



**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, Ohio, (the City) as of and for the year ended December 31, 2003, and have issued our report thereon dated June 18, 2004. 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2003-001.

We also noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated June 18, 2004.

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 18, 2004.

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 18, 2004

**CITY OF LOUISVILLE
STARK COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2003-001

Finding for Recovery – Insurance Opt Out Overpayments

City Ordinance 98-24 provides that eligible employees who elect not to enroll for coverage under the City's medical plan shall receive cash payments of \$100 per month in accordance with Section 5.2 of the Cafeteria Plan. Employees of the City are paid every two weeks. As such, there will be ten months in which employees receive two pays and two months in which employees receive three pays. As employees are generally paid twice per month, the City's payroll processor compensated employees opting out of the plan at a rate of \$50 per pay not taking into consideration months in which three pays would occur. This method of payment was implemented by the City at the inception of the ordinance in June of 1998. As a result, three employees received benefits in excess of those provided through Ordinance 98-24.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against the following City of Louisville employees and in favor of the City of Louisville:

Sue Mendenhall in the amount of \$350 (for the period January 1, 2001 through December 31, 2003), in favor of the General Fund.

James Courtney in the amount of \$600 (for the period June 1, 1998 through December 31, 2003), in favor of the General Fund.

Robert Minster in the amount of \$600 (for the period June 1, 1998 through December 31, 2003), in favor of the Street Construction, Maintenance and Repair Special Revenue Fund (\$277.50), State Highway Special Revenue Fund (\$22.50), Water Enterprise Fund (\$150.00) and Sewer Enterprise Fund (\$150.00).

In an effort to remedy this situation, the City obtained signed agreements from each of these employees on March 24, 2004 evidencing the respective employee's intent to repay these overpayments by accepting reduced opt out payments for the remainder of fiscal year 2004. As of June 18, 2004, Sue Mendenhall has repaid \$105, James Courtney has repaid \$180, and Robert Minster has repaid \$180. The reduction in opt out payments to these individuals will fully reimburse the City by the end of fiscal year 2004.



*City of Louisville
Louisville, Ohio*



**Comprehensive Annual
Financial Report
For The Fiscal Year Ended:
December 31, 2003**

CITY OF LOUISVILLE, OHIO

Comprehensive Annual Financial Report

Year Ended December 31, 2003

PREPARED BY: DEPARTMENT OF FINANCE

William R. Rouse, Director of Finance
Cindy Minster, Deputy Finance Director
Laurie Tournoux, Tax Administrator
Mikie McLaughlin, Account Clerk
Christine Bagley, Account Clerk
Claudia Sell, Account Clerk

CITY OF LOUISVILLE, OHIO

Comprehensive Annual Financial Report
Year Ended December 31, 2003

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CITY OF LOUISVILLE, OHIO

Comprehensive Annual Financial Report
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INTRODUCTORY SECTION



Department of Finance

June 18, 2004

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, 2003 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 2002, 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 2000 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	1999	2000	2001	2002	2003
--------------------------	-------------	-------------	-------------	-------------	-------------

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	\$12.87	\$12.17	\$11.46	\$12.13	\$13.59
Cost per Citizen	\$176.06	\$185.95	\$177.89	\$189.51	\$210.93
Calls for Service	4,663	5,363	4,798	4,681	4,935

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	\$.25	\$.22	\$.37	\$.37	\$.37
Cost per Citizen	\$3.43	\$3.29	\$5.73	\$5.83	\$5.67

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	\$1.93	\$2.50	\$2.75	\$2.53	\$2.77
Cost per citizen	\$26.45	\$38.16	\$42.73	\$39.53	\$43.03

SERVICES PROVIDED	1999	2000	2001	2002	2003
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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	\$1.62	\$1.58	\$1.41	\$1.41	\$1.26
Cost per citizen	\$22.19	\$24.18	\$21.92	\$22.10	\$19.53

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	73	62	62	58	56
% of Sewer Capacity	99	79	79	70	69

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	45.7	45.7	45.7	45.7	45.7
Cost per mile	\$8,287	\$8,185	\$7,681	\$8,661	\$13,920

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	13.33%	15.28%	16.39%	19.34%	17.07%

FINANCIAL RATIOS	1999	2000	2001	2002	2003
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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	\$777,003	\$1,117,759	\$1,256,911	\$1,320,239	\$1,275,106
Enterprise	\$536,670	\$551,705	\$1,306,447	\$1,126,617	\$962,318
<i>Current Ratio</i>					
Governmental	1.97	2.40	3.02	2.21	2.24
Enterprise	1.51	1.63	3.72	3.31	2.48

FINANCIAL RATIOS	1999	2000	2001	2002	2003
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(Continued)

Debt to Equity indicates the extent of borrowing.

Debt to Equity

Governmental	95%	73%	117%	89%	88%
Enterprise	163%	151%	170%	177%	173%

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, 2002. 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 eleven 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 Interim 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

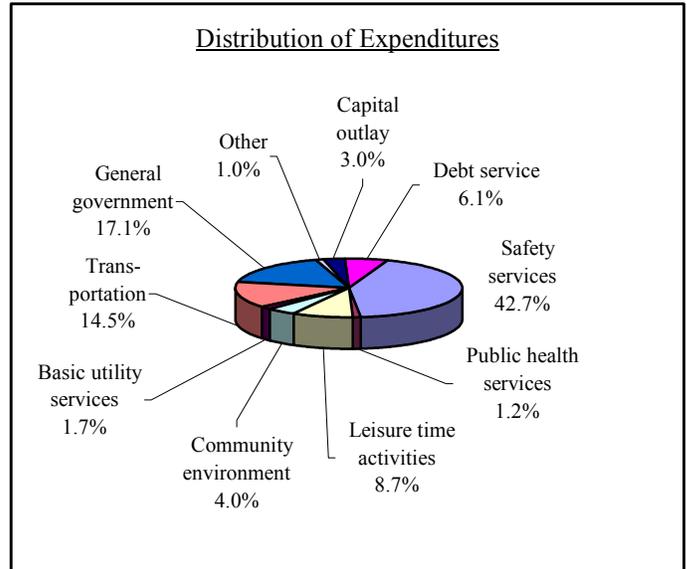
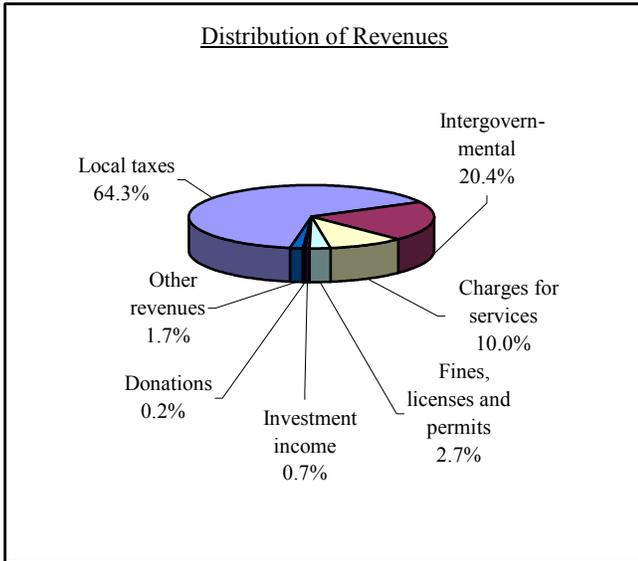
Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements 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 2002 and 2003. The largest revenue source for governmental functions is the municipal income tax. More information on income tax collections is presented on page viii.

	2002 <u>Amount</u>	2003 <u>Amount</u>	Increase/ (Decrease) <u>Amount</u>	<u>Percent</u>
Revenues:				
Local taxes	\$ 2,597,995	\$ 2,666,051	\$ 68,056	2.62%
Intergovernmental	771,164	843,237	72,073	9.35%
Charges for services	390,075	412,921	22,846	5.86%
Fines, licenses and permits	116,721	113,212	(3,509)	-3.01%
Investment income	46,243	27,312	(18,931)	-40.94%
Donations	13,150	8,101	(5,049)	-38.40%
Other revenues	48,378	72,488	24,110	49.84%
Total revenues	<u>3,983,726</u>	<u>4,143,322</u>	<u>159,596</u>	4.01%
Expenditures:				
Safety services	1,687,404	1,878,135	190,731	11.30%
Public health services	51,910	50,508	(1,402)	-2.70%
Leisure time activities	351,965	383,104	31,139	8.85%
Community environment	196,790	173,935	(22,855)	-11.61%
Basic utility services	-	75,273	75,273	0.00%
Transportation	395,796	636,157	240,361	60.73%
General government	741,922	749,920	7,998	1.08%
Other	52,398	45,584	(6,814)	-13.00%
Capital outlay	151,068	133,937	(17,131)	-11.34%
Debt service	207,389	267,888	60,499	29.17%
Total expenditures	<u>3,836,642</u>	<u>4,394,441</u>	<u>557,799</u>	14.54%
Excess of revenues over (under) expenditures	<u>147,084</u>	<u>(251,119)</u>	<u>(398,203)</u>	-270.73%
Other financing sources (uses)	<u>(5,928)</u>	<u>219,881</u>	<u>225,809</u>	-3809.19%
Excess of revenues and other sources over (under) expenditures and other uses	141,156	(31,238)	(172,394)	-122.13%
Fund balances at beginning of year	981,911	1,120,239	138,328	14.09%
Increase (decrease) in reserve for inventory	<u>(2,828)</u>	<u>1,425</u>	<u>4,253</u>	-150.39%
Fund balances at end of year	<u>\$ 1,120,239</u>	<u>\$ 1,090,426</u>	<u>\$ (29,813)</u>	-2.66%

In 2003, The City had an increase in intergovernmental revenue, which was primarily due to the \$156,945 FEMA grant received. Basic utilities expenditures increased due to the spending of the FEMA monies on flood damage. Also, during 2003, there was an increase in safety services and transportation expenditures, which were due to the inception of two new leases for vehicles and equipment. The City had to purchase a new EMS vehicle to replace one that was damaged beyond repair. The following charts show the distribution of revenues and expenditures:



Enterprise Operations

The City owns and operates both a water and sewer utility department. Combined operating revenue for 2003 was \$1,401,860, an increase of 4% from 2002's operating revenue. Operating expenses decreased 6% from 2002, to a total of \$1,931,603. The water and sewer utilities experienced an operational loss for 2003. Council instituted a 3% rate increase in 2003. 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.

2003 Initiatives

In 2003, despite the increase 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.

Income Tax Collections 2003 - 2000

The economic recovery from the recession that started in 2001 has been very sluggish. This 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 2003-2000**

Figures below represent year to date tax collections

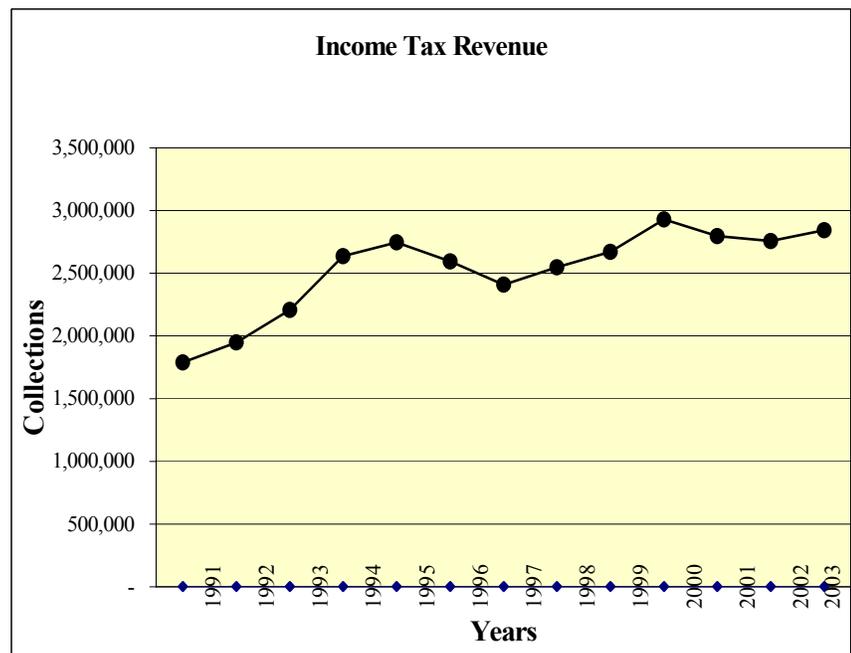
Month Ended	Tax Year 2003	Tax Year 2002	Tax Year 2001	Tax Year 2000
January	\$ 307,149	\$ 310,819	\$ 279,167	\$ 252,876
February	525,062	504,234	487,840	515,475
March	681,978	669,843	659,531	674,959
April	1,284,534	1,217,489	1,248,737	1,221,183
May	1,433,120	1,368,981	1,395,157	1,425,116
June	1,573,106	1,546,115	1,557,869	1,578,522
July	1,906,192	1,836,134	1,875,395	1,903,996
August	2,065,486	1,991,268	2,041,290	2,020,765
September	2,211,364	2,163,763	2,182,512	2,214,124
October	2,551,766	2,464,142	2,518,078	2,623,310
November	2,691,948	2,615,009	2,632,379	2,737,824
December	\$ 2,842,964	\$ 2,757,672	\$ 2,796,610	\$ 2,929,773

- ◆ Income tax collections peaked in 2000 and have declined from that level for three years in a row
- ◆ Income tax collections at the end of 2003 are 3% below the 2000 level
- ◆ Income tax collections at the end of 2003 are 6% below the budget estimate of \$3,017,000.

The History of Income Tax Collections

The City of Louisville has experienced a local economic slowdown since 2000. There was an increase in Income tax revenue in 2003 however, increases in the future are not expected. The figures below and the accompanying graph illustrate the fluctuations in collections.

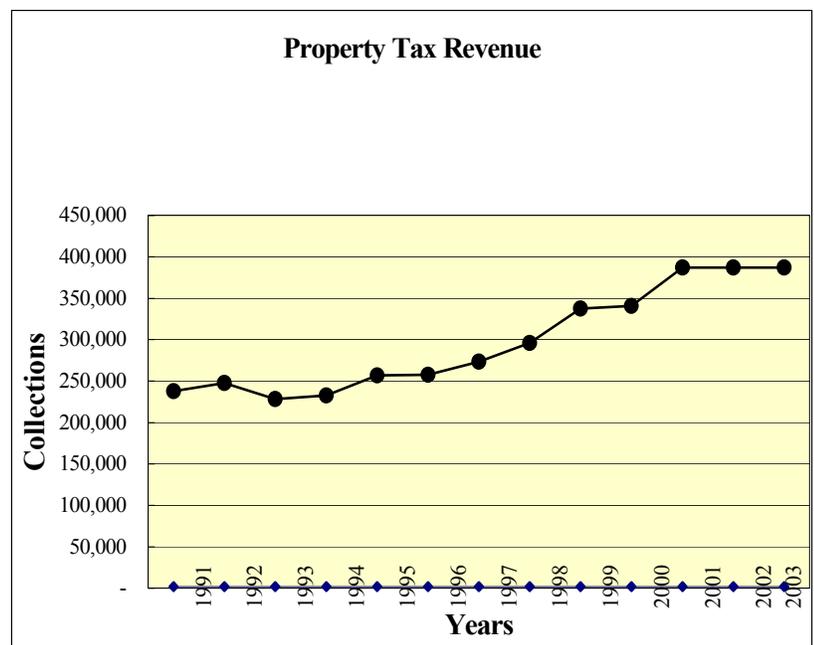
<u>Year</u>	<u>Collections</u>	<u>% Inc. (Dec.) over prior year</u>
1991	\$ 1,788,989	-0.36%
1992	1,947,656	8.87%
1993	2,208,825	13.41%
1994	2,636,500	19.36%
1995	2,746,480	4.17%
1996	2,595,461	-5.50%
1997	2,410,044	-7.14%
1998	2,548,673	5.75%
1999	2,671,288	4.81%
2000	2,929,773	9.68%
2001	2,796,610	-4.55%
2002	2,757,672	-1.39%
2003	\$ 2,842,964	3.09%
average % increase (decrease) →		3.86%



The History of Property Tax Collections

The second largest source of revenue to the City of Louisville is property tax. Louisville is a growing community and property tax revenue has grown under Ohio Law since the City levies 2.8 inside (unvoted) tax mills. However, the increase in property tax revenue is not large enough to offset the sluggish growth of income tax revenue. That fact becomes clearer when the figures below are reviewed.

<u>Year</u>	<u>Collections</u>	<u>% Inc. (Dec.) over prior year</u>
1991	\$ 237,805	-2.86%
1992	247,947	4.26%
1993	228,437	-7.87%
1994	232,564	1.81%
1995	256,749	10.40%
1996	257,556	0.31%
1997	273,493	6.19%
1998	296,062	8.25%
1999	337,665	14.05%
2000	340,814	0.93%
2001	387,089	13.58%
2002	387,265	0.05%
2003	\$ 387,094	-0.04%
average % increase (decrease) →		3.77%



Future Considerations

The City of Louisville must address the serious financial situation that has resulted due to the previous years decline in income tax revenue. In 2002, The City of Louisville was fast approaching a fork in the financial road. At that fork, the signpost said, “increase taxes, turn right” and “cut City services, turn left”. The City of Louisville has taken the fork in the financial road that says “cut City services, turn left”. The City of Louisville has had to lay off employees and cut City services to a bare minimum. 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 very modest increase in income tax revenue has caused 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.

Internal Service Funds

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

Debt Administration

At December 31, 2003 the City had a number of debt issues outstanding. These issues included \$5,260,000 of general obligation bonds and \$1,090,000 of revenue bonds. The City has maintained its Baa1 rating from Moody's Investor Service on general obligation bond issues. As of December 31, 2003, the legal debt margin within the 10 1/2% limitation for the City of Louisville was \$14,516,004. The legal debt margin within the 5 1/2% limitation was \$7,603,621. \$5,260,000 of the general obligation debt and \$1,090,000 of revenue bonds are exempt from the limitation due to the debt service being payable from the City's income tax and water revenue respectively.

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, 2003, the general fixed assets of the City amounted to \$5,209,311 an increase of \$145,034 from December 31, 2002.

Cash Management

During the fiscal year ended December 31, 2003 the City’s cash resources were divided into investments approximately as follows: in State Treasurer’s Pool 88% and in bank deposit 12%.

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 Interim City Manager, City Council, Stark County Auditor's Office, and department heads for their valuable research of records.

Respectfully submitted,

A handwritten signature in black ink, reading "William R. Rouse". The signature is written in a cursive style with a large initial "W".

William R. Rouse
Director of Finance

CITY OF LOUISVILLE, OHIO

Public Officials Roster

December 31, 2003

Elected Officials

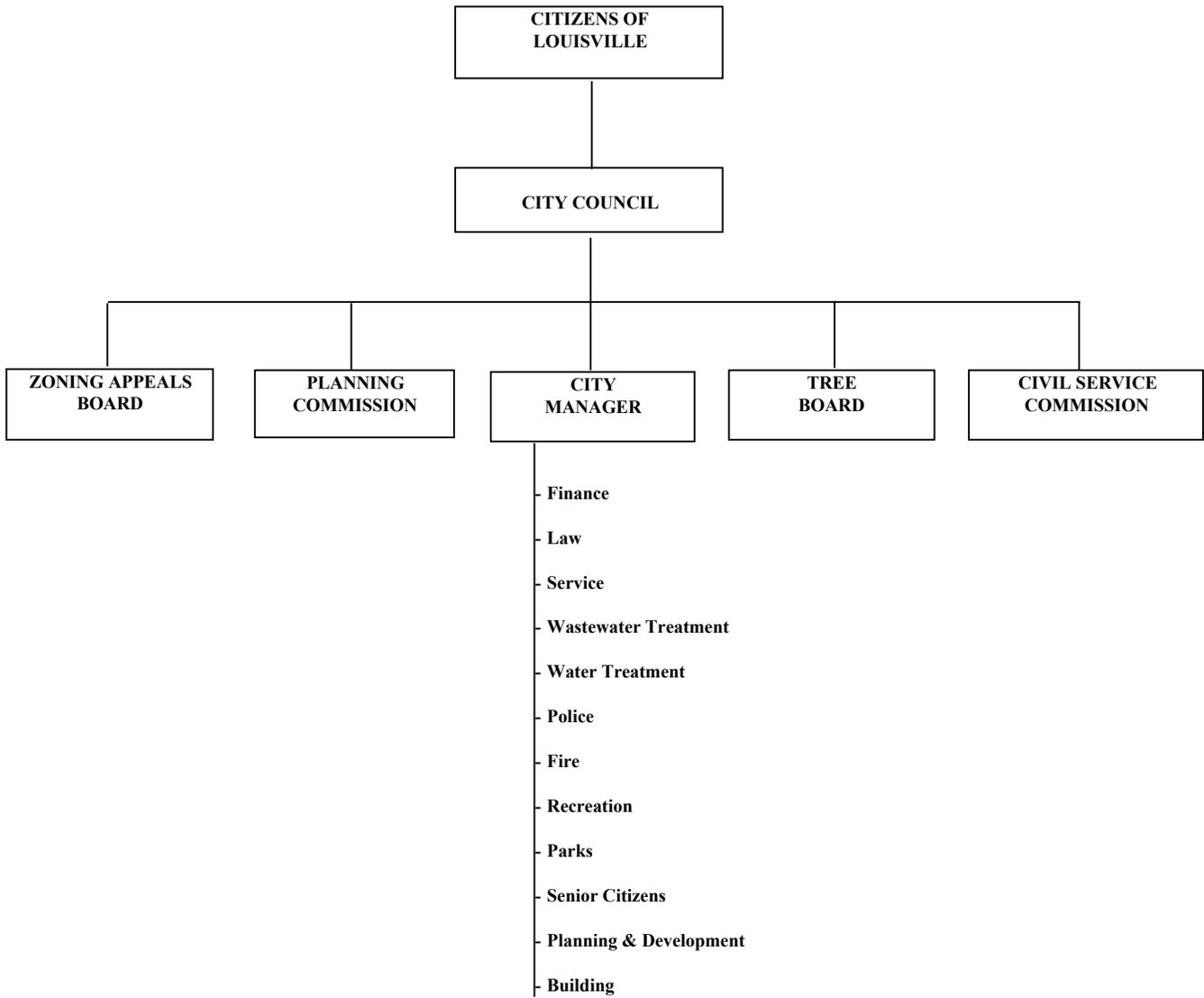
Cynthia Ann Kerchner, Mayor - Council Member
Peggy Connor, Council Member
Andy Aljancic, Council Member
David A. Thorley, Council Member
Tom McAlister, Council Member

Appointed Officials

Peggy Howald Interim City Manager
William R. Rouse..... Director of Finance
Deborah L. Sanborn..... Director of Planning
Sue Mendenhall Interim 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, 2002

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, 2003, 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, 2003, 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 18, 2004 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 18, 2004

General Purpose Financial Statements

CITY OF LOUISVILLE, OHIO

Combined Balance Sheet

All Fund Types and Account Groups

December 31, 2003

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and other debits				
Assets:				
Equity in pooled cash	\$ 319,023	\$ 239,144	\$ 30,893	\$ 215,560
Receivables:				
Taxes	1,024,376	-	-	-
Accounts	14,204	51,834	-	-
Interfund	28,140	-	-	-
Due from other governments	159,039	205,954	-	-
Restricted assets:				
Customer deposits	-	-	-	-
Deferred charges	-	-	-	-
Advances to other funds	75,000	-	-	-
Materials and supplies inventory	-	13,597	-	-
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>\$ 1,619,782</u>	<u>\$ 510,529</u>	<u>\$ 30,893</u>	<u>\$ 215,560</u>
Liabilities, equity and other credits				
Liabilities:				
Accounts payable	\$ 36,653	\$ 15,129	\$ -	\$ -
Contracts payable	-	-	-	-
Interfund payable	-	28,140	-	-
Claims payable	-	-	-	-
Accrued wages	18,238	3,533	-	-
Compensated absences	11,374	441	-	-
Due to other governments	116,055	21,877	-	-
Deferred revenue	682,478	92,740	-	-
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>1,064,798</u>	<u>161,860</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	32,051	9,691	-	72,650
Reserved for advances	75,000	-	-	-
Reserved for inventory	-	13,597	-	-
Reserved for debt service	-	-	30,893	-
Unreserved, undesignated	447,933	325,381	-	67,910
Total equity and other credits	<u>554,984</u>	<u>348,669</u>	<u>30,893</u>	<u>140,560</u>
Total liabilities, equity and other credits	<u>\$ 1,619,782</u>	<u>\$ 510,529</u>	<u>\$ 30,893</u>	<u>\$ 215,560</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	
\$ 1,210,487	\$ 1,174	\$ 15,431	\$ -	\$ -	\$ 2,031,712
195,355	-	-	-	-	1,219,731
203,693	-	-	-	-	269,731
-	-	-	-	-	28,140
-	-	-	-	-	364,993
4,140	-	-	-	-	4,140
37,842	-	-	-	-	37,842
200,000	-	-	-	-	275,000
-	-	-	-	-	13,597
8,338,454	-	-	5,209,311	-	13,547,765
-	-	-	-	30,893	30,893
-	-	-	-	1,220,827	1,220,827
<u>\$ 10,189,971</u>	<u>\$ 1,174</u>	<u>\$ 15,431</u>	<u>\$ 5,209,311</u>	<u>\$ 1,251,720</u>	<u>\$ 19,044,371</u>
\$ 110,235	\$ -	\$ -	\$ -	\$ -	\$ 162,017
75,396	-	-	-	-	75,396
-	-	-	-	-	28,140
-	5,550	-	-	-	5,550
5,488	-	-	-	-	27,259
150,782	-	-	-	305,411	468,008
25,108	-	-	-	-	163,040
-	-	-	-	-	775,218
-	-	111	-	-	111
29,833	-	-	-	-	29,833
-	-	-	-	132,099	132,099
4,140	-	-	-	-	4,140
-	-	-	-	-	275,000
-	-	-	-	49,210	49,210
771,340	-	-	-	-	771,340
1,090,000	-	-	-	-	1,090,000
4,335,603	-	-	-	765,000	5,100,603
<u>6,597,925</u>	<u>5,550</u>	<u>111</u>	<u>-</u>	<u>1,251,720</u>	<u>9,156,964</u>
-	-	-	5,209,311	-	5,209,311
843,563	-	-	-	-	843,563
2,748,483	(4,376)	-	-	-	2,744,107
-	-	14,350	-	-	128,742
-	-	-	-	-	75,000
-	-	-	-	-	13,597
-	-	-	-	-	30,893
-	-	970	-	-	842,194
<u>3,592,046</u>	<u>(4,376)</u>	<u>15,320</u>	<u>5,209,311</u>	<u>-</u>	<u>9,887,407</u>
<u>\$ 10,189,971</u>	<u>\$ 1,174</u>	<u>\$ 15,431</u>	<u>\$ 5,209,311</u>	<u>\$ 1,251,720</u>	<u>\$ 19,044,371</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, 2003

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Local taxes	\$ 2,666,051	\$ -	\$ -	\$ -
Intergovernmental	369,529	473,708	-	-
Charges for services	252,311	160,610	-	-
Fines, licenses, and permits	106,210	7,002	-	-
Investment income	24,756	2,556	-	-
Donations	-	8,101	-	-
Other revenues	46,760	13,608	-	11,400
Total revenues	3,465,617	665,585	-	11,400
Expenditures:				
Current:				
Security of persons and property	1,579,277	298,858	-	-
Public health services	50,508	-	-	-
Leisure time activities	353,239	29,865	-	-
Community environment	172,599	1,336	-	-
Basic utility services	-	75,273	-	-
Transportation	-	636,157	-	-
General government	749,920	-	-	-
Other	45,156	428	-	-
Capital outlay	-	42,977	-	90,960
Debt service:				
Principal	34,762	30,541	124,000	20,462
Interest and fiscal charges	4,107	1,741	52,275	-
Total expenditures	2,989,568	1,117,176	176,275	111,422
Excess of revenues over (under) expenditures	476,049	(451,591)	(176,275)	(100,022)
Other financing sources (uses):				
Sale of general fixed assets	-	63,921	-	-
Operating transfers - in	-	275,000	203,185	-
Operating transfers - out	(478,185)	-	-	-
Inception of capital lease	-	65,000	-	90,960
Total other financing sources (uses)	(478,185)	403,921	203,185	90,960
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(2,136)	(47,670)	26,910	(9,062)
Fund balances at beginning of year	557,120	394,914	3,983	149,622
Increase in reserve for inventory	-	1,425	-	-
Fund balances at end of year	\$ 554,984	\$ 348,669	\$ 30,893	\$ 140,560

See accompanying notes to general purpose financial statements.

Fiduciary Fund Type	Totals (Memorandum Only)
Expendable Trust	
\$ -	\$ 2,666,051
-	843,237
-	412,921
-	113,212
-	27,312
-	8,101
720	72,488
720	4,143,322
-	1,878,135
-	50,508
-	383,104
-	173,935
-	75,273
-	636,157
-	749,920
-	45,584
-	133,937
-	209,765
-	58,123
-	4,394,441
720	(251,119)
-	63,921
-	478,185
-	(478,185)
-	155,960
-	219,881
720	(31,238)
14,600	1,120,239
-	1,425
\$ 15,320	\$ 1,090,426

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, 2003

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Municipal income tax	\$ 2,130,000	\$ 2,132,354	\$ 2,354
Property and other taxes	441,679	518,033	76,354
Charges for services	249,874	252,311	2,437
Licenses and permits	81,600	92,658	11,058
Fines and forfeitures	8,500	12,665	4,165
Intergovernmental	303,672	350,861	47,189
Investment income	55,924	24,756	(31,168)
Donations	-	-	-
Other	19,231	46,760	27,529
Total revenues	<u>3,290,480</u>	<u>3,430,398</u>	<u>139,918</u>
Expenditures:			
Current:			
General government	802,401	786,398	16,003
Security of persons and property	1,623,123	1,621,418	1,705
Public health services	54,642	53,515	1,127
Transportation	-	-	-
Community environment	219,918	211,930	7,988
Basic utility services	-	-	-
Leisure time activities	373,174	362,152	11,022
Other	45,156	45,156	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>3,118,414</u>	<u>3,080,569</u>	<u>37,845</u>
Excess of revenues over (under) expenditures	<u>172,066</u>	<u>349,829</u>	<u>177,763</u>
Other financing sources (uses):			
Sale of fixed assets	-	-	-
Advances - in	85,917	97,907	11,990
Advances - out	(126,047)	(126,047)	-
Operating transfers - in	250,000	100,000	(150,000)
Operating transfers - out	(610,206)	(606,800)	3,406
Total other financing sources (uses)	<u>(400,336)</u>	<u>(534,940)</u>	<u>(134,604)</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	(228,270)	(185,111)	43,159
Prior year encumbrances carried forward	54,759	54,759	-
Fund balances at beginning of year	372,881	372,881	-
Fund balances at end of year	<u>\$ 199,370</u>	<u>\$ 242,529</u>	<u>\$ 43,159</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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
149,788	150,936	1,148	-	-	-
5,571	5,584	13	-	-	-
1,418	1,418	-	-	-	-
396,041	382,418	(13,623)	-	-	-
2,522	2,556	34	-	-	-
8,101	8,101	-	-	-	-
13,524	13,608	84	-	-	-
<u>576,965</u>	<u>564,621</u>	<u>(12,344)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
326,385	311,694	14,691	-	-	-
-	-	-	-	-	-
679,412	665,305	14,107	-	-	-
1,336	1,336	-	-	-	-
75,273	75,273	-	-	-	-
29,865	29,865	-	-	-	-
428	428	-	-	-	-
-	-	-	148,995	148,995	-
-	-	-	55,895	55,895	-
<u>1,112,699</u>	<u>1,083,901</u>	<u>28,798</u>	<u>204,890</u>	<u>204,890</u>	<u>-</u>
<u>(535,734)</u>	<u>(519,280)</u>	<u>16,454</u>	<u>(204,890)</u>	<u>(204,890)</u>	<u>-</u>
63,921	63,921	-	-	-	-
86,856	86,856	-	-	-	-
(58,716)	(58,716)	-	-	-	-
261,461	275,000	13,539	231,800	231,800	-
-	-	-	-	-	-
<u>353,522</u>	<u>367,061</u>	<u>13,539</u>	<u>231,800</u>	<u>231,800</u>	<u>-</u>
(182,212)	(152,219)	29,993	26,910	26,910	-
19,514	19,514	-	-	-	-
347,029	347,029	-	3,983	3,983	-
<u>\$ 184,331</u>	<u>\$ 214,324</u>	<u>\$ 29,993</u>	<u>\$ 30,893</u>	<u>\$ 30,893</u>	<u>\$ -</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, 2003

	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	-	11,400	11,400
Total revenues	-	11,400	11,400
Expenditures:			
Current:			
General government	-	-	-
Security of persons and property	-	-	-
Public health services	-	-	-
Transportation	147,812	20,462	127,350
Community environment	55,000	55,000	-
Basic utility services	-	-	-
Leisure time activities	17,650	17,650	-
Other	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	220,462	93,112	127,350
Excess of revenues over (under) expenditures	(220,462)	(81,712)	138,750
Other financing sources (uses):			
Sale of fixed assets	-	-	-
Advances - in	-	-	-
Advances - out	-	-	-
Operating transfers - in	-	-	-
Operating transfers - out	-	-	-
Total other financing sources (uses)	-	-	-
Excess of revenues and other financing sources over (under) expenditures and other uses	(220,462)	(81,712)	138,750
Prior year encumbrances carried forward	20,462	20,462	-
Fund balances at beginning of year	204,160	204,160	-
Fund balances at end of year	\$ 4,160	\$ 142,910	\$ 138,750

See accompanying notes to general purpose financial statements.

Totals (Memorandum Only)

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 2,130,000	\$ 2,132,354	\$ 2,354
441,679	518,033	76,354
399,662	403,247	3,585
87,171	98,242	11,071
9,918	14,083	4,165
699,713	733,279	33,566
58,446	27,312	(31,134)
8,101	8,101	-
32,755	71,768	39,013
<u>3,867,445</u>	<u>4,006,419</u>	<u>138,974</u>
802,401	786,398	16,003
1,949,508	1,933,112	16,396
54,642	53,515	1,127
827,224	685,767	141,457
276,254	268,266	7,988
75,273	75,273	-
420,689	409,667	11,022
45,584	45,584	-
148,995	148,995	-
55,895	55,895	-
<u>4,656,465</u>	<u>4,462,472</u>	<u>193,993</u>
<u>(789,020)</u>	<u>(456,053)</u>	<u>332,967</u>
63,921	63,921	-
172,773	184,763	11,990
(184,763)	(184,763)	-
743,261	606,800	(136,461)
(610,206)	(606,800)	3,406
<u>184,986</u>	<u>63,921</u>	<u>(121,065)</u>
(604,034)	(392,132)	211,902
94,735	94,735	-
928,053	928,053	-
<u>\$ 418,754</u>	<u>\$ 630,656</u>	<u>\$ 211,902</u>

CITY OF LOUISVILLE, OHIO

Combined Statement of Revenues, Expenses and Changes in Retained Earnings

All Proprietary Fund Types

Year ended December 31, 2003

	Enterprise Funds	Internal Service Fund	Total (Memorandum Only)
Operating revenues:			
Charges for services	\$ 1,354,280	\$ 17,371	\$ 1,371,651
Other	47,580	-	47,580
Total operating revenues	<u>1,401,860</u>	<u>17,371</u>	<u>1,419,231</u>
Operating expenses:			
Personal services	720,975	-	720,975
Materials and supplies	802,323	-	802,323
Claims	-	21,191	21,191
Other	7,531	-	7,531
Depreciation	400,774	-	400,774
Total operating expenses	<u>1,931,603</u>	<u>21,191</u>	<u>1,952,794</u>
Operating loss	<u>(529,743)</u>	<u>(3,820)</u>	<u>(533,563)</u>
Nonoperating revenues (expenses):			
Local taxes	721,284	-	721,284
Interest revenue	359	-	359
Loss on the sale of fixed assets	(3,928)	-	(3,928)
Interest expense	(332,128)	-	(332,128)
Total nonoperating revenues (expenses)	<u>385,587</u>	<u>-</u>	<u>385,587</u>
Net loss	(144,156)	(3,820)	(147,976)
Retained earnings at beginning of year	<u>2,892,639</u>	<u>(556)</u>	<u>2,892,083</u>
Retained earnings at end of year	<u>\$ 2,748,483</u>	<u>\$ (4,376)</u>	<u>\$ 2,744,107</u>

See accompanying notes to general purpose financial statements.

CITY OF LOUISVILLE, OHIOCombined Statement of Cash Flows
All Proprietary Fund Types
Year ended December 31, 2003

	Enterprise Funds	Internal Service Fund	Total (Memorandum Only)
Cash flows from operating activities:			
Cash received from customers and users	\$ 1,407,208	\$ -	\$ 1,407,208
Cash received from quasi-external transactions with other funds	-	17,371	17,371
Cash paid to suppliers for goods and services	(639,070)	-	(639,070)
Cash paid for claims	-	(17,371)	(17,371)
Cash paid to employees for services	(713,986)	-	(713,986)
Net cash provided by operating activities	<u>54,152</u>	<u>-</u>	<u>54,152</u>
Cash flows from capital and related financing activities:			
Cash received from municipal income tax	710,609	-	710,609
Payment on capital lease	(14,635)	-	(14,635)
Acquisitions of capital assets	(43,737)	-	(43,737)
Principal paid on bonds	(366,000)	-	(366,000)
Principal paid on loans	(48,292)	-	(48,292)
Interest paid on bonds and loans	(297,868)	-	(297,868)
Net cash used for capital and related financing activities	<u>(59,923)</u>	<u>-</u>	<u>(59,923)</u>
Cash flows from investing activities:			
Earnings on investments	<u>359</u>	<u>-</u>	<u>359</u>
Net decrease in cash and cash equivalents	(5,412)	-	(5,412)
Cash and cash equivalents at beginning of year	<u>1,220,039</u>	<u>1,174</u>	<u>1,221,213</u>
Cash and cash equivalents at end of year	<u>\$ 1,214,627</u>	<u>\$ 1,174</u>	<u>\$ 1,215,801</u>
Reconciliation of operating loss to net cash provided by operating activities:			
Operating loss	\$ (529,743)	\$ (3,820)	\$ (533,563)
Adjustments to reconcile operating loss to net cash provided by operating activities			
Depreciation	400,774	-	400,774
Change in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	5,348	-	5,348
Increase (decrease) in liabilities:			
Accounts payable	96,237	-	96,237
Contracts payable	75,396	-	75,396
Customer deposits payable	(100)	-	(100)
Claims payable	-	3,820	3,820
Due to other governments	(2,904)	-	(2,904)
Accrued wages	(12,789)	-	(12,789)
Compensated absences	21,933	-	21,933
Net cash provided by operating activities	<u>\$ 54,152</u>	<u>\$ -</u>	<u>\$ 54,152</u>

See accompanying notes to general purpose financial statements.

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

December 31, 2003

(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) Measurement Focus and 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. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

The modified accrual basis of accounting is used by all governmental fund types and expendable trust funds. The 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 sixty 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.

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

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. The City did make two supplemental budgetary appropriations during the year, the effects of which were not material. 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, interest in Star Ohio and money market investments. 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 2003. 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, 2003.

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, if not purchased from the pool.

(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 the general fixed asset account group 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. In addition, the City does not capitalize interest related the construction or acquisition to of fixed assets.

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, 2003.

(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 I(d).

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 and other financing sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP);
- (b) Expenditures and other financing uses 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:

	<i>Excess of Revenues and Other Financing Sources Over (Under)</i>			
	<i>Expenditures and Other Financing Uses</i>			
	<u>General</u>	<u>Special</u>	<u>Debt</u>	<u>Capital</u>
		<u>Revenue</u>	<u>Service</u>	<u>Projects</u>
<i>GAAP Basis</i>	\$ (2,136)	\$ (47,670)	\$ 26,910	\$ (9,062)
<i>Revenue accruals</i>	162,688	(79,108)	28,615	(90,960)
<i>Expenditure accruals</i>	(269,169)	(621)	(28,615)	90,960
<i>Encumbrances (Budget Basis)</i>				
<i>outstanding at year end</i>	(76,494)	(24,820)	-	(72,650)
<i>Budget Basis</i>	<u>\$ (185,111)</u>	<u>\$ (152,219)</u>	<u>\$ 26,910</u>	<u>\$ (81,712)</u>

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

(3) Restricted Assets

The sewer fund is holding deposits from customers of \$4,140 at December 31, 2003. 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, 2003, 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, 2003, the carrying amount of the City's deposits was (\$58,308), and the bank balance was \$12,421. The entire bank balance of \$12,421 was covered by federal depository insurance and/or collateralized with securities held by their agent in the City's name. The City's deposit accounts often report a negative carrying balance because money is transferred to those accounts from a repurchase agreement account as funds are needed.

(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 2003, \$24,756 in interest revenue was credited to the general fund, of which \$21,278 was assigned from other City funds.

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

At December 31, 2003, 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	\$ 310,000	\$ 310,000	\$ 310,000
<u>Noncategorized Investments</u>			
State Treasurer's Pool (Star Ohio)		1,783,850	1,783,850
Total Investments		<u>\$ 2,093,850</u>	<u>\$ 2,093,850</u>

(5) Property and Equipment

Activity with respect to general fixed assets during 2003 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	\$ 845,380	\$ 1,300	\$ -	\$ 846,680
Buildings	1,198,675	183,914	-	1,382,589
Machinery, equipment and vehicles	3,020,222	209,128	(249,308)	2,980,042
Total	<u>\$ 5,064,277</u>	<u>\$ 394,342</u>	<u>\$ (249,308)</u>	<u>\$ 5,209,311</u>

During 2003, the City transferred assets previously classified as equipment to the building classification in the amount of \$172,353. This amount is shown in the schedule above as an addition to buildings and a deletion to machinery, equipment and vehicles.

A summary of the enterprise funds' fixed assets as of December 31, 2003 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>629,507</u>
Total	16,419,435
Less: accumulated depreciation	<u>(8,080,981)</u>
Net fixed assets	<u>\$ 8,338,454</u>

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

(6) Capital Leases

During the year the City entered into two new capital leases for the acquisition of vehicles and equipment for various departments. In addition, the City paid off an existing lease that came due in 2005. The payments for the leases are shown on a GAAP basis as debt service expenditures in the general fund, special revenue funds, and capital projects fund and as a reduction of capital lease payable in the water enterprise fund.

Fixed assets acquired by the new leases have been capitalized in the general fixed assets account group in an amount equal to the present value of the future minimum lease payments plus the amount of the down payment. A corresponding liability was recorded in the general long-term obligations account group. The assets are recorded under machinery, equipment and vehicles at \$188,985 in the general fixed asset account group.

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, 2003.

<u>Year</u>	<u>General Long-term Obligations</u>
2004	\$ 43,571
2005	43,571
2006	39,718
2007	20,462
<i>Total minimum lease payments</i>	<u>147,322</u>
<i>Less: Amount representing interest</i>	<u>(15,223)</u>
<i>Present value of minimum lease payments</i>	<u>\$ 132,099</u>

(7) Fund Deficits

At December 31, 2003, the drug abuse resistance education special revenue fund had a deficit fund balance and the medical benefits internal service fund had a deficit retained earnings of \$668 and \$4,376, respectively. These balances were 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, 2003 follows:

	<i>Balance 1/1/03</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance 12/31/03</i>
<u>Enterprise Fund Debt</u>				
<i>General Obligation Bonds</i>				
1993 Capital Facilities Refunding and Improvement 3.95-6.00%	\$ 3,065,000	\$ -	\$ (210,000)	\$ 2,855,000
Unamortized deferred cost of refunding	(207,574)	-	32,026	(175,548)
Unamortized premium	18,974	-	(2,823)	16,151
2001 Various Purpose 3.50-5.10%	<u>1,716,000</u>	-	<u>(76,000)</u>	<u>1,640,000</u>
Total General Obligation Bonds	<u>4,592,400</u>	-	<u>(256,797)</u>	<u>4,335,603</u>
<i>Revenue Bonds</i>				
1993 Water Utility Revenue 2.75-5.75%	<u>1,170,000</u>	-	<u>(80,000)</u>	<u>1,090,000</u>
<i>Other Long-term Obligations</i>				
1996 Ohio Public Works Commission (OPWC) Loan 0.00%	353,990	-	(24,413)	329,577
2001 Ohio Public Works Commission (OPWC) Loan 0.00%	465,642	-	(23,879)	441,763
Long-term compensated absences	128,849	87,180	(65,247)	150,782
Capital lease payable	<u>14,298</u>	<u>-</u>	<u>(14,298)</u>	<u>-</u>
Total Other Long-term Obligations	<u>962,779</u>	<u>87,180</u>	<u>(127,837)</u>	<u>922,122</u>
Total Enterprise Obligations	<u>\$ 6,725,179</u>	<u>\$ 87,180</u>	<u>\$ (464,634)</u>	<u>\$ 6,347,725</u>
<u>General Long-term Obligations</u>				
<i>General Obligation Bonds</i>				
1991 Various Purpose 5.10-7.10%	\$ 460,000	\$ -	\$ (105,000)	\$ 355,000
2001 Various Purpose 3.50-5.10%	<u>429,000</u>	-	<u>(19,000)</u>	<u>410,000</u>
Total General Obligation Bonds	<u>889,000</u>	-	<u>(124,000)</u>	<u>765,000</u>
<i>Other Long-term Obligations</i>				
Police pension liability 4.25%	49,946	-	(736)	49,210
Long-term compensated absences	280,766	160,000	(135,355)	305,411
Capital lease payable	<u>61,904</u>	<u>155,960</u>	<u>(85,765)</u>	<u>132,099</u>
Total Other Long-term Obligations	<u>392,616</u>	<u>315,960</u>	<u>(221,856)</u>	<u>486,720</u>
Total General Long-term Obligations	<u>\$ 1,281,616</u>	<u>\$ 315,960</u>	<u>\$ (345,856)</u>	<u>\$ 1,251,720</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 \$2,855,000 Capital Facilities Refunding and Improvement Bonds, \$1,175,000 matures serially in progressive annual amounts ranging from \$215,000 in 2004 to \$260,000 in 2008 and bears interest at rates ranging from 4.55% 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 \$1,640,000 Various Purpose Bonds mature serially in progressive annual amounts ranging from \$80,000 in 2004 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 \$355,000 Various Purpose Bonds mature serially in progressive annual amounts ranging from \$110,000 in 2004 to \$125,000 in 2006 and bear interest at rates ranging from 7.00% 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 \$1,090,000 Water Revenue Bonds outstanding, \$85,000 matures in 2004 with an interest rate 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 \$329,577 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 \$441,763 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 \$410,000 Various Purpose Bonds mature serially in progressive annual amounts ranging from \$20,000 in 2004 to \$28,000 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 \$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, 2003, are:

	<i>General Obligation Bonds</i>	<i>Water Revenue Bonds</i>	<i>OPWC Loan</i>	<i>Total</i>
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	553,773	146,400	48,292	748,465
2009-2013	2,470,800	724,825	241,461	3,437,086
2014-2018	928,060	-	204,841	1,132,901
2019-2022	441,565	-	83,578	525,143
<i>Total</i>	<u>\$ 7,006,641</u>	<u>\$ 1,460,897</u>	<u>\$ 771,340</u>	<u>\$ 9,238,878</u>

The amounts of interest included in the total debt service requirements for the general obligation bonds and revenue bonds were \$1,746,641 and \$370,897 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, 2003 are an overall debt margin of \$14,516,004 and a limit on unvoted debt margin of \$7,603,621.

(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, 2003 there were two series of Healthcare and Housing Facility Revenue Bonds outstanding, with an aggregate principal amount payable of \$10.760 million.

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

(11) Interfund Assets and Liabilities

Interfund balances at December 31, 2003 consist of the following individual fund receivables and payables:

<i>Fund</i>	<i>Receivables</i>		<i>Payables</i>	
	<i>Interfund</i>	<i>Advance</i>	<i>Interfund</i>	<i>Advance</i>
<i>General</i>	\$ 28,140	\$ 75,000	\$ -	\$ 200,000
<i>FEMA hazard mitigation grant special revenue</i>	-	-	28,140	-
<i>Capital improvements capital projects</i>	-	-	-	75,000
<i>Water enterprise</i>	-	200,000	-	-
	<u>\$ 28,140</u>	<u>\$ 275,000</u>	<u>\$ 28,140</u>	<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 2003 tax levy was based upon an assessed valuation of approximately \$138 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 2003. 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 24% of true value for inventories and 25% of true value for capital assets.

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: OPERS administers three separate pension plans. 1) The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan. 2) The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. 3) The Combined Plan (CO) - a cost-sharing multiple-employer defined benefit pension plan. Employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the TP and CO. Members of the MD do not qualify for ancillary benefits.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2003, member and employer contribution rates were consistent across all three plans (TP, MD and CO). Plan members are required to contribute 8.5% of their annual covered salary and the City is required to contribute 13.55%. The City's contributions to the plan for the years ending December 31, 2003, 2002 and 2001, were \$158,941, \$149,769 and \$141,362 respectively, equal to the required contributions for the year. The full amount has been contributed for 2002 and 2001. 85% had been contributed for 2003 with the remainder being reported as a liability within the respective funds.

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

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, 2003, 2002, and 2001 were \$79,612, \$76,429, and \$75,444, respectively. The full amount has been contributed for 2002 and 2001. 75% had been contributed for 2003 with the remainder being reported as a liability within the respective funds. 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, 2003, the unfunded liability of the City was \$49,210 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 administers three separate pension plans, the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO), all of which are described in Note 13. OPERS provides postretirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit for members of both the TP and CO plans. Members of the MD plan do not qualify for postemployment health care coverage. Health care coverage for disability recipients and primary survivor recipients is available.

The 2003 employer contribution rate was 13.55%, of which 5.0% was used to fund health care. The City's contribution for the year ended December 31, 2003, was \$92,948 to fund post-employment benefits.

Other Post Employment Benefits (OPEB) are advanced-funded on an actuarially determined basis. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation. The investment assumption rate for 2002 was 8.00%. Individual base pay was assumed to increase 4.00% compounded annually with no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from .5% to 6.3%. Health care costs were assumed to increase 4.00% annually.

The number of active contributing participants to the TP and CO plans was 364,881; the date the latest actuarial review was performed. OPERS actuarially determined accrued liability for OPEB's at December 31, 2002, are \$18.7 billion with net assets available for OPEB of \$10 billion, leaving an unfunded actuarial liability of \$8.7 billion.

OP&F provides post retirement health care coverage, also referred to as 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 2003. 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 2003 that were used to fund post-employment benefits were \$53,145 for both police and fire. The OP&F total health care expense for the year ended December 31, 2002, (the latest information available) was \$141,028,006, which was net of member contributions of \$12,623,875. The number of OP&F participants eligible to receive health care benefits as of December 31, 2002, was 13,527 for police and 10,396 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 did not change during the year ended December 31, 2003.

(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, 2003 follows:

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<i>Operating revenues</i>	\$ 729,686	\$ 672,174	\$ 1,401,860
<i>Depreciation expense</i>	217,516	183,258	400,774
<i>Operating loss</i>	(128,409)	(401,334)	(529,743)
<i>Tax revenues</i>	420,969	300,315	721,284
<i>Net income (loss)</i>	135,601	(279,757)	(144,156)
<i>Fixed asset additions</i>	26,933	16,804	43,737
<i>Fixed asset deletions</i>	14,227	1,328	15,555
<i>Net working capital</i>	629,749	332,569	962,318
<i>Total assets</i>	6,399,955	3,790,016	10,189,971
<i>Outstanding long-term liabilities:</i>			
<i>Payable from operating sources</i>	3,041,680	397,150	3,438,830
<i>Payable from other sources</i>	466,964	2,040,774	2,507,738
<i>Total equity</i>	2,590,511	1,001,535	3,592,046
<i>Encumbrances outstanding budget basis at December 31, 2003</i>	\$ 266,238	\$ 202,160	\$ 468,398

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

(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. The City contracts with a health insurance company to provide medical/health benefits for the City's employees. The City remits a payment to the insurance provider based on the number of participants.

CITY OF LOUISVILLE, OHIO

Notes to the General Purpose Financial Statements

The claims liability of \$5,550 reported in the fund at December 31, 2003 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 2003 and 2002 were:

	<i>Balance at beginning of year</i>	<i>Current year claims</i>	<i>Claim payments</i>	<i>Balance at end of year</i>
2002	\$ 2,194	18,104	18,568	1,730
2003	\$ 1,730	21,191	17,371	5,550



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, 2003

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Municipal income tax	\$ 2,130,000	\$ 2,132,354	\$ 2,354
Property and other taxes	441,679	518,033	76,354
Charges for services	249,874	252,311	2,437
Licenses and permits	81,600	92,658	11,058
Fines and forfeitures	8,500	12,665	4,165
Intergovernmental	303,672	350,861	47,189
Investment income	55,924	24,756	(31,168)
Other	19,231	46,760	27,529
Total revenues	3,290,480	3,430,398	139,918
Expenditures:			
Current:			
General government			
Office of the city manager	190,570	184,476	6,094
Administration and accounting	286,343	281,534	4,809
Department of law	55,010	54,238	772
Offices of city council	45,174	44,188	986
Mayor's court	22,930	22,610	320
Civil service commission	9,391	8,920	471
Division of lands and buildings	72,612	71,282	1,330
Miscellaneous	120,371	119,150	1,221
Total general government	802,401	786,398	16,003
Security of persons and property			
Division of police	1,088,151	1,087,307	844
Division of fire	221,694	220,897	797
Division of communications	228,281	228,217	64
Division of street lighting	79,667	79,667	-
Division of traffic control maintenance	5,330	5,330	-
Total security of persons and property	1,623,123	1,621,418	1,705
Public health services			
Board of health	54,642	53,515	1,127
Community environment			
Division of planning and development	161,145	155,052	6,093
Division of housing and building code enforcement	58,773	56,878	1,895
Total community environment	219,918	211,930	7,988

(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, 2003

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Leisure time activities			
Division of parks	199,033	190,977	8,056
Senior citizens center	174,141	171,175	2,966
Total leisure time activities	<u>373,174</u>	<u>362,152</u>	<u>11,022</u>
Other	45,156	45,156	-
Total expenditures	<u>3,118,414</u>	<u>3,080,569</u>	<u>37,845</u>
Excess of revenues over expenditures	<u>172,066</u>	<u>349,829</u>	<u>177,763</u>
Other financing sources (uses):			
Advances - in	85,917	97,907	11,990
Advances - out	(126,047)	(126,047)	-
Operating transfers - in	250,000	100,000	(150,000)
Operating transfers - out	(610,206)	(606,800)	3,406
Total other financing sources (uses)	<u>(400,336)</u>	<u>(534,940)</u>	<u>(134,604)</u>
Excess of revenues and other financing sources under expenditures and other financing uses	(228,270)	(185,111)	43,159
Prior year encumbrances carried forward	54,759	54,759	-
Fund balance at beginning of year	<u>372,881</u>	<u>372,881</u>	<u>-</u>
Fund balance at end of year	<u>\$ 199,370</u>	<u>\$ 242,529</u>	<u>\$ 43,159</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 revenues and 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.
- Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant – To account for revenues received from the federal government and used to offset costs related to flood damage.

CITY OF LOUISVILLE, OHIO

SPECIAL REVENUE FUNDS

Combining Balance Sheet

December 31, 2003

	Street Construction, Maintenance and Repair	State Highway	Motor Vehicle License	Mayor's Court Computerization	Emergency Services Donations
Assets:					
Equity in pooled cash	\$ 22,105	\$ 5,398	\$ 14,356	\$ 10,067	\$ 3,692
Accounts receivable	-	-	-	-	-
Due from other governments	96,980	12,024	11,708	-	-
Material and supplies inventory	13,597	-	-	-	-
Total assets	<u>\$ 132,682</u>	<u>\$ 17,422</u>	<u>\$ 26,064</u>	<u>\$ 10,067</u>	<u>\$ 3,692</u>
Liabilities and fund equity					
Liabilities:					
Accounts payable	\$ 11,196	\$ 366	\$ -	\$ -	\$ -
Interfund payable	-	-	-	-	-
Accrued wages	2,099	174	-	-	-
Compensated absences	441	-	-	-	-
Due to other governments	13,567	1,161	-	-	-
Deferred revenue	62,899	7,874	-	-	-
Total liabilities	<u>90,202</u>	<u>9,575</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund equity:					
Fund balance:					
Reserved for encumbrances	1,652	181	-	-	-
Reserved for inventory	13,597	-	-	-	-
Unreserved, undesignated	27,231	7,666	26,064	10,067	3,692
Total fund equity (deficit)	<u>42,480</u>	<u>7,847</u>	<u>26,064</u>	<u>10,067</u>	<u>3,692</u>
Total liabilities and fund equity	<u>\$ 132,682</u>	<u>\$ 17,422</u>	<u>\$ 26,064</u>	<u>\$ 10,067</u>	<u>\$ 3,692</u>

Emergency Services Charges	Law Enforcement Education	Law Enforcement Trust	Municipal Road	Drug Abuse Resistance Education	Special Events	FEMA Hazard Mitigation Grant	Total
\$ 138,214	\$ 11,861	\$ 26,438	\$ 6,405	\$ -	\$ 608	\$ -	\$ 239,144
51,834	-	-	-	-	-	-	51,834
-	-	-	-	-	-	85,242	205,954
-	-	-	-	-	-	-	13,597
<u>\$ 190,048</u>	<u>\$ 11,861</u>	<u>\$ 26,438</u>	<u>6,405</u>	<u>\$ -</u>	<u>\$ 608</u>	<u>\$ 85,242</u>	<u>\$ 510,529</u>
\$ 3,567	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,129
-	-	-	-	-	-	28,140	28,140
1,260	-	-	-	-	-	-	3,533
-	-	-	-	-	-	-	441
6,481	-	-	-	668	-	-	21,877
21,967	-	-	-	-	-	-	92,740
<u>33,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>668</u>	<u>-</u>	<u>28,140</u>	<u>161,860</u>
7,858	-	-	-	-	-	-	9,691
-	-	-	-	-	-	-	13,597
148,915	11,861	26,438	6,405	(668)	608	57,102	325,381
156,773	11,861	26,438	6,405	(668)	608	57,102	348,669
<u>\$ 190,048</u>	<u>\$ 11,861</u>	<u>\$ 26,438</u>	<u>\$ 6,405</u>	<u>\$ -</u>	<u>\$ 608</u>	<u>\$ 85,242</u>	<u>\$ 510,529</u>

CITY OF LOUISVILLE, OHIO

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances

Year ended December 31, 2003

	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	-	-	-	5,584	-
Intergovernmental	206,112	24,495	74,484	-	-
Investment income	-	-	2,556	-	-
Donations	-	-	-	-	-
Other revenues	1,084	97	-	-	20
Total revenue	<u>207,196</u>	<u>24,592</u>	<u>77,040</u>	<u>5,584</u>	<u>20</u>
Expenditures:					
Current:					
Security of persons and property	-	-	-	3,337	1,329
Transportation	471,646	44,038	107,287	-	-
Community environment	-	-	-	-	-
Basic utility services	-	-	-	-	-
Leisure time activities	-	-	-	-	-
Other	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	4,527	367	-	-	-
Interest and fiscal charges	215	17	-	-	-
Total expenditures	<u>476,388</u>	<u>44,422</u>	<u>107,287</u>	<u>3,337</u>	<u>1,329</u>
Excess of revenues over (under) expenditures	<u>(269,192)</u>	<u>(19,830)</u>	<u>(30,247)</u>	<u>2,247</u>	<u>(1,309)</u>
Other financing sources:					
Sale of general fixed assets	-	-	-	-	-
Inception of capital lease	-	-	-	-	-
Operating transfers - in	215,000	10,000	40,000	-	-
Total other financing sources	<u>215,000</u>	<u>10,000</u>	<u>40,000</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures	<u>(54,192)</u>	<u>(9,830)</u>	<u>9,753</u>	<u>2,247</u>	<u>(1,309)</u>
Fund balances at beginning of year	95,247	17,677	16,311	7,820	5,001
Increase in reserve for inventory	1,425	-	-	-	-
Fund balances (deficit) at end of year	<u>\$ 42,480</u>	<u>\$ 7,847</u>	<u>\$ 26,064</u>	<u>\$ 10,067</u>	<u>\$ 3,692</u>

Emergency Services Charges	Law Enforcement Education	Law Enforcement Trust	Municipal Road	Drug Abuse Resistance Education	Special Events	FEMA Hazard Mitigation Grant	Total
\$ 160,610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 160,610
-	743	675	-	-	-	-	7,002
-	-	-	-	11,672	-	156,945	473,708
-	-	-	-	-	-	-	2,556
-	-	-	-	-	8,101	-	8,101
-	35	-	-	-	12,372	-	13,608
<u>160,610</u>	<u>778</u>	<u>675</u>	<u>-</u>	<u>11,672</u>	<u>20,473</u>	<u>156,945</u>	<u>665,585</u>
260,716	-	812	-	22,616	-	10,048	298,858
-	-	-	-	-	-	13,186	636,157
-	-	-	-	-	-	1,336	1,336
-	-	-	-	-	-	75,273	75,273
-	-	-	-	-	29,865	-	29,865
428	-	-	-	-	-	-	428
33,877	-	9,100	-	-	-	-	42,977
25,647	-	-	-	-	-	-	30,541
1,509	-	-	-	-	-	-	1,741
<u>322,177</u>	<u>-</u>	<u>9,912</u>	<u>-</u>	<u>22,616</u>	<u>29,865</u>	<u>99,843</u>	<u>1,117,176</u>
<u>(161,567)</u>	<u>778</u>	<u>(9,237)</u>	<u>-</u>	<u>(10,944)</u>	<u>(9,392)</u>	<u>57,102</u>	<u>(451,591)</u>
59,750	-	4,171	-	-	-	-	63,921
65,000	-	-	-	-	-	-	65,000
-	-	-	-	-	10,000	-	275,000
<u>124,750</u>	<u>-</u>	<u>4,171</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>403,921</u>
(36,817)	778	(5,066)	-	(10,944)	608	57,102	(47,670)
193,590	11,083	31,504	6,405	10,276	-	-	394,914
-	-	-	-	-	-	-	1,425
<u>\$ 156,773</u>	<u>\$ 11,861</u>	<u>\$ 26,438</u>	<u>\$ 6,405</u>	<u>\$ (668)</u>	<u>\$ 608</u>	<u>\$ 57,102</u>	<u>\$ 348,669</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, 2003

	Street Construction, Maintenance and Repair Special Revenue Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 215,000	\$ 201,377	\$ (13,623)
Investment income	-	-	-
Other	1,000	1,084	84
Total revenues	<u>216,000</u>	<u>202,461</u>	<u>(13,539)</u>
Expenditures:			
Current:			
Transportation			
Division of street maintenance	467,981	458,725	9,256
Division of snow and ice removal	40,251	40,251	-
Total expenditures	<u>508,232</u>	<u>498,976</u>	<u>9,256</u>
Excess of revenues under expenditures	<u>(292,232)</u>	<u>(296,515)</u>	<u>(4,283)</u>
Other financing sources:			
Operating transfers - in	<u>201,461</u>	<u>215,000</u>	<u>13,539</u>
Excess of revenues and other financing sources over (under) expenditures	(90,771)	(81,515)	9,256
Prior year encumbrances carried forward	7,635	7,635	-
Fund balance at beginning of year	<u>83,137</u>	<u>83,137</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1</u>	<u>\$ 9,257</u>	<u>\$ 9,256</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)
\$ 22,724	\$ 22,724	\$ -	\$ 74,942	\$ 74,942	\$ -
-	-	-	2,522	2,556	34
97	97	-	-	-	-
<u>22,821</u>	<u>22,821</u>	<u>-</u>	<u>77,464</u>	<u>77,498</u>	<u>34</u>
47,984	43,134	4,850	107,288	107,287	1
2,722	2,722	-	-	-	-
<u>50,706</u>	<u>45,856</u>	<u>4,850</u>	<u>107,288</u>	<u>107,287</u>	<u>1</u>
<u>(27,885)</u>	<u>(23,035)</u>	<u>4,850</u>	<u>(29,824)</u>	<u>(29,789)</u>	<u>35</u>
10,000	10,000	-	40,000	40,000	-
(17,885)	(13,035)	4,850	10,176	10,211	35
613	613	-	-	-	-
<u>17,273</u>	<u>17,273</u>	<u>-</u>	<u>4,145</u>	<u>4,145</u>	<u>-</u>
<u>\$ 1</u>	<u>\$ 4,851</u>	<u>\$ 4,850</u>	<u>\$ 14,321</u>	<u>\$ 14,356</u>	<u>\$ 35</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, 2003

	Mayor's Court Computerization Special Revenue Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ -	\$ -	\$ -
Licenses and permits	5,571	5,584	13
Intergovernmental	-	-	-
Other	-	-	-
Total revenues	<u>5,571</u>	<u>5,584</u>	<u>13</u>
Expenditures:			
Current:			
Security of persons and property			
Division of police	3,338	3,337	1
Division of fire	-	-	-
Division of emergency service	-	-	-
Total security of persons and property	<u>3,338</u>	<u>3,337</u>	<u>1</u>
Other	-	-	-
Total expenditures	<u>3,338</u>	<u>3,337</u>	<u>1</u>
Excess of revenues over (under) expenditures	<u>2,233</u>	<u>2,247</u>	<u>14</u>
Other financing sources:			
Sale of fixed assets	-	-	-
Excess of revenues and other financing sources over (under) expenditures	2,233	2,247	14
Prior year encumbrances carried forward	-	-	-
Fund balance at beginning of year	<u>7,820</u>	<u>7,820</u>	<u>-</u>
Fund balance at end of year	<u>\$ 10,053</u>	<u>\$ 10,067</u>	<u>\$ 14</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)
\$ -	\$ -	\$ -	\$ 149,788	\$ 150,936	\$ 1,148
-	-	-	-	-	-
-	-	-	-	-	-
20	20	-	-	-	-
<u>20</u>	<u>20</u>	<u>-</u>	<u>149,788</u>	<u>150,936</u>	<u>1,148</u>
-	-	-	-	-	-
2,500	1,329	1,171	-	-	-
-	-	-	273,360	264,929	8,431
<u>2,500</u>	<u>1,329</u>	<u>1,171</u>	<u>273,360</u>	<u>264,929</u>	<u>8,431</u>
-	-	-	428	428	-
<u>2,500</u>	<u>1,329</u>	<u>1,171</u>	<u>273,788</u>	<u>265,357</u>	<u>8,431</u>
<u>(2,480)</u>	<u>(1,309)</u>	<u>1,171</u>	<u>(124,000)</u>	<u>(114,421)</u>	<u>9,579</u>
-	-	-	59,750	59,750	-
(2,480)	(1,309)	1,171	(64,250)	(54,671)	9,579
-	-	-	11,266	11,266	-
<u>5,001</u>	<u>5,001</u>	<u>-</u>	<u>170,194</u>	<u>170,194</u>	<u>-</u>
<u>\$ 2,521</u>	<u>\$ 3,692</u>	<u>\$ 1,171</u>	<u>\$ 117,210</u>	<u>\$ 126,789</u>	<u>\$ 9,579</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, 2003

	Law Enforcement Education Special Revenue Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines and forfeitures	\$ 743	\$ 743	\$ -
Other	35	35	-
Total revenues	<u>778</u>	<u>778</u>	<u>-</u>
Expenditures:			
Current:			
Security of persons and property Division of police	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Excess of revenues over (under) expenditures	<u>(4,222)</u>	<u>778</u>	<u>5,000</u>
Other financing sources:			
Sale of fixed assets	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures	(4,222)	778	5,000
Fund balance at beginning of year	<u>11,083</u>	<u>11,083</u>	<u>-</u>
Fund balance at end of year	<u>\$ 6,861</u>	<u>\$ 11,861</u>	<u>\$ 5,000</u>

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

Law Enforcement Trust
Special Revenue Fund

Municipal Road
Special Revenue Fund

Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 675	\$ 675	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>675</u>	<u>675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
10,000	9,912	88	-	-	-
<u>(9,325)</u>	<u>(9,237)</u>	<u>88</u>	<u>-</u>	<u>-</u>	<u>-</u>
4,171	4,171	-	-	-	-
(5,154)	(5,066)	88	-	-	-
<u>31,504</u>	<u>31,504</u>	<u>-</u>	<u>6,405</u>	<u>6,405</u>	<u>-</u>
<u>\$ 26,350</u>	<u>\$ 26,438</u>	<u>\$ 88</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, 2003

Drug Abuse Resistance Education (DARE)
Special Revenue Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 11,672	\$ 11,672	\$ -
Donations	-	-	-
Other	-	-	-
Total revenues	<u>11,672</u>	<u>11,672</u>	<u>-</u>
Expenditures:			
Current:			
Security of persons and property			
Division of police	22,139	22,139	-
Division of fire	-	-	-
Division of traffic control maintenance	-	-	-
Total security of persons and property	<u>22,139</u>	<u>22,139</u>	<u>-</u>
Transportation			
Division of street maintenance	-	-	-
Community environment			
Division of planning and development	-	-	-
Basic utility services			
Division of wastewater treatment	-	-	-
Division of sanitary sewer plumbing	-	-	-
Division of storm sewer maintenance	-	-	-
Division of water treatment	-	-	-
Division of water distribution	-	-	-
Office of superintendent of service	-	-	-
Total basic utility services	<u>-</u>	<u>-</u>	<u>-</u>
Leisure time activities			
Special events	-	-	-
Total expenditures	<u>22,139</u>	<u>22,139</u>	<u>-</u>
Excess of revenues under expenditures	<u>(10,467)</u>	<u>(10,467)</u>	<u>-</u>
Other financing sources (uses):			
Advances - in	-	-	-
Advances - out	-	-	-
Operating transfers - in	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(10,467)	(10,467)	-
Fund balance at beginning of year	<u>10,467</u>	<u>10,467</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Special Events
Special Revenue Fund

FEMA Hazard Mitigation Grant
Special Revenue Fund

Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 71,703	\$ 71,703	\$ -
8,101	8,101	-	-	-	-
12,372	12,372	-	-	-	-
<u>20,473</u>	<u>20,473</u>	<u>-</u>	<u>71,703</u>	<u>71,703</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	1,718	1,718	-
-	-	-	8,330	8,330	-
-	-	-	<u>10,048</u>	<u>10,048</u>	<u>-</u>
-	-	-	13,186	13,186	-
-	-	-	1,336	1,336	-
-	-	-	34,420	34,420	-
-	-	-	21,925	21,925	-
-	-	-	5,402	5,402	-
-	-	-	3,721	3,721	-
-	-	-	9,567	9,567	-
-	-	-	238	238	-
-	-	-	<u>75,273</u>	<u>75,273</u>	<u>-</u>
29,865	29,865	-	-	-	-
<u>29,865</u>	<u>29,865</u>	<u>-</u>	<u>99,843</u>	<u>99,843</u>	<u>-</u>
(9,392)	(9,392)	-	(28,140)	(28,140)	-
-	-	-	86,856	86,856	-
-	-	-	(58,716)	(58,716)	-
<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>28,140</u>	<u>28,140</u>	<u>-</u>
608	608	-	-	-	-
-	-	-	-	-	-
<u>\$ 608</u>	<u>\$ 608</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, 2003

Capital Improvements Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Other	\$ -	\$ 11,400	\$ 11,400
Expenditures:			
Current:			
Transportation			
Division of street maintenance	147,812	20,462	127,350
Community environment			
Division of planning and development	55,000	55,000	-
Leisure time activities			
Senior citizens center	17,650	17,650	-
Total expenditures	220,462	93,112	127,350
Excess of revenues under expenditures	(220,462)	(81,712)	138,750
Prior year encumbrances carried forward	20,462	20,462	-
Fund balance at beginning of year	204,160	204,160	-
Fund balance at end of year	\$ 4,160	\$ 142,910	\$ 138,750

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, 2003

	Water	Sewer	Total
Assets			
Current assets:			
Equity in pooled cash	\$ 724,145	\$ 486,342	\$ 1,210,487
Receivables:			
Taxes	117,213	78,142	195,355
Accounts	89,191	114,502	203,693
Restricted assets:			
Customer deposits	-	4,140	4,140
Total current assets	<u>930,549</u>	<u>683,126</u>	<u>1,613,675</u>
Deferred charges	7,857	29,985	37,842
Advances to other funds	200,000	-	200,000
Fixed assets (net of accumulated depreciation)	<u>5,261,549</u>	<u>3,076,905</u>	<u>8,338,454</u>
Total assets	<u><u>\$ 6,399,955</u></u>	<u><u>\$ 3,790,016</u></u>	<u><u>\$ 10,189,971</u></u>
Liabilities and Equity			
Current liabilities:			
Accounts payable	\$ 50,079	\$ 60,156	\$ 110,235
Contracts payable	-	75,396	75,396
Accrued wages	2,840	2,648	5,488
Accrued interest payable	13,480	16,353	29,833
Due to other governments	11,843	13,265	25,108
Current portion of OPWC loan payable	48,292	-	48,292
Current portion of revenue bonds payable	85,000	-	85,000
Current portion of various purpose bonds	89,266	178,599	267,865
Customer deposits payable	-	4,140	4,140
Total current liabilities	<u>300,800</u>	<u>350,557</u>	<u>651,357</u>
Long-term liabilities:			
Compensated absences	65,632	85,150	150,782
OPWC loan payable, excluding current portion	723,048	-	723,048
Revenue bonds payable, excluding current portion	1,005,000	-	1,005,000
Various purpose bonds payable, excluding current portion	<u>1,714,964</u>	<u>2,352,774</u>	<u>4,067,738</u>
Total long-term liabilities	<u>3,508,644</u>	<u>2,437,924</u>	<u>5,946,568</u>
Total liabilities	<u>3,809,444</u>	<u>2,788,481</u>	<u>6,597,925</u>
Equity:			
Contributed capital	636,275	207,288	843,563
Retained earnings	<u>1,954,236</u>	<u>794,247</u>	<u>2,748,483</u>
Total equity	<u>2,590,511</u>	<u>1,001,535</u>	<u>3,592,046</u>
Total liabilities and equity	<u><u>\$ 6,399,955</u></u>	<u><u>\$ 3,790,016</u></u>	<u><u>\$ 10,189,971</u></u>

CITY OF LOUISVILLE, OHIO

ENTERPRISE FUNDS

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

Year ended December 31, 2003

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 694,768	\$ 659,512	\$ 1,354,280
Other	34,918	12,662	47,580
Total operating revenues	<u>729,686</u>	<u>672,174</u>	<u>1,401,860</u>
Operating expenses:			
Personal services	328,296	392,679	720,975
Materials and supplies	304,932	497,391	802,323
Other	7,351	180	7,531
Depreciation	217,516	183,258	400,774
Total operating expenses	<u>858,095</u>	<u>1,073,508</u>	<u>1,931,603</u>
Operating loss	<u>(128,409)</u>	<u>(401,334)</u>	<u>(529,743)</u>
Nonoperating revenues (expenses):			
Local taxes	420,969	300,315	721,284
Interest revenue	359	-	359
Loss on the sale of fixed assets	(3,928)	-	(3,928)
Interest expense	(153,390)	(178,738)	(332,128)
Total nonoperating revenues (expenses)	<u>264,010</u>	<u>121,577</u>	<u>385,587</u>
Net income (loss)	135,601	(279,757)	(144,156)
Retained earnings at beginning of year	<u>1,818,635</u>	<u>1,074,004</u>	<u>2,892,639</u>
Retained earnings at end of year	<u>\$ 1,954,236</u>	<u>\$ 794,247</u>	<u>\$ 2,748,483</u>

CITY OF LOUISVILLE, OHIO

ENTERPRISE FUNDS

Combining Statement of Cash Flows

Year ended December 31, 2003

	Water	Sewer	Total
Cash flows from operating activities:			
Cash received from customers and users	\$ 732,292	\$ 674,916	\$ 1,407,208
Cash paid to suppliers for goods and services	(263,741)	(375,329)	(639,070)
Cash paid to employees for services	(324,475)	(389,511)	(713,986)
Net cash provided by (used for) operating activities	<u>144,076</u>	<u>(89,924)</u>	<u>54,152</u>
Cash flows from capital and related financing activities:			
Cash received from municipal income tax	410,609	300,000	710,609
Payment on capital lease	(14,635)	-	(14,635)
Acquisitions of capital assets	(26,933)	(16,804)	(43,737)
Principal paid on bonds	(170,800)	(195,200)	(366,000)
Principal paid on loans	(48,292)	-	(48,292)
Interest paid on bonds and loans	(153,028)	(144,840)	(297,868)
Net cash used for capital and related financing activities	<u>(3,079)</u>	<u>(56,844)</u>	<u>(59,923)</u>
Cash flows from investing activities:			
Earnings on investments	359	-	359
Net increase (decrease) in cash and cash equivalents	141,356	(146,768)	(5,412)
Cash and cash equivalents at beginning of year	<u>582,789</u>	<u>637,250</u>	<u>1,220,039</u>
Cash and cash equivalents at end of year	<u>\$ 724,145</u>	<u>\$ 490,482</u>	<u>\$ 1,214,627</u>
Reconciliation of operating loss to net cash provided by (used for) operating activities:			
Operating loss	\$ (128,409)	\$ (401,334)	\$ (529,743)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:			
Depreciation	217,516	183,258	400,774
Change in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	2,606	2,742	5,348
Increase (decrease) in liabilities:			
Accounts payable	48,832	47,405	96,237
Contracts payable	-	75,396	75,396
Customer deposits	-	(100)	(100)
Due to other governments	(1,263)	(1,641)	(2,904)
Accrued wages	(5,107)	(7,682)	(12,789)
Compensated absences	9,901	12,032	21,933
Net cash provided by (used for) operating activities	<u>\$ 144,076</u>	<u>\$ (89,924)</u>	<u>\$ 54,152</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, 2003

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Municipal income tax	\$ 709,434	\$ 710,609	\$ 1,175
Charges for services	693,027	697,374	4,347
Investment income	-	359	359
Other	34,899	34,918	19
Total revenues	<u>1,437,360</u>	<u>1,443,260</u>	<u>5,900</u>
Expenses:			
General government			
Miscellaneous	<u>88,771</u>	<u>88,663</u>	<u>108</u>
Basic utility services			
Division of water treatment	282,008	272,757	9,251
Division of water laboratory	22,771	22,147	624
Division of water distribution	411,152	389,280	21,872
Office of superintendent of service	70,040	67,293	2,747
Division of meter maintenance	<u>35,248</u>	<u>33,896</u>	<u>1,352</u>
Total basic utility services	<u>821,219</u>	<u>785,373</u>	<u>35,846</u>
Other	<u>15,322</u>	<u>15,274</u>	<u>48</u>
Debt service:			
Principal retirement	228,837	225,804	3,033
Interest and fiscal charges	<u>153,028</u>	<u>153,028</u>	<u>-</u>
Total expenses	<u>1,307,177</u>	<u>1,268,142</u>	<u>39,035</u>
Excess of revenues over expenses	<u>130,183</u>	<u>175,118</u>	<u>44,935</u>
Other financing sources (uses):			
Operating transfers - in	350,000	350,000	-
Operating transfers - out	<u>(650,000)</u>	<u>(650,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
Excess of revenues and other financing sources under expenses and other financing uses	(169,817)	(124,882)	44,935
Prior year encumbrances appropriated	3,052	3,052	-
Fund balance at beginning of year	<u>579,738</u>	<u>579,738</u>	<u>-</u>
Fund balance at end of year	<u>\$ 412,973</u>	<u>\$ 457,908</u>	<u>\$ 44,935</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, 2003

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 661,000	\$ 662,254	\$ 1,254
Other	10,736	12,662	1,926
Total revenues	<u>671,736</u>	<u>674,916</u>	<u>3,180</u>
Expenses:			
General government			
Miscellaneous	<u>67,547</u>	<u>67,483</u>	<u>64</u>
Basic utility services			
Office of superintendent of service	58,152	57,013	1,139
Division of meter maintenance	34,386	34,112	274
Division of wastewater treatment	810,204	708,573	101,631
Division of sewage laboratory	32,216	31,406	810
Division of sanitary sewer pumping	6,278	2,339	3,939
Division of storm sewer maintenance	83,341	82,498	843
Utility deposits	<u>4,000</u>	<u>100</u>	<u>3,900</u>
Total basic utility services	<u>1,028,577</u>	<u>916,041</u>	<u>112,536</u>
Other	<u>280</u>	<u>280</u>	<u>-</u>
Debt service:			
Principal retirement	195,200	195,200	-
Interest and fiscal charges	<u>144,840</u>	<u>144,840</u>	<u>-</u>
Total expenses	<u>1,436,444</u>	<u>1,323,844</u>	<u>112,600</u>
Excess of revenues under expenses	<u>(764,708)</u>	<u>(648,928)</u>	<u>115,780</u>
Other financing sources:			
Operating transfers - in	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Excess of revenues and other financing sources under expenses	<u>(464,708)</u>	<u>(348,928)</u>	<u>115,780</u>
Prior year encumbrances appropriated	46,084	46,084	-
Fund balance at beginning of year	<u>591,166</u>	<u>591,166</u>	<u>-</u>
Fund balance at end of year	<u>\$ 172,542</u>	<u>\$ 288,322</u>	<u>\$ 115,780</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, 2003

	Expendable Trusts		Totals
	Unclaimed Monies	Senior Citizen's	
Assets:			
Equity in pooled cash	<u>\$ 215</u>	<u>\$ 15,216</u>	<u>\$ 15,431</u>
Liabilities and fund equity			
Liabilities:			
Claimant liabilities	<u>\$ 111</u>	<u>\$ -</u>	<u>\$ 111</u>
Equity:			
Fund balances:			
Reserved for encumbrances	-	14,350	14,350
Unreserved, undesignated	<u>104</u>	<u>866</u>	<u>970</u>
Total fund equity	<u>104</u>	<u>15,216</u>	<u>15,320</u>
Total liabilities and fund equity	<u>\$ 215</u>	<u>\$ 15,216</u>	<u>\$ 15,431</u>

CITY OF LOUISVILLE, OHIO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Expendable Trust Funds
Year ended December 31, 2003

	<u>Unclaimed Monies</u>	<u>Senior Citizen's</u>	<u>Totals</u>
Revenues:			
Other revenue	\$ -	\$ 720	\$ 720
Expenditures:			
Total expenditures	-	-	-
Excess of revenues over expenditures	-	720	720
Fund balances at beginning of year	104	14,496	14,600
Fund balances at end of year	<u>\$ 104</u>	<u>\$ 15,216</u>	<u>\$ 15,320</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, 2003

General fixed assets	
Land and land improvements	\$ 846,680
Buildings	1,382,589
Machinery, equipment and vehicles	<u>2,980,042</u>
Total general fixed assets	<u>\$ 5,209,311</u>
Investments in general fixed assets from	
General fund revenues	\$ 2,016,989
Special revenue funds	1,550,211
General obligation bonds	<u>1,642,111</u>
Total investments in general fixed assets	<u>\$ 5,209,311</u>

CITY OF LOUISVILLE, OHIO

GENERAL FIXED ASSETS ACCOUNT GROUP

Schedule of General Fixed Assets by Function and Activity

As of December 31, 2003

	Land and Land Improvements	Buildings	Machinery, Equipment and Vehicles	Total
Security of persons and property				
Police	\$ -	\$ 3,114	\$ 222,649	\$ 225,763
Fire	-	-	1,046,235	1,046,235
Emergency medical	-	-	182,975	182,975
Communications	-	-	92,589	92,589
Lighting	-	-	196,643	196,643
Signalization	-	-	349,308	349,308
Total security of persons and property	-	3,114	2,090,399	2,093,513
Leisure time activities				
Parks	846,680	430,555	200,656	1,477,891
Senior citizens	-	155,606	20,217	175,823
Total leisure time activities	846,680	586,161	220,873	1,653,714
Community environment				
Division of planning and development	-	-	4,495	4,495
Transportation				
Street maintenance	-	7,406	472,611	480,017
General government				
Administration	-	-	80,622	80,622
Land and buildings	-	785,908	111,042	896,950
Total general government	-	785,908	191,664	977,572
Total general fixed assets	\$ 846,680	\$ 1,382,589	\$ 2,980,042	\$ 5,209,311

CITY OF LOUISVILLE, OHIO

GENERAL FIXED ASSETS ACCOUNT GROUP

Schedule of Changes in General Fixed Assets by Function and Activity

Year ended December 31, 2003

	General Fixed Assets January 1, 2003	Additions	Deletions	General Fixed Assets December 31, 2003
Security of persons and property				
Police	\$ 215,501	\$ 10,262	\$ -	\$ 225,763
Fire	1,046,235	-	-	1,046,235
Emergency medical	84,950	98,025	-	182,975
Communications	87,815	4,774	-	92,589
Lighting	196,643	-	-	196,643
Signalization	349,308	-	-	349,308
Total security of persons and property	<u>1,980,452</u>	<u>113,061</u>	<u>-</u>	<u>2,093,513</u>
Leisure time activities				
Parks	1,479,664	12,861	14,634	1,477,891
Senior citizens	175,823	-	-	175,823
Total leisure time activities	<u>1,655,487</u>	<u>12,861</u>	<u>14,634</u>	<u>1,653,714</u>
Community environment				
Division of planning and development	4,495	-	-	4,495
Transportation				
Street maintenance	446,208	94,968	61,159	480,017
General government				
Administration	80,685	1,099	1,162	80,622
Land and buildings	896,950	-	-	896,950
Total general government	<u>977,635</u>	<u>1,099</u>	<u>1,162</u>	<u>977,572</u>
Total general fixed assets	<u>\$ 5,064,277</u>	<u>\$ 221,989</u>	<u>\$ 76,955</u>	<u>\$ 5,209,311</u>



STATISTICAL SECTION

CITY OF LOUISVILLE, OHIO

Table 1

General Governmental Revenues by Source and
General Governmental Expenditures by Function
All Governmental and Expendable Trust Funds
Last Ten Years

	<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>2003</u>
<u>Revenues:</u>										
Local taxes	\$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	\$2,666,051
Intergovernmental revenues	619,028	1,248,119	1,148,210	823,713	776,649	1,267,043	868,653	658,334	771,164	843,237
Charges for services	98,303	174,207	190,052	284,577	235,133	257,876	349,856	348,242	390,075	412,921
Fines, licenses, and permits	67,558	85,457	82,370	76,482	80,183	95,176	103,746	88,396	116,721	113,212
Other revenues	21,066	79,594	66,321	119,196	176,141	309,833	138,264	176,077	107,771	107,901
Total	\$2,894,093	\$3,803,580	\$3,712,998	\$3,304,645	\$3,582,455	\$4,231,829	\$4,070,945	\$3,828,002	\$3,983,726	\$4,143,322
<u>Expenditures:</u>										
Security of persons and property	\$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	\$1,878,135
Public health services	40,293	44,581	28,194	28,698	30,649	30,283	29,262	51,043	51,910	50,508
Leisure time activities	154,510	179,333	222,604	207,763	201,736	233,209	339,780	380,496	351,965	383,104
Community environment	142,130	236,038	180,971	202,192	200,652	195,631	215,283	195,215	196,790	173,935
Basic utility services	-	-	-	-	-	-	-	-	-	75,273
Transportation	226,005	309,890	386,444	356,965	303,475	378,728	374,057	351,005	395,796	636,157
General government	365,107	821,944	768,678	663,438	664,781	659,093	662,026	710,883	741,922	749,920
Other	-	-	19,064	23,564	115,864	78,030	32,071	39,135	52,398	45,584
Capital outlay	373,111	1,258,882	608,022	157,228	225,108	932,496	249,314	222,354	151,068	133,937
Debt service	136,230	155,756	263,068	560,787	566,864	883,592	775,012	802,268	207,389	267,888
Total	\$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	\$4,394,441

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

CITY OF LOUISVILLE, OHIO

Property Tax Levies and Collections

Last Ten Years and

Largest Property Taxpayers by Assessment

Table 2

Property Tax Levies and Collections

	<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>2003</u>
Net tax levy	\$ 232,564	256,749	257,556	273,493	296,062	337,665	340,814	387,089	387,265	387,094
Taxes collected	\$ 229,119	254,792	254,520	269,138	290,543	331,196	336,909	381,050	379,486	378,806
Percentage collected	98.52%	99.24	98.82	98.41	98.14	98.08	98.85	98.44	97.99	97.86

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	9.96 %
HP Products Inc.	1,295,190	0.94	HP Products Inc.	1,824,530	1.32
Louisville Ventures Ltd.	1,111,730	0.80	Transportation Center of Louisville	716,210	0.52
Roy T Rhodes	678,190	0.49	Grand Eagle Services, Inc.	506,610	0.37
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	0.29	Meridian Leasing Corporation	244,540	0.18
	<u>\$ 7,419,340</u>	<u>5.36</u>		<u>\$ 18,863,180</u>	<u>13.65</u>

Public Utility (Real and Personal Property)

Ohio Power	\$ 2,072,270	1.50 %	Total Assessed Valuation	\$ 138,247,656	21.52 %
Ohio Bell Telephone	961,070	0.70			
Norfolk Southern Combined Railroad	230,460	0.17			
East Ohio Gas	197,340	0.14			
	<u>\$ 3,461,140</u>	<u>2.51</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>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>2003</u>
Property tax rates - All direct and overlapping governments(per \$1,000 of assessed tax valuation)										
Joint Vocational	3.20	2.00	2.00	3.50	3.50	3.30	3.30	3.20	2.00	2.00
Stark County	9.40	8.40	10.30	9.80	10.10	10.10	10.10	10.10	9.60	12.00
Louisville Schools	49.00	49.00	49.00	49.00	49.00	49.00	49.00	49.00	55.90	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	62.20	64.10	65.10	65.40	65.20	65.20	65.10	70.30	72.70
Assessed valuation										
Real property	\$ 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	116,572,560
Public utility	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	3,485,590
Personal property	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	18,189,506
Total	\$ 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	138,247,656
Estimated valuation										
Total	\$ 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	394,993,303

Source: Stark County Auditor's Office
 Note: There are no debt service levies in the City millage.
 Stark County property tax rate includes .50 millage from the Stark County Park District.

CITY OF LOUISVILLE, OHIO
 Computation of Legal Debt Margin and
 Direct and Overlapping Debt Analysis
 December 31, 2003

Table 4

Total assessed valuation \$ 138,247,656

Legal Debt Margin - Unvoted Debt:

Debt limitation - 5.5% of assessed valuation \$ 7,603,621

Debt applicable to limitation:

Total bonded debt and loans \$ 7,121,340

Exempt debt:

Water revenue bonds 1,090,000

OPWC Loan 329,577

OPWC Loan 441,763

Debt payable from income tax 5,260,000

Total debt applicable to limitation \$ -

Legal debt margin \$ 7,603,621

Legal Debt Margin - Unvoted and Voted Debt:

Debt limitation - 10.5% of assessed valuation \$ 14,516,004

Debt applicable to limitation:

Total bonded debt and loans \$ 7,121,340

Exempt debt:

Water revenue bonds 1,090,000

OPWC Loan 329,577

OPWC Loan 441,763

Debt payable from income tax 5,260,000

Total debt applicable to limitation \$ -

Legal debt margin \$ 14,516,004

Overlapping Debt Allocations:

	Assessed valuations	Net debt outstanding	Percentage applicable to City	Amount applicable to City
Direct:				
City of Louisville	\$ 138,247,656	<u>\$ 7,121,340</u>	100.00%	<u>\$ 7,121,340</u>
Overlapping:				
Louisville Schools	\$ 292,071,016	\$ 26,135,000	47.3%	\$ 12,361,855
Stark County, Ohio	\$6,371,277,270	<u>\$ 19,703,295</u>	2.2%	<u>\$ 433,472</u>
Total overlapping:		<u>\$ 45,838,295</u>		<u>\$ 12,795,327</u>
Total direct and overlapping debt:		<u>\$ 52,959,635</u>		<u>\$ 19,916,667</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>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>2003</u>
<u>General Obligation Debt</u>										
Assessed value	\$ 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	138,247,656
Population	8,356	8,492	8,596	8,652	8,728	8,818	8,904	8,904	8,904	8,904
Debt outstanding	\$ 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	5,260,000
Ratio of debt to assessed value	6.13%	5.28	5.01	4.90	4.90	4.61	4.33	4.38	4.08	3.80
Debt per capita	\$ 657.61	623.53	590.97	607.37	654.79	630.53	592.43	680.59	636.79	590.75
<u>General Bonded Debt</u>										
Debt service	\$ 136,230	137,840	139,103	139,938	135,363	135,675	135,555	199,691	178,691	176,275
General governmental expenditures	\$ 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	4,394,441
Ratio of debt service to general governmental expenditures	5.00%	3.12	3.49	3.77	3.53	2.74	3.13	4.61	4.66	4.01
<u>Water Revenue Bond</u>										
Revenues ¹	\$ 712,687	1,024,715	940,252	730,767	1,004,656	1,069,591	865,221	1,430,722	1,191,649	1,151,014
Operating expenses ²	\$ 361,393	425,853	585,479	632,378	555,612	677,359	647,493	411,892	1,011,375	640,579
Net revenue available for debt service	\$ 351,294	598,862	354,773	98,389	449,044	392,232	217,728	1,018,830	180,274	510,435
Debt service requirements	\$ 145,610	144,097	147,118	144,718	147,198	144,338	146,413	143,158	144,798	146,123
Coverage	\$ 2.41	4.16	2.41	0.68	3.05	2.72	1.49	7.12	1.25	3.49

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>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>2003</u>
<u>Building permits</u>										
<i>Residential:</i>										
Number issued	56	52	40	32	34	34	51	42	53	51
Value	\$ 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	8,041,164
<i>Commercial:</i>										
Number issued	14	11	3	7	4	8	3	3	1	1
Value	\$ 797,312	920,000	730,000	2,565,000	1,040,000	4,084,500	9,765,000	477,000	13,231,000	300,000
<u>Bank deposits (\$000's omitted)</u>										
Stark County	\$ 848,654	1,589,558	1,570,223	1,623,273	843,638	916,844	1,021,596	1,029,891	2,153,245	2,197,639
<u>Unemployment rates</u>										
Stark County	6.8%	5.3	5.4	4.8	4.1	4.3	4.1	4.1	5.5	6.0
State of Ohio	6.3%	4.8	4.9	4.6	3.9	4.3	4.1	4.8	5.7	6.0
United States	7.0%	5.2	5.4	4.4	4.3	4.2	4.0	5.8	5.8	5.7

Sources: City of Louisville, Building Department
 Federal Reserve Bank of Cleveland, Ohio
 Ohio Department of Job and Family Services, Division of Research and Statistics

CITY OF LOUISVILLE, OHIO

Table 7

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

<u>Employer</u>	<u>Industry</u>	<u>Number of Employees</u>
Louisville City Schools	Public education	367
J&L Specialty Steel, Inc.	Stainless steel	357
H-P Products	Specialty tubing	331
St. Joseph's Hospice	Hospice facility	248
Tamarkin, Inc.	Grocery	207
City of Louisville	Municipal government	124
St. Thomas Aquinas	Private High School	119
SDM Acquisition	Transformer rebuilding	87
Midlake Products	Fasteners manufacturing	75
Montrose Chrysler	Car Dealership	63

<u>Year</u>	<u>Collections</u>
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
2003	\$ 2,842,964

Source: City of Louisville, Income Tax Department

Note: Presented on a cash basis.

CITY OF LOUISVILLE, OHIO

Table 8

Miscellaneous Statistics, December 31, 2003 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	59	Number of traffic lights	7
Exempt	65	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	69
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	56		
Distribution system (miles)	41.00		

Population and School Enrollment

<u>Year</u>	<u>Population</u>	<u>School Enrollment</u>
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
2003	8,904	3,239

Source: City of Louisville, Department of Finance
 Population: 2000 - 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, 2004**