



OHIO AUDITOR OF STATE  
**KEITH FABER**





CITY OF LOUISVILLE  
STARK COUNTY

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Attachment: Annual Comprehensive Financial Report

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# OHIO AUDITOR OF STATE KEITH FABER



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

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

To the City Council:

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Louisville, Stark County, (the City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Entity's basic financial statements and have issued our report thereon dated July 27, 2023.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a significant deficiency.

***Report on Compliance and Other Matters***

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

***City's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

July 27, 2023

CITY OF LOUISVILLE  
STARK COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2022

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

FINDING NUMBER 2022-001

SIGNIFICANT DEFICIENCY

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

Sound financial reporting is the responsibility of the Finance Director and City Council and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. The City did not have policies and procedures in place for certain financial statement accounts, which led to the following proposed adjustments and reclassifications to the financial statements.

- The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - General Fund improperly excluded advances in and advances out in the amounts of \$149,366. As a result of this error, revenue and expenditure accruals reported for the general fund in Note 3 - Budgetary Basis of Accounting, were both understated by \$149,366. The financial statements and notes have been updated to reflect these adjustments.
- Reimbursement from Stark County for the County's share of a municipal road fund project in the amount of \$149,366 was improperly recorded as other revenue rather than intergovernmental revenue in the other governmental funds. The financial statements were updated to reflect this reclassification.
- Reimbursement from Stark County for the County's share of a municipal road fund project in the amount of \$149,366 was improperly recorded as program revenue - charges for services and sales rather than program revenue - operating grants, contributions and interest in the governmental activities. The financial statements were updated to reflect this reclassification.
- Materials and supplies inventory and nonspendable fund balance were overstated by \$20,553 in the major street construction, maintenance and repair fund due to an error in the price per ton of road salt. The financial statements were updated to reflect these adjustments.
- Materials and supplies inventory and net position restricted for transportation were overstated by \$20,553 in the governmental activities due to an error in the price per ton of road salt. The financial statements were updated to reflect these adjustments.
- Accounts receivable and deferred inflows of resources - unavailable revenue - other were understated by \$9,578 in the other governmental funds due to the Incurred But Not Reported (IBNR) amount from January of 2023 not being included in the receivable calculation. The financial statements were updated to reflect this adjustment.
- Accounts receivable and program revenue - charges for services and sales were understated by \$9,578 in the governmental activities due to the IBNR amount from January of 2023 not being included in the receivable calculation. The financial statements were updated to reflect this adjustment.

**FINDING NUMBER 2022-001 (Continued)**

- Accounts receivable and charges for services were overstated by \$26,913 in the major water fund and \$37,553 in the major sewer fund due to incorrect reports being used to calculate the receivable. The financial statements were updated to reflect these adjustments.
- Accounts receivable and program revenue - charges for services and sales were overstated by \$64,466 in business-type activities due to incorrect reports being used to calculate the receivable. The financial statements were updated to reflect these adjustments.

To help ensure the City's financial statements are accurate, the City should adopt policies and procedures to identify and correct errors. The City should review the financial statements prior to submission for audit.

**Official's Response:**

The information was sent to our GAAP conversion firm, but in their import of the information, columns were hidden, and the \$149,366 advance went unseen. There was also an unfortunate delay in communications that allowed for an oversight on multiple salt contract prices during the year (\$20,553). The \$9,578 is tied to EMS Billing Receivables. The Utility funds happened due to using an incorrect report to compute the receivables. All adjustments were made as soon as they were brought to our attention.



# City of Louisville, Ohio

## Annual Comprehensive Financial Report



For the year ended

December 31, 2022



# CITY OF LOUISVILLE, OHIO

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Annual Comprehensive Financial Report

Year Ended December 31, 2022

Prepared By: Department of Finance



***City of Louisville, Ohio***  
**Annual Comprehensive Financial Report**  
**Year Ended December 31, 2022**

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**City of Louisville, Ohio**  
**Annual Comprehensive Financial Report**  
**Year Ended December 31, 2022**

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***City of Louisville, Ohio***  
**Annual Comprehensive Financial Report**  
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## INTRODUCTORY SECTION





## Department of Finance

July 27, 2023

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

We are pleased to present our 2022 Annual Comprehensive Financial Report for the City of Louisville for your review. This report, for the year ended December 31, 2022, has been prepared using generally accepted accounting principles for governments, and contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the City of Louisville ("the City"). This report represents the commitment of the City to adhere to nationally recognized standards of excellence in financial reporting. Ohio law requires that every City prepare and publish their financial statements in accordance with generally accepted accounting principles (GAAP) and have, at a minimum, a biennial audit. The City chooses to have an annual audit and this report is published to fulfill that requirement for the year ended December 31, 2022.

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

State statutes require the City to be subjected to an examination by the Auditor of State. Either the Auditor of State of Ohio or, if the Auditor permits, an independent public accounting firm conducts these audits. The Auditor of State of Ohio performed these services and has issued an unmodified ("clean") opinion on the City's financial statements for the year ended December 31, 2022. The Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

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

### ***Profile of the Government***

The City of Louisville, encompassing an area of approximately 5.4 square miles, is in the east central portion of Stark County, Ohio. The City had a population of 9,521 as reported in 2020 by the Bureau of Census. State Route 44 (North Chapel Street) and State Route 153 (Main Street) intersect in the City's business district, and United States Route 62 passes through the northwestern corner of the City. In addition to the highway system, Norfolk Southern Corporation operates a railroad line running between Chicago and New York that passes through the center of the City.

Louisville is a “home-rule” city as defined by the State of Ohio and the Ohio Constitution Article XVIII, and operates pursuant to its Charter under a Council-Manager form of government. The Mayor is one of five Council Members. Each council member is elected at large for a four-year term. The terms are staggered and the elections are nonpartisan. 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-Council Member and Council appoint boards and commissions, which include the Board of Zoning Appeals, Planning Commission, Design Review Board, Tree Commission, Civil Service Commission and the Parks Advisory Committee.

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 federal, state, and 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<sup>th</sup> as statewide Constitution Day. A bill to that effect was introduced, passed and signed by Governor Frank J. Lausche. Additionally, in August 1953, at Mrs. Weber’s urging, the United States Senate passed a resolution designating September 17-23 as Constitution Week. It was approved and signed by President Dwight D. Eisenhower. On April 15, 1957, the City Council of Louisville declared the City “Constitution Town”. The Ohio State Archaeological and Historical Society later donated four historical markers explaining Louisville’s role as originator of Constitution Day. These markers are placed at each of the main entrances to the City.

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

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

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

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

## ***Profile of the City***

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

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

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

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

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

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

The YMCA and the Louisville-Nimishillen Historical Society are located in the City. Within a 20-minute drive from the City are the locations of the Pro Football Hall of Fame and McKinley Presidential Library and Museum. These and other facilities in the area offer an extensive variety of cultural and educational programs to the residents of Louisville. The City of Louisville owns seven parks totaling 126 acres offering residents a variety of activities to improve health and fitness. Various features include a fish pond, walking trails, children play areas, picnic areas, sports fields, dog park, skate park, disc golf, ice rink, splash pad, pickleball and basketball courts. Pavilions with restrooms, electrical amenities, and grilling are available for special occasions.

## ***Reporting Entity***

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

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

- *Security of persons and property* - To reduce the amounts and effect of external harms and to ensure an atmosphere of personal security from external events. This includes, but is not limited to, Police, Emergency Medical Services, Fire and Street Lighting.
- *Public health and welfare* - To provide for the physical well-being of the citizenry by providing basic preventative health care or assistance when needed. This consists mainly of the City's share of the cost of the Stark County Health Department, which provides services to the citizens of Louisville.
- *Leisure time activities* - To provide support of special events and park areas for activities that are varied, safe, and enjoyable for individuals, groups, and families.
- *Community environment* - To provide a satisfactory living environment for the citizenry, including decent housing and pleasant surroundings that are conducive to personal and family well-being. This program includes Planning, Zoning, Building Inspections, and Code Enforcement.
- *Basic utility services* - To provide the citizenry with utility services at an affordable price that also assures necessary supply. This includes water and sewage treatment.
- *Transportation* - To purchase, construct, maintain and repair facilities and equipment needed to transport people, goods, and supplies quickly, safely, and pleasurably. This includes the Maintenance Division for streets and highways.
- *General government* - To provide general administrative services to ensure that the aforementioned programs are administered in a manner consistent with, and in the best interest of, the citizenry. This includes City Manager, Finance, Law, Personnel, Mayor's Court, and City Council.

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

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

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

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

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

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

The City's positive financial position and outlook are largely due to alignment of the City's budget with the strategies identified in the City's Comprehensive Plan ("Plan"). The 2000 Plan was updated in 2016, and outlines the City's vision and strategies for community services and facilities, housing, economic development, land use, and infrastructure. The Plan serves as a resourceful guide for Council and management to responsibly and efficiently allocate the City resources. In 2019, the City obtained feedback and began creating strategies to implement the Plan with appropriate methodologies to foster economic development, improve facilities and services, and increase connectivity and collaboration within the community.

The City's investment policy, as updated in 2019, is to invest public funds in a manner which will ensure the preservation of capital while providing the highest investment return with the maximum security, meeting the daily cash flow needs of the City, and conforming to all State and local statutes governing the investment of public funds.

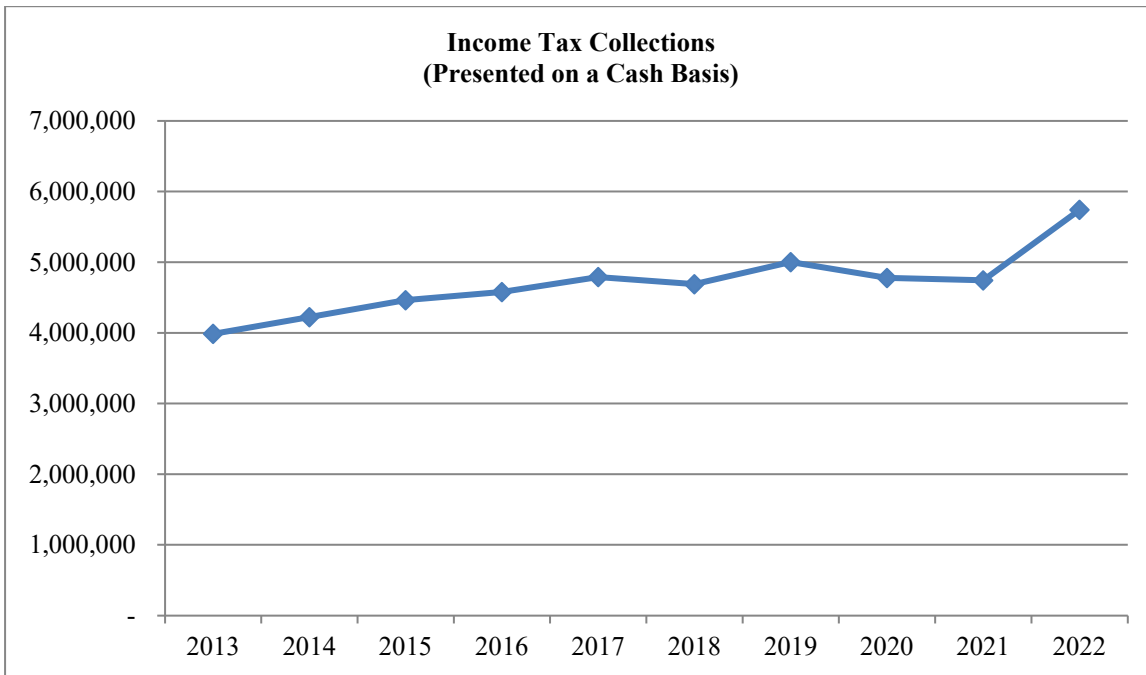
### ***Local Economy***

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

Once dominated by the steel industry, the City's economic base continues to diversify. In 2009, the City revised its Unified Development Code to enable further development of properties and expansion of economic opportunities in the City. Following the adoption of a Comprehensive Land Use Plan in 2016, the Louisville Community Reinvestment Area was expanded to incentivize investment, as well as the development of a revolving loan fund (through the City's Community Improvement Corporation).

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

**Income Tax Collections:** The City of Louisville's income tax is governed and administered by Chapters 191 and 192 of the City's Codified Ordinances and the Internal Revenue Code. Louisville income tax is levied at 2% of all salaries, wages, commissions, and other compensations earned by residents, sixteen years of age or older, and for nonresidents' labor performed or services rendered within Louisville City limits. Income tax revenue comprises 67.2% of the funding for general City operations.



The City’s income tax ordinance provided for 75% be used for general operations and 25% be used for the enterprise operations of the City for tax years 2020 and prior. Issue 6 was passed in 2020, allowing 100% to be used for general operations effective January 1, 2021, and going forward. Effective January 1, 2007, an income tax credit allowance of 60% is allowed for taxes paid to another municipality (up to Louisville’s tax rate of 2%) for residential filers.

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

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

<u>Year</u>	<u>Collections</u>	<u>Percentage Increase (Decrease)</u>
2013	329,343	(14.74) %
2014	362,778	10.15
2015	356,032	(1.86)
2016	420,399	18.08
2017	405,928	(3.44)
2018	401,273	(1.15)
2019	459,090	14.41
2020	464,500	1.18
2021	465,195	0.15
2022	506,856	8.96

***Long-Term Financial Planning***

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



The City continues to adhere to a pay as you go philosophy as it relates to small projects and equipment purchases. By only borrowing for large projects and financed purchases, keeping debt levels low, it provides the City the opportunity to borrow in low interest environments. By continuing to pay down its debt, the City paid \$359,297 in debt principal in 2022.

### ***Major Initiatives***

The City continues to explore annexation options. At the request of property owners outside, but adjacent to, the City, the City annexed 135.659 acres in 2014. Water and sewer utilities were extended to these properties in 2015, and the owners plan to develop the land with businesses, as allowed by the City's zoning code. The comprehensive Land Use Plan identified areas for growth and the City continues to plan for additional utility extensions to serve these areas.

The City received grants and other funds to develop the Beck Industrial Commerce Center. Upon completion of development in 2013, Chesapeake, a major oil and gas company, purchased the entire industrial park and relocated its regional headquarters to the site. In 2019, Encino Energy purchased the entire industrial park from Chesapeake. The complex includes 80 acres housing a five-story office building with over 200,000 square feet of space. Located in the southwest portion of the City, the Beck Industrial Commerce Center also includes 200 acres of green-fields for further industrial development between State Route 44 and Beck Road. In 2020, the entire park including the building was sold to Groffre Investments. Encino Energy continues to lease space within the facility. The Beck Industrial Commerce Center property aids the City in improving its economic development by revitalizing non-residential resources, encouraging office and industrial development within the City's tax base, expanding current businesses and employment opportunities to reflect a diversifying market, and hopes to attract more employers to raise the tax base. The Beck Industrial Commerce Center development is expected to create over 500 jobs in the Louisville area. With the Beck Industrial Commerce Center, the City, along with its private partners, Groffre Investments, enabled offering of premium industrial sites for this business development.

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

In 2016, the City applied for and received notification of award from Ohio Public Works Commission for a \$1,500,000, thirty-year, zero-percent loan to assist with replacing the final clarifiers at the Wastewater Treatment Plant; (\$1,267,592.56 final loan amount). Total cost of this project was estimated at \$3,548,188, with completion in 2019. The City's local share of \$2,048,188 is funded with utility income tax and utility service revenue.

In 2018, the City applied for and received notification of award from the Ohio Public Works Commission for a \$207,000 grant and a \$1,173,000, thirty-year, zero-percent loan to assist with the Water Treatment Plant improvement project. The remainder of the project is funded by thirty-year low interest loan through the Ohio Water Development Authority. This project was completed in 2020.

In 2018, the City applied for and received notification of award from the Ohio Public Works Commission for a \$750,000 grant and a \$750,000, thirty-year, zero-percent loan to assist with the Wastewater Treatment Plant Phase II improvement project. The remainder of the project is funded by thirty-year low interest loan through the Ohio Water Development Authority / WPCLF. This project is currently under construction and is expected to be completed in 2023.

During 2022, expenditures included miscellaneous other roadway repairs including crack sealing, concrete roadway replacement program, and asphalt roadway repairs throughout the City; an annual asphalt pavement replacement program, a city sidewalk replacement program, and a curb replacement program.

The City was able to utilize funds from the water, sanitary sewer, and storm sewer funds for the replacement of water lines and fire hydrants and appurtenances. The City also installed approximately 1400 feet of new storm sewer lines and 10 catch basins, as well as various other storm sewer projects at multiple locations throughout the City.

### *Awards and Acknowledgements*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Louisville, Ohio, for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2021. 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 Annual Comprehensive Financial Report whose contents conform to program standards. The Annual Comprehensive Financial Report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Louisville has received a Certificate of Achievement consecutively since 1991. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA for award consideration.

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

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

Respectfully submitted,



Sonja Herwick  
Finance Director

***City of Louisville, Ohio***

Public Officials Roster

December 31, 2022

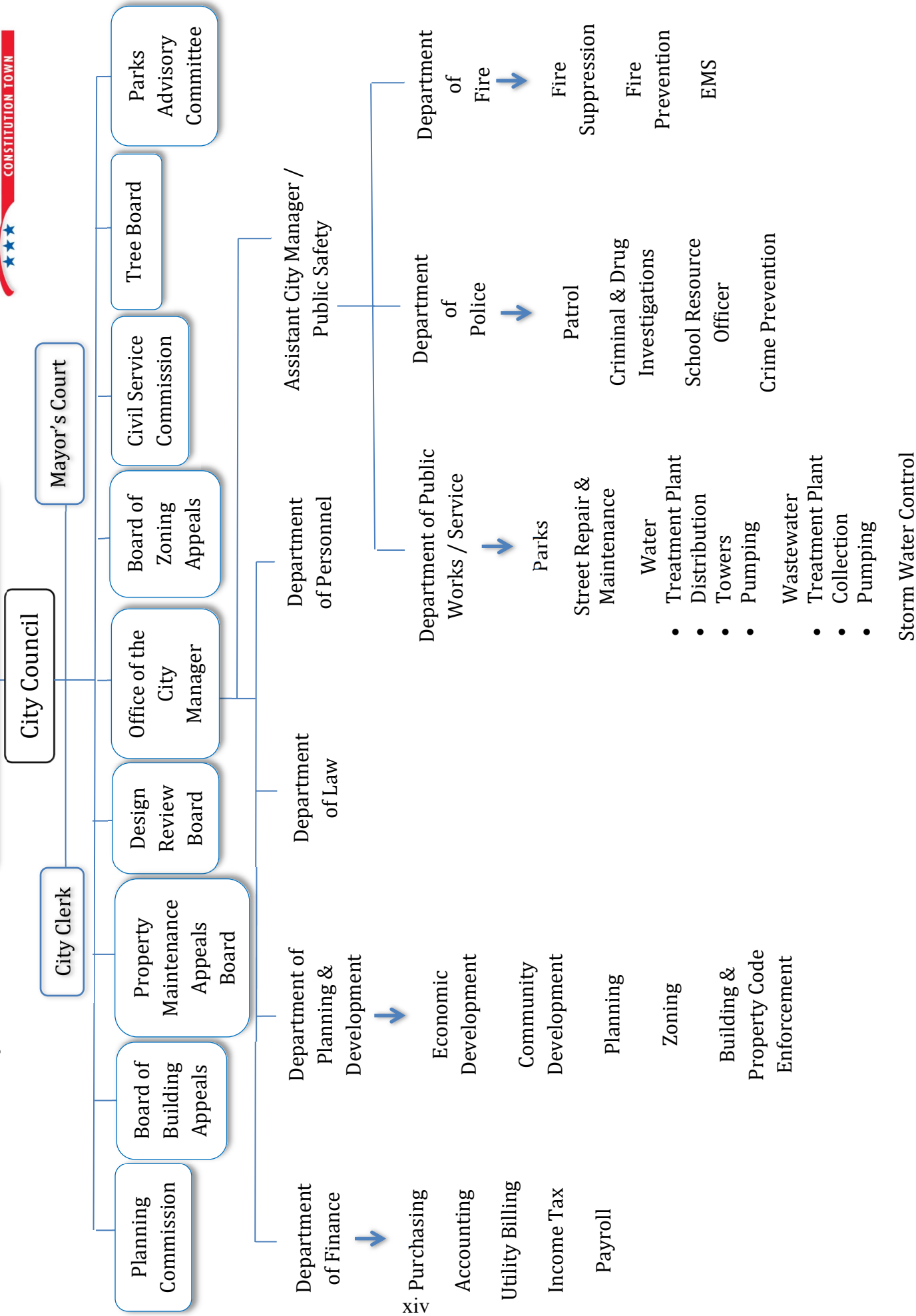
**Elected Officials**

Patricia A. Fallot	Mayor – Councilmember
Joanie Aljancic	Councilmember
Richard Slackford	Councilmember
Corey M. Street	Councilmember
Jim Taylor	Councilmember

**Appointed Officials**

Thomas Pukys.....	City Manager
Tiffany Justice.....	City Clerk, HR Administrator
Sonja Herwick .....	Director of Finance
Robert Duffrin .....	Law Director
Rodney Bordner.....	Fire Chief
Andrew Turowski .....	Police Chief, Assistant City Manager
Daniel Millsap .....	Service / Public Works Director
(Vacant) .....	Director of Planning & Development
Magan Denzer.....	Deputy City Clerk, Planning Administrator

# Citizens of Louisville





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Louisville  
Ohio**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2021

*Christopher P. Morill*

Executive Director/CEO



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## FINANCIAL SECTION





# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
(800) 282-0370

## INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Louisville, Stark County, Ohio (City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Louisville, Stark County, Ohio as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Street Construction, Maintenance and Repair and Local Fiscal Recovery funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statement are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2023, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

July 27, 2023

***City of Louisville, Ohio***  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2022**  
**Unaudited**

The management's discussion and analysis of the City of Louisville's ("the City") financial statements provides an overall review of the City's financial activities for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the transmittal letter, basic financial statements and notes to enhance their understanding of the City's financial performance.

**Financial Highlights**

Key financial highlights for 2022 are as follows:

- The total net position of the City increased \$1,769,823. Net position of governmental activities increased \$1,426,355, which represents a 10.1% increase over 2021. Net position of business-type activities increased \$343,468 or 1.5% from 2021.
- General revenues for governmental activities, accounted for \$6,222,497 or 72.7% of total governmental activities revenue. Program specific revenues accounted for \$2,332,442 or 27.3% of total governmental activities revenue.
- The City had \$7,128,584 in expenses related to governmental activities; only \$2,332,442 of these expenses were offset by program specific charges for services and sales, operating grants, contributions and interest and capital grants and contributions. General revenues of \$6,222,497 were adequate to provide for these programs.
- For business-type activities, total expenses were \$2,801,229; these expenses were offset by program specific charges for services and sales.
- The general fund, the City's largest and a major governmental fund, had revenues of \$6,232,583 in 2022, or 76.1% of total governmental funds. Expenditures of the general fund were \$4,875,344, or 62.9% of total governmental funds. The general fund balance decreased \$533,302 or 14.0% in 2022.
- During 2022, the City's business-type activities drew down \$436,407 on an Ohio Public Work Commission loan and \$1,480,143 on an Ohio Water Development Authority loan both for the purpose for the waste water treatment plant improvement project.
- During 2022, the City's business-type activities had a financed purchase in the amount of \$99,746 for the acquisition of a skid steer.

**Using this Annual Comprehensive Financial Report**

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

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

***City of Louisville, Ohio***  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2022**  
**Unaudited**

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

**Reporting the City as a Whole**

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

While this document contains a number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and answers the question, "How did we do financially during 2022?" These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. These two statements report the City's net position and changes in this position. This change in net position is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions and other factors.

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

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

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

***Fund Financial Statements***

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

***City of Louisville, Ohio***  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2022**  
**Unaudited**

***Governmental Funds***

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

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

The City maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the major fund, which was identified earlier. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements, which can be found on pages 92-99 in this report. The basic governmental fund financial statements can be found on pages 22-28 of this report.

***Proprietary Funds***

Proprietary funds (water and sewer) have historically operated as enterprise funds and are used to report the same functions presented as business-type activities in the government-wide financial statements. Since they use the same basis of accounting as business-type activities, these fund statements will essentially match the information provided in statements for the City as a whole. The basic proprietary fund financial statements can be found on pages 30-33 of this report.

***Notes to the Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 34-79 of this report.

***Other Information***

In addition to the basic financial statements and accompanying notes, this report also presents the required supplementary information which can be found on pages 81-90 and the combining and individual fund statements and schedules, which can be found beginning on page 92 of this report.

**Government-wide Financial Analysis**

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

**City of Louisville, Ohio**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2022**  
**Unaudited**

Table 1 below provides a summary of the City's net position for 2022 compared to 2021:

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Assets</u>						
Current and						
other assets	\$ 9,986,310	\$ 8,730,801	\$ 6,369,194	\$ 8,562,229	\$ 16,355,504	\$ 17,293,030
Net OPEB asset	305,440	161,418	137,227	72,521	442,667	233,939
Capital assets	<u>12,358,019</u>	<u>12,355,332</u>	<u>23,743,710</u>	<u>20,490,388</u>	<u>36,101,729</u>	<u>32,845,720</u>
Total assets	<u>22,649,769</u>	<u>21,247,551</u>	<u>30,250,131</u>	<u>29,125,138</u>	<u>52,899,900</u>	<u>50,372,689</u>
<u>Deferred outflows of resources</u>						
Pension	1,310,015	736,854	185,505	108,229	1,495,520	845,083
OPEB	<u>290,272</u>	<u>395,566</u>	<u>9,935</u>	<u>47,850</u>	<u>300,207</u>	<u>443,416</u>
Total deferred outflows of resources	<u>1,600,287</u>	<u>1,132,420</u>	<u>195,440</u>	<u>156,079</u>	<u>1,795,727</u>	<u>1,288,499</u>
<u>Liabilities</u>						
Other liabilities	1,231,558	798,348	129,941	1,013,446	1,361,499	1,811,794
Long-term liabilities:						
Due within one year	317,820	358,812	254,568	258,168	572,388	616,980
Due within more than one year:						
Net pension liability	3,454,536	4,117,499	356,695	566,964	3,811,231	4,684,463
Net OPEB liability	466,792	443,811	-	-	466,792	443,811
Other amounts	<u>371,448</u>	<u>473,642</u>	<u>5,210,643</u>	<u>3,396,007</u>	<u>5,582,091</u>	<u>3,869,649</u>
Total liabilities	<u>5,842,154</u>	<u>6,192,112</u>	<u>5,951,847</u>	<u>5,234,585</u>	<u>11,794,001</u>	<u>11,426,697</u>
<u>Deferred inflows of resources</u>						
Property taxes	514,693	519,955	-	-	514,693	519,955
Pension	1,800,970	820,287	432,099	247,911	2,233,069	1,068,198
OPEB	<u>473,893</u>	<u>655,626</u>	<u>141,783</u>	<u>222,347</u>	<u>615,676</u>	<u>877,973</u>
Total deferred inflows of resources	<u>2,789,556</u>	<u>1,995,868</u>	<u>573,882</u>	<u>470,258</u>	<u>3,363,438</u>	<u>2,466,126</u>
<u>Net Position</u>						
Net investment in capital						
assets	12,057,617	11,914,371	18,452,909	16,997,145	30,510,526	28,911,516
Restricted	842,730	1,262,803	-	-	842,730	1,262,803
Unrestricted	<u>2,717,999</u>	<u>1,014,817</u>	<u>5,466,933</u>	<u>6,579,229</u>	<u>8,184,932</u>	<u>7,594,046</u>
Total net position	<u>\$ 15,618,346</u>	<u>\$ 14,191,991</u>	<u>\$ 23,919,842</u>	<u>\$ 23,576,374</u>	<u>\$ 39,538,188</u>	<u>\$ 37,768,365</u>



***City of Louisville, Ohio***  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2022**  
**Unaudited**

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2022, the City's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$39,538,188. This amounts to \$15,618,346 in governmental activities and \$23,919,842 in business-type activities.

The largest portion of the City's net position, 77.2%, reflects its investment in capital assets less any related debt used to acquire those assets. Capital assets include land, right of ways, land improvements, buildings and improvements, machinery and equipment, vehicles, infrastructure, and construction in progress. Capital assets, net of related debt to acquire the assets at December 31, 2022, were \$30,510,526. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2022, the City is able to report positive balances of the three categories of net position, for the government as a whole.

A portion of the City's governmental net position, \$842,730 or 5.4%, represent resources that are subject to external restrictions on how they may be used. Of total restricted net position, \$803,761 is for transportation, \$22,889 is for safety services programs and \$16,080 is for other purposes. The remaining balance of governmental unrestricted net position of \$2,717,999 is available to meet the City's ongoing obligations to citizens and creditors.

The City's statement of activities prepared on an accrual basis of accounting includes an annual pension expense and annual OPEB expense equal to its proportionate share of each plan's change in net pension liability and net OPEB liability not accounted for as deferred inflows/outflows.

Table 2 shows the changes in net position for governmental and business-type activities for years 2022 and 2021.

**City of Louisville, Ohio**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2022**  
**Unaudited**

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

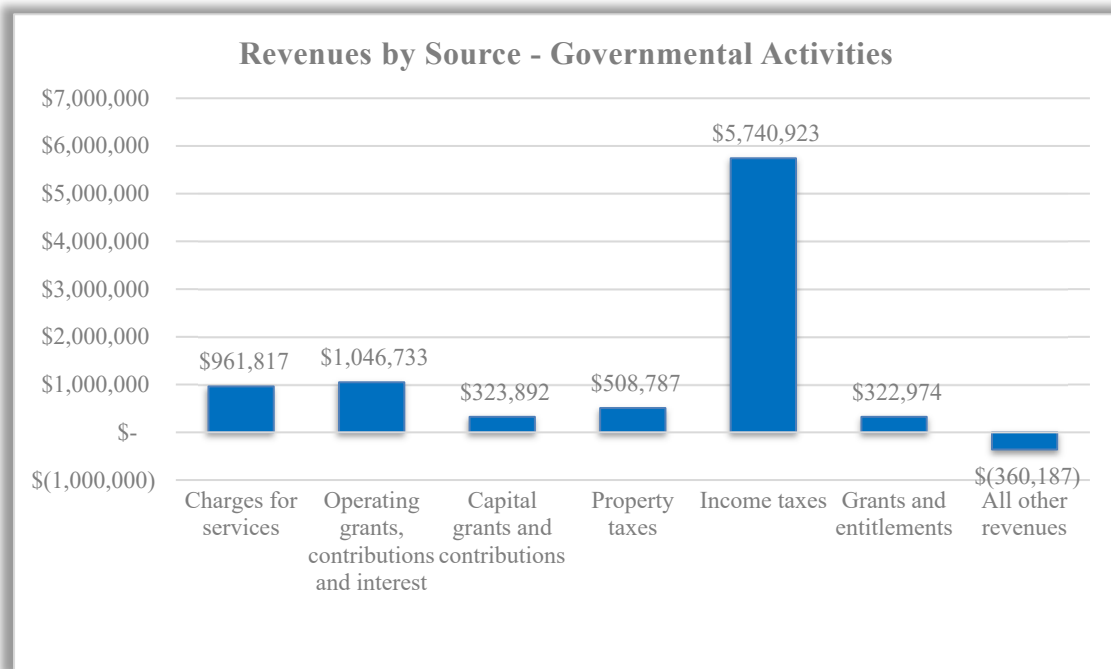
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 961,817	\$ 953,800	\$ 3,080,025	\$ 3,042,685	\$ 4,041,842	\$ 3,996,485
Operating grants, contributions and interest	1,046,733	707,467	-	-	1,046,733	707,467
Capital grants and contributions	323,892	-	-	750,000	323,892	750,000
General revenues:						
Property and other taxes	508,787	468,655	-	-	508,787	468,655
Municipal income taxes	5,740,923	4,874,906	64,672	64,414	5,805,595	4,939,320
Grants and entitlements	332,974	344,504	-	-	332,974	344,504
Investment earnings	(384,263)	(87,155)	-	-	(384,263)	(87,155)
Other	24,076	65,395	-	-	24,076	65,395
Total revenues	<u>8,554,939</u>	<u>7,327,572</u>	<u>3,144,697</u>	<u>3,857,099</u>	<u>11,699,636</u>	<u>11,184,671</u>
<b>Program Expenses</b>						
<i>Governmental Activities:</i>						
General government	1,468,400	849,650	-	-	1,468,400	849,650
Security of persons and property	3,234,605	3,004,083	-	-	3,234,605	3,004,083
Public health and welfare	83,103	89,724	-	-	83,103	89,724
Transportation	1,852,607	1,589,289	-	-	1,852,607	1,589,289
Community environment	214,879	126,456	-	-	214,879	126,456
Leisure time activities	261,405	181,234	-	-	261,405	181,234
Interest and fiscal charges	13,585	21,675	-	-	13,585	21,675
<i>Business-Type Activities:</i>						
Water	-	-	1,360,413	1,022,987	1,360,413	1,022,987
Sewer	-	-	1,440,816	1,184,348	1,440,816	1,184,348
Total program expenses	<u>7,128,584</u>	<u>5,862,111</u>	<u>2,801,229</u>	<u>2,207,335</u>	<u>9,929,813</u>	<u>8,069,446</u>
Change in net position	1,426,355	1,465,461	343,468	1,649,764	1,769,823	3,115,225
Net position, beginning of year	<u>14,191,991</u>	<u>12,726,530</u>	<u>23,576,374</u>	<u>21,926,610</u>	<u>37,768,365</u>	<u>34,653,140</u>
Net position, end of year	<u>\$ 15,618,346</u>	<u>\$ 14,191,991</u>	<u>\$ 23,919,842</u>	<u>\$ 23,576,374</u>	<u>\$ 39,538,188</u>	<u>\$ 37,768,365</u>

**City of Louisville, Ohio**  
**Management’s Discussion and Analysis**  
**For the Year Ended December 31, 2022**  
**Unaudited**

**Governmental Activities**

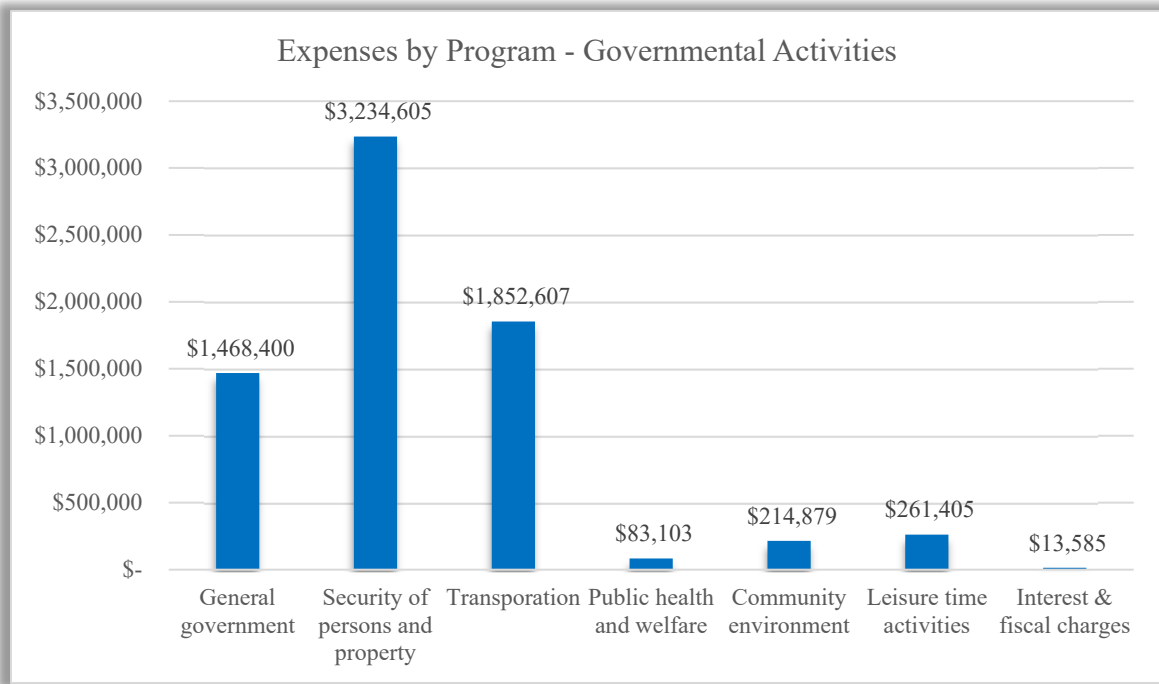
Governmental activities net position increased \$1,426,355 or 10.1% in 2022 from 2021. This increase was not due to any one item but rather an overall increase in revenues exceeding the increase in expenses. The City’s funding for these governmental activities comes from a variety of sources, the most significant being the \$5,740,923 of municipal income tax. See Note 12 for further information on income tax revenues.

Intergovernmental revenue (i.e. state shared support) represents a large source of general revenue for governmental activities. In 2022, the City received \$332,974 in unrestricted intergovernmental revenues or 3.9% of total revenues. Investment earnings includes adjustments for reporting the change in fair value of investments. For 2022, this account is showing a negative revenue of \$384,263 and is included in the chart below with other revenues.



Program restricted charges for services and operating grants, contributions and interest represent monies the City is awarded that are required to be used for specific purposes. In 2022, the City received \$961,817 in charges for services, a combined total of \$1,370,625 in various operating and capital grants, contributions and interest.

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



The City's governmental activity expenses totaled \$7,128,584 in 2022, with security of persons and property, general government and transportation representing the largest portion of this figure at 92.0%. The City's governmental activity expenses increased by \$1,266,473 from 2021, this was mainly related to an increase in pension expense.

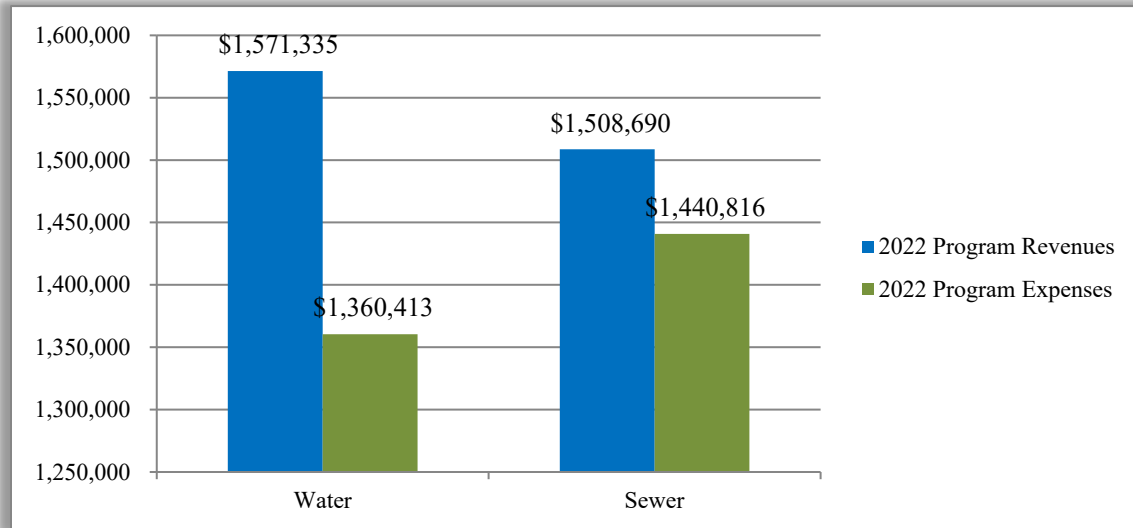
Security of persons and property, which primarily supports the operations of the City's police, fire and emergency medical services, accounts for \$3,234,605 of expenses, or 45.4% of total governmental expenses of the City. These expenses were funded by \$354,082 in charges to users of services. General government expenses, which primarily include legislative, executive and financial management, totaled \$1,468,400 or 20.6% of total governmental expenses. General government expenses were covered by \$234,820 charges to users and \$246,915 operating grants contributions and interest.

At \$1,852,607 or 26.0%, transportation represents the City's second largest category of governmental activity expenses. This category of governmental expenses supports the operations of the maintenance division for street and highway activities. These expenses were funded by \$1,328,760 in direct charges to users, capital and operating grants, contributions and interest.

**City of Louisville, Ohio**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2022**  
**Unaudited**

***Business-Type Activities***

The water and sewer funds represent the City's business-type activities. These programs had program revenues of \$3,080,025 and expenses of \$2,801,229 for the year 2022. Business-type activities reported an increase in net position of \$343,468, or 1.5% as compared to 2021. For this year, the increase in net position was attributed to current year revenues exceeding the slight increase of current year expenses.



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

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

	2022	2021	2022	2021
	Governmental	Governmental	Business-Type	Business-Type
	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>
Deferred outflows of resources for:				
Pension	\$ 1,310,015	\$ 736,854	\$ 185,505	\$ 108,229
OPEB	290,272	395,566	9,935	47,850
Deferred inflows of resources for:				
Pension	(1,800,970)	(820,287)	(432,099)	(247,911)
OPEB	(473,893)	(655,626)	(141,783)	(222,347)
Net pension liability	(3,454,536)	(4,117,499)	(356,695)	(566,964)
Net OPEB liability	(466,792)	(443,811)	-	-
Net OPEB asset	<u>305,440</u>	<u>161,418</u>	<u>137,227</u>	<u>72,521</u>
Impact on net on position from pension and OPEB reporting	<u>\$ (4,290,464)</u>	<u>\$ (4,743,385)</u>	<u>\$ (597,910)</u>	<u>\$ (808,622)</u>
Expenses:				
General government	(221,626)	(484,159)	-	-
Security of persons and property	(29,806)	13,828	-	-
Leisure time activities	(33,055)	(85,800)	-	-
Community and economic development	(61,614)	(187,426)	-	-
Transportation	(106,820)	(232,584)	-	-
Water	-	-	(122,349)	(288,241)
Sewer	-	-	(88,363)	(208,174)
Net expense impact	<u>(452,921)</u>	<u>\$ (976,141)</u>	<u>\$ (210,712)</u>	<u>\$ (496,415)</u>

For 2022, the net expense impact of GASB Statement No. 68 and 75 was \$452,921 for governmental activities and \$210,712 for business-type activities. This was for reporting the changes on the City's proportionate share of the pension and other post-employment benefit (OPEB) liability for the Ohio Public Employees Retirement System and Ohio Police & Fire Pension Fund. This adjustment was a negative expense which decreased expenses related to this pension and OPEB impact.

**Financial Analysis of the Government's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. At December 31, 2022, governmental funds reported a combined fund balance of \$6,464,605, an increase of \$466,047 as compared to the prior year. Of this amount \$2,918,481 or 45.1% has an unassigned fund balance that is available for spending at the discretion of the City. The remainder fund balance of \$3,546,124 consists of \$110,178 or 1.7% as nonspendable, related to materials and supplies and prepaid items that are not in spendable form; \$646,635 or 10.0% that is restricted for various purposes; \$2,456,832 or 38.0% committed for debt service, capital improvements, fire and EMS services and storm water and \$332,479 or 5.1% assigned for purchases on order.

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

The general fund is the main governmental operating fund of the City. At the end of 2022, the fund balance of the general fund was \$3,271,228, a 14.0% decrease from the prior year. The reason for the decrease in the general fund balance was primarily due to an overall increase in revenues not exceeding the increase in expenditures. Particularly, the increases in expenditures were related to transfers.

At the end of 2022, the street construction, maintenance and repair fund balance was \$608,425, a 12.0% decrease from the prior year. The reason for the decrease in the street construction, maintenance and repair fund balance was primarily due to a decrease in transfers in from 2021. Table 3 below reports year 2022 balances compared to 2021:

**Table 3**  
**Change in Fund Balance**

	Fund Balance		Increase (Decrease)	Percent Change
	December 31, <u>2022</u>	December 31, <u>2021</u>		
General	\$ 3,271,228	\$ 3,804,530	\$ (533,302)	-14.0%
Street construction, maintenance and repair	608,425	691,000	(82,575)	-12.0%
Local fiscal recovery	-	-	-	n/a
Other governmental funds	<u>2,584,952</u>	<u>1,503,028</u>	<u>1,081,924</u>	72.0%
	<u>\$ 6,464,605</u>	<u>\$ 5,998,558</u>	<u>\$ 466,047</u>	

Table 4 below assists in illustrating the changes in financial activities for the general fund for year 2022 balances compared to 2021:

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

**Table 4**  
**Change in Financial Activities for the General Fund**

	December 31, <u>2022</u>	December 31, <u>2021</u>	Increase <u>(Decrease)</u>	Percent <u>Change</u>
<u>Revenues:</u>				
Income tax	\$ 5,395,707	\$ 4,563,782	\$ 831,925	18.2%
Property and other taxes	508,569	466,148	42,421	9.1%
Charges for services	165,400	162,430	2,970	1.8%
Licenses and permits	161,624	174,778	(13,154)	-7.5%
Fines and forfeitures	12,862	13,256	(394)	-3.0%
Intergovernmental	353,130	320,488	32,642	10.2%
Investment income	(384,263)	(87,155)	(297,108)	340.9%
Contributions and donations	8,900	25,155	(16,255)	-64.6%
Other	10,654	42,260	(31,606)	-74.8%
Total revenue	<u>\$ 6,232,583</u>	<u>\$ 5,681,142</u>	<u>\$ 551,441</u>	
<u>Expenditures:</u>				
Current:				
General government	\$ 1,343,418	\$ 1,238,254	\$ 105,164	8.5%
Security of persons and property	2,667,048	2,322,315	344,733	14.8%
Public health and welfare	83,103	89,724	(6,621)	-7.4%
Community environment	278,154	329,416	(51,262)	-15.6%
Leisure time activities	231,672	211,737	19,935	9.4%
Capital outlay	164,575	360,558	(195,983)	-54.4%
Debt service:				
Principal retirement	93,305	134,488	(41,183)	-30.6%
Interest and fiscal charges	14,069	19,025	(4,956)	-26.0%
Total expenditures	<u>\$ 4,875,344</u>	<u>\$ 4,705,517</u>	<u>\$ 169,827</u>	

***Budgeting Highlights - General Fund***

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

Final general fund budgeted revenues and other financing sources increased \$1,012,510, from \$5,828,694 to the final budgeted amount of \$6,841,204 for the year end December 31, 2022. This increase was primarily for an increase in municipal income tax revenues. This is due to the municipal tax revenues being unknown at the original budgeting process. Actual revenues were greater than the final budgeted amount by \$23,347 mainly due to an increase in municipal income taxes revenues received during the year.



***City of Louisville, Ohio***  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2022**  
**Unaudited**

Final budgeted expenditures and other financing uses were greater than the original budgeted expenditures and other financing uses by \$576,135. This was mainly due to increases in transfers out from what was originally budgeted. Actual expenditures and other financing uses of \$7,150,212 for the year were \$134,380 less than the \$7,284,592 final budgeted amounts. The majority of this change was reported in general government and security of persons and property due to conservative spending.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of 2022, the City had \$36,101,729 (net of accumulated depreciation) invested in land, right of ways, land improvements, buildings and improvements, machinery and equipment, vehicles, infrastructure and construction in progress. Of this total, \$12,358,019 was reported in governmental activities and \$23,743,710 was reported in business-type activities. Table 5 below reports the year 2022 balances compared to 2021:

**Table 5**  
**Capital Assets, at December 31**  
**(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 617,622	\$ 617,622	\$ 352,487	\$ 352,487	\$ 970,109	\$ 970,109
Right of ways	812,350	812,350	-	-	812,350	812,350
Land improvements	266,398	310,570	7,600	-	273,998	310,570
Buildings and building improvements	902,092	948,342	2,824,596	2,927,469	3,726,688	3,875,811
Machinery and equipment	576,043	605,500	863,859	804,017	1,439,902	1,409,517
Vehicles	919,466	1,089,083	159,299	223,410	1,078,765	1,312,493
Infrastructure	7,441,858	7,777,781	8,479,663	8,798,873	15,921,521	16,576,654
Construction in progress	822,190	194,084	11,056,206	7,384,132	11,878,396	7,578,216
Total	<u>\$12,358,019</u>	<u>\$12,355,332</u>	<u>\$23,743,710</u>	<u>\$20,490,388</u>	<u>\$36,101,729</u>	<u>\$32,845,720</u>

The most significant change during 2022 to the amount of net capital assets was due to an increase of construction in progress from ongoing construction projects. See Note 7 to the basic financial statements for detail on the governmental and business-type activities capital assets.

***Debt Administration***

At December 31, 2022, the City had total long-term debt outstanding of \$5,591,203. Of this total, \$249,501 is due within one year and \$5,341,702 is due in more than one year.

**City of Louisville, Ohio**  
**Management’s Discussion and Analysis**  
**For the Year Ended December 31, 2022**  
**Unaudited**

**Table 6**  
**Outstanding Debt, at December 31**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
OPWC loans	\$ -	\$ -	\$ 2,916,543	\$ 2,585,369	\$ 2,916,543	\$ 2,585,369
OWDA loan	-	-	2,325,100	866,874	2,325,100	866,874
Financed purchase	<u>300,402</u>	<u>440,961</u>	<u>49,158</u>	<u>41,000</u>	<u>349,560</u>	<u>481,961</u>
Total	<u>\$ 300,402</u>	<u>\$ 440,961</u>	<u>\$ 5,290,801</u>	<u>\$ 3,493,243</u>	<u>\$ 5,591,203</u>	<u>\$ 3,934,204</u>

The Ohio Public Works Commission (OPWC) loans will be repaid with a combination of utility income tax and utility service revenue from the water and sewer enterprise funds. The Ohio Water Development Authority (OWDA) will be repaid with a combination of utility income tax and utility service revenue from the water enterprise fund. Also, the City has financed purchases of \$300,402 in governmental activities and \$49,158 in business-type activities which will be repaid from the general and water fund, respectively.

At December 31, 2022, the City’s overall legal debt margin was \$22,145,643, with an unvoted debt margin of \$11,600,099. The City’s credit rating remained unchanged in 2022 as compared to 2021. See Note 9 and 10 to the basic financial statements for details on the City’s long-term obligations.

**Current Issues Affecting Financial Condition**

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

**Contacting the City’s Financial Management**

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

**City of Louisville, Ohio**

**Statement of Net Position**

**December 31, 2022**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Louisville Community Improvement Corporation
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 5,282,219	\$ 5,850,151	\$ 11,132,370	\$ 197,253
Receivables:				
Income tax	2,100,122	124,488	2,224,610	-
Property and other taxes	540,599	-	540,599	-
Accounts	174,358	368,981	543,339	-
Special assessments	22,786	-	22,786	-
Accrued interest	30,205	-	30,205	-
Due from other governments	416,341	-	416,341	-
Materials and supplies inventory	80,410	7,605	88,015	-
Prepaid items	29,768	6,969	36,737	445
Net OPEB asset	305,440	137,227	442,667	-
Internal balances	(11,000)	11,000	-	-
Assets held for resale	1,320,502	-	1,320,502	111,252
Nondepreciable capital assets	2,252,162	11,408,693	13,660,855	-
Depreciable capital assets	19,482,620	27,975,000	47,457,620	-
Accumulated depreciation	(9,376,763)	(15,639,983)	(25,016,746)	-
<b>Total assets</b>	<b>22,649,769</b>	<b>30,250,131</b>	<b>52,899,900</b>	<b>308,950</b>
<u>Deferred outflows of resources:</u>				
Pension	1,310,015	185,505	1,495,520	-
OPEB	290,272	9,935	300,207	-
<b>Total deferred outflows of resources</b>	<b>1,600,287</b>	<b>195,440</b>	<b>1,795,727</b>	<b>-</b>
<u>Liabilities:</u>				
Accounts payable	74,968	58,714	133,682	-
Accrued wages and benefits	128,317	40,221	168,538	-
Due to other governments	194,858	21,327	216,185	-
Unearned revenue	756,349	-	756,349	-
Undistributed monies	2,717	-	2,717	-
Income tax refunds payable	67,254	-	67,254	-
Accrued interest payable	5,815	8,323	14,138	-
Claims payable	1,280	1,356	2,636	-
Long-term liabilities:				
Due within one year	317,820	254,568	572,388	-
Due in more than one year:				
Net pension liability	3,454,536	356,695	3,811,231	-
Net OPEB liability	466,792	-	466,792	-
Other amounts due in more than one year	371,448	5,210,643	5,582,091	-
<b>Total liabilities</b>	<b>5,842,154</b>	<b>5,951,847</b>	<b>11,794,001</b>	<b>-</b>
<u>Deferred inflows of resources:</u>				
Property taxes	514,693	-	514,693	-
Pension	1,800,970	432,099	2,233,069	-
OPEB	473,893	141,783	615,676	-
<b>Total deferred inflows of resources</b>	<b>2,789,556</b>	<b>573,882</b>	<b>3,363,438</b>	<b>-</b>
<u>Net position:</u>				
Net investment in capital assets	12,057,617	18,452,909	30,510,526	-
Restricted for:				
Transportation	803,761	-	803,761	-
Safety services	22,889	-	22,889	-
Other purposes	16,080	-	16,080	12,588
Unrestricted	2,717,999	5,466,933	8,184,932	296,362
<b>Total net position</b>	<b>\$ 15,618,346</b>	<b>\$ 23,919,842</b>	<b>\$ 39,538,188</b>	<b>\$ 308,950</b>

See accompanying notes to the basic financial statements.

**City of Louisville, Ohio**  
**Statement of Activities**  
**For the Year Ended December 31, 2022**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions
<u>Governmental Activities:</u>				
General government	\$ 1,468,400	\$ 234,820	\$ 246,915	\$ -
Security of persons and property	3,234,605	354,082	-	-
Public health and welfare	83,103	-	-	-
Transportation	1,852,607	205,050	799,818	323,892
Community environment	214,879	161,665	-	-
Leisure time activities	261,405	6,200	-	-
Interest and fiscal charges	13,585	-	-	-
Total governmental activities	<u>7,128,584</u>	<u>961,817</u>	<u>1,046,733</u>	<u>323,892</u>
<u>Business-Type Activities:</u>				
Water	1,360,413	1,571,335	-	-
Sewer	1,440,816	1,508,690	-	-
Total business-type activities	<u>2,801,229</u>	<u>3,080,025</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 9,929,813</u>	<u>\$ 4,041,842</u>	<u>\$ 1,046,733</u>	<u>\$ 323,892</u>
<u>Component Unit:</u>				
LCIC	<u>\$ 14,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:  
Property taxes levied for:  
    General purposes  
Income tax levied for:  
    General purposes  
    Water utility services  
    Sewer utility services  
Grants and entitlements not restricted to specific programs  
Investment earnings  
Other  
Total general revenues  
  
Change in net position  
  
Net position, beginning of year  
Net position, end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position			Component Unit
Primary Government			Louisville Community Improvement Corporation
Governmental Activities	Business-Type Activities	Total	
\$ (986,665)	\$ -	\$ (986,665)	\$ -
(2,880,523)	-	(2,880,523)	-
(83,103)	-	(83,103)	-
(523,847)	-	(523,847)	-
(53,214)	-	(53,214)	-
(255,205)	-	(255,205)	-
(13,585)	-	(13,585)	-
<u>(4,796,142)</u>	<u>-</u>	<u>(4,796,142)</u>	<u>-</u>
-	210,922	210,922	-
-	67,874	67,874	-
-	278,796	278,796	-
<u>(4,796,142)</u>	<u>278,796</u>	<u>(4,517,346)</u>	<u>-</u>
-	-	-	(14,733)
508,787	-	508,787	-
5,740,923	-	5,740,923	-
-	32,336	32,336	-
-	32,336	32,336	-
332,974	-	332,974	-
(384,263)	-	(384,263)	40
24,076	-	24,076	-
<u>6,222,497</u>	<u>64,672</u>	<u>6,287,169</u>	<u>40</u>
1,426,355	343,468	1,769,823	(14,693)
<u>14,191,991</u>	<u>23,576,374</u>	<u>37,768,365</u>	<u>323,643</u>
<u>\$ 15,618,346</u>	<u>\$ 23,919,842</u>	<u>\$ 39,538,188</u>	<u>\$ 308,950</u>

**City of Louisville, Ohio**

**Balance Sheet**

**Governmental Funds**

**December 31, 2022**

	General	Street Construction, Maintenance and Repair	Local Fiscal Recovery	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Equity in pooled cash and cash equivalents	\$ 2,838,656	\$ 472,618	\$ 770,843	\$ 1,200,102	\$ 5,282,219
<b>Receivables:</b>					
Income tax	2,100,122	-	-	-	2,100,122
Property and other taxes	540,599	-	-	-	540,599
Accounts	33,188	-	-	141,170	174,358
Special assessments	22,786	-	-	-	22,786
Accrued interest	30,205	-	-	-	30,205
Due from other governments	139,174	250,302	-	26,865	416,341
Materials and supplies inventory	-	72,838	-	7,572	80,410
Prepaid items	20,268	4,210	-	5,290	29,768
Assets held for resale	-	-	-	1,320,502	1,320,502
<b>Total assets</b>	<b>\$ 5,724,998</b>	<b>\$ 799,968</b>	<b>\$ 770,843</b>	<b>\$ 2,701,501</b>	<b>\$ 9,997,310</b>
<b>Liabilities, deferred inflows of resources and fund balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 38,604	\$ 3,882	\$ 139	\$ 32,343	\$ 74,968
Interfund payable	11,000	-	-	-	11,000
Accrued wages and benefits	107,332	13,676	-	7,309	128,317
Due to other governments	171,928	6,998	14,355	1,577	194,858
Unearned revenue	-	-	756,349	-	756,349
Undistributed monies	2,717	-	-	-	2,717
Income tax refunds payable	67,254	-	-	-	67,254
Claims payable	571	648	-	61	1,280
<b>Total liabilities</b>	<b>399,406</b>	<b>25,204</b>	<b>770,843</b>	<b>41,290</b>	<b>1,236,743</b>
<b>Deferred inflows of resources:</b>					
Property taxes	514,693	-	-	-	514,693
Unavailable revenue - other	1,521,814	166,339	-	75,259	1,763,412
Unavailable revenue - delinquent property taxes	17,857	-	-	-	17,857
<b>Total deferred inflows of resources</b>	<b>2,054,364</b>	<b>166,339</b>	<b>-</b>	<b>75,259</b>	<b>2,295,962</b>
<b>Fund balances:</b>					
Nonspendable	20,268	77,048	-	12,862	110,178
Restricted	-	531,377	-	115,258	646,635
Committed	-	-	-	2,456,832	2,456,832
Assigned	332,479	-	-	-	332,479
Unassigned	2,918,481	-	-	-	2,918,481
<b>Total fund balances</b>	<b>3,271,228</b>	<b>608,425</b>	<b>-</b>	<b>2,584,952</b>	<b>6,464,605</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 5,724,998</b>	<b>\$ 799,968</b>	<b>\$ 770,843</b>	<b>\$ 2,701,501</b>	<b>\$ 9,997,310</b>

See accompanying notes to the basic financial statements.

**City of Louisville, Ohio**

**Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
December 31, 2022**

Total governmental fund balances \$ 6,464,605

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

Capital assets used in governmental activities are not financial resources and therefore  
are not reported in the funds. 12,358,019

Other long-term assets are not available to pay for current-period expenditures and  
therefore are offset by deferred inflows of resources in the funds:

Property and other taxes	\$ 17,857	
Income taxes	1,389,318	
Special assessments	22,786	
Intergovernmental	281,314	
Charges for services	61,772	
Other	8,222	
Total	<u>1,781,269</u>	1,781,269

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

Net OPEB asset	\$ 305,440	
Deferred outflows - pension	1,310,015	
Deferred inflows - pension	(1,800,970)	
Net pension liability	(3,454,536)	
Deferred outflows - OPEB	290,272	
Deferred inflows - OPEB	(473,893)	
Net OPEB liability	<u>(466,792)</u>	
Total		(4,290,464)

Accrued interest payable is not due and payable in the current period and therefore is not  
reported in the funds. (5,815)

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

Financed purchases payable	\$ (300,402)	
Compensated absences	<u>(388,866)</u>	
Total		<u>(689,268)</u>

Net position of governmental activities \$ 15,618,346

See accompanying notes to the basic financial statements.

**City of Louisville, Ohio**

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

**Governmental Funds**

**For the Year Ended December 31, 2022**

	General	Street Construction, Maintenance and Repair	Local Fiscal Recovery	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Income tax	\$ 5,395,707	\$ -	\$ -	\$ -	\$ 5,395,707
Property and other taxes	508,569	-	-	-	508,569
Charges for services	165,400	-	-	565,536	730,936
Licenses and permits	161,624	-	-	-	161,624
Fines and forfeitures	12,862	-	-	4,507	17,369
Intergovernmental	353,130	511,408	222,698	590,991	1,678,227
Investment income	(384,263)	-	-	5,319	(378,944)
Contributions and donations	8,900	-	-	-	8,900
Rentals	-	-	-	59,963	59,963
Other	10,654	756	-	1,470	12,880
Total revenues	<u>6,232,583</u>	<u>512,164</u>	<u>222,698</u>	<u>1,227,786</u>	<u>8,195,231</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	1,343,418	-	222,698	46,692	1,612,808
Security of persons and property	2,667,048	-	-	270,983	2,938,031
Public health and welfare	83,103	-	-	-	83,103
Transportation	-	649,326	-	885,875	1,535,201
Community environment	278,154	-	-	-	278,154
Leisure time activities	231,672	-	-	-	231,672
Capital outlay	164,575	51,113	-	704,760	920,448
<b>Debt service:</b>					
Principal retirement	93,305	-	-	47,254	140,559
Interest and fiscal charges	14,069	-	-	1,322	15,391
Total expenditures	<u>4,875,344</u>	<u>700,439</u>	<u>222,698</u>	<u>1,956,886</u>	<u>7,755,367</u>
Excess of revenues over (under) expenditures	<u>1,357,239</u>	<u>(188,275)</u>	<u>-</u>	<u>(729,100)</u>	<u>439,864</u>
<b>Other financing sources (uses):</b>					
Sale of capital assets	6,000	-	-	20,183	26,183
Transfers - in	-	105,700	-	1,790,841	1,896,541
Transfers - out	(1,896,541)	-	-	-	(1,896,541)
Total other financing sources (uses)	<u>(1,890,541)</u>	<u>105,700</u>	<u>-</u>	<u>1,811,024</u>	<u>26,183</u>
Net change in fund balance	(533,302)	(82,575)	-	1,081,924	466,047
Fund balances at beginning of year	<u>3,804,530</u>	<u>691,000</u>	<u>-</u>	<u>1,503,028</u>	<u>5,998,558</u>
Fund balances at end of year	<u>\$ 3,271,228</u>	<u>\$ 608,425</u>	<u>\$ -</u>	<u>\$ 2,584,952</u>	<u>\$ 6,464,605</u>

See accompanying notes to the basic financial statements.



**City of Louisville, Ohio**

**Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2022**

Net change in fund balances - Total governmental funds \$ 466,047

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as a depreciation expense.

In the current period, these amounts are:

Capital outlay	\$ 920,448	
Depreciation expense	(849,905)	
		70,543

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (67,856)

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

Property and other taxes	\$ 218	
Income taxes	345,216	
Special assessments	22,786	
Intergovernmental	(2,733)	
Charges for services	(10,301)	
Other	4,522	
		359,708

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

Pension		408,325
OPEB		5,892

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

Pension		(152,884)
OPEB		191,588

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Decrease in compensated absences	\$ 2,627	
Decrease in accrued interest	1,806	
		4,433

Payment of financed purchase principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 140,559

Change in net position of governmental activities \$ 1,426,355

See accompanying notes to the basic financial statements.

**City of Louisville, Ohio**  
**Statement of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**General Fund**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Municipal income tax	\$ 4,375,045	\$ 5,284,288	\$ 5,322,159	\$ 37,871
Property and other taxes	518,600	506,856	506,856	-
Charges for services	165,900	165,500	165,400	(100)
Licenses and permits	168,184	170,842	161,665	(9,177)
Fines and forfeitures	28,200	13,697	12,862	(835)
Intergovernmental	295,400	355,822	350,243	(5,579)
Interest	155,900	118,029	120,721	2,692
Contributions and donations	20,800	7,500	8,900	1,400
Other	47,665	14,484	11,559	(2,925)
<b>Total revenues</b>	<b>5,775,694</b>	<b>6,637,018</b>	<b>6,660,365</b>	<b>23,347</b>
<b>Expenditures:</b>				
Current:				
General government	1,722,390	1,578,858	1,528,519	50,339
Security of persons and property	3,126,162	2,851,941	2,790,586	61,355
Public health and welfare	116,622	88,322	84,861	3,461
Community environment	556,581	335,781	323,867	11,914
Leisure time activities	451,782	383,582	376,352	7,230
<b>Total expenditures</b>	<b>5,973,537</b>	<b>5,238,484</b>	<b>5,104,185</b>	<b>134,299</b>
Excess of revenues over (under) expenditures	(197,843)	1,398,534	1,556,180	157,646
Other financing sources (uses):				
Sale of capital assets	11,000	6,000	6,000	-
Advances - in	-	149,366	149,366	-
Advances - out	-	(149,366)	(149,366)	-
Transfers - in	42,000	48,820	48,820	-
Transfers - out	(734,920)	(1,896,742)	(1,896,661)	81
<b>Total other financing sources (uses)</b>	<b>(681,920)</b>	<b>(1,841,922)</b>	<b>(1,841,841)</b>	<b>81</b>
Net change in fund balance	(879,763)	(443,388)	(285,661)	157,727
Fund balance at beginning of year	2,937,501	2,937,501	2,937,501	-
Prior year encumbrances appropriated	352,467	352,467	352,467	-
<b>Fund balance at end of year</b>	<b>\$ 2,410,205</b>	<b>\$ 2,846,580</b>	<b>\$ 3,004,307</b>	<b>\$ 157,727</b>

See accompanying notes to the basic financial statements.

**City of Louisville, Ohio**  
**Statement of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Street Construction, Maintenance and Repair Fund**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 498,600	\$ 492,966	\$ 512,585	\$ 19,619
Contributions and donations	400	-	-	-
Other	700	796	756	(40)
Total revenues	<u>499,700</u>	<u>493,762</u>	<u>513,341</u>	<u>19,579</u>
<u>Expenditures:</u>				
Current:				
Transportation	<u>972,618</u>	<u>901,590</u>	<u>854,314</u>	<u>47,276</u>
Excess of revenues under expenditures	<u>(472,918)</u>	<u>(407,828)</u>	<u>(340,973)</u>	<u>66,855</u>
Other financing sources:				
Transfers - in	<u>105,000</u>	<u>105,700</u>	<u>105,700</u>	<u>-</u>
Net change in fund balance	(367,918)	(302,128)	(235,273)	66,855
Fund balance at beginning of year	361,134	361,134	361,134	-
Prior year encumbrances appropriated	<u>165,018</u>	<u>165,018</u>	<u>165,018</u>	<u>-</u>
Fund balance at end of year	<u>\$ 158,234</u>	<u>\$ 224,024</u>	<u>\$ 290,879</u>	<u>\$ 66,855</u>

See accompanying notes to the basic financial statements.

**City of Louisville, Ohio**  
**Statement of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Local Fiscal Recovery Fund**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$ 490,235	\$ 494,149	\$ 494,149	\$ -
<u>Expenditures:</u>				
Current:				
General government	978,906	982,820	982,820	-
Net change in fund balance	(488,671)	(488,671)	(488,671)	-
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	488,671	488,671	488,671	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.



**City of Louisville, Ohio**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**December 31, 2022**

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
<u>Assets:</u>			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 3,731,308	\$ 2,118,843	\$ 5,850,151
Receivables:			
Income tax	62,244	62,244	124,488
Accounts	181,276	187,705	368,981
Interfund	4,400	6,600	11,000
Materials and supplies inventory	3,865	3,740	7,605
Prepaid items	3,430	3,539	6,969
Total current assets	3,986,523	2,382,671	6,369,194
Noncurrent assets:			
Net OPEB asset	79,680	57,547	137,227
Capital assets:			
Land	252,779	99,708	352,487
Construction in progress	4,054,580	7,001,626	11,056,206
Depreciable capital assets	13,044,551	14,930,449	27,975,000
Accumulated depreciation	(7,569,457)	(8,070,526)	(15,639,983)
Total noncurrent assets	9,862,133	14,018,804	23,880,937
Total assets	13,848,656	16,401,475	30,250,131
<u>Deferred outflows of resources:</u>			
Pension	107,713	77,792	185,505
OPEB	5,769	4,166	9,935
Total deferred outflows of resources	113,482	81,958	195,440
<u>Liabilities:</u>			
Current liabilities:			
Accounts payable	26,279	32,435	58,714
Accrued wages and benefits	20,334	19,887	40,221
Due to other governments	10,627	10,700	21,327
Accrued interest payable	8,323	-	8,323
Claims payable	678	678	1,356
Compensated absences payable	56,058	45,648	101,706
Financed purchase payable	49,158	-	49,158
OPWC loans payable	39,100	42,253	81,353
OWDA loans payable	22,351	-	22,351
Total current liabilities	232,908	151,601	384,509
Noncurrent liabilities:			
Compensated absences payable	38,597	34,107	72,704
OPWC loans payable, net of current portion	1,075,250	1,759,940	2,835,190
OWDA loans payable, net of current portion	822,606	1,480,143	2,302,749
Net pension liability	207,113	149,582	356,695
Total noncurrent liabilities	2,143,566	3,423,772	5,567,338
Total liabilities	2,376,474	3,575,373	5,951,847

(Continued)

***City of Louisville, Ohio***  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**December 31, 2022**  
**(Continued)**

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
<u>Deferred inflows of resources:</u>			
Pension	250,896	181,203	432,099
OPEB	82,326	59,457	141,783
Total deferred inflows of resources	<u>333,222</u>	<u>240,660</u>	<u>573,882</u>
<u>Net position:</u>			
Net investment in capital assets	7,773,988	10,678,921	18,452,909
Unrestricted	3,478,454	1,988,479	5,466,933
Total net position	<u>\$ 11,252,442</u>	<u>\$ 12,667,400</u>	<u>\$ 23,919,842</u>

See accompanying notes to the basic financial statements.

**City of Louisville, Ohio**

**Statement of Revenues, Expenses and Changes in Fund Net Position**

**Proprietary Funds**

**For the Year Ended December 31, 2022**

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
<u>Operating revenues:</u>			
Charges for services	\$ 1,535,185	\$ 1,469,110	\$ 3,004,295
Tap-in fees	36,150	39,580	75,730
Total operating revenues	1,571,335	1,508,690	3,080,025
<u>Operating expenses:</u>			
Personal services	485,257	487,306	972,563
Fringe benefits	68,330	106,327	174,657
Contractual services	377,545	422,431	799,976
Supplies and materials	87,415	85,165	172,580
Depreciation	324,296	337,460	661,756
Total operating expenses	1,342,843	1,438,689	2,781,532
Operating income	228,492	70,001	298,493
<u>Nonoperating revenues (expenses):</u>			
Municipal income tax	32,336	32,336	64,672
Interest and fiscal charges	(17,570)	(2,127)	(19,697)
Total nonoperating revenues (expenses)	14,766	30,209	44,975
Change in net position	243,258	100,210	343,468
Net position at beginning of year	11,009,184	12,567,190	23,576,374
Net position at end of year	\$ 11,252,442	\$ 12,667,400	\$ 23,919,842

See accompanying notes to the basic financial statements.



**City of Louisville, Ohio**

**Statement of Cash Flows**

**Proprietary Funds**

**For the Year Ended December 31, 2022**

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
Cash flows from operating activities:			
Cash received from customers	\$ 1,720,846	\$ 1,662,456	\$ 3,383,302
Cash payments for employee services and benefits	(668,237)	(676,605)	(1,344,842)
Cash payments to suppliers for goods and services	(461,378)	(495,198)	(956,576)
Net cash provided by operating activities	591,231	490,653	1,081,884
Cash flows from noncapital financing activities:			
Income taxes received	37,176	37,176	74,352
Net cash provided by noncapital financing activities	37,176	37,176	74,352
Cash flows from capital and related financing activities:			
Loan issued	-	1,916,550	1,916,550
Interest paid on loans	(17,786)	(2,127)	(19,913)
Principal payment on loans and financed purchase	(176,485)	(42,253)	(218,738)
Acquisition of capital assets	(421,512)	(4,307,820)	(4,729,332)
Net cash used for capital and related financing activities	(615,783)	(2,435,650)	(3,051,433)
Net increase in cash and cash equivalents	12,624	(1,907,821)	(1,895,197)
Cash and cash equivalents at beginning of year	3,718,684	4,026,664	7,745,348
Cash and cash equivalents at end of year	\$ 3,731,308	\$ 2,118,843	\$ 5,850,151
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 228,492	\$ 70,001	\$ 298,493
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	324,296	337,460	661,756
Change in assets, deferred outflows, liabilities and inflows of resources:			
(Increase) decrease in assets and deferred outflows of resources:			
Accounts receivable	149,511	153,766	303,277
Materials and supplies inventory	(3,522)	(514)	(4,036)
Prepaid items	3	(86)	(83)
Interfund receivable	(4,400)	(6,600)	(11,000)
Net OPEB asset	(37,571)	(27,135)	(64,706)
Deferred outflows of resources - pension/OPEB	(22,856)	(16,505)	(39,361)
Increase (decrease) in liabilities and deferred inflows of resources:			
Accounts payable	7,296	13,196	20,492
Claims payable	(781)	(781)	(1,562)
Accrued wages and benefits	2,762	2,286	5,048
Compensated absences	6,605	6,873	13,478
Due to other governments	3,318	3,415	6,733
Net pension liability	(122,092)	(88,177)	(210,269)
Deferred inflows of resources - pension/OPEB	60,170	43,454	103,624
Net cash provided by operating activities	\$ 591,231	\$ 490,653	\$ 1,081,884
Noncash capital and related financing activities:			
Financed purchase	\$ 99,746	\$ -	\$ 99,746

See accompanying notes to the basic financial statements.

***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2022**

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

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

**A. City Government and Reporting Entity**

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

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt or the levying of taxes. The City has assumed a financial burden of the Louisville Community Improvement Corporation (LCIC) as a result of various transactions including the sale and purchase of land. Also, the majority of the LCIC's board is appointed by the City. The City has chosen the discrete method of presentation of the LCIC because it provides services to the primary government and the citizens of the City as opposed to only the primary government. The discrete method of presentation requires component unit data to be reported together with, but separately from the data of the primary government in the government-wide financial statements. See Note 18 for more information.

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

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

**B. Basis of Presentation**

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

***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2022**

Government-wide Financial Statements

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

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

Fund Financial Statements

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

**C. Fund Accounting**

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

Governmental Funds

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

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

***City of Louisville, Ohio***  
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Street Construction, Maintenance and Repair Fund – To account for restricted revenue derived from gasoline taxes and vehicle registration fees at the State and County level; used to support the street maintenance and snow removal departments.

Local Fiscal Recovery

The local fiscal recovery is an American rescue plan fund that was created in 2021 to account for monies received from the federal government as part of the American Rescue Plan Act of 2021. The grant will be used to offset revenue losses in various departments.

Proprietary Funds

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

Enterprise Funds

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

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

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

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

Government-wide Financial Statements

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

***City of Louisville, Ohio***  
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Fund Financial Statements

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

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

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

Revenues - Exchange and Nonexchange Transactions

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension and other postemployment benefits (OPEB). The deferred outflows of resources related to pension and OPEB are explained in Note 14.

In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future periods and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenues. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance fiscal year 2023 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported on the governmental funds balance sheet, and represents revenues which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, intergovernmental grants, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position and the proprietary funds statement of fund net position. (See Note 14)

Expenses/Expenditures

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

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

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**E. Budgets and Budgetary Accounting**

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

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

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

On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31. Further amendments may be made during the year if the Finance Director determines that revenue to be collected will be greater or less than the prior estimates and the budget commission finds the revised estimates to be reasonable. The amounts set forth in the financial statements as the original budgeted amounts represent estimates from the certificate of estimated resources when the original appropriations were adopted, whereas the final budgeted amounts, represent estimates from the final amended certificate issued for 2022.

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

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

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

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

**F. Deposits and Investments**

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

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

During 2022, investments were limited to interest in the State Treasury Asset Reserve of Ohio (STAR Ohio), certificates of deposits, U.S. Treasury, governmental obligation mutual sweep and government-sponsored enterprise investments. The government-sponsored enterprise (GSE) investments, which are not backed by the full faith and credit of the federal government, were held as investments at year-end by the City. The GSE investments held were issued from Federal Home Loan Bank (FHLB), Federal Agricultural Mortgage Corporation (AGM), Federal Farm Credit Bank (FFCB), Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC). Except for investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at fair value, which is based on quoted market prices.

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

For 2022, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice is appreciated 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

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

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



***City of Louisville, Ohio***  
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**G. Inventory of Supplies**

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

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2022 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure or expense is reported in the year in which services are consumed.

**I. Assets Held for Resale**

Assets held for resale include a parcel of land and a building to be held and sold for future economic development. Assets held for resale of governmental funds are stated at cost.

**J. Capital Assets and Depreciation**

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

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

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

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

**K. Pension and Other Postemployment Benefits (OPEB)**

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

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

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

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

***City of Louisville, Ohio***  
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**L. Compensated Absences**

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

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

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

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences and the net pension/OPEB liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Financed purchases and long-term loans are recognized as a liability on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

**N. Fund Balance**

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

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

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

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

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

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

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

**O. Interfund Balances**

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

***City of Louisville, Ohio***  
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**P. Interfund Transactions**

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

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

**Q. Net Position**

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

**R. Operating Revenues and Expenses**

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

**S. Estimates**

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

**City of Louisville, Ohio**  
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**NOTE 2 – FUND BALANCE**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental fund and all other governmental funds are as follows:

Fund Balances	General	Street Construction, Maintenance and Repair	Local Fiscal Recovery	Other Governmental Funds	Total Governmental Funds
<u>Nonspendable</u>					
Materials and supplies inventory	\$ -	\$ 72,838	\$ -	\$ 7,572	\$ 80,410
Prepays	20,268	4,210	-	5,290	29,768
Total nonspendable	<u>20,268</u>	<u>77,048</u>	<u>-</u>	<u>12,862</u>	<u>110,178</u>
<u>Restricted for</u>					
Streets and highways	-	531,377	-	76,289	607,666
Court activities	-	-	-	14,610	14,610
Police services	-	-	-	22,889	22,889
OneOhio opioid settlement	-	-	-	1,470	1,470
Total restricted	<u>-</u>	<u>531,377</u>	<u>-</u>	<u>115,258</u>	<u>646,635</u>
<u>Committed</u>					
Fire and EMS services	-	-	-	235,435	235,435
Debt service payments	-	-	-	1,665	1,665
Capital improvements	-	-	-	1,550,848	1,550,848
Storm water	-	-	-	668,884	668,884
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,456,832</u>	<u>2,456,832</u>
<u>Assigned</u>					
Various purchases on order	294,779	-	-	-	294,779
Compensated absences	37,700	-	-	-	37,700
Total assigned	<u>332,479</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>332,479</u>
Unassigned	<u>2,918,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,918,481</u>
Total fund balances	<u>\$ 3,271,228</u>	<u>\$ 608,425</u>	<u>\$ -</u>	<u>\$ 2,584,952</u>	<u>\$ 6,464,605</u>

**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING**

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

**City of Louisville, Ohio**  
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The statement of revenues, expenditures, and changes in fund balances - budget (Non-GAAP basis) and actual presented for the general, street construction, maintenance and repair and local fiscal recovery funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- a. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- b. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- c. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);
- d. Encumbrances are treated as expenditures (budget basis) rather than assigned fund balance (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general, street construction, maintenance and repair and the local fiscal recovery funds.

	Net Change in Fund Balance		
	<u>General</u>	Street Construction, Maintenance and Repair	Local Fiscal Recovery
GAAP Basis	\$ (533,302)	\$ (62,022)	\$ -
Revenue accruals	625,968	1,177	271,451
Expenditure accruals	(59,138)	7,311	10,721
Encumbrances (Budget Basis) outstanding at year end	<u>(319,189)</u>	<u>(181,739)</u>	<u>(770,843)</u>
Budget Basis	<u>\$ (285,661)</u>	<u>\$ (235,273)</u>	<u>\$ (488,671)</u>

**NOTE 4 – DEPOSITS AND INVESTMENTS**

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**Primary Government**

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

***City of Louisville, Ohio***  
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Deregulation Committee, provided that such accounts are secured by collateral, and the State Treasury Asset Reserve (Star Ohio).

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

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

A. Deposits

*Custodial credit risk* is the risk that, in the event of a bank failure, the City’s deposits may not be returned. The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose fair value at all times shall be at least one hundred five percent of the deposits being secured. If the institution participates in the Ohio Pooled Collateral System (OPCS), the total fair value of the securities pledged can be one hundred two percent or lower if permitted by the Treasurer of State.

The City’s financial institution participates in the OPCS and was approved for a reduced collateral floor of 50 percent. At year-end, \$410,305 of the City’s bank balance of \$1,442,449 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized.

B. Investments

As of December 31, the City had the following investments and maturities:

Investment Type	Fair Value	Percentage of Investments	Investment Maturities (in years)		
			< 1 year	< 2 years	2-5 years
Federal Home Loan Mortgage Corporation	\$ 179,752	1.83%	\$ -	\$ -	\$ 179,752
Federal Home Loan Bank	443,903	4.53%	198,410	-	245,493
Federal Agricultural Mortgage Corporation	293,807	3.00%	-	-	293,807
Federal Farm Credit Bank Bonds	1,640,232	16.72%	96,090	525,379	1,018,763
Federal National Mortgage Association	1,241,914	12.66%	110,024	184,422	947,468
US Treasury	3,033,045	30.93%	532,707	657,510	1,842,828
Negotiable certificates of deposit	2,195,558	22.39%	953,819	717,875	523,864
STAR Ohio	764,063	7.79%	764,063	-	-
Government obligation mutual sweep	14,983	0.15%	14,983	-	-
Total investments	<u>\$ 9,807,257</u>	<u>100.00%</u>	<u>\$ 2,670,096</u>	<u>\$ 2,085,186</u>	<u>\$ 5,051,975</u>



***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2022**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The preceding table identifies the City's recurring fair value measurement as of December 31, 2022. As previously discussed, Star Ohio is reported at its net asset value. The City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

Interest earnings are distributed to certain special revenue funds based on daily cash balances and the remainder is reported in the general fund. Interest revenue credited to the general fund during 2022 amounted to \$(384,263), which includes \$(300,271) assigned from other City funds.

*Custodial Credit Risk* for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the City must meet a set of prescribed standards and be periodically reviewed. The investments in the U.S. Treasury, Federal Home Loan Mortgage Corporation (FHLMC), Federal Home Loan Bank (FHLB), Federal Agricultural Mortgage Corporation (FAMC), Federal Farm Credit Bank (FFCB) and Federal National Mortgage Association (FNMA) are held by the counterparty's trust department or agent and not in the City's name. All of the City's negotiable certificates of deposit are registered securities.

*Interest Rate Risk* - In accordance with the investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio in years, unless matched to a specific obligation of debt of the City.

*Credit Risk* - The City's investment policy limits its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The City's investments in FHLMC, FHLB, FAMC, FFCB and FNMA have an Aaa credit rating from Moody's. The City's investment in STAR Ohio has an AAAM credit rating from S&P. The City's investments in negotiable certificates of deposit were not rated or the ratings were unavailable.

*Concentration of Credit Risk* - is the possibility of loss attributed to the magnitude of the City's investment in a single issuer. Only the investments of the City in FFCB and FNMA were 5% or more for a single issuer. The City places no limit on the amount the City may invest in any one issuer. The table above is the City's allocation as of December 31, 2022.

**Component Unit**

**Deposits**

The carrying amount of the Louisville Community Improvement Corporation's bank balance was \$197,253 at December 31, 2022. Of the bank balances, none of the monies were collateralized with securities held by the pledging financial institution's trust department or agent but not in the Corporation's name.

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2022**

**NOTE 5 - RECEIVABLES**

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Receivables at December 31, 2022 for governmental funds consisted primarily of municipal income taxes, property and other taxes, amounts due from other governments and accounts.

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

<u>Governmental Activities</u>	<u>Amount</u>
Cents per gallon and excise tax	\$ 244,128
Homestead and rollback	35,091
Local government	104,083
Motor vehicle tax	26,469
Permissive sales tax	<u>6,570</u>
Total	<u>\$ 416,341</u>

**NOTE 6 – INTERFUND TRANSFERS AND BALANCES**

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**A. Transfers**

Interfund transfers for governmental funds for the year ended December 31, 2022, consisted of the following:

<u>Transfer to</u>	<u>Transfer from</u> <u>General</u> <u>fund</u>
Street Construction, Maintenance and Repair fund	\$ 105,700
Other governmental funds	<u>1,790,841</u>
Total transfers	<u>\$ 1,896,541</u>

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

**B. Balances**

Interfund receivables and payables are due to the timing of the receipt of grant monies by the major and nonmajor funds. All interfund balances are typically repaid within one year or when the grant is completed. Interfund balances at December 31, 2022, consist of interfund receivable/payables between the general fund and the water and sewer business-type activities enterprise funds in the amount of \$4,400 and \$6,600, respectively.

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2022**

**NOTE 7 - CAPITAL ASSETS**

Governmental Activities: The summary of the governmental capital asset activity as of December 31, 2022 follows:

<u>Governmental activities</u>	<u>Balance</u> <u>12/31/2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2022</u>
Capital assets, not being depreciated:				
Land	\$ 617,622	\$ -	\$ -	\$ 617,622
Right of ways	812,350	-	-	812,350
Construction in progress	<u>194,084</u>	<u>666,575</u>	<u>(38,469)</u>	<u>822,190</u>
Total capital assets, not being depreciated	<u>1,624,056</u>	<u>666,575</u>	<u>(38,469)</u>	<u>2,252,162</u>
Capital assets, being depreciated:				
Land improvements	1,118,202	5,400	-	1,123,602
Buildings and building improvements	2,267,653	16,340	-	2,283,993
Machinery and equipment	1,360,966	92,472	(45,415)	1,408,023
Vehicles	3,678,007	132,474	(290,566)	3,519,915
Infrastructure	<u>11,101,431</u>	<u>45,656</u>	<u>-</u>	<u>11,147,087</u>
Total capital assets, being depreciated	<u>19,526,259</u>	<u>292,342</u>	<u>(335,981)</u>	<u>19,482,620</u>
Less accumulated depreciation:				
Land improvements	(807,632)	(49,572)	-	(857,204)
Buildings and building improvements	(1,319,311)	(62,590)	-	(1,381,901)
Machinery and equipment	(755,466)	(105,277)	28,763	(831,980)
Vehicles	(2,588,924)	(250,887)	239,362	(2,600,449)
Infrastructure	<u>(3,323,650)</u>	<u>(381,579)</u>	<u>-</u>	<u>(3,705,229)</u>
Total accumulated depreciation	<u>(8,794,983)</u>	<u>(849,905)</u>	<u>268,125</u>	<u>(9,376,763)</u>
Total capital assets being depreciated, net	<u>10,731,276</u>	<u>(557,563)</u>	<u>(67,856)</u>	<u>10,105,857</u>
Governmental activities capital assets, net	<u>\$ 12,355,332</u>	<u>\$ 109,012</u>	<u>\$ (106,325)</u>	<u>\$ 12,358,019</u>

Depreciation Expense: Depreciation expense charged to governmental functions for the year ending December 31, 2022 is as follows:

	<u>Amount</u>
General government	\$ 72,369
Security of persons and property	295,159
Transportation	419,437
Leisure time activities	<u>62,940</u>
	<u>\$ 849,905</u>

Business-type Activities: The summary of the business-type activities' capital asset activity as of December 31, 2022 follows:

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2022**

<b><u>Business-type activities</u></b>	<u>Balance</u> <u>12/31/2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2022</u>
Capital assets, not being depreciated:				
Land	\$ 352,487	\$ -	\$ -	\$ 352,487
Construction in progress	<u>7,384,132</u>	<u>3,672,074</u>	<u>-</u>	<u>11,056,206</u>
Total capital assets, not being depreciated	<u>7,736,619</u>	<u>3,672,074</u>	<u>-</u>	<u>11,408,693</u>
Capital assets, being depreciated:				
Land improvements	73,970	8,000	-	81,970
Buildings and building improvements	9,011,137	49,000	-	9,060,137
Machinery and equipment	1,279,524	186,004	-	1,465,528
Vehicles	714,151	-	-	714,151
Infrastructure	<u>16,653,214</u>	<u>-</u>	<u>-</u>	<u>16,653,214</u>
Total capital assets, being depreciated	<u>27,731,996</u>	<u>243,004</u>	<u>-</u>	<u>27,975,000</u>
Less accumulated depreciation:				
Land improvements	(73,970)	(400)	-	(74,370)
Buildings and building improvements	(6,083,668)	(151,873)	-	(6,235,541)
Machinery and equipment	(475,507)	(126,162)	-	(601,669)
Vehicles	(490,741)	(64,111)	-	(554,852)
Infrastructure	<u>(7,854,341)</u>	<u>(319,210)</u>	<u>-</u>	<u>(8,173,551)</u>
Total accumulated depreciation	<u>(14,978,227)</u>	<u>(661,756)</u>	<u>-</u>	<u>(15,639,983)</u>
Total capital assets being depreciated, net	<u>12,753,769</u>	<u>(418,752)</u>	<u>-</u>	<u>12,335,017</u>
Business-type activities capital assets, net	<u>\$ 20,490,388</u>	<u>\$ 3,253,322</u>	<u>\$ -</u>	<u>\$ 23,743,710</u>

**Depreciation Expense:** Depreciation expense charged to business-type activities for the year ending December 31, 2022 is as follows:

	<u>Amount</u>
Water	\$ 324,296
Sewer	<u>337,460</u>
Total	<u>\$ 661,756</u>

**NOTE 8 - COMPENSATED ABSENCES**

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

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2022**

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

**NOTE 9 - BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS**

Governmental Activities: A summary of the governmental activities' debt and other long-term obligations as of December 31, 2022 follows:

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Amount</u> <u>Outstanding</u> <u>December 31</u>	<u>Amount</u> <u>Due in</u> <u>One Year</u>
<b><u>Governmental activities</u></b>					
<b><u>Other long-term obligations</u></b>					
Compensated absences	\$ 391,493	\$ 215,626	\$ (218,253)	\$ 388,866	\$ 221,181
Financed purchases	440,961	-	(140,559)	300,402	96,639
Net pension liability:					
OPERS	1,261,950	-	(468,016)	793,934	-
OP&F	2,855,549	-	(194,947)	2,660,602	-
Net OPEB liability:					
OP&F	443,811	22,981	-	466,792	-
Total other long-term obligations	<u>5,393,764</u>	<u>238,607</u>	<u>(1,021,775)</u>	<u>4,610,596</u>	<u>317,820</u>
Total governmental activities	<u>\$ 5,393,764</u>	<u>\$ 238,607</u>	<u>\$ (1,021,775)</u>	<u>\$ 4,610,596</u>	<u>\$ 317,820</u>

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2022**

Business-type Activities: A summary of the business-type activities' debt and other long-term obligations as of December 31, 2022 follows:

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Amount</u> <u>Outstanding</u> <u>December 31</u>	<u>Amount</u> <u>Due in</u> <u>One Year</u>
<b><u>Business-type activities</u></b>					
<u>Other long-term obligations</u>					
2021 Ohio Public Works Commission Loan 0%	\$ 224,953	\$ 436,407	\$ -	\$ 661,360	\$ -
2020 Ohio Public Works Commission Loan 0%	1,153,450	-	(39,100)	1,114,350	39,100
2001 Ohio Public Works Commission Loan 0%	23,880	-	(23,880)	-	-
2018 Ohio Public Works Commission Loan 0%	1,183,086	-	(42,253)	1,140,833	42,253
2022 Ohio Water Development Authority Loan 0.36%	-	1,480,143	-	1,480,143	-
2019 Ohio Water Development Authority Loan 1.97%	866,874	-	(21,917)	844,957	22,351
Compensated absences	160,932	103,496	(90,018)	174,410	101,706
Financed purchases	41,000	99,746	(91,588)	49,158	49,158
Net pension liability:					
OPERS - Water portion	329,205	-	(122,092)	207,113	-
OPERS - Sewer portion	237,759	-	(88,177)	149,582	-
Total business-type activities	<u>\$ 4,221,139</u>	<u>\$ 2,119,792</u>	<u>\$ (519,025)</u>	<u>\$ 5,821,906</u>	<u>\$ 254,568</u>

Loans: The 2021 OPWC loan outstanding has not yet been finalized but will require equal payments over thirty years for a wastewater treatment plant improvements project. The City made a drawdown of \$436,407 on this loan during the year. The 2020 \$1,114,350 OPWC loan was for electrical and HVAC improvements at the water treatment plant. The 2001 OPWC loan is an interest-free loan for water tower improvements and requires equal payments over twenty years. The final payment of \$23,880 was made on this loan in 2022. The 2018 \$1,140,833 OPWC interest free loan outstanding will require equal payments over thirty years for the wastewater treatment clarifier project. The 2019 \$844,957 OWDA loan was used for a water treatment plant improvement project. The City made its first draw down of \$1,480,143 for the 2022 OWDA loan. This was used for a water treatment plant improvement project and has not been finalized.

***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2022**

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

Normally the City would pay net pension/OPEB liability obligations from the fund benefitting from employee services. However, in Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB against the public employer.

The annual requirements to amortize all loans as of December 31, 2022 for business-type activities, are as follows:

Business-type Activities:

	OWDA Loan *		OPWC
	Principal	Interest	Loans **
	Principal	Interest	Principal
2023	\$ 22,351	\$ 16,536	\$ 81,353
2024	22,794	16,094	81,353
2025	23,245	15,642	81,353
2026	23,705	15,182	81,353
2027	24,174	14,713	81,353
2028-2032	128,242	66,194	406,765
2033-2037	141,449	52,987	406,765
2038-2042	156,016	38,420	406,765
2043-2047	172,083	22,353	406,765
2048-2051	130,898	5,208	221,358
	<u>\$ 844,957</u>	<u>\$ 263,329</u>	<u>\$ 2,255,183</u>

\* This excludes the new 2022 loan as it is not finalized.

\*\* This excludes the 2021 loan as it is not finalized.

**NOTE 10 – FINANCED PURCHASES**

During 2022, the City acquired a Skid Steer to be used by the water department through a financed purchase. During 2021, the City acquired a Chevrolet 6500 HD utility truck to be used by the water department through a financed purchase. During 2020, the City entered into a financed purchase for the acquisition of an ambulance and in a prior year, the City entered into a financed purchase for the acquisition of an aerial ladder truck to be used in governmental activities. Financed purchase payments are reflected as debt service payments in the basic financial statements for the governmental funds. These expenditures are reflected as function expenditures on a budgetary basis.

Governmental capital assets consisting of vehicles have been capitalized in the amount of \$1,062,704. The depreciation expense of these assets is reported within governmental activities. The payment of \$107,374, including interest of \$14,069, was paid from the general fund during the year. The payment of \$48,576, including interest of \$1,322, was paid from the emergency service charges fund during the year.

***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2022**

For business-type activities, capital assets consisting of a vehicle and skid steer has been capitalized in the statement of net position in the amount of \$181,746. The payment of \$92,404, including interest of \$816, was paid from the water fund during the year.

Following is a schedule of the future long-term payments required under the financed purchase agreements as of December 31, 2022:

<u>Year</u>	<u>Financed Purchase Payments</u>			
	<u>Governmental</u>		<u>Business-type</u>	
	<u>Activities</u>		<u>Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 96,639	\$ 10,735	\$ 49,158	\$ 1,430
2024	100,093	7,281	-	-
2025	103,670	3,704	-	-
Total	<u>\$ 300,402</u>	<u>\$ 21,720</u>	<u>\$ 49,158</u>	<u>\$ 1,430</u>

**NOTE 11 - PROPERTY TAX**

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2022 public utility property taxes became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Louisville. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2022 and for which there is an enforceable legal claim. In the governmental funds, the current portion of the receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2022 operations and the collection of delinquent taxes has been offset by deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On the accrual basis, collectible delinquent property taxes have been recorded as a revenue while on a modified accrual basis the revenue is a deferred inflow.

The full tax rate for all City operations for the year ended December 31, 2022, was \$2.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2021 property tax receipts were based are as follows:



***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
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<u>Property Category</u>	<u>Valuations for 2022 Collections</u>	
	<u>Assessed Value</u>	<u>Percent</u>
<u>Real Property</u>		
Residential and agricultural	\$ 166,695,850	79.04 %
Commercial and industrial	38,322,080	18.17
Public utilities	<u>5,892,960</u>	<u>2.79</u>
Total	<u>\$ 210,910,890</u>	<u>100.00 %</u>

**NOTE 12 - INCOME TAX**

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The City's municipal income tax rate is levied on gross salaries, wages and other personal service compensation earned by residents both in and out of the City and to earnings of nonresidents (except certain transients) earned in the City. It also applies to net income of business organizations conducted within the City. Beginning January 1, 1988, the municipal income tax rate was increased by .5% to 2%, with the increase designated for the purpose of expansion of the City's wastewater treatment and water facilities as approved by voters. In 2020, the voters approved a change to the tax distribution where the tax collections would no longer be designated for the wastewater treatment and water treatment facilities. All tax receipts are therefore allocated to the general fund unless they are related to tax years 2020 and prior.

The City allows a credit of 60% (up to a 2% rate) on income tax earned outside the City and paid to another municipality.

**NOTE 13 - CONTINGENCIES**

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

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the City would be responsible to address any public safety issues associated with their waste water treatment facilities. Any potential asset retirement obligation associated with these public safety issues are not reasonably estimable. Currently, there is significant uncertainty as to what public safety items may need addressed; therefore, a reliable estimated amount cannot be determined.

***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2022**

**NOTE 14 - DEFINED BENEFIT PENSION AND OPEB PLANS**

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Pensions and OPEB are a component of exchange transactions between an employer and its employees of salaries and benefits for employee services. Pensions/OPEB are provided to an employee on a deferred-payment basis as part of the total compensation package offered by an employer for employee services each financial period.

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2022**

**A. DEFINED BENEFIT PENSION PLANS**

Ohio Public Employees Retirement System

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

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

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

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

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

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

Once a benefit recipient retiring under the Traditional Plan has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided on the member’s base benefit. Members retiring under the Combined Plan receive a cost-of-living adjustment on the defined benefit portion of their retirement benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent. Additionally, a death benefit of \$500-\$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional and Combined plans.

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

	<u>State and Local</u>
<b>2022 Statutory maximum contribution rates</b>	
Employer	14.00%
Employee	10.00%
<b>2022 Actual contribution rates</b>	
Employer:	
Pension	14.00%
Post-employment health care benefits	<u>0.00%</u>
Total employer	<u>14.00%</u>
Employee	<u>10.00%</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$260,642 for 2022. Of this amount, \$52,163 is reported as due to other governments.

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Ohio Police and Fire Pension Fund

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan (DROP) provisions and reduced and unreduced benefits).

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

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0 percent or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

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

	<u>Police</u>	<u>Firefighters</u>
<b>2022 Statutory maximum contribution rates</b>		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
<b>2022 Actual contribution rates</b>		
Employer:		
Pension	19.00%	23.50%
Post-employment health care benefits	<u>0.50%</u>	<u>0.50%</u>
Total employer	<u>19.50%</u>	<u>24.00%</u>
Employee	12.25%	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$228,482 for 2022. Of this amount, \$39,924 is reported as due to other governments.

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

The net pension liability for OPERS was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net pension liability - prior measurement date	0.012351%	0.041888%	
Proportion of the net pension liability - current measurement date	<u>0.013225%</u>	<u>0.042587%</u>	
Change in proportionate share	<u>0.000874%</u>	<u>0.000699%</u>	
Proportionate share of the net pension liability	\$ 1,150,629	\$ 2,660,602	\$ 3,811,231
Pension expense	\$ (72,771)	\$ 203,097	\$ 130,326

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At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 58,657	\$ 76,716	\$ 135,373
Changes of assumptions	143,885	486,244	630,129
Changes in proportion and differences between City contributions and proportionate share of contributions	135,224	105,670	240,894
City contributions subsequent to the measurement date	<u>260,642</u>	<u>228,482</u>	<u>489,124</u>
Total deferred outflows of resources	<u>\$ 598,408</u>	<u>\$ 897,112</u>	<u>\$ 1,495,520</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 25,236	\$ 138,315	\$ 163,551
Net difference between projected and actual earnings on pension plan investments	1,368,631	697,568	2,066,199
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>-</u>	<u>3,319</u>	<u>3,319</u>
Total deferred inflows of resources	<u>\$ 1,393,867</u>	<u>\$ 839,202</u>	<u>\$ 2,233,069</u>

\$489,124 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Year ending December 31:			
2023	\$ (76,816)	\$ 35,092	\$ (41,724)
2024	(439,747)	(156,484)	(596,231)
2025	(321,820)	(59,285)	(381,105)
2026	(217,718)	(48,210)	(265,928)
2027	<u>-</u>	<u>58,315</u>	<u>58,315</u>
Total	<u>\$ (1,056,101)</u>	<u>\$ (170,572)</u>	<u>\$ (1,226,673)</u>

**Actuarial Assumptions - OPERS**

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

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Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2021, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding.

Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2 percent down to 6.9 percent, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, prepared as of December 31, 2021, reflecting experience study results, are presented below:

	5 - year period ended December 31, 2020
Experience study	
Wage inflation	
Current measurement date	2.75 percent
Prior measurement date	3.25 percent
Future salary increases, including inflation -Traditional plan	
Current measurement date	2.75 percent to 10.75 percent
Prior measurement date	3.25 percent to 10.75 percent
COLA or Ad Hoc COLA	
Current measurement date	Pre January 7, 2013 retirees, 3.00 percent, simple Post January 7, 2013 retirees, 3.00 percent, simple through 2022, then 2.05 percent, simple
Prior measurement date	Pre January 7, 2013 retirees, 3.00 percent, simple Post January 7, 2013 retirees, 0.50 percent, simple through 2021, then 2.15 percent, simple
Investment rate of return	
Current measurement date	6.90 percent
Prior measurement date	7.20 percent
Actuarial cost method	Individual entry age

In July 2021, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 0.50% simple through 2021 then 2.15% simple to 3.00% simple through 2022 then 2.05% simple.

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

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



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During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 15.3% for 2021.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2021 and the long-term expected real rates of return:

<u>Asset class</u>	<u>Target allocation</u>	<u>Weighted average long-term expected real rate of return (arithmetic)</u>
Fixed income	24.00%	1.03%
Domestic equities	21.00%	3.78%
Real estate	11.00%	3.66%
Private equity	12.00%	7.43%
International equities	23.00%	4.88%
Risk parity	5.00%	2.92%
Other investments	<u>4.00%</u>	<u>2.85%</u>
Total	<u>100.00%</u>	<u>4.21%</u>

**Discount Rate** The discount rate used to measure the total pension liability was 6.9%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.9 percent) or one percentage point higher (7.9 percent) than the current rate:

	1% Decrease <u>(5.90%)</u>	Current discount rate <u>(6.90%)</u>	1% Increase <u>(7.90%)</u>
City’s proportionate share of the net pension liability	\$ 3,033,683	\$ 1,150,629	\$ (416,323)

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**Actuarial Assumptions – OP&F**

OP&F’s total pension liability as of December 31, 2021 is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2021, are presented below:

Valuation date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial cost method	Entry age normal
Investment rate of return	
Current measurement date	7.50 percent
Prior measurement date	8.00 percent
Projected salary increases	3.75 percent to 10.50 percent
Payroll increases	3.25 percent per annum, compounded annually, consisting of inflation rate of 2.75 percent, plus productivity increase rate of 0.50 percent
Cost of living adjustments	2.20 percent simple

In February 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for the 2020 measurement period to 7.5 percent for the 2021 measurement period.

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68 - 77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

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<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60 - 69	60%	45%
70 - 79	75%	70%
80 and up	100%	90%

The most recent experience study was completed December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2021 are summarized below:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return**</u>
Cash and cash equivalents	0.00%	0.00%
Domestic equity	21.00%	3.60%
Non-US equity	14.00%	4.40%
Private markets	8.00%	6.80%
Core fixed income *	23.00%	1.10%
High yield fixed income	7.00%	3.00%
Private credit	5.00%	4.50%
U.S. inflation linked bonds*	17.00%	0.80%
Midstream energy infrastructure	5.00%	5.00%
Real assets	8.00%	5.90%
Gold	5.00%	2.40%
Private real estate	<u>12.00%</u>	4.80%
Total	<u>125.00%</u>	

Note: Assumptions are geometric

\* Levered 2x.

\*\*numbers include inflation

OP&F's Board of Trustees has incorporated the "risk parity" concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

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**Discount Rate** The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.50 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease <u>(6.50%)</u>	Current discount rate <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
City's proportionate share of the net pension liability	\$ 3,945,636	\$ 2,660,602	\$ 1,590,486

**B. DEFINED BENEFIT OPEB PLANS**

Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree’s years of service and age when they first enrolled in OPERS coverage.

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OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2022.

Ohio Police and Firemen's Disability and Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2022**

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2022, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded.

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

The City’s contractually required contribution to OP&F was \$5,892 for 2022. Of this amount, \$1,017 is reported as *due to other governments*.

***OPEB Liabilities or Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability or asset and total OPEB liability or asset for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year. OP&F’s total OPEB liability was measured as of December 31, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net OPEB liability or asset were based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net OPEB liability or asset - prior measurement date	0.013131%	0.041888%	
Proportion of the net OPEB liability or asset - current measurement date	<u>0.014133%</u>	<u>0.042587%</u>	
Change in proportionate share	<u>0.001002%</u>	<u>0.000699%</u>	
Proportionate share of the net			
OPEB asset	\$ (442,667)	\$ -	\$ (442,667)
OPEB liability	\$ -	\$ 466,792	\$ 466,792
OPEB expense	\$ (346,302)	\$ 47,359	\$ (298,943)

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2022**

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 21,235	\$ 21,235
Changes of assumptions	-	206,616	206,616
Changes in proportion and differences between City contributions and proportionate share of contributions	32,048	34,416	66,464
City contributions subsequent to the measurement date	-	5,892	5,892
Total deferred outflows of resources	<u>\$ 32,048</u>	<u>\$ 268,159</u>	<u>\$ 300,207</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 67,146	\$ 61,693	\$ 128,839
Net difference between projected and actual earnings on OPEB plan investments	211,033	42,166	253,199
Changes of assumptions	179,187	54,216	233,403
Changes in proportion and differences between City contributions and proportionate share of contributions	-	235	235
Total deferred inflows of resources	<u>\$ 457,366</u>	<u>\$ 158,310</u>	<u>\$ 615,676</u>

\$5,892 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or asset in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Year ending December 31:			
2023	\$ (256,608)	\$ 28,119	\$ (228,489)
2024	(92,292)	21,859	(70,433)
2025	(46,110)	23,773	(22,337)
2026	(30,308)	7,005	(23,303)
2027	-	11,872	11,872
Thereafter	-	11,329	11,329
Total	<u>\$ (425,318)</u>	<u>\$ 103,957</u>	<u>\$ (321,361)</u>

**Actuarial Assumptions - OPERS**

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



***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2022**

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability or asset was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Experience study	5 - year period ended December 31, 2020
Wage inflation	
Current measurement date	2.75 percent
Prior measurement date	3.25 percent
Projected salary increases, includes wage inflation	
Current measurement date	2.75 to 10.75 percent
Prior measurement date	3.25 to 10.75 percent
Single discount rate:	
Current measurement date	6.00 percent
Prior measurement date	6.00 percent
Investment rate of return:	
Current measurement date	6.00 percent
Prior measurement date	6.00 percent
Municipal bond rate:	
Current measurement date	1.84 percent
Prior measurement date	2.00 percent
Health care cost trend rate:	
Current measurement date	5.50 percent, initial 3.50 percent, ultimate in 2034
Prior measurement date	8.50 percent, initial 3.50 percent, ultimate in 2035
Actuarial cost method	Individual entry age normal

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

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

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2022**

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 14.3 percent for 2021.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2021 and the long-term expected real rates of return:

<u>Asset class</u>	<u>Target allocation</u>	<u>Weighted average long-term expected real rate of return (arithmetic)</u>
Fixed income	34.00%	0.91%
Domestic equities	25.00%	3.78%
Real estate investment trusts	7.00%	3.71%
International equities	25.00%	4.88%
Risk parity	2.00%	2.92%
Other investments	<u>7.00%</u>	<u>1.93%</u>
Total	<u>100.00%</u>	<u>3.45%</u>

**Discount Rate** - A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2021. A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 1.84%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2022**

**Sensitivity of the City’s Proportionate Share of the Net OPEB Liability or Asset to Changes in the Discount Rate** The following table presents the City’s proportionate share of the net OPEB liability or asset calculated using the single discount rate of 6.00 percent, as well as what the City’s proportionate share of the net OPEB liability or asset would be if it were calculated using a discount rate that is one percentage point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease <u>(5.00%)</u>	Current discount rate <u>(6.00%)</u>	1% Increase <u>(7.00%)</u>
Proportionate share of the net OPEB liability/(asset)	\$ (260,330)	\$ (442,667)	\$ (594,010)

**Sensitivity of the City’s Proportionate Share of the Net OPEB Liability or Asset to Changes in the Health Care Cost Trend Rate** Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability or asset. The following table presents the net OPEB liability or asset calculated using the assumed trend rates, and the expected net OPEB liability or asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

	1% Decrease	Current health care cost trend rate <u>assumption</u>	1% Increase
Proportionate share of the net OPEB liability/(asset)	(\$447,451)	(\$442,667)	(\$436,992)

Retiree health care valuations use a health care cost-trend assumption with changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

**Actuarial Assumptions – OP&F**

OP&F’s total OPEB liability as of December 31, 2021 is based on the results of an actuarial valuation date of January 1, 2021, rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2022**

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial cost method	Entry age normal
Investment rate of return	
Current measurement date	7.50 percent
Prior measurement date	8.00 percent
Projected salary increases	3.75 percent to 10.50 percent
Payroll growth	3.25 percent
Single discount rate:	
Current measurement date	2.84 percent
Prior measurement date	2.96 percent
Cost of living adjustments	2.20 percent simple

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68 - 77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60 - 69	60%	45%
70 - 79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016.

The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 14 A.

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2022**

**Discount Rate** - For 2021, the total OPEB liability was calculated using the discount rate of 2.84 percent. For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 7.5 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.05 percent at December 31, 2021, and 2.12 percent at December 31, 2020, was blended with the long-term rate of 7.5 percent for 2021 and 8 percent for 2020, which resulted in a blended discount rate of 2.84 percent for 2021 and 2.96 percent for 2020. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 2.84 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.84 percent), or one percentage point higher (3.84 percent), than the current rate.

	1% Decrease <u>(1.84%)</u>	Current discount rate <u>(2.84%)</u>	1% Increase <u>(3.84%)</u>
City's proportionate share of the net OPEB liability	\$ 586,768	\$ 466,792	\$ 368,172

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate** The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

**NOTE 15 - 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 members. The Plan has chosen to adopt the forms and endorsements of conventional insurance coverage and to reinsure these coverages 100%, rather than utilize a risk pool of member funds to pay individual and collective losses up to a given retention, and then have excess reinsurance coverage above the retention amount. Therefore, the City is only responsible for its self-retention (deductible) amount. The City's settled claims have not exceeded insurance coverage and has not had any reduction in insurance coverage in the past three years.

**City of Louisville, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2022**

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

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

The claims liability of \$2,636 reported in the funds at December 31, 2022 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims (IBNR), be reported. The claims liability is based on an estimate supplied by the City's third party administrator. Changes in the fund's claims liability amount in 2022 and 2021 were:

	Year ended <u>12/31/2022</u>	Year ended <u>12/31/2021</u>
Unpaid claims, beginning of fiscal year	\$ 3,509	\$ 2,409
Incurred claims (including IBNRs)	41,908	34,408
Claim payments	<u>(42,781)</u>	<u>(33,308)</u>
Unpaid claims, end of fiscal year	<u>\$ 2,636</u>	<u>\$ 3,509</u>

**NOTE 16 – CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

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Construction commitments

At December 31, 2022, the various projects within the City has contractual commitments consisting as follows:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Remaining Commitment</u>
Nickle Plate road widening and storm water improvements	\$ 1,149,027	\$ 363,339	\$ 785,688
City park renovations	16,880	13,800	3,080
Sidewalk replacement program	49,950	1,177	48,773
Public safety facility	164,920	45,396	119,524
Annual roadway repair	40,000	9,924	30,076
Waste water treatment plant upgrade	1,400,000	1,373,241	26,759

***City of Louisville, Ohio***  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2022**

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

<u>Fund</u>	<u>Year end encumbrances</u>
General fund	\$ 294,779
Street construction, maintenance and repair fund	181,698
Local fiscal recovery fund	756,349
Nonmajor governmental funds	<u>517,829</u>
Total	<u>\$ 1,750,655</u>

**NOTE 17 – JOINTLY GOVERNED ORGANIZATION**

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The City participates in the Stark County Council of Governments (the Council), which is a statutorily created political subdivision of the State. The Council is jointly governed among Stark County, municipalities and townships with twenty-four participants providing twenty-seven representatives, which direct the operations of the Stark County Metropolitan Narcotics Unit and the Stark County Crime Laboratory. The City appoints one representative which has a membership share based on the percentage of contractual financial contributions to the total funding. Each participant is entitled to vote its percentage share. The board exercises total authority over the operation of the Council including budgeting, appropriation, contracting and designating management. Continued existence of the Council is dependent on the County’s continued participation. The Council does not provide specific financial benefits or impose specific financial burdens on the City. The City does not have an equity interest in the Council. During 2022, the City did not contribute to the Council. Financial statements of the Council can be obtained from the Stark County Council of Governments P.O. Box 21451, Canton, Ohio 44701-1451.

**NOTE 18 – DISCRETELY PRESENTED COMPONENT UNIT**

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

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





**Required Supplementary Information**

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Ohio Public Employees Retirement System - Traditional Plan</b>				
City's proportion of the net pension liability	0.013225%	0.012351%	0.011767%	0.011987%
City's proportionate share of the net pension liability	\$ 1,150,629	\$ 1,828,914	\$ 2,325,827	\$ 3,282,996
City's covered payroll	\$ 1,919,379	\$ 1,739,543	\$ 1,655,643	\$ 1,798,886
City's proportionate share of the net pension liability as a percentage of its covered payroll	59.95%	105.14%	140.48%	182.50%
Plan fiduciary net position as a percentage of total pension liability	92.62%	86.88%	82.17%	74.70%
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Ohio Police and Fire Pension Fund</b>				
City's proportion of the net pension liability	0.042587%	0.041888%	0.041929%	0.040161%
City's proportionate share of the net pension liability	\$ 2,660,602	\$ 2,855,549	\$ 2,824,575	\$ 3,278,199
City's covered payroll	\$ 1,031,351	\$ 1,024,711	\$ 979,049	\$ 963,972
City's proportionate share of the net pension liability as a percentage of its covered payroll	257.97%	278.67%	288.50%	340.07%
Plan fiduciary net position as a percentage of total pension liability	75.03%	70.65%	69.89%	63.07%

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

(2) Restated during 2015.

2018	2017	2016	2015	2014
0.012143%	0.012323%	0.011884%	0.012634%	0.012634%
\$ 1,905,001	\$ 2,798,344	\$ 2,058,459	\$ 1,523,802	\$ 1,489,384
\$ 1,626,715	\$ 1,570,433	\$ 1,446,942	\$ 1,445,233	\$ 1,397,185
117.11%	178.19%	142.26%	105.44%	106.60%
84.66%	77.25%	81.08%	86.45%	86.36%

2018	2017	2016	2015	2014	(2)
0.039510%	0.039082%	0.040762%	0.033764%	0.033764%	
\$ 2,424,929	\$ 2,475,410	\$ 2,622,234	\$ 1,749,127	\$ 1,644,422	
\$ 885,007	\$ 846,141	\$ 854,166	\$ 650,589	\$ 537,418	
274.00%	292.55%	306.99%	268.85%	305.99%	
70.91%	68.36%	66.77%	71.71%	72.53%	

**City of Louisville, Ohio**  
**Required Supplementary Information**  
**Schedule of the City's Contributions**  
**Last Ten Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Ohio Public Employees Retirement System - Traditional Plan</b>					
Contractually required contribution	\$ 260,642	\$ 268,713	\$ 243,536	\$ 231,790	\$ 251,844
Contributions in relation to contractually required contribution	<u>(260,642)</u>	<u>(268,713)</u>	<u>(243,536)</u>	<u>(231,790)</u>	<u>(251,844)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 1,861,729	\$ 1,919,379	\$ 1,739,543	\$ 1,655,643	\$ 1,798,886
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Ohio Police and Fire Pension Fund</b>					
Contractually required contribution	\$ 228,482	\$ 219,162	\$ 217,751	\$ 208,048	\$ 204,844
Contributions in relation to contractually required contribution	<u>(228,482)</u>	<u>(219,162)</u>	<u>(217,751)</u>	<u>(208,048)</u>	<u>(204,844)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 1,075,209	\$ 1,031,351	\$ 1,024,711	\$ 979,049	\$ 963,972
Contributions as a percentage of covered payroll	21.25%	21.25%	21.25%	21.25%	21.25%

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 211,473	\$ 188,452	\$ 173,633	\$ 173,428	\$ 181,634
<u>(211,473)</u>	<u>(188,452)</u>	<u>(173,633)</u>	<u>(173,428)</u>	<u>(181,634)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,626,715	\$ 1,570,433	\$ 1,446,942	\$ 1,445,233	\$ 1,397,185
13.00%	12.00%	12.00%	12.00%	13.00%

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 188,064	\$ 179,805	\$ 171,602	\$ 132,460	\$ 91,791
<u>(188,064)</u>	<u>(179,805)</u>	<u>(171,602)</u>	<u>(132,460)</u>	<u>(91,791)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 885,007	\$ 846,141	\$ 854,166	\$ 650,589	\$ 537,418
21.25%	21.25%	20.09%	20.36%	17.08%

**City of Louisville, Ohio**

**Required Supplementary Information**

**Schedule of the City's Proportionate Share of the Net OPEB Liability or Asset**

**Last Six Years (1)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Ohio Public Employees Retirement System</b>				
City's proportion of the net OPEB liability or asset	0.014133%	0.013131%	0.012667%	0.012747%
City's proportionate share of the net OPEB liability (asset)	\$ (442,667)	\$ (233,939)	\$ 1,749,642	\$ 1,661,908
City's covered payroll	\$ 1,919,379	\$ 1,739,543	\$ 1,655,643	\$ 1,798,886
City's proportionate share of the net OPEB liability or asset as a percentage of its covered payroll	23.06%	13.45%	105.68%	92.39%
Plan fiduciary net position as a percentage of total OPEB liability or asset	128.23%	115.57%	47.80%	46.33%
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Ohio Police and Fire Pension Fund</b>				
City's proportion of the net OPEB liability	0.042587%	0.041888%	0.041929%	0.040161%
City's proportionate share of the net OPEB liability	\$ 466,792	\$ 443,811	\$ 414,165	\$ 365,727
City's covered payroll	\$ 1,129,800	\$ 1,122,800	\$ 1,027,400	\$ 1,055,800
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	41.32%	39.53%	40.31%	34.64%
Plan fiduciary net position as a percentage of total OPEB liability	46.86%	45.42%	47.10%	46.57%

(1) Information prior to 2017 is not available and the amounts presented are as of the City's measurement date which is the prior year end.

(2) Restated during 2018.

<u>2018</u>	<u>2017 (2)</u>
0.012544%	0.012765%
\$ 1,362,186	\$ 1,289,308
\$ 1,787,600	\$ 1,764,550
76.20%	73.07%
54.14%	54.05%

<u>2018</u>	<u>2017 (2)</u>
0.039510%	0.039082%
\$ 2,238,593	\$ 1,855,131
\$ 968,400	\$ 926,200
231.16%	200.29%
14.13%	15.96%

**City of Louisville, Ohio**  
**Required Supplementary Information**  
**Schedule of the City's Contributions - OPEB**  
**Last Ten Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Ohio Public Employees Retirement System</b>					
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 1,861,729	\$ 1,919,379	\$ 1,739,543	\$ 1,655,643	\$ 1,798,886
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Ohio Police and Fire Pension Fund</b>					
Contractually required contribution	\$ 5,892	\$ 5,649	\$ 5,614	\$ 5,137	\$ 5,279
Contributions in relation to contractually required contribution	<u>(5,892)</u>	<u>(5,649)</u>	<u>(5,614)</u>	<u>(5,137)</u>	<u>(5,279)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 1,178,400	\$ 1,129,800	\$ 1,122,800	\$ 1,027,400	\$ 1,055,800
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%	0.50%



<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 17,876	\$ 35,291	\$ 33,309	\$ 33,454	\$ 15,310
<u>(17,876)</u>	<u>(35,291)</u>	<u>(33,309)</u>	<u>(33,454)</u>	<u>(15,310)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,787,600	\$ 1,764,550	\$ 1,665,450	\$ 1,672,700	\$ 1,531,000
1.00%	2.00%	2.00%	2.00%	1.00%

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 4,842	\$ 4,631	\$ 4,422	\$ 3,477	\$ 21,962
<u>(4,842)</u>	<u>(4,631)</u>	<u>(4,422)</u>	<u>(3,477)</u>	<u>(21,962)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 968,400	\$ 926,200	\$ 884,400	\$ 695,400	\$ 582,546
0.50%	0.50%	0.50%	0.50%	3.77%

***City of Louisville, Ohio***  
**Notes to Required Supplementary Information**  
**For the Year Ended December 31, 2022**

**Net Pension Liability**

**Ohio Public Employees Retirement System (OPERS)**

Changes in benefit terms: There were no changes in benefit terms from the amounts reported.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2022. See the notes to the basic financial statements for the methods and assumptions in this calculation.

**Ohio Police and Fire Pension Fund**

Changes in benefit terms: There were no changes in benefit terms from the amounts reported.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2022. See the notes to the basic financial statements for the methods and assumptions in this calculation.

**Net OPEB Liability or Asset**

**Ohio Public Employees Retirement System (OPERS)**

Changes in benefit terms: There were no changes in benefit terms from the amounts reported.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2022. See the notes to the basic financial statements for the methods and assumptions in this calculation.

**Ohio Police and Fire Pension Fund**

Changes in benefit terms: There were no changes in benefit terms from the amounts reported.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2022. See the notes to the basic financial statements for the methods and assumptions in this calculation.



## **Combining Statements**

## Combining Statements – Nonmajor Governmental Funds

### Nonmajor Special Revenue Funds

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

- State Highway - To account for the portion (7 ½%) of gasoline taxes and vehicle registration fees restricted for maintenance of state highways.
- Motor Vehicle License - To account for vehicle registration fees received via the municipal permissive tax; used entirely for the purchase of material restricted to resurfacing City streets.
- Mayor's Court Computerization - To account for additional court fees restricted for computerization of the Mayor's court and for the acquisition and maintenance of legal research services for the Mayor's court.
- Emergency Services Charges - To account for fees committed to paramedic services of the Fire and EMS Departments.
- OneOhio Opioid Settlement - To account for funds received from the OneOhio settlement with national opioid distributors to combat the opioid epidemic within the City.
- Law Enforcement Continuing Professional Training - To account for monies restricted for continuing professional training for law enforcement officers.
- Law Enforcement Education - To account for fine monies restricted to educate the general public regarding drunk driving.
- Law Enforcement Trust - To account for forfeiture monies restricted to educate the general public regarding drug abuse.
- Storm Water – To account for the storm water user's fee committed for storm water maintenance and repairs.

### Nonmajor Debt Service Fund

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

### Nonmajor Capital Projects Fund

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

**City of Louisville, Ohio**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2022**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 939,763	\$ 1,665	\$ 258,674	\$ 1,200,102
Receivables:				
Accounts	141,170	-	-	141,170
Due from other governments	26,865	-	-	26,865
Materials and supplies inventory	7,572	-	-	7,572
Prepaid items	5,290	-	-	5,290
Assets held for resale	-	-	1,320,502	1,320,502
Total assets	<u>\$ 1,120,660</u>	<u>\$ 1,665</u>	<u>\$ 1,579,176</u>	<u>\$ 2,701,501</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ 4,015	\$ -	\$ 28,328	\$ 32,343
Accrued wages and benefits	7,309	-	-	7,309
Due to other governments	1,577	-	-	1,577
Claims payable	61	-	-	61
Total liabilities	<u>12,962</u>	<u>-</u>	<u>28,328</u>	<u>41,290</u>
Deferred inflows of resources:				
Unavailable revenue - other	<u>75,259</u>	<u>-</u>	<u>-</u>	<u>75,259</u>
Fund balances:				
Nonspendable	12,862	-	-	12,862
Restricted	115,258	-	-	115,258
Committed	904,319	1,665	1,550,848	2,456,832
Total fund balances	<u>1,032,439</u>	<u>1,665</u>	<u>1,550,848</u>	<u>2,584,952</u>
Total liabilities, deferred inflows of resources and fund balances				
	<u>\$ 1,120,660</u>	<u>\$ 1,665</u>	<u>\$ 1,579,176</u>	<u>\$ 2,701,501</u>

**City of Louisville, Ohio**

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

**Nonmajor Governmental Funds**

**For the Year Ended December 31, 2022**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Charges for services	\$ 565,536	\$ -	\$ -	\$ 565,536
Fines and forfeitures	4,507	-	-	4,507
Intergovernmental	289,885	-	301,106	590,991
Investment income	5,319	-	-	5,319
Rentals	-	-	59,963	59,963
Other	1,470	-	-	1,470
Total revenues	<u>866,717</u>	<u>-</u>	<u>361,069</u>	<u>1,227,786</u>
Expenditures:				
Current:				
General government	8,801	-	37,891	46,692
Security of persons and property	270,983	-	-	270,983
Transportation	885,875	-	-	885,875
Capital outlay	415,136	-	289,624	704,760
Debt service:				
Principal retirement	47,254	-	-	47,254
Interest and fiscal charges	1,322	-	-	1,322
Total expenditures	<u>1,629,371</u>	<u>-</u>	<u>327,515</u>	<u>1,956,886</u>
Excess of revenues (under) expenditures	<u>(762,654)</u>	<u>-</u>	<u>33,554</u>	<u>(729,100)</u>
Other financing sources:				
Sale of capital assets	20,183	-	-	20,183
Transfers - in	508,261	-	1,282,580	1,790,841
Total other financing sources	<u>528,444</u>	<u>-</u>	<u>1,282,580</u>	<u>1,811,024</u>
Net change in fund balance	(234,210)	-	1,316,134	1,081,924
Fund balances at beginning of year	<u>1,266,649</u>	<u>1,665</u>	<u>234,714</u>	<u>1,503,028</u>
Fund balances at end of year	<u>\$ 1,032,439</u>	<u>\$ 1,665</u>	<u>\$ 1,550,848</u>	<u>\$ 2,584,952</u>

**City of Louisville, Ohio**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2022**

	State Highway Fund	Motor Vehicle License Fund	Mayor's Court Computerization Fund	Emergency Services Charges Fund
Assets:				
Equity in pooled cash and cash equivalents	\$ 17,175	\$ 45,999	\$ 14,610	\$ 196,606
Receivables:				
Accounts	-	-	-	112,620
Due from other governments	20,295	6,570	-	-
Materials and supplies inventory	7,572	-	-	-
Prepaid items	266	-	-	5,024
Total assets	<u>\$ 45,308</u>	<u>\$ 52,569</u>	<u>\$ 14,610</u>	<u>\$ 314,250</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ 263	\$ -	\$ -	\$ 3,621
Accrued wages and benefits	-	-	-	7,309
Due to other governments	-	-	-	1,028
Claims payable	-	-	-	61
Total liabilities	<u>263</u>	<u>-</u>	<u>-</u>	<u>12,019</u>
Deferred inflows of resources:				
Unavailable revenue - other	<u>13,487</u>	<u>-</u>	<u>-</u>	<u>61,772</u>
Fund balances:				
Nonspendable	7,838	-	-	5,024
Restricted	23,720	52,569	14,610	-
Committed	-	-	-	235,435
Total fund balances	<u>31,558</u>	<u>52,569</u>	<u>14,610</u>	<u>240,459</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 45,308</u>	<u>\$ 52,569</u>	<u>\$ 14,610</u>	<u>\$ 314,250</u>



OneOhio Opioid Settlement Fund	Law Enforcement Continuing Professional Training Fund	Law Enforcement Education Fund	Law Enforcement Trust Fund	Storm Water Fund	Total Nonmajor Special Revenue Funds
\$ 1,470	\$ 941	\$ 2,679	\$ 19,269	\$ 641,014	\$ 939,763
-	-	-	-	28,550	141,170
-	-	-	-	-	26,865
-	-	-	-	-	7,572
-	-	-	-	-	5,290
<u>\$ 1,470</u>	<u>\$ 941</u>	<u>\$ 2,679</u>	<u>\$ 19,269</u>	<u>\$ 669,564</u>	<u>\$ 1,120,660</u>
\$ -	\$ -	\$ -	\$ -	\$ 131	\$ 4,015
-	-	-	-	-	7,309
-	-	-	-	549	1,577
-	-	-	-	-	61
-	-	-	-	680	12,962
-	-	-	-	-	75,259
-	-	-	-	-	12,862
1,470	941	2,679	19,269	-	115,258
-	-	-	-	668,884	904,319
<u>1,470</u>	<u>941</u>	<u>2,679</u>	<u>19,269</u>	<u>668,884</u>	<u>1,032,439</u>
<u>\$ 1,470</u>	<u>\$ 941</u>	<u>\$ 2,679</u>	<u>\$ 19,269</u>	<u>\$ 669,564</u>	<u>\$ 1,120,660</u>

**City of Louisville, Ohio**

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

**Nonmajor Special Revenue Funds**

**For the Year Ended December 31, 2022**

	State Highway Fund	Motor Vehicle License Fund	Mayor's Court Computerization Fund	Emergency Services Charges Fund
<b>Revenues:</b>				
Charges for services	\$ -	\$ -	\$ -	\$ 361,242
Fines and forfeitures	-	-	1,366	-
Intergovernmental	190,831	92,572	-	-
Investment income	-	5,319	-	-
Other	-	-	-	-
Total revenues	<u>190,831</u>	<u>97,891</u>	<u>1,366</u>	<u>361,242</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	-	3,260	-
Security of persons and property	-	-	-	269,983
Transportation	19,301	747,494	-	-
Capital outlay	365,243	-	-	495
<b>Debt service:</b>				
Principal retirement	-	-	-	47,254
Interest and fiscal charges	-	-	-	1,322
Total expenditures	<u>384,544</u>	<u>747,494</u>	<u>3,260</u>	<u>319,054</u>
Excess of revenues over (under) expenditures	<u>(193,713)</u>	<u>(649,603)</u>	<u>(1,894)</u>	<u>42,188</u>
<b>Other financing sources:</b>				
Sale of capital assets	-	-	-	20,183
Transfers - in	96,261	412,000	-	-
Total other financing sources	<u>96,261</u>	<u>412,000</u>	<u>-</u>	<u>20,183</u>
Net change in fund balance	(97,452)	(237,603)	(1,894)	62,371
Fund balances at beginning of year	129,010	290,172	16,504	178,088
Fund balances at end of year	<u>\$ 31,558</u>	<u>\$ 52,569</u>	<u>\$ 14,610</u>	<u>\$ 240,459</u>

OneOhio Opioid Settlement Fund	Law Enforcement Continuing Professional Training Fund	Law Enforcement Education Fund	Law Enforcement Trust Fund	Storm Water Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 204,294	\$ 565,536
-	-	760	2,381	-	4,507
-	6,482	-	-	-	289,885
-	-	-	-	-	5,319
1,470	-	-	-	-	1,470
<u>1,470</u>	<u>6,482</u>	<u>760</u>	<u>2,381</u>	<u>204,294</u>	<u>866,717</u>
-	5,541	-	-	-	8,801
-	-	-	1,000	-	270,983
-	-	-	-	119,080	885,875
-	-	-	-	49,398	415,136
-	-	-	-	-	47,254
-	-	-	-	-	1,322
-	<u>5,541</u>	<u>-</u>	<u>1,000</u>	<u>168,478</u>	<u>1,629,371</u>
<u>1,470</u>	<u>941</u>	<u>760</u>	<u>1,381</u>	<u>35,816</u>	<u>(762,654)</u>
-	-	-	-	-	20,183
-	-	-	-	-	508,261
-	-	-	-	-	528,444
1,470	941	760	1,381	35,816	(234,210)
-	-	1,919	17,888	633,068	1,266,649
<u>\$ 1,470</u>	<u>\$ 941</u>	<u>\$ 2,679</u>	<u>\$ 19,269</u>	<u>\$ 668,884</u>	<u>\$ 1,032,439</u>

Individual Fund Schedules of Revenues, Expenditures and  
Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual

**City of Louisville, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**General Fund**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Municipal income tax	\$ 4,375,045	\$ 5,284,288	\$ 5,322,159	\$ 37,871
Property and other taxes	518,600	506,856	506,856	-
Charges for services	165,900	165,500	165,400	(100)
Licenses and permits	168,184	170,842	161,665	(9,177)
Fines and forfeitures	28,200	13,697	12,862	(835)
Intergovernmental	295,400	355,822	350,243	(5,579)
Interest	155,900	118,029	120,721	2,692
Contributions and donations	20,800	7,500	8,900	1,400
Other	47,665	14,484	11,559	(2,925)
Total revenues	<u>5,775,694</u>	<u>6,637,018</u>	<u>6,660,365</u>	<u>23,347</u>
<u>Expenditures:</u>				
Current:				
General government				
Office of city council				
Personal services	45,400	51,900	44,165	7,735
Operations and maintenance	20,600	21,300	20,165	1,135
Total office of city council	<u>66,000</u>	<u>73,200</u>	<u>64,330</u>	<u>8,870</u>
Office of the city manager				
Personal services	256,300	251,809	251,664	145
Operations and maintenance	148,399	65,691	62,789	2,902
Total office of the city manager	<u>404,699</u>	<u>317,500</u>	<u>314,453</u>	<u>3,047</u>
Department of finance and tax				
Personal services	488,700	466,800	463,162	3,638
Operations and maintenance	107,625	109,125	103,068	6,057
Total department of finance and tax	<u>596,325</u>	<u>575,925</u>	<u>566,230</u>	<u>9,695</u>
Mayor's court				
Personal services	13,200	13,000	12,678	322
Operations and maintenance	16,200	11,500	3,559	7,941
Total mayor's court	<u>29,400</u>	<u>24,500</u>	<u>16,237</u>	<u>8,263</u>
Civil service commission				
Operations and maintenance	26,700	31,900	25,681	6,219
Division of lands and buildings				
Operations and maintenance	172,893	156,893	146,458	10,435

(Continued)

**City of Louisville, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**General Fund**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Department of law				
Personal services	55,500	62,300	61,729	571
Operations and maintenance	129,413	126,013	125,896	117
Total department of law	184,913	188,313	187,625	688
Other administrative				
Operations and maintenance	241,460	210,627	207,505	3,122
Total general government	1,722,390	1,578,858	1,528,519	50,339
Security of persons and property				
Division of police				
Personal services	1,650,500	1,597,800	1,568,995	28,805
Operations and maintenance	402,457	297,956	289,617	8,339
Total division of police	2,052,957	1,895,756	1,858,612	37,144
Division of fire				
Personal services	595,800	490,600	481,984	8,616
Operations and maintenance	306,031	301,711	298,909	2,802
Total division of fire	901,831	792,311	780,893	11,418
Division of street lighting				
Operations and maintenance	131,354	138,154	127,983	10,171
Division of traffic control maintenance				
Operations and maintenance	22,220	12,120	9,755	2,365
Division of fire prevention/inspections				
Personal services	12,800	9,100	9,060	40
Operations and maintenance	5,000	4,500	4,283	217
Total division of fire prevention/inspections	17,800	13,600	13,343	257
Total security of persons and property	3,126,162	2,851,941	2,790,586	61,355
Public health and welfare				
Board of health				
Operations and maintenance	116,622	88,322	84,861	3,461
Community environment				
Division of planning and development				
Personal services	218,200	156,500	148,329	8,171
Operations and maintenance	189,152	63,952	62,149	1,803
Total division of planning and development	407,352	220,452	210,478	9,974

(Continued)

**City of Louisville, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**General Fund**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Division of housing and building code				
Personal services	126,600	108,300	106,934	1,366
Operations and maintenance	22,629	7,029	6,455	574
Total division of housing and building code	149,229	115,329	113,389	1,940
Total community environment	556,581	335,781	323,867	11,914
Leisure time activities				
Division of parks				
Personal services	158,600	118,700	117,122	1,578
Operations and maintenance	229,182	191,882	186,230	5,652
Total division of parks	387,782	310,582	303,352	7,230
Special events				
Operations and maintenance	64,000	73,000	73,000	-
Total leisure time activities	451,782	383,582	376,352	7,230
Total expenditures	5,973,537	5,238,484	5,104,185	134,299
Excess of revenues over (under) expenditures	(197,843)	1,398,534	1,556,180	157,646
Other financing sources (uses):				
Sale of capital assets	11,000	6,000	6,000	-
Advances - in	-	149,366	149,366	-
Advances - out	-	(149,366)	(149,366)	-
Transfers - in	42,000	48,820	48,820	-
Transfers - out	(734,920)	(1,896,742)	(1,896,661)	81
Total other financing sources (uses)	(681,920)	(1,841,922)	(1,841,841)	81
Net change in fund balance	(879,763)	(443,388)	(285,661)	157,727
Fund balance at beginning of year	2,937,501	2,937,501	2,937,501	-
Prior year encumbrances appropriated	352,467	352,467	352,467	-
Fund balance at end of year	\$ 2,410,205	\$ 2,846,580	\$ 3,004,307	\$ 157,727

**City of Louisville, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Street Construction, Maintenance and Repair Fund**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$ 498,600	\$ 492,966	\$ 512,585	\$ 19,619
Contributions and donations	400	-	-	-
Other	700	796	756	(40)
Total revenues	<u>499,700</u>	<u>493,762</u>	<u>513,341</u>	<u>19,579</u>
<u>Expenditures:</u>				
Current:				
Transportation				
Division of street maintenance				
Personal services	445,900	430,970	424,529	6,441
Operations and maintenance	393,371	342,273	302,578	39,695
Total division of street maintenance	<u>839,271</u>	<u>773,243</u>	<u>727,107</u>	<u>46,136</u>
Division of snow and ice removal				
Operations and maintenance	133,347	128,347	127,207	1,140
Total expenditures	<u>972,618</u>	<u>901,590</u>	<u>854,314</u>	<u>47,276</u>
Excess of revenues under expenditures	<u>(472,918)</u>	<u>(407,828)</u>	<u>(340,973)</u>	<u>66,855</u>
Other financing sources:				
Transfers - in	<u>105,000</u>	<u>105,700</u>	<u>105,700</u>	<u>-</u>
Net change in fund balance	(367,918)	(302,128)	(235,273)	66,855
Fund balance at beginning of year	361,134	361,134	361,134	-
Prior year encumbrances appropriated	<u>165,018</u>	<u>165,018</u>	<u>165,018</u>	<u>-</u>
Fund balance at end of year	<u>\$ 158,234</u>	<u>\$ 224,024</u>	<u>\$ 290,879</u>	<u>\$ 66,855</u>



**City of Louisville, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Local Fiscal Recovery Fund**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 490,235	\$ 494,149	\$ 494,149	\$ -
<u>Expenditures:</u>				
Current:				
General government				
Department of finance and tax				
Operations and maintenance	978,906	982,820	982,820	-
Net change in fund balance	(488,671)	(488,671)	(488,671)	-
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	488,671	488,671	488,671	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

**City of Louisville, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**State Highway Fund**  
**For the Year Ended December 31, 2022**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$ 40,700	\$ 189,329	\$ 190,927	\$ 1,598
<u>Expenditures:</u>				
Current:				
Transportation				
Division of street maintenance				
Operations and maintenance	32,507	381,927	380,002	1,925
Division of snow and ice removal				
Operations and maintenance	10,576	9,976	10,130	(154)
Total expenditures	43,083	391,903	390,132	1,771
Excess of revenues under expenditures	(2,383)	(202,574)	(199,205)	3,369
Other financing sources (uses):				
Advances - in	-	149,366	149,366	-
Advances - out	-	(149,366)	(149,366)	-
Transfers - in	-	96,261	96,261	-
Total other financing sources (uses)	-	96,261	96,261	-
Net change in fund balance	(2,383)	(106,313)	(102,944)	3,369
Fund balance at beginning of year	111,010	111,010	111,010	-
Prior year encumbrances appropriated	3,183	3,183	3,183	-
Fund balance at end of year	<u>\$ 111,810</u>	<u>\$ 7,880</u>	<u>\$ 11,249</u>	<u>\$ 3,369</u>

**City of Louisville, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Motor Vehicle License Fund**  
**For the Year Ended December 31, 2022**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$ 91,400	\$ 93,174	\$ 93,174	\$ -
Interest	31,100	5,518	5,319	(199)
Total revenues	<u>122,500</u>	<u>98,692</u>	<u>98,493</u>	<u>(199)</u>
<u>Expenditures:</u>				
Current:				
Transportation				
Division of street construction				
Operations and maintenance	<u>677,176</u>	<u>777,576</u>	<u>777,570</u>	<u>6</u>
Excess of revenues under expenditures	<u>(554,676)</u>	<u>(678,884)</u>	<u>(679,077)</u>	<u>(193)</u>
Other financing sources:				
Transfers - in	<u>300,000</u>	<u>412,000</u>	<u>412,000</u>	<u>-</u>
Net change in fund balance	(254,676)	(266,884)	(267,077)	(193)
Fund balance at beginning of year	155,824	155,824	155,824	-
Prior year encumbrances appropriated	<u>127,176</u>	<u>127,176</u>	<u>127,176</u>	<u>-</u>
Fund balance at end of year	<u>\$ 28,324</u>	<u>\$ 16,116</u>	<u>\$ 15,923</u>	<u>\$ (193)</u>

**City of Louisville, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Mayor's Court Computerization Fund**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Fines and forfeitures	\$ 2,100	\$ 1,411	\$ 1,366	\$ (45)
<u>Expenditures:</u>				
Current:				
General government				
Mayor's court				
Operations and maintenance	4,000	3,300	3,260	40
Net change in fund balance	(1,900)	(1,889)	(1,894)	(5)
Fund balance at beginning of year	16,504	16,504	16,504	-
Fund balance at end of year	<u>\$ 14,604</u>	<u>\$ 14,615</u>	<u>\$ 14,610</u>	<u>\$ (5)</u>

**City of Louisville, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Emergency Services Charges Fund**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Charges for services	\$ 385,400	\$ 359,928	\$ 364,617	\$ 4,689
Intergovernmental	15,400	-	-	-
Total revenues	400,800	359,928	364,617	4,689
<u>Expenditures:</u>				
Current:				
Security of persons and property				
Division of emergency services				
Personal services	343,000	228,599	223,487	5,112
Operations and maintenance	122,306	120,107	115,439	4,668
Total expenditures	465,306	348,706	338,926	9,780
Excess of revenues under expenditures	(64,506)	11,222	25,691	14,469
Other financing sources:				
Sale of capital assets	100	20,183	20,183	-
Net change in fund balance	(64,406)	31,405	45,874	14,469
Fund balance at beginning of year	118,404	118,404	118,404	-
Prior year encumbrances appropriated	15,506	15,506	15,506	-
Fund balance at end of year	\$ 69,504	\$ 165,315	\$ 179,784	\$ 14,469

**City of Louisville, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**OneOhio Opioid Settlement Fund**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Other	\$ 1,470	\$ 1,470	\$ 1,470	\$ -
<u>Expenditures:</u>				
Current:				
Security of persons and property				
Division of police				
Operations and maintenance	1,470	3,300	-	3,300
Net change in fund balance	-	(1,830)	1,470	3,300
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ (1,830)	\$ 1,470	\$ 3,300

**City of Louisville, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Law Enforcement Continuing Professional Training Fund**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$ 6,482	\$ 6,482	\$ 6,482	\$ -
<u>Expenditures:</u>				
Current:				
Security of persons and property				
Division of police				
Operations and maintenance	5,541	5,541	5,541	-
Net change in fund balance	941	941	941	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ 941</u>	<u>\$ 941</u>	<u>\$ 941</u>	<u>\$ -</u>

**City of Louisville, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Law Enforcement Education Fund**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and forfeitures	\$ 800	\$ 774	\$ 760	\$ (14)
<u>Expenditures:</u>				
Current:				
Security of persons and property				
Division of police				
Operations and maintenance	1,500	-	-	-
Net change in fund balance	(700)	774	760	(14)
Fund balance at beginning of year	1,919	1,919	1,919	-
Fund balance at end of year	\$ 1,219	\$ 2,693	\$ 2,679	\$ (14)



**City of Louisville, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Law Enforcement Trust Fund**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and forfeitures	\$ 700	\$ 2,381	\$ 2,381	\$ -
<u>Expenditures:</u>				
Current:				
Security of persons and property				
Division of police				
Operations and maintenance	6,000	13,000	7,000	6,000
Net change in fund balance	(5,300)	(10,619)	(4,619)	6,000
Fund balance at beginning of year	11,888	11,888	11,888	-
Prior year encumbrances appropriated	6,000	6,000	6,000	-
Fund balance at end of year	\$ 12,588	\$ 7,269	\$ 13,269	\$ 6,000

**City of Louisville, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Storm Water Fund**  
**For the Year Ended December 31, 2022**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Charges for services	\$ 216,200	\$ 222,405	\$ 223,270	\$ 865
<u>Expenditures:</u>				
Current:				
Transportation				
Division of storm water maintenance				
Operations and maintenance	746,038	485,038	468,453	16,585
Net change in fund balance	(529,838)	(262,633)	(245,183)	17,450
Fund balance at beginning of year	281,304	281,304	281,304	-
Prior year encumbrances appropriated	304,238	304,238	304,238	-
Fund balance at end of year	<u>\$ 55,704</u>	<u>\$ 322,909</u>	<u>\$ 340,359</u>	<u>\$ 17,450</u>

**City of Louisville, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Debt Retirement Fund**  
**For the Year Ended December 31, 2022**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Total expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	1,665	1,665	1,665	-
Fund balance at end of year	<u>\$ 1,665</u>	<u>\$ 1,665</u>	<u>\$ 1,665</u>	<u>\$ -</u>

**City of Louisville, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Capital Improvements Fund**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ -	\$ 301,106	\$ 301,106
Rentals	-	59,963	59,963	-
Total revenues	\$ -	\$ 59,963	\$ 361,069	\$ 301,106
<u>Expenditures:</u>				
Current:				
General government				
Division of lands and buildings				
Operations and maintenance	825,865	1,545,265	1,846,286	(301,021)
Excess of revenues under expenditures	(825,865)	(1,485,302)	(1,485,217)	85
Other financing sources:				
Transfers - in	557,183	1,282,580	1,282,580	-
Net change in fund balance	(268,682)	(202,722)	(202,637)	85
Fund balance at beginning of year	42,817	42,817	42,817	-
Prior year encumbrances appropriated	230,865	230,865	230,865	-
Fund balance at end of year	\$ 5,000	\$ 70,960	\$ 71,045	\$ 85



Individual Fund Schedules of Revenues, Expenses and  
Changes in Net Position – Budget (Non-GAAP Basis) and Actual

**City of Louisville, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Net Position - Budget (Non-GAAP Basis) and Actual**  
**Water Fund**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Charges for services	\$ 1,528,800	\$ 1,691,586	\$ 1,684,696	\$ (6,890)
Tap-in fees	13,000	37,158	36,150	(1,008)
Total revenues	1,541,800	1,728,744	1,720,846	(7,898)
<u>Expenses:</u>				
Personal services	505,400	493,500	486,895	6,605
Fringe benefits	193,300	185,000	181,342	3,658
Contractual services	406,974	285,905	260,344	25,561
Materials and supplies	102,031	120,000	104,587	15,413
Capital outlay	1,127,175	1,082,575	919,190	163,385
Total expenses	2,334,880	2,166,980	1,952,358	214,622
Operating loss	(793,080)	(438,236)	(231,512)	206,724
Nonoperating revenue (expenses):				
Municipal income taxes	202,800	75,318	62,176	(13,142)
Sale of capital assets	-	951	951	-
Principal retirement	(206,351)	(165,551)	(165,410)	141
Interest and fiscal charges	(28,155)	(27,155)	(27,163)	(8)
Total nonoperating revenue (expenses)	(31,706)	(116,437)	(129,446)	(13,009)
Income (loss) before other financing sources (uses)	(824,786)	(554,673)	(360,958)	193,715
Other financing sources (uses):				
Transfers - in	81,500	25,000	25,000	-
Transfers - out	(163,000)	(50,000)	(50,000)	-
Total other financing sources (uses)	(81,500)	(25,000)	(25,000)	-
Change in fund position	(906,286)	(579,673)	(385,958)	193,715
Net position at beginning of year	2,944,697	2,944,697	2,944,697	-
Prior year encumbrances appropriated	773,986	773,986	773,986	-
Net position at end of year	\$ 2,812,397	\$ 3,139,010	\$ 3,332,725	\$ 193,715

**City of Louisville, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Net Position - Budget (Non-GAAP Basis) and Actual**  
**Sewer Fund**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Charges for services	\$ 1,475,500	\$ 1,614,536	\$ 1,622,876	\$ 8,340
Tap-in fees	13,500	41,611	39,580	(2,031)
Total revenues	1,489,000	1,656,147	1,662,456	6,309
<u>Expenses:</u>				
Personal services	500,500	498,500	491,620	6,880
Fringe benefits	194,500	188,900	184,985	3,915
Contractual services	399,277	478,851	391,589	87,262
Materials and supplies	81,184	101,150	87,837	13,313
Capital outlay	3,285,038	5,128,361	4,573,452	554,909
Total expenses	4,460,499	6,395,762	5,729,483	666,279
Operating loss	(2,971,499)	(4,739,615)	(4,067,027)	672,588
Nonoperating revenue (expenses):				
Municipal income tax	-	-	12,176	12,176
Sale of capital assets	-	302	302	-
Principal retirement	(42,300)	(42,300)	(42,253)	47
Interest and fiscal charges	-	(2,127)	(2,127)	-
Total nonoperating revenue (expenses)	(42,300)	(44,125)	(31,902)	12,223
Loss before other financing sources (uses)	(3,013,799)	(4,783,740)	(4,098,929)	684,811
Other financing sources:				
Proceeds of OPWC loans	-	436,407	436,407	-
Proceeds of OWDA loans	-	1,480,143	1,480,143	-
Transfers - in	81,500	25,000	25,000	-
Total other financing sources	81,500	1,941,550	1,941,550	-
Change in fund position	(2,932,299)	(2,842,190)	(2,157,379)	684,811
Net position at beginning of year	888,167	888,167	888,167	-
Prior year encumbrances appropriated	3,138,499	3,138,499	3,138,499	-
Net position at end of year	\$ 1,094,367	\$ 1,184,476	\$ 1,869,287	\$ 684,811



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## STATISTICAL SECTION



## Statistical Section

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

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

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

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

	<u>2022</u>	<u>2021</u>	Restated <u>2020 (2)</u>	<u>2019</u>	<u>2018</u>
<b><u>Governmental Activities</u></b>					
Net investment in capital assets	\$ 12,057,617	\$ 11,914,371	\$ 11,862,588	\$ 12,151,973	\$ 12,094,042
Restricted	842,730	1,262,803	1,579,733	1,296,951	1,090,384
Unrestricted	<u>2,717,999</u>	<u>1,014,817</u>	<u>(715,791)</u>	<u>(888,354)</u>	<u>(2,336,785)</u>
Total governmental activities net position	<u>15,618,346</u>	<u>14,191,991</u>	<u>12,726,530</u>	<u>12,560,570</u>	<u>10,847,641</u>
<b><u>Business-Type Activities</u></b>					
Net investment in capital assets	18,452,909	16,997,145	13,375,903	12,942,821	12,207,266
Unrestricted	<u>5,466,933</u>	<u>6,579,229</u>	<u>8,550,707</u>	<u>7,086,484</u>	<u>6,567,976</u>
Total business-type activities net position	<u>23,919,842</u>	<u>23,576,374</u>	<u>21,926,610</u>	<u>20,029,305</u>	<u>18,775,242</u>
<b><u>Primary Government</u></b>					
Net investment in capital assets	30,510,526	28,911,516	25,238,491	25,094,794	24,301,308
Restricted	842,730	1,262,803	1,579,733	1,296,951	1,090,384
Unrestricted	<u>8,184,932</u>	<u>7,594,046</u>	<u>7,834,916</u>	<u>6,198,130</u>	<u>4,231,191</u>
Total primary government net position	<u>\$ 39,538,188</u>	<u>\$ 37,768,365</u>	<u>\$ 34,653,140</u>	<u>\$ 32,589,875</u>	<u>\$ 29,622,883</u>

Source: City of Louisville basic financial statements.

(1) Accrual basis of accounting.

(2) The City restated to correct an overstatement of accounts payable and expenditures at December 31, 2020.

(3) The City implemented GASB 75 during 2018 and as a result 2017 was restated.

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

Restated <u>2017 (3)</u>	<u>2016</u>	<u>2015</u>	Restated <u>2014 (4)</u>	<u>2013</u>
\$ 12,008,865	\$ 12,281,304	\$ 12,229,376	\$ 12,214,763	\$ 12,033,892
963,782	845,644	750,487	592,027	731,396
<u>(1,737,697)</u>	<u>1,190,011</u>	<u>1,005,040</u>	<u>763,304</u>	<u>3,360,551</u>
<u>11,234,950</u>	<u>14,316,959</u>	<u>13,984,903</u>	<u>13,570,094</u>	<u>16,125,839</u>
10,587,689	10,502,851	10,336,346	9,916,725	9,923,854
<u>6,845,993</u>	<u>5,809,480</u>	<u>4,370,633</u>	<u>3,336,946</u>	<u>2,718,611</u>
<u>17,433,682</u>	<u>16,312,331</u>	<u>14,706,979</u>	<u>13,253,671</u>	<u>12,642,465</u>
22,596,554	22,784,155	22,565,722	22,131,488	21,957,746
963,782	845,644	750,487	592,027	731,396
<u>5,108,296</u>	<u>6,999,491</u>	<u>5,375,673</u>	<u>4,100,250</u>	<u>6,079,162</u>
<u>\$ 28,668,632</u>	<u>\$ 30,629,290</u>	<u>\$ 28,691,882</u>	<u>\$ 26,823,765</u>	<u>\$ 28,768,304</u>

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Expenses</b>					
Governmental Activities:					
General government	\$ 1,468,400	\$ 849,650	\$ 1,494,121	\$ 1,499,084	\$ 1,316,959
Security of persons and property	3,234,605	3,004,083	3,355,203	1,608,618	3,426,558
Public health and welfare	83,103	89,724	72,969	74,924	95,667
Transportation	1,852,607	1,589,289	1,239,354	1,518,504	1,175,784
Community environment	214,879	126,456	484,905	399,922	298,476
Basic utility services	-	-	484	-	-
Leisure time activities	261,405	181,234	152,517	206,336	182,535
Interest and fiscal charges	13,585	21,675	26,284	29,587	35,323
Total governmental activities expenses	<u>7,128,584</u>	<u>5,862,111</u>	<u>6,825,837</u>	<u>5,336,975</u>	<u>6,531,302</u>
Business-Type Activities:					
Water	1,360,413	1,022,987	1,271,667	1,431,940	1,160,327
Sewer	1,440,816	1,184,348	1,379,835	1,417,140	1,361,080
Total business-type activities expenses	<u>2,801,229</u>	<u>2,207,335</u>	<u>2,651,502</u>	<u>2,849,080</u>	<u>2,521,407</u>
Total primary government expenses	<u>\$ 9,929,813</u>	<u>\$ 8,069,446</u>	<u>\$ 9,477,339</u>	<u>\$ 8,186,055</u>	<u>\$ 9,052,709</u>
<b>Program Revenues</b>					
Governmental Activities:					
Charges for services					
General government	\$ 234,820	\$ 169,096	\$ 163,985	\$ 185,434	\$ 292,143
Security of persons and property	354,082	387,367	359,373	373,112	449,375
Transportation	205,050	214,579	208,218	225,813	206,272
Community environment	161,665	175,870	169,061	172,960	65,441
Leisure time activities	6,200	6,888	565	5,023	5,910
Operating grants, contributions and interest	1,046,733	707,467	1,275,733	649,395	576,082
Capital grants and contributions	323,892	-	-	75,806	-
Total governmental activities program revenues	<u>2,332,442</u>	<u>1,661,267</u>	<u>2,176,935</u>	<u>1,687,543</u>	<u>1,595,223</u>
Business-Type Activities:					
Charges for services					
Water	1,571,335	1,564,405	1,627,621	1,469,313	1,397,230
Sewer	1,508,690	1,478,280	1,464,344	1,358,995	1,285,310
Operating grants, contributions and interest	-	-	-	-	-
Capital grants and contributions	-	750,000	207,000	9,965	-
Total business-type activities program revenues	<u>3,080,025</u>	<u>3,792,685</u>	<u>3,298,965</u>	<u>2,838,273</u>	<u>2,682,540</u>
Total primary government program revenues	<u>\$ 5,412,467</u>	<u>\$ 5,453,952</u>	<u>\$ 5,475,900</u>	<u>\$ 4,525,816</u>	<u>\$ 4,277,763</u>
<b>Net (expense)/revenue</b>					
Governmental activities	\$ (4,796,142)	\$ (4,200,844)	\$ (4,648,902)	\$ (3,649,432)	\$ (4,936,079)
Business-type activities	278,796	1,585,350	647,463	(10,807)	161,133
Total primary government net expense	<u>\$ (4,517,346)</u>	<u>\$ (2,615,494)</u>	<u>\$ (4,001,439)</u>	<u>\$ (3,660,239)</u>	<u>\$ (4,774,946)</u>

**CITY OF LOUISVILLE, OHIO**

**Changes in Net Position (1)**

**Last Ten Years**

**Continued**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Property taxes levied for:					
General purposes	\$ 508,787	\$ 468,655	\$ 456,092	\$ 457,861	\$ 399,997
Income tax levied for:					
General purposes	5,740,923	4,874,906	3,748,356	3,794,626	3,536,558
Grants and entitlements not restricted to specific programs	332,974	344,504	280,880	247,161	258,997
Gain on sale of capital assets	-	-	-	-	-
Investment earnings	(384,263)	(87,155)	290,113	309,251	168,956
Other	24,076	65,395	8,866	553,462	184,262
Transfers	-	-	-	-	-
Total governmental activities	<u>6,222,497</u>	<u>5,666,305</u>	<u>4,784,307</u>	<u>5,362,361</u>	<u>4,548,770</u>
Business-Type Activities:					
Income tax levied for:					
Water utility services	32,336	4,390	727,927	717,152	600,418
Sewer utility services	32,336	60,024	521,915	547,718	578,234
Other	-	-	-	-	1,775
Transfers	-	-	-	-	-
Total business-type activities	<u>64,672</u>	<u>64,414</u>	<u>1,249,842</u>	<u>1,264,870</u>	<u>1,180,427</u>
Total primary government	<u>\$ 6,287,169</u>	<u>\$ 5,730,719</u>	<u>\$ 6,034,149</u>	<u>\$ 6,627,231</u>	<u>\$ 5,729,197</u>
<b>Change in net position</b>					
Governmental activities	\$ 1,426,355	\$ 1,465,461	\$ 135,405	\$ 1,712,929	\$ (387,309)
Business-type activities	343,468	1,649,764	1,897,305	1,254,063	1,341,560
Total primary government	<u>\$ 1,769,823</u>	<u>\$ 3,115,225</u>	<u>\$ 2,032,710</u>	<u>\$ 2,966,992</u>	<u>\$ 954,251</u>

Source: City of Louisville basic financial statements.

(1) Accrual basis of accounting.

**CITY OF LOUISVILLE, OHIO**  
**Changes in Net Position (1)**  
**Last Ten Years**  
**Continued**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Expenses</b>					
Governmental Activities:					
General government	\$ 1,452,835	\$ 1,045,516	\$ 1,118,995	\$ 1,181,784	\$ 1,063,115
Security of persons and property	3,042,626	2,895,871	2,500,837	2,398,630	2,169,438
Public health and welfare	113,804	94,167	90,079	81,088	79,746
Transportation	1,063,987	996,489	835,810	1,068,168	1,014,335
Community environment	308,542	261,543	291,723	295,526	204,758
Basic utility services	-	-	-	-	-
Leisure time activities	185,225	181,311	201,622	205,010	209,294
Interest and fiscal charges	33,705	26,193	14,623	7,611	11,125
Total governmental activities expenses	<u>6,200,724</u>	<u>5,501,090</u>	<u>5,053,689</u>	<u>5,237,817</u>	<u>4,751,811</u>
Business-Type Activities:					
Water	1,172,017	1,056,055	1,106,846	1,151,358	1,103,801
Sewer	1,011,187	958,109	966,393	1,092,329	1,095,660
Total business-type activities expenses	<u>2,183,204</u>	<u>2,014,164</u>	<u>2,073,239</u>	<u>2,243,687</u>	<u>2,199,461</u>
Total primary government expenses	<u>\$ 8,383,928</u>	<u>\$ 7,515,254</u>	<u>\$ 7,126,928</u>	<u>\$ 7,481,504</u>	<u>\$ 6,951,272</u>
<b>Program Revenues</b>					
Governmental Activities:					
Charges for services					
General government	\$ 259,659	\$ 255,490	\$ 238,558	\$ 238,853	\$ 232,077
Security of persons and property	345,998	368,166	335,212	282,619	384,506
Transportation	201,519	201,900	154,036	142,775	137,923
Community environment	57,826	56,855	48,819	49,813	42,119
Leisure time activities	5,198	5,545	6,704	7,005	8,153
Operating grants, contributions and interest	650,272	584,732	577,606	486,861	472,525
Capital grants and contributions	-	-	27,250	21,175	133,801
Total governmental activities program revenues	<u>1,520,472</u>	<u>1,472,688</u>	<u>1,388,185</u>	<u>1,229,101</u>	<u>1,411,104</u>
Business-Type Activities:					
Charges for services					
Water	1,270,817	1,226,405	1,304,450	1,140,104	1,045,752
Sewer	1,223,956	1,211,860	1,242,146	1,090,972	1,027,080
Operating grants, contributions and interest	-	-	-	-	9,940
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>2,494,773</u>	<u>2,438,265</u>	<u>2,546,596</u>	<u>2,231,076</u>	<u>2,082,772</u>
Total primary government program revenues	<u>\$ 4,015,245</u>	<u>\$ 3,910,953</u>	<u>\$ 3,934,781</u>	<u>\$ 3,460,177</u>	<u>\$ 3,493,876</u>
<b>Net (expense)/revenue</b>					
Governmental activities	\$ (4,680,252)	\$ (4,028,402)	\$ (3,665,504)	\$ (4,008,716)	\$ (3,340,707)
Business-type activities	311,569	424,101	473,357	(12,611)	(116,689)
Total primary government net expense	<u>\$ (4,368,683)</u>	<u>\$ (3,604,301)</u>	<u>\$ (3,192,147)</u>	<u>\$ (4,021,327)</u>	<u>\$ (3,457,396)</u>



**CITY OF LOUISVILLE, OHIO**

**Changes in Net Position (1)**

**Last Ten Years**

**Continued**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Property taxes levied for:					
General purposes	\$ 409,494	\$ 423,129	\$ 359,702	\$ 348,892	\$ 345,077
Income tax levied for:					
General purposes	3,611,791	3,538,813	3,318,897	3,214,022	3,007,404
Grants and entitlements not restricted to specific programs	192,844	220,627	219,958	234,565	362,979
Gain on sale of capital assets	-	119,017	-	1,206	-
Investment earnings	71,596	22,758	4,445	1,798	380
Other	40,096	36,114	53,186	32,981	104,350
Transfers	-	-	124,125	-	-
Total governmental activities	<u>4,325,821</u>	<u>4,360,458</u>	<u>4,080,313</u>	<u>3,833,464</u>	<u>3,820,190</u>
Business-Type Activities:					
Income tax levied for:					
Water utility services	898,261	869,245	729,063	601,286	505,613
Sewer utility services	305,664	309,031	374,453	469,956	496,858
Other	-	2,975	560	-	-
Transfers	-	-	(124,125)	-	-
Total business-type activities	<u>1,203,925</u>	<u>1,181,251</u>	<u>979,951</u>	<u>1,071,242</u>	<u>1,002,471</u>
Total primary government	<u>\$ 5,529,746</u>	<u>\$ 5,541,709</u>	<u>\$ 5,060,264</u>	<u>\$ 4,904,706</u>	<u>\$ 4,822,661</u>
<b>Change in net position</b>					
Governmental activities	\$ (354,431)	\$ 332,056	\$ 414,809	\$ (175,252)	\$ 479,483
Business-type activities	1,515,494	1,605,352	1,453,308	1,058,631	885,782
Total primary government	<u>\$ 1,161,063</u>	<u>\$ 1,937,408</u>	<u>\$ 1,868,117</u>	<u>\$ 883,379</u>	<u>\$ 1,365,265</u>

Source: City of Louisville basic financial statements.

(1) Accrual basis of accounting.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Fund					
Nonspendable	\$ 20,268	\$ 27,145	\$ 28,175	\$ 34,287	\$ 42,236
Assigned	332,479	909,390	993,608	787,258	930,905
Unassigned	<u>2,918,481</u>	<u>2,867,995</u>	<u>2,714,072</u>	<u>2,448,717</u>	<u>2,081,866</u>
Total general fund	<u>\$ 3,271,228</u>	<u>\$ 3,804,530</u>	<u>\$ 3,735,855</u>	<u>\$ 3,270,262</u>	<u>\$ 3,055,007</u>
All Other Governmental Funds					
Nonspendable	\$ 89,910	\$ 115,185	\$ 116,739	\$ 180,346	\$ 116,327
Restricted	646,635	1,040,678	1,347,782	1,005,255	897,574
Committed	<u>2,456,832</u>	<u>1,038,165</u>	<u>789,265</u>	<u>775,105</u>	<u>649,686</u>
Total all other governmental funds	<u>\$ 3,193,377</u>	<u>\$ 2,194,028</u>	<u>\$ 2,253,786</u>	<u>\$ 1,960,706</u>	<u>\$ 1,663,587</u>

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

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 37,003	\$ 36,835	\$ 9,656	\$ 8,490	\$ 7,810
1,081,341	847,582	534,215	102,453	1,030,771
<u>1,942,340</u>	<u>1,979,422</u>	<u>2,215,335</u>	<u>2,425,929</u>	<u>1,650,589</u>
<u>\$ 3,060,684</u>	<u>\$ 2,863,839</u>	<u>\$ 2,759,206</u>	<u>\$ 2,536,872</u>	<u>\$ 2,689,170</u>
\$ 121,187	\$ 151,126	\$ 115,007	\$ 52,442	\$ 63,643
756,385	575,760	511,700	434,601	558,624
<u>551,172</u>	<u>411,280</u>	<u>341,992</u>	<u>350,370</u>	<u>348,895</u>
<u>\$ 1,428,744</u>	<u>\$ 1,138,166</u>	<u>\$ 968,699</u>	<u>\$ 837,413</u>	<u>\$ 971,162</u>

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b><u>Revenues</u></b>										
Taxes	\$ 5,904,276	\$ 5,029,930	\$ 4,088,927	\$ 4,169,574	\$ 4,069,068	\$ 4,030,234	\$ 3,668,779	\$ 3,675,861	\$ 3,551,081	\$ 3,369,640
Charges for services	730,936	739,236	685,318	780,631	693,139	675,343	671,376	591,617	569,033	573,919
Fines, licenses and permits	178,993	190,090	184,693	214,934	285,800	195,144	184,758	166,889	197,463	184,963
Intergovernmental revenues	1,678,227	992,091	1,519,879	860,680	829,992	892,730	803,716	816,170	745,403	1,368,270
Investment income	(378,944)	(60,780)	315,870	314,323	176,039	74,339	23,924	4,664	1,909	392
Contributions and donations	8,900	25,155	4,700	42,953	8,620	7,600	9,491	8,310	4,050	5,025
Rentals	59,963	-	-	-	-	-	-	-	-	-
Other	12,880	45,874	3,869	566,909	196,703	35,117	35,470	54,002	34,729	108,625
Total revenues	<u>8,195,231</u>	<u>6,961,596</u>	<u>6,803,256</u>	<u>6,950,004</u>	<u>6,259,361</u>	<u>5,910,507</u>	<u>5,397,514</u>	<u>5,317,513</u>	<u>5,103,668</u>	<u>5,610,834</u>
<b><u>Expenditures</u></b>										
General government	1,612,808	1,251,295	1,312,873	1,222,225	1,211,723	1,047,651	953,372	1,058,754	1,116,650	1,013,492
Security of persons and property	2,938,031	2,680,903	2,734,264	2,760,245	2,796,723	2,522,778	2,393,046	2,265,913	2,189,232	2,004,392
Public health and welfare	83,103	89,724	72,969	74,924	95,667	113,804	94,167	90,079	81,088	79,746
Transportation	1,535,201	1,392,874	757,572	985,549	726,615	599,030	626,022	512,457	791,766	768,679
Community environment	278,154	329,416	443,840	316,886	270,729	263,441	253,266	291,349	286,094	196,848
Basic utility services	-	-	484	-	-	-	-	-	-	-
Leisure time activities	231,672	211,737	89,922	132,755	107,188	115,646	111,898	121,746	128,965	136,631
Capital outlay	920,448	728,961	500,913	840,976	777,837	582,937	1,472,416	458,588	1,028,059	941,200
Debt service:										
Principal retirement	140,559	248,747	244,855	192,668	196,952	153,028	261,148	150,045	156,500	114,352
Interest and fiscal charges	15,391	23,522	28,116	31,402	37,116	35,486	10,733	14,962	7,987	11,539
Total expenditures	<u>7,755,367</u>	<u>6,957,179</u>	<u>6,185,808</u>	<u>6,557,630</u>	<u>6,220,550</u>	<u>5,433,801</u>	<u>6,176,068</u>	<u>4,963,893</u>	<u>5,786,341</u>	<u>5,266,879</u>
Excess of revenues over (under) expenditures	<u>439,864</u>	<u>4,417</u>	<u>617,448</u>	<u>392,374</u>	<u>38,811</u>	<u>476,706</u>	<u>(778,554)</u>	<u>353,620</u>	<u>(682,673)</u>	<u>343,955</u>
<b><u>Other financing sources (uses)</u></b>										
Inception of financed purchases	-	-	141,225	120,000	167,838	-	921,479	-	377,126	-
Sale of capital assets	26,183	4,500	-	-	22,517	10,717	131,175	-	19,500	24,854
Transfers in	1,896,541	911,450	479,400	654,075	558,700	479,350	438,750	454,150	471,700	316,620
Transfers out	<u>(1,896,541)</u>	<u>(911,450)</u>	<u>(479,400)</u>	<u>(654,075)</u>	<u>(558,700)</u>	<u>(479,350)</u>	<u>(438,750)</u>	<u>(454,150)</u>	<u>(471,700)</u>	<u>(316,620)</u>
Total other financing sources (uses)	<u>26,183</u>	<u>4,500</u>	<u>141,225</u>	<u>120,000</u>	<u>190,355</u>	<u>10,717</u>	<u>1,052,654</u>	<u>-</u>	<u>396,626</u>	<u>24,854</u>
Net change in fund balance	<u>\$ 466,047</u>	<u>\$ 8,917</u>	<u>\$ 758,673</u>	<u>\$ 512,374</u>	<u>\$ 229,166</u>	<u>\$ 487,423</u>	<u>\$ 274,100</u>	<u>\$ 353,620</u>	<u>\$ (286,047)</u>	<u>\$ 368,809</u>
Debt service as a percentage of noncapital expenditures	2.3%	4.4%	4.8%	3.9%	4.3%	3.9%	5.8%	3.7%	3.5%	2.9%

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

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

Collection Year	Real Property (1)		Public Utility (2)		Tangible Personal Property (3)		Total		Weighted Average Tax Rate	Total City Direct Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2022	\$ 205,017,930	\$ 585,765,514	\$ 5,892,960	\$ 15,134,193	\$ -	\$ -	\$ 210,910,890	\$ 600,899,707	34.75%	\$ 2.80
2021	183,886,140	525,388,971	5,344,350	13,725,263	-	-	189,230,490	539,114,234	34.75%	2.80
2020	181,900,760	519,716,457	5,006,190	12,856,806	-	-	186,906,950	532,573,263	34.76%	2.80
2019	180,535,470	515,815,629	4,651,900	11,946,925	-	-	185,187,370	527,762,554	34.77%	2.80
2018	163,564,890	467,328,257	4,495,600	11,545,518	-	-	168,060,490	478,873,775	34.76%	2.80
2017	161,336,550	460,961,571	4,155,920	10,673,158	-	-	165,492,470	471,634,729	34.77%	2.80
2016	156,526,470	447,218,486	4,128,460	10,602,636	-	-	160,654,930	457,821,122	34.77%	2.80
2015	140,134,930	400,385,514	3,943,800	10,128,395	-	-	144,078,730	410,513,909	34.75%	2.80
2014	138,789,440	396,541,257	3,946,340	10,134,919	-	-	142,735,780	406,676,176	34.75%	2.80
2013	134,678,410	384,795,457	3,775,250	9,695,528	-	-	138,453,660	394,490,985	34.75%	2.80

Source: Stark County Auditor

- (1) Real estate value is assessed at 35% of appraised market value.
- (2) Public utility personal property is assessed at 88% of true value for half of 2013-2022 and the other half at 25% of true value.
- (3) Tangible personal property is assessed at 0% for 2013-2022.

**CITY OF LOUISVILLE, OHIO**  
**Property Tax Levies and Collections**  
**Last Ten Calendar Years**

<u>Year</u>	<u>Current Tax Levy</u>	<u>(1) Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Outstanding Delinquent Taxes to Current Tax Levy</u>	<u>Total Direct Tax Rate</u>
2022	\$ 590,348	\$ 575,678	97.52%	\$ 17,857	3.02%	\$ 80.50
2021	529,782	521,939	98.52%	17,639	3.33%	76.10
2020	523,136	515,302	98.50%	15,132	2.89%	76.50
2019	518,461	511,459	98.65%	18,249	3.52%	76.50
2018	470,526	456,189	96.95%	26,787	5.69%	77.00
2017	463,802	454,323	97.96%	26,394	5.69%	77.80
2016	449,790	442,776	98.44%	20,682	4.60%	77.90
2015	403,370	394,577	97.82%	15,977	3.96%	79.00
2014	399,609	390,425	97.70%	14,767	3.70%	79.00
2013	387,670	379,681	97.94%	14,810	3.82%	73.70

Source: Stark County Auditor

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

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

	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
<b>Taxpayer</b>						
Covington Ridge One Llc	\$ 3,307,860	1	1.61%	\$ -		0.00%
St Joseph Care Center	2,511,550	2	1.23%	-		0.00%
Hp Products Inc	2,072,110	3	1.01%	-		0.00%
Groffre Investments	1,850,810	4	0.90%	512,400	6	0.38%
Covington Ridge Three LLC	1,630,450	5	0.80%	-		0.00%
Jewel Acquisition Llc	1,432,290	6	0.70%	1,265,430	3	0.94%
Louisville Ventures LTD	1,396,980	7	0.68%	1,216,580	4	0.90%
JBF Realty LLC	1,210,700	8	0.59%	-		0.00%
Arc Ralvlohooh1 Llc	882,000	9	0.43%	1,577,450	2	1.17%
Mckinley Development Company LTD	774,140	10	0.38%	-		0.00%
Aultman Health Foundation	-		0.00%	501,570	7	0.37%
Chesapeake Land Development Co Llc	-		0.00%	2,471,560	1	1.84%
CRC Ohio Properties Llc	-		0.00%	525,000	5	0.39%
MAG Management Corporation	-		0.00%	375,390	9	0.28%
Metzger J B Co.	-		0.00%	466,090	8	0.35%
Southwest Electric Company	-		0.00%	336,110	10	0.25%
<b>Total of above</b>	<u>\$ 17,068,890</u>		<u>8.33%</u>	<u>\$ 9,247,580</u>		<u>6.87%</u>
<b>Total City</b>	<u>\$ 205,017,930</u>			<u>\$ 134,678,410</u>		

Source: Stark County Auditor and 2013 City of Louisville Annual Comprehensive Financial Report

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

	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
	<b><u>Taxpayer</u></b>					
Ohio Power	\$ 5,420,400	1	91.98%	\$ 3,555,750	1	94.19%
East Ohio Gas Co.	318,760	2	5.41%	219,500	2	5.81%
AEP Ohio Transmission Company	153,800	3	2.61%	-		0.00%
Total of above	<u>\$ 5,892,960</u>		<u>100.00%</u>	<u>\$ 3,775,250</u>		<u>100.00%</u>
Total City	<u>\$ 5,892,960</u>			<u>\$ 3,775,250</u>		

Source: Stark County Auditor and 2013 City of Louisville Annual Comprehensive Financial Report



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

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentage of Taxes from Individuals</u>	<u>Percentage Change from Prior Year</u>
2022	2.00%	\$ 5,396,511	\$ 3,345,419	61.99%	\$ 431,508	8.00%	\$ 1,619,584	30.01%	13.77%
2021	2.00%	4,743,350	2,979,414	62.81%	227,659	4.80%	1,536,277	32.39%	-0.72%
2020	2.00%	4,777,853	2,969,858	62.16%	225,373	4.72%	1,582,622	33.12%	-4.47%
2019	2.00%	5,001,516	3,097,749	61.94%	254,308	5.08%	1,649,459	32.98%	6.66%
2018	2.00%	4,689,396	2,959,144	63.10%	181,341	3.87%	1,548,911	33.03%	-2.10%
2017	2.00%	4,790,202	2,929,582	61.16%	211,205	4.41%	1,649,415	34.43%	4.63%
2016	2.00%	4,578,245	2,783,713	60.80%	237,393	5.19%	1,557,139	34.01%	2.60%
2015	2.00%	4,462,328	2,778,171	62.26%	273,911	6.14%	1,410,246	31.60%	5.68%
2014	2.00%	4,222,348	2,714,872	64.30%	174,282	4.13%	1,333,194	31.57%	5.89%
2013	2.00%	3,987,405	2,417,243	60.62%	260,830	6.54%	1,309,333	32.84%	8.54%

Source: City income tax records. The City is legally prohibited from disclosing individual revenue payers and therefore this schedule is presented as an alternative.

**CITY OF LOUISVILLE, OHIO**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Years**

Fiscal Year	Governmental Activities (1)		Business-Type Activities (1)					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Financed Purchases	Loans	General Obligation Bonds	OPWC Loans	OWDA Loans	Financed Purchases			
2022	\$ -	\$ 300,402	\$ -	\$ -	\$ 2,916,543	\$ 2,325,100	\$ 49,158	\$ 5,591,203	1.85%	\$587
2021	-	440,961	-	-	2,585,369	866,874	41,000	3,934,204	1.35%	413
2020	28,045	661,708	-	112,316	2,205,172	877,673	-	3,884,914	1.51%	423
2019	56,135	737,338	-	224,948	1,339,230	49,488	83,662	2,490,801	0.96%	271
2018	83,268	783,006	-	333,884	1,263,979	23,504	-	2,487,641	1.02%	271
2017	109,443	786,120	-	439,114	119,396	26,462	-	1,480,535	0.58%	161
2016	135,660	913,148	-	594,743	167,688	29,435	51,598	1,892,272	0.75%	206
2015	160,917	227,817	-	741,749	215,980	32,294	101,925	1,480,682	0.62%	161
2014	186,214	352,862	-	889,133	264,272	35,042	151,012	1,878,535	0.82%	204
2013	210,550	108,236	109,571	1,032,882	288,420	37,684	198,890	1,986,233	0.91%	216

(1) Details regarding the City's outstanding debt can be found in Note 9 in the current financial statements.

Source: City of Louisville basic financial statements.

**CITY OF LOUISVILLE, OHIO**  
**Ratios of General Bonded Debt Outstanding (1)**  
**Last Ten Years**

Fiscal Year	General Bonded Debt Outstanding			
	General Obligation Bonds	Percentage of Actual Taxable Value of Property	Outstanding Debt Per Capita	Outstanding Debt to Personal Income
2022	\$ -	0.00%	\$ -	0.00%
2021	-	0.00%	-	0.00%
2020	140,361	0.08%	15.28	0.05%
2019	281,083	0.15%	30.60	0.11%
2018	417,152	0.25%	45.41	0.17%
2017	548,557	0.33%	59.72	0.22%
2016	730,403	0.45%	79.51	0.29%
2015	902,666	0.63%	98.27	0.38%
2014	1,075,347	0.75%	117.06	0.47%
2013	1,243,432	0.90%	135.36	0.57%

Source: City of Louisville basic financial statements.

(1) Details regarding the City's outstanding debt can be found in Note 9 in the current financial statements.

**CITY OF LOUISVILLE, OHIO**  
**Legal Debt Margin Information**  
**Last Ten Years**

<b>Legal Debt Margin Calculation for Year Ending December 31, 2022</b>	<b><u>Unvoted</u></b>	<b><u>Overall</u></b>
Total assessed valuation	\$210,910,890	\$210,910,890
Debt limitation - 5.5% of assessed valuation	<u>11,600,099</u>	
Debt limitation - 10.5% of assessed valuation		<u>22,145,643</u>
Debt applicable to limitation:		
Total bonded debt and loans	5,241,643	5,241,643
Exempt debt:		
OWDA loans	2,325,100	2,325,100
OPWC loans	2,916,543	2,916,543
Total debt applicable to limitation	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 11,600,099</u>	<u>\$ 22,145,643</u>

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	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt limit	\$ 14,537,634	\$ 14,987,257	\$ 15,128,267	\$ 16,868,768	\$ 17,376,709	\$ 17,646,351	\$ 19,444,674	\$ 19,625,230	\$ 19,869,201	\$ 22,145,643
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	14,537,634	14,987,257	15,128,267	16,868,768	17,376,709	17,646,351	19,444,674	19,625,230	19,869,201	22,145,643
Total net debt applicable to limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: City of Louisville basic financial statements.

**CITY OF LOUISVILLE, OHIO**  
**Direct and Overlapping Governmental Activities Debt**  
**December 31, 2022**

<b>Governmental Unit</b>	<u>Debt Outstanding</u>	<u>Percentage applicable to City (1)</u>	<u>Amount applicable to City</u>
Direct - City of Louisville:			
Financed purchases	\$ 300,402	100.00%	<u>\$ 300,402</u>
Total direct debt			<u>300,402</u>
Overlapping:			
Louisville Schools	19,510,000	45.29%	8,836,079
County of Stark	14,360,000	2.10%	<u>301,560</u>
Total overlapping debt			<u>9,137,639</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 9,438,041</u></u>

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

(1) Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

**CITY OF LOUISVILLE, OHIO**

**Ratio of Outstanding General Obligation Debt to Assessed Value and per Capita  
and Ratio of Annual Debt Service Expenditures for General Bonded Debt  
to Total General Governmental Expenditures and  
Revenue Bond Coverage  
Last Ten Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><u>General Obligation Debt</u></b>					
Assessed value	\$ 210,910,890	\$ 189,230,490	\$ 186,906,950	\$ 185,187,370	\$ 168,060,490
Population	9,521	9,521	9,186	9,186	9,186
Debt outstanding	\$ -	\$ -	\$ 140,361	\$ 281,083	\$ 417,152
Ratio of debt to assessed value	0.00%	0.00%	0.08%	0.15%	0.25%
Debt per capita	\$ -	\$ -	\$ 15.28	\$ 30.60	\$ 45.41
<b><u>General Bonded Debt</u></b>					
Debt service	\$ -	\$ 28,700	\$ 29,400	\$ 29,075	\$ 28,660
General governmental expenditures	\$ 7,734,814	\$ 6,957,179	\$ 6,185,808	\$ 6,557,630	\$ 6,220,550
Ratio of debt service to general governmental expenditures	0.00%	0.41%	0.48%	0.44%	0.46%
<b><u>Water Revenue Bond</u></b>					
Revenues <sup>1</sup>	\$ 1,630,584	\$ 1,568,795	\$ 2,562,548	\$ 2,196,430	\$ 1,997,673
Operating expenses <sup>2</sup>	\$ 1,036,117	\$ 713,567	\$ 982,784	\$ 1,138,626	\$ 882,604
Net revenue available for debt service	\$ 594,467	\$ 855,228	\$ 1,579,764	\$ 1,057,804	\$ 1,115,069
Debt service requirements	-	-	-	-	-
Coverage	100.00%	100.00%	100.00%	100.00%	100.00%

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

Source: City of Louisville basic financial statements.

	<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>		<u>2013</u>
\$	165,492,470	\$	160,654,930	\$	144,078,730	\$	142,735,780	\$	138,453,660
	9,186		9,186		9,186		9,186		9,186
\$	548,557	\$	730,403	\$	902,666	\$	1,075,347	\$	1,353,003
	0.33%		0.45%		0.63%		0.75%		0.98%
\$	59.72	\$	79.51	\$	98.27	\$	117.06	\$	147.29
\$	29,245	\$	28,745	\$	29,245	\$	28,725	\$	29,205
\$	5,433,801	\$	6,176,068	\$	4,963,893	\$	5,786,341	\$	5,266,879
	0.54%		0.47%		0.59%		0.50%		0.55%
\$	1,871,656	\$	2,095,650	\$	2,033,513	\$	1,741,390	\$	1,556,331
\$	910,838	\$	792,924	\$	844,251	\$	879,951	\$	839,301
\$	960,818	\$	1,302,726	\$	1,189,262	\$	861,439	\$	717,030
	-		-		-		-		-
	100.00%		100.00%		100.00%		100.00%		100.00%

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

<u>Employer</u>	<u>Industry</u>	<u>2022</u>			<u>2013</u>		
		<u>Employees</u>	<u>Rank</u>	<u>Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Employment</u>
Louisville Board of Education	Public education	494	1	17.09%	617	1	17.26%
HP Products Inc.	Specialty tubing	473	2	16.37%	368	2	10.30%
J&J Foods LLC/Tamarkin Company	Grocery	235	3	8.13%	168	4	4.70%
St. Joseph's Hospice	Hospice facility	218	4	7.54%	297	3	8.31%
OTC Transformer	Transformer rebuilding	122	5	4.22%	67	9	1.87%
City of Louisville	Municipal government	101	6	3.49%	103	6	2.88%
Jewel Acquisition LLC/J&L Specialty Steel, Inc.	Stainless steel	82	7	2.84%	146	5	4.09%
Midlake Products	Manufacturing	75	8	2.60%	67	8	1.87%
County of Stark	Municipal government	72	9	2.49%	-		0.00%
Community Health	Medical	29	10	1.00%	-		0.00%
St Thomas Aquinas	Private education	-		0.00%	95	7	2.66%
Washita Valley Enter	Petroleum Haulers	-		0.00%	51	10	1.43%
<b>Total Top Ten Employers</b>		<u>1,901</u>		<u>65.77%</u>	<u>1,979</u>		<u>55.37%</u>
<b>Total employment within the City</b>		<u>2,890</u>			<u>3,574</u>		

Source: City of Louisville



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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (4)</u>	<u>Personal Income Per Capita (3)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (3)</u>	
					<u>Stark County</u>	<u>State of Ohio</u>
2022	9,521	\$302,472,649	\$31,769	3,343	3.8%	4.1%
2021	9,521	291,647,272	30,632	3,289	3.6%	5.1%
2020	9,186	257,749,974	28,059	3,454	4.9%	5.3%
2019	9,186	258,466,482	28,137	3,189	4.5%	4.1%
2018	9,186	244,852,830	26,655	2,927	5.2%	4.8%
2017	9,186	254,939,058	27,753	2,857	5.2%	5.0%
2016	9,186	251,191,170	27,345	2,917	5.2%	4.7%
2015	9,186	237,494,844	25,854	3,053	5.1%	4.6%
2014	9,186	229,199,886	24,951	3,065	4.6%	4.7%
2013	9,186	218,075,640	23,740	3,110	6.9%	6.6%

(1) Source: U. S. Census

(a) Year 2013 - 2020, 2010 Federal Census

(b) Year 2022 - 2021 - 2020 Federal Census

(2) Source: Ohio Department of Education

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

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

Note: Information directly related the City of Louisville is not available.

**CITY OF LOUISVILLE, OHIO**

**Operating Indicators by Function/Program**

**Last Ten Years**

Function/Program	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>General government</b>					
Council and clerk					
Number of legislation passed	83	63	68	57	51
Number of planning commission docket items	10	15	8	5	12
Number of zoning board of appeals docket items	11	12	10	7	6
Finance Department					
Number of W-2's issued	101	96	87	91	92
Number of checks issued	2,109	2,085	1,935	2,347	2,323
Amount of checks paid	\$ 7,418,526	\$ 9,173,417	\$ 6,689,276	\$ 7,691,751	\$ 6,352,690
Interest earnings for fiscal year (cash basis)	\$ 126,041	\$ 149,847	\$ 183,681	\$ 185,174	\$ 176,039
General fund year end cash balances	\$ 3,272,078	\$ 3,288,134	\$ 3,199,447	\$ 2,873,429	\$ 2,611,367
Water revenue fund year end cash balances	\$ 2,077,310	\$ 1,949,894	\$ 1,943,553	\$ 1,979,908	\$ 1,830,770
Sewer revenue fund year end cash balances	\$ 1,312,409	\$ 1,639,049	\$ 2,103,253	\$ 1,958,156	\$ 1,897,128
Property tax revenue	\$ 506,856	\$ 465,195	\$ 464,500	\$ 459,090	\$ 401,273
Income Tax Department					
Number of individual returns	4,706	4,265	4,324	4,349	4,295
Number of business returns	513	458	513	570	629
Number of business withholding accounts	1,004	899	3,811	894	814
Income tax receipts collected	\$ 5,396,512	\$ 4,743,350	\$ 4,777,853	\$ 5,001,516	\$ 4,689,396
Building Department Indicators					
Residential permits issued	6	12	4	20	19
Estimated value of residential permits	\$ 2,086,008	\$ 3,839,400	\$ 1,128,300	\$ 3,878,298	\$ 3,334,907
Commercial/institutional permits issued	21	-	-	7	3
Estimated value of commercial/insitutional permits	\$ 15,870,000	\$ -	\$ -	\$ 3,813,000	\$ 390,000
Total zoning permit fees	\$ 13,235	\$ 9,825	\$ 10,170	\$ 10,060	\$ 8,015
<b>Security of persons &amp; property</b>					
Police					
Total calls for services	5,016	5,112	4,597	5,441	5,086
Number of traffic citations issued	184	194	237	483	423
Number of criminal arrests	112	120	90	144	174
Number of accident reports completed	184	93	81	115	131
Number of motor vehicle accidents	184	93	81	115	131
Gasoline costs of fleet	\$ 39,242	\$ 28,369	\$ 24,496	\$ 29,148	\$ 31,414
Fire					
EMS calls	1,577	1,843	1,383	1,474	1,300
EMS collections	\$ 364,067	\$ 364,581	\$ 346,547	\$ 387,224	\$ 343,690
Fire calls	15	15	14	17	15
<b>Leisure time activities</b>					
Recreation					
Fishing derbies	1	-	-	-	-
<b>Transportation</b>					
Amount spent on paving streets	\$ 747,494	\$ 672,824	\$ 37,665	\$ 215,200	\$ 193,024
Gasoline fuel in gallons	28,491	18,094	27,796	26,572	18,101
Cost of salt purchased	\$ 45,850	\$ 77,462	\$ 121,707	\$ 108,250	\$ 86,515
Cost of salt per ton	\$ 46	\$ 46	\$ 59	\$ 74	\$ 48
<b>Utility Departments</b>					
Total water billed (in dollars)	\$ 1,448,241	\$ 1,294,567	\$ 1,272,097	\$ 1,187,686	\$ 1,124,951
Total sewer billed (in dollars)	\$ 1,615,177	\$ 1,440,335	\$ 1,417,523	\$ 1,313,933	\$ 1,241,058
Total storm water billed (in dollars)	\$ 223,522	\$ 206,952	\$ 205,069	\$ 207,553	\$ 202,192
Water bills issued	44,737	22,405	22,249	22,021	21,817
Average water treated daily (million gallons/day)	800,000	863,000	891,000	825,000	871,000
Total flow of wastewater treatment plant (millions of gallons)	543.6	496.4	519.8	586.3	614.2
Average daily flow (millions of gallons per day)	1.5	1.4	1.4	1.6	1.7
Tons of dry sludge removed	150.50	144.35	126.00	72.29	200.44

Source: City of Louisville

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
	41	46	54	64	63
	6	5	11	9	15
	8	6	12	9	9
	94	101	101	99	102
	2,240	2,427	2,776	2,256	2,125
\$	\$ 3,834,480	\$ 4,213,385	\$ 4,443,726	\$ 4,422,424	\$ 5,023,591
\$	\$ 74,339	\$ 23,924	\$ 4,664	\$ 1,909	\$ 393
\$	\$ 2,790,663	\$ 2,582,564	\$ 2,387,398	\$ 2,108,631	\$ 2,231,635
\$	\$ 1,620,652	\$ 1,428,466	\$ 1,158,658	\$ 827,630	\$ 690,658
\$	\$ 1,724,482	\$ 1,293,825	\$ 992,037	\$ 800,457	\$ 624,099
\$	\$ 405,928	\$ 420,399	\$ 356,032	\$ 362,778	\$ 329,344
	4,293	4,322	3,618	3,648	3,790
	533	522	544	517	536
	721	789	712	678	666
\$	\$ 4,790,202	\$ 4,578,245	\$ 4,462,328	\$ 4,222,348	\$ 3,987,405
	3	7	7	9	9
\$	\$ 699,700	\$ 1,782,300	\$ 1,549,400	\$ 1,901,958	\$ 2,099,864
	2	-	11	1	1
\$	\$ 535,000	\$ -	\$ 6,600,000	\$ 4,000,000	\$ 845,000
\$	\$ 7,750	\$ 5,270	\$ 8,712	\$ 5,221	\$ 5,864
	5,424	5,477	5,818	5,624	5,769
	469	397	412	578	556
	165	192	178	183	261
	169	191	196	193	170
	169	191	196	193	170
\$	\$ 28,128	\$ 27,541	\$ 30,311	\$ 43,480	\$ 40,364
	1,164	1,065	1,326	1,003	1,100
\$	\$ 351,689	\$ 331,949	\$ 322,675	\$ 302,621	\$ 339,301
	15	16	15	19	382
	-	-	-	-	-
\$	\$ 203,862	\$ 296,355	\$ 315,518	\$ 287,510	\$ 178,693
	18,055	18,331	20,163	27,386	20,079
\$	\$ 36,754	\$ 78,183	\$ 53,990	\$ 127,740	\$ 83,731
\$	\$ 55	\$ 54	\$ 54	\$ 54	\$ 44
\$	\$ 1,094,401	\$ 1,066,118	\$ 1,012,388	\$ 978,683	\$ 954,261
\$	\$ 1,213,172	\$ 1,188,041	\$ 1,103,260	\$ 1,065,724	\$ 1,026,263
\$	\$ 201,040	\$ 194,166	\$ 140,140	\$ 139,945	\$ 138,938
	21,653	21,554	21,476	21,468	21,462
	860,000	860,000	854,000	821,000	974,000
	564.5	476.0	499.8	576.7	480.2
	1.6	1.3	1.4	1.6	1.3
	215.41	139.76	136.14	166.25	201.00

**CITY OF LOUISVILLE, OHIO**

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

<u>Function/Program</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>General government</b>										
City Manager	2.00	2.00	2.00	3.00	2.50	2.70	2.70	2.70	2.70	2.80
Finance	5.00	5.00	5.00	5.00	4.00	4.50	4.50	4.50	4.50	4.50
Law	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Planning	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00
Council	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Civil service	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.50
<b>Security of persons and property</b>										
Police	15.50	15.00	15.00	15.00	14.50	14.00	14.50	15.00	15.50	15.00
Fire and EMS	10.00	10.00	9.50	8.50	7.00	9.00	9.50	11.00	13.00	11.00
Administration	1.00	1.00	1.00	3.00	3.00	3.00	3.00	3.00	1.00	1.00
School crossing guards	4.50	4.50	3.50	3.50	3.00	5.00	5.00	5.00	5.00	4.50
<b>Leisure time activities: Recreation</b>										
Parks	4.00	4.00	3.00	3.50	3.00	4.20	4.25	4.00	3.00	4.50
<b>Community environment</b>										
Building	2.00	2.00	1.50	1.50	1.30	1.80	2.05	1.80	1.80	2.80
<b>Transportation</b>										
Service	3.50	3.50	3.50	5.00	5.00	4.75	4.50	4.50	7.50	4.00
<b>Basic utility services</b>										
Water	6.00	6.00	6.00	6.50	4.25	5.00	5.00	5.00	3.75	5.00
Sewer	6.00	6.00	6.00	6.50	5.25	3.75	4.00	4.00	2.75	5.00
Totals:	<u>64.50</u>	<u>64.00</u>	<u>61.00</u>	<u>66.00</u>	<u>57.80</u>	<u>62.70</u>	<u>64.00</u>	<u>65.50</u>	<u>66.00</u>	<u>63.60</u>

Source: City Payroll Department W2 Audit Listing  
 Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

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

<u>Function/Program</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>General Government</b>										
Square footage occupied	51,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Administrative vehicles	1	1	1	1	1	1	1	1	1	1
Inspection vehicles	1	1	1	1	1	1	1	1	1	1
<b>Security: Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Square footage of building	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Vehicles	12	12	13	10	10	9	12	10	11	12
<b>Security: Fire</b>										
Stations	2	2	2	2	2	2	2	2	2	2
Number of fire hydrants	635	635	571	566	566	566	566	564	564	577
Square footage of building	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Vehicles	8	8	8	8	9	9	9	9	9	8
<b>Leisure time activities: Recreation</b>										
Number of parks	7	7	7	7	7	7	7	7	7	7
Total park acreage	126	126	126	126	126	126	126	126	126	126
Number of libraries	1	1	1	1	1	1	1	1	1	1
Number of baseball diamonds	6	6	8	8	8	8	8	8	8	8
Number of soccer fields	7	7	7	7	7	7	7	7	7	7
Vehicles	4	3	3	3	3	3	3	3	3	5
<b>Tranportation services</b>										
Streets (miles)	56.1	56.1	56.1	56.1	56.1	56.1	56.1	56.1	55.7	55.7
Number of streetlights	857	857	857	857	857	857	857	857	857	857
Number of traffic lights	9	9	9	9	9	9	9	9	9	9
Service vehicles	19	19	18	17	17	13	13	12	13	11
Storm sewers (miles)	42.6	42.6	42.6	42.5	42.1	42.1	42.1	42.1	42.1	42.1
<b>Sewer Department</b>										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Sanitary sewers (miles)	43.0	42.9	42.8	42.8	42.8	42.8	42.8	42.8	42.3	42.3
Vehicles	3	3	3	3	3	4	3	2	2	4
<b>Water Department</b>										
Water lines (miles)	54.4	54.3	54.2	54.2	54.2	54.2	54.2	54.2	53.3	53.3
Vehicles	2	2	2	3	1	1	2	2	2	4

Source: City of Louisville

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# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF LOUISVILLE**

**STARK COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 8/17/2023**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)