



Dave Yost • Auditor of State

CITY OF LOUISVILLE
STARK COUNTY

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Dave Yost • Auditor of State

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

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the discretely presented component unit and aggregate remaining fund information of the City of Louisville, Stark County, (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 29, 2016, wherein we noted the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Dave Yost
Auditor of State
Columbus, Ohio

June 29, 2016

City of Louisville, Ohio

Comprehensive Annual Financial Report



For the year ended

December 31, 2015





CITY OF LOUISVILLE, OHIO

Comprehensive Annual Financial Report

Year Ended December 31, 2015

Prepared By: Department of Finance



City of Louisville, Ohio
Comprehensive Annual Financial Report
Year Ended December 31, 2015

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Year Ended December 31, 2015

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Comprehensive Annual Financial Report
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INTRODUCTORY SECTION





Department of Finance

June 29, 2016

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

We are pleased to present our 2015 Comprehensive Annual Financial Report (CAFR) for the City of Louisville for your review. This report, for the year ended December 31, 2015, has been prepared using generally accepted accounting principles for governments, and contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the City of Louisville ("the City"). This report represents the commitment of the City to adhere to nationally recognized standards of excellence in financial reporting. Ohio law requires that every general purpose local government prepare and publish their financial statements in accordance with generally accepted accounting principles (GAAP) and have an annual audit. This report is published to fulfill that requirement for the year ended December 31, 2015.

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

State statutes require the City to be subjected to an annual examination by the Auditor of State. Either the Auditor of State of Ohio or, if the Auditor permits, an independent public accounting firm conducts these audits. The Auditor of State of Ohio performed these services and has issued an unmodified ("clean") opinion on the City's financial statements for the year ended December 31, 2015. The Independent Auditors' Report on the basic financial statements is included in the financial section of this report.

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

Profile of the Government

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

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

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

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

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

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

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

Profile of the City

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

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

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

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

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

The City is served by two acute-care hospitals located nearby in the City of Canton: Aultman Hospital (682 beds) and Mercy Medical Center (476 beds); and three additional acute-care hospitals located in the County: Doctors Hospital of Stark County (183 beds), Alliance Community Hospital (184 beds) and Massillon Community Hospital (268 beds). Heartland Behavioral Healthcare Hospital, a 157-bed public adult psychiatric hospital operated by the State, is also located in the County.

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

Reporting Entity

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

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

- *Security of persons and property* - To reduce the amounts and effect of external harms and to ensure an atmosphere of personal security from external events. This includes, but is not limited to, Police, Emergency Medical Services, Fire and Street Lighting.
- *Public health and welfare* - To provide for the physical well-being of the citizenry by providing basic preventative health care or assistance when needed. This consists mainly of the City's share

of the cost of the Stark County Health Department, which provides services to the citizens of Louisville.

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

The Budget as a Policy Document

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

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

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

Relevant Financial Policies

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

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

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

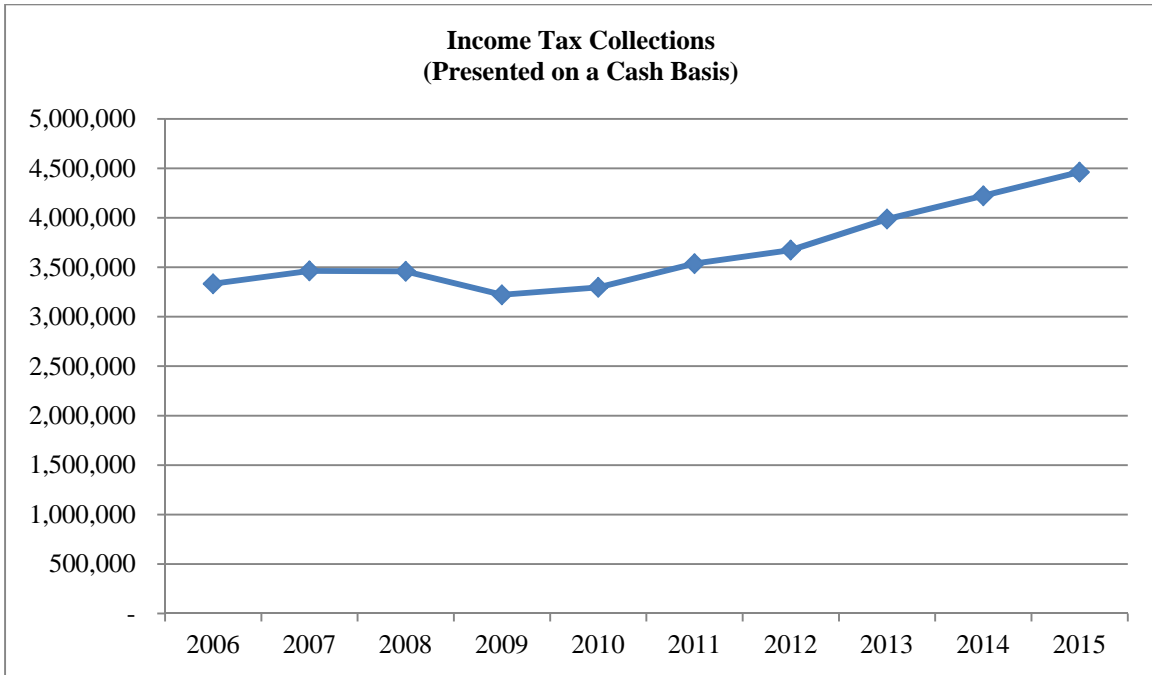
Local Economy

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

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

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

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



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

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

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

<u>Year</u>	<u>Collections</u>	<u>Percentage Increase (Decrease)</u>
2006	396,943	8.29 %
2007	* 439,061	10.61
2008	443,835	1.09
2009	405,895	(8.55)
2010	376,972	(7.13)
2011	373,338	(0.96)
2012	386,280	3.47
2013	329,343	(14.74)
2014	362,778	10.15
2015	356,032	(1.86)

* Increase due to revaluation in prior year.

Long-Term Financial Planning

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

The City continues to adhere to a pay as you go philosophy as it relates to small projects and equipment purchases. By only borrowing for large projects and keeping debt levels low, it provides the City the opportunity to borrow in low interest environments. By continuing to pay down its debt and taking advantage of advance refunding opportunities, the City reduced its overall debt principal by \$396,391 in 2015.

Major Initiatives

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

The City received grants and other funds to develop the Beck Industrial Commerce Center. Upon completion of development in 2014, Chesapeake, a major oil and gas company, purchased the entire industrial park and relocated its regional headquarters to the site. The complex includes 80 acres housing a five-story building with over 200,000 square feet of space. Located in the southwest portion of the City, the Beck Industrial Commerce Center also includes 200 acres of green-fields for further industrial development between State Route 44 and Beck Road. The Beck Industrial Commerce Center property aids the City in improving its economic development by revitalizing non-residential resources, encouraging commercial and industrial development within the City's tax base, expanding current businesses and employment opportunities to reflect a diversifying market, and hopes to attract more employers to raise the tax base. The Beck Industrial Commerce Center development is expected to create over 500 jobs in the Louisville area. With the Beck Industrial Commerce Center, the City, along with its private partners, Groffre Investments, enabled offering of premium industrial sites for this business development.

During 2015, the City partnered with JENCAR Developers Inc., property owners of vacant land located at the intersection of US 62 and Broadway. The City is extending water lines and will construct and install a sanitary package duplex pump station, force main and gravity sewer lines to serve the future sanitary needs of this area. Upon completion, JENCAR plans to develop the land with Redwood Living's distinctive single-story apartment rental homes, along with future retail businesses.

During 2015, expenditures included the repair and rebuilding of neighborhood streets, curbing improvements, and miscellaneous roadway sealing and patching throughout the City. The City was able to utilize funds from the water and sewer funds for replacement of water and sewer lines, fire hydrants and appurtenances and underground utilities, roadway earthwork and miscellaneous base and drainage work.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Louisville, Ohio for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

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

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

Respectfully submitted,



Jina E. Turowski
Finance Director

City of Louisville, Ohio

Public Officials Roster

December 31, 2015

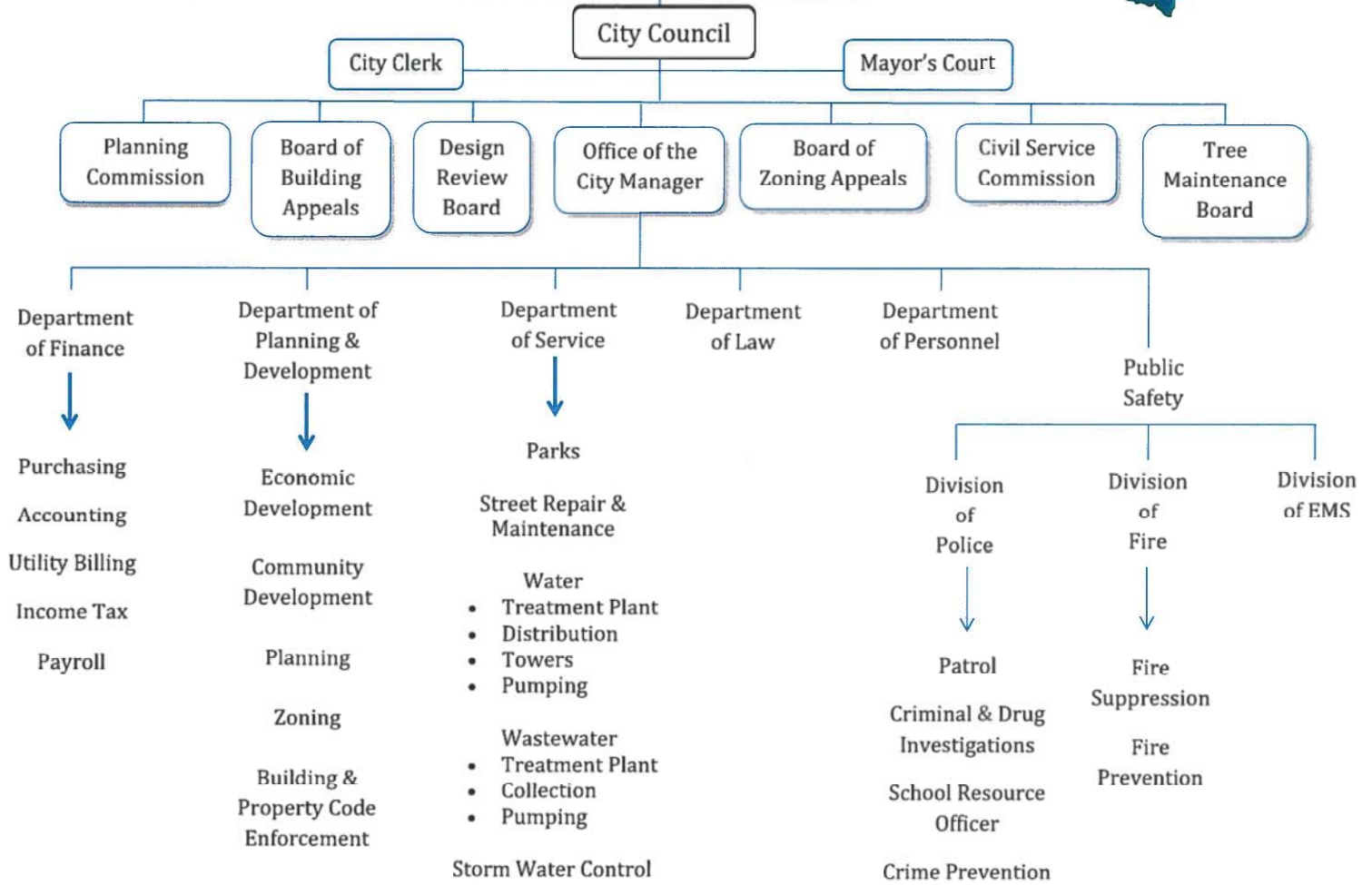
Elected Officials

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

Appointed Officials

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

Citizens of Louisville





Government Finance Officers Association

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

Presented to

**City of Louisville
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO



FINANCIAL SECTION





Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the discretely presented component unit and remaining fund information of City of Louisville, Stark County, Ohio (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the discretely presented component unit and remaining fund information of City of Louisville, Stark County, Ohio, as of December 31, 2015, 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 the year ended December 31, 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2016, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

June 29, 2016



City of Louisville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

The management's discussion and analysis of the City of Louisville's (the "City") financial statements provides an overall review of the City's financial activities for the year ended December 31, 2015. 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 2015 are as follows:

- The total net position of the City increased \$1,868,117. Net position of governmental activities increased \$414,809, which represents a 3.1% increase over 2014. Net position of business-type activities increased \$1,453,308 or 11% from 2014.
- General revenues for governmental activities, accounted for \$3,956,188 or 74% of total governmental activities revenue. Program specific revenues accounted for \$1,388,185 or 26% of total governmental activities revenue.
- The City had \$5,053,689 in expenses related to governmental activities; only \$1,388,185 of these expenses were offset by program specific charges for services and sales, operating grants, contributions and interest and capital grants and contributions. General revenues of \$3,956,188 were adequate to provide for these programs.
- The general fund, the City's largest and only major governmental fund, had revenues of \$4,242,894 in 2015, or 79.8% of total governmental funds. Expenditures of the general fund were \$3,566,410, or 71.8% of total governmental funds. The general fund balance increased \$222,334 or 8.8% in 2015.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

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

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

Statement of Net Position and Statement of Activities

While this document contains a number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and answers the question, "How did we do financially during 2015"? These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. These two statements report the City's net position and changes in this position. This change in net position is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions and other factors.

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

City of Louisville, Ohio
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Governmental Funds

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

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

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

Proprietary Funds

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

Notes to the Financial Statements

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

Other Information

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

City of Louisville, Ohio
Management's Discussion and Analysis
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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 2015 compared to 2014:

Table 1
Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>Restated 2014</u>	<u>2015</u>	<u>Restated 2014</u>	<u>2015</u>	<u>Restated 2014</u>
<u>Assets</u>						
Current and other assets	\$ 5,049,976	\$ 4,694,167	\$ 5,031,955	\$ 4,031,894	\$ 10,081,931	\$ 8,726,061
Capital assets	<u>12,618,110</u>	<u>12,753,839</u>	<u>11,428,294</u>	<u>11,256,184</u>	<u>24,046,404</u>	<u>24,010,023</u>
Total assets	<u>17,668,086</u>	<u>17,448,006</u>	<u>16,460,249</u>	<u>15,288,078</u>	<u>34,128,335</u>	<u>32,736,084</u>
<u>Deferred outflows of resources</u>						
Pension	<u>415,246</u>	<u>246,923</u>	<u>86,679</u>	<u>58,965</u>	<u>501,925</u>	<u>305,888</u>
<u>Liabilities</u>						
Other liabilities	275,568	344,836	127,782	162,480	403,350	507,316
Long-term liabilities:						
Due within one year	288,783	287,315	306,115	296,161	594,898	583,476
Due within more than one year:						
Net pension liability	2,754,837	2,627,416	518,092	506,390	3,272,929	3,133,806
Other amounts	<u>375,424</u>	<u>523,674</u>	<u>878,858</u>	<u>1,128,341</u>	<u>1,254,282</u>	<u>1,652,015</u>
Total liabilities	<u>3,694,612</u>	<u>3,783,241</u>	<u>1,830,847</u>	<u>2,093,372</u>	<u>5,525,459</u>	<u>5,876,613</u>
<u>Deferred inflows of resources</u>						
Property taxes	386,149	341,594	-	-	386,149	341,594
Pension	<u>17,668</u>	<u>-</u>	<u>9,102</u>	<u>-</u>	<u>26,770</u>	<u>-</u>
Total deferred inflows of resources	<u>403,817</u>	<u>341,594</u>	<u>9,102</u>	<u>-</u>	<u>412,919</u>	<u>341,594</u>
<u>Net Position</u>						
Net investment in capital assets	12,229,376	12,214,763	10,336,346	9,916,725	22,565,722	22,131,488
Restricted	750,487	592,027	-	-	750,487	592,027
Unrestricted	<u>1,005,040</u>	<u>763,304</u>	<u>4,370,633</u>	<u>3,336,946</u>	<u>5,375,673</u>	<u>4,100,250</u>
Total net position	<u>\$ 13,984,903</u>	<u>\$ 13,570,094</u>	<u>\$ 14,706,979</u>	<u>\$ 13,253,671</u>	<u>\$ 28,691,882</u>	<u>\$ 26,823,765</u>

City of Louisville, Ohio
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Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2015, the City's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$28,691,882. This amounts to \$13,984,903 in governmental activities and \$14,706,979 in business-type activities.

The largest portion of the City's net position 78.6% reflects its investment in capital assets less any related debt used to acquire those assets. Capital assets include land, right of ways, land improvements, buildings and improvements, machinery and equipment, vehicles, infrastructure, and construction in progress. Capital assets, net of related debt to acquire the assets at December 31, 2015, were \$22,565,722. 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, 2015, 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, \$750,487 or 5.4%, represent resources that are subject to external restrictions on how they may be used. Of total restricted net position, \$29,903 for debt service, \$581,048 for transportation, \$3,984 for safety services programs, \$122,169 for capital projects and \$13,383 for other purposes. The remaining balance of governmental unrestricted net position of \$1,005,040 may be used to meet the government's ongoing obligations to citizens and creditors.

During 2015, the City adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities and GASB Statement 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date" an amendment of GAB Statement 68. Users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension. This implementation also had the effect of restating net position at December 31, 2014, from \$15,950,587 to \$13,570,094 for governmental activities and from \$13,701,096 to \$13,253,671 for business-type activities. See Note 2 to the basic financial statements for further discussion on the implementation of GASB 68.

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

City of Louisville, Ohio
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Table 2 below shows the changes in net position for governmental and business-type activities for years 2015 and 2014.

Table 2
Changes in Net Position

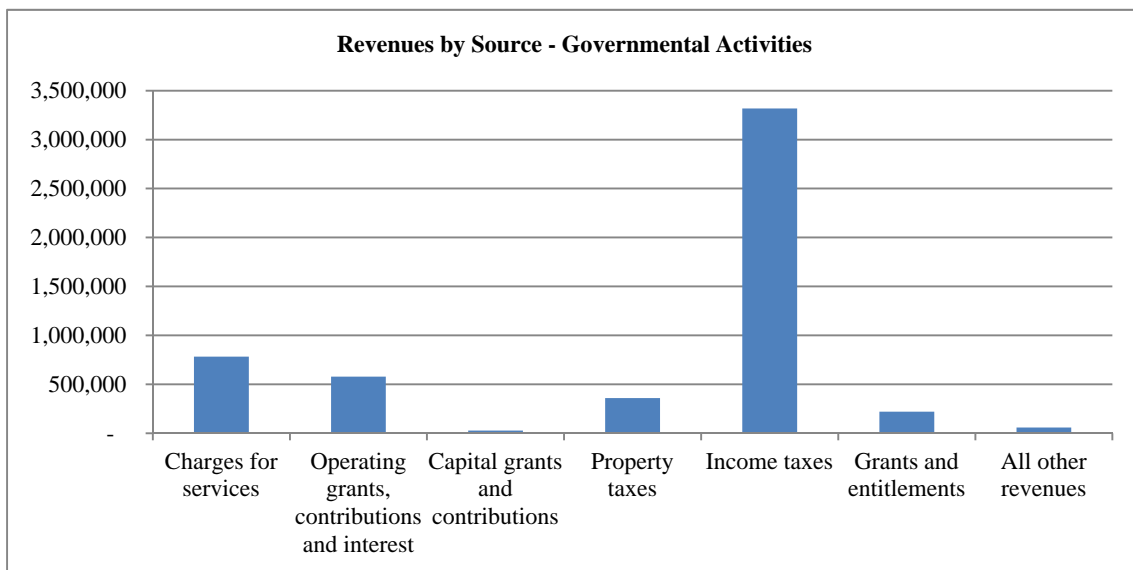
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program revenues:						
Charges for services	\$ 783,329	\$ 721,065	\$ 2,546,596	\$ 2,231,076	\$ 3,329,925	\$ 2,952,141
Operating grants, contributions and interest	577,606	486,861	-	-	577,606	486,861
Capital grants and contributions	27,250	21,175	-	-	27,250	21,175
General revenues:						
Property and other taxes	359,702	348,892	-	-	359,702	348,892
Municipal income taxes	3,318,897	3,214,022	1,103,516	1,071,242	4,422,413	4,285,264
Grants and entitlements	219,958	234,565	-	-	219,958	234,565
Gain on sale of capital assets	-	1,206	-	-	-	1,206
Investment earnings	4,445	1,798	-	-	4,445	1,798
Other	53,186	32,981	560	-	53,746	32,981
Total revenues	<u>\$ 5,344,373</u>	<u>\$ 5,062,565</u>	<u>\$ 3,650,672</u>	<u>\$ 3,302,318</u>	<u>\$ 8,995,045</u>	<u>\$ 8,364,883</u>
Program Expenses						
<i>Governmental Activities:</i>						
General government	\$ 1,118,995	\$ 1,181,784	\$ -	\$ -	\$ 1,118,995	\$ 1,181,784
Security of persons and property	2,500,837	2,398,630	-	-	2,500,837	2,398,630
Public health and welfare	90,079	81,088	-	-	90,079	81,088
Transportation	835,810	1,068,168	-	-	835,810	1,068,168
Community environment	291,723	295,526	-	-	291,723	295,526
Leisure time activities	201,622	205,010	-	-	201,622	205,010
Interest and fiscal charges	14,623	7,611	-	-	14,623	7,611
<i>Business-Type Activities:</i>						
Water	-	-	1,106,846	1,151,358	1,106,846	1,151,358
Sewer	-	-	966,393	1,092,329	966,393	1,092,329
Total program expenses	<u>5,053,689</u>	<u>5,237,817</u>	<u>2,073,239</u>	<u>2,243,687</u>	<u>7,126,928</u>	<u>7,481,504</u>
Change in net position before transfers	<u>290,684</u>	<u>(175,252)</u>	<u>1,577,433</u>	<u>1,058,631</u>	<u>1,868,117</u>	<u>883,379</u>
Transfers	<u>124,125</u>	<u>-</u>	<u>(124,125)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$ 414,809</u>	<u>\$ (175,252)</u>	<u>\$ 1,453,308</u>	<u>\$ 1,058,631</u>	<u>\$ 1,868,117</u>	<u>\$ 883,379</u>

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

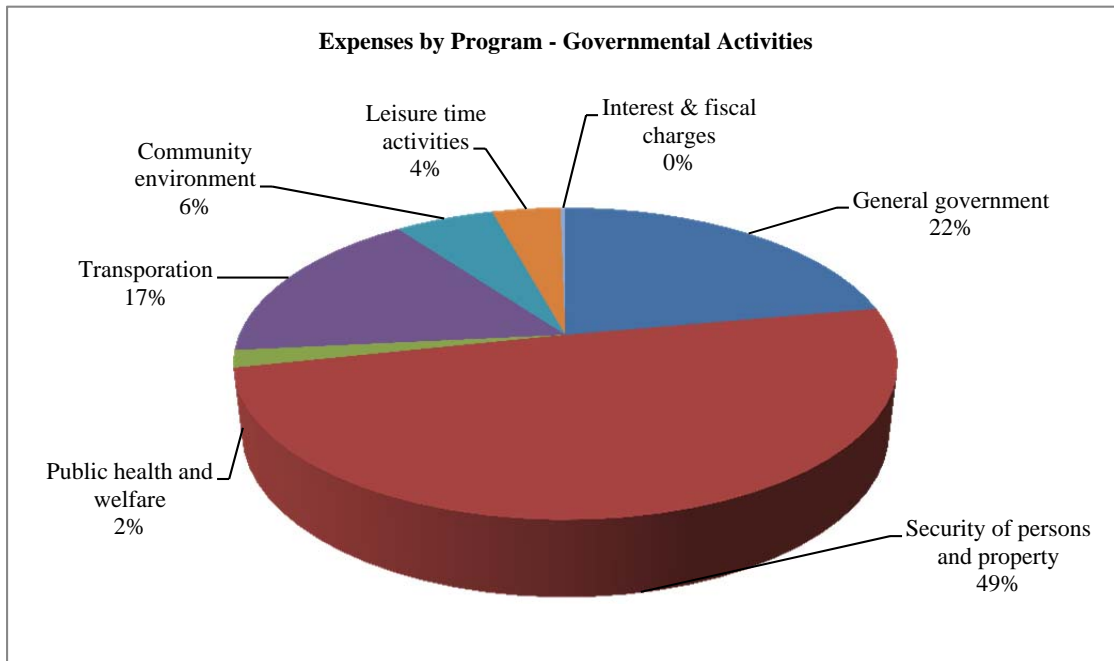
Governmental activities net position increased \$414,809 or 3.1% in 2015 from 2014. This increase was not due to any one item but rather an overall increase in revenues and an overall decrease in expenses. The City's funding for these governmental activities comes from a variety of sources, the most significant being the \$3,318,897 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 2015, the City received \$219,958 in unrestricted intergovernmental revenues or 4.1% of total revenues.



Program restricted charges for services and operating and capital grants, contributions and interest represent monies the City is awarded that are required to be used for specific purposes. In 2015, the City received \$783,329 in charges for services, a combined total of \$577,606 in various operating grants, contributions and interest and \$27,250 in capital grants and contributions.

City of Louisville, Ohio
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The City's governmental activity expenses totaled \$5,053,689 in 2015, with security of persons and property, general government and transportation representing the largest portion of this figure at 88%. The City's governmental activity expenses decreased by \$184,128 from 2014, but this was not related to any one single event.

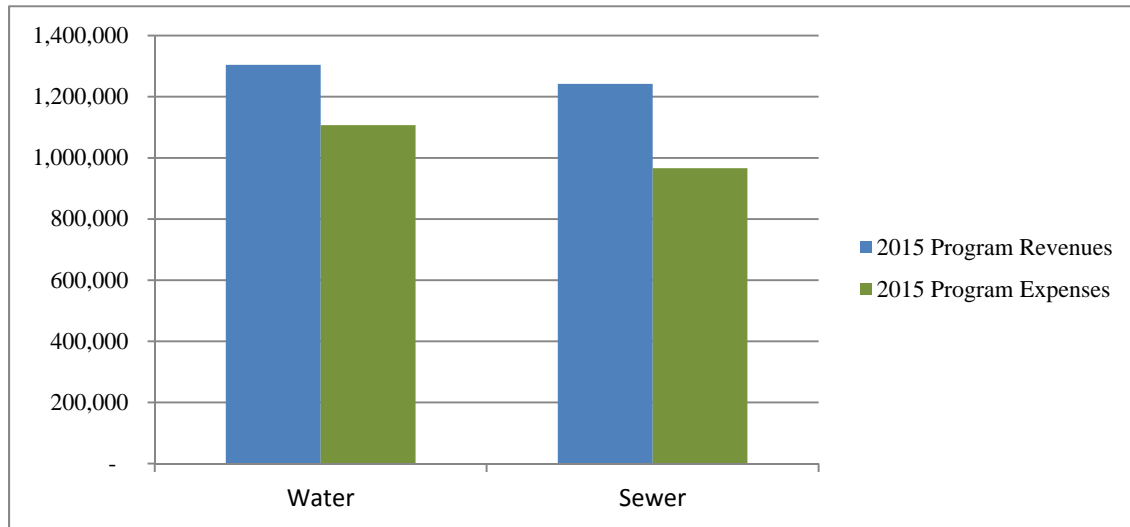
Security of persons and property, which primarily supports the operations of the City's police, fire and emergency medical services, accounts for \$2,500,837 of expenses, or 49.5% of total governmental expenses of the City. These expenses were funded by \$335,212 in charges to users of services. General government expenses, which primarily include legislative, executive and financial management, totaled \$1,118,995 or 22% of total governmental expenses. General government expenses were covered by \$265,808 of direct charges to users and capital grants and contributions.

At \$835,810 or 16.5%, transportation represents the City's third largest category of governmental activity expenses. This category of governmental expenses supports the operations of the maintenance division for street and highway activities. These expenses were funded by \$731,642 in direct charges to users, operating grants, contributions and interest.

Business-Type Activities

The water and sewer funds represent the City's business-type activities. These programs had program revenues of \$2,546,596 and expenses of \$2,073,239 for the year 2015. Business-type activities reported an increase in net position of \$1,453,308, or 11% as compared to 2014. For this year, the increase in net position was attributed to an increase in municipal income taxes and charges for services and an overall decrease in expenses. The increase in municipal income tax is a result of a slight improvement in the local economy.

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The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$305,888 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$315,091. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Total 2015 program expenses under GASB 68	\$ 5,050,182	\$ 2,073,239	\$ 7,123,421
Pension expense under GASB 68	(262,966)	(52,125)	(315,091)
2015 contractually required contribution	286,200	59,035	345,235
Adjusted 2015 program expenses	5,073,416	2,080,149	7,153,565
Total 2014 program expenses under GASB 27	5,237,817	2,243,687	7,481,504
Decrease in program expenses not related to pension	<u>\$ (164,401)</u>	<u>\$ (163,538)</u>	<u>\$ (327,939)</u>

As a result of GASB 68, the City is reporting a significant net pension liability and related deferred inflows of resources which have a negative effect on net position. In addition, the City is reporting deferred outflows of resources and a reduction of expenses related to pension for this fiscal year, which have a positive consequence on net position. This expense amount is the difference between the contractually required contributions and the pension expense resulting from the change in the net pension liability that is not reported as deferred inflows or outflows. These two amounts can be found in the reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities. To further explain the impact of this new accounting standard on the City's net position, additional information is presented below.

City of Louisville, Ohio
Management's Discussion and Analysis
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	Governmental Activities	Business-Type Activities	Total
Net position	\$ 13,984,903	\$ 14,706,979	\$ 28,691,882
Deferred outflows - pension	(415,246)	(86,679)	(501,925)
Deferred inflows - pension	17,668	9,102	26,770
Net pension liability	<u>2,754,837</u>	<u>518,092</u>	<u>3,272,929</u>
Net position without new standard	<u>\$ 16,342,162</u>	<u>\$ 15,147,494</u>	<u>\$ 31,489,656</u>
Impact of GASB 68 on net position end of year	\$ (2,357,259)	\$ (440,515)	\$ (2,797,774)
Pension expense under GASB 68	262,966	52,125	315,091
Contractually required contribution	<u>(286,200)</u>	<u>(59,035)</u>	<u>(345,235)</u>
Impact of GASB 68 on net position beginning of year	<u>\$ (2,380,493)</u>	<u>\$ (447,425)</u>	<u>\$ (2,827,918)</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. At December 31, 2015, governmental funds reported a combined fund balance of \$3,727,905, an increase of \$353,620 as compared to the prior year. Of this amount \$2,215,335 or 59.4% has an unassigned fund balance that is available for spending at the discretion of the City. The remainder fund balance of \$1,512,570 consists of \$124,663 or 3.4% as nonspendable, related to materials and supplies and prepaid items that are not in spendable form; \$511,700 or 13.7% that is restricted for various purposes; \$341,992 or 9.2% committed for emergency service charges and storm water and \$534,215 or 14.3% assigned for next years budget and purchases on order.

The general fund is the main governmental operating fund of the City. At the end of 2015, the fund balance of the general fund was \$2,759,206, an 8.8% increase from the prior year. The reason for the increase in the general fund balance was primarily due an increase in income tax revenues and a decrease in general government and capital related expenditures.

Table 4 below reports year 2015 balances compared to 2014:

Table 4
Change in Fund Balance

	Fund Balance			
	December 31, 2015	December 31, 2014	Increase (Decrease)	Percent Change
General	\$ 2,759,206	\$ 2,536,872	\$ 222,334	8.8%
Other governmental funds	<u>968,699</u>	<u>837,413</u>	<u>131,286</u>	15.7%
	<u>\$ 3,727,905</u>	<u>\$ 3,374,285</u>	<u>\$ 353,620</u>	

City of Louisville, Ohio
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Table 5 below assists in illustrating the changes in financial activities for the general fund for year 2015 balances compared to 2014:

Table 5
Change in Financial Activities for the General Fund

	December 31, <u>2015</u>	December 31, <u>2014</u>	Increase (Decrease)	Percent Change
<u>Revenues:</u>				
Income tax	\$ 3,317,368	\$ 3,196,332	\$ 121,036	3.8%
Property and other taxes	358,493	354,749	3,744	1.1%
Charges for services	123,359	111,458	11,901	10.7%
Licenses and permits	137,931	136,182	1,749	1.3%
Fines and forfeitures	23,668	41,550	(17,882)	-43.0%
Intergovernmental	221,173	236,128	(14,955)	-6.3%
Investment income	4,445	1,798	2,647	147.2%
Contributions and donations	6,310	4,050	2,260	55.8%
Other	<u>50,147</u>	<u>25,270</u>	<u>24,877</u>	98.4%
Total revenue	<u>\$ 4,242,894</u>	<u>\$ 4,107,517</u>	<u>\$ 135,377</u>	
<u>Expenditures:</u>				
Current:				
General government	\$ 991,094	\$ 1,079,209	\$ (88,115)	-8.2%
Security of persons and property	2,000,335	1,957,628	42,707	2.2%
Public health and welfare	90,079	81,088	8,991	11.1%
Community environment	291,349	286,094	5,255	1.8%
Leisure time activities	121,746	128,965	(7,219)	-5.6%
Capital outlay	33,532	226,356	(192,824)	-85.2%
Debt service:				
Principal retirement	36,068	35,013	1,055	3.0%
Interest and fiscal charges	<u>2,207</u>	<u>3,262</u>	<u>(1,055)</u>	-32.3%
Total expenditures	<u>\$ 3,566,410</u>	<u>\$ 3,797,615</u>	<u>\$ (231,205)</u>	

Budgeting Highlights - General Fund

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

The most significant changes from the original budgeted revenues as compared to the final budgeted amounts were an increase of \$162,250 in municipal income tax and intergovernmental revenues. This difference was caused by the municipal tax and intergovernmental revenues being unknown at the original budgeting process. Actual revenues were lower than the final budgeted amount by \$11,157 mainly due to a decrease in intergovernmental revenue received during the year.

City of Louisville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Final budgeted expenditures were less than the original budgeted expenditures by \$25,276. This was due to a decrease in leisure time activity expenditures from what was originally budgeted. Actual expenditures of \$3,788,302 for the year were \$73,910 less than the \$3,862,212 final budgeted amounts. The majority of this change was reported in security of persons and property due to conservative spending.

Capital Assets and Debt Administration

Capital Assets

At the end of 2015, the City had \$24,046,404 (net of accumulated depreciation) invested in land, right of ways, land improvements, buildings and improvements, machinery and equipment, vehicles, infrastructure and construction in progress. Of this total, \$12,618,110 was reported in governmental activities and \$11,428,294 was reported in business-type activities. Table 6 below reports the year 2015 balances compared to 2014:

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 544,655	\$ 544,655	\$ 312,987	\$ 312,987	\$ 857,642	\$ 857,642
Right of ways	812,350	812,350	-	-	812,350	812,350
Land improvements	264,340	344,122	20,563	27,960	284,903	372,082
Buildings and building improvements	938,501	989,066	3,994,871	4,169,624	4,933,372	5,158,690
Machinery and equipment	402,812	439,536	179,949	137,107	582,761	576,643
Vehicles	1,177,528	1,289,688	384,152	563,269	1,561,680	1,852,957
Infrastructure	8,477,074	8,333,538	6,420,238	5,982,126	14,897,312	14,315,664
Construction in progress	<u>850</u>	<u>884</u>	<u>115,534</u>	<u>63,111</u>	<u>116,384</u>	<u>63,995</u>
Total	<u>\$12,618,110</u>	<u>\$12,753,839</u>	<u>\$11,428,294</u>	<u>\$11,256,184</u>	<u>\$24,046,404</u>	<u>\$24,010,023</u>

The most significant change during 2015 to the amount of net capital assets was due to an increase of infrastructure due to water, sewer and storm water extensions and upgrades. See Note 8 to the basic financial statements for detail on the governmental and business-type activities capital assets.

City of Louisville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Debt Administration

At December 31, 2015, the City had total long-term debt outstanding of \$1,480,682. Of this total, \$400,252 is due within one year and \$1,080,430 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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
General obligation bonds	\$ 160,917	\$ 186,214	\$ 741,749	\$ 889,133	\$ 902,666	\$ 1,075,347
OPWC loans	-	-	215,980	264,272	215,980	264,272
OWDA loan	-	-	32,294	35,042	32,294	35,042
Capital leases	<u>227,817</u>	<u>352,862</u>	<u>101,925</u>	<u>151,012</u>	<u>329,742</u>	<u>503,874</u>
Total	<u>\$ 388,734</u>	<u>\$ 539,076</u>	<u>\$ 1,091,948</u>	<u>\$ 1,339,459</u>	<u>\$ 1,480,682</u>	<u>\$ 1,878,535</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 \$37,481.

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, 2015 the City's overall legal debt margin was \$15,128,267, with an unvoted debt margin of \$7,924,330. The City's credit rating remained unchanged in 2015 as compared to 2014. 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.

Contacting the City's Financial Management

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



City of Louisville, Ohio

Statement of Net Position

December 31, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	LCIC
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 3,117,061	\$ 4,211,233	\$ 7,328,294	\$ 104,056
Receivables:				
Income tax	892,492	297,497	1,189,989	-
Property and other taxes	411,281	-	411,281	-
Accounts	153,283	488,132	641,415	-
Special assessments	-	25,000	25,000	-
Due from other governments	351,196	-	351,196	-
Materials and supplies inventory	108,307	6,016	114,323	-
Loans receivable	-	-	-	8,515
Prepaid items	16,356	4,077	20,433	379
Land held for resale	-	-	-	30,994
Noncurrent loans receivable	-	-	-	37,642
Nondepreciable capital assets	1,357,855	428,521	1,786,376	-
Depreciable capital assets, net	11,260,255	10,999,773	22,260,028	-
Total assets	17,668,086	16,460,249	34,128,335	181,586
<u>Deferred outflows of resources:</u>				
Pension	415,246	86,679	501,925	-
<u>Liabilities:</u>				
Accounts payable	84,537	62,863	147,400	-
Contracts payable	850	11,934	12,784	-
Accrued wages and benefits	36,342	8,302	44,644	-
Due to other governments	64,604	15,639	80,243	-
Undistributed monies	6,677	-	6,677	-
Income tax refunds payable	79,639	26,546	106,185	-
Accrued interest payable	312	1,417	1,729	-
Claims payable	2,607	1,081	3,688	-
Long-term liabilities:				
Due within one year	288,783	306,115	594,898	-
Due in more than one year:				
Net pension liability	2,754,837	518,092	3,272,929	-
Other amounts due in more than one year	375,424	878,858	1,254,282	-
Total liabilities	3,694,612	1,830,847	5,525,459	-
<u>Deferred inflows of resources:</u>				
Property taxes	386,149	-	386,149	-
Pension	17,668	9,102	26,770	-
Total deferred inflows of resources	403,817	9,102	412,919	-
<u>Net position:</u>				
Net investment in capital assets	12,229,376	10,336,346	22,565,722	-
Restricted for:				
Capital projects	122,169	-	122,169	-
Debt service	29,903	-	29,903	-
Transportation	581,048	-	581,048	-
Safety services	3,984	-	3,984	-
Other purposes	13,383	-	13,383	-
Unrestricted	1,005,040	4,370,633	5,375,673	181,586
Total net position	\$ 13,984,903	\$ 14,706,979	\$ 28,691,882	\$ 181,586

See accompanying notes to the basic financial statements.

City of Louisville, Ohio
Statement of Activities
For the Year Ended December 31, 2015

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions
<u>Governmental Activities:</u>				
General government	\$ 1,118,995	\$ 238,558	\$ -	\$ 27,250
Security of persons and property	2,500,837	335,212	-	-
Public health and welfare	90,079	-	-	-
Transportation	835,810	154,036	577,606	-
Community environment	291,723	48,819	-	-
Leisure time activities	201,622	6,704	-	-
Interest and fiscal charges	14,623	-	-	-
Total governmental activities	<u>5,053,689</u>	<u>783,329</u>	<u>577,606</u>	<u>27,250</u>
<u>Business-Type Activities:</u>				
Water	1,106,846	1,304,450	-	-
Sewer	966,393	1,242,146	-	-
Total business-type activities	<u>2,073,239</u>	<u>2,546,596</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 7,126,928</u>	<u>\$ 3,329,925</u>	<u>\$ 577,606</u>	<u>\$ 27,250</u>
<u>Component Unit:</u>				
LCIC	<u>\$ 1,292</u>	<u>\$ 11</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			Component Unit
Primary Government			LCIC
Governmental Activities	Business-Type Activities	Total	
\$ (853,187)	\$ -	\$ (853,187)	\$ -
(2,165,625)	-	(2,165,625)	-
(90,079)	-	(90,079)	-
(104,168)	-	(104,168)	-
(242,904)	-	(242,904)	-
(194,918)	-	(194,918)	-
(14,623)	-	(14,623)	-
<u>(3,665,504)</u>	<u>-</u>	<u>(3,665,504)</u>	<u>-</u>
-	197,604	197,604	-
<u>-</u>	<u>275,753</u>	<u>275,753</u>	<u>-</u>
-	473,357	473,357	-
<u>(3,665,504)</u>	<u>473,357</u>	<u>(3,192,147)</u>	<u>-</u>
-	-	-	(1,281)
359,702	-	359,702	-
3,318,897	-	3,318,897	-
-	729,063	729,063	-
-	374,453	374,453	-
219,958	-	219,958	-
4,445	-	4,445	2,261
53,186	560	53,746	-
124,125	(124,125)	-	-
<u>4,080,313</u>	<u>979,951</u>	<u>5,060,264</u>	<u>2,261</u>
414,809	1,453,308	1,868,117	980
<u>13,570,094</u>	<u>13,253,671</u>	<u>26,823,765</u>	<u>180,606</u>
<u>\$ 13,984,903</u>	<u>\$ 14,706,979</u>	<u>\$ 28,691,882</u>	<u>\$ 181,586</u>

City of Louisville, Ohio

Balance Sheet

Governmental Funds

December 31, 2015

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 2,394,075	\$ 722,986	\$ 3,117,061
Receivables:			
Income tax	892,492	-	892,492
Property and other taxes	411,281	-	411,281
Accounts	29,429	123,854	153,283
Due from other governments	127,919	223,277	351,196
Materials and supplies inventory	-	108,307	108,307
Prepaid items	9,656	6,700	16,356
Total assets	\$ 3,864,852	\$ 1,185,124	\$ 5,049,976
Liabilities, deferred inflows of resources and fund balances			
Liabilities:			
Accounts payable	\$ 66,165	\$ 18,372	\$ 84,537
Contracts payable	-	850	850
Accrued wages and benefits	30,391	5,951	36,342
Due to other governments	56,253	8,351	64,604
Undistributed monies	6,677	-	6,677
Income tax refunds payable	79,639	-	79,639
Claims and judgments payable	2,190	417	2,607
Total liabilities	241,315	33,941	275,256
Deferred inflows of resources:			
Property taxes	386,149	-	386,149
Unavailable revenue - other	461,846	182,484	644,330
Unavailable revenue - delinquent property taxes	16,336	-	16,336
Total deferred inflows of resources	864,331	182,484	1,046,815
Fund balances:			
Nonspendable	9,656	115,007	124,663
Restricted	-	511,700	511,700
Committed	-	341,992	341,992
Assigned	534,215	-	534,215
Unassigned	2,215,335	-	2,215,335
Total fund balances	2,759,206	968,699	3,727,905
Total liabilities, deferred inflows of resources and fund balances	\$ 3,864,852	\$ 1,185,124	\$ 5,049,976

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, 2015**

Total governmental fund balances \$ 3,727,905

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 12,618,110

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	\$ 16,336	
Income taxes	381,639	
Intergovernmental	225,642	
Charges for services	36,659	
Other	390	
Total	<u>660,666</u>	660,666

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

Deferred outflows - pension	\$ 415,246	
Deferred inflows - pension	(17,668)	
Net pension liability	<u>(2,754,837)</u>	
Total		(2,357,259)

Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds. (312)

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

General obligation bonds	\$ (160,000)	
Premium on bonds	(917)	
Capital lease payable	(227,817)	
Compensated absences	(237,992)	
Police pension liability	<u>(37,481)</u>	
Total		<u>(664,207)</u>

Net position of governmental activities \$ 13,984,903

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, 2015

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Income tax	\$ 3,317,368	\$ -	\$ 3,317,368
Property and other taxes	358,493	-	358,493
Charges for services	123,359	468,258	591,617
Licenses and permits	137,931	-	137,931
Fines and forfeitures	23,668	5,290	28,958
Intergovernmental	221,173	594,997	816,170
Investment income	4,445	219	4,664
Contributions and donations	6,310	2,000	8,310
Other	50,147	3,855	54,002
Total revenue	<u>4,242,894</u>	<u>1,074,619</u>	<u>5,317,513</u>
Expenditures:			
Current:			
General government	991,094	67,660	1,058,754
Security of persons and property	2,000,335	265,578	2,265,913
Public health and welfare	90,079	-	90,079
Transportation	-	512,457	512,457
Community environment	291,349	-	291,349
Leisure time activities	121,746	-	121,746
Capital outlay	33,532	425,056	458,588
Debt service:			
Principal retirement	36,068	113,977	150,045
Interest and fiscal charges	2,207	12,755	14,962
Total expenditures	<u>3,566,410</u>	<u>1,397,483</u>	<u>4,963,893</u>
Excess of revenues over (under) expenditures	<u>676,484</u>	<u>(322,864)</u>	<u>353,620</u>
Other financing sources (uses):			
Transfers - in	-	454,150	454,150
Transfers - out	(454,150)	-	(454,150)
Total other financing sources (uses)	<u>(454,150)</u>	<u>454,150</u>	<u>-</u>
Net change in fund balance	222,334	131,286	353,620
Fund balances at beginning of year	2,536,872	837,413	3,374,285
Fund balances at end of year	<u>\$ 2,759,206</u>	<u>\$ 968,699</u>	<u>\$ 3,727,905</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, 2015**

Net change in fund balances - Total governmental funds \$ 353,620

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	\$	458,588	
Capital assets transferred		124,125	
Depreciation expense		(694,189)	
Excess of depreciation expense over capital outlay			(111,476)

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (24,253)

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	\$	1,209	
Income taxes		1,529	
Intergovernmental		15,032	
Charges for services		14,353	
Fines and forfeitures		(1,992)	
Other		(3,271)	
Net change in deferred inflows of resources during the year			26,860

Contractually required pension contributions are reported as expenditures in the governmental funds; however, the statement of net position reports these amounts as deferred outflows. 286,200

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (262,966)

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	\$	(4,779)	
Decrease in police pension liability		1,219	
Decrease in accrued interest		42	
Amortization of premium		297	
Total additional expenditures			(3,221)

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

Payment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 125,045

Change in net position of governmental activities \$ 414,809

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, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal income tax	\$ 3,212,900	\$ 3,343,000	\$ 3,348,833	\$ 5,833
Property and other taxes	389,350	356,100	356,032	(68)
Charges for services	124,700	123,250	123,359	109
Licenses and permits	144,900	145,175	134,124	(11,051)
Fines and forfeitures	37,500	28,200	23,605	(4,595)
Intergovernmental	208,175	240,325	223,335	(16,990)
Interest	2,000	4,500	4,445	(55)
Contributions and donations	4,000	6,325	6,310	(15)
Other	40,800	45,150	44,463	(687)
Total revenues	<u>4,164,325</u>	<u>4,292,025</u>	<u>4,264,506</u>	<u>(27,519)</u>
Expenditures:				
Current:				
General government	1,066,799	1,112,446	1,096,083	16,363
Security of persons and property	2,166,200	2,211,291	2,160,040	51,251
Public health and welfare	95,500	92,000	91,109	891
Community environment	355,039	321,475	317,262	4,213
Leisure time activities	203,950	125,000	123,808	1,192
Total expenditures	<u>3,887,488</u>	<u>3,862,212</u>	<u>3,788,302</u>	<u>73,910</u>
Excess of revenues over expenditures	<u>276,837</u>	<u>429,813</u>	<u>476,204</u>	<u>46,391</u>
Other financing sources (uses):				
Sale of capital assets	-	7,500	7,500	-
Advances - in	-	130,375	130,360	(15)
Transfers - in	-	1,950	1,936	(14)
Transfers - out	(400,400)	(456,100)	(456,086)	14
Total other financing sources (uses)	<u>(400,400)</u>	<u>(316,275)</u>	<u>(316,290)</u>	<u>(15)</u>
Net change in fund balance	(123,563)	113,538	159,914	46,376
Fund balance at beginning of year	2,033,864	2,033,864	2,033,864	-
Prior year encumbrances appropriated	<u>79,624</u>	<u>79,624</u>	<u>79,624</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,989,925</u>	<u>\$ 2,227,026</u>	<u>\$ 2,273,402</u>	<u>\$ 46,376</u>

See accompanying notes to the basic financial statements.

City of Louisville, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2015

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
<u>Assets:</u>			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 2,183,461	\$ 2,027,772	\$ 4,211,233
Receivables:			
Income tax	202,298	95,199	297,497
Accounts	241,892	246,240	488,132
Special assessments	12,500	12,500	25,000
Materials and supplies inventory	3,597	2,419	6,016
Prepaid items	2,034	2,043	4,077
Total current assets	<u>2,645,782</u>	<u>2,386,173</u>	<u>5,031,955</u>
Noncurrent assets:			
Capital assets:			
Land	213,279	99,708	312,987
Construction in progress	5,967	109,567	115,534
Depreciable capital assets, net	6,003,285	4,996,488	10,999,773
Total noncurrent assets	<u>6,222,531</u>	<u>5,205,763</u>	<u>11,428,294</u>
Total assets	<u><u>8,868,313</u></u>	<u><u>7,591,936</u></u>	<u><u>16,460,249</u></u>
<u>Deferred outflows of resources:</u>			
Pension	<u>45,889</u>	<u>40,790</u>	<u>86,679</u>
<u>Liabilities:</u>			
Current liabilities:			
Accounts payable	32,198	30,665	62,863
Contracts payable	5,967	5,967	11,934
Accrued wages and benefits	4,856	3,446	8,302
Due to other governments	8,299	7,340	15,639
Income tax refunds payable	18,051	8,495	26,546
Accrued interest payable	1,167	250	1,417
Claims payable	505	576	1,081
Compensated absences payable	32,992	26,645	59,637
Capital lease payable	-	50,327	50,327
OPWC loans payable	48,292	-	48,292
OWDA loans payable	2,859	-	2,859
General obligation bonds payable	125,000	20,000	145,000
Total current liabilities	<u>280,186</u>	<u>153,711</u>	<u>433,897</u>
Long-term liabilities:			
Compensated absences payable	18,248	15,140	33,388
Capital lease payable, net of current portion	-	51,598	51,598
OPWC loans payable, net of current portion	167,688	-	167,688
OWDA loans payable, net of current portion	29,435	-	29,435
General obligation bonds payable, net of current portion	486,161	110,588	596,749
Net pension liability	274,284	243,808	518,092
Total long-term liabilities	<u>975,816</u>	<u>421,134</u>	<u>1,396,950</u>
Total liabilities	<u><u>1,256,002</u></u>	<u><u>574,845</u></u>	<u><u>1,830,847</u></u>
<u>Deferred inflows of resources:</u>			
Pension	<u>4,819</u>	<u>4,283</u>	<u>9,102</u>
<u>Net position:</u>			
Net investment in capital assets	5,363,096	4,973,250	10,336,346
Unrestricted	2,290,285	2,080,348	4,370,633
Total net position	<u><u>\$ 7,653,381</u></u>	<u><u>\$ 7,053,598</u></u>	<u><u>\$ 14,706,979</u></u>

See accompanying notes to the basic financial statements.

City of Louisville, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2015

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
<u>Operating revenues:</u>			
Charges for services	\$ 1,285,850	\$ 1,228,396	\$ 2,514,246
Tap-in fees	18,600	13,750	32,350
Total operating revenues	<u>1,304,450</u>	<u>1,242,146</u>	<u>2,546,596</u>
<u>Operating expenses:</u>			
Personal services	210,016	182,264	392,280
Fringe benefits	174,294	166,385	340,679
Contractual services	368,497	287,908	656,405
Supplies and materials	91,444	98,314	189,758
Depreciation	246,472	225,184	471,656
Total operating expenses	<u>1,090,723</u>	<u>960,055</u>	<u>2,050,778</u>
Operating income	<u>213,727</u>	<u>282,091</u>	<u>495,818</u>
<u>Nonoperating revenues (expenses):</u>			
Municipal income tax	729,063	374,453	1,103,516
Other non-operating revenues	-	560	560
Loss on sale of capital assets	(25,457)	(99,552)	(125,009)
Interest and fiscal charges	(16,123)	(6,338)	(22,461)
Total nonoperating revenues (expenses)	<u>687,483</u>	<u>269,123</u>	<u>956,606</u>
Income before contributions	<u>901,210</u>	<u>551,214</u>	<u>1,452,424</u>
Capital contributions	<u>442</u>	<u>442</u>	<u>884</u>
Change in net position	901,652	551,656	1,453,308
Net position at beginning of year, restated	<u>6,751,729</u>	<u>6,501,942</u>	<u>13,253,671</u>
Net position at end of year	<u>\$ 7,653,381</u>	<u>\$ 7,053,598</u>	<u>\$ 14,706,979</u>

See accompanying notes to the basic financial statements.

City of Louisville, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
Cash flows from operating activities:			
Cash received from customers	\$ 1,268,320	\$ 1,207,424	\$ 2,475,744
Cash payments for employee services and benefits	(409,315)	(391,248)	(800,563)
Cash payments to suppliers for goods and services	(432,401)	(386,971)	(819,372)
Net cash provided by for operating activities	<u>426,604</u>	<u>429,205</u>	<u>855,809</u>
Cash flows from noncapital financing activities:			
Income taxes received	<u>713,374</u>	<u>400,121</u>	<u>1,113,495</u>
Net cash provided by noncapital financing activities	<u>713,374</u>	<u>400,121</u>	<u>1,113,495</u>
Cash flows from capital and related financing activities:			
Interest paid on bonds and capital leases	(17,877)	(7,210)	(25,087)
Principal payment on bonds, loans and capital lease	(176,040)	(69,087)	(245,127)
Acquisition of capital assets	(335,354)	(432,537)	(767,891)
Proceeds from sale of capital assets	-	560	560
Net cash used for capital and related financing activities	<u>(529,271)</u>	<u>(508,274)</u>	<u>(1,037,545)</u>
Net increase in cash and cash equivalents	610,707	321,052	931,759
Cash and cash equivalents at beginning of year	1,572,754	1,706,720	3,279,474
Cash and cash equivalents at end of year	<u>\$ 2,183,461</u>	<u>\$ 2,027,772</u>	<u>\$ 4,211,233</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 213,727	\$ 282,091	\$ 495,818
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	246,472	225,184	471,656
Change in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	(23,630)	(22,222)	(45,852)
Special assessment receivable	(12,500)	(12,500)	(25,000)
Materials and supplies inventory	4,308	495	4,803
Prepaid items	(119)	(84)	(203)
Increase in deferred outflows of resources - pension	(14,672)	(13,042)	(27,714)
Increase (decrease) in liabilities:			
Accounts payable	17,535	(3,820)	13,715
Contracts payable	5,816	2,660	8,476
Claims payable	261	407	668
Accrued wages and benefits	(8,722)	(9,669)	(18,391)
Compensated absences	(5,841)	(22,819)	(28,660)
Due to other governments	(7,045)	(7,266)	(14,311)
Net pension liability	6,195	5,507	11,702
Increase in deferred inflows of resources - pension	4,819	4,283	9,102
Net cash provided by operating activities	<u>\$ 426,604</u>	<u>\$ 429,205</u>	<u>\$ 855,809</u>
Noncash capital and related financing activities:			
Contributions from other funds	\$ 442	\$ 442	\$ 884
Transfer in of capital asset	-	20,099	20,099
Transfer out of capital asset	(25,457)	(99,552)	(125,009)
Total noncash capital and related financing activities	<u>\$ (25,015)</u>	<u>\$ (79,011)</u>	<u>\$ (104,026)</u>

See accompanying notes to the basic financial statements.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. City Government and Reporting Entity

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

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt or the levying of taxes. The City has assumed a financial burden of the Louisville Community Improvement Corporation (LCIC) as a result of various transactions including the sale and purchase of land. Also, the majority of the LCIC's board is appointed by the City. The City has chosen the discrete method of presentation of the LCIC because it provides services to the primary government and the citizens of the City as opposed to only the primary government. The discrete method of presentation requires component unit data to be reported together with, but separately from the data of the primary government in the government-wide financial statements. See Note 20 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 19.

B. Basis of Presentation

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

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Government-wide Financial Statements

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

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

Fund Financial Statements

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

C. Fund Accounting

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

Governmental Funds

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

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

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Proprietary Funds

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

Enterprise Funds

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

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

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

D. Measurement Focus and Basis of Accounting

Government-wide Financial Statements

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

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and 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 a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

Revenues - Exchange and Nonexchange Transactions

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 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 nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources related to pension are explained in Note 16.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenues. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance fiscal year 2016 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported on the governmental funds balance sheet, and represents revenues which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, intergovernmental grants, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position and the proprietary funds statement of fund net position. (See Note 16)

Expenses/Expenditures

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

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

E. Budgets and Budgetary Accounting

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

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

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

On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31. Further amendments may be made during the year if the Finance Director determines that revenue to be collected will be greater or less than the prior estimates and the budget commission finds the revised estimates to be reasonable. The amounts set forth in the financial statements as the original budgeted amounts represent estimates from the certificate of estimated resources when the original appropriations were adopted, whereas the final budgeted amounts, represent estimates from the final amended certificate issued for 2015.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

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

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

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

F. Deposits and Investments

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

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

During 2015, investments were limited to interest in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at fair value, which is based on quoted market prices.

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.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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, 2015 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure or expense is reported in the year in which services are consumed.

I. Capital Assets and Depreciation

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their 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 activities is reported prospectively beginning in 2004. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized for business-type activities.

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

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

J. Net pension liability and pension expense

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

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

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

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

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

K. Compensated Absences

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

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

L. Accrued Liabilities and Long-term Obligations

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

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

M. Fund Balance

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

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

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

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

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

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

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

N. Contributions of Capital

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

O. Bond Premiums

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

P. Interfund Balances

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

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Q. Interfund Transactions

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

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

R. Net Position

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

S. Operating Revenues and Expenses

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

T. Estimates

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

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

For 2015, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2014:

	<u>Governmental Activities</u>	<u>Business -Type Activities</u>	<u>Total</u>
Net position December 31, 2014	\$ 15,950,587	\$ 13,701,096	\$ 29,651,683
Adjustments:			
Net pension liability	(2,627,416)	(506,390)	(3,133,806)
Deferred outflow - payments subsequent to measurement date	<u>246,923</u>	<u>58,965</u>	<u>305,888</u>
Restated net position January 1, 2015	<u>\$ 13,570,094</u>	<u>\$ 13,253,671</u>	<u>\$ 26,823,765</u>

	<u>Water</u>	<u>Sewer</u>	<u>Total Enterprise</u>
Net position December 31, 2014	\$ 6,988,601	\$ 6,712,495	\$ 13,701,096
Adjustments:			
Net pension liability	(268,089)	(238,301)	(506,390)
Deferred outflow - payments subsequent to measurement date	<u>31,217</u>	<u>27,748</u>	<u>58,965</u>
Restated net position January 1, 2015	<u>\$ 6,751,729</u>	<u>\$ 6,501,942</u>	<u>\$ 13,253,671</u>

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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 as follows:

Fund Balances	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Nonspendable</u>			
Materials and supplies inventory	\$ -	\$ 108,307	\$ 108,307
Prepays	<u>9,656</u>	<u>6,700</u>	<u>16,356</u>
Total nonspendable	<u>9,656</u>	<u>115,007</u>	<u>124,663</u>
<u>Restricted for</u>			
Streets and highways	-	341,949	341,949
Court activities	-	13,383	13,383
Police services	-	3,984	3,984
Capital improvements	-	122,169	122,169
Debt service payments	<u>-</u>	<u>30,215</u>	<u>30,215</u>
Total restricted	<u>-</u>	<u>511,700</u>	<u>511,700</u>
<u>Committed</u>			
Fire and EMS services	-	157,947	157,947
Storm water	<u>-</u>	<u>184,045</u>	<u>184,045</u>
Total committed	<u>-</u>	<u>341,992</u>	<u>341,992</u>
<u>Assigned</u>			
Various purchases on order*	99,315	-	99,315
Next year's budget	<u>434,900</u>	<u>-</u>	<u>434,900</u>
Total assigned	<u>534,215</u>	<u>-</u>	<u>534,215</u>
Unassigned (deficit)	<u>2,215,335</u>	<u>-</u>	<u>2,215,335</u>
Total fund balances	<u>\$ 2,759,206</u>	<u>\$ 968,699</u>	<u>\$ 3,727,905</u>

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

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The statement of revenues, expenditures, and changes in fund balances - budget (Non-GAAP basis) and actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

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

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

Net Change in Fund Balance	
	<u>General</u>
GAAP Basis	\$ 222,334
Revenue accruals	161,408
Expenditure accruals	(103,155)
Encumbrances (Budget Basis) outstanding at year end	<u>(120,673)</u>
Budget Basis	<u>\$ 159,914</u>

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 5 – DEPOSITS AND INVESTMENTS

A. Primary Government

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

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

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

A. Deposits

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

As of December 31 2015, the carrying amount of the City's deposits was \$7,321,198 and the bank balance was \$7,376,301. The City's deposits were not exposed to custodial credit risk as they were either insured or secured by a collateral pool of eligible securities held at the Federal Reserve in a pledge account.

B. Investments

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

<u>Investment Type</u>	<u>Fair</u>		
	<u>Value</u>	<u>Maturity</u>	<u>Rating</u> ⁽¹⁾
STAR Ohio	\$ 6,686	49.4 ⁽²⁾	AAAm

⁽¹⁾ Standard and Poor's rating

⁽²⁾ Days (Average)

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

The City invested funds in STAR Ohio during 2015. 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, 2015.

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 2015 amounted to \$4,445, which includes \$2,946 assigned from other City funds.

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

B. Component Unit

Deposits

The carrying amount and bank balance of the Louisville Community Improvement Corporation’s deposits at December 31, 2015 were \$104,056. Of the bank balances, none of the monies were collateralized with securities held by the pledging financial institution’s trust department or agent but not in the Corporation’s name.

NOTE 6 - RECEIVABLES

Receivables at December 31, 2015 for governmental funds consisted primarily of municipal income taxes, property and other taxes, amounts due from other governments and accounts.

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

<u>Governmental Activities</u>	<u>Amount</u>
Cents per gallon and excise tax	\$ 146,045
Homestead and rollback	29,464
Local government	61,663
Motor vehicle tax	29,275
Permissive sales tax	42,886
Public utility property tax reimbursement	10,530
State and Federal grants	11,712
Other	<u>19,621</u>
Total	<u>\$ 351,196</u>

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 7 – INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2015, consisted of the following:

<u>Transfer to</u>	<u>Transfer from</u>
	General fund
Other governmental funds	\$ 454,150

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 2015 are reported as transfers on the statement of activities.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 8 - CAPITAL ASSETS

A. Primary Government

Governmental Activities: The summary of the governmental capital asset activity as of December 31, 2015 follows:

<u>Governmental activities</u>	<u>Balance</u> <u>12/31/2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2015</u>
Capital assets, not being depreciated:				
Land	\$ 544,655	\$ -	\$ -	\$ 544,655
Right of ways	812,350	-	-	812,350
Construction in progress	<u>884</u>	<u>850</u>	<u>(884)</u>	<u>850</u>
Total capital assets, not being depreciated	<u>1,357,889</u>	<u>850</u>	<u>(884)</u>	<u>1,357,855</u>
Capital assets, being depreciated:				
Land improvements	797,824	-	-	797,824
Buildings and building improvements	1,882,608	10,374	-	1,892,982
Machinery and equipment	850,833	46,666	(150,924)	746,575
Vehicles	3,079,530	201,867	(277,894)	3,003,503
Infrastructure	<u>9,279,176</u>	<u>400,698</u>	<u>-</u>	<u>9,679,874</u>
Total capital assets, being depreciated	<u>15,889,971</u>	<u>659,605</u>	<u>(428,818)</u>	<u>16,120,758</u>
Less accumulated depreciation:				
Land improvements	(453,702)	(79,782)	-	(533,484)
Buildings and building improvements	(893,542)	(60,939)	-	(954,481)
Machinery and equipment	(411,297)	(70,805)	138,339	(343,763)
Vehicles	(1,789,842)	(302,359)	266,226	(1,825,975)
Infrastructure	<u>(945,638)</u>	<u>(257,162)</u>	<u>-</u>	<u>(1,202,800)</u>
Total accumulated depreciation	<u>(4,494,021)</u>	<u>(771,047)</u>	<u>404,565</u>	<u>(4,860,503)</u>
Total capital assets being depreciated, net	<u>11,395,950</u>	<u>(111,442)</u>	<u>(24,253)</u>	<u>11,260,255</u>
Governmental activities capital assets, net	<u>\$ 12,753,839</u>	<u>\$ (110,592)</u>	<u>\$ (25,137)</u>	<u>\$ 12,618,110</u>

During the year, \$585,565 of machinery and equipment was reclassified as vehicles. Also, vehicles in the amount of \$201,867 with accumulated depreciation in the amount of \$76,858 were transferred in from the water and sewer funds and \$884 of construction in progress was transferred out to the water and sewer funds.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Depreciation Expense: Depreciation expense charged to governmental functions for the year ending December 31, 2015 is as follows:

	<u>Amount</u>
General government	\$ 66,307
Security of persons and property	220,923
Transportation	327,083
Leisure time activities	<u>79,876</u>
	<u>\$ 694,189</u>

Business-type Activities: The summary of the business-type activities' capital asset activity as of December 31, 2015 follow:

<u>Business-type activities</u>	<u>Balance</u> <u>12/31/2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2015</u>
Capital assets, not being depreciated:				
Land	\$ 312,987	\$ -	\$ -	\$ 312,987
Construction in progress	<u>63,111</u>	<u>666,186</u>	<u>(613,763)</u>	<u>115,534</u>
Total capital assets, not being depreciated	<u>376,098</u>	<u>666,186</u>	<u>(613,763)</u>	<u>428,521</u>
Capital assets, being depreciated:				
Land improvements	73,970	-	-	73,970
Buildings and building improvements	9,209,651	6,750	-	9,216,401
Machinery and equipment	191,483	59,632	-	251,115
Vehicles	768,017	20,099	(201,867)	586,249
Infrastructure	<u>12,096,566</u>	<u>649,970</u>	<u>-</u>	<u>12,746,536</u>
Total capital assets, being depreciated	<u>22,339,687</u>	<u>736,451</u>	<u>(201,867)</u>	<u>22,874,271</u>
Less accumulated depreciation:				
Land improvements	(46,010)	(7,397)	-	(53,407)
Buildings and building improvements	(5,040,027)	(181,503)	-	(5,221,530)
Machinery and equipment	(54,376)	(16,790)	-	(71,166)
Vehicles	(204,748)	(74,207)	76,858	(202,097)
Infrastructure	<u>(6,114,440)</u>	<u>(211,858)</u>	<u>-</u>	<u>(6,326,298)</u>
Total accumulated depreciation	<u>(11,459,601)</u>	<u>(491,755)</u>	<u>76,858</u>	<u>(11,874,498)</u>
Total capital assets being depreciated, net	<u>10,880,086</u>	<u>244,696</u>	<u>(125,009)</u>	<u>10,999,773</u>
Business-type activities capital assets, net	<u>\$ 11,256,184</u>	<u>\$ 910,882</u>	<u>\$ (738,772)</u>	<u>\$ 11,428,294</u>

During the year, the governmental activities transferred a vehicle with a cost of \$20,099 and accumulated depreciation of \$20,099 to the sewer fund.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Depreciation Expense: Depreciation expense charged to business-type activities for the year ending December 31, 2015 is as follows:

	<u>Amount</u>
Water	\$ 246,472
Sewer	<u>225,184</u>
Total	<u>\$ 471,656</u>

B. Component Unit

Component Unit: A summary of the component unit capital assets as of December 31, 2015 follows:

<u>Component unit</u>	<u>Balance</u> <u>12/31/2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2015</u>
Capital assets, not being depreciated:				
Land	<u>\$ 30,994</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,994</u>

NOTE 9 - COMPENSATED ABSENCES

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

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

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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, 2015 follows:

	Balance January 1 <u>Restated</u>	<u>Additions</u>	<u>Reductions</u>	Amount Outstanding <u>December 31</u>	Amount Due in <u>One Year</u>
<u>Governmental activities</u>					
<u>General obligation bonds</u>					
2011 Refunding bonds	\$ 185,000	\$ -	\$ (25,000)	\$ 160,000	\$ 25,000
2011 Refunding premium	1,214	-	(297)	917	-
Total general obligation bonds	<u>186,214</u>	<u>-</u>	<u>(25,297)</u>	<u>160,917</u>	<u>25,000</u>
<u>Other long-term obligations</u>					
Police pension liability, 4.25%	38,700	-	(1,219)	37,481	1,271
Compensated absences	233,213	140,830	(136,051)	237,992	133,738
Capital leases	352,862	-	(125,045)	227,817	128,774
Net pension liability:					
OPERS	982,994	22,716	-	1,005,710	-
OP&F	<u>1,644,422</u>	<u>104,705</u>	<u>-</u>	<u>1,749,127</u>	<u>-</u>
Total other long-term obligations	<u>3,252,191</u>	<u>268,251</u>	<u>(262,315)</u>	<u>3,258,127</u>	<u>263,783</u>
Total governmental activities	<u>\$ 3,438,405</u>	<u>\$ 268,251</u>	<u>\$ (287,612)</u>	<u>\$ 3,419,044</u>	<u>\$ 288,783</u>

Business-type Activities: A summary of the business-type activities' debt and other long-term obligations as of December 31, 2015 follows:

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

	Balance January 1 <u>Restated</u>	<u>Additions</u>	<u>Reductions</u>	Amount Outstanding <u>December 31</u>	Amount Due in <u>One Year</u>
<u>Business-type activities</u>					
<u>General obligation bonds</u>					
2011 Refunding bonds	\$ 880,000	\$ -	\$ (145,000)	\$ 735,000	\$ 145,000
Unamortized premium	9,133	-	(2,384)	6,749	-
Total general obligation bonds	<u>889,133</u>	<u>-</u>	<u>(147,384)</u>	<u>741,749</u>	<u>145,000</u>
<u>Other Long-term Obligations</u>					
1996 Ohio Public Works					
Commission Loan 0%	73,239	-	(24,413)	48,826	24,413
2001 Ohio Public Works					
Commission Loan 0%	191,033	-	(23,879)	167,154	23,879
2005 Ohio Water Development					
Authority Loan 3.98%	35,042	-	(2,748)	32,294	2,859
Capital lease	151,012	-	(49,087)	101,925	50,327
Compensated absences	85,043	59,016	(51,034)	93,025	59,637
Net pension liability:					
OPERS - Water portion	268,089	6,195	-	274,284	-
OPERS - Sewer portion	238,301	5,507	-	243,808	-
Total other long-term obligations	<u>1,041,759</u>	<u>70,718</u>	<u>(151,161)</u>	<u>961,316</u>	<u>161,115</u>
Total business-type activities	<u>\$ 1,930,892</u>	<u>\$ 70,718</u>	<u>\$ (298,545)</u>	<u>\$ 1,703,065</u>	<u>\$ 306,115</u>

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

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

Loans: The \$48,826 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 \$167,154 OPWC Loan outstanding is an interest-free loan for a water tower, and requires equal payments over twenty years. The \$32,294 Ohio Water Development Authority (OWDA) Loan outstanding is a loan for the East Well Field conversion and raw water main, and requires principal and interest payments over twenty years.

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.

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

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

The annual requirements to amortize all bonded debt and loans as of December 31, 2015, including interest payments of \$13,825 and \$65,255, respectively for governmental and business-type activities, are as follows:

Governmental Activities:

	General Obligation Debt		Police Pension
	Principal	Interest	Installment
2016	\$ 25,000	\$ 3,745	\$ 1,271
2017	26,000	3,245	1,326
2018	26,000	2,660	1,383
2019	27,000	2,075	1,442
2020	28,000	1,400	1,504
2021-2025	28,000	700	8,547
2026-2030	-	-	10,548
2031-2035	-	-	11,460
	<u>\$ 160,000</u>	<u>\$ 13,825</u>	<u>\$ 37,481</u>

Business-type Activities:

	General Obligation Debt		OWDA Loan		OPWC Loans
	Principal	Interest	Principal	Interest	Principal
2016	\$ 145,000	\$ 17,005	\$ 2,859	\$ 1,257	\$ 48,292
2017	154,000	14,105	2,973	1,142	48,292
2018	104,000	10,640	3,093	1,023	23,879
2019	108,000	8,300	3,217	898	23,879
2020	112,000	5,600	3,347	769	23,879
2021-2025	112,000	2,800	16,805	1,716	47,759
	<u>\$ 735,000</u>	<u>\$ 58,450</u>	<u>\$ 32,294</u>	<u>\$ 6,805</u>	<u>\$ 215,980</u>

NOTE 11 – CAPITALIZED LEASE

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

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Governmental and business-type activities capital assets consisting of vehicles have been capitalized in the amount of \$577,126 and \$351,791, respectively. The depreciation expense of these assets is reported within governmental and business-type activities. The capitalized amount equals a portion of the present value of the future minimum lease payments and the down payment respectively, at the time of acquisition. The remaining portion of the capital lease was used for noncapitalizable improvements.

Following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2015:

<u>Year</u>	<u>Lease Payments</u>	
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
2016	\$ 135,762	\$ 52,901
2017	51,895	52,901
2018	<u>51,895</u>	<u>-</u>
Total minimum lease payments	239,552	105,802
Less: amount representing interest	<u>(11,735)</u>	<u>(3,877)</u>
Total	<u>\$ 227,817</u>	<u>\$ 101,925</u>

NOTE 12 - PROPERTY TAX

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2015 public utility property taxes became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2016 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, 2015 and for which there is an enforceable legal claim. In the governmental funds, the current portion of the receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2015 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.

City of Louisville, Ohio
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The full tax rate for all City operations for the year ended December 31, 2015, was \$2.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2014 property tax receipts were based are as follows:

<u>Property Category</u>	<u>Valuations for 2015 Collections</u>	
	<u>Assessed Value</u>	<u>Percent</u>
<u>Real Property</u>		
Residential and agricultural	\$ 113,269,120	78.62 %
Commercial and industrial	26,865,810	18.65
Public utilities	<u>3,943,800</u>	<u>2.73</u>
Total	<u>\$ 144,078,730</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

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

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 – CONSTRUCTION COMMITMENTS

As of December 31, 2015, the sewer fund has construction commitments for the Covington Ridge sanitary infrastructure project in the amount of \$142,886.

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NOTE 16 - DEFINED BENEFIT PENSION PLANS

Net pension liability

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

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

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

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

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

Ohio Public Employees Retirement System

Plan Description – City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. 1.) The Traditional Pension Plan (TP) - a cost-sharing, multiple-employer defined benefit pension plan. 2.) The Member-Directed Plan (MD) - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Members accumulate retirement assets equal to the value of the member and (vested) employer contributions, plus any investment earnings thereon. 3.) The Combined Plan (CP) - a cost-sharing, multiple-employer defined benefit pension plan. Employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Plan benefit. Member contributions, whose

City of Louisville, Ohio
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investment is self-directed by the member, accumulate retirement assets in a manner similar to the MD. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; the following disclosure focuses on the traditional plan.

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

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

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

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

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

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

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

	<u>State and Local</u>
2015 Statutory maximum contribution rates	
Employer	14.00 %
Employee	10.00 %
2015 Actual contribution rates	
Employer:	
Pension	12.00 %
Post-employment health care benefits	<u>2.00</u>
Total employer	<u>14.00 %</u>
Employee	<u>10.00 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$173,633 for 2015. Of this amount, \$18,506 is reported as due to other governments.

Ohio Police and Fire Pension Fund

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

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

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

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

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

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

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

	<u>Police</u>	<u>Firefighters</u>
2015 Statutory maximum contribution rates		
Employer	19.50%	24.00%
Employee:		
January 1, 2015 through July 1, 2015	11.50%	11.50%
July 2, 2015 through December 31, 2015	12.25%	12.25%
2015 Actual contribution rates		
Employer:		
Pension	19.00%	23.50%
Post-employment health care benefits	<u>0.50%</u>	<u>0.50%</u>
Total employer	<u>19.50%</u>	<u>24.00%</u>
Employee:		
January 1, 2015 through July 1, 2015	11.50%	11.50%
July 2, 2015 through December 31, 2015	12.25%	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$171,602 for 2015. Of this amount, \$32,767 is reported as due to other governments.

In addition to current contributions, the City pays installments on a specific liability of the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2015, the specific liability of the City was \$37,481 payable in semi-annual payments through the year 2035.

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

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of

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the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate share of the net pension liability	\$1,523,802	\$1,749,127	\$3,272,929
Proportion of the net pension liability	0.012634%	0.033764%	
Pension expense	\$153,311	\$161,780	\$315,091

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Net difference between projected and actual earnings on pension plan investments	\$ 81,305	\$ 75,385	\$ 156,690
City contributions subsequent to the measurement date	<u>173,633</u>	<u>171,602</u>	<u>345,235</u>
Total deferred outflows of resources	<u>\$ 254,938</u>	<u>\$ 246,987</u>	<u>\$ 501,925</u>
Deferred inflows of resources			
Differences between expected and actual experience	<u>\$ 26,770</u>	<u>\$ -</u>	<u>\$ 26,770</u>

\$345,235 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year ending December 31:			
2016	\$ 7,974	\$ 18,847	\$ 26,821
2017	7,974	18,847	26,821
2018	18,260	18,847	37,107
2019	<u>20,327</u>	<u>18,844</u>	<u>39,171</u>
Total	<u>\$ 54,535</u>	<u>\$ 75,385</u>	<u>\$ 129,920</u>

Actuarial Assumptions - OPERS

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

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Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

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<u>Asset class</u>	<u>Target allocation</u>	Weighted average long-term expected real rate of return <u>(arithmetic)</u>
Fixed income	23.00%	2.31%
Domestic equities	19.90%	5.84%
Real estate	10.00%	4.25%
Private equity	10.00%	9.25%
International equities	19.10%	7.40%
Other investments	<u>18.00%</u>	<u>4.59%</u>
Total	<u>100.00%</u>	<u>5.28%</u>

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

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7 percent) or one percentage point higher (9 percent) than the current rate:

	1% Decrease <u>(7.00%)</u>	Current discount rate <u>(8.00%)</u>	1% Increase <u>(9.00%)</u>
City's proportionate share of the net pension liability	\$ 2,803,358	\$ 1,523,802	\$ 446,107

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

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Valuation date	January 1, 2014
Actuarial cost method	Entry age normal
Investment rate of return	8.25 percent
Projected salary increases	4.25 percent to 11 percent
Payroll increases	3.75 percent
Inflation assumptions	3.25 percent
Cost of living adjustments	2.60 percent and 3.00 percent

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2014 are summarized below:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Cash and cash equivalents	- %	(0.25) %
Domestic equity	16.00	4.47
Non-US equity	16.00	4.47
Core fixed income *	20.00	1.62
Global inflation protected *	20.00	1.33
High yield	15.00	3.39
Real estate	12.00	3.93
Private markets	8.00	6.98
Timber	5.00	4.92
Master limited partnerships	<u>8.00</u>	7.03
Total	<u>120.00</u> %	

* levered 2x

OP&F's Board of Trustees has incorporated the "risk parity" concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total

City of Louisville, Ohio
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Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

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

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

	1% Decrease (7.25%)	Current discount rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 2,419,306	\$ 1,749,127	\$ 1,181,687

NOTE 17 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage, commonly referred to as OPEB (other postemployment benefits). The Ohio Public Employees Retirement System (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.

OPERS maintains two cost-sharing, multiple-employer defined benefit post-employment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

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

The Ohio Revised Code provides statutory authority requiring employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2015, the City contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB plan.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5%.

Actual employer contributions for the years ending December 31, 2015, 2014 and 2013 which were used to fund postemployment benefits were \$32,154, \$33,499 and \$15,609, respectively. The full amount has been contributed for 2014 and 2013. Approximately 90.4% has been contributed for 2015. \$3,084, representing the unpaid contribution for fiscal year 2015, is recorded as due to other governments. The actual contribution and the actuarially required contribution amounts are the same.

Ohio Police and Fire Pension Fund

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

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

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

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

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

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated 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. The portion of employer contributions allocated to healthcare was 0.5% of covered payroll from January 1, 2015 through December 31, 2015. 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, 2015, 2014 and 2013 were \$4,422, \$3,232 and \$23,314, respectively, 81 percent has been contributed, for 2015 with the remainder being reported as a liability. \$839, representing the unpaid contribution for fiscal year 2015, is recorded as due to other governments.

NOTE 18 - RISK MANAGEMENT

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

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

The City has contracted with Ohio Government Risk Management Plan, an Ohio government risk management program. The Plan was formed in June 1988 for the primary purpose of managing third-party liability claims against its members. The Plan provides property, liability, error and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its 770 members. The Plan has chosen to adopt the forms and endorsements of conventional insurance coverage and to reinsure these coverages 100%, rather than utilize a risk pool of member funds to pay individual and collective losses up to a given retention, and then have excess reinsurance coverage above the retention amount. Therefore, the City is only responsible for its self-retention (deductible) amount. The City's settled claims have not exceeded insurance coverage and has not had any reduction in insurance coverage in the past three years.

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

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

The claims liability of \$3,688 reported in the funds at December 31, 2015 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims (IBNR), be reported. The claims liability is based on an estimate supplied by the City's third party administrator. Changes in the fund's claims liability amount in 2015 and 2014 were:

	Year ended <u>12/31/2015</u>	Year ended <u>12/31/2014</u>
Unpaid claims, beginning of fiscal year	\$ 1,965	\$ 2,824
Incurred claims (including IBNRs)	41,463	28,896
Claim payments	<u>(39,740)</u>	<u>(29,755)</u>
Unpaid claims, end of fiscal year	<u>\$ 3,688</u>	<u>\$ 1,965</u>

NOTE 19 – JOINTLY GOVERNED ORGANIZATION

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

City of Louisville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

2015, the City did not contribute to the Council. Financial statements of the Council can be obtained from the Stark County Council of Governments P.O. Box 21451, Canton, Ohio 44701-1451.

NOTE 20 – DISCRETELY PRESENTED COMPONENT UNIT

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

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

NOTE 21 – CONDUIT DEBT OBLIGATIONS

The City has issued Healthcare and Housing Facility Revenue Bonds to provide financial assistance to St. Joseph Care Center for the acquisition and construction of healthcare facilities deemed to be in the public interest. The bonds are secured by a letter of credit from 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, 2015 there were two series of Healthcare and Housing Facility Bonds outstanding, with an aggregate principal amount of \$3.95 million.

Required Supplementary Information

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

	<u>2014</u>	<u>2013</u>
Ohio Public Employees Retirement System - Traditional Plan		
City's proportion of the net pension liability	0.012634%	0.012634%
City's proportionate share of the net pension liability	\$ 1,523,802	\$ 1,489,384
City's covered employee payroll	\$ 1,445,233	\$ 1,397,185
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	105.44%	106.60%
Plan fiduciary net position as a percentage of total pension liability	86.45%	86.36%

	<u>2014</u>	<u>2013</u>
Ohio Police and Fire Pension Fund		
City's proportion of the net pension liability	0.033764%	0.033764%
City's proportionate share of the net pension liability	\$ 1,749,127	\$ 1,644,422
City's covered employee payroll	\$ 650,589	\$ 537,418
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	268.85%	305.99%
Plan fiduciary net position as a percentage of total pension liability	72.20%	73.00%

(1) Information prior to 2013 is not available and the amounts presented are as of the City's measurement date which is the prior fiscal year end.

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

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

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

(1) Information prior to 2013 is not available.

City of Louisville, Ohio
Notes to Required Supplementary Information
For the Year Ended December 31, 2015

Ohio Public Employees Retirement System - Traditional Plan

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

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

Ohio Police and Fire Pension Fund

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

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

Combining Statements

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

Nonmajor Debt Service Fund

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

Nonmajor Capital Projects Fund

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

City of Louisville, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 570,602	\$ 30,215	\$ 122,169	\$ 722,986
Receivables:				
Accounts	123,854	-	-	123,854
Due from other governments	223,277	-	-	223,277
Materials and supplies inventory	108,307	-	-	108,307
Prepaid items	6,700	-	-	6,700
Total assets	<u>\$ 1,032,740</u>	<u>\$ 30,215</u>	<u>\$ 122,169</u>	<u>\$ 1,185,124</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ 18,372	\$ -	\$ -	\$ 18,372
Contracts payable	850	-	-	850
Accrued wages and benefits	5,951	-	-	5,951
Due to other governments	8,351	-	-	8,351
Claims and judgments payable	417	-	-	417
Total liabilities	<u>33,941</u>	<u>-</u>	<u>-</u>	<u>33,941</u>
Deferred inflows of resources:				
Unavailable revenue - other	<u>182,484</u>	<u>-</u>	<u>-</u>	<u>182,484</u>
Fund balances:				
Nonspendable	115,007	-	-	115,007
Restricted	359,316	30,215	122,169	511,700
Committed	341,992	-	-	341,992
Total fund balances	<u>816,315</u>	<u>30,215</u>	<u>122,169</u>	<u>968,699</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,032,740</u>	<u>\$ 30,215</u>	<u>\$ 122,169</u>	<u>\$ 1,185,124</u>

City of Louisville, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Charges for services	\$ 468,258	\$ -	\$ -	\$ 468,258
Fines and forfeitures	5,290	-	-	5,290
Intergovernmental	567,747	-	27,250	594,997
Investment income	219	-	-	219
Contributions and donations	2,000	-	-	2,000
Other	3,855	-	-	3,855
Total revenue	<u>1,047,369</u>	<u>-</u>	<u>27,250</u>	<u>1,074,619</u>
Expenditures:				
Current:				
General government	1,910	-	65,750	67,660
Security of persons and property	265,578	-	-	265,578
Transportation	512,457	-	-	512,457
Capital outlay	425,056	-	-	425,056
Debt service:				
Principal retirement	88,977	25,000	-	113,977
Interest and fiscal charges	8,510	4,245	-	12,755
Total expenditures	<u>1,302,488</u>	<u>29,245</u>	<u>65,750</u>	<u>1,397,483</u>
Excess of revenues under expenditures	<u>(255,119)</u>	<u>(29,245)</u>	<u>(38,500)</u>	<u>(322,864)</u>
Other financing sources:				
Transfers - in	<u>424,900</u>	<u>29,250</u>	<u>-</u>	<u>454,150</u>
Net change in fund balance	169,781	5	(38,500)	131,286
Fund balances at beginning of year	646,534	30,210	160,669	837,413
Fund balances at end of year	<u>\$ 816,315</u>	<u>\$ 30,215</u>	<u>\$ 122,169</u>	<u>\$ 968,699</u>

City of Louisville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	Street Construction, Maintenance and Repair Fund	State Highway Fund	Motor Vehicle License Fund	Mayor's Court Computerization Fund
Assets:				
Equity in pooled cash and cash equivalents	\$ 122,241	\$ 40,063	\$ 121,826	\$ 13,331
Receivables:				
Accounts	-	-	-	52
Due from other governments	162,171	13,149	47,957	-
Materials and supplies inventory	100,184	8,123	-	-
Prepaid items	3,611	293	-	-
Total assets	<u>\$ 388,207</u>	<u>\$ 61,628</u>	<u>\$ 169,783</u>	<u>\$ 13,383</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ 8,894	\$ 599	\$ -	\$ -
Contracts payable	-	-	-	-
Accrued wages and benefits	3,642	-	-	-
Due to other governments	6,081	-	-	-
Claims and judgments payable	407	10	-	-
Total liabilities	<u>19,024</u>	<u>609</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenue - other	<u>107,905</u>	<u>8,749</u>	<u>29,171</u>	<u>-</u>
Fund balances:				
Nonspendable	103,795	8,416	-	-
Restricted	157,483	43,854	140,612	13,383
Committed	-	-	-	-
Total fund balances	<u>261,278</u>	<u>52,270</u>	<u>140,612</u>	<u>13,383</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 388,207</u>	<u>\$ 61,628</u>	<u>\$ 169,783</u>	<u>\$ 13,383</u>

Emergency Services Charges Fund	Law Enforcement Education Fund	Law Enforcement Trust Fund	Storm Water Fund	Total Nonmajor Special Revenue Funds
\$ 114,655	\$ 2,269	\$ 1,715	\$ 154,502	\$ 570,602
87,834	-	-	35,968	123,854
-	-	-	-	223,277
-	-	-	-	108,307
2,796	-	-	-	6,700
<u>\$ 205,285</u>	<u>\$ 2,269</u>	<u>\$ 1,715</u>	<u>\$ 190,470</u>	<u>\$ 1,032,740</u>
\$ 3,304	\$ -	\$ -	\$ 5,575	\$ 18,372
-	-	-	850	850
2,309	-	-	-	5,951
2,270	-	-	-	8,351
-	-	-	-	417
<u>7,883</u>	<u>-</u>	<u>-</u>	<u>6,425</u>	<u>33,941</u>
<u>36,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>182,484</u>
2,796	-	-	-	115,007
-	2,269	1,715	-	359,316
157,947	-	-	184,045	341,992
<u>160,743</u>	<u>2,269</u>	<u>1,715</u>	<u>184,045</u>	<u>816,315</u>
<u>\$ 205,285</u>	<u>\$ 2,269</u>	<u>\$ 1,715</u>	<u>\$ 190,470</u>	<u>\$ 1,032,740</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, 2015

	Street Construction, Maintenance and Repair Fund	State Highway Fund	Motor Vehicle License Fund	Mayor's Court Computerization Fund
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	2,508
Intergovernmental	340,277	27,590	199,880	-
Investment income	-	-	219	-
Contributions and donations	2,000	-	-	-
Other	3,855	-	-	-
Total revenue	<u>346,132</u>	<u>27,590</u>	<u>200,099</u>	<u>2,508</u>
Expenditures:				
Current:				
General government	-	-	-	1,910
Security of persons and property	-	-	-	-
Transportation	412,413	40,837	-	-
Capital outlay	-	-	315,518	-
Debt service:				
Principal retirement	39,948	3,239	-	-
Interest and fiscal charges	2,225	180	-	-
Total expenditures	<u>454,586</u>	<u>44,256</u>	<u>315,518</u>	<u>1,910</u>
Excess of revenues over (under) expenditures	<u>(108,454)</u>	<u>(16,666)</u>	<u>(115,419)</u>	<u>598</u>
Other financing sources:				
Transfers - in	<u>245,000</u>	<u>20,000</u>	<u>159,900</u>	<u>-</u>
Net change in fund balance	136,546	3,334	44,481	598
Fund balances at beginning of year	124,732	48,936	96,131	12,785
Fund balances at end of year	<u>\$ 261,278</u>	<u>\$ 52,270</u>	<u>\$ 140,612</u>	<u>\$ 13,383</u>

Emergency Services Charges Fund	Law Enforcement Education Fund	Law Enforcement Trust Fund	Storm Water Fund	Total Nonmajor Special Revenue Funds
\$ 318,077	\$ -	\$ -	\$ 150,181	\$ 468,258
-	2,220	562	-	5,290
-	-	-	-	567,747
-	-	-	-	219
-	-	-	-	2,000
-	-	-	-	3,855
<u>318,077</u>	<u>2,220</u>	<u>562</u>	<u>150,181</u>	<u>1,047,369</u>
-	-	-	-	1,910
255,979	2,561	7,038	-	265,578
-	-	-	59,207	512,457
24,833	-	-	84,705	425,056
45,790	-	-	-	88,977
6,105	-	-	-	8,510
<u>332,707</u>	<u>2,561</u>	<u>7,038</u>	<u>143,912</u>	<u>1,302,488</u>
<u>(14,630)</u>	<u>(341)</u>	<u>(6,476)</u>	<u>6,269</u>	<u>(255,119)</u>
-	-	-	-	424,900
(14,630)	(341)	(6,476)	6,269	169,781
175,373	2,610	8,191	177,776	646,534
<u>\$ 160,743</u>	<u>\$ 2,269</u>	<u>\$ 1,715</u>	<u>\$ 184,045</u>	<u>\$ 816,315</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, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal income tax	\$ 3,212,900	\$ 3,343,000	\$ 3,348,833	\$ 5,833
Property and other taxes	389,350	356,100	356,032	(68)
Charges for services	124,700	123,250	123,359	109
Licenses and permits	144,900	145,175	134,124	(11,051)
Fines and forfeitures	37,500	28,200	23,605	(4,595)
Intergovernmental	208,175	240,325	223,335	(16,990)
Interest	2,000	4,500	4,445	(55)
Contributions and donations	4,000	6,325	6,310	(15)
Other	40,800	45,150	44,463	(687)
Total revenues	4,164,325	4,292,025	4,264,506	(27,519)
Expenditures:				
Current:				
General government				
Office of city council				
Personal services	44,150	44,150	43,203	947
Operations and maintenance	16,150	13,700	13,582	118
Total office of city council	60,300	57,850	56,785	1,065
Office of the city manager				
Personal services	248,225	250,950	247,632	3,318
Operations and maintenance	17,400	13,600	11,343	2,257
Total office of the city manager	265,625	264,550	258,975	5,575
Department of finance and tax				
Personal services	342,900	347,300	341,897	5,403
Operations and maintenance	49,425	36,129	35,975	154
Total department of finance and tax	392,325	383,429	377,872	5,557
Mayor's court				
Personal services	21,750	21,300	21,017	283
Operations and maintenance	16,750	7,900	7,890	10
Total mayor's court	38,500	29,200	28,907	293
Civil service commission				
Personal services	10	-	-	-
Operations and maintenance	11,990	11,475	11,403	72
Total civil service commission	12,000	11,475	11,403	72
Division of lands and buildings				
Personal services	-	3,250	2,754	496
Operations and maintenance	75,874	125,042	124,811	231
Total division of lands and buildings	75,874	128,292	127,565	727

(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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Department of law				
Personal services	47,600	49,500	48,676	824
Operations and maintenance	17,000	19,750	19,733	17
Total department of law	64,600	69,250	68,409	841
Other administrative				
Operations and maintenance	157,575	168,400	166,167	2,233
Total general government	1,066,799	1,112,446	1,096,083	16,363
Security of persons and property				
Division of police				
Personal services	1,255,408	1,341,300	1,317,438	23,862
Operations and maintenance	281,762	256,612	255,218	1,394
Total division of police	1,537,170	1,597,912	1,572,656	25,256
Division of fire				
Personal services	264,375	295,075	289,063	6,012
Operations and maintenance	193,855	178,104	161,151	16,953
Total division of fire	458,230	473,179	450,214	22,965
Division of street lighting				
Operations and maintenance	150,000	120,000	119,317	683
Division of traffic control maintenance				
Operations and maintenance	14,300	8,700	8,456	244
Division of fire prevention/inspections				
Personal services	5,000	9,900	7,884	2,016
Operations and maintenance	1,500	1,600	1,513	87
Total division of fire prevention/inspections	6,500	11,500	9,397	2,103
Total security of persons and property	2,166,200	2,211,291	2,160,040	51,251
Public health and welfare				
Board of health				
Operations and maintenance	95,500	92,000	91,109	891
Community environment				
Division of planning and development				
Personal services	174,950	174,550	172,717	1,833
Operations and maintenance	115,789	86,325	85,510	815
Total division of planning and development	290,739	260,875	258,227	2,648

(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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Division of housing and building code				
Personal services	58,150	55,350	54,076	1,274
Operations and maintenance	6,150	5,250	4,959	291
Total division of housing and building code	64,300	60,600	59,035	1,565
Total community environment	355,039	321,475	317,262	4,213
Leisure time activities				
Division of parks				
Personal services	126,575	72,325	71,452	873
Operations and maintenance	62,375	42,675	42,356	319
Total division of parks	188,950	115,000	113,808	1,192
Special events				
Operations and maintenance	15,000	10,000	10,000	-
Total leisure time activities	203,950	125,000	123,808	1,192
Total expenditures	3,887,488	3,862,212	3,788,302	73,910
Excess of revenues over expenditures	276,837	429,813	476,204	46,391
Other financing sources (uses):				
Sale of capital assets	-	7,500	7,500	-
Advances - in	-	130,375	130,360	(15)
Transfers - in	-	1,950	1,936	(14)
Transfers - out	(400,400)	(456,100)	(456,086)	14
Total other financing sources (uses)	(400,400)	(316,275)	(316,290)	(15)
Net change in fund balance	(123,563)	113,538	159,914	46,376
Fund balance at beginning of year	2,033,864	2,033,864	2,033,864	-
Prior year encumbrances appropriated	79,624	79,624	79,624	-
Fund balance at end of year	\$ 1,989,925	\$ 2,227,026	\$ 2,273,402	\$ 46,376

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, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 327,000	\$ 343,125	\$ 340,641	\$ (2,484)
Contributions and donations	-	2,000	2,000	-
Other	6,000	700	697	(3)
Total revenues	333,000	345,825	343,338	(2,487)
Expenditures:				
Current:				
Transportation				
Division of street maintenance				
Personal services	309,650	291,150	281,761	9,389
Operations and maintenance	184,600	173,300	172,326	974
Total division of street maintenance	494,250	464,450	454,087	10,363
Division of snow and ice removal				
Operations and maintenance	100,200	91,800	91,085	715
Total expenditures	594,450	556,250	545,172	11,078
Excess of revenues under expenditures	(261,450)	(210,425)	(201,834)	8,591
Other financing sources:				
Sale of capital assets	-	3,175	3,158	(17)
Transfers - in	245,000	245,000	245,000	-
Total other financing sources	245,000	248,175	248,158	(17)
Net change in fund balance	(16,450)	37,750	46,324	8,574
Fund balance at beginning of year	68,029	68,029	68,029	-
Fund balance at end of year	\$ 51,579	\$ 105,779	\$ 114,353	\$ 8,574

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, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$ 26,600	\$ 28,000	\$ 27,619	\$ (381)
Other	400	-	-	-
Total revenues	<u>27,000</u>	<u>28,000</u>	<u>27,619</u>	<u>(381)</u>
<u>Expenditures:</u>				
Current:				
Transportation				
Division of street maintenance				
Personal services	25,125	23,150	21,910	1,240
Operations and maintenance	<u>21,850</u>	<u>20,250</u>	<u>18,700</u>	<u>1,550</u>
Total division of street maintenance	<u>46,975</u>	<u>43,400</u>	<u>40,610</u>	<u>2,790</u>
Division of snow and ice removal				
Operations and maintenance	<u>7,525</u>	<u>7,500</u>	<u>7,292</u>	<u>208</u>
Total expenditures	<u>54,500</u>	<u>50,900</u>	<u>47,902</u>	<u>2,998</u>
Excess of revenues under expenditures	<u>(27,500)</u>	<u>(22,900)</u>	<u>(20,283)</u>	<u>2,617</u>
Other financing sources:				
Transfers - in	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balance	(7,500)	(2,900)	(283)	2,617
Fund balance at beginning of year	<u>40,190</u>	<u>40,190</u>	<u>40,190</u>	<u>-</u>
Fund balance at end of year	<u>\$ 32,690</u>	<u>\$ 37,290</u>	<u>\$ 39,907</u>	<u>\$ 2,617</u>

City of Louisville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle License Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$ 297,600	\$ 198,850	\$ 193,739	\$ (5,111)
Interest	200	250	219	(31)
Total revenues	<u>297,800</u>	<u>199,100</u>	<u>193,958</u>	<u>(5,142)</u>
<u>Expenditures:</u>				
Current:				
Transportation				
Division of street construction				
Operations and maintenance	<u>403,950</u>	<u>316,000</u>	<u>315,518</u>	<u>482</u>
Excess of revenues under expenditures	<u>(106,150)</u>	<u>(116,900)</u>	<u>(121,560)</u>	<u>(4,660)</u>
Other financing sources:				
Transfers - in	<u>106,150</u>	<u>159,900</u>	<u>159,900</u>	<u>-</u>
Net change in fund balance	-	43,000	38,340	(4,660)
Fund balance at beginning of year	<u>83,486</u>	<u>83,486</u>	<u>83,486</u>	<u>-</u>
Fund balance at end of year	<u>\$ 83,486</u>	<u>\$ 126,486</u>	<u>\$ 121,826</u>	<u>\$ (4,660)</u>

City of Louisville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Mayor's Court Computerization Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and forfeitures	\$ 4,000	\$ 3,000	\$ 2,495	\$ (505)
<u>Expenditures:</u>				
Current:				
General government				
Mayor's court				
Operations and maintenance	1,700	1,925	1,910	15
Net change in fund balance	2,300	1,075	585	(490)
Fund balance at beginning of year	12,746	12,746	12,746	-
Fund balance at end of year	\$ 15,046	\$ 13,821	\$ 13,331	\$ (490)

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, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Charges for services	\$ 301,250	\$ 328,875	\$ 323,250	\$ (5,625)
Intergovernmental	-	1,125	-	(1,125)
Other	250	-	-	-
Total revenues	301,500	330,000	323,250	(6,750)
<u>Expenditures:</u>				
Current:				
Security of persons and property				
Division of emergency services				
Personal services	148,100	157,500	155,736	1,764
Operations and maintenance	213,435	185,835	184,464	1,371
Total expenditures	361,535	343,335	340,200	3,135
Net change in fund balance	(60,035)	(13,335)	(16,950)	(3,615)
Fund balance at beginning of year	130,287	130,287	130,287	-
Prior year encumbrances appropriated	1,260	1,260	1,260	-
Fund balance at end of year	\$ 71,512	\$ 118,212	\$ 114,597	\$ (3,615)

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and forfeitures	\$ 2,000	\$ 2,500	\$ 2,220	\$ (280)
<u>Expenditures:</u>				
Current:				
Security of persons and property				
Division of police				
Operations and maintenance	2,000	2,600	2,561	39
Net change in fund balance	-	(100)	(341)	(241)
Fund balance at beginning of year	2,610	2,610	2,610	-
Fund balance at end of year	\$ 2,610	\$ 2,510	\$ 2,269	\$ (241)

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and forfeitures	\$ 10,000	\$ 4,500	\$ 4,169	\$ (331)
<u>Expenditures:</u>				
Current:				
Security of persons and property				
Division of police				
Operations and maintenance	5,000	7,100	7,038	62
Net change in fund balance	5,000	(2,600)	(2,869)	(269)
Fund balance at beginning of year	4,584	4,584	4,584	-
Fund balance at end of year	\$ 9,584	\$ 1,984	\$ 1,715	\$ (269)

City of Louisville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Storm Water Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for services	\$ 139,000	\$ 141,000	\$ 140,490	\$ (510)
<u>Expenditures:</u>				
Current:				
Transportation				
Division of storm water maintenance				
Operations and maintenance	167,562	160,562	153,048	7,514
Excess of revenues under expenditures	(28,562)	(19,562)	(12,558)	7,004
Other financing uses:				
Transfers - out	-	(125,000)	-	125,000
Net change in fund balance	(28,562)	(144,562)	(12,558)	132,004
Fund balance at beginning of year	144,830	144,830	144,830	-
Prior year encumbrances appropriated	12,562	12,562	12,562	-
Fund balance at end of year	<u>\$ 128,830</u>	<u>\$ 12,830</u>	<u>\$ 144,834</u>	<u>\$ 132,004</u>

City of Louisville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Debt Retirement Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Debt service:				-
Principal retirement	25,000	25,000	25,000	-
Interest and fiscal charges	4,250	4,250	4,245	5
Total expenditures	29,250	29,250	29,245	5
Excess of revenues under expenditures	(29,250)	(29,250)	(29,245)	5
Other financing sources:				
Transfers - in	29,250	29,250	29,250	-
Net change in fund balance	-	-	5	5
Fund balance at beginning of year	30,210	30,210	30,210	-
Fund balance at end of year	\$ 30,210	\$ 30,210	\$ 30,215	\$ 5

City of Louisville, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvements Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ 27,250	\$ 27,250	\$ -
<u>Expenditures:</u>				
Current:				
General government				
Division of lands and buildings				
Operations and maintenance	16,000	65,750	65,750	-
Excess of revenues under expenditures	(16,000)	(38,500)	(38,500)	-
Other financing uses:				
Advances - out	-	(130,375)	(130,360)	15
Net change in fund balance	(16,000)	(168,875)	(168,860)	15
Fund balance at beginning of year	291,029	291,029	291,029	-
Fund balance at end of year	\$ 275,029	\$ 122,154	\$ 122,169	\$ 15

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, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 1,445,300	\$ 1,254,500	\$ 1,249,720	\$ (4,780)
Tap-in fees	10,000	9,400	18,600	9,200
Total revenues	1,455,300	1,263,900	1,268,320	4,420
Expenses:				
Personal services	273,775	292,425	291,163	1,262
Fringe benefits	133,800	127,600	118,274	9,326
Contractual services	320,253	306,878	305,031	1,847
Materials and supplies	92,400	66,175	63,456	2,719
Capital outlay	658,121	448,221	438,387	9,834
Total expenses	1,478,349	1,241,299	1,216,311	24,988
Operating income (loss)	(23,049)	22,601	52,009	29,408
Nonoperating revenue (expenses):				
Municipal income taxes	1,070,925	1,114,000	1,053,374	(60,626)
Intergovernmental	-	3,100	-	(3,100)
Principal retirement	(176,075)	(176,075)	(176,040)	35
Interest and fiscal charges	(17,900)	(17,900)	(17,877)	23
Total nonoperating revenue (expenses)	876,950	923,125	859,457	(63,668)
Income before transfers	853,901	945,726	911,466	(34,260)
Other financing sources (uses):				
Transfers - in	294,850	419,850	294,850	(125,000)
Transfers - out	(921,150)	(634,850)	(634,850)	-
Total other financing sources (uses)	(626,300)	(215,000)	(340,000)	(125,000)
Change in fund position	227,601	730,726	571,466	(159,260)
Net position at beginning of year	1,509,305	1,509,305	1,509,305	-
Prior year encumbrances appropriated	63,449	63,449	63,449	-
Net position at end of year	\$ 1,800,355	\$ 2,303,480	\$ 2,144,220	\$ (159,260)

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, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 1,409,500	\$ 1,213,150	\$ 1,193,674	\$ (19,476)
Tap-in fees	6,000	7,350	13,750	6,400
Total revenues	1,415,500	1,220,500	1,207,424	(13,076)
Expenses:				
Personal services	272,950	273,350	271,143	2,207
Fringe benefits	145,775	127,000	120,434	6,566
Contractual services	443,428	419,919	415,006	4,913
Materials and supplies	97,800	78,625	76,979	1,646
Capital outlay	957,608	578,718	563,101	15,617
Total expenses	1,917,561	1,477,612	1,446,663	30,949
Operating loss	(502,061)	(257,112)	(239,239)	17,873
Nonoperating revenue (expenses):				
Municipal income tax	-	-	60,121	60,121
Intergovernmental	-	2,925	-	(2,925)
Sale of capital assets	-	575	560	(15)
Principal retirement	(70,375)	(20,000)	(20,000)	-
Interest and fiscal charges	(5,950)	(3,399)	(3,396)	3
Total nonoperating revenue (expenses)	(76,325)	(19,899)	37,285	57,184
Loss before transfers	(578,386)	(277,011)	(201,954)	75,057
Other financing sources:				
Transfers - in	626,300	340,000	340,000	-
Change in fund position	47,914	62,989	138,046	75,057
Net position at beginning of year	1,619,934	1,619,934	1,619,934	-
Prior year encumbrances appropriated	86,786	86,786	86,786	-
Net position at end of year	\$ 1,754,634	\$ 1,769,709	\$ 1,844,766	\$ 75,057

STATISTICAL SECTION



Statistical Section

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

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

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

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

	<u>2015</u>	Restated <u>2014 (2)</u>	<u>2013</u>	Restated <u>2012</u>	Restated <u>2011</u>
<u>Governmental Activities</u>					
Net investment in capital assets	\$ 12,229,376	\$ 12,214,763	\$ 12,033,892	\$ 11,560,990	\$ 5,930,971
Restricted	750,487	592,027	731,396	1,162,743	593,508
Unrestricted	<u>1,005,040</u>	<u>763,304</u>	<u>3,360,551</u>	<u>2,922,623</u>	<u>2,604,346</u>
Total governmental activities net position	<u><u>13,984,903</u></u>	<u><u>13,570,094</u></u>	<u><u>16,125,839</u></u>	<u><u>15,646,356</u></u>	<u><u>9,128,825</u></u>
<u>Business-Type Activities</u>					
Net investment in capital assets	10,336,346	9,916,725	9,923,854	9,675,807	8,520,159
Unrestricted	<u>4,370,633</u>	<u>3,336,946</u>	<u>2,718,611</u>	<u>2,080,876</u>	<u>1,854,803</u>
Total business-type activities net position	<u><u>14,706,979</u></u>	<u><u>13,253,671</u></u>	<u><u>12,642,465</u></u>	<u><u>11,756,683</u></u>	<u><u>10,374,962</u></u>
<u>Primary Government</u>					
Net investment in capital assets	22,565,722	22,131,488	21,957,746	21,236,797	14,451,130
Restricted	750,487	592,027	731,396	1,162,743	593,508
Unrestricted	<u>5,375,673</u>	<u>4,100,250</u>	<u>6,079,162</u>	<u>5,003,499</u>	<u>4,459,149</u>
Total primary government net position	<u><u>\$ 28,691,882</u></u>	<u><u>\$ 26,823,765</u></u>	<u><u>\$ 28,768,304</u></u>	<u><u>\$ 27,403,039</u></u>	<u><u>\$ 19,503,787</u></u>

Source: City of Louisville basic financial statements.

(1) Accrual basis of accounting.

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$	4,238,952	\$ 3,251,988	\$ 2,867,010	\$ 2,372,382	\$ 1,986,625
	916,049	1,011,949	754,129	649,066	683,647
	<u>2,065,143</u>	<u>1,842,352</u>	<u>1,627,341</u>	<u>1,881,609</u>	<u>1,548,400</u>
	<u>7,220,144</u>	<u>6,106,289</u>	<u>5,248,480</u>	<u>4,903,057</u>	<u>4,218,672</u>
	8,083,638	7,415,753	7,134,730	5,702,061	5,537,295
	<u>1,696,699</u>	<u>1,706,905</u>	<u>1,432,666</u>	<u>1,870,595</u>	<u>1,397,899</u>
	<u>9,780,337</u>	<u>9,122,658</u>	<u>8,567,396</u>	<u>7,572,656</u>	<u>6,935,194</u>
	12,322,590	10,667,741	10,001,740	8,074,443	7,523,920
	916,049	1,011,949	754,129	649,066	683,647
	<u>3,761,842</u>	<u>3,549,257</u>	<u>3,060,007</u>	<u>3,752,204</u>	<u>2,946,299</u>
\$	<u>17,000,481</u>	<u>15,228,947</u>	<u>13,815,876</u>	<u>12,475,713</u>	<u>11,153,866</u>

CITY OF LOUISVILLE, OHIO

Changes in Net Position (1)

Last Ten Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012 (2)</u>	<u>2011</u>
Expenses					
Governmental Activities:					
General government	\$ 1,118,995	\$ 1,181,784	\$ 1,063,115	\$ 1,257,674	\$ 1,041,834
Security of persons and property	2,500,837	2,398,630	2,169,438	2,179,718	2,008,185
Public health and welfare	90,079	81,088	79,746	66,050	65,093
Transportation	835,810	1,068,168	1,014,335	675,174	519,001
Community environment	291,723	295,526	204,758	160,529	169,936
Leisure time activities	201,622	205,010	209,294	192,361	234,722
Other	-	-	-	-	-
Interest and fiscal charges	14,623	7,611	11,125	7,464	16,096
Total governmental activities expenses	<u>5,053,689</u>	<u>5,237,817</u>	<u>4,751,811</u>	<u>4,538,970</u>	<u>4,054,867</u>
Business-Type Activities:					
Water	1,106,846	1,151,358	1,103,801	1,161,768	1,144,617
Sewer	966,393	1,092,329	1,095,660	1,113,201	1,082,752
Storm water	-	-	-	86,353	90,263
Total business-type activities	<u>2,073,239</u>	<u>2,243,687</u>	<u>2,199,461</u>	<u>2,361,322</u>	<u>2,317,632</u>
Total primary government expenses	<u>\$ 7,126,928</u>	<u>\$ 7,481,504</u>	<u>\$ 6,951,272</u>	<u>\$ 6,900,292</u>	<u>\$ 6,372,499</u>
Program Revenues					
Governmental Activities:					
Charges for services					
General government	\$ 238,558	\$ 238,853	\$ 232,077	\$ 434,958	\$ 391,958
Security of persons and property	335,212	282,619	384,506	322,745	284,646
Transportation	154,036	142,775	137,923	10,375	8,142
Community environment	48,819	49,813	42,119	7,739	4,470
Leisure time activities	6,704	7,005	8,153	5,590	6,058
Operating grants, contributions and interest	577,606	486,861	472,525	927,554	457,775
Capital grants and contributions	27,250	21,175	133,801	4,992,360	1,330,182
Total governmental activities program revenues	<u>1,388,185</u>	<u>1,229,101</u>	<u>1,411,104</u>	<u>6,701,321</u>	<u>2,483,231</u>
Business-Type Activities:					
Charges for services					
Water	1,304,450	1,140,104	1,045,752	996,464	950,304
Sewer	1,242,146	1,090,972	1,027,080	994,360	938,589
Storm water	-	-	-	139,494	114,048
Operating grants, contributions and interest	-	-	9,940	1,392,596	126,853
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>2,546,596</u>	<u>2,231,076</u>	<u>2,082,772</u>	<u>3,522,914</u>	<u>2,129,794</u>
Total primary government program revenues	<u>\$ 3,934,781</u>	<u>\$ 3,460,177</u>	<u>\$ 3,493,876</u>	<u>\$ 10,224,235</u>	<u>\$ 4,613,025</u>
Net (expense)/revenue					
Governmental activities	\$ (3,665,504)	\$ (4,008,716)	\$ (3,340,707)	\$ 2,162,351	\$ (1,571,636)
Business-type activities	473,357	(12,611)	(116,689)	1,161,592	(187,838)
Total primary government net expense	<u>\$ (3,192,147)</u>	<u>\$ (4,021,327)</u>	<u>\$ (3,457,396)</u>	<u>\$ 3,323,943</u>	<u>\$ (1,759,474)</u>

(Continued)

CITY OF LOUISVILLE, OHIO

Changes in Net Position (1)

Last Ten Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012 (2)</u>	<u>2011</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property taxes levied for:					
General purposes	\$ 359,702	\$ 348,892	\$ 345,077	\$ 376,095	\$ 248,169
Income tax levied for:					
General purposes	3,318,897	3,214,022	3,007,404	2,817,361	2,663,045
Grants and entitlements not restricted to specific programs	219,958	234,565	362,979	412,228	499,385
Gain on sale of capital assets	-	1,206	-	-	-
Investment earnings	4,445	1,798	380	1,485	1,629
Other	53,186	32,981	104,350	23,288	6,541
Transfers	124,125	-	-	(604,950)	67,421
Total governmental activities	<u>4,080,313</u>	<u>3,833,464</u>	<u>3,820,190</u>	<u>3,025,507</u>	<u>3,486,190</u>
Business-Type Activities:					
Income tax levied for:					
Water utility services	729,063	601,286	505,613	473,485	408,241
Sewer utility services	374,453	469,956	496,858	465,638	478,852
Investment earnings	-	-	-	98	-
Grants and entitlements not restricted to specific programs	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-
Capital contributions	-	-	-	-	-
Other	560	-	-	5,631	7,398
Transfers	(124,125)	-	-	604,950	(67,421)
Total business-type activities	<u>979,951</u>	<u>1,071,242</u>	<u>1,002,471</u>	<u>1,549,802</u>	<u>827,070</u>
Total primary government	<u>\$ 5,060,264</u>	<u>\$ 4,904,706</u>	<u>\$ 4,822,661</u>	<u>\$ 4,575,309</u>	<u>\$ 4,313,260</u>
Change in net position					
Governmental activities	\$ 414,809	\$ (175,252)	\$ 479,483	\$ 5,187,858	\$ 1,914,554
Business-type activities	1,453,308	1,058,631	885,782	2,711,394	639,232
Total primary government	<u>\$ 1,868,117</u>	<u>\$ 883,379</u>	<u>\$ 1,365,265</u>	<u>\$ 7,899,252</u>	<u>\$ 2,553,786</u>

Source: City of Louisville basic financial statements.

(1) Accrual basis of accounting.

(2) The storm water fund was moved to governmental activities in 2013.

CITY OF LOUISVILLE, OHIO

Changes in Net Position (1)

Last Ten Years

Continued

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Expenses					
Governmental Activities:					
General government	\$ 891,233	\$ 907,759	\$ 1,001,777	\$ 709,418	\$ 795,848
Security of persons and property	2,183,465	2,086,776	2,137,745	2,284,434	2,079,266
Public health and welfare	50,860	77,436	44,190	18,274	55,143
Transportation	681,247	512,414	919,320	762,015	573,215
Community environment	147,504	204,539	203,848	193,968	210,431
Leisure time activities	214,946	377,890	414,988	375,795	412,879
Other	-	-	-	-	46,864
Interest and fiscal charges	17,085	21,268	15,826	36,998	31,232
Total governmental activities expenses	<u>4,186,340</u>	<u>4,188,082</u>	<u>4,737,694</u>	<u>4,380,902</u>	<u>4,204,878</u>
Business-Type Activities:					
Water	1,199,786	1,020,190	969,468	958,590	1,002,351
Sewer	1,074,184	1,059,981	1,198,911	972,275	936,774
Storm water	60,182	-	-	-	-
Total business-type activities	<u>2,334,152</u>	<u>2,080,171</u>	<u>2,168,379</u>	<u>1,930,865</u>	<u>1,939,125</u>
Total primary government expenses	<u>\$ 6,520,492</u>	<u>\$ 6,268,253</u>	<u>\$ 6,906,073</u>	<u>\$ 6,311,767</u>	<u>\$ 6,144,003</u>
Program Revenues					
Governmental Activities:					
Charges for services					
General government	\$ 234,515	\$ 202,740	\$ 218,902	\$ 166,347	\$ 153,256
Security of persons and property	329,559	359,129	292,330	219,194	283,904
Transportation	-	2,655	3,261	-	-
Community environment	4,535	5,740	4,126	7,887	21,500
Leisure time activities	31,227	78,195	69,806	83,516	100,634
Operating grants, contributions and interest	684,907	551,468	717,972	846,837	547,487
Capital grants and contributions	405,488	206,169	101,973	-	-
Total governmental activities program revenues	<u>1,690,231</u>	<u>1,406,096</u>	<u>1,408,370</u>	<u>1,323,781</u>	<u>1,106,781</u>
Business-Type Activities:					
Charges for services					
Water	863,578	797,045	756,040	735,974	671,160
Sewer	882,329	974,631	943,715	936,872	882,147
Storm water	130,395	-	-	-	-
Operating grants, contributions and interest	-	-	-	-	-
Capital grants and contributions	385,583	92,696	-	-	-
Total business-type activities program revenues	<u>2,261,885</u>	<u>1,864,372</u>	<u>1,699,755</u>	<u>1,672,846</u>	<u>1,553,307</u>
Total primary government program revenues	<u>\$ 3,952,116</u>	<u>\$ 3,270,468</u>	<u>\$ 3,108,125</u>	<u>\$ 2,996,627</u>	<u>\$ 2,660,088</u>
Net (expense)/revenue					
Governmental activities	\$ (2,496,109)	\$ (2,781,986)	\$ (3,329,324)	\$ (3,057,121)	\$ (3,098,097)
Business-type activities	(72,267)	(215,799)	(468,624)	(258,019)	(385,818)
Total primary government net expense	<u>\$ (2,568,376)</u>	<u>\$ (2,997,785)</u>	<u>\$ (3,797,948)</u>	<u>\$ (3,315,140)</u>	<u>\$ (3,483,915)</u>

CITY OF LOUISVILLE, OHIO

Changes in Net Position (1)

Last Ten Years

Continued

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property taxes levied for:					
General purposes	\$ 496,221	\$ 409,330	\$ 382,049	\$ 388,416	\$ 471,201
Income tax levied for:					
General purposes	2,497,694	2,366,926	2,720,310	2,505,101	2,660,310
Grants and entitlements not restricted to specific programs	363,559	576,332	476,932	675,554	423,376
Gain on sale of capital assets	-	-	-	-	-
Investment earnings	2,967	3,465	35,851	80,345	123,478
Other	136,573	130,514	156,111	92,090	95,725
Transfers	112,950	153,228	84,609	-	-
Total governmental activities	<u>3,609,964</u>	<u>3,639,795</u>	<u>3,855,862</u>	<u>3,741,506</u>	<u>3,774,090</u>
Business-Type Activities:					
Income tax levied for:					
Water utility services	262,921	402,106	427,932	374,217	458,188
Sewer utility services	569,643	448,213	459,763	427,388	420,648
Investment earnings	-	-	-	-	-
Grants and entitlements not restricted to specific programs	-	73,970	704,787	93,876	-
Gain on sale of capital assets	-	-	-	-	3,247
Capital contributions	-	-	-	-	6,667
Other	10,332	-	-	-	-
Transfers	(112,950)	(153,228)	(84,609)	-	-
Total business-type activities	<u>729,946</u>	<u>771,061</u>	<u>1,507,873</u>	<u>895,481</u>	<u>888,750</u>
Total primary government	<u>\$ 4,339,910</u>	<u>\$ 4,410,856</u>	<u>\$ 5,363,735</u>	<u>\$ 4,636,987</u>	<u>\$ 4,662,840</u>
Change in net position					
Governmental activities	\$ 1,113,855	\$ 857,809	\$ 526,538	\$ 684,385	\$ 675,993
Business-type activities	657,679	555,262	1,039,249	637,462	502,932
Total primary government	<u>\$ 1,771,534</u>	<u>\$ 1,413,071</u>	<u>\$ 1,565,787</u>	<u>\$ 1,321,847</u>	<u>\$ 1,178,925</u>

Source: City of Louisville basic financial statements.

(1) Accrual basis of accounting.

(2) The storm water fund was moved to governmental activities in 2013.

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	Restated <u>2012 (2)</u>	<u>2011</u>
General Fund					
Nondspendable	\$ 9,656	\$ 8,490	\$ 7,810	\$ 2,272	\$ 3,141
Assigned	534,215	102,453	1,030,771	152,936	53,805
Unassigned	2,215,335	2,425,929	1,650,589	2,478,854	2,138,647
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total general fund	<u>\$ 2,759,206</u>	<u>\$ 2,536,872</u>	<u>\$ 2,689,170</u>	<u>\$ 2,634,062</u>	<u>\$ 2,195,593</u>
All Other Governmental Funds					
Nondspendable	\$ 115,007	\$ 52,442	\$ 63,643	\$ 65,191	\$ 16,522
Restricted	511,700	434,601	558,624	434,006	452,329
Committed	341,992	350,370	348,895	365,060	183,195
Unassigned	-	-	-	(206,796)	(83,585)
Reserved	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Total all other governmental funds	<u>\$ 968,699</u>	<u>\$ 837,413</u>	<u>\$ 971,162</u>	<u>\$ 657,461</u>	<u>\$ 568,461</u>

Source: City of Louisville basic financial statements.

(1) Modified accrual basis of accounting.

(2) The storm water fund was moved to governmental activities in 2013.

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

Restated				
<u>2010 (3)</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 32,564	\$ -	\$ -	\$ -	\$ -
28,886	-	-	-	-
1,721,833	-	-	-	-
-	46,232	123,510	72,746	68,818
-	<u>1,570,808</u>	<u>1,313,692</u>	<u>1,763,654</u>	<u>1,285,317</u>
<u>\$ 1,783,283</u>	<u>\$ 1,617,040</u>	<u>\$ 1,437,202</u>	<u>\$ 1,836,400</u>	<u>\$ 1,354,135</u>
\$ 122,502	\$ -	\$ -	\$ -	\$ -
495,281	-	-	-	-
192,040	-	-	-	-
(4,993)	-	-	-	-
-	124,347	29,837	58,627	99,256
-	384,404	430,865	358,102	346,350
-	49,130	139,975	91,218	59,769
-	<u>16,516</u>	<u>9,721</u>	<u>9,721</u>	<u>18,216</u>
<u>\$ 804,830</u>	<u>\$ 574,397</u>	<u>\$ 610,398</u>	<u>\$ 517,668</u>	<u>\$ 523,591</u>

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Revenues</u>										
Taxes	\$ 3,675,861	\$ 3,551,081	\$ 3,369,640	\$ 3,131,479	\$ 2,955,928	\$ 2,959,442	\$ 2,816,445	\$ 2,879,462	\$ 2,994,049	\$ 2,916,779
Charges for services	591,617	569,033	573,919	555,012	489,370	558,729	561,915	507,209	443,924	437,632
Fines, licenses and permits	166,889	197,463	184,963	179,437	182,907	137,544	154,015	124,224	101,463	106,558
Intergovernmental revenues	816,170	745,403	1,368,270	4,024,929	2,169,197	1,721,226	1,003,338	1,073,524	1,344,029	897,125
Investment income	4,664	1,909	392	1,588	1,777	3,484	18,365	92,687	152,328	127,094
Contributions and donations	8,310	4,050	5,025	14,981	10,680	14,356	14,200	12,363	36,400	66,818
Rentals	-	-	-	-	-	11,307	24,193	15,518	23,351	19,132
Other	54,002	34,729	108,625	74,677	47,697	75,153	52,330	205,464	160,205	63,746
Total revenues	<u>5,317,513</u>	<u>5,103,668</u>	<u>5,610,834</u>	<u>7,982,103</u>	<u>5,857,556</u>	<u>5,481,241</u>	<u>4,644,801</u>	<u>4,910,451</u>	<u>5,255,749</u>	<u>4,634,884</u>
<u>Expenditures</u>										
General government	1,058,754	1,116,650	1,013,492	1,187,652	883,541	847,125	883,666	967,127	674,596	753,371
Security of persons and property	2,265,913	2,189,232	2,004,392	2,019,392	1,878,556	2,055,272	1,981,918	1,991,839	2,186,734	1,907,567
Public health and welfare	90,079	81,088	79,746	66,050	65,093	50,860	77,436	44,190	18,274	55,143
Transportation	512,457	791,766	768,679	567,702	440,086	610,206	457,680	852,425	657,354	497,941
Community environment	291,349	286,094	196,848	158,639	149,141	151,145	211,481	205,416	194,113	210,860
Leisure time activities	121,746	128,965	136,631	123,443	130,297	149,882	335,071	346,014	345,696	330,830
Other	-	-	-	-	-	-	-	-	-	46,864
Capital outlay	458,588	1,028,059	941,200	3,575,978	2,173,898	1,098,608	505,922	1,011,044	591,752	318,579
Debt service:										
Principal retirement	150,045	156,500	114,352	88,377	67,415	104,290	100,144	23,000	73,814	250,603
Interest and fiscal charges	14,962	7,987	11,539	7,553	12,798	17,177	21,355	15,908	37,074	32,046
Issuance costs	-	-	-	-	5,873	-	-	-	-	-
Total expenditures	<u>4,963,893</u>	<u>5,786,341</u>	<u>5,266,879</u>	<u>7,794,786</u>	<u>5,806,698</u>	<u>5,084,565</u>	<u>4,574,673</u>	<u>5,456,963</u>	<u>4,779,407</u>	<u>4,403,804</u>
Excess of revenues over (under) expenditures	<u>353,620</u>	<u>(682,673)</u>	<u>343,955</u>	<u>187,317</u>	<u>50,858</u>	<u>396,676</u>	<u>70,128</u>	<u>(546,512)</u>	<u>476,342</u>	<u>231,080</u>
<u>Other financing sources (Uses)</u>										
Bonds issued	-	-	-	-	235,000	-	-	-	-	-
Inception of capital lease	-	377,126	-	190,000	120,000	-	-	155,434	-	-
Premium on bonds issued	-	-	-	-	2,301	-	-	-	-	-
Sale of capital assets	-	19,500	24,854	-	-	-	73,709	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	(232,218)	-	-	-	-	-
Transfers in	454,150	471,700	316,620	282,250	415,866	449,260	445,788	657,017	424,635	511,600
Transfer out	(454,150)	(471,700)	(316,620)	(282,250)	(415,866)	(449,260)	(445,788)	(572,408)	(424,635)	(511,600)
Total other financing sources (uses)	<u>-</u>	<u>396,626</u>	<u>24,854</u>	<u>190,000</u>	<u>125,083</u>	<u>-</u>	<u>73,709</u>	<u>240,043</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 353,620</u>	<u>\$ (286,047)</u>	<u>\$ 368,809</u>	<u>\$ 377,317</u>	<u>\$ 175,941</u>	<u>\$ 396,676</u>	<u>\$ 143,837</u>	<u>\$ (306,469)</u>	<u>\$ 476,342</u>	<u>\$ 231,080</u>
Debt service as a percentage of noncapital expenditures	3.7%	3.5%	2.9%	2.3%	2.2%	3.0%	3.0%	0.9%	2.6%	6.9%

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

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

Collection Year	Real Property (1)		Public Utility (2)		Tangible Personal Property (3)		Total		Weighted Average Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2015	\$ 140,134,930	\$ 400,385,514	\$ 3,943,800	\$ 10,128,395	\$ -	\$ -	\$ 144,078,730	\$ 410,513,910	34.75%
2014	138,789,440	396,541,257	3,946,340	10,134,919	-	-	142,735,780	406,676,176	34.75%
2013	134,678,410	384,795,457	3,775,250	9,695,528	-	-	138,453,660	394,490,986	34.75%
2012	151,437,700	432,679,143	3,541,180	9,094,394	-	-	154,978,880	441,773,537	34.79%
2011	150,983,120	431,380,343	3,386,030	8,695,941	-	-	154,369,150	440,076,284	34.80%
2010	150,819,270	430,912,200	3,202,410	8,224,371	102,620	205,240	154,124,300	439,341,811	34.80%
2009	157,324,730	449,499,229	3,145,410	8,077,985	201,070	2,010,700	160,671,210	459,587,913	34.67%
2008	155,453,660	444,153,314	3,045,550	7,821,526	4,648,576	7,437,722	163,147,786	459,412,562	34.36%
2007	153,045,720	437,273,486	3,631,830	9,327,200	8,283,620	66,268,960	164,961,170	512,869,645	30.46%
2006	136,070,320	388,772,343	3,691,530	9,480,520	11,458,776	61,113,472	151,220,626	459,366,335	30.97%

Source: Stark County Auditor

- (1) Real estate value is assessed at 35% of appraised market value.
- (2) Public utility personal property is assessed at 88% of true value for half of 2006-2015 and the other half at 25% of true value.
- (3) Tangible personal property is assessed at 18.75% for 2006, 12.5% for 2007, 6.25% for 2008 and 0% for 2009-2015.

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>
2015	\$ 403,370	\$ 394,577	97.82%	\$ 15,977	3.96%	\$ 79.00
2014	399,609	390,425	97.70%	14,767	3.70%	79.00
2013	387,670	379,681	97.94%	14,810	3.82%	73.70
2012	433,912	424,825	97.91%	14,414	3.32%	71.20
2011	432,205	421,559	97.54%	19,526	4.52%	70.70
2010	431,515	423,913	98.24%	21,005	4.87%	69.70
2009	446,879	437,592	97.92%	49,380	11.05%	69.20
2008	456,814	445,017	97.42%	19,950	4.37%	69.30
2007	461,891	449,811	97.38%	8,861	1.92%	69.90
2006	423,418	413,019	97.54%	6,855	1.62%	70.90

Source: Stark County Auditor

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

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

	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
<u>Taxpayer</u>						
Chesapeake Land Development Co LLC	\$ 3,611,490	1	2.58%	\$ -		0.00%
HP Products Inc.	1,714,740	2	1.22%	1,703,600	2	1.25%
Arc Ralvlohoool LLC	1,577,450	3	1.13%	-		0.00%
Jewel Acquisition LLC	1,292,500	4	0.92%	1,940,030	1	1.43%
Louisville Ventures LTD	1,263,900	5	0.90%	1,612,130	3	1.18%
Groffre Investments	678,330	6	0.48%	-		0.00%
CRC Ohio Properties LLC	525,000	7	0.37%	-		0.00%
Aultman Health Foundation	498,380	8	0.36%	-		0.00%
Metzger J B Co.	469,590	9	0.34%	567,290	8	0.42%
CNS Industries	403,090	10	0.29%	-		0.00%
McKinley Development Company LTD	-		0.00%	1,160,310	4	0.85%
Rhodes Roy T	-		0.00%	751,140	5	0.55%
Peters Frederick K & Judith R	-		0.00%	695,900	6	0.51%
WNBC LLC	-		0.00%	591,500	7	0.43%
Geitgey Donald W Jr & Sue Ann	-		0.00%	484,620	9	0.36%
Brahler Richard V Trustee	-		0.00%	420,110	10	0.31%
Total of above	<u>\$ 12,034,470</u>		<u>8.59%</u>	<u>\$ 9,926,630</u>		<u>7.30%</u>
Total City	<u>\$ 140,134,930</u>			<u>\$ 136,070,320</u>		

Source: Stark County Auditor

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

	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
<u>Taxpayer</u>						
Ohio Power	\$ 3,713,300	1	94.16%	\$ 2,515,380	1	68.14%
East Ohio Gas Co.	230,500	2	5.84%	-		0.00%
Ohio Bell Telephone Co.	-		0.00%	615,530	2	16.67%
Total of above	<u>\$ 3,943,800</u>		<u>100.00%</u>	<u>\$ 3,130,910</u>		<u>84.81%</u>
Total City	<u>\$ 3,943,800</u>			<u>\$ 3,691,530</u>		

Source: Stark County Auditor

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

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentage of Taxes from Individuals</u>	<u>Percentage Change from Prior Year</u>
2015	2.00%	\$ 4,462,328	\$ 2,778,171	62.26%	\$ 273,911	6.14%	\$ 1,410,246	31.60%	5.68%
2014	2.00%	4,222,348	2,714,872	64.30%	174,282	4.13%	1,333,194	31.57%	5.89%
2013	2.00%	3,987,405	2,417,243	60.62%	260,830	6.54%	1,309,333	32.84%	8.54%
2012	2.00%	3,673,573	2,283,392	62.16%	217,054	5.91%	1,173,127	31.93%	3.85%
2011	2.00%	3,537,290	2,160,932	61.09%	218,115	6.17%	1,158,243	32.74%	7.29%
2010	2.00%	3,296,913	1,977,803	59.99%	237,806	7.21%	1,081,304	32.80%	0.83%
2009	2.00%	3,269,768	1,907,604	58.34%	206,364	6.31%	1,155,800	35.35%	-5.45%
2008	2.00%	3,458,404	1,998,918	57.80%	251,892	7.28%	1,207,593	34.92%	-0.15%
2007	2.00%	3,463,645	1,898,430	54.81%	280,748	8.11%	1,284,467	37.08%	3.93%
2006	2.00%	3,332,796	1,849,175	55.48%	207,591	6.23%	1,276,031	38.29%	14.51%

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	Loans	General Obligation Bonds	OPWC Loans	OWDA Loans	Capital Leases			
2015	\$ 160,917	\$ 227,817	\$ -	\$ 741,749	\$ 215,980	\$ 32,294	\$ 101,925	\$ 1,480,682	0.62%	\$161
2014	186,214	352,862	-	889,133	264,272	35,042	151,012	1,878,535	0.82%	204
2013	210,550	108,236	109,571	1,032,882	288,420	37,684	198,890	1,986,233	0.91%	216
2012	234,924	182,208	219,142	1,478,711	336,712	40,224	57,476	2,549,397	1.18%	278
2011	237,301	78,585	-	1,808,224	385,004	42,666	112,872	2,664,652	1.23%	290
2010	254,000	-	-	2,122,030	433,296	45,013	225,145	3,079,484	1.42%	335
2009	279,000	79,290	-	2,494,636	481,588	47,270	115,392	3,497,176	1.67%	393
2008	303,000	155,434	-	2,845,477	529,880	49,439	221,670	4,104,900	1.96%	461
2007	326,000	-	-	3,179,670	578,172	51,525	-	4,135,367	1.46%	464
2006	348,000	51,814	-	3,492,388	626,464	54,503	-	4,573,169	1.77%	514

(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

<u>General Bonded Debt Outstanding</u>				
<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Outstanding Debt Per Capita</u>	<u>Outstanding Debt to Personal Income</u>
2015	\$ 902,666	0.63%	\$ 98.27	0.38%
2014	1,075,347	0.75%	117.06	0.47%
2013	1,243,432	0.90%	135.36	0.57%
2012	1,713,635	1.11%	186.55	0.80%
2011	2,045,525	1.33%	222.68	0.94%
2010	2,376,030	1.54%	258.66	1.09%
2009	2,773,636	1.73%	311.50	1.33%
2008	3,148,477	1.93%	353.60	1.51%
2007	3,505,670	2.13%	393.72	1.24%
2006	3,840,388	2.54%	431.31	1.49%

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

Legal Debt Margin Calculation for Year Ending December 31, 2015	Unvoted	Overall
Total assessed valuation	\$ 144,078,730	144,078,730
Debt limitation - 5.5% of assessed valuation	<u>7,924,330</u>	
Debt limitation - 10.5% of assessed valuation		<u>15,128,267</u>
Debt applicable to limitation:		
Total bonded debt and loans	1,150,940	1,150,940
Exempt debt:		
OWDA loans	32,294	32,294
OPWC loans	215,980	215,980
Debt payable from income tax	902,666	902,666
Total debt applicable to limitation	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 7,924,330</u>	<u>15,128,267</u>

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	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 15,878,166	\$ 17,320,923	\$ 17,130,518	\$ 16,870,477	\$ 16,183,052	\$ 16,208,761	\$ 16,272,872	\$ 14,537,634	\$ 14,987,257	\$ 15,128,267
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	15,878,166	17,320,923	17,130,518	16,870,477	16,183,052	16,208,761	16,272,872	14,537,634	14,987,257	15,128,267
Total net debt applicable to limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: City of Louisville basic financial statements.

CITY OF LOUISVILLE, OHIO
Direct and Overlapping Governmental Activities Debt
December 31, 2015

Governmental Unit	<u>Debt Outstanding</u>	<u>Percentage applicable to City (1)</u>	<u>Amount applicable to City</u>
Direct - City of Louisville:			
General Obligation Bonds	\$ 160,917	100.00%	\$ 160,917
Capital Leases	227,817	100.00%	<u>227,817</u>
Total direct debt			<u>388,734</u>
Overlapping:			
Louisville Schools	27,015,000	44.98%	12,151,347
County of Stark	20,152,003	2.17%	<u>437,298</u>
Total overlapping debt			<u>12,588,645</u>
Total direct and overlapping debt			<u><u>\$ 12,977,379</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>General Obligation Debt</u>					
Assessed value	\$ 144,078,730	\$ 142,735,780	\$ 138,453,660	\$ 154,978,880	\$ 154,369,150
Population	9,186	9,186	9,186	9,186	9,186
Debt outstanding	\$ 902,666	\$ 1,075,347	\$ 1,353,003	\$ 1,932,777	\$ 2,022,301
Ratio of debt to assessed value	0.63%	0.75%	0.98%	1.25%	1.31%
Debt per capita	\$ 98.27	\$ 117.06	\$ 147.29	\$ 210.40	\$ 220.15
<u>General Bonded Debt</u>					
Debt service	\$ 29,245	\$ 28,725	\$ 29,205	\$ 6,954	\$ 52,883
General governmental expenditures	\$ 4,963,893	\$ 5,786,341	\$ 5,266,879	\$ 7,794,786	\$ 5,806,698
Ratio of debt service to general governmental expenditures	0.59%	0.50%	0.55%	0.09%	0.91%
<u>Water Revenue Bond</u>					
Revenues ¹	\$ 2,033,513	\$ 1,741,390	\$ 1,556,331	\$ 1,471,978	\$ 1,365,943
Operating expenses ²	\$ 844,251	\$ 879,951	\$ 839,301	\$ 917,703	\$ 866,865
Net revenue available for debt service	\$ 1,189,262	\$ 861,439	\$ 717,030	\$ 554,275	\$ 499,078
Debt service requirements	-	-	-	-	-
Coverage	100.00%	100.00%	100.00%	100.00%	100.00%

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

Source: City of Louisville basic financial statements.

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$	154,124,300	160,671,210	163,147,786	164,961,170	151,220,626
	9,186	8,904	8,904	8,904	8,904
\$	2,395,000	2,805,000	3,195,000	3,570,000	3,925,000
	1.55%	1.75	1.96	2.16	2.60
\$	260.72	315	359	401	440.81
\$	38,898	38,930	38,907	57,495	173,587
\$	5,084,565	4,574,673	5,456,963	4,779,407	4,403,804
	0.77%	0.01	0.71	1.20	3.94
\$	1,152,855	1,199,151	1,152,543	1,110,191	1,129,348
\$	933,926	742,980	636,032	706,800	695,689
\$	218,929	456,171	516,511	403,391	433,659
	-	-	-	-	-
	100.00%	100.00	100.00	100.00	100.00

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

<u>Employer</u>	<u>Industry</u>	<u>2015</u>			<u>2006</u>		
		<u>Employees</u>	<u>Rank</u>	<u>Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Employment</u>
Louisville Board of Education	Public education	615	1	9.22%	380	2	18.31%
HP Products Inc.	Specialty tubing	388	2	5.82%	404	1	19.47%
St. Joseph's Hospice	Hospice facility	311	3	4.66%	238	3	11.47%
Maxim Petroleum/Pilot	Petroleum haulers	170	4	2.55%	-		0.00%
J&J Foods LLC/Tamarkin Company	Grocery	158	5	2.37%	118	5	5.69%
Jewel Acquisition LLC/J&L Specialty Steel, Inc.	Stainless steel	151	6	2.26%	-		0.00%
Chesapeake	Petroleum Operations	111	7	1.66%	-		0.00%
City of Louisville	Municipal government	99	8	1.48%	112	7	5.40%
OTC Transformer	Transformer rebuilding	78	9	1.17%	-		0.00%
St Thomas Aquinas	Private education	77	10	1.15%	117	6	5.64%
Jewel Acquisition LLC	Steel	-		0.00%	122	4	5.88%
County of Stark	Municipal government	-		0.00%	96	8	4.63%
Midlake Products	Manufacturing	-		0.00%	71	9	3.42%
Montrose Chrysler	Car dealership	-		0.00%	58	10	2.80%
Total Top Ten Employers		<u>2,158</u>		<u>32.36%</u>	<u>1,716</u>		<u>82.70%</u>
Total employment within the City		<u>6,669</u>			<u>2,075</u>		

Source: City of Louisville

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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (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>
2015	9,186	\$237,494,844	\$25,854	3,053	5.1%	4.6%
2014	9,186	229,199,886	24,951	3,065	4.6%	4.7%
2013	9,186	218,075,640	23,740	3,110	6.9%	6.6%
2012	9,186	215,384,142	23,447	3,192	6.7%	7.6%
2011	9,186	216,918,204	23,614	3,215	8.1%	7.6%
2010	9,186	217,340,760	23,660	3,260	11.3%	10.1%
2009	8,904	208,923,456	23,464	3,199	8.0%	7.7%
2008	8,904	208,923,456	23,464	3,170	8.0%	7.7%
2007	8,904	283,147,200	31,800	3,209	6.2%	5.8%
2006	8,904	257,788,608	28,952	3,050	6.2%	5.5%

(1) Source: U. S. Census

(a) Year 2006 - 2009, 2000 Federal Census

(b) Year 2010 - 2015, 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.

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

CITY OF LOUISVILLE, OHIO

Operating Indicators by Function/Program

Last Ten Years

Function/Program	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General government					
Council and clerk					
Number of legislation passed	54	64	63	60	55
Number of planning commission docket items	11	9	15	21	15
Zoning board of appeals docket items	12	9	9	10	15
Finance Department					
Number of W-2's issued	101	99	102	101	100
Number of checks issued	2,776	2,256	2,125	2,171	1,965
Amount of checks paid	\$ 4,443,726	\$ 4,422,424	\$ 5,023,591	\$ 6,448,318	\$ 4,295,131
Interest earnings for fiscal year (cash basis)	\$ 4,664	\$ 1,909	\$ 393	\$ 1,896	\$ 1,469
General fund year end cash balances	\$ 2,387,398	\$ 2,108,631	\$ 2,231,635	\$ 1,027,817	\$ 619,763
Income tax fund year end cash balances	\$ -	\$ -	\$ -	\$ -	\$ -
Water revenue fund year end cash balances	\$ 1,158,658	\$ 827,630	\$ 690,658	\$ 513,860	\$ 424,203
Sewer revenue fund year end cash balances	\$ 992,037	\$ 800,457	\$ 624,099	\$ 488,286	\$ 313,473
Property tax revenue	\$ 356,032	\$ 362,778	\$ 329,344	\$ 397,244	\$ 390,212
Income Tax Department					
Number of individual returns	3,618	3,648	3,790	3,366	3,286
Number of business returns	544	517	536	500	457
Number of business withholding accounts	712	678	666	662	384
Income tax receipts collected	\$ 4,462,328	\$ 4,222,348	\$ 3,987,405	\$ 3,673,573	\$ 3,537,290
Building Department Indicators					
Residential permits issued	7	9	9	2	3
Estimated value of residential permits	\$ 1,549,400	\$ 1,901,958	\$ 2,099,864	\$ 360,000	\$ 1,243,771
Commercial/institutional permits issued	11	1	1	4	2
Estimated value of commercial/insitutional	\$ 6,600,000	\$ 4,000,000	\$ 845,000	\$ 13,285,000	\$ 686,076
Total zoning permit fees	8,712	5,221	5,864	7,034	4,470
Security of persons & property					
Police					
Total calls for services	5,818	5,624	5,769	6,413	5,495
number of traffic citations issued	412	578	556	661	438
number of criminal arrests	178	183	261	416	391
number of accident reports completed	196	193	170	200	207
Motor vehicle accidents	196	193	170	200	207
Gasoline costs of fleet	\$ 30,311	\$ 43,480	\$ 40,364	\$ 39,515	\$ 40,318
Fire					
EMS calls	1,326	1,003	1,100	1,027	885
EMS collections	\$ 322,675	\$ 302,621	\$ 339,301	\$ 305,431	\$ 259,033
Fire calls	15	19	382	349	280
Leisure time activities					
Recreation					
Adult volleyball and softball leagues	-	-	-	-	-
Youth baseball league	-	-	-	-	-
Jump rope clinics	-	-	-	-	-
Fishing derbies (2 per year)	-	-	-	55	70
Bowling leagues (kids)	-	-	-	-	-
Transportation					
Amount spent on paving streets	\$ 315,518	\$ 287,510	\$ 178,693	\$ 124,875	\$ 118,087
Gasoline fuel in gallons	20,163	27,386	20,079	25,748	28,458
Cost of salt purchased	\$ 53,990	\$ 127,740	\$ 83,731	\$ 86,082	\$ 56,237
Cost of salt per ton	\$ 54	\$ 54	\$ 44	\$ 48	\$ 45
Utility Departments					
Total water billed (in dollars)	\$ 1,012,388	\$ 978,683	\$ 954,261	\$ 932,046	\$ 881,575
Total sewer billed (in dollars)	\$ 1,103,260	\$ 1,065,724	\$ 1,026,263	\$ 995,861	\$ 904,161
Total storm water billed (in dollars)	\$ 140,140	\$ 139,945	\$ 138,938	\$ 138,683	\$ 108,242
Water bills issued	21,476	21,468	21,462	21,559	21,865
Average water treated daily (million gallons/day)	854,000	821,000	974,000	850,000	843,835
Total flow of wastewater treatment plant (millions of gallons)	499.8	576.7	480.2	438.5	615
Average daily flow (millions of gallons per day)	1.4	1.6	1.3	1.2	2
Tons of dry sludge removed	136.14	166.25	201.00	87.49	159

Source: City of Louisville

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
76	73	58	66	53
9	17	16	30	21
10	12	8	25	3
107	120	118	116	112
2,327	2,585	2,718	2,591	2,558
5,333,471	3,483,854	5,580,210	3,538,207	3,568,564
6,242	22,487	94,094	146,200	126,993
1,378,449	1,275,097	377,761	686,697	526,675
-	-	651,097	714,309	363,547
366,130	251,353	138,146	111,487	96,579
203,009	132,385	35,888	643,743	475,245
414,335	448,812	388,954	472,997	465,349
3,323	3,378	3,201	3,377	4,806
464	442	422	449	260
381	500	485	446	432
3,296,913	3,221,415	3,548,403	3,463,645	3,301,769
4	6	8	19	31
720,000	1,004,900	1,303,780	3,876,895	5,194,200
5	3	1	-	1
35,684,160	1,519,000	2,210,358	4,500,000	1,200,000
4,535	4,413	5,096	6,826	5,189
4,486	4,052	4,070	4,121	4,212
555	507	455	593	814
388	266	236	264	-
181	179	184	192	170
181	179	184	192	2
29,637	21,612	33,243	24,939	25,114
965	916	798	919	710
312,588	323,875	270,048	187,866	205,904
350	473	561	325	319
-	300	300	250	250
-	800	800	800	900
-	100	100	60	60
80	80	80	60	40
-	60	60	50	11
124,325	90,786	320,000	149,480	138,363
27,427	24,564	22,581	22,119	28,286
18,632	38,045	44,995	43,950	30,105
46	47	34	34	32
765,648	736,910	664,630	641,529	574,834
864,779	866,087	800,908	796,070	680,415
111,044	111,426	111,332	110,460	107,816
21,485	21,508	21,457	21,426	21,251
864,000	931,000	990,000	960,330	960,330
476	500	500	541	548
1	2	2	2	2
157	225	182	191	526

CITY OF LOUISVILLE, OHIO

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

Function/Program	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General government										
City Manager	2.70	2.70	2.80	2.80	2.00	2.00	2.00	2.00	2.00	2.00
Finance	4.50	4.50	4.50	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	0.50	0.50	0.50
Planning	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Council	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Civil service	0.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.50
Security of persons and property										
Police	15.00	15.50	15.00	14.00	14.50	11.50	12.50	12.00	12.00	12.00
Fire and EMS	11.00	13.00	11.00	12.00	12.00	14.00	14.50	15.00	15.00	15.00
Dispatchers	0.00	0.00	0.00	0.00	0.00	0.00	5.50	5.50	5.50	5.50
Administration	3.00	1.00	1.00	0.50	0.50	0.50	0.00	0.50	0.50	0.50
School crossing guards	5.00	5.00	4.50	4.50	3.00	2.50	4.00	5.50	5.50	5.50
Leisure time activities: Recreation										
Parks	4.00	3.00	4.50	7.00	6.00	6.00	6.00	9.50	9.50	9.50
Community environment										
Building	1.80	1.80	2.80	3.00	3.00	2.00	2.50	4.50	4.50	4.50
Transportation										
Service	4.50	7.50	4.00	3.00	3.00	3.00	8.00	6.00	6.00	6.00
Basic utility services										
Water	5.00	3.75	5.00	5.00	5.00	4.50	1.50	4.50	4.50	4.50
Sewer	<u>4.00</u>	<u>2.75</u>	<u>5.00</u>	<u>5.00</u>	<u>4.50</u>	<u>4.00</u>	<u>4.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>
Totals:	<u>65.50</u>	<u>66.00</u>	<u>63.60</u>	<u>64.80</u>	<u>60.50</u>	<u>57.50</u>	<u>68.50</u>	<u>76.00</u>	<u>76.50</u>	<u>76.50</u>

Source: City Payroll Department W2 Audit Listing

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

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

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government										
Square footage occupied	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	15,000
Administrative vehicles	1	1	1	4	4	4	4	4	4	4
Inspection vehicles	1	1	1	1	1	1	1	1	1	1
Security: Police										
Stations	1	1	1	1	1	1	1	1	1	1
Square footage of building	1,200	1,200	1,200	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Vehicles	10	11	12	11	13	11	10	10	8	8
Security: Fire										
Stations	2	2	2	2	2	2	2	2	1	1
Number of fire hydrants	564	564	577	644	611	611	534	534	300	300
Square footage of building	4,500	4,500	4,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Vehicles	9	9	8	8	8	8	9	9	8	5
Leisure time activities: Recreation										
Number of parks	7	7	7	7	7	7	7	7	7	7
Total park acreage	126	126	126	126	126	126	126	126	126	126
Number of libraries	1	1	1	1	1	1	1	1	1	1
Number of baseball diamonds	8	8	8	8	8	8	8	8	8	8
Number of soccer fields	7	7	7	7	7	7	7	7	7	7
Vehicles	3	3	5	8	5	0	1	1	1	1
Tranportation services										
Streets (miles)	56.1	55.7	55.7	55.7	55.0	55.0	55.0	55.0	55.0	55.0
Number of streetlights	857	857	857	857	687	687	687	687	687	687
Number of traffic lights	9	9	9	7	7	7	7	7	7	7
Service vehicles	12	13	11	13	21	21	21	18	18	18
Storm sewers (miles)	42.1	42.1	42.1	42.1	40	40	40	40	40	40
Sewer Department										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Sanitary sewers (miles)	42.8	42.3	42.3	42.3	42	42	42	42	42	42
Vehicles	2	2	4	2	2	2	2	2	2	2
Water Department										
Water lines (miles)	54.2	53.3	53.3	53.3	52	52	52	52	52	52
Vehicles	2	2	4	1	1	1	1	2	2	2

Source: City of Louisville





Dave Yost • Auditor of State

CITY OF LOUISVILLE

STARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 26, 2016