benefits	(403,609)	(404,950)	-	(808,559)
Cash payments to suppliers for goods and services	(512,155)	(469,290)	(80,590)	(1,062,035)
Net cash provided by for operating activities	79,934	118,689	56,864	255,487
Cash flows from noncapital financing activities:				
Advances from other funds	210,751	-	-	210,751
Advances to other funds	(210,751)	-	-	(210,751)
Income taxes received	444,427	473,969	-	918,396
Operating grants	-	646	-	646
Contributions received	549,749	245,886	1,201,911	1,997,546
Net cash provided by noncapital financing activities	994,176	720,501	1,201,911	2,916,588
Cash flows from capital and related financing activities:				
Loan issued	328,713	-	-	328,713
Interest paid on debt	(19,232)	(19,746)	(1,209)	(40,187)
Payment to bond refunding escrow agent	(1,000,865)	(761,961)	-	(1,762,826)
Principal payment on bonds, loans and capital lease	(217,493)	(305,420)	(15,788)	(538,701)
Acquisition of capital assets	(1,004,795)	(188,286)	(1,201,911)	(2,394,992)
Net cash used for capital and related financing activities	(1,913,672)	(1,275,413)	(1,218,908)	(4,407,993)
Cash flows from investing activities:				
Investment income	98	-	-	98
Net cash provided by investing activities	98	-	-	98
Net increase in cash and cash equivalents	(839,464)	(436,223)	39,867	(1,235,820)
Cash and cash equivalents at beginning of year	1,731,210	1,420,659	87,476	3,239,345
Cash and cash equivalents at end of year	\$ 891,746	\$ 984,436	\$ 127,343	\$ 2,003,525
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (145,302)	\$ (100,675)	\$ 55,850	\$ (190,127)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	225,994	215,506	6,010	447,510
Change in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	(6,756)	(9,503)	(3,540)	(19,799)
Materials and supplies inventory	1,201	4,148	-	5,349
Prepaid items	(16)	(17)	-	(33)
Increase (decrease) in liabilities:				
Accounts payable	(4,362)	6,255	(1,431)	462
Accrued wages and benefits	555	2,076	-	2,631
Compensated absences	10,439	7,667	-	18,106
Due to other governments	(1,819)	(6,768)	(25)	(8,612)
Net cash provided by operating activities	\$ 79,934	\$ 118,689	\$ 56,864	\$ 255,487
Non-cash capital and related financing activities:				
Transfers of capital assets	\$ 339,020	\$ 210,122	\$ 55,808	\$ 604,950

See accompanying notes to the basic financial statements.



**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.

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 activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses. However, the services provided and used are not eliminated in the process of consolidation.

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 is 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. The internal service fund is presented in a single column on the face of the proprietary fund financial statements.

**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.

## *Notes to the Basic Financial Statements*

### 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 is reported as fund balance. The City's two major governmental funds are the general fund and the capital improvements 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.

*Capital Improvements Fund:* This 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.

### 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:

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

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

*Storm Water Utility Fund:* The storm water utility fund accounts for the storm water user's fee which will be used for the payment of cost related to the storm drainage system.

**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, all 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 and current liabilities 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 reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds and component unit are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in 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.



## *Notes to the Basic Financial Statements*

### Revenues - Exchange and Non-exchange 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.

Non-exchange 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 12). 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 non-exchange 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 tax), fines and forfeitures, grants, 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 City does not have any deferred outflows of resources at December 31, 2012.

In addition to liabilities, the statements of net position reports 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, 2012, but which were levied to finance year 2013 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, franchise taxes, intergovernmental grants, special assessments, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available.

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, as 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.

## *Notes to the Basic Financial Statements*

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 than or less than the prior estimates and the budget commission find 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 2012.

*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 appropriation 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 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.

The Community Crime Prevention Grant and Local Drug Enforcement Grant special revenue funds did not have a legally adopted budget for 2012.

## *City of Louisville, Ohio*

### **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 2012, investments were limited to interest in 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.

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, 2012 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.

## Notes to the Basic Financial Statements

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 fair market 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 activity is reported prospectively beginning in 2004. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized for business-type activities.

All reported capital assets are depreciated except for land 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. 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.

**K. 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 and compensated absences 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.

## **L. Fund Balance**

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

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

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

**Committed** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. 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.



## *Notes to the Basic Financial Statements*

**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.

### **M. 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. Debt issuance costs are expensed when incurred.

### **N. 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.

### **O. 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 columns 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.

**P. Net Position**

Net position represent the difference between assets and deferred outflows of resources and 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 include amounts to provide transportation, general government, and public health and welfare services. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**Q. 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 non-operating.

**R. 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.

**NOTE 2 – IMPLEMENTATION OF NEW ACCOUNTING STANDARD**

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For 2012, the City has implemented Governmental Accounting Standards Board Statement (GASBS) No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”.

GASBS No. 63 established standards for the reporting of net position which was previously referred to as net assets. The City’s implementation of GASBS No. 63 had no effect on the amount of beginning net position.

For 2012, the City has implemented Governmental Accounting Standards Board Statement (GASBS) No. 65, “Items Previously Reported as Assets and Liabilities”.

GASBS No. 65 established standards that reclassify, as deferred outflows of resources and deferred inflows of resources, certain items that were previously reported as assets and liabilities. The City’s implementation of GASBS No. 65 had the following effect on the amount of beginning net position.



*Notes to the Basic Financial Statements*

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>
Net position, December 31, 2011	\$ 9,134,698	\$ 10,419,569
Prior period adjustments:		
Unamortized debt issuance costs	(5,873)	(44,607)
Restated net position, January 1, 2012	\$ 9,128,825	\$ 10,374,962

**NOTE 3 – 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 presented below:

Fund Balances	<u>General</u>	<u>Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Nonspendable</u>				
Materials and supplies inventory	\$ -	\$ -	\$ 63,380	\$ 63,380
Prepays	2,272	-	1,811	4,083
Total nonspendable	2,272	-	65,191	67,463
<u>Restricted for</u>				
Streets and highways	-	-	344,317	344,317
Court activities	-	-	25,304	25,304
Police services	-	-	34,145	34,145
Debt service payments	-	-	30,240	30,240
Total restricted	-	-	434,006	434,006
<u>Committed</u>				
Fire and EMS services	-	-	214,908	214,908
<u>Assigned</u>				
Encumbrances	34,461	-	-	34,461
Next year's budget	118,475	-	-	118,475
Total assigned	152,936	-	-	152,936
Unassigned (deficit)	2,478,854	(204,376)	(2,420)	2,272,058
Total fund balances	\$ 2,634,062	\$ (204,376)	\$ 711,685	\$ 3,141,371

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

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While reporting financial position, results of operations, and changes in fund balance/retained earnings 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 are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

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

	<u>General</u>
GAAP Basis	\$ 438,469
Revenue accruals	1,316,539
Expenditure accruals	(1,340,157)
Encumbrances (Budget Basis) outstanding at year end	<u>(78,995)</u>
Budget Basis	<u>\$ 335,856</u>

NOTE 5 – 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 Treasurer's Investment Pool (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 \$310 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 2012, the carrying amount of the City's deposits was \$2,836,583 and the bank balance was \$2,859,165. 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.

## City of Louisville, Ohio

### B. Investments

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Rating</u> <sup>(1)</sup>
STAR Ohio	\$ 1,006,243	55.4 <sup>(2)</sup>	AAAm

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

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

The City has invested funds in STAR Ohio during 2012. 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 Securities and Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2012.

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 2012 amounted to \$1,485, which includes \$1,111 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 STAROhio 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 Corporation's deposits at December 31, 2012 were \$56,325. Of the bank balances, none of the monies were collateralized with securities held by the pledging financial institutions trust department or agent but not in the Corporation's name.

## NOTE 6 - RECEIVABLES

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Receivables at December 31, 2012 for governmental funds consisted primarily of municipal income taxes, property and other taxes, amounts due from other governments, accounts, special assessments, and accrued interest.

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

## Notes to the Basic Financial Statements

<u>Governmental Activities</u>	<u>Amount</u>
Cents per gallon and excise tax	\$ 144,854
Homestead and rollback	27,213
Local government	71,397
Motor vehicle tax	31,479
Estate tax	12,557
Permissive sales tax	39,772
Public utility property tax reimbursement	2,754
State and Federal grants	<u>1,343,328</u>
Total	<u>\$ 1,673,354</u>

### NOTE 7 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers for the year ended December 31, 2012, consisted of the following:

<u>Transfer to</u>	<u>Transfer from</u>
	General fund
Nonmajor governmental funds	\$ 282,250
Total transfers	<u>\$ 282,250</u>

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

Transfers of capital assets between governmental and business-type activities during 2012 are reported as transfers.

Interfund balances at December 31, 2012 consisted of the following:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General fund	\$1,370,837	\$ -
Capital improvements fund	-	1,368,417
Nonmajor governmental fund	-	<u>2,420</u>
Totals	<u>\$1,370,837</u>	<u>\$1,370,837</u>

City of Louisville, Ohio

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of December 31, 2012, all interfund loans outstanding are anticipated to be repaid by 2013.

**NOTE 8 - CAPITAL ASSETS**

**A. Primary Government**

*Governmental Activities:* The summary of the governmental capital asset activity as of December 31, 2012 follows:

<u>Governmental activities</u>	<u>Balance</u> <u>12/31/2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2012</u>
Capital assets, not being depreciated:				
Land	\$ 197,763	\$ 156,469	\$ -	\$ 354,232
Right of ways	-	812,350	-	812,350
Construction in progress	<u>3,311,577</u>	<u>3,066,095</u>	<u>(4,521,262)</u>	<u>1,856,410</u>
Total capital assets, not being depreciated	<u>3,509,340</u>	<u>4,034,914</u>	<u>(4,521,262)</u>	<u>3,022,992</u>
Capital assets, being depreciated:				
Land improvements	601,751	24,159	-	625,910
Buildings and building improvements	1,489,060	121,097	-	1,610,157
Machinery and equipment	1,183,748	118,329	-	1,302,077
Vehicles	1,826,214	254,956	(23,466)	2,057,704
Infrastructure	<u>870,431</u>	<u>4,893,138</u>	<u>-</u>	<u>5,763,569</u>
Total capital assets, being depreciated	<u>5,971,204</u>	<u>5,411,679</u>	<u>(23,466)</u>	<u>11,359,417</u>
Less accumulated depreciation:				
Land improvements	(243,873)	(61,393)	-	(305,266)
Buildings and building improvements	(754,040)	(31,926)	-	(785,966)
Machinery and equipment	(831,419)	(48,582)	-	(880,001)
Vehicles	(953,284)	(160,528)	5,867	(1,107,945)
Infrastructure	<u>(451,071)</u>	<u>(53,559)</u>	<u>-</u>	<u>(504,630)</u>
Total accumulated depreciation	<u>(3,233,687)</u>	<u>(355,988)</u>	<u>5,867</u>	<u>(3,583,808)</u>
Total capital assets being depreciated, net	<u>2,737,517</u>	<u>5,055,691</u>	<u>(17,599)</u>	<u>7,775,609</u>
Governmental activities capital assets, net	<u>\$ 6,246,857</u>	<u>\$ 9,090,605</u>	<u>\$ (4,538,861)</u>	<u>\$ 10,798,601</u>

*Depreciation Expense:* Depreciation expense charged to governmental functions for the year ending December 31, 2012 is as follows:

## Notes to the Basic Financial Statements

	<u>Amount</u>
General government	\$ 49,739
Security of persons and property	136,530
Transportation	100,801
Leisure time activities	<u>68,918</u>
	<u>\$ 355,988</u>

**Business-type Activities:** The summary of the business-type activities' capital asset activity as of December 31, 2012 follow:

<b><u>Business-type activities</u></b>	<u>Balance</u> <u>12/31/2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2012</u>
Capital assets, not being depreciated:				
Land	\$ 312,987	\$ -	\$ -	\$ 312,987
Construction in progress	<u>249,349</u>	<u>356,106</u>	<u>(605,455)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>562,336</u>	<u>356,106</u>	<u>(605,455)</u>	<u>312,987</u>
Capital assets, being depreciated:				
Land improvements	73,970	-	-	73,970
Buildings and building improvements	9,112,338	18,954	-	9,131,292
Machinery and equipment	132,294	18,726	-	151,020
Vehicles	508,903	84,726	-	593,629
Infrastructure	<u>10,651,543</u>	<u>2,527,802</u>	-	<u>13,179,345</u>
Total capital assets, being depreciated	<u>20,479,048</u>	<u>2,650,208</u>	<u>-</u>	<u>23,129,256</u>
Less accumulated depreciation:				
Land improvements	(23,819)	(7,397)	-	(31,216)
Buildings and building improvements	(4,502,686)	(176,914)	-	(4,679,600)
Machinery and equipment	(13,212)	(12,026)	-	(25,238)
Vehicles	(213,116)	(51,429)	-	(264,545)
Infrastructure	<u>(5,483,962)</u>	<u>(205,611)</u>	-	<u>(5,689,573)</u>
Total accumulated depreciation	<u>(10,236,795)</u>	<u>(453,377)</u> *	<u>-</u>	<u>(10,690,172)</u>
Total capital assets being depreciated, net	<u>10,242,253</u>	<u>2,196,831</u>	<u>-</u>	<u>12,439,084</u>
Business-type activities capital assets, net	<u>\$ 10,804,589</u>	<u>\$ 2,552,937</u>	<u>\$ (605,455)</u>	<u>\$ 12,752,071</u>

\*Includes \$5,876 of accumulated depreciation on asset transferred.

**Depreciation Expense:** Depreciation expense charged to business-type activities for the year ending December 31, 2012 is as follows:

	<u>Amount</u>
Water	\$ 225,994
Sewer	215,506
Storm sewer	<u>6,010</u>
Total	<u>\$ 447,510</u>

*City of Louisville, Ohio*

**B. Component Unit**      *Component Unit:* A summary of the component unit capital assets as of December 31, 2012 follows:

<u>Component unit</u>	<u>Balance</u> <u>12/31/2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2012</u>
Capital assets, not being depreciated:				
Land	\$   30,994	\$           -	\$           -	\$   30,994

**NOTE 9 - COMPENSATED ABSENCES**

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City employees earn vacation leave at varying rates based upon length of service, from two to five weeks per year. Vacation is required to be taken within one year 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.



*Notes to the Basic Financial Statements*

**NOTE 10 - 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, 2012 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	\$ 235,000	\$ -	\$ 2,000	\$ 233,000	\$ 24,000
2011 Refunding premium	2,301	-	377	1,924	-
Total general obligation bonds	<u>237,301</u>	<u>-</u>	<u>2,377</u>	<u>234,924</u>	<u>24,000</u>
<b><u>Other long-term obligations</u></b>					
Police pension liability, 4.25%	42,064	-	1,074	40,990	1,121
Compensated absences	166,674	148,030	94,316	220,388	110,813
Capital leases	78,585	190,000	86,377	182,208	73,972
Total other long-term obligations	<u>287,323</u>	<u>338,030</u>	<u>181,767</u>	<u>443,586</u>	<u>185,906</u>
Total governmental activities	<u>\$ 524,624</u>	<u>\$ 338,030</u>	<u>\$ 184,144</u>	<u>\$ 678,510</u>	<u>\$ 209,906</u>

*Business-type Activities:* A summary of the business-type activities' debt and other long-term obligations as of December 31, 2012 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>Business-type activities</u></b>					
<b><u>General obligation bonds</u></b>					
2011 Refunding bonds	\$ 1,785,000	\$ -	\$ 323,000	\$ 1,462,000	\$ 441,000
Unamortized premium	23,224	-	6,513	16,711	-
Total general obligation bonds	<u>1,808,224</u>	<u>-</u>	<u>329,513</u>	<u>1,478,711</u>	<u>441,000</u>
<b><u>Other Long-term Obligations</u></b>					
1996 Ohio Public Works					
Commission Loan 0%	134,273	-	24,413	109,860	24,413
2001 Ohio Public Works					
Commission Loan 0%	250,731	-	23,879	226,852	23,879
2005 Ohio Water Development					
Authority Loan	42,666	-	2,442	40,224	2,540
Water tower loan	-	328,713	109,571	219,142	109,571
Capital lease	112,872	-	55,396	57,476	57,476
Compensated absences	92,496	73,364	55,550	110,310	69,378
Total other long-term obligations	<u>633,038</u>	<u>402,077</u>	<u>271,251</u>	<u>763,864</u>	<u>287,257</u>
Total business-type activities	<u>\$ 2,441,262</u>	<u>\$ 402,077</u>	<u>\$ 600,764</u>	<u>\$ 2,242,575</u>	<u>\$ 728,257</u>

## City of Louisville, Ohio

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 \$109,860 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 \$226,852 OPWC Loan outstanding is an interest-free loan for a water tower, and requires equal payments over twenty years. The \$40,224 Ohio Water Development Authority (ODWA) Loan outstanding is a loan for the East Well Field conversion and raw water main, and requires principal and interest payments over twenty years.

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 annual requirements to amortize all bonded debt and loans as of December 31, 2012, including interest payments of \$171,848, are as follows:

	General Obligation Debt		ODWA Loan		OPWC Loans	Police Pension
	Principal	Interest	Principal	Interest	Principal	Installment
2013	\$ 465,000	\$ 36,750	\$ 2,540	\$ 1,576	\$ 48,292	\$ 1,121
2014	165,000	27,450	2,642	1,474	48,292	1,169
2015	170,000	24,150	2,748	1,368	48,292	1,219
2016	170,000	20,750	2,859	1,257	48,292	1,271
2017	180,000	17,350	2,973	1,142	36,086	1,326
2018-2022	545,000	34,175	16,759	3,819	107,458	7,534
2023-2027	-	-	9,703	587	-	9,297
2028-2032	-	-	-	-	-	11,473
2033-2034	-	-	-	-	-	6,580
	<u>\$ 1,695,000</u>	<u>\$ 160,625</u>	<u>\$ 40,224</u>	<u>\$ 11,223</u>	<u>\$ 336,712</u>	<u>\$ 40,990</u>

## *Notes to the Basic Financial Statements*

### **NOTE 11 – CAPITALIZED LEASE**

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The City entered into capital leases during the year for the acquisition of a fire truck. 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 equipment have been capitalized in the amount of \$190,000, \$120,000 and \$225,900, 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, 2012:

<u>Year</u>	Lease Payments	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2013	\$ 79,691	\$ 59,636
2014	38,275	-
2015	38,275	-
2016	<u>38,275</u>	<u>-</u>
Total minimum lease payments	194,516	59,636
Less: amount representing interest	<u>(12,308)</u>	<u>(2,160)</u>
Total	<u><u>\$ 182,208</u></u>	<u><u>\$ 57,476</u></u>

### **NOTE 12 - 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

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. 2012 public utility property taxes became a lien December 31, 2011, are levied after October 1, 2012, and are collected in 2013 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, 2012 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2012 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, 2012, was \$2.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2012 property tax receipts were based are as follows:

<u>Property Category</u>	<u>Valuations for 2012 Collections</u>	
	<u>Assessed Value</u>	<u>Percent</u>
<u>Real Property</u>		
Residential and agricultural	\$ 126,106,190	81.37 %
Commercial and industrial	25,331,510	16.35
Public utilities	<u>3,541,180</u>	<u>2.28</u>
Total	<u>\$ 154,978,880</u>	<u>100.00 %</u>

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.

**NOTE 13 - 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.

**NOTE 14 - CONTINGENCIES**

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A few claims and lawsuits are pending against the City. It is management's opinion that the ultimate liability will be covered by insurance, and/or will not have a material effect on the financial statements.

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 15 - DEFINED BENEFIT PENSION PLANS**

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All full-time employees of the City, other than non-administrative full-time police officers, and a full-time fire employee participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans: The Traditional Pension Plan (TP) is a cost sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan (MD) is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The third plan is the Combined Plan (CO), cost-sharing, multiple-employer defined benefit pension plan. Under the CO Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP benefit. Member contributions, the investment which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

All full-time uniformed City police and fire participate in the Ohio Police and Fire Pension Fund (OP&F), also a cost-sharing, multiple-employer defined benefit pension plan. All members of these pension plans except those of the Member-Directed Plan are provided basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. Authority to establish and amend benefits for OPERS and OP&F is provided by the Ohio State Legislature and are codified in the Ohio Revised Code, Chapters 145 and 742 respectively.

Each retirement system prepares a stand-alone financial report that includes financial information and required supplementary information for the plans. These reports can be obtained by writing to OPERS at 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614)222-5601 or (800)222-7377 and OP&F at 140 East Town Street, Columbus, Ohio 43215-5164.

OPERS: The Ohio Revised Code provides statutory authority for member and employer contributions. Member and employer contributions rates were consistent across all three plans (TP, MD and CP). For the year ended December 31, 2012, City employees were required to contribute 10% of their annual covered salary. The City's contribution rate for 2012 was 14%. The contribution rates are determined actuarially. The City's required pension contributions to OPERS for the years ending December 31, 2012, 2011 and 2010 were \$129,159, \$136,321 and \$151,895 respectively. The full amount has been contributed for 2011 and 2010. Approximately 85.5% had been contributed for 2012 with the remainder being reported as a liability within the respective funds.

OP&F: Plan members are required to contribute 10% of their annual covered salary to fund pension obligations while the City is required to contribute 19.5% for police officers and 24.0 % for firefighters, of which 12.75% and 17.25% was used to fund pension plans, respectively. Contributions are authorized by State statute. The City's required contributions to OP&F for the years ending December 31, 2012, 2011 and 2010 were \$69,174, \$62,461 and \$71,636, respectively. The full amount has been contributed for 2011 and 2010. Approximately 86.8% has been contributed for 2012 with the remainder being reported as a liability within the respective funds.

#### **NOTE 16 - POSTEMPLOYMENT BENEFITS**

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OPERS: The Ohio Public Employees Retirement System (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 (CO) – a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

## *Notes to the Basic Financial Statements*

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the traditional pension and the combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-retirement health care coverage, age and service retirees under the traditional pension and combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor 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 No. 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

The Ohio Revised Code provides statutory authority requiring employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, the City contributed at a rate of 14% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll for state and local employer units. Active members do not make contributions to the OPEB plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0% during calendar year 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2012. Effective January 1, 2013, the portion of employer contributions allocated to healthcare was lowered to 1 percent for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.



Actual employer contributions for the years ending December 31 2012, 2011 and 2010 which were used to fund postemployment benefits were \$98,291, \$75,734 and \$84,386, respectively. The full amount has been contributed for 2011 and 2010. Approximately 85.5% had been contributed for 2012. \$14,289 representing the unpaid contribution for fiscal year 2012 is recorded as due an intergovernmental payable. The actual contribution and the actuarially required contribution amounts are the same.

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

*OP&F:* 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 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 post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F 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 is codified in Chapter 742 of the Ohio Revised Code.

The Ohio Revised Code provides for contribution requirements of the participating employers and of the 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 24.0 % of covered payroll for police and fire employers, respectively. The Ohio revised Code states that the employer contribution may not exceed 19.5 % of the covered payroll for police employer units and 24.0 % of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.



## *Notes to the Basic Financial Statements*

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.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2012, the employer contribution allocated to health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded 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, 2012, 2011 and 2010 were \$36,622, \$33,068 and \$37,925, respectively, 86.8 percent has been contributed, for 2012 with the remainder being reported as a liability. \$4,828 representing the unpaid contribution for fiscal year 2012 is recorded as an intergovernmental payable.

### **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 Plan reinsures its coverage 100%, with various reinsurance companies up to a limit of \$5,000,000 per occurrence, per member. The City's settled claims have not exceeded insurance coverage and has not had any reduction in insurance coverage in the past three years.

## City of Louisville, Ohio

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 used the general fund to account for and finance its risks of loss in this program. This plan provides a dental plan with \$50 per person deductible, and no deductible for the vision. A third party administrator reviews all claims, which are then paid by the City. The City pays all individual claims from the general fund. 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 \$2,668 reported in the general fund at December 31, 2012 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, be reported. The claims liability is based on an estimate supplied by the City's third party administrator. Changes in the fund's claims liability amount in 2012 and 2011 were:

	Year ended <u>12/30/2012</u>	Year ended <u>12/30/2011</u>
Unpaid Claims, beginning of fiscal year	\$ 2,335	\$ 1,126
Incurred Claims (including IBNRs)	15,251	21,300
Claim payments	<u>(14,918)</u>	<u>(20,091)</u>
Unpaid claims, end of fiscal year	<u>\$ 2,668</u>	<u>\$ 2,335</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. Financial statements of the Council can be obtained from the Stark County Council of Governments, Canton, Ohio.

**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.

**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 First Merit 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, 2012 there were two series of Healthcare and Housing Facility Bonds outstanding, with an aggregate principal amount of \$5.97 million.

**NOTE 21 – ACCOUNTABILITY**

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As of December 31, 2012, two special revenue funds and one capital project fund had a deficit balances. These deficits were a result of the application of generally accepted accounting principles. The general fund provides transfers to cover deficit balances in other funds; however, this is done when cash is needed rather than when accruals occur. The fund deficits for 2012 were as follows:

<u>Special Revenue Funds</u>	<u>Deficit</u>
Community crime prevention grant	\$ 1,266
Local drug enforcement grant	1,154
<u>Capital Projects Fund</u>	
Capital improvements	204,376

## **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.
- Community Crime Prevention Grant – To account for revenues received from the state and federal governments and used to offset costs restricted to community crime prevention. There was no legally adopted budget for this fund.
- Local Drug Enforcement Grant – To account for revenues received from the state and federal governments and used to offset costs restricted to local drug enforcement. There was no legally adopted budget for this fund.

### Nonmajor Debt Service Fund

The debt service funds are 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.

**City of Louisville, Ohio**

**Balance Sheet**

**Governmental Funds**

**December 31, 2012**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 527,286	\$ 30,240	\$ 557,526
Receivables:			
Accounts	81,965	-	81,965
Due from other governments	216,105	-	216,105
Materials and supplies inventory	63,380	-	63,380
Prepaid items	1,811	-	1,811
Total assets	<u>\$ 890,547</u>	<u>\$ 30,240</u>	<u>\$ 920,787</u>
Liabilities, deferred inflows of resources and fund balances			
Liabilities:			
Accounts payable	\$ 7,891	\$ -	\$ 7,891
Interfund payable	2,420	-	2,420
Accrued wages and benefits	9,476	-	9,476
Due to other governments	16,729	-	16,729
Total liabilities	<u>36,516</u>	<u>-</u>	<u>36,516</u>
Deferred inflows of resources:			
Unavailable revenue - other	<u>172,586</u>	<u>-</u>	<u>172,586</u>
Fund balances:			
Nonspendable	65,191	-	65,191
Restricted	403,766	30,240	434,006
Committed	214,908	-	214,908
Unassigned	(2,420)	-	(2,420)
Total fund balances	<u>681,445</u>	<u>30,240</u>	<u>711,685</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 890,547</u>	<u>\$ 30,240</u>	<u>\$ 920,787</u>

**City of Louisville, Ohio**

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

**Governmental Funds**

**For the Year Ended December 31, 2012**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Charges for services	\$ 306,589	\$ -	\$ 306,589
Fines and forfeitures	25,415	-	25,415
Intergovernmental	478,930	-	478,930
Investment income	103	-	103
Contributions and donations	25	-	25
Other	10,375	-	10,375
Total revenue	<u>821,437</u>	<u>-</u>	<u>821,437</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	2,048	-	2,048
Security of persons and property	249,901	-	249,901
Transportation	567,702	-	567,702
Capital outlay	173,822	-	173,822
<b>Debt service:</b>			
Principal retirement	38,602	2,000	40,602
Interest and fiscal charges	2,813	4,740	7,553
Total expenditures	<u>1,034,888</u>	<u>6,740</u>	<u>1,041,628</u>
Excess of revenues under expenditures	<u>(213,451)</u>	<u>(6,740)</u>	<u>(220,191)</u>
<b>Other financing sources:</b>			
Transfers - in	<u>270,000</u>	<u>12,250</u>	<u>282,250</u>
Net change in fund balance	56,549	5,510	62,059
Fund balances at beginning of year	624,896	24,730	649,626
Fund balances at end of year	<u>\$ 681,445</u>	<u>\$ 30,240</u>	<u>\$ 711,685</u>

**City of Louisville, Ohio**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2012**

	Street Construction, Maintenance and Repair	State Highway Fund	Motor Vehicle License Fund	Mayor's Court Computerization Fund
Assets:				
Equity in pooled cash and cash equivalents	\$ 218,425	\$ 32,601	\$ 48,573	\$ 25,290
Receivables:				
Accounts	2,778	225	-	14
Due from other governments	163,108	13,225	39,772	-
Materials and supplies inventory	63,380	-	-	-
Prepaid items	676	55	-	-
Total assets	<u>\$ 448,367</u>	<u>\$ 46,106</u>	<u>\$ 88,345</u>	<u>\$ 25,304</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ 5,122	\$ 264	\$ -	\$ -
Interfund payable	-	-	-	-
Accrued wages and benefits	8,375	669	-	-
Due to other governments	10,989	906	-	-
Total liabilities	<u>24,486</u>	<u>1,839</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenue - other	<u>111,704</u>	<u>9,057</u>	<u>27,304</u>	<u>-</u>
Fund balances:				
Nonspendable	64,056	55	-	-
Restricted	248,121	35,155	61,041	25,304
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>312,177</u>	<u>35,210</u>	<u>61,041</u>	<u>25,304</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 448,367</u>	<u>\$ 46,106</u>	<u>\$ 88,345</u>	<u>\$ 25,304</u>



Emergency Services Charges Fund	Law Enforcement Education Fund	Law Enforcement Trust Fund	Community Crime Prevention Grant Fund	Local Drug Enforcement Grant Fund	Total Nonmajor Special Revenue Funds
\$ 168,252	\$ 2,342	\$ 31,803	\$ -	\$ -	\$ 527,286
78,948	-	-	-	-	81,965
-	-	-	-	-	216,105
-	-	-	-	-	63,380
1,080	-	-	-	-	1,811
<u>\$ 248,280</u>	<u>\$ 2,342</u>	<u>\$ 31,803</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 890,547</u>
\$ 2,505	\$ -	\$ -	\$ -	\$ -	\$ 7,891
-	-	-	1,266	1,154	2,420
432	-	-	-	-	9,476
4,834	-	-	-	-	16,729
<u>7,771</u>	<u>-</u>	<u>-</u>	<u>1,266</u>	<u>1,154</u>	<u>36,516</u>
<u>24,521</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>172,586</u>
1,080	-	-	-	-	65,191
-	2,342	31,803	-	-	403,766
214,908	-	-	-	-	214,908
-	-	-	(1,266)	(1,154)	(2,420)
<u>215,988</u>	<u>2,342</u>	<u>31,803</u>	<u>(1,266)</u>	<u>(1,154)</u>	<u>681,445</u>
<u>\$ 248,280</u>	<u>\$ 2,342</u>	<u>\$ 31,803</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 890,547</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, 2012**

	Street Construction, Maintenance Fund	State Highway Fund	Motor Vehicle License Fund	Mayor's Court Computerization Fund
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	4,828
Intergovernmental	366,149	26,606	82,181	-
Investment income	-	-	103	-
Contributions and donations	-	-	-	-
Other	10,207	168	-	-
Total revenue	<u>376,356</u>	<u>26,774</u>	<u>82,284</u>	<u>4,828</u>
Expenditures:				
Current:				
General government	-	-	-	2,048
Security of persons and property	-	-	-	-
Transportation	391,895	50,932	124,875	-
Capital outlay	173,822	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>565,717</u>	<u>50,932</u>	<u>124,875</u>	<u>2,048</u>
Excess of revenues over (under) expenditures	<u>(189,361)</u>	<u>(24,158)</u>	<u>(42,591)</u>	<u>2,780</u>
Other financing sources:				
Transfers - in	<u>230,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balance	40,639	(4,158)	(22,591)	2,780
Fund balances at beginning of year	271,538	39,368	83,632	22,524
Fund balances at end of year	<u>\$ 312,177</u>	<u>\$ 35,210</u>	<u>\$ 61,041</u>	<u>\$ 25,304</u>

Emergency Services Charges Fund	Law Enforcement Education Fund	Law Enforcement Trust Fund	Community Crime Prevention Grant Fund	Local Drug Enforcement Grant Fund	Total Nonmajor Special Revenue Funds
\$ 306,589	\$ -	\$ -	\$ -	\$ -	\$ 306,589
-	1,147	19,440	-	-	25,415
3,994	-	-	-	-	478,930
-	-	-	-	-	103
25	-	-	-	-	25
-	-	-	-	-	10,375
<u>310,608</u>	<u>1,147</u>	<u>19,440</u>	<u>-</u>	<u>-</u>	<u>821,437</u>
-	-	-	-	-	2,048
237,636	2,585	9,680	-	-	249,901
-	-	-	-	-	567,702
-	-	-	-	-	173,822
38,602	-	-	-	-	38,602
2,813	-	-	-	-	2,813
<u>279,051</u>	<u>2,585</u>	<u>9,680</u>	<u>-</u>	<u>-</u>	<u>1,034,888</u>
<u>31,557</u>	<u>(1,438)</u>	<u>9,760</u>	<u>-</u>	<u>-</u>	<u>(213,451)</u>
-	-	-	-	-	270,000
31,557	(1,438)	9,760	-	-	56,549
184,431	3,780	22,043	(1,266)	(1,154)	624,896
<u>\$ 215,988</u>	<u>\$ 2,342</u>	<u>\$ 31,803</u>	<u>\$ (1,266)</u>	<u>\$ (1,154)</u>	<u>\$ 681,445</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, 2012**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Municipal income tax	\$ 2,496,726	\$ 2,754,400	\$ 2,755,177	\$ 777
Property and other taxes	355,550	355,550	386,280	30,730
Charges for services	248,500	248,500	248,377	(123)
Licenses and permits	114,356	135,375	135,428	53
Fines and forfeitures	19,200	19,200	19,193	(7)
Intergovernmental	488,668	525,975	495,543	(30,432)
Interest	1,800	1,800	1,793	(7)
Contributions and donations	14,950	14,950	14,956	6
Other	64,150	70,975	71,043	68
<b>Total revenues</b>	<b>3,803,900</b>	<b>4,126,725</b>	<b>4,127,790</b>	<b>1,065</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government</b>				
<b>Office of city council</b>				
Personal services	38,550	38,600	38,556	44
Operations and maintenance	16,459	24,108	23,160	948
<b>Total office of city council</b>	<b>55,009</b>	<b>62,708</b>	<b>61,716</b>	<b>992</b>
<b>Office of the city manager</b>				
Personal services	196,975	209,525	209,034	491
Operations and maintenance	25,779	23,279	21,643	1,636
<b>Total office of the city manager</b>	<b>222,754</b>	<b>232,804</b>	<b>230,677</b>	<b>2,127</b>
<b>Department of finance and tax</b>				
Personal services	255,925	249,575	248,667	908
Operations and maintenance	111,471	116,971	116,497	474
<b>Total department of finance and tax</b>	<b>367,396</b>	<b>366,546</b>	<b>365,164</b>	<b>1,382</b>
<b>Mayor's court</b>				
Personal services	32,000	34,350	33,751	599
Operations and maintenance	11,166	11,666	11,200	466
<b>Total mayor's court</b>	<b>43,166</b>	<b>46,016</b>	<b>44,951</b>	<b>1,065</b>
<b>Civil service commission</b>				
Personal services	6	10	6	4
Operations and maintenance	15,294	13,990	13,920	70
<b>Total civil service commission</b>	<b>15,300</b>	<b>14,000</b>	<b>13,926</b>	<b>74</b>
<b>Division of lands and buildings</b>				
Personal services	22,525	21,600	21,440	160
Operations and maintenance	125,480	125,781	118,131	7,650
<b>Total division of lands and buildings</b>	<b>148,005</b>	<b>147,381</b>	<b>139,571</b>	<b>7,810</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, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Department of law				
Personal services	41,300	44,350	44,307	43
Operations and maintenance	17,100	17,100	16,815	285
Total department of law	58,400	61,450	61,122	328
Other administrative				
Operations and maintenance	189,419	135,920	134,514	1,406
Total general government	1,099,449	1,066,825	1,051,641	15,184
Security of persons and property				
Division of police				
Personal services	1,042,275	1,013,775	1,010,774	3,001
Operations and maintenance	278,818	311,518	309,282	2,236
Total division of police	1,321,093	1,325,293	1,320,056	5,237
Division of fire				
Personal services	244,975	192,125	189,293	2,832
Operations and maintenance	156,957	172,857	170,433	2,424
Total division of fire	401,932	364,982	359,726	5,256
Division of street lighting				
Operations and maintenance	201,000	172,000	169,695	2,305
Division of traffic control maintenance				
Operations and maintenance	48,094	18,594	17,731	863
Total security of persons and property	1,972,119	1,880,869	1,867,208	13,661
Public health and welfare				
Board of health				
Operations and maintenance	80,582	75,082	74,257	825
Community environment				
Division of planning and development				
Personal services	60,375	74,170	74,050	120
Operations and maintenance	43,873	79,497	73,953	5,544
Total division of planning and development	104,248	153,667	148,003	5,664
Division of housing and building code				
Personal services	47,025	47,630	47,502	128
Operations and maintenance	6,200	8,850	8,419	431
Total division of housing and building code	53,225	56,480	55,921	559
Total community environment	157,473	210,147	203,924	6,223

(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, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Leisure time activities				
Division of parks				
Personal services	87,300	81,800	80,642	1,158
Operations and maintenance	163,026	101,526	99,027	2,499
Total division of parks	250,326	183,326	179,669	3,657
Senior citizens center				
Personal services	625	2,625	2,625	-
Total leisure time activities	250,951	185,951	182,294	3,657
Total expenditures	3,560,574	3,418,874	3,379,324	39,550
Excess of revenues over expenditures	243,326	707,851	748,466	40,615
Other financing sources (uses):				
Advances - in	-	-	1,444,874	1,444,874
Advances - out	-	-	(1,575,234)	(1,575,234)
Transfers - in	100	100	82	(18)
Transfers - out	(300,700)	(282,350)	(282,332)	18
Total other financing sources (uses)	(300,600)	(282,250)	(412,610)	(130,360)
Net change in fund balance	(57,274)	425,601	335,856	(89,745)
Fund balance at beginning of year	556,266	556,266	556,266	-
Prior year encumbrances appropriated	64,524	64,524	64,524	-
Fund balance at end of year	\$ 563,516	\$ 1,046,391	\$ 956,646	\$ (89,745)

**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, 2012**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental	\$ 367,925	\$ 367,925	\$ 366,688	\$ (1,237)
Other	10,225	10,225	10,207	(18)
<b>Total revenues</b>	<b>378,150</b>	<b>378,150</b>	<b>376,895</b>	<b>(1,255)</b>
<b>Expenditures:</b>				
Current:				
Transportation				
Division of street maintenance				
Personal services	263,300	262,575	260,588	1,987
Operations and maintenance	294,637	190,327	185,354	4,973
<b>Total division of street maintenance</b>	<b>557,937</b>	<b>452,902</b>	<b>445,942</b>	<b>6,960</b>
Division of snow and ice removal				
Operations and maintenance	14,385	174,045	173,184	861
<b>Total expenditures</b>	<b>572,322</b>	<b>626,947</b>	<b>619,126</b>	<b>7,821</b>
Excess of revenues under expenditures	(194,172)	(248,797)	(242,231)	6,566
Other financing sources:				
Transfers - in	176,850	230,000	230,000	-
<b>Net change in fund balance</b>	<b>(17,322)</b>	<b>(18,797)</b>	<b>(12,231)</b>	<b>6,566</b>
Fund balance at beginning of year	204,812	204,812	204,812	-
Prior year encumbrances appropriated	18,622	18,622	18,622	-
<b>Fund balance at end of year</b>	<b>\$ 206,112</b>	<b>\$ 204,637</b>	<b>\$ 211,203</b>	<b>\$ 6,566</b>



**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, 2012**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental	\$ 26,200	\$ 26,725	\$ 26,650	\$ (75)
Other	200	200	168	(32)
<b>Total revenues</b>	<b>26,400</b>	<b>26,925</b>	<b>26,818</b>	<b>(107)</b>
<b>Expenditures:</b>				
Current:				
Transportation				
Division of street maintenance				
Personal services	21,375	21,375	20,862	513
Operations and maintenance	18,792	20,340	16,133	4,207
<b>Total division of street maintenance</b>	<b>40,167</b>	<b>41,715</b>	<b>36,995</b>	<b>4,720</b>
Division of snow and ice removal				
Operations and maintenance	1,165	13,942	13,790	152
<b>Total expenditures</b>	<b>41,332</b>	<b>55,657</b>	<b>50,785</b>	<b>4,872</b>
Excess of revenues under expenditures	(14,932)	(28,732)	(23,967)	4,765
Other financing sources:				
Transfers - in	20,000	20,000	20,000	-
<b>Net change in fund balance</b>	<b>5,068</b>	<b>(8,732)</b>	<b>(3,967)</b>	<b>4,765</b>
Fund balance at beginning of year	34,079	34,079	34,079	-
Prior year encumbrances appropriated	2,407	2,407	2,407	-
<b>Fund balance at end of year</b>	<b>\$ 41,554</b>	<b>\$ 27,754</b>	<b>\$ 32,519</b>	<b>\$ 4,765</b>

**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, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 79,900	\$ 83,700	\$ 82,736	\$ (964)
Interest	100	100	103	3
Total revenues	80,000	83,800	82,839	(961)
<u>Expenditures:</u>				
Current:				
Transportation				
Division of street construction				
Operations and maintenance	125,250	125,250	124,875	375
Excess of revenues under expenditures	(45,250)	(41,450)	(42,036)	(586)
Other financing sources:				
Transfers - in	20,000	20,000	20,000	-
Net change in fund balance	(25,250)	(21,450)	(22,036)	(586)
Fund balance at beginning of year	70,359	70,359	70,359	-
Prior year encumbrances appropriated	250	250	250	-
Fund balance at end of year	\$ 45,359	\$ 49,159	\$ 48,573	\$ (586)

**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, 2012**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Fines and forfeitures	\$ 3,200	\$ 5,000	\$ 4,814	\$ (186)
<u>Expenditures:</u>				
Current:				
General government				
Mayor's court				
Operations and maintenance	5,000	3,000	2,047	953
Net change in fund balance	(1,800)	2,000	2,767	767
Fund balance at beginning of year	22,524	22,524	22,524	-
Fund balance at end of year	\$ 20,724	\$ 24,524	\$ 25,291	\$ 767

**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, 2012**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Charges for services	\$ 231,200	\$ 305,075	\$ 305,431	\$ 356
Intergovernmental	-	4,000	3,994	(6)
Contributions and donations	-	25	25	-
Total revenues	<u>231,200</u>	<u>309,100</u>	<u>309,450</u>	<u>350</u>
<u>Expenditures:</u>				
Current:				
Security of persons and property				
Division of emergency services				
Personal services	78,500	136,525	136,413	112
Operations and maintenance	160,525	181,325	178,991	2,334
Total expenditures	<u>239,025</u>	<u>317,850</u>	<u>315,404</u>	<u>2,446</u>
Excess of revenues under expenditures	<u>(7,825)</u>	<u>(8,750)</u>	<u>(5,954)</u>	<u>2,796</u>
Other financing sources:				
Sale of capital assets	<u>18,800</u>	<u>18,800</u>	<u>18,800</u>	<u>-</u>
Net change in fund balance	10,975	10,050	12,846	2,796
Fund balance at beginning of year	141,333	141,333	141,333	-
Prior year encumbrances appropriated	<u>425</u>	<u>425</u>	<u>425</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 152,733</u></u>	<u><u>\$ 151,808</u></u>	<u><u>\$ 154,604</u></u>	<u><u>\$ 2,796</u></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, 2012**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Fines and forfeitures	\$ 1,200	\$ 1,200	\$ 1,147	\$ (53)
<u>Expenditures:</u>				
Current:				
Security of persons and property				
Division of police				
Operations and maintenance	1,700	2,600	2,585	15
Net change in fund balance	(500)	(1,400)	(1,438)	(38)
Fund balance at beginning of year	3,780	3,780	3,780	-
Fund balance at end of year	\$ 3,280	\$ 2,380	\$ 2,342	\$ (38)

**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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Fines and forfeitures	\$ 10,000	\$ 20,000	\$ 19,440	\$ (560)
<u>Expenditures:</u>				
Current:				
Security of persons and property				
Division of police				
Operations and maintenance	30,000	10,000	9,697	303
Net change in fund balance	(20,000)	10,000	9,743	(257)
Fund balance at beginning of year	22,044	22,044	22,044	-
Fund balance at end of year	\$ 2,044	\$ 32,044	\$ 31,787	\$ (257)

**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, 2012**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Debt service:				-
Principal retirement	260,980	232,280	232,280	-
Interest and fiscal charges	1,938	6,913	6,678	235
Total expenditures	262,918	239,193	238,958	235
Excess of revenues under expenditures	(262,918)	(239,193)	(238,958)	235
Other financing sources:				
Transfers - in	30,700	12,250	12,250	-
Net change in fund balance	(232,218)	(226,943)	(226,708)	235
Fund balance at beginning of year	24,730	24,730	24,730	-
Prior year encumbrances appropriated	232,218	232,218	232,218	-
Fund balance at end of year	\$ 24,730	\$ 30,005	\$ 30,240	\$ 235

**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, 2012**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$ 153,000	\$ 3,109,400	\$ 2,451,062	\$ (658,338)
<u>Expenditures:</u>				
Current:				
General government				
Division of lands and buildings				
Operations and maintenance	1,403,284	4,104,759	3,831,706	273,053
Excess of under expenditures	(1,250,284)	(995,359)	(1,380,644)	(385,285)
Other financing sources (uses):				
Advances - in	-	-	1,389,035	1,389,035
Advances - out	-	-	(1,258,675)	(1,258,675)
Total other financing sources (uses)	-	-	130,360	130,360
Net change in fund balance	(1,250,284)	(995,359)	(1,250,284)	(254,925)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	1,250,284	1,250,284	1,250,284	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 254,925</u>	<u>\$ -</u>	<u>\$ (254,925)</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, 2012**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Charges for services	\$ 954,000	\$ 998,050	\$ 993,767	\$ (4,283)
Other	-	1,950	1,931	(19)
Total revenues	<u>954,000</u>	<u>1,000,000</u>	<u>995,698</u>	<u>(4,302)</u>
<b>Expenses:</b>				
Current:				
Personal services	415,125	303,185	303,079	106
Fringe benefits	-	100,890	100,530	360
Contractual services	382,575	379,334	376,860	2,474
Materials and supplies	83,460	83,800	81,762	2,038
Capital outlay	465,982	352,433	335,993	16,440
Total expenses	<u>1,347,142</u>	<u>1,219,642</u>	<u>1,198,224</u>	<u>21,418</u>
Operating loss	<u>(393,142)</u>	<u>(219,642)</u>	<u>(202,526)</u>	<u>17,116</u>
Non-operating revenue (expenses):				
Municipal income taxes	880,000	917,900	910,177	(7,723)
Interest	100	100	98	(2)
Principal retirement	(1,083,681)	(1,083,681)	(1,084,030)	(349)
Interest and fiscal charges	(28,309)	(28,309)	(26,992)	1,317
Total non-operating revenue (expenses)	<u>(231,890)</u>	<u>(193,990)</u>	<u>(200,747)</u>	<u>(6,757)</u>
Loss before transfers and advances	<u>(625,032)</u>	<u>(413,632)</u>	<u>(403,273)</u>	<u>10,359</u>
Other financing sources (uses):				
Advances - in	-	-	210,751	210,751
Advances - out	-	-	(210,751)	(210,751)
Transfers - in	408,650	323,650	323,650	-
Transfers - out	(829,400)	(789,400)	(789,400)	-
Total other financing sources (uses)	<u>(420,750)</u>	<u>(465,750)</u>	<u>(465,750)</u>	<u>-</u>
Change in fund position	(1,045,782)	(879,382)	(869,023)	10,359
Fund position at beginning of year	705,928	705,928	705,928	-
Prior year encumbrances appropriated	<u>1,025,282</u>	<u>1,025,282</u>	<u>1,025,282</u>	<u>-</u>
Fund position at end of year	<u>\$ 685,428</u>	<u>\$ 851,828</u>	<u>\$ 862,187</u>	<u>\$ 10,359</u>

**City of Louisville, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Net Position - Budget (Non-GAAP Basis) and Actual**  
**Sewer Fund**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Charges for services	\$ 935,800	\$ 990,800	\$ 990,729	\$ (71)
Other	2,200	2,200	2,200	-
Total revenues	938,000	993,000	992,929	(71)
<b>Expenses:</b>				
Current:				
Personal services	413,050	305,960	304,353	1,607
Fringe benefits	-	102,165	100,597	1,568
Contractual services	382,177	351,377	340,354	11,023
Materials and supplies	73,649	73,649	71,851	1,798
Capital outlay	100,350	65,350	64,927	423
Total expenses	969,226	898,501	882,082	16,419
Operating income (loss)	(31,226)	94,499	110,847	16,348
Non-operating revenue (expenses):				
Municipal income tax	-	-	8,219	8,219
Intergovernmental	650	650	646	(4)
Principal retirement	(1,144,674)	(1,036,174)	(1,035,824)	350
Interest and fiscal charges	(26,012)	(26,012)	(25,659)	353
Total non-operating revenue (expenses)	(1,170,036)	(1,061,536)	(1,052,618)	8,918
Loss before transfers	(1,201,262)	(967,037)	(941,771)	25,266
Other financing sources:				
Transfers - in	420,100	465,750	465,750	-
Change in fund position	(781,162)	(501,287)	(476,021)	25,266
Fund position at beginning of year	646,222	646,222	646,222	-
Prior year encumbrances appropriated	774,437	774,437	774,437	-
Fund position at end of year	\$ 639,497	\$ 919,372	\$ 944,638	\$ 25,266

**City of Louisville, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Net Position - Budget (Non-GAAP Basis) and Actual**  
**Storm Water Utility Fund**  
**For the Year Ended December 31, 2012**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Charges for services	\$ 136,000	\$ 136,000	\$ 135,954	\$ (46)
Other	1,500	1,500	1,500	-
Total revenues	<u>137,500</u>	<u>137,500</u>	<u>137,454</u>	<u>(46)</u>
<u>Expenses:</u>				
Current:				
Contractual services	132,770	86,020	82,768	3,252
Materials and supplies	18,832	18,832	18,635	197
Capital outlay	3,000	3,000	2,505	495
Total expenses	<u>154,602</u>	<u>107,852</u>	<u>103,908</u>	<u>3,944</u>
Change in fund position	(17,102)	29,648	33,546	3,898
Fund position at beginning of year	79,874	79,874	79,874	-
Prior year encumbrances appropriated	<u>7,602</u>	<u>7,602</u>	<u>7,602</u>	<u>-</u>
Fund position at end of year	<u>\$ 70,374</u>	<u>\$ 117,124</u>	<u>\$ 121,022</u>	<u>\$ 3,898</u>

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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. The City implemented GASB Statement 34 in fiscal year 2004; schedules presenting government-wide information include information beginning in that fiscal year.

**CITY OF LOUISVILLE, OHIO**  
**Net Position by Component (1)**  
**Last Nine Years (2)**

	<u>2012</u>	Restated <u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b><u>Governmental Activities</u></b>					
Net investment in capital assets	\$ 10,381,469	\$ 5,930,971	\$ 4,238,952	\$ 3,251,988	\$ 2,867,010
Restricted	1,012,591	593,508	916,049	1,011,949	754,129
Unrestricted	<u>2,922,623</u>	<u>2,604,346</u>	<u>2,065,143</u>	<u>1,842,352</u>	<u>1,627,341</u>
Total governmental activities net position	<u>14,316,683</u>	<u>9,128,825</u>	<u>7,220,144</u>	<u>6,106,289</u>	<u>5,248,480</u>
<b><u>Business-Type Activities</u></b>					
Net investment in capital assets	10,871,708	8,520,159	8,083,638	7,415,753	7,134,730
Unrestricted	<u>2,214,648</u>	<u>1,854,803</u>	<u>1,696,699</u>	<u>1,706,905</u>	<u>1,432,666</u>
Total business-type activities net position	<u>13,086,356</u>	<u>10,374,962</u>	<u>9,780,337</u>	<u>9,122,658</u>	<u>8,567,396</u>
<b><u>Primary Government</u></b>					
Invested in capital assets, net of related debt	21,253,177	14,451,130	12,322,590	10,667,741	10,001,740
Restricted	1,012,591	593,508	916,049	1,011,949	754,129
Unrestricted	<u>5,137,271</u>	<u>4,459,149</u>	<u>3,761,842</u>	<u>3,549,257</u>	<u>3,060,007</u>
Total primary government net position	<u>\$ 27,403,039</u>	<u>\$ 19,503,787</u>	<u>\$ 17,000,481</u>	<u>\$ 15,228,947</u>	<u>\$ 13,815,876</u>

Source: City of Louisville basic financial statements.

(1) Accrual basis of accounting.

(2) Last ten years of information will be reported when available.



	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$	2,372,382	\$ 1,986,625	\$ 1,571,996	\$ 1,315,265
	649,066	683,647	630,692	530,515
	<u>1,881,609</u>	<u>1,548,400</u>	<u>1,158,963</u>	<u>788,495</u>
	<u>4,903,057</u>	<u>4,218,672</u>	<u>3,361,651</u>	<u>2,634,275</u>
	5,702,061	5,537,295	3,071,538	3,504,889
	<u>1,870,595</u>	<u>1,397,899</u>	<u>2,356,648</u>	<u>1,332,745</u>
	<u>7,572,656</u>	<u>6,935,194</u>	<u>5,428,186</u>	<u>4,837,634</u>
	8,074,443	7,523,920	4,643,534	4,820,154
	649,066	683,647	630,692	530,515
	<u>3,752,204</u>	<u>2,946,299</u>	<u>3,515,611</u>	<u>2,121,240</u>
\$	<u>12,475,713</u>	<u>\$ 11,153,866</u>	<u>\$ 8,789,837</u>	<u>\$ 7,471,909</u>

**CITY OF LOUISVILLE, OHIO**  
**Changes in Net Position (1)**  
**Last Nine Years (2)**

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

**CITY OF LOUISVILLE, OHIO**

**Changes in Net Position (1)**

**Last Nine Years (2)**

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

Source: City of Louisville basic financial statements.

(1) Accrual basis of accounting.

(2) Last ten years of information will be reported when available.

**CITY OF LOUISVILLE, OHIO**

**Changes in Net Position (1)**

**Last Nine Years (2)**

**Continued**

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Expenses</b>				
Governmental Activities:				
General government	\$ 709,418	\$ 795,848	\$ 818,463	\$ 799,136
Security of persons and property	2,284,434	2,079,266	1,790,354	1,745,446
Public health and welfare	18,274	55,143	51,182	48,652
Transportation	762,015	573,215	777,963	427,472
Community environment	193,968	210,431	179,959	157,208
Basic utility services	-	-	3,323	147,327
Leisure time activities	375,795	412,879	384,713	337,237
Other	-	46,864	75,999	43,152
Interest and fiscal charges	36,998	31,232	44,398	52,827
Total governmental activities expenses	<u>4,380,902</u>	<u>4,204,878</u>	<u>4,126,354</u>	<u>3,758,457</u>
Business-Type Activities:				
Water	958,590	1,002,351	974,699	912,997
Sewer	972,275	936,774	873,695	872,100
Storm water	-	-	-	-
Total business-type activities	<u>1,930,865</u>	<u>1,939,125</u>	<u>1,848,394</u>	<u>1,785,097</u>
Total primary government expenses	<u>\$ 6,311,767</u>	<u>\$ 6,144,003</u>	<u>\$ 5,974,748</u>	<u>\$ 5,543,554</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for services				
General government	\$ 166,347	\$ 153,256	\$ 194,949	\$ 153,639
Security of persons and property	219,194	283,904	269,294	208,530
Transportation	-	-	-	-
Community environment	7,887	21,500	25,975	27,238
Leisure time activities	83,516	100,634	97,213	93,835
Operating grants, contributions and interest	846,837	547,487	673,568	520,083
Capital grants and contributions	-	-	189,505	17,650
Total governmental activities program revenues	<u>1,323,781</u>	<u>1,106,781</u>	<u>1,450,504</u>	<u>1,020,975</u>
Business-Type Activities:				
Charges for services				
Water	735,974	671,160	633,311	661,149
Sewer	936,872	882,147	776,018	702,058
Storm water	-	-	-	-
Operating grants, contributions and interest	-	-	396,640	7,257
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>1,672,846</u>	<u>1,553,307</u>	<u>1,805,969</u>	<u>1,370,464</u>
Total primary government program revenues	<u>\$ 2,996,627</u>	<u>\$ 2,660,088</u>	<u>\$ 3,256,473</u>	<u>\$ 2,391,439</u>
<b>Net (expense)/revenue</b>				
Governmental activities	\$ (3,057,121)	\$ (3,098,097)	\$ (2,675,850)	\$ (2,737,482)
Business-type activities	(258,019)	(385,818)	(42,425)	(414,633)
Total primary government net expense	<u>\$ (3,315,140)</u>	<u>\$ (3,483,915)</u>	<u>\$ (2,718,275)</u>	<u>\$ (3,152,115)</u>

(Continued)

**CITY OF LOUISVILLE, OHIO**

**Changes in Net Position (1)**

**Last Nine Years (2)**

**Continued**

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property taxes levied for:				
General purposes	\$ 388,416	\$ 471,201	\$ 392,154	\$ 498,705
Income tax levied for:				
General purposes	2,505,101	2,660,310	2,275,376	2,122,773
Grants and entitlements not restricted to specific programs	675,554	423,376	468,249	313,728
Gain on sale of capital assets	-	-	11,500	22,640
Investment earnings	80,345	123,478	61,390	26,557
Other	92,090	95,725	77,557	79,781
Transfers	-	-	(83,000)	-
Total governmental activities	<u>3,741,506</u>	<u>3,774,090</u>	<u>3,203,226</u>	<u>3,064,184</u>
Business-Type Activities:				
Income tax levied for:				
Water utility services	374,217	458,188	345,074	362,674
Sewer utility services	427,388	420,648	404,903	341,793
Investment earnings	-	-	-	-
Grants and entitlements not restricted to specific programs	93,876	-	-	-
Gain on sale of capital assets	-	3,247	-	-
Capital contributions	-	6,667	-	1,078,106
Other	-	-	-	-
Transfers	-	-	83,000	-
Total business-type activities	<u>895,481</u>	<u>888,750</u>	<u>832,977</u>	<u>1,782,573</u>
Total primary government	<u>\$ 4,636,987</u>	<u>\$ 4,662,840</u>	<u>\$ 4,036,203</u>	<u>\$ 4,846,757</u>
<b>Change in net position</b>				
Governmental activities	\$ 684,385	\$ 675,993	\$ 527,376	\$ 326,702
Business-type activities	<u>637,462</u>	<u>502,932</u>	<u>790,552</u>	<u>1,367,940</u>
Total primary government	<u>\$ 1,321,847</u>	<u>\$ 1,178,925</u>	<u>\$ 1,317,928</u>	<u>\$ 1,694,642</u>

Source: City of Louisville basic financial statements.

(1) Accrual basis of accounting.

(2) Last ten years of information will be reported when available.

**CITY OF LOUISVILLE, OHIO**  
**Fund Balances, Governmental Funds (1)**  
**Last Nine Years (2)**

	<u>2012</u>	<u>2011</u>	Restated <u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund					
Nonspendable	\$ 2,272	\$ 3,141	\$ 32,564	\$ -	\$ -
Assigned	152,936	53,805	28,886	-	-
Unassigned	2,478,854	2,138,647	1,721,833	-	-
Reserved	-	-	-	46,232	123,510
Unreserved	-	-	-	1,570,808	1,313,692
Total general fund	<u>\$ 2,634,062</u>	<u>\$ 2,195,593</u>	<u>\$ 1,783,283</u>	<u>\$ 1,617,040</u>	<u>\$ 1,437,202</u>
All Other Governmental Funds					
Nonspendable	\$ 65,191	\$ 16,522	\$ 122,502	\$ -	\$ -
Restricted	434,006	452,329	495,281	-	-
Committed	214,908	183,195	192,040	-	-
Unassigned	(206,796)	(83,585)	(4,993)	-	-
Reserved	-	-	-	124,347	29,837
Unreserved, reported in:					
Special revenue funds	-	-	-	384,404	430,865
Capital projects funds	-	-	-	49,130	139,975
Debt service funds	-	-	-	16,516	9,721
Total all other governmental funds	<u>\$ 507,309</u>	<u>\$ 568,461</u>	<u>\$ 804,830</u>	<u>\$ 574,397</u>	<u>\$ 610,398</u>

Source: City of Louisville basic financial statements.  
(1) Modified accrual basis of accounting, last ten years of information will be reported when available.  
(2) Last ten years of information will be reported when available.

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
72,746	68,818	112,984	105,992
<u>1,763,654</u>	<u>1,285,317</u>	<u>1,028,901</u>	<u>707,650</u>
<u>\$ 1,836,400</u>	<u>\$ 1,354,135</u>	<u>\$ 1,141,885</u>	<u>\$ 813,642</u>

\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
58,627	99,256	131,692	94,817
358,102	346,350	306,148	332,550
91,218	59,769	63,219	78,219
<u>9,721</u>	<u>18,216</u>	<u>3,702</u>	<u>3,702</u>
<u>\$ 517,668</u>	<u>\$ 523,591</u>	<u>\$ 504,761</u>	<u>\$ 509,288</u>

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Revenues</b>										
Taxes	\$ 3,131,479	\$ 2,955,928	\$ 2,959,442	\$ 2,816,445	\$ 2,879,462	\$ 2,994,049	\$ 2,916,779	\$ 2,731,169	\$ 2,613,502	\$ 2,666,051
Charges for services	555,012	489,370	558,729	561,915	507,209	443,924	437,632	455,542	396,839	412,921
Fines, licenses and permits	179,437	182,907	137,544	154,015	124,224	101,463	106,558	116,994	109,619	113,212
Intergovernmental revenues	4,024,929	2,169,197	1,721,226	1,003,338	1,073,524	1,344,029	897,125	1,228,092	823,320	843,237
Investment income	1,588	1,777	3,484	18,365	92,687	152,328	127,094	66,940	28,163	27,312
Contributions and donations	14,981	10,680	14,356	14,200	12,363	36,400	66,818	72,016	7,000	8,101
Rentals	-	-	11,307	24,193	15,518	23,351	19,132	13,139	14,853	-
Other	74,677	47,697	75,153	52,330	205,464	160,205	63,746	67,347	40,736	72,488
Total revenues	7,982,103	5,857,556	5,481,241	4,644,801	4,910,451	5,255,749	4,634,884	4,751,239	4,034,032	4,143,322
<b>Expenditures</b>										
General government	1,187,652	883,541	847,125	883,666	967,127	674,596	753,371	771,093	771,987	749,920
Security of persons and property	2,019,392	1,878,556	2,055,272	1,981,918	1,991,839	2,186,734	1,907,567	1,651,460	1,688,222	1,878,135
Public health and welfare	66,050	65,093	50,860	77,436	44,190	18,274	55,143	51,182	48,652	50,508
Transportation	567,702	440,086	610,206	457,680	852,425	657,354	497,941	722,731	379,941	636,157
Community environment	158,639	149,141	151,145	211,481	205,416	194,113	210,860	171,397	177,001	173,935
Basic utility services	-	-	-	-	-	-	-	3,095	148,215	75,273
Leisure time activities	123,443	130,297	149,882	335,071	346,014	345,696	330,830	333,920	286,762	383,104
Other	-	-	-	-	-	-	46,864	75,999	43,152	45,584
Capital outlay	3,575,978	2,173,898	1,098,608	505,922	1,011,044	591,752	318,579	352,105	377,320	133,937
Debt service:										
Principal retirement	88,377	67,415	104,290	100,144	23,000	73,814	250,603	275,457	250,631	267,888
Interest and fiscal charges	7,553	12,798	17,177	21,355	15,908	37,074	32,046	-	-	-
Issuance costs	-	5,873	-	-	-	-	-	-	-	-
Total expenditures	7,794,786	5,806,698	5,084,565	4,574,673	5,456,963	4,779,407	4,403,804	4,408,439	4,171,883	4,394,441
Excess of revenues over (under) expenditures	187,317	50,858	396,676	70,128	(546,512)	476,342	231,080	342,800	(137,851)	(251,119)
<b>Other financing sources (Uses)</b>										
Bonds issued	-	235,000	-	-	-	-	-	-	-	-
Inception of capital lease	190,000	120,000	-	-	155,434	-	-	-	-	-
Premium on bonds issued	-	2,301	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	73,709	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	(232,218)	-	-	-	-	-	-	-	-
Transfers in	282,250	415,866	449,260	445,788	657,017	424,635	511,600	-	-	-
Transfer out	(282,250)	(415,866)	(449,260)	(445,788)	(572,408)	(424,635)	(511,600)	-	-	-
Total other financing sources (uses)	190,000	125,083	-	73,709	240,043	-	-	-	-	-
Net change in fund balance	\$ 377,317	\$ 175,941	\$ 396,676	\$ 143,837	\$ (306,469)	\$ 476,342	\$ 231,080	\$ 342,800	\$ (137,851)	\$ (251,119)
Debt service as a percentage of noncapital expenditures	2.3%	2.2%	3.0%	3.0%	0.9%	2.6%	6.9%	6.8%	6.6%	6.3%

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		Public Utility		Tangible Personal Property		Total		Weighted Average Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2012	\$ 151,437,700	\$ 432,679,143	\$ 3,541,180	\$ 14,164,720	\$ -	\$ -	\$ 154,978,880	\$ 446,843,863	34.68%
2011	150,983,120	431,380,343	3,386,030	13,544,120	-	-	154,369,150	444,924,463	34.70%
2010	150,819,270	430,912,200	3,202,410	3,639,102	102,620	410,480	154,124,300	434,961,782	34.88%
2009	157,324,730	449,499,229	3,145,410	3,574,330	201,070	804,280	160,671,210	453,877,838	34.86%
2008	155,453,660	444,153,314	3,045,550	3,460,852	4,648,576	18,594,304	163,147,786	466,208,471	33.78%
2007	153,045,720	437,273,486	3,631,830	4,127,080	8,283,620	33,134,480	164,961,170	474,535,045	32.56%
2006	136,070,320	388,772,343	3,691,530	4,194,920	11,458,776	45,835,104	151,220,626	438,802,367	31.90%
2005	132,639,260	378,969,314	3,689,360	4,192,455	11,334,888	45,339,552	147,663,508	428,501,321	33.18%
2004	129,106,510	368,875,743	3,572,100	4,059,205	16,521,012	66,084,048	149,199,622	439,018,995	33.40%
2003	116,572,560	333,064,457	3,485,590	3,960,898	18,189,506	72,758,024	138,247,656	409,783,379	33.13%

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out. For the collection year 2008 both types of general business tangible personal property were assessed at 6.25 percent. The percentage is zero for 2009-2012.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. The 10% rollback for commercial/industrial property has been eliminated.

Source: Stark County Auditor

**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>
2012	\$ 433,912	\$ 444,825	102.52%	\$ 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
2006	423,418	413,019	97.54%	6,855	1.62%	70.90
2005	413,458	404,521	97.84%	7,383	1.79%	72.30
2004	427,776	375,616	87.81%	7,624	1.78%	72.70
2003	387,094	378,806	97.86%	7,594	1.96%	70.80

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**

	2012			2003		
	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>						
HP Products Inc.	\$ 1,867,580	1	1.05%	\$ 1,306,390	2	1.14%
Jewel Acquisition LLC	1,837,150	2	1.19%	1,490,700	1	0.00%
Louisville Ventures LTD	1,583,820	3	0.00%	1,205,710	3	0.98%
Groffire Investments	814,750	4	0.35%	-		0.00%
NOM Louisville LLC	615,730	5	0.41%	-		0.00%
CRC Ohio Properties LLC	594,250	6	0.39%	-		0.00%
Metzger J B Co.	593,320	7	0.38%	439,960	8	0.41%
CRE JV Mixed Five OH 6 Branch Holdin	495,920	8	0.33%			
Brahler Richard V Trustee/Richard V Bra	413,680	9	0.27%	375,590	10	
SAH West Main Properties LLC	336,840	10	0.27%			
Peters Frederick K & Judith R	-		0.33%	468,850	7	0.36%
Donald W. Jr. & Sue Ann Geitgey	-		0.32%	417,630	9	0.35%
McKinley Development Company LTD	-		0.00%	1,026,740	4	0.00%
Rhodes Roy T	-		0.00%	744,560	5	0.60%
WNBC LLC	-		0.00%	488,120	6	0.41%
Total of above	<u>\$ 9,153,040</u>		<u>5.03%</u>	<u>\$ 6,657,860</u>		<u>6.51%</u>
Total City	<u>\$ 151,437,700</u>			<u>\$ 116,572,560</u>		

Source: Stark County Auditor

**CITY OF LOUISVILLE, OHIO**

**Schedules of Principal Taxpayers - Public Utility  
Current Year and Nine Years Ago**

	2012			2003		
	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	\$ 3,328,440	1	93.99%	\$ 2,262,390	1	64.91%
East Ohio Gas Co.	212,740	2	6.01%	188,240	3	5.40%
Columbia Gas of Ohio Inc.	-	3	0.00%	-		0.00%
Ohio Bell Telephone Co.	-		0.00%	919,020	2	26.37%
Norfolk Southern	-		0.00%	241,070	4	6.92%
Total of above	<u>\$ 3,541,180</u>		<u>100.00%</u>	<u>\$ 3,610,720</u>		<u>103.59%</u>
Total City	<u>\$ 3,541,180</u>			<u>\$ 3,485,590</u>		

Source: Stark County Auditor

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

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals	Percentage Change from Prior Year
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%
2006	2.00%	3,332,796	1,849,175	55.48%	207,591	6.23%	1,276,031	38.29%	14.51%
2005	2.00%	2,910,456	1,755,042	60.30%	161,615	5.55%	1,059,353	36.40%	0.36%
2004	2.00%	2,900,015	2,045,268	70.53%	186,904	6.44%	677,418	23.36%	2.01%
2003	2.00%	2,842,964	1,952,242	68.67%	163,687	5.76%	727,035	25.57%	3.09%

Source: City income tax records.

**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	Revenue Bonds	Loans	General Obligation Bonds	OPWC Loans	OWDA Loans	Capital Leases			
2012	\$ 233,000	\$ 182,208	\$ -	\$ 219,142	\$ 1,462,000	\$ 336,712	\$ 40,224	\$ 57,476	\$ 2,530,762	1.17%	\$276
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
2006	348,000	51,814	-	-	3,492,388	626,464	54,503	-	4,573,169	1.77%	514
2005	495,000	155,417	-	-	3,792,687	674,756	55,457	-	5,173,317	1.99%	581
2004	635,000	193,285	-	-	4,067,738	723,048	-	-	5,619,071	2.24%	631
2003	765,000	132,099	1,090,000	-	4,335,603	771,340	-	-	7,094,042	2.91%	797

(1) Details regarding the City's outstanding debt can be found in Note 10 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**

Fiscal Year	General Bonded Debt Outstanding			Total	Percentage of Actual Taxable Value of Property	Outstanding Debt Per Capita	Outstanding Debt to Personal Income
	General Obligation Bonds	Revenue Bonds					
2012	\$ 1,695,000	\$ -		\$ 1,695,000	1.45%	\$ 184.52	0.79%
2011	2,045,525	-		2,045,525	1.75%	222.68	0.94%
2010	2,376,030	-		2,376,030	2.04%	258.66	1.09%
2009	2,773,636	-		2,773,636	2.38%	311.50	1.33%
2008	3,148,477	-		3,148,477	2.70%	353.60	1.51%
2007	3,505,670	-		3,505,670	3.00%	393.72	1.24%
2006	3,840,388	-		3,840,388	3.29%	431.31	1.49%
2005	4,287,687	-		4,287,687	3.67%	481.55	1.65%
2004	4,702,738	-		4,702,738	4.03%	528.16	1.87%
2003	5,100,603	1,090,000		6,190,603	5.30%	572.84	2.54%

Source: City of Louisville basic financial statements.

(1) Details regarding the City's outstanding debt can be found in Note 10 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, 2012</b>	<b>Unvoted</b>	<b>Overall</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Total assessed valuation	\$ 154,978,880	154,978,880										
Debt limitation - 5.5% of assessed valuation	8,523,838											
Debt limitation - 10.5% of assessed valuation		16,272,782										
Debt applicable to limitation:												
Total bonded debt and loans	2,293,002	2,293,002										
Exempt debt:												
OWDA loans	40,224	40,224										
OPWC loans	336,712	336,712										
Debt payable from income tax	1,916,066	1,916,066										
Total debt applicable to limitation	-	-										
Legal debt margin	\$ 8,523,838	16,272,782										
Debt limit	\$ 14,516,004	\$ 15,665,960	\$ 14,516,004	\$ 15,665,960	\$ 15,504,668	\$ 15,878,166	\$ 17,320,923	\$ 17,130,518	\$ 16,870,477	\$ 16,183,052	\$ 16,208,761	\$ 16,272,872
Total net debt applicable to limit	-	-	14,516,004	15,665,960	15,504,668	15,878,166	17,320,923	17,130,518	16,870,477	16,183,052	16,208,761	16,272,872
Legal debt margin	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total net debt applicable to limit as a percentage of debt limit												

Source: City of Louisville basic financial statements.



*CITY OF LOUISVILLE, OHIO*

**Direct and Overlapping Governmental Activities Debt  
December 31, 2012**

<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	\$ 234,924	100.00%	\$ 234,924
Capital Leases	182,208	100.00%	<u>182,208</u>
Total direct debt			<u>417,132</u>
Overlapping:			
Louisville Schools	8,095,000	45.20%	3,658,940
County of Stark	31,447,200	2.10%	<u>660,391</u>
Total overlapping debt			<u>4,319,331</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 4,736,463</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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b><u>General Obligation Debt</u></b>					
Assessed value	\$ 154,978,880	\$ 154,369,150	\$ 154,124,300	160,671,210	163,147,786
Population	9,186	9,186	9,186	8,904	8,904
Debt outstanding	\$ 1,916,066	\$ 2,022,301	\$ 2,395,000	2,805,000	3,195,000
Ratio of debt to assessed value	1.24%	1.31%	1.55%	1.75	1.96
Debt per capita	\$ 208.59	\$ 220.15	\$ 260.72	315	359
<b><u>General Bonded Debt</u></b>					
Debt service	\$ 6,954	\$ 52,883	\$ 38,898	38,930	38,907
General governmental expenditures	\$ 7,794,786	\$ 5,806,698	\$ 5,084,565	4,574,673	5,456,963
Ratio of debt service to general governmental expenditures	0.09%	0.91%	0.77%	0.01	0.71
<b><u>Water Revenue Bond</u></b>					
Revenues <sup>1</sup>	\$ 1,471,978	\$ 1,365,943	\$ 1,152,855	1,199,151	1,152,543
Operating expenses <sup>2</sup>	\$ 917,703	\$ 866,865	\$ 933,926	742,980	636,032
Net revenue available for debt service	\$ 554,275	\$ 499,078	\$ 218,929	456,171	516,511
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>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
164,961,170	151,220,626	147,663,508	149,199,622	138,247,656
8,904	8,904	8,904	8,904	8,904
3,570,000	3,925,000	4,395,000	4,835,000	5,260,000
2.16	2.60	2.98	3.24	3.80
401	440.81	493.60	543.01	590.75
57,495	173,587	175,887	174,336	176,275
4,779,407	4,403,804	4,408,439	4,171,883	4,394,441
1.20	3.94	3.99	4.18	4.01
1,110,191	1,129,348	978,385	1,023,823	1,151,014
706,800	695,689	680,183	545,641	640,579
403,391	433,659	298,202	478,182	510,435
-	-	-	147,123	146,123
100.00	100.00	100.00	3.25	3.49

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

<u>Employer</u>	<u>Industry</u>	2012			2003		
		<u>Employees</u>	<u>Rank</u>	<u>Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Employment</u>
Louisville Board of Education	Public education	618	1	23.36%	367	1	15.77%
HP Products Inc.	Specialty tubing	396	2	14.97%	331	3	14.22%
St. Joseph's Hospice	Hospice facility	297	3	11.23%	248	4	10.66%
Mancan, Inc.	Staffing/Temp Services	235	4	8.88%	-		0.00%
J&J Foods LLC	Grocery	161	5	6.09%	-		0.00%
J&L Specialty Steel, Inc.	Stainless steel	145	6	5.48%	357	2	15.34%
City of Louisville	Municipal government	101	7	3.82%	124	6	5.33%
St Thomas Aquinas	Private education	96	8	3.63%	119	7	5.11%
Biery Cheese Co.	Cheese Packaging	75	9	2.84%	-		0.00%
Midlake Products	Manufacturing	74	10	2.80%	75	9	3.22%
OCT Transformer	Transformers	-		0.00%	-		0.00%
Louisville Pharmacy Inc.	Pharmaceutical	-		0.00%	-		0.00%
SDM Acauiston	Transformer rebuilding	-		0.00%	87	8	3.74%
Montrose Chrysler	Car Dealership	-		0.00%	63	10	2.71%
Trilogy Plastics	Manufacturing	-		0.00%	-		0.00%
Tamarkin, Inc.	Grocery	-		0.00%	207	5	8.90%
Total Top Ten Employers		<u>2,198</u>		<u>83.10%</u>	<u>1,978</u>		<u>69.66%</u>
Total employment within the City		<u>2,645</u>			<u>2,327</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 (5)</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>
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%
2006	8,904	257,788,608	28,952	3,050	6.2%	5.5%
2005	8,904	260,317,344	29,236	3,239	5.9%	5.9%
2004	8,904	250,870,200	28,175	3,240	6.5%	5.9%
2003	8,904	244,192,200	27,425	3,239	6.0%	6.1%

(1) Source: U. S. Census

(a) Years 2002 through 2009 - 2000 Federal Census

(b) Year 2010 - 2011 2010 Federal Census

(2) Source: Ohio Department of Education

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

(4) Source: Stark County Auditor

(5) 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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>General government</b>					
Council and clerk					
Number of legislation passed	60	55	76	73	58
Number of planning commission docket items	21	15	9	17	16
Zoning board of appeals docket items	10	15	10	12	8
Finance Department					
Number of W-2's issued	101	100	107	120	118
Number of checks issued	2,171	1,965	2,327	2,585	2,718
Amount of checks paid	\$ 6,448,318	\$ 4,295,131	5,333,471	3,483,854	5,580,210
Interest earnings for fiscal year (cash basis)	\$ 1,896	\$ 1,469	6,242	22,487	94,094
General fund year end cash balances	\$ 1,027,817	\$ 619,763	1,378,449	1,275,097	377,761
Income tax fund year end cash balances	\$ -	\$ -	-	-	651,097
Water revenue fund year end cash balances	\$ 513,860	\$ 424,203	366,130	251,353	138,146
Sewer revenue fund year end cash balances	\$ 488,286	\$ 313,473	203,009	132,385	35,888
Property tax revenue	\$ 397,244	\$ 390,212	414,335	448,812	388,954
Income Tax Department					
Number of individual returns	3,366	3,286	3,323	3,378	3,201
Number of business returns	500	457	464	442	422
Number of business withholding accounts	662	384	381	500	485
Income tax receipts collected	\$ 3,673,573	\$ 3,537,290	3,296,913	3,221,415	3,548,403
Building Department Indicators					
Residential permits issued	2	3	4	6	8
Estimated value of residential permits	\$ 360,000	\$ 1,243,771	720,000	1,004,900	1,303,780
Commercial/institutional permits issued	4	2	5	3	1
Estimated value of commercial/insitutional	\$ 13,285,000	\$ 686,076	35,684,160	1,519,000	2,210,358
Total zoning permit fees	7,034	4,470	4,535	4,413	5,096
<b>Security of persons &amp; property</b>					
Police					
Total calls for services	6,413	5,495	4,486	4,052	4,070
number of traffic citations issued	661	438	555	507	455
number of criminal arrests	416	391	388	266	236
number of accident reports completed	200	207	181	179	184
Motor vehicle accidents	200	207	181	179	184
Gasoline costs of fleet	\$ 39,515	\$ 40,318	29,637	21,612	33,243
Fire					
EMS calls	1,027	885	965	916	798
EMS collections	\$ 305,431	\$ 259,033	312,588	323,875	270,048
Fire calls	349	280	350	473	561
<b>Leisure time activities</b>					
Recreation					
Adult volleyball and softball leagues	-	-	-	300	300
Youth baseball league	-	-	-	800	800
Jump rope clinics	-	-	-	100	100
Fishing derbies (2 per year)	55	70	80	80	80
Bowling leagues (kids)	-	-	-	60	60
<b>Transportation</b>					
Amount spent on paving streets	\$ 124,875	\$ 118,087	124,325	90,786	320,000
Gasoline fuel in gallons	25,748	28,458	27,427	24,564	22,581
Cost of salt purchased	\$ 86,082	\$ 56,237	18,632	38,045	44,995
Cost of salt per ton	\$ 48	\$ 45	46	47	34
<b>Water Department</b>					
Total water billed (in dollars)	\$ 932,046	\$ 881,575	765,648	736,910	664,630
Total sewer billed (in dollars)	\$ 995,861	\$ 904,161	864,779	866,087	800,908
Total storm water billed (in dollars)	\$ 138,683	\$ 108,242	111,044	111,426	111,332
Water bills issued	21,559	21,865	21,485	21,508	21,457
Average water treated daily (million gallons/day)	850,000	843,835	864,000	931,000	990,000
Total flow of wastewater treatment plant (millions of gallons)	438.5	615	476	500	500
Average daily flow (millions of gallons per day)	1.2	2	1	2	2
Tons of dry sludge removed	87.49	159	157	225	182

Source: City of Louisville

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
66	53	60	58	56
30	21	17	15	12
25	3	13	14	12
116	112	116	135	128
2,591	2,558	2,555	2,439	2,449
3,538,207	3,568,564	2,934,428	2,826,234	2,594,987
146,200	126,993	67,438	25,459	11,432
686,697	526,675	426,293	413,293	288,451
714,309	363,547	265,554	94,206	23,073
111,487	96,579	72,964	99,307	110,076
643,743	475,245	334,587	197,357	207,837
472,997	465,349	441,153	394,963	399,084
3,377	4,806	4,740	4,725	4,722
449	260	272	268	268
446	432	381	380	382
3,463,645	3,301,769	2,906,533	2,900,015	2,842,964
19	31	63	66	55
3,876,895	5,194,200	9,623,405	9,612,196	9,069,164
-	1	-	1	-
4,500,000	1,200,000	-	720,000	-
6,826	5,189	6,463	7,048	6,719
4,121	4,212	4,012	3,953	3,915
593	814	839	582	660
264	-	-	-	-
192	170	211	243	231
192	2	-	-	-
24,939	25,114	19,567	13,587	13,220
919	710	752	791	759
187,866	205,904	204,797	168,454	210,686
325	319	335	339	265
250	250	250	250	-
800	900	900	900	-
60	60	60	60	-
60	40	100	100	-
50	11	28	40	-
149,480	138,363	240,436	139,723	107,287
22,119	28,286	30,530	24,842	27,723
43,950	30,105	45,244	35,865	41,841
34	32	32	32	30
641,529	574,834	526,164	479,900	473,166
796,070	680,415	698,895	633,457	628,361
110,460	107,816	-	-	-
21,426	21,251	20,744	20,311	19,940
960,330	960,330	960,330	873,000	873,000
541	548	566	614	587
2	2	2	2	2
191	526	121	127	203

**CITY OF LOUISVILLE, OHIO**

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

<u>Function/Program</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>General government</b>							
City Manager	2.80	2.00	2.00	2.00	2.00	2.00	2.00
Finance	4.50	3.50	4.00	4.50	4.50	4.50	4.50
Law	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Council	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Civil service	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	0.50	0.50
<b>Security of persons and property</b>							
Police	14.00	14.50	11.50	12.50	12.00	12.00	12.00
Fire and EMS	12.00	12.00	14.00	14.50	15.00	15.00	15.00
Dispatchers	0.00	0.00	0.00	5.50	5.50	5.50	5.50
Administration	0.50	0.50	0.50	0.00	0.50	0.50	0.50
School crossing guards	4.50	3.00	2.50	4.00	5.50	5.50	5.50
<b>Leisure time activities: Recreation</b>							
Parks	7.00	6.00	6.00	6.00	9.50	9.50	9.50
<b>Community environment</b>							
Building	3.00	3.00	2.00	2.50	4.50	4.50	4.50
<b>Transportation</b>							
Service	3.00	3.00	3.00	8.00	6.00	6.00	6.00
<b>Basic utility services</b>							
Water	5.00	5.00	4.50	1.50	4.50	4.50	4.50
Sewer	5.00	4.50	4.00	4.00	3.00	3.00	3.00
Totals:	<u>64.80</u>	<u>60.50</u>	<u>57.50</u>	<u>68.50</u>	<u>76.00</u>	<u>76.50</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.

(1) Information prior to 2006 is not available



**CITY OF LOUISVILLE, OHIO**

**Capital Assets Statistics by Function/Program  
Last Ten Years**

<u>Function/Program</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>General Government</b>										
Square footage occupied	30,000	30,000	30,000	30,000	30,000	30,000	15,000	15,000	15,000	15,000
Administrative vehicles	4	4	4	4	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	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Vehicles	11	13	11	10	10	8	8	8	8	8
<b>Security: Fire</b>										
Stations	2	2	2	2	2	1	1	1	1	1
Number of fire hydrants	644	611	611	534	534	300	300	300	300	300
Square footage of building	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Vehicles	8	8	8	9	9	8	5	5	5	5
<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	8	5	0	1	1	1	1	1	1	1
<b>Transportation services</b>										
Streets (miles)	55.7	55.0	55.0	55.0	55.0	55.0	55.0	52.9	45.7	45.7
Number of streetlights	857	687	687	687	687	687	687	687	687	687
Number of traffic lights	7	7	7	7	7	7	7	7	7	7
Service vehicles	13	21	21	21	18	18	18	18	18	18
<b>Sewer Department</b>										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Sanitary sewers (miles)	42.3	42	42	42	42	42	42	42	42	45
Storm sewers (miles)	42.1	40	40	40	40	40	40	40	40	40
Vehicles	2	2	2	2	2	2	2	2	2	2
<b>Water Department</b>										
Water lines (miles)	53.3	52	52	52	52	52	52	52	52	41
Vehicles	1	1	1	1	2	2	2	2	2	2

Source: City of Louisville

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# Dave Yost • Auditor of State

**CITY OF LOUISVILLE**

**STARK COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
NOVEMBER 7, 2013**