



**Auditor of State
Betty Montgomery**

CITY OF LOUISVILLE
STARK COUNTY

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

City of Louisville
Stark County
215 South Mill Street
Louisville, Ohio 44641-1699

To the City Council:

We have audited the general purpose financial statements of the City of Louisville, Stark County, (the City) as of and for the year ended December 31, 2002, and have issued our report thereon dated June 4, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

However, we noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated June 4, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

City of Louisville
Stark County
Independent Accountants' Report on Compliance and on
Internal Control Required By *Government Auditing Standards*

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to management of the City in a separate letter dated June 4, 2003.

This report is intended for the information and use of management and City Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 4, 2003



Community Pride

City of Louisville Louisville, Ohio

Comprehensive Annual Financial Report

For The Fiscal Year Ended:
December 31, 2002

CITY OF LOUISVILLE, OHIO

Comprehensive Annual Financial Report

Year Ended December 31, 2002

PREPARED BY: DEPARTMENT OF FINANCE

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CITY OF LOUISVILLE, OHIO

Comprehensive Annual Financial Report
Year Ended December 31, 2002

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Comprehensive Annual Financial Report
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INTRODUCTORY SECTION



Department of Finance

June 4, 2003

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

The Comprehensive Annual Financial Report (CAFR) of the City of Louisville, Ohio for the fiscal year ended December 31, 2002 is hereby submitted. Responsibility for accuracy, completeness, and fairness of the presentation rests with the City's management. We believe that the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This report is presented in three sections: introductory, financial, and statistical. The introductory section includes a table of contents, this transmittal letter, the GFOA Certificate of Achievement for 2001, a list of public officials and the City organizational chart. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the independent accountants' report on the financial statements. The statistical section includes selected financial and demographic information.

Background and General Information

The City of Louisville, encompassing an area of approximately 5.4 square miles, is located in the east central portion of Stark County, Ohio. The City had a population of 8,904 as reported in 2001 by the Bureau of Census. State Routes 44 (North Chapel) and 153 (Main) intersect in the City business district, and United States Route 62 passes through the northwestern corner of the City. In addition to the highway system, Norfolk and Southern Railroad operates a line running between Chicago and New York that passes through the center of the City.

Louisville is a "home-rule" city as defined by the State of Ohio Revised Code and operates pursuant to its Charter under a Council-Manager form of government. The Mayor-Councilman and four Councilmen 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-Councilman 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 during the last 100 years. Even during the decade of the 1970s, when every other city in Stark County lost population, Louisville still continued to grow. The most active decades of growth were the 1920s and 1950s. Percentage population gains during those two time periods were 55.9% and 34.6%, respectively.

The development of the Colonial Foundry and the Superior Sheet Steel Corporation contributed directly to the large population growth during the sub urbanization trends and the City's active annexation program. When Louisville passed the 5,000-population mark in the 1950s, its status was changed from a village to a city.

For financial reporting purposes, the City includes in this report all funds, account groups, 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.

The City provides the full range of municipal services contemplated by its charter. These services include public safety (including police and fire), leisure time activities, community environment, utility services (including water and sewer), transportation (including street maintenance, ice and snow removal), and general government (including administration).

SERVICES PROVIDED	1998	1999	2000	2001	2002
--------------------------	-------------	-------------	-------------	-------------	-------------

SAFETY SERVICE - 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, the Police, Emergency Medical Services, and Fire Divisions and the cost of street lighting.

Cost per \$1,000 Value	\$13.04	\$12.87	\$12.17	\$11.46	\$12.13
Cost per Citizen	\$174.36	\$176.06	\$185.95	\$177.89	\$189.51
Calls for Service	3,859	4,663	5,363	4,798	4,681

PUBLIC HEALTH SERVICES - To provide for the physical well being of the citizenry by providing basic preventative health care or assistance when needed. This program consists mainly of the City's share of the cost of the Stark County Health Department, which provides services to the citizens of Louisville.

Cost per \$1,000 Value	\$.26	\$.25	\$.22	\$.37	\$.37
Cost per Citizen	\$3.51	\$3.43	\$3.29	\$5.73	\$5.83

LEISURE SERVICES - To provide year round recreation, entertainment, and activities that are varied, safe, and enjoyable for individuals, groups and families. This includes the Parks, Recreation, and the Senior Citizens Divisions.

Cost per \$1,000 Value	\$1.73	\$1.93	\$2.50	\$2.75	\$2.53
Cost per citizen	\$23.11	\$26.45	\$38.16	\$42.73	\$39.53

SERVICES PROVIDED	1998	1999	2000	2001	2002
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(Continued)

ENVIRONMENT AND DEVELOPMENT- 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 Inspection, and Urban Forestry.

Cost per \$1,000 value	\$1.72	\$1.62	\$1.58	\$1.41	\$1.41
Cost per citizen	\$22.99	\$22.19	\$24.18	\$21.92	\$22.10

UTILITY SERVICES - To provide the citizenry with utility services at an affordable price that also assures necessary supply. This includes water and sewage treatment. The hours in the water tank measures a reserve capacity if we could not provide water from the water plant. As a practical matter in case of such emergency the hours of water in the tank would probably be increased because the citizens would be asked to conserve water and therefore usage would be less than normal. The percent of water capacity and the percent of sewer capacity is the maximum flow that can be obtained through the system as compared to the average daily flow.

Hours of Water in Tanks	15	15	15	15	15
% of Water Capacity	71	73	62	62	58
% of Sewer Capacity	93	99	79	79	70

TRANSPORTATION SERVICES - 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 street and highway activities.

Miles of Street	45.1	45.7	45.7	45.7	45.7
Cost per mile	\$6,729	\$8,287	\$8,185	\$7,681	\$8,661

ADMINISTRATIVE SERVICES - To provide general government 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, Engineering, Mayor's Court, and City Council. For purposes of this analysis total gross costs of all administrative services are compared to total costs.

Administrative Services					
Costs to total costs	17.35%	13.33%	15.28%	16.39%	19.34%

FINANCIAL RATIOS	1998	1999	2000	2001	2002
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Working Capital is the amount that current assets exceed current liabilities. The Current Ratio, which compares current assets to current liabilities, is an indicator of the ability to pay current obligations.

<i>Working Capital</i>					
Governmental	\$901,631	\$777,003	\$1,117,759	\$1,256,911	\$1,320,239
Enterprise	\$728,182	\$536,670	\$551,705	\$1,306,447	\$1,126,617
<i>Current Ratio</i>					
Governmental	2.46	1.97	2.40	3.02	2.21
Enterprise	2.01	1.51	1.63	3.72	3.31

FINANCIAL RATIOS	1998	1999	2000	2001	2002
-------------------------	-------------	-------------	-------------	-------------	-------------

(Continued)

Liabilities to Equity indicates the extent of borrowing.

Debt to Equity

Governmental	224%	95%	73%	117%	89%
Enterprise	148%	163%	151%	170%	177%

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Louisville, Ohio for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2001. 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 whose contents conform to program standards. The CAFR must satisfy both Generally Accepted Accounting Principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Louisville has received a Certificate of Achievement for the last ten consecutive years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

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 the citizen evaluates the effectiveness of government on the basis of delivered services, the intent of the budget preparation process is to focus policy attention upon the means and ends to achieve the desired goals of government.

Controlling Expenditures

While the adopted budget establishes appropriation levels, specific procedures for controlling expenditures continue to be developed, expanded, and refined to ensure that day-to-day execution is in compliance with the approved program. The City Manager, in conjunction with the Director of Finance, is responsible for reviewing all requests for expenditures initiated by designated requisitioning authorities to determine their compliance with the adopted budget.

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 financial statutes, City Council and administration policy, and the City Charter.

Internal Control Structure

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

General Governmental Functions

Information below, extracted from table one of the Statistical Section, compares revenues and expenditures for all governmental fund types and similar trust funds for 2001 and 2002. The largest revenue source for governmental functions is the municipal income tax. Income tax collections for 2002 decreased 1.4% from 2001.

	2001 <u>Amount</u>	2002 <u>Amount</u>	Increase/ (Decrease) <u>Amount</u>	<u>Percent</u>
Revenues:				
Local Taxes	\$ 2,556,953	\$ 2,597,995	\$ 41,042	1.61%
Intergovernmental	658,334	771,164	112,830	17.14%
Charges for Services	348,242	390,075	41,833	12.01%
Fines, licenses and permits	88,396	116,721	28,325	32.04%
Investment Income	124,477	46,243	(78,234)	-62.85%
Donations	-	13,150	13,150	0.00%
Other revenues	<u>51,600</u>	<u>48,378</u>	<u>(3,222)</u>	-6.24%
Total revenues	<u>3,828,002</u>	<u>3,983,726</u>	<u>155,724</u>	4.07%
Expenditures:				
Safety Services	1,583,923	1,687,404	103,481	6.53%
Public health services	51,043	51,910	867	1.70%
Leisure time activities	380,496	351,965	(28,531)	-7.50%
Community environment	195,215	196,790	1,575	0.81%
Transportation	351,005	395,796	44,791	12.76%
General government	710,883	741,922	31,039	4.37%
Other	39,135	52,398	13,263	33.89%
Capital outlay	222,354	151,068	(71,286)	-32.06%
Debt service	<u>802,268</u>	<u>207,389</u>	<u>(594,879)</u>	-74.15%
Total expenditures	<u>4,336,322</u>	<u>3,836,642</u>	<u>(499,680)</u>	-11.52%
Excess of revenues over (under) expenditures	<u>(508,320)</u>	<u>147,084</u>	<u>655,404</u>	-128.94%
Other financing sources (uses)	<u>557,472</u>	<u>(5,928)</u>	<u>(563,400)</u>	-101.06%
Excess of revenues and other sources over expenditures and other uses	49,152	141,156	92,004	187.18%
Fund balances at beginning of year	917,759	981,911	64,152	6.99%
Increase (decrease) in reserve for inventory	<u>15,000</u>	<u>(2,828)</u>	<u>(17,828)</u>	-118.85%
Fund balances at end of year	<u>\$ 981,911</u>	<u>\$ 1,120,239</u>	<u>\$ 138,328</u>	14.09%

In 2002, the City received approximately \$70,000 more in estate taxes than received in 2001. The State of Ohio also reimbursed the City \$36,000 for loss of utility personal property tax due to changes in the Ohio tax law and the activities of the Community Programming Department increased in 2002 generating more fees.

There was a significant decline in interest rates in 2002 resulting in a decrease in investment income for the City. Also, due to continued budget problems associated with the declining income tax revenue, capital outlay was greatly reduced in 2002.

The significant decrease in debt service expenditures in 2002 was due to the City retiring \$593,250 of bond anticipation notes in 2001.

Enterprise Operations

The City owns and operates both a water and sewer utility department. Combined operating revenue for 2002 was \$1,344,616, an increase of 2% from 2001's operating revenue. Operating expenses increased 49% from 2001, to a total of \$2,062,154. The water and sewer utilities experienced an operational loss for 2002. Council instituted a rate increase of three percent for both sewer and water effective at the beginning of 2002. This increase did not eliminate the operational loss and it is recognized by staff and Council that additional rate increases for the utilities will still be necessary in the future.

2002 Initiatives

In 2002, with the decline in income tax revenue the City has had to make significant budget cuts. Therefore at this time, the City does not have any major current or future projects pending.

Financial Analysis of 2002

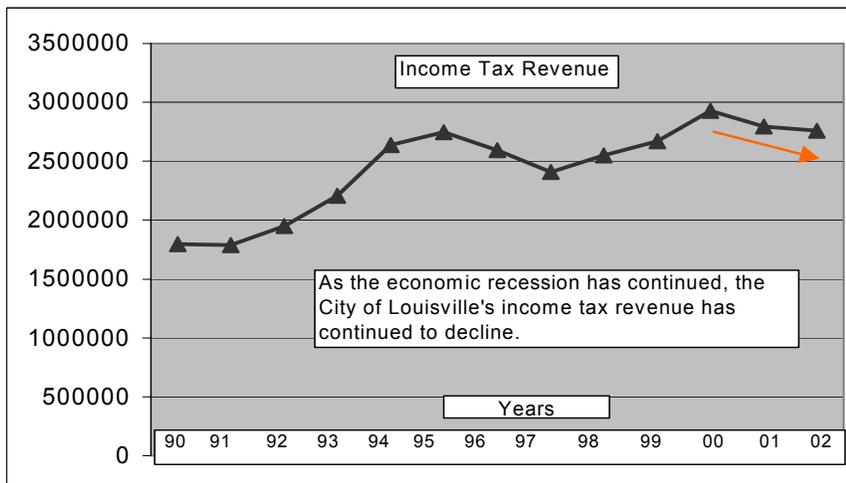
The economic downturn that started in 2001 continued through 2002. This fact can be seen clearly with the City of Louisville's income tax collections. Income tax is the City of Louisville's largest revenue source.

**CITY OF LOUISVILLE
INCOME TAX COLLECTIONS 2002-1999**

Figures below represent year to date tax collections

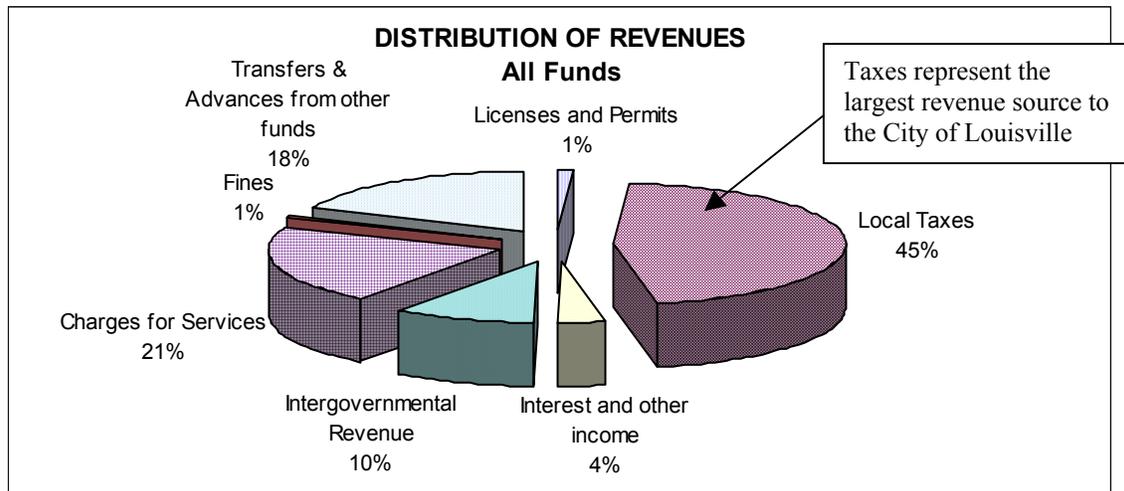
<i>MONTH ENDED</i>	<i>TAX YEAR 2002</i>	<i>TAX YEAR 2001</i>	<i>TAX YEAR 2000</i>	<i>TAX YEAR 1999</i>
January	\$ 310,819	\$ 279,167	\$ 252,876	\$ 259,802
February	504,234	487,840	515,475	475,519
March	669,843	659,531	674,959	647,117
April	1,217,489	1,248,737	1,221,183	1,138,743
May	1,368,981	1,395,157	1,425,116	1,311,849
June	1,546,115	1,557,869	1,578,522	1,519,201
July	1,836,134	1,875,395	1,903,996	1,808,121
August	1,991,268	2,041,290	2,020,765	1,925,081
September	2,163,763	2,182,512	2,214,124	2,117,977
October	2,464,142	2,518,078	2,623,310	2,362,758
November	2,615,009	2,632,379	2,737,824	2,518,877
December	\$ 2,757,672	\$ 2,796,610	\$ 2,929,773	\$ 2,671,288

In fact, the City of Louisville's roller coaster ride associated with total income tax collections shows clearly in the graph and table:



Year	Income Tax Revenue Collections	% Inc. (Dec.) over prior year
1990	\$1,795,393	n/a
1991	\$1,788,989	-0.36%
1992	\$1,947,656	8.87%
1993	\$2,208,825	13.41%
1994	\$2,636,500	19.36%
1995	\$2,746,480	4.17%
1996	\$2,595,461	-5.50%
1997	\$2,410,044	-7.14%
1998	\$2,548,673	5.75%
1999	\$2,671,288	4.81%
2000	\$2,929,773	9.68%
2001	\$2,796,610	-4.55%
2002	\$2,757,672	-1.39%
average % increase (decrease)		→ 3.93%

The budgetary impact of taxes is illustrated by the graph below:



The twelve-year history of income tax collections shows that it is a very volatile revenue source. The good years (1993 and 1994) illustrate a double-digit positive increase where the down years (1996 and 1997) illustrate significant decreases i.e. -5.5% and -7.14% respectively. The City of Louisville’s budget is very susceptible to these declines. Significant budget cuts have had to occur because of these downturns. The majority of these budget cuts have been in the area of capital purchases. Not purchasing “big ticket” items has allowed the City of Louisville to balance its budget during these times. When income tax collections increased, the City of Louisville purchased some of these items to make up for the prior year budget cuts. Because the City does not have a dedicated revenue source for capital purchases, many needed items have continued to go unfunded. The capital needs of the City (purchasing equipment and completing necessary infrastructure improvements) continue to increase as the community grows and the demand for services increases proportionately. *It is important to note that the City does not maintain a “rainy day” fund where money is set aside during the good times for future needs if a downturn occurs in revenue collections during any given year.* Thus, living within the available estimated revenues is critical for the financial health of the City to continue. The City of Louisville has tightened up spending along with cutting nearly all capital purchases from the budget. This tightening of spending, which has resulted in “under spending” the budget appropriation, is illustrated in the 2002 end of the year cash figures:

<u>Program - All Funds</u>	<u>Appropriations Plus Prior Year Carryover</u>	<u>% of the Total</u>	<u>Expended Year to Date</u>	<u>% Spent</u>
Public Safety	\$ 1,870,675	25%	\$ 1,683,737	90.01%
Public Health	56,967	1%	52,760	92.62%
Leisure Activities	378,336	5%	357,298	94.44%
Community Environment	271,990	4%	204,165	75.06%
Utility Services	1,985,072	27%	1,533,591	77.26%
Transportation	737,099	10%	502,666	68.20%
General Government	976,808	13%	915,621	93.74%
Other	71,240	1%	71,239	100.00%
Debt Service	1,038,375	14%	908,958	87.54%
Total	\$ 7,386,562	100%	\$ 6,230,035	84.34%

These economic factors have had a pronounced impact on the financial statements for 2002.

Another significant economic fact has been the cost of insurance. The City of Louisville continues to see alarming increases in health insurance costs. These large increases greatly exceed the rate of inflation causing the City to change insurance carriers frequently seeking a lower rate. This unfortunate trend continues in the 2003 budget. The City of Louisville has been hit with a 15% health insurance premium increase for 2003 after paying a 19% increase in 2002. These increases have cost over \$70,000 during that time.

Future Considerations

The City of Louisville must address the serious financial situation that has resulted due to the decline in income tax revenue. The City of Louisville is fast approaching a fork in the financial road. At that fork, the signpost says, "increase taxes, turn right" and "cut City services, turn left". A decision will have to be made as to which path is taken. Simply put, if the City of Louisville doesn't increase taxes, then the City will have to lay off employees and cut City services to a bare minimum. In fact, in some cases this will mean the elimination of a portion of the current City of Louisville services. The City has a two-fold problem. The City has been cutting approximately \$1 million dollars of needed capital purchases to balance the budget. Secondly, the income tax revenue has declined by nearly \$200,000 since 2000 causing operating budgets to be cut to a bare minimum in order to remain balanced. So, the financial problem of the City involves both the need for additional capital funds and operating funds.

Economic Outlook

The current economic climate is sending us mixed signals. The stock market continues to be a roller coaster ride with significant downward swings. A lot of people have lost a lot of money (i.e. retirement savings) in the market. Accounting scandals have undermined consumer confidence in the stock market and the economy. Economists along with the Federal Reserve Chairman continue to indicate that the key to the recovery will be consumer spending. Once this spending increases, nearly all facets of the economy will see an upswing in an effort to meet the demands of the consumer. Most are predicting this positive upswing will be very evident in 2003. However, the City of Louisville is not seeing any positive financial trends at this point.

Internal Service Funds

The City's internal service funds are used to account for benefits provided to all City employees. Governmental funds and enterprise funds are charged for vision and dental benefits and accrued sick and vacation time benefits. The internal service fund then pays for all vision and dental claims under the self-insurance plan.

Debt Administration

At December 31, 2002 the City had a number of debt issues outstanding. These issues included \$5,670,000 of general obligation bonds and \$1,170,000 of revenue bonds. The City has maintained its Baa1 rating from Moody's Investor Service on general obligation bond issues. As of December 31, 2002, the legal debt margin within the 10 1/2% limitation for the City of Louisville was \$14,605,621. The legal debt margin within the 5 1/2% limitation was \$7,650,563. \$5,670,000 of the general obligation debt is exempt from the limitation due to the debt service being payable from the City's income tax.

General Fixed Assets

The general fixed assets of the City of Louisville are those used in the performance of general government functions and exclude fixed assets of the enterprise funds. As of December 31, 2002, the general fixed assets of the City amounted to \$5,064,277 a decrease of \$31,242 from December 31, 2001.

Cash Management

During the fiscal year ended December 31, 2002 the City's cash resources were divided into investments approximately as follows: in State Treasurer's Pool 93%, in bank deposit 7%.

Risk Management

The types of insurance carried include: general liability, public officials liability, police professional liability, fleet liability, paramedic liability, employee medical insurance, and State of Ohio Workers Compensation. In addition to the City's administrative policies concerning risk control, each major department has its own risk control policies and procedures which are designed to control exposures to risk by employees and citizens.

Independent Annual Audit

The City is not legally required to obtain an independent annual audit. The minimum requirement is for the State of Ohio to perform an audit, directly or indirectly through an independent auditing firm, at least every two years. The City, consistent with the professional manner in which it has conducted its financial affairs, has chosen and funded annual audits. The auditor's unqualified opinion is included herein.

Acknowledgments

Preparation of this report could not have been accomplished without the help of a dedicated Finance Department staff. Further appreciation is extended to the Office of the City Manager, City Council, Stark County Auditor's Office, and department heads for their valuable research of records.

Respectfully submitted,



William R. Rouse
Director of Finance



Robert Nau
City Manager

CITY OF LOUISVILLE, OHIO

Public Officials Roster

December 31, 2002

Elected Officials

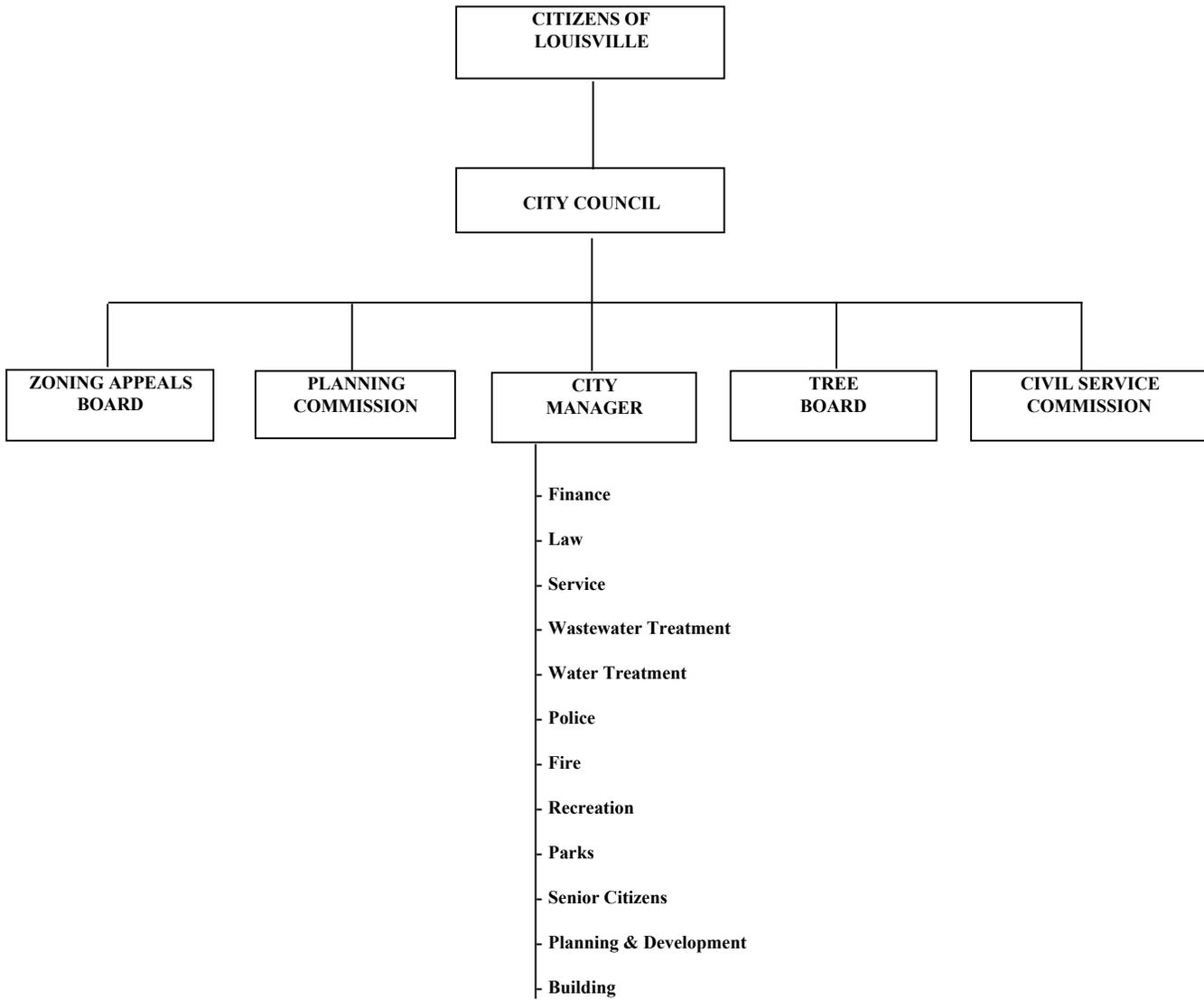
Cynthia Ann Kerchner, Mayor - Council Member
Peggy Connor, Council Member
Andy Aljancic, Council Member
David A. Thorley, Council Member
Tom McAlister, Council Member

Appointed Officials

Robert Nau City Manager
William R. Rouse..... Director of Finance
Deborah L. Sanborn..... Director of Planning
Peggy Howald City Clerk
Robert Duffrin..... Law Director
James McBeath..... Superintendent of Service
James Miller Chief of Police
Dennis Myers Chief of Fire

CITY OF LOUISVILLE, OHIO

Organization Chart



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, 2001

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



President

Executive Director

FINANCIAL SECTION



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

City of Louisville
Stark County
215 South Mill Street
Louisville, Ohio 44641-1699

To the City Council:

We have audited the accompanying general-purpose financial statements of the City of Louisville, Stark County, (the City) as of and for the year ended December 31, 2002, as listed in the Table of Contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Louisville, Stark County, as of December 31, 2002, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2003 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The combining and individual fund and account group financial statements and schedules listed in the Table of Contents are presented for additional analysis and are not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements. In our opinion, it is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 4, 2003

General Purpose Financial Statements

CITY OF LOUISVILLE, OHIO

Combined Balance Sheet

All Fund Types and Account Groups

December 31, 2002

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and other debits				
Assets:				
Equity in pooled cash	\$ 427,640	\$ 366,543	\$ 3,983	\$ 224,622
Receivables				
Taxes	1,042,277	-	-	-
Accounts	13,317	34,980	-	-
Due from other governments	157,386	109,683	-	-
Restricted assets:				
Customer deposits	-	-	-	-
Deferred charges	-	-	-	-
Advances to other funds	75,000	-	-	-
Materials and supplies inventory	-	12,172	-	-
Fixed assets, (net, where applicable, of accumulated depreciation)	-	-	-	-
Other debits:				
Amount available in debt service fund	-	-	-	-
Amount to be provided for retirement of general long-term obligations	-	-	-	-
Total assets and other debits	<u>\$ 1,715,620</u>	<u>\$ 523,378</u>	<u>\$ 3,983</u>	<u>\$ 224,622</u>
Liabilities, equity and other credits				
Liabilities:				
Accounts payable	\$ 33,040	\$ 8,248	\$ -	\$ -
Claims payable	-	-	-	-
Accrued wages	66,659	18,235	-	-
Compensated absences	18,191	1,068	-	-
Due to other governments	107,552	20,334	-	-
Deferred revenue	733,058	80,579	-	-
Claimant liabilities	-	-	-	-
Accrued interest payable	-	-	-	-
Capital leases payable	-	-	-	-
Customer deposits payable	-	-	-	-
Advances from other funds	200,000	-	-	75,000
Police pension liability payable	-	-	-	-
OPWC loan payable	-	-	-	-
Revenue bonds payable	-	-	-	-
Various purpose bonds payable	-	-	-	-
Total liabilities	<u>1,158,500</u>	<u>128,464</u>	<u>-</u>	<u>75,000</u>
Equity and other credits:				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings	-	-	-	-
Fund balances				
Reserved for encumbrances	20,298	11,308	-	20,462
Reserved for advances	75,000	-	-	-
Reserved for inventory	-	12,172	-	-
Reserved for debt service	-	-	3,983	-
Unreserved, undesignated	461,822	371,434	-	129,160
Total equity and other credits	<u>557,120</u>	<u>394,914</u>	<u>3,983</u>	<u>149,622</u>
Total liabilities, equity and other credits	<u>\$ 1,715,620</u>	<u>\$ 523,378</u>	<u>\$ 3,983</u>	<u>\$ 224,622</u>

See accompanying notes to general purpose financial statements.

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Expendable Trust	General Fixed Assets	General Long-Term Obligations	
\$ 1,215,799	\$ 1,174	\$ 18,971	\$ -	\$ -	\$ 2,258,732
184,680	-	-	-	-	1,226,957
209,041	-	-	-	-	257,338
-	-	-	-	-	267,069
4,240	-	-	-	-	4,240
44,307	-	-	-	-	44,307
200,000	-	-	-	-	275,000
-	-	-	-	-	12,172
8,699,419	-	-	5,064,277	-	13,763,696
-	-	-	-	3,983	3,983
-	-	-	-	1,277,633	1,277,633
<u>\$ 10,557,486</u>	<u>\$ 1,174</u>	<u>\$ 18,971</u>	<u>\$ 5,064,277</u>	<u>\$ 1,281,616</u>	<u>\$ 19,391,127</u>
\$ 13,998	\$ -	\$ -	\$ -	\$ -	\$ 55,286
-	1,730	-	-	-	1,730
18,277	-	-	-	-	103,171
128,849	-	-	-	280,766	428,874
28,012	-	-	-	-	155,898
-	-	-	-	-	813,637
-	-	4,371	-	-	4,371
31,578	-	-	-	-	31,578
14,298	-	-	-	61,904	76,202
4,240	-	-	-	-	4,240
-	-	-	-	-	275,000
-	-	-	-	49,946	49,946
819,632	-	-	-	-	819,632
1,170,000	-	-	-	-	1,170,000
4,592,400	-	-	-	889,000	5,481,400
<u>6,821,284</u>	<u>1,730</u>	<u>4,371</u>	<u>-</u>	<u>1,281,616</u>	<u>9,470,965</u>
-	-	-	5,064,277	-	5,064,277
843,563	-	-	-	-	843,563
2,892,639	(556)	-	-	-	2,892,083
-	-	-	-	-	52,068
-	-	-	-	-	75,000
-	-	-	-	-	12,172
-	-	-	-	-	3,983
-	-	14,600	-	-	977,016
<u>3,736,202</u>	<u>(556)</u>	<u>14,600</u>	<u>5,064,277</u>	<u>-</u>	<u>9,920,162</u>
<u>\$ 10,557,486</u>	<u>\$ 1,174</u>	<u>\$ 18,971</u>	<u>\$ 5,064,277</u>	<u>\$ 1,281,616</u>	<u>\$ 19,391,127</u>

CITY OF LOUISVILLE, OHIO

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

All Governmental Fund Types and Expendable Trust Funds

Year ended December 31, 2002

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Local taxes	\$ 2,597,995	\$ -	\$ -	\$ -
Intergovernmental	418,297	352,867	-	-
Charges for services	246,278	143,797	-	-
Fines, licenses, and permits	90,080	26,641	-	-
Investment income	43,691	2,552	-	-
Donations	-	13,150	-	-
Other revenues	19,165	9,703	-	15,000
Total revenues	<u>3,415,506</u>	<u>548,710</u>	<u>-</u>	<u>15,000</u>
Expenditures:				
Current:				
Security of persons and property	1,559,441	127,963	-	-
Public health services	51,910	-	-	-
Leisure time activities	290,399	61,566	-	-
Community environment	196,790	-	-	-
Transportation	-	395,796	-	-
General government	741,922	-	-	-
Other	51,339	1,059	-	-
Capital outlay	10,069	140,999	-	-
Debt service:				
Principal	24,589	-	119,000	-
Interest and fiscal charges	4,109	-	59,691	-
Total expenditures	<u>2,930,568</u>	<u>727,383</u>	<u>178,691</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>484,938</u>	<u>(178,673)</u>	<u>(178,691)</u>	<u>15,000</u>
Other financing sources (uses):				
Sale of general fixed assets	-	700	-	-
Operating transfers - in	-	228,482	182,674	-
Operating transfers - out	(417,784)	-	-	-
Total other financing sources (uses)	<u>(417,784)</u>	<u>229,182</u>	<u>182,674</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>67,154</u>	<u>50,509</u>	<u>3,983</u>	<u>15,000</u>
Fund balances at beginning of year	489,966	347,233	-	134,622
Decrease in reserve for inventory	<u>-</u>	<u>(2,828)</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ 557,120</u>	<u>\$ 394,914</u>	<u>\$ 3,983</u>	<u>\$ 149,622</u>

See accompanying notes to general purpose financial statements.

Fiduciary Fund Type	Totals (Memorandum Only)
Expendable Trust	
\$ -	\$ 2,597,995
-	771,164
-	390,075
-	116,721
-	46,243
-	13,150
4,510	48,378
4,510	3,983,726
-	1,687,404
-	51,910
-	351,965
-	196,790
-	395,796
-	741,922
-	52,398
-	151,068
-	143,589
-	63,800
-	3,836,642
4,510	147,084
-	700
-	411,156
-	(417,784)
-	(5,928)
4,510	141,156
10,090	981,911
-	(2,828)
\$ 14,600	\$ 1,120,239

CITY OF LOUISVILLE, OHIO

Combined Statement of Revenues, Expenditures and
 Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual
 All Governmental Fund Types
 Year ended December 31, 2002

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Municipal income tax	\$ 2,059,975	\$ 2,068,206	\$ 8,231
Property and other taxes	468,736	460,664	(8,072)
Charges for services	240,515	246,278	5,763
Licenses and permits	81,800	80,867	(933)
Fines and forfeitures	8,500	8,496	(4)
Intergovernmental	320,224	366,436	46,212
Investment income	73,000	43,691	(29,309)
Donations	-	-	-
Other	16,135	19,165	3,030
Total revenues	<u>3,268,885</u>	<u>3,293,803</u>	<u>24,918</u>
Expenditures:			
Current:			
General government	807,931	771,093	36,838
Security of persons and property	1,639,466	1,563,742	75,724
Public health services	56,967	52,760	4,207
Transportation	-	-	-
Community environment	254,580	209,304	45,276
Leisure time activities	316,770	300,369	16,401
Other	52,177	52,176	1
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>3,127,891</u>	<u>2,949,444</u>	<u>178,447</u>
Excess of revenues over (under) expenditures	<u>140,994</u>	<u>344,359</u>	<u>203,365</u>
Other financing sources (uses):			
Sale of fixed assets	-	-	-
Advances - in	-	1,239	1,239
Advances - out	-	-	-
Operating transfers - in	235,000	235,000	-
Operating transfers - out	(681,482)	(681,482)	-
Total other financing sources (uses)	<u>(446,482)</u>	<u>(445,243)</u>	<u>1,239</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	(305,488)	(100,884)	204,604
Prior year encumbrances carried forward	63,793	63,793	-
Fund balances at beginning of year	<u>409,972</u>	<u>409,972</u>	<u>-</u>
Fund balances at end of year	<u>\$ 168,277</u>	<u>\$ 372,881</u>	<u>\$ 204,604</u>

See accompanying notes to general purpose financial statements.

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
140,323	141,002	679	-	-	-
5,554	5,619	65	-	-	-
21,022	21,022	-	-	-	-
331,774	331,773	(1)	-	-	-
2,553	2,552	(1)	-	-	-
13,150	13,150	-	-	-	-
9,702	9,703	1	-	-	-
<u>524,078</u>	<u>524,821</u>	<u>743</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
231,209	136,753	94,456	-	-	-
-	-	-	-	-	-
537,099	510,914	26,185	-	-	-
17,410	17,410	-	-	-	-
61,566	61,566	-	-	-	-
1,059	1,059	-	-	-	-
-	-	-	150,719	149,269	1,450
-	-	-	67,281	64,748	2,533
<u>848,343</u>	<u>727,702</u>	<u>120,641</u>	<u>218,000</u>	<u>214,017</u>	<u>3,983</u>
<u>(324,265)</u>	<u>(202,881)</u>	<u>121,384</u>	<u>(218,000)</u>	<u>(214,017)</u>	<u>3,983</u>
700	700	-	-	-	-
-	-	-	-	-	-
(1,239)	(1,239)	-	-	-	-
228,482	228,482	-	218,000	218,000	-
-	-	-	-	-	-
<u>227,943</u>	<u>227,943</u>	<u>-</u>	<u>218,000</u>	<u>218,000</u>	<u>-</u>
(96,322)	25,062	121,384	-	3,983	3,983
10,826	10,826	-	-	-	-
311,141	311,141	-	-	-	-
<u>\$ 225,645</u>	<u>\$ 347,029</u>	<u>\$ 121,384</u>	<u>\$ -</u>	<u>\$ 3,983</u>	<u>\$ 3,983</u>

(Continued)

CITY OF LOUISVILLE, OHIO

Combined Statement of Revenues, Expenditures and
 Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual
 All Governmental Fund Types
 Year ended December 31, 2002

	Capital Projects Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Municipal income tax	\$ -	\$ -	\$ -
Property and other taxes	-	-	-
Charges for services	-	-	-
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Intergovernmental	-	-	-
Investment income	-	-	-
Donations	-	-	-
Other	15,000	15,000	-
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Expenditures:			
Current:			
General government	-	-	-
Security of persons and property	-	-	-
Public health services	-	-	-
Transportation	200,000	20,462	179,538
Community environment	-	-	-
Leisure time activities	-	-	-
Other	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>200,000</u>	<u>20,462</u>	<u>179,538</u>
Excess of revenues over (under) expenditures	<u>(185,000)</u>	<u>(5,462)</u>	<u>179,538</u>
Other financing sources (uses):			
Sale of fixed assets	-	-	-
Advances - in	-	-	-
Advances - out	-	-	-
Operating transfers - in	-	-	-
Operating transfers - out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>(185,000)</u>	<u>(5,462)</u>	<u>179,538</u>
Prior year encumbrances carried forward	-	-	-
Fund balances at beginning of year	<u>209,622</u>	<u>209,622</u>	<u>-</u>
Fund balances at end of year	<u>\$ 24,622</u>	<u>\$ 204,160</u>	<u>\$ 179,538</u>

See accompanying notes to general purpose financial statements.

Totals (Memorandum Only)

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 2,059,975	\$ 2,068,206	\$ 8,231
468,736	460,664	(8,072)
380,838	387,280	6,442
87,354	86,486	(868)
29,522	29,518	(4)
651,998	698,209	46,211
75,553	46,243	(29,310)
13,150	13,150	-
40,837	43,868	3,031
<u>3,807,963</u>	<u>3,833,624</u>	<u>25,661</u>
807,931	771,093	36,838
1,870,675	1,700,495	170,180
56,967	52,760	4,207
737,099	531,376	205,723
271,990	226,714	45,276
378,336	361,935	16,401
53,236	53,235	1
150,719	149,269	1,450
67,281	64,748	2,533
<u>4,394,234</u>	<u>3,911,625</u>	<u>482,609</u>
<u>(586,271)</u>	<u>(78,001)</u>	<u>508,270</u>
700	700	-
-	1,239	1,239
(1,239)	(1,239)	-
681,482	681,482	-
(681,482)	(681,482)	-
<u>(539)</u>	<u>700</u>	<u>1,239</u>
(586,810)	(77,301)	509,509
74,619	74,619	-
930,735	930,735	-
<u>\$ 418,544</u>	<u>\$ 928,053</u>	<u>\$ 509,509</u>

CITY OF LOUISVILLE, OHIO

Combined Statement of Revenues, Expenses and Changes in Retained Earnings

All Proprietary Fund Types

Year ended December 31, 2002

	Enterprise Funds	Internal Service Fund	Total (Memorandum Only)
Operating revenues:			
Charges for services	\$ 1,324,619	\$ 20,962	\$ 1,345,581
Other	19,997	-	19,997
Total operating revenues	<u>1,344,616</u>	<u>20,962</u>	<u>1,365,578</u>
Operating expenses:			
Personal services	759,150	-	759,150
Contractual services	-	2,394	2,394
Materials and supplies	887,166	-	887,166
Claims	-	18,104	18,104
Other	17,725	-	17,725
Depreciation	398,113	-	398,113
Total operating expenses	<u>2,062,154</u>	<u>20,498</u>	<u>2,082,652</u>
Operating income (loss)	<u>(717,538)</u>	<u>464</u>	<u>(717,074)</u>
Nonoperating revenues (expenses):			
Local taxes	780,533	-	780,533
Interest revenue	1,282	-	1,282
Loss on the sale of fixed assets	(1,697)	-	(1,697)
Interest expense	(349,583)	-	(349,583)
Total nonoperating revenues (expenses)	<u>430,535</u>	<u>-</u>	<u>430,535</u>
Income (loss) before operating transfers	<u>(287,003)</u>	<u>464</u>	<u>(286,539)</u>
Operating transfers - in	<u>6,628</u>	<u>-</u>	<u>6,628</u>
Net income (loss)	<u>(280,375)</u>	<u>464</u>	<u>(279,911)</u>
Retained earnings at beginning of year	<u>3,173,014</u>	<u>(1,020)</u>	<u>3,171,994</u>
Retained earnings at end of year	<u>\$ 2,892,639</u>	<u>\$ (556)</u>	<u>\$ 2,892,083</u>

See accompanying notes to general purpose financial statements.

CITY OF LOUISVILLE, OHIO

Combined Statement of Cash Flows
 All Proprietary Fund Types
 Year ended December 31, 2002

	Enterprise Funds	Internal Service Fund	Total (Memorandum Only)
Cash flows from operating activities			
Cash received from customers and users	\$ 1,334,648	\$ -	\$ 1,334,648
Cash received from quasi-external transactions with other funds	-	20,962	20,962
Cash paid to suppliers for goods and services	(933,050)	(2,394)	(935,444)
Cash paid for claims	-	(18,568)	(18,568)
Cash paid to employees for services	(756,735)	-	(756,735)
Net cash used for operating activities	<u>(355,137)</u>	<u>-</u>	<u>(355,137)</u>
Cash flows from noncapital financing activities			
Operating transfers from other funds	6,628	-	6,628
Net cash provided by noncapital financing activities	<u>6,628</u>	<u>-</u>	<u>6,628</u>
Cash flows from capital and related financing activities			
Cash received from municipal income tax	689,392	-	689,392
Proceeds from issuance of loans	114,055	-	114,055
Payment on capital lease	(6,628)	-	(6,628)
Contributed capital	4,000	-	4,000
Acquisitions of capital assets	(32,419)	-	(32,419)
Principal paid on bonds	(346,000)	-	(346,000)
Principal paid on loans	(36,353)	-	(36,353)
Interest paid on bonds and loans	(312,588)	-	(312,588)
Net cash provided by capital and related financing activities	<u>73,459</u>	<u>-</u>	<u>73,459</u>
Cash flows from investing activities			
Earnings on investments	1,282	-	1,282
Net decrease in cash and cash equivalents	(273,768)	-	(273,768)
Cash and cash equivalents at beginning of year	1,493,807	1,174	1,494,981
Cash and cash equivalents at end of year	<u>\$ 1,220,039</u>	<u>\$ 1,174</u>	<u>\$ 1,221,213</u>
Reconciliation of operating income (loss) to net cash used for operating activities			
Operating income (loss)	\$ (717,538)	\$ 464	\$ (717,074)
Adjustments to reconcile operating income (loss) to net cash used for operating activities			
Depreciation	398,113	-	398,113
Change in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	(10,032)	-	(10,032)
Increase (decrease) in liabilities:			
Accounts payable	(28,638)	-	(28,638)
Customer deposits	64	-	64
Claims payable	-	(464)	(464)
Due to other governments	(6,463)	-	(6,463)
Accrued wages	(1,841)	-	(1,841)
Compensated absences	11,198	-	11,198
Net cash used for operating activities	<u>\$ (355,137)</u>	<u>\$ -</u>	<u>\$ (355,137)</u>

See accompanying notes to general purpose financial statements.

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

December 31, 2002

(1) Summary of Significant Accounting Policies

The financial statements of the City of Louisville, Ohio (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board Statements and Interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the City's accounting policies are described below.

(a) Reporting Entity

The City operates under its Charter and is governed by an elected Mayor-Councilman and four other Council Members. The City offers a variety of services including police and fire protection, parks and recreation, street maintenance, and owns and operates a water system and a local sewer system.

In evaluating how to define the government for financial reporting purposes, management considered all potential component units. The decision not to include any potential component units in the reporting entity was made by applying GASB Statement No. 14, *The Financial Reporting Entity*. This governmental accounting standard requires that these financial statements present the City (the primary government) and its component units. Component units generally are legally separate entities for which a primary government is accountable and is able to impose its will upon or there is a possibility that the component unit may provide specific financial benefits or impose specific financial burdens on the primary government. No potential component units met these criteria to be included in the reporting entity, and therefore are not included in this report.

The City is associated with the Stark County Council of Governments, which is defined as a Jointly Governed Organization. This organization is presented in Note 17.

(b) Fund Accounting

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A *fund* is a separate accounting entity with a self-balancing set of accounts. An *account group*, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds) and the servicing of general long-term debt (debt service fund). The general fund is used to account for all activities of the general government not accounted for in another fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income or loss is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the City (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties. When these assets are held under the terms of a formal trust agreement, either a nonexpendable trust fund, or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the City is under an obligation to maintain the trust principal. The City's trusts funds are expendable trusts. Agency funds generally are used to account for assets that the City holds on behalf of others as their agent. Currently, the City does not have any agency funds.

(c) Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a *current financial resources* measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a *flow of economic resources* measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is used by all governmental fund types and expendable trust funds. The full accrual basis of accounting is used in the proprietary funds.

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

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. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers governmental fund revenues as available if they are collected within 60 days after year-end. In applying the “susceptible to accrual” concept under the modified accrual basis, earnings on investments and municipal income taxes are deemed both measurable and available. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized during the year for which the taxes are levied. (See Note 12) Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

(d) Budgets

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

The County Budget Commission certifies its actions to the City by September 1. As part of this certification, the City receives an Official Certificate of Estimated Resources which states the projected receipts of each fund. On or about January 1, this certificate is amended to include any unencumbered balances from the preceding year. Prior to December 31, the City must revise its budget so that the total contemplated disbursements from any fund during the ensuing fiscal year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the annual appropriation measure. The appropriated budget is prepared by fund, function and department and the legal level of budgetary control is at the department level.

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized during the year for budget control purposes. Encumbrances outstanding at year-end constitute reservations of fund balance. The City honors the contracts represented by year-end encumbrances. The subsequent year's appropriations provide the authority to complete these transactions. Unencumbered budget appropriations lapse at the end of the fiscal year.

The City administration may at any time transfer any 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 City adopts annual budgets for every fund with the exception of the internal service and fiduciary funds.

(e) Cash and Investments

To improve cash management, cash received by the City is pooled. Each fund's interest in the pool is presented as "Equity in pooled cash" on the combined balance sheet. The City's Charter specifies that deposits and investments of the City will adhere to State statutes, except as modified by Council Ordinance. The charter of the City and the City's investment policy indicate that the Director of Finance has responsibility for selecting depositories and investing funds that are not required to be used for a period of six months or more. Under these provisions, the City is to limit deposits and investments of City funds to insured demand deposit accounts, certificates of deposit, United States treasury obligations, obligations of any federal government agency or instrumentality, repurchase agreements, banker's acceptances, bonds and other obligations of the State of Ohio or the City of Louisville, Ohio, without regard to length of maturity or interest rate, no-load money market funds, NOW accounts, Super NOW accounts, or any other similar account authorized by the Federal Reserve's Depository Institutions Deregulation Committee, provided that such accounts are secured by collateral, and the State Treasurer's Investment Pool (Star Ohio). Before transacting a repurchase agreement with a particular broker/dealer, a Master Repurchase Agreement must be entered into between the City and that particular broker. During the year, investments were limited to an overnight repurchase agreement, money market investments, an interest in Star Ohio and federal agency securities. 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 required to receive interest allocations are: 1) special tax levy funds; 2) sewer fund; 3) water fund and 4) under certain circumstances, the capital projects fund. All remaining interest is credited to the general fund.

The City has invested funds in STAR Ohio during 2002. 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 Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. The fair value of the City's 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, 2002.

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, 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.

(f) Interfund Assets and Liabilities

Short-term interfund loans are reported as interfund receivables/payables and long-term interfund loans are reported as advances to/from other funds.

(g) Inventory of Materials and Supplies

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 costs of inventory items are recorded as expenditures in the governmental fund types when purchased and expenses in the proprietary funds when used. Reported materials and supplies inventory are equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets.

(h) Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. Fixed assets transferred between GFAAG and proprietary funds are transferred at estimated fair market value. The City maintains a capitalization threshold of \$1,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain (“infrastructure”) general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the City.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, machinery, equipment, and vehicles and infrastructure and improvements in the proprietary fund types is computed using the straight-line method.

Estimated useful lives are as follows:

Buildings	40 years
Machinery, equipment and vehicles	3 to 20 years
Infrastructure and improvements	40 years

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

(i) Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for the portion of accumulated sick leave benefits that is estimated to be taken as “terminal leave” prior to retirement.

(j) Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term obligations account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

(k) Fund Equity

Reserves represent those portions of fund equity, which are legally segregated for a specific future use or which do not represent available spendable resources and therefore are not available as appropriations for expenditures. Governmental fund type fund balances are reserved for encumbrances, inventory, debt service and advances. Enterprise fund reservation of retained earnings indicates that portion of retained earnings which is legally segregated for a specific use. There is no reservation of retained earnings at December 31, 2002.

(l) 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.

(m) Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transfers are reported as operating transfers.

(n) Total (Memorandum Only) Columns

Total columns on the general purpose financial statements are captioned “memorandum only” to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

(o) Bond Premiums/Issuance Costs

In governmental fund types, bond premiums and issuance costs are recognized in the current period. Bond premiums and issuance costs 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 bonds payable, whereas issuance costs are recorded as deferred charges.

(2) Budget Reconciliation

An annual appropriations budget is adopted by City Council each year for all funds, except internal service and fiduciary funds, as more fully described in Note 1(d). Internal service funds are not legally required to adopt a budget.

The City’s budget (budget basis) accounts for certain transactions on a basis which differs from generally accepted accounting principles (GAAP basis). The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP);
- (b) Expenditures are recorded when paid in cash or encumbered (budget) as opposed to when the liability is incurred (GAAP);
- (c) Encumbrances are recorded as the equivalent of an expenditure (budget) in order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation as opposed to a reservation of fund balance for governmental funds (GAAP).

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the GAAP basis are as follows:

*Excess of Revenues and Other Financing Sources Over (Under)
Expenditures and Other Financing Uses*

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
<i>GAAP Basis</i>	\$ 67,154	\$ 50,509	\$ 15,000
<i>Revenue accruals</i>	114,536	(23,889)	-
<i>Expenditure accruals</i>	(227,815)	17,956	-
<i>Encumbrances (Budget Basis) outstanding at year end</i>	(54,759)	(19,514)	(20,462)
<i>Budget Basis</i>	<u>\$ (100,884)</u>	<u>\$ 25,062</u>	<u>\$ (5,462)</u>

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

(3) Restricted Assets

The sewer fund is holding deposits from customers of \$4,240 at December 31, 2002. This restricted asset is reported on the balance sheet with an offsetting liability for customer deposits payable.

(4) Deposits and Investments

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

(a) Cash on hand

At December 31, 2002, the City had \$310 of un-deposited cash on hand, which is included on the balance sheet as part of "Equity in pooled cash".

(b) Deposits

At December 31, 2002, the carrying amount of the City's deposits was (\$1,868), and the bank balance was \$10,281. The entire bank balance of \$10,281 was covered by federal depository insurance and/or collateralized with securities held by their agent in the City's name.

(c) Investments

The City's investments are categorized to give an indication of the level of custodial credit risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered, or securities held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty or by its trust department or agent, but not in the City's name. STAR Ohio is unclassified since it is not evidenced by securities that exist in physical or book entry form.

During 2002, \$43,691 in interest revenue was credited to the general fund, of which \$38,142 was assigned from other City funds.

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

At December 31, 2002, investments include:

	<u>Category</u> <u>2</u>	<u>Carrying</u> <u>Amounts</u>	<u>Fair</u> <u>Value</u>
<u>Categorized Investments</u>			
Repurchase agreement	\$ 145,000	\$ 145,000	\$ 145,000
<u>Noncategorized Investments</u>			
State Treasurer's Pool (Star Ohio)		2,119,530	2,119,530
Total Investments		<u>\$ 2,264,530</u>	<u>\$ 2,264,530</u>

(5) Property and Equipment

Activity with respect to general fixed assets during 2002 follows:

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31</u>
Land and land improvements	\$ 815,580	\$ 29,800	\$ -	\$ 845,380
Buildings	1,198,675	-	-	1,198,675
Machinery, equipment and vehicles	3,081,264	15,874	(76,916)	3,020,222
Total	<u>\$ 5,095,519</u>	<u>\$ 45,674</u>	<u>\$ (76,916)</u>	<u>\$ 5,064,277</u>

A summary of the enterprise funds' fixed assets as of December 31, 2002 follows:

<u>Classification</u>	<u>Balance</u>
Land and land improvements	\$ 196,555
Buildings	8,564,250
Infrastructure and improvements	7,029,123
Machinery and equipment	<u>601,325</u>
Total	16,391,253
Less: accumulated depreciation	<u>(7,691,834)</u>
Net fixed assets	<u>\$ 8,699,419</u>

(6) Capital Leases

During 1999, the City entered into a capital lease for the acquisition of vehicles and equipment for various departments. The payments for the lease are shown on a GAAP basis as debt service expenditures in the general fund and as a reduction of capital lease payable in the water enterprise fund.

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

Fixed assets acquired by lease have been capitalized in the general fixed assets account group and in the water enterprise fund in an amount equal to the present value of the future minimum lease payments. A corresponding liability was recorded in the general long-term obligations account group and water enterprise fund. The assets are recorded under vehicles, and machinery and equipment at \$167,295 in the general fixed asset account group and \$38,640 in the water enterprise fund.

The 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, 2002.

<u>Year</u>	<u>Enterprise Fund</u>	<u>General Long- term Obligations</u>
2003	\$ 6,628	\$ 28,699
2004	6,628	28,699
2005	2,217	9,601
<i>Total minimum lease payments</i>	<u>15,473</u>	<u>66,999</u>
<i>Less: Amount representing interest</i>	<u>(1,175)</u>	<u>(5,095)</u>
<i>Present value of minimum lease payments</i>	<u>\$ 14,298</u>	<u>\$ 61,904</u>

(7) Fund Deficit

At December 31, 2002, the medical benefits internal service fund had a deficit retained earnings of \$556. This balance was caused by the application of generally accepted accounting principles. The general fund provides transfers to cover deficit balances in other funds; however, this is done when cash is needed rather than when accruals occur.

(8) Pending Litigation

There are certain lawsuits in which the City is involved. The City's management, after consultation with the City's Law Director, is of the opinion that any potential uninsured claims against the City would not materially affect the financial statements.

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

(9) Debt Obligations

A listing of changes in the bonds and other long-term obligations of the City for the year ended December 31, 2002 follows:

	<i>Balance</i> <u>1/1/02</u>	<i>Additions</i>	<i>Deletions</i>	<i>Balance</i> <u>12/31/02</u>
<u>Enterprise Fund Debt</u>				
<i>General Obligation Bonds</i>				
1993 Capital Facilities Refunding and Improvement 3.95-6.00%	\$ 3,260,000	\$ -	\$ (195,000)	\$ 3,065,000
Unamortized deferred cost of refunding	(241,739)	-	34,165	(207,574)
Unamortized premium	21,979	-	(3,005)	18,974
2001 Various Purpose 3.50-5.10%	<u>1,792,000</u>	-	<u>(76,000)</u>	<u>1,716,000</u>
Total General Obligation Bonds	<u>4,832,240</u>	-	<u>(239,840)</u>	<u>4,592,400</u>
<i>Revenue Bonds</i>				
1993 Water Utility Revenue 2.75-5.75%	<u>1,245,000</u>	-	<u>(75,000)</u>	<u>1,170,000</u>
<i>Other Long-Term Obligations</i>				
1996 Ohio Public Works Commission (OPWC) Loan 0.00%	378,403	-	(24,413)	353,990
2001 Ohio Public Works Commission (OPWC) Loan 0.00%	363,527	114,055	(11,940)	465,642
Long-term compensated absences	117,651	87,193	(75,995)	128,849
Capital lease payable	<u>19,977</u>	-	<u>(5,679)</u>	<u>14,298</u>
Total Other Long-Term Obligations	<u>879,558</u>	<u>201,248</u>	<u>(118,027)</u>	<u>962,779</u>
Total Enterprise Obligations	<u>\$ 6,956,798</u>	<u>\$ 201,248</u>	<u>\$ (432,867)</u>	<u>\$ 6,725,179</u>
<u>General Long-Term Obligations</u>				
<i>General Obligation Bonds</i>				
1991 Various Purpose 5.10-7.10%	\$ 560,000	\$ -	\$ (100,000)	\$ 460,000
2001 Various Purpose 3.50-4.50%	<u>448,000</u>	-	<u>(19,000)</u>	<u>429,000</u>
Total General Obligation Bonds	<u>1,008,000</u>	-	<u>(119,000)</u>	<u>889,000</u>
<i>Other Obligations</i>				
Police pension liability 4.25%	50,652	-	(706)	49,946
Long-term compensated absences	253,206	163,447	(135,887)	280,766
Capital lease payable	<u>86,493</u>	-	<u>(24,589)</u>	<u>61,904</u>
Total Other Obligations	<u>390,351</u>	<u>163,447</u>	<u>(161,182)</u>	<u>392,616</u>
Total General Long-Term Obligations	<u>\$ 1,398,351</u>	<u>\$ 163,447</u>	<u>\$ (280,182)</u>	<u>\$ 1,281,616</u>

The interest rates listed in the table above are the rates over the life of the bond or note. Interest rates listed in the following paragraphs are the interest rates for that specific period of time.

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

Of the \$3,065,000 Capital Facilities Refunding and Improvement Bonds, \$1,385,000 matures serially in progressive annual amounts ranging from \$210,000 in 2003 to \$260,000 in 2008 and bears interest at rates ranging from 4.30% to 5.00%. The remaining \$1,680,000 represents term bonds which are subject to mandatory redemption ranging from \$270,000 in 2009 to \$50,000 in 2017 (the maturity of the issue) and bear interest at rates ranging from 5.125% to 5.20%, respectively. The Capital Facilities Refunding and Improvement Bonds are general obligations of the City. However, the debt is serviced from revenues generated from a .5% reallocation in the municipal income tax rate.

The \$1,716,000 Various Purpose Bonds mature serially in progressive annual amounts ranging from \$76,000 in 2003 to \$112,000 in 2021 and bear interest at rates ranging from 3.50% to 5.10%, respectively. The bonds represent general obligations of the City and were used in 2001 to retire the City's \$1,586,750 bond anticipation notes, which had been used to fund various projects and improvements.

The \$460,000 Various Purpose Bonds mature serially in progressive annual amounts ranging from \$105,000 in 2003 to \$125,000 in 2006 and bear interest at rates ranging from 6.75% to 7.10%, respectively. The bonds represent general obligations of the City and were used in 1991 to retire the City's \$1,275,000 general obligation notes, which had been used to fund various capital projects and improvements. These bonds will be paid from revenues generated by municipal income taxes.

Of the \$1,170,000 Water Revenue Bonds outstanding, \$165,000 mature serially in progressive annual amounts ranging from \$80,000 in 2003 to \$85,000 in 2004 and bear interest rates ranging from 4.90% to 5.10%. The remaining \$1,005,000 represents term bonds which are subject to mandatory sinking fund redemption and also subject to prior redemption by and at the option of the City. The mandatory sinking fund redemption is in amounts ranging from \$90,000 in 2005 to \$135,000 in 2013, bearing an interest rate of 5.75%. The revenue bonds are special obligations of the City and will be payable solely from the bond fund, which is to receive money from draws on a letter of credit and certain amounts payable pursuant to a water supply contract.

The \$353,990 OPWC Loan outstanding is an interest-free loan from the Ohio Public Works Commission for a water line project, and requires equal payments over twenty years. The \$465,642 OPWC Loan outstanding is an interest-free loan from the Ohio Public Works Commission for a water tower, and requires equal payments over twenty years.

The \$429,000 Various Purpose Bonds mature serially in progressive annual amounts ranging from \$19,000 in 2003 to \$28,000 in 2021 and bear interest at rates ranging from 3.50% to 4.50%, respectively. The bonds represent general obligations of the City and were used in 2001 to retire the City's \$593,250 bond anticipation notes, which had been used to fund various capital projects and improvements.

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

The City's future debt service requirements at December 31, 2002, are:

	<i>General Obligation Bonds</i>	<i>Water Revenue Bonds</i>	<i>OPWC Loan</i>	<i>Total</i>
2003	\$ 694,020	\$ 146,123	\$ 48,292	\$ 888,435
2004	689,068	147,123	48,292	884,483
2005	682,835	147,787	48,292	878,914
2006	690,075	147,612	48,292	885,979
2007	550,465	147,150	48,292	745,907
2008-2012	1,290,042	728,463	241,462	2,259,967
2013-2017	2,516,070	142,762	229,254	2,888,086
2018-2022	588,085	-	107,456	695,541
<i>Total</i>	<u>\$ 7,700,660</u>	<u>\$ 1,607,020</u>	<u>\$ 819,632</u>	<u>\$ 10,127,312</u>

The amounts of interest included in the total debt service requirements for the general obligation bonds and revenue bonds were \$2,030,660 and \$437,020 respectively. The OPWC loans are interest-free.

The Ohio Revised Code provides that the net general obligation debt of the City, exclusive of certain exempt debt, issued without a vote of the electors should not exceed 5.5% of the total value of all property in the City. The Code further provides that the total voted and unvoted net debt of the City less the same exempt debt should not exceed 10.5% of the total value of all property in the City. The effects of such debt limitations as of December 31, 2002 are an overall debt margin of \$14,605,621 and a limit on unvoted debt margin of \$7,650,563.

(10) 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, 2002 there were two series of Healthcare and Housing Facility Revenue Bonds outstanding, with an aggregate principal amount payable of \$11.190 million.

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

(11) Interfund Assets and Liabilities

Interfund balances at December 31, 2002 consist of the following individual fund receivables and payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Advance</u>
Water enterprise fund	General fund	\$ 200,000
General fund	Capital projects fund	75,000
		<u>\$ 275,000</u>

(12) Taxes

(a) Property Taxes

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the City. The 2002 tax levy was based upon an assessed valuation of approximately \$139 million. Ohio law prohibits taxation of property from all taxing authorities in excess of 10 mills of assessed value without a vote of the people. Under current procedures, the City's share is 2.8 mills, all of which is dedicated to the general fund.

Real property taxes are levied each January 1 on the assessed value listed as of the prior January 1. Assessed values are established by the County Auditor at 35% of appraised market value. A revaluation of all property is required to be completed no less than every six years, with a statistical update every third year. A revaluation was completed in 1997. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (net of depreciation, depletion, etc.). Tangible personal property assessments are 25% of true value for inventories and substantially all other personal property.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Louisville. Taxes are payable to the County in two equal installments in February and July and, if not paid, are certified delinquent after August 10. The County Auditor periodically remits to the City its portion of the taxes collected, with final settlement in March and September for taxes payable in the first and second halves of the year, respectively. At time of collection, these taxes are available and are recorded as revenue by the City.

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

(b) Municipal 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.

(13) Retirement Plans

All full time employees, other than non-administrative full time police officers and firefighters, participate in the Ohio Public Employees Retirement System (OPERS), a multiple-employer, cost-sharing public employee retirement system administered by the Ohio Public Employees Retirement Board. All full-time uniformed City police and firefighters participate in the Ohio Police and Fire Pension Fund (OP&F), also a multiple-employer, cost-sharing public employee retirement system. Both of these retirement plans provide basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits for OPERS and OP&F, is provided by the Ohio State Legislature and is codified in the Ohio Revised Code, Chapters 145 and 742, respectively. Each retirement system prepares a stand-alone financial report that includes financial information and required supplementary information for the plans. These reports can be obtained by writing to OPERS at 277 East Town Street, Columbus, Ohio 43215-4642 and OP&F at 140 East Town Street, Columbus, Ohio 43215-5164.

OPERS: Plan members are required to contribute 8.5% of their annual covered salary to fund pension obligations. In January 2001, House Bill 416 divided the OPERS law enforcement program into two separate divisions with separate employee contribution rates and benefits. The law enforcement classification consists of sheriffs, deputy sheriffs, and township police with an employee contribution rate of 10.1%. All other members of the OPERS law enforcement program were placed in a newly named public safety division and continued to contribute at 9%. For 2002, the employer pension contribution rate for the City was 13.55% of covered payroll, 8.55% was the portion used to fund pension obligation. The 2002 employer contribution rate for both the law enforcement and public safety divisions was 16.70% of covered payroll, 11.7% was the portion used to fund pension obligation. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2002, 2001, and 2000 were \$149,769, \$141,362, and \$133,006, respectively. The full amount has been contributed for 2001 and 2000. 73% had been contributed for 2002 with the remainder being reported as a liability within the respective funds.

OP&F: Plan members are required to contribute 10% of their covered salary to fund pension obligations, while employers are required to contribute 19.5% and 24%, 11.75% and 16.25% was the portion used to fund pension obligation, respectively for police officers and firefighters. Contributions are authorized by State statute. The City's contributions to OP&F for the years ended December 31, 2002, 2001, and 2000 were \$76,429, \$75,444, and \$78,565, respectively. The full amount has been contributed for 2001 and 2000. 73% had been contributed for 2002 with the remainder being reported as a liability within the respective funds.

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and firefighters in 1967. As of December 31, 2002, the unfunded liability of the City was \$49,946 payable in semi-annual payments through the year 2035. This is an accounting liability of the City, which will not vary. The liability is reported in the general long-term obligations account group.

(14) Postemployment Benefits

OPERS provides post-retirement health care coverage, also referred to as Other Post Employment Benefits (OPEB), to age and service retirants with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care based on authority granted by State statute. The 2002 employer contribution rate was 13.55% for covered payroll; 5% was the portion that was used to fund health care for 2002. For both the public safety and law enforcement divisions the 2001 employer rate was 16.7% and 5% was used to fund health care.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2001, include a rate of return on investments of 8%, an annual increase in active employee total payroll of 4% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.3% based on additional annual pay increases. Health care premiums were assumed to increase 4% annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets.

The number of active participants statewide was 402,041. The City's actual contributions for 2002 which were used to fund post-employment benefits were \$87,584. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2001, (the latest information available) were \$11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$16.4 billion and \$4.8 billion, respectively.

In December 2001, the Board adopted the Health Care "Choices" Plan in its continuing effort to respond to the rise in the cost of Health Care. The Choices Plan will be offered to all persons newly hired under OPERS after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices as the name suggests, will incorporate a cafeteria approach, offering a more broad range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipients will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

OP&F provides post retirement health care coverage, also referred to as Other Post Employment Benefits (OPEB), to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time of on a 2/3 basis.

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No.12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that the health care costs are paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go-basis. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll, of which 7.75% of covered payroll was applied to the postemployment health care program during 2002. For 2001, the percent used to fund healthcare was 7.5%. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The City's actual contributions for 2002 that were used to fund post-employment benefits were \$50,411 for both police and fire. The OP&F total health care expense for the year ended December 31, 2001, (the latest information available) was \$122,298,771, which was net of member contributions of \$6,874,699. The number of OP&F participants eligible to receive health care benefits as of December 31, 2001, was 13,174 for police and 10,239 for firefighters.

(15) Contributed Capital

Contributions for (or of) capital assets are credited directly to contributed capital. In prior years, these included donations by developers, contributions made by the City and assets whose construction was financed through special assessments. Depreciation expense on assets acquired through restricted grants is not closed to contributed capital. As of January 1, 2001 increases in contributed capital will only take place for contributions made by the City. Contributed capital in the water enterprise fund increased by \$4,000 and there was no change in the sewer enterprise fund during the year ended December 31, 2002.

(16) Segment Information for Enterprise Funds

The City maintains a water enterprise fund and a sewer enterprise fund. Segment information for the year ended December 31, 2002 follows:

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<i>Operating revenues</i>	\$ 678,779	\$ 665,837	\$ 1,344,616
<i>Depreciation expense</i>	225,094	173,019	398,113
<i>Operating loss</i>	(557,690)	(159,848)	(717,538)
<i>Operating transfers in</i>	6,628	-	6,628
<i>Tax revenues</i>	511,588	268,945	780,533
<i>Net loss</i>	(201,891)	(78,484)	(280,375)
<i>Contributed capital</i>	4,000	-	4,000
<i>Fixed asset additions</i>	22,164	10,255	32,419
<i>Net working capital</i>	519,648	606,969	1,126,617
<i>Total assets</i>	6,446,351	4,111,135	10,557,486
<i>Outstanding long-term liabilities:</i>			
<i>Payable from operating sources</i>	3,237,685	373,715	3,611,400
<i>Payable from other sources</i>	491,965	2,230,776	2,722,741
<i>Total equity</i>	2,454,910	1,281,292	3,736,202
<i>Encumbrances outstanding budget basis at December 31, 2002</i>	\$ 3,052	\$ 46,084	\$ 49,136

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

(17) Jointly Governed Organization

The City participates in the Stark County Council of Governments 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. The City appoints one representative which has a membership share based on the percentage of contractual financial contributions to the total funding. Each participant is entitled to vote its percentage share. The board exercises total authority over the operation of the Council including budgeting, appropriation, contracting and designating management. Continued existence of the Council is dependent on the County's continued participation. The Council does not provide specific financial benefits or impose specific financial burdens on the City. The City does not have an equity interest in the Council. Financial statements of the Council can be obtained from the Stark County Council of Governments, Canton, Ohio.

(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. 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 616 members. The City's settled claims have not exceeded insurance coverage for the past three years. The Plan has chosen to adopt the forms and endorsements of conventional insurance coverage and to reinsure these coverages 100%, rather than utilize a risk pool of member funds to pay individual and collective losses up to a given retention, and then have excess reinsurance coverage above the retention amount. Therefore, the City is only responsible for its self-retention (deductible) amount. The Plan reinsures its coverage 100%, with various reinsurance companies up to a limit of \$5,000,000 per occurrence, per member. The City 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 maintains a self-insurance internal service fund to account for and finance its risks of loss in this program. This plan provides a dental plan with \$50 per person deductible, and no deductible for the vision. A third party administrator reviews all claims, which are then paid by the City. The City pays into the self-insurance internal service fund all individual claims. During 1998, the City contracted 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.

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

The claims liability of \$1,730 reported in the fund at December 31, 2002 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The claims liability is based on an estimate supplied by the City's third party administrator. Changes in the fund's claims liability amount in 2002 and 2001 were:

	<i>Balance at beginning of year</i>	<i>Current year claims</i>	<i>Claim payments</i>	<i>Balance at end of year</i>
2001	\$ 5,491	16,816	20,113	2,194
2002	\$ 2,194	18,104	18,568	1,730



CITY OF LOUISVILLE, OHIO

GENERAL FUND

The General fund is used to account for all financial resources of the City except those required to be accounted for in another fund.

CITY OF LOUISVILLE, OHIO

GENERAL FUND

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Year ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Municipal income tax	\$ 2,059,975	\$ 2,068,206	\$ 8,231
Property and other taxes	468,736	460,664	(8,072)
Charges for services	240,515	246,278	5,763
Licenses and permits	81,800	80,867	(933)
Fines and forfeitures	8,500	8,496	(4)
Intergovernmental	320,224	366,436	46,212
Investment income	73,000	43,691	(29,309)
Other	16,135	19,165	3,030
Total revenues	3,268,885	3,293,803	24,918
Expenditures:			
Current:			
General government			
Office of the city manager	188,159	182,845	5,314
Administration and accounting	274,635	269,939	4,696
Department of law	56,797	55,444	1,353
Offices of city council	48,892	44,149	4,743
Mayor's court	25,100	20,748	4,352
Civil service commission	12,759	8,344	4,415
Division of lands and buildings	70,402	65,624	4,778
Miscellaneous	131,187	124,000	7,187
Total general government	807,931	771,093	36,838
Security of persons and property			
Division of police	1,029,922	1,003,373	26,549
Division of fire	302,110	261,311	40,799
Division of communications	216,057	208,284	7,773
Division of street lighting	80,600	80,290	310
Division of traffic control maintenance	10,711	10,466	245
Fire prevention bureau	66	18	48
Total security of persons and property	1,639,466	1,563,742	75,724
Public health services			
Board of health	56,967	52,760	4,207
Community environment			
Division of planning and development	198,528	156,457	42,071
Division of housing and building code enforcement	56,052	52,847	3,205
Total community environment	254,580	209,304	45,276

(Continued)

CITY OF LOUISVILLE, OHIO

GENERAL FUND

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Year ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Leisure time activities			
Division of parks	150,002	134,239	15,763
Recreation board	2,420	2,184	236
Senior citizens center	164,348	163,946	402
Total leisure time activities	<u>316,770</u>	<u>300,369</u>	<u>16,401</u>
Other	52,177	52,176	1
Total expenditures	<u>3,127,891</u>	<u>2,949,444</u>	<u>178,447</u>
Excess of revenues over expenditures	<u>140,994</u>	<u>344,359</u>	<u>203,365</u>
Other financing sources (uses):			
Advances - in	-	1,239	1,239
Operating transfers - in	235,000	235,000	-
Operating transfers - out	(681,482)	(681,482)	-
Total other financing sources (uses)	<u>(446,482)</u>	<u>(445,243)</u>	<u>1,239</u>
Excess of revenues and other financing sources under expenditures and other financing uses	(305,488)	(100,884)	204,604
Prior year encumbrances carried forward	63,793	63,793	-
Fund balance at beginning of year	409,972	409,972	-
Fund balance at end of year	<u>\$ 168,277</u>	<u>\$ 372,881</u>	<u>\$ 204,604</u>

For budget purposes, capital outlay is included within the respective City departments.

CITY OF LOUISVILLE, OHIO

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes. Following is a description of the City's special revenue funds:

- Street Construction, Maintenance and Repair - To account for 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 used to maintain state highways.
- Motor Vehicle License - To account for vehicle registration fees received via the municipal permissive tax; used entirely for the purchase of material for resurfacing City streets.
- Mayor's Court Computerization - To account for additional court fees designated for computerization of the Mayor's court and for the acquisition and maintenance of legal research services for the Mayor's court.
- Emergency Services Donations - To account for donations made by individuals in support of the Fire and EMS Departments.
- Emergency Services Charges - To account for fees charged for paramedic services of the Fire and EMS Departments.
- Law Enforcement Education - To account for fine monies used to educate the general public regarding drunk driving.
- Law Enforcement Trust - To account for forfeiture monies used to educate the general public regarding drug abuse.
- Municipal Road - To account for municipal road entitlements passed through the Stark County Board of Commissioners; used to finance street improvement projects.
- Drug Abuse Resistance Education (DARE) - To account for all charitable contributions used to finance the City's DARE programs.
- Special Events - To account for contributions and miscellaneous revenues used to support special events held in the City's parks.
- Community Development Block Grant - To account for revenues received from other governments and used for community development and improvements.

CITY OF LOUISVILLE, OHIO

SPECIAL REVENUE FUNDS

Combining Balance Sheet

December 31, 2002

	Street Construction, Maintenance and Repair	State Highway	Motor Vehicle License	Mayor's Court Computerization	Emergency Services Donations
Assets					
Equity in pooled cash	\$ 90,772	\$ 17,886	\$ 4,145	\$ 7,820	\$ 5,001
Accounts receivable	-	-	-	-	-
Due from other governments	90,203	7,314	12,166	-	-
Material and supplies inventory	12,172	-	-	-	-
Total assets	<u>\$ 193,147</u>	<u>\$ 25,200</u>	<u>\$ 16,311</u>	<u>\$ 7,820</u>	<u>\$ 5,001</u>
Liabilities and fund equity					
Liabilities					
Accounts payable	\$ 5,785	\$ 469	\$ -	\$ -	\$ -
Accrued wages	14,109	978	-	-	-
Compensated absences	1,068	-	-	-	-
Due to other governments	16,081	1,141	-	-	-
Deferred revenue	60,857	4,935	-	-	-
Total liabilities	<u>97,900</u>	<u>7,523</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund equity					
Fund balance:					
Reserved for encumbrances	1,892	149	-	-	-
Reserved for inventory	12,172	-	-	-	-
Unreserved, undesignated	81,183	17,528	16,311	7,820	5,001
Total fund equity	<u>95,247</u>	<u>17,677</u>	<u>16,311</u>	<u>7,820</u>	<u>5,001</u>
Total liabilities and fund equity	<u>\$ 193,147</u>	<u>\$ 25,200</u>	<u>\$ 16,311</u>	<u>\$ 7,820</u>	<u>\$ 5,001</u>

Emergency Services Charges	Law Enforcement Education	Law Enforcement Trust	Municipal Road	Drug Abuse Resistance Education	Special Events	Community Development Block Grant	Total
\$ 181,460	\$ 11,083	\$ 31,504	\$ 6,405	\$ 10,467	\$ -	\$ -	\$ 366,543
34,980	-	-	-	-	-	-	34,980
-	-	-	-	-	-	-	109,683
-	-	-	-	-	-	-	12,172
<u>\$ 216,440</u>	<u>\$ 11,083</u>	<u>\$ 31,504</u>	<u>6,405</u>	<u>\$ 10,467</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 523,378</u>
\$ 1,994	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,248
3,148	-	-	-	-	-	-	18,235
-	-	-	-	-	-	-	1,068
2,921	-	-	-	191	-	-	20,334
14,787	-	-	-	-	-	-	80,579
<u>22,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>191</u>	<u>-</u>	<u>-</u>	<u>128,464</u>
9,267	-	-	-	-	-	-	11,308
-	-	-	-	-	-	-	12,172
184,323	11,083	31,504	6,405	10,276	-	-	371,434
<u>193,590</u>	<u>11,083</u>	<u>31,504</u>	<u>6,405</u>	<u>10,276</u>	<u>-</u>	<u>-</u>	<u>394,914</u>
<u>\$ 216,440</u>	<u>\$ 11,083</u>	<u>\$ 31,504</u>	<u>\$ 6,405</u>	<u>\$ 10,467</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 523,378</u>

CITY OF LOUISVILLE, OHIO

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances

Year ended December 31, 2002

	Street Construction, Maintenance and Repair	State Highway	Motor Vehicle License	Mayor's Court Computerization	Emergency Services Donations
Revenues:					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, licenses, and permits	-	-	-	5,619	-
Intergovernmental	204,533	16,583	84,606	-	-
Investment income	-	-	2,552	-	-
Donations	-	-	-	-	-
Other revenues	1,049	85	-	-	56
Total revenue	<u>205,582</u>	<u>16,668</u>	<u>87,158</u>	<u>5,619</u>	<u>56</u>
Expenditures:					
Current:					
Security of persons and property	-	-	-	5,742	-
Transportation	368,896	26,900	-	-	-
Leisure time activities	-	-	-	-	-
Other	-	-	-	-	-
Capital outlay	1,925	75	121,589	-	-
Total expenditures	<u>370,821</u>	<u>26,975</u>	<u>121,589</u>	<u>5,742</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(165,239)</u>	<u>(10,307)</u>	<u>(34,431)</u>	<u>(123)</u>	<u>56</u>
Other financing sources:					
Sale of general fixed assets	-	-	-	-	-
Operating transfers - in	155,000	10,000	20,000	-	-
Total other financing sources	<u>155,000</u>	<u>10,000</u>	<u>20,000</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures	<u>(10,239)</u>	<u>(307)</u>	<u>(14,431)</u>	<u>(123)</u>	<u>56</u>
Fund balances at beginning of year	108,314	17,984	30,742	7,943	4,945
Decrease in reserve for inventory	<u>(2,828)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ 95,247</u>	<u>\$ 17,677</u>	<u>\$ 16,311</u>	<u>\$ 7,820</u>	<u>\$ 5,001</u>

Emergency Services Charges	Law Enforcement Education	Law Enforcement Trust	Municipal Road	Drug Abuse Resistance Education	Special Events	Community Development Block Grant	Total
\$ 143,797	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,797
-	871	20,151	-	-	-	-	26,641
8,485	-	-	-	21,250	-	17,410	352,867
-	-	-	-	-	-	-	2,552
-	-	-	-	-	13,150	-	13,150
-	-	3,397	-	200	4,916	-	9,703
<u>152,282</u>	<u>871</u>	<u>23,548</u>	<u>-</u>	<u>21,450</u>	<u>18,066</u>	<u>17,410</u>	<u>548,710</u>
98,461	-	9,356	-	14,404	-	-	127,963
-	-	-	-	-	-	-	395,796
-	-	-	-	-	61,566	-	61,566
1,059	-	-	-	-	-	-	1,059
-	-	-	-	-	-	17,410	140,999
<u>99,520</u>	<u>-</u>	<u>9,356</u>	<u>-</u>	<u>14,404</u>	<u>61,566</u>	<u>17,410</u>	<u>727,383</u>
<u>52,762</u>	<u>871</u>	<u>14,192</u>	<u>-</u>	<u>7,046</u>	<u>(43,500)</u>	<u>-</u>	<u>(178,673)</u>
-	-	700	-	-	-	-	700
-	-	-	-	-	43,482	-	228,482
-	-	700	-	-	43,482	-	229,182
52,762	871	14,892	-	7,046	(18)	-	50,509
140,828	10,212	16,612	6,405	3,230	18	-	347,233
-	-	-	-	-	-	-	(2,828)
<u>\$ 193,590</u>	<u>\$ 11,083</u>	<u>\$ 31,504</u>	<u>\$ 6,405</u>	<u>\$ 10,276</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 394,914</u>

CITY OF LOUISVILLE, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget (Non-GAAP Budgetary Basis) and Actual
Year ended December 31, 2002

	Street Construction, Maintenance and Repair Special Revenue Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 191,526	\$ 191,526	\$ -
Investment income	-	-	-
Other	1,049	1,049	-
Total revenues	<u>192,575</u>	<u>192,575</u>	<u>-</u>
Expenditures:			
Current:			
Transportation			
Division of street maintenance	356,689	335,738	20,951
Division of snow and ice removal	26,951	26,951	-
Total expenditures	<u>383,640</u>	<u>362,689</u>	<u>20,951</u>
Excess of revenues under expenditures	<u>(191,065)</u>	<u>(170,114)</u>	<u>20,951</u>
Other financing sources:			
Operating transfers - in	<u>155,000</u>	<u>155,000</u>	<u>-</u>
Excess of revenues and other financing sources under expenditures	<u>(36,065)</u>	<u>(15,114)</u>	<u>20,951</u>
Prior year encumbrances carried forward	7,640	7,640	-
Fund balance at beginning of year	<u>90,611</u>	<u>90,611</u>	<u>-</u>
Fund balance at end of year	<u>\$ 62,186</u>	<u>\$ 83,137</u>	<u>\$ 20,951</u>

For budget purposes, capital outlay is included within the respective City departments.

State Highway
Special Revenue Fund

Motor Vehicle License
Special Revenue Fund

Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 15,529	\$ 15,529	\$ -	\$ 77,574	\$ 77,573	\$ (1)
-	-	-	2,553	2,552	(1)
85	85	-	-	-	-
<u>15,614</u>	<u>15,614</u>	<u>-</u>	<u>80,127</u>	<u>80,125</u>	<u>(2)</u>
28,901	24,172	4,729	122,000	121,589	411
2,558	2,464	94	-	-	-
<u>31,459</u>	<u>26,636</u>	<u>4,823</u>	<u>122,000</u>	<u>121,589</u>	<u>411</u>
<u>(15,845)</u>	<u>(11,022)</u>	<u>4,823</u>	<u>(41,873)</u>	<u>(41,464)</u>	<u>409</u>
10,000	10,000	-	20,000	20,000	-
(5,845)	(1,022)	4,823	(21,873)	(21,464)	409
979	979	-	-	-	-
<u>17,316</u>	<u>17,316</u>	<u>-</u>	<u>25,609</u>	<u>25,609</u>	<u>-</u>
<u>\$ 12,450</u>	<u>\$ 17,273</u>	<u>\$ 4,823</u>	<u>\$ 3,736</u>	<u>\$ 4,145</u>	<u>\$ 409</u>

CITY OF LOUISVILLE, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget (Non-GAAP Budgetary Basis) and Actual
Year ended December 31, 2002

	Mayor's Court Computerization Special Revenue Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ -	\$ -	\$ -
Licenses and permits	5,554	5,619	65
Intergovernmental	-	-	-
Other	-	-	-
Total revenues	<u>5,554</u>	<u>5,619</u>	<u>65</u>
Expenditures:			
Current:			
Security of persons and property			
Division of police	7,500	5,742	1,758
Division of fire	-	-	-
Division of emergency service	-	-	-
Total security of persons and property	<u>7,500</u>	<u>5,742</u>	<u>1,758</u>
Other	-	-	-
Total expenditures	<u>7,500</u>	<u>5,742</u>	<u>1,758</u>
Excess of revenues over (under) expenditures	<u>(1,946)</u>	<u>(123)</u>	<u>1,823</u>
Prior year encumbrances carried forward	-	-	-
Fund balance at beginning of year	<u>7,943</u>	<u>7,943</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,997</u>	<u>\$ 7,820</u>	<u>\$ 1,823</u>

For budget purposes, capital outlay is included within the respective City departments.

Emergency Services Donations
Special Revenue Fund

Emergency Services Charges
Special Revenue Fund

Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 140,323	\$ 141,002	\$ 679
-	-	-	-	-	-
-	-	-	8,485	8,485	-
55	56	1	-	-	-
<u>55</u>	<u>56</u>	<u>1</u>	<u>148,808</u>	<u>149,487</u>	<u>679</u>
-	-	-	-	-	-
4,000	-	4,000	-	-	-
-	-	-	176,148	107,169	68,979
<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>176,148</u>	<u>107,169</u>	<u>68,979</u>
-	-	-	1,059	1,059	-
<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>177,207</u>	<u>108,228</u>	<u>68,979</u>
<u>(3,945)</u>	<u>56</u>	<u>4,001</u>	<u>(28,399)</u>	<u>41,259</u>	<u>69,658</u>
-	-	-	2,207	2,207	-
<u>4,945</u>	<u>4,945</u>	<u>-</u>	<u>126,728</u>	<u>126,728</u>	<u>-</u>
<u>\$ 1,000</u>	<u>\$ 5,001</u>	<u>\$ 4,001</u>	<u>\$ 100,536</u>	<u>\$ 170,194</u>	<u>\$ 69,658</u>

CITY OF LOUISVILLE, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget (Non-GAAP Budgetary Basis) and Actual
Year ended December 31, 2002

	Law Enforcement Education Special Revenue Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines and forfeitures	\$ 871	\$ 871	\$ -
Other	-	-	-
Total revenues	<u>871</u>	<u>871</u>	<u>-</u>
Expenditures:			
Current:			
Security of persons and property			
Division of police	9,000	-	9,000
Excess of revenues over (under) expenditures	<u>(8,129)</u>	<u>871</u>	<u>9,000</u>
Other financing sources:			
Sale of fixed assets	-	-	-
Excess of revenues and other financing sources over (under) expenditures	(8,129)	871	9,000
Fund balance at beginning of year	<u>10,212</u>	<u>10,212</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,083</u>	<u>\$ 11,083</u>	<u>\$ 9,000</u>

For budget purposes, capital outlay is included within the respective City departments.

Law Enforcement Trust
Special Revenue Fund

Municipal Road
Special Revenue Fund

Law Enforcement Trust Special Revenue Fund			Municipal Road Special Revenue Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 20,151	\$ 20,151	\$ -	\$ -	\$ -	\$ -
3,397	3,397	-	-	-	-
<u>23,548</u>	<u>23,548</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
13,800	9,356	4,444	-	-	-
<u>9,748</u>	<u>14,192</u>	<u>4,444</u>	<u>-</u>	<u>-</u>	<u>-</u>
700	700	-	-	-	-
<u>10,448</u>	<u>14,892</u>	<u>4,444</u>	<u>-</u>	<u>-</u>	<u>-</u>
16,612	16,612	-	6,405	6,405	-
<u>\$ 27,060</u>	<u>\$ 31,504</u>	<u>\$ 4,444</u>	<u>\$ 6,405</u>	<u>\$ 6,405</u>	<u>\$ -</u>

CITY OF LOUISVILLE, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget (Non- GAAP Budgetary Basis) and Actual
Year ended December 31, 2002

Drug Abuse Resistance Education (DARE)
Special Revenue Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 21,250	\$ 21,250	\$ -
Investment income	-	-	-
Donations	-	-	-
Other	200	200	-
Total revenues	<u>21,450</u>	<u>21,450</u>	<u>-</u>
Expenditures:			
Current:			
Security of persons and property			
Division of police	20,761	14,486	6,275
Community environment			
Division of planning and development	-	-	-
Leisure time activities			
Special events	-	-	-
Total expenditures	<u>20,761</u>	<u>14,486</u>	<u>6,275</u>
Excess of revenues over (under) expenditures	<u>689</u>	<u>6,964</u>	<u>6,275</u>
Other financing sources (uses):			
Advances - out	(1,239)	(1,239)	-
Operating transfers - in	-	-	-
Total other financing sources (uses)	<u>(1,239)</u>	<u>(1,239)</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(550)	5,725	6,275
Fund balance at beginning of year	<u>4,742</u>	<u>4,742</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,192</u>	<u>\$ 10,467</u>	<u>\$ 6,275</u>

For budget purposes, capital outlay is included within the respective City departments.

Special Events
Special Revenue Fund

Community Development Block Grant
Special Revenue Fund

Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 17,410	\$ 17,410	\$ -
-	-	-	-	-	-
13,150	13,150	-	-	-	-
4,916	4,916	-	-	-	-
<u>18,066</u>	<u>18,066</u>	<u>-</u>	<u>17,410</u>	<u>17,410</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	17,410	17,410	-
<u>61,566</u>	<u>61,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>61,566</u>	<u>61,566</u>	<u>-</u>	<u>17,410</u>	<u>17,410</u>	<u>-</u>
<u>(43,500)</u>	<u>(43,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
<u>43,482</u>	<u>43,482</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>43,482</u>	<u>43,482</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(18)	(18)	-	-	-	-
<u>18</u>	<u>18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LOUISVILLE, OHIO

CAPITAL PROJECTS FUND

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

- Capital Improvements - To account for monies used for the acquisition or construction of major capital facilities.

CITY OF LOUISVILLE, OHIO

CAPITAL PROJECTS FUND

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Year ended December 31, 2002

Capital Improvements Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Other	\$ 15,000	\$ 15,000	\$ -
Expenditures:			
Current:			
Transportation			
Division of street maintenance	200,000	20,462	179,538
Excess of revenues under expenditures	(185,000)	(5,462)	179,538
Fund balance at beginning of year	209,622	209,622	-
Fund balance at end of year	<u>\$ 24,622</u>	<u>\$ 204,160</u>	<u>\$ 179,538</u>

CITY OF LOUISVILLE, OHIO

**FINANCIAL STATEMENTS OF INDIVIDUAL
FUNDS AND ACCOUNT GROUPS**

The debt service fund and the general long-term obligations account group are not presented separately since individual fund comparatives are not presented and the legal level of budgetary control is not greater than that presented in the General Purpose Financial Statements.

DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest.

**GENERAL LONG-TERM OBLIGATIONS
ACCOUNT GROUP**

The general long-term obligations account group is used to account for all long-term indebtedness of the City that is not a specific liability of a proprietary fund.

CITY OF LOUISVILLE, OHIO

ENTERPRISE FUNDS

Enterprise 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 net income, financial position and changes in cash flows. The enterprise funds are used to account for the City's water and sewer operations. These operations are financed and operated in a manner similar to a private business enterprise. The intent of the City 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. Following is a description of the City's enterprise funds:

- Water - To account for water services provided to individuals and commercial users in the community.
- Sewer - To account for sewer services provided to individuals and commercial users in the community.

CITY OF LOUISVILLE, OHIO

ENTERPRISE FUNDS

Combining Balance Sheet

December 31, 2002

	Water	Sewer	Total
Assets			
Current assets:			
Equity in pooled cash	\$ 582,789	\$ 633,010	\$ 1,215,799
Receivables			
Taxes	106,853	77,827	184,680
Accounts	91,797	117,244	209,041
Restricted assets:			
Customer deposits	-	4,240	4,240
Total current assets	<u>781,439</u>	<u>832,321</u>	<u>1,613,760</u>
Deferred charges	8,852	35,455	44,307
Advances to other funds	200,000	-	200,000
Fixed assets (net of accumulated depreciation)	<u>5,456,060</u>	<u>3,243,359</u>	<u>8,699,419</u>
Total assets	<u><u>\$ 6,446,351</u></u>	<u><u>\$ 4,111,135</u></u>	<u><u>\$ 10,557,486</u></u>
Liabilities and Equity			
Current liabilities:			
Accounts payable	\$ 1,247	\$ 12,751	\$ 13,998
Accrued wages	7,947	10,330	18,277
Accrued interest payable	14,167	17,411	31,578
Due to other governments	13,106	14,906	28,012
Current portion of capital lease payable	5,949	-	5,949
Current portion of OPWC loan payable	48,292	-	48,292
Current portion of revenue bonds payable	80,000	-	80,000
Current portion of various purpose bonds	91,083	165,714	256,797
Customer deposits payable	-	4,240	4,240
Total current liabilities	<u>261,791</u>	<u>225,352</u>	<u>487,143</u>
Long-term liabilities:			
Compensated absences	55,731	73,118	128,849
Capital lease payable, excluding current portion	8,349	-	8,349
OPWC loan payable, excluding current portion	771,340	-	771,340
Revenue bonds payable, excluding current portion	1,090,000	-	1,090,000
Various purpose bonds payable, excluding current portion	<u>1,804,230</u>	<u>2,531,373</u>	<u>4,335,603</u>
Total long-term liabilities	<u>3,729,650</u>	<u>2,604,491</u>	<u>6,334,141</u>
Total liabilities	<u><u>3,991,441</u></u>	<u><u>2,829,843</u></u>	<u><u>6,821,284</u></u>
Equity:			
Contributed capital	636,275	207,288	843,563
Retained earnings	<u>1,818,635</u>	<u>1,074,004</u>	<u>2,892,639</u>
Total equity	<u>2,454,910</u>	<u>1,281,292</u>	<u>3,736,202</u>
Total liabilities and equity	<u><u>\$ 6,446,351</u></u>	<u><u>\$ 4,111,135</u></u>	<u><u>\$ 10,557,486</u></u>

CITY OF LOUISVILLE, OHIO

ENTERPRISE FUNDS

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

Year ended December 31, 2002

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 663,829	\$ 660,790	\$ 1,324,619
Other	14,950	5,047	19,997
Total operating revenues	<u>678,779</u>	<u>665,837</u>	<u>1,344,616</u>
Operating expenses:			
Personal services	382,963	376,187	759,150
Materials and supplies	611,025	276,141	887,166
Other	17,387	338	17,725
Depreciation	225,094	173,019	398,113
Total operating expenses	<u>1,236,469</u>	<u>825,685</u>	<u>2,062,154</u>
Operating loss	<u>(557,690)</u>	<u>(159,848)</u>	<u>(717,538)</u>
Nonoperating revenues (expenses):			
Local taxes	511,588	268,945	780,533
Interest revenue	1,282	-	1,282
Loss on the sale of fixed assets	-	(1,697)	(1,697)
Interest expense	(163,699)	(185,884)	(349,583)
Total nonoperating revenues (expenses)	<u>349,171</u>	<u>81,364</u>	<u>430,535</u>
Loss before operating transfers	<u>(208,519)</u>	<u>(78,484)</u>	<u>(287,003)</u>
Operating transfers-in	<u>6,628</u>	<u>-</u>	<u>6,628</u>
Net loss	(201,891)	(78,484)	(280,375)
Retained earnings at beginning of year	<u>2,020,526</u>	<u>1,152,488</u>	<u>3,173,014</u>
Retained earnings at end of year	<u>\$ 1,818,635</u>	<u>\$ 1,074,004</u>	<u>\$ 2,892,639</u>

CITY OF LOUISVILLE, OHIO

ENTERPRISE FUNDS

Combining Statement of Cash Flows

Year ended December 31, 2002

	Water	Sewer	Total
Cash flows from operating activities			
Cash received from customers and users	\$ 672,866	\$ 661,782	\$ 1,334,648
Cash paid to suppliers for goods and services	(661,707)	(271,343)	(933,050)
Cash paid to employees for services	(384,251)	(372,484)	(756,735)
Net cash provided by (used for) operating activities	<u>(373,092)</u>	<u>17,955</u>	<u>(355,137)</u>
Cash flows from noncapital financing activities			
Operating transfers from other funds	6,628	-	6,628
Net cash provided by noncapital financing activities	<u>6,628</u>	<u>-</u>	<u>6,628</u>
Cash flows from capital and related financing activities			
Cash received from municipal income tax	423,443	265,949	689,392
Proceeds from issuance of loans	114,055	-	114,055
Payment on capital lease	(6,628)	-	(6,628)
Contributed capital	4,000	-	4,000
Acquisitions of capital assets	(22,164)	(10,255)	(32,419)
Principal paid on bonds	(160,800)	(185,200)	(346,000)
Principal paid on loans	(36,353)	-	(36,353)
Interest paid on bonds and loans	(162,939)	(149,649)	(312,588)
Net cash provided by (used for) capital and related financing activities	<u>152,614</u>	<u>(79,155)</u>	<u>73,459</u>
Cash flows from investing activities			
Earnings on investments	1,282	-	1,282
Net decrease in cash and cash equivalents	(212,568)	(61,200)	(273,768)
Cash and cash equivalents at beginning of year	795,357	698,450	1,493,807
Cash and cash equivalents at end of year	<u>\$ 582,789</u>	<u>\$ 637,250</u>	<u>\$ 1,220,039</u>
Reconciliation of operating loss to net cash provided by (used for) operating activities			
Operating loss	\$ (557,690)	\$ (159,848)	\$ (717,538)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities			
Depreciation	225,094	173,019	398,113
Change in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	(5,913)	(4,119)	(10,032)
Increase (decrease) in liabilities:			
Accounts payable	(33,315)	4,677	(28,638)
Customer deposits	-	64	64
Due to other governments	(4,178)	(2,285)	(6,463)
Accrued wages	(2,240)	399	(1,841)
Compensated absences	5,150	6,048	11,198
Net cash provided by (used for) operating activities	<u>\$ (373,092)</u>	<u>\$ 17,955</u>	<u>\$ (355,137)</u>

CITY OF LOUISVILLE, OHIO

WATER ENTERPRISE FUND

Schedule of Revenues, Expenses and Changes in Fund Equity -
Budget (Non-GAAP Budgetary Basis) and Actual
Year ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Municipal income tax	\$ 686,557	\$ 689,392	\$ 2,835
Charges for services	655,871	657,916	2,045
Investment income	281	1,370	1,089
Other	14,893	14,950	57
Total revenues	<u>1,357,602</u>	<u>1,363,628</u>	<u>6,026</u>
Expenses:			
General government			
Miscellaneous	<u>96,865</u>	<u>96,695</u>	<u>170</u>
Basic utility services			
Division of water treatment	537,215	510,907	26,308
Division of water laboratory	20,525	19,115	1,410
Division of water distribution	583,896	279,792	304,104
Office of superintendent of service	102,898	101,484	1,414
Division of meter maintenance	42,885	41,515	1,370
Total basic utility services	<u>1,287,419</u>	<u>952,813</u>	<u>334,606</u>
Other	<u>17,666</u>	<u>17,666</u>	<u>-</u>
Debt service:			
Principal retirement	200,706	201,403	(697)
Interest and fiscal charges	136,246	136,638	(392)
Total expenses	<u>1,738,902</u>	<u>1,405,215</u>	<u>333,687</u>
Excess of revenues under expenses	<u>(381,300)</u>	<u>(41,587)</u>	<u>339,713</u>
Other financing sources (uses):			
Proceeds of loans	4,832	114,055	109,223
Operating transfers - in	400,000	400,000	-
Operating transfers - out	(688,000)	(688,000)	-
Total other financing sources (uses)	<u>(283,168)</u>	<u>(173,945)</u>	<u>109,223</u>
Excess of revenues and other financing sources under expenses and other financing uses	(664,468)	(215,532)	448,936
Prior year encumbrances appropriated	312,174	312,174	-
Fund balance at beginning of year	<u>483,096</u>	<u>483,096</u>	<u>-</u>
Fund balance at end of year	<u>\$ 130,802</u>	<u>\$ 579,738</u>	<u>\$ 448,936</u>

CITY OF LOUISVILLE, OHIO

SEWER ENTERPRISE FUND

Schedule of Revenues, Expenses and Changes in Fund Equity -
Budget (Non-GAAP Budgetary Basis) and Actual
Year ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 655,100	\$ 656,671	\$ 1,571
Other	4,130	5,111	981
Total revenues	<u>659,230</u>	<u>661,782</u>	<u>2,552</u>
Expenses:			
General government			
Miscellaneous	72,012	70,014	1,998
Basic utility services			
Office of superintendent of service	66,964	61,254	5,710
Division of meter maintenance	43,038	41,587	1,451
Division of wastewater treatment	456,098	409,658	46,440
Division of sewage laboratory	30,335	27,715	2,620
Division of sanitary sewer pumping	7,637	4,540	3,097
Division of storm sewer maintenance	89,581	85,024	4,557
Utility deposits	4,000	36	3,964
Total basic utility services	<u>697,653</u>	<u>629,814</u>	<u>67,839</u>
Other	338	338	-
Debt service:			
Principal retirement	307,473	180,950	126,523
Interest and fiscal charges	175,950	175,950	-
Total expenses	<u>1,253,426</u>	<u>1,057,066</u>	<u>196,360</u>
Excess of revenues under expenses	<u>(594,196)</u>	<u>(395,284)</u>	<u>198,912</u>
Other financing sources:			
Operating transfers - in	288,000	288,000	-
Excess of revenues and other financing sources under expenses	<u>(306,196)</u>	<u>(107,284)</u>	<u>198,912</u>
Prior year encumbrances appropriated	48,926	48,926	-
Fund balance at beginning of year	<u>649,524</u>	<u>649,524</u>	<u>-</u>
Fund balance at end of year	<u>\$ 392,254</u>	<u>\$ 591,166</u>	<u>\$ 198,912</u>

CITY OF LOUISVILLE, OHIO

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. The following are the City's fiduciary fund types:

Expendable Trust Funds

These funds are accounted for in essentially the same manner as governmental funds.

- **Unclaimed Monies** - To account for monies received that are subject to refund or claim.
- **Seniors Citizen's Fund** - To account for donations received and to be used for the benefit of Senior Citizen's in the City of Louisville.

CITY OF LOUISVILLE, OHIO

Combining Balance Sheet
All Expendable Trust Funds
December 31, 2002

	Expendable Trusts		Totals
	Unclaimed Monies	Senior Citizen's	
Assets			
Equity in pooled cash	\$ 4,475	\$ 14,496	\$ 18,971
Liabilities and fund equity			
Liabilities			
Claimant liabilities	\$ 4,371	\$ -	\$ 4,371
Equity			
Fund balances:			
Unreserved, undesignated	104	14,496	14,600
Total fund equity	104	14,496	14,600
Total liabilities and fund equity	\$ 4,475	\$ 14,496	\$ 18,971

CITY OF LOUISVILLE, OHIO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Expendable Trust Funds
Year ended December 31, 2002

	<u>Unclaimed Monies</u>	<u>Senior Citizen's</u>	<u>Totals</u>
Revenues:			
Other revenue	\$ -	\$ 4,510	\$ 4,510
Expenditures:			
Total expenditures	-	-	-
Excess of revenues over expenditures	-	4,510	4,510
Fund balances at beginning of year	104	9,986	10,090
Fund balances at end of year	<u>\$ 104</u>	<u>\$ 14,496</u>	<u>\$ 14,600</u>

CITY OF LOUISVILLE, OHIO

GENERAL FIXED ASSETS ACCOUNT GROUP

The general fixed assets account group accounts for all fixed assets used in general governmental operations. Streets, sidewalks and storm sewers are not included in this account group as the City does not capitalize infrastructure items.

CITY OF LOUISVILLE, OHIO

GENERAL FIXED ASSETS ACCOUNT GROUP

Schedule of General Fixed Assets by Source

As of December 31, 2002

General fixed assets	
Land and land improvements	\$ 845,380
Buildings	1,198,675
Machinery, equipment and vehicles	<u>3,020,222</u>
Total general fixed assets	<u>\$ 5,064,277</u>
Investments in general fixed assets from	
General fund revenues	\$ 1,931,780
Special revenue funds	1,490,386
General obligation bonds	<u>1,642,111</u>
Total investments in general fixed assets	<u>\$ 5,064,277</u>

CITY OF LOUISVILLE, OHIO

GENERAL FIXED ASSETS ACCOUNT GROUP

Schedule of General Fixed Assets by Function and Activity

As of December 31, 2002

	Land and Land Improvements	Buildings	Machinery, Equipment and Vehicles	Total
Security of persons and property				
Police	\$ -	\$ 3,114	\$ 212,387	\$ 215,501
Fire	-	-	1,046,235	1,046,235
Emergency medical	-	-	84,950	84,950
Communications	-	-	87,815	87,815
Ligting	-	-	196,643	196,643
Signalization	-	-	349,308	349,308
Total security of persons and property	-	3,114	1,977,338	1,980,452
Leisure time activities				
Parks	845,380	399,198	235,086	1,479,664
Senior citizens	-	155,606	20,217	175,823
Total leisure time activities	845,380	554,804	255,303	1,655,487
Community environment				
Division of planning and development	-	-	4,495	4,495
Transportation				
Street maintenance	-	7,406	438,802	446,208
General government				
Administration	-	-	80,685	80,685
Land and buildings	-	633,351	263,599	896,950
Total general government	-	633,351	344,284	977,635
Total general fixed assets	\$ 845,380	\$ 1,198,675	\$ 3,020,222	\$ 5,064,277

CITY OF LOUISVILLE, OHIO

GENERAL FIXED ASSETS ACCOUNT GROUP

Schedule of Changes in General Fixed Assets by Function and Activity

Year ended December 31, 2002

	General Fixed Assets January 1, 2002	Additions	Deletions	General Fixed Assets December 31, 2002
Security of persons and property				
Police	\$ 286,217	\$ 2,200	\$ 72,916	\$ 215,501
Fire	1,046,235	-	-	1,046,235
Emergency medical	84,950	-	-	84,950
Communications	86,670	1,145	-	87,815
Lighting	196,643	-	-	196,643
Signalization	349,308	-	-	349,308
Total security of persons and property	<u>2,050,023</u>	<u>3,345</u>	<u>72,916</u>	<u>1,980,452</u>
Leisure time activities				
Parks	1,448,854	30,810	-	1,479,664
Senior citizens	175,823	-	-	175,823
Total leisure time activities	<u>1,624,677</u>	<u>30,810</u>	<u>-</u>	<u>1,655,487</u>
Community environment				
Division of planning and development	<u>4,495</u>	<u>-</u>	<u>-</u>	<u>4,495</u>
Transportation				
Street maintenance	<u>446,208</u>	<u>-</u>	<u>-</u>	<u>446,208</u>
General government				
Administration	73,166	7,519	-	80,685
Land and buildings	896,950	4,000	4,000	896,950
Total general government	<u>970,116</u>	<u>11,519</u>	<u>4,000</u>	<u>977,635</u>
Total general fixed assets	<u>\$ 5,095,519</u>	<u>\$ 45,674</u>	<u>\$ 76,916</u>	<u>\$ 5,064,277</u>



STATISTICAL SECTION

CITY OF LOUISVILLE, OHIO
 General Governmental Revenues by Source and
 General Governmental Expenditures by Function
 All Governmental and Expendable Trust Funds
 Last Ten Years

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<u>Revenues:</u>										
Local taxes	\$ 1,876,202	\$ 2,088,138	\$ 2,216,203	\$ 2,226,045	\$ 2,000,677	\$ 2,314,349	\$ 2,301,901	\$ 2,610,426	\$ 2,556,953	\$ 2,597,995
Intergovernmental revenues	932,207	619,028	1,248,119	1,148,210	823,713	776,649	1,267,043	868,653	658,334	771,164
Charges for services	17,792	98,303	174,207	190,052	284,577	235,133	257,876	349,856	348,242	390,075
Fines, licenses, and permits	59,905	67,558	85,457	82,370	76,482	80,183	95,176	103,746	88,396	116,721
Other revenues	54,479	21,066	79,594	66,321	119,196	176,141	309,833	138,264	176,077	107,771
Total	<u>\$ 2,940,585</u>	<u>\$ 2,894,093</u>	<u>\$ 3,803,580</u>	<u>\$ 3,712,998</u>	<u>\$ 3,304,645</u>	<u>\$ 3,582,455</u>	<u>\$ 4,231,829</u>	<u>\$ 4,070,945</u>	<u>\$ 3,828,002</u>	<u>\$ 3,983,726</u>
<u>Expenditures:</u>										
Security of persons and property	\$ 1,179,341	\$ 1,289,307	\$ 1,418,490	\$ 1,505,843	\$ 1,507,263	\$ 1,521,808	\$ 1,552,470	\$ 1,655,688	\$ 1,583,923	\$ 1,687,404
Public health services	49,440	40,293	44,581	28,194	28,698	30,649	30,283	29,262	51,043	51,910
Leisure time activities	159,124	154,510	179,333	222,604	207,763	201,736	233,209	339,780	380,496	351,965
Community environment	122,831	142,130	236,038	180,971	202,192	200,652	195,631	215,283	195,215	196,790
Transportation	232,651	226,005	309,890	386,444	356,965	303,475	378,728	374,057	351,005	395,796
General government	439,502	365,107	821,944	768,678	663,438	664,781	659,093	662,026	710,883	741,922
Other	-	-	-	19,064	23,564	115,864	78,030	32,071	39,135	52,398
Capital outlay	703,932	373,111	1,258,882	608,022	157,228	225,108	932,496	249,314	222,354	151,068
Debt service	139,471	136,230	155,756	263,068	560,787	566,864	883,592	775,012	802,268	207,389
Total	<u>\$ 3,026,292</u>	<u>\$ 2,726,693</u>	<u>\$ 4,424,914</u>	<u>\$ 3,982,888</u>	<u>\$ 3,707,898</u>	<u>\$ 3,830,937</u>	<u>\$ 4,943,532</u>	<u>\$ 4,332,493</u>	<u>\$ 4,336,322</u>	<u>\$ 3,836,642</u>

Note: Financial information provided excludes other financing sources and uses.

CITY OF LOUISVILLE, OHIO

Table 2

Property Tax Levies and Collections

Last Ten Years and

Largest Property Taxpayers by Assessment

Property Tax Levies and Collections

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Net tax levy	228,437	232,564	256,749	257,556	273,493	296,062	337,665	340,814	387,089	387,265
Taxes collected	225,532	229,119	254,792	254,520	269,138	290,543	331,196	336,909	381,050	379,486
Percentage collected	98.73%	98.52%	99.24%	98.82%	98.41%	98.14%	98.08%	98.85%	98.44%	97.99%

Largest Property Taxpayers by Assessment

<u>Name of Taxpayer</u>	<u>Assessment</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Name of Taxpayer</u>	<u>Assessment</u>	<u>Percentage of Total Assessed Valuation</u>
<u>Real Property</u>			<u>Tangible Personal Property</u>		
J&L Specialty Steel Inc.	\$ 1,526,390	1.10 %	J&L Specialty Steel Inc.	\$ 13,776,040	9.90 %
HP Products Inc.	1,295,190	0.93	HP Products Inc.	1,824,530	1.31
Louisville Ventures Ltd.	1,111,730	0.80	Transportation Center of Louisville	716,210	0.51
Roy T Rhodes	678,190	0.49	Grand Eagle Services, Inc.	506,610	0.36
Samuel Ron	626,640	0.45	Parksite, Inc.	480,430	0.35
WNBC LLC	472,470	0.34	Sypolt Chevrolet & Charda Inc.	404,090	0.29
J B Metzger Co.	467,060	0.34	Tamarkin Company	384,380	0.28
Samuel & Bilha Ron	441,090	0.32	JCM Family, Inc.	272,950	0.20
Frederick K & Judith R Peters	404,670	0.29	Time Warner Entertainment Company	253,400	0.18
Donald W. Jr. & Sue Ann Geitgey	395,910	0.28	Meridian Leasing Corporation	244,540	0.18
	<u>7,419,340</u>	<u>5.34</u>		<u>18,863,180</u>	<u>13.56</u>

Public Utility (Real and Personal Property)

Ohio Power	\$ 2,072,270	1.49 %	Total Assessed Valuation	\$ 139,101,152	21.39 %
Ohio Bell Telephone	961,070	0.69			
Norfolk Southern Combined Railroad	230,460	0.17			
East Ohio Gas	197,340	0.14			
	<u>3,461,140</u>	<u>2.49</u>			

Source: Stark County Auditor

Notes: Collections presented on a cash basis, same millage for each year.

CITY OF LOUISVILLE, OHIO
 Direct and Overlapping Property Tax Rates and
 Assessed and Estimated Valuation of Property
 Last Ten Years

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Property tax rates - All direct and overlapping governments(per \$1,000 of assessed tax valuation)										
Joint Vocational	\$ 3.20	\$ 3.20	\$ 2.00	\$ 2.00	\$ 3.50	\$ 3.50	\$ 3.30	\$ 3.30	\$ 3.20	\$ 2.00
Stark County	9.40	9.40	8.40	10.30	9.80	10.10	10.10	10.10	10.10	9.60
Louisville Schools	49.00	49.00	49.00	49.00	49.00	49.00	49.00	49.00	49.00	55.90
City of Louisville	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80
Total	\$ 64.40	\$ 64.40	\$ 62.20	\$ 64.10	\$ 65.10	\$ 65.40	\$ 65.20	\$ 65.20	\$ 65.10	\$ 70.30
Assessed valuation										
Real property	63,903,610	65,265,950	75,100,860	75,457,790	78,011,150	89,793,620	92,523,760	95,358,280	109,646,050	113,920,700
Public utility	4,452,520	4,573,730	4,642,160	4,481,580	4,345,260	4,359,640	4,415,780	4,052,660	4,103,090	3,374,300
Personal property	19,903,814	19,783,249	20,490,978	21,421,120	24,855,325	22,544,697	23,654,903	22,308,127	24,496,624	21,806,152
Total	88,259,944	89,622,929	100,233,998	101,360,490	107,211,735	116,697,957	120,594,443	121,719,067	138,245,764	139,101,152
Estimated valuation										
Total	253,006,620	252,171,269	286,382,851	286,382,851	314,082,680	333,422,734	344,555,551	347,768,763	394,987,897	397,431,863

Source: Stark County Auditor's Office
 Note: There are no debt service levies in the City millage.

CITY OF LOUISVILLE, OHIO
 Computation of Legal Debt Margin and
 Direct and Overlapping Debt Analysis
 December 31, 2002

Total assessed valuation \$ 139,101,152

Legal Debt Margin - Unvoted Debt:

Debt limitation - 5.5% of assessed valuation \$ 7,650,563

Debt applicable to limitation:

Total bonded debt and loans \$ 7,659,632

Exempt debt:

Water revenue bonds 1,170,000

OPWC Loan 353,990

OPWC Loan 465,642

Debt payable from income tax 5,670,000

Total debt applicable to limitation \$ -

Legal debt margin \$ 7,650,563

Legal Debt Margin - Unvoted and Voted Debt:

Debt limitation - 10.5% of assessed valuation \$ 14,605,621

Debt applicable to limitation:

Total bonded debt and loans \$ 7,659,632

Exempt debt:

Water revenue bonds 1,170,000

OPWC Loan 353,990

OPWC Loan 465,642

Debt payable from income tax 5,670,000

Total debt applicable to limitation \$ -

Legal debt margin \$ 14,605,621

Overlapping Debt Allocations:

	Assessed valuations	Net debt outstanding	Percentage applicable to City	Amount applicable to City
Direct:				
City of Louisville	\$ 139,101,152	<u>\$ 7,659,632</u>	100%	<u>\$ 7,659,632</u>
Overlapping:				
Louisville Schools	\$ 289,596,902	\$ 26,775,000	48.0%	\$ 12,852,000
Stark County, Ohio	\$6,390,662,578	<u>\$ 20,656,904</u>	2.2%	<u>\$ 454,452</u>
Total overlapping:		<u>\$ 47,431,904</u>		<u>\$ 13,306,452</u>
Total direct and overlapping debt:		<u>\$ 55,091,536</u>		<u>\$ 20,966,084</u>

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

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>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<u>General Obligation Debt</u>										
Assessed value	\$ 88,259,944	89,622,929	100,233,998	101,360,490	107,211,735	116,697,957	120,594,443	121,719,067	138,245,764	139,101,152
Population	8,200	8,250	8,492	8,596	8,652	8,818	8,904	8,904	8,904	8,904
Debt outstanding	\$ 6,110,000	5,495,000	5,295,000	5,080,000	5,255,000	5,715,000	5,560,000	5,275,000	6,060,000	5,670,000
Ratio of debt to assessed value	6.92%	6.13	5.28	5.01	4.90	4.90	4.61	4.33	4.38	4.08
Debt per capita	\$ 745.12	666.06	623.53	590.97	607.37	648.11	624.44	592.43	680.59	636.79
<u>General Bonded Debt</u>										
Debt service	\$ 139,470	136,230	137,840	139,103	139,938	135,363	135,675	135,555	199,691	178,691
General governmental expenditures	\$ 3,026,292	2,726,693	4,424,914	3,982,888	3,707,898	3,830,937	4,943,532	4,332,493	4,336,322	3,836,642
Ratio of debt service to general governmental expenditures	4.61%	5.00	3.12	3.49	3.77	3.53	2.74	3.13	4.61	4.66
<u>Water Revenue Bond</u>										
Revenues ¹	\$ 712,687	1,024,715	940,252	940,252	730,767	1,004,656	1,069,591	865,221	1,430,722	1,191,649
Operating expenses ²	\$ 361,393	425,853	585,479	585,479	632,378	555,612	677,359	647,493	411,892	1,011,375
Net revenue available for debt service	\$ 351,294	598,862	354,773	354,773	98,389	449,044	392,232	217,728	1,018,830	180,274
Debt service requirements	\$ 145,610	144,097	147,118	147,118	144,718	147,198	144,338	146,413	143,158	144,798
Coverage		2.41	4.16	2.41	0.68	3.05	2.72	1.49	7.12	1.25

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

CITY OF LOUISVILLE, OHIO
 Residential and Commercial Building Permits,
 Bank Deposits - Stark County, Ohio - and Unemployment Rates
 Last Ten Years

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<u>Building permits</u>										
<i>Residential:</i>										
Number issued	28	56	52	40	32	34	34	51	42	53
Value	\$ 1,671,578	4,739,217	4,518,248	4,106,444	4,107,800	5,013,650	4,606,083	8,122,510	7,368,020	7,483,695
<i>Commercial:</i>										
Number issued	2	14	11	3	7	4	8	3	3	1
Value	\$ 1,500,000	797,312	920,000	730,000	2,565,000	1,040,000	4,084,500	9,765,000	477,000	13,231,000
<u>Bank deposits (\$000's omitted)</u>										
Stark County	\$ 803,704	848,654	1,589,558	1,570,223	1,623,273	843,638	916,844	1,021,596	1,029,891	2,153,245
<u>Unemployment rates</u>										
Stark County	6.9	6.8	5.3	5.4	4.8	4.1	4.3	4.1	4.1	5.5
State of Ohio	6.5	6.3	4.8	4.9	4.6	3.9	4.3	4.1	4.8	5.7
United States	6.8	7.0	5.2	5.4	4.4	4.3	4.2	4.0	5.8	5.8

Sources: City of Louisville, Building Department
 Federal Reserve Bank of Cleveland, Ohio
 Society National Bank deposits and Bank One deposits were credited to
 Cuyahoga County; beginning in 1989 and 1991, respectively. In 1995, First National
 Bank of Ohio acquired a savings and loan institution which was not previously included.
 Ohio Department of Job and Family Services, Division of Research and Statistics

CITY OF LOUISVILLE, OHIO

**Largest Employers Within City Corporate Limits and
Income Tax Collections Last Ten Years**

Table 7

<u>Employer</u>	<u>Industry</u>	<u>Number of Employees</u>
J&L Specialty Steel, Inc.	Stainless steel	404
H-P Products	Specialty tubing	346
Louisville City Schools	Public education	372
LSVL Foods/Giant Eagle	Grocery	162
St. Joseph's Hospice	Hospice facility	249
SDM Acquisition	Transformer rebuilding	99
St. Thomas Aquinas	Private High School	110
Montrose Chrysler	Car Dealership	63
City of Louisville	Municipal government	124
Trilogy	Plastics manufacturing	75

<u>Year</u>	<u>Collections</u>
1993	2,208,825
1994	2,636,500
1995	2,746,480
1996	2,595,461
1997	2,410,044
1998	2,548,673
1999	2,671,288
2000	2,929,773
2001	2,796,610
2002	2,757,672

Source: City of Louisville, Income Tax Department

Note: Presented on a cash basis.

CITY OF LOUISVILLE, OHIO

Table 8

Miscellaneous Statistics, December 31, 2002 and
Population and School Enrollment Last Ten Years

Date of incorporation	1872	Area (square miles)	5.40
Form of government	Council-Manager	Miles of Streets	45.7
Employees		Number of street lights	687
Classified service	57	Number of traffic lights	7
Exempt	61	Wastewater Treatment Department	
Fire Protection		Number of treatment plants	1
Number of stations	1	Number of customers	3,264
Number of part-time personnel	24	Treatment plant capacity (million gallons/day)	2
Police Protection		Average flow treated daily (gallons)	1,400,000
Number of stations	1	Percent of capacity	70
Number of full-time officers	11	Collection system (miles)	45.00
Number of part-time officers	8	Recreation and cultural	
Municipal Water Department		Number of parks	7
Number of treatment plants	1	Total park acreage	126
Number of customers	3,259	Number of libraries	1
Treatment plant capacity (million gallons/day)	1.5	Number of volumes in library	110,000
Average water treated daily (gallons)	873,000		
Percent of capacity	58		
Distribution system (miles)	41.00		

Population and School Enrollment

<u>Year</u>	<u>Population</u>	<u>School Enrollment</u>
1993	8,200	2,971
1994	8,356	3,032
1995	8,492	3,048
1996	8,596	3,085
1997	8,652	3,076
1998	8,728	3,108
1999	8,818	3,187
2000	8,904	3,150
2001	8,904	3,186
2002	8,904	3,240

Source: City of Louisville, Department of Finance
 Population: 1990 - United States Census Bureau;
 all other years (except 1994)- Ohio Data Users Center,
 1994 - Louisville Planning Department
 Enrollment: Louisville City Schools Web page



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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
AUGUST 5, 2003**