

# City of Newark, Ohio

*Licking County*



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2015



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2015

*Prepared by the Auditor's Office*

Stephen E. Johnson  
City Auditor



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CITY OF NEWARK  
LICKING COUNTY, OHIO

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## *INTRODUCTORY SECTION*

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# CITY OF NEWARK

40 West Main Street • Newark, Ohio 43055

Stephen E. Johnson, City Auditor

phone (740) 670-7560 fax (740) 670-7561

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June 16, 2016

To The Members of City Council and  
All Citizens of the City of Newark, Ohio

We are pleased to submit for your review the Comprehensive Annual Financial Report of the City of Newark, Ohio for the fiscal year ended December 31, 2015. This report has been prepared in accordance with generally accepted accounting principles established by statements of the Governmental Accounting Standards Board (GASB), other authoritative pronouncements and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

## **INTRODUCTION**

While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Newark (the "City") to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data, as presented, is accurate in all material respects; is presented in a manner designed to fairly set forth the financial position and results of operations of the City; and presents all disclosures necessary to enable the reader to gain an understanding of the City's financial activity.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Newark's MD&A can be found immediately following the report of the independent auditor.

### **The Reporting Entity:**

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (the "GASB") Statement No. 14, *"The Financial Reporting Entity,"* in that the financial statements include all the organizations, activities, functions and component units for which the City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the reporting entity of the City has no component units but includes the following services: police and fire protection, parks and recreation, planning, zoning, street maintenance and other governmental services. In addition, the City owns and operates a water treatment and distribution system, a wastewater treatment and collection system, and a storm water collection system, each of which is reported as an enterprise fund.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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**Historical Information:**

The hub of a metropolitan area with in excess of 170,000 citizens and the county seat of Licking County, Newark, "Land of Legend," has served for nearly two centuries as a center of commerce and industry.

It will likely remain a mystery how long people inhabited the area where Newark is now located. When settlers first came to the wilderness of the Licking Valley, they found a maze of strange earthworks covering hundreds of acres. They discovered unusual and mysterious mounds of earth, shaped in circles, squares and other geometric forms which were already hundreds, perhaps thousands of years old. Little is known about these prehistoric engineers, the purpose of the earthworks, or the civilization that obviously flourished here, hence, the title "Land of Legend." Two large groups of these mounds are preserved today at Moundbuilders and Octagon State Memorials, where thousands of visitors come each year to look and wonder.

In the spring of 1802, General William Schenk platted around these ancient mounds a settlement named after his hometown of Newark, New Jersey. There were many salt licks in the area and by 1808 the area now known as Licking County was founded. During those early years, Newark remained a small settlement and by 1820 had grown to only 500 people. Then the canal came to Newark and with it settlers and commerce. Newark became known as Ohio's canal capital and by 1830, the population had grown to 3,000. The advent of the steam locomotive resulted in the demise of the canal system as the most important form of transportation. Shortly thereafter, Newark became an important rail center.

The decline of the railroad as a primary source of transportation has changed the emphasis of commerce and business in recent years, but Newark and the surrounding area continue to enjoy great progress in community development and are becoming one of the fastest growing areas in Ohio. Newark is the largest city in Licking County. Results of the 2010 census show that Newark exhibited continued and steady growth throughout the decade of 2000 through 2010. The 2010 census placed the population at 47,537.

**Form of Government:**

Statutory

Newark is a charter Mayor-Council form of government as prescribed by the Newark City Charter and Title Seven of the Ohio Revised Code. Newark's government was incorporated in 1826. The City is divided into seven wards with 47 election precincts. The City Council consists of one council person from each ward, plus three council persons at-large and a council president elected at-large. All serve four year terms. Elected officials serving four year terms are the Mayor, Law Director, Auditor and Treasurer. Currently, the Auditor is serving in his fourth term, the Law Director is serving in his third term, and the Mayor and Treasurer are serving in their first term. The Safety, Service, Human Resources, Community Development and Economic Development Directors are appointed by the Mayor and serve at the pleasure of the Mayor.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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City Charter

The Newark City Charter was approved by the voters in November of 1997 and became effective January 1, 1998. The Charter was amended in November 2002, 2007 and again in 2012. Some highlights of the Charter are as follows:

- ❖ Department of Economic Development established.
- ❖ Certain bidding requirements were altered.
- ❖ City council's term of office adjusted from two year to four year term.
- ❖ Residence requirements for safety forces.
- ❖ Auditor and Law Director added to Board of Control.
- ❖ Standards for open meetings and information access.
- ❖ Police Chief and Fire Chief recruitment outside departments is now allowed.

**Location:**

Newark is located in the central part of the state, approximately 33 miles east of Columbus, the state capital. Its 22.30 square mile area serves a residential population of 47,537. The City's elevation is approximately 830 feet above sea level. Its median temperatures are 75 degrees in summer and 30.2 degrees in winter. State highways 79, 13 and 16 serve as the City's major transportation arteries. The City is also served by the east-west interstate highway I-70 which lies approximately 9 miles to the south.

As part of the Columbus metropolitan area, in particular, its closeness to Port Columbus International Airport (located on Columbus' far east side), places the City of Newark in a very favorable position. Newark is close to a region of rapidly expanding business and industry, close to excellent transportation facilities and the governmental center of Ohio.

As previously noted, Newark is the home of the historic Moundbuilders State Memorial Park, known for its prehistoric Indian lore and featuring an Ohio Indian art museum. The National Heisey Glass Museum exhibits glass produced in Newark from 1895 to 1957. The Heisey Collectors of America operate this striking display of Heisey glassware housed in the 165 year old home of S.D. King, a prominent criminal attorney in the mid 1800's.

The Licking County Courthouse is located in the public square in downtown Newark. A variety of outdoor events are centered around the historic courthouse each year. At Christmas, the courthouse is a magnificent display of holiday splendor which has been featured on several magazine covers and was on the cover of our first comprehensive annual financial report issued for the year ended December 31, 1991. Newark's campus style high school is ranked as one of the five outstanding secondary educational institutions in the nation. As an alternative to public education, Newark has two parochial elementary schools and one high school.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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**Municipal Services:**

The City of Newark provides a variety of services including police and fire protection, emergency medical service, planning and engineering, zoning, code enforcement, street maintenance, traffic control, parks and recreation, property maintenance, cemetery and community development and general administrative services. The City does not operate hospitals or schools, nor is it responsible for public assistance programs.

The City also operates three enterprise activities: water treatment and distribution, wastewater collection and treatment, and storm water collection. Funds from these enterprises are set up in accounts for the operation of these facilities. The facilities are operated in a manner similar to a private business. It is the mission of the City that the costs of providing these services to business, industry and the general public on a permanent basis be financed or recovered primarily through user fees.

The enterprise activities are not subject to rate review or determination by the Public Utilities Commission of Ohio or any similar regulatory body. The City Council has the necessary authority to establish and amend appropriate user rates as required. The rates are reviewed on an on-going basis to insure their adequacy. The City Council exercises sole authority regarding the frequency and amount of rate change for these services.

**ECONOMIC OUTLOOK**

**Local Economy:**

The Newark-Licking County area continues to benefit from a stable economy. Several industrial parks in close proximity to Newark provide employment opportunities for residents in and around Newark and neighboring communities within the borders of Licking County. New businesses find this region in Ohio to be in the “heart of it all.” The Licking County region is within 500 miles of parcel post bulk mail centers and within 250 miles of all package delivery air hubs.

Newark area businesses continue to manufacture and distribute a wide variety of products. Foremost among these products are plastics, insulation, prefabricated homes, prismatic reflectors, wiping cloths, quartz and specialty products, asphalt, automotive products, bricks, chemicals, electronic equipment, truck axles and transmissions, anodized aluminum products, wood veneer, dairy products, concrete products and many other industrial specialty items. Newark and Licking County have been noted for their diversity of industry and business. During both strong and slow economic periods the area has not experienced wide variations in its economic indicators. The community has been fortunate to have experienced a steady economy along with a lower unemployment rate.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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There was tremendous change at the former Newark Air Force Base, now known as the Central Ohio Aerospace and Technology Center (COATC). Serving as anchor tenants, Boeing Guidance Repair Center and Wyle Labs are settling into their areas and into the community. The Heath-Newark-Licking County Port Authority which owns and manages the facility continues to plan for the future of the COATC. In addition to physical improvements to the property, the Port Authority continues to seek tenants who will complement the site's high-technology environment. COATC has over 50,000 square feet of existing multi-purpose space available. Land is also available for development. On-site first response fire protection services are provided by Rural Metro.

Area Development Magazine stated, "The Central Ohio Aerospace and Technology Center is one of Ohio's newest resources for advanced-technology companies. It also represents a unique initiative by the community, people and governments of Licking County who were determined that the decommissioning of the Newark Air Force Base would be a new beginning and not an end." The Port Authority intends to promote this excellent resource to the private sector, and by doing so, expects to create greater economic prosperity for the community. The Port Authority's goal for the facility is to one day become known as one of this country's premier high technology service centers. The Boeing Corporation has taken over operations at the former Newark Air Force Base.

The Longaberger Company, a manufacturer of decorative baskets and pottery sold through a network of independent distributors, moved into their new corporate headquarters on the east side of Newark during 1998. The headquarters building is a seven-story, \$30 million complex that follows the design of one of the company's famous handmade baskets. The unusual design has been featured in the Wall Street Journal, U.S. News and World Report and on CNN.

The Owens Corning Corporation remains one of the largest employers and the largest industry in Newark. The Newark facility is the "world's largest fiberglass manufacturing facility." It employs 500 people and fills several thousand orders per day. The plant is situated on 250 acres within the city and incorporates 70 buildings with approximately 40 acres under roof. Owens Corning's Research and Technology Center is in nearby Granville and employs over 600 researchers and their support staff. During the fall of 2000, Owens Corning went into bankruptcy. While the City is optimistic, the bankruptcy's impact is unknown. The recent recession, impacting the housing industry, has had an effect on Owens Corning as well.

Newer business to the Newark area includes the Bear Creek Corporation which is one of the nation's leading direct mail marketers. The Bear Creek Corporation includes the companies of Harry and David, Jackson and Perkins, Northwest Express and Bear Creek Gardens. Bear Creek is the largest direct mail marketer of gift fruit.

**Unemployment Rates:**

The Ohio Bureau of Employment Services does not maintain statistics for the City of Newark, but unemployment within the City was estimated to be 4.5%.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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**Employee Relations:**

The City of Newark negotiates contracts with five employee bargaining units. These groups consist of Local 109 of the International Association of Firefighters, Lodge 12 of the Licking County Fraternal Order of Police, the American Federation of State, County and Municipal Employees (AFSCME) Local 2963, Ohio Council 8, AFL-CIO, certain other non-uniform employees of the City and employees in management and supervisory service. Current contracts with union employees cover the years 2014 through 2016.

**MAJOR INITIATIVES**

During 2015, continuing efforts were made to upgrade services and improve the quality of life for the citizens of Newark through the following projects:

**Infrastructure Improvements**

Construction has been completed on the East Main Street Sanitary Sewer Improvements and extensions. The East Main Street Roadway culvert and signal improvements have been awarded to a construction company and work is proceeding satisfactorily. This entire East Main Street Project is being financed by Tax Increment Financing in conjunction with the Longaberger Company.

The City of Newark and the Longaberger Company entered into an agreement to update and improve the infrastructure on East Main Street where the company headquarters are located. The project involved updating and installing a sanitary sewer, road improvements, street lighting and traffic control lights and flood control improvements. In 1999 the City financed the project by issuing approximately \$3.5 million in general obligation bonds. The infrastructure improvements will eventually be paid by the Longaberger Company through a tax increment financing plan (T.I.F.). The agreement will allow future property taxes collected on the Longaberger site to be divided between the City of Newark and the local school district.

Construction was completed on the north side of the City to eliminate a dangerous intersection in the Waterworks Road-Mt. Vernon Road area. Along with an improved traffic pattern, retail development is expected along with a new North Side Fire Station. A TIF District has been created and further improvements will be funded through a combination of a bond issue and a low cost State Infrastructure loan. The income tax increase of one half percent passed by the voters in 2001 and dedicated to public safety has already provided for a new Central Police Station along with a new West Side Fire Station. During 2012 land was purchased and architectural plans were completed for a new central fire station to be located downtown on South Fourth Street.

Various improvements continue at the water and waste water plants, including the Licking River Interceptor project that will prevent overflow at the waste water facility.

Further development along the State Route 16 corridor is also taking place as a result of the Longaberger project. A beautification project involving Longaberger properties, construction of golf courses and a highway widening project were completed. The State Route 16 corridor will also be a vital segment of the proposed "Columbus to Pittsburgh Corridor" a planned expressway linking the two cities.



***Letter of Transmittal  
For the Year Ended December 31, 2015***

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Parks and Recreation

Throughout 2015, activities were provided at the City's youth center and community meeting hall in the newly renovated Everett Pool House. The building was remodeled to provide a meeting center for youth and adults who live on the near east side. It has been a very successful improvement project and has been well received by the near east side residents. In addition, Denman Park was rebuilt and new playground equipment installed. Also included in the renovation was a new road and entrance to the park. Improvements have been made at Hollander Pool on the City's north side, including a waterslide. The City entered into a management agreement with the Newark-Licking County YMCA for Hollander Pool operations. Major renovations were made to the City's ice arena including new mechanicals. The funding for the one million dollar project came from private donations. The facility has been leased to the Newark Sport and Event Commission and remains open to the public. The city of Newark recently acquired Don Edwards Field, the Babe Ruth Baseball Complex from Babe Ruth International with funds generated by a "Bed Tax" on occupied hotel rooms with proceeds being dedicated to recreation and tourism. With the purchase of Don Edwards Field, plans are underway to host the Babe Ruth World series in the upcoming years.

City-Wide Initiatives

During 2015 financing was arranged for a two year, twenty million dollar improvement project that will replace combined sanitary and storm sewers as well as replacing aging water lines. The project will also include a streetscape design that will feature environmentally friendly storm water drainage, and make changes to the traffic flow around the downtown Courthouse Square. Also included will be a market district and green spaces along with improved parking in the Canal and Market Street area just south of the Square.

Long-Term Financial Planning

The City has become increasingly aware of a declining cash reserve balance. During fiscal year 2007 the City began charging for EMS transport services. Legislation has been passed and amended mandating that 12.5% of the proceeds be set aside in reserve to provide stability to the City's General Fund with an additional 25% of the proceeds being earmarked and credited to the City's Capital Improvement Fund which is dedicated to infrastructure upgrades and improvements. As a result of these fees, the City has been able to increase the number of firefighters and medics and has been able to increase the replacement of EMS transport vehicles.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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**FINANCIAL INFORMATION**

**Internal Control, Budgetary Control and the Accounting System:**

Development of the City's accounting system included substantial consideration of the adequacy of the internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance that:

1. The City's assets are protected against loss and unauthorized use or disposition; and
2. Reliable financial reports for preparing financial statements and providing accountability for assets are maintained.

The concept of reasonable assurance states that internal controls should be evaluated applying the following criteria:

1. The expense associated with providing the internal controls should not exceed the benefits likely to be derived from their implementation; and
2. The evaluation of the offsetting costs and benefits involves estimates and judgment by the City administration and members of the finance office.

All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions. The City Auditor's Office is responsible for the auditing and analysis of all purchase orders and vouchers of the City. The Auditor's Office personnel review the purchase orders and vouchers very carefully to ensure the availability of monies in the proper funds and accounts prior to certification and payment of approved invoices. The City utilizes a fully automated accounting system, as well as an automated system of controls for capital asset accounting and payroll. These systems coupled with the review and examination performed by the City Auditor's Office ensure that the financial information generated is both accurate and reliable.

Budgetary control is maintained at the object level for each function within each fund by legislation approved by City Council. The various objects are:

- |                         |                          |
|-------------------------|--------------------------|
| * Personal services     | * Materials and Supplies |
| * Contractual services  | * Capital Outlay         |
| * Other (Miscellaneous) | * Debt Service:          |
|                         | Principal                |
| * Transfers             | Interest                 |

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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Lower levels within each object are accounted for and reported internally. Such lower levels are referred to as line items of expenditure. Estimated amounts must be encumbered prior to final approval of purchase orders or other contracts to vendors. Encumbrances in excess of the available object level appropriations are not approved unless additional appropriations are authorized. Unencumbered appropriations at year end return (lapse) to the unappropriated balances in the individual funds at the end of each fiscal year which coincides with the calendar year.

**OTHER INFORMATION**

**Independent Audit:**

The basic financial statements of the City of Newark were audited by Balestra, Harr and Scherer, Certified Public Accountants Incorporated. The independent auditor's unmodified opinion has been included in this report.

**Awards:**

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 Newark, Ohio for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in state and local government financial reporting. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity.

A Certificate of Achievement is valid for a period of one year only. The City of Newark has received a Certificate of Achievement for twenty-four consecutive years (1991 - 2014). We believe this current report continues to conform to the Certificate of Achievement for Excellence in Financial Reporting program requirements and are submitting it to the GFOA.

**Public Disclosure:**

The publication of this Comprehensive Annual Financial Report is indicative of the City's commitment to provide significantly enhanced financial information and accountability to its citizens. In addition to the citizens of Newark, the recipients of this report include city, state and federal officials, schools, libraries, newspapers, investment banking firms, banks and rating agencies. The report is made available to any person or organization requesting it. The extensive effort to prepare and distribute this report is indicative of the continued efforts of the City to improve its overall financial accounting, management and reporting capabilities.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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**Acknowledgments:**

This report is a culmination of many hours of concentrated work on the part of a number of dedicated employees and associates, including, but not limited to, the Licking County Auditor and staff, the Newark Area Chamber of Commerce and the administration of the Newark City Schools. We want to thank all the employees who shared and supported us in our endeavor to produce this report.

We also express our sincere appreciation to Donald J. Schonhardt and Associates, Inc. for their professional manner, expertise and countless hours of consultation in completing this annual financial report for the citizens of this community.

Finally, special thanks to the members of City Council and the City Administration, whose support is necessary for the City of Newark to conform to reporting requirements established for municipal governments. By doing so, the City has been able to maintain the sound financial position it has enjoyed for many years.

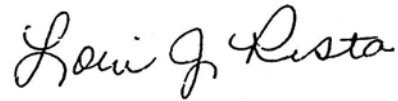
Respectfully,



Stephen E. Johnson  
City Auditor



Jacqueline S. Prince  
Accounting Manager



Lori J. Resta  
Deputy City Auditor

***CITY OF NEWARK, OHIO***

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***List of Principal Officials  
For the Year Ended December 31, 2015***

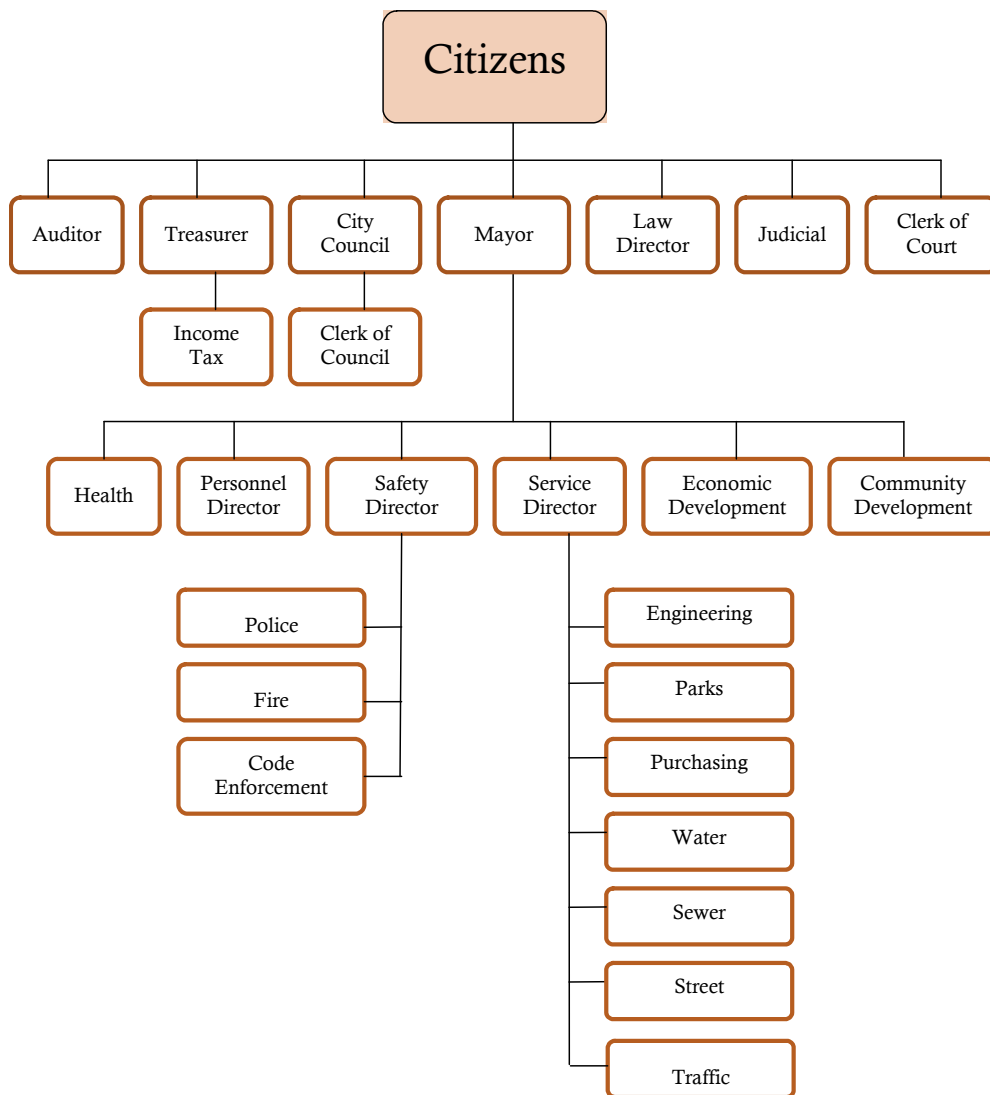
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NAME	TITLE	TERM OF OFFICE	SURETY DATA *
Jeff Hall	Mayor	01/01/12 to 12/31/15	
Stephen E. Johnson	Auditor	01/01/12 to 12/31/15	\$5,000 01/01/08 to 12/31/15
Michael F. Higgins	Judge	01/01/14 to 12/31/19	
David Stansberry	Judge	01/01/12 to 12/31/17	
Douglas Sassen	Law Director	01/01/12 to 12/31/15	
Tim Mercer	Treasurer	01/01/14 to 12/31/17	\$30,000 01/01/14 to 12/31/17
Don Ellington	President of Council	01/01/12 to 12/31/15	
Ryan T. Bubb	Council-at-Large	01/01/12 to 12/31/15	
Bill Cost Jr.	Council-at-Large	01/01/12 to 12/31/15	
Marc Guthrie	Council-at-Large	01/01/12 to 12/31/15	
Dee Hall	Council 1st Ward	01/01/14 to 12/31/17	
Jeremy Blake	Council 2nd Ward	01/01/14 to 12/31/17	
Jeff Rath	Council 3rd Ward	01/01/14 to 12/31/17	
Alex Roletta	Council 4th Ward	09/01/14 to 12/31/17	
Curtis Johnson	Council 5th Ward	01/11/14 to 12/31/17	
Douglas Marmie	Council 6th Ward	01/01/14 to 12/31/17	
Carol Floyd	Council 7th Ward	01/01/14 to 12/31/17	
Marcia Phelps	Clerk of Court	01/01/14 to 12/31/19	\$10,000 01/01/14 to 12/31/19

\* - Wells Fargo Insurance Services

***City Organizational Chart  
For the Year Ended December 31, 2015***

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***Government Finance Officers Association of the United States and Canada  
Certificate of Achievement for Excellence in Financial Reporting***

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Government Finance Officers Association

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

Presented to

**City of Newark  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**



Executive Director/CEO





## *FINANCIAL SECTION*

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# Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

[www.bhscpas.com](http://www.bhscpas.com)

## Independent Auditor's Report

City of Newark  
Licking County  
40 West Main Street  
Newark, Ohio 43055

To the Members of Council:

### *Report on the Financial Statements*

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

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Newark, Licking County, Ohio, as of December 31, 2015, and the respective changes in financial position thereof and the budgetary comparison for the General Fund and Community Development Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 2 to the financial statements, during the year ended December 31, 2015, the Government adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

### ***Other Matters***

#### **Required Supplementary Information**

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

#### **Supplementary and Other Information**

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2016, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Balestra, Harr & Scherer, CPAs*

Balestra, Harr & Scherer, CPAs, Inc.  
Piketon, Ohio  
June 16, 2016



***Management's Discussion and Analysis  
For the Year Ended December 31, 2015***

***Unaudited***

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This discussion and analysis of the City of Newark's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2015. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for 2015 are as follows:

- ❑ In total, net position increased \$177,352. Net position of governmental activities decreased \$1,389,054, which represents a 4% change from 2014. Net position of business-type activities increased \$1,566,406 or 6% from 2014.
- ❑ General revenues accounted for \$26,142,022 in revenue or 51% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$25,681,015, or 49% of total revenues of \$51,823,037.
- ❑ The City had \$36,391,439 in expenses related to governmental activities; only \$8,861,744 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$26,140,641 were not adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$29,152,380 in revenues and other financing sources and \$28,186,837 in expenditures and other financing uses. The general fund's fund balance increased from \$2,718,198 to \$3,693,588.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts – *management's discussion and analysis*, the *basic financial statements*, *required supplemental information*, and an optional section that presents *combining and individual statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2015***

***Unaudited***

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**Government-wide Statements**

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, liabilities, and deferred outflows/inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how it has changed. Net position is one way to measure the City's financial health.

- Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as the City's tax base and the condition of the City's capital assets.

The government-wide financial statements of the City are divided into two categories:

- *Governmental Activities* – Most of the City's program's and services are reported here including security of persons and property, leisure time activities, public health and welfare services, community environment, transportation and general government.
- *Business-Type Activities* – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's water, sewer, and storm water services are reported as business-type activities.

**Fund Financial Statements**

Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole.

*Governmental Funds* – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.



***Management's Discussion and Analysis  
For the Year Ended December 31, 2015***

***Unaudited***

*Proprietary Funds* – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. The proprietary fund financial statements provide separate information for the Water, Sewer, and Storm Water funds, each of which are considered major funds.

*Fiduciary Funds* – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. All of the City's fiduciary activities are reported in a separate Statement of Assets and Liabilities.

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

The following table provides a summary of the City's net position for 2015 compared to 2014.

	Governmental Activities		Business-type Activities		Total	
	2015	Restated 2014	2015	Restated 2014	2015	2014
Current and Other Assets	\$26,662,605	\$30,943,391	\$15,509,235	\$15,411,470	\$42,171,840	\$46,354,861
Capital Assets, Net	65,984,655	63,491,679	74,456,115	67,596,532	140,440,770	131,088,211
Total Assets	92,647,260	94,435,070	89,965,350	83,008,002	182,612,610	177,443,072
Deferred Outflows of Resources	4,305,951	2,916,515	663,537	540,465	4,969,488	3,456,980
Net Pension Liability	30,980,581	29,363,820	3,010,761	2,936,147	33,991,342	32,299,967
Other Long-term Liabilities	21,722,196	22,767,286	50,203,238	48,478,516	71,925,434	71,245,802
Other Liabilities	10,634,370	10,340,790	8,494,119	4,832,214	19,128,489	15,173,004
Total Liabilities	63,337,147	62,471,896	61,708,118	56,246,877	125,045,265	118,718,773
Deferred Inflows of Resources	3,192,482	3,067,053	52,773	0	3,245,255	3,067,053
Net Position						
Net Investment in Capital Assets	45,289,248	44,958,995	23,666,267	23,473,836	68,955,515	68,432,831
Restricted	11,989,270	12,518,066	0	0	11,989,270	12,518,066
Unrestricted	(26,854,936)	(25,664,425)	5,201,729	3,827,754	(21,653,207)	(21,836,671)
Total Net Position	\$30,423,582	\$31,812,636	\$28,867,996	\$27,301,590	\$59,291,578	\$59,114,226

During 2015, the City adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions— an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2015***

***Unaudited***

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Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
- 2 Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014. The net pension liability reduced beginning of year net position by \$26,602,645 in governmental activities and \$2,569,044 in business-type activities.

**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2015**
**Unaudited**

Change in Net Position – The following table shows the change in net position for 2015 compared with 2014:

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues:						
Charges for Services and Sales	\$4,139,804	\$4,132,252	\$16,819,271	\$16,402,722	\$20,959,075	\$20,534,974
Operating Grants and Contributions	4,307,895	4,471,047	0	0	4,307,895	4,471,047
Capital Grants and Contributions	414,045	54,406	0	0	414,045	54,406
Total Program Revenues	8,861,744	8,657,705	16,819,271	16,402,722	25,681,015	25,060,427
General Revenues:						
Property Taxes	3,039,579	2,946,185	0	0	3,039,579	2,946,185
Income Taxes	20,454,357	20,092,754	0	0	20,454,357	20,092,754
Other Local Taxes	514,057	420,782	0	0	514,057	420,782
Intergovernmental, Unrestricted	1,566,000	1,542,244	0	0	1,566,000	1,542,244
Investment Earnings	67,376	149,711	1,381	901	68,757	150,612
Miscellaneous	499,272	867,854	0	0	499,272	867,854
Total General Revenues	26,140,641	26,019,530	1,381	901	26,142,022	26,020,431
Total Revenues	35,002,385	34,677,235	16,820,652	16,403,623	51,823,037	51,080,858
Program Expenses						
Security of Persons and Property	18,199,966	18,014,306	0	0	18,199,966	18,014,306
Leisure Time Activities	919,417	864,731	0	0	919,417	864,731
Community Environment	1,531,206	1,614,911	0	0	1,531,206	1,614,911
Public Health and Welfare Services	45,062	186,078	0	0	45,062	186,078
Transportation	4,351,212	3,852,334	0	0	4,351,212	3,852,334
General Government	10,609,273	10,588,687	0	0	10,609,273	10,588,687
Interest and Fiscal Charges	735,303	822,031	0	0	735,303	822,031
Water	0	0	6,402,011	6,019,772	6,402,011	6,019,772
Sewer	0	0	6,158,986	7,370,520	6,158,986	7,370,520
Storm Water	0	0	2,693,249	1,844,358	2,693,249	1,844,358
Total Expenses	36,391,439	35,943,078	15,254,246	15,234,650	51,645,685	51,177,728
Change in Net Position Before Transfers	(1,389,054)	(1,265,843)	1,566,406	1,168,973	177,352	(96,870)
Transfers	0	(5,376)	0	5,376	0	0
Total Change in Net Position	(1,389,054)	(1,271,219)	1,566,406	1,174,349	177,352	(96,870)
Beginning Net Position - Restated	31,812,636	NA	27,301,590	NA	59,114,226	NA
Ending Net Position - Restated	\$30,423,582	\$31,812,636	\$28,867,996	\$27,301,590	\$59,291,578	\$59,114,226

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$2,761,175 for Governmental Activities and \$367,103 for Business-type Activities computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$3,087,792 for Governmental Activities and \$334,205 for Business-type Activities.

**Management's Discussion and Analysis  
For the Year Ended December 31, 2015****Unaudited**

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Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	Governmental Activities	Business-type Activities
Total 2015 program expenses under GASB 68	\$36,391,439	\$15,254,246
Pension expense under GASB 68	(3,087,792)	(334,205)
2015 contractually required contribution	2,761,113	373,232
Adjusted 2015 program expenses	36,064,760	15,293,273
Total 2014 program expenses under GASB 27	35,943,078	15,234,650
Change in program expenses not related to pension	\$121,682	\$58,623

**Governmental Activities**

Net position of the City's governmental activities decreased \$1,389,054. This represents a 4% change from 2014. An increase in income taxes can be attributed to improvements in overall economic conditions. A refund from the Ohio Bureau of Worker's Compensation as well as a donation for building demolition in the prior year contributed to a subsequent decrease in miscellaneous revenue in 2015. Brownfield cleanup costs incurred in the prior year resulted in a subsequent decrease in public health and welfare in 2015.

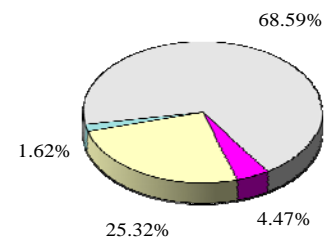
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**Management's Discussion and Analysis  
For the Year Ended December 31, 2015****Unaudited**

The City receives an income tax, which is based on 1.75% of all salaries, wages, commissions and other compensation and on net profits earned from residents living within the City.

Income taxes and property taxes made up 58% and 9% respectively of revenues for governmental activities in 2015. The City's reliance upon tax revenues is demonstrated by the following graph indicating 69% of total revenues from general tax revenues:

Revenue Sources	2015	Percent of Total
General Tax Revenues	\$24,007,993	68.59%
Intergovernmental, Unrestricted	1,566,000	4.47%
Program Revenues	8,861,744	25.32%
General Other	566,648	1.62%
Total Revenue	<u>\$35,002,385</u>	<u>100.00%</u>

**Business-Type Activities**

Net position of the business-type activities increased \$1,566,406. This represents a 6% change from the previous year. An increase in charges for services can be attributed to a sewer rate increase. Overall expenses remained consistent with the prior year. Increases in contractual costs in Water and Storm Water were offset by a decrease in contractual costs in Sewer.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City's governmental funds reported a combined fund balance of \$8,699,699, which is a decrease from last year's balance of \$12,276,548. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2015 and 2014:

	Fund Balance (Deficit) December 31, 2015	Fund Balance (Deficit) December 31, 2014	Increase (Decrease)
General	\$3,693,588	\$2,718,198	\$975,390
Community Development	4,145,024	4,554,055	(409,031)
Capital Improvement	(5,920,134)	(2,006,615)	(3,913,519)
Other Governmental	6,781,221	7,010,910	(229,689)
Total	<u>\$8,699,699</u>	<u>\$12,276,548</u>	<u>(\$3,576,849)</u>

**Management's Discussion and Analysis  
For the Year Ended December 31, 2015****Unaudited**

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General Fund – The City's General Fund balance change is due to several factors. The tables that follow assist in illustrating the financial activities of the General Fund:

	2015	2014	Increase
	Revenues	Revenues	(Decrease)
Taxes	\$23,192,164	\$22,473,842	\$718,322
Intergovernmental Revenues	1,859,974	1,721,445	138,529
Charges for Services	2,143,529	2,136,312	7,217
Licenses, Permits and Fees	76,249	83,409	(7,160)
Investment Earnings	70,060	96,048	(25,988)
Fines and Forfeitures	1,416,114	1,395,451	20,663
All Other Revenue	259,630	619,901	(360,271)
Total	<u>\$29,017,720</u>	<u>\$28,526,408</u>	<u>\$491,312</u>

Total General Fund revenues remained stable in 2015, increasing \$491,312 or less than 2% when compared with the previous year. An increase in taxes was the result of an increase in income taxes, which can be attributed to increased efforts by the City to collect on delinquent taxes as well as overall economic improvements. A refund from the Ohio Bureau of Worker's Compensation as well as a donation for building demolition in the prior year contributed to a subsequent decrease in all other revenue in 2015.

	2015	2014	Increase
	Expenditures	Expenditures	(Decrease)
Security of Persons and Property	\$15,584,736	\$16,007,174	(\$422,438)
Leisure Time Activities	698,450	746,428	(47,978)
Community Environment	234,991	253,299	(18,308)
Transportation	27,826	0	27,826
General Government	9,408,305	9,770,339	(362,034)
Total	<u>\$25,954,308</u>	<u>\$26,777,240</u>	<u>(\$822,932)</u>

General Fund expenditures decreased \$822,932, or approximately 3% when compared with the prior year. A decrease in security of persons and property can be attributed to unfilled positions as well as a decrease in insurance costs due to premium holidays. Costs to demolish an aged building behind City Hall in the prior year resulted in the subsequent decrease in general government expenditures in the current year.

*Community Development Fund* – The Community Development Fund balance decreased approximately 9% in 2015. This decrease in fund balance can be attributed to several loans either being forgiven or released due to foreclosure during the year.

*Capital Improvement Fund* – The City's Capital Improvement Fund reported a decrease in fund balance of \$3,913,519. General Obligation notes have been issued in the Capital Improvement Fund for various projects including rehabilitation of the City administration parking garage, improvements to the South Second Street Bridge, and to acquire land, site preparation, and construction of a new downtown fire station.

**Management's Discussion and Analysis  
For the Year Ended December 31, 2015****Unaudited**

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. During the course of 2015 the City amended its General Fund budget several times, none significant.

For the General Fund, the difference between original and final budgeted receipts was insignificant. Actual revenues exceeded final estimates by 3% due to an increase in income tax receipts. The difference between original and final budgeted expenditures was insignificant. Actual expenditures were 4% less than final budget estimates.

**CAPITAL ASSETS AND DEBT ADMINISTRATION****Capital Assets**

At the end of 2015 the City had \$140,440,770 net of accumulated depreciation invested in land, construction in progress, buildings, improvements, infrastructure, equipment and vehicles. Of this total, \$65,984,655 was related to governmental activities and \$74,456,115 to the business-type activities. The following tables show 2015 and 2014 balances:

	Governmental Activities		Increase (Decrease)
	2015	2014	
Land	\$20,059,826	\$20,059,826	\$0
Construction In Progress	4,965,792	1,545,966	3,419,826
Buildings	17,913,694	17,894,688	19,006
Improvements Other than Buildings	4,331,622	4,331,622	0
Infrastructure	67,178,570	66,253,554	925,016
Machinery and Equipment	10,181,584	9,810,518	371,066
Less: Accumulated Depreciation	(58,646,433)	(56,404,495)	(2,241,938)
Totals	<u>\$65,984,655</u>	<u>\$63,491,679</u>	<u>\$2,492,976</u>

An increase in construction in progress can be attributed to the construction of a downtown fire station. Infrastructure additions consisted of routine street maintenance.

	Business-Type Activities		Increase (Decrease)
	2015	2014	
Land	\$161,800	\$161,800	\$0
Construction in Progress	17,707,562	9,477,266	8,230,296
Buildings and Improvements	58,091,134	58,091,134	0
Infrastructure	20,711,607	20,312,683	398,924
Machinery and Equipment	30,417,114	30,119,555	297,559
Less: Accumulated Depreciation	(52,633,102)	(50,565,906)	(2,067,196)
Totals	<u>\$74,456,115</u>	<u>\$67,596,532</u>	<u>\$6,859,583</u>

Significant additions to business-type activities capital assets consisted of a downtown sewer separation project, downtown water improvements, and water and storm water improvements at West Church Street and North 30<sup>th</sup> Street. Additional information on the City's capital assets can be found in Note 9.

**Management's Discussion and Analysis  
For the Year Ended December 31, 2015****Unaudited**

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**Debt**

At December 31, 2015, the City had \$25.0 million in General Obligation bonds outstanding, \$1.4 million due within one year. The following table summarizes the City's debt outstanding as of December 31, 2015 and 2014:

	2015	Restated 2014
Governmental Activities:		
General Obligation Bonds	\$14,182,321	\$14,873,212
ODOT State Infrastructure Bank Loan	1,082,314	1,371,388
OPWC Loan	585,000	600,000
Capital Leases	802,766	905,528
Net Pension Liability	30,980,581	29,363,820
Workers Compensation Retrospective Liability	120,087	133,549
Accrued Pension Liability	1,643,400	1,696,846
Compensated Absences	3,306,308	3,186,763
Total Governmental Activities	52,702,777	52,131,106
Business-Type Activities:		
General Obligation Bonds	\$10,796,376	\$12,332,636
OWDA Loans	37,218,169	33,729,939
OPWC Loans	1,450,991	1,562,166
Capital Leases	116,710	202,691
Net Pension Liability	3,010,761	2,936,147
Compensated Absences	620,992	651,084
Total Business-Type Activities	53,213,999	51,414,663
Totals	\$105,916,776	\$103,545,769

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value of property. At December 31, 2015, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 13.

**ECONOMIC FACTORS**

The economy of the city of Newark has historically had a manufacturing base. This has resulted in an economic decline during recessionary periods. Attempts have been made recently to diversify so economic fluctuations will not impact the City as drastically.

While the City has experienced a general decline in manufacturing jobs over the past decade, two major industrial parks are located just outside the City limits and are responsible for a growth in manufacturing jobs. Two joint economic development zones (JEDZ) have been created with Etna Township. The unemployment in the City remains below the national average.

The City's operating budget has been affected by the recession and economic uncertainty in recent years. To balance the budget, capital improvement funds and funds from reserve accounts have been used for general operating expenses thus causing delays in capital projects. The city income tax was increased by the voters to allow for a police station to be built and construction of the replacement of the west side fire station. Both were completed during 2004. A new central fire station was completed in 2015. The 2015 budget increased slightly over the previous year.



***Management's Discussion and Analysis  
For the Year Ended December 31, 2015***

***Unaudited***

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The City's ending cash balance had been declining over the past ten years but year-end 2007 saw a 60% increase. Due to declining tax revenues and building permit collections, the cash carry over at year end 2008 saw a decrease of 20% and the need for increased cash reserves has been addressed in recent operating budgets with the creation of cash reserves funded with a dedicated portion of Emergency Medical Transport revenue. The cash carry over at year end 2010 was nearly equal to 2009 but 2011 showed an increase over 2010 due to increased cash reserves. The 2012 cash carry over showed a slight increase over 2011. The 2013 cash carryover again showed an increase; however, the 2014 cash carryover showed a 20% decrease. The 2015 carryover showed a 55 % increase.

**REQUESTS FOR INFORMATION**

The purpose of this financial report is to provide a clear picture to citizens, taxpayers, investors and creditors and any interested party of the City's accountability of the funds it receives.

Please direct any questions you may have or request for additional information to: Stephen E. Johnson, City Auditor, 40 West Main Street, Newark, Ohio 43055.

# CITY OF NEWARK, OHIO

## Statement of Net Position December 31, 2015

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Pooled Cash and Investments	\$ 11,677,330	\$ 12,533,468	\$ 24,210,798
Cash and Cash Equivalents with Fiscal Agent	2,364	0	2,364
Investments	735,864	0	735,864
Receivables:			
Taxes	6,289,028	0	6,289,028
Accounts	612,668	1,753,370	2,366,038
Intergovernmental	2,172,987	0	2,172,987
Interest	21,342	217	21,559
Loans	3,602,373	0	3,602,373
Internal Balance	(509,886)	509,886	0
Inventory of Supplies at Cost	427,324	675,284	1,102,608
Prepaid Items	51,603	23,282	74,885
Restricted Assets:			
Cash and Cash Equivalents	486,584	0	486,584
Cash and Cash Equivalents with Fiscal Agent	15,148	13,728	28,876
Investments	627,500	0	627,500
Investments with Fiscal Agent	450,376	0	450,376
Non-Depreciable Capital Assets	25,025,618	17,869,362	42,894,980
Depreciable Capital Assets, Net	40,959,037	56,586,753	97,545,790
<b>Total Assets</b>	<b>92,647,260</b>	<b>89,965,350</b>	<b>182,612,610</b>
<b>Deferred Outflows of Resources:</b>			
Deferred Charge on Debt Refunding	145,631	130,020	275,651
Pension:			
OPERS	1,079,402	533,517	1,612,919
OP&F	3,080,918	0	3,080,918
<b>Total Deferred Outflows of Resources</b>	<b>4,305,951</b>	<b>663,537</b>	<b>4,969,488</b>
<b>Liabilities:</b>			
Accounts Payable	359,523	1,681,817	2,041,340
Accrued Wages and Benefits	1,630,975	337,842	1,968,817
Intergovernmental Payable	1,982	270	2,252
Claims Payable	442,690	0	442,690
Matured Bonds and Interest Payable	0	13,728	13,728
Accrued Interest Payable	109,200	460,462	569,662
General Obligation Notes Payable	8,090,000	6,000,000	14,090,000
Noncurrent Liabilities:			
Due Within One Year	2,390,669	2,499,951	4,890,620
Due in More Than One Year:			
Net Pension Liability	30,980,581	3,010,761	33,991,342
Other Amounts Due in More Than One Year	19,331,527	47,703,287	67,034,814
<b>Total Liabilities</b>	<b>63,337,147</b>	<b>61,708,118</b>	<b>125,045,265</b>
<b>Deferred Inflows of Resources:</b>			
Property Tax Levy for Next Fiscal Year	3,083,419	0	3,083,419
Pension:			
OPERS	109,063	52,773	161,836
<b>Total Deferred Inflows of Resources</b>	<b>3,192,482</b>	<b>52,773</b>	<b>3,245,255</b>

(Continued)

**CITY OF NEWARK, OHIO**

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	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	45,289,248	23,666,267	68,955,515
Restricted For:			
Debt Service	1,425,192	0	1,425,192
Security of Persons	601,468	0	601,468
Street Improvement	2,803,002	0	2,803,002
Community Environment	4,075,762	0	4,075,762
Judiciary	1,847,673	0	1,847,673
Cemetery Maintenance	1,119,302	0	1,119,302
Other Purposes	116,871	0	116,871
Unrestricted (Deficit)	(26,854,936)	5,201,729	(21,653,207)
<b>Total Net Position</b>	<b>\$ 30,423,582</b>	<b>\$ 28,867,996</b>	<b>\$ 59,291,578</b>

See accompanying notes to the basic financial statements

**CITY OF NEWARK, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2015**

		Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Security of Persons and Property	\$ 18,199,966	\$ 3,120,520	\$ 772,293	\$ 0
Leisure Time Activities	919,417	0	0	0
Community Environment	1,531,206	163,450	691,266	0
Public Health and Welfare Services	45,062	144,829	33,056	0
Transportation	4,351,212	0	2,748,354	414,045
General Government	10,609,273	711,005	62,926	0
Interest and Fiscal Charges	735,303	0	0	0
<b>Total Governmental Activities</b>	<b>36,391,439</b>	<b>4,139,804</b>	<b>4,307,895</b>	<b>414,045</b>
<b>Business-Type Activities:</b>				
Water	6,402,011	6,294,557	0	0
Sewer	6,158,986	7,653,112	0	0
Storm Water	2,693,249	2,871,602	0	0
<b>Total Business-Type Activities</b>	<b>15,254,246</b>	<b>16,819,271</b>	<b>0</b>	<b>0</b>
<b>Totals</b>	<b>\$ 51,645,685</b>	<b>\$ 20,959,075</b>	<b>\$ 4,307,895</b>	<b>\$ 414,045</b>

**General Revenues**

Property Taxes Levied for:

General Purposes

Special Purposes

Capital Purposes

Income Tax

Other Local Taxes

Intergovernmental, Unrestricted

Investment Earnings

Miscellaneous

**Total General Revenues**

Change in Net Position

Net Position Beginning of Year - Restated

Net Position End of Year

See accompanying notes to the basic financial statements

**CITY OF NEWARK, OHIO**

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Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (14,307,153)	\$ 0	\$ (14,307,153)
(919,417)	0	(919,417)
(676,490)	0	(676,490)
132,823	0	132,823
(1,188,813)	0	(1,188,813)
(9,835,342)	0	(9,835,342)
(735,303)	0	(735,303)
(27,529,695)	0	(27,529,695)
0	(107,454)	(107,454)
0	1,494,126	1,494,126
0	178,353	178,353
0	1,565,025	1,565,025
\$ (27,529,695)	\$ 1,565,025	\$ (25,964,670)
2,040,628	0	2,040,628
404,872	0	404,872
594,079	0	594,079
20,454,357	0	20,454,357
514,057	0	514,057
1,566,000	0	1,566,000
67,376	1,381	68,757
499,272	0	499,272
26,140,641	1,381	26,142,022
(1,389,054)	1,566,406	177,352
31,812,636	27,301,590	59,114,226
\$ 30,423,582	\$ 28,867,996	\$ 59,291,578

**CITY OF NEWARK, OHIO****Balance Sheet  
Governmental Funds  
December 31, 2015**

	General	Community Development	Capital Improvement
<b>Assets:</b>			
Pooled Cash and Investments	\$ 3,101,177	\$ 356,606	\$ 1,684,453
Investments	0	210,000	211,466
Receivables:			
Taxes	5,307,687	0	0
Accounts	574,567	0	0
Intergovernmental	777,545	51,640	0
Interest	21,342	0	0
Loans	0	3,602,373	0
Interfund Loans Receivable	45,293	0	0
Inventory of Supplies, at Cost	80,960	0	0
Prepaid Items	51,603	0	0
Restricted Assets:			
Cash and Cash Equivalents	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0
Investments	0	0	0
Investments with Fiscal Agent	0	0	0
<b>Total Assets</b>	<b>\$ 9,960,174</b>	<b>\$ 4,220,619</b>	<b>\$ 1,895,919</b>
<b>Liabilities:</b>			
Accounts Payable	\$ 164,694	\$ 52,771	\$ 55,553
Accrued Wages and Benefits Payable	1,481,494	22,824	0
Intergovernmental Payable	1,982	0	0
Interfund Loans Payable	0	0	0
Accrued Interest Payable	0	0	40,500
General Obligation Notes Payable	0	0	7,720,000
<b>Total Liabilities</b>	<b>1,648,170</b>	<b>75,595</b>	<b>7,816,053</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable Amounts	2,483,022	0	0
Property Tax Levy for Next Fiscal Year	2,135,394	0	0
<b>Total Deferred Inflows of Resources</b>	<b>4,618,416</b>	<b>0</b>	<b>0</b>
<b>Fund Balance:</b>			
Nonspendable	132,563	0	0
Restricted	0	4,145,024	0
Assigned	1,720,745	0	0
Unassigned	1,840,280	0	(5,920,134)
<b>Total Fund Balance</b>	<b>3,693,588</b>	<b>4,145,024</b>	<b>(5,920,134)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 9,960,174</b>	<b>\$ 4,220,619</b>	<b>\$ 1,895,919</b>

See accompanying notes to the basic financial statements

**CITY OF NEWARK, OHIO**

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Other Governmental Funds	Total Governmental Funds
\$ 5,404,832	\$ 10,547,068
75,000	496,466
981,341	6,289,028
38,101	612,668
1,343,802	2,172,987
0	21,342
0	3,602,373
0	45,293
346,364	427,324
0	51,603
486,584	486,584
15,148	15,148
627,500	627,500
450,376	450,376
<u>\$ 9,769,048</u>	<u>\$ 25,845,760</u>
\$ 86,505	\$ 359,523
126,657	1,630,975
0	1,982
45,293	45,293
3,592	44,092
370,000	8,090,000
<u>632,047</u>	<u>10,171,865</u>
1,407,755	3,890,777
948,025	3,083,419
<u>2,355,780</u>	<u>6,974,196</u>
346,364	478,927
6,787,015	10,932,039
0	1,720,745
(352,158)	(4,432,012)
<u>6,781,221</u>	<u>8,699,699</u>
<u>\$ 9,769,048</u>	<u>\$ 25,845,760</u>

***Reconciliation Of Total Governmental Fund Balances  
To Net Position Of Governmental Activities  
December 31, 2015***

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**Total Governmental Fund Balances** \$ 8,699,699

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

Capital Assets used in governmental activities are not  
resources and therefore are not reported in the funds. 65,984,655

Other long-term assets are not available to pay for current-  
period expenditures and therefore are deferred in the funds. 3,890,777

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

Deferred Outflows - Pension	4,160,320	
Deferred Inflows - Pension	(109,063)	
Net Pension Liability	<u>(30,980,581)</u>	(26,929,324)

Internal service funds are used by management to charge  
the costs of insurance to individual funds. The assets  
and liabilities of the internal service funds are included in  
governmental activities in the statement of net position. 419,448

Long-term liabilities, including bonds payable, are not due  
and payable in the current period and therefore are not  
reported in the funds.

General Obligation Bonds Payable	(14,182,321)	
Deferred Charge on Debt Refunding	145,631	
ODOT State Infrastructure Bank Loan	(1,082,314)	
Ohio Public Works Commission Loan	(585,000)	
Capital Leases Payable	(802,766)	
Accrued Pension Liability	(1,643,400)	
Compensated Absences Payable	(3,306,308)	
Worker's Compensation Retrospective Liability	(120,087)	
Accrued Interest Payable	<u>(65,108)</u>	<u>(21,641,673)</u>

***Net Position of Governmental Activities*** \$ 30,423,582

See accompanying notes to the basic financial statements





**CITY OF NEWARK, OHIO**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2015**

	General	Community Development	Capital Improvement
<b>Revenues:</b>			
Taxes	\$ 23,192,164	\$ 0	\$ 0
Intergovernmental Revenues	1,859,974	661,262	414,045
Charges for Services	2,143,529	0	0
Licenses, Permits and Fees	76,249	0	0
Investment Earnings	70,060	988	4,566
Special Assessments	0	0	0
Fines and Forfeitures	1,416,114	0	0
All Other Revenue	259,630	9,378	90,450
<b>Total Revenues</b>	<b>29,017,720</b>	<b>671,628</b>	<b>509,061</b>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	15,584,736	0	0
Public Health and Welfare Services	0	0	0
Leisure Time Activities	698,450	0	0
Community Environment	234,991	1,080,659	0
Transportation	27,826	0	0
General Government	9,408,305	0	0
Capital Outlay	0	0	5,843,235
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	80,568
<b>Total Expenditures</b>	<b>25,954,308</b>	<b>1,080,659</b>	<b>5,923,803</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,063,412	(409,031)	(5,414,742)
<b>Other Financing Sources (Uses):</b>			
Sale of Capital Assets	46,971	0	0
Other Financing Sources - Capital Lease	0	0	291,575
Transfers In	87,689	0	1,209,648
Transfers Out	(2,232,529)	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(2,097,869)</b>	<b>0</b>	<b>1,501,223</b>
Net Change in Fund Balance	965,543	(409,031)	(3,913,519)
<b>Fund Balance at Beginning of Year</b>	<b>2,718,198</b>	<b>4,554,055</b>	<b>(2,006,615)</b>
Increase in Inventory	9,847	0	0
<b>Fund Balance End of Year</b>	<b>\$ 3,693,588</b>	<b>\$ 4,145,024</b>	<b>\$ (5,920,134)</b>

See accompanying notes to the basic financial statements

**CITY OF NEWARK, OHIO**

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Other Governmental Funds	Total Governmental Funds
\$ 1,003,617	\$ 24,195,781
3,232,587	6,167,868
6,507	2,150,036
0	76,249
(1,355)	74,259
50	50
482,138	1,898,252
139,814	499,272
<u>4,863,358</u>	<u>35,061,767</u>
1,135,559	16,720,295
45,062	45,062
0	698,450
6,670	1,322,320
2,848,809	2,876,635
438,114	9,846,419
0	5,843,235
1,099,074	1,099,074
543,429	623,997
<u>6,116,717</u>	<u>39,075,487</u>
(1,253,359)	(4,013,720)
0	46,971
0	291,575
1,080,481	2,377,818
(145,289)	(2,377,818)
<u>935,192</u>	<u>338,546</u>
(318,167)	(3,675,174)
7,010,910	12,276,548
88,478	98,325
<u>\$ 6,781,221</u>	<u>\$ 8,699,699</u>

***Reconciliation Of The Statement Of Revenues, Expenditures  
And Changes In Fund Balances Of Governmental Funds  
To The Statement Of Activities  
For the Year Ended December 31, 2015***

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**Net Change in Fund Balances - Total Governmental Funds** \$ (3,675,174)

***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 those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital Outlay	5,276,163	
Depreciation Expense	<u>(2,647,550)</u>	2,628,613

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to increase net position.

The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets.	(135,637)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(52,499)
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Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	2,761,113
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Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	(3,087,792)
--	-------------

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, however, has no effect on net position.	
Capital Leases Issued	(291,575)

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

Interest Accretion on General Obligation Bonds	(114,856)	
Accreted Interest Payment	293,524	
Deferred Charge on Debt Refunding Amortization	(9,709)	
Bond Premium Amortization	10,747	
General Obligation Bond Principal Payment	501,476	
OPWC Loan Principal Payment	15,000	
ODOT State Infrastructure Bank Loan Retirement	289,074	
Capital Lease Principal Payment	394,337	
Pension Liability Principal Payment	<u>53,446</u>	1,433,039

(Continued)

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In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.

2,512

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

Compensated Absences

(119,545)

Worker's Compensation Retrospective Liability

13,462

Change in Inventory

98,325

(7,758)

Internal Service Funds are used by management to charge the costs of insurance to individual funds and are not reported in the statement of activities.

Governmental fund expenditures and related internal service revenues are eliminated. The net revenue (expense) of the internal service funds is allocated among the governmental activities.

(963,896)

***Change in Net Position of Governmental Activities***

\$ (1,389,054)

See accompanying notes to the basic financial statements

**CITY OF NEWARK, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Year Ended December 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 22,349,184	\$ 22,349,184	\$ 23,006,659	\$ 657,475
Intergovernmental Revenue	1,801,455	1,915,670	1,864,150	(51,520)
Charges for Services	2,033,987	1,987,843	2,084,903	97,060
Licenses, Permits and Fees	77,650	67,150	76,249	9,099
Investment Earnings	50,062	50,062	73,400	23,338
Fines and Forfeitures	1,415,300	1,415,300	1,410,773	(4,527)
All Other Revenue	142,625	189,261	266,165	76,904
Total Revenues	27,870,263	27,974,470	28,782,299	807,829
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	16,382,787	16,260,427	15,787,763	472,664
Leisure Time Activities	676,699	827,651	729,122	98,529
Community Environment	262,121	261,345	244,478	16,867
Transportation	0	28,000	27,826	174
General Government	10,292,609	10,520,250	10,109,354	410,896
Total Expenditures	27,614,216	27,897,673	26,898,543	999,130
Excess (Deficiency) of Revenues Over (Under) Expenditures	256,047	76,797	1,883,756	1,806,959
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	30,000	51,055	46,971	(4,084)
Transfers In	1,286,692	1,383,881	1,402,444	18,563
Transfers Out	(2,995,587)	(3,033,685)	(3,020,206)	13,479
Advances In	0	98,002	98,002	0
Advances Out	0	(45,293)	(45,293)	0
Total Other Financing Sources (Uses):	(1,678,895)	(1,546,040)	(1,518,082)	27,958
Net Change in Fund Balance	(1,422,848)	(1,469,243)	365,674	1,834,917
Fund Balance at Beginning of Year	1,932,009	1,932,009	1,932,009	0
Prior Year Encumbrances	328,535	328,535	328,535	0
Fund Balance at End of Year	\$ 837,696	\$ 791,301	\$ 2,626,218	\$ 1,834,917

See accompanying notes to the basic financial statements

**CITY OF NEWARK, OHIO**

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**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Special Revenue Fund – Community Development Fund  
For the Year Ended December 31, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 1,275,646	\$ 1,058,811	\$ 731,833	\$ (326,978)
Investment Earnings	470	470	988	518
All Other Revenue	130,000	160,372	226,884	66,512
Total Revenues	1,406,116	1,219,653	959,705	(259,948)
<b>Expenditures:</b>				
Current:				
Community Environment	1,565,716	1,178,840	1,038,344	140,496
Total Expenditures	1,565,716	1,178,840	1,038,344	140,496
Excess (Deficiency) of Revenues Over (Under) Expenditures	(159,600)	40,813	(78,639)	(119,452)
Fund Balance at Beginning of Year	289,506	289,506	289,506	0
Prior Year Encumbrances	163,819	163,819	163,819	0
Fund Balance at End of Year	\$ 293,725	\$ 494,138	\$ 374,686	\$ (119,452)

See accompanying notes to the basic financial statements

**CITY OF NEWARK, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2015**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<b>Assets:</b>			
Current Assets:			
Pooled Cash and Investments	\$ 5,165,382	\$ 5,246,845	\$ 2,121,241
Investments	0	0	0
Receivables:			
Accounts	753,949	753,949	245,472
Interest	112	105	0
Inventory of Supplies at Cost	406,131	218,532	50,621
Prepaid Items	11,550	11,550	182
Total Current Assets	6,337,124	6,230,981	2,417,516
Noncurrent Assets:			
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	23	13,705	0
Total Restricted Assets	23	13,705	0
Non Depreciable Capital Assets	1,525,487	14,049,137	2,294,738
Depreciable Capital Assets, Net	17,696,355	32,595,649	6,294,749
Total Noncurrent Assets	19,221,865	46,658,491	8,589,487
<b>Total Assets</b>	<b>25,558,989</b>	<b>52,889,472</b>	<b>11,007,003</b>
<b>Deferred Outflows of Resources:</b>			
Deferred Charge on Debt Refunding	130,020	0	0
Pension:			
OPERS	333,258	178,533	21,726
<b>Total Deferred Outflows of Resources</b>	<b>463,278</b>	<b>178,533</b>	<b>21,726</b>
<b>Liabilities:</b>			
Current Liabilities:			
Accounts Payable	438,751	1,009,070	233,996
Accrued Wages and Benefits	215,329	109,151	13,362
Intergovernmental Payable	0	270	0
Claims Payable	0	0	0
Compensated Absences Payable - Current	117,262	78,891	7,429
Accrued Interest Payable	61,875	352,353	46,234
General Obligation Notes Payable	4,000,000	0	2,000,000
Capital Leases Payable - Current	53,617	0	35,486
General Obligation Bonds Payable - Current	652,133	41,739	160,087
OWDA Loans Payable - Current	124,215	1,062,112	55,805
OPWC Loans Payable - Current	0	111,175	0
Total Current Liabilities	5,663,182	2,764,761	2,552,399



**CITY OF NEWARK, OHIO**

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	Governmental Activities - Internal Service Funds
Total	
\$ 12,533,468	\$ 1,130,262
0	239,398
1,753,370	0
217	0
675,284	0
23,282	0
14,985,621	1,369,660
13,728	2,364
13,728	2,364
17,869,362	0
56,586,753	0
74,469,843	2,364
89,455,464	1,372,024
130,020	0
533,517	0
663,537	0
1,681,817	0
337,842	0
270	0
0	442,690
203,582	0
460,462	0
6,000,000	0
89,103	0
853,959	0
1,242,132	0
111,175	0
10,980,342	442,690

(Continued)

**CITY OF NEWARK, OHIO**
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2015**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
Noncurrent Liabilities:			
Matured Bonds and Interest Payable	23	13,705	0
Capital Leases Payable	27,607	0	0
General Obligation Bonds Payable	5,216,993	1,007,011	3,718,413
OWDA Loans Payable	2,669,481	32,152,795	1,153,761
OPWC Loans Payable	0	1,339,816	0
Compensated Absences Payable	240,425	161,752	15,233
Net Pension Liability	1,854,016	1,033,105	123,640
Total Noncurrent Liabilities	10,008,545	35,708,184	5,011,047
<b>Total Liabilities</b>	<b>15,671,727</b>	<b>38,472,945</b>	<b>7,563,446</b>
<b>Deferred Inflows of Resources:</b>			
Pension:			
OPERS	32,410	18,193	2,170
<b>Total Deferred Inflows of Resources</b>	<b>32,410</b>	<b>18,193</b>	<b>2,170</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	9,640,989	10,293,431	3,731,847
Unrestricted	677,141	4,283,436	(268,734)
<b>Total Net Position</b>	<b>\$ 10,318,130</b>	<b>\$ 14,576,867</b>	<b>\$ 3,463,113</b>

Adjustment to reflect the consolidation of internal service  
fund activities related to the enterprise funds.  
Net Position of Business-type Activities

See accompanying notes to the basic financial statements

***CITY OF NEWARK, OHIO***

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	Governmental
	Activities -
	Internal Service
Total	Funds
13,728	0
27,607	0
9,942,417	0
35,976,037	0
1,339,816	0
417,410	0
3,010,761	0
50,727,776	0
61,708,118	442,690
52,773	0
52,773	0
23,666,267	0
4,691,843	929,334
\$ 28,358,110	\$ 929,334
509,886	
\$ 28,867,996	

**CITY OF NEWARK, OHIO**

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

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<b>Operating Revenues:</b>			
Charges for Services	\$ 6,200,400	\$ 7,342,603	\$ 2,796,596
Other Operating Revenues	94,157	310,509	75,006
<b>Total Operating Revenues</b>	<b>6,294,557</b>	<b>7,653,112</b>	<b>2,871,602</b>
<b>Operating Expenses:</b>			
Personal Services	2,041,511	1,173,094	200,821
Contractual Services	1,652,552	2,460,546	2,050,551
Materials and Supplies	1,110,132	368,887	109,375
Depreciation	818,442	1,145,678	119,061
<b>Total Operating Expenses</b>	<b>5,622,637</b>	<b>5,148,205</b>	<b>2,479,808</b>
<b>Operating Income (Loss)</b>	<b>671,920</b>	<b>2,504,907</b>	<b>391,794</b>
<b>Non-Operating Revenue (Expenses):</b>			
Interest Income	757	624	0
Interest and Fiscal Charges	(514,485)	(1,010,231)	(212,441)
Other Nonoperating Expense	(31,098)	(550)	(1,000)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(544,826)</b>	<b>(1,010,157)</b>	<b>(213,441)</b>
<b>Income (Loss) Before Transfers</b>	<b>127,094</b>	<b>1,494,750</b>	<b>178,353</b>
<b>Transfers:</b>			
Transfers In	350,000	712,957	0
Transfers Out	(118,844)	0	(944,113)
<b>Total Transfers</b>	<b>231,156</b>	<b>712,957</b>	<b>(944,113)</b>
<b>Change in Net Position</b>	<b>358,250</b>	<b>2,207,707</b>	<b>(765,760)</b>
Net Position Beginning of Year - Restated	9,959,880	12,369,160	4,228,873
<b>Net Position End of Year</b>	<b>\$ 10,318,130</b>	<b>\$ 14,576,867</b>	<b>\$ 3,463,113</b>

Change in Net Position - Total Enterprise Funds

Adjustment to reflect the consolidation of internal service  
fund activities related to the enterprise funds.

Change in Net Position - Business-type Activities

See accompanying notes to the basic financial statements

**CITY OF NEWARK, OHIO**

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	Governmental Activities - Internal Service Funds
Total	
\$ 16,339,599	\$ 4,556,132
479,672	1
16,819,271	4,556,133
3,415,426	5,746,937
6,163,649	0
1,588,394	0
2,083,181	0
13,250,650	5,746,937
3,568,621	(1,190,804)
1,381	(6,883)
(1,737,157)	0
(32,648)	0
(1,768,424)	(6,883)
1,800,197	(1,197,687)
1,062,957	0
(1,062,957)	0
0	0
1,800,197	(1,197,687)
26,557,913	2,127,021
\$ 28,358,110	\$ 929,334
\$ 1,800,197	
(233,791)	
\$ 1,566,406	

***CITY OF NEWARK, OHIO***

***Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2015***

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$6,273,178	\$7,631,733	\$2,864,641
Cash Received for Interfund Services	0	0	0
Cash Payments for Goods and Services	(2,730,834)	(2,487,125)	(2,137,185)
Cash Payments to Employees	(2,026,991)	(1,238,724)	(200,555)
Net Cash Provided (Used) by Operating Activities	1,515,353	3,905,884	526,901
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	350,000	712,957	0
Transfers Out to Other Funds	(118,844)	0	(944,113)
Net Cash Provided (Used) by Noncapital Financing Activities	231,156	712,957	(944,113)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(987,933)	(4,643,020)	(2,109,533)
Premium on Note Issuance	6,969	0	0
General Obligation Notes Issued	4,000,000	0	2,000,000
General Obligation Note Retirement	(4,000,000)	0	0
Principal Paid on Capital Leases	(51,561)	0	(34,420)
Principal Paid on General Obligation Bonds	(709,304)	(52,500)	(173,000)
Ohio Water Development Authority Loans Issued	0	4,334,088	733,274
Principal Paid on Ohio Water Development Authority Loans	(119,763)	(1,405,393)	(53,976)
Principal Paid on Ohio Public Works Commission Loans	0	(111,175)	0
Interest Paid on All Debt	(1,078,989)	(997,836)	(195,408)
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,940,581)	(2,875,836)	166,937
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	645	519	0
Net Cash Provided by Investing Activities	645	519	0
Net Increase (Decrease) in Cash and Cash Equivalents	(1,193,427)	1,743,524	(250,275)
Cash and Cash Equivalents at Beginning of Year	6,358,832	3,517,026	2,371,516
Cash and Cash Equivalents at End of Year	\$5,165,405	\$5,260,550	\$2,121,241
<u>Reconciliation of Cash and Cash Equivalents per the Statement of Net Position:</u>			
Cash and Cash Equivalents	\$5,165,382	\$5,246,845	\$2,121,241
Restricted Cash with Fiscal Agent	23	13,705	0
Cash and Cash Equivalents at End of Year	\$5,165,405	\$5,260,550	\$2,121,241

**CITY OF NEWARK, OHIO**

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	Governmental- Activities
<u>Total</u>	<u>Internal Service</u>
\$16,769,552	\$0
0	4,556,133
(7,355,144)	0
<u>(3,466,270)</u>	<u>(5,684,676)</u>
<u>5,948,138</u>	<u>(1,128,543)</u>
1,062,957	0
<u>(1,062,957)</u>	<u>0</u>
<u>0</u>	<u>0</u>
(7,740,486)	0
6,969	0
6,000,000	0
(4,000,000)	0
(85,981)	0
(934,804)	0
5,067,362	0
(1,579,132)	0
(111,175)	0
<u>(2,272,233)</u>	<u>0</u>
<u>(5,649,480)</u>	<u>0</u>
1,164	1,392
<u>1,164</u>	<u>1,392</u>
299,822	(1,127,151)
<u>12,247,374</u>	<u>2,259,777</u>
<u>\$12,547,196</u>	<u>\$1,132,626</u>
\$12,533,468	\$1,130,262
<u>13,728</u>	<u>2,364</u>
<u>\$12,547,196</u>	<u>\$1,132,626</u>

(Continued)

***CITY OF NEWARK, OHIO***

***Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2015***

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Storm Water
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$671,920	\$2,504,907	\$391,794
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	818,442	1,145,678	119,061
Nonoperating Expense	(31,098)	(550)	(1,000)
Changes in Assets, Liabilities and Deferred Outflows/Inflows:			
Increase in Accounts Receivable	(21,379)	(21,379)	(6,961)
(Increase) Decrease in Inventory	36,541	(18,512)	822
(Increase) Decrease in Prepaid Items	436	(1,076)	(9)
Increase in Deferred Outflows of Resources	(333,258)	(178,533)	(21,726)
Increase in Accounts Payable	25,971	362,176	22,928
Increase in Intergovernmental Payable	0	270	0
Increase (Decrease) in Accrued Wages and Benefits	18,267	(833)	841
Increase in Claims Payable	0	0	0
Increase (Decrease) in Compensated Absences	20,807	(51,907)	1,008
Increase in Net Pension Liability	276,294	147,450	17,973
Increase in Deferred Inflows of Resources	32,410	18,193	2,170
Total Adjustments	843,433	1,400,977	135,107
Net Cash Provided (Used) by Operating Activities	<u>\$1,515,353</u>	<u>\$3,905,884</u>	<u>\$526,901</u>

See accompanying notes to the basic financial statements



***CITY OF NEWARK, OHIO***

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	Governmental- Activities
<u>Total</u>	<u>Internal Service</u>
\$3,568,621	(\$1,190,804)
2,083,181	0
(32,648)	0
(49,719)	0
18,851	0
(649)	0
(533,517)	0
411,075	0
270	0
18,275	0
0	62,261
(30,092)	0
441,717	0
52,773	0
<u>2,379,517</u>	<u>62,261</u>
<u>\$5,948,138</u>	<u>(\$1,128,543)</u>

***CITY OF NEWARK, OHIO***

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***Statement of Assets and Liabilities  
Fiduciary Funds  
December 31, 2015***

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	<u>Agency Funds</u>
<b>Assets:</b>	
Receivables:	
Taxes	\$ 4,499
Restricted Assets:	
Cash and Cash Equivalents	<u>1,001,759</u>
<b>Total Assets</b>	<u>1,006,258</u>
 <b>Liabilities:</b>	
Intergovernmental Payable	799,862
Due to Others	<u>206,396</u>
<b>Total Liabilities</b>	<u>\$ 1,006,258</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

The City of Newark, Ohio (the "City") was incorporated in 1826 under the laws of the State of Ohio. The City operates under a Council-Mayor form of government.

The financial statements are presented as of December 31, 2015 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

**A. Reporting Entity**

The accompanying basic financial statements comply with the provisions of GASB Statement No. 14, *"The Financial Reporting Entity,"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, agencies, boards and commissions that are part of the primary government, which include the following services: police and fire protection, parks and recreation, planning, zoning, street maintenance and other governmental services. In addition, the City owns and operates a water treatment and distribution system, a wastewater treatment and collection system, and a storm water collection system, which are reported as enterprise funds.

**B. Basis of Presentation - Fund Accounting**

The accounting policies and financial reporting practices of the City conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of its significant accounting policies:

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred outflows/inflows of resources, fund equity, revenues and expenditures (expenses). The following fund types are used by the City:

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting (Continued)**

***Governmental Funds***

Governmental funds are those funds through which most governmental functions are typically 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 flow" (sources, uses and balances of financial resources). The following are the City's major governmental funds:

General Fund - This fund is used to account for all financial resources except those 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 general laws of Ohio.

Community Development Fund – This fund is used to account for Federal grants administered through the State, which are designated for community and environmental improvements.

Capital Improvement Fund – This fund is used to account for financial resources used for the major capital projects undertaken by the City.

***Proprietary Funds***

All proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets, liabilities, and deferred outflows/inflows of resources associated with the operation of these funds are included on the statement of net position. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body 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 – To account for the operation of the City's water service.

Sewer Fund – To account for the operation of the City's sanitary sewer service.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting** (Continued)

Storm Water Fund – To account for the operation of the City’s storm water drainage system.

Internal Service Fund - To account for the accumulation and allocation of costs associated with the City’s health and dental self-insurance program.

***Fiduciary Funds***

Agency Funds - These funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments and other funds. The agency funds account for municipal court monies, fire damage reimbursements, fines for the Licking County law library and Joint Economic Development Zone income tax collections. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

**C. Basis of Presentation – Financial Statements**

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, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

Interfund receivables and payables between governmental and business-type activities have been eliminated in the government-wide statement of net position.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund 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.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City’s governmental activities. 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 and grants and contributions that are restricted to meeting the operational or capital requirements of 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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements (Continued)**

**Fund Financial Statements** – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, current liabilities, and deferred outflows/inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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

**D. Basis of Accounting**

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses in the accounts and reported in the financial statements, and relates to the timing of the measurements made. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basis of Accounting** (Continued)

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from property taxes is recognized in the period for which the taxes are levied and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. 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 specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Revenue considered susceptible to accrual at year end includes income taxes, property taxes, interest on investments and state levied locally shared taxes (including motor vehicle license fees and local government assistance). Licenses, permits, charges for service and other miscellaneous revenues are recorded as revenue when received in cash because generally this revenue is not measurable until received.

Special assessment installments including related accrued interest, which are measurable but not available at December 31, are recorded as deferred inflows of resources. Property taxes which are measurable at December 31, 2015 but are not intended to finance 2015 operations, and delinquent property taxes whose availability is indeterminate, are recorded as deferred inflows of resources. Property taxes are further described in Note 6.

The accrual basis of accounting is utilized for reporting purposes by the government-wide financial statements, proprietary funds and agency funds. Revenues are recognized when they are earned and expenses recognized when incurred.

**E. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process** (Continued)

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The Mary E. Barnes Trust Fund (special revenue fund) was not budgeted and only exists on a GAAP basis. The primary level of budgetary control is at the department level by object code. Budgetary modifications may be made only by ordinance of the City Council.

**1. Tax Budget**

The Mayor submits an annual tax budget for the following fiscal year to City Council by July 15 for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

**2. Estimated Resources**

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2015.

**3. Appropriations**

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the department and object code level. The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified by the County Budget Commission. During the year, several supplemental appropriations were necessary to budget contingency funds, intergovernmental grants and proceeds of debt issues.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process** (Continued)

**3. Appropriations** (Continued)

The allocation of appropriations among departments and objects within a fund may be modified during the year only by an ordinance of City Council. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual for the General Fund and Major Special Revenue Funds" are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

**4. Lapsing of Appropriations**

At the close of each fiscal 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 forward to the subsequent fiscal year and need not be reappropriated.

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****E. Budgetary Process (Continued)****5. Budgetary Basis of Accounting**

The City's budgetary process accounts for the City's transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on the cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary cash basis statements for the General and major Special Revenue Fund:

	Net Change in Fund Balance	
	General Fund	Community Development Fund
GAAP Basis (as reported)	\$965,543	(\$409,031)
Increase (Decrease):		
Accrued Revenues at December 31, 2015 received during 2016	(2,096,475)	(3,654,013)
Accrued Revenues at December 31, 2014 received during 2015	1,913,763	4,129,681
Accrued Expenditures at December 31, 2015 paid during 2016	1,648,170	75,595
Accrued Expenditures at December 31, 2014 paid during 2015	(1,577,967)	(28,951)
2014 Prepaids for 2015	50,745	0
2015 Prepaids for 2016	(51,603)	0
Outstanding Encumbrances	(486,502)	(191,920)
Budget Basis	<u>\$365,674</u>	<u>(\$78,639)</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits, a repurchase agreement, the State Treasury Asset Reserve (STAR Ohio) and short-term certificates of deposit with original maturities of three months or less. The repurchase agreement, Star Ohio and certificates of deposit are considered cash equivalents because they are highly liquid investments. See Note 5, "Cash, Cash Equivalents and Investments."

**G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The City allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City records all its investments at fair value except for nonparticipating investment contracts (repurchase agreements and certificates of deposit) which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 5, "Cash, Cash Equivalents and Investments."

The City invested funds in the STAR Ohio during 2015. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2015.

**H. Inventory**

On the government-wide financial statements and in the proprietary funds, 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. The cost of inventory items is recorded as an expenditure in the governmental funds when purchased.

**I. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2015, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Capital Assets and Depreciation**

Capital assets are defined by the City as assets with an initial, individual cost of more than \$15,000.

**1. Property, Plant and Equipment - Governmental Activities**

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at fair market value at the date received. Capital assets include land, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Estimated historical costs for governmental activities capital asset values were initially determined by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

**2. Property, Plant and Equipment – Business Type Activities**

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed capital assets are recorded at fair market value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Position and in the respective funds.

**3. Depreciation**

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental and Business-Type Activities Estimated Lives (in years)</u>
Buildings	45
Improvements other than Buildings	60
Machinery, Equipment, Furniture and Fixtures	3 - 10
Infrastructure	15 - 75

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****K. Long-Term Obligations**

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Water Fund, Storm Water Fund Tax Increment Financing Fund Debt Service Fund
OWDA Loans	Water Fund, Sewer Fund, Storm Water Fund
OPWC Loans	Sewer Fund
Capital Leases	Capital Improvement Fund, Water Fund, Storm Water Fund
Compensated Absences	General Fund Street Department Fund Community Development Fund Court Computerization Fund Probation Grant Fund Water Fund Sewer Fund Storm Water Fund
Accrued Pension Liability	General Fund
Worker's Compensation Retrospective Liability	General Fund
ODOT SIB Loan	Tax Increment Financing Fund

**L. Compensated Absences**

Employees of the City earn vacation leave at various rates within limits specified under collective bargaining agreements or under statute. At termination or retirement, employees are paid at their full rate for one-hundred percent (100%) of their unused vacation leave.

Sick leave is accrued by all employees at the rate of 4.615 hours every two weeks for a total of fifteen days of sick leave accrued per year. A percentage of accrued sick leave time is liquidated in cash at termination (in good standing) or at retirement. The rate of cash compensation for sick leave payout varies within specified limits under collective bargaining agreements or under law. Generally, employees with ten years of continuous service may receive 33% of their accrued sick leave if they terminate in good standing prior to retirement. Employees who elect to retire after 25 years of credit in the retirement system receive 50% of their accrued sick leave at time of retirement. Cash compensation for sick leave is paid at the employee's full rate of pay at the time of termination or retirement.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. Compensated Absences** (Continued)

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments. In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," the City records a liability for vacation time and sick leave when the obligation is attributable to services previously rendered or to rights that vest or accumulate, and when payment of the obligation is probable and can be reasonably determined. For governmental funds, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. For governmental funds, the portion of unpaid compensated absences expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." The long-term portion of the liability is reported in the Government-wide Statements under Long-term Liabilities.

**M. Net Position**

Net position represents the difference between assets, liabilities, and deferred outflows/inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**N. Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. In order to avoid distorting the measurement of the cost of individual functional activities, entries are made to eliminate the activity provided by the internal service funds to those funds considered governmental and those considered business-type. The elimination of the internal service funds is based on the activity of each fund to which it provides service. Interfund services provided and used are not eliminated through the process of consolidation.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**O. Pensions**

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

**P. Fund Balances**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

*Nonspendable* – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally contractually required to be maintained intact.

*Restricted* – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. 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 (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

*Committed* – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision making authority. For the City, these constraints consist of ordinances passed by City Council. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts.

*Assigned* – Assigned fund balance consists of amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City has no formal policy authorizing a body or official to assign amounts for specific purposes.

*Unassigned* – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted (committed, assigned and unassigned) resources as they are needed.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Q. Restricted Assets**

Restricted cash and investments are amounts restricted in use for matured bonds and interest payable, cemetery care and maintenance, fire department operations, and permissive tax monies held and secured by Licking County.

**R. Operating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. 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 water treatment and distribution, wastewater collection and treatment, and storm water collection. Operating expenses are necessary costs incurred 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 revenues and expenses.

**S. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City and that are either unusual in nature or infrequent in occurrence. The City had no special or extraordinary items to report during 2015.

**T. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows for the deferred charge on debt refunding and for deferred pension amounts. The deferred charge on debt refunding is reported in the government-wide statement of net position and proprietary funds statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources are reported for pension amounts on the government-wide and proprietary funds statement of net position. See Note 10.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows.



**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****T. Deferred Outflows/Inflows of Resources (Continued)**

In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide and proprietary funds statement of net position. See Note 10.

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

In 2015 the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense/expenditure.

The implementation of GASB 68 had the following effect on net position as reported December 31, 2014:

	Governmental Activities	Business-type Activities	Water Fund	Sewer Fund	Storm Water Fund
Net Position December 31, 2014	\$58,415,281	\$29,870,634	\$11,537,602	\$13,254,815	\$4,334,540
Adjustments:					
Net Pension Liability	(29,363,820)	(2,936,147)	(1,803,170)	(1,012,210)	(120,767)
Deferred Outflows -					
Payments Subsequent to Measurement Date	2,761,175	367,103	225,448	126,555	15,100
Restated Net Position December 31, 2014	<u>\$31,812,636</u>	<u>\$27,301,590</u>	<u>\$9,959,880</u>	<u>\$12,369,160</u>	<u>\$4,228,873</u>

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 3 - COMPLIANCE AND ACCOUNTABILITY**

**Deficit Fund Equities** – The fund deficit at December 31, 2015 of \$19,006 in the Brownfield Cleanup Fund (special revenue fund) arises from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary/cash basis. The General Fund provides transfers when cash is required, not when accruals occur. The fund deficits of \$333,152 in the Landfill Reclamation Fund (special revenue fund) and \$5,920,134 in the Capital Improvement Fund (capital projects fund) are due to the recording of general obligation notes payable in the individual fund balance sheet.

**NOTE 4 – FUND BALANCE CLASSIFICATION**

Fund balance is classified as nonspendable, restricted, assigned, and unassigned 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 constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General Fund	Community Development Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Supplies Inventory	\$80,960	\$0	\$0	\$346,364	\$427,324
Prepaid Items	51,603	0	0	0	51,603
Total Nonspendable	132,563	0	0	346,364	478,927
Restricted:					
Community Development	0	4,145,024	0	0	4,145,024
Capital Acquisition and Improvement	0	0	0	374,318	374,318
Cemetery Maintenance	0	0	0	1,119,302	1,119,302
Memorial Sidewalk Program	0	0	0	76,102	76,102
Street Maintenance	0	0	0	1,430,659	1,430,659
Adult Probation Program	0	0	0	131,528	131,528
FTA Taxi Token Program	0	0	0	40,769	40,769
Court Improvements	0	0	0	1,847,673	1,847,673
Police and Fire Pension	0	0	0	23	23
Law Enforcement	0	0	0	328,852	328,852
Safety Grants Program	0	0	0	12,597	12,597
Debt Retirement	0	0	0	1,425,192	1,425,192
Total Restricted	0	4,145,024	0	6,787,015	10,932,039
Assigned:					
Encumbrances:					
Supplies and Services	319,820	0	0	0	319,820
Fiscal 2016 Budget Deficit	1,400,925	0	0	0	1,400,925
Total Assigned	1,720,745	0	0	0	1,720,745
Unassigned (Deficits):	1,840,280	0	(5,920,134)	(352,158)	(4,432,012)
Total Fund Balances	\$3,693,588	\$4,145,024	(\$5,920,134)	\$6,781,221	\$8,699,699

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 5 - CASH, CASH EQUIVALENTS, AND INVESTMENTS**

Cash resources of several individual funds are combined to form a pool of cash and investments. In addition, investments are separately held by a number of individual funds.

Statutes require the classification of funds held by the City into three categories:

Category 1 consists of "active" funds - those funds required to be kept in "cash" or "near cash" status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

Category 3 consists of "interim" funds - those funds not needed for immediate use but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 5 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)**

- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of City cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions. The City's policy is to deposit funds with banking institutions which collateralize public monies in accordance with the Ohio Revised Code.

**A. Deposits**

At year end the carrying amount of the City's deposits was \$14,909,908 and the bank balance was \$16,083,247. Federal depository insurance covered \$12,498,525 of the bank balance and \$3,584,722 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	<u>\$3,584,722</u>
Total Balance	<u><u>\$3,584,722</u></u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015****NOTE 5 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)****B. Investments**

The City's investments at December 31, 2015 are summarized below:

	Fair Value	Credit Rating	Concentration of Credit Risk	Investment Maturities (in Years)		
				less than 1	1-3	3-5
Repurchase Agreement	\$4,976,095	N/A	39.39%	\$4,976,095	\$0	\$0
STAR Ohio	2,722,887	AAAm <sup>1</sup>	21.55%	2,722,887	0	0
Corporate Equities*	306,749	N/A	2.43%	306,749	0	0
Corporate Notes/Bonds	9,989	Baa1 <sup>2</sup>	0.08%	0	9,989	0
Mutual Funds	123,764	Aaa-Baa <sup>2</sup>	0.98%	123,764	0	0
Negotiable CD's	2,941,779	AAA <sup>3</sup>	23.27%	1,502,713	696,111	742,955
FHLB	501,030	AA+ <sup>1</sup>	3.97%	0	0	501,030
FFCB	9,874	AA+ <sup>1</sup>	0.08%	0	9,874	0
FHLMC	298,091	AA+ <sup>1</sup>	2.36%	298,091	0	0
FNMA	743,955	AA+ <sup>1</sup>	5.89%	0	743,955	0
Total Investments	<u>\$12,634,213</u>		<u>100.00%</u>	<u>\$9,930,299</u>	<u>\$1,459,929</u>	<u>\$1,243,985</u>

\* Corporate Equities do not have a maturity

<sup>1</sup> Standard & Poor's

<sup>2</sup> Moody's Investor Service

<sup>3</sup> All are fully FDIC insured and therefore have an implied AAA credit rating

*Interest Rate Risk* – The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The City's investment policy is consistent with the Ohio Revised Code concerning interest rate risk.

*Investment Credit Risk* – The City's investment policy does not limit its investment choices other than the limitation of State statute for "interim" funds described previously.

*Concentration of Credit Risk* – The City places no limit on the amount it may invest in any one issuer. The allocation of investments is detailed above.

*Custodial Credit Risk* – The City's balance of investments are held by the trust department of its banking institution in the City's name. The City has no policy on custodial credit risk and is governed by Ohio Revised Code as described under Deposits.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 6 - TAXES**

**A. Property Taxes**

Property taxes include amounts levied against all real estate and public utility property located in the City. Real property taxes (other than public utility) collected during 2015 were levied after October 1, 2014 on assessed values as of January 1, 2014, the lien date. Assessed values are established by the county auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments are made in the third year following reappraisal. The last reappraisal was completed in 2011. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

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. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Newark. The County Auditor periodically remits to the City its portion of the taxes collected.

The full tax rate for the City's operations for the year ended December 31, 2015 was \$3.70 per \$1,000 of assessed value. The assessed value upon which the 2015 levy was based was \$770,883,080. This amount constitutes \$740,199,050 in real property assessed value and \$30,684,030 in public utility assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .37% (3.70 mills) of assessed value.

**B. Income Tax**

The City levies a tax of 1.75% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% of the tax paid to another municipality to a maximum of 1.00% of taxable salaries, wages, commissions and other compensation.

Employers within the City are required to withhold income tax on employees' compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2015 consisted of taxes, interest, accounts, loans, and intergovernmental receivables arising from shared revenues.

**NOTE 8 – INTERFUND ACTIVITY****A. Transfers**

Following is a summary of transfers in and out for all funds for 2015:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$87,689	\$2,232,529
Capital Improvement Fund	1,209,648	0
Other Governmental Funds	1,080,481	145,289
Total Governmental Funds	<u>2,377,818</u>	<u>2,377,818</u>
Water Fund	350,000	118,844
Sewer Fund	712,957	0
Storm Water Fund	0	944,113
Total Proprietary Funds	<u>1,062,957</u>	<u>1,062,957</u>
Total Transfers	<u>\$3,440,775</u>	<u>\$3,440,775</u>

Transfers for the year ended December 31, 2015 included a \$1,157,598 transfer from the General Fund to Capital Improvement Fund which were EMS receipts dedicated to capital improvements. \$1,069,276 was transferred from the General Fund to the Debt Service Funds for debt payments. Transfers from Other Governmental funds of \$145,289 were the result of the reclass of debt retirement as well as residual equity transfers. Transfers out of the Storm Water Fund included \$99,157 for debt retirement reclassification. In addition, the Storm Water Fund transferred \$350,000 and \$494,956 to the Water and Sewer Funds respectively, for various project costs. All transfers were made in accordance with Ohio Revised Code.

**B. Interfund Receivables/Payables**

The following is a summary of interfund loans receivable and payable for all funds for 2015:

<u>Fund</u>	<u>Interfund Loans Receivable</u>	<u>Interfund Loans Payable</u>
General Fund	\$45,293	\$0
Other Governmental Funds	0	45,293
Totals	<u>\$45,293</u>	<u>\$45,293</u>

These Interfund Loans are short-term loans to cover a temporary cash deficit.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 9 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2015:

**Historical Cost:**

Class	December 31, 2014	Additions	Deletions	December 31, 2015
<b>Capital assets not being depreciated:</b>				
Land	\$20,059,826	\$0	\$0	\$20,059,826
Construction in Progress	1,545,966	3,419,826	0	4,965,792
Sub-Total	21,605,792	3,419,826	0	25,025,618
<b>Capital assets being depreciated:</b>				
Buildings	17,894,688	19,006	0	17,913,694
Improvements Other than Buildings	4,331,622	0	0	4,331,622
Infrastructure	66,253,554	1,466,265	(541,249)	67,178,570
Machinery and Equipment	9,810,518	371,066	0	10,181,584
Total Cost	\$119,896,174	\$5,276,163	(\$541,249)	\$124,631,088

**Accumulated Depreciation:**

Class	December 31, 2014	Additions	Deletions	December 31, 2015
Buildings	(\$7,022,394)	(\$363,768)	\$0	(\$7,386,162)
Improvements Other than Buildings	(3,453,151)	(91,326)	0	(3,544,477)
Infrastructure	(38,027,378)	(1,808,639)	405,612	(39,430,405)
Machinery and Equipment	(7,901,572)	(383,817)	0	(8,285,389)
Total Depreciation	(\$56,404,495)	(\$2,647,550) *	\$405,612	(\$58,646,433)
<b>Net Value:</b>	<b>\$63,491,679</b>			<b>\$65,984,655</b>

\* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$489,477
Leisure Time Activities	49,644
Community Environment	36,959
Transportation	1,907,560
General Government	163,910
Total Depreciation Expense	<u>\$2,647,550</u>



**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 9 - CAPITAL ASSETS (Continued)**

**B. Business-Type Activities Capital Assets**

Summary by Category at December 31, 2015:

**Historical Cost:**

Class	December 31, 2014	Additions	Deletions	December 31, 2015
<b>Capital assets not being depreciated:</b>				
Land	\$161,800	\$0	\$0	\$161,800
Construction in Progress	9,477,266	8,629,220	(398,924)	17,707,562
Sub-Total	9,639,066	8,629,220	(398,924)	17,869,362
<b>Capital assets being depreciated:</b>				
Buildings and Improvements	58,091,134	0	0	58,091,134
Infrastructure	20,312,683	398,924	0	20,711,607
Machinery and Equipment	30,119,555	313,544	(15,985)	30,417,114
Total Cost	\$118,162,438	\$9,341,688	(\$414,909)	\$127,089,217

**Accumulated Depreciation:**

Class	December 31, 2014	Additions	Deletions	December 31, 2015
Buildings and Improvements	(\$16,926,823)	(\$1,592,793)	\$0	(\$18,519,616)
Infrastructure	(4,477,667)	(316,096)	0	(4,793,763)
Machinery and Equipment	(29,161,416)	(174,292)	15,985	(29,319,723)
Total Depreciation	(\$50,565,906)	(\$2,083,181)	\$15,985	(\$52,633,102)
<b>Net Value:</b>	<b>\$67,596,532</b>			<b>\$74,456,115</b>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

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

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

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

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

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

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

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. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. 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 pension plan.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<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
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b> Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

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.

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

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

	<u>State and Local</u>
<b>2015 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2015 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	<u>2.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,121,392 for 2015. Of this amount, \$62,543 is reported as an intergovernmental payable.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

***Plan Description – Ohio Police & Fire Pension Fund (OPF)***

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF 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 OPF may retire and receive a lifetime monthly pension. OPF 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.

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

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

	<u>Police</u>	<u>Firefighters</u>
<b>2015 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %
<b>2015 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:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$2,012,953 for 2015. Of this amount, \$83,278 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of 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>
Proportionate Share of the Net Pension Liability	\$9,212,040	\$24,779,302	\$33,991,342
Proportion of the Net Pension Liability	0.076378%	0.478326%	
Pension Expense	\$1,004,133	\$2,417,864	\$3,421,997

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$491,527	\$1,067,965	\$1,559,492
City contributions subsequent to the measurement date	<u>1,121,392</u>	<u>2,012,953</u>	<u>3,134,345</u>
Total Deferred Outflows of Resources	<u>\$1,612,919</u>	<u>\$3,080,918</u>	<u>\$4,693,837</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	<u>\$161,836</u>	<u>\$0</u>	<u>\$161,836</u>

\$3,134,345 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
2016	\$48,210	\$266,991	\$315,201
2017	48,210	266,991	315,201
2018	110,389	266,991	377,380
2019	<u>122,882</u>	<u>266,992</u>	<u>389,874</u>
Total	<u>\$329,691</u>	<u>\$1,067,965</u>	<u>\$1,397,656</u>

**Actuarial Assumptions - OPERS**

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

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

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

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

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

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

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	100.00 %	5.28 %



**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$16,947,514	\$9,212,040	\$2,696,907

**Actuarial Assumptions – OPF**

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

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

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged 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 OPF's target asset allocation as of December 31, 2014 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	<u>120.00 %</u>	

\* levered 2x

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$34,273,523	\$24,779,302	\$16,740,583

**NOTE 11 - POSTEMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System ("OPERS")**

Plan Description – 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 plan, which includes a medical plan, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B Premium reimbursement, to qualifying member of both the Traditional Pension and the Combined Plans. Members of the Member Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)**

**A. Ohio Public Employees Retirement System (“OPERS”) (Continued)**

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2015, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

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

The City's contributions for health care to the OPERS for the years ending December 31, 2015, 2014, and 2013 were \$199,848, \$190,896 and \$101,434, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)**

**B. Ohio Police and Fire Pension Fund ("OP&F")**

Plan Description – The City contributes to the OP&F sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The ORC permits, but does not mandate, OP&F to provide OPEB benefits. Authority to establish and amend benefits is provided in Chapter 742 of the ORC.

OP&F issues a stand-alone financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at [www.op-f.org](http://www.op-f.org).

Funding Policy – The ORC provides for contribution requirements of the participating employers and of plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2015, the portion of employer contributions allocated to health care was 0.5% of covered payroll for both police officers and firefighters. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OP&F for the years ending December 31, 2015, 2014, and 2013 were \$23,070, \$22,704 and \$164,469 for police and \$24,008, \$24,401 and \$180,015 for firefighters, respectively, which were equal to the required contributions for each year.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015****NOTE 12 - NOTES PAYABLE**

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of twenty years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to and payable no later than those principal maturities required if the bonds had been issued at the expiration of the initial five year period. Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes, or from available funds of the City or a combination of these sources.

	Balance January 1, 2015	Issued	(Retired)	Balance December 31, 2015
Special Revenue Fund Notes Payable:				
1.500% Landfill Reclamation	\$370,000	\$0	(\$370,000)	\$0
1.500% Landfill Reclamation	0	370,000	0	370,000
Total Special Revenue Fund Notes Payable	370,000	370,000	(370,000)	370,000
Capital Projects Fund Notes Payable:				
1.000% Downtown Fire Station	3,400,000	0	(3,400,000)	0
1.000% Downtown Fire Station	2,100,000	0	(2,100,000)	0
1.200% Downtown Fire Station	0	5,500,000	0	5,500,000
1.000% City Hall Parking Deck	300,000	0	(300,000)	0
1.200% City Hall Parking Deck	0	300,000	0	300,000
1.000% Service Complex Roof	200,000	0	(200,000)	0
1.200% Service Complex Roof	0	200,000	0	200,000
1.000% South Second Street Bridge	600,000	0	(600,000)	0
1.200% South Second Street Bridge	0	600,000	0	600,000
0.550% Various Street Improvements	1,100,000	0	(1,100,000)	0
1.500% Various Street Improvements	0	1,120,000	0	1,120,000
Total Capital Projects Fund Notes Payable	7,700,000	7,720,000	(7,700,000)	7,720,000
Enterprise Fund Notes Payable:				
1.250% Downtown Waterline	4,000,000	0	(4,000,000)	0
1.500% Downtown Waterline	0	4,000,000	0	4,000,000
1.500% Buckeye Corridor Storm Water	0	2,000,000	0	2,000,000
Total Enterprise Fund Notes Payable	4,000,000	6,000,000	(4,000,000)	6,000,000
Total Notes Payable	\$12,070,000	\$14,090,000	(\$12,070,000)	\$14,090,000

**CITY OF NEWARK, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS**

Long-term debt and other long-term obligations of the City at December 31, 2015 were as follows:

			Restated Balance December 31, 2014	Additions	Deductions	Balance December 31, 2015	Amount Due Within One Year
<b>Governmental Activities:</b>							
General Obligation Bonds:							
East Main Street							
Improvement Refunding (TIF)	4.0%-4.25%	2028	\$1,950,000	\$0	(\$105,000)	\$1,845,000	\$110,000
East Main Street Bridge	4.50%	2021	700,000	0	(100,000)	600,000	100,000
Police and Fire Facilities	2.0%-4.75%	2031	244,991	0	(91,476)	153,515	81,285
Police and Fire Facilities Refunding	2.0%-4.00%	2031	7,930,000	0	0	7,930,000	0
Police and Fire Facilities	1.0%-4.00%	2030	760,000	0	(40,000)	720,000	40,000
Ice Arena Renovations	1.0%-4.00%	2030	195,000	0	(10,000)	185,000	10,000
Evans Boulevard Construction	1.0%-2.70%	2020	350,000	0	(55,000)	295,000	55,000
Deo Drive Improvement (TIF)	3.75%-4.38%	2027	820,000	0	(55,000)	765,000	60,000
Landfill Reclamation	1.90%-5.00%	2031	1,080,000	0	(45,000)	1,035,000	50,000
			14,029,991	0	(501,476)	13,528,515	506,285
Bond Premium			171,947	0	(10,747)	161,200	0
Interest Accretion			671,274	114,856	(293,524)	492,606	0
Total General Obligation Bonds			14,873,212	114,856	(805,747)	14,182,321	506,285
ODOT State Infrastructure Bank Loan:							
Waterworks Road Improvements	3.00%	2019	1,371,388	0	(289,074)	1,082,314	297,809
Ohio Public Works							
Commission Loan (OPWC):							
West Church Street Bridge	0.00%	2034	600,000	0	(15,000)	585,000	30,000
Capital Leases			905,528	291,575	(394,337)	802,766	431,803
Net Pension Liability:							
Ohio Public Employees Retirement System			6,067,824	133,455	0	6,201,279	0
Ohio Police and Fire Pension Fund			23,295,996	1,483,306	0	24,779,302	0
Total Net Pension Liability			29,363,820	1,616,761	0	30,980,581	0
Worker's Compensation Retrospective Liability			133,549	120,087	(133,549)	120,087	55,783
Accrued Pension Liability			1,696,846	0	(53,446)	1,643,400	55,742
Compensated Absences Payable			3,186,763	973,339	(853,794)	3,306,308	1,013,247
Total Governmental Activities			\$52,131,106	\$3,116,618	(\$2,544,947)	\$52,702,777	\$2,390,669

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# CITY OF NEWARK, OHIO

## Notes to the Basic Financial Statements For the Year Ended December 31, 2015

### NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

			Restated Balance December 31, 2014	Additions	Deductions	Balance December 31, 2015	Amount Due Within One Year
<b>Business-Type Activities:</b>							
General Obligation Bonds:							
Water System Improvement Refunding	3.75%-4.50%	2018	\$2,256,530	\$0	(\$614,804)	\$1,641,726	\$577,003
Interest Accretion			3,001,106	278,740	(880,196)	2,399,650	0
			5,257,636	278,740	(1,495,000)	4,041,376	577,003
Storm Water Improvement	2.50%-5.50%	2034	1,570,000	0	(50,000)	1,520,000	50,000
Storm Water Improvement	1.70%-5.25%	2030	1,250,000	0	(60,000)	1,190,000	60,000
Various Purpose	1.00%-3.00%	2032	4,255,000	0	(210,000)	4,045,000	166,956
Total General Obligation Bonds			12,332,636	278,740	(1,815,000)	10,796,376	853,959
Ohio Water Development							
Authority Loans (OWDA):							
Licking River Interceptor Construction	3.25%	2026	1,774,119	0	(123,058)	1,651,061	127,090
Stormwater Utility Planning	3.36%	2028	530,268	0	(53,976)	476,292	55,805
Wastewater Electrical Improvements	0.61%	2027	1,890,377	0	(140,160)	1,750,217	141,013
Wastewater High Rate Treatment System	4.67%	2031	12,993,958	0	(562,504)	12,431,454	586,033
CSO Sewer Separation	3.36%	2028	766,860	0	(19,964)	746,896	20,640
Water Plant Generator	3.53%	2030	910,285	0	(43,196)	867,089	44,734
CSO Sewer Separation	3.25%	2031	1,794,118	0	(64,748)	1,729,370	83,941
Automated Meter Reading	3.53%	2031	2,003,175	0	(76,566)	1,926,609	79,481
CSO Sewer Separation 1030	2.45%	2033	2,329,623	0	(100,907)	2,228,716	103,395
Raccoon Creek Interceptor	2.64%	2033	6,698,937	318,760	(305,769)	6,711,928	0
Aeration System Modifications	2.48%	2034	2,038,219	55,942	(88,284)	2,005,877	0
Downtown Sewer Separation	2.01%	2037	0	3,959,386	0	3,959,386	0
Alternative Storm Water	1.00%	2032	0	733,274	0	733,274	0
Total OWDA Loans			33,729,939	5,067,362	(1,579,132)	37,218,169	1,242,132
Ohio Public Works							
Commission Loans (OPWC):							
Licking River Interceptor Construction	0.00%	2026	355,409	0	(28,433)	326,976	28,433
Sewer Improvements	0.00%	2022	34,541	0	(4,318)	30,223	4,318
Idlewilde Park Sewer Phase I	0.00%	2022	29,333	0	(3,259)	26,074	3,259
Idlewilde Park Sewer Phase II	0.00%	2024	352,397	0	(33,561)	318,836	33,561
Channel Street/Postal Avenue Sewer	0.00%	2033	790,486	0	(41,604)	748,882	41,604
Total OPWC Loans			1,562,166	0	(111,175)	1,450,991	111,175
Capital Leases			202,691	0	(85,981)	116,710	89,103
Net Pension Liability:							
Ohio Public Employees Retirement System			2,936,147	74,614	0	3,010,761	0
Compensated Absences			651,084	199,726	(229,818)	620,992	203,582
Total Business-Type Activities			\$51,414,663	\$5,620,442	(\$3,821,106)	\$53,213,999	\$2,499,951



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

The City's liability for past service costs relating to the Police and Firemen's Pension Fund at December 31, 2015 was \$2,431,874 in principal and interest payments through the year 2035. Only the principal amount of \$1,643,400 is included in the Government-wide Statement of Net Position.

The East Main Street Improvement Bonds are tax increment financing bonds issued in 1999 in the amount of \$3.5 million and were used for updating and installing a sanitary sewer, road improvements, street lighting and traffic control and flood control improvements.

The East Main Street Bridge bond was issued in 2006 in the amount of \$1.6 million for the rehabilitation of the East Main Street Bridge.

The Police and Fire facilities bonds were issued in 2003 in the amount of \$11 million to provide for the construction of state of the art police and fire buildings. In 2010, \$905,000 of additional bonds were issued to fund cost overruns for this project.

The Deo Drive Improvement bonds were issued in 2008 in the amount of \$1.2 million to provide for improvements to Deo Drive.

The Ice Arena Renovation bonds were issued in 2010 in the amount of \$235,000 to provide funding for remodeling and mechanical upgrades to a City owned ice arena.

The Landfill Reclamation bonds were issued in 2011 in the amount of \$1.2 million to provide for pollution remediation activities due to violation of an Ohio EPA National Pollutant Discharge Elimination System permit.

The construction of Evans Boulevard was financed through the issuance of \$570,000 of bonds issued in 2010. Evans Boulevard provides access to new school buildings constructed on the City's northwest side.

The Ohio Department of Transportation State Infrastructure Bank Loan will be used for improvements to Waterworks Road. The total loan amount of \$3 million will be paid back over a ten year period at a rate of 3%.

The Water System bonds were issued in 1993 in the amount of \$19 million to provide for improvements to the City's water treatment plant.

Storm Water Improvement bonds were issued in 2009 in the amount of \$1.8 million and in 2011 in the amount of \$1.5 million to provide for storm water improvements in the McKinley and Garfield Road area.

In 2012, \$4,650,000 of general obligation various purpose bonds were issued for multiple projects consisting of the installation of water lines, sewer lines, and storm drains as well as the continuation of the City's combined sewer overflow separation project.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

**A. Ohio Water Development Authority Loans/Ohio Public Works Commission Loans**

In 2006 the City obtained financing through the Ohio Public Works Commission for construction of an interceptor on the Licking River in the amount of \$568,655 at an interest rate of 0%.

In 2002 the City obtained financing through the Ohio Public Works Commission for sanitary sewer improvements in the amount of \$86,356 at an interest rate of 0%.

In 2003 the City obtained financing through the Ohio Public Works Commission for sanitary sewer improvements at Idlewilde Park in the amount of \$65,181 at an interest rate of 0%. In 2005, an additional \$671,227 was financed for the second phase of sewer improvements at Idlewilde Park.

In 2013 the City obtained financing through the Ohio Public Works Commission for sanitary sewer improvements on Channel Street and Postal Avenue in the amount of \$832,090 at an interest rate of 0%.

In 2013 the City obtained financing through the Ohio Public Works Commission for improvements to the West Church Street Bridge in the amount of \$600,000 at an interest rate of 0%.

*Licking River Interceptor Construction* - In 2006 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for construction of an interceptor on the Licking River. The interest rate on the loan is 3.25% per annum and is payable from wastewater collection and treatment charges.

*Storm Water Utility Planning* - In 2005, the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for storm water utility planning. The interest rate on the loan is 3.36%, per annum and is payable from storm water charges.

*Sewer Treatment Plant Electrical Improvements* - In 2006, the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for electrical improvements at the wastewater treatment plant. The interest rate on the loan is 0.61%, per annum and is payable from wastewater collection and treatment charges.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

**A. Ohio Water Development Authority Loans/Ohio Public Works Commission Loans**  
(Continued)

*Wastewater High Rate Treatment System* - In 2007 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for installation of a wastewater high rate treatment system. The interest rate on the loan is 4.67%, per annum. This loan is payable from wastewater collection and treatment charges.

*Combined Sewer Overflow (CSO) Separation* - In 2008 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for a combined sewer overflow separation project. The interest rate on the loan is 3.36%, per annum. This loan is payable from wastewater collection and treatment charges.

*Water Plant Generator* - In 2008 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for installation of a back up power generator at the water plant. The total amount is subject to change and has not been finalized. The interest rate on the loan is 3.53%, per annum. This loan is payable from water charges.

*Combined Sewer Overflow (CSO) Separation* - In 2010 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for a combined sewer overflow separation project. The total amount is subject to change and has not been finalized. The interest rate on the loan is 3.25%, per annum. This loan is payable from wastewater collection and treatment charges.

*Automated Meter Reading* - In 2010 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for an automated meter reading system. The interest rate on the loan is 3.53%, per annum. This loan is payable from water charges.

*Combined Sewer Overflow (CSO) Separation* - In 2012 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for a combined sewer overflow separation project. The total amount is subject to change and has not been finalized. The interest rate on the loan is 2.45%, per annum. This loan is payable from wastewater collection and treatment charges.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

**A. Ohio Water Development Authority Loans/Ohio Public Works Commission Loans**  
(Continued)

*Raccoon Creek Interceptor* - In 2012 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for construction of an interceptor on Raccoon Creek. The total amount is subject to change and has not been finalized. The interest rate on the loan is 2.64%, per annum. This loan is payable from wastewater collection and treatment charges and is received by the City in increments as the project is completed. As of December 31, 2015, the City had received \$7,315,550 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2015 the loan has not been finalized and there is no amortization schedule for the loan.

*Aeration System Modifications* - In 2013 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for upgrades to the aeration system at the wastewater treatment plant. The total amount is subject to change and has not been finalized. The interest rate on the loan is 2.48%, per annum. This loan is payable from wastewater collection and treatment charges and is received by the City in increments as the project is completed. As of December 31, 2015, the City had received \$2,137,494 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2015 the loan has not been finalized and there is no amortization schedule for the loan.

*Downtown Sewer Separation* - In 2015 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for a combined sewer overflow separation project. The total amount is subject to change and has not been finalized. The interest rate on the loan is 2.01%, per annum. This loan is payable from wastewater collection and treatment charges and is received by the City in increments as the project is completed. As of December 31, 2015, the City had received \$3,959,386 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2015 the loan has not been finalized and there is no amortization schedule for the loan.

*Alternative Storm Water* - In 2015 the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan for storm water improvements. The total amount is subject to change and has not been finalized. The interest rate on the loan is 1.00%, per annum. This loan is payable from storm water collection charges and is received by the City in increments as the project is completed. As of December 31, 2015, the City had received \$733,274 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2015 the loan has not been finalized and there is no amortization schedule for the loan.

**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**

**NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

**B. Future Long-Term Financing Requirements**

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2015 follows:

Years	Governmental Activities			
	General Obligation Bonds		Accrued Pension Liability	
	Principal	Interest	Principal	Interest
2016	\$506,285	\$1,131,810	\$55,742	\$69,258
2017	512,230	1,126,553	58,136	66,864
2018	695,000	446,034	60,632	64,368
2019	950,000	425,054	63,238	61,762
2020	970,000	388,434	65,954	59,046
2021-2025	4,515,000	1,453,644	374,772	250,228
2026-2030	4,575,000	603,650	462,474	162,526
2031-2035	805,000	27,738	502,452	54,422
Totals	\$13,528,515	\$5,602,917	\$1,643,400	\$788,474

Years	Governmental Activities			
	ODOT SIB Loan		OPWC Loans	
	Principal	Interest	Principal	Interest
2016	\$297,809	\$30,253	\$30,000	\$0
2017	306,812	21,252	30,000	0
2018	316,085	11,977	30,000	0
2019	161,608	2,424	30,000	0
2020	0	0	30,000	0
2021-2025	0	0	150,000	0
2026-2030	0	0	150,000	0
2031-2035	0	0	135,000	0
Totals	\$1,082,314	\$65,906	\$585,000	\$0

Years	Business-Type Activities					
	General Obligation Bonds		OWDA Loans		OPWC Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$853,959	\$1,180,130	\$1,242,132	\$823,828	\$111,175	\$0
2017	820,780	1,219,598	1,284,180	781,783	111,175	0
2018	846,987	1,194,496	1,327,805	738,158	111,175	0
2019	335,000	208,234	1,373,071	692,893	111,175	0
2020	345,000	199,882	1,420,041	645,922	111,175	0
2021-2025	1,895,000	836,670	7,869,189	2,461,621	519,626	0
2026-2030	2,265,000	482,743	7,881,598	1,041,071	250,673	0
2031-2035	1,035,000	90,602	1,409,688	48,975	124,817	0
Totals	\$8,396,726	\$5,412,355	\$23,807,704	\$7,234,251	\$1,450,991	\$0

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

**C. Defeasance of General Obligation Debt**

In December 1998, the City defeased \$12,045,000 of Water System Improvement Bonds for Water Improvements dated June 1, 1993 through the issuance of \$13,093,825 of Water System Improvement Refunding Bonds. The net proceeds of the 1998 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$4,080,000 at December 31, 2015 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In September 2006, the City defeased \$2,405,000 of General Obligation Bonds for East Main Street Improvements dated September 1, 1999 through the issuance of \$2,645,000 of East Main Street Improvement Refunding Bonds. The net proceeds of the 2006 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$920,000 at December 31, 2015 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In October 2014, the City defeased \$7,780,000 of General Obligation Bonds for Police and Fire Facilities dated September 1, 2003 through the issuance of \$7,930,000 of Police and Fire Facilities Refunding Bonds. The net proceeds of the 2014 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$7,410,000 at December 31, 2015 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 14 - CAPITALIZED LEASES**

The City leases several assets under capital leases. The original cost of equipment of \$2,972,131, and the related liability reported as Governmental Activities capital leases are reported on the Government – wide Statement of Net Position. The original cost of equipment of \$625,475 and the related liability reported as Business Type Activities capital leases are reported on the Government – wide Statement of Net Position as well as in the respective funds.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2015:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2016	\$458,596	\$92,889
2017	222,716	28,151
2018	57,198	0
2019	57,198	0
2020	57,198	0
Minimum Lease Payments	852,906	121,040
Less amount representing interest at the City's incremental borrowing rate of interest	(50,140)	(4,330)
Present value of minimum lease payments	<u>\$802,766</u>	<u>\$116,710</u>

**NOTE 15 - INSURANCE AND 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, injuries to employees and natural disasters.

**A. Shared Risk Pool**

The City of Newark is a participant in the Public Entities Pool of Ohio (the “PEP Pool”). The PEP Pool was established in 1987 and is administered under contract by the York Risk Services Group to provide a program of property and casualty insurance for its Member organizations throughout the State of Ohio.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 15 - INSURANCE AND RISK MANAGEMENT (Continued)**

**A. Shared Risk Pool** (Continued)

The Pool's general objectives are to provide Members with broader coverage than is available in the conventional insurance marketplace and provide coverage on a basis that will allow Members to level costs and accurately budget over a long period of time. Members of the Pool may withdraw coverage upon 60 days written notice to York Risk Services Group prior to their renewal date by certified return receipt mail. Each participant makes an annual "contribution" to the Pool for the coverage they are provided based on their exposures and rates established by the Pool using anticipated and actual results of operation for the various coverage's provided.

The City of Newark obtained insurance coverage from the Pool for losses relating to General liability, Law Enforcement liability, Public Officials liability, Auto liability/Physical Damage, and Property coverage.

To protect the Pool against the unexpected, the Pool has joined with other public entity pools as a participant in the American Public Entity Excess Pool. This contractual relationship spreads the effects of any loss in excess of \$350,000 for casualty claims and \$100,000 for property losses and additionally guarantees funds to the Pool in the unlikely event that the Pool's funds are exhausted in any year.

The joint reinsurance arrangement that the Pool has entered into is well structured and has adequate funds to meet the needs of the Pool. Property coverage's are reinsured by The Travelers.

The City of Newark carries commercial insurance coverage for all other risks, including but not limited to Property, Boiler and Machinery, Crime, and Auto. There have been no reductions in insurance coverage's from the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverage's in any of the past three fiscal years.

The City participates in the Ohio Bureau of Workers' Compensation (BWC) Retrospective Rating Plan. The plan involves the payment of a minimum premium for administrative services and stop loss coverage plus the actual claim costs for employees injured. The plan is administered by Comp Management Inc. Payments are made directly to the BWC for actual claims processed. The City's General Fund pays for all claims, claim reserves and administrative costs of the program.

**B. Self Insurance**

The City established a Self-Insurance Fund (internal service fund) to account for and finance its health and dental uninsured risks of loss. Under this program, the Self-Insurance Fund provides coverage for up to a maximum of \$100,000 for health insurance claims per individual and \$1,000 for dental claims per individual. The plan is administered by a third party administrator, MedBen which monitors all claim payments. The City purchases insurance for claims in excess of health insurance coverage provided by the Self-Insurance Fund. All departments of the City participate in the program and make payments to the Self-Insurance Fund based on participation of employees and their dependents. Employees that are members of the AFSCME Union obtain dental coverage through the AFSCME organization.



**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 15 - INSURANCE AND RISK MANAGEMENT (Continued)****B. Self Insurance (Continued)**

A liability for unpaid claims cost of \$442,690 is based on the requirements of GASB 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Interfund premiums are based primarily upon the insured funds' claims experience.

Changes in the fund's claims liability in 2014 and 2015 were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2014	\$402,611	\$5,480,166	(\$5,502,348)	\$380,429
2015	380,429	5,746,937	(5,684,676)	442,690

**NOTE 16 - SIGNIFICANT COMMITMENTS****A. Contractual Commitments**

The City had the following significant contractual commitments at December 31, 2015:

Project	Remaining Contractual Commitment	Expected Date of Completion
West Church and North 30th Street Storm Sewer	\$459,569	2016
Downtown Renovations	14,419,459	2017
Willrich-Yorkshire Waterline	144,272	2016
Various Street Improvements	931,382	2016

**B. Encumbrance Commitments**

At December 31, 2015 the City had encumbrance commitments in the Governmental Funds as follows:

Fund	Encumbrances
General Fund	\$486,496
Community Development Fund	191,919
Capital Improvement Fund	1,089,396
Other Governmental Funds	910,698
Total Governmental Funds	<u>\$2,678,509</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 17 - CONTINGENCIES**

The City is a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

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*REQUIRED SUPPLEMENTAL INFORMATION*

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**CITY OF NEWARK, OHIO**

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***Schedule of City's Proportionate Share of the Net Pension Liability  
Last Two Years***

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**Ohio Public Employees Retirement System**

Year	2013	2014
City's proportion of the net pension liability (asset)	0.076378%	0.076378%
City's proportionate share of the net pension liability (asset)	\$9,003,971	\$9,212,040
City's covered-employee payroll	\$9,499,900	\$9,381,292
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	94.78%	98.20%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

**Ohio Police and Fire Pension Fund**

Year	2013	2014
City's proportion of the net pension liability (asset)	0.478326%	0.478326%
City's proportionate share of the net pension liability (asset)	\$23,295,996	\$24,779,302
City's covered-employee payroll	\$9,550,114	\$9,387,938
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	243.93%	263.95%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability.

**CITY OF NEWARK, OHIO**

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***Schedule of City Contributions  
Last Three Years***

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**Ohio Public Employees Retirement System**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$1,234,987	\$1,125,755	\$1,121,392
Contributions in relation to the contractually required contribution	<u>1,234,987</u>	<u>1,125,755</u>	<u>1,121,392</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$9,499,900	\$9,381,292	\$9,344,933
Contributions as a percentage of covered-employee payroll	13.00%	12.00%	12.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

**Ohio Police and Fire Pension Fund**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$1,736,855	\$2,002,523	\$2,012,953
Contributions in relation to the contractually required contribution	<u>1,736,855</u>	<u>2,002,523</u>	<u>2,012,953</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$9,550,114	\$9,387,938	\$9,451,954
Contributions as a percentage of covered-employee payroll	18.19%	21.33%	21.30%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

*C*OMBINING AND *I*NDIVIDUAL *F*UND  
*S*TATEMENTS AND *S*CHEDULES

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***T***HE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE  
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS AND FIDUCIARY  
FUNDS.

***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted or committed to expenditures for specified purposes.

**Street Department Fund**

To account for revenues derived from the regular motor vehicle license fee and 92.55% of the fuel taxes. Expenditures are used for City street construction, maintenance and repair.

**Cemetery Fund**

To account for monies received from the sale of lots and performance of any other service in or about the cemeteries operated by the City.

**Special Improvement District Fund**

To account for funds received through a voluntary assessment for improvements to properties located on the downtown square. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

**Veterans Memorial Sidewalk Fund**

To account for funds collected for the construction of the Veteran's Sidewalk. The public purchases a brick, has it engraved with the veteran's name and the war in which they served. These bricks are then ceremoniously placed in the Veterans Memorial Sidewalk.

**EPA Grants Fund**

To account for recycling and litter prevention grants received from the Ohio Environmental Protection Agency. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

**Safety Grants Fund**

To account for expenses of various Block Grant funds designated for the safety and security of City residents.

**Police/Fire Pension Fund**

To account for taxes levied toward partial payment of the current and accrued liability for police and fire disability and pension.

(Continued)



***Special Revenue Funds***

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**State Highway Fund**

To account for the portion of the state gasoline tax designated for construction, maintenance and repair of State highways located within the City.

**Law Enforcement Fund**

To account for funds received by the police department for contraband, per state statute.

**Landfill Reclamation Fund**

To account for costs associated with remediation activities due to violation of an Ohio EPA National Pollutant Discharge Elimination System permit.

**Court Computerization Fund**

To account for revenues from fines to be used for computers and upgrading court computer functions.

**Permissive License Tax Fund**

To account for the permissive auto license taxes levied for street construction, maintenance and repairs.

**Probation Grant Fund**

To account for funds from State Justice Grants used to operate the Adult Probation Department. The Probation Department is an instrument whose purpose is to aid in the elimination of overcrowding problems in the county jail.

**Federal Transit Administration (FTA) Fund**

To account for grants providing funding for the Taxi Token Program. This program provides discounted transportation for citizens. Additional programs include a handicap accessible bus as well as other public transit application.

**Ohio Department of Natural Resources (ODNR) Grants Fund**

This fund accounted for grants used for bike path improvements as well as improvements to City parks. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

(Continued)

***Special Revenue Funds***

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**Mary E. Barnes Trust Fund**

To account for the funds and investment earnings as stipulated in the bequest. Monies must be used for the Fire Department. (This fund is not part of the City's appropriated budget, therefore no budgetary schedule is presented.)

**Brownfield Cleanup Fund**

To account for monies from the Environmental Protection Agency to be used for cleanup at the site of an abandoned factory.

**Judicial Fund**

To account for court costs to be set aside and used for judicial purposes.

***Debt Service Funds***

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The Debt Service Funds are used to account for retirement of the City's general obligation and special assessment bonds.

**Debt Service Fund**

To account for the accumulation of resources for the payments of general obligation debt of the City including self-supporting obligations not otherwise paid from proprietary funds.

**Tax Increment Financing Fund**

To account for payments received in lieu of taxes to be used for the retirement of debt issued to finance projects in designated tax increment financing districts.

(Continued)

***Capital Projects Funds***

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The Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than that financed by proprietary funds.

**Court Capital Improvement Fund**

To account for the revenues and expenditures designated for the capital improvements made to Municipal Court facilities.

**CITY OF NEWARK, OHIO****Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2015**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Pooled Cash and Investments	\$ 3,607,172	\$ 1,425,192	\$ 372,468	\$ 5,404,832
Investments	75,000	0	0	75,000
Receivables:				
Taxes	456,663	524,678	0	981,341
Accounts	36,251	0	1,850	38,101
Intergovernmental	1,343,802	0	0	1,343,802
Inventory of Supplies, at Cost	346,364	0	0	346,364
Restricted Assets:				
Cash and Cash Equivalents	486,584	0	0	486,584
Cash and Cash Equivalents with Fiscal Agent	15,148	0	0	15,148
Investments	627,500	0	0	627,500
Investments with Fiscal Agent	450,376	0	0	450,376
<b>Total Assets</b>	<b>\$ 7,444,860</b>	<b>\$ 1,949,870</b>	<b>\$ 374,318</b>	<b>\$ 9,769,048</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 86,505	\$ 0	\$ 0	\$ 86,505
Accrued Wages and Benefits Payable	126,657	0	0	126,657
Interfund Loans Payable	45,293	0	0	45,293
Accrued Interest Payable	3,592	0	0	3,592
General Obligation Notes Payable	370,000	0	0	370,000
<b>Total Liabilities</b>	<b>632,047</b>	<b>0</b>	<b>0</b>	<b>632,047</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	1,407,755	0	0	1,407,755
Property Tax Levy for Next Fiscal Year	423,347	524,678	0	948,025
<b>Total Deferred Inflows of Resources</b>	<b>1,831,102</b>	<b>524,678</b>	<b>0</b>	<b>2,355,780</b>
<b>Fund Balance:</b>				
Nonspendable	346,364	0	0	346,364
Restricted	4,987,505	1,425,192	374,318	6,787,015
Unassigned	(352,158)	0	0	(352,158)
<b>Total Fund Balance</b>	<b>4,981,711</b>	<b>1,425,192</b>	<b>374,318</b>	<b>6,781,221</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 7,444,860</b>	<b>\$ 1,949,870</b>	<b>\$ 374,318</b>	<b>\$ 9,769,048</b>

**CITY OF NEWARK, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2015**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 409,538	\$ 594,079	\$ 0	\$ 1,003,617
Intergovernmental Revenues	3,232,587	0	0	3,232,587
Charges for Services	6,507	0	0	6,507
Investment Earnings	(1,355)	0	0	(1,355)
Special Assessments	0	50	0	50
Fines and Forfeitures	457,978	0	24,160	482,138
All Other Revenue	136,691	3,123	0	139,814
<b>Total Revenues</b>	<b>4,241,946</b>	<b>597,252</b>	<b>24,160</b>	<b>4,863,358</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	1,135,559	0	0	1,135,559
Public Health and Welfare Services	45,062	0	0	45,062
Community Environment	6,670	0	0	6,670
Transportation	2,848,809	0	0	2,848,809
General Government	202,963	235,151	0	438,114
Debt Service:				
Principal Retirement	15,000	1,084,074	0	1,099,074
Interest and Fiscal Charges	5,392	538,037	0	543,429
<b>Total Expenditures</b>	<b>4,259,455</b>	<b>1,857,262</b>	<b>0</b>	<b>6,116,717</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,509)	(1,260,010)	24,160	(1,253,359)
<b>Other Financing Sources (Uses):</b>				
Transfers In	11,205	1,069,276	0	1,080,481
Transfers Out	(87,689)	(57,600)	0	(145,289)
<b>Total Other Financing Sources (Uses)</b>	<b>(76,484)</b>	<b>1,011,676</b>	<b>0</b>	<b>935,192</b>
Net Change in Fund Balance	(93,993)	(248,334)	24,160	(318,167)
<b>Fund Balance at Beginning of Year</b>	<b>4,987,226</b>	<b>1,673,526</b>	<b>350,158</b>	<b>7,010,910</b>
Increase in Inventory	88,478	0	0	88,478
<b>Fund Balance End of Year</b>	<b>\$ 4,981,711</b>	<b>\$ 1,425,192</b>	<b>\$ 374,318</b>	<b>\$ 6,781,221</b>

**CITY OF NEWARK, OHIO****Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2015**

	Street Department	Cemetery	Veterans Memorial Sidewalk	Safety Grants
<b>Assets:</b>				
Pooled Cash and Investments	\$ 372,478	\$ 143,813	\$ 1,102	\$ 0
Investments	0	0	75,000	0
Receivables:				
Taxes	0	0	0	0
Accounts	1,193	0	0	0
Intergovernmental	816,831	0	0	39,128
Inventory of Supplies, at Cost	346,364	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	23,150	0	0
Cash and Cash Equivalents with Fiscal Agent	0	12,610	0	0
Investments	0	627,500	0	0
Investments with Fiscal Agent	0	312,229	0	0
<b>Total Assets</b>	<b>\$ 1,536,866</b>	<b>\$ 1,119,302</b>	<b>\$ 76,102</b>	<b>\$ 39,128</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 52,697	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	105,526	0	0	244
Interfund Loans Payable	0	0	0	26,287
Accrued Interest Payable	0	0	0	0
General Obligation Notes Payable	0	0	0	0
<b>Total Liabilities</b>	<b>158,223</b>	<b>0</b>	<b>0</b>	<b>26,531</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	544,554	0	0	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>544,554</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance:</b>				
Nonspendable	346,364	0	0	0
Restricted	487,725	1,119,302	76,102	12,597
Unassigned	0	0	0	0
<b>Total Fund Balance</b>	<b>834,089</b>	<b>1,119,302</b>	<b>76,102</b>	<b>12,597</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 1,536,866</b>	<b>\$ 1,119,302</b>	<b>\$ 76,102</b>	<b>\$ 39,128</b>

**CITY OF NEWARK, OHIO**

Police/Fire Pension	State Highway	Law Enforcement	Landfill Reclamation	Court Computerization	Permissive License Tax
\$ 23	\$ 1,834	\$ 184,894	\$ 46,728	\$ 420,805	\$ 835,704
0	0	0	0	0	0
456,663	0	0	0	0	0
0	0	6,060	0	16,077	0
28,292	66,230	249	0	0	297,199
0	0	0	0	0	0
0	0	0	0	0	463,434
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 484,978</u>	<u>\$ 68,064</u>	<u>\$ 191,203</u>	<u>\$ 46,728</u>	<u>\$ 436,882</u>	<u>\$ 1,596,337</u>
\$ 0	\$ 0	\$ 3,036	\$ 6,288	\$ 0	\$ 15,747
0	0	0	0	4,845	0
0	0	0	0	0	0
0	0	0	3,592	0	0
0	0	0	370,000	0	0
0	0	3,036	379,880	4,845	15,747
61,608	44,153	0	0	0	661,567
423,347	0	0	0	0	0
<u>484,955</u>	<u>44,153</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>661,567</u>
0	0	0	0	0	0
23	23,911	188,167	0	432,037	919,023
0	0	0	(333,152)	0	0
<u>23</u>	<u>23,911</u>	<u>188,167</u>	<u>(333,152)</u>	<u>432,037</u>	<u>919,023</u>
<u>\$ 484,978</u>	<u>\$ 68,064</u>	<u>\$ 191,203</u>	<u>\$ 46,728</u>	<u>\$ 436,882</u>	<u>\$ 1,596,337</u>

(Continued)

**CITY OF NEWARK, OHIO**
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2015**

	Probation Grant	Federal Transit Administration	Mary E. Barnes Trust	Brownfield Cleanup
<b>Assets:</b>				
Pooled Cash and Investments	\$ 156,307	\$ 40,769	\$ 0	\$ 0
Investments	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	76,867	0	0	19,006
Inventory of Supplies, at Cost	0	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	2,538	0
Investments	0	0	0	0
Investments with Fiscal Agent	0	0	138,147	0
<b>Total Assets</b>	<b>\$ 233,174</b>	<b>\$ 40,769</b>	<b>\$ 140,685</b>	<b>\$ 19,006</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 8,737	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	16,042	0	0	0
Interfund Loans Payable	0	0	0	19,006
Accrued Interest Payable	0	0	0	0
General Obligation Notes Payable	0	0	0	0
<b>Total Liabilities</b>	<b>24,779</b>	<b>0</b>	<b>0</b>	<b>19,006</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	76,867	0	0	19,006
Property Tax Levy for Next Fiscal Year	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>76,867</b>	<b>0</b>	<b>0</b>	<b>19,006</b>
<b>Fund Balance:</b>				
Nonspendable	0	0	0	0
Restricted	131,528	40,769	140,685	0
Unassigned	0	0	0	(19,006)
<b>Total Fund Balance</b>	<b>131,528</b>	<b>40,769</b>	<b>140,685</b>	<b>(19,006)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 233,174</b>	<b>\$ 40,769</b>	<b>\$ 140,685</b>	<b>\$ 19,006</b>



**CITY OF NEWARK, OHIO**

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Judicial	Total Nonmajor Special Revenue Funds
\$ 1,402,715	\$ 3,607,172
0	75,000
0	456,663
12,921	36,251
0	1,343,802
0	346,364
0	486,584
0	15,148
0	627,500
0	450,376
<u>\$ 1,415,636</u>	<u>\$ 7,444,860</u>
\$ 0	\$ 86,505
0	126,657
0	45,293
0	3,592
0	370,000
<u>0</u>	<u>632,047</u>
0	1,407,755
0	423,347
<u>0</u>	<u>1,831,102</u>
0	346,364
1,415,636	4,987,505
0	(352,158)
<u>1,415,636</u>	<u>4,981,711</u>
<u>\$ 1,415,636</u>	<u>\$ 7,444,860</u>

**CITY OF NEWARK, OHIO****Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

	Street Department	Cemetery	Special Improvement District	Veterans Memorial Sidewalk
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	1,754,646	0	0	0
Charges for Services	0	6,507	0	0
Investment Earnings	0	(2,841)	0	201
Fines and Forfeitures	0	0	0	0
All Other Revenue	34,395	0	95	1,650
<b>Total Revenues</b>	<b>1,789,041</b>	<b>3,666</b>	<b>95</b>	<b>1,851</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	0	27,217	0	0
Community Environment	0	0	95	0
Transportation	1,796,579	0	0	0
General Government	0	0	0	5,717
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>Total Expenditures</b>	<b>1,796,579</b>	<b>27,217</b>	<b>95</b>	<b>5,717</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,538)	(23,551)	0	(3,866)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balance	(7,538)	(23,551)	0	(3,866)
<b>Fund Balance at Beginning of Year</b>	<b>753,149</b>	<b>1,142,853</b>	<b>0</b>	<b>79,968</b>
Increase in Inventory	88,478	0	0	0
<b>Fund Balance End of Year</b>	<b>\$ 834,089</b>	<b>\$ 1,119,302</b>	<b>\$ 0</b>	<b>\$ 76,102</b>

***CITY OF NEWARK, OHIO***

<u>EPA Grants</u>	<u>Safety Grants</u>	<u>Police/Fire Pension</u>	<u>State Highway</u>	<u>Law Enforcement</u>	<u>Landfill Reclamation</u>
\$ 0	\$ 0	\$ 409,538	\$ 0	\$ 0	\$ 0
8,847	92,719	60,762	142,269	19,917	0
0	0	0	0	0	0
0	0	0	0	0	220
0	0	0	0	81,874	0
0	0	0	0	4,000	0
<u>8,847</u>	<u>92,719</u>	<u>470,300</u>	<u>142,269</u>	<u>105,791</u>	<u>220</u>
0	200,094	475,402	0	44,602	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	143,000	0	0
0	0	0	0	0	31,003
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,392</u>
<u>0</u>	<u>200,094</u>	<u>475,402</u>	<u>143,000</u>	<u>44,602</u>	<u>36,395</u>
8,847	(107,375)	(5,102)	(731)	61,189	(36,175)
0	0	0	0	0	5,550
<u>0</u>	<u>(64,260)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>(64,260)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,550</u>
8,847	(171,635)	(5,102)	(731)	61,189	(30,625)
(8,847)	184,232	5,125	24,642	126,978	(302,527)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 0</u>	<u>\$ 12,597</u>	<u>\$ 23</u>	<u>\$ 23,911</u>	<u>\$ 188,167</u>	<u>\$ (333,152)</u>

(Continued)

**CITY OF NEWARK, OHIO**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance***  
***Nonmajor Special Revenue Funds***  
***For the Year Ended December 31, 2015***

	Court Computerization	Permissive License Tax	Probation Grant	Federal Transit Administration
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	656,974	363,244	0
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	208,448	0	0	0
All Other Revenue	0	91,697	4,849	5
<b>Total Revenues</b>	<b>208,448</b>	<b>748,671</b>	<b>368,093</b>	<b>5</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	0	0	412,933	0
Public Health and Welfare Services	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	906,762	0	2,468
General Government	151,580	0	0	0
Debt Service:				
Principal Retirement	0	15,000	0	0
Interest and Fiscal Charges	0	0	0	0
<b>Total Expenditures</b>	<b>151,580</b>	<b>921,762</b>	<b>412,933</b>	<b>2,468</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	56,868	(173,091)	(44,840)	(2,463)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	5,655	0
Transfers Out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>5,655</b>	<b>0</b>
Net Change in Fund Balance	56,868	(173,091)	(39,185)	(2,463)
<b>Fund Balance at Beginning of Year</b>	<b>375,169</b>	<b>1,092,114</b>	<b>170,713</b>	<b>43,232</b>
Increase in Inventory	0	0	0	0
<b>Fund Balance End of Year</b>	<b>\$ 432,037</b>	<b>\$ 919,023</b>	<b>\$ 131,528</b>	<b>\$ 40,769</b>

**CITY OF NEWARK, OHIO**

ODNR Grants	Mary E. Barnes Trust	Brownfield Cleanup	Judicial	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 409,538
75,768	0	57,441	0	3,232,587
0	0	0	0	6,507
0	1,065	0	0	(1,355)
0	0	0	167,656	457,978
0	0	0	0	136,691
75,768	1,065	57,441	167,656	4,241,946
0	2,528	0	0	1,135,559
0	0	17,845	0	45,062
6,575	0	0	0	6,670
0	0	0	0	2,848,809
0	0	0	14,663	202,963
0	0	0	0	15,000
0	0	0	0	5,392
6,575	2,528	17,845	14,663	4,259,455
69,193	(1,463)	39,596	152,993	(17,509)
0	0	0	0	11,205
(23,429)	0	0	0	(87,689)
(23,429)	0	0	0	(76,484)
45,764	(1,463)	39,596	152,993	(93,993)
(45,764)	142,148	(58,602)	1,262,643	4,987,226
0	0	0	0	88,478
\$ 0	\$ 140,685	\$ (19,006)	\$ 1,415,636	\$ 4,981,711

**CITY OF NEWARK, OHIO**

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**Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2015**

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	Debt Service	Tax Increment Financing	Total Nonmajor Debt Service Funds
<b>Assets:</b>			
Pooled Cash and Investments	\$ 1,368,476	\$ 56,716	\$ 1,425,192
Receivables:			
Taxes	0	524,678	524,678
<b>Total Assets</b>	<u>\$ 1,368,476</u>	<u>\$ 581,394</u>	<u>\$ 1,949,870</u>
<b>Liabilities:</b>			
<b>Total Liabilities</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Deferred Inflows of Resources:</b>			
Property Tax Levy for Next Fiscal Year	0	524,678	524,678
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>524,678</u>	<u>524,678</u>
<b>Fund Balance:</b>			
Restricted	1,368,476	56,716	1,425,192
<b>Total Fund Balance</b>	<u>1,368,476</u>	<u>56,716</u>	<u>1,425,192</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 1,368,476</u>	<u>\$ 581,394</u>	<u>\$ 1,949,870</u>

**CITY OF NEWARK, OHIO****Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2015**

	Debt Service	Tax Increment Financing	Total Nonmajor Debt Service Funds
<b>Revenues:</b>			
Taxes	\$ 0	\$ 594,079	\$ 594,079
Special Assessments	50	0	50
All Other Revenue	3,123	0	3,123
<b>Total Revenues</b>	<b>3,173</b>	<b>594,079</b>	<b>597,252</b>
<b>Expenditures:</b>			
Current:			
General Government	0	235,151	235,151
Debt Service:			
Principal Retirement	635,000	449,074	1,084,074
Interest and Fiscal Charges	384,752	153,285	538,037
<b>Total Expenditures</b>	<b>1,019,752</b>	<b>837,510</b>	<b>1,857,262</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,016,579)	(243,431)	(1,260,010)
<b>Other Financing Sources (Uses):</b>			
Transfers In	857,154	212,122	1,069,276
Transfers Out	(57,600)	0	(57,600)
<b>Total Other Financing Sources (Uses)</b>	<b>799,554</b>	<b>212,122</b>	<b>1,011,676</b>
Net Change in Fund Balance	(217,025)	(31,309)	(248,334)
<b>Fund Balance at Beginning of Year</b>	<b>1,585,501</b>	<b>88,025</b>	<b>1,673,526</b>
<b>Fund Balance End of Year</b>	<b>\$ 1,368,476</b>	<b>\$ 56,716</b>	<b>\$ 1,425,192</b>

**CITY OF NEWARK, OHIO*****Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2015***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 22,349,184	\$ 22,349,184	\$ 23,006,659	\$ 657,475
Intergovernmental Revenues	1,801,455	1,915,670	1,864,150	(51,520)
Charges for Services	2,033,987	1,987,843	2,084,903	97,060
Licenses, Permits and Fees	77,650	67,150	76,249	9,099
Investment Earnings	50,062	50,062	73,400	23,338
Fines and Forfeitures	1,415,300	1,415,300	1,410,773	(4,527)
All Other Revenue	142,625	189,261	266,165	76,904
Total Revenues	27,870,263	27,974,470	28,782,299	807,829
<b>Expenditures:</b>				
Security of Persons and Property:				
Impound Lot:				
Personal Services	0	11,154	11,134	20
Materials and Supplies	300	775	775	0
Contractual Services	44,272	43,398	40,226	3,172
Total Impound Lot	44,572	55,327	52,135	3,192
Police:				
Personal Services	7,326,047	7,245,795	7,160,242	85,553
Materials and Supplies	251,611	197,954	186,415	11,539
Contractual Services	514,102	493,300	451,339	41,961
Other Expenditures	500	25	25	0
Capital Outlay	18,091	185,030	185,030	0
Total Police	8,110,351	8,122,104	7,983,051	139,053
Fire:				
Personal Services	7,253,519	7,139,855	6,828,292	311,563
Materials and Supplies	365,278	364,328	353,878	10,450
Contractual Services	525,282	484,361	476,862	7,499
Other Expenditures	1,000	1,000	500	500
Capital Outlay	82,785	93,452	93,045	407
Total Fire	8,227,864	8,082,996	7,752,577	330,419
Total Security of Persons and Property	16,382,787	16,260,427	15,787,763	472,664

(Continued)



**CITY OF NEWARK, OHIO*****Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2015***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Leisure Time Activities:				
Parks and Cemetery:				
Personal Services	414,382	408,632	363,890	44,742
Materials and Supplies	67,713	80,222	76,162	4,060
Contractual Services	119,925	264,333	219,889	44,444
Other Expenditures	354	300	211	89
Total Parks and Cemetery	602,374	753,487	660,152	93,335
Hollander Pool:				
Materials and Supplies	2,000	5,476	5,476	0
Contractual Services	48,535	44,899	40,944	3,955
Total Hollander Pool	50,535	50,375	46,420	3,955
Babe Ruth Baseball:				
Materials and Supplies	7,000	4,970	4,259	711
Contractual Services	16,700	18,819	18,291	528
Capital Outlay	90	0	0	0
Total Babe Ruth Baseball	23,790	23,789	22,550	1,239
Total Leisure Time Activities	676,699	827,651	729,122	98,529
Community Environment:				
Code Administration:				
Personal Services	210,487	214,640	213,037	1,603
Materials and Supplies	4,522	4,500	2,881	1,619
Contractual Services	39,679	34,772	21,127	13,645
Other Expenditures	237	237	237	0
Capital Outlay	7,196	7,196	7,196	0
Total Community Environment	262,121	261,345	244,478	16,867
Transportation:				
Street/Traffic:				
Personal Services	0	28,000	27,826	174
Total Transportation	0	28,000	27,826	174
General Government:				
City Council:				
Personal Services	99,253	99,253	98,857	396
Total City Council	99,253	99,253	98,857	396

(Continued)

**CITY OF NEWARK, OHIO*****Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2015***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Clerk of Council:				
Personal Services	61,375	61,385	61,354	31
Materials and Supplies	404	330	200	130
Contractual Services	11,811	11,200	11,200	0
Total Clerk of Council	73,590	72,915	72,754	161
Mayor:				
Personal Services	166,314	166,314	165,631	683
Materials and Supplies	891	750	0	750
Contractual Services	12,899	12,825	10,656	2,169
Capital Outlay	1,600	1,600	0	1,600
Total Mayor	181,704	181,489	176,287	5,202
Auditor:				
Personal Services	386,956	386,956	385,089	1,867
Materials and Supplies	4,010	2,937	2,937	0
Contractual Services	166,608	150,742	134,415	16,327
Other Expenditures	130,000	130,640	130,238	402
Capital Outlay	65,500	61,370	61,370	0
Total Auditor	753,074	732,645	714,049	18,596
Law Director:				
Personal Services	886,266	882,173	881,497	676
Materials and Supplies	8,275	7,789	5,289	2,500
Contractual Services	24,420	23,388	19,554	3,834
Total Law Director	918,961	913,350	906,340	7,010
Clerk of Courts:				
Personal Services	1,104,533	1,106,233	1,085,582	20,651
Materials and Supplies	26,000	25,692	20,294	5,398
Contractual Services	75,250	75,050	70,723	4,327
Other Expenditures	0	308	308	0
Total Clerk of Courts	1,205,783	1,207,283	1,176,907	30,376

(Continued)

**CITY OF NEWARK, OHIO*****Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2015***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Civil Service:				
Personal Services	0	117	117	0
Materials and Supplies	100	100	100	0
Contractual Services	30,494	39,942	39,942	0
Total Civil Service	30,594	40,159	40,159	0
Workers Compensation:				
Personal Services	61,500	84,406	84,406	0
Total Workers Compensation	61,500	84,406	84,406	0
Judiciary:				
Personal Services	672,927	657,622	649,746	7,876
Materials and Supplies	12,990	8,148	7,675	473
Contractual Services	76,380	84,485	84,485	0
Total Judiciary	762,297	750,255	741,906	8,349
Personnel:				
Personal Services	161,536	169,753	166,472	3,281
Materials and Supplies	600	600	600	0
Contractual Services	29,471	45,994	45,994	0
Total Personnel	191,607	216,347	213,066	3,281
Adult Probation:				
Personal Services	489,080	490,398	448,558	41,840
Materials and Supplies	20,230	19,115	13,262	5,853
Contractual Services	52,647	52,261	44,966	7,295
Total Adult Probation	561,957	561,774	506,786	54,988
Service Department:				
Personal Services	216,498	217,488	217,160	328
Materials and Supplies	6,452	6,026	6,026	0
Contractual Services	2,333,769	2,352,279	2,350,006	2,273
Capital Outlay	176,716	188,564	188,564	0
Total Service Department	2,733,435	2,764,357	2,761,756	2,601

(Continued)

**CITY OF NEWARK, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2015***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Engineer:				
Personal Services	459,066	459,066	457,820	1,246
Materials and Supplies	7,663	7,100	5,169	1,931
Contractual Services	67,164	66,231	65,822	409
Capital Outlay	8,500	8,500	8,500	0
Total Engineer	542,393	540,897	537,311	3,586
Custodial:				
Personal Services	161,176	166,381	166,353	28
Materials and Supplies	6,030	4,500	4,095	405
Contractual Services	81,687	73,654	73,635	19
Total Custodial	248,893	244,535	244,083	452
CDBG:				
Materials and Supplies	22,864	22,864	22,864	0
Capital Outlay	5,568	5,568	5,568	0
Total CDBG	28,432	28,432	28,432	0
Income Tax:				
Personal Services	761,087	768,616	692,485	76,131
Materials and Supplies	11,549	14,533	10,292	4,241
Contractual Services	119,306	111,253	65,532	45,721
Other Expenditures	500,000	500,000	365,767	134,233
Capital Outlay	3,716	3,000	1,850	1,150
Total Income Tax	1,395,658	1,397,402	1,135,926	261,476
Safety Director:				
Personal Services	156,838	156,838	156,170	668
Materials and Supplies	750	750	650	100
Contractual Services	336,771	518,163	511,009	7,154
Other Expenditures	9,074	9,000	2,500	6,500
Capital Outlay	45	0	0	0
Total Safety Director	503,478	684,751	670,329	14,422
Total General Government	10,292,609	10,520,250	10,109,354	410,896
Total Expenditures	27,614,216	27,897,673	26,898,543	999,130
Excess (Deficiency) of Revenues Over (Under) Expenditures	256,047	76,797	1,883,756	1,806,959

(Continued)

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2015***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	30,000	51,055	46,971	(4,084)
Transfers In	1,286,692	1,383,881	1,402,444	18,563
Transfers Out	(2,995,587)	(3,033,685)	(3,020,206)	13,479
Advances In	0	98,002	98,002	0
Advances Out	0	(45,293)	(45,293)	0
Total Other Financing Sources (Uses)	<u>(1,678,895)</u>	<u>(1,546,040)</u>	<u>(1,518,082)</u>	<u>27,958</u>
Net Change in Fund Balance	(1,422,848)	(1,469,243)	365,674	1,834,917
Fund Balance at Beginning of Year	1,932,009	1,932,009	1,932,009	0
Prior Year Encumbrances	328,535	328,535	328,535	0
Fund Balance at End of Year	<u>\$ 837,696</u>	<u>\$ 791,301</u>	<u>\$ 2,626,218</u>	<u>\$ 1,834,917</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Special Revenue Funds  
For the Year Ended December 31, 2015***

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COMMUNITY DEVELOPMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 1,275,646	\$ 1,058,811	\$ 731,833	\$ (326,978)
Investment Earnings	470	470	988	518
All Other Revenue	130,000	160,372	226,884	66,512
Total Revenues	1,406,116	1,219,653	959,705	(259,948)
<b>Expenditures:</b>				
Community Environment:				
Personal Services	487,946	461,046	392,730	68,316
Materials and Supplies	2,041	1,302	1,176	126
Contractual Services	1,075,729	716,492	644,438	72,054
Total Expenditures	1,565,716	1,178,840	1,038,344	140,496
Excess (Deficiency) of Revenues Over (Under) Expenditures	(159,600)	40,813	(78,639)	(119,452)
Fund Balance at Beginning of Year	289,506	289,506	289,506	0
Prior Year Encumbrances	163,819	163,819	163,819	0
Fund Balance at End of Year	\$ 293,725	\$ 494,138	\$ 374,686	\$ (119,452)

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Projects Funds  
For the Year Ended December 31, 2015***

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CAPITAL IMPROVEMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 400,000	\$ 414,045	\$ 14,045
Investment Earnings	913	4,566	3,653
All Other Revenue	90,000	90,450	450
Total Revenues	490,913	509,061	18,148
<b>Expenditures:</b>			
Capital Outlay	6,608,910	6,601,362	7,548
Total Expenditures	6,608,910	6,601,362	7,548
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,117,997)	(6,092,301)	25,696
<b>Other Financing Sources (Uses):</b>			
Transfers In	1,147,936	1,157,598	9,662
Total Other Financing Sources (Uses)	1,147,936	1,157,598	9,662
Net Change in Fund Balance	(4,970,061)	(4,934,703)	35,358
Fund Balance at Beginning of Year	4,168,216	4,168,216	0
Prior Year Encumbrances	1,573,012	1,573,012	0
Fund Balance at End of Year	\$ 771,167	\$ 806,525	\$ 35,358

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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<b>STREET DEPARTMENT FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 1,750,000	\$ 1,769,834	\$ 19,834
All Other Revenue	25,500	38,604	13,104
Total Revenues	1,775,500	1,808,438	32,938
<b>Expenditures:</b>			
Transportation:			
Personal Services	1,691,403	1,599,582	91,821
Materials and Supplies	591,779	591,688	91
Contractual Services	266,538	255,230	11,308
Other Expenditures	2,140	779	1,361
Capital Outlay	3,300	2,800	500
Total Expenditures	2,555,160	2,450,079	105,081
Excess (Deficiency) of Revenues Over (Under) Expenditures	(779,660)	(641,641)	138,019
<b>Other Financing Sources (Uses):</b>			
Transfers In	540,000	587,820	47,820
Total Other Financing Sources (Uses)	540,000	587,820	47,820
Net Change in Fund Balance	(239,660)	(53,821)	185,839
Fund Balance at Beginning of Year	177,961	177,961	0
Prior Year Encumbrances	146,115	146,115	0
Fund Balance at End of Year	\$ 84,416	\$ 270,255	\$ 185,839



**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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	CEMETERY FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Charges for Services	\$ 3,500	\$ 6,507	\$ 3,007
Investment Earnings	43	163	120
Total Revenues	3,543	6,670	3,127
<b>Expenditures:</b>			
Public Health and Welfare Services:			
Materials and Supplies	8,000	6,015	1,985
Contractual Services	4,000	0	4,000
Total Expenditures	12,000	6,015	5,985
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,457)	655	9,112
Fund Balance at Beginning of Year	792,737	792,737	0
Prior Year Encumbrances	1	1	0
Fund Balance at End of Year	\$ 784,281	\$ 793,393	\$ 9,112

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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**SPECIAL IMPROVEMENT DISTRICT FUND**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
All Other Revenue	\$ 95	\$ 95	\$ 0
Total Revenues	95	95	0
<b>Expenditures:</b>			
Community Environment:			
Other Expenditures	95	95	0
Total Expenditures	95	95	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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<b>VETERANS MEMORIAL SIDEWALK FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Investment Earnings	\$ 300	\$ 201	\$ (99)
All Other Revenue	1,500	1,650	150
Total Revenues	1,800	1,851	51
<b>Expenditures:</b>			
General Government:			
Contractual Services	5,800	5,740	60
Total Expenditures	5,800	5,740	60
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,000)	(3,889)	111
Fund Balance at Beginning of Year	79,968	79,968	0
Fund Balance at End of Year	\$ 75,968	\$ 76,079	\$ 111

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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<b>EPA GRANTS FUND</b>			Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 8,847	\$ 8,847	\$ 0
Total Revenues	<u>8,847</u>	<u>8,847</u>	<u>0</u>
<b>Expenditures:</b>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,847	8,847	0
<b>Other Financing Sources (Uses):</b>			
Advances Out	<u>(8,847)</u>	<u>(8,847)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(8,847)</u>	<u>(8,847)</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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SAFETY GRANTS FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 200,953	\$ 129,671	\$ (71,282)
Total Revenues	200,953	129,671	(71,282)
<b>Expenditures:</b>			
Security of Persons and Property:			
Personal Services	141,378	112,601	28,777
Materials and Supplies	6,000	6,000	0
Contractual Services	86,308	85,033	1,275
Capital Outlay	11,482	11,482	0
Total Expenditures	245,168	215,116	30,052
Excess (Deficiency) of Revenues Over (Under) Expenditures	(44,215)	(85,445)	(41,230)
<b>Other Financing Sources (Uses):</b>			
Transfers Out	(64,260)	(64,260)	0
Advances In	26,287	26,287	0
Total Other Financing Sources (Uses)	(37,973)	(37,973)	0
Net Change in Fund Balance	(82,188)	(123,418)	(41,230)
Fund Balance at Beginning of Year	45,766	45,766	0
Prior Year Encumbrances	62,980	62,980	0
Fund Balance at End of Year	\$ 26,558	\$ (14,672)	\$ (41,230)

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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<b>POLICE/FIRE PENSION FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ 430,802	\$ 409,538	\$ (21,264)
Intergovernmental Revenues	67,580	60,762	(6,818)
Total Revenues	<u>498,382</u>	<u>470,300</u>	<u>(28,082)</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Personal Services	468,314	468,314	0
Contractual Services	7,088	7,088	0
Total Expenditures	<u>475,402</u>	<u>475,402</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	22,980	(5,102)	(28,082)
Fund Balance at Beginning of Year	<u>5,125</u>	<u>5,125</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 28,105</u>	<u>\$ 23</u>	<u>\$ (28,082)</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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	STATE HIGHWAY FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 143,000	\$ 143,500	\$ 500
Total Revenues	143,000	143,500	500
<b>Expenditures:</b>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	143,000	143,500	500
<b>Other Financing Sources (Uses):</b>			
Transfers Out	(143,000)	(143,000)	0
Total Other Financing Sources (Uses)	(143,000)	(143,000)	0
Net Change in Fund Balance	0	500	500
Fund Balance at Beginning of Year	1,334	1,334	0
Fund Balance at End of Year	\$ 1,334	\$ 1,834	\$ 500

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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<b>LAW ENFORCEMENT FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 39,000	\$ 19,668	\$ (19,332)
Fines and Forfeitures	82,500	79,770	(2,730)
All Other Revenue	0	4,000	4,000
Total Revenues	121,500	103,438	(18,062)
<b>Expenditures:</b>			
Security of Persons and Property:			
Contractual Services	70,706	55,755	14,951
Total Expenditures	70,706	55,755	14,951
Excess (Deficiency) of Revenues Over (Under) Expenditures	50,794	47,683	(3,111)
Fund Balance at Beginning of Year	117,438	117,438	0
Prior Year Encumbrances	8,216	8,216	0
Fund Balance at End of Year	\$ 176,448	\$ 173,337	\$ (3,111)



**CITY OF NEWARK, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

**LANDFILL RECLAMATION FUND**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Investment Earnings	\$ 0	\$ 220	\$ 220
Total Revenues	0	220	220
<b>Expenditures:</b>			
General Government:			
Capital Outlay	66,447	66,447	0
Debt Service:			
Principal Retirement	370,000	370,000	0
Total Expenditures	436,447	436,447	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(436,447)	(436,227)	220
<b>Other Financing Sources (Uses):</b>			
Note Issuance	370,000	370,000	0
Total Other Financing Sources (Uses)	370,000	370,000	0
Net Change in Fund Balance	(66,447)	(66,227)	220
Fund Balance at Beginning of Year	4,776	4,776	0
Prior Year Encumbrances	66,447	66,447	0
Fund Balance at End of Year	\$ 4,776	\$ 4,996	\$ 220

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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<b>COURT COMPUTERIZATION FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and Forfeitures	\$ 208,000	\$ 206,095	\$ (1,905)
Total Revenues	208,000	206,095	(1,905)
<b>Expenditures:</b>			
General Government:			
Personal Services	82,331	75,068	7,263
Materials and Supplies	6,757	6,083	674
Contractual Services	157,500	51,670	105,830
Capital Outlay	50,000	33,042	16,958
Total Expenditures	296,588	165,863	130,725
Excess (Deficiency) of Revenues Over (Under) Expenditures	(88,588)	40,232	128,820
Fund Balance at Beginning of Year	362,118	362,118	0
Prior Year Encumbrances	3,883	3,883	0
Fund Balance at End of Year	<u>\$ 277,413</u>	<u>\$ 406,233</u>	<u>\$ 128,820</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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PERMISSIVE LICENSE TAX FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 800,000	\$ 653,480	\$ (146,520)
All Other Revenue	0	102,160	102,160
Total Revenues	800,000	755,640	(44,360)
<b>Expenditures:</b>			
Transportation:			
Contractual Services	1,514,046	1,514,046	0
Debt Service:			
Principal Retirement	30,000	15,000	15,000
Total Expenditures	1,544,046	1,529,046	15,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(744,046)	(773,406)	(29,360)
Fund Balance at Beginning of Year	243,614	243,614	0
Prior Year Encumbrances	744,045	744,045	0
Fund Balance at End of Year	\$ 243,613	\$ 214,253	\$ (29,360)

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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PROBATION GRANT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 462,646	\$ 440,040	\$ (22,606)
All Other Revenue	3,999	4,849	850
Total Revenues	466,645	444,889	(21,756)
<b>Expenditures:</b>			
Security of Persons and Property:			
Personal Services	250,427	232,458	17,969
Materials and Supplies	172,436	130,230	42,206
Contractual Services	98,492	91,293	7,199
Other Expenditures	19,744	19,744	0
Capital Outlay	2,775	2,315	460
Total Expenditures	543,874	476,040	67,834
Excess (Deficiency) of Revenues Over (Under) Expenditures	(77,229)	(31,151)	46,078
<b>Other Financing Sources (Uses):</b>			
Transfers In	17,901	5,655	(12,246)
Total Other Financing Sources (Uses)	17,901	5,655	(12,246)
Net Change in Fund Balance	(59,328)	(25,496)	33,832
Fund Balance at Beginning of Year	58,275	58,275	0
Prior Year Encumbrances	52,933	52,933	0
Fund Balance at End of Year	\$ 51,880	\$ 85,712	\$ 33,832

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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FEDERAL TRANSIT ADMINISTRATION FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
All Other Revenue	\$ 0	\$ 5	\$ 5
Total Revenues	0	5	5
<b>Expenditures:</b>			
Transportation:			
Personal Services	6,650	968	5,682
Contractual Services	1,500	1,500	0
Total Expenditures	8,150	2,468	5,682
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,150)	(2,463)	5,687
Fund Balance at Beginning of Year	43,112	43,112	0
Prior Year Encumbrances	120	120	0
Fund Balance at End of Year	<u>\$ 35,082</u>	<u>\$ 40,769</u>	<u>\$ 5,687</u>

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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ODNR GRANTS FUND			Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 75,768	\$ 75,768	\$ 0
Total Revenues	75,768	75,768	0
<b>Expenditures:</b>			
Community Environment:			
Materials and Supplies	2,000	2,000	0
Capital Outlay	4,575	4,575	0
Total Expenditures	6,575	6,575	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	69,193	69,193	0
<b>Other Financing Sources (Uses):</b>			
Transfers Out	(23,429)	(23,429)	0
Advances Out	(45,764)	(45,764)	0
Total Other Financing Sources (Uses)	(69,193)	(69,193)	0
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	(1,774)	(1,774)	0
Prior Year Encumbrances	1,774	1,774	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0

**CITY OF NEWARK, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

**BROWNFIELD CLEANUP FUND**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 108,941	\$ 57,441	\$ (51,500)
Total Revenues	108,941	57,441	(51,500)
<b>Expenditures:</b>			
Public Health and Welfare Services:			
Personal Services	339	339	0
Contractual Services	46,205	44,705	1,500
Capital Outlay	19,006	19,006	0
Total Expenditures	65,550	64,050	1,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	43,391	(6,609)	(50,000)
<b>Other Financing Sources (Uses):</b>			
Advances In	19,006	19,006	0
Advances Out	(43,391)	(43,391)	0
Total Other Financing Sources (Uses)	(24,385)	(24,385)	0
Net Change in Fund Balance	19,006	(30,994)	(50,000)
Fund Balance at Beginning of Year	(13,395)	(13,395)	0
Prior Year Encumbrances	13,395	13,395	0
Fund Balance at End of Year	\$ 19,006	\$ (30,994)	\$ (50,000)

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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<b>JUDICIAL FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and Forfeitures	\$ 172,000	\$ 165,787	\$ (6,213)
Total Revenues	<u>172,000</u>	<u>165,787</u>	<u>(6,213)</u>
<b>Expenditures:</b>			
General Government:			
Materials and Supplies	7,280	5,080	2,200
Contractual Services	63,778	10,785	52,993
Capital Outlay	<u>1,296</u>	<u>1,296</u>	<u>0</u>
Total Expenditures	<u>72,354</u>	<u>17,161</u>	<u>55,193</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	99,646	148,626	48,980
Fund Balance at Beginning of Year	1,246,287	1,246,287	0
Prior Year Encumbrances	<u>5,990</u>	<u>5,990</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,351,923</u>	<u>\$ 1,400,903</u>	<u>\$ 48,980</u>





**CITY OF NEWARK, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2015***

<b>DEBT SERVICE FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Special Assessments	\$ 0	\$ 50	\$ 50
All Other Revenue	0	3,123	3,123
Total Revenues	0	3,173	3,173
<b>Expenditures:</b>			
Debt Service:			
Principal Retirement	8,345,000	8,335,000	10,000
Interest and Fiscal Charges	457,866	462,352	(4,486)
Total Expenditures	8,802,866	8,797,352	5,514
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,802,866)	(8,794,179)	8,687
<b>Other Financing Sources (Uses):</b>			
Note Issuance	7,710,000	7,720,000	10,000
Transfers In	842,607	857,154	14,547
Total Other Financing Sources (Uses)	8,552,607	8,577,154	24,547
Net Change in Fund Balance	(250,259)	(217,025)	33,234
Fund Balance at Beginning of Year	1,585,501	1,585,501	0
Fund Balance at End of Year	\$ 1,335,242	\$ 1,368,476	\$ 33,234

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2015***

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TAX INCREMENT FINANCING FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ 543,841	\$ 594,079	\$ 50,238
Total Revenues	543,841	594,079	50,238
<b>Expenditures:</b>			
General Government:			
Contractual Services	13,025	12,119	906
Other Expenditures	228,587	223,032	5,555
Debt Service:			
Principal Retirement	444,400	444,386	14
Interest and Fiscal Charges	157,976	157,973	3
Total Expenditures	843,988	837,510	6,478
Excess (Deficiency) of Revenues Over (Under) Expenditures	(300,147)	(243,431)	56,716
<b>Other Financing Sources (Uses):</b>			
Transfers In	212,122	212,122	0
Total Other Financing Sources (Uses)	212,122	212,122	0
Net Change in Fund Balance	(88,025)	(31,309)	56,716
Fund Balance at Beginning of Year	88,025	88,025	0
Fund Balance at End of Year	\$ 0	\$ 56,716	\$ 56,716

**CITY OF NEWARK, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2015***

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COURT CAPITAL IMPROVEMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and Forfeitures	\$ 24,500	\$ 23,921	\$ (579)
Total Revenues	24,500	23,921	(579)
<b>Expenditures:</b>			
Capital Outlay	70,000	0	70,000
Total Expenditures	70,000	0	70,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(45,500)	23,921	69,421
Fund Balance at Beginning of Year	348,547	348,547	0
Fund Balance at End of Year	\$ 303,047	\$ 372,468	\$ 69,421

***Fiduciary Funds***

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Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

***Agency Funds***

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**Municipal Court Fund**

To account for funds that flow through the municipal court office.

**Fire Code Fund**

To account for funds for insurance payments received and disbursed as agent relative to fire damages incurred by City property owners.

**Law Library Fund**

To account for funds collected for the remittance of fines and forfeitures to the County Law Library.

**Joint Economic Development Zone Fund**

To account for monies generated by the Etna Corporate Park Economic Development Zone and distributed to the appropriate local governments.

**CITY OF NEWARK, OHIO****Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2015**

	Balance December 31, 2014	Additions	Deductions	Balance December 31, 2015
<b><u>Municipal Court Fund</u></b>				
Restricted Assets:				
Cash and Cash Equivalents	\$395,750	\$4,629,865	(\$4,619,649)	\$405,966
Total Assets	\$395,750	\$4,629,865	(\$4,619,649)	\$405,966
Liabilities:				
Intergovernmental Payable	\$239,705	\$2,764,903	(\$2,757,532)	\$247,076
Due to Others	156,045	1,864,962	(1,862,117)	158,890
Total Liabilities	\$395,750	\$4,629,865	(\$4,619,649)	\$405,966
<b><u>Fire Code Fund</u></b>				
Restricted Assets:				
Cash and Cash Equivalents	\$9,340	\$74,387	(\$38,693)	\$45,034
Total Assets	\$9,340	\$74,387	(\$38,693)	\$45,034
Liabilities:				
Due to Others	\$9,340	\$74,387	(\$38,693)	\$45,034
Total Liabilities	\$9,340	\$74,387	(\$38,693)	\$45,034
<b><u>Law Library Fund</u></b>				
Restricted Assets:				
Cash and Cash Equivalents	\$0	\$67,472	(\$65,000)	\$2,472
Total Assets	\$0	\$67,472	(\$65,000)	\$2,472
Liabilities:				
Due to Others	\$0	\$67,472	(\$65,000)	\$2,472
Total Liabilities	\$0	\$67,472	(\$65,000)	\$2,472
<b><u>Joint Economic Development Zone Fund</u></b>				
Receivables:				
Taxes	\$7,102	\$4,499	(\$7,102)	\$4,499
Restricted Assets:				
Cash and Cash Equivalents	515,598	508,948	(476,259)	548,287
Total Assets	\$522,700	\$513,447	(\$483,361)	\$552,786
Liabilities:				
Intergovernmental Payable	\$522,700	\$513,447	(\$483,361)	\$552,786
Total Liabilities	\$522,700	\$513,447	(\$483,361)	\$552,786

(Continued)

**CITY OF NEWARK, OHIO**

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	Balance December 31, 2014	Additions	Deductions	Balance December 31, 2015
<u>Totals - All Agency Funds</u>				
Receivables:				
Taxes	\$7,102	\$4,499	(\$7,102)	\$4,499
Restricted Assets:				
Cash and Cash Equivalents	920,688	5,280,672	(5,199,601)	1,001,759
Total Assets	<u>\$927,790</u>	<u>\$5,285,171</u>	<u>(\$5,206,703)</u>	<u>\$1,006,258</u>
Liabilities:				
Intergovernmental Payable	\$762,405	\$3,278,350	(\$3,240,893)	\$799,862
Due to Others	165,385	2,006,821	(1,965,810)	206,396
Total Liabilities	<u>\$927,790</u>	<u>\$5,285,171</u>	<u>(\$5,206,703)</u>	<u>\$1,006,258</u>





## *STATISTICAL SECTION*

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***S* *STATISTICAL* *T* *ABLES***

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This part of the City’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

***Contents***

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<b>Financial Trends</b>	S 2 – S 13
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
<b>Revenue Capacity</b>	S 14 – S 17
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 sources, the income tax.	
<b>Debt Capacity</b>	S 18 – S 27
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>Economic and Demographic Information</b>	S 28 – S 31
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>Operating Information</b>	S 32 – S 37
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>Sources Note:</b>	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

## City of Newark

*Net Position by Component  
Last Ten Years  
(accrual basis of accounting)*

	2006	2007	2008	2009
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$41,597,859	\$42,336,454	\$40,441,667	\$41,316,426
Restricted	10,001,298	10,651,987	11,110,542	10,280,743
Unrestricted	7,065,973	8,161,990	6,404,496	5,535,025
Total Governmental Activities Net Position	<u>\$58,665,130</u>	<u>\$61,150,431</u>	<u>\$57,956,705</u>	<u>\$57,132,194</u>
<b>Business-type Activities:</b>				
Net Investment in Capital Assets	\$16,901,941	\$17,699,290	\$16,956,742	\$22,335,180
Unrestricted	7,692,238	7,143,040	3,965,856	1,819,773
Total Business-type Activities Net Position	<u>\$24,594,179</u>	<u>\$24,842,330</u>	<u>\$20,922,598</u>	<u>\$24,154,953</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	\$58,499,800	\$60,035,744	\$57,398,409	\$63,651,606
Restricted	10,001,298	10,651,987	11,110,542	10,280,743
Unrestricted	14,758,211	15,305,030	10,370,352	7,354,798
Total Primary Government Net Position	<u>\$83,259,309</u>	<u>\$85,992,761</u>	<u>\$78,879,303</u>	<u>\$81,287,147</u>

\*Restated

Source: City Auditor's Office

*City of Newark*

*					
2010	2011	2012	2013	2014	2015
\$40,274,220	\$42,258,279	\$42,970,107	\$46,111,207	\$44,958,995	\$45,289,248
11,967,071	14,149,111	13,070,091	11,903,557	12,518,066	11,989,270
1,469,212	2,265,579	2,407,288	1,671,736	(25,664,425)	(26,854,936)
<u>\$53,710,503</u>	<u>\$58,672,969</u>	<u>\$58,447,486</u>	<u>\$59,686,500</u>	<u>\$31,812,636</u>	<u>\$30,423,582</u>
\$21,621,744	\$20,600,700	\$22,105,075	\$23,693,170	\$23,473,836	\$23,666,267
4,271,539	6,514,026	5,214,754	5,003,115	3,827,754	5,201,729
<u>\$25,893,283</u>	<u>\$27,114,726</u>	<u>\$27,319,829</u>	<u>\$28,696,285</u>	<u>\$27,301,590</u>	<u>\$28,867,996</u>
\$61,895,964	\$62,858,979	\$65,075,182	\$69,804,377	\$68,432,831	\$68,955,515
11,967,071	14,149,111	13,070,091	11,903,557	12,518,066	11,989,270
5,740,751	8,779,605	7,622,042	6,674,851	(21,836,671)	(21,653,207)
<u>\$79,603,786</u>	<u>\$85,787,695</u>	<u>\$85,767,315</u>	<u>\$88,382,785</u>	<u>\$59,114,226</u>	<u>\$59,291,578</u>

# City of Newark

## Changes in Net Position Last Ten Years (accrual basis of accounting)

	2006	2007	2008
<b>Expenses</b>			
Governmental Activities:			
Security of Persons and Property	\$17,480,448	\$18,150,460	\$19,619,726
Leisure Time Activities	765,014	524,374	560,532
Community Environment	3,167,222	2,921,535	3,059,820
Public Health and Welfare Services	2,395,607	2,375,792	599,601
Transportation	4,323,012	5,927,546	6,060,496
General Government	7,467,121	9,020,333	10,396,217
Interest and Fiscal Charges	973,340	900,691	800,191
<i>Total Governmental Activities Expenses</i>	<u>36,571,764</u>	<u>39,820,731</u>	<u>41,096,583</u>
Business-type Activities:			
Water	6,269,588	7,006,340	6,650,976
Sewer	5,226,934	5,161,535	5,291,774
Storm Water	574,598	323,709	614,380
<i>Total Business-type Activities Expenses</i>	<u>12,071,120</u>	<u>12,491,584</u>	<u>12,557,130</u>
<i>Total Primary Government Expenses</i>	<u>\$48,642,884</u>	<u>\$52,312,315</u>	<u>\$53,653,713</u>
<b>Program Revenues</b>			
Governmental Activities:			
Charges for Services			
Security of Persons and Property	\$1,799,406	\$2,412,289	\$3,411,136
Leisure Time Activities	14,944	17,489	16,428
Community Environment	8,338	59,808	55,384
Public Health and Welfare Services	785,037	749,119	190,593
Transportation	737,628	408,675	411,174
General Government	1,605,988	1,450,658	1,011,575
Operating Grants and Contributions	5,054,184	6,773,027	4,730,482
Capital Grants and Contributions	470,643	490,142	10,000
<i>Total Governmental Activities Program Revenues</i>	<u>10,476,168</u>	<u>12,361,207</u>	<u>9,836,772</u>

*City of Newark*

2009	2010	2011	2012	2013	2014	2015
\$18,993,822	\$18,825,824	\$17,438,065	\$19,288,483	\$17,844,738	\$18,014,306	\$18,199,966
669,024	575,431	560,236	658,305	629,675	864,731	919,417
2,984,886	2,666,668	1,958,987	2,221,036	2,050,028	1,614,911	1,531,206
10,329	157,745	217,140	1,770,199	119,440	186,078	45,062
6,762,557	5,686,444	5,364,963	6,457,578	4,761,118	3,852,334	4,351,212
10,430,285	11,671,609	10,283,567	10,860,659	10,207,273	10,588,687	10,609,273
760,156	787,437	757,878	799,142	812,373	822,031	735,303
<u>40,611,059</u>	<u>40,371,158</u>	<u>36,580,836</u>	<u>42,055,402</u>	<u>36,424,645</u>	<u>35,943,078</u>	<u>36,391,439</u>
6,604,911	6,120,509	6,444,744	6,670,964	5,729,159	6,019,772	6,402,011
5,941,006	5,238,347	5,568,346	6,660,500	6,000,714	7,370,520	6,158,986
989,162	2,122,819	1,920,374	1,721,062	3,002,057	1,844,358	2,693,249
<u>13,535,079</u>	<u>13,481,675</u>	<u>13,933,464</u>	<u>15,052,526</u>	<u>14,731,930</u>	<u>15,234,650</u>	<u>15,254,246</u>
<u>\$54,146,138</u>	<u>\$53,852,833</u>	<u>\$50,514,300</u>	<u>\$57,107,928</u>	<u>\$51,156,575</u>	<u>\$51,177,728</u>	<u>\$51,645,685</u>
\$3,886,667	\$3,650,730	\$3,346,407	\$3,415,217	\$3,063,296	\$3,153,173	\$3,120,520
16,031	0	0	0	0	0	0
45,885	44,318	62,801	68,149	72,154	101,985	163,450
202,895	73,932	138,358	245,040	108,539	157,337	144,829
142,495	108,475	89,514	109,699	11,657	1,709	0
1,131,397	459,996	585,758	574,438	650,115	718,048	711,005
5,488,390	5,745,895	7,222,698	9,926,907	6,169,429	4,471,047	4,307,895
184,019	295,531	2,892,903	290,794	1,081,549	54,406	414,045
<u>11,097,779</u>	<u>10,378,877</u>	<u>14,338,439</u>	<u>14,630,244</u>	<u>11,156,739</u>	<u>8,657,705</u>	<u>8,861,744</u>

(Continued)

# City of Newark

## Changes in Net Position Last Ten Years (accrual basis of accounting)

	2006	2007	2008
Business-type Activities:			
Charges for Services			
Water	6,001,796	6,034,022	5,998,709
Sewer	5,965,994	5,836,149	5,880,392
Storm Water	512,738	1,843,164	2,168,753
Capital Grants and Contributions	258,709	0	0
<i>Total Business-type Activities Program Revenues</i>	<u>12,739,237</u>	<u>13,713,335</u>	<u>14,047,854</u>
<i>Total Primary Government Program Revenues</i>	<u>23,215,405</u>	<u>26,074,542</u>	<u>23,884,626</u>
<b>Net (Expense)/Revenue</b>			
Governmental Activities	(26,095,596)	(27,459,524)	(31,259,811)
Business-type Activities	668,117	1,221,751	1,490,724
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$25,427,479)</u>	<u>(\$26,237,773)</u>	<u>(\$29,769,087)</u>
<b>General Revenues and Other Changes in Net Position</b>			
Governmental Activities:			
Property Taxes Levied for:			
General Purposes	\$2,458,710	\$2,306,500	\$2,189,609
Special Purposes	457,463	457,534	436,568
Capital Purposes	479,445	284,487	282,935
Income Taxes	19,802,040	20,312,181	20,899,162
Other Local Taxes	360,964	433,007	366,551
Intergovernmental, Unrestricted	3,634,841	3,794,607	3,264,236
Investment Earnings	880,326	1,077,750	636,922
Miscellaneous	1,500,256	751,758	431,212
Transfers	264,680	834,314	924,993
<i>Total Governmental Activities</i>	<u>29,838,725</u>	<u>30,252,138</u>	<u>29,432,188</u>
Business-type Activities:			
Investment Earnings	97,179	93,819	37,267
Transfers	(264,680)	(834,314)	(924,993)
<i>Total Business-type Activities</i>	<u>(167,501)</u>	<u>(740,495)</u>	<u>(887,726)</u>
<i>Total Primary Government</i>	<u>\$29,671,224</u>	<u>\$29,511,643</u>	<u>\$28,544,462</u>
<b>Change in Net Position</b>			
Governmental Activities	\$3,743,129	\$2,792,614	(\$1,827,623)
Business-type Activities	500,616	481,256	602,998
<i>Total Primary Government Change in Net Position</i>	<u>\$4,243,745</u>	<u>\$3,273,870</u>	<u>(\$1,224,625)</u>

Source: City Auditor's Office



*City of Newark*

2009	2010	2011	2012	2013	2014	2015
5,850,171	6,094,605	6,027,520	6,217,554	6,570,928	6,212,924	6,294,557
5,918,464	6,563,274	6,600,685	6,742,077	6,871,755	7,419,978	7,653,112
2,229,720	2,513,032	2,655,588	2,728,525	2,806,031	2,769,820	2,871,602
3,691,191	750,445	0	0	350,000	0	0
17,689,546	15,921,356	15,283,793	15,688,156	16,598,714	16,402,722	16,819,271
28,787,325	26,300,233	29,622,232	30,318,400	27,755,453	25,060,427	25,681,015
(29,513,280)	(29,992,281)	(22,242,397)	(27,425,158)	(25,267,906)	(27,285,373)	(27,529,695)
4,154,467	2,439,681	1,350,329	635,630	1,866,784	1,168,072	1,565,025
<u>(\$25,358,813)</u>	<u>(\$27,552,600)</u>	<u>(\$20,892,068)</u>	<u>(\$26,789,528)</u>	<u>(\$23,401,122)</u>	<u>(\$26,117,301)</u>	<u>(\$25,964,670)</u>
\$2,150,345	\$2,126,951	\$2,003,214	\$2,037,865	\$2,079,535	\$2,100,858	\$2,040,628
427,084	421,153	398,173	403,724	411,562	416,520	404,872
251,214	265,668	919,482	740,590	662,390	428,807	594,079
18,845,278	18,880,522	19,440,371	20,287,028	19,435,197	20,092,754	20,454,357
358,197	361,444	496,040	476,211	503,408	420,782	514,057
4,214,287	3,554,614	3,099,985	2,231,124	2,075,599	1,542,244	1,566,000
369,406	219,412	175,826	168,953	132,177	149,711	67,376
1,134,938	658,189	540,484	417,356	715,301	867,854	499,272
938,020	82,637	131,288	436,824	491,751	(5,376)	0
28,688,769	26,570,590	27,204,863	27,199,675	26,506,920	26,014,154	26,140,641
15,908	3,247	2,402	6,297	1,423	901	1,381
(938,020)	(82,637)	(131,288)	(436,824)	(491,751)	5,376	0
(922,112)	(79,390)	(128,886)	(430,527)	(490,328)	6,277	1,381
<u>\$27,766,657</u>	<u>\$26,491,200</u>	<u>\$27,075,977</u>	<u>\$26,769,148</u>	<u>\$26,016,592</u>	<u>\$26,020,431</u>	<u>\$26,142,022</u>
(\$824,511)	(\$3,421,691)	\$4,962,466	(\$225,483)	\$1,239,014	(\$1,271,219)	(\$1,389,054)
3,232,355	2,360,291	1,221,443	205,103	1,376,456	1,174,349	1,566,406
<u>\$2,407,844</u>	<u>(\$1,061,400)</u>	<u>\$6,183,909</u>	<u>(\$20,380)</u>	<u>\$2,615,470</u>	<u>(\$96,870)</u>	<u>\$177,352</u>

# City of Newark

## Fund Balances, Governmental Funds Last Ten Years (modified accrual basis of accounting)

	2006	2007	2008	2009
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	739,920	848,097	470,901	580,093
Unreserved	1,114,748	2,717,746	2,608,161	2,403,167
<i>Total General Fund</i>	<u>1,854,668</u>	<u>3,565,843</u>	<u>3,079,062</u>	<u>2,983,260</u>
All Other Governmental Funds				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Unassigned	0	0	0	0
Reserved	4,515,664	2,531,396	2,867,626	2,542,594
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	4,891,038	4,329,307	3,774,340	2,850,367
Capital Projects Funds	(1,997,460)	(849,552)	(4,972)	(211,166)
<i>Total All Other Governmental Funds</i>	<u>7,409,242</u>	<u>6,011,151</u>	<u>6,636,994</u>	<u>5,181,795</u>
<i>Total Governmental Funds</i>	<u>\$9,263,910</u>	<u>\$9,576,994</u>	<u>\$9,716,056</u>	<u>\$8,165,055</u>

Source: City Auditor's Office

NOTE: The City implemented GASB 54 in 2011 which established new fund balance classifications for governmental funds.

*City of Newark*

2010	2011	2012	2013	2014	2015
\$0	\$115,987	\$117,771	\$122,904	\$121,858	\$132,563
0	534,701	1,300,983	2,298,246	1,365,840	1,720,745
0	3,752,273	2,501,691	1,095,173	1,230,500	1,840,280
570,773	0	0	0	0	0
1,774,282	0	0	0	0	0
2,345,055	4,402,961	3,920,445	3,516,323	2,718,198	3,693,588
\$0	\$4,903,304	\$231,351	\$187,475	\$257,886	\$346,364
0	8,042,449	12,053,339	10,966,671	11,722,819	10,932,039
0	(755,421)	(558,807)	(1,044,814)	(2,422,355)	(6,272,292)
3,989,848	0	0	0	0	0
3,858,783	0	0	0	0	0
331,383	0	0	0	0	0
8,180,014	12,190,332	11,725,883	10,109,332	9,558,350	5,006,111
\$10,525,069	\$16,593,293	\$15,646,328	\$13,625,655	\$12,276,548	\$8,699,699

# City of Newark

## Changes in Fund Balances, Governmental Funds Last Ten Years (modified accrual basis of accounting)

	2006	2007	2008	2009
<b>Revenues:</b>				
Taxes	\$22,853,652	\$23,795,166	\$24,141,533	\$21,995,412
Intergovernmental Revenues	9,577,436	10,137,168	8,458,536	9,778,082
Charges for Services	1,432,375	1,615,096	2,341,997	2,484,063
Licenses, Permits and Fees	1,549,917	1,343,140	672,053	739,218
Investment Earnings	880,326	1,034,943	582,307	362,306
Special Assessments	25,230	71,218	7,198	39,295
Fines and Forfeitures	1,975,088	2,092,652	2,072,203	2,134,239
All Other Revenue	1,500,256	755,691	431,212	1,134,938
<b>Total Revenue</b>	<b>39,794,280</b>	<b>40,845,074</b>	<b>38,707,039</b>	<b>38,667,553</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	17,248,660	18,093,642	18,603,640	18,299,201
Public Health and Welfare Services	2,418,915	2,464,530	622,243	7,911
Leisure Time Activities	673,150	468,478	536,902	616,513
Community Environment	3,162,051	2,790,461	2,823,629	3,171,385
Transportation	3,281,101	4,880,029	4,161,938	4,886,329
General Government	7,728,635	8,769,728	10,003,984	9,770,565
Capital Outlay	2,980,071	4,222,928	2,915,007	4,123,220
Debt Service:				
Principal Retirement	544,000	475,000	530,000	535,000
Interest and Fiscal Charges	775,132	765,960	748,092	705,764
<b>Total Expenditures</b>	<b>38,811,715</b>	<b>42,930,756</b>	<b>40,945,435</b>	<b>42,115,888</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	982,565	(2,085,682)	(2,238,396)	(3,448,335)

*City of Newark*

2010	2011	2012	2013	2014	2015
\$22,138,933	\$23,235,579	\$23,598,538	\$23,209,071	\$23,321,413	\$24,195,781
10,267,862	11,112,100	12,475,770	9,742,262	6,188,662	6,167,868
2,289,390	2,114,800	2,102,342	1,989,940	2,141,130	2,150,036
63,204	136,677	65,196	75,781	83,409	76,249
217,555	170,071	161,787	124,176	146,950	74,259
27,635	25,439	7,703	6,843	6,828	50
2,056,603	1,948,006	2,101,869	1,829,655	1,884,913	1,898,252
658,189	540,484	417,356	715,301	867,854	499,272
<u>37,719,371</u>	<u>39,283,156</u>	<u>40,930,561</u>	<u>37,693,029</u>	<u>34,641,159</u>	<u>35,061,767</u>
18,207,565	17,582,231	18,462,490	17,586,636	17,441,213	16,720,295
140,923	200,044	1,751,877	119,440	186,078	45,062
575,431	560,236	652,138	687,552	746,428	698,450
2,549,523	1,940,710	2,160,549	2,140,823	1,569,877	1,322,320
3,936,324	3,981,510	4,377,197	3,433,453	2,059,898	2,876,635
9,774,503	10,750,798	10,259,639	9,959,941	10,641,150	9,846,419
2,460,005	2,983,077	3,614,008	4,701,957	2,205,873	5,843,235
550,000	751,726	894,321	1,018,701	685,592	1,099,074
722,471	665,800	736,336	725,068	732,569	623,997
<u>38,916,745</u>	<u>39,416,132</u>	<u>42,908,555</u>	<u>40,373,571</u>	<u>36,268,678</u>	<u>39,075,487</u>
(1,197,374)	(132,976)	(1,977,994)	(2,680,542)	(1,627,519)	(4,013,720)

(Continued)

# City of Newark

## Changes in Fund Balances, Governmental Funds Last Ten Years (modified accrual basis of accounting)

	2006	2007	2008	2009
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	74,790	81,510	43,321	0
Other Financing Sources - Capital Lease	1,097,605	1,413,634	402,087	0
State Infrastructure Bank Loan	0	0	0	1,021,359
Premium on Bond Issuance	0	0	0	0
General Obligation Bonds Issued	1,609,000	0	1,180,000	0
Refunding General Obligation Bonds Issued	2,645,000	0	0	0
Discount on General Obligation Bonds Issued	(23,223)	0	0	0
Payment to Refunded Bond Escrow Agent	(2,555,973)	0	0	0
OPWC Loan Issuance	0	0	0	0
Transfers In	21,394,511	24,517,996	23,984,004	21,370,773
Transfers Out	(20,949,831)	(23,714,241)	(23,059,011)	(20,432,753)
<b>Total Other Financing Sources (Uses)</b>	<u>3,291,879</u>	<u>2,298,899</u>	<u>2,550,401</u>	<u>1,959,379</u>
<b>Net Change in Fund Balance</b>	<u>\$4,274,444</u>	<u>\$213,217</u>	<u>\$312,005</u>	<u>(\$1,488,956)</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	3.80%	3.19%	3.24%	3.26%

Source: City Auditor's Office

*City of Newark*

2010	2011	2012	2013	2014	2015
0	0	42,975	8,372	48,375	46,971
718,698	319,820	350,000	73,900	0	291,575
162,954	191,560	738,339	52,516	0	0
0	0	0	0	182,694	0
1,710,000	1,200,000	0	0	0	0
0	0	0	0	7,930,000	0
0	0	0	0	0	0
0	0	0	0	(7,945,049)	0
0	0	0	600,000	0	0
19,675,687	4,469,758	2,915,010	3,031,308	2,628,597	2,377,818
(18,793,050)	(4,113,653)	(2,862,443)	(3,065,058)	(2,633,973)	(2,377,818)
3,474,289	2,067,485	1,183,881	701,038	210,644	338,546
<u>\$2,276,915</u>	<u>\$1,934,509</u>	<u>(\$794,113)</u>	<u>(\$1,979,504)</u>	<u>(\$1,416,875)</u>	<u>(\$3,675,174)</u>
3.40%	3.91%	4.11%	4.98%	4.16%	5.10%

## *City of Newark*

### *Income Tax Revenues by Source, Governmental Funds Last Ten Years*

<b>Tax year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Income Tax Rate	1.75%	1.75%	1.75%	1.75%	1.75%
Total Tax Collected	\$20,337,124	\$20,420,533	\$20,708,589	\$18,880,102	\$18,775,403
Income Tax Receipts					
Withholding	16,103,101	15,928,540	15,761,577	15,034,690	14,871,975
Percentage	79.18%	78.00%	76.12%	79.63%	79.21%
Corporate	1,555,677	1,850,596	2,399,014	1,264,276	1,389,251
Percentage	7.65%	9.06%	11.58%	6.70%	7.40%
Individuals	2,678,345	2,641,397	2,547,998	2,581,136	2,514,176
Percentage	13.17%	12.94%	12.30%	13.67%	13.39%

Source: City Income Tax Department



*City of Newark*

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2011	2012	2013	2014	2015
1.75%	1.75%	1.75%	1.75%	1.75%
\$19,380,456	\$19,985,479	\$19,882,043	\$19,872,041	\$20,403,273
15,394,159	15,734,408	15,722,081	15,751,140	16,173,959
79.43%	78.73%	79.08%	79.26%	79.28%
1,407,060	1,645,186	1,564,374	1,494,229	1,484,316
7.26%	8.23%	7.87%	7.52%	7.27%
2,579,238	2,605,886	2,595,588	2,626,672	2,744,998
13.31%	13.04%	13.05%	13.22%	13.45%



# *City of Newark*

## *Income Tax Statistics Current Year and Nine Years Ago*

Calendar Year 2015						
<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.07%	\$18,970,573	2.94%	\$331,985	2.94%
All Others	14,548	99.93%	625,976,676	97.06%	10,954,592	97.06%
Total	14,558	100.00%	\$644,947,249	100.00%	\$11,286,577	100.00%

Calendar Year 2006						
<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.05%	\$19,991,436	2.92%	\$349,850	2.92%
All Others	18,983	99.95%	665,730,758	97.08%	11,650,288	97.08%
Total	18,993	100.00%	\$685,722,194	100.00%	\$12,000,138	100.00%

Source: City Income Tax Department

# City of Newark

## Ratios of Outstanding Debt By Type Last Ten Years

	2006	2007	2008	2009
<b>Governmental Activities</b> <sup>(1)</sup>				
Special Assessment Bonds Payable	\$25,000	\$0	\$0	\$0
General Obligation Bonds Payable	14,409,991	14,115,868	14,609,991	14,074,991
Ohio Public Works Commission Loan Payable	0	0	0	0
Capital Leases	2,464,526	3,255,703	2,904,221	2,253,763
ODOT State Infrastructure Bank Loan	0	0	0	1,021,359
<b>Business-type Activities</b> <sup>(1)</sup>				
General Obligation Bonds Payable	\$9,069,717	\$8,252,069	\$6,925,411	\$7,333,753
Ohio Water Development Authority Loans Payable	9,006,413	10,754,578	11,845,846	12,687,667
Ohio Public Works Commission Loans Payable	568,655	554,439	526,007	1,119,535
Special Assessment Bonds Payable	41,028	35,900	30,772	25,644
Capital Leases	43,517	418,364	398,080	362,395
<b>Total Primary Government</b>	<b>\$35,628,847</b>	<b>\$37,386,921</b>	<b>\$37,240,328</b>	<b>\$38,879,107</b>
<b>Population</b> <sup>(2)</sup>				
City of Newark	46,279	46,279	46,279	46,279
Outstanding Debt Per Capita	\$770	\$808	\$805	\$840
<b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	\$1,483,242	\$1,569,876	\$1,600,374	\$1,581,029
Percentage of Personal Income	2.40%	2.38%	2.33%	2.46%

### Sources:

- (1) City Auditor's Office
- (2) U.S. Bureau of Census, Population Division
- (3) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2014, for the presentation of 2015 statistics, the City is using the latest information available.
- (a) Per Capita Income is only available by County, Total Personal Income is a calculation

*City of Newark*

2010	2011	2012	2013	2014	2015
\$0	\$0	\$0	\$0	\$0	\$0
15,234,991	15,759,991	15,039,991	14,854,203	14,873,212	14,182,321
0	0	0	600,000	600,000	585,000
2,218,696	2,001,395	1,794,187	1,397,398	905,528	802,766
1,184,313	1,299,147	1,863,165	1,651,980	1,371,388	1,082,314
\$6,506,120	\$7,145,172	\$11,268,626	\$13,798,821	\$12,332,636	\$10,796,376
22,899,357	25,580,376	27,158,821	32,630,272	33,729,939	37,218,169
1,049,964	980,393	910,822	1,673,341	1,562,166	1,450,991
20,516	15,388	10,260	5,132	0	0
319,995	275,901	230,049	285,659	202,691	116,710
<u>\$49,433,952</u>	<u>\$53,057,763</u>	<u>\$58,275,921</u>	<u>\$66,896,806</u>	<u>\$65,577,560</u>	<u>\$66,234,647</u>
47,537	47,537	47,537	47,537	47,537	47,537
\$1,040	\$1,116	\$1,226	\$1,407	\$1,380	\$1,393
\$1,648,155	\$1,782,210	\$1,894,349	\$1,902,383	\$1,893,636	\$1,893,636
3.00%	2.98%	3.08%	3.52%	3.46%	3.50%

# *City of Newark*

## *Ratios of General Bonded Debt Outstanding Last Ten Years*

Year	2006	2007	2008	2009
<b>Population</b> <sup>(1)</sup>	46,279	46,279	46,279	46,279
<b>Personal Income</b> <sup>(2)</sup>	\$1,483,241,950	\$1,569,876,238	\$1,600,374,099	\$1,581,029,477
<b>General Bonded Debt</b>				
General Obligation Bonds	\$23,479,708	\$22,367,937	\$21,535,402	\$21,408,744
<b>Resources Available to Pay Principal</b>	\$137,693	\$6,126	\$154,983	\$8,059
<b>Net General Bonded Debt</b>	\$23,342,015	\$22,361,811	\$21,380,419	\$21,400,685
<b>Ratio of Net Bonded Debt to Personal Income</b>	1.57%	1.42%	1.34%	1.35%
<b>Net Bonded Debt per Capita</b>	\$504.38	\$483.20	\$461.99	\$462.43

**Source:**

(1) U.S. Bureau of Census of Population

(2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2014, for the presentation of 2015 statistics, the City is using the latest information available.

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

*City of Newark*

2010	2011	2012	2013	2014	2015
47,537	47,537	47,537	47,537	47,537	47,537
\$1,648,155,327	\$1,782,209,667	\$1,894,349,450	\$1,902,383,203	\$1,893,636,395	\$1,893,636,395
\$21,741,111	\$22,905,163	\$26,308,617	\$28,653,024	\$27,205,848	\$24,978,697
\$18,749	\$166,935	\$391,186	\$699,446	\$1,585,501	\$1,368,476
\$21,722,362	\$22,738,228	\$25,917,431	\$27,953,578	\$25,620,347	\$23,610,221
1.32%	1.28%	1.37%	1.47%	1.35%	1.25%
\$456.96	\$478.33	\$545.21	\$588.04	\$538.96	\$496.67





## ***City of Newark***

### *Computation of Direct and Overlapping Debt Attributable to Governmental Activities December 31, 2015*

<b><u>Jurisdiction</u></b>	<b><u>Gross Debt Outstanding</u></b>	<b><u>Percentage Applicable to the City of Newark (1)</u></b>	<b><u>Amount Applicable to the City of Newark</u></b>
<b>Direct:</b>			
City of Newark	\$16,652,401	100.00%	\$16,652,401
<b>Overlapping:</b>			
Career and Technology Education Center	3,771,667	19.08%	719,634
Licking County	18,891,014	19.74%	3,729,086
		Subtotal	<u>4,448,720</u>
		Total	<u><u>\$21,101,121</u></u>

Source: Licking County Auditor

- (1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the total assessed valuation of the political subdivision.

# City of Newark

## Debt Limitations Last Ten Years

Collection Year	2006	2007	2008	2009
<b>Total Debt</b>				
Net Assessed Valuation	\$828,435,710	\$810,786,940	\$799,331,100	\$789,272,045
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	86,985,750	85,132,629	83,929,766	82,873,565
City Debt Outstanding (2)	13,465,991	12,744,991	12,619,991	12,214,991
Less: Applicable Debt Service Fund Amounts	(137,693)	(6,126)	(154,983)	(8,059)
Net Indebtedness Subject to Limitation	13,328,298	12,738,865	12,465,008	12,206,932
Overall Legal Debt Margin	<u>\$73,657,452</u>	<u>\$72,393,764</u>	<u>\$71,464,758</u>	<u>\$70,666,633</u>
Debt Margin as a Percentage of Debt Limit	84.68%	85.04%	85.15%	85.27%
<b>Unvoted Debt</b>				
Net Assessed Valuation	\$828,435,710	\$810,786,940	\$799,331,100	\$789,272,045
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	45,563,964	44,593,282	43,963,211	43,409,962
City Debt Outstanding (2)	13,465,991	12,744,991	12,619,991	12,214,991
Less: Applicable Debt Service Fund Amounts	(137,693)	(6,126)	(154,983)	(8,059)
Net Indebtedness Subject to Limitation	13,328,298	12,738,865	12,465,008	12,206,932
Overall Legal Debt Margin	<u>\$32,235,666</u>	<u>\$31,854,417</u>	<u>\$31,498,203</u>	<u>\$31,203,030</u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.  
The East Main Street Improvement and Deo Drive Bonds are TIF Bonds.  
Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Source: City Auditor's Office

*City of Newark*

2010	2011	2012	2013	2014	2015
\$799,841,220	\$803,775,990	\$804,198,160	\$811,606,160	\$799,885,660	\$770,883,080
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
83,983,328	84,396,479	84,440,807	85,218,647	83,987,994	80,942,723
11,859,991	12,529,991	14,159,991	14,809,991	19,329,991	19,008,515
(18,749)	(166,935)	(391,186)	(699,446)	(1,585,501)	(1,368,476)
11,841,242	12,363,056	13,768,805	14,110,545	17,744,490	17,640,039
\$72,142,086	\$72,033,423	\$70,672,002	\$71,108,102	\$66,243,504	\$63,302,684
85.90%	85.35%	83.69%	83.44%	78.87%	78.21%
\$799,841,220	\$803,775,990	\$804,198,160	\$811,606,160	\$799,885,660	\$770,883,080
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
43,991,267	44,207,679	44,230,899	44,638,339	43,993,711	42,398,569
11,859,991	12,529,991	14,159,991	14,809,991	19,329,991	19,008,515
(18,749)	(166,935)	(391,186)	(699,446)	(1,585,501)	(1,368,476)
11,841,242	12,363,056	13,768,805	14,110,545	17,744,490	17,640,039
\$32,150,025	\$31,844,623	\$30,462,094	\$30,527,794	\$26,249,221	\$24,758,530

# City of Newark

## Pledged Revenue Coverage Last Ten Years

	2006	2007	2008	2009	2010
<b>Special Assessment Bonds (1)</b>					
Special Assessment Collections	\$25,230	\$24,264	\$0	\$0	\$0
Debt Service					
Principal	20,000	25,000	0	0	0
Interest	2,250	1,250	0	0	0
Coverage	1.13	0.92	0.00	0.00	0.00
<b>Special Assessment Bonds (2)</b>					
Special Assessment Collections	\$16,479	\$6,725	\$7,198	\$6,725	\$6,245
Debt Service					
Principal	5,128	5,128	5,128	5,128	5,128
Interest	2,192	1,948	1,706	1,462	1,218
Coverage	2.25	0.95	1.05	1.02	0.98
<b>Tax Increment Financing (TIF) (3)</b>					
Payment in Lieu of Taxes	\$369,806	\$172,892	\$171,761	\$163,200	\$164,491
Debt Service					
Principal	130,000	60,000	80,000	85,000	85,000
Interest	136,325	125,645	106,332	103,132	99,732
Coverage	1.39	0.93	0.92	0.87	0.89
<b>Tax Increment Financing (TIF) (4)</b>					
Payment in Lieu of Taxes	\$0	\$0	\$111,174	\$88,014	\$97,264
Debt Service					
Principal	0	0	50,000	45,000	45,000
Interest	0	0	41,919	44,992	43,304
Coverage	0.00	0.00	1.21	0.98	1.10

(1) Hudson Avenue Street Lighting, Governmental Activities, Retired in 2007

(2) Morgan Manor Sewer, Business-type Activities, Retired in 2014

(3) East Main Street Improvement, Governmental Activities

(4) Deo Drive Improvement, Governmental Activities

Source: City Auditor's Office

*City of Newark*

2011	2012	2013	2014	2015
\$0	\$0	\$0	\$0	\$0
0	0	0	0	0
0	0	0	0	0
0.00	0.00	0.00	0.00	0.00
\$6,525	\$7,254	\$6,725	\$6,529	\$0
5,128	5,128	5,128	5,132	0
974	730	488	244	0
1.07	1.24	1.20	1.21	0.00
\$170,495	\$232,252	\$166,819	\$25,587	\$69,405
90,000	95,000	100,000	100,000	105,000
96,332	92,732	88,932	84,932	80,932
0.92	1.24	0.88	0.14	0.37
\$99,659	\$108,302	\$107,079	\$111,712	\$112,753
55,000	55,000	55,000	55,000	55,000
41,616	39,554	37,492	35,428	33,366
1.03	1.15	1.16	1.24	1.28

# City of Newark

## Demographic and Economic Statistics Last Ten Years

Calendar Year	2006	2007	2008	2009	2010
<b>Population</b> <sup>(1)</sup>					
City of Newark	46,279	46,279	46,279	46,279	47,537
Licking County	154,806	154,806	154,806	154,806	166,492
<b>Income</b> <sup>(2) (a)</sup>					
Total Personal (in thousands)	\$1,483,242	\$1,569,876	\$1,600,374	\$1,581,029	\$1,648,155
Per Capita	\$32,050	\$33,922	\$34,581	\$34,163	\$34,671
<b>Unemployment Rate</b> <sup>(3)</sup>					
Federal	5.0%	4.6%	5.8%	9.7%	8.9%
State	5.9%	5.6%	6.6%	10.2%	8.5%
Licking County	5.1%	5.2%	6.1%	11.1%	8.7%
<b>Civilian Work Force Estimates</b> <sup>(3)</sup>					
State	5,934,000	5,976,500	5,986,400	5,979,100	5,989,150
Licking County	82,700	84,500	85,600	85,700	86,700

### Sources:

- (1) U.S. Bureau of Census of Population.
- (2) U.S. Department of Commerce, Bureau of Economic Analysis information is only available through 2014, for the presentation of 2015 statistics, the City is using the latest information available. As the most current information becomes available, prior year figures are updated.
  - (a) Per Capita Income is only available by County, Total Personal Income is a calculation.
- (3) State Department of Labor Statistics.

*City of Newark*

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2011	2012	2013	2014	2015
47,537	47,537	47,537	47,537	47,537
166,492	166,492	166,492	166,492	166,492
\$1,782,210	\$1,894,349	\$1,902,383	\$1,893,636	\$1,893,636
\$37,491	\$39,850	\$40,019	\$39,835	\$39,835
8.9%	7.8%	7.4%	5.6%	5.3%
8.6%	6.7%	7.4%	5.1%	4.9%
8.0%	6.5%	6.9%	4.1%	4.2%
5,806,500	5,740,900	5,704,000	5,726,000	5,731,000
84,400	84,829	85,800	87,900	88,400





# City of Newark

## Principal Employers Current Year and Nine Years Ago

		2015	
Employer	Nature of Business	Number of Employees	Rank
Licking Memorial Hospital	Health Care	1,950	1
State Farm	Insurance	1,050	2
Licking County Government	Government	1,050	3
Newark City Schools	Education	980	4
Anomatic	Metal Finishers	925	5
OSUN/COTC	Education	920	6
Walmart	Retail	710	7
Owens Corning	Fiberglass Insulation	550	8
Park National Bank	Banking	400	9
City of Newark	Government	352	10
Total		8,887	
Total Employment within the City (1)		N/A	

		2006	
Employer	Nature of Business	Number of Employees	Rank
State Farm Insurance	Insurance	1,398	1
Newark City Schools	School District	1,389	2
Licking County Government	Government	1,277	3
Licking Memorial Hospital	Hospital	1,220	4
Anomatic Corp.	Metal Finishings	1,145	5
Owens Corning, Inc.	Fiberglass Insulation	1,024	6
OSUN/COTC	Education	660	7
Longaberger Corp.	Decorative Basket Manufacturer	505	8
Park National Bank	Financial	500	9
City of Newark	Government	485	10
Total		9,603	
Total Employment within the City (1)		N/A	

(1) - Total employment within the City is not available.

Source: City Auditor's Office

# City of Newark

## Full Time Equivalent Employees by Function Last Ten Years

	2006	2007	2008	2009	2010
<b>Governmental Activities</b>					
General Government					
Finance	20.00	20.00	20.00	19.00	19.00
Legal/Court	52.00	52.00	52.00	51.00	51.00
Administration	31.00	31.00	30.00	29.00	29.00
Maintenance	18.00	18.00	18.00	16.00	16.00
Security of Persons and Property					
Police	106.00	106.00	106.00	104.00	103.00
Fire	85.00	86.00	88.00	88.00	87.00
Transportation					
Street	32.00	32.00	32.00	29.00	28.00
Leisure Time Activities					
Recreation/Seniors	20.00	20.00	18.00	16.00	16.00
Community Environment	42.00	42.00	42.00	40.00	40.00
Community Development	7.00	7.00	7.00	9.00	9.00
<b>Business-Type Activities</b>					
Utilities					
Water	45.00	45.00	45.00	44.00	44.00
Sewer	26.00	26.00	26.00	25.00	25.00
Storm Water	1.00	1.00	2.00	3.00	3.00
<i>Total Employees</i>	<u>485.00</u>	<u>486.00</u>	<u>486.00</u>	<u>473.00</u>	<u>470.00</u>

**Method:** 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: City Auditor's Office

*City of Newark*

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2011	2012	2013	2014	2015
19.00	19.00	19.00	19.00	18.00
51.00	51.00	50.00	50.00	46.00
29.00	29.00	29.00	29.00	27.00
16.00	16.00	16.00	16.00	16.00
105.00	105.00	104.00	104.00	96.00
88.00	88.00	88.00	88.00	87.00
28.00	28.00	28.00	28.00	25.00
15.00	15.00	14.00	14.00	14.00
40.00	40.00	40.00	40.00	30.00
11.00	9.00	5.00	5.00	4.00
44.00	44.00	44.00	46.00	41.00
25.00	25.00	25.00	29.00	26.00
3.00	3.00	3.00	3.00	3.00
474.00	472.00	465.00	471.00	433.00

# City of Newark

## Operating Indicators by Function Last Ten Years

	2006	2007	2008	2009	2010
<b>Governmental Activities</b>					
General Government					
Court					
Number of Traffic Cases	3,571	3,602	3,777	3,922	3,999
Licenses and Permits					
Number of Building Permits	534	521	501	450	437
Security of Persons and Property					
Police					
Number of Citations Issued	2,001	2,213	2,322	2,353	2,453
Number of Arrests	1,750	1,797	1,832	1,702	1,767
Fire					
Number of Fire Calls	6,146	6,204	6,220	6,316	6,288
Number of EMS Runs	7,672	7,737	7,839	6,998	7,002
Transportation					
Street					
Number of Streets Resurfaced	33	33	35	35	36
Community Environment					
Number of Code Violations	3	7	8	5	N/A
<b>Business-Type Activities</b>					
Water					
Number of Service Connections	20,342	20,408	20,543	20,543	20,777
Water Main Breaks	18	29	28	38	44
Daily Average Consumption (thousands of gallons)	8.9M	8.9M	9.0M	8.9M	9.0M
Sewer					
Number of Service Connections	18,657	18,687	18,703	18,723	18,798
Daily Average Sewage Treatment (thousands of gallons)	8.4M	8.4M	8.5M	8.4M	8.5M

Source: City Auditor's Office

*City of Newark*

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2011	2012	2013	2014	2015
4,021	3,912	3,936	4,002	4,121
444	453	450	452	370
2,503	2,516	2,614	2,725	2,814
1,802	1,811	1,896	1,915	2,019
6,334	6,111	5,921	5,411	5,466
7,253	7,310	7,412	7,501	7,618
35	34	35	39	32
N/A	N/A	N/A	N/A	N/A
20,827	20,888	20,897	20,902	20,911
32	36	35	39	44
9.0M	9.1M	9.2M	9.3M	9.4M
18,842	18,911	18,925	18,999	19,122
8.6M	8.7M	8.8M	8.9M	8.9M

# City of Newark

## Capital Asset Statistics by Function Last Ten Years

	2006	2007	2008	2009	2010
<b>Governmental Activities</b>					
General Government					
Public Land and Buildings					
Land (acres)	459	459	459	459	459
Buildings	29	29	29	29	29
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	22	22	22	22	23
Fire					
Stations	4	4	4	4	4
Vehicles	18	19	20	20	22
Transportation					
Street					
Streets (lane miles)	226	228	228	228	228
Traffic Signals	3,338	3,342	3,342	3,342	3,344
Vehicles	37	39	39	39	40
Leisure Time Activities					
Recreation/Seniors					
Land (acres)					
Buildings	16	16	16	16	16
Parks	39	39	39	39	39
Playgrounds	14	14	14	14	14
Swimming Pools	1	1	1	1	1
Baseball/Softball Diamonds	12	12	12	12	12
<b>Business-Type Activities</b>					
Utilities					
Water					
Waterlines (Miles)	199	201	203	203	204
Number of Hydrants	281	284	290	288	290
Sewer					
Sewer lines (Miles)	187	189	191	191	192
Lift Stations	7	7	7	10	10
Storm Water Drainage					
Storm Drains (Miles)	102	108	110	110	115
Number of Catch Basins	4,485	4,490	4,494	4,494	4,504

Source: City Auditor's Office

*City of Newark*

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2011	2012	2013	2014	2015
459	459	459	459	459
29	29	29	29	29
1	1	1	1	1
24	24	24	24	24
4	4	4	4	4
22	22	22	22	23
228	228	228	228	228
3,346	3,348	3,348	3,348	3,351
41	42	42	42	42
16	16	16	16	16
39	39	39	39	39
14	14	14	14	14
1	1	1	1	1
12	12	12	12	12
204	204	204	204	205
291	291	291	291	292
194	194	194	194	194
10	10	10	10	10
117	117	117	119	120
4,508	4,529	4,529	4,533	4,536

